

69th Annual Report 2024-25

CONTENTS

1. Board of Directors, Principal Executives, Chief Executives-Units, Units/Division/Office, Registered Office, Central Office, Auditors, Bankers and Legal Advisers.	2-3
2. Notice	4
3. Chairman's Speech	5-6
4. Director's Report	7-20
5. Auditor's Report	21-51
6. Comments of the Comptroller and Auditors General of India & Management Reply	52-54
7. Balance Sheet	55-56
8. Profit & Loss Account	57-58
9. Cash Flow Statement	59-62
10. Note 1 to 24	63-85
11. Note 25 - Accounting Policies & Notes to Accounts Forming Part of Financial Statement	86-102

BOARD OF DIRECTORS

Smt. Aneeta C Meshram

Additional Secretary, Department of Fertilizers
Ministry of Chemicals & Fertilizers, Additional
Charge of Chairperson & Managing Director
(w.e.f 08.11.2024)

Smt. Neeraja Adidam

Special Secretary, Department of Fertilizers
Ministry of Chemicals & Fertilizers, Additional
Charge of Chairperson & Managing Director
(w.e.f20.01.2022 to 09.09.2024)

Shri Naresh Arya

Director (FICC), Department of Fertilizers Ministry
of Chemicals & Fertilizers, Additional Charge of
Director(Finance)
(w.e.f 30.04.2024)

Shri Padamsing Pradipsing Patil

Director, Department of Fertilizers, Ministry of
Chemicals & Fertilizers, Additional Charge of
Director (Finance)
(w.e.f. 26.09.2022 to 03.04.2024)

Shri Mohan Lal Meena

Deputy Secretary, Department of Fertilizers,
Ministry of Chemicals & Fertilizers, Additional
Charge of Govt. Nominee Director
(w.e.f01.11.2024)

Shri Johan Topno,

Director,
Department of Fertilizers,
Ministry of Chemicals & Fertilizers,
(w.e.f. 20.04.2020 to 30.09.2024)

Shri H. Chinzason

Joint Director (FICC),
Department of Fertilizers,
Ministry of Chemicals & Fertilizers, Additional
Charge of Govt. Nominee Director
(w.e.f. 01.11.2024)

Smt. Geeta Mishra

Joint Director (FICC),
Ministry of Chemicals & Fertilizers,
Additional Charge of Govt. Nominee Director
(w.e.f 29.09.2021 to 31.08.2024)

PRINCIPAL EXECUTIVES

Shri Anil Phulwari

Director,
Department of Fertilizers,
Ministry of Chemicals & Fertilizers,
Additional Charge of Chief Vigilance Officer
(w.e.f 28.11.2023)

Smt. Sion Kongari

Advisor

Smt. Monika Ahuja

Company Secretary
(w.e.f. 16.08.2024)

Shri S.S. Shekhawat

Officer on Special Duty

CHIEF EXECUTIVES-UNITS

Shri V.K. Choudhary

Incharge, Sindri Unit

Shri Shubham

Incharge, Gorakhpur Unit

Smt. M.N. Maleshwari

Incharge, Ramagundam Unit

Shri Irfan Ahmad

Incharge, Talchar Unit

Shri R.L. Deshbhratar
Incharge, Korba Division

UNITS/DIVISION/OFFICE

Sindri Unit	-	Jharkhand
Gorakhpur Unit	-	Uttar Pradesh
Ramagundam Unit	-	Telangana
Talcher Unit	-	Odisha
Korba Division	-	Chhatisgarh
Central Office	-	Noida (U.P)

REGISTERED OFFICE

7, Institutional Area, SCOPE Complex, Core-III, Lodhi Road, South Delhi, New Delhi-110003.

CENTRAL OFFICE

PDIL Bhawan (5th Floor), A-14,
Sector-1, NOIDA
Distt Gautam Budh Nagar,
Uttar Pradesh-201301.

AUDITORS

M/s M. Verma & Associates
Chartered Accountants, New Delhi.

BANKERS

State Bank of India
Canara Bank

LEGAL ADVISERS

M/s Fox & Mandal, Advocates, Kolkata.

M/s G. Joshi & Associates, Advocates, New Delhi

M/s. Hammurabi & Solomon, Advocates, New Delhi

NOTICE

SHORTER NOTICE is hereby given that the **69th Annual General Meeting** of the Members of Fertilizer Corporation of India Limited will be held on Wednesday, the 24th **December, 2025 at 04:00 P.M.** in the Conference Room, 2nd Floor, A' Wing, Department of Fertilizers, Shastri Bhawan, New Delhi 110001 to transact the Following business:-

ORDINARY BUSINESS OF 69TH AGM

1. To receive, consider and adopt the Audited Financial Statements, together with Board's Report, Auditors' Report and C&AG's Report thereon for the financial year ended on 31st March, 2025.

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution: -

"RESOLVED THAT the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2025, together with Board's Report, Auditors' Report, and the Comments of the Comptroller and Auditor General of India (C&AG) thereon be and are hereby **approved and adopted.**"

2. **Fixation of Remuneration of Statutory Auditors' of the Company.**

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :-

"RESOLVED THAT pursuant to Section 139(5) read with Section 142 of the Companies Act, 2013 and rules made thereunder, Fixation of remuneration of the Statutory Auditors' appointed by the Comptroller and Auditor General of India (C&AG) for the financial year 2025-26, to be decided by the Board, be and is hereby **approved.**"

By Order of the Board of Directors
For Fertilizers Corporation of India Limited

Sd/-
(Naresh Arya)
Director (Finance)

DIN No:-10627329

Date: 22.12.2025

Place: Noida

NOTE: A Shareholder entitled to attend and vote at the meeting, is entitled to appoint proxy to attend and vote instead of himself. A proxy need not be a Shareholder/Member of the Company.

To,

All Shareholders of FCIL All Board Members of FCIL

Copy to:

1. M/s. M Verma & Associates, Chartered Accountant.
2. Chairman, Audit Committee.

Chairman's speech at the 69th Annual General Meeting (AGM) of FCIL

Dear Shareholders, Ladies and Gentlemen,

On behalf of the Board of Directors, I welcome all the Shareholders to the **69th Annual General Meeting** of your Company for the Financial Year 2024-25 being held today.

At the outset, it is informed that the Directors' Report and Audited Annual Accounts for the year ended 31st March, 2025, together with Statutory Auditors' Report and comments of C&AG thereon have already been circulated. With your permission, I take them as read.

Financial Performance:

It is informed that during the financial year 2024-25, your Company incurred a net loss of Rs. 35.18 crore due to provision of Rs.81.45 crore, towards Income Tax demand for the shares issued by RFCL in 2018-19 & in 2022-23. Although, the matter is pending in the Hon'ble High Court, Delhi, but as an abundant precautionary measure the amount has been provided in the Books. If this provision is not considered than the net profit after for the year comes as Rs. 46.27 crore, as against Rs. 37.85 crore in the last year. Thus, the performance of the company during the year is better. The **net worth of the Company as on 31.03.2025 is Rs 705.51 crore.**

Dividend:

During the year 2024-25, FCIL incurred a net loss of Rs. 35.18 crore. In view of the provisions of Companies Act, that no company declares dividend unless carried over previous losses and depreciation not provided in previous years are set off against profit of the company for the current year, the Board of the company has decided not to declare dividend during the year 2024-25.

Future Outlook:

- **Ramagundum Unit** has been revived by RFCL and commercial production started w.e.f. 22.03.2021. During the year 2024-25, RFCL has produced 11.95 LMT of Urea and 6.83 LMT of Ammonia as against 11.16 LMT & 6.38 LMT of Urea & Ammonia respectively in previous year. During the year, the Company earned PBT of Rs. 55,258.52 Lakhs as against Rs. 44,096.10 Lakhs in previous year and PAT of Rs. 41,430.79 Lakhs as against Rs. 32,813.39 Lakhs in previous year.
- **Gorakhpur Project** has been commissioned and commercial production started on 03.05.2022. During the year 2024-25, Gorakhpur has produced 12,01,007 MT of Urea and 6,83,731 MT of Ammonia as against 13,50,128 MT and 7,67,590 MT respectively in previous year. During the year, HURL earned PBT of Rs. 1,837.36 crore and PAT of Rs.1,382.07 Crore, as against Rs. 1797.56 crore & Rs. 1324.48 crore respectively in previous year.
- **Sindri Project** has been commissioned and Commercial Production at Sindri started on 15.4.2023. During the year 2024-25, HURL has produced 12,47,035 MT of Urea and 7,15,658 MT of Ammonia, as against 11,43,767 MT & 6,59,610 MT respectively in previous year.
- **Talcher Fertilizers Limited (M/s.TFL)** The job of project is going ahead. The date of completion of the project has been scheduled as December 2027. Pre project activities have been completed. Project activities are in progress by various LSTK and Non- LSTK contract firms.

FCIL is a partner to these JVs with having 11% equity in HURL and RFCL and 4.45% in TFL. Each plant will produce 12.7 lakh MT per annum of Urea. HURL and RFCL projects are gas based the TFL project is a coal based project. RFCL has issued equity shares equivalent to 11% of the total equity of

RFCL. HURL has issued equity shares equivalent to 9.69% of total equity of HURL to FCIL & HFCL (combined).

Corporate Social Responsibility (CSR)

Considering its obligation towards society, FCIL had made contribution of **Rs 74.89 lakhs** under CSR Fund in **Prime Ministers' National Relief Fund** in the year 2024-25 and *Rs 48.09 lakhs* in *Prime Ministers' National Relief Fund* in the year 2023-24.

Acknowledgement:

Finally, I would like to convey my sincere gratitude to all Board Members, our stakeholders for their constant support and trust in FCIL. I take this opportunity to express my sincere thanks to the Department of Fertilizers, who have given whole hearted and continuous support.

I am also thankful for the whole-hearted support received from the Government of India, other Ministries and Departments of Government of India, Banks, Comptroller & Auditor General of India (C&AG) and Statutory Auditors. Also sincerely place my appreciation for the good work done by all the employees at all levels of the Company for their commitment and hard work for the Company.

Place: New Delhi
Date : 24.12.2025

Sd/-
(Aneeta C Meshram)
Chairman & Managing Director
DIN : 09781436

DIRECTORS' REPORT TO THE SHAREHOLDERS FOR THE FINANCIAL YEAR 2024-25

Dear Members,

Your Directors have pleasure in presenting the 69th Annual Report of the Company together with the Audited Accounts for the Financial Year ended on 31st March, 2025 and the Report of the Statutory Auditors, Management's reply, Director's Report and the C&AG's comments thereon.

2.0 FINANCIAL PERFORMANCE

The key highlights on the financial performance of your company for the FY ended March 31, 2025 with comparative position of previous year's performance are as under:

(Rs. In Lacs)

S.no	Particulars	2024-25	2023-24
1.	Revenue from Operations	0	0
2.	Other Income	7,304.03	6,446.74
3.	Total Income	7,304.03	6,446.74
4.	Total Expenses	9,212.35	1,356.83
5.	Profit/Loss Before tax	-1,908.32	5,089.91
6.	Tax Expense	1,610	1,210.00
7.	Profit/Loss After tax	-3,518.32	3,784.86
8.	Earnings per equity shares	-46.85	50.40
9.	Net worth	70,551.59	75,002.90

During the year 2024-25, FCIL incurred a net loss of Rs. 35.18 crore as against a net profit of Rs. 37.85 crore during 2023-24. The main reason of the loss is a provision of Rs. 8,145.12 Lakh, which has been provided in the books for the pending demand of IT Department relating to AY 2018-19 & 2022-23 for the shares issued to FCIL by RFCL. Although, the matter is pending in the Hon'ble High Court, Delhi, but as an abundant precautionary measure the amount has been provided in the Books.

3.0 FINANCIAL RESOURCES

3.1 SHARE CAPITAL

There is no change in the paid-up share capital of the Company. The subscribed capital and paid up capital remains Rs.750.92 crore during FY 2024-25 which is at par with the last financial year 2023-24.

The Company has not transferred any amount to any specific reserves for the year ended 31st March, 2025.

3.2 GOI LOAN & INTEREST ON GOI LOAN

There is no outstanding Gol Loan or Interest on Gol Loan.

4.0 DIVIDEND

As per Companies (Declaration & Payment of Dividend) Rules 2014 3(5), No Company shall declare dividend unless carried over previous losses and depreciation not provided in previous year or years are set off against profit of the Company of the current year. Hence, the Board of Directors has not recommended any Dividend in view of losses of Rs. 35.18 crore during the year 2024-25.

5.0 CONTRIBUTION TO NATIONAL EXCHEQUER

The Company made a contribution of Rs. 23.47 crore by way of GST, Income tax, Electricity duty to the Central and State exchequers during the year 2024 - 25.

6.0 PRODUCTION PERFORMANCE

There was no production of urea at any of the plants during the year due to the decision of the GoI for closure of the company in the year 2002. However, Joint venture companies, where FCIL is an equity partner for 11% stake, at Sindri, Gorakhpur & Ramagundam are producing Ammonia and Urea during the years 2024-25 as follows:-

(In LMT)

Particulars	Sindri	Gorakhpur	Ramagundam
Production of Urea	12.47	12.01	11.95
Production of Ammonia	7.16	6.84	6.83

7.0 PLANT STATUS

Pursuant to the Government's orders for closure of all units in 2002-03 (FY), there is no production in any of the units and activities are restricted to security arrangements and settlement of dues of employees. However, consequent to the decision of CCEA/ Cabinet regarding revival of closed units of FCIL, Ramagundam Unit has been revived by M/s. Ramagundam Fertilizers & Chemicals Limited (RFCL), a Joint Venture of EIL, NFL & FCIL. Gorakhpur & Sindri has been revived by M/s. Hindustan Urvarak & Rasayan Limited (HURL), a Joint Venture of NTPC, CIL, IOCL, FCIL & HFCL. Talcher Unit being revived by M/s Talcher Fertilizers Limited (TFL), a Joint Venture of CIL, RCF, GAIL & FCIL, is at construction stage.

8.0 MARKETING OPERATIONS

In view of decision for closure of all the fertilizer units of the Company and there being no production, marketing offices at Hyderabad, Bhubaneswar, Kolkata, Patna, Ranchi were closed and assets of these offices were disposed/ sent to other offices/ units. Hence, there is no marketing activity.

9.0 REVIVAL OF THE COMPANY

1. Subsequently, considering the demand-supply gap of urea in the country and to leverage the assets & infrastructure available in the closed fertilizer Units of FCIL, GoI, in April 2007, took a decision to consider revival of these Units.
2. In October 2008, CCEA constituted an Empowered Committee of Secretaries (ECoS) to examine the viability of revival of these Units and recommend a Scheme for revival, without recourse to Government funding and subject to the availability of gas.
3. CCEA approved a Draft Rehabilitation Scheme on 4.8.2011 on the recommendations of ECoS for revival of the individual Units either by GoI nominated PSUs or through bidding route. CCEA further approved that the reviving JVs of Government nominated PSUs would offer a minimum of 11% equity and a Board seat in the Project to FCIL.
4. Further, CCEA on 9.5.2013 approved waiver of GoI loan (Rs.2739.27 crore) & interest (Rs.7904.47 crore) of FCIL as on 31.3.2012 to make its net worth positive to enable FCIL to get de-registered from BIFR to speed up the revival process. The Company was de-registered from BIFR on 27.6.2013.
5. At present, with the approval of GoI, the revival of the Units of FCIL is being carried out as under:

10.0 Present Status of revival

Ramagundam Unit:

- A Joint Venture Company, namely 'Ramagundam Fertilizers & Chemicals Limited' (RFCL) has been incorporated on 17.2.2015 with the participation of NFL, EIL & FCIL. FCIL to get 11% equity for providing the infrastructure of the Unit.
- Director (Finance), FCIL, is the FCIL nominated Director on the Board of RFCL.
- Concession Agreement & Lease Agreement have been signed between FCIL & RFCL. Substitution Agreement has been signed amongst RFCL, Lenders' representative of RFCL and FCIL
- RFCL has started commercial production w.e.f. 22.3.2021.

- During the year 2024-25, RFCL has produced 11.95 LMT of Urea and 6.83 LMT of Ammonia as against 11.16 LMT & 6.38 LMT of Urea & Ammonia respectively in previous year. During the year, the Company earned PBT of Rs. 55,258.52 Lakhs as against Rs. 44,096.10 Lakhs in previous year and PAT of Rs. 41,430.79 Lakhs as against Rs. 32,813.39 Lakhs in previous year.

Talcher Unit:

- A Joint Venture Company, namely, ‘Talcher Fertilizers Limited’ (TFL) has been incorporated with the participation of RCF, CIL, GAIL & FCIL.
- FCIL to get 4.45% equity for providing the infrastructure of the Unit.
- Director (Finance), FCIL is the nominated Director on the Board of TFL.
- Concession Agreement and Lease Agreement have been signed between FCIL and TFL. Substitution Agreement has been signed amongst FCIL, TFL, and lender’s representative of TFL.
- TFL is currently under the construction and erection phase with the likely Plant commissioning by December 2027.
- During the year, TFL has earned PBT for the FY 2024-25 is Rs. 273.27 Lakhs and PAT of Rs. 246.94 Lakhs, as against Rs. (-) 734.00 Lakhs & Rs. (-) 252.52 lakhs respectively last year.

Sindri & Gorakhpur Units:

- Union Cabinet decided on 13.7.2016 to revive Sindri & Gorakhpur Units of FCIL, along with Barauni Unit of HFCL by a Joint Venture Company of nominated PSUs, namely, NTPC, CIL & IOCL. FCIL & HFCL would also be Joint Venture partners, who would receive 10.99% equity in each of the projects in lieu of land use, usable assets & opportunity cost.
- A Joint Venture company in the name of ‘Hindustan Urvarak & Rasayan Limited (HURL)’ has been incorporated for the purpose of revival of the units.
- Concession Agreements as well as Lease Deeds have been signed between FCIL & HURL for Sindri & Gorakhpur Projects. Substitution Agreements for Gorakhpur & Sindri Units have also been signed amongst FCIL, HURL & Lenders’ Representative.
- Gorakhpur and Sindri Plants have started commercial production w.e.f. 03.05.2022 and 15.04.2023 respectively.
- The production of HURL for Gorakhpur & Sindri are as under:-

Production	Gorakhpur		Sindri	
	2024-25	2023-24	2024-25	2023-24
Ammonia	6,83,731	7,67,590	7,15,658	6,59,610
Urea	12,01,007	13,50,128	12,47,035	11,43,767

(MT)

- During the year, HURL earned PBT of Rs. 1,837.36 crore and PAT of Rs.1,382.07 Crore, as against Rs. 1,797.56 crore & Rs. 1,324.48 crore respectively last year.

11.0 FUTURE OUTLOOK:

The net-worth of the Company has turned positive. The Units of FCIL have revived, where FCIL is JV partner, having 11% stake, at Sindri, Gorakhpur & Ramagundam. Commercial production at Ramagundam, Gorakhpur, Sindri has already been started on 22.03.2021, 03.05.2022, 15.04.2023 respectively. Construction activities at Talcher are in full swing.

Production at different units of FCIL by JV companies (where FCIL is an equity partner) is as under:

Product	Unit	Installed capacity	2023-24		2024-25	
			Production	Capacity Utilization %	Production	Capacity Utilization *
Urea	Ramagundam	12.70	11.16	88%	11.95	94%
Urea	Gorakhpur	12.70	13.50	106%	12.01	95%
Urea	Sindri	12.70	11.44	86%	12.47	98%

*Based on average installed capacity of the year.

12.0 VIGILANCE DEPARTMENT - ITS ACTIVITIES AND ACHIEVEMENTS FOR THE YEAR 2024-25.

The Vigilance Department is considered to be an integral part of the Management function. Shri Anil Phulwari, Director DoF is holding the additional charge of Chief Vigilance Officer of FCIL. CVO provides direction, guidance and supervision over the vigilance efforts of the company with meager staff available on the rolls of the company. The department assists in maintaining the transparency and integrity in general administration and in increasing the efficiency in FCIL through various preventive measures and by observing vigilance awareness week.

13.0 RIGHT TO INFORMATION ACT, 2005

The Right to Information Act, 2005 mandates timely response to citizen's request for information relating to Public Authorities. Under the RTI Act, 2005, the Company makes all efforts to follow the directives under the Act. The Company has created necessary mechanism as required under the Act. The name of the Central Public Information Officer (CPIO)/ Appellate Authority/ Assistant Public Information Officers (APIOs) is prominently displayed on the company's website (www.fertcorp.in). The Public Information Officers are diligently addressing the request and appeals submitted by applicants. During the year 2024-25, 65 RTI applications were received and replied/transferred. Thus, there is a timely compliance of RTI Act, 2005.

14.0 USE OF HINDI AS OFFICIAL LANGUAGE

The Company complies with annual programs and instructions and all other directives issued by the Government regarding progressive use of Hindi. Also, efforts are being made to make use of Hindi in day to day official work.

15.0 STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY FOR THE COMPANY INCLUDING THE IDENTIFICATION THEREIN OF ELEMENT OF RISK, IF ANY WHICH IN THE OPINION OF THE BOARD MAY THREATEN THE EXISTENCE OF THE COMPANY.

As per the decision of GoI, the revival activities of the Company are going on. Keeping this in view, risk management policy including identification of element of risk, which may threaten the existence of the Company, has not been formulated so far.

16.0 INDUSTRIAL RELATIONS, HUMAN RESOURCE, WELFARE, SAFETY, PARTICIPATIVE MANAGEMENT etc.

The staff strength as on 31.03.2025 is only 01 (one) regular employee. Some ex-employees have been engaged as retainers to look after the safety & security of the properties of the Company and to discharge statutory obligations, apart from revival activities. Presently, the 1987 Pay Scale is applicable in the Company and the proposal for 2017 pay scale is under consideration of the DoF. Due to the closure of all Units, safety rules and procedures were followed to a limited applicable extent while dealing with hazardous and inflammable materials.

17.0 DETAILS OF EMPLOYEES

In accordance with Section 197 of the Companies Act 2013 read with Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, no employee was in receipt of remuneration of Rs. 8,50,000/- p.m. (Rs. 1,02,00,000/- p.a.) or more throughout the financial year or part of the financial year. Therefore, it is not applicable to the Company.

18.0 EMPLOYMENT OF SCs/STs, EX-SERVICEMEN AND PHYSICALLY HANDICAPPED PERSONS

Government's directives with regard to reservation of posts for SCs /STs /Ex-servicemen, including physically handicapped, were kept in view. However, no recruitment has been made during the year.

19.0 ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUT GO.

In view of Government's decision for closure of the production activities of the Company, there was no scope to take up any measures for energy conservation, Technology absorption during the year. Foreign Exchange earning was 'nil' during the year.

20.0 IT USAGE

Use of Computers for doing all activities including office jobs and use of internet/email are being maintained.

21.0 DISCLOSURE RELATING TO SUBSIDIARIES ASSOCIATES AND JOINT VENTURES

Company does not have Subsidiary and Associates Company as on March 31, 2025. Further, Joint Venture Company M/s. Ramagundam Fertilizers & Chemicals Limited (RFCL), with Joint Partners (EIL, NFL & FCIL). M/s. Hindustan Urvarak & Rasayan Limited (HURL), with Joint Partners (NTPC, CIL, IOCL, FCIL & HFCL) and M/s Talcher Fertilizers Limited (TFL), with Joint Partners (CIL, RCF, GAIL & FCIL) are existing.

FCIL shall be allotted 11% equity shares in M/s RFCL, 10.99% equity shares in M/s HURL, and 4.45 % equity shares in M/s TFL, in consideration of providing the land and infrastructure for the Unit.

22.0 RELATED PARTY DISCLOSURES

The particulars of contracts/arrangement entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013 have been disclosed suitably in the financial statement of the company for the financial year 2024-25.

23.0 CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

Pursuant to the provisions of Section 135 of the Companies Act, 2013 and the Companies CSR Rules, 2014 read with various clarifications/amendments issued by Ministry of Corporate Affairs & DPE Guidelines, a CSR Committee has been formed, which recommends CSR projects/activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 to the Board.

The CSR activities are monitored periodically by the Committee and an annual report on CSR activities undertaken during the year 2024-25 is enclosed herewith as **Annexure 1**.

During the year 2024-25, the Company allocated Rs. 74.89 lacs as CSR Budget. FCIL has made a contribution of Rs. 74.89 lakhs towards Prime Minister's National Relief Fund on 05.03.2025 as CSR obligations.

24.0 STATUTORY AUDITORS.

The Statutory Auditors of the company are appointed by the Comptroller and Auditor General of India. M/s. M. Verma & Associates were appointed as Statutory Auditors for the financial year 2024-25.

25.0 DISCLOSURE UNDER THE SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

The Internal Complainant Committee under Sexual Harassment of women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 has been constituted to redress complaints regarding sexual harassment. During the year under review, No complaint of Sexual Harassment of Women at Workplace was received.

26.0 MAINTENANCE OF COST RECORDS

As production activities at all the units are closed, the provisions of Section 148(1) of the Companies Act, 2013 and Rule-3 of the Companies (Cost Records and Audit) Rules-2014 for maintaining cost records are not applicable to the Company.

27.0 SECRETARIAL AUDIT

The requirement of obtaining a Secretarial Audit Report u/s 204 of the Companies Act, 2013 from the practicing Company Secretary is not applicable to the Company. However, Company has adhered to strict compliances of all laws applicable to the Company.

28.0 DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):

28.1 BOARD OF DIRECTORS

a) Composition of Board of Directors

Fertilizer Corporation of India limited (FCIL) is a Government Company under the administrative control of the Ministry of Chemicals and Fertilizers, GoI. The composition of the Board of the Company is governed by the provisions of the Companies Act, 2013 (the Act) and DPE Guidelines. Being a Government Company and as per the AOA of the Company, the power to appoint Directors vest with the President of India.

The Board of Directors of the Company as on March 31,2025, the Board of FCIL comprises two (2) functional Directors including Chairman & Managing Director (CMD) and Director (Finance), two (2) Government Nominee Directors as follows:-

S.no	Name and DIN	Designation
1	Smt. Neeraja Adidam (DIN: 09351163)	Chairperson & Managing Director Upto 09.09.2024
2	Smt. Aneeta C. Meshram (DIN: 09781436)	Chairperson & Managing Director (w.e.f. 08.11.2024)
3	Sh.Padamsing Pradipsing Patil (DIN: 09747446)	Director (Finance) Upto 03.04.2024
4	Sh. Naresh Arya (DIN-10627329)	Director (Finance) (w.e.f 30.04.2024)
5	Smt. Geeta Mishra (DIN: 09354822)	Govt. Nominee Director (Upto 31.08.2024)
6	Sh.H.Chinzason (DIN: 10837006)	Govt. Nominee Director (w.e.f 01.11.2024)
7	Shri. Johan Topno (DIN: 08758583)	Govt. Nominee Director (Upto 30.09.2024)
8	Sh. Mohan Lal Meena DIN (10838870)	Govt. Nominee Director (w.e.f. 01.11.2024)

28.2 CHANGES IN COMPOSITION OF DIRECTORS & KEY MANAGERIAL PERSONNEL (KMP) DURING THE YEAR 2024-25.

The following changes have taken place in the Board of Directors of your Company during the year:

1. Shri Naresh Arya (DIN : 10627329), Director (CE), has been entrusted additional charge of Director (Finance) w.e.f 30.04.2024 in terms of DoF order No. 76/01/2006-HR-I(E.4224)

dated April 30, 2024 vice Shri Padamsing P. Patil (DIN: 09747446), Director (FS), DoF w.e.f. 03.04.2024.

2. Smt. Aneeta C Meshram (DIN : 09781436), Additional Secretary, Department of Fertilizers, has been entrusted additional charge of Chairman & Managing Director (CMD), FCIL w.e.f 08.11.2024 in terms of DoF order No. 76/01/2005-HR-PSU (E. 27316) dated 08.11.2024 vice Smt. Neeraja Adidam (DIN: 09351163), Former Special Secretary DoF w.e.f. 09.09.2024.
3. Shri H.Chinzason (DIN:10837006), Joint Director (FICC), DoF, has been entrusted additional charge of Govt. Nominee Director, FCIL w.e.f 01.11.2024 in terms of DoF order No. 95/01/2019-HR-PSU (Part-2) (E.-31042) dated 01.11.2024 vice Smt. Geeta Mishra, Joint Director (FICC), DoF stands retired from Govt. service w.e.f 31.08.2024.
4. Shri Mohan Lal Meena (DIN:10838870), Deputy Secretary, DoF, has been entrusted additional charge of Govt. Nominee Director, FCIL w.e.f 01.11.2024 in terms of DoF order No. 95/01/2019-HR-PSU (Part-2) (E. 31042) dated 01.11.2024 vice Shri. Johan Topno, Director, DoF stands retired from Govt. service w.e.f 30.09.2024.
5. Ms. Monika Ahuja (M. No.-A56411) has been appointed as Company Secretary w.e.f. 16.08.2024 vice Smt. Ritu Bhatia (M. No.-A18344), Company Secretary upto 15.01.2024.

28.3 CHANGES IN COMPOSITION OF DIRECTORS AFTER THE CLOSE OF THE YEAR.

No changes have taken place in the Composition of Board of Directors of the Company after close of the financial year 31st March, 2025.

28.4 MEETINGS OF BOARD OF DIRECTORS, ANNUAL GENERAL MEETING (AGM), AND ATTENDANCE OF DIRECTORS.

During the financial year 2024-25, **Four (4)** meetings of Board of Directors took place. The Meetings of the Board are held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings. The details of the Board Meetings and attendance of Directors are given below:

Date of Board Meeting	Board Strength	Place of Meeting	No. of Directors Present
28.06.2024	4	Delhi	4
30.07.2024	4	Delhi	4
25.11.2024	4	Delhi	4
11.03.2025	4	Delhi	3

The details of attendance of the Board Members at Board Meetings and Annual General Meeting (AGM) held during FY 2024-25 are tabled below:

S.no	Name of Director	Total Board Meetings entitled to attend during the FY 24-25	No. of Board Meeting attended	Whether attended last AGM held on 25.11.2024
1.	Smt. Neeraja Adidam	2	2	N.A

2.	Smt. Aneeta C. Meshram	2	2	Yes
3.	Shri Padamsing P. Patil	1	0	N.A
4.	Sh. Naresh Arya	4	4	Yes
5.	Smt. Geeta Mishra	2	2	N.A
6.	Sh.H.Chinzason	2	2	Yes
7.	Shri. Johan Topno	2	2	N.A
8.	Sh. Mohan Lal Meena	2	1	Yes

29.0 ANNUAL GENERAL MEETING

The 68th Annual General Meeting (AGM) of the Company for the year 2024 was held on November 25, 2024 at 12:30 Hrs at New Delhi.

30.0 BOARD COMMITTEE

The Board of Directors has constituted various Committees to assist in the management of day-to-day affairs of the Company and to facilitate smooth and efficient flow of decision-making process. The details of such committees constituted by the Board as on March 31, 2025 are as under:

30.1 CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

Pursuant to the provisions of Section 135 of the Companies Act, 2013, the Corporate Social Responsibility (CSR) Committee of the Board has been originally constituted by the Board of Directors on December 30, 2020 to formulate and recommends CSR policy to the Board indicating the projects/activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013. The Committee has been reconstituted as and when there has been change in directors.

During the FY 2024-25, CSR Committee has been re-constituted by the Board unanimously on 18.11.2024 consisting of Sh. Mohan Lal Meena as Chairman, Shri Naresh Arya and H. Chinzason as Members. The CSR Committee met one (1) time i.e. 25.11.2024. The attendance of members as on March 31, 2025 as under:

S.no	Name of Member	Designation	Attendance
1.	Sh. Mohan Lal Meena	Chairman	Present
2.	Sh. Naresh Arya	Member	Present
3.	Sh. H. Chinzason	Member	Present

30.2 AUDIT COMMITTEE

In accordance with Section 177 of the Companies Act, 2013 and DPE Corporate Governance Guideline, 2010 as amended from time to time, Audit Committee has been re-constituted by the Board on 18.11.2024 consisting of Sh. Mohan Lal Meena as Chairman, Shri Naresh Arya and H. Chinzason as Members.

The Audit Committee met three (3) times i.e. 30.07.2024, 25.11.2024 and 11.03.2025 respectively. The attendance of members as on March 31, 2025 as under:

S.no	Name of Director	Status	Total Meetings entitled to attend during the FY 24-25	No. of Meeting attended
1.	Shri. Johan Topno (Upto 30.09.2024)	Chairman	1	1
2.	Sh. Mohan Lal Meena (w.e.f. 01.11.2024)	Chairman	2	1
3.	Sh. Naresh Arya (w.e.f 30.04.2024)	Member	3	3
4.	Smt. Geeta Mishra (upto 31.08.2024)	Member	1	1
5.	Sh.H.Chinzason (w.e.f. 01.11.2024)	Member	2	2

31.0 MANAGEMENT COMMENTS ON STATUTORY AUDITORS REPORT.

The Statutory Auditors of the company has submitted the Audit Report on the accounts of the company for the financial year 2024-25, is annexed herewith on along with Management's replies.

32.0 COMMENTS OF COMPTROLLER AND AUDITOR GENERAL OF INDIA

The C&AG comments under Section 143(6) of the Companies Act, 2013 for the year 2024-25 have been received and are annexed herewith along with the replies of the management.

33.0 DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(5) of the Companies Act 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- a. That in the preparation of the Annual Accounts for the financial year ended 31st March, 2025, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b. That the Directors have selected such accounting policies and applied them consistently and made judgments & estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for the year under review.
- c. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

- d. The accounts for the financial year 2024-2025 have been prepared on “Going Concern” basis.
- e. The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

34.0 ANNUAL RETURN

As required, pursuant to Sec.92(3) of the Companies Act 2013 and Rule12(1) of the Companies (Management & Administration) Rule 2014, Annual Return in MGT-7 is available on the FCIL *website* : fertcorp.in

35.0 OTHER DISCLOSURES

1. Company has generally complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) relating to ‘Meetings of the Board of Directors’ and ‘Annual General Meetings’ during the FY 2024-25.
2. Company has not accepted any deposits from the public during the FY.
3. There was no change in the nature of business of company during the year ended March 31, 2025.
4. There were no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.
5. There were no instances of fraud reported by the Auditors vide their Report for the FY 2024-25.
6. There are no proceedings initiated / pending against the company under the Insolvency and Bankruptcy Code, 2016.
7. The Company has not given any loans or guarantees or made any investment covered under the provisions of section 186 of the Companies Act, 2013.
8. All Directors had disclosed his/her nature of their interest / concern in the company or companies or bodies corporate, firms, or other association of individuals as required under the Companies Act, 2013 from time to time.

36.0 ACKNOWLEDGEMENTS

The Directors place on record their appreciation for the services of the employees during the year. The Directors gratefully acknowledge the support received from the various Ministries & Departments of the Government of India and State Governments and in particular the Secretary, Department of Fertilizers, DPE and other officers of the Department for their guidance, cooperation and support.

The Directors also place on record their sincere thanks to the Comptroller & Auditor General of India, Statutory Auditors and to the employees of the Company for their valued cooperation and support.

For & on behalf of the
Board of Directors

Sd/-
(Aneeta C Meshram)
Chairman & Managing Director
(DIN-09781436)

FERTILIZER CORPORATION OF INDIA LIMITED

THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT FOR THE YEAR 2024-25.

1. Brief outline on CSR Policy of the Company.

Pursuant to Section 135 of the Companies Act, 2013, your Company has a CSR Policy which has been approved by the board upon recommendation of the Corporate Social Responsibility Committee. The Corporate Social Responsibility (CSR) Policy primarily focus on Education, Healthcare, Women Empowerment, Sports etc. The Company's commitment to operate in an economically, socially and environmentally sustainable manner. Besides these focus areas, the CSR Policy also allows the Company to undertake such other CSR activity(ies), as listed in Schedule VII of the Companies Act, 2013, as amended from time to time. The Company is undertaking CSR activities since the year 2020. The CSR policy is available on the website of the Company at the following link: <http://www.fertcorp.in/>.

2. COMPOSITION OF CSR COMMITTEE:

The CSR Committee at Board Level was first constituted on December 30, 2020 and then the Committee has been reconstituted from time to time. During the FY 2024-25, one (1) meeting of CSR Committee was held on 25.11.2024. The composition of the CSR Committee and attendance of members as on March 31, 2025 as under:

S.no	Name of Member	Designation	Total No. of meetings entitled to attend during the FY 24-25.	Number of meetings attended
1.	Smt. Geeta Mishra (upto 31.08.2024)	Chairperson	0	0
2.	Sh. Mohan Lal Meena (Member w.e.f. 18.11.2024)	Chairman	1	1
3.	Shri Padamsing P. Patil (upto 03.04.2024)	Member	0	0
4.	Sh. Naresh Arya (Member w.e.f. 30.04.2024)	Member	1	1
5.	Shri Johan Topno (upto 30.09.2024)	Member	0	0
6.	Sh. H. Chinzason (Member w.e.f.18.11.2024)	Member	1	1

3. Weblinks: Composition of CSR Committee, CSR Policy approved by board are disclosed on the website of the company.

CSR Committee- <http://www.fertcorp.in>.

CSR Policy- <http://www.fertcorp.in/>.

CSR Projects- The Company does not have any ongoing CSR projects.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report)

Not applicable for this financial year. Further, none of the CSR activities taken up during FY 2024-25 were Rs. 1 crore or above for which impact assessment is required.

5. Details of Impact assessment of CSR projects carried out in pursuance of sub rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

No impact assessment was conducted as the CSR Projects of the Company do not have 10 crore of average CSR obligation in the last 3 years.

Amount(Rs) in Lakh

6. (a) Average Net profit of the Company as per Section 135(5)- 3744.57

Average net profit of the company for last three financial years as per section 135(5).	2021-22	2357.21
	2022-23	4668.18
	2023-24	4208.32
	Average of Net Profit for 3 years	3744.57 (11233.71/3)

7. (a) Two percent (2%) of average net profit of the Company as per section 135(5) - 74.89

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial year - Nil

(c) Amount required to be set off for the financial year, if any - Nil

(d) Total CSR obligation for the financial year (7a + 7b-7c) - ₹ 74.89 lakh

8. (a) CSR amount spent or unspent for the financial year 2024-25.

Amount (₹ in Lakhs)

Total Amount Spent for the FY 2024-25	Amount Unspent				
	Total Amount transferred to Unspent CSR account as per Section 135 (6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of Fund	Amount	Date of Transfer
74.89	NIL				

(b) Details of CSR amount spent against ongoing projects for the financial year - Nil

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Amount (₹ in Lakhs)

S.no	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local Area (Yes/No)	Location of the Project	Amount Spent for the project	Mode of Implementation Direct (Yes/No)	Mode of Implementation Implementing Agency
1.	PMNRF	PMNRF	--	--	74.89	Yes	--
TOTAL					74.89	--	--

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹74.89 Lakhs

(g) Excess amount for set off, if any: Nil

S.No	Particulars	Amount
(i)	Two percentage of average net profit of the Company as per section 135(5)	₹74.89 Lacs
(ii)	Total amount spent for the Financial Year	₹74.89 Lacs
(iii)	Excess amount spent for the financial year .	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any.	Nil
(v)	Amount available for set off in succeeding financial.	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years: Nil

S.no	Preceding Financial year	Amount transferred to Unspent CSR Account u/s 135 (6)	Amount spent in the reporting financial year	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any	Amount remaining to be spent in succeeding financial year
1.	2021-22			Nil	
2.	2022-23			Nil	
3.	2023-24			Nil	
	Total			Nil	

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil

S.No	Project ID	Name of Project	FY in which the project was commenced	Project duration	Total amount allocated for the project	Amount spent on the project in the reporting FY	Cumulative amount spent at the end of reporting FY	Status of the project s-Completed/ongoing
1.								NIL

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details) : Nil

(a) Date of creation or acquisition of the capital asset (s) : Nil

(b) Amount of CSR spent for creation or acquisition of capital asset : Nil

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. : Nil

(d) Provide details of the capital asset (s) created or acquired (including complete address and location of the capital asset) : Nil

11. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per section 135(5) : NIL

**On behalf of the Board of Directors
For Fertilizer Corporation of India Limited**

Sd/-
(Aneeta C Meshram)
Chairman & Managing Director
DIN: 09781436

ADDENDUM TO DIRECTOR'S REPORT

Comments of Statutory Auditors (Reference Statutory Auditor's Report Date (29.10.2025) and explanation of the company.

Basis for Qualified Opinion

Comments of Statutory Auditors

Management Reply

- 1 In terms of Joint Venture Agreement, supplementary joint venture agreement, concessioner agreement of HURL (a joint Venture Company of Coal India Ltd, NTPC Ltd, Indian Oil Corporation Ltd, Hindustan Fertilizer Corporation Ltd and Fertilizer Corporation of India Ltd.) for the revival of Sindri and Gorakhpur units, in lieu of use of land, assets and opportunity cost, 10.99% of the paid up equity capital of the joint venture company HURL is to be issued at the time of commencement of commercial production of the projects. As per record available commercial production at Gorakhpur and Sindri units took place on 03.05.2022 and 15.04.2023 respectively and the Company is entitled to receive equity shares representing 10.99% equity of the HURL in consideration for the use of land, assets leased for 55 years and the related opportunity cost. Subsequently, on 18.08.2025, prior to the approval of the Company's financial statements, HURL has allotted 56,72,17,733 equity shares having face value of Rs. 10 each and credited such equity shares in favour of the Company. Contrary to Ind AS 10 "Events after the Reporting Period" the Company has not recognised the said investment in the joint venture and the corresponding deferred lease income (liability) in its financial statements as at 31st March 2025, nor has accounted for the income accrue after the commencement of commercial production for Gorakhpur and Sindri units. Consequently, the Investment in Joint Venture and the corresponding Deferred Lease Income (Liability) are understated by Rs. 56,721.77 lakhs, further income accrued after the commencement of commercial production at Gorakhpur and Sindri Units and their consequential impact has not been ascertained and accounted for by the Company. (Refer note no E).

In terms of Cabinet approval concession agreement & Supplementary Joint Venture agreement FCIL is entitled for Equity shares in HURL @ 7.33% for the total paid up capital of the JVC portion of the Capital Expenditure of the Project at the time of commencement of commercial production. The commercial production at Gorakhpur & Sindri Commenced on 3.5.2022 & 15.4.2023 respectively. Thus, the right of FCIL accrued on these dates and HURL was supposed to issue equity shares by these dates positively based on the project expenditure incurred. But HURL could not finalise its Project cost even upto 24.9.2025 (the date of latest meeting of IMC on this issue). In this meeting HURL has indicated its cost on the basis of cash expenditure only and not on the basis of accrued cost.

As the matter is pending since May, 2022 for ascertaining the correct amount of shares it could not be considered in books in the year 2022-23 and 2023-24. The IMC in its meeting dated 24.9.2025 has also given directions on the basis of cash expenditure incurred by HURL till 30.4.2023. Thus, the quantum of actual equity shares receivable by FCIL from HURL, is yet to be decided.

Moreover, for the shares received by FCIL in respect of RFCL (another JV company of FCIL) during 2018-19 & 2022-23, there is a pending demand of Income Tax of Rs.81.45 crore and a GST demand of Rs.74.86 crore, which are pending in Hon'ble High Courts Delhi & Allahabad respectively for adjudication. In ITAT it was deliberated that the demand of Income Tax emerged due to wrong accounting entry passed by FCIL for receipt of shares.

Therefore, FCIL is in the process of seeking advice from ICAI and Income Tax experts regarding proper accounting treatment of this transaction so that no tax incidence occurs, as it is against the basic spirit of cabinet decision to revive closed units of FCIL which is not having any operating income to meet such heavy tax demands for the notional transactions not yielding any cash accruals.

The equity shares valuing Rs.567.22 crore, i.e. 6.46% of the total equity of HURL, received by FCIL from HURL, under protest, on 18.8.2025 and FCIL thought fit not to pass any accounting entry hurriedly, for the equity shares received from HURL till a suitable

decision is taken in this regard, as the financial tax implications is very huge.

After getting the expert advice, necessary accounting entry either directly booking the amount to Reserve and Surplus without touching profit and loss accounts or to book the income as deferred income over the concession period (55 years), will be made during 2025-26.

2 As stated in Note 9.1 to the financial statements, the Company has not recognised a provision for a GST demand amounting to Rs. 7485.71 Lakhs (comprising GST of Rs. 3,742.86 lakhs and penalty of Rs. 3,742.86) arising from a transaction with its Joint Venture Company Ramagundam Fertilizers & Chemicals Limited (RFCL), involving the issue of equity shares in lieu of providing land use rights, usable assets, and opportunity cost. The Company has received equity amounting to Rs. 20,793.64 lakhs as consideration in the previous years and has treated the aforesaid demand as a contingent liability.

The Company has filed a writ petition before the Hon'ble High Court against the said GST demand; however, it has neither obtained any legal opinion in support of its contention nor demonstrated that the likelihood of outflow of resources is remote. We further note that the Company had already lost at two earlier assessment / appellate stages before the GST authorities at Chandigarh and Noida prior to approaching the Hon'ble High Court.

In our opinion, considering (i) the nature and substance of the transaction, (ii) the decisions of the GST authorities in earlier proceedings, and (iii) the relevant provisions of the GST law, a present obligation exists as at the balance sheet date. Further, as per *Ind AS 37 – "Provisions, Contingent Liabilities and Contingent Assets"*, a provision is required to be recognised when (a) there is a present obligation, (b) an outflow of resources is probable, and (c) a reliable estimate can be made. In this case, all the aforesaid conditions are satisfied. Accordingly, a provision should have been recognised in respect of the said GST demand.

We further observe that, for the same underlying transaction, the Income Tax Department has also raised a demand of Rs. 8,145.13 lakhs, against which the Company had similarly filed a writ petition before the Hon'ble High Court. While in the previous year the said income tax demand was considered a contingent liability supported by a legal opinion, during the current year the Company has recognised the full liability in the books for the said income tax demand, even though the proceedings before the Hon'ble High Court are

The statement of the auditor that company has lost at two earlier assessment/ appellate stage at Chandigarh & Noida is not correct. GST Chandigarh office has issued a show cause notice only on 02.08.2024 that "why an amount of Rs. 37.43 crore be demanded from FCIL alongwith interest & penalty"? It was suitably represented with Joint Commissioner, CGST Noida but the assessing officer has not accepted our Plea & confirmed the demand of Rs. 37.43 crore alongwith penalty of Rs. 37.43 crore & applicable interest, on 01.02.2025, which has been challenges by FCIL in Hon'ble High Court Allahabad & the matter is pending thereat.

In this case FCIL is a service provider, the recipient is RFCL who is liable to pay GST demand, if any. FCIL has already written to RFCL on 29.07.2024 (i.e. even before the issue of show cause notice by GST Chandigarh office on 02.08.2024) to pay an amount of Rs. 37.43 crore. RFCL has informed on 27.08.2024 that they are reviewing the matter. So, the prime responsibility lies on RFCL & not on FCIL

Further, we have also referred the matter to DoF for seeking fresh approval of CCEA for excluding this matter from the purview of GST, as it is against the basic spirit of cabinet decision to revive closed units of FCIL without any cash outgo by FCIL.

In these circumstances it was thought fix not to provide of Rs. 7485.71 lakhs in the books for GST demand.

still pending.

Had the Company recognised the aforesaid GST liability, the loss before tax for the year would have been higher by Rs. 7,485.71 lakhs and the total equity would have been lower by Rs. 7,485.71 lakhs. The above amounts are exclusive of any interest component that may have accrued till date.

- 3** As stated in note number C.4.(iv) at Gorakhpur, as per order of the UP Govt. 268.335 Acres of land is put under the control of DM Gorakhpur, further out of above, after demolishing 215 quarters constructed on land measuring 49 acres, Sainik School is constructed with the order of UP Govt. As ownership of the above stated land is now not with the Company, loss on account of transfer of land measuring 268.335 acres has not been ascertained and provided by the Company.
- The matter has been referred to DoF for resolution.

- 4** During the year, the Company's Sindri Unit has recognized rental income amounting to Rs. 86.19 lakhs by adjusting long-outstanding dues, majority pertaining to past periods ranging from 8 to 12 years against security deposits held from tenants occupying residential quarters. These adjustments were made despite the absence of lease deeds, renewal agreements, or documentation evidencing the Company's right to make such adjustments.
- In terms of lease agreements executed between FCIL & lease holders the amount of Security Deposit is liable to be adjusted against the outstanding dues. Thus, the amount has been rightly adjusted against the security deposit

In our view, recognition of income relating to prior periods in the current year, without adequate evidence of actual recovery, is not in compliance with the applicable Ind AS 115 and Ind AS 8. Moreover, due to non-availability of tenant-wise supporting documentation, we are unable to comment Company's right to make such adjustment and quantify the impact of this adjustment on the financial statements.

Had the revenue been appropriately recognized, the loss for the year would have been higher to the extent of such unverified adjustments. Also, this would have also resulted in a **higher balance of security deposits** (liabilities) as on the reporting date.

- 5** Balances due from/to debtors, creditors, other parties, advances are pending for confirmation/reconciliation and impact of consequential adjustments on standalone financial statements as on 31st March, 2025 are not ascertainable at this stage. (Note No. F.3).
- The balances are very old i.e. more than 20 years, addresses of the most of the parties are not available

- 6** Unaccounted inventory of platinum wares, gold chemicals, and laboratory utensils measuring 2583.04 gm has been reported
- The platinum wares, gold chemicals and laboratory utensils are treated as normal consumable items and have been never shown

at Sindri unit. In addition to above unaccounted inventory of platinum wares, gold chemicals, laboratory utensils i.e., 221.40 gm, 524.44gm and 433.68 gm has been transferred from Gorakhpur, Talcher and Ramagundam Units respectively to Sindri Unit. Value of above stated inventory has not been ascertained and recorded in the books of accounts by the company. Non accounting of above has resulted into understatement of Assets and overstatement of loss for the year, quantum of which and its consequential impact on the results of the company is not ascertainable at this stage (Refer note no. C 9.3)

under assets in the books. However, suitable disclosure has been made in the notes to accounts (Note No- C-9)

7 The Company has disclosed various pending litigation and arbitration matters under contingent liabilities based solely on management's assessment of the outcome of such cases. However, no independent legal opinion or external expert evaluation was obtained to support these assessments. In the absence of such corroborative evidence, we were unable to obtain sufficient appropriate audit evidence to determine whether any provision for these matters is required to be recognized in the financial statements in accordance with the applicable financial reporting framework (Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets). Given the nature and status of the proceedings, the possible financial impact, if any, is currently not ascertainable.

As per prevalent practice in the company the amount of contingent liabilities on accounts of pending litigation & arbitration is provided in the books on the basis of self assessment & due diligence made by the company. No legal opinion in this regard was sought in the past

8 a) We observed that the Company's Sindri Unit has booked legal expenses amounting to Rs. 15.64 lakhs during the year, stated to be towards professional fees for appearances and filing petitions before the DCST, Jharia Circle, Dhanbad. On verification, it was noted that multiple bills for similar activities and assessment years were raised and paid at frequent intervals without supporting documentation such as case files, hearing notices, or copies of proceedings. In response to our query, the management stated that the lawyer had made constant appearances before the sales tax authorities to pursue closure of old matters where declaration forms could not be obtained, and that no demand has been raised by the department in the past several years. In the absence of adequate supporting records and independent evidence substantiating the nature of services rendered, we are unable to verify the genuineness and business purpose of the aforesaid expenditure. This also indicates weaknesses in internal control and documentation relating to authorization and verification of such payments.

There was a pending demand of Rs. 24.32 crore against FCIL, for the sales tax cases (upto 50 years old), where FCIL could not deposit the required sales tax forms with the authorities.

For following cases with sales Tax department, on regular basis, an amount of Rs. 12.85 lakh GST was paid to sales Tax lawyer, and not Rs. 15.64 lakh as pointed out by Audit.

Accordingly, we are unable to comment on the

correctness of the legal expenses amounting to Rs. 15.64 lakhs debited to the Statement of Profit and Loss for the year.

- 9 The Company has not disclosed the reconciliation of provisions as required by **Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets**. The Notes to the Financial Statements do not present, for each class of provision, the **opening balance, additions made during the year, amounts utilised/reversed during the year, and closing balance as at the reporting date**. Consequently, the financial statements are deficient to this extent and do not fully comply with the disclosure requirements of Ind AS 37.
- In respect of contingent liabilities suitable disclosure has been made and annexed at Note 18A of the Annual accounts.
- For provisions:- noted for compliance.
- 10 We draw attention to the fact that the financial statements have been prepared on a basis that is not fully compliance with the certain requirement of following Ind AS:
- a) Ind AS 109 – *Financial Instruments*, the Company has an investment in equity shares of a joint venture Company RFCL, which is classified as a financial asset. As per Ind AS 109 – *Financial Instruments*, such as equity investments are required to be measured at fair value at each reporting date.
- Noted for compliance.
- However, the Company has neither obtained a fair valuation of the said investment as at the balance sheet date nor recorded any fair value changes. Consequently, the investment is carried out at its original recorded amount and the impact of fair valuation, if any, has not been recognised in the financial statements. In the absence of a reliable fair valuation, we are unable to determine the potential impact of this departure on the Company’s financial position and results.
- b) Ind-AS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” instead of retrospective restatement of financial statements as if a prior period error had never occurred, other income and other expenses of the current year includes Rs. 104.11 lakhs and Rs. 63.09 lakhs respectively on account of amount of errors of prior periods. Impact on the results of the company due to inappropriate classification is not ascertained by the Company.
- Noted for compliance.
- c) Ind-AS 40 “Investment Property”, properties leased out to various tenants at Sindri, Gorakhpur, Talcher and Central Office are classified under Property, Plant & Equipment instead of
- Noted for compliance.

classifying as Investment properties.

Since now the properties are held to earn rental & capital appreciation only and are not intended for use in the production or supply of goods & services, the same should be accounted for as Investment Property in accordance with Ind AS-40. Impact on the results of the company due to inappropriate classification is not ascertainable.

- d) **Ind AS 12 “Income Taxes”** require accounting of deferred tax assets and liabilities for the future tax consequences of temporary differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases. However, the Company has not accounted for any deferred tax assets or liabilities in the financial statements. **The quantification of the impact of non-recognition of deferred tax has not been ascertained by the Company.** Noted for compliance.
- e) Ind-AS 105 “Non-current Assets Held for Sale and Discontinued Operations” as stated in note no. C.8 assets not in use or held for sale are valued at book value as the fair value of these assets and corresponding cost to sell these assets are not ascertainable at this stage, therefore, difference if any, on account of FMV and carrying cost is not ascertainable and provided. Noted for compliance.
- f) Ind AS 37 – “Provisions, Contingent Liabilities and Contingent Assets” a provision shall be recognized when: Noted for compliance.
- i). an entity has a present obligation (legal or constructive) as a result of a past event;
 - ii). it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
 - iii). a reliable estimate can be made of the amount of the obligation.

During the course of our audit, we observed various instances where these recognition criteria were met, but the Company has not made provisions as required. Some of these instances have been reported and quantified elsewhere in our report, while in certain other cases, the quantification of the financial impact has not been ascertained by the Company.

- g) Ind AS 36 “Impairment of Assets” an entity is required to assess at the end of each reporting period whether there is

any indication that an asset may be impaired. If such an indication exists, the entity shall estimate the recoverable amount of the asset, and if the carrying amount exceeds the recoverable amount, the asset must be impaired accordingly.

Noted for compliance.

During the course of our audit, we observed that no impairment assessment has been carried out by the Company in respect of certain assets where impairment indicators exist. These include:

- At Sindri, Flats demolished by Company/SAIL on land already leased to them,
- At Sindri, Flats and land under unauthorized occupation or encroachment,
- At Gorakhpur, Land under possession of SSB Gorakhpur,
- At Korba, Missing railway track.

These circumstances meet the impairment indicators as per the standard, but the Company has not evaluated or recognized any impairment loss. The quantification of the potential impairment, if any, has not been ascertained by the Company.

- 11 The Company's accounting policy is deficient in respect of the treatment of changes in fair value of investments, as it does not specify whether such changes are to be recognised through the Statement of Profit and Loss or through Other Comprehensive Income (OCI) in accordance with the requirements of **Ind AS 109 "Financial Instruments"**.

Noted for compliance.

- 12 As per accounting policy no. A (XIII), debtors outstanding for more than 3 years are considered as bad & doubtful and amount equal to 100% has been provided for the same. Revenue recognition from the same parties have been observed on account of invoices raised during the year, despite non-recovery of the earlier recoverable amount outstanding for more than 3 years and considered as bad & doubtful for recovery and 100% provision for the same has been made. Recognition of above revenue is contrary to Ind-AS 115 and accounting policy which states that "Revenue is recognized to the extent that it is probable that the economic benefit will flow to the company". Since the company is unable to recover the earlier amount outstanding and amount outstanding for more than 3 years are already considered as bad & doubtful, recognizing the further revenue from the parties already considered as bad & doubtful is contrary to accounting policy and

As per accounting policy of the company "Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured **regardless of when the payment is being made**. Thus, correct accounting has been done. However, the matter for changing the accounting policy will be scrutinized/reviewed.

Ind-AS 115.

- 13 As explained in Note No E to the financial statements, the Company has entered into a transaction aggregating ₹ 20,793.64 lakhs with its Joint Venture, Ramagundam Fertilizers & Chemicals Limited, involving issue of equity shares in lieu of transfer of land use rights, assets, and opportunity cost. In respect of portions of this transaction, income-tax demands aggregating to Rs7500.91 lakhs (including penalty) and Rs 644.21 lacs for the years 2017-18 and 2021-22 have been raised and fully provided for by the Company, although the matters are pending before the Hon'ble Delhi High Court. However, for the remaining portion of equity of Rs 4,490.00 lakhs forming part of the same arrangement, no demand has been raised, and the Company has not recognised any provision or disclosure of contingent liability in this regard. In our opinion, adequate disclosure of the potential tax exposure on this portion of the transaction has not been made, which constitutes a departure from the requirements of Ind AS 37 — *Provisions, Contingent Liabilities and Contingent Assets*.
- In absence of any demand from IT department, no provision or disclosure of contingent liability has been made in the books.

Annexure 'A'

Report on the matters specified in paragraph 3 and 4 of the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government in terms of section 143(11) of the Act.

Referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date.

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| 1 | A. The company is not maintaining records showing full particulars, including quantitative details and situation of Property, Plant and Equipment. | Most of the fixed assets are either sold as unusable items or handed over to reviving JV companies as usable items, only furniture fixtures are available, which are duly reconciled. However, efforts will be made to maintain the asset register to the extent possible. |
| | B. The company is not maintaining record showing full particulars of Intangible Assets. | There are no intangible assets. |
| 2 | <ul style="list-style-type: none"> • As per records and information provided to us at Sindri unit, Company is holding 6548 built quarters and as per verification conducted by the Unit 2695 quarters are unauthorizedly occupied by the occupants i.e., physical possession and control of these quarters are not with the company. However, no adjustment has been accounted for in the books of accounts as the company has initiated action under Public Premises Eviction (PPE) Act and expect no loss on account | The action is being taken as per the provision of Public Premises Eviction Act. |

- of this.
- Further at Sindri, as per explanation provided to us according to physical verification report 32.50 acres of land has been unauthorizedly occupied and action under Public Premises Eviction (PPE) Act has been initiated and no loss expected by the company, hence no adjustment has been accounted for by the company in this regard.
 - Further 46.862 acres of land is occupied by the occupants without holding a valid lease deed i.e., in these cases either the leases are not available or expired past many years. Physical possession and control of these land parcel is not with the unit,
 - “Assets not in use or held for sale” amounting to Rs. 30.68 Lakhs as on 31-03-2025 are not physically verified.
 - At Korba during the course of verification Unit has observed that company’s railway track is missing, however the quantum of loss has not been ascertained by the company therefore not adjusted in the books of accounts.
- The action is being taken as per the provision of Public Premises Eviction Act.
- The process of renewing the expired leases is under process.
- Noted for compliance.
1. The Railway track at korba was almost in non-operative state since inception as the korba project could not be commenced. The missing of track was observed during physical verification of assets in the year 2023-24 and the local police has been duly informed.
 2. The korba plant was closed in sept 2002 along with other plants of FCIL. No separate security was deputed for the railway track.
 3. The actual loss of the missing track is yet to be ascertained; thereafter approval of board will be obtained for write off.
- 3 As per confirmation and certificates provided to us, title deeds of all the immovable properties owned are held in the name of the company. However, our observations are as follows:
- (1) At Talcher, 0.205 Acres of land which is physically in the possession of Company, the formalities with regard to registration in revenue record are yet to be completed and the agreement for same is still to be executed.
 - (2) At Lucknow, Company is holding 10733.1 square yards of leasehold land. During the month of April 2025 Company has paid Rs. 212.49 Lakhs for conversion of the leasehold land to freehold land. As per record and information provided to us the title deed of the said property is yet to be executed in Company’s favour on compliance of certain formalities which are under process.
- The matter is pending before the revenue court for adjudication.
- The approval of Lucknow Development Authority for converting the plot from leasehold to freehold has already been received and the freehold deed will be signed soon.
- 4 (A) Internal audit has not been conducted during the year.
- Internal Audit is not being conducted in the company since closure of operating activities in the year 2002.

(B) Internal audit has not been conducted during the year therefore; reports are not available for our consideration.

Annexure –‘B’

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub section 3 of section 143 of the Companies Act, 2013 (“the Act”).

Qualified Opinion

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| 1 | <p>It has been observed that the Company does not have an adequate internal control system for the periodic recognition of accrued interest income on fixed deposits, which constitutes a significant portion of its total income. Except for interest received on deposits that mature during the year, the Company accounts for accrued interest only at the end of the financial year, based on certificates received from banks. Similarly, the tax deducted at source (TDS) on such interest income—whether on matured or continuing deposits—is also recognised only at year-end, based on Form 26AS, rather than through a structured process of periodic accounting and reconciliation. This practice results in a recurring understatement of interest income, TDS receivable, and the related financial assets throughout the year, except on the reporting date. The absence of a systematic internal process for timely accrual and recognition of both income and related tax credits reflects a deficiency in the design and operating effectiveness of controls over revenue recognition and tax accounting.</p> | <p>There is no statutory requirement for reconciling TDS on monthly basis. Moreover, considering the available manpower position in FCIL and non deduction of TDS/filing of TDS return by TDS deductor’s on regular basis, it is difficult to reconcile TDS on month to month basis.</p> <p>As per general practice these are reconciled at year end only taking into consideration the data of Income Tax Department like AS 26 etc for the better reconciliation.</p> |
| 2 | <p>The Company’s internal financial controls over investment operations were not operating effectively to ensure compliance with its Board-approved investment policy. Specifically, as on March 31, 2025, the Company had invested in fixed deposit receipts (FDRs) in excess of the prescribed limit of 6% in private sector banks, reaching 6.1%. Furthermore, the Company did not maintain adequate documentation evidencing due diligence or regulatory compliance checks (such as capital adequacy, net worth, and NPA norms) prior to making such investments. These deficiencies could result in unmitigated financial exposure and non-compliance with internal and regulatory expectations.</p> | <p>The ceiling in four banks touched as 6.01% & not 6.1% as pointed out by Audit. Moreover, it resulted because of “deposit ceilings bucket” such as minimum 2 crore, 3 crore etc. If the deposit ceilings are not followed the interest rate may come down, hence some minor deviation is in order.</p> <p>So far due diligence is concerned, it is checked before parking the fund, although no documentation is done. However, it is noted for compliance on half yearly basis.</p> |
| 3 | <p>The company does not have an adequate internal control system in place for monitoring and safeguarding its immovable properties, particularly those not in active use. Lack of timely impairment assessment and prolonged unauthorised occupation flats, land at Sindri reflects significant control</p> | <p>All the immovable properties are in possession of the company except unauthorized occupation cases of Land & quarters, for which regular action is being initiated under Public Premises Eviction Act.</p> |

deficiencies in the design and operating effectiveness of controls over fixed assets. In our opinion, the internal financial controls with reference to financial reporting in respect of asset safeguarding and impairment recognition are **not operating effectively**.

- 4 The Company at Sindri Unit derives significant income from rental of various commercial properties. We have observed that the Company does not have an adequate internal control system for reconciling rental income receivable with lease agreements and actual collections. This weakness could potentially lead to errors or omissions in revenue recognition, impacting the completeness of rental income reported in the financial statements. Noted for compliance.
- 5 Accounts of GST maintained at Units and C.O are reconciled at the year-end only. Non reconciliation of GST accounts at reasonable periodic intervals and reconciliation at the year-end only has resulted into accounting of various entries at the year-end only, which indicate weak internal financial controls. Noted for compliance.
- 6 At Ramagundam and Talcher records are maintained with the help of excel spread sheet instead of maintaining the books of accounts with the help of auto balancing, self-reconciling accounting software. Financial data of above stated units are compiled through excel spreadsheet. Non maintenance of proper books of accounts depicts the deficiency in internal financial controls. Noted for compliance.

**Auditor's Report on the Financial Statements for the year ended 31st March, 2025 including Report on the Internal Financial Controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the act")
INDEPENDENT AUDITOR'S REPORT**

**TO
THE MEMBERS OF
THE FERTILIZERS CORPORATION OF INDIA LIMITED**

Qualified Opinion

We have audited the financial statements of The Fertilizer Corporation of India Limited (FCIL) ("the Company"), which comprise the Balance Sheet as at 31st March 2025, and the statement of Profit and Loss (including comprehensive Income), Statement of changes in equity and the Statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except the effects/possible effects of the matter described in the *Basis for Qualified Opinion section*, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, A ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and its loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

1. In terms of Joint Venture Agreement, supplementary joint venture agreement, concessioner agreement of HURL (a joint Venture Company of Coal India Ltd, NTPC Ltd, Indian Oil Corporation Ltd, Hindustan Fertilizer Corporation Ltd and Fertilizer Corporation of India Ltd.) for the revival of Sindri and Gorakhpur units, in lieu of use of land, assets and opportunity cost, 10.99% of the paid up equity capital of the joint venture company HURL is to be issued at the time of commencement of commercial production of the projects. As per record available commercial production at Gorakhpur and Sindri units took place on 03.05.2022 and 15.04.2023 respectively and the Company is entitled to receive equity shares representing 10.99% equity of the HURL in consideration for the use of land, assets leased for 55 years and the related opportunity cost. Subsequently, on 18.08.2025, prior to the approval of the Company's financial statements, HURL has allotted 56,72,17,733 equity shares having face value of Rs. 10 each and credited such equity shares in favour of the Company. Contrary to Ind AS 10 "Events after the Reporting Period" the Company has not recognised the said investment in the joint venture and the corresponding deferred lease income (liability) in its financial statements as at 31st March 2025, nor has accounted for the income accrue after the commencement of commercial production for Gorakhpur and Sindri units. Consequently, the Investment in Joint Venture and the corresponding Deferred Lease Income (Liability) are understated by Rs. 56,721.77 lakhs, further income accrued after the commencement of commercial production at Gorakhpur and Sindri Units and their consequential impact has not been ascertained and accounted for by the Company. (Refer note no E).
2. As stated in Note 9.1 to the financial statements, the Company has not recognised a provision for a GST demand amounting to Rs. 7485.71 Lakhs (comprising GST of Rs. 3,742.86 lakhs and penalty of Rs. 3,742.86) arising from a transaction with its Joint Venture Company Ramagundam Fertilizers & Chemicals Limited (RFCL), involving the issue of equity shares in lieu of providing land use rights, usable assets, and opportunity cost. The Company has received equity amounting to Rs. 20,793.64 lakhs as consideration in the previous years and has treated the aforesaid demand as a contingent liability.

The Company has filed a writ petition before the Hon'ble High Court against the said GST demand; however, it has neither obtained any legal opinion in support of its contention nor demonstrated that the likelihood of outflow of resources is remote. We further note that the

Company had already lost at two earlier assessment / appellate stages before the GST authorities at Chandigarh and Noida prior to approaching the Hon'ble High Court.

In our opinion, considering (i) the nature and substance of the transaction, (ii) the decisions of the GST authorities in earlier proceedings, and (iii) the relevant provisions of the GST law, a present obligation exists as at the balance sheet date. Further, as per *Ind AS 37 – "Provisions, Contingent Liabilities and Contingent Assets"*, a provision is required to be recognised when (a) there is a present obligation, (b) an outflow of resources is probable, and (c) a reliable estimate can be made. In this case, all the aforesaid conditions are satisfied. Accordingly, a provision should have been recognised in respect of the said GST demand.

We further observe that, for the same underlying transaction, the Income Tax Department has also raised a demand of Rs. 8,145.13 lakhs, against which the Company had similarly filed a writ petition before the Hon'ble High Court. While in the previous year the said income tax demand was considered a contingent liability supported by a legal opinion, during the current year the Company has recognised the full liability in the books for the said income tax demand, even though the proceedings before the Hon'ble High Court are still pending.

Had the Company recognised the aforesaid GST liability, the loss before tax for the year would have been higher by Rs. 7,485.71 lakhs and the total equity would have been lower by Rs. 7,485.71 lakhs. The above amounts are exclusive of any interest component that may have accrued till date.

3. As stated in note number C.4.(iv) at Gorakhpur, as per order of the UP Govt. 268.335 Acres of land is put under the control of DM Gorakhpur, further out of above, after demolishing 215 quarters constructed on land measuring 49 acres, Sainik School is constructed with the order of UP Govt. As ownership of the above stated land is now not with the Company, loss on account of transfer of land measuring 268.335 acres has not been ascertained and provided by the Company.
4. During the year, the Company's Sindri Unit has recognized rental income amounting to Rs. 86.19 lakhs by adjusting long-outstanding dues, majority pertaining to past periods ranging from 8 to 12 years against security deposits held from tenants occupying residential quarters. These adjustments were made despite the absence of lease deeds, renewal agreements, or documentation evidencing the Company's right to make such adjustments.
In our view, recognition of income relating to prior periods in the current year, without adequate evidence of actual recovery, is not in compliance with the applicable Ind AS 115 and Ind AS 8. Moreover, due to non-availability of tenant-wise supporting documentation, we are unable to comment Company's right to make such adjustment and quantify the impact of this adjustment on the financial statements.
Had the revenue been appropriately recognized, the loss for the year would have been higher to the extent of such unverified adjustments. Also, this would have also resulted in a **higher balance of security deposits** (liabilities) as on the reporting date.
5. Balances due from/to debtors, creditors, other parties, advances are pending for confirmation/reconciliation and impact of consequential adjustments on standalone financial statements as on 31st March, 2025 are not ascertainable at this stage. (Note No. F.3).
6. Unaccounted inventory of platinum wares, gold chemicals, and laboratory utensils measuring 2583.04 gm has been reported at Sindri unit. In addition to above unaccounted inventory of platinum wares, gold chemicals, laboratory utensils i.e., 221.40 gm, 524.44gm and 433.68 gm has been transferred from Gorakhpur, Talcher and Ramagundam Units respectively to Sindri Unit. Value of above stated inventory has not been ascertained and recorded in the books of accounts by the company. Non accounting of above has resulted into understatement of Assets and overstatement of loss for the year, quantum of which and its consequential impact on the results of the company is not ascertainable at this stage (Refer note no. C 9.3)
7. The Company has disclosed various pending litigation and arbitration matters under contingent liabilities based solely on management's assessment of the outcome of such cases. However, no independent legal opinion or external expert evaluation was obtained to support these assessments. In the absence of such corroborative evidence, we were unable to obtain sufficient appropriate audit evidence to determine whether any provision for these matters is required to be recognized in the financial statements in accordance with the applicable financial reporting

framework (Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets). Given the nature and status of the proceedings, the possible financial impact, if any, is currently not ascertainable.

8. a) We observed that the Company's Sindri Unit has booked legal expenses amounting to Rs. 15.64 lakhs during the year, stated to be towards professional fees for appearances and filing petitions before the DCST, Jharia Circle, Dhanbad. On verification, it was noted that multiple bills for similar activities and assessment years were raised and paid at frequent intervals without supporting documentation such as case files, hearing notices, or copies of proceedings.

In response to our query, the management stated that the lawyer had made constant appearances before the sales tax authorities to pursue closure of old matters where declaration forms could not be obtained, and that no demand has been raised by the department in the past several years.

In the absence of adequate supporting records and independent evidence substantiating the nature of services rendered, we are unable to verify the genuineness and business purpose of the aforesaid expenditure. This also indicates weaknesses in internal control and documentation relating to authorization and verification of such payments.

Accordingly, we are unable to comment on the correctness of the legal expenses amounting to Rs. 15.64 lakhs debited to the Statement of Profit and Loss for the year.

9. The Company has not disclosed the reconciliation of provisions as required by **Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets**. The Notes to the Financial Statements do not present, for each class of provision, the **opening balance, additions made during the year, amounts utilised/reversed during the year, and closing balance as at the reporting date**. Consequently, the financial statements are deficient to this extent and do not fully comply with the disclosure requirements of Ind AS 37.

10. We draw attention to the fact that the financial statements have been prepared on a basis that is not fully compliance with the certain requirement of following Ind AS:

- a) Ind AS 109 – *Financial Instruments*, the Company has an investment in equity shares of a joint venture Company RFCL, which is classified as a financial asset. As per Ind AS 109 – *Financial Instruments*, such as equity investments are required to be measured at fair value at each reporting date.

However, the Company has neither obtained a fair valuation of the said investment as at the balance sheet date nor recorded any fair value changes. Consequently, the investment is carried out at its original recorded amount and the impact of fair valuation, if any, has not been recognised in the financial statements. In the absence of a reliable fair valuation, we are unable to determine the potential impact of this departure on the Company's financial position and results.

- b) Ind-AS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” instead of retrospective restatement of financial statements as if a prior period error had never occurred, other income and other expenses of the current year includes Rs. 104.11 lakhs and Rs. 63.09 lakhs respectively on account of amount of errors of prior periods. Impact on the results of the company due to inappropriate classification is not ascertained by the Company.

- c) Ind-AS 40 “Investment Property”, properties leased out to various tenants at Sindri, Gorakhpur, Talcher and Central Office are classified under Property, Plant & Equipment instead of classifying as Investment properties. Since now the properties are held to earn rental & capital appreciation only and are not intended for use in the production or supply of goods & services, the same should be accounted for as Investment Property in accordance with Ind AS-40. Impact on the results of the company due to inappropriate classification is not ascertainable.

- d) **Ind AS 12 “Income Taxes”** require accounting of deferred tax assets and liabilities for the future tax consequences of temporary differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases. However, the Company has not accounted for any deferred tax assets or liabilities in the financial statements. **The quantification of the impact of non-recognition of deferred tax has not been ascertained by the Company.**

- e) Ind-AS 105 “Non-current Assets Held for Sale and Discontinued Operations” as stated in note no. C.8 assets not in use or held for sale are valued at book value as the fair value of these assets and corresponding cost to sell these assets are not ascertainable at this stage, therefore, difference if any, on account of FMV and carrying cost is not ascertainable and provided.
- f) Ind AS 37 – “Provisions, Contingent Liabilities and Contingent Assets” a provision shall be recognized when:
- i). an entity has a present obligation (legal or constructive) as a result of a past event;
 - ii). it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
 - iii). a reliable estimate can be made of the amount of the obligation.

During the course of our audit, we observed various instances where these recognition criteria were met, but the Company has not made provisions as required. Some of these instances have been reported and quantified elsewhere in our report, while in certain other cases, the quantification of the financial impact has not been ascertained by the Company.

- g) Ind AS 36 “Impairment of Assets” an entity is required to assess at the end of each reporting period whether there is any indication that an asset may be impaired. If such an indication exists, the entity shall estimate the recoverable amount of the asset, and if the carrying amount exceeds the recoverable amount, the asset must be impaired accordingly.
- During the course of our audit, we observed that no impairment assessment has been carried out by the Company in respect of certain assets where impairment indicators exist. These include:

- At Sindri, Flats demolished by Company/SAIL on land already leased to them,
- At Sindri, Flats and land under unauthorized occupation or encroachment,
- At Gorakhpur, Land under possession of SSB Gorakhpur,
- At Korba, Missing railway track.

These circumstances meet the impairment indicators as per the standard, but the Company has not evaluated or recognized any impairment loss. The quantification of the potential impairment, if any, has not been ascertained by the Company.

11. The Company’s accounting policy is deficient in respect of the treatment of changes in fair value of investments, as it does not specify whether such changes are to be recognised through the Statement of Profit and Loss or through Other Comprehensive Income (OCI) in accordance with the requirements of **Ind AS 109 “Financial Instruments”**.
12. As per accounting policy no. A (XIII), debtors outstanding for more than 3 years are considered as bad & doubtful and amount equal to 100% has been provided for the same. Revenue recognition from the same parties have been observed on account of invoices raised during the year, despite non-recovery of the earlier recoverable amount outstanding for more than 3 years and considered as bad & doubtful for recovery and 100% provision for the same has been made. Recognition of above revenue is contrary to Ind-AS 115 and accounting policy which states that “Revenue is recognized to the extent that it is probable that the economic benefit will flow to the company”. Since the company is unable to recover the earlier amount outstanding and amount outstanding for more than 3 years are already considered as bad & doubtful, recognizing the further revenue from the parties already considered as bad & doubtful is contrary to accounting policy and Ind-AS 115.
13. As explained in Note No E to the financial statements, the Company has entered into a transaction aggregating ₹ 20,793.64 lakhs with its Joint Venture, Ramagundam Fertilizers & Chemicals Limited, involving issue of equity shares in lieu of transfer of land use rights, assets, and opportunity cost. In respect of portions of this transaction, income-tax demands aggregating to Rs7500.91 lakhs (including penalty) and Rs 644.21 lacs for the years 2017-18 and 2021-22 have been raised and fully provided for by the Company, although the matters are pending before the Hon’ble Delhi High Court. However, for the remaining portion of equity of Rs 4,490.00 lakhs forming part of the same arrangement, no demand has been raised, and the Company has not

recognised any provision or disclosure of contingent liability in this regard. In our opinion, adequate disclosure of the potential tax exposure on this portion of the transaction has not been made, which constitutes a departure from the requirements of Ind AS 37 — *Provisions, Contingent Liabilities and Contingent Assets*.

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (“SAs”) specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Emphasis of Matter

1. We draw attention to Note No. F-8 of the financial statements, which describes the amnesty scheme introduced by the Company during the year 2023-24 for regularization of unauthorizedly occupied flats in its township at Sindri. As stated in the note, during the year scheme has been extended till 31.03.2025 and Rs. 111.52 lakhs have been received from 35 applicant under the scheme, which is under scrutiny and the approval from the Company’s management for grant of temporary lease is pending as at the balance sheet date. Accordingly, the related income has not been recognized in these financial statements. Further Rs. 510.00 lakhs were received from 217 applicants during the previous year 2023-24 which has been accounted for as income for the year 2024-25 on granting the temporary lease of 11 months. The income, comprising rent for prior years, was recognized upon receipt of management approval during the year. This income is exceptional in nature and pertains to periods prior to the current financial year.
2. We draw attention to Note F 9.2 of the financial statements, which describes the uncertainty relating to a demand raised by the GST Department amounting to Rs. 827.81 lakhs (Rs. 376.28 lakhs each towards CGST & SGST and penalty of Rs. 75.26 lakhs) for Gorakhpur unit for the financial year 2017–18. The Company has filed a writ petition before the Hon’ble High Court as the appeal with the Appellate Authority could not be filed within the prescribed time limit. As stated in the said note, the matter is pending before the Hon’ble High Court and, based on management’s assessment the same has been disclosed as a contingent liability.
3. Attention is invited to Note No. F 7 during the year, the Company’s Talcher Unit has transferred all property, plant and equipment except land and 5 quarters that had previously been revalued. Accordingly, the related balance in the *Revaluation Surplus* amounting to Rs. 358.08 lakhs has been transferred directly to *Retained Earnings* within equity. This transfer has been made in accordance with the requirements of *Ind AS 16 – Property, Plant and Equipment* (paragraph 41 and 42). The transfer does not affect the profit or loss for the year.”
4. Attention is invited to note no. C.4 (iii), at Gorakhpur 125 acres of land is allotted on lease for 55 years to Sahastra Seema Bal (SSB) on an annual premium of Rs. 518 Lakhs, Lease deed of the above is not yet executed, and SSB is disputing the payment of lease rental since inception, therefore no lease rental has been accounted for by the company in the current year and in previous years.
5. Attention is invited to note no C 1(iv) & (v) of financial statements,
 - a) Sindri Unit has 6548 built quarters, out of which 2695 quarters and 32.50 acres of land are under unauthorized occupation, i.e., the physical possession and control of these quarters

are not with the Company. The Company has initiated action under the Public Premises Eviction Act (PPE Act) and expects no loss on this account.

- b) Attention is invited to note no C 1(ii) of financial statements, 46.862 acre of land is occupied by the occupants without holding a valid lease deeds i.e., in these cases either the leases are not available or expired past many years. Although in these cases land parcels are not in the physical possession and control of the Unit, however, the Company is not expecting any loss on this account as the Company is in the process of renewal of these lease agreements.
6. Attention is invited to note no F 4. of financial statements, Other Non Current Assets includes income tax refundable Rs. 1039.98 Lakhs, (AY 2020-21 Rs. 426.36 Lakhs, AY 2021-22 Rs. 411.82 Lakhs and AY 2022-23 Rs. 201.81 Lakhs), which has been adjusted by the Income Tax Dept. against the demand assessed during assessment for other years. Based on the management evaluation the said refund amounts considered as good for recovery.
7. Attention is drawn on note no. A.III, The Company based on the legal opinion is of the view that the Company's investment in Companies does not fall under the definition of "Joint Venture" as provided for in Accounting Standard AS-27 'Financial Reporting of Interests in Joint Ventures' as the Company does not exercise joint control over the economic activities of the aforesaid Companies. The Company has therefore not prepared Consolidated Financial Statements for the year ended 31st March, 2025.
8. As stated in note no. F.6, MSME status of the parties is not available with the company. Therefore, an amount due to MSME is not ascertainable.
Our opinion is not modified in respect of the above matters.

Other Matters

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the company's Annual Report but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information when it becomes available to us and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read such other information as and when made available to us and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

Responsibilities of the Management and those Charged with Governance 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 financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the IND AS and accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act, 2013. 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 of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our Objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override on internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial control system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosure are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all

relationships and other matters, that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, we give in the "**Annexure A**" a statement on the matters specified in Paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit except the matters described in the basis for qualified opinion and matters of emphasis section of our audit.
 - b) Except for the possible effects of the matters described in the Basis for Qualified Opinion and Emphasis of Matter paragraphs, in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books except at Talcher, Ramagundam units and Marketing Division, where instead of maintaining the books of accounts with the help of an accounting software, books are maintained on excel spread sheet.
 - c) The Balance Sheet, the Statement of Profit and Loss, including other comprehensive income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this report are in agreement with the relevant books of account except for the possible effects of the matters described in the Basis for Qualified Opinion and Emphasis of Matter paragraphs.
 - d) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
 - e) Subject to the effects of the matters mentioned in the *Basis for Qualified Opinion* section, in our opinion the aforesaid Financial Statement comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 except departure of Ind AS reported in the basis for qualified opinion paragraph above.
 - f) In pursuance to the Notification No. G.S.R 463 (E) dated 05-06-2015 issued by the Ministry of Corporate Affairs, Section 164 (2) of the Companies Act, 2013 pertaining to disqualification of Directors, is not applicable to the Company, being a Government Company.
 - g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
 - h) During the course of our audit, we noted that the Company maintains its books of account at the Central Office, Noida, and at its units located at Sindri, Gorakhpur, and Korba project sites using Tally accounting software, which, as explained to us, includes an in-built audit-trail (edit-log) feature as required under Rule 3(1) of the Companies (Accounts) Rules, 2014.
Based on our audit procedures and the information and explanations provided to us, we observed that various accounting entries had been modified or corrected during the year in the normal course of business through software. We have been informed that the accounting software deployed has the capability to maintain an audit-trail feature; however, we did not perform a detailed system-level audit of the configuration or operation of such feature. Accordingly, our audit procedures were not designed to determine whether the audit-trail feature had operated uninterruptedly throughout the year.
3. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:
As per notification number G.S.R. 463 (E) dated 5th June, 2015 issued by Ministry of Corporate Affairs, section 197 of the Act regarding remuneration to directors is not applicable to the Company, since it is a Government Company. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

4. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- a) The company has disclosed the impact of pending litigations on its financial position in its financial statements as on 31st March, 2025; and
 - b) The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - c) There have been no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d) The Management of the Company has represented (Refer note no.G (ix)), that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company , to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company , ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - e) The Management of the Company, has represented (Refer note no. G.(ix)) that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company , shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - f) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (d) and (e) above, contain any material misstatement.
5. As required under Section 143 (5) of the Companies Act, 2013, we give in the "**Annexure - C**", a statement on the Directions issued by the Comptroller and Auditor General of India.

For M VERMA & ASSOCIATES
Chartered Accountants
FRN 501433C

Sd/-
MOHENDER GANDHI
(Partner)
M.No.088396

Place: New Delhi
Date: 29.10.2025
UDIN: 25088396BMLKPN5771

Annexure 'A'

Report on the matters specified in paragraph 3 and 4 of the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government in terms of section 143(11) of the Act.

Referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date.

(i)

(a)

- A. The company is not maintaining records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- B. The company is not maintaining record showing full particulars of Intangible Assets.

(b)

- As per records and information provided to us at Sindri unit, Company is holding 6548 built quarters and as per verification conducted by the Unit 2695 quarters are unauthorizedly occupied by the occupants i.e., physical possession and control of these quarters are not with the company. However, no adjustment has been accounted for in the books of accounts as the company has initiated action under Public Premises Eviction (PPE) Act and expect no loss on account of this.
- Further at Sindri, as per explanation provided to us according to physical verification report 32.50 acres of land has been unauthorizedly occupied and action under Public Premises Eviction (PPE) Act has been initiated and no loss expected by the company, hence no adjustment has been accounted for by the company in this regard.
- Further 46.862 acres of land is occupied by the occupants without holding a valid lease deed i.e., in these cases either the leases are not available or expired past many years. Physical possession and control of these land parcel is not with the unit,
- "Assets not in use or held for sale" amounting to Rs. 30.68 Lakhs as on 31-03-2025 are not physically verified.
- At Korba during the course of verification Unit has observed that company's railway track is missing, however the quantum of loss has not been ascertained by the company therefore not adjusted in the books of accounts.
- At Gorakhpur, as per order of the UP Govt. 268.335 Acres of land is put under the control of DM Gorakhpur. Further out of above, after demolishing 215 quarters constructed on land measuring 49 acres, Sainik School is constructed with the order of UP Govt. As ownership of the above stated land is now not with the Company, but the same is still appearing as company's property and loss on account of above stated land has not been ascertained and provided by the Company.
-

- (c) As per confirmation and certificates provided to us, title deeds of all the immovable properties owned are held in the name of the company. However, our observations are as follows:

- (1) At Talcher, 0.205 Acres of land which is physically in the possession of Company, the formalities with regard to registration in revenue record are yet to be completed and the agreement for same is still to be executed.
- (2) At Lucknow, Company is holding 10733.1 square yards of leasehold land. During the month of April 2025 Company has paid Rs. 212.49 Lakhs for conversion of the leasehold land to freehold land. As per record and information provided to us the title deed of the said property is yet to be executed in Company's favour on compliance of certain formalities which are under process.

- (d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2025 for holding any Benami property under The Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made there under.

(ii)

- (a) As per records and information provided to us, as the units are closed there is no inventory except inventory of Platinum at Sindri plant valued at Rs. 174.79 Lakhs. However, our observations are as follows:
 - (1) Unaccounted inventory of Platinum wares, gold chemicals and laboratory utensils measuring 2583.04 gm has been reported at Sindri unit. In addition to above unaccounted inventory of Platinum wares, gold chemicals and laboratory utensils i.e., 221.40 gm, 524.44gm and 433.68 gm has been transferred from Gorakhpur, Talcher and Ramagundam Units respectively to Sindri Unit. Value of above stated inventory has not been ascertained and recorded in the books of accounts by the company. This shows that inventory record maintained by the company are deficient. Observances of unrecorded/unaccounted high value inventory items reflect that inventory record maintenance are deficient and needs to be strengthened.
 - (b) The Company has not been sanctioned any working capital limits in excess of Rs. 5 crores, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current asset, hence reporting under clause 3(ii)(b) of the Order is not applicable.

(iii)

According to the information and explanations given to us, during the year, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. However, as stated in note no B.12 for the revival of closed units of FCIL as per the decision of Govt. of India a rehabilitation scheme was approved through Govt. of India's nominated PSUs and Joint Venture companies were incorporated for the revival of units. As per terms of agreements executed between Joint Venture companies and FCIL, in consideration of FCIL granting the concession in regard to facility area including opportunity cost, usable assets and related infrastructure the FCIL will get certain percentage of equity in the Joint Venture companies at the time of commencement of commercial production. In terms of above agreement 56,72,17,733 equity shares of M/s Hindustan Urvarak & Rasayan Limited were issued on 18-08-2025 in respect of Sindri and Gorakhpur Units (refer point no 1 of "Basis of Qualified Opinion" of our report) and 20,79,36,400 equity shares were issued in previous year for Ramagundam Unit, which has been treated as investment of the company as on reporting date. We are of the opinion that terms and condition of the same are not prejudicial to the company's interest. Since there is no other investment during the year, reporting under clause 3(iii)(a) to 3 (iii)(f) of the Order is not applicable.

(iv)

In our opinion and according to the information and explanations given to us, the company has not given loans, made investments or given guarantees which are covered by the provisions of Section 185 and 186 of the Act.

(v)

In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

(vi)

Reporting under clause 3(vi) of the Order is not applicable, as all units are closed and no production since previous years.

(vii)

(a) According to the information and explanations given to us and on the basis of our examination of the books of account, the company has been generally regular in depositing undisputed statutory dues, subject to few delays, including Provident Fund, Employees' State Insurance, Income-Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and any other material statutory dues with the appropriate authorities. No undisputed amount payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax and Cess and other material statutory dues were outstanding as on 31st march, 2025 for a period of more than six months from the date they become payable.

(b) According to information and explanation given to us, statutory dues which have not been deposited on account of dispute as on 31.03.2025 except to the observation reported by us in our report are as follows:-

Name of the Statute	Nature of dues	Amount (₹ in Lakhs)	Period to which amount relates	Forum where dispute is pending
Sales Tax Act	Sales Tax (Gorakhpur)	0.41	1979-80	High Court, Allahabad
Sales Tax Act	Sales Tax (Gorakhpur)	0.32	1981-82	High Court, Allahabad
Sales Tax Act	Sales tax (Talcher)	1.12	1991-92	Astt. Com. Of Sales Tax, Cuttack, Odisha
Sales Tax Act	Sales tax (Talcher)	1.15	1991-92	Astt. Com. Of Sales Tax Cuttack, Odisha
Nagar Nigam	Property Tax (Korba)	82.20	2017-18	Local Authority
M.P. govt. forest growth compensation	Compensation (Korba)	8.66	1975-76	Local Authority
Local Authority (Korba)	Land Revenue	3.52	2002-03	Local Authority
Income Tax Act	Corporate Income Tax	7500.91	2017-18	Delhi High Court
Income Tax Act	Corporate Income Tax	644.21	2021-22	(CIT Appeal)
EPFO	EPFO Surcharge Demand Sindri Ramagundam	131.82* 43.51	2022-23	EPFO
Goods & Services Tax Act	Goods & Services Tax (Gorakhpur)	827.81	2017-18	High Court, Allahabad
Goods & Services Tax Act	Goods & Services Tax (Gorakhpur)	1.76	2019-20	High Court, Allahabad
Goods & Services Tax Act	Goods & Services Tax (Noida)	7485.70	2017-18 to 2021-22	High Court, Allahabad
Income tax	Foreign Technician	19.14		Income Tax
Sales Tax Act	CST(Sindri)	5.42	1983-84	JCCT, Dhanbad
Sales Tax Act	BST(Sindri)	1.73	1985-86	JCCT, Dhanbad

Sales Tax Act	BST(Sindri)	5.08	1987-88	JCCT, Dhanbad
Sales Tax Act	BST(Sindri)	0.14	1991-92	JCCT, Dhanbad
Sales Tax Act	BST(Sindri)	0.38	1991-92	CCT, Ranchi
Sales Tax Act	CST(Sindri)	54.93	1991-92	JCCT, Dhanbad
Sales Tax Act	CST(Sindri)	6.47	1991-92	ACCT, Ranchi
Sales Tax Act	BST(Sindri)	0.99	1991-92	ACCT, Ranchi
Sales Tax Act	BST(Sindri)	0.09	1992-93	JCCT, Dhanbad
Sales Tax Act	BST(Sindri)	0.91	1992-93	CCT, Ranchi
Sales Tax Act	CST(Sindri)	74.38	1992-93	JCCT, Dhanbad
Sales Tax Act	CST(Sindri)	5.37	1992-93	CCCT, Ranchi
Sales Tax Act	BST(Sindri)	0.13	1993-94	JCCT, Dhanbad
Sales Tax Act	BST(Sindri)	2.85	1993-94	JCCT, Dhanbad
Sales Tax Act	CST(Sindri)	75.87	1993-94	JCCT, Dhanbad
Sales Tax Act	BST(Sindri)	29.37	1994-95	JCCT, Dhanbad
Sales Tax Act	BST(Sindri)	61.02	1994-95	CCT, Ranchi
Sales Tax Act	CST(Sindri)	104.03	1994-95	JCCT, Dhanbad
Sales Tax Act	CST(Sindri)	0.93	1994-95	CCT, Ranchi
Sales Tax Act	BST(Sindri)	15.05	1995-96	JCCT, Dhanbad
Sales Tax Act	BST(Sindri)	6.08	1995-96	CCT, Ranchi
Sales Tax Act	BST(Sindri)	26.71	1995-96	CCT, Ranchi
Sales Tax Act	CST(Sindri)	1.50	1995-96	JCCT, Dhanbad
Sales Tax Act	CST(Sindri)	2.56	1995-96	CCT, Ranchi
Sales Tax Act	BST(Sindri)	8.83	1996-97	JCCT, Dhanbad
Sales Tax Act	BST(Sindri)	12.89	1996-97	CCT, Ranchi
Sales Tax Act	CST(Sindri)	1.72	1996-97	JCCT, Dhanbad
Sales Tax Act	BST(Sindri)	13.42	1997-98	JCCT, Dhanbad
Sales Tax Act	BST(Sindri)	0.48	1997-98	JCCT, Dhanbad
Sales Tax Act	CST(Sindri)	0.63	1997-98	JCCT, Dhanbad
Sales Tax Act	BST(Sindri)	25.91	1998-99	JCCT, Dhanbad
Sales Tax Act	CST(Sindri)	0.90	1998-99	CCT, Ranchi
Sales Tax Act	BST(Sindri)	29.30	1999-00	CCT, Ranchi
Sales Tax Act	CST(Sindri)	45.50	1999-00	CCT, Ranchi
Sales Tax Act	BST(Sindri)	0.27	1999-00	CCT, Ranchi
Sales Tax Act	BST(Sindri)	667.23	2000-01	CCT, Ranchi
Sales Tax Act	CST(Sindri)	462.25	2000-01	CCT, Ranchi
Sales Tax Act	CST(Sindri)	102.65	2000-01	CCT, Ranchi
Sales Tax Act	BST(Sindri)	94.95	2001-02	CCT, Ranchi
Sales Tax Act	CST(Sindri)	304.36	2001-02	CCT, Ranchi
Sales Tax Act	BST(Sindri)	4.67	2002-03	CCT, Ranchi
Sales Tax Act	CST(Sindri)	5.08	2002-03	CCT, Ranchi
Sales Tax Act	BST(Sindri)	55.89	2002-03	CCT, Ranchi

Sales Tax Act	CST(Sindri)	38.98	2002-03	CCT, Ranchi
Sales Tax Act	BST(Sindri)	15.56	2003-04	CCT, Ranchi
Sales Tax Act	CST(Sindri)	57.76	1993-94	CCT, Ranchi

* Includes Rs. 84.29 Lakhs of amount held in the bank account seized by EPFO.

(viii)

There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(ix)

- (a) The Company has not availed any loans therefore; there is no default in repayment of loans or other borrowings or in payment of interest thereon from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or other lender. Hence reporting under clause 3(ix)(b) of the Order is not applicable.
- (c) The Company has not taken any term loan hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, no short term funds are raised by the company, therefore reporting under clause 3(ix)(d) of the Order is not applicable.
- (e) On an overall examination of the records and explanation provided to us, the Company has not taken any funds from any entity or person on account of or to meet the obligation of its subsidiaries, associates or joint ventures, hence reporting under clause 3(ix)(e) of the Order is not applicable.
- (f) The Company has not raised any loan during the year, hence reporting under clause 3(ix)(f) of the Order is not applicable.

(x)

- a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year, hence reporting under clause 3(x)(a) of the Order is not applicable.
- b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally), hence reporting under clause 3(x)(b) of the Order is not applicable

(xi)

- a) As per explanation and information provided to us no fraud by the Company and no fraud on the Company has been noticed or reported during the year.
- b) As per information, record and explanation provided to us no fraud by the company or on the company is noticed or reported by the company therefore reporting under sub-section (12) of section 143 of the Companies Act is not required to be reported on Form ADT-4.
- c) As per explanation, information and record provided to us no whistle blower complaint / communication received during the year by the company.

(xii)

The Company is not a Nidhi Company, hence reporting under clause (xii)(a), (b) and (c) of the Order is not applicable.

(xiii)

In our opinion and according to the information and explanation give to us, all the transactions with the related parties entered into by the company are in compliance with

Sections 177 and 188 of Companies Act, 2013 and the details of which have been disclosed in the standalone financial statements, as required by the applicable accounting standards.

- (xiv)**
- (a) Internal audit has not been conducted during the year.
 - (b) Internal audit has not been conducted during the year therefore; reports are not available for our consideration.
- (xv)** According to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi)** Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a),(b),(c) and (d) of the Order is not applicable.
- (xvii)** Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year, hence, reporting under clause 3(xvii) of the Order is not applicable.
- (xviii)** There has been no resignation of the statutory auditors of the Company during the year. Hence, reporting under clause 3(xviii) of the Order is not applicable.
- (xix)** On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx)**
- (a) Except our observation stated below, there are no unspent amounts towards Corporate Social Responsibility for other than ongoing projects requiring a transfer to a fund specified in schedule VII to the Companies Act in compliance with second proviso to sub section (5) of sanction 135 of the said act.
 - (b) In respect of ongoing projects, there was no unspent balance at the end of the previous financial year and at the end of current financial year requiring a transfer to a special account in compliance with provision of sub-section (6) of sanction 135 of the said act.
- (xxi)** The Company is not required to prepare consolidated Financial Statement. Hence Reporting under Clause 3(xx) of the order is not applicable for the year.

**For M Verma & Associates
Chartered Accountants
FRN – 501433C**

**Sd/-
Mohender Gandhi
Partner
M. No. 088396**

**Place: New Delhi
Date: 29.10.25
UDIN: 25088396BMLKPN5771**

Annexure –‘B’

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub section 3 of section 143 of the Companies Act, 2013 (“the Act”).

Referred to in paragraph 3(g) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of The Fertilizer Corporation of India Limited (FCIL) of even date.

We have audited the internal financial controls over financial reporting of The Fertilizer Corporation of India Limited (FCIL) (“the Company”) as of March 31, 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Managements’ Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standard on Auditing prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those standards and the Guidance Note require that we comply with ethical adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedure to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal controls over financial reporting to future period are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanation given to us and based on our audit at Central Office and Units and based on the internal control over financial reporting criteria established by the company considering the essential components of internal control; stated in *the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting* issued by the Institute of Chartered Accountants of India following weaknesses / partially effective controls have been identified as at 31-03-2025:

1. It has been observed that the Company does not have an adequate internal control system for the periodic recognition of accrued interest income on fixed deposits, which constitutes a significant portion of its total income. Except for interest received on deposits that mature during the year, the Company accounts for accrued interest only at the end of the financial year, based on certificates received from banks. Similarly, the tax deducted at source (TDS) on such interest income—whether on matured or continuing deposits—is also recognised only at year-end, based on Form 26AS, rather than through a structured process of periodic accounting and reconciliation.
This practice results in a recurring understatement of interest income, TDS receivable, and the related financial assets throughout the year, except on the reporting date. The absence of a systematic internal process for timely accrual and recognition of both income and related tax credits reflects a deficiency in the design and operating effectiveness of controls over revenue recognition and tax accounting.
2. The Company's internal financial controls over investment operations were not operating effectively to ensure compliance with its Board-approved investment policy. Specifically, as on March 31, 2025, the Company had invested in fixed deposit receipts (FDRs) in excess of the prescribed limit of 6% in private sector banks, reaching 6.1%. Furthermore, the Company did not maintain adequate documentation evidencing due diligence or regulatory compliance checks (such as capital adequacy, net worth, and NPA norms) prior to making such investments. These deficiencies could result in unmitigated financial exposure and non-compliance with internal and regulatory expectations.
3. The company does not have an adequate internal control system in place for monitoring and safeguarding its immovable properties, particularly those not in active use. Lack of timely impairment assessment and prolonged unauthorised occupation flats, land at Sindri reflects significant control deficiencies in the design and operating effectiveness of controls over fixed assets. In our opinion, the internal financial controls with reference to financial reporting in respect of asset safeguarding and impairment recognition are **not operating effectively**.
4. The Company at Sindri Unit derives significant income from rental of various commercial properties. We have observed that the Company does not have an adequate internal control system for reconciling rental income receivable with lease agreements and actual collections. This weakness could potentially lead to errors or omissions in revenue recognition, impacting the completeness of rental income reported in the financial statements.
5. Accounts of GST maintained at Units and C.O are reconciled at the year-end only. Non reconciliation of GST accounts at reasonable periodic intervals and reconciliation at the year-end

only has resulted into accounting of various entries at the year-end only, which indicate weak internal financial controls.

6. Unaccounted inventory of Platinum wares, gold chemicals and laboratory utensils etc. has been reported at Sindri, Talcher, Gorakhpur and Ramagundam Units. Observance of unaccounted inventory of significant amounts at Units reflects deficient / non-existent inventory records and weak / inadequate / non-existent internal financial controls.
7. At Ramagundam and Talcher records are maintained with the help of excel spread sheet instead of maintaining the books of accounts with the help of auto balancing, self-reconciling accounting software. Financial data of above stated units are compiled through excel spreadsheet. Non maintenance of proper books of accounts depicts the deficiency in internal financial controls.
8. At Sindri, opening balances of many assets and liabilities heads were not in agreement with closing balances of previous years. Also, double entries were observed in some receivables accounts which rectified after our reporting and depicts weak internal financial controls.

In our opinion, except for the possible effect of the weaknesses describe above on the achievements of the objectives of the control criteria, the company has maintained, in all material respect, adequate internal financial control with respect to the financial statements and such internal financial controls with reference to financial statement were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control; stated in **the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting** issued by the Institute of Chartered Accountants of India.

We have considered the weaknesses identified and reported above in determining the nature, timing and extent of audit test applied in our audit for the year ended on 31-03-2025 standalone financial statements of the company, and these weaknesses do affect our opinion on the financial statement of the company as reported in paragraph "Basis for Qualified Opinion" section of our audit report under section 143(3) of the Companies Act 2013

**For M Verma & Associates
Chartered Accountants
FRN – 501433C**

**Sd/-
Mohender Gandhi
Partner
M. No. 088396**

**Place: New Delhi
Date: 29.10.25
UDIN: 25088396BMLKPN5771**

Annexure “C”

S No	Directions	Replies
	<p>Assess the fair valuation of all the investments, both quoted and un quoted, made directly by the Company or through Trusts, for Post retirement benefits of the employees. This includes verifying valuation methodologies, ensuring consistency with Ind AS and reviewing supporting documentation. The auditor shall provide a brief note on the valuation approach, its reasonability, and compliance with applicable regulations, <u>reporting any material deviations</u> or misstatements.</p>	<p>The Company has not made any investments specifically for post-retirement employee benefits either directly or through any Trust.</p> <p>The Company’s investments consist as on 31.03.2025 primarily of Fixed Deposit Receipts (FDRs), and investment in shares of Ramagundam Fertilizer & Chemicals Ltd issued in lieu land use, use of assets and opportunity cost, which are general-purpose deposits / investment and are not earmarked for post-retirement obligations.</p> <p>Accordingly, fair valuation of investments for post-retirement benefits is not applicable</p>
	<p>Whether the Company has a system in place to process all the accounting transactions through IT system? If yes, whether review of this system and control that are significant to the Companies financial reporting process as well as cyber security has been done and material discrepancies found , if any, have been suitably reported ?</p> <p>The implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any. may be reported .</p>	<p>Co is maintaining it Books of accounts at CO, Sindri, Gorakhpur and Korba unit with the help Accounting Software “Tally-Prime”. Further at Talchar and Ramagundam Units and marketing division the accounting records maintained on Excel spread sheet, instead of maintaining the accounts with help of auto balancing, self reconciling software.</p> <p>Further the rent dues of properties let out are also not through IT system and are maintained through excel sheet. As the rent dues consist of overdue rent of past many years from various parties, the impact of any error is nor ascertainable .</p> <p>Further during the course of our review, it was observed that the Company has not established a cyber security framework The Company’s IT environment is not subjected to regular vulnerability assessment or penetration testing, and cyber security incident response mechanisms are not documented or tested. Company is exposed to potential risks relating to unauthorized access and data loss.</p>
	<p>Whether funds (grants subsidy etc.) received receivable for specific schemes from Central/State Government or its agencies were properly accounted for as per the applicable accounting standards or norms and whether the received funds were utilised as per its terms and conditions? Whether accounting of interest earned on grants received has been done as per terms and conditions of the Grant. List the cases of deviation.</p>	<p>Not applicable as no grant / subsidy received during the year.</p>
	<p>Whether the Company has identified the key Risk areas? If yes, whethei’ the Company</p>	<p>As per information provided to us the Co has not identified Key Risk areas.</p>

	<p>has formulated any Risk Management Policy to mitigate these risks? If yes, (a) whether the Risk Management Policy has been formulated considering global best practices? (b) whether the Company has identified its data assets and whether it has been valued appropriately?</p>	
	<p>Whether the Company is complying with the Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015, and other applicable rules and regulations of SEBI, Department of Investment and Public Asset Management, Ministry of Corporate Affairs, Department of Public Enterprises, Reserve Bank of India, Telecom Regulatory Authority of India, CERT-IN, Ministry of Electronics and Information Technology and National Payments Corporation of India wherever applicable? If not, the cases of deviation may be highlighted.</p>	<p>As per information provided to us Company is complying with requirement of Department of Public Enterprises.</p>

**For M Verma & Associates
Chartered Accountants
FRN – 501433C**

**Sd/-
Mohender Gandhi
Partner
M. No. 088396**

**Place: New Delhi
Date: 29.10.2025**

**Director General of Audit
(Agriculture, Food & Water Resources), New Delhi**

Confidential

No.1372-P.D.A.C.I(A.F.W.R)/AMG-I/A/cs/FCIL/2025-26/5661

Dated:- 23/12/2025

To,

**Chairman & Managing Director,
The Fertilizer Corporation of India Limited,
PDIL Bhawan, (5th Floor) A-14, Sector-1,
Noida- 201301, Dist. Gautam Budh Nagar (U.P.)**

Sub: Comments by the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act 2013 on the Financial Accounts of The Fertilizer Corporation of India Limited for the year ended 31st March 2025.

Sir,

Along with this letter, comments are being sent on the financial accounts of **The Fertilizer Corporation of India Limited** under Section 143(6)(b) of the Companies Act, 2013 for the year ended March 31, 2025.

Please kindly send an acknowledgment of this letter.

Sincerely,

Attached: as stated

Sd/-
(Tanya Singh),
Principal Director General of Audit,
Central Expenditure
(Agriculture, Food & Water Resources)

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF THE FERTILIZER CORPORATION OF INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2025.

The preparation of financial statements of The Fertilizer Corporation of India Limited for the year ended 31 March 2025 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act are 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 29th October 2025.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of The Fertilizer Corporation of India Limited for the year ended 31 March 2025 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.

A. Comments on profitability

A1. Current Liabilities

Short Term Provisions (Note-18) ₹ 9.86 crore

The above does not include ₹2.11 crore payable to Lucknow Development Authority towards arrears of lease rent, interest on outstanding lease rent and penalty for non-construction on the leasehold plot allotted to FCIL. This qualifies as firm liability in term of provision of Ind AS 37 and the company has accepted the liability but no provision has been made in the financial statements. This has resulted in understatement of expenses (provisions) with and consequential understatement of loss for the year by ₹2.11 crore.

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

**Sd/-
(Tanya Singh)
Principal Director General of Audit, Central Expenditure
(Agriculture, Food & Water Resources)**

Place: New Delhi

Date: 23.12.2025

C&AG Comment & Management Reply for the Year 2024-25

Q.No	C&AG Comment	Reply of the Management
A A1	<p>Comments on profitability</p> <p>Current Liabilities</p> <p>Short Term Provisions (Note-18) ₹ 9.86 crore</p> <p>The above does not include ₹2.11 crore payable to Lucknow Development Authority towards arrears of lease rent, interest on outstanding lease rent and penalty for non-construction on the leasehold plot allotted to FCIL. This qualifies as firm liability in term of provision of Ind AS 37 and the company has accepted the liability but no provision has been made in the financial statements. This has resulted in understatement of expenses (provisions) with and consequential understatement of loss for the year by ₹2.11 crore.</p>	<p>In December, 1983, the land at Lucknow was taken on 30 years lease (further extendable for 90 years) and construction was to be started within 3 years i.e. upto December, 1986. But FCIL neither paid Annual lease rent after 1996 nor started construction, thus the lease stands terminated in December 2013 as per lease agreement.</p> <p>However, with constant follow-ups, Lucknow Development Authority (LDA) agreed in April, 2025 to convert the plot as freehold, subject to payment of Rs. 2.12 crore towards balance lease rent and non construction levy etc. The payment of Rs. 2.12 crore was made in April 2025. So these payments are neither for annual rent for use of land nor penalty for a live lease contract but a lumpsum agreed payment to acquire Freehold rights of the land.</p> <p>Thus, the payment is inseparable from the acquisition/regularisation of the land right and is not a recurring operating outflow.</p> <p>Based on the above, we consider that the entire settlement amount is directly attributable to securing the underlying land rights and thus to be included in the cost of land during 2025-26, in accordance with Ind AS16. Therefore, no provision was required to made in the books as on 31.03.2025.</p> <p>Thus, there is no understatement of expenses (provisions) with and no consequent understatement of loss for the year by Rs. 2.11 crore.</p>

The Fertilizer Corporation of India Limited			
Balance Sheet as at 31.03.2025			
(Rupees in Lakhs)			
Particulars	Note No.	Figures as at the end of current reporting period 2024-25	Figures as at the end of previous reporting period 2023-24
1	2	3	4
ASSETS			
1) Non-current assets			
a) Property, Plant and equipment	1	578.60	1,355.08
b) Capital Work in Progress	1 (a)	3,012.83	1,397.77
c) Non-Current investments	2	20,795.86	20,795.86
d) Long term Loans	3	-	-
e) Other non-current assets	4	1,755.40	1,463.48
Non-current assets classified as held for sale	10	30.68	91.22
Total non-current assets (A)		26,173.37	25,103.41
2) Current assets			
a) Inventories	5	174.79	174.79
b) Financial assets			
i) Trade receivables	6	162.68	126.28
ii) Cash and cash equivalents	7	201.25	144.77
iii) Other Bank balances	7A	50,002.43	38,136.41
iv) Other Financial Assets	7B	7,485.99	15,200.00
v) Short term loans and advances	8	268.93	1,130.21
c) Other current assets	9	2,453.57	2,252.80
		60,749.64	57,165.26
Total Current Assets (B)		60,749.64	57,165.26
TOTAL ASSETS (A+B)		86,923.01	82,268.67

	Note no.	Figures as at the end of current reporting period 2024-25	Figures as at the end of previous reporting period 2023-24
EQUITY AND LIABILITIES			
Equity			
a) Equity Share capital	11	75,092.39	75,092.39
b) Other Equity	12	(4,540.80)	(89.49)
Total Equity (A)		70,551.59	75,002.90
LIABILITIES			
1) Non-current liabilities			
a) Financial liabilities			
i) Trade Payables			
ii) Borrowings			

a)Total Outstanding dues of Micro Enterprises & Small Enterprises.			
b)Total Outstanding dues of creditors other than Micro Enterprises & Small Enterprises	13	431.14	553.60
b) Long term provisions	14	8,175.81	62.45
c) Deferred tax liabilities (Net)		-	-
d) Other non-current liabilities	15	6,390.84	5,586.31
Total non-current Liabilities		14,997.79	6,202.36
2) Current liabilities			
(a) Financial liabilities			
Borrowings			
Trade payables	16	3.29	2.63
(b) Other current liabilities	17	384.60	830.18
(c) Short-term provisions	18	985.74	230.60
Total Current Liabilities		1,373.63	1,063.41
Total Liabilities (B)		16,371.42	7,265.77
Total Equity and Liabilities (A+B)		86,923.01	82,268.67

Note No 1 to 25 are integral part of the Financial Statements.

Sd/- (S.S Shekhawat) Officer on Special Duty	Sd/- (Naresh Arya) Director(Finance) DIN:10627329	Sd/- (Aneeta C Meshram) Chairman & Managing Director DIN: 09781436	As per our report of even date for M.Verma & Associates Chartered Accountants FRN - 501433C
Sd/- (CS Monika Ahuja) Company Secretary M.No.A56411			Sd/- Mohender Gandhi Partner M.No. 088396 Place : New Delhi Date : 29.10.2025 UDIN: 25088396BMLK PN5771

The Fertilizer Corporation of India Limited
Statement of Profit and Loss for the year ended 31.03.2025

(Rupees in lakhs)

Particulars	Note No.	Figures as at the end of current reporting period 2024-25	Figures as at the end of previous reporting period 2023-24
Revenue From Operations		-	-
Other income	19	7,304.03	6,446.74
Total revenue (I+II)		7,304.03	6,446.74
Expenses			
Employee benefit expense	20	22.71	17.33
Finance cost	21	0.30	0.55
Depreciation and amortisation expense	22	9.30	9.08
Other Expenses	23	9,180.04	1,329.87
Total Expenses (IV)		9,212.35	1,356.83
Profit/ (loss) before exceptional items and tax		-1,908.32	5,089.91
Profit/ (loss) before tax		-1,908.32	5,089.91
Extra Ordinary Items		-	-
Profit before tax		-1,908.32	5,089.91
Tax Expenses			
Current Tax		1,610.00	1,210.00
Defered Tax		-	-
Earlier Year Tax		-	95.05
Profit/ (loss) for the period from continuing operations		-3,518.32	3,784.86
Other Comprehensive Income		-	-
Items that will not be reclassified to profit & loss		-	-
Re-measurement losses on defined benefit plans		-	-
Income Tax Effect		-	-

THE FERTILIZER CORPORATION OF INDIA LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2025

(Rupees in lakhs)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
A Cash Flow from Operating Activities		
Net Profit Before Tax before Exceptional Income	(1,908.32)	5,089.91
<u>Adjustments for :-</u>		
Depreciation for the year	9.30	9.08
Profit on sale of Fixed Assets	(1.93)	-
Interest Income	(4,492.04)	(3,975.80)
Others Non Operating Income	(435.34)	(885.27)
Perior Period Income (Net)	(41.02)	64.75
Operating Profit before Current/Non Current Assets and Liabilities	(6,869.35)	303.70
<u>Adjustments for :-</u>		
Increase/(decrease) in trade payables	(121.80)	(4.08)
Increase/(decrease) in provisions	8,868.50	(66.57)
Increase/(decrease) long term liabilities	-	-
Increase/(decrease) in other current liabilities	358.95	2,244.66
Increase/(decrease) in Non current Loans & Advances	-	-
Decrease/(Increase) in trade receivables	(36.40)	92.82
Decrease/(increase) in inventories	-	-
Decrease/(Increase) in loans and advances	861.28	(33.39)
Decrease/(Increase) in other non-current assets	(231.38)	47.13
Decrease/(Increase) in other current assets	(200.77)	(579.34)
Cash generated from Operations	2,629.03	2,004.93
Tax paid Paid/Refunds	(1,150.00)	(1,629.00)
Net Cash Flow from Operating Activities	1,479.03	375.93
B Cash Flow from Investing Activities		
Proceeds from sale of fixed assets/scrap	435.34	881.59
Purchase of fixed assets	(106.04)	(3.94)
Investment in CWIP	(1,615.06)	(409.68)
Investments in FDR maturity more than 3 Months	(4,152.01)	(4,537.99)
Interest received	4,015.21	3,444.10
Purchases of Non Current Investments	.	-
Net Cash flow from Investing Activities	(1,422.56)	(625.92)

C	Cash flow from Financing Activites		
	Proceeds from Equity Shares		
	Redemption of Capital and Debetures	-	-
	Interest/ Divided Paid	-	-
		-	-
	Net cash from Financing Activites		
		-	-
	Net Increase /decrease in Cash & Cash equivalents(A+B+C)	56.48	(249.99)
	Opening Cash & Cash equivalent	144.77	394.76
	Closing Cash & Cash equivalent	201.25	144.77
	Reconciliation of Cash & Cash equivalent		
	Balance with banks in		
	Current accounts	198.82	143.60
	Flexi Deposit Account	-	-
	Cash in hand	2.43	1.17
	Cash & Cash Balance as per Balance Sheet	201.25	144.77

1. Cash Flow Statement has been prepared under the Indirect method as set out in the Indian Accounting Standard 7 on Cash Flow Statements. Cash and cash equivalents in the Cash Flow Statement comprise cash at bank and in hand, demand deposits and cash equivalents which are short-term and held for the purpose of meeting short-term cash commitments

Sd/-

(S.S Shekhawat)

Officer on Special Duty
Director

Sd/-

(Naresh Arya)

Director (Finance) Chairman & Managing

DIN:10627329

Sd/-

(Aneeta C Meshram)

Chairman & Managing

DIN: 09781436

As per our report of
even date
for M.Verma &
Associates
Chartered Accountants
FRN - 501433C

Sd/-

(CS Monika Ahuja)
Company Secretary
M.No.A56411

Sd/-

Mohender Gandhi
Partner
M.No. 088396
Place : New Delhi
Date: 29.10.2025
UDIN: **25088396BM**
LKPN5771

"STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2025

Name of the Company: The Fertilizer Corporation of India Limited

A. EQUITY SHARE CAPITAL

(Rs.in lakhs)

Balance as at 01.04.2024	Changes in Equity Share Capital during the year	Balance as at 31.03.2025	Balance as at 31.03.2023	Changes in Equity Share Capital during the year	Balance as at 31.03.2024
75092.39	-	75092.39	75092.39	-	75092.39

B. OTHER EQUITY

FOR THE YEAR ENDED 31ST MARCH 2025

	Reserve and Surplus		Items of Other Comprehensive Income	Total
	General Reserve (Refer Note 12)	Retained Earnings (Refer Note 12)	Equity Instruments through Other Comprehensive Income (Refer Note 12)	
Balance as at 01.04.2024	81.61	-1481.62	1310.52	-89.48
Changes in accounting policy/prior period errors	-	-	-	-
Restated balance at the beginning of the reporting period	81.61	-1481.62	1310.52	-89.49
Profit for the year	-	3,518.32	-	-3518.32
Other Comprehensive Income (Net of Tax)	-	-	-	-
Total Comprehensive income for the year	-	3,518.32	-	3,518.32
Any other changes (to be specified)	-	358.08	-1,291.07	932.99
Balance as at 31.03.2025	81.61	4,641.86	19.45	-4540.80

* Amount withdrawn from Revaluation reserve during the year

B. OTHER EQUITY

FOR THE YEAR ENDED 31ST MARCH 2024

	Reserve and Surplus		Items of Other Comprehensive Income	Total
	General Reserve	Retained Earnings	Equity Instruments through Other Comprehensive	
Balance as at 01.04.2023	81.61	-5174.07	1274.92	-3817.54
Changes in accounting policy/prior period errors		-	-	-
Restated balance at the beginning of the reporting period	81.61	5,174.07	1,274.92	-3817.54
Profit for the year		3,784.86	-	3,784.86
Other Comprehensive Income (Net of Tax)		-	-	-
Total Comprehensive Income for the year		3,784.86		3,784.86
Any other changes (to be specified)			-56.81	56.81
Balance as at 31.03.2024	81.61	1,389.21	1218.11	89.49

Sd/- (S.S Shekhawat (Naresh Arya) Officer on Special Duty	Sd/- (Aneeta C Meshram) Director(Finance)	Sd/- Chairman & Managing Director	As per our report of even date for M.Verma & Associates Chartered Accountants FRN - 501433C
DIN:10627329	DIN: 09781436		

Sd/-
(CS Monika Ahuja)
Company Secretary
M.No.A56411

Sd/-
Mohender Gandhi
Partner
M.No. 088396
Place : New Delhi
Date: 29.10.2025
UDIN: **25088396BMLKPN5771**

Particulars	PROPERTY, PLANT AND EQUIPMENT										Total	
	Leasehold Land	Free hold Land	Roads & Culverts	Buildings	Water System, sewerage and Drainage	Misc equipment	Furniture Fixture and Office Appliances	Plant & Machinery (COM)	Elec Instt. Township	(Rupees in lakhs)		
Cost or deemed Cost												
At March 31, 2023	181.37	308.54	233.39	2794.92	141.57	1.03	11.68	22.27	13.17	0.00		3707.94
Additions	-	-	-	-	-	-	0	3.94	-	-		3.94
Disposal/ Adjustments	-	-	-	-	-	-	(0.61)	-	-	-		-0.61
Classified as held for sale												
At March 31, 2024	181.37	308.54	233.39	2794.92	141.57	1.02	11.07	26.21	13.17	-		3711.26
Additions	105.96	-	-	-	-	-	0.08	-	-	-		106.04
Disposal/ Adjustments	-	-	(184.19)	-1,979.33	(51.17)	-	-	-	-	-		-2214.69
Classified as held for sale												
At March 31, 2025	287.33	308.54	49.20	815.59	90.40	1.02	11.15	26.21	13.17	-		1602.61
Accumulated Depreciation/ impairment												
At 31 March, 2023	79.49	-	227.28	1803.44	141.49	1.00	7.37	17.65	13.17	-		2290.89
Depreciation charge for the year	1.76	-	-	4.43	-	-	0.70	2.19	-	-		9.08
Disposal/ Adjustments	-	-	-	-	-	-	(0.61)	-	-	-		-0.61
Depreciation on revaluation				56.81								56.81
Accumulated Dep. on assets held for sale												0.00
Transfer to General reserve	-	-	-	0.00	-	-	-	-	-	-		0.00
At 31 March, 2024	81.25	-	227.28	1864.68	141.49	1.00	7.46	19.84	13.17	-		2356.17
Depreciation charge for the year	3.77	-	-	1.70	-	-	0.49	3.35	-	-		9.30
Depreciation on revaluation	-	-	-	0.67	-	-	-	-	-	-		0.67
Disposal/ Adjustments	-	-	(178.08)	(1,112.95)	(51.11)	-	-	-	-	-		-1342.14
Accumulated Dep. on assets held for sale												0.00
At 31 March, 2025	85.02	0.00	49.20	754.10	90.38	1.00	7.95	23.19	13.17	-		1024.00
At 31 March, 2025	202.32	308.54	0.00	61.49	0.02	0.02	3.20	3.02	-	-		578.60
Net Carrying Value												
At March 31, 2024	100.11	308.54	6.11	930.24	0.08	0.03	3.61	6.37	0.00	0.00		1355.08

Note 1(a)

(Amount
in lakhs)

Capital -Work-in-Progress (CWIP)

CWIP	Amount in CWIP for a period				Total*
	Less than one year	One to two years	Two to three years	More than three years	
Projects in progress	1615.06	1212.59	185.18	0	3012.83
Projects temporarily suspended					

Notes Forming part of Financial Statements for the Year Ended 31st March 2025

Note 2

Non Current Investments

(Rupees in lakhs)

Particulars	Figures as at the end of current reporting period 2024-25	Figures as at the end of previous reporting period 2023-24
<u>Long term Investment</u>		
<u>Investment in Equity Instruments</u>		
Non-Trade Investments (At cost unless stated otherwise-unquoted)		
Fully paid up equity shares in Employees Co-operative stores Limited	0.10	0.10
Less: Provision for diminution in value of long-term investment	(0.05)	(0.05)
	0.05	0.05
Trade Investments in Joint venture companies (At cost-unquoted)		
Fully paid up equity shares 5,000 shares @Rs.10 each of Talchar Fertilizers Ltd (Formerly known as Rashtrya Coal Gas Fertilizer Ltd)	0.50	0.50
Fully paid up equity shares 16,667 shares @Rs.10 each of Hindustan Urvarak and Rashyan Ltd.	1.67	1.67

Fully paid up equity shares 20,79,36,400 @ Rs.10 each (Previous year 20,79,36,400@ Rs.10 each) of Ramagundam Fertilizers & Chemicals Limited issued for consideration other than cases.	20,793.64	20,793.64
Total	20,795.86	20,795.86
Aggregate value of unquoted Investment	20,795.86	20,795.86
Aggregation of diminution in value of longterm investment	0.05	0.05

Note 3

Long Term Loans

(Rupees in lakhs)

Particulars	Figures as at the end of current reporting period 2024-25	Figures as at the end of previous reporting period 2023-24
Unsecured considered good unless otherwise stated		
(a) Loans & advances		
House Building Loan to Employee	0.31	0.31
Less: Provision for doubtful loans	(0.31)	(0.31)

Other Non Current Assets

Note 4

Particulars	Figures as at the end of current reporting period 2024-25	Figures as at the end of previous reporting period 2023-24
(a) Advances		
Suppliers (considered doubtful)	340.50	338.68
Less: Provision for doubtful advances	(340.50)	(338.68)
Suppliers (considered good)	-	-
Employees (considered good)	0.41	0.85
Others (considered doubtful)	56.79	56.77
Less: Provision for doubtful advances	(56.79)	(56.77)
Others (considered good)	16.76	20.30
Deposit with Govt. Authorities/others(Considered good)	37.13	37.81

Deposit with Govt. Authorities/others(Considered doubtful)	0.24	0.24
Less: Provision for doubtful deposits	(0.24)	(0.24)
Rental dues	0.12	0.91
Income Tax & TDS (Net of Provision)	-	65.25
Income tax refundable	1,178.94	1,039.98
Total (a)	1,233.36	1,165.10
b) Others-Deposits		
(Rupees in lakhs)		
Particulars	Figures as at the end of current reporting period 2024-25	Figures as at the end of previous reporting period 2023-24
Fixed deposit Accounts(Amenities Fund)	114.77	106.90
Current Account II (Amenities Fund)	5.37	5.38
Deposit (Pledged with Excise Deptt)	1.44	38.14
Rental dues (considered doubtful)	935.54	995.71
Less: Provision for doubtful debts	(935.54)	(995.71)
Others(considered doubtful)	51.56	50.61
Less: Provision for doubtful dues	(51.56)	(50.61)
Lease Rent - Ex employees	0.04	0.05
Rental dues (Considered Good)	196.37	191.40
Less: Provision for doubtful dues	(78.62)	(71.41)
Rent/Water & Elec.charges-PDIL	26.20	26.20
Interest accrued on deposits	0.87	1.72
Receivable from ACC (Railway siding/others)	255.60	-
Total (b)	522.04	298.38
Grand Total (a+b)	1,755.40	1,463.48

Note 5
Inventories

(Rupees in lakh)

Particulars	Figures as at the end of current reporting period 2024-25	Figures as at the end of previous reporting period 2023-24
(As verified and certified by Management)		

a) Packing Materials (valued at Cost)	0.78	0.78
Less- Provision for obsolescence	(0.78)	(0.78)
	-	-
b) Stores & Spares (valued at Cost)	-	-
Goods in transit	-	-
Goods under inspection	-	-
Stores unconsumed (stock of Platinum)	174.79	174.79
Less: Provision for obsolescence	-	-
Total	174.79	174.79

Note 6

Trade and Other Receivable

(Rupees in lakh)

Particulars	Figures as at the end of current reporting period 2024-25	Figures as at the end of previous reporting period 2023-24
Receivables outstanding for a period exceeding six months from the date they are due for payment Unsecured considered good	162.68	124.98
Unsecured considered doubtful	1,777.59	1,781.91
Less: Provision for doubtful debts	(1,777.59)	(1,781.91)
Input (GST) Purchase Receivable	-	1.30
Total	162.68	126.28

Trade Receivables ageing schedule

Outstanding as at 31st March 2025

Particulars	Less than 6 months	6 Months to 1 Year	1-2 year	2-3 Year	More than 3 year	Total
(i) - Undisputed Trade receivables						
- considered good	0	38.16	116.27			154.43
- which have significant increase in credit risk	0	0.00	3.35	3.60	0.84	7.79
- credit impaired					0.46	0.46
Sub- total (i)	0	38.16	119.62	3.60	1.30	162.68
Sub- total (i+ii)	0	38.16	119.62	3.60	1.30	162.68

(ii) - Disputed Trade receivables						
- considered good	0	0.00	0.00	0.00		
- which have significant increase in credit risk	0	0			0	
- credit impaired	0			1781.91	1781.91	
Provision for doubtful debts				-	-	
				1781.91	1781.91	
Sub- total (ii)	0	0	0	0	0	
Total (i+ii)	0	38.16	119.62	3.60	1.30	162.68

Outstanding as at 31st March 2024						
Particulars	Less than 6 months	6 Months to 1 Year	1-2 year	2-3 Year	More than 3 year	Total
(i) - Undisputed Trade receivables						
- considered good	0.00	116.48		0		116.48
- which have significant increase in credit risk	0.00	3.60	3.60	0	0.84	8.04
- credit impaired					0.46	0.46
Sub- total (i)	0.00	120.08	3.60	0.00	1.30	124.98
(i) - Disputed Trade receivables						
- considered good		0.00	1.30			1.30
- which have significant increase in credit risk		0				0.00
- credit impaired					1781.91	1781.91
Provision for doubtful debts					-1781.91	-
					-1781.91	1781.91
Sub- total (ii)		0.00	1.30	0	0	1.30
Total (i+ii)	0.00	120.08	4.90	0.00	1.30	126.28

Note 7
Cash and cash equivalents
(Rupees in lakh)

Particulars	Figures as at the end of current reporting period 2024-25	Figures as at the end of previous reporting period 2023-24
Balance with banks in		
Current accounts	198.82	143.60
Fixed deposit Accounts with original maturity for more than 12 m (Amenities Fund)	114.77	106.90
Amount disclosed under non-current assets	-114.77	-
Cash in hand	2.43	106.90
		1.17
Total	201.25	144.77

Other Bank Balances
Note 7A
Total

Particulars	Figures as at the end of current reporting period 2024-25	Figures as at the end of previous reporting period 2023-24
Other Bank Balances		
Fixed deposit Accounts with original maturity for more than 3 m but less than 12 m	-	-
Fixed deposit Accounts with original maturity for 12 months	50,002.43	38,136.41
Total	50,002.43	38,136.41

Other Financial Assets
Note 7B
-

Particulars	Figures as at the end of current reporting period 2024-25	Figures as at the end of previous reporting period 2023-24
Fixed deposit Accounts with original maturity for more than 12 months	7,485.99	15,200.00
Total	7,485.99	15,200.00

Note 8
Short Term Loans and Advances

 (Rupees in
lakh)

Particulars	Figures as at the end of current reporting period 2024-25	Figures as at the end of previous reporting period 2023- 24
Unsecured considered good unless otherwise stated		
(a) Advances		
Employees (considered good)	0.11	0.36
Others (considered good)	8.71	5.05
NBCC for construction of office building	132.08	132.08
Pre-paid expenses	-	5.99
Deposit with Govt.		
Authorities/others(Considered good)	23.81	23.81
Balance with Goods and service tax Authorities	2.99	-
Income Tax & TDS		
Advance Tax & TDS	1710.88	
Less: Provision for Income Tax	<u>1610.00</u>	962.57
Receivable from KRIBHCO	0.06	0.06
CGST Receivable	0.05	0.05
SGST Receivable	0.05	0.05
IGST Receivable	0.19	0.19
Total	268.93	1,130.21

Note 9

Other Current Assets

(Rupees in lakh)

Particulars	Figures as at the end of current reporting period 2024-25	Figures as at the end of previous reporting period 2023-24
Rental dues (considered doubtful)	5.45	11.24
Less: Provision for doubtful dues	(5.45)	(11.24)
Rental dues (Considered Good)	157.82	79.35
Lease Rent Railway siding	-	15.25
Interest accrued on deposits	2,199.59	2,057.15
Interest accrued on NBCC Advance	57.56	57.55
Amount receivable from P.F. Trust	-	1.94
Input credit GST	38.60	41.56
Total	2,453.57	2,252.80

THE FERTILIZER CORPORATION OF INDIA LIMITED
Note 10
Tangible Assets not in use or held for disposal

Particulars	(Rupees in lakhs)										
	Gross value as on April 1, 2024	Additions	Deletions	Gross value as on 31.03.2025	Accumulated depreciation as on April 1, 2024	Depreciation on Revaluation	Accumulated depreciation on Deletions	Transfer to General Reserve	Accumulated depreciation as on 31.03.2025	Net value as on March 31, 2025	Net value as on 31.03.2024
Roads & Culverts	59.60	-	-11.50	48.10	56.69	-10.92	-	45.77	2.33	2.91	2.91
Buildings	273.04	-	-213.31	59.73	261.14	-202.64	-	58.50	1.23	11.90	11.90
Railway Sidings	453.70	-	-	453.70	431.02	-	-	431.02	22.68	22.68	22.68
Plant and Equipment	198.53	-	-165.47	33.06	188.60	-157.20	-	31.40	1.67	9.94	9.94
Gas Turbine	-	-	-	-	-	-	-	-	-	-	-
Water System, Sewerage and Drainage	804.56	-	-804.56	-0.00	764.34	-764.34	-	-	-	40.22	40.22
Misc. Equipments	47.65	-	-	47.65	47.60	-	-	47.60	0.05	0.05	0.05
Furniture, Fixture and Office Appliance	34.18	-	-4.35	29.83	31.49	-3.56	-	27.93	1.90	2.69	2.69
Transport Vehicles	19.78	-	-1.35	18.43	18.96	-1.35	-	17.61	0.82	0.82	0.82
Capital Stores	-	-	-	-	-	-	-	-	-	-	-
Total	1,891.04	-	-1,200.54	690.50	1,799.84	-1,140.01	-	659.83	30.68	91.22	91.22

Particulars	(Rupees in lakhs)										
	Gross value as on April 1, 2023	Additions	Deletions	Gross value as on 31.03.2024	Accumulated depreciation as on April 1, 2023	Depreciation on Revaluation	Accumulated depreciation on Deletions	Transfer to General Reserve	Accumulated depreciation as on 31.03.2024	Net value as on March 31, 2024	Net value as on 31.03.2023
Roads & Culverts	59.60	-	-	59.60	56.69	-	-	56.69	2.91	2.91	2.91
Buildings	273.04	-	-	273.04	261.14	-	-	261.14	11.90	11.90	11.90
Railway Sidings	453.70	-	-	453.70	431.02	-	-	431.02	22.68	22.68	22.68
Plant and Equipment	198.53	-	-	198.53	188.60	-	-	188.60	9.94	9.94	9.94
Gas Turbine	-	-	-	-	-	-	-	-	-	-	-
Water System, Sewerage and Drainage	804.56	-	-	804.56	764.34	-	-	764.34	40.21	40.22	40.22
Misc. Equipments	47.65	-	-	47.65	47.60	-	-	47.60	0.05	0.05	0.05
Furniture, Fixture and Office Appliance	34.18	-	-	34.18	31.49	-	-	31.49	2.69	2.69	2.69
Transport Vehicles	19.78	-	-	19.78	18.96	-	-	18.94	0.84	0.83	0.83
Capital Stores	-	-	-	-	-	-	-	-	-	-	-
Total	1,891.04	-	-	1,891.04	1,799.84	-	-	1,799.82	91.22	91.22	91.22

The Fertilizer Corporation of India Limited
Note 11
Equity Share Capital
(Rupees in lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
<u>Authorised</u>		
8000,000 Equity Shares of Rs 1,000/-each (Previous Year 8000,000 Equity Shares of Rs 1,000/-)	80,000.00	80,000.00
<u>Issued,Subscribed and Paid Up</u>		
75,09,239 Equity Shares of Rs 1,000/-each (Previous Year 75,09,239 Equity Shares of Rs 1000/-each)	75,092.39	75,092.39
Total	75,092.39	75,092.39

Notes:

As At 31.03.2025

The Aggregate number of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash in the last five years immediately preceeding the balance sheet date.

Nil

Equity Shares calls unpaid by directors and officers of the company.

Nil

Shares held by ultimate holding company/ holding company and their subsidiaries/ associates

Nil

Shareholders in the Company held by each Shareholder holding more than 5% Shares of the Company

Particulars	As at 31 March 2025		As at 31 March 2024	
	Number of shares	% of Holding	Number of shares	% of Holding
Hon'ble President of India ((Promoters))	75,09,239	100%	75,09,239	100%

Amount in Rs. In lakhs

Reconciliation of equity shares outstanding at the beginning and at the end of reporting period:-

A. Equity Share Capital	No. of Shares	Amount
Balance as at 1st April 2023	75,09,239	75,092.39
Changes in equity share capital during the year	-	-
Balance as on 31st March 2024	75,09,239	75,092.39
Changes in equity share capital during the year	-	-
Balance as on 31st March 2025	75,09,239	75,092.39

THE FERTILIZER CORPORATION OF INDIA LIMITED
STATEMENT OF CHANGES IN EQUITY

B. Other Equity**(1) Current reporting period 01.04.2024 TO 31.03.2025**

Rs./lakhs

	Reserves and Surplus											Total		
	Share application money pending allotment	Equity component of compound financial instruments	Capital Reserves	Securities Premium	Other Reserves (Subsidy on Industrial Housing)	Retained Earnings	Debt instruments through Other Comprehensive Income	Equity instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation		Other items of Other Comprehensive Income (specify nature)	Money received against share warrants
Balance at the beginning of the current reporting period	-	-	75.69	-	5.92	-1,481.62	-	-	-	1,310.52	-	-	-	-89.49
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	75.69	-	5.92	-1,481.62	-	-	-	1,310.52	-	-	-	-89.49
Total	-	-	-	-	-	-3,518.32	-	-	-	-	-	-	-	-3,518.32
Comprehensive Income for the current year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	358.08	-	-	-	-	-358.08	-	-	-	-	-
Any other changes (to be specified)	-	-	-	-	-	-	-	-	-932.99	-	-	-	-	-932.99
Balance at the end of the current reporting period	-	-	75.69	-	5.92	-4,641.86	-	-	19.45	-	-	-	-	-4,540.80

(2) Previous reporting period 1.04.2023 TO 31.3.03.2024

	Reserves and Surplus										Money received against share warrants	Total	
	Share application money pending allotment	Equity component of compound financial instruments	Capital Reserves	Securities Premium	Other Reserves (specify nature) (Subsidy on Industrial Housing)	Retained Earnings	Debt instruments through Other Comprehensive Income	Equity instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus			Exchange differences on translating the financial statements of a foreign operation
Balance at the beginning of the previous reporting period	-	-	75.69	-	5.92	-5174.07	-	-	-	1274.92	-	-	-3817.54
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the previous reporting period	-	-	75.69	-	5.92	-5174.07	-	-	-	1274.92	-	-	-3817.54
Total	-	-	-	-	-	-	-	-	-	-	-	-	-
Comprehensive Income for the current year	-	-	-	-	3,784.86	-	-	-	-56.81	-	-	-	3728.05
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-
Any other changes (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the current reporting period	-	-	75.69	-	5.92	-1389.21	-	-	-	1218.11	-	-	-89.49

Note 13
Trade and Other Payables

(Rupees in lakh)

Particulars	Figures as at the end of current reporting period 2024-25	Figures as at the end of previous reporting period 2023-24				
Trade Payables						
Total Outstanding dues of Micro Enterprises & Small Enterprises.	-	-				
Total Outstanding dues of creditors other than Micro Enterprises & Small Enterprises	431.14	553.60				
Total	431.14	553.60				
Trade Payable Aging Schedule						
Outstanding as at 31st March 2024						
Particulars	Less than 6 months	6 Months to 1 Year	1-2 year	2-3 Year	More than 3 year	Total
i. MSME						
- Disputed						
- Others						
Sub-total (i)						
(ii) Other than MSME						
- Disputed						
- Others					431.14	431.14
Sub-total (ii)					431.14	431.14
Total (i+ii)						
Outstanding as at 31st March 2023						
Particulars	Less than 6 months	6 Months to 1 Year	1-2 year	2-3 Year	More than 3 year	Total
i. MSME						
- Disputed						
- Others					0	0
Sub-total (i)						
(ii) Other than MSME						
- Disputed						

- Others	553.60	553.60
Sub-total (ii)	553.60	553.60
Total (i+ii)	553.60	553.60

Note 14

Long Term Provisions

(Rupees in lakh)

Particulars	Figures as at the end of current reporting period 2024-25	Figures as at the end of previous reporting period 2023-24
Provision for employees's benefits		
Others		
i) Provision for Expenses	23.20	54.97
ii) Nehru Place Flat owners (Liability Under dispute under Delhi High Court)	7.48	7.48
iii) Income tax demand A.Y. 2018-19 & A.Y. 2022-23	8145.13	-
Total	8,175.81	62.45

Note 15

Other Non Current Liabilities

(Rupees in lakh)

Particulars	Figures as at the end of current reporting period 2024-25	Figures as at the end of previous reporting period 2023-24
Others		
Capital items	272.95	272.95
Other long term liabilities		
i) Trade and other deposits	259.96	355.06
ii) Security / Earnest money deposit	454.32	542.06
iii) Ex Employees	68.83	76.50
iv) Ex-Employees (Lease accomodation)	2,188.31	2,267.32
v) Statutory liabilities (Undisputed)	78.29	78.29
vii) Other Liabilities	82.45	82.45
viii) Worker's Amenities Fund	131.30	120.14
viii) Gratuity (Unfunded)	5.14	4.75
ix) Leave Encashment (Unfunded)	2.12	1.81
x) Superannuation (Unfunded)	9.62	20.21
xi) Bonus	-	0.10
xii) Employees Thrift Society	0.45	0.45

xiii) Special Welfare Fund	28.36	35.37
xiv) Provision for payment to IBP (IOCL)	9.96	9.96
xv) Deferred rent received in advance	2,764.49	1,718.89
xvi) Liab. For Water charges	34.29	-
Total	6,390.84	5,586.31

Note 16

Trade and Other Payables

(Rupees in lakh)

Particulars	Figures as at the end of current reporting period 2024-25	Figures as at the end of previous reporting period 2023-24
Audit fee payable	3.29	2.63
Total	3.29	2.63

Note 17

Other Current Liabilities

(Rupees in lakh)

Particulars	Figures as at the end of current reporting period 2024-25	Figures as at the end of previous reporting period 2023-24
Security / Earnest money deposit	40.29	39.67
Trade and other deposits	49.26	134.83
Statutory liabilities	228.75	74.41
Salary for employees	0.71	0.63
Deferred rent receivable in advance	-	556.86
Advance lease rental	46.46	2.30
Other Current Liabilities	18.73	21.48
Contribution to Provident fund	0.40	
Total	384.60	830.18

Note 18

Short Term Provisions

(Rupees in lakh)

Particulars	Figures as at the end of current reporting period 2024-25	Figures as at the end of previous reporting period 2023-24
(a) Provisions for employees benefit		
Superannuation (Unfunded)	3.73	3.14
(b) Other		
Provision for Expenses	297.45	226.86
Provision for TA	-	0.60
Provision for capital account	684.56	-
Total	985.74	230.60

NOTE NO. 18A:

DISCLOSURE AS PER IND AS 37 ON "PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS" AS ON 31ST MARCH 2025

SR.NO.	Particulars	Rs./Lakhs)				Balance as on 31.03.2025
		Balance as on 01.04.2024	Addition	Utilization	Reversal	
1	Demand for Sales Tax	2,434.71	-	-	-	2,434.71
2	Demand for Property Tax	16.64	-	-	-	16.64
3	Pending decision of Court/ under Arbitration	697.39	-	-	5.27	692.12
4	Income Tax Demand A.Y. 18-19*	9,747.65	-	-	9,747.65	-
5	Income Tax Demand A.Y. 22-23**	644.21	-	-	644.21	-
6	Income tax demand foreign Technicians***	19.14	-	-	-	19.14
7	Demand for GST	8,315.29				8,315.29
	Total	21,875.03	-	-	10,397.13	11,477.90

(II) Commitments

(i) M/s. Deloitte Touche Tohmtsu India Pvt. Ltd.	25.45	-	-	-	25.45
(ii) M/s. N.B.C.C.	4,356.02			2,213.33	2,142.69
Total Contingent liabilities	26,256.50	-	-	12,610.46	13,646.04

* Appeal was filed with Hon'ble High Court however during the year Rs.7500.91 lakhs has been provided in the books

as per demand of Income Tax department.

** Appeal has been filed with CIT (Appeal) however during the year

Rs.644.21 lakhs has been provided in the books as per demand of

Income Tax department.

***It is Talcher unit fee payable which is under dispute.

O. Previous year's figures have been regrouped / re-casted

where ever found necessary so as to make them

comparable to current years' figures.

Revenue from operations

Particulars	Figures as at the end of current reporting period 2024-25	Figures as at the end of previous reporting period 2023-24
Sales	-	-
Total	-	-

OTHER INCOME
**Note 19
(Rupees in lakhs)**

Particulars	Figures as at the end of current reporting period 2024-25	Figures as at the end of previous reporting period 2023-24
Interest Income		
term deposits in Banks	4,492.04	3,975.80
Bank deposits workers amenities fund	7.30	4.61
Less: Transfer to workers amenities fund	(7.30)	(4.61)
Other non-operating Income		
Interest on Refund from ITO	40.28	-
Recovery of Rent, from lease accomodation	817.97	293.15
Recovery of Licence fee ACC Rly siding	478.66	392.54
Land rent received	737.31	397.56
Conservancy charges received	11.68	-
Misc Income	10.84	6.72
Other petty income	37.43	46.21
Conservancy charges received Exempted	9.35	-
Rebate allowed by DMC	0.16	-
Receipt of Tender fee	0.39	19.33
Delayed payment surcharge	2.00	-
Rental Income from Cylinder	4.83	4.83
Provision no longer required written back	107.80	3.68
Sale of fly ash	435.34	881.59
Prior period Income (refer note 23)	104.11	420.12
Profit on sale of Fixed Assets	1.93	-
Sale of Horticultural Products, dry logwoods	11.91	5.21
Total	7,304.03	6,446.74

**Note
20**
Employee Benefits Expense
(Rupees in lakhs)

Particulars	Figures as at the end of current reporting period 2024-25	Figures as at the end of previous reporting period 2023- 24
Salaries & Wages	13.01	12.43
Contribution to provident fund	0.93	0.29
Expenses on VSS	4.08	0.92
Staff Welfare Expenses	3.77	3.29
Leave encashment	0.53	0.10
Gratuity to employees	0.39	0.30
Total	22.71	17.33

**Note
21**

Finance cost

(Rupees in lakhs)

Particulars	Figures as at the end of current reporting period 2024-25	Figures as at the end of previous reporting period 2023-24
Interest on delayed payment of advance tax	0.06	0.31
Bank charges	0.24	0.24
Total Finance Cost	0.30	0.55

**Note
22**

Depreciation and Amortization Expenses

(Rupees in lakhs)

Particulars	Figures as at the end of current reporting period 2024-25	Figures as at the end of previous reporting period 2023-24
Depreciation on Property Plant & Equipment	9.30	9.08
Total	9.30	9.08

Other expenses
(Rupees in lakhs)

Particulars	Figures as at the end of current reporting period 2024-25	Figures as at the end of previous reporting period 2023-24
Electricity & Water charges	14.65	14.34
Rent	6.00	6.00
Repair & Maintenance	1.65	2.88
Security Expenses	379.86	311.32
Insurance	0.02	0.23
Rates & Taxes	29.25	54.72
Payment to retainers	113.20	117.86
Contract labour expenses	225.26	224.76
Legal & Professional expenses	10.22	36.80
Interest paid as per Court order	-	85.61
Hire charges of Vehicles	9.36	21.11
Inspection charges of EPF	0.15	0.12
News papers & periodicals	0.23	0.21
Guest House Expenses	0.05	0.08
Printing & Stationery	4.29	3.79
Postage and Telegram	0.82	0.85
Telephone, Fax etc.	1.43	2.16
<u>Travel Expenses</u>		
Director	1.50	0.73
Others	7.82	6.82
Lease Rent of NOIDA land	5.99	5.99
Advertisement	1.50	7.19
Provisions for doubtful debts	18.82	10.19
Prior period expenditure	63.09	65.78
Expenditure on rehabilitation study	1.18	2.57
Misc. Expenses	14.50	231.23
Board meeting expenses	0.77	-
Staff welfare expenses	0.88	-
<u>Payment to Auditors</u>		
As auditor		
a) Audit fee	3.13	2.41
b) Tax Audit fee	0.47	0.47
Certification charges	0.05	0.38
Expenditure of CGST	2.60	11.37
Expenditure of SGST	2.60	11.37
Expenditure of IGST	3.50	1.27
Expenditure on CESS	8.50	10.05
Provision for Income tax Demand for A.Y. 2018-19 & 2022-23	8,145.13	-

Filling and licence fee	1.09	0.13
Expenditure on Court case	1.77	-
Purchase of books	0.07	-
Subscription to other organisation	14.00	2.00
Commission on MSTC	9.75	28.99
Expenditure on CSR Activities	74.89	48.09
	9,180.04	1,329.87
Prior Period Items		
Salaries & Wages	-	0.20
Other expenses	63.09	65.58
TOTAL	63.09	65.78
Income		
Other Misc. income	104.11	420.12
Total	104.11	420.12
NET TOTAL	(41.02)	(354.34)

Note 24
Earning per share(EPS)
(Rupees in lakhs)

Particulars	Figures as at the end of current reporting period 2024-25	Figures as at the end of previous reporting period 2023-24
Net Profit /Loss for the year	-3,518.32	3,784.86
Amount available for equity share holders(A)	-3,518.32	3,784.86
Weighted average number of shares(B)	75.09	75.09
Basic and diluted earning per share(A/B)	-46.85	50.40
Face value 100 per share		

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS, FORMING PART OF THE FINANCIAL STATEMENTS AS ON 31ST March, 2025

A. SIGNIFICANT ACCOUNTING POLICIES

There is no change in significant accounting policies during the year as compared to previous year policies, which are being consistently followed.

I. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant amendment rules issued thereafter.

For all periods up to and including the year ended 31 March 2018, the Company prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). The financial statements for the year ended 31 March 2019 were the first which the Company has prepared in accordance with Ind AS.

The financial statements have been prepared on historical cost basis.

Accounts have been finalized on the basis of going concern after implementation of the decision of Cabinet Committee on Economic Affairs' (CCEA) dated 9/5/2013 on revival of closed units of Company.

ROUNDING OF AMOUNTS

The financial statements are presented in Indian Rupees ('INR') and all values are rounded to nearest lakh (INR 00,000), except when otherwise indicated.

II. USE OF ESTIMATES

The preparation of Financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets & liabilities and the disclosure of contingent liabilities at the date of Financial statement and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

III. BUSINESS COMBINATIONS

In accordance with Ind AS 101 provisions related to first time adoption, the Company has elected to apply Ind AS accounting for business combinations prospectively from 1 April 2018. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward with minimal adjustment.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

Investment in joint ventures

As per Cabinet Committee on Economic Affairs (CCEA) mandate dated 04.08.2011 & 27.06.2013 the following Joint Ventures Companies were formed to set up Fertilizer plants. FCIL has been given equity in lieu of providing land use, usable assets and opportunity cost.

- a) Ramagundam Fertilizers & Chemicals Limited,
- b) Talchar Fertilizers Limited and
- c) Hindustan Urvarak and Rasayan Limited

As per the Joint Venture Agreements. Section 129(3) of the Companies Act, 2013, requires a Company to prepare Consolidated Financial Statements, if it has one or more subsidiaries, which include associate company and joint venture.

The Company based on the legal opinion is of the view that the Company's investment in Companies does not fall under the definition of "Joint Venture" as provided for in Indian Accounting Standard-28 'Financial Reporting of Interests in Joint Ventures' as the Company does not exercise joint control over the economic activities of the aforesaid Companies. The Company has therefore not prepared Consolidated Financial Statements for the year ended 31st March, 2025 and for earlier years also have prepared its Standalone Financial Statements as per requirements of the notified accounting standards under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014.

IV. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The group has identified twelve months as its operating cycle.

V. REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Following specific recognition criteria must also be met before revenue is recognised:

- Interest income is recognised on a time proportion basis taking into account the amount invested and the rate of interest; and
- Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend; and
- Rental income arising from operating leases on investment properties is accounted for on accrual basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

VI. PROPERTY, PLANT & EQUIPMENT (PPE)

Under the previous GAAP (Indian GAAP), Freehold land and buildings (property), other than investment property, were carried in the balance-sheet on the basis of fair valuations

performed as at 31/03/2015. The Company has elected to regard those values of property as deemed cost at the date of the revaluation since they were broadly comparable to fair value. The Company has also determined that revaluation as at 31/03/2015 does not differ materially from fair valuation as at 1st, April 2018 (date of transition to Ind AS). Accordingly, the Company has not re-valued the property at 1 April 2018 again. Certain items of plant and equipment have been measured at fair value at the date of transition to Ind AS. The Company regards the fair value as deemed cost at the transition date, viz., 1st. April 2018.

Other Assets:

- a) Tangible fixed assets are stated at Historical Cost except fixed assets held for disposal which has been re-valued during the year ended 31st March 2015.
- b) Tangible fixed assets are capitalized after they are certified to be complete and ready for their intended use.
- c) Land given 'free of cost' by State Governments and other authorities is capitalised at cost and / or on the basis of incidental expenditure as per the guidelines given by the Department of Public Enterprises, Government of India, unless otherwise stated.
- d) Machinery spares which the company intends to use more than a period of 12 months are capitalized in pursuance with provisions of Accounting Standard – 2 (Revised).
- e) Intangible Asset is recognised only in case of probability that future Economic Benefits will flow to the Company and the cost & expenses could be measured reliably.
- f) Retired fixed assets and other assets are depreciated up to 95% of the original cost and 5% are shown as residual value. However, where fixed assets are already depreciated more than 95% of the cost, it is retained as it is.

VII. INVESTMENT

Long term investments are carried at cost. Decline/ diminution other than temporary, in the value of such investment is recognised and provided for.

VIII. DEPRECIATION

- a) Assets costing up to Rs. 5,000 are fully depreciated in the year of addition.
- b) Depreciation and amortization is provided on pro-rata basis on the straight-line method over the estimated useful lives of the fixed assets as specified in Schedule-II to the Companies Act, 2013.
- c) Lease hold land is amortised over the period of lease.

IX. INVENTORIES

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on first in, first out basis.
- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The other stock of Packing material and stores & spares has been measured at net realisable value and provision has been created for obsolescence in value.

ii) **Obsolescence or depletion:**

The current values of inventories are considered at the cost or net realisable value, whichever is less.

X. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously re-valued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a re-valued amount, in which case, the reversal is treated as a revaluation increase.

XI. EMPLOYEES BENEFITS

i. Short Term Employees' Benefits

Short term employees' benefits, such as, gratuity for employees opted for VRS, salary, wages, contribution to Provident Fund, paid annual leave, monetary benefits, such as, medical care and non-monetary benefits like houses for current employees, are charged off in accounts as current expenditure.

ii. Retirement Benefits

The liability towards post-retirement benefits, i.e., contribution to Gratuity fund, provision for encashment of accumulated leave are made on accrual basis and charged to statement of Profit & Loss.

XII. PREPAID EXPENSES

Prepaid expenses up to Rs. 25,000 in each case is accounted for in the year in which they are incurred.

XIII. Receivables for more than three years old to be treated and provided as doubtful debts.

XIV. LEASES :

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Where the Company is the lessee

Leases where the lessor effectively retain substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

Where the Company is the lessor

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income is recognised in the Statement of Profit and Loss on accrual basis over the lease term. Cost including depreciation is recognised as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss.

XV. EARNING PER SHARE

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

B. Notes on Accounts

Background

6. Fertilizer Corporation of India Limited (FCIL) was incorporated on 1st January 1961 by the amalgamation of Sindri Fertilizers & Chemicals Limited and Hindustan Chemicals & Fertilizers Limited.
7. Later, Fertilizer Corporation of India Limited and National Fertilizers Limited were reorganized on 1.4.1978 into five Companies, namely, FCIL, NFL, HFCL, RCF & PDIL.
8. FCIL has four Units, namely, Sindri (Jharkhand), Gorakhpur (Uttar Pradesh), Ramagundam (Telengana) & Talcher (Odisha) Units and Korba Project (Chhattisgarh) site.

Referral to BIFR

9. Post reorganization, due to aging of technology and nature of feedstock of the units retained with FCIL, the Company started incurring losses, eroding its entire Net Worth by 1983-84.
10. Subsequent to the amendment of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA), in 1992, FCIL was referred to BIFR in April 1992.

Closure of operations of the Units

11. Due to un-viability of economic operations of the fertilizer Units, GoI in 2002 took a decision for closure of operations of all the fertilizer units and release of employees on VSS. Accordingly, most of the employees were released on VSS, except skeleton staff retained for the purpose of safety & security of the plants and to discharge the statutory functions. The employees, who were retained, have subsequently been superannuated or released under VSS in due course of time.
12. At present, there is only 1 employee on the rolls of the Company and services of few retainers are being taken to supplement the job requirements at different Units/ Corporate Office.

Revival of Units

13. Subsequently, considering the demand-supply gap of urea in the country and to leverage the assets & infrastructure available in the closed fertilizer Units of FCIL, GoI, in April 2007, took a decision to consider revival of these Units.
14. In October 2008, CCEA constituted an Empowered Committee of Secretaries (ECoS) to examine the viability of revival of these Units and recommend a Scheme for revival, without recourse to Government funding and subject to the availability of gas.
15. CCEA approved a Draft Rehabilitation Scheme on 4.8.2011 on the recommendations of ECoS for revival of the individual Units either by GoI nominated PSUs or through bidding route. CCEA further approved that the reviving JVs of Government nominated PSUs would offer a minimum of 11% equity and a Board seat in the Project to FCIL.
16. Further, CCEA on 9.5.2013 approved waiver of GoI loan (Rs.273927.66 lakhs) & interest (Rs.790446.80 lakhs) of FCIL as on 31.3.2012 to make its net worth positive to enable FCIL to get de-registered from BIFR to speed up the revival process. The Company was de-registered from BIFR on 27.6.2013.
17. At present, with the approval of GoI, the revival of the Units of FCIL is being carried out as detailed below:-

The lease agreements with the Joint Ventures Companies have been signed. As per terms of lease agreements all the leases are operating leases and accounting treatment has been made accordingly.

Ramagundam Unit

A Joint Venture Company, namely, Ramagundam Fertilizers & Chemicals Limited (RFCL) has been incorporated by the nominated PSUs, namely, EIL, NFL and FCIL to set-up a gas-based fertilizer plant with a capacity of 12.7 lakh MT Urea per annum. FCIL has been given **11% equity** in lieu of providing land use, usable assets and Opportunity Cost. Concession Agreement, Lease Agreement & Substitution Agreement have been signed. **The plant has started commercial production of Urea w.e.f. 22nd March 2021.**

Talcher Unit

A Joint Venture Company, namely, Talcher Fertilizers Limited (TFL) has been incorporated by the nominated PSUs, namely, RCF, GAIL, CIL and FCIL to set-up a coal-based fertilizer plant with a capacity of 12.7 lakh MT Urea per annum. FCIL will be given **4.45% equity** in lieu of providing land use, usable assets and Opportunity Cost. The job of project is now going ahead. The date of completion of the project has been Scheduled as December, 2027. Pre-project activities have been completed. Project activities are in progress by various LSTK and Non-LSTK contract firms. Concession Agreement, Lease Agreement and Substitution Agreement have been signed.

Sindri & Gorakhpur Units

Union Cabinet decided on 13.7.2016 to revive Sindri & Gorakhpur Units of FCIL, along with Barauni Unit of HFCL by a Joint Venture Company of nominated PSUs, namely, NTPC, CIL & IOCL to set up gas based Fertiliser plants with a capacity of 12.7lakh MT. per annum each. FCIL & HFCL would also be Joint Venture partners, who would receive **10.99% of equity** in each of the projects in lieu of land use, usable assets & opportunity cost. A Joint Venture company in the name of 'Hindustan Urvarak & Rasayan Limited (HURL)' was incorporated for the purpose of revival of the units. Concession Agreements, Lease Deeds & Substitution Agreements have been signed, for Sindri & Gorakhpur Projects. **Commercial production has already been started on 03.05.2022 and 15.04.2023 in Gorakhpur and Sindri plant respectively.**

C. FIXED ASSETS ,CAPITAL WORK IN PROGRES AND CONTINGENT LIABILITIES

- 1.(i) Out of total land of 6652.61 acres at Sindri, 112 acres received from Govt. of Bihar (now Jharkhand) free of cost has been valued at Rs. 14.11 Lakh at notional value under Capital Reserve as per guidelines of Department of Public Enterprises, which was later on withdrawn from books of accounts by debiting profit & loss account. Later on, in subsequent years an expenditure of Rs. 87.33 lakhs was incurred by FCIL towards development of land, registration charges, cess and stamp duty etc.
- (ii) Out of above 6652.61 acres of land, 478.18 acres was permanently transferred to Bihar Institute of Technology, Bokaro Industrial Development Authority, Bihar State Housing Board & Blind School in late fifties & early sixties, 1413.36 acres have been given on lease to various Parties (consisting of HURL 695 acres, ACC 256.81 acres, SAIL 304 acres (further 61 acres is proposed to SAIL) & 96.55 acres to various other Parties) for varying lease periods out of which the leases for 46.862 acres expired long back and are in the process of renewal.
- (iii) 304 Acres of Land at Sindri has been given on Lease to SAIL Chasnala for a period of 30 years w.e.f 4th September, 2023 which is to be given in 3 phases. 60 Acres has been given in 2023-24, 110 Acre & 134 Acre will be given in 2025-26, & 2026-27, respectively. For 60 Acres payment was received in 2023-24. For 244 Acres of land payment based on applicable rates, will be received in 2025-26 & 2026-27 when the land will be actually handed over to SAIL.
- (iv) At Sindri 2695 quarters out of the 6548 quarters are under unauthorized occupation and action under Public Premises Eviction Act has been initiated and no loss is expected by the company.
- (v) At Sindri 32.50 acres of land has been unauthorizedly occupied and action under Public Premises Eviction Act has been initiated and no loss is expected by the company.
2. Land measuring 907 acres at Korba was received during 1974 to 1980, free of cost, from the state Government . In addition, 36 acres of land was acquired by FCIL for a value of Rs 16.78 lakhs. Out of 907 acres of land provided by State Government 21.5 acres was handed over to BALCO Captive Power Plant (BCPP) in the year 2005 and further 40.5 Acres has been occupied by them. Govt. of Chhattisgarh has allotted 258 acres of land to Chhattisgarh State Electricity Board in 2007 without seeking any permission from the FCIL. Thus, presently 623 acres of land is in the possession of FCIL Korba.
3.
 - (i) For Talcher Unit, during the period from 1971 to 1979, FCIL received 919.59 acres of land from the State Government free of cost and 14.01 acres of land was purchased by FCIL from private parties as free hold land for a value of Rs. 21.19 lakhs. Land received from State Government was notionally valued at Rs 18.64 lakhs as per the guidelines of Department of Public Enterprises, through capital reserve. Later on, in subsequent years an expenditure of Rs. 32.93 lakhs was incurred by FCIL towards development of land, registration charges, cess and stamp duty etc.
 - (ii) In the years 1985-86, the land settlement scheme of the Government of Odisha was in operation in the entire undivided district of Dhenkanal from which the present new district Angul was carved out in the year 1993. Throughout the district, several settlement camps were organized for regularization of Land Record, change and correction in ownership of the Land, change of KISAM of Land etc.
 - (iii) Due to above exercise, there are some changes in the total quantum of land along with changes in Taluka wise land. Earlier the Total land with FCIL was shown as 933.600 Acres whereas, the actual available land is 908.516 Acres only. 25.084 Acres of (net) land in different villages is not available as it has been shifted to other Khatas by the Settlement Authority during Settlement operation in the District of Dhenkanal(Mother District of Angul) in the year 1985-86.
 - (iv) Out of 908.516 Acres of total Land available with FCIL, 32.381 Acres is to be handed over to Heavy Water Plant and the balance 876.135 Acres of land has been handed over to TFL during 2024-25 as per details given below-

Sl. No	Particulars	Land in Acres
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1	Land with Clear Record of Rights	870.950
2	Non RoR Land (for which Permissible Right will be available)	04.98
3	Cases are pending with Revenue Deptt for obtaining RoR in favour of FCIL	0.205
	Total	876.135

4. (i) At Gorakhpur Unit, Govt. of Uttar Pradesh acquired and allotted to Company 993.335 acres of land during December 1963 to March 1970 for its project, out of which 40% of acquisition cost valued at Rs.19.51 Lakh had been paid to the State Government by FCIL and the balance 60% valued at Rs.29.26 Lakh was given by the State Government.

(ii) A plot admeasuring 10733.1 sq. feet at Lucknow was leased out to FCIL by Lucknow Development Authority at a value of Rs 7.51 lakhs in December, 1983. The Lease rent upto the year 1996 was paid earlier and no payment was made thereafter. Now, in April 2025 a payment of Rs. 212.49 lakh has been made to Lucknow Development Authority towards Lease rent, levy for non-construction and freehold charges. The documents relating to conversion of leasehold plot to freehold plot are to be signed soon.

(iii) Certain buildings and quarters have been given to Sashatra Seema Bal (SSB) in terms of MOU dated 5-2-2004 between DOF and MHA. Considering the requirement of revival of the unit by M/s HURL, SSB has been advised to accommodate themselves in an area of around 125 acres as was agreed between DOF and MHA. Accordingly, FCIL has approved lease of 125 acres of land to SSB on 15.3.2019 for a period of 55 years on payment of Rs.6475.00 lakhs as one time premium and Rs.518.00 lakhs towards Annual Lease Rent. But SSB took up the matter at Ministry level for waiving off all the charges. Later on, FCIL Board waived off one Time Premium of Rs.6475.00 lakhs on 4.3.2023. But still SSB is pressing for free allotment through Government of U.P. The matter has been referred to DoF for necessary intervention. However due to dispute raised by SSB, FCIL is not raising the invoices of the annual rent, hence revenue on account of above has not been recognized. Further, the management is not considering any probable inflow against this. Therefore, this is not treated as contingent asset also.

(iv) From the total land, after providing 600 acres to HURL and 125 Acres to SSB, Vide letter dated 30.01.2019, Special Secretary (U.P. State Government) has put the residual land of 268.335 acres at Gorakhpur under the control of D.M., Gorakhpur without taking consent of FCIL. The matter has been taken up with the State Government but they are not willing to withdraw their letter dated 30.01.2019. Further, vide letter dated 21.10.2021 issued by DM, Gorakhpur, State Administration has already demolished 215 quarters built on the 49 acres of land in the month of November-December 2021, identified for Sainik School by U.P. Government, except 7 shops, who got Stay Order from Allahabad High Court. For the demolished quarters, the book value of Rs 18,25,988/- and accumulated depreciation of Rs 18,16,957/- have been withdrawn and an amount of Rs 9031/- was written off in the books during the year 2021-22. We have taken up the matter with DoF for surrendering the land to UP Government as per the provisions of Conveyance deed of the subject land. In the meantime, some ex-employees of FCIL, Gorakhpur Unit, have gone to Allahabad High Court praying for quashing/ setting aside letter dated 30.01.2019 and 21.10.2021 of Government of Uttar Pradesh.

5. For Ramagundam, total land of 1284.04 acres received/purchased in various years from 1971 to 1989. The land received from State Government as free of cost and notionally valued at Rs.4.59 lakhs (Capital Reserve) which was later on transferred to P& L during the year 2003-04. The details of lease hold and free hold land is given below:

		(Acres: Guntas)	
		<u>Area</u>	<u>Cost</u>
		(Rs./lakh)	
		<u>Acres</u>	<u>Guntas</u>
	Free hold:	308.32	128.73
	Lease hold :	975.12	33.89
		-----	-----
	Total	1284.04*	162.62
		-----	-----

***40 Guntas is equivalent to 1 Acres.**

6. At NOIDA, a plot measuring 4261.16 sq. mtrs. was allotted to FCIL by NOIDA Authority on 24th May 1989 on lease basis for 90 years. The plot is located at A-11, Sector -1, NOIDA.

The annual lease rent for the plot upto 2024-25 was regularly paid till March 2024. However, in March 2025, one time lease payment of Rs. 89.80 lakhs was made on 27.03.2025 and now no annual lease payment is required to be made till the end of lease period.

The construction of office building on the plot is going on. M/s. NBCC has been awarded the assignment to work as Project Management Consultant (PMC) for the project at an estimated cost of Rs.5943 Lakhs, including applicable taxes and 7% Service Charge of NBCC. MOU with M/s. NBCC was signed on 24th May 2021 and an initial advance of Rs.650 lakhs was paid on 21.6.2021. NBCC has awarded the Work Order on 12.4.2022 for construction of Office Building. As per terms of MoU the completion date of construction is 30.09.2024 which has been extended upto 30.11.2025. Upto 31.03.2025, only 61% approx. work has been completed and till 31.03.2025, the total payment made to NBCC by FCIL (including initial advance) are Rs.3202.46 Lakhs & NBCC has completed the work valuing Rs.3012.83 Lakhs (after adjusting Rs.57.55 Lakhs towards interest accrued on advance given to NBCC), which is shown as CWIP as on 31.03.2025 & the balance amount of Rs.132.08 Lakhs is appearing as advance in the books.

7. In pursuance to the MOU signed by FCIL and PDIL on 6th September, 2017 and subsequent approval of DOF the land that was under the utilisation of PDIL and the fixed assets of PDIL, Sindri Unit, having a gross value & net value of Rs.26.40 Lakhs & 24.89 Lakhs respectively have been handed over to FCIL, on 30/04/2019 on "As is Where is" basis and without physical verification. It has not been taken into books of account of FCIL. The selling of Catalyst Plant and other related assets, through PDIL, is under process.
8. Non current assets includes Assets not in use or held for sale amounting to Rs 30.68 lakhs, which are valued on book value (carrying cost) as on 31.03.2025, fair value of these assets and corresponding cost to sell of these assets are not ascertainable at this stage, therefore difference, if any, on account of fair value and carrying cost is not ascertainable, hence not provided.
9. In Sindri Plant, Platinum of Catalyst grade (27780.1 grams) lying in safe custody as unconsumed valued at Rs.174.79 lakh as on 31.03.2025 for which no provision made for depletion as Platinum has appreciable value in the market. With the technical guidance of M/s. RCF, the samples of Catalyst grade of Platinum were sent to M/s. Ledoux & Co, USA for quality test. As per test report the quality of material is of very good category.
- 9.1 While taking the samples the total weight of the Catalyst grade was found 27145.86 grams, as against the 27780.1 grams recorded earlier. The reduction of 784.71 grams was there in dust category, which may be because of moisture content & multiple handlings since 2016. In other materials the excess weight was found. As per the quality analysis the valuation of Platinum (27069.33 gms) comes to Rs.570.15 Lakhs excluding samples sent for analysis as on 31.03.2025, but as per accounting policy it has been retained at the same level of Rs. 174.79 lakh in the books.
- 9.2 Three set of samples consisting total weight of 150.51 gms were drawn (except for dust, for which one sample was drawn) for quality analysis out of which only one sample was sent to USA and the two samples are in our custody for future references. Considering the small value of one sample used in comparison to total valuation of Platinum, it has not been accounted for.
- 9.3 In addition to above, 2583.04 gms (for Sindri), 221.40 gms (for Gorakhpur), 524.44 gms (for Talcher) & 433.687 gms (for Ramagundam) of platinum wares, gold chemicals, laboratory utensils which are of different quality from 27069.33 gms, which has not been accounted for in the books for want of quality evaluation.

D. CURRENT LIABILITIES & PROVISIONS

- 1 Current liability includes provision for employees benefits in Note -15 an amount of Rs. 16.88 Lakhs (previous year Rs. 26.88 Lakhs) in respect of VSS compensation, gratuity, leave encashment for 01 employees (previous year 01 employees), whose request for VSS has been accepted but has not been released as on 31.03.2025 due to exigencies of work.
- 2 Sundry creditors include a non-accepted amount of Rs.5.23 lakhs (previous year Rs.5.23 lakhs) in respect of payment by cheque towards Gratuity and earned leave etc. for nine employees of Gorakhpur Unit who did not opt for VSS and were retrenched as per Industrial Disputes Act, 1947. They challenged the retrenchment in the Allahabad High Court by filing a writ, which was dismissed on 14.11.2019 and they had appealed to the Division Bench, which is pending for hearing. During pendency of the hearing before Division Bench, they have filed a writ petition no: 1624/2023 in Hon'ble Delhi High Court for the same relief, which was dismissed vide order dated 16th July 2024.
- 3 There is a demand of Rs. 8,145.12 lakhs from Income Tax department towards tax and penalty for A.Y. 2018-19 and 2022-23 for the shares issued to FCIL by RFCL. The matter is pending in Hon'ble High Court, Delhi and company is hopeful in winning the case but as an abundant precautionary measure the amount has been provided in the books during the year.

E. INVESTMENTS

As per Cabinet approval for the revival of Sindri, Gorakhpur, Ramagundam and Talcher Units, following investments are made: -

Ramagundam Unit:

Equity Shares received for Land use, usable assets and opportunity cost are as under:

In the year 2014-15, the Company made a payment of Rs.1.00 Lakh towards 10,000 Equity Shares of M/s. Ramagundam Fertilizer & Chemicals Limited (RFCL) Ramagundam, and received 10,000 equity shares. In the year 2017-18, RFCL has issued equity share of Rs.9251.63 lakhs to FCIL against the value of its contribution in kind at the face value of Rs. 10/- per share as per the terms of Articles of Association of the company (RFCL). The Company has received equity share in different years as under : 2018-19 - Rs.2327.01 lakhs, 2019-20 - Rs.2869.63 lakhs, 2020-21- Rs.4490.00 lakhs and 2021-22 Rs 1854.37 lakhs.

Talcher Unit:

During the year 2015-16, the Company has made an investment of Rs.0.50 Lakh in Talcher Fertilizer Limited (TFL) (Formerly known as "Rashtriya Coal and Gas Fertilizers Ltd." and received 5,000 equity share of Rs.10/- each.

Sindri & Gorakhpur Units:

During the year 2016-17, the company has made an investment of Rs.1.67 Lakhs in Hindustan Urvarak & Rasayan Limited (HURL) for 16,667 equity shares of Rs.10/- each, for which share certificates have been received by the company. The commercial production has already been started on 03.05.2022 and 15.04.2023 at Gorakhpur and Sindri Unit respectively. As per Concession Agreement HURL to issue 10.99% of the total equity shareholding of Gorakhpur & Sindri plant, on commencement of commercial production. HURL has issued equity shares amounting to Rs. 56721.77 lakhs to FCIL on 18.08.2025, based on equity contribution of the other three promoters on the cut-off date i.e. 30.04.2023. Considering the important tax implications (Income Tax & GST) involved and ongoing litigations in the Hon'ble High Courts, the necessary accounting for the shares received will be done in next year after obtaining necessary guidance from ICAI and seeking necessary legal advice in the matter.

F. MISCELLANEOUS

1. In the opinion of the Board, Current Assets, Loans & Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the financial statements.
2. Since Company does not have manufacturing operation since 2003, as per “Companies (Cost Records & Audit) amendment Rules 2014” dated 31.12.2014, the Company is not required to maintain “Cost Records” during the financial year 2024-25.
3. Balances of Trade receivables, payables of Ex-employees, Trade payables and others receivables and payables are unconfirmed. Discrepancies, if any, on this account are not ascertainable.
4. Income Tax assessment of the company is completed upto AY 2024-25, however for the following AYs company/department has preferred an appeal

S. No.	AY	Remarks
1.	2002-03 to 2014-15	Against the first Appellate Authority’s order in ITAT appeal was filed by the department which was decided in favour of the company. Income Tax department moved to Hon’ble Delhi High court and filed an appeal for AY 2004-05 to 2009-10. High Court has referred the matter back to ITAT for A.Y. 2004-05 for consideration & for 2009-10 the appeals of revenue is dismissed.
2.	2018-19	An appeal with ITAT was preferred by the company against the order of CIT, however, the decision of ITAT was not in the favour of the company. Company has filed an appeal with the Hon’ble Delhi High Court. The matter is pending thereat. The case was lastly heard on 15.04.2025 and now it is posted for 30.04.2026. Although the company is hopeful in winning the case but as an abundant precautionary measure the amount of demand of Rs. 7500.91 lakhs (consisting of tax demand of Rs. 5000.61 lakhs and penalty amount of Rs. 2500.30 lakhs) has been provided in the books during the year.
3.	2022-23	Although company has preferred an appeal with CIT against the order of assessing officer but as an abundant precautionary measure the amount of demand of Rs. 644.21 lakhs has been provided in the books during the year.
4.	2023-24	Refund of Rs. 20.31 lakh has been adjusted against the demand of A.Y. 2018-19.
5.	2024-25	Refund of Rs. 832.16 lakh has been received. Balance of Rs. 0.12 lakhs is still to be received.

During the course of Assessment proceeding for the AY 2020-21, AY 2021-22 and 2022-23 refund amounting to Rs.426.36 lakhs, Rs 411.82 lakhs and Rs 201.81 lakhs respectively are adjusted by the IT Dept against the assessed demand for AY 2018-19. Since company has made the provision of Rs. 8145.12 lakhs for the demand for the AY 2018-19 & A.Y. 2022-23 raised by the Income Tax Department, the IT refund recoverable for A.Y. 2020-21, 2021-22 and 2022-23 amounting to Rs.1039.98 lakhs is considered good for recovery.

5. In view of GOI decision to close manufacturing operations in the year 2002 and release of employees on VSS and the winding up recommendation issued by BIFR vide order dated 17.05.2004, and further following the decision of CCEA on 10.08.2011, 09.05.2013, and Cabinet decision dated 13.07.2016, all the Units are under revival where usable assets have been handed over to reviving JVs & unusable items are disposed of. Physical verification of remaining fixed assets & inventories was carried out in all the units, including Central Office as on 31.3.2025 and no material discrepancy was observed on physical verification.
6. Outstanding dues to sundry creditors includes amount payable outstanding since past many years (old dues) and MSME status of these parties is not available with Company. Therefore

- in the absence of their MSME status the dues outstanding to MSME, if any, is not ascertainable.
7. Out of the revaluation reserve created in 2014-15 for Talcher assets (excluding land) a balance of Rs. 1310.51 lakhs was appearing as opening balance as on 01.04.2024. During the year, entire assets of Talcher unit (except land and 5 quarters) have been transferred to TFL. The following adjustments were made during the year:-
 - (a) Written Down Value of the assets transferred to TFL amounting Rs. 834.28 lakh has been set off against Revaluation Reserve.
 - (b) Written down value of assets transferred to TFL amounting to Rs. 116.93 lakhs has been withdrawn and adjusted with above Revaluation Reserve.
 - (c) Excess depreciation charged in previous years amounting Rs. 18.91 lakh withdrawn adjusted against Revaluation Reserve.
 - (d) An amount of Rs.358.08 lakh (after leaving a balance of Rs. 19.45 lakhs for 5 balance quarters with FCIL) has been considered as transfer between equity components and transfer to retained earnings within Statement of Changes in Equity.
 8. An amnesty scheme for the regularization of unauthorisedly occupied quarters at Sindri Unit was introduced in 2023-24 according to which unauthorised occupants fulfilling requisite requirements were given an option to pay lease rent and charges for 21 years i.e. for the period from January 2003 to December 2023/January 2024 in one instalment for availing 25% rebate or to pay the amount in three instalment without rebate. A sum of Rs.510 Lakhs from 212 applicants eligible for 25% rebate and Rs.18.02 Lakhs received from 5 other applicants. The temporary lease for 11 months (further renewable) has been granted to all the 217 applicants during the year and the amount received has been treated as current year income. Further, during the year, the above scheme was extended upto 31.03.2025 against which a sum of Rs. 111.52 lakh from 35 eligible applicants has been received, which is under scrutiny/approval for grant of temporary lease. The amount received has been booked in advance.
 9. GST department has raised following demands on the company which are considered as contingent liabilities-
 - 9.1 GST Department vide its order dated 01.02.2025 has raised a demand of Rs. 7485.71 lakhs (which consists of GST amounting to Rs. 3742.86 lakhs and 100% penalty amounting to Rs. 3742.86 lakhs) on account of non-deposit of GST on the value of shares issued by RFCL to FCIL for use of land including opportunity cost, usage of assets and related infrastructure. Company has filed a writ petition in Allahabad High court opposing the demand of GST Department, which is pending thereat.
 - 9.2 GST Department vide its order dated 30.12.2023 has raised a demand of Rs. 827.81 lakhs (which consists of GST amounting to Rs. 752.55 lakhs and a 10% penalty amounting to Rs. 75.26 lakhs) on account of Difference in PAN Turnover and GST Turnover. Company has filed a writ petition in Allahabad High court opposing the demand of GST Department, which is pending thereat.
 - 9.3 GST Department vide its order dated 08.08.2024 has raised a demand of Rs. 1.76 lakhs (which consists of GST amounting to Rs. 0.83 lakhs, interest amounting to Rs. 0.73 lakhs and a penalty amounting to Rs. 0.20 lakhs) on account of wrong availment of Input Tax Credit. Company has filed a writ petition in Allahabad High court opposing the demand of GST Department, which is pending thereat.
 10. EPFO has levied a surcharge of Rs. 175.33 lakhs (Rs. 131.82 lakhs for Sindri and Rs. 43.51 lakhs for Ramagundam) towards deviation of Investment pattern notified by EPFO from time to time for the period from 2015-16 to 2021-22, which have been objected by the Company.

During 2022-23, EPFO has seized the Bank account at Sindri on 16.01.2023 having a bank balance of Rs. 84.29 lakh which has been appealed with appellate authority in EPFO. Appellate authority has rejected the company's plea and now FCIL has taken up the matter in Hon'ble High Court of Ranchi. Although company is confident for winning the case, but as an

abundant precautionary measure the amount of Rs. 175.33 lakhs was accounted for as an expense during 2023-24.

11. As per the order dated 21.03.1997 of Hon'ble Supreme Court, the amount of Rs. 30 lakhs was deposited with Bihar Govt. towards Education cess & Health Cess which was charged to expenses during 2023-24. In view of stay granted by the Hon'ble Supreme Court and the matter being pending with constitution bench, further liability if any, is not ascertainable at this stage hence not provided in the books.

G. (i) Financial Ratios

S.No.	Ratio	Numerator	Denominator	31.03.2025	31.03.2024	Variation	Reason
a.	Current Ratio	Current Asset	Current Liabilities	44.23	53.76	(17.73)%	Due to increase in current liabilities towards higher provisions
b.	Debt Equity	Total debt	Shareholder Equity	NA	NA	NA	
c.	Debt Service Coverage	Earnings before Interest, Dep & Taxes	Interest & Principal repayments	NA	NA	NA	
d.	Return on Equity	Profit after Tax	Average Shareholder Equity	(0.05)	0.05		Due to higher provisions of expenses
e.	Inventory Turnover	COGS	Average Inventory	NA	NA	NA	
f.	Trade Receivable	Net Credit Sales	Average Trade Receivables	NA	NA	NA	
g.	Trade Payable	Net Credit Purchases	Average Trade Payables	NA	NA	NA	
h.	Net Capital Turnover	Net Sales	Average Working Capital	NA	NA	NA	
i.	Net Profit	Net Profit	Net Sales	NA	NA	NA	
j.	Return on Capital Employed	Earnings before Interest & Taxes	Total Capital Employed	(0.03)	0.09		Due to higher provisions of expenses
k.	Return on Investment	Net Profit	Cost of Investment	(0.05)	0.05		Due to higher provisions of expenses

(ii) Intangible Assets under development

The Company does not have any intangible assets under development during the current and previous reporting period.

(iii) Details of Benami Property held

The Company does not hold any Benami Property and hence there were no proceedings initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibitions) Act, 1988 and the Rules made thereunder, hence no disclosure is required to be given.

(iv) Borrowings secured against current assets

The Company does not have any borrowings from banks or financial institutions on the basis of security of current assets as at the date of the financial statements; hence no disclosure is required as such.

(v) Willful Defaulter

The company has not been declared to be a willful defaulter by any Banks/Financial Institutions/Courts.

(vi) Relationship with Struck off Companies

The Company does not have any transactions with Companies which are struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956, hence no disclosure is required as such.

(vii) Registration of Charges or Satisfaction with Registrar of Companies (ROC)

There are no charges against the companies which are yet to be registered or satisfaction yet to be registered with ROC beyond the statutory period, hence no disclosures are required as such.

(viii) Compliance with number of layers of companies

The Company does not have investment in any downstream companies for which it has to comply with the number of layers prescribed under Clause (87) of Section 2 of the Companies Act, 2013 read with Companies (Restriction on number of layers) Rules, 2017, hence no disclosure is required as such.

(ix) Utilization of Borrowed Funds and Share Premium

- a. The Company has neither advanced nor loaned nor invested funds (either borrowed funds or Share premium or any other sources or kind of funds) to any other person (s) or entity (ies), including foreign entities (intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall;

(a) Directly or indirectly lent or invest in other person(s) or entity(ies) identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) Or (b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries. Hence no disclosure is required as such.

- b. The Company has not received any fund from any person(s) or entity (ies), including foreign entities (Funding Parties) with the understanding (whether recorded in writing or otherwise) that the company shall;

(a) Directly or indirectly lend or invest in other person (s) or entity (ies) identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries)
(b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries. Hence no disclosure is required as such.

(x) Undisclosed Income

The Company does not have any undisclosed Income which was not recorded in the books of accounts and which has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as, search or survey or any other relevant provisions. Also the Company does not have previously unrecorded income and assets which were required to be properly recorded in the books of accounts during the year.

(xi) Details of Crypto Currency Or Virtual Currency

The Company has neither traded nor invested in Crypto Currency or Virtual Currency during the financial year, hence disclosure requirements for the same is not applicable.

H. RELATED PARTY DISCLOSURES

(I) Key Management Personnel:

1.	Smt. Neeraja Adidam, (Chairman & Managing Director)	20.01.2022 to 09.09.2024
2.	Smt. Aneeta C. Meshram (Chairman & Managing Director)	08.11.2024 to till date
3.	Shri Padamsing P. Patil Director (Finance)	26.9.2022 to 03.04.2024
4.	Shri Naresh Arya Director (Finance)	30.04.2024 to till date
5.	Smt. Geeta Mishra (Govt. Nominee Director)	29.09.2021 to 31.08.2024
6.	Shri Johan Topno (Govt. Nominee Director)	20-04-2020 to 30.09.2024
7.	Sh. H. Chinzason (Govt. Nominee Director)	01.11.2024 to till date
8.	Sh. Mohan Lal Meena (Govt. Nominee Director)	01.11.2024 to till date

(II) Joint Ventures Company where FCIL has equity stake

- 1) Ramagundam Fertilizers and Chemicals Limited.(RFCL)
- 2) Talchar Fertilizers Ltd. (TFL)
- 3) Hindustan Urvarak and Rasayan Ltd. (HURL)

(III) Related Party Transactions

Following are the details of related party transactions-

Name of Related party	Amount (in Rs.)	Nature of Transaction
Ramagundam Fertilizers & Chemicals Limited (RFCL)	1	1. Amount of Re. 1/- has been billed by FCIL on RFCL on account of lease rent
	1	2. Amount of Re. 1/- has been billed by RFCL on FCIL on account of rental dues
Hindustan Urvarak and Rasayan Ltd. (HURL)	5,95,108	1. Credit note of Rs. 5,95,108/- given to HURL (Sindri) for the water charges of Rs. 12,45,624/- recovered from the lessees after adjusting maintenance charges of Rs. 6,50,516 incurred by FCIL
	48,52,050	2. Amount billed by FCIL on HURL (Sindri) against rental dues for quarters
	1,18,000	3. Amount billed by FCIL on HURL (Sindri) against lease rent
	12,91,296	4. Amount billed by FCIL on HURL (Gorakhpur) against rental dues
	1,18,000	5. Amount billed by FCIL on HURL (Gorakhpur) against lease rent
Talchar Fertilizers Ltd. (TFL)	36,58,473	1. Amount billed by FCIL on TFL against land revenue
	6,10,043	2. Amount billed by FCIL on TFL against lease rent

I. SEGMENT REPORTING

In the absence of any manufacturing operation by the Company during the year or in previous year, there are no separate segments to be reported.

J. Income Tax

In view of the non-operation of Production activities at all the units of the Company, there being no virtual certainty of set off of net deferred tax assets, no adjustments have been carried out in respect of net deferred tax in terms of provisions of Ind-AS 12 on Income Tax, notified under Section 133 of the Companies Act, 2013.

K. EARNING PER SHARE

Basic Earnings Per Share has been computed by dividing net profit after tax by the weighted average number of shares outstanding for the period as under:-

	2024-25	2023-24
Net profit for the year attributable to Equity shareholder – (Rs.in Lakh)	(3518.32)	3784.86
No. Of Shares	75,09,239	75,09,239
Nominal Value per share (In Rs.)	1000.00	1000.00
Earning per Share : Basic (In Rs.) :	(46.85)	50.40
Diluted (In Rs.) :	(46.85)	50.40

L. ADDITIONAL INFORMATION

	As on 31.3.2025	As on 31.3.2024
Value of Import on CIF basis	Nil	Nil
Expenditure in Foreign Currency	Nil	Nil
Raw Material s Consumption	Nil	Nil
Store and Spares Consumption	Nil	Nil

M. As per Section 135 of the Companies Act 2013, a Corporate Social Responsibility (CSR) Committee has been formed by the Company.

As per the requirements of the Companies Act.2013(The Act) the Company was required to incur Rs 74.89 lakh in Financial Year 2024-25 which was paid to PM Relief Fund on 06.03.2025 hence no amount remains unspent during the financial year 2024-25.

The funds were primarily utilised throughout the year on the following activities which are specified in Schedule VII of the Act:-

(Rs in lacs)				
S.No	Particulars	Amount already spent	Amount to be spent	Total
(i)	Construction/ acquisition of any asset	-	-	
(ii)	On purposes other than (i) above	74.89	-	74.89

N. CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	As at 31 March 2025	As at 31 March 2024
Contingent liabilities and commitments (to the extent not provided for)		
(I) Contingent liabilities		
Claims against the Company not acknowledged as debt.		
Tax matters in dispute under appeal including possible interest		
Demand for Sales Tax	2,434.71	2,434.71
Demand for Property Tax	16.64	16.64
Demand for Goods and Services Tax	8315.29	
Pending decision of Court / under Arbitration	692.12	697.39
Income Tax demand A.Y 18-19*		9,747.65
Income Tax demand A.Y 22-23**		644.21
Income tax demand foreign Technicians***	19.14	19.14
Total Contingent liabilities	11,477.90	13,559.74
(II) Commitments		
(i) M/s. Deloitte Touche Tohmatsu India Pvt. Ltd.	25.45	25.45
(ii) M/s. N.B.C.C.	2,142.69	4,356.02
Total Contingent liabilities	13,646.04	17,941.21

* Appeal was filed with Hon'ble High Court however during the year Rs. 7500.91 lakhs has been provided in the books as per demand of Income Tax department

** Appeal was filed with CIT(Appeal) however during the year Rs. 644.21 lakhs has been provided in the books as per demand of Income Tax department

*** It is Talcher Unit fee payable which is under dispute.

O. Previous year's figures have been regrouped / re- casted where ever found necessary so as to make them comparable to current years' figures.
