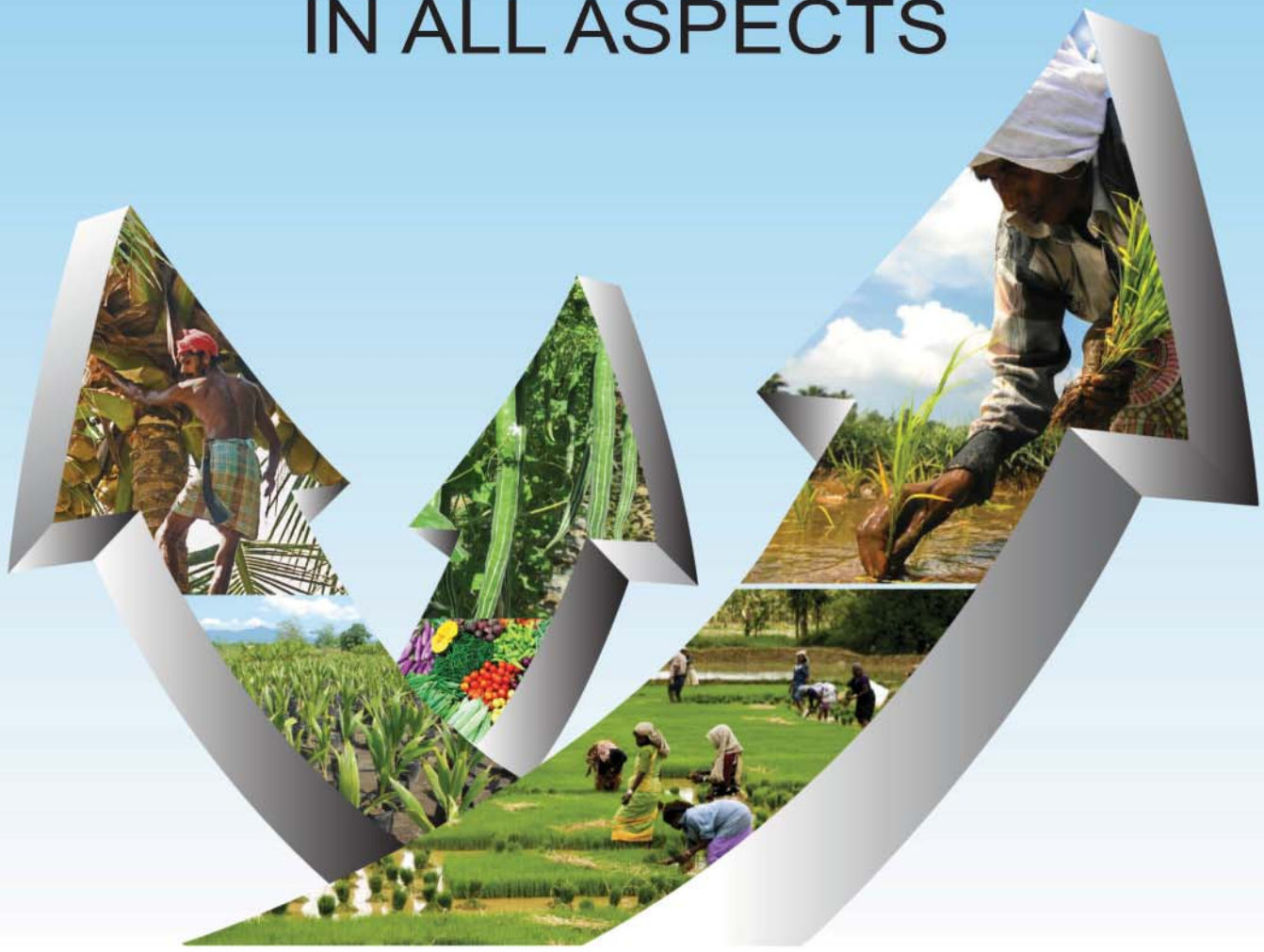
75th वार्षिक रिपोर्ट
ANNUAL REPORT
2018-2019

GROWTH IN ALL ASPECTS



FACT
प्रगति के पथप्रदर्शक
PIONEERS IN PROGRESS

दि फर्टिलाइज़र्स एण्ड केमिकल्स ट्रावनकोर लिमिटेड
(भारत सरकार का उद्यम)
THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED
(A Government of India Enterprise)

BOARD OF DIRECTORS



Shri Kishor Rungta
Chairman & Managing Director



Shri Umesh Dongre
Director (Finance)



Shri K U Thankachen
Director (Marketing)



Shri S D Panadare
Director (Technical)



Ms Alka Tiwari
Director



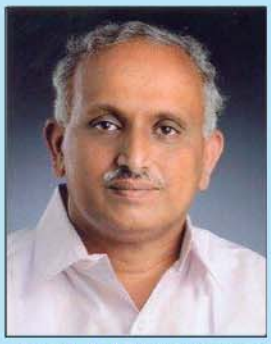
Ms Gurveen Sidhu
Director



Dr G Manohar Reddy
Director



Dr. Jyoti Kaushal Sheth
Director



Prof. B Vijayakumar
Director

CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri Kishor Rungta, Chairman & Managing Director

Shri Umesh Dongre, Director (Finance)

Shri K U Thankachen, Director (Marketing)

Shri S D Panadare, Director (Technical)

Ms Alka Tiwari, Govt. Nominee Director

Ms Gurveen Sidhu, Govt. Nominee Director

Dr. Gangidi Manohar Reddy, Independent Director

Dr. Jyoti Kaushal Sheth, Independent Director

Prof. B Vijayakumar, Independent Director

Shri Manoj Mishra, Chairman & Managing Director (Up to 02.02.2019)

Shri Sanjai Maheswari, Director (Finance) (Up to 31.01.2019)

Shri D Nandakumar, Director (Marketing) (Up to 31.05.2019)

Shri KPS Nair, Independent Director (Up to June 2019)

Dr S Murali, Independent Director (Up to June 2019)

CHIEF VIGILANCE OFFICER

Shri T R Shaji

CHIEF FINANCIAL OFFICER

Shri C Pradeep Kumar

CHIEF GENERAL MANAGERS

Shri N Ramakrishnan (Production Co-ordination)
Shri A S Kesavan Nampoothiri (Udyogamandal Complex)
Shri A Rajeev (Technical, Udyogamandal Complex)

COMPANY SECRETARY

Shri K V Balakrishnan Nair

AUDITORS

Statutory Auditors
M/s.Babu A Kallivayalil & Co
Chartered Accountants, Kochi

Branch Auditors
Siv Ram & Raj
Chartered Accountants, Chennai
Narotham Madhav & Ramesh
Chartered Accountants , Hyderabad

Secretarial Auditors
M/s. SVJS & Associates
Company Secretaries, Kochi

Cost Auditors
M/s. BBS & Associates
Cost Accountants, Kochi

BANKERS

State Bank of India
Bank of India
Bank of Baroda
Canara Bank



CHAIRMAN'S MESSAGE

Dear members,

It gives me great pleasure to welcome you all to the 75th Annual General Meeting of FACT. This is my maiden address to the esteemed share holders of FACT and I consider this as a great privilege to address this august gathering as Chairman and Managing Director of this great Organisation.

As you may be aware, I assumed charge as Chairman and Managing Director of FACT on 2nd February, 2019. After coming here, I came to know about the glorious history of FACT along with its role in the agriculture revolution in the country and I feel more blessed to be a part of FACT Family.

On this occasion, I am remembering with gratitude the contributions made by great visionaries like late Sree Chithirathirunal Rama Varma, Maharaja of Travancore, late Shri.M.K.K Nair, the first Chairman and Managing Director and other distinguished predecessors who build FACT as a great organisation which pioneered the Green Revolution in South India.

Economic Scenario

India continues to remain the fastest growing major economy in the world in 2018-19 despite a light moderation in its GDP growth from 7.2% in 2017-18 to 6.8% on 2018-19. India maintained its macro economic stability by containing inflation within 4%. India is the seventh largest economy in terms of GDP. The monetary policy of the Reserve Bank of India has played a vital role in economic growth. Reduction in interest rate may boost the aggregate demand and reinvigorate investment activities. The economy is moving towards to becoming a US $ 5 trillion economy by 2024-25. To achieve this, India needs to sustain a real GDP growth rate of 8%. Being an agrarian economy, the GDP growth would reflect in fertiliser sector also.

Fertiliser Industry

During the financial year 2018-19, production of Nutrient Nitrogen and phosphorous registered a decline of 0.7% and 3.1% respectively as compared to the previous year

Eventhough, the agro climatic conditions were quite good throughout India, the raw material prices and exchange rate variations were not favourable during the year 2018-19. The prices of major raw materials were on the higher side due to global supply constraints. Surge in oil prices and volatility of Indian currency had also affected the performance of fertiliser companies in India.

The raw material prices have now firmed up and this may reflect in the performance of fertiliser companies during the year 2019-20. All India demand forecast for fertiliser products for the year 2019-20 is also encouraging. The Indian fertiliser market is expected to grow at a Compound Annual Growth Rate (CAGR) of 12.3% during the period 2019 to 2024.

The year 2018-19 was the full year of implementation of Direct Benefit Transfer (DBT) in Fertiliser. Now the Government of India is planning implementation of phase II of Direct Benefit Transfer and the industry is gearing up for its implementation.

One of the main issues being faced by Fertiliser industry in India is to maintain liquidity. Banks are not prepared to lend against subsidy receivables and the interest burden on the companies is also mounting.

Performance of FACT

The year 2018-19 was a year of noticeable improvement in the financial results and return of your Company from red to black. I am happy to inform you that after a long period FACT has reported a profit of ₹163.14 crore during the financial year 2018-19. Key financial figures are given below.

	2018-19 (₹ crore)	2017-18 (₹ crore)
Income from Sales	1954.98	1928.67
Other income	456.75	41.63
Total Revenue	2411.73	1970.30
EBIDTA	466.19	209.50
PBT	163.14	(-)129.06

The production performance of the Company was badly affected by the unprecedented flood occurred during August 2018 and the total dependence of imported Ammonia for fertiliser production due to the high cost of Regasified Liquefied Natural Gas (RLNG). High cost of other raw material like Phosphoric acid etc. has also affected the performance of the Company during the year.

A summary of the physical performance is given below.

Production	2018-19 (MT)	2017-18 (MT)
NP 20:20:0:13	634362	661973
Amm Sulphate	141754	180178

Sales	2018-19 (MT)	2017-18 (MT)
NP 20:20:0:13	620552	670710
Ammonium Sulphate	136645	168070

The financial and physical performance of the Company has been elaborated in the Annual Report and therefore I am not intending to repeat the same.

The Notice convening the meeting, the Director's Report and the Audited Annual accounts have been with you for some time and with your permission, I take them as read.

You might have observed that the Statutory Auditors have not made any adverse remarks or qualification in their report for the last six years in succession. Similarly, the Comptroller and Auditor General of India have also offered NIL comment on the accounts of the Company. This is a testimony to the transparency and excellent accounting practice being followed by the Company.

Opportunities and Challenges

For success of every organisation, any adversity should be converted into opportunity. Neither boasting in the past glory nor cursing the adversities is going to take us to any safer shores. We have to be conscious of the hard realities. I firmly believe that the success of any Organisation depends on its ability to convert the adversities in to opportunities. With the support and co-operation of each and every one of you, I am sure, FACT can turn around in near future.

Your Company has been taking a number of strategic initiatives for its turnaround, growth and sustenance in long run. The Company is adopting a multi pronged approach to improve all spheres of activities.

Our first priority is to optimise the production of fertilisers and operate all the plants at its optimum level. Ever since I took charge, my priority is in this direction only and the effort is slowly showing results also. All the Fertiliser Plants of FACT is working at its optimum level. The Ammonia Plant which was under shut down for one and a half year has started operations from may 2019.

The trial run of Caprolactam plant, which was in shut down condition for the last 6 years, is progressing as planned. Pollution Control Clearance has been received and the Plant trials are planned in a phased manner.

For uninterrupted production, continuous supply of raw materials at a reasonable price is required. For the first time in the history of FACT tie up for supply of RLNG for the full financial year 2019-20 has been made with Petronet LNG and oil marketing companies. Signing of G to G agreement with Moroco for supply of Phosphoric acid is on an advanced stage. Arrangements had already been framed for supply of sulphur from BPCL Kochi Refineries.

For increasing turnover and profitability, the area of operation of the Company is to be expanded. Import of fertilisers and trading activities should be in an aggressive manner. Towards this end FACT had started import of fertilisers. One shipment of NPK 16:16:16 had reached Tuticorin Port in July 2019. FACT is also planning to expand its marketing territory to North, West and North eastern zones. FACT is also planning to sell its products through other fertiliser companies. MOU had already been signed with Hindustan Insecticides Limited for the sale of FACT fertilisers outside our marketing territory. FACT intends to enhance its marketing operations Pan India.

Dedicated and skilled manpower is the foundation for the success of every organisation. Unfortunately, FACT is facing shortage of experienced manpower, especially in senior levels. A work study was conducted by the Kerala State Productivity Council to assess the requirement of manpower at various levels and based on their report, selection and recruitment to fill critical vacancies and implementation of succession planning is in progress. Company is also giving due importance for Training and Development of its workforces and R&D activities.

The scale of operation of the Company is to be enhanced to justify the available infrastructure facilities. Towards this, FACT has identified Capital projects for enhancing the production facilities and increasing the operational efficiency.

FACT always give top priority to ensure clean air and better living environment to the inhabitants in and around the factory, without any compromise in safety standards. This has been recognised by statutory authorities like Department of Factories and Boilers, State Pollution Control board etc with performance awards.

Any savings in energy cost will improve the bottom line of the company. In this regard, FACT intends to purchase power through open access from Power exchanges. Company is also exploring the possibilities of enhancing the utilisation of low pressure steam by converting it into power.

All these efforts would definitely lead to improvement in the top and bottom line of the Company and the Company expects to generate operating profit from the financial year 2019-20.

I am happy to inform you that all the stakeholders of the company including the Government of India and Government of Kerala is extending all support for the turnaround of FACT and closely monitoring the performance of the Company. The confidence reposed by the shareholders of FACT is reflecting in the upward movement of share price in the stock exchange and the market capitalisation of the company.

Government of India had accorded approval for the sale of 482 acres of land to Government of Kerala and the amount realised from the land monetisation would be used for the expansion and diversification of the Company.

I am failing in my duties if I paint only the rosy picture without mentioning the challenges to be faced for the sustainable operation of the Company in the long run. The biggest challenge is the effective utilisation of the money to be received from monetisation of land and successful commissioning of the new capital projects.

The financial restructuring package submitted by the Company is still under the consideration of the Government of India. Wiping out of the accumulated losses and make the networth of the Company positive is another area of concern.

Corporate Governance

Your Company is committed to confirm to all relevant directives and guidelines of Government and statutory authorities relating to corporate governance. The philosophy of the Company in relation to Corporate Governance is to ensure transparency, disclosure and reporting that conforms to the provisions of Companies Act 2013, SEBI (LODR) Regulations 2015 and all other applicable laws and regulations. The Company is also complying the guidelines issued by Department of Public Enterprises.

Acknowledgement

I hereby place on record my sincere thanks to my colleagues on the Board of Directors for their advice and support, the Officers' Forums, the Trade Unions and all the employees of the Company for their dedicated efforts and unstinted support for overcoming various challenges facing the Company and for their contribution for the revival and sustainable growth of FACT. I must also thank the various departments of Government of India, in particular the Department of Fertilisers for their support and cooperation.

I also express my sincere thanks to all other stake holders like farmers, suppliers, buyers, contractors, banks, shareholders, auditors, dealers and the general public for the trust they have been reposing on us.

(Kishor Rungta)
Chairman And Managing Director
DIN-00231106

Place : Udyogamandal
Date : 16-08-2019

PIONEERS IN PROGRESS

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

CIN: **L24129KL1943GOI000371**

Ph. 0484-2546486 : Fax No.0484-2546637

Website: www.fact.co.in E-mail Id: kvbnair@factltd.com

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 75th Annual General Meeting of the members of The Fertilisers and Chemicals Travancore Ltd will be held on Friday, the 20th September, 2019, at 3.00 P.M. at Udyogamandal Club at Eloor, Udyogamandal, Kochi, to transact the following business:

Ordinary Business

1. To receive, consider and adopt (a) the audited stand alone financial statements of the Company for the financial year ended 31st March, 2019, and Reports of the Board of Directors and Auditors thereon; and (b) the audited consolidated financial statements of the company for the financial year ended 31st March, 2019 and report of Auditors thereon and in this regard pass the following resolutions, as ordinary resolutions.

   (a) RESOLVED that the audited Standalone Financial Statements of the Company for the year ended 31st March, 2019 and the reports of the Board of Directors and Auditors thereon be and are hereby considered, approved and adopted.

   (b) FURTHER RESOLVED that the audited consolidated financial statements of the Company for the year ended 31st March, 2019 and the report of the Auditors thereon be and are hereby considered, approved and adopted.

2. To fix the remuneration of Statutory Auditors and Branch Auditors for the Financial Year 2019-20 and in this regard, pass the following resolution as an ordinary resolution.

   RESOLVED that the Board of Directors of the Company be and is hereby authorised to fix remuneration of the Statutory Auditors and Branch Auditors appointed by the Comptroller and Auditor General of India for the financial year 2019-20.

3. To elect Smt. Alka Tiwari, Director, (DIN- 03502306) who retire by rotation at this Annual General Meeting and is eligible for re-election and in this regard, pass the following resolution as an ordinary resolution.

   RESOLVED that Smt. Alka Tiwari (DIN- 03502306), Additional Secretary and Financial Advisor, Department of Fertilisers, Ministry of Chemicals and Fertilisers, New Delhi, be and is hereby elected as a Director of the Company.

4. To elect Smt. Gurveen Sidhu, (DIN - 08121526) Director, who retire by rotation at this Annual General Meeting and is eligible for re-election and in this regard, pass the following resolution as an ordinary resolution.

   RESOLVED that Smt. Gurveen Sidhu (DIN - 08121526), Joint Secretary, Department of Fertilisers, Ministry of Chemicals and Fertilisers, New Delhi, be and is hereby elected as a Director of the Company.

Special Business

5. Remuneration to Cost Auditors

To consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary Resolution.

RESOLVED that pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act 2013 and the Companies (Audit and Auditors) Rules 2014, the Cost Auditors appointed by the Board of Directors of the Company to conduct the audit of the cost records of the company for the financial year 2019-20 be paid the remuneration of ₹ 65,000/- plus out of pocket expenses (subject to a maximum of ₹10,000/-).

Subscription to Additional Equity Capital of FACT RCF Building Products Limited

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a special Resolution.

   RESOLVED THAT subject to the provisions of the Companies Act, 2013 and other applicable Rules/Regulations in this regard, approval be and is hereby accorded for conversion of ₹29.25 Crore due from FACT RCF Building Products Limited towards supply of Gypsum and various services rentered by FACT, to investment in the equity capital of FACT RCF Building Products Limited to continue 50.50 investment of FACT and RCF in the equity of FACT RCF Building Products Limited.

By Order of the Board of Directors.

Sd/-

K.V. Balakrishnan Nair

Company Secretary & CGM (Fin)

Place : Udyogamandal

Date : 16-08-2019

Note:

1. The Register of Members will be closed from 10th September 2019 to 20th September 2019(both days inclusive).

2. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member. The instrument appointing the proxy, in order to be effective, should, however, be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting. A blank proxy form is annexed to the Annual Report and can also be downloaded from the website of the Company.

3. Pursuant to Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 and Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules 2014, and Companies (Management and Administration) Amendment Rules, 2015, the Company is offering e-voting facility to its members. The Company engaged the services of M/s Central Depository Services (India) Limited (CDSL) to provide e-voting facility to members. Instructions and other information relating to e-voting are given in this notice under note No.7.

4. The relative explanatory statement required under Section 102 of the Companies Act, 2013 is given separately.

5. Relevant documents referred to in the Notice are open for inspection by the members at the registered office of the Company on all working days (that is, except Sundays and Public Holidays) during business hours upto the date of the Meeting. The above said documents will also be available for inspection by members at the Meeting.

6. Members, who have not registered their e-mail IDs so far, are requested to register their e-mail IDs for receiving all communications from the Company electronically.

7. Information and other instructions relating to e-voting are as under:

   I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL).

   II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

   III. The members who have casted their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

The instructions for shareholders voting electronically are as under:

(i) The voting period begins on 17-09-2019 (Tuesday) at 9 a.m. and ends on 19-09-2019 (Thursday) at 5 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 13-09-2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iv) Click on Shareholders.

(v) Now Enter your User ID

   a. For CDSL: 16 digits beneficiary ID,

   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

   c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)· ● Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.· ● In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.· ● If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for the relevant Company (The Fertilisers and Chemicals Travancore Ltd.) on which you choose to vote.

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES / NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xx) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

(xxii) The following person shall be responsible to address grievances concerned with facility for remote e-voting:

Contact Name – Mr. Rakesh Dalvi, Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 1800225533.

8. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date.

9. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as on the cut-off date i.e 13-09-2019 may obtain the login ID and password by sending a request at helpdesk.evoting @cdslindia.com

10. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

11. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper. A person who is not a member as on the cut-off date should take this notice for information purpose only.

12. Shri M.C.Sajumon, Practising Company Secretary, Littonia Cottage, M.A. Balakrishnan Road, Kochi-682018, has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and conduct the remote e-voting process in a fair and transparent manner.

13. The Chairman shall, at the AGM at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

14. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

15. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.fact.co.in and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the National Stock Exchange of India Ltd., Mumbai.

Explanatory Statement Under Section 102 of the Companies Act, 2013 in respect of the Special Business to be transacted at the Meeting.

Item No. 5

The Board has approved the appointment of M/s BBS & Associates, Cost Accountants, Kochi, as Cost Auditors to conduct the audit of cost accounts of the Company for the financial year 2019-20 on a remuneration of ₹ 65,000 plus out of pocket expenses (subject to a maximum of ₹10,000/-). As per Rule 14 of Companies (Audit and Auditors) Rules, 2014 read with Section 148(3) of the Companies Act 2013, the remuneration approved by the Board of Directors has to be ratified subsequently by the shareholders. Accordingly the consent of the members is sought through an ordinary resolution for ratification of remuneration payable to the Cost Auditors for the financial year 2019-20.

No Director / Key Managerial Personnel / Relatives of Directors and Key Managerial Personnel is interested in the resolution.

The Board recommends the ordinary resolution set out at Item No. 5 of the Notice for approval of share holders.

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Item No. 6

The Board has approved the proposal to subscribe additional Equity in the FACT-RCF Building Products Limited (FRBL), a joint venture of The Fertilisers and Chemicals Travancore Limited and Rashtriya Chemicals and Fertilisers Limited, to continue the 50:50 Investment.

Since FACT is a sick and loss making Company, as per DPE guidelines, approval of the Government is required for making capital investment. Department of Fertilisers vide letter No 19041/2/2008-FCA-II dated 16th November 2018, had accorded the approval for additional investment of ₹ 29.25 crore to the equity capital of FACT-RCF Building Products Limited (FRBL).

To comply with the provisions of Companies Act, 2013, considering the networth of the Company, approval of shareholders is required for additional investment in FACT-RCF Building Products Limited (FRBL).

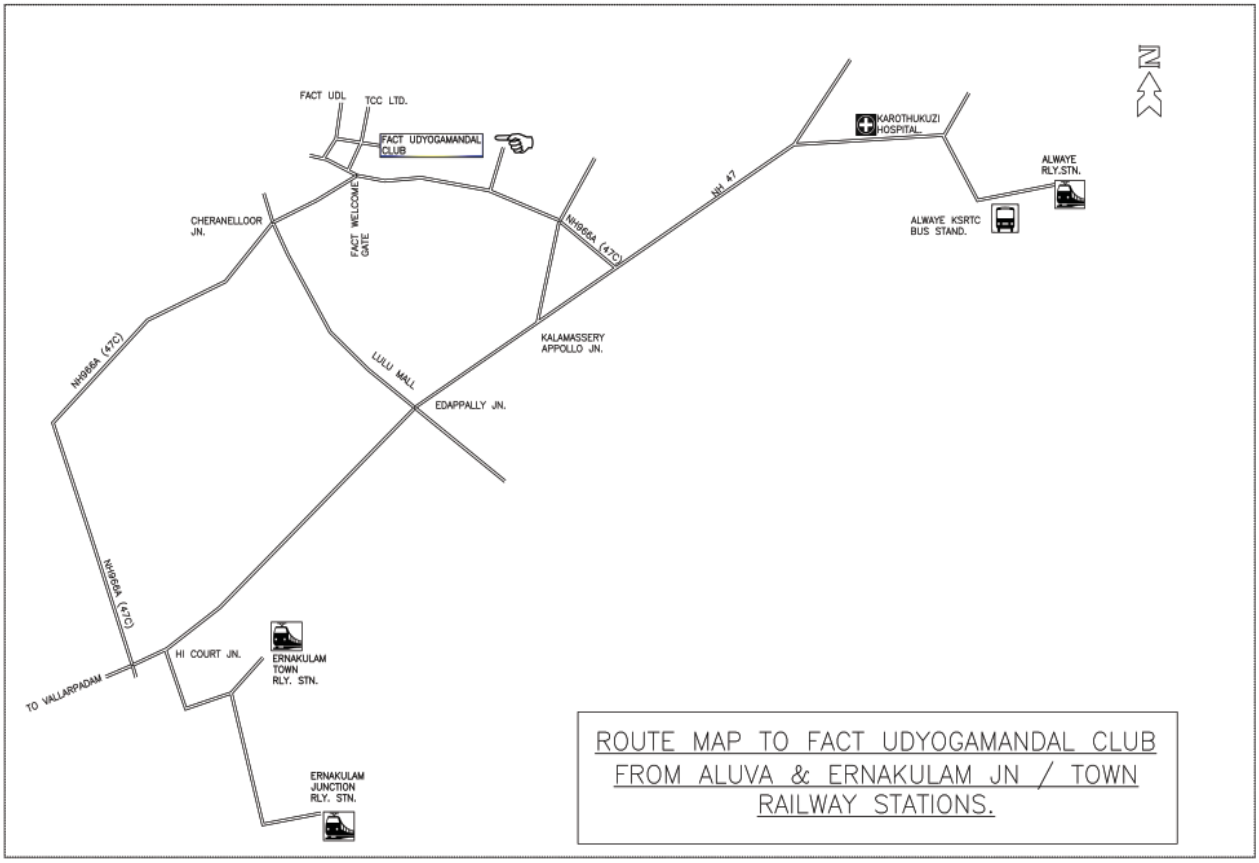
The proposed investment is the conversion of the amount due from FRBL, to the equity of FRBL. FACT had already made investment by way of supply of gypsum and other services to FRBL and considering the financial position of FRBL, a provisions has been created in the books of accounts for the entire amount due from FRBL. Hence, the investment would not in any way affect the financial position of FACT and no financial commitment is involved now in this regard.

The consent of the members is proposed through a special resolution to subscribe additional Equity in the FACT-RCF Building Products Limited (FRBL), a joint venture of FACT and RCF to continue the 50:50 Investment

No Director / Key Managerial Personnel / Relatives of Directors and Key Managerial Personnel is interested in the resolution.

The Board recommends the special resolution set out at Item No. 6 of the Notice for approval of share holders.

Route map to Udyogamandal Club, Eloor, Udyogamandal, Kochi.



FACT
PIONEERS IN PROGRESS

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Annexure to the Notice dated 16-08-2019

Details of Directors seeking Appointment / Reappointment at the ensuing Annual General Meeting:

Particulars	Ms Alka Tiwari	Ms Gurveen Sidhu
Age	54	51
Qualifications	IAS	IA & AS
Experience/ Brief Resume	See Website www.fact.co.in	See Website www.fact.co.in
Terms & Conditions of Appointment	As per GOI notification No130/82003 -HR-1 dated 6-03-2017 Ms Alka Tiwari was appointed as a part time Government Nominee Director	As per GOI notification No130/8/2003-HR-1 dated 10-04-2018 Ms Gurveen Sidhu was appointed as a part time Government Nominee Director
Remuneration	NIL	NIL
Date of First Appointment on the Board	21.04.2017	27.04.2018
Shareholding in the Company as on 31st March, 2019	NIL	NIL
Relationship / Other Directors/ Key Managerial Personnel	Not related to other Directors / Key Managerial Personnel	Not related to other Directors / Key Managerial Personnel
No. of Meetings of the Board attended during the year	2	3
Directorship of other Boards as on 31st March, 2019	Rashtriya Chemicals and Fertilisers Limited, Hindustan Organic Chemicals Limited	Rashtriya Chemicals and Fertilisers Limited
Membership/ Chairmanship of Committees of other Boards as on 31st March, 2019	NIL	NIL



Shri. Kishor Rungta, C & MD receives Shri. Chhabilendra Roul IAS, Secretary (Fertilisers), at Corporate Office, Udyogamandal



FACT and Department of Fertilisers hands over signed MOU at New Delhi



Guard of Honour to Shri. Chhabilendra Roul IAS,
Secretary (Fertilisers) by CISF during his visit to FACT



Shri. Kishor Rungta, C & MD along with Board of Directors

FACT
PIONEERS IN PROGRESS

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 75th Annual Report and Audited Financial Statements of the Company and the Report of the Auditors for the financial year ended March 31, 2019.

Your Directors are happy to inform that your company has reported a profit of ₹163.14 Crore during the financial year 2018-19. The profit is after considering the extra ordinary income on sale of Land to Bharat petroleum Corporation Ltd (BPCL) amounting to ₹ 433.89 crore.

During the financial year 2018-19, the Company could sustain the financial, production and marketing performance at a reasonable level, despite various adverse situations.

Highlights

- Net profit of ₹163.14 Crore
- Highest sale of organic Fertilizers
- Development and launching of Phosphate Rich Organic Manure (PROM)
- Safety Awards for both the production Divisions
- Award from Pollution Control Board
- Leveraging 170 acres of Land to BPCL
- Recognition in implementation of Official Language.

PERFORMANCE- 2018-19

1. Financial Performance

Financial Performance of the Company for the year ended March 31, 2019 is summarized below: ₹ in crores

Particulars	2018-19	2017-18
Net Sales	1954.98	1928.67
Other Income	456.75	41.63
Total Revenue	**2411.73**	**1970.30**
Total Expenses	2248.59	2099.36
Earnings before interest, depreciation and Taxes (EBIDTA)	466.19	209.50
Interest	280.53	321.42
Depreciation	22.52	17.15
Profit before tax	163.14	-129.06
Other comprehensive Income	18.00	2.68
Total Comprehensive income	181.14	-126.37

Due to the accumulated loss, your directors have not recommended any dividend for the financial year 2018-19. The Company has not transferred any amount to Reserve during the financial year 2018-19.

2. Production and Sales

Production	(in MT)	(in MT)
	2018-19	**2017-18**
Factamfos 20 : 20	**634362**	**661973**
Ammonium Sulphate	**141754**	**180178**
Caprolactam	**0**	**0**

Sales	(in MT)	(in MT)
	2018-19	**2017-18**
Fertilisers	**781240**	**867370**
Caprolactam	**0**	**0**

The company was able to maintain the momentum in production and marketing during the financial year 2018-19 The physical performance of the Company during the financial year 2018-19 was affected by the unprecedented flood during August, 2018, forcing stoppage of plants. During the financial year 2018-19, the Ammonia plant was not operated due to high price of RLNG. The production of Fertilisers was maintained with imported Ammonia. This has affected the capacity utilization of the plants due to logistics constraints. The increase in the prices of raw materials and unfavorable exchange rate variations have affected the financial performance of the Company during the financial year 2018-19.

Despite the constraints, Company could finish the year with a reasonably good production and sales performance. On Production front, Factamfos production for the fiscal is 6.34 lakh MT and Ammonium Sulphate 1.42 Lakh MT, as compared to 6.61 Lakh MT and 1.80 lakh MT respectively during the previous year. Annual production of bulk Factamfos at Cochin Division surpassed 5 Lakh tons for the first time after 2009-10.

On marketing front, during the financial year 2018-19, Factamfos sale was 6.20 lakh MT and Ammonium Sulphate sale was 1.36 lakh MT as compared to 6.7 lakh MT and 1.7 lakh MT during the last financial year.

During the year 2018-19 FACT Engineering Works bagged prestigious orders from BPCL- Kochi Refinery, Travancore Titanium Products Ltd and Kerala Minerals and Metals Ltd. worth ₹ 1030.45 lakh.

As part of revival strategy, the Company leveraged 170 acres of lands to BPCL and its proceeds after deducting the outstanding amount due to them was received during the financial year 2018-19.

FACT has finalized an ambitious production and marketing plan for the financial year 2019-20. The Company is planning one million ton production of fertilisers during the financial year 2019-20.

Your Directors are happy to inform you that for the first time in the history of the Company, FACT has tied up for supply of RLNG for the entire financial year 2019-20 at a reasonable rate. The Company has also planned to import and market one lakh ton of Fertilisers. The Company is also planning to restart the Caprolactam Plant in a phased manner.

The production and marketing performance of the Company during the first three months of the financial year 2019-20 is encouraging and the Company expect to end the year 2019-20 with a positive result.

Management Discussion and Analysis Report

Management Discussion and Analysis Report covering the operational aspects for the year under review, as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015(as amended) is presented in a separate section forming part of Directors' Report.

Consolidated Financial Statements

The Consolidated Financial Statements of the Company for the financial year ended March 31, 2019, prepared in accordance with Section 129(3) of the Companies Act 2013 and relevant accounting standards form part of the Annual Report.

Directors and Key Managerial Personnel

Appointments

Government of India, Ministry of Chemicals & Fertilisers, Department of Fertilisers, vide Order No.86/2/2017-HR-1 dated 11th January, 2019 appointed Shri. Kishor Rungta as Chairman & Managing Director of the Company.

Government of India, Ministry of Chemicals & Fertilisers, Department of Fertilisers, vide Order No.88/3/2018-HR-1 dated 30th January, 2019, entrusted the additional charge of the post of Director (Finance), FACT to Shri Umesh Dongre, Director (Finance) Rashtriya Chemicals and Fertilisers Ltd.

Government of India, Ministry of Chemicals & Fertilisers, Department of Fertilisers, vide Order No.86/1/2017-HR-PSU dated 18th April , 2019, entrusted the additional charge of the post of Director (Technical), FACT to Shri Sudhir Dattatraya Panadare, Director (Technical) Rashtriya Chemicals and Fertilisers Ltd.

Government of India, Ministry of Chemicals & Fertilisers, Department of Fertilisers, vide Order No.86/2/2012-HR-PSU dated 18th April , 2019, entrusted the additional charge of the post of Director (Marketing), FACT to Shri K U Thankachen, Director (Marketing) Rashtriya Chemicals and Fertilisers Ltd.

Shri C Pradeepkumar, DGM (Finance) is appointed as the Chief Financial Officer of the Company with effect from 29th January 2019.

Shri Kishor Rungta, C&MD, C Pradeepkumar, CFO and Shri K.V. Balakrishnan Nair, Company Secretary are the Key Managerial Personnel of the company.

Retirements and Resignations

On appointment of Shri Kishor Rungta as Chairman and Managing Director , Shri Manoj Mishra ceased to be the C&MD of the Company with effect from 02.02.2019.

Government of India, Ministry of Chemicals & Fertilisers, Department of Fertilisers, vide Order No.86/1/2017- HR-1 dated 14th January, 2019 entrusted the additional charge of Post of Director (Technical) FACT to Shri D Nandakumar, Director (Marketing) FACT and Shri U Saravanan ceased to be the Director (Technical) of the Company with effect from 31.10.2018

Consequent to the Government of India, Ministry of Chemicals & Fertilisers, Department of Fertilisers, Order No.88/3/2018-HR-1 dated 30th January, 2019, Sri Sanjay Maheshwari ceased to be the Director(Finance) of the Company with effect from 01.02.2019.

Shri D Nandakumar, Director (Marketing) retired from the service of FACT on superannuation with effect from 31.05.2019.

The period of the initial appointment of Shri KPS Nair, Independent Director and Dr S Murali, Independent Director ended in June 2019. The notification from the Government of India on appointment / re-appointment of Independent Directors in place of Shri KPS Nair and Dr. S Murali is awaited.

The Board placed on record its appreciation on the valuable services rendered by Shri Manoj Mishra C & MD, Shri U Saravanan, Director (Technical), Shri Sanjai Maheswari, Director (Finance), Shri D Nandakumar, Director (Marketing), Shri KPS Nair, Independent Director and Dr. S Murali, Independent Director.

Reappointment of Independent Directors

As per section 149 (10) of the Companies Act 2013, none of the Independent Directors has been reappointed on the Board of the Company.

Disqualification of Directors

None of the Directors has committed any disqualification as provided under section 164 of the Companies Act 2013.

Annual Evaluation of Board.

FACT being a Government Company, all appointments on the Board is made by the Government of India, Ministry of Chemicals and Fertilizers, Department of Fertilizers. The performance of Directors are evaluated by the Ministry of Chemicals & Fertilizers, Department of Fertilizers, Government of India. As per Government of India, Ministry of Corporate Affairs notification dated 5th June 2015, clause (e) and (p) of sub-section 3 of Section 134 of the Companies Act 2013 relating to appointment, remuneration and Annual evaluation of Board on its performance are not applicable to FACT.

However, suitable mechanism is being evolved for Annual Performance evaluation of Board as per SEBI (LODR) Regulation 2015.

Declaration of Independent Directors

All independent directors have made declaration of independence under sub-section (6) of Section 149 of Companies Act, 2013.

Meetings of the Board

During the financial year 2018-19, Eight meetings of the Board were convened and held. The details of the meetings of the Board of Directors are given in the report on Corporate Governance, which is part of this report. The intervening gap between the meetings was within the limit prescribed under the Companies Act 2013.

Secretarial Standards

Your Directors state that applicable Secretarial Standards i.e. SS-1 and SS-2 relating to “Meetings of the Board of Directors” and “General Meetings” respectively, have been followed by the Company.

Corporate Governance

The Company is committed to maintain the highest standard of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The Board lays emphasis on transparency and accountability for the benefit of all stake-holders of the Company. The Report on Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 annexed to this report forms an integral part of this report.

AUDITORS

(1) Statutory Auditors and Statutory Auditor’s Report

M/s. Babu A Kallivayalil & Co., Chartered Accountants, Kochi, was reappointed as Statutory Auditors of the Company for the year 2018-19 by the Comptroller and Auditor General of India. M/s Narotham Madhav & Ramesh, Chartered Accountants, Hyderabad, was reappointed as Branch Auditors for the year 2018-19 for the Area / Regional Offices at Andhra Pradesh, Telengana and Karnataka States. M/s Siv Ram & Raj, Chartered Accountants, Chennai, was appointed as Branch Auditors for the year 2018-19, for the Area / Regional Offices at Tamil Nadu and Kerala, by the Comptroller and Auditor General of India.

The report of the Statutory Auditors on the financial statements for the financial year 2018-19 is an unmodified report.

(2) Cost Audit

As prescribed under section 148 of the Companies Act ,2013, read with the Companies (Cost Report and Audit) Rules 2014, the cost accounting records are being maintained by the Company. M/s BBS & Associates, Cost Accountants, Kochi has been reappointed as Cost Auditors of the Company for the year 2018-19. Cost Audit report for the financial year 2017-18 was filed with Ministry of Corporate Affairs on 23.10.2018.

(3) Secretarial Audit

M/s SVJS & Associates, Company Secretaries, Kochi, has been appointed as Secretarial Auditors of the Company for the year 2018-19. The report of the Secretarial Auditor is annexed to this report as **Annexure-1**. The Secretarial Auditors have not made any adverse remarks or comments in the report.

Comments of C& AG

Comptroller and Auditor General of India(C&AG) has conducted a supplementary audit under section 143(6) of the Companies Act 2013 on the financial statements including consolidated financial statement of the Company for the financial year 2018-19. C&AG has not given any comment on the financial statements of the Company.

Audit Committee

In line with the provisions of Section 177 of the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 an Audit Committee of the Board has been constituted. Details of Members/ Meetings of the Audit Committee are elaborated in the report on Corporate Governance annexed here with. There were no instances in which the Board had not accepted any recommendation of the Audit Committee.

Associate Company

FACT-RCF Building Products Limited (FRBL) and Kerala Enviro Infrastructure Ltd. are the associate companies of FACT. During the financial year, no Company has become/ceased to become subsidiaries/Joint Ventures and Associate Company of FACT. In accordance with the provisions of Section 129(3) of the Companies Act, 2013, a statement containing salient features of the financial statements of the associate companies and joint ventures in Form AOC1 is provided as part of the Annual Report.

Report on financial position and Performance of Joint Venture

During the financial year 2018-19, the financial results of FRBL shows a net loss of ₹2.71. crore. Due to the accumulated loss, the entire networth of FRBL has been eroded. The Company has created provisions for the entire investment made in FRBL.

The financial results of Kerala Enviro Infrastructure Ltd. for the financial year 2018-19 shows a profit of ₹ 4.92 Crore.

Public Deposit

During the financial year 2018-19, the Company has not accepted any deposit from public.

Investor Education and Protection Fund (IEPF)

During the year 2018-19 FACT has transferred an amount of ₹ 0.49 lakh to Investor Education and Protection Fund.

Contract or arrangement with related parties

The transactions entered with related parties for the year under review were on arms length basis and in the ordinary course of business. The disclosure in form No AOC-2 for the transactions with related parties during the period under review is enclosed as **Annexure -2.**

Corporate Social Responsibility

FACT continues to give priority on various Social Responsibility measures during the financial year 2018-19 . The Company has constituted a Board level Committee as per the provisions of Companies (Corporate Social Responsibility Policy) Rules 2014. Annual Report on CSR as per the provisions of Companies (Corporate Social Responsibility Policy) Rules 2014 is annexed to this report as **Annexure-2A.**

Material changes and commitments

There were no material changes and commitments affecting the financial position of the company between the end of financial year (31st March 2019) and the date of the report. Similarly, there was no change in the nature of business of the company during the financial year 2018-19 .

Risk Management

FACT has formulated a risk management policy for identification of potential area of risk and mitigation of the same. FACT is having adequate risk management infrastructure in place capable of addressing all potential risks.

Internal Financial Control

FACT is having an Internal Control System, commensurate with the size, scale and complexity of its operations. The Internal Audit wing of FACT headed by Deputy General Manager monitors and evaluate the efficacy and adequacy of Internal Control System in the Company. The observation of internal audit and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board. Based on the recommendation of Internal Audit, the functional heads take necessary corrective actions in their functional area thereby strengthen internal control.

Vigil Mechanism & Whistle Blower Policy

FACT is having a vigil mechanism for directors and employees to report their concerns. The Directors and employees can approach Chairman Audit Committee of the Board directly and report their concern in appropriate case. The vigil mechanism and whistle blower policy is published in the web site of the Company www.fact.co.in.

Code of Conduct

FACT is having a code of conduct known as FACT Code of business Conduct and Ethics applicable to the members of the Board and all senior executives of the Company. The code has been posted on the Company's website www.fact.co.in . The code lays down the standard procedure of business conduct which is expected to be followed by the Directors and senior executives of the Company.

The Board members and Senior Executives of the Company have affirmed compliance of the Code of Conduct for the financial year 2018-19.

Prevention of Insider Trading

No instances of insider trading have been reported on FACT shares till date. A Code of Conduct for prevention of insider trading and code for corporate disclosure is published in the website of the company, www.fact.co.in .

Particulars of Loan given, Investment made, Guarantees given and securities provided

Particulars of Investment made by the Company, are provided in the financial statement for the year 2018-19.

During the financial year 2018-19, FACT has not provided any loan/guarantee or made any investment within the purview of Section 186 of the Companies Act 2013.

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has formulated an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment.

The following is the summary of sexual harassment complaints received and disposed off during the period under review:

Number of complaints at the beginning of the year	:	Nil
Number of complaints received during the year	:	Nil
Number of complaints disposed off during the year	:	Nil
Number of complaints at the end of the year	:	Nil

Particulars of Employees

During the year under review, none of the employees of the Company had drawn remuneration in excess of the limit prescribed under section 134 (3)(c) of the Companies Act 2013 read with Companies (Appointment of Managerial personnel) Rules 2014.

Integrity Pact

During the Financial year 2018-19, FACT has finalised the integrity pact in line with Government of India guidelines in this regard.

The Right to Information Act 2005

FACT is complying the provisions of the Right to Information Act 2005 and the details relating to Public Information Officer, Assistant Public Information officer, Appellate Authority, Nodal officer etc. are published in the website of the Company www.fact.co.in.

Extract of Annual Return

The Extract of Annual Return of the Company as provided under Sub section (3) of Section 92 of Companies Act, 2013, in Form MGT9 is annexed as **Annexure-3**.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Information regarding the conservation of energy, technology absorption, and foreign exchange earnings and-outgo as required to be disclosed in terms of the Companies (Accounts) rules 2014 is set out in a separate statement attached to this report.

Director's Responsibility Statement

Pursuant to Section 134(3)(c) of the Companies Act, 2013, your Directors hereby state that :

(a) in the preparation of annual accounts for the year ended March 31, 2019, the applicable accounting standards had been followed along with proper explanation relating to material departures.

(b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of profit and loss statement for the year ended March 31, 2019.

(c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

(d) the directors have prepared the Annual Accounts on a going concern basis.

(e) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

(f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

General

The Board of Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review.

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the company under any scheme.
4. The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
5. Neither the Managing Director nor the whole time Directors of the Company receive any remuneration or commission from its Associate Company.
6. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
7. No fraud has been reported by the auditors to the Audit Committee or to the Board.
8. There were no cases filed pursuant to the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act 2013.

Acknowledgement

Your Directors gratefully acknowledge the valuable guidance and support extended by the Department of Fertilisers, Department of Public Enterprises and other Departments of Government of India, and the State Governments of Kerala, Tamilnadu, Karnataka, Andhra Pradesh and Telangana and Union Territory of Puducherry.

The Directors deeply appreciate the committed efforts put in by the employees and look forward to their dedicated services and endeavor in the years ahead to enable the Company to scale greater heights.

The Directors also acknowledge the continued support extended by the Shareholders, Dealers, Suppliers, Bankers, Valued Customers and Auditors of the Company, the Press and Electronic Media.

For and on behalf of the Board of Directors.

(Kishor Rungta)
CHAIRMAN AND MANAGING DIRECTOR
DIN-00231106

Place : Udyogamandal
Date : 31-07-2019

FACT
PIONEERS IN PROGRESS

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

ANNEXURE TO DIRECTORS' REPORT

Particulars Required under Rule 8 (3) of Companies (Accounts) Rules 2014

A. Conservation of Energy

(i) Steps taken or impact on conservation of energy

The raw-material / utilities and energy consumption of all the products and intermediates are monitored regularly by evaluating the critical parameters. The raw-material / consumption ratios and energy efficiency are reviewed on monthly basis to identify weak areas and rectify the shortcomings.

a. Replacement of old inefficient motors in fertiliser plants in Cochin Division and replacement of Conventional gas Discharge lamps with LED lamps in plant and township area has resulted in considerable annual energy savings. Total annual savings on this will be around ₹ 20 lakh.

b. Old motors are being replaced by Energy Efficient Motors in Fertiliser Plant in Cochin Division which conform to superior efficiency. The expected annual energy savings will be around 3,43,000 units

c. 200 Numbers 40W fluorescent tubes have been replaced with 18W LED bulbs

d. 50 Numbers 70 W Sodium Vapour Street lamps have been replaced with 35W LED bulbs.

e. MOU has been signed between Bureau of Energy Efficiency (BEE) and FACT for the implementation of ISO 5001 standard.

(ii) Steps taken by the Company for utilizing alternate source of energy

Nil

(iii) The capital investment on energy conservation equipment

Nil

B. Technology Absorption

i. Efforts made towards technology absorption

1. For reducing RLNG consumption in RLNG fired heater H206 of Ammonia Plant, a new Oxygen Analyzer is being installed.
2. Replacement of Air Drying Tower in Sulphuric acid Plant.
3. Replacement of Intermediate Absorption Tower (IAT) in Sulphuric acid Plant.

ii. Benefits derived

New Oxygen Analyzer at RLNG fired heater H206 of Ammonia Plant is planned for energy saving in Ammonia Plant by way of reducing RLNG consumption by optimising stack out temperature.

Replacement of Air Drying Tower and Intermediate Absorption Tower (IAT) in Sulphuric acid Plant is expected to improve the average production performance of Sulphuric Acid plant by 5%.

iii. Imported technology

No technology has been imported during the Financial Year 2018-19.

iv. The major activities of Research & Development

- R & D produced about 1.0 MT of Phosphate Rich Organic Manure (PROM) in the first week of November 2018 and was launched on 09.11.2018.
- R & D has been analyzing and issuing quality certificates to single super phosphate and rock phosphate samples collected by FEDO in connection with the technical audit of SSP manufacturing units in all southern states and Maharashtra. This project is entrusted to FEDO by Department of Fertilisers, Government of India.
- Quality Control Cell is Constituted for efficiently monitoring the quality of finished chemical fertilizers both in manufacturing unit and field godowns, distributors and dealers for evaluating the quality as per the directions of the Ministry of Agriculture, Government of India.
- R&D produces bio fertilisers such as Rhizobium, Azospirillum, and Phosphate Solubilizing Bacteria (Phosphobacter) from its 150 TPA plant, which is established with partial assistance of one time grant in aid from Ministry of Agriculture, Government of India.

Details of expenditure on R&D are given below.

EXPENDITURE ON R&D

₹ in Lakh

Year	Capital	Revenue	Total	As % of total Turnover
2016-17	0	108.87	108.87	0.056
2017-18	0	114.17	114.17	0.058
2018-19	0	140.26	140.26	0.058

C. Foreign Exchange Earnings and Outgo

Details of foreign exchange earnings and outgo are given below.

FOREIGN EXCHANGE EARNINGS AND OUTGO

	Current Year ₹ in Lakh	Previous Year ₹ in Lakh
1) Foreign exchange earned	**0.00**	**0.00**
2) Foreign Exchange Outgo		
(i) C.I.F. Value of Imports:		
(a) Raw Materials	**124813.32**	**62534.84**
(b) Traded Products	**0.00**	**0.00**
(c) Spares and Other Materials	**64.80**	**137.35**
(d) Capital Goods	**0.00**	**0.00**
	124878.12	**62672.19**
(ii) Expenditure in Foreign Currency (Cash Basis)		
(a) Consultancy Service	**0.00**	**0.00**
(b) Others	**184.39**	**119.74**
	184.39	**119.74**
Total (i) + (ii)	**125062.51**	**62791.93**

(Kishor Rungta)
Chairman And Managing Director
DIN-00231106

Place : Udyogamandal
Date : 31-07-2019

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Development

The Fertilisers And Chemicals Travancore Limited (FACT) was incorporated in 1943. In 1947, FACT started production of Ammonium Sulphate with an installed capacity of 10,000 MT per annum at Udyogamandal, near Cochin. In the year 1960, FACT became a Kerala State PSU and on 15th August, 1962, Government of India became the major shareholder.

From a modest beginning, FACT has grown and diversified into a multi-division/multi-function Organisation with basic interest in manufacture and marketing of Fertilisers and Petrochemicals, Engineering Consultancy and Design and Fabrication and Erection of Industrial Equipments.

FACT's mission is to be a significant player in Fertilisers, Petrochemicals and other business such as Engineering and Technology services.

FACT's objectives are:

a. To produce and market Fertilisers & Caprolactam and other products efficiently and economically, besides achieving a reasonable and consistent growth.

b. Turnaround of the CPSE by all efforts.

c. To effectively manage the assets and resources of the company to ensure a reasonable return on investment

d. To focus on cost reduction and technology upgradation in order to become competitive in its line of business.

e. To constantly innovate and develop new products and services to satisfy customer requirements.

f. To invest in new business lines, where profit can be made on a sustainable basis over the long term.

g. To provide services to the farming community by organizing technical training, soil testing and other productivity improvement services in agriculture.

Performance highlights during the Year 2018-19

Udyogamandal Complex:

During the year 2018-19 Udyogamandal Complex produced 129122 MT of Factamfos, (NP 20:20:0:13) and 141754 MT of Ammonium Sulphate. During the financial year 2017-18 production of Factamfos and Ammonium Sulphate were 178873MT and 180178 MT respectively.

Nutrient wise the production during 2018-19 was 54175 MT of N and 25824 MT of P2O5 as against 72891 MT of N and 35775 MT of P2O5 during the previous year.

Cochin Division: During the financial Year 2018-19, Cochin Division produced 505240 MT of Factamfos 20:20 as against 483100 MT during the financial year 2017-18.

The production of Nutrient Nitrogen and Nutrient P2O5 during the year was 101048 MT each as against 96620 MT during the last year.

During the year 2018-19, the division produced 293000 MT of Sulphuric Acid and 41900 MT of Phosphoric Acid as compared to 263850 MT of Sulphuric Acid and 29300 MT of Phosphoric Acid in the year 2017-18.

Marketing Division: During the financial year 2018-19 the Fertiliser sales was 7.81 lakh MT as against 8.67 lakh MT during the previous year. Sale of Factamfos during the year was 620552 MT as compared to 670710 MT during the year 2017-18. The sale of Ammonium Sulphate during the year was 136645 MT as compared to 168070 MT during the previous year.

FEDO: During the financial year 2018-19, FEDO focused on execution of major jobs for its external and own clientele and achieved substantial progress in completion of major milestones laid out in the spectrum of design, engineering, procurement & inspection fronts as well as in the Projects & Construction-Commissioning phases in the Engineering Consultancy/EPMC business domain, such as commissioning of Crude Oil Tank for BPCL- Kochi Refinery and Completion of Residential Township for BPCL-Kochi Refinery.

FEDO attained recertification for ISO 9001:2015 from M/s DNV in the year 2018 in the field of Design and detailed engineering consultancy.

The turnover (including own division jobs) of FEDO for the year 2018-19 was ₹22.69 crore as against ₹17.59 crore in 2017-18. During the year 2018-19 FEDO received new orders for a value of ₹ 14.75 crore as compared to ₹11.60 crore during the year 2017-18.

FEW : The turnover of FEW for the year 2018-19 was ₹10.93 crore as against ₹9.82 crore during the year 2017-18. During the year 2018-19, FEW has bagged orders worth ₹13.74 crore compared to ₹ 6.80 crore during the year 2017-18.

During the financial year 2018-19, FEW's order position from external clients has made a quantom jump. The percentage of jobs from external clients has risen to around 75% of the total value of jobs received during the year. FEW expect to increase the turnover during the financial year 2019-20 and also generate profits. There is a steady demand from the process industry for pressure vessels and heat exchangers for replacements as well as for capacity expansion. FEW is charting out plans for associating with Cochin Shipyard Limited with a prospect to achieve more orders. FEW has already ventured into the field of fabrication of Barges for inland cargo transportation . FEW is also proposing to install a higher capacity CNC drilling machine which will help drilling of higher size tube sheet and plates.

Both FEW and FEDO have now jointly started business development activities for creating synergy.

Opportunities & Threats

Opportunities

a) Premium product in the complex fertilizer segment containing Sulphur
b) Extensive Marketing network in Southern India
c) Substantial infrastructure facilities
d) Operational efficiency and high capacity utilisation of plants.
e) Scope for expansion and diversification
f) Availability of land resources for generating additional revenue
g) Availability of RLNG at Kochi

Threats

a) High interest and finance charges.
b) Volatility in the prices of raw materials and feedstock.
c) Exchange rate variations
d) Over dependence on import of raw materials and the logistics

Segment-wise or Product-wise Performance

Details of Unit-wise/Product-wise performance is furnished separately in the Annual Report.

Risk and Concern

a) Lack of level playing field in the price of RLNG/LNG
b) Non-operation of Caprolactam plant due to economic reason
c) High fixed cost

Key Financial Ratios

Key financial ratios of the Company for the financial year 2017-18 and financial year 2018-19 are given below

SL No	Particulars	2018-19	2017-18
1	Debtors Turn Over Ratio	0.20	0.20
2	Inventory Turn Over Ratio	3.18	3.71
3	Interest Coverage Ratio	1.58	0.60
4	Current Ratio	1.07	0.95
5	Debt Equity Ratio	-2.60	-2.11
6	Operating Profit Margin	0.23	0.10
7	Net Profit Margin	0.08	-0.07

Since the networth of the Company is negative, other ratios are not relevant to FACT

HUMAN RESOURCES DEVELOPMENT

1. Industrial Relations

The Industrial Relations situation was generally peaceful during the year 2018-19. There were no issues connected with Industrial Relations in the Company. There was no stoppage of work affecting normal operations in the Company. The relations between the Management and the Trade unions, and Officers Association were cordial and the year witnessed whole hearted support in all areas of activities of the Company.

2. Human Resources

Human resources functions in the Company were effective during the year. The Company has recruited 29 Management Trainees, 9 layer 1 Officers and 81 Non-Managerial employees to meet the shortage in critical areas of operation during 2018-19. Normal promotions were also effected during the year. A work study was conducted by the Kerala State Productivity Council to assess the requirement of manpower in the Company. Based on the report of the work study steps are being taken to recruit employees in various categories in the Company.

3. Development of SC&ST.

Employment of Reserved categories as on 31.03.2019 is given below:

	Total	SC	ST	OBC	Others
No of Employees	1769	214	49	628	878
Percentage of total employees		12.00	2.78	35.5	49.6

Steps taken for the welfare of SCs/STs:

SC/ST Employees association are functioning in the Company. SC/ST officers are adequately represented in all the interview boards and Management ensures their representation in other associations like FACT Sports Association, Welfare Fund Advisory Committee, Canteen Managing Committee etc. Reservation of SC/ST employees is ensured in recruitment and Promotions as per Government directives.

SC/ST Grievance Cell

SC/ST Grievance cell is functioning at corporate level comprising the Chairman, who is also Chief Liaison Officer for matters pertaining to reservation of SC/ST and their grievances in the Company, Liaison officers of various divisions and two officers each belonging to SC & ST. The grievances received are examined in detail by the Cell and appropriately redressed. The employee concerned is informed of the decision/action taken on the grievances by the Grievance cell. Due consideration is given for allotment of residential quarters and also for nomination of SC/ST employees for training courses.

Training

Inservice Training to company employees is arranged through the training department. Maximum representation is ensured for SC/ST employees to attend in house training programme. 41 SC employees and 10 ST employees had undergone training during the year 2018-19.

For engagement of Apprentices under the Apprentices Act, representation as per rules is provided. The representation for SC/ST in Apprentices as on 31.03.2019 is as follows:

Total No of Apprentices	SC	ST
152	14	2

4. Allotment of Residential Quarters

Due consideration is given for allotment of Residential Quarters to SC/ST employees. About 40% of the quarters are presently occupied by SC/ST employees. Details of quarter allotted to SC/ST employees as on 31.03.2019 is furnished below:

Total Number of Employees Occupying Quarters	SC	ST
426	140	33

5. Reservation of Dealership

FACT is having 6273 dealers for distribution of fertilizers. FACT is encouraging SC/ST category dealers to apply for the dealership in accordance with policy of Department of Fertilisers, Government of India.

Total number of dealers and the representation of SC/ST in dealership as on 31.3.2019 is given below.

Sl.No	State	Total Dealers	SC	ST
1	Kerala	2909	193	26
2	Tamil Nadu	1097	54	0
3	Karnataka	1294	36	23
4	Telangana	450	6	8
5	Andhra Pradesh	501	3	1
6	Pondicherry	22	1	0
	Total	**6273**	**293**	**58**

Official Language

FACT gives high priority and importance to the implementation of the Official Language Act & Rules and other instructions given by the Government of India from time to time. Regular meetings of the Official Language Implementation Committee are organized under the chairmanship of Chairman and Managing Director and the progress in the use of official language is reviewed in the meeting. In order to create awareness among the staff in the use of official language, FACT is regularly conducting Official Language Seminar and various Hindi competitions. As part of the Hindi implementation, the Company is regularly organizing Hindi workshops and other programmes. Every year Hindi Fortnight is celebrated with various competitions for the employees of the company and winners are given awards/prizes . In order to make enthusiasm for doing work in Hindi, Company gives cash prizes for the employees who are doing their work in Hindi in every year. The cash prizes and trophies are awarded to the students (son/daughters of the employees) who receive the highest marks in Hindi in the SSLC and Plus-two-Examinations in every year.

Public procurement policy of Micro and Small enterprises (MSEs) Order 2012

During the financial year 2018-19, the Company has procured material worth Rs 19.16 crore from MSEs. Most of the feed stocks and materials procured by FACT are not available with the MSEs.

Pollution Control Activities

All Fertiliser Plants in Udyogamandal Complex and Cochin Division are certified for ISO 14001:2015, which always gives top priority to ensure clean air and better living environment to the inhabitants in and around the factory.

The Effluent Treatment Plant and Emission Control Facilities were kept in operation along with the production plant throughout the year. Treated liquid effluents and gas emission discharged from plants conformed to the Standards prescribed by the Kerala State Pollution Control Board throughout the year.

On the environmental front, Udyogamandal Division could maintain all effluent parameters within limits as specified by the statutory authority. As per the agreement between FACT and Kerala Enviro Infrastructure Limited (KEIL), the accumulated stock of hazardous wastes viz. spent V_2O_5 catalysts and Sulphur muck were sent to KEIL for final disposal.

Sludge generated from Fertilizer Effluent Treatment Plant is categorized as Hazardous waste under Hazardous waste Management rules. From periodical analysis, it was observed that the sludge does not contain any components hazardous in nature. KSPCB approved consultant studied and their study report was presented before KSPCB Technical Review Committee and KSPCB approved in principle that the ETP sludge is non hazardous and it is to be converted in to value added products.

As directed by Kerala State Pollution Control Board, the uploading of SO_2 emission data from Sulphuric Acid Plant stack at Central Pollution Control Board (CPCB) website was started in the year 2014-15. In addition to the above, the data regarding pH and flow of the effluent let out are also uploaded to the website of CPCB.

Action has been initiated for the procurement of online analysers for particulate matter & fluoride in NP & PAP stacks, Ammonical Nitrogen & Fluoride in Channel II effluent outlet also.

Construction of Gypsum Stack as directed by CPCB guidelines is in progress as per schedule.

Awards and recognitions

1. FACT Cochin Division was adjudged the winner of "Outstanding Safety Performance" Award in the category of large scale chemical industries for the year constituted by National Safety Council (Kerala Chapter)
2. FACT Udyogamandal Complex received "Sreshta Suraksha Puraskar" from National Safety Council, Kerala Chapter for outstanding safety performance in the category of Very Large Chemical Factories
3. FACT Udyogamandal Complex received Safety Award from Factories and Boilers, Kerala in Very Large Chemical Factories Categories.
4. During the Joint Hindi Fortnight Celebration- 2018 held under the auspices of the Kochi Town Official Language

Implementation Committee, Company secured the second prize for the implementation of the official language and the third prize for Official language magazine "Rashtravani".

Roadmap for sustainability

The Company plans to utilize part of the revenue generated from the sale of land for implementing essential capital jobs with a view to enhance the reliability of production plants and compliance with changing statutory requirements. Company also plans to invest in critical renovation and modernizing schemes for debottlenecking raw material and product handling facilities. The main capex projects under the consideration of the Company are as follows.

1. 1000 TPD Factamfos plant at FACT Cochin Division at Ambalamedu
2. Additional Ammonia Storage facility at Cochin Division at Ambalamedu
3. Additional Phosphoric Acid storage facility at Willingdon Island
4. Additional Sulphuric Acid storage facility at Cochin Division
5. Construction of New barge for transportation of Ammonia

Outlook for the future

The Financial Restructuring proposal submitted by the Company is under the consideration of Department of Fertilisers. The Company expects an early implementation of the same.

Implementation of the Financial Restructuring along with the Capital projects would result in turn around the Company in the near future.

(Kishor Rungta)
Chairman And Managing Director
DIN-00231106

Place : Udyogamandal
Date : 31-07-2019

REPORT ON CORPORATE GOVERNANCE

I Philosophy on Code of Governance

A self- disciplinary code to achieve the highest standards of Corporate Governance to safe guard the interest of Shareholders and other stake-holders.

All matters of policy are placed before the Board. The Board accords prime importance to transparency and the long-term interest of the Company.

II Board of Directors

(a) Composition and Category

Sl.No	Name of Director	Period		Nature of Directorship/ Category	No. of Directorship in other Board
		From	To		
1	Shri Kishor Rungta	02.02.2019	Continuing	Chairman & Managing Director- Whole time Functional (Executive) Director	NIL
2	Shri Umesh Dongre*	01.02.2019	Continuing	Director (Finance) Whole time Functional (Executive) Director	2
3	Shri K U Thankachen*	01.06.2019	Continuing	Director (Marketing) Whole time Functional (Executive) Director	1
4	Shri Sudhir Dattatraya Panadare *	04.06.2019	Continuing	Director (Technical) Whole time Functional (Executive) Director	2
5	Ms Alka Tiwari	21.04.2017	Continuing	Part-time Official Director (Non Executive Director)	2
6	Ms Gurveen Sidhu	27.04.2018	Continuing	Part-time Official Director (Non Executive Director)	2
7	Dr. Gangidi Manohar Reddy	16-02-2017	Continuing	Independent Director	1
8	Dr. Jyoti Kaushal Sheth	21.02.2017	Continuing	Independent Director	NIL
9	Prof. B. Vijayakumar	21.02.2017	Continuing	Independent Director	NIL
10	Shri Manoj Mishra	21.02.2018	01.02.2019	Chairman & Managing Director- Whole time Functional (Executive) Director	3
11	Shri D Nandakumar	13.09.2017	31.05.2019	Director (Marketing) Whole time Functional (Executive) Director	2
12	Shri U Saravanan	14.08.2017	01.11.2018	Director (Technical) Whole time Functional (Executive) Director	1
13	Shri Sanjai Maheshwari	06.03.2018	01.02.2019	Director(Finance) Whole time Functional (Executive) Director	1
14	Shri K P S Nair	29.06.2016	28.06.2019	Independent Director	NIL
15	Dr. S Murali	29.06.2016	28.06.2019	Independent Director	NIL

*Holding additional charge

(b) Disclosure pertaining to Directors

Details of Directorship in other listed entities of the Directors are given below.

Sl No	Name of Director	Name of the listed entity
1	Shri Manoj Mishra	National Fertilisers Limited
2	Shri. Umesh Dongre	Rashtriya Chemicals And Fertilizers Limited
3	Ms. Alka Tiwari	Rashtriya Chemicals And Fertilizers Limited, Hindustan Organic Chemicals Limited
4	Ms. Gurveen Sidhu	Rashtriya Chemicals And Fertilizers Limited
5	Shri. K U Thankachen	Rashtriya Chemicals And Fertilizers Limited
6	Shri. Sudhir Dattatraya Panadare	Rashtriya Chemicals And Fertilizers Limited
7	Shri. U Saravanan	Madras Fertilizers Limited

None of the Directors of the Company has been debarred or disqualified by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any statutory authorities. A Certificate in this regard is annexed to this report.

(c) Details of Board meetings & Attendance of Directors

Sl.No	Board Meeting Number and Date	Venue	Filled Strength	Directors Present
1	494 dated 27.04.2018	Kochi	11	9
2	495 dated 30.05.2018	Kochi	11	8
3	496 dated 31.07.2018	Kochi	11	9
4	497 dated 24.09.2018	Kochi	11	7
5	498 dated 09.11.2018	Kochi	10	8
6	499 dated 13.12.2018	Kochi	10	6
7	500 dated 29.01.2019	Amritsar	10	8
8	501 dated 19.03.2019	Kochi	10	10

(d) Attendance in Board meetings

Sl.No	Name of Director	Period	No.of Meetings held	No.of Meetings Attended
1	Shri Manoj Mishra	01.04.2018 to 01.02.2019	7	7
2	Shri U Saravanan	01.04.2018 to 01.11.2018	4	1
3	Shri D Nandakumar	01.04.2018 to 31.03.2019	8	8
4	Shri Sanjai Maheswari	01.04.2018 to 01.02.2019	7	6
5	Ms Alka Tiwari	01.04.2018 to 31.03.2019	8	2
6	Ms Gurveen Sidhu	27.04.2018 to 31.03.2019	8	3
7	Shri KPS Nair	01.04.2018 to 31.03.2019	8	8
8	Dr S Murali	01.04.2018 to 31.03.2019	8	8
9	Dr Gangidi Manohar Reddy	01.04.2018 to 31.03.2019	8	6
10	Dr Jyoti Kaushal Sheth	01.04.2018 to 31.03.2019	8	7
11	Prof. B Vijayakumar	01.04.2018 to 31.03.2019	8	7
12	Shri Umesh Dongre	01.02.2019 to 31.03.2019	1	1
13	Shri Kishor Rungta	02.02.2019 to 31.03.2019	1	1

Shri Manoj Mishra, Chairman and Managing Director, Shri Sanjay Maheswari, Director (Finance) Shri D Nandakumar, Director (Marketing), Shri KPS Nair, Independent Director, Dr S Murali, Independent Director, Dr Gangidi Manohar Reddy, Independent Director and Prof. B Vijayakumar Independent Director attended the 74th Annual General Meeting held on 24.09.2018.

III. Particulars of New Directors and Directors retiring by rotation and being re-appointed

Sl.No	Name of Director	Age	Date of Directorship	Remarks
1	Ms Alka Tiwari	54	21.04.2017	Reappointed as Director
2	Ms Gurveen Sidhu	51	27.04.2018	Reappointed as Director

IV. Particulars of Directors under III above as follows:

Ms Alka Tiwari

Ms Alka Tiwari a Government of India Nominee Director (Part time official Director)on the Board of FACT with effect from 21-04-2017 belongs to 1988 batch of Indian Administrative Services (IAS). Presently she is Additional Secretary and Financial Advisor of Department of Fertilizers, Ministry of Chemicals and Fertilizers. She has held number of key positions in State Government of Jharkhand and Government of India. She also served as Advisor to the NITI Ayog. At present she is a Board member of Rastriya Chemicals and Fertilizers Limited and Hindustan Organic Chemicals Limited.

Ms. Alka Tiwari is a member of Audit Committee of the Board.

Ms. Gurveen Sidhu

Ms. Gurveen Sidhu, 1995 batch IA&AS officer serves as Joint secretary of Department of Fertilisers. She is a Government of India Nominee Director on the Board of FACT with effect from 27.04.2018. She is a Government Nominee Director on the Board of Rashtriya Chemicals and Fertilizer Ltd since April 2018. She has rich working experience in the fields of accounts & entitlement, civil audit, receipt audit, commercial audit etc.

V. Audit Committee

Sl.No	Name of Director	Nature of Directorship
1	Shri K P S Nair Chairman	Independent Director
2	Dr S Murali	Independent Director
3	Ms Alka Tiwari	Government Nominee Director
Chief Vigilance Officer is a permanent invitee to the meetings of the Audit Committee of the Board		
Terms of reference of the Audit committee of the Board are as per the provisions of the Companies Act, 1956 / 2013 and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.		

Number and Date of Audit Committee Meeting	Number of Members	Number of Members Attended
65 dated 30.05.2018	3	2
66 dated 31.07.2018	3	2
67 dated 24.09.2018	3	2
68 dated 09.11.2018	3	2
69 dated 29.01.2019	3	3

VI. Nomination and Remuneration Committee

FACT is a Government Company (CIN: L24129KL1943GOI000371) in terms of Section 2 (45) of the Companies Act, 2013. The Board of Directors of FACT are nominated/appointed by the Government of India. The Government of India fixes the remuneration of Chairman and Managing director and other Whole-time Functional Directors. The Company is not paying any remuneration to part-time official directors (Nominees of Government of India).

Remuneration of the below Board level executives are fixed on the basis of Government guidelines in this regard with the approval of the Board of Directors and Government of India.

The remuneration / wages of employees / workers are finalized on the basis of agreement with Trade Unions and with the approval of Board / Government of India.

Details of remuneration paid to Functional Directors are separately shown in the Annual Report.

Composition of the Nomination and Remuneration Committee is given below:

Sl.No.	Name of Director	Nature of Directorship
1	Dr. S. Murali (Chairman)	Independent Director
2	Shri KPS Nair	Independent Director
3	Shri Kishor Rungta	C & MD

VII. Shareholders / Investors Grievance Committee / Stake Holders Relationship Committee

The Board of Directors of the Company has constituted a Shareholders/ Investors Grievance Committee / Stake Holders Relationship Committee consisting of the following Directors to look into the Complaints/ Grievances of Shareholders.

Sl.No.	Name of Director	Nature of Directorship
1.	Dr Gangidi Manohar Reddy (Chairman)	Independent Director
2.	Shri K.P.S.Nair	Independent Director
3.	Dr. S Murali	Independent Director

The Complaints of Investors / shareholders are promptly attended to either by the Share Transfer Agent or the Company directly and no genuine complaints of Shareholders remain un-attended.

During the financial year 2018-19 FACT has not received any genuine complaints from any share holder.

VIII. Share Transfer Committee

A Share Transfer/Transmission Committee consisting of Chairman and Managing Director and Director (Finance) is constituted to approve the Share Transfer/Transmission request and to provide excellent service to members / shareholders in the matter of Transfer / Transmission of Shares.

The Committee meets regularly provided there are any Share Transfer/Transmission requests to approve. As on 31.03.2019 there is no valid share Transfer/Transmission request pending for approval.

Shri K.V.Balakrishnan, Company Secretary is the Compliance Officer and the activities of the Share Transfer / Depository Agent are under the supervision of the Compliance Officer.

IX. Committee on Corporate Social Responsibility

The Board of Directors of the Company has constituted a Committee on Corporate Social Responsibility as per the provisions of Section 135 of the Companies Act 2013 and the Companies (Corporate Social Responsibility Policy) Rules 2014. The members of the Committee are:

Sl.No.	Name of Director	Nature of Directorship
1	Dr Jyoti Kaushal Sheth (Chairman)	Independent Director
2	Prof. B Vijayakumar	Independent Director
3	Shri D Nandakumar	Director (Marketing)

X Views and recommendations of Board Sub-Committees

All the recommendations made by the sub-committees of the Board have been accepted by the Board.

XI. General Meetings

Year	Date	Time	Venue	Details of Special Resolution
2015-2016	27.09.2016	11.00 AM	Udyogamandal	NIL.
2016-2017	22.09.2017	11.00 AM	Udyogamandal	NIL
2017-2018	24.09.2018	02.30 PM	Udyogamandal	NIL

As on date, the Company is not proposing to conduct any resolution through postal ballot.

XII. Disclosure

During the year 2018-19, the Company has not entered into any transactions of material nature with Directors and / or relatives that may have a conflict with the interests of the Company at large.

The Company has complied with requirements of listing agreement and guidelines of the Stock Exchanges / SEBI / other Statutory Authorities.

During the year 2018-19, The National Stock Exchange of India Limited has imposed a fine of ₹ 7,31,600.00 (inclusive of 18% GST) for non compliance of regulation 17(1) of listing regulations of SEBI (LODR) Regulations 2015 relating to composition of the Board. Since the Board of Directors are nominated by Government of India and Composition of the Board is beyond the control of the Company, a request has been submitted to the Stock exchange for waiver of fine.

Considering the low volume and value of trade transactions of FACT shares in Stock Exchanges, a broad based comparison with the Nifty / Sensex, etc., is not found feasible.

XIII. Means of Communications

The quarterly Un-audited Financial results of the Company are announced within forty five days of the end of the respective quarter. The financial results are also posted in company's website www.fact.co.in.

Un-audited financial results are sent to the Stock Exchange where the Company's shares are listed. The quarterly results are published in Financial Express news paper and in one Malayalam language newspaper.

XIV. Risk Assessment and Minimization Procedure

FACT has framed a Risk Assessment and Minimization Procedure as required by SEBI (LODR) Regulations 2015. The company is taking steps for minimization of risks as per the Risk Assessment and Minimization Procedure.

XV. Credit Rating

During the financial year 2018-19 CRISIL re-affirmed rating on the bank facilities of the Company as follows

Long term Rating - CRISIL BB-/ Stable

Short term Rating- CRISIL A4+

XVI. General Shareholders Information

Information relating to the Annual General Meeting & Financial Calendar for 2019 - 20 are given below:

75th Annual General Meeting	
Day	Friday
Date	20th September 2019
Time	03.00PM
Venue	Udyogamandal Club, Udyogamandal

Financial Calendar 2019 - 20	
Ist Quarter Financial Results	Published on 30th July 2019
IInd Quarter Financial Results	Will be published within 45 days from the end of the quarter.
IIIrd Quarter Financial Results	Will be published within 45 days from the end of the quarter
IVth Quarter Financial Results	Will be published within 60 days from the end of the Financial Year.

Dates of Book Closure	From 10th September 2019 to 20th September 2019 (both days inclusive)
Dividend Payment Date	No dividend is being declared

Listing
The shares of the Company is listed in National Stock Exchange of India Ltd, Mumbai. Listing fee has been paid to the Stock Exchange up to the year 2019-20

Stock code	
Name of Stock Exchange	**Stock Code**
National Stock Exchange of India Ltd, Mumbai	FACT

XVII Market Price

The high, low market price of Shares during each month in last financial year 2018-19 as available from the National Stock Exchange of India Limited are given below:-

Month	High (Rs)	Low (Rs)
April 2018	58.70	51.40
May 2018	54.65	43.00
June 2018	54.00	42.15
July 2018	46.80	38.50
August 2018	50.50	39.00
September 2018	50.80	37.85
October 2018	40.80	33.00
November 2018	43.10	34.65
December 2018	43.95	35.75
January 2019	49.40	34.10
February 2019	41.70	29.70
March 2019	38.35	31.80

XVIII Share Transfer / Depository Agent

BgSE Financial Limited, Stock Exchange Towers, 51, Ist Cross, J.C. Road, Bangalore 560 027.

XIX Share Transfer System

The Shares of FACT are compulsorily traded in De-mat form. All request for transmission of shares received are processed by the Share Transfer Agent of the Company and approved by the Share Transfer Committee of the Board.

XX Distribution of Shareholding as on 31.03.2019

Share holding of Nominal Value of ₹ 10/-	Share holders		Amount (₹)
	Number	% to Total	
Up to 500	18194	88.77	22468110
501 — 1000	1353	6.60	11533080
1001 — 2000	516	2.52	8214070
2001——3000	154	0.75	4059030
3001— 4000	84	0.41	3063510
4001—5000	69	0.34	3308380
5001—10000	85	0.41	6637840
10001 —50000	33	0.16	5750770
50001 and above	8	0.04	6405684950
Total	20496	100.00	6470719740.00

XXI De-materialization of shares and liquidity

In accordance with the direction of SEBI, trading of FACT shares have been brought under compulsory De-mat segment for all categories of investors with effect from 26th June 2001. The Company has executed tripartite agreement with both the Depositories i.e. NSDL and CDSL and the Share Transfer Agents of the Company. As on 31.03.2019, 644075239 Equity shares have been dematerialized.

XXII Audit and Audit Fees

Details of Audit fee paid to Statutory Auditors for the financial year 2018-19 is given below. The Statutory Auditor of the Company has not rendered any services to the joint venture / Associate Company of FACT.

Audit Fees

Sl No	Particulars	Amount (in Lakhs)
1	For Statutory Audit	9.10
2	For Other Services	9.94
3	For Expenses	1.62
	Total	**20.66**

XXIII List of Core Skills/ Experience/ Competencies Identified by the Board

FACT is a Government Company within the meaning of section 2(45) of the Companies Act, 2013. All the members of the Board are nominated/ appointed by the Government of India.

All the members of the Board are possessing core skills/expertise and competencies required in the context of the business

The Board of Directors have identified the following Core Skills/ Practical Experience/ Special Knowledge/ Competencies as required in the context of its business(es) and sector(s) for it to function effectively. The same are in line with the relevant provisions of the Companies Act, 2013

1. Expertise in efficient administration and management
2. Expertise in Finance and Accounting;
3. Law, Agriculture and Rural Economy;
4. Marketing
5. Research and Development
6. Economics;
7. Public Sector Undertaking;
8. Business Management;
9. Risk Management;
10. Human Resources;
11. General Administrations
12. Any other matter the special knowledge of, and practical experience in, which would, in the opinion of the Board, be useful to the Company

The Board has identified the following skill set with reference to its Business and Industry which are available with the Board:

Name of the Director	Expertise in specific functional area
Chairman and Managing Director	Expertise in efficient Administration and Management of a Schedule A PSE, Risk Management, Public Sector Undertaking, Costing, Research and Development & Business Management
Director (Technical)	Fertilizers and Chemicals, Research and Development, Human Resources & Agriculture and Rural Economy
Director (Finance)	Fertilizers and Chemicals, Finance, Public Sector Undertaking, Economics, Costing, Risk Management & General Administration
Director (Marketing)	Marketing, Agriculture and Rural Economy, Business Management & Public Sector Undertaking
Govt. Nominee Director	General Administrative and Co-operation, Finance, Fertilizers and Chemicals, Economics, Agriculture and Rural Economy & Public Sector Undertaking
Govt. Nominee Director	General Administrative and Co-operation, Finance, Fertilizers and Chemicals, Costing, Agriculture and Rural Economy & Public Sector Undertaking
Independent Directors	Law/General Administrative and Co-operation/ Finance/Human Resources/ Agriculture /Rural Economy /Research and Development/Fertilizers and Chemicals / Agriculture and Rural Economy / Risk Management / Costing/ Business Management / Economics

XXIV Outstanding GDRs / ADRs / Warrants or any convertible instruments conversion date and likely impact on equity

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments and hence there would not be any impact on the equity.

XXV Plant Locations

Sl.No	Activity	Locations
1	Fertiliser	Udyogamandal & Ambalamedu, Kochi
2	Petrochemical-Caprolactam	Udyogamandal, Kochi
3	Engineering works	Palluruthy, Kochi

XXVI Address for correspondence by Shareholders:

The Company Secretary, The Fertilisers And Chemicals Travancore Limited, Udyogamandal-683 501, Kerala; e-mail – kvbnair@factltd.com: Ph: 0484-2546486

XXVII Compliance of Corporate Governance requirements and guidelines issued by DPE:

The Company is giving top priority for the compliance of Corporate Governance requirements and guidelines on Corporate Governance issued by DPE. The Company has complied with all the guidelines on Corporate Governance issued by DPE applicable to FACT and Corporate Governance requirements as specified in regulation 17 to 27 and Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

CFO / CEO's CERTIFICATION

We Certify that:

(a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:

i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations:

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit Committee:

i. Significant changes in internal control over financial reporting during the year;

ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements.

(Pradeepkumar C)
Chief Financial Officer
PAN : ACHPC9053A

(Kishor Rungta)
Chairman & Managing Director
DIN 00231106

DECLARATION OF COMPLIANCE OF CODE OF BUSINESS CONDUCT AND ETHICS

Members of the Board of Directors and Senior Executives of FACT have complied with the provisions of the Code of Conduct and Ethics applicable to Directors and Senior Executives of the Company.

The information relating to FACT has been documented in the website of the Company www.fact.co.in

Place: Udyogamandal
Date : 31-07-2019

(Kishor Rungta)
Chairman And Managing Director
DIN-00231106

FACT
PIONEERS IN PROGRESS

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Annexure I

SVJS & Associates
Company Secretaries

65/2364A, PONOTH ROAD, KALOOR
ERNAKULAM - 682 017

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2019

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members
The Fertilisers and Chemicals Travancore Limited
Eloor P. O., Udyogmandal
Alwaye, Ernakulam
Kerala - 683501

We, SVJS & Associates, Company Secretaries, have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED [CIN: L24129KL1943GOI000371]** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(b) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(c) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 and The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

(d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(v) As informed to us, the following other laws are specifically applicable to the Company.

1. Fertiliser (Control) Order, 1985;
2. The Manufacture, Storage and Import of Hazardous Chemical Rules, 1989;
3. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008;
4. Batteries (Management and Handling) Rules, 2001;
5. The Industries (Development and Regulation) Act, 1951 and the Regulations and Bye-laws framed there under;
6. The Water (Prevention and Control of Pollution) Act 1974 and the Regulations and Bye-laws framed there under;
7. The Air (Prevention and Control of Pollution) Act, 1981 and the Regulations and Bye-laws framed there under;
8. The Environment (Protection) Act, 1986 and the Regulations and Bye-laws framed there under;
9. The Factories Act,1948 and the Regulations and Bye-laws framed there under;
10. The Boilers Act, 1923 and the Regulations and Bye-laws framed there under;
11. Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010;

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards relating to Board (SS 1) and General Meetings (SS 2) issued by The Institute of Company Secretaries of India;

(ii) The Listing Agreement entered into by the Company with National Stock Exchange of India Limited;

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, etc. mentioned above.

In respect of other laws specifically applicable to the Company we have relied on information / records produced by the Company during the course of our audit and the reporting is limited to that extent.

We report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors and Independent Directors except for the quarter ended 30.09.2018 and 31.12.2018. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and in compliance with orders issued by the Central Government.

Adequate notices were given to all directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions of the board were unanimous and the same was captured and recorded as part of the minutes.

We further report that to the extent of our verification, there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no instances of:

(i) Public / Right / Preferential issue of shares / debentures / sweat equity

(ii) Redemption / buy-back of securities

(iii) Merger / amalgamation / reconstruction, etc.

(iv) Foreign technical collaborations

This Report is to be read with our letter of even date which is annexed as '**Annexure A**' and forms an integral part of this report.

For SVJS & Associates
Company Secretaries
Sd/-
Sreekumar P.S.
Partner
FCS. 8130
CP. No. 8067

Kochi
30.07.2019

'Annexure A'

To
The Members
The Fertilisers and Chemicals Travancore Limited
Eloor P. O., Udyogmandal
Alwaye, Ernakulam
Kerala - 683501

Our report of even date is to be read along with this letter.

1. Maintenance of the Secretarial records is the responsibility of the management of the Company. Our responsibility as Secretarial Auditors is to express an opinion on these records, based on our audit.
2. During the audit, we have followed the practices and process as were appropriate, to obtain reasonable assurance about the correctness of the contents of the Secretarial records. We believe that the process and practices we followed provide a reasonable basis for our report.
3. The correctness and appropriateness of financial records and Books of Accounts of the Company have not been verified.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards etc. is the responsibility of management. Our examination was limited to the verification of the procedures and compliances on test basis.
6. While forming an opinion on compliance and issuing the Secretarial Audit Report, we have also taken into consideration the compliance related actions taken by the Company after 31st March 2019 but before issue of the Report.
7. We have considered actions carried out by the Company based on independent legal / professional opinion as being in compliance with law, wherever there was scope for multiple interpretations.

For SVJS & Associates
Company Secretaries
Sd/-
Sreekumar P.S.
Partner
FCS. 8130
CP. No. 8067

Kochi
30.07.2019

FACT
PIONEERS IN PROGRESS

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

SVJS & Associates
Company Secretaries

65/2364A, PONOTH ROAD, KALOOR, ERNAKULAM - 682 017

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Members of
THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED
Eloor P. O., Udyogmandal, Alwaye, Ernakulam, Kerala - 683501

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED** having CIN: L24129KL1943GOI000371 and having registered office at Eloor P. O., Udyogmandal, Alwaye, Ernakulam, Kerala – 683501 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **31st March, 2019** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. No.	Name of Director	DIN	Date of appointment in Company
1	Kishor Kumar Rungta	00231106	02/02/2019
2	Alka Tiwari	03502306	21/04/2017
3	Manohar Reddy Gangidi	07028036	16/02/2017
4	Jyoti Kaushal Sheth	07744339	21/02/2017
5	Vijayakumar Balakrishnan Nair	07744346	21/02/2017
6	Umesh Dongre	08039073	01/02/2019
7	Gurveen Sidhu	08121526	27/04/2018
8	Sankaranarayanan Nair	07553063	29/06/2016
9	Murali Sreeramulunaidu	07553046	29/06/2016
10	Damodaranpillai Nandakumar	07796642	13/09/2017

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For SVJS & Associates
Company Secretaries

Sd/-
Sreekumar P.S.
Partner
FCS. 8130
CP. No. 8067

Kochi
30.07.2019

Annexure- 2

FORM NO. AOC – 2
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm length basis.

Sl. No.	Particulars	Details
a)	Name(s) of the related party & nature of relationship	NIL
b)	Nature of contracts/arrangements/trans- action	NIL
c)	Duration of the contracts/arrangements/ transaction	NA
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NA
e)	Justification for entering into such contracts or arrangements or transactions	NA
f)	Date of approval by the Board	NA
g)	Amount paid as advances, if any	NA
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NA

2. Details of contracts or arrangements or transactions at Arm's length basis

Sl.No.	Particulars	Details	
a)	Name (s) of the related party	**FACT RCF Building Products Limited**	
	Nature of relationship	Joint Venture	
b)	Nature of contracts/ arrangements/ transaction	Supply of Gypsum and deputation of personnel, Supply of petrol/ Diesel, Supply of meals & guest house facilities.	
c)	Duration of the contracts/ arrangements/ transaction	NA	
d)	Salient terms of the contracts or arrangements or transaction	Transactions on Arms length basis	
e)	Date of approval by the board	03.08.2017 and 17.11.2017	
f)	Amount paid as advances, if any	NIL	
g)	Amount incurred during the year	₹ 207.66 lakhs	

(Kishor Rungta)
CHAIRMAN AND MANAGING DIRECTOR
DIN : 00231106

Place : Udyogamandal
Date : 31-07-2019

Annexure- 2 A

Annual Report on CSR Activities of FACT
[Pursuant to Rule 9 of Companies (Accounts) Rules 2014]

1. A brief outline on Companies CSR policy:

   FACT gives priority on various social responsibility measures for the benefit of weaker section of the Society and to improve the standard of living of the inhabitant near the factory area. FACT is a loss making company and hence the provisions of sub-section 5 of section 135 of the Companies Act 2013 is not applicable to FACT. However, the Company is having its CSR policy.

2. Composition of CSR Committee:

   FACT has constituted a CSR Committee consisting of the following Directors :.

   Dr. Jyoti Kaushal Sheth, Director

   Prof. B Vijayakumar , Director

   Shri D Nandakumar, Director (Marketing)

3. Average net profit of the Company for the last three financial years : Nil

4. Prescribed CSR Expenditure : Not applicable

5. Details of CSR expenditure for the financial year 2018-19 : Not applicable

Total amount spent for the financial year :

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1	Not applicable						

Since the company has not earned sufficient profit during the last three financial years, it is not mandatory on the part of the company to spend any money under the CSR scheme.

(Kishor Rungta)
CHAIRMAN AND MANAGING DIRECTOR
DIN-00231106

Place : Udyogamandal
Date : 31-07-2019

FACT
PIONEERS IN PROGRESS

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Annexure 3

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

I REGISTRATION AND OTHER DETAILS

i)	CIN	L24129KL1943GOI000371
ii)	Registration Date	22.09.1943
iii)	Name of the Company	THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED
iv)	Category / Sub-Category of the company	Government Company
v)	Address of the Registered office and contact details	Registered office: Eloor, Udyogamandal Ernakulam District, Kerala 683501 Nodal Officer: The Company Secretary Phone No. 0484-2546486 e-mail id kvbnair@factltd.com
vi)	Whether listed company	YES
vii)	Name, Address and Contact details of Registrar and Share Transfer Agent, if any	M/s. BgSE Financials Ltd., Registrars and Share Transfer Agents, Stock Exchange Towers, No.51, 1st Cross, J.C.Road, BANGALORE – 560 027.

II PRICIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the company
1	Complex Fertilisers	31052000	87
2	Ammonium sulphate	31022100	12

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl.No	Name and address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares Held	Applicable Section
1	FACT - RCF BUILDING PRODUCTS LTD AMBALAMEDU	U26992KL2008PLC022347	JOINT VENTURE	50%	2(6)
2	KERALA ENVIRO INFRASTRUCTURE AMBALAMEDU	U24129KL2005PLC017973	ASSOCIATE	25.66%	2(6)

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

IV SHAREHOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No.of Shares held at the beginning of the year				No.of Shares held at he end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	0	0	0	0	0	0	0	0	0
b) Central Government	582364076	700	582364776	90	582364076	700	582364776	90.0	0
c) State Government (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	**582364076**	**700**	**582364776**	**90**	**582364076**	**700**	**582364776**	**90**	**0**
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0		0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A) = (A) (1) + (A) (2)	**582364076**	**700**	**582364776**	**90**	**582364076**	**700**	**582364776**	**90**	**0**
B.Public Shareholding									
(1) Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	14220	4290	18510	0.00	42612	4290	46902	0.01	0
c) Central Government	0	0	0	0.00	0	0	0	0.00	0
d) State Government(s)	0	2585000	2585000	0.40	5467	2579533	2585000	0.40	0
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0
f) Insurance Companies	0	1250	1250	0.00	0	1250	1250	0.00	0
g) FIIs	0	0	0	0	0	0	0	0.00	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
I) Others Special National Investment Fund	55400424	0	55400424	8.56	55400424	0	55400424	8.56	0
Sub-total (B) (1):-	**55414644**	**2590540**	**58005184**	**8.96**	**55448503**	**2585073**	**58033576**	**8.97**	**0**
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	455034	4513	459547	0.07	252530	4513	257043	0.04	55.93
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal sharecapital upto Rs. 2 lakh	4226269	415186	4641455	0.72	5158506	406449	5564955	0.86	119.90
ii) Individual shareholders holding nominal sharecapital in excess of Rs. 1 lakh	957783	0	957783	0.15	277307	0	277307	0.04	28.95
c) Others (Specify)	0	0	0	0	0	0	0	0	
Clearing Members	311318	0	311318	0.05	182445	0	182445	0.03	58.60
Hindu Undivided Families	204241	0	204241	0.03	235252	0	235252	0.04	115.18
Trust	200	0	200	0	200	0	200	0	100.00
Non-Resident Indians/FN	127370	100	127470	0.02	182445	100	156420	0.02	122.71
Sub-total (B) (2):-	**6282215**	**419799**	**6702014**	**1.04**	**6288685**	**411062**	**6673622**	**1.03**	**0**
Total Public Shareholding (B) = (B) (1) + (B) (2)	**61696859**	**3010339**	**64707198**	**10.00**	**61737188**	**2996135**	**64707198**	**10.00**	**0**
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Grand Total (A+B+C)	**644060935**	**3011039**	**647071974**	**100**	**644101264**	**2996835**	**647071974**	**100**	**0**

ii) Shareholding of Promoters

Sl.No	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in share holding during the year
		No.of Shares	% of total shares of the company	% of Shares pledged / encumbered to total shares	No.of Shares	% of total shares of the company	% of Shares pledged / encumbered to total shares	
1	HE THE PRESIDENT OF INDIA	582364776	90	0	582364776	90	0	0

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No.of Shares	% of total shares of the Company	No.of Shares	% of total shares of the Company
	At the beginning of the year	582364776	90	582364776	90
	Date-wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus / sweat equity etc):	0	0	0	0
	At the end of the year	582364776	90	582364776	90

iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and holders of GDRs and ADRs):

Sl No 01	**Special National Investment Fund**	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	55400424	8.56	55400424	8.56
	Increase/Decrease	Nil	Nil	Nil	Nil
	At the end of the year	55400424	8.56	55400424	8.56

Sl No 02	**The Government of Kerala**	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	2175000	0.34	2175000	0.34
	Increase/Decrease	Nil	Nil	Nil	Nil
	At the end of the year	2175000	0.34	2175000	0.34

Sl No 03	The Government of Tamilnadu	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	256933	0.04	256933	0.04
	Increase/Decrease	Nil	Nil	Nil	Nil
	At the end of the year	256933	0.04	256933	0.04

Sl No 04	The Government of Andhra pradesh	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	147600	0.02	147600	0.02
	Increase/Decrease	Nil	Nil	Nil	Nil
	At the end of the year	147600	0.02	147600	0.02

Sl No 05	Angel Brocking Private Limited	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	61581	0.01	0	0
	Increase/Decrease	61581	0.01	0	0
	At the end of the year	0	0	0	0

Sl No 06	Karvy Stock Brocking Ltd	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	55315	0.01	0	0
	Increase/Decrease	55315	0.01	0	0
	At the end of the year	0	0	0	0

Sl No 07	Rachhpal Kaur Bains	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	51597	0.01	51597	0.01
	Increase/Decrease		0.01	48372	0
	At the end of the year	51597	0	99969	0.02

Sl No 08	Dheeraj lal S Mehta	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	50000	0.01	50000	0.01
	Increase/Decrease	0	0	0	0
	At the end of the year	50000	0.01	50000	0.01

Sl No 09	Edelweiss Custodial Services Ltd	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	43476	0	0	0
	Increase/Decrease	43476	0	0	0
	At the end of the year	0	0	0	0

Sl No 10	Udayakumar N Kothari	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	5097	0	40290	0
	Increase/Decrease		0.01	35193	0
	At the end of the year	40290	0.01	40290	0

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No	Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
1	Shri D Nandakumar, Director (Marketing)	No.of Shares	% of total shares of the Company	No.of Shares	% of total shares of the Company
	At the beginning of the year	10	0	10	0
	Date-wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g.allotment /transfer / bonus / sweat equity etc):	0	0	0	0
	At the end of the year (or on the date of seperation, if seperated during the year)	10	0	10	0

vi) INDEBTEDNESS

Indebtedness of the company including interest outstanding/ accrued but not due for payment

	Secured Loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the Financial year				
i) Principal amount	22778623314	0	0	22778623314
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued	2390158098	0	0	2390158098
Total (i+ii+iii)	25168781412	0	0	25168781412
Change in Indebtedness during the financial year				
Addition - Principal	255000000	0	0	255000000
Interest	2390158098	0	0	2390158098
Reduction (Pricipal Amount)	-294433929	0	0	-294433929
Net Change	2350724169	0	0	2350724169
Indebtedness at the end of the Financial year				
i) Principal amount	22739189385	0	0	22739189385
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	4780316196	0	0	4780316196
Total (i+ii+iii)	27519505581	0	0	27519505581

VII REMUNERATION OF DIRECTORS AND KEY AMANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and / or Manager

Sl.No	Particulars of Remuneration	Name of MD / WTD / Manager		Total amount ₹
		Shri Kishor Rungta, CMD	Shri D Nandakumar, Director (Marketing)	
1	Gross Salary	83186.69	2247816	2731002.69
	(a) Salary as per provisions contained in Section 17 (1) of the Income-Tax Act, 1961			0
	(b) Value of perquisites u/s 17 (2) of Income-Tax Act, 1961	327600	0	32760
	©Profit in lieu of salary u/s 17 (3) of Income-Tax Act, 1961	26812	255423.24	282235.24
2	Stock Option			0
3	Sweat Equity			0
4	Commission			0
	- as % of Profit			0
	- others, specify……..			0
5	Others			0
	Total (A)	542758.69	2503239.24	3045997.93
	Ceiling as per the Act			NA*

* Appointed by Government of India . Salary and allowance is fixed by Government of India .

B. Remuneration to other Directors

Sl.No	Particulars of Remuneration	Name of Directors					Total amount ₹
	Independent Directors	KPS Nair	Dr S Murali	Dr Gangidi Manohar Reddy	Prof B Vijaya kumar	Dr Jyoti Kaushal Sheth	
	● Sitting Fee for attending Board Meetings	80000	80000	60000	70000	70000	360000
	● Commission						0
	● Others, Please specify:- 1. Sittting fee for attending meetings of the Sub Committee of the Board	80000	80000	20000	20000	20000	220000 0
	Total (1)						580000
	4. Other Non-Executive Directors						
	● Fee for attending Board Committee Meetings						0
	● Commission						0
	● Others, Please specify						0
	Total (2)						0
	Total (B)= (1+2)						580000
	Total Managerial Remuneraation						0
	Overall ceiling as per the Act						NA

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl.No	Particulars of Remuneration	Key Managerial Personnel					
		CEO	CFO	Company Secretary			Total
1	Gross Salary						
	(a) Salary as per provisions contained in Section 17 (1) of the Income-Tax Act, 1961		288066.02	1624260.86			1912326.88
(b)	Value of perquisites u/s 17 (2) of Income-Tax Act, 1961						0
	©Profit in lieu of salary u/s 17 (3) of Income-Tax Act,1961		32679.3	184727.26			217406.56
2	Stock Option						0
3	Sweat Equity						0
4	Commission						0
	- as % of Profit						0
	- others, specify……..						0
5	Others, please specify						0
	Total		320745.32	1808988.12			2129733.44

VIII PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A.COMPANY					
Penalty	NIL	NA	NA	NA	NA
Punishment	NIL	NA	NA	NA	NA
Compounding	NIL	NA	NA	NA	NA
B. DIRECTORS					
Penalty	NIL	NA	NA	NA	NA
Punishment	NIL	NA	NA	NA	NA
Compounding	NIL	NA	NA	NA	NA
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NA	NA	NA	NA
Punishment	NIL	NA	NA	NA	NA
Compounding	NIL	NA	NA	NA	NA

(Kishor Rungta)
CHAIRMAN AND MANAGING DIRECTOR
DIN: 00231106

Place : Udyogamandal
Date : 31-07-2019

FACT
PIONEERS IN PROGRESS

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

SATHISH.V
B.COM, LLB, PGDT, ACMA, FCS
PRACTICING COMPANY SECRETARY

B1, I FLOOR, PERIELLATH APARTMENTS
JAWAHAR – MAHATMA ROAD,
VYTTILA P.O, COCHIN - 682019

Phone: 0484 – 4044551; 9961333309 Email: vsathish.cs@gmail.com

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

[Pursuant to Regulation 34(3) and Schedule V (E) of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015]

Registration No. of the Company : L24129KL1943GOI000371
Nominal Capital : ₹ 10,000,000,000/-

To the Members of
THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED
Eloor P.O, Udyogamandal

I have examined all relevant records of **The Fertilisers and Chemicals Travancore Limited** [Company No. L24129KL1943GOI000371] Registered Office:- Eloor P.O, Udyogamandal, Kerala - 683501 (the Company), for the purpose of certifying compliance of the conditions of Corporate Governance as stipulated in the relevant clauses of the Listing Agreement of the said Company with National Stock Exchange of India Limited for the financial year ended March 31, 2019. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. My examination was limited to the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion of the financial statements of the company.

On the basis of my examination of the records produced, explanations and information furnished, I certify that the Company has complied with all the conditions of Listing Agreement/ conditions of Corporate Governance as stipulated in the above mentioned SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015.

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Sd/-
SATHISH V
B.Com, LLb, PGDT, ACMA, FCS
Practising Company Secretary
FCS – 8005; CP 8343

COCHIN – 682019
04/05/2019

FACT
PIONEERS IN PROGRESS

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

BABU A. KALLIVAYALIL & CO.

CHARTERED ACCOUNTANTS

IInd Floor, Manchu Complex, P.T. Usha Road, Kochi - 682 011
Telephone: 0484-2363119, 2380868 Fax : 0484 - 2380868
E-mail : bakco@vsnl.net; bakco.ca@gmail.com

INDEPENDENT AUDITOR'S REPORT

To the Members of the FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying **standalone financial statements of the FERTILISERS AND CHEMICALS TRAVANCORE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended on that date, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit of the standalone 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 Standalone 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 (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, 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 opinion on the standalone financial statements.

Material uncertainty related to Going Concern

4. We draw attention to Note # 54 of standalone financial statements. The Company has accumulated loss amounting to ₹2,17,077 lakhs (previous year ₹2,34,212 lakhs) with a negative net worth of ₹1,45,771 lakhs (previous year ₹1,63,883 lakhs). However, the Company has reported net profit of ₹16,314 lakhs during the year, though it is net loss in the earlier years. These conditions indicate the existence of material uncertainty which may cast doubt as to the Company's ability to continue as a going concern. However, the standalone financial statements of the Company have been prepared on going concern basis.

   Our opinion is not qualified in respect of this matter.

Emphasis of Matter

5. We draw attention to Note # 19.1 of the standalone financial statements regarding variance in interest provision of ₹28,178 lakhs on the Government of India (GoI) loans in the Company's books as at year-end, which is higher as compared to the provisional working of the Department of Fertilisers (DoF), GoI, which is pending for reconciliation and confirmation and consequent adjustments, if any, thereof.

   Our opinion is not qualified in respect of this matter.

Key Audit Matters

6. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Material Uncertainty related to Going Concern section and Emphasis of Matter section, we have determined the matters described below to be the key audit matters to be communicated in our report.

a. Accounting of subsidy income from Government of India under DBT Scheme

Under Direct Benefit Transfer (DBT) scheme of GoI, the Company is entitled to receive subsidy only upon sale of fertilizer by the dealer to the ultimate beneficiary through Point of Sale (PoS) devices. However, the Company continues to account subsidy as income at the time of sale to dealers as in the earlier scheme, considering the reasonable assurance that the sale will take place and subsidy will be received based on

experience. Refer Note #27 to the standalone financial statements.

Auditors' Response

Our principal audit procedures included the following:

- Analysed the scheme framed by the DoF notified through Notification F. No. D(FA)/2016/DBT dated March 17, 2017.
- Reviewed the agreement with dealers.
- Performed analytical review procedures on the subsidy claim lodged by the Company from the inception of the DBT scheme and subsidy accounted by the Company.
- Analysed post Balance Sheet sales through PoS devices in Integrated Fertiliser Management System (iFMS) to assess the sales trend.
- Verified industry practise for accounting of subsidy income in post-DBT period.
- Compliance with Ind AS 20 on 'Accounting for Government Grants and Disclosure of Government Assistance'.

b. Sale of 170 acres of land to BPCL

During the year, the Company has sold 170 acres of land to Bharat Petroleum Corporation Limited (BPCL) for ₹42,979 lakhs. The sale is part of the financial re-structuring of the Company considered in a meeting chaired by the Principal Secretary to the Prime Minister besides it is between two Central Public Sector Undertakings. The sale price was mutually agreed based on the value determined by the District Collector. The sale has the approval of the administrative ministry of the Company and no objection of the Government of Kerala. However, value of the said land as per approved valuer of the Company in 2016 was ₹72,100 lakhs resulting in an apparent lower realisation of ₹29,121 lakhs.

Auditors' Response

Our principal audit procedures on the transaction included the following:

- Valuation by the District Collector.
- Administrative approval of the Ministry of Chemicals and Fertilisers for transfer of land and its price.
- Minutes of the meeting held on June 6, 2017 regarding the sale of 170 acres of land to BPCL held under the chairmanship of Secretary (Fertilisers), GoI, attended by Joint Secretary, Ministry of Petroleum and Natural Gas, GoI and representatives of both the Companies.
- Verified sale deed for 151 acres of land (the sale deed for balance land is yet to be received though executed).
- Receipt of entire sale consideration.
- No objection certificate from Government of Kerala for transfer of land to BPCL.
- Memorandum of Understanding between the Companies for sale of 170 acres of land.
- Valuation report of approved valuer in 2016.

c. Purchase of raw material from single vendor without tender

The Company has been importing raw materials from a single vendor without inviting tender. During the year, the Company has purchased Rock Phosphate for ₹16,906 lakhs (previous year ₹6926 lakhs) and Phosphoric Acid for ₹53,692 lakhs (previous year ₹34,175 lakhs). There is no inter-governmental agreement or memorandum of understanding by the Company with the supplier. According to the Company, the party is providing the materials of required quality at the price for the Indian Market and the Company can procure entire quantity only from the present supplier.

Auditors' Response

Our principal audit procedures on the transaction included the following:

- Evaluated the internal controls relating to import of raw materials.
- Verified the purchase documents, receipt of material and consumption thereof on the selected sample.
- Ensured there is no major rejection of material.
- Compared the import price with indigenous price during the previous year in the absence of any indigenous purchase during the year.
- Compared the price in the international market with that of Company's purchase price.
- Import purchase is from a Government owned Company.
- Verified the pattern of purchase in earlier years.
- Company's efforts to enter into a government to government agreement for sourcing the material.
- Brought to the notice of those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the standalone financial statements, the 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 the 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 responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 of internal control.
- Obtain an understanding of internal control 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 controls 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 standalone financial statements or, if such disclosures 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

10. 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.
11. 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.
12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

13. We did not audit the financial statements of four areas comprising marketing offices of the Company included in the standalone financial statements of the Company, whose financial statements reflect total fixed assets of ₹105 lakhs (previous year ₹150 lakhs) as at March 31, 2019 and total sales of ₹1,37,953 lakhs (previous year ₹1,37,953 lakhs) for the year ended on that date, as considered in the standalone financial statements. The Company has submitted certain "financial schedules" only which have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the standalone financial statements, in so far as it relates to the amounts and disclosures included in respect of these areas and our report, in so far as it relates to the aforesaid areas, is based solely on the reports of other auditors.

    Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

14. As required by the Companies (Auditor's Report) Order, 2016 ("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 "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
15. Based on the verification of books of account of the Company and according to information and explanations given to us, we give in "**Annexure B**" a report on the directions/ additional sub-directions issued by the Comptroller and Auditor General of India in terms of section 143(5) of the Act.

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

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of those books and returns generally adequate for the purpose of our audit have been received from the units/ marketing offices not audited by us.

c. The reports on the accounts of the four areas of the Company audited under Section 143(8) of the Act by other auditors have been given to us and have been appropriately dealt with by us in preparing this report.

d. The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account and with the returns received from four areas not audited by us.

e. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015.

f. Being a government company, the provisions of sub section (2) of Section 164 of the Companies Act, 2013 is not applicable.

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 C**".

h. 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, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements (Refer Notes #46 to #49)

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company, where applicable.

17. Being a Government Company, the provisions of section 197 of the Act with respect to the matters to be included in the Auditors' Report is not applicable.

For Babu A Kallivayalil & Co.
Chartered Accountants
Firm Registration No. 05374S

Sd/-
N K Alexander
Partner
Membership No. 7448

Kochi
May 29, 2019

Annexure A to the Independent Auditors' Report

(Referred to in paragraph 14 under 'Report on Other Legal and Regulatory Requirements' section of our report)

i. In respect of the Company's fixed assets:

(a) The Company has maintained generally proper records showing the particulars including quantitative details except situation of fixed assets and impairment losses.

(b) The fixed assets have been stated to be physically verified by the Management during the year and are not observed by us. However, the physical verification procedure needs to be strengthened. As explained to us, no material discrepancies were noticed on such physical verification.

(c) In our opinion and according to information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds/ registered sale deeds of immovable properties included in fixed assets, we report that, out of the 1,980 acres of land held by the Company, we have been informed that the original title deeds of immovable properties of 1179 acres of land are submitted to District Court, Ernakulam, pledging 80 acres of land as a security against claim of a contractor (Refer Note number 1.2 to the standalone financial statements), title deeds of 553 acres of land is pledged with Banks as security against credit facilities sanctioned (Refer Note number 22 to the standalone financial statements) and 145 acres of land is under lease (Refer Note number 1.2 to the standalone financial statements). We have not verified the documents in this regard as is not made available for our verification. We have verified the original title deeds of 41 acres of freehold land and are in the name of the Company. Further, title deeds in respect of the following freehold and leasehold immovable properties are not held in the name of the Company.

Particulars	Extent of land	Gross Block as at March 31,		Net block as at March 31,	
	(in acres)	**2019**	2018	**2019**	2018
		(₹ in lakhs)			
Freehold land	48.49	513*	513*	513*	513*
Leasehold land	14.26	-**	-**	-**	-**

*As provided by Management (Refer Note number 1.3 to the standalone financial statements).

**The Company has executed a deed of indemnity with the Lessor in respect of the property on February 26, 2016, wherein it was agreed that the Company is interested to continue the lease for a further period of 30 years from April 01, 2014 to March 31, 2044 on execution of fresh lease deed incorporating mutually agreed terms and conditions. However, no fresh deed is executed till date, though the Company continues to occupy the land and pay the lease rentals (Refer Note number 1.2 to the standalone financial statements).

ii. In respect of the Company's inventories:

(a) The inventories have generally been physically verified by the Management as at year-end. In our opinion, the frequency of verification needs to be improved.

(b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed by the Management is reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of inventories. As explained to us, no material discrepancies were noticed on such physical verification except in the case of sulphur, rock phosphate, gypsum and have been properly dealt with in the books of account.

iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered under register maintained under section 189 of the Companies Act, 2013 ("the Act"), except the interest free advances in the nature of loans doubtful of recovery, of ₹3,819 lakhs (previous year ₹3803 lakhs) to a joint venture company (Refer Note number 6). Being an interest free advance doubtful of recovery given to a joint venture company, we are unable to comment whether the terms and conditions of the loan is prejudicial to the interest of the Company or not.

iv. According to the information and explanations given to us, there are no loans, investments, guarantees and securities given in respect of which provisions of section 185 and 186 of the Act are applicable including the amount due from the joint venture company.

v. According to the information and explanations given to us, the Company has not accepted any deposits from public. Therefore, the provisions of clause (v) of paragraph 3 of the Order are not applicable to the Company.

vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under section 148(1) of the Act and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.

vii. According to the information and explanations given to us and records of the Company examined by us, in respect of statutory dues:

a. In our opinion, the Company has generally been regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, goods and services tax, customs duty, cess and other material statutory dues applicable to it with the appropriate authorities during the year.

There were no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, goods and services tax, customs duty, cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

b. The details of dues towards income tax, sales tax, service tax, customs duty, excise duty, value added tax and goods and services tax which have not been deposited as at March 31, 2019, on account of disputes are given below:

Name of statute	**Nature of dues**	**Demand–** net of payment (₹ in lakhs)	**Period to which dispute relates**	**Forum where dispute pending**
Central Excise Act, 1944	Excise duty, interest and penalty against utilization of CENVAT credit against duty payable.	7,236	2006-07 to 2013-14	Customs, Excise and Service Tax Appellate Tribunal, Bengaluru
Central Excise Act, 1944	Excise duty, interest and penalty on shortage of raw material written off.	93	2003-04	Commissioner of Central Excise, Kochi
Finance Act, 1994	Service tax and interest thereon on training fee, upfront premium on shares issued and maintenance charges.	293	2003-04 to 2009-10	Customs, Excise and Service Tax Appellate Tribunal, Bengaluru
Finance Act, 1994	Service tax and interest thereon on training fee.	151	2006-07 to 2015-16	Commissioner of Central Excise, Kochi
Madhya Pradesh Entry Tax	Entry tax	4	1980-84	Board of Revenue (Commercial Tax Tribunal) Gwalior
Sales Tax Act, Punjab	Sales tax	51	1999 -00 to 2000-01	High Court of Haryana and Punjab
Sales Tax Act, Orissa	Sales tax	63	1985-1992	High Court of Orissa
Sales Tax, Kerala	Sales tax	12,252	2011-12	High Court of Kerala (Stay order granted)
Sales Tax, Kerala	Sales tax	164	2003-04 to 2012-13	Commercial Taxes, Ernakulam
Income Tax Act, 1961	Interest on income tax	3	2001-02	Commissioner of Income Tax (Appeals), Kochi
Income Tax Act, 1961	Income tax and interest thereon on certain disallowances in assessment.	10	1997-98	High Court of Kerala

viii. Based on our examination of the records of the Company and according to the information and explanations given to us, the Company has no dues to financial institution or debenture holders as at Balance Sheet date. The Company has not defaulted in repayment of loans or borrowings to banks and government except the repayment of interest on loan to Government of India.

The details of defaulted interest on loan as on reporting date:

Name of lender and nature	Period of default	Defaulted amount (₹ in lakhs)
Interest accrued and due on loans from	366 days	23,902
Government of India	1 day	23,902

(Refer Note number 24 to standalone financial statements).

ix. According to the information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans during the year except the inter-corporate loan which has been applied by the company for the purpose for which it was raised *(Refer Note number 19.2 of standalone financial statements).*

x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. Being a government Company, the provisions of Section 197 read with Schedule V of the Act regarding managerial remuneration are not applicable to the Company and hence reporting under clause (xi) of paragraph 3 of the Order is not applicable.

xii. The Company is not a Nidhi Company as prescribed under Section 406 of the Act and hence reporting under clause (xii) of paragraph 3 of the Order is not applicable.

xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable Accounting Standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, during the year the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause (xiv) of paragraph 3 of the Order is not applicable.

xv. In our opinion and according to the information and explanations given to us and based on our examination of records of the Company, 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 Act are not applicable to the Company.

xvi. According to the information and explanations given to us, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and hence reporting under clause (xvi) of paragraph 3 of the Order is not applicable.

For Babu A Kallivayalil & Co.
Chartered Accountants
Firm Registration No. 05374S

Sd/-
N K Alexander
Partner
Membership No. 7448

Kochi
May 29, 2019

Annexure B to the Independent Auditors' Report

(Referred to in paragraph 15 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

AUDIT REPORT ON THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 AS PER DIRECTIONS OF COMPTROLLER AND AUDITOR GENERAL OF INDIA (C&AG) UNDER SECTION 143(5) OF THE COMPANIES ACT, 2013

Sl No.	C & AG Directions	Comments of Statutory Auditor
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, 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 stated.	According to information and explanations given to us and based on the examination of records of the Company, all the accounting transactions of the Company are processed through IT system. As explained to us, there is no accounting transaction being processed outside the IT system.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	According to information and explanations given to us, during the year, there was no restructuring of existing loans of the Company or cases of waiver/write off of debts /loans/interest etc. made by a lender to the Company due to Company's inability to repay the loan.
3	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	According to information and explanations given to us, during the year, the Company has not received any funds received/ receivable for specific schemes of central/ state agencies.
4	State of impact of revision of subsidies for fertilizers products, viz. NPK, Ammonium Sulphate and imported MoP in valuation of its closing stock.	As per company policy for inventory valuation "Finished / trading products are valued at lower of cost or net realizable value in the aggregate, product-wise. Costs of finished / semi-finished / intermediate products are determined based on annual average cost excluding interest and head office and administrative overheads. Cost of finished goods in warehouse includes freight and handling charges". During the year following items are valued at cost, since it is lower than net realizable value. 1. NPK, 2. Ammonium sulphate, 3. Imported MoP. The closing stock of items transferred under non-Direct Benefit Transfer scheme is valued at cost less subsidies received for the same. Hence, during the year the impact of revision of subsidies for fertilizers products, viz. NPK, Ammonium Sulphate and imported MoP is reflected in valuation of its closing stock.

For Babu A Kallivayalil & Co.
Chartered Accountants,
Firm Registration No. 05374S

Sd/-
N K Alexander
Partner
Membership No. 7448

Kochi
May 29, 2019

FACT
PIONEERS IN PROGRESS

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Annexure C to the Independent Auditors' Report

(Referred to in paragraph 16 (g) under 'Report on Other Legal and Regulatory Requirements' section of our report)

REPORT ON THE INTERNAL FINANCIAL CONTROLS

under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of **FERTILISERS AND CHEMICALS TRAVANCORE LIMITED** ('the Company') as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls 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 ('ICAI'). 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 business, including adherence to the Company's policies, the safeguarding 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 ('the Act').

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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') and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures 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 auditors' judgment, including the assessment of the risks of material misstatement of the standalone 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 Company's internal financial controls system over financial reporting.

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 the 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.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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 financial controls over financial reporting to future periods 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.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, reasonably adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting need to be strengthened as at March 31, 2019, 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 ICAI. However, we are unable to comment on the adequacy of internal financial controls over financial reporting on two out of four marketing areas, in the absence of any specific reporting by the auditors of these areas.

For Babu A Kallivayalil & Co.
Chartered Accountants
Firm Registration No. 05374S

Sd/-
N K Alexander
Partner
Membership No. 7448

Kochi
May 29, 2019

FACT
PIONEERS IN PROGRESS

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

(Indian Audit and Accounts Department
Office of the Director General of Commercial Audit
and ex-officio Member Audit Board, Chennai)

CONFIDENTIAL

DGCA/G-2/4-12/2019-20/46 Dated : 31.07.2019

To

The Chairman and Managing Director
The Fertilisers and Chemicals Travancore Limited,
Eloor, Udyogamandal, Kochi-683 501

Sir,

Sub: Comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the Consolidated and Standalone Financial Statements of The Fertilisers and Chemicals Travancore Limited, for the year ended 31 March 2019

****

I am to forward herewith the Comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the Consolidated and Standalone financial statements of The Fertilisers and Chemicals Travancore Limited, for the year ended 31 March 2019.

Five copies of Annual Report of your Company may kindly be arranged to be forwarded to this office

Receipt of this letter may be acknowledged.

Yours faithfully,

Sd/-

(R AMBALAVANAN)

Director General of Commercial Audit and
Ex-officio Member Audit Board, Chennai

Encl: Audit comments

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED FOR THE YEAR ENDED 31 MARCH 2019

The preparation of Consolidated financial statements of The Fertilisers and Chemicals Travancore Limited for the year ended 31 March 2019 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 Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) read with section 129(4) of the Act, is responsible for expressing opinion on the financial statements under Section 143 read with section 129(4) 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 29 May 2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of The Fertilisers and Chemicals Travancore Limited for the year ended 31 March 2019 under section 143(6) (a) read with section 129(4) of the act. We conducted a supplementary audit of the financial statements of The Fertilisers and Chemicals Travancore Limited, but did not conduct supplementary audit of the financial statements of FACT-RCF Building Products Limited, for the year ended on that date. .Further, section 139(5) and 143(6)(a) of the Act are not applicable to Kerala Enviro Infrastructure Limited being private entity for appointment of their Statutory Auditor

and for conduct of Supplementary Audit. Accordingly, Comptroller and Auditor General of India has neither appointed the Statutory Auditor nor conducted the supplementary audit of the Company. 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.

On the basis of my supplementary audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report under section 143(6)(b) of the Act.

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

Place: Chennai
Date: 31 July , 2019

Sd/-
(R. AMBALAVANAN)
Director General of Commercial Audit and
Ex-officio Member Audit Board,Chennai

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 FERTILISERS AND CHEMICALS TRAVANCORE LIMITED FOR THE YEAR ENDED 31 MARCH 2019

The preparation of financial statements of The Fertilisers and Chemicals Travancore Limited for the year ended 31 March 2019 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 Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act, is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the Standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 29 May 2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of The Fertilisers and Chemicals Travancore Limited for the year ended 31 March 2019 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.

On the basis of my supplementary audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report under section 143(6) (b) of the Act.

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

Place: Chennai
Date: 31 July 2019

Sd/-
(R. AMBALAVANAN)
Director General of Commercial Audit and
Ex-officio Member Audit Board,Chennai

FACT
PIONEERS IN PROGRESS

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Balance Sheet as at 31st March 2019

₹ in Lakh

Particulars	Note No.	As at 31.03.2019	As at 31.03.2018
ASSETS			
NON CURRENT ASSETS			
Property, Plant and Equipment	1	29,453.51	29,462.42
Capital Work in Progress	1A	1,733.44	1,849.59
Investment Property	2	9.50	9.60
Intangible Assets	1B	141.66	0.00
Financial Assets			
Investments	3	6,906.20	5,927.21
Trade Receivables	4	0.00	0.00
Loans	5	964.26	619.72
Other Financial Assets	6	13.64	13.32
Other Non Current Assets	7	203.94	384.80
		39,426.15	38,266.66
CURRENT ASSETS			
Inventories	8	65,200.72	47,874.64
Financial Assets			
Trade Receivables	9	40,900.60	36,438.61
Cash and Cash equivalents	10	642.77	4,612.04
Other Bank Balances	11	6,824.53	1,752.48
Loans	12	52.32	54.49
Other Financial Assets	13	76,307.05	49,367.10
Current Tax Assets	14	513.90	52.00
Other current Assets	15	2,862.40	3,154.27
		193,304.29	143,305.63
Assets held for Disposal	16	0.00	39.41
TOTAL ASSETS		**232,730.44**	**181,611.70**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	17	64707.20	64,707.20
Other Equity	18	(210,478.05)	(228,590.21)
		(145,770.85)	(163,883.01)
LIABILITIES			
NON CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	19	179,088.75	177,048.75
Provisions	20	17,326.61	16,246.12
Other Non Current Liabilities	21	755.82	819.51
		197,171.18	194,114.38

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Balance Sheet as at 31st March 2019

₹ in Lakh

Particulars	Note No.	As at 31.03.2019	As at 31.03.2018
CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	22	47,793.18	50,737.49
Trade Payables	23	41,890.07	42,300.61
Other Financial Liabilities	24	87,780.48	52,661.01
Other Current Liabilities	25	2,086.24	3,865.95
Provisions	26	1,780.14	1,815.27
		181,330.11	151,380.33
TOTAL EQUITY AND LIABILITIES		**232,730.44**	**181,611.70**

Statement of significant Accounting Policies A

Explanatory Information on Financial Statements 36-59

In terms of our Report Attached

For Babu A Kallivayalil & Co.
Chartered Accountants
Firm Registration No. 05374S

For and on behalf of the Board of Directors

Sd/
N.K Alexander
Partner
Membership No.7448

Sd/
Umesh Dongre
Director (Finance)
DIN 08039073

Sd/
Kishor Rungta
Chairman & Managing Director
DIN 00231106

Sd/
K V Balakrishnan Nair
Company Secretary & Chief General Manager (Finance)

Sd/
Pradeep Kumar.C
Chief Financial Officer

Place: Kochi
Date: 29.05.2019

FACT
PIONEERS IN PROGRESS

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Statement of Profit and Loss for the year ended 31st March 2019

₹ in Lakh

Particulars		Note No.	Year ended 31.03.2019	Year ended 31.03.2018
I	Revenue from Operations	27	195,498.30	192,867.07
II	Other Income	28	45,674.51	4,162.49
III	**Total Income (I+II)**		**241,172.81**	**197,029.56**
IV	Expenses			
	Cost of Materials Consumed	29	136,903.12	108,023.90
	Purchase of Stock in Trade	30	240.21	169.03
	Change in Inventories of Finished Goods, Work in Progress and Stock in Trade	31	(7,697.89)	(3,052.86)
	Employee Benefit Expenses	32	23,014.97	24,942.43
	Finance Cost	33	28,053.29	32,141.63
	Depreciation and Amortization Expenses / Impairment	1,2	2,252.19	1,714.78
	Other Expenses	34	42,093.05	45,996.72
	Total Expenses (IV)		**224,858.94**	**209,935.63**
V	**Profit / (Loss) before Tax (III-IV)**		**16,313.87**	**(12,906.07)**
VI	Tax Expenses		0.00	0.00
VII	**Profit / (Loss) for the Year (V+VI)**		**16,313.87**	**(12,906.07)**
VIII	Other Comprehensive Income			
	(i) Items that will not be reclassified to Profit or loss		978.97	1,355.68
	(ii) Remeasurement of defined benefit plan	18	821.21	(1,087.32)
	(iii) Income Tax relating to items that will not be reclassified to Profit or Loss		0.00	0.00
	Other Comprehensive income for the year (VIII)		**1,800.18**	**268.36**
IX	**Total Comprehensive Income for the year (VII+VIII)**		**18,114.05**	**(12,637.71)**
X	Earnings per Equity Share			
	Basic/Diluted per Equity Share (₹)	35	2.52	(1.99)
	Statement of significant Accounting Policies	A		
	Explanatory Information on Financial Statements	36-59		

In terms of our Report Attached

For Babu A Kallivayalil & Co.
Chartered Accountants
Firm Registration No. 05374S

N.K Alexander
Partner
Membership No.7448

For and on behalf of the Board of Directors

Umesh Dongre
Director (Finance)
DIN 08039073

Kishor Rungta
Chairman & Managing Director
DIN 00231106

K V Balakrishnan Nair
Company Secretary & Chief General Manager (Finance)

Pradeep Kumar.C
Chief Financial Officer

Place: Kochi
Date: 29.05.2019

FACT
PIONEERS IN PROGRESS

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Cash flow statement for the year ended 31st March 2019

₹ in Lakh

Particulars		Year ended 31.03.2019	Year ended 31.03.2018
A	**Cash flow From Operating Activities**		
	Net Profit / (Loss) before Tax	16,313.87	(12,906.07)
	Adjustments for:		
	Depreciation / Impairment loss on Assets	2,252.19	1,714.78
	Profit / Loss on Sale of Asset	(43,389.77)	(6.38)
	Interest Income	(524.65)	(317.57)
	Dividend Income	(13.13)	(9.72)
	Interest and Finance Charges	28,053.29	32,141.63
	Provision for bad / Doubtful Debts	156.73	900.56
	Provision for Obsolescence	(402.25)	27.63
	Amount written back off deferred Government Grants	(1.89)	(1.89)
	Operating Profit before Working Capital Changes	**2,444.39**	**21,542.97**
	Adjustment for :		
	Inventories	(16,923.83)	(4,991.46)
	Trade Receivables	(4,559.48)	13,657.15
	Loans	(342.37)	(50.37)
	Other Including Bank balances	(80,803.47)	(33,836.98)
	Trade Payables	(410.54)	10,228.12
	Other liabilities	57,177.65	11,187.23
	Provisions	1,045.36	4,649.29
		(44,816.68)	**842.98**
	Cash Generation from Operations	**(42,372.29)**	**22,385.95**
	Direct Tax Paid	0.00	0.00
	Net Cash from Operating Activities	**(42,372.29)**	**22,385.95**
B	**Cash Flow from Investing Activities**		
	Addition to Fixed Assets	41,121.08	(914.50)
	Purchase of Investments	0.00	0.00
	Change in other Comprehensive Income	1,800.18	268.36
	Change in Retained Earnings (Prior Period adj)	-	-
	Interest Received	524.65	317.57
	Dividend Received	13.13	9.72
	Net Cash from investing Activities	**43,459.04**	**(318.85)**

FACT
PIONEERS IN PROGRESS

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Cash flow statement for the year ended 31st March 2019

₹ in Lakh

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
C Cash Flow from Financing Activities		
Net Proceeds /Repayment of Working capital facilities and short term loans	(904.31)	(12,444.10)
Interest Paid	(4,151.71)	(8,240.05)
Net Cash from Financing Activities	**(5,056.02)**	**(20,684.15)**
Net increase in Cash and Cash Equivalents **(A+B+C)**	**(3,969.27)**	**1,382.95**
Cash and Cash Equivalents as at 1st April (Opening Balance)	**4,612.04**	**3,229.09**
Cash and Cash Equivalents as at 31st March (Closing Balance)	**642.77**	**4,612.04**
Closing Cash and Cash Equivalents		
Represented By :		
Cash on hand	4.57	2.61
Balances with banks	125.26	400.01
Cheques, drafts on hand	0.00	0.05
Deposit with Bank (less than 3 month maturity)	512.94	4,209.37
Total	**642.77**	**4,612.04**

In terms of our Report Attached

For Babu A Kallivayalil & Co.
Chartered Accountants
Firm Registration No. 05374S

For and on behalf of the Board of Directors

Sd/
N.K Alexander
Partner
Membership No.7448

Sd/
Umesh Dongre
Director (Finance)
DIN 08039073

Sd/
Kishor Rungta
Chairman & Managing Director
DIN 00231106

Sd/
K V Balakrishnan Nair
Company Secretary & Chief General Manager (Finance)

Sd/
Pradeep Kumar.C
Chief Financial Officer

Place: Kochi
Date: 29.05.2019

FACT
PIONEERS IN PROGRESS

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Statement of changes in equity for the year ended March 31, 2019

A. Equity share capital

₹ in Lakh

Particulars	Opening balance as at 1 Apr 2018	Changes in equity share capital during the year	Closing balance as at 31 Mar 2019
Equity shares of ₹10 each	64707.20	Nil	64707.20
Total	**64707.20**		**64707.20**

B. Other Equity

Particulars	Reserves and Surplus			Equity Instrument Through Other Comprehensive Income	Total
	Capital Reserve	Retained Earnings	Government Grant		
Balance as on 01.04.2018	2.64	(234,211.63)	58.12	5,560.66	(228,590.21)
Changes in Accounting Policy or prior period errors	-	-	-	-	-
Restated Balance at the beginning of the reporting period	2.64	(234,211.63)	58.12	5,560.66	(228,590.21)
Profit for the year		16,313.87			16,313.87
Other Comprehensive Income for the year (Net of Taxes ; if any)		821.21		978.97	1,800.18
Total Comprehensive Income for the year		17,135.08		978.97	18,114.05
Transfers(if any)	-	-	(1.89)	-	(1.89)
Balance as on 31.03.2019	**2.64**	**(217,076.55)**	**56.23**	**6,539.63**	**(210,478.05)**

In terms of our Report Attached

For Babu A Kallivayalil & Co.
Chartered Accountants
Firm Registration No. 05374S

For and on behalf of the Board of Directors

Sd/
N.K Alexander
Partner
Membership No.7448

Sd/
Umesh Dongre
Director (Finance)
DIN 08039073

Sd/
Kishor Rungta
Chairman & Managing Director
DIN 00231106

Sd/
K V Balakrishnan Nair
Company Secretary & Chief General Manager (Finance)

Sd/
Pradeep Kumar.C
Chief Financial Officer

Place: Kochi
Date: 29.05.2019

A Statement of Significant Accounting Policy forming part of Financial Statements for the Year ended 31st March 2019

1. Corporate Information

The Company is a public limited company having registered office located at Eloor, Udyogamandal, Ernakulam 683501, Kerala. Its shares are listed in National Stock Exchange India Limited.

2. Basis for preparation of financial statements

The standalone financial statements of the Company have been prepared in accordance with accounting standards prescribed under Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules as amended and other relevant provisions of the Act.

The standalone financial statements have been prepared under the historical cost and on accrual basis, except for the following: -

- Certain financial assets and liabilities measured at fair value
- Certain provisions recognized using actuarial valuation techniques
- Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

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

3. Significant Accounting Policies

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. Differences between estimates and actuals are recognized in the period in which they materialize.

i) Property, Plant and Equipment

a) All Property, Plant and Equipment are stated at acquisition cost less accumulated depreciation / amortization and cumulative impairment.

b) Land purchased/acquired and under the possession of the company are treated as freehold land.

c) Technical know-how / license fee relating to plant / facilities are capitalized as part of cost of the underlying asset

d) Income approach is adopted for accounting Government grants related to depreciable Property, Plant and Equipment. Grants utilized for acquisition of depreciable Property, Plant and Equipment are treated as Deferred Government Grants and the same is recognized in the Statement of Profit and Loss on a systematic and rational basis over the useful life of the assets.

e) Spares costing (Unit value of ₹10 lakh and above), and other components which are required to be replaced at intervals, meeting the recognition criteria, have been classified as Plant and equipment and are depreciated separately based on their specific useful lives.

f) The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

g) Revenue expenses exclusively attributable to projects incurred during construction period are capitalized. However, such expenses in respect of capital facilities being executed along with production / operation simultaneously are charged to revenue.

Financing cost incurred during construction period on loans specifically borrowed and utilized for projects is capitalized upto the date of capitalization.

Financing cost, if any, incurred on general borrowings used for projects is capitalized at the weighted average cost. The amount of such borrowings is determined after setting off the amount of internal accruals, if any.

Depreciation

Depreciation is charged on Fixed Assets based on the useful life of assets, prescribed under the Schedule II of the Companies Act 2013.The Company has adopted Straight Line method of depreciation for all the categories of assets, acquired on or after 01st April 2014.

Effective from 1st April, 2014, the Company has reassessed the useful life of its existing fixed assets (considering component approach wherever necessary) and has charged depreciation over the remaining useful lives, after retaining residual value, in accordance with the transitional provisions contained in the Schedule II of the Companies Act 2013.

Residual value of 5% has been retained for all the Fixed Assets, which is in line with the provisions of the Schedule II.

Depreciation is charged @ 100% on the assets with acquisition value of less than Rs.5,000/-, the value being immaterial, considering the size and nature of the business of the Company.

Impairment

An asset is treated as impaired when the carrying amount of assets exceeds its recoverable value. Impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. When the recoverable amount of previously impaired assets exceeds its carrying amount, the value of asset is reinstated by reversing the impairment loss considered in prior years limited to lower of its recoverable value or carrying amount at the depreciated historical cost.

Capital Stores

Capital stores are valued at cost. Specific provision is made for likely diminution in value, wherever required.

Exemption Availed Under Ind AS 101

On transition to Ind AS, Company has elected to continue with the carrying value of all its property, plant and equipment existing as at 1st April 2016, measured as per previous GAAP (Indian GAAP) and used that carrying value as the deemed cost of the property, plant and equipment.

ii) Capital Work In Progress

Projects under which Property, Plant and Equipment are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest .

iii) Investment Property

Investment properties are properties that are held to earn rentals and /or for capital appreciation (including property under construction for such purposes) and not occupied by the Company for its own use.

Investment properties are measured initially at cost, including transaction costs and net of recoverable taxes. The cost includes the cost of replacing parts and borrowing costs if recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.

Exemption availed under Ind AS 101 :- On transition to Ind AS, the Company has elected to continue with the carrying value of its Investment Property existing as at 1st April 2016, measured as per previous GAAP (Indian GAAP) and used that carrying value as the deemed cost of the same.

iv) Intangible Assets

Technical know-how / license fee relating to production process and process design are recognized as intangible assets and amortised on a straight line method over a period of 5 years or life of the underlying plant / facility whichever is earlier.

Expenditure incurred on Research and Development, other than capital account is charged to revenue.

Costs incurred on computer software purchased/developed resulting in future economic benefits, are capitalized as intangible assets and amortized over a period of 5 years.

Exemption Availed Under Ind AS 101

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets existing as on 1st April 2016 measured as per the previous GAAP (Indian GAAP) and use that value as its deemed cost as of the transition date.

The Company has no intangible assets with infinite useful lives.

v) Inventory Valuation

Raw materials and stores and spares are valued at or below cost. Cost being ascertained on weighted average method. In cases where there has been a decline in the price of imported and indigenous raw material and it is estimated that cost of finished product will exceed the net realizable value, the materials are written down to net realizable value.
Materials in process are not valued, consistently.

Finished/Trading products are valued at lower of cost or net realizable value in the aggregate, product-wise. Intermediate products are valued at lower of cost or net realizable value derived from finished products and saleable by-product at realizable value. Cost of Finished / semi-finished / intermediate products are determined based on annual average cost excluding interest and Head Office and Administrative Overheads. Cost of finished goods in warehouse includes freight and handling charges.
Materials in transit / under inspection are valued at cost

Gypsum Valuation

The entire quantity of saleable gypsum is valued at the lowest slab of the approved price for the next financial year reduced by the anticipated loading charges and moisture discount or average of the actual price realized during the year, whichever is lower. For assessing the closing stock of gypsum, the saleable quantity is assessed on the basis of technical study as on 30.09.2018 and the year end stock has been derived by considering production, consumption, despatch and sales, till the year end.

vi) Committments

Capital

Estimated amount of contracts remaining to be executed on capital accounts, above ₹ 5 lakh in each case, are considered for disclosure.

Other Commitments

Disclosure is considered in respect of those non-cancellable contractual commitments (i.e. cancellation of which will result in a penalty disproportionate to the benefits involved) based on the professional judgement of the management which are material and relevant.

vii) Borrowing Cost

Borrowing Costs that are specifically identified to the acquisition or construction of qualifying assets are capitalised as part of such asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to Statement of Profit and Loss.

viii) Investments

All equity investments in scope of Ind- AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may decide to classify the same as at FVTOCI. The Company makes such election on an instrument-by-instrument basis upon on initial recognition and same is irrevocable. Company is not holding any equity instrument for trading.

Upon classification of equity instruments as at FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investments. The Company may transfer the cumulative gain or loss within equity.

ix) Revenue Recognition

The revenue is recognised as and when control of goods or services is transferred to the customer at the amount which the Company expects to be entitled to. The Company adopted the 'Input method' as per Ind AS 115 for recognition of revenue.
Subsidy is recognised on sale of fertilisers to dealers. Freight subsidy is recognised on receipt of fertilisers at respective districts. Recoveries made are withdrawn from the claim on the basis of settlement as per the policies in force.
Other income is recognized on an accrual basis

Dividend income is recognized when right to receive dividend is established
Interest income is recognized when no significant uncertainty as to its realization exists.
Scrap, salvaged / waste materials and sweepings are accounted for on realization.
Claims on underwriters, carriers and on Customs and Central Excise, Goods and Service Tax Departments are taken into account on acceptance.

Insurance and other miscellaneous claims are recognized on receipt/ acceptance of claim. Contractual pass through incentives, benefits, etc. are recognized on receipt basis.

x) 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 contract 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.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease

Operating lease payments are recognized as an expense in the Statement of profit and loss as per lease terms as such payments are structured to increase in line with expected general inflation.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised as revenues as per lease terms since such rentals are structured to increase in line with expected general inflation. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases.

Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

xi) Foreign Currency Transactions:

Receivables and payables in foreign currency as on the reporting date including forward exchange contracts are restated at the rate prevailing at that date.

The premium in respect of forward exchange contracts is recognized in the year of contracts.

Variations arising on account of fluctuations in foreign exchange rates are treated as revenue (gain/loss (-))

xii) Employee Benefits

Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employee are recognised as an expense during the period when the employees render the services.

Post Employement Benefits

Defined Contribution Benefits

Contributory Superannuation Scheme with an annual contribution of ₹100 by the Company, aimed to provide superannuation benefits to the employees, has been treated as Defined Contribution Plan.

Defined Benefit Plans

The company's contribution to the Provident Fund is remitted to separate trust established for this purposes based on a fixed percentage of the eligible employees salary and charged to Statement of Profit and Loss. Shortfall, if any, in the fund assets based on the Government specified minimum rate of return will be made good by the company and charged to Statement of Profit and Loss. As a matter of prudence Company provides for certain expenses of the fund such as audit fees & expenses, bank charges etc.

The company operates defined benefit plan for gratuity and leave encashment. The cost of providing such defined benefits is determined using the projected unit credit method of actuarial valuation made at the end of the year and the gratuity fund in respect of regular employees is administered through a fund maintained by insurance company.

Re-measurements, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurements recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

i) service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

ii) net interest expenses or income; and re-measurements

The Company presents the first two components of defined benefit costs in the Statement of profit and loss in the line item 'Employee benefits expense'.

xiii) Grants

Government grants in the nature of promoters' contribution are credited to Capital reserve and treated as part of Shareholders funds.
In case of depreciable assets, the cost of the asset is shown at gross value and grant thereon is treated as Capital Grants which are recognized as income in the statement of Profit and Loss over the period and in the proportion in which depreciation is charged.
Revenue grants relating to revenue expenses are deducted from the respective expenses.
In respect of revenue grants released by Government, the treatments in the accounts are considered as per the respective schemes notified by the Government. Other revenue grants relating to revenue expenses are considered as income and credited to statement of Profit and Loss.

xiv) Taxes

Provision for current tax is made in accordance with the provisions of the Income Tax Act, 1961.
Deferred tax is recognised using the Balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilties and their carrying amount in financial statements. Deferred tax assets are not recognized unless, in the management judgment there is a virtual certainity supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

xv) Goods and Services Tax

Goods and Service Tax credit on eligible materials and services is recognised on receipt of such items at intended locations.

xvi) Segment Reporting

Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis have been included under unallocable corporate expenses.
Investments, advance towards investments and other advances, which are not allocable to segments, are excluded from segment capital employed.

xvii) Contract Operations

In contract operations revenue is recognized on percentage of completion method. The stage of completion is ascertained on the basis of physical evaluation of respective contract activity on the reporting date. Foreseeable losses on contract activities are recognized fully irrespective of the progress of work. The amount of estimated liquidated damages is reduced from revenue.

In the case of Total responsibility jobs/Deposit work/Cost plus contracts, contract revenue is determined by adding the aggregate cost plus fixed percentage fees there on as agreed with the Customer.

xviii) Errors and Omissions of earlier period

Errors and omissions in individual items of Income and Expenditure relating to an earlier periods, exceeding ₹1 Lakh is accounted in the respective period, if possible, or adjusted against opening retained earnings.

xix) Research and Development Expenses

Research and development expenses (other than cost of fixed assets acquired) are charged as an expense in the Statement of Profit And Loss in the year in which they are incurred.

xx) Provisions, Contingent Liabilities and Contingent Assets

Provision is recognised in the accounts when there is a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote. Show Cause notices issued by various Government Authorities are not considered as Obligation. When the demand notices are raised against such show cause notices and are disputed by the company, these are classified as disputed obligations.

The treatment in respect of disputed obligations, in each case, is as under:

i) a provision is recognized in respect of present obligations where the outflow of resources is probable

ii) all other cases are disclosed as contingent liabilities unless the Possibility of outflow of resources is remote.

Contingent assets are neither recognized nor disclosed in the financial statements

xxi) Non-current assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any resultant loss on a disposal group is allocated first to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, and biological assets, which continue to be measured in accordance with the Group's other accounting policies. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognized in profit or loss. Once classified as held-for-sale, intangible assets, property, plant and equipment and investment properties are no longer amortized or depreciated.

xxii) Financial Instruments

Financial Assets

Classification

The Company classifies its financial assets in the following measurement categories, those to be measured subsequently at fair value (either through other comprehensive income, or through profit and loss), and those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses arising from fair valuation will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

Measurement

Initial recognition

The Company measures a financial asset at its fair value and, in the case of a financial asset not at fair value through profit or loss, at fair value including transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are recognised in profit and loss.

Subsequent Measurement

Subsequent measurement of financial assets depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its financial assets:

Amortized Cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

Fair value through other comprehensive income (FVOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income.

Fair value through Profit and Loss(FVTPL)

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit and loss.

Investments in Joint Venture

Investment in Joint venture is recognised at fair value through FVOCI

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition as loans and borrowings, payables, derivatives and financial liabilities at fair value through profit or loss. The Company's financial liability consists of trade and other payables, loans and borrowings, bank overdrafts, financial guarantee contracts and derivative financial instruments.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs, if any.

Subsequent measurement

The subsequent measurement of financial liabilities of the Company depending on their classification is described below:

Loans and borrowings including bank overdrafts

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

This category generally applies to interest-bearing loans and borrowings.

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder of the guarantee for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognized less cumulative amortization.

xxiii) Exemption as per Ind AS 101

Company has elected to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition measured as per Indian GAAP and use that as its deemed cost as at date of transition to Ind AS. The same is applicable even for Investment property and intangible assets.

Company has also reviewed the necessary adjustments required to be done in accordance with paragraph D21 of the standard (i.e. adjustments arising on account of decommissioning or restoration liabilities) and has accordingly considered the impact of the same wherever applicable.

The Company has designated unquoted equity instruments held at 1st April 2016 as fair value through OCI.

xxiv) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

xxv) Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed using the weighted average number of equity and dilutive equivalent shares outstanding during the period.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note No. 1.Non Current Assets - Property, Plant and Equipment (PPE):

₹ in lakh

Particulars	DEEMED COST / COST					DEPRECIATION					IMPAIRMENT LOSS			NET BLOCK	
	As at 01.04.2018	Additions during the year	Disposals/ Deductions during the year	Adjustments during the year	As at 31.03.2019	Upto 01.04.2018	For the year	On Disposals/ Deductions during the year	On adjustments during the year	Upto 31.03.2019	Upto 01.04.2018	(Withdrawal)/ Provision during the year	Upto 31.03.2019	As at 31.03.2019	As at 31.03.2018
Tangible assets															
Land	1,707.49	-	(0.05)	-	**1,707.44**	-	-	-	-	-	-	-	-	**1,707.43**	1,707.50
Buildings	1,331.41	75.72	(13.50)		**1,393.63**	89.12	45.86	(12.18)	-	**122.80**	4.33	(1.20)	**3.13**	**1,267.69**	1,237.97
Plant and Equipment	25,221.63	2,108.81	-	-	**27,330.44**	3,310.99	2,105.83	-	-	**5,416.82**	288.96	(36.25)	**252.71**	**21,660.90**	21,621.69
Furniture and Fixtures	34.11	-	-	-	**34.11**	3.10	1.53	-	-	**4.63**	-	-	-	**29.48**	31.01
Vehicles	78.46	-	-	-	**78.46**	24.94	11.91	-	-	**36.85**	-	-	-	**41.61**	53.52
Office equipment	320.28	34.07	-	-	**354.35**	87.32	64.91	-	-	**152.23**	-	-	-	**202.11**	232.96
Others:-															
Roads & Culverts	338.17	-	-	-	**338.17**	41.92	20.95	-	-	**62.87**	-	-	-	**275.29**	296.25
Railway Sidings	15.62	-	-	-	**15.62**	-	-	-	-	**-**	-	-	-	**15.62**	15.62
Misc. Assets	183.58	12.62	-		**196.20**	46.73	25.13	-	-	**71.86**	-	-	-	**124.34**	136.85
Retired Asset	4,129.05	-	-	-	**4,129.05**	-	-	-	-	**-**	-	-	-	**4,129.04**	4,129.05
Minor Assets	0.24	-	-	-	**0.24**	0.24	-	-	-	**0.24**	-	-	-	-	-
Total	33,360.04	2,231.22	(13.55)	-	**35,577.71**	3,604.36	2,276.12	(12.18)	-	**5,868.30**	293.29	(37.45)	**255.84**	29,453.51	29,462.42
Previous year	32,168.06	1,547.55	(61.01)	(294.56)	**33,360.04**	2,166.49	1,752.14	(19.71)	(294.56)	**3,604.36**	330.74	(37.45)	**293.29**	29,462.42	29,670.86

1.1) Company has agreed to mortgage 408 acres of land vide patta no.7030 in survey no.205 in puthencruz, Ernakulam District ,Kerala state to the Government of India against the plan loan sanctioned by the Government of India during the year 2015-16.

1.2) Out of the total 1980.76 acres (Previous year 2150.50 acres) of land held by the Company, 158.82 acres, value ₹ Nil (Previous year 158.82 acres ,value ₹Nil) are held under lease hold right. Out of this, lease agreement in respect of 14.26 acres (Previous year 14.26 acres) of leasehold land belonging to Cochin Port Trust is under finalization. During the year, 80.50 acres of land has been provided as security towards arbitration award in the dispute between the Company and M/s.ABC & Sons (Refer Note.48). The disposal/deduction of land during the year is towards the value adjusted for 0.04571 acres of land taken over by Government of kerala for Kochi Metro Rail Project.

1.3) Land for ₹512.94 lakh (Previous year ₹512.94 lakh) in respect of which the title deeds are yet to be registered/ received. Certain land owners have since preferred extra compensation claims which are pending before Courts. The liability on this account is not ascertainable. Interest and legal expenses incurred on land acquisition cases are charged to Statement of Profit and Loss of the respective year.

1.4) Cost of Railway siding includes ₹85.43 lakh (Previous year ₹85.43 lakh) , written down value ₹4.27 lakh (Previous year ₹4.27 lakh), held jointly with M/s.Bharat Petroleum Corporation Limited (Kochi Refinery)

1.5) During the year 2013-14, Company had given 4.0558 hectares of land to Kochi Metro Rail Limited on leave and license basis for a period of 2 years from 22.10.2013 to 21.10.2015. The Company has agreed to extend the Leave & license for a further period of four years with the revised area of 4.1344 hectare. However, the leave and license agrement is pending execution.

1.6) Plant and Equipment includes value of 6 nos of Ammonia bullets fixed on the barges of contractor of the company for transportation of Ammonia, of original cost ₹53.30 lakh and accumulated depreciation ₹50.64 lakh, with net value of ₹2.66 lakh.

1.7) ₹37.45 lakh has been withdrawn, shown as reduction from depreciation expenses in the Statement of Profit and Loss towards impairment loss during the FY 2018-19 and cumulative impairment loss is ₹255.84 lakh.

1.8) First charge has been created on 501.68625 acres of land (Previous year 520.47625 acres) and buildings in the States of Kerala, Tamilnadu and Karnataka and First charge on certain Plant and Machinery permanently attached to the above land as a security against loans repayable on demand.

1.9) Includes assets procured with EEC grant amounting to ₹58.67 lakh (previous year ₹59.61 lakh)

NOTES FORMING PART OF FINANCIAL STATEMENTS

₹in lakh

Note No. 1A - Capital Work in Progress	As at 31.03.2019	As at 31.03.2018
Capital Work in Progress	977.79	1646.22
Goods in Transit / Material in Transit/Capital Stores	755.65	203.37
	1733.44	**1849.59**

Note No. 1B Intangible Assets:-

Particulars	DEEMED COST / COST					DEPRECIATION				IMPAIRMENT LOSS			NET BLOCK	
	As at 01.04.2018	Additions during the year	Disposal/ Deduction during the year	Adjustment during the year	As st 31.03.2019	Upto 01.04.2018	For the year	On Disposal/ Deduction during the year	On Adjustment during the year	Upto 31.03.2019	Upto 01.04.2018	(Withdra-wal)/ Provision during the year	Upto 31.03.2019	As at 31.03.2019	As at 31.03.2018
Computer Software	-	155.08	-	-	**155.08**	-	13.42	-	-	**13.42**	-	-	-	141.66	-
Total		**155.08**	**-**	**-**	**155.08**		**13.42**	**-**	**-**	**13.42**	**-**	**-**	**-**	**141.66**	**-**

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note No. 2. Non Current assets - Investment Property ₹ In Lakh

Particulars	As at 31.03.2019	As at 31.03.2018
Land	6.50	6.50
Building	3.30	3.30
Total	**9.80**	**9.80**
Addition		
Land	0.00	0.00
Building	0.00	0.00
Total	0.00	0.00
Closing Balance		
Land	6.50	6.50
Building	3.30	3.30
Total	**9.80**	**9.80**
Depreciation		
Building		
Opening Balance	0.20	0.10
Current Year	0.10	0.10
Closing Balance	0.30	0.20
Net Block		
Land	6.50	6.50
Building	3.00	3.10
Total	**9.50**	**9.60**

During the year 2011-12 Company by way of leave and license basis, has made available to M/s. GAIL (India) Ltd. at Udyogamandal/Cochin Division, 2.40 acres of land and right to use of 0.33 acres for laying pipelines for a period of 35 years for an upfront premium of ₹479 lakh and yearly license fee of ₹100. The Leave and license agreement is pending.

The Company by way of leave and license basis made available JNM Hospital building (15300 sq.ft.) and dormitory No. V (25035 sq.ft.) to M/s. Central Institute of Plastics Engineering & Technology for a period of five years from 08.05.2012 to 07.05.2017. The renewal of the agreement is pending for execution.

As per the joint Venture agreement with Rashtriya Chemicals & Fertilisers Ltd (RCF), the Company during 2008-09, has made available, 11 acres of land at Cochin Division on lease basis to M/s. FACT - RCF Building Products Ltd. for a period of 20 years on an upfront premium of ₹1000 lakh and yearly rent of ₹10.

Particulars	As at 31.03.2019	As at 31.03.2018
Rental Income from investment property	99.12	99.12
Direct operating expenses to income generating property	0.00	0.00
Less:Reimbursement of expenses	0.00	0.00
Profit arising from Investment Property before depreciation	99.12	99.12
Depreciation	0.10	0.10
Profit arising from Investment Property	**99.02**	**99.02**

Reconciliation of fair value

Particulars	As at 31.03.2019	As at 31.03.2018
Fair Value of Investment property		
Opening Balance		
Freehold Land	1,490.58	1,355.07
Buildings	26.42	26.42
Total	**1,517.00**	**1,381.49**
Additions/(Deletions)		
Freehold Land	-	135.51
Buildings	0.00	0.00
Total	**-**	**135.51**
Closing Balance		
Freehold Land	1,490.58	1,490.58
Buildings	26.42	26.42
Total	**1,517.00**	**1,517.00**

Fair Value of Freehold Land is based on the notification issued by the Government of Kerala in their website. Management assumes the orginal cost of the Building as fair value

NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ In Lakh

Note No. 3. Non Current Asset - Financial Assets - Investments		
Particulars	**As at 31.03.2019**	**As at 31.03.2018**
In joint venture		
FACT-RCF Building Products Ltd		
3,28,70,000 (Previous year 3,28,70,000) Equity Shares of ₹ 10/- each	0.00	0.00
Kerala Enviro Infrastructure Ltd		
31,24,000 (Previous year 31,24,000) equity shares of ₹10/- each fully paid-up	434.86	308.72
	434.86	**308.72**
Investment in Joint Venture	**434.86**	**308.72**
*Reconciliation of fair value measurement of the investment in unquoted equity shares		
FACT-RCF Building Products Ltd		
3,28,70,000 equity shares (Previous Year 3,28,70,000) of ₹10 each	0.00	0.00
Carrying Value		
Kerala Enviro Infrastructure Ltd		
*Reconciliation of fair value measurement of the investment in unquoted equity shares		
Opening balance	308.72	245.62
Total Gains and losses recognised in OCI	126.14	63.10
Closing Balance	434.86	308.72
Travancore Cochin Chemicals Ltd.,		
6,81,820(Previous year 6,81,820)Equity Shares of ₹10/- each including 3,40,910 Bonus shares.	134.69	94.31
Capexil Agencies Ltd.		
15 (Previous year 15) Equity Shares of ₹1000/- each fully paidup	0.00	0.00
Indian Potash Ltd.		
6,48,000 (Previous year 3,24,000) Equity Shares of ₹10/- each fully paid-up in, including 4,59,000 (previous year 135000) Bonus Shares	6,335.63	5,523.16
	6,470.32	**5,617.47**
Shares in Co-Operative Societies:		
FACT Co-operative Society Ltd		
10,001 (Previous year 10,001) shares of ₹10/- each fully paid-up	1.00	1.00
Meherabad Co-operative Housing Society Ltd		
7 (Previous year 7) shares of ₹100/- each fully paid-up	0.01	0.01
Good Earth Housing Society Ltd.		
10 (Previous year 10) shares of ₹50/- each fully paid-up ₹500 (Previous year Rs 500)	0.01	0.01
	1.02	1.02
Total Investments	**6,906.20**	**5,927.21**
Aggregate amount of unquoted investments	6,906.20	5,927.21
Aggregate amount of impairment in the value of investments	0.00	0.00
*Reconciliation of fair value measurement of the investment in unquoted Equity shares of Travancore Cochin Chemicals Ltd (TCC)		
Travancore Cochin Chemicals Ltd		
Opening balance	94.31	4.89
Total Gains and losses recognised in OCI	40.38	89.42
Closing Balance	134.69	94.31

NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ In Lakh

Capexil Agencies Ltd.		
*Reconciliation of fair value measurement of the investment in unquoted		
Opening balance	0.00	0.00
Total Gains and losses recognised in OCI	0.00	0.00
Closing Balance	0.00	0.00
Indian Potash Ltd		
*Reconciliation of fair value measurement of the investment in unquoted		
Opening balance	5,523.16	4,320.00
Total Gains and losses recognised in OCI	812.47	1,203.16
Closing Balance	6,335.63	5,523.16

Note : Shares of Co-operative societies are retained at book value.

Note No. 4. Non current Assets - Financial assets- Trade Receivables

Particulars	**As at 31.03.2019**	**As at 31.03.2018**
From related party		
Considered doubtful	280.42	240.56
Less: Provision for Doubtful Debts	280.42	240.56
	0.00	**0.00**
Others		
Secured		
Considered doubtful	1,530.96	1,666.57
Less Provision for Doubtful Debts	1,530.96	1,666.57
	0.00	0.00

The disclosure of movement as required under Ind. Accounting Standard 37 Provisions, Contingent Liablities and Contingent Assets

Allowance for doubtful Trade receivables

Particulars	**As at 31.03.2019**	**As at 31.03.2018**
Provision at the beginning of the year	1,907.13	1,395.95
Provisions released during the year	193.24	-
Provisions made during the year	97.49	511.18
Provision at the end of the year	**1,811.38**	**1,907.13**

Note No. 5. Non current Assets - Financial assets-Loans

Particulars	**As at 31.03.2019**	**As at 31.03.2018**
Security deposit		
Un Secured Considered Good	957.33	611.38
	957.33	611.38
Loan to Employees		
Un Secured Considered Good	6.93	8.34
	6.93	8.34
	964.26	**619.72**

Note :Loans to employees ₹6.93 lakh (Previous year ₹8.34 lakh) towards festival advance paid during 1996-97, and is being recovered at the time of seperation from company's service.

NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ In Lakh

Note No. 6. Non current Assets - Financial assets- Other Financial Assets

Particulars	**As at 31.03.2019**	**As at 31.03.2018**
Advances to Related Parties		
Considered doubtful	3,819.34	3,803.20
Less : Provision	3,819.34	3,803.20
	0.00	0.00
Advance to Others		
Un Secured Considered Dobutful	14,249.70	11,661.97
Less : Provision for Doubtful Advances	14,249.70	11,661.97
	0.00	0.00
Other Deposits	13.64	13.32
	13.64	**13.32**

The disclosure of provisions movement as required under Indian Accounting Standard 37 Provisions, Contingent Liablities and Contingent Assets

Allowance for bad & doubtful Loans and advances

Particulars	**As at 31.03.2019**	**As at 31.03.2018**
Provision at the beginning of the year	15,465.17	14,137.83
Provision released during the year	(43.09)	(1,216.50)
Provisions made during the year	2,646.96	2,543.84
Provision at the end of the year	**18,069.04**	**15,465.17**

Provision for doubtful loans and advances include ₹14102.31 lakh (Previous year ₹11514.60 lakh) towards interest accrued on mobilisation advance given to a private company. Pending litigation, equivalent provision has been made towards interest beyond the amount considered recoverable .

Note No. 7. Non current Assets - Financial assets- Other Non Current Assets

Particulars	**As at 31.03.2019**	**As at 31.03.2018**
Capital Advances (Un Secured Considered Good)	138.65	305.80
Tax Deducted at source including Advance Tax (net of Provision)	65.29	79.00
	203.94	**384.80**

Deferred tax assets (net)

The Company has deferred tax asset of ₹240534 lakh (Previous year ₹212611 lakh) as on 31.03.2019 because of unabsorbed depreciation and accumulated loss. The deferred tax liability as on 31.03.2019 is ₹18756 lakh (Previous year ₹18824 lakh). Since there is net deferred tax asset as on 31.03.2019, as a matter of prudence the deferred tax asset is not considered in the Accounts. The net impact (favourable) in tax on account of this comes to ₹68530 lakh(Previous year ₹59880 lakh)

NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ In Lakh

Note No. 8. Current Assets - Inventories

Particulars	As at 31.03.2019	As at 31.03.2018
Raw Materials	12,817.41	4,637.68
Raw materials-in -transit	6,621.17	5,835.84
	19,438.58	10,473.52
Work-in-progress	1,501.58	1,527.09
Finished Goods	34,681.71	26,476.67
Stock-in-trade (in respect of goods acquired for trading)	44.09	525.73
Stores and Spares		
Machinery Spares	9,072.96	9,637.77
General Stores	3,067.27	2,316.47
Stores & Spares-in -transit	342.47	267.58
	12,482.70	12,221.82
Retired Spares	453.50	453.50
Total Inventories	**68,602.16**	**51,678.33**
Less: Provision towards obsolescence and storage losses	3,401.44	3,803.69
	65,200.72	**47,874.64**

Notes

1. Inventories along with other Current Assets is pledged as Primary Security for Working Capital arrangement with Consortium of Banks amounting to ₹112962 Lakh (Fund Based ₹68250 lakh and Non Fund Based ₹44712 lakh)
2. Inventory of raw material, stores and spares and work in progress are valued at cost. The finished goods are valued at lower of cost or realisable value.
3. Finished Goods includes 22.38 lakh MT of saleable gypsum (Previous Year ₹ 27.63 lakh MT) amounting to ₹8762.01 lakh (Previous year ₹9119.39 lakh) valued as per Accounting policy.
4. Stores & Spares in transit includes Stores & Spares at site pending inspection ₹279.67 lakh (Previous year ₹218.81 lakh)

The disclosure of provisions movement as required under Indian Accounting Standard "Provisions , Contingent Liabilities and Contingent Assets"

Provision towards obsolescence and storage losses (including provision towards Retired spares)

Particulars	As at 31.03.2019	As at 31.03.2018
Provision at the beginning of the year	3,803.69	3,776.06
Provisions made during the year	0.00	27.63
Released during the year	(402.25)	0.00
Provision at the end of the year	**3,401.44**	**3,803.69**

Note No. 9. Current Assets - Financial assets-Trade Receivables

Particulars	As at 31.03.2019	As at 31.03.2018
Subsidy Receivable		
Unsecured Considered good (Refer Note No.22)	40,381.82	36,001.67
	40,381.82	36,001.67
Sundry Debtors		
Secured , considered good	4.62	6.28
Unsecured , considered good	514.16	430.66
	518.78	436.94
	40,900.60	**36,438.61**

NOTES FORMING PART OF FINANCIAL STATEMENTS ₹ In Lakh

Note No. 10. Current Assets - Financial assets-Cash and Cash Equivalents

Particulars	As at 31.03.2019	As at 31.03.2018
Balances with Banks	125.26	400.01
Cheques, Drafts on hand	0.00	0.05
Cash on hand	4.57	2.61
Short Term Deposit with Banks (original maturity less than three months)	512.94	4,209.37
	642.77	**4,612.04**

Cash and bank balances include ₹ 0.15 lakh (Previous Year ₹0.15 lakh) being the balance of amount received from clients for execution of jobs on Total Responsibility basis and ₹9.58 lakh (Previous year ₹1683.06 lakh) towards work on Deposit basis, lying in a specified account to meet the matching liabilities under Current Liabilities.

Note No. 11. Current Assets - Financial assets-Other Bank Balances

Particulars	As at 31.03.2019	As at 31.03.2018
Deposit with Banks towards Margin money (Original maturity less than twelve months)	6,824.53	1,752.48
	6,824.53	**1,752.48**

Note No. 12. Current Assets - Financial assets-Loans

Particulars	As at 31.03.2019	As at 31.03.2018
Security Deposits:		
Unsecured , considered good	52.32	54.49
	52.32	**54.49**

Note No. 13. Current Assets - Financial assets-Other financial assets

Particulars	As at 31.03.2019	As at 31.03.2018
Foreign Currency Receivable on Forward Contract	30,216.40	15,652.25
Dues from Statutory Authorities	33,894.89	21,756.43
Amount receivable against Service Orders	640.19	1,199.54
Other Accrued Income	10,841.64	9,567.79
Amount receivable from LIC under group Gratuity scheme	330.72	297.79
Township Dues	383.21	893.30
	76,307.05	**49,367.10**

Dues from statutory authorities include (i) ₹19622.25 lakhs (Previous year ₹6923.61 lakhs) towards refundable Input Tax credit (ITC) on account of inverted duty structure, as per the provisions of Goods & Service Tax (ii) ₹4100.11 lakh (Previous year ₹4044.53 lakh) towards Kerala Value Added Tax paid on procurement of Regasified Liquified Natural Gas, and (iii) ₹72.97 lakh (Previous Year ₹72.97 lakh) towards the amount paid against disputed demands pending appeal.

Other Accrrued income includes ₹9940.73 lakh (Previous Year ₹ 8570.63 lakhs) towards unclaimed DBT subsidy. (Refer Note No.27)

Note No. 14. Current Assets - Current Tax Assets

Particulars	As at 31.03.2019	As at 31.03.2018
Tax Deducted at Source	**513.90**	**52.00**
	513.90	**52.00**

Note No. 15. Current Assets - Financial Assets - Other Current Assets

Particulars	As at 31.03.2019	As at 31.03.2018
Contractors	2,090.62	2,490.64
Employees	160.49	189.34
Pre Paid Expenses	592.36	333.64
Others	18.93	140.65
	2,862.40	**3,154.27**

Dues from Contractors include amount paid for materials supplied but rejected by the Company pending settlement ₹28.77 lakh (Previous year ₹8.63 lakh) and an amount of ₹1353.19 lakh (Previous year ₹1353.19 lakh) including interest considered as recoverable on the basis of a bank guarantee invoked by the Company but stayed till the completion of arbitration. The Arbitration Award was passed during the year 2013-14, as per which the company is entitled to adjust an amount of ₹2798.29 lakh towards this advance and interest from the dues claimed by the contractor. The Company has gone on appeal against the award before the Hon' District Court which has since stayed the award. Accordingly the Company demanded the bank to send the proceeds of encashment of bank guarantee along with interest. The bank rejected the claim and consequently the Company filed a suit against the bank before the Hon. High court of Mumbai for realization of amount, which is pending. However an amount of ₹1353.19 lakh only has been retained pending disposal of the case.

NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ In Lakh

Note No. 16. Current Assets - Financial assets- Non Current Assets held for Disposal

Particulars	As at 31.03.2019	As at 31.03.2018
Land Held for Sale	0.00	39.41
	0.00	**39.41**

Company has sold during the year 2018-19, 169.689 Acres of land at Ambalamedu, to M/s. Bharat Petroleum Corporation Limited.

Note No. 17. Equity- Equity Share Capital

Particulars	As at 31.03.2019	As at 31.03.2018
Authorised:		
100,00,00,000 (Previous year 100,00,00,000) Equity Shares of ₹10/-each	100,000.00	100,000.00
Issued, Subscribed and fully Paid up:		
64,70,71,974 (Previous year 64,70,71,974) Equity Shares of ₹10/- each fully paid up	**64,707.20**	**64,707.20**

Reconciliation of the shares outstanding at the beginning and at the end of the Financial Year

Particulars	As at 31.03.2019	As at 31.03.2018
No. of shares at the beginning of the year	647,071,974	647,071,974
No. of shares issued during the year	Nil	Nil
No. of shares at the end of the year	647,071,974	647,071,974

Notes

1. Rights , Preference and restrictions attached to each class of shares including restrictions on the distribution of dividends and the repayment of capital. - **Nil / Not Applicable**
2. Shares held by shareholders holding more than 5% of shares:

Particulars		As at 31.03.2019	As at 31.03.2018
The Government of India	- No of shares	582,364,776	582,364,776
	- Percentage of Total Shares	90.00%	90.00%
Special National Investment Fund constitued by the Government of India	- No of Shares	55,400,424.00	55,400,424.00
	- Percentage of Total Shares	8.56%	8.56%

3. In order to comply with the minimum public shareholding norms, the Government of India have transferred 55400424 equity shares of ₹10 each to Special National Investment Fund on 6th August 2013.
4. Shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.

I. Aggregate number and class of shares alloted as fully paid up pursuant to contract(s) without payment being received in cash	Nil	Nil
II. Aggregate number and class of shares alloted as fully paid up by way of Bonus shares	Nil	Nil
III. Aggregate number and class of shares bought back	Nil	Nil

5. Terms of any securities convertible into equity / preferential shares issued along with the earliest date of conversion - NIL

Note No. 18. Equity - Other Equity

Particulars	As at 31.03.2019	As at 31.03.2018
Capital Reserves:		
Subsidy from Kerala State Government under Industrial Housing Scheme	2.64	2.64
	2.64	**2.64**

NOTES FORMING PART OF FINANCIAL STATEMENTS ₹ In Lakh

Other Reserves:

Deferred Government Grant :

Indo EEC Fertiliser Education Project

Particulars	**As at 31.03.2019**	**As at 31.03.2018**
Opening balance	55.46	56.40
Less: Amount written off during current year	0.94	0.94
Closing balance	54.52	55.46

Bio-Fertiliser Project

Particulars	**As at 31.03.2019**	**As at 31.03.2018**
Opening balance	2.66	3.61
Less: Amount written off during current year	0.95	0.95
Closing balance	1.71	2.66

Equity Instruments through other Comprehensive Income

Particulars	**As at 31.03.2019**	**As at 31.03.2018**
Opening Balance	5,560.66	4,204.98
Changes During the Year	978.97	1,355.68
Closing Balance	**6,539.63**	**5,560.66**

Retained Earnings: -

Particulars	**As at 31.03.2019**	**As at 31.03.2018**
Opening balance	(234,211.63)	(220,208.22)
Add Changes in Accounting Policy / Prior Period items as per Ind AS	0.00	(10.02)
Add :Profit/ (Loss) during the year	16,313.87	(12,906.07)
Add: Remeasurement of defined benefit plan	821.21	(1,087.32)
Closing balance	**(217,076.55)**	**(234,211.63)**
Other equity	**(210,478.05)**	**(228,590.21)**

Note No. 19. Non Current Liabilities - Financial Liabilities - Borrowings

Particulars	**As at 31.03.2019**	**As at 31.03.2018**
Term loans		
Secured		
From the Government of India (Refer Note 1 below)	177,048.75	177,048.75
Intercorporate loan from M/s.Rashtriya Chemicals & Fertilisers Ltd	2,040.00	-
	179,088.75	**177,048.75**

1. A plan loan of Rs.100000.00 lakh bearing interest @13.50% per annum was released by the Government of India (GOI) on 29th March 2016 to maintain the operations of the company. Accordingly, ₹100000.00 lakh along with the earlier loan and interest outstanding has been converted into a single loan carrying interest @ 13.50% per annum with one year moratorium for payment of interest. As per the letter dated 12.01.2016, of the Ministry of Finance, GOI, sanctioning the loan, the total outstanding liability of the company is ₹183672.00 lakh. The company entered into an agreement with the Department of Fertilizers(DOF), GOI, agreeing to mortgage 408 acres of company's land to secure repayment the entire loan together with interest at the rate of 13.50% per annum on the amount outstanding as on 31.03.2017. The loan amount was reconciled and loan outstanding has been arrived at ₹177048.75 lakh as on 31.03.2017. The loan along with interest is repayable in three or more equated installments within a period of 5 years ending by 2022. As per the terms of the sanction of the loan the entire repayment can be made during the years 2020-21 and/or 2021-22 in three or more equated installments. Accordingly, the entire amount of principal ₹ 177048.75 lakh has been classified under 'Non – Current Liabilities – Financial Liabilities – Borrowings'. The outstanding principal and interest is pending reconciliation and confirmation with the balance of Government of India and consequential adjustment thereon.
2. The Company and M/s.Rashtriya Chemicals & Fertilisers Ltd(RCF) had provided Corporate Guarantee to the lenders of M/s.FACT-RCF Building Products Ltd-the 50:50 joint venture between the Company and RCF. During the year, RCF has settled the entire liability to the bankers, to the extent of ₹5100 lakhs including 50% share of the Company ₹2550 lakhs on the condition that the Company shall treat the amount paid by RCF on behalf of the Company as Inter-Corporate loan with a repayment period of five years. The principal amount payable ₹510 lakhs (Previous year -Nil) during the year 2019-20 has been classified under 'Current Liabilities - Financial Liabilities -Other Financial Liabilities' . The remaining amount has been classified under Non Current Liabilities - Financial Liabilities - Borrowings. Interest rate applicable on the loan for the year 2018-19 is 8.35% p.a.

NOTES FORMING PART OF FINANCIAL STATEMENTS ₹ In Lakh

Note No. 20. Non Current Liabilities - Provisions

Particulars	As at 31.03.2019	As at 31.03.2018
Provision for employee benefits		
(i) Provision for gratuity	9,384.59	7,668.55
(ii) Provision for leave encashment	7,737.59	8,388.29
Decommissioning of Assets in Leased Properties	204.43	189.28
	17,326.61	**16,246.12**

Note No. 21. Non Current Liabilities - Other Non current Liabilities

Particulars	As at 31.03.2019	As at 31.03.2018
Advance Rent Received	755.82	819.51
	755.82	**819.51**
As on 1st April	(883.20)	(946.89)
Released to Profit and Loss account	63.69	63.69
As at 31st March	(819.51)	(883.20)
Current	63.69	63.69
Non Current	755.82	819.51

Note No. 22. Current Liabilities - Financial Liabilities -Borrowings

Particulars	As at 31.03.2019	As at 31.03.2018
Secured:-		
Loans repayable on demand		
From Banks		
Cash credit	34,941.12	32,267.10
Loan against Subsidy receivables	12,852.06	16,149.00
Libor Linked Buyers Credit	0.00	2,321.39
	47,793.18	**50,737.49**

Secured by (a) Hypothecation of current / movable assets viz. stock of raw materials, trade receivables, stores and spares, semi-finished goods, finished goods, receivables etc. (b) First charge on 501.68625 acres of land (Previous year 520.47625 acres) and buildings in the States of Kerala, Tamilnadu and Karnataka (c) First charge on certain Plant and Machinery permanently attached to the above land. Rate of interest on Cash credit varies from 12 .00% to 13.15 % p.a (Previous year from 12.00 % to 13.65 % p.a) and is repayable on Demand (Previous year- On demand).

'Loan against Subsidy receivables' relates to loan availed from Punjab National Bank (Previous year-State Bank of India) under the Special Banking Arrangement scheme of Govt. of India, at interest rate of 8.20% p.a (Previous year 7.80% p.a), secured by subsidy due for the months of September 2018 to December 2018(Previous year September 2017 to December 2017). As per Office Memorandum No.23011/05/2018-P&K dated 25.02.2019 ,issued by the Government of India, interest at the rate of 0.48% Per Annum (Previous year 0.96%Per Annum) is to be borne by the company.

Note No. 23. Current Liabilities - Financial Liabilities - Trade Payables

Particulars	As at 31.03.2019	As at 31.03.2018
Trade payables		
(i) Due to Micro,Small and Medium Enterprises (Refer Note: 38)	173.65	49.45
(ii) Others	41,716.42	42,251.16
	41,890.07	**42,300.61**

Note No. 24. Current Liabilities - Financial Liabilities -Other Financial Liabilities

Particulars	As at 31.03.2019	As at 31.03.2018
Current maturities of Long-term debt :		
Intercorporate loan from M/s.Rashtriya Chemicals & Fertilisers Ltd (Refer Note 19.2)	510.00	0.00
Interest accrued on borrowings (Refer Note 19.1) (Term Loan from Government of India)	47,803.16	23,901.58
Liability on Corporate Guarantee (Refer Note 19.2)	0.00	2,550.00
Unclaimed matured fixed deposit	0.00	0.49
Amount payable to banks on forward Contracts	31,034.59	15,546.05
Dues to employees	370.21	89.83
Trade Deposit from customers	2,690.65	2,377.66
Statutory dues	824.67	1,066.23
Other liabilities	4,547.20	7,129.17
	87,780.48	**52,661.01**

NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ In Lakh

Note No. 25. Current Liabilities - Other Current Liabilities

Particulars	As at 31.03.2019	As at 31.03.2018
Income accrued but not due	17.08	-
Advance from Customers	2,005.47	3,802.26
Advance Rent Received	63.69	63.69
	2,086.24	**3,865.95**

Note No. 26. Current Liabilities - Provisions

Particulars	As at 31.03.2019	As at 31.03.2018
Provision for employee benefits		
(i) Provision for gratuity	22.31	-
(ii) Provision for leave encashment	1,500.92	1,515.27
Provision towards other Contractual Obligation	256.91	300.00
	1,780.14	**1,815.27**

Note No. 27. Revenue from operations

₹In Lakh

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Sale of products		
Own Products	139,292.17	137,862.54
Traded Products	973.16	2,788.62
	140,265.33	140,651.16
Less : Sales discount/Dealer margin	(5,503.14)	(6,705.39)
	134,762.19	133,945.77
Subsidy/Concession on Fertilisers	58,687.86	57,655.49
	58,687.86	57,655.49
Sale of Services		
Gross income from contracts and other services	2,048.25	1,265.81
Total Revenue from operations	**195,498.30**	**192,867.07**
Sale of own products comprises of:		
Ammonium Sulphate	17,587.62	21,669.38
Factamfos 20-20-0-13	119,304.67	113,554.09
Mixed Manures	3.97	84.03
Caprolactam	0.00	0.00
Gypsum	2,084.35	1,860.88
Others	311.56	694.16
Total	**139,292.17**	**137,862.54**
Sale of traded products:		
Muriate of Potash	35.04	894.54
Imported Complex Fertiliser (20:20:0:13)	555.12	1,594.32
Organic Manures	383.00	299.76
Total	**973.16**	**2788.62**
Subsidy/Concession on Fertilisers		
Factamfos 20-20-0-13	50,868.34	47,945.45
Ammonium Sulphate	7,792.33	9,204.28
Muriate of Potash	(142.04)	0.00
Imported Complex Fertiliser (20:20:0:13)	28.67	417.93
City Compost	140.56	87.83
Total	**58,687.86**	**57,655.49**

Consequent to the implementation of Direct Benefit Transfer (DBT) subsidy scheme, subsidy income on fertilizers is recognised at the time of sale to dealers. However, the subsidy claim is generated on sale of fertilisers to ultimate beneficiary. The susbsidy portion of the stock with dealers, pending sale to ultimate beneficiary, is ₹9940.73 lakh (Previous Year ₹8570.63 lakhs)

NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ In Lakh

Note No. 28. Other income

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Interest income:		
On deposits with banks	423.31	257.70
On loans , advances , claims , overdues	101.34	59.87
Dividend income		
Other than joint venture	13.13	9.72
Other non-operating income		
Excess provisions written back	56.94	2,836.45
Profit on Fixed assets sold/written off	43,389.77	6.38
Transfer from deferred Government grants:		
(i) On EEC project	0.94	0.94
(ii) On Bio-Fertiliser project	0.95	0.95
Rent	638.26	636.69
Miscellaneous income	1,049.87	353.79
	45,674.51	**4,162.49**

Note : Interest of ₹2587.71 lakh (Previous year ₹2154.46 lakh) for the year 2018-19 receivable from the contractor on the interest bearing mobilisation advance still retained by the party, has been considered in the accounts. However a corresponding provision for doubtful interest has been made during the current year.

Note No. 29.Cost of materials consumed

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Raw Material (refer note below)	134,614.51	105,495.49
Packing Material	2,288.61	2,528.41
	136,903.12	**108,023.90**

Note : The physical verification of raw materials has been carried out on or around 31st March 2019. The differences over book figures in the case of raw material has been adjusted in consumption (Excess(-) / Shortage). Current year ₹ (-)536.78 lakh (Previous year ₹(-)317.42 lakh).

Note No. 30.Purchases of Stock-in-trade

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Organic Manures	240.21	169.03
	240.21	**169.03**

Note No. 31.Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Opening stock		
Finished Goods	26,476.67	20,766.08
Includes excise duty ₹Nil (Previous Year ₹1609.29 lakh)		
Stock-in-trade	525.73	2,895.19
Work-in progress	1,527.09	1,815.36
	28,529.49	25,476.63
Closing stock		
Finished Goods	34,681.71	26,476.67
Stock-in-trade	44.09	525.73
Work-in- progress	1,501.58	1,527.09
	36,227.38	28,529.49
Changes in inventories: (Increase)/ Decrease	**(7,697.89)**	**(3,052.86)**

NOTES FORMING PART OF FINANCIAL STATEMENTS ₹ In Lakh

Note No. 32. Employee benefits expense

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Salaries and Wages	15,549.64	16,050.24
Contribution to Provident Fund	1,692.46	1,747.02
Leave encashment (Net of Provision)	2,734.81	913.33
Gratuity	1,322.55	4,482.86
Staff welfare expenses	1,715.51	1,748.98
	23014.97	**24942.43**

The revision of pay scales for the Board and below Board level executives and Non- Unionised supervisors and wage revision of its workmen are due from 1.1.2017. As the company is not meeting the condition for affordability of pay/wage revision specified by the Government , action was not initiated for implementation of the pay /wage revision. Accordingly no provision is made in the financial statements.

Note : Remuneration to Directors

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Sri Kishor Rungta, Chairman and Managing Director (from 02.02.2019)	5.43	0.00
Sri D Nandakumar Director (Marketing)	25.03	12.96
	30.46	**12.96**

Note No. 33. Finance costs

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Interest		
Interest on loans from the Government of India (Refer Note 19.1)	23,901.58	23,901.58
Interest on Cash credit from banks	3,686.96	7,567.66
Interest -others	407.78	437.46
Other borrowing costs	71.35	294.04
Net loss on foreign currency transactions translations		
Exchange rate variation & premium on forward exchange contract on buyer's credit	(14.38)	(59.11)
	28,053.29	**32,141.63**

Note No. 34.Other expenses

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Consumption of stores and spare parts	2,727.53	2,644.01
Power and Fuel	11,847.54	16,458.99
Rent	581.90	741.42
Repairs and maintenance to buildings	53.83	80.18
Repairs and maintenance to machinery	3,309.12	3,362.94
Insurance	66.94	44.41
Rates and Taxes	206.83	102.25
(Gain)/Loss on exchange rate variation (net)	759.03	(320.44)
Material and other direct charges on contracts	1,661.63	1,003.15
Auditors' Fees and Expenses (Refer note 1 below)	20.66	17.39
Freight , Handling and other charges	15,529.49	17,184.30
Increase/(Decrease) in provision for excise duty on stock of Finished goods (Refer note 2 below)	0.00	(1,609.29)
Bad debts written off	0.00	0.03
Provision for doubtful receivables & advances	(18.09)	672.69
Damages/Shortages of Stores , Spares & Products (Net)	4.00	0.31
Provision for obsolescence of stores (Net)	(402.25)	27.63
Research and Development Expenditure (Refer note 3 below)	140.26	114.17
CISF Expenses (including salaries)	2,777.80	2,480.34
Directors' Sitting Fees	5.80	2.85
Excise duty	0.00	184.68
Miscellaneous Expenses (Refer note 4 below)	3,658.74	3,842.91
	42,930.76	47,034.92
Less :Allocated Expenses [net of income from inter-divisional jobs of ₹1314.86 lakh] (Previous year ₹1476.00 lakh)	(837.71)	(1,038.20)
	42,093.05	**45,996.72**

NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ In Lakh

Notes:

1. Auditors' Fees and Expenses include

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
For Statutory Audit	7.70	6.65
For Branch Audit	1.40	1.40
For Other Services	9.94	5.01
For Expenses	1.62	4.33
Total	**20.66**	**17.39**

2. Increase/(Decrease) in provision for excise duty on stock of Finished goods

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Provision on closing stock	0.00	0.00
Less provision on opening stock	0.00	1609.29
Net provision	**0.00**	**(1609.29)**

3. Research and Development Expenditure of ₹140.26 lakh (Previous Year ₹114.17 lakh) includes expenditure towards salary ₹139.61 lakh (Previous year ₹113.92 lakh) and depreciation ₹'0.09 lakh (Previous year ₹0.10 lakh).
4. Miscellaneous Expenses includes Directors travel amounting to ₹20.39 lakh (Previous year ₹17.92 lakh) and ₹45.40 lakh (previous year ₹ 353.72 lakh) towards the cost of PoS machine distributed by the Company under Direct benefit Transfer Scheme framed by the Government of India.
5. Physical verification of stores and spares was carried out at all divisions as per the procedure laid down in the Stores Management Manual and the differences(Excess(-)/Shortage) over book figures has been adjusted in the accounts. Current year ₹4.00 lakh (Previous year ₹0.31 lakh)
6. Physical verification of fuel was carried out at all divisions as per the procedure laid down in the Stores Management Manual and the differences(Excess(-)/Shortage) over book figures has been adjusted in the accounts. Current year Nil (Previous year ₹ 3.86 lakh)

Note No. 35. Earning per Share

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Profit / (Loss) after Tax	16,313.87	(12,906.07)
Number of Equity Shares	647071974	647071974
Face Value per Share (₹)	10.00	10.00
Basic/ Diluted earnings per Share (₹)	**2.52**	**(1.99)**

Note No. 36. Corporate Social Responsibility

The Corporate Social repsonsibility (CSR) provisions as per sec 135(1) of the Companies Act, 2013 is applicable to the Company. But due to the losses sufferred during the preceding Financial Years, the Company is not liable to spend any amount mandatorily on CSR.

Note No. 37. Caprolactam Operations:

The Caprolactam plant remained unproductive during the year 2018-19. Certain segments of the Petro Chemical plants has been operated for production of Ammonium Sulphate through the direct neutralization method. The Caprolactam plant is maintained and preserved for commencement of production when required. Company has redeployed a section of the employees of the plant to other areas wherever required. The unabsorbed fixed cost pertaining to caprolactum plant charged to revenue during the year is ₹3515.00 lakh (Previous year ₹ 2123.07 lakh)

NOTES FORMING PART OF FINANCIAL STATEMENTS

38. Disclosure required for Micro Small and Medium Enterprises

₹In Lakh

Sl No.	**Particulars**	**As at 31.03.2019**	**As at 31.03.2018**
1	Principal amount remaining unpaid	173.65	49.45
2	Interest due thereon	1.69	3.58
3	Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act,2006 , along with the amount of the payment made to the supplier beyond the appointed day during the year.	0.00	0.00
4	Interest due and payable for the period of delay making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	20.89	0.34
5	Interest accrued and remaining unpaid	22.58	3.92
6	Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	0.00	0.00

39.Fair Value Hierarchy

The management has assessed that its financial assets and liabilities like cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to estimate the fair values for the given below financial assets.

Unquoted Equity Shares of Indian Potash Limited
The fair values of the unquoted equity shares have been estimated using NAV model.

Unquoted Equity Shares of Other Companies:
The fair values of the unquoted equity shares have been estimated using NAV model.

Derivatives not designated as hedges
Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs (i.e. based on inputs/statement of position received from banks).

Investment Properties

The value of the investment properties are based on the information available in Government of kerala fair value notification, market conditions etc.

NOTES FORMING PART OF FINANCIAL STATEMENTS ₹In Lakh

Particulars	31.03.2019		31.03.2018	
	Significant observable inputs		Significant observable inputs	
	Level 2	Level 3	Level 2	Level 3
Financial Assets				
Investment in Unquoted EquityShares of:				
Indian Potash Limited		6,335.63		5,523.16
Travancore Cochin Chemicals Ltd		134.69		94.31
Capexil Agencies Ltd.		-		-
Kerala Enviro Infrastructure Limited		434.86		308.72
Foreign Currency Receivable under Forward exchange contracts		30,216.40		15,652.25
Financial Liabilities				
Amount Payable under forward exchange contracts	31,034.59		15,546.05	
Assets for which Fair valuesare disclosed				
Investment Properties	1,517.00		1,517.00	

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV. Company do not have any such investment.

The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in **Level 2**.
If one or more of the significant inputs is not based on observable market data, the instrument is included in **Level 3**. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in **Level 3.**

Operating Leases

Leases as lessor

The Company leases out its investment property on operating lease basis

i) Future minimum lease receivable

At 31 March, the future minimum lease receivables under non-cancellable leases are receivable as follows

Particulars	As at 31.03.2019	As at 31.03.2018
Within one year	99.12	99.12
Between one and five years	254.76	254.76
More than five years	501.06	564.75

ii) Amounts recognized in profit and loss

Particulars	As at 31.03.2019	As at 31.03.2018
Lease Rent	99.12	99.12
	99.12	99.12

Leases as lessee

The Company has taken lands for lease (Operating lease) for the purpose of storage and handling of Raw Materials

i) Future minimum lease Payable

Future minimum rentals payable under non-cancellable operating leases

Particulars	As at 31.03.2019	As at 31.03.2018
Within one year	174.18	170.76
Between one and five years	732.24	717.88
More than five years	4,672.47	4,861.00
	5,578.88	**5,749.64**

ii) Amounts recognized in profit and loss

The amount paid as Lease rental expense during the last two years are as below:

Particulars	As at 31.03.2019	As at 31.03.2018
Lease Rentals	170.76	167.42
	170.76	**167.42**

NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ In Lakh

40 . Financial Instrument Classification

Particulars	As at 31.03.2019	As at 31.03.2018
Financial Assets		
Financial Assets at Amortised Cost		
Trade Receivables	40,900.60	36,438.61
Cash and Cash equivalents	642.77	4,612.04
Other Bank Balances	6,824.53	1,752.48
Loans	1,016.58	674.21
Other Financial Assets	46,104.29	33,728.17
	95,488.77	**77,205.51**
Financial Assets at Fair Value through Other Comprehensive Income:		
Equity Investments	6,906.20	5,927.21
Financial Assets at Fair Value through Profit and Loss Statement:		
Foreign Currency Receivable on Forward exchange contract	30,216.40	15,652.25
	37,122.60	**21,579.46**
Financial Liabilities		
Financial Liability at Amortised Cost		
Borrowings	226,881.93	227,786.24
Trade Payables	41,890.07	42,300.61
Other Financial Liabilities	56,745.89	37,114.96
	325,517.89	**307,201.81**
Financial Liabilities at Fair Value through Profit and Loss Statement:		
Liability on Forward Exchange contract	31,034.59	15,546.05
	31,034.59	**15,546.05**

41. Financial Risk Management

The company's activities expose it to market risk, liquidity risk and credit risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk in the financial statements

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortized cost.	Aging analysis, Credit Analysis, Post Dated Cheques and Security Deposit.	Diversification of bank deposits, credit limits and Bank Guarantees
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk –foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash Flow Forecasting, Monitoring of Forex Risk Management Policy	Forward Foreign exchange contracts

(A) Credit risk

Credit Risk refers to the risk of default on its obligations resulting in financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹40900.60 lakh and ₹36438.61 lakh as of March 31, 2019 and March 31, 2018, respectively of which ₹40381.82 lakh (previous year ₹36001.67 lakh) due from Government of India relating to subsidy receivable. Trade receivables mainly constitute subsidy receivable from the Government of India and from services rendered. Credit risk is being managed through credit approvals, establishing credit limits and monitoring the creditworthiness of customers to allow credit terms in the normal course of business

NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ In Lakh

(B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

Financing arrangements

The company had access to the following undrawn fund based borrowing facilities at the end of the reporting period:

Particulars	31st March, 2019	31st March, 2018
Expiring within one year (Bank Overdraft/ CC Limit)	32,058.88	34,732.89
Stand by Line of credit	1,250.00	1,250.00

The Bank Overdraft/Cash Credit (CC)/Short term loan (STL) facilities may be drawn at any time and may be called back by the bank at their discretion. The credit facilities of Banks are subject to compliance with sanctioned terms & conditions. The credit facilities have an average maturity of 1 year.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk,currency risk and other price risk, such as equity price risk and commodity risk. The Company's activities exposes it's primarily to the financial risk of changes in foreign currency risk. To mitigate the foreign currency risk, the company is entering into forward contracts with Banks.

42. Disclosure under Ind AS 24 on related party transactions are given below

Since Government of India owns 90% of the Company's equity share capital (under the administrative control of Ministry of Chemicals and Fertilizers), the disclosures relating to transactions with the Government and other Government controlled entities have been reported in accordance with para 26 of Ind AS 24.

Certain transactions are carried out with other government related entities for purchase of Gases, for procurement of Raw Materials / Finished Goods, Assets / Spare Parts from Original equipment manufacturers, which are significant in terms of value, the details of which are as under:

Name of Entity	Nature of Transaction	2018-19	2017-18
GAIL (India) Ltd	Procurement of Gas / TransmissionCharges	167.98	13,527.37
Bharat Petroleum Corporation Ltd	Procurement of Gas / Petroleum Products/Sulphur	18,918.57	19,527.34
Indian Oil Corporation Ltd	Procurement of Gas / Petroleum Products	518.10	11,995.51
Steel Authority of India Ltd	Procurement of Steel Structural	370.05	260.03
Rashtriya Chemicals and Fertilisers Ltd	Sale of Fertilisers	0.00	433.99
Rashtriya Chemicals and Fertilisers Ltd	Intercorporate Loan	2,550.00	0.00
Bharat Petroleum Corporation Limited	Sale of Land	43,580.27	0.00
Bharat Petroleum Corporation Limited	Services Provided	219.91	83.85
Indian Oil Corporation Ltd	Services Provided	11.95	87.31
Kochi Metro Rail Ltd	Lease of property	310.66	268.28
Central Institute of Plastic Engineering & Technology	Lease of property	41.81	41.55
GAIL (India) Ltd	Lease of property	33.85	28.28

The above referred transactions have been carried out on arm's length basis with the said entities.

The other disclosures with related parties are as under:

1) Relationship

JOINT CONTROLLED ENTITIES

Sl No	Name of Entity	Percentage of ownership interest as at	
		31.03.2019	31.03.2018
1	FACT-RCF BUILDING PRODUCTS LTD. (FRBL)	50.00%	50.00%
2	Kerala Enviro Infrastructure Ltd. (KEIL)	25.66%	25.66%

NOTES FORMING PART OF FINANCIAL STATEMENTS ₹ in Lakh

Transactions during the year with the above referred related parties:

Sl No	Particulars	2018-19	2017-18
		Amount	Amount
i)	Contribution towards sharecapital	0.00	0.00
ii)	Sales of Products	39.86	28.49
iii)	Others	167.80	68.53

The provision towards the amount given as material, Services and advances made in the earlier financial years continues. Similar Provision amounting to ₹99.09 Lakh (Previous year ₹97.02 lakh) has been made for the current year also.

Balance Outstanding:

Sl. No	Particulars	As at 31.03.2019	As at 31.03.2018
	Amount receivable under Corporate Gurantee	2,550.00	2,550.00
	Amount receivable under Contractual obligations	256.91	300.00
	Due from FRBL on sale of gypsum,salary of deputationists and other expenses	1,292.85	1,193.76

The Company and M/s.Rashtriya Chemicals & Fertilisers Ltd(RCF) had provided Corporate Guarantee to the lenders of M/s.FACT-RCF building products Ltd-the 50:50 joint venture between the Company and RCF. During the year, RCF has settled the entire liability to the bankers, to the extent of ₹5100 lakhs including 50% share of the Company ₹2550 lakhs on the condiiton that the Company shall treat the amount paid by RCF on behalf of the Company as Inter-Corporate loan. Accordingly, the amount of ₹2550 lakhs has been classified as Intercorporate loan during the year. Interest rate applicable on the loan for the year 2018-19 is 8.35% p.a.

During the year 2009-10, the Company has along with Department of Factories and Boilers, Government of Kerala, formed a society under the Travancore Literary, Scientific and Charitable Societies Act 1955 with the objective of conducting courses relating to welding technologies with a grant of ₹1 Crore from the Government of Kerala, under the name Kerala institute of Welding and Research. The contribution from the Company is only provision of its existing facilities of Training School. The accounts of the society are not consolidated as society is formed with an objective of not obtaining any economic benefits from its activities and is considered immaterial to the Company's activity.

2) Key Management Personnel

1 Sri Kishor Rungta, Chairman and Managing Director (from 02.02.2019)
2 Shri Manoj Mishra, Chairman and Managing Director (upto 01.02.2019)
3 Shri D Nandakumar, Director (Marketing)
4 Shri K V Balakrishnan Nair, Company Secretary
5 Shri.Pradeep Kumar.C, Chief Financial Officer (from 29.01.2019)

Transactions with related parties:
Remuneration to key management personnel :

Sl No	Particulars	Year ended 31.03.2019	Year ended 31.03.2018
1	Sri Kishor Rungta, Chairman and Managing Director (from 02.02.2019)	5.43	0.00
2	Shri D Nandakumar, Director (Marketing) (From 13.09.2017)	25.03	12.96
3	Shri K V Balakrishnan Nair, Company Secretary	18.09	16.94
4	Shri.Pradeep Kumar.C, Chief Financial Officer (from 29.01.2019)	3.21	0.00
		51.76	**29.90**

The whole time Directors have been allowed the use of company car and for private journey upto a ceiling of 12000 kms. per year, on payment as prescribed by the Government.
Gratuity payable to the Directors has not been disclosed as the contribution payable has been provided in the accounts and separate figures are not ascertainable.

NOTES FORMING PART OF FINANCIAL STATEMENTS ₹ In Lakh

43. Financial Reporting of interest in Joint Ventures

The required information is as under:-

JOINT CONTROLLED ENTITIES

Name of Entity	Country of Incorporation	Percentage of ownership interest	
		31.03.2019	31.03.2018
FACT RCF Building Products Ltd.	India	50.00%	50.00%
Kerala Enviro Infrastructure Limited	India	25.66%	25.66%

FACT-RCF BUILDING PRODUCTS LTD.:- A Joint venture Company with Rashtriya Chemicals and Fetilizers Limited (RCF) for manufacture of rapid building materials from Gypsum at Kochi.

Summarized financial information of Company's investment in FACT-RCF BUILDING PRODUCTS LTD. (FRBL)

Particulars	As at 31.03.2019 (Unaudited)	As at 31.03.2018 (Audited)
Non-Current Assets	6,521.67	7,443.15
Cash and Cash Equivalent	101.81	54.97
Current Assets other than Cash and Cash Equivalents	1,510.67	1,574.48
Non-Current Liabilities	4,192.50	8,739.28
Current Liabilities	9,100.62	5,221.29
Equity	(5,158.98)	(4,887.97)
Proportion of the company's ownership	50.00%	50.00%
Carrying amount of the investment*	0.00	0.00

Particulars	2018-19 (Unaudited)	2017-18 (Audited)
Income	1,660.76	1,712.96
Cost of materials consumed	373.00	152.34
Changes in inventories	(99.15)	(19.11)
Depreciation and amortization expense	912.44	912.10
Finance costs	432.69	1,031.55
Employee benefits expenses	373.74	320.46
Other Expenses	1,022.15	1,321.28
Loss from continuing operations	(1,354.12)	(2,005.66)
Other exceptional income	1,083.12	1,053.20
Total comprehensive income for the year	(271.00)	(952.46)
Company's Share of profit / loss for the year	(135.50)	(476.23)

* Owing to the company's share of losses exceeding its interest in the joint venture the share of loss stands discontinued. Accordingly company has not recognized share of loss of ₹135.50 lakh for the year (Previous Year ₹476.23 lakh) and ₹6102.19 lakh cumulatively upto the year ended 31.03.2019 (₹5966.70 lakh cumulatively upto the year ended 31.03.2018).

Kerala Enviro Infrastructure Ltd. (KEIL) is a public limited company formed as Special Purpose Vehicle and promoted by the Kerala State Industrial Development Corporation (KSIDC) in association with various industries in the State for establishing Common Treatment, Storage and Disposal Facility (CTSDF) for solid hazardous industrial waste in the State of Kerala.

NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ In Lakh

Summarised financial information of Company's investment in Kerala Enviro Infrastructure Ltd. (KEIL)

Particulars	As at 31.03.2019 (Un Audited)	As at 31.03.2018 (Audited)
Non-Current Assets	1,380.70	1,071.33
Cash and Cash Equivalent	623.66	775.56
Current Assets other than Cash and Cash Equivalents	1,190.79	694.82
Non-Current Liabilities	1,187.59	1,084.81
Current Liabilities	313.02	253.89
Equity	1,694.54	1,203.01
Proportion of the company's ownership	25.66%	25.66%
Carrying amount of the investment	434.86	308.72

Particulars	2018-19 (Un Audited)	2017-18 (Audited)
Income	1,858.09	1,358.51
Cost of materials consumed	25.32	4.40
Changes in inventories	103.13	131.77
Depreciation and amortization expense	38.35	41.94
Finance costs	2.51	-
Employee benefits expenses	170.50	119.22
Other Expenses	861.07	742.11
Profit before Tax	657.21	319.07
Current Tax	164.75	73.31
Profit after Tax	492.46	245.76
Other Comprehensive Income	(0.92)	0.12
Total comprehensive income for the year	491.54	245.88
Company's Share of profit / loss for the year	126.14	63.10

NOTES FORMING PART OF FINANCIAL STATEMENTS

44. SEGMENTAL REPORTING

Segment Information for the year ended 31st March 2019
Information about Primary Business Segments

	₹ in Lakh. Fertiliser	₹ in Lakh. Petrochemical	₹ in Lakh. Others (Unallocated)	₹ in Lakh. Total
REVENUE				
External Revenue	**194695.87** (192311.46)	**7.55** (4.19)	**45944.75** (4396.34)	**240648.17** (196711.99)
TOTAL REVENUE	**194695.87** (192311.46)	**7.55** (4.19)	**45944.75** (4396.34)	**240648.17** (196711.99)
SEGMENT RESULTS				
Profit before Interest and Taxation	**6443.46** (27016.15)	**(3507.60)** (-2118.88)	**43725.70** (-1267.33)	**46661.56** (23629.94)
Unallocated Corporate Expense			**2875.99** (5005.99)	**2875.99** (5005.99)
Operating Profit	**6443.46** (27016.15)	**(3507.60)** (-2118.88)	**40849.71** (-6273.32)	**43785.57** (18623.95)
Interest Expense	**-** (0.00)	**-** (0.00)	**27996.32** (31847.59)	**27996.32** (31847.59)
Interest Income	**-** (0.00)	**-** (0.00)	**524.64** (317.57)	**524.64** (317.57)
Income Tax	**-** **-**	**-** **-**	**-** **-**	**-** **-**
Profit after Interest and Taxation	**6443.46** (27016.15)	**(3507.60)** (-2118.88)	**13378.01** (-37803.34)	**16313.87** (-12906.07)
OTHER INFORMATION				
Segment Assets	**207954.53** (163651.96)	**4328.60** (4840.01)	**20447.32** (13119.73)	**232730.44** (181611.70)
Segment Liabilities	**195269.25** (156643.75)	**4141.41** (3593.31)	**33319.78** (21374.64)	**232730.44** (181611.70)
Depreciation	**3255.29** (1489.87)	**570.63** (163.54)	**-1536.27** (98.82)	**2289.64** (1752.23)
Capital Expenditure	**2076.40** (1480.95)	**55.41** (2.17)	**254.49** (64.43)	**2386.30** (1547.55)

The business segments are:-

Segment	Products
Fertiliser	Ammonium Phosphate, Ammonium Sulphate, Mixtures , MOP
Petrochemical	Caprolactam

Segments have been identified taking into account the organisation structure.
Segment assets and liabilities represents assets and liabilities in respective segments. Share capital,Secured and Unsecured loans, Investments and Accumulated loss are classified as Unallocated.
Figures given in brackets pertains to previous year.

₹ In Lakh

RECONCILIATION OF REVENUE	**2018-19**	**2017-18**
Segment Revenue as above	240648.17	196711.99
Add Interest Income	524.64	317.57
Revenue as per Profit and Loss Statement	**241172.81**	**197029.56**

45. NOTES FORMING PART OF FINANCIAL STATEMENTS

A General Description of Defined Contribution Plan

Contributory Superannuation Scheme-The scheme is aimed to provide superannuation benefits to the employees. Every year company contributes ₹100 to the fund.

B General Description of Defined Benefit Plan

1 Provident Fund

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

During the year an amount of ₹1692.46 lakh (Previous Year₹1747.02 lakh) has been charged to Statement of Profit & Loss towards contribution by the Company. In terms of the Ind AS 19 issued by the Institute of Chartered Accountants of India, the Provident Fund Trust set up by the company is treated as Defined Benefit Plan since the company has to meet the shortfall in the fund assets , if any.

2 Gratuity and Leave Encashment

The company operates gratuity plan where in every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service.The same is payable on death , separation from service or retirement , whichever is earlier. The benefit vests after five years of continuous service.The company has been accounting for provision on account of leave encashment on retirement based on actuarial valuation carried out as at the balance sheet date.

Particulars	₹ in Lakh		₹ in Lakh		₹ in Lakh
a. Changes in the present value of obligations	**Leave encashment (Unfunded)**		**Gratuity (Funded)**		**CLR Gratuity (Unfunded)**
	31-03.2019	31-03.2018	31-03.2019	31-03.2018	31-03.2019
Present value of obligations at the beginning of the year	**9903.56**	**10164.15**	**14540.67**	**11640.69**	**0.00**
Interest cost	**861.21**	**830.18**	**1182.69**	**892.82**	**0.76**
Past service cost	**-**	**-**	-	**3,588.96**	**-**
Current service cost	**1723.10**	**1809.77**	**485.96**	**527.11**	**19.03**
Benefits paid	**(1982.53)**	**(1955.48)**	**(2811.65)**	**(2251.18)**	**0.00**
Acturial loss/(gain) on obligation	**(1266.82)**	**(945.06)**	**116.70**	**142.27**	**328.91**
Present value of obligations at the end of the year	**9238.52**	**9903.56**	**13514.37**	**14540.67**	**348.70**
b. Changes in the fair value of plan assets					
Fair value of plan assets at the beginning of the year	**-**	**-**	**6872.10**	**8567.99**	**0.00**
Expected return on investment	**-**	**-**	**549.76**	**685.44**	**0.00**
Employer's contribution	**-**		**0.28**	**0.18**	**0.00**
Benefits paid	**-**	**-**	**(2811.65)**	**(2251.18)**	**0.00**
Actual return on Plan Asset over Expected Interest	**-**	**-**	**(154.33)**	**(130.33)**	**0.00**
Fair value of plan assets at the end of the year	**-**	**-**	**4,456.16**	**6872.10**	**0.00**
Actual return on investment	**-**	**-**	**549.76**	**685.44**	**0.00**
c. Amount recognised in Balance sheet					
Present value of obligations at the end of the year	**9238.52**	**9903.56**	**13514.37**	**14540.67**	**348.70**
Fair value of plan assets at the end of the year	**-**	**-**	**4,456.16**	**6872.10**	**0.00**
Unfunded net liability recognised in Balance sheet	**9238.52**	**9903.56**	**9058.21**	**7668.57**	**348.70**
d. Expenses recognised in the Statement of Profit and Loss during the year					
Current service cost	**1723.10**	**1809.77**	**485.96**	**527.11**	**19.03**
Past service cost	**-**	**-**	-	**3,588.96**	
Net Interest on Obligation / Asset	**861.21**	**830.18**	**787.26**	**337.71**	**0.76**
Total Expenses recognised in the Statement of Profit and Loss during the year	**2584.31**	**2639.95**	**1273.22**	**4453.78**	**19.79**
Amount Disclosed under Other Comprehensive Income:					
Opening balance	**(3444.60)**	**(2499.55)**	**43.42**	**(98.84)**	**0.00**
Acturial Gain or Loss on Obligation side during the year	**(1266.82)**	**(945.05)**	**116.70**	**142.26**	**328.91**
Closing Amount Disclosed under OCI	**(4711.42)**	**(3444.60)**	**160.12**	**43.42**	**328.91**
Investment details	% invested as at 31st March		% invested as at 31st March		% invested as at 31st March
LIC Group Gratuity (Cash Accumulation) policy	-	-		47.26	
Acturial assumptions					
Mortality rate	(1994-96) Ultimate		LIC (1994-96) Ultimate		(1994-96) Ultimate
e. Discount rate	8.00%	7.50%	8.00%	7.50%	8.00%
Salary escalation rate	5.00%	5.00%	5.00%	5.00%	5.00%
f. Expected rate of return on plan assets	NA	NA	8.00%	8.00%	NA

45. NOTES FORMING PART OF FINANCIAL STATEMENTS

	₹ in Lakh		₹ in Lakh	
	Trust managed Provident Fund Udyogamandal		Trust managed Provident Fund Cochin Division	
a. Changes in the present value of obligations	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Present value of obligations at the beginning of the year	**24874.52**	**24514.32**	**2356.82**	**2818.79**
Interest cost	**2135.02**	**2109.01**	**204.73**	**242.91**
Past service cost	-	-		**-**
Current service cost	**3626.55**	**3696.53**	**404.49**	**435.14**
Benefits paid	**(5747.97)**	**(3983.21)**	**(520.99)**	**(495.39)**
Acturial loss/(gain) on obligation	**(552.74)**	**(1462.13)**	**(271.55)**	**(644.63)**
Present value of obligations at the end of the year	**24335.38**	**24874.52**	**2173.50**	**2356.82**
b. Changes in the fair value of plan assets				
Fair value of plan assets at the beginning of the year	**25172.75**	**29980.72**	**2422.64**	**2873.33**
Expected return on investment	**2013.82**	**2398.46**	**193.81**	**229.87**
Employer's contribution		**-**		**-**
Benefits paid	**(5747.97)**	**(3983.21)**	**(520.99)**	**(495.39)**
Acturial loss/(gain) on plan assets	**4262.57**	**(3223.22)**	**140.38**	**(185.17)**
Fair value of plan assets at the end of the year	**25701.17**	**25172.75**	**2235.84**	**2422.64**
Actual return on investment	**2013.82**	**2398.46**	**193.81**	**229.87**
c. Amount recognised in Balance sheet of the Trust				
Present value of obligations at the end of the year	**24335.38**	**24874.52**	**2173.50**	**2356.82**
Fair value of plan assets at the end of the year	**25701.17**	**25172.75**	**2235.84**	**2422.64**
Unfunded net liability	**(1365.79)**	**(298.23)**	**(62.34)**	**(65.82)**
d. Expenses recognised in the Statement of Profit and Loss during the year of the Trust				
Current service cost	**3626.55**	**3696.53**	**404.49**	**435.14**
Past service cost		**-**		**-**
Interest cost	**2135.02**	**2109.01**	**204.73**	**242.91**
Expected return on investment	**(2013.82)**	**(2398.46)**	**(193.81)**	**(229.87)**
Net acturial (gain) / loss recognised during the year	**(4815.31)**	**1761.08**	**(411.93)**	**(459.46)**
Total Expenses	**(1067.56)**	**5168.16**	**3.48**	**(11.28)**

46. Contingent Liabilities and Commitments (to the extent not povided for):

Contingent Liabilities

₹ in Lakh

Particulars	As at 31.03.2019	As at 31.03.2018
Claims against the company not acknowledged as debts in respect of:		
Central Excise Act, 1944	9,559.30	9,194.55
Service Tax (Finance Act, 1994)	459.66	408.99
Sales Tax / Entry tax	12,606.24	444.96
Income Tax Act, 1961	4.26	82.47
ESI Act	127.83	127.83
Suppliers and contractors #	23,294.03	24,639.62
Payment of Bonus Act,1965	33.59	33.59
Others	1,354.22	2,024.59

47. During the year, Kerala Value Added Tax assessment for the year 2011-12 was completed with differential tax demand ₹12251.80 lakh (including interest) on the disputed turnover. Against this order, company obtained stay from Hon. High Court of Kerala.

48. The contract for the barge transportation of Ammonia awarded to a private company has been cancelled void ab initio during 2004-05 by the Company. The Contractor claimed ₹178489.75 lakh including interest till 31.03.2013 before the arbitrator .The arbitrator has passed an award during the year 2013-14 in favour of the contractor for ₹17308.04 lakh including interest as on 31.12.2013 .As per the award, the mobilisation advance paid by the Company to the contractor along with interest of ₹2798.29 lakh is to be adjusted against the said award. The Company has not accepted the award on legal and factual grounds and has challenged the award before the Hon' District Court which has since stayed the award. During the year, as per the directive of Hon' District Court, the Company has provided 80.50 acres of land as security for the award. Accordingly, the award amount along with interest up to 31.03.2019, amounting to ₹22646.69 lakh without considering the adjustment of mobilsation advance and interest allowed under the arbitral award is not considered as a liability and included under Contingent Liability.

49. In view of the conditions in the directives of the Government of India ,while implementing the wage revision for the period 1997 to 2006, the company is not liable to provide for arrears of salary and wages (net of interim relief paid) for the period from 01.01.1997 to 30.06.2001 and perquisites and other allowances for the period from 20.10.2000 to 30.06.2001, in respect of managerial and non managerial employees. Certain retired managerial employees of FACT have moved the Hon.High Court of Kerala and obtained a directive dt 31.3.2016, by which the company has to frame a scheme towards disbursement of the arrears.The company has appealed against the decision. The Board of Directors of the Company at its meeting held on 25-01-2018 decided to refer the matter to Department of Fertilisers, with a request to remove / review the criteria for payment of arrears. The Hon'ble High Court of Kerala vide its order dated 7th February 2019 directed the Secretary to the Ministry to take a decision adverting to the observations of the Court and the request of the Company pursuant to Board resolution dated 25-01-2018 and to issue appropriate order / proceedings permitting the company to honour the commitments under the wage revision order on such terms as it may find fit to impose. The company is yet to receive any directive from the Secretary, Department of Fertilisers in this regard. Pending order from the Ministry the amount involved is not ascertained.

	As at 31.03.2019	As at 31.03.2018
50. Estimated amount of contracts remaining to be executed on capital account and not provided for.	286.33	468.74

51. Construction Contracts

Income under services for own units reckoned by the Engineering and Consultancy Division (FEDO) and the Fabrication Division (FEW) is accounted by respective units under revenue expenditure ₹ 998.75 lakh (Previous year ₹1156.00lakh), and capital ₹316.11 lakh (Previous year ₹320.00 lakh).

In the case of work being carried out by FACT Engineering and Design Organisation (FEDO), for National Institute of Technology (NIT), Nagaland, as an executing agency, on a cost plus basis, as a deposit work , FEDO is eligible for certain percentage of fees of total project cost . As per technical evaluation, 57.10%(previous year 50%) of work related to consultancy services by FEDO to NIT, has been completed as on 31.3.2019 and pro-rata credit of ₹904.25 lakh (previous year ₹816.65 lakh) has been taken, after considering for ₹292.42 lakh as work in Progress (previous year ₹204.81 lakh towards unearned income). The value of construction work done and certified during the year 2018-19 is taken as ₹1463.75 lakh, (previous year ₹866.66 lakh) and equivalent amount has been considered for direct charges on contract.

Particulars	As at 31.03.2019	As at 31.03.2018
Contract revenue recognised in the period.	2,048.25	1,265.81
Advance received against contract in progress.	9.58	1,800.94
Retention by customers against contract in progress.	40.48	38.89
Aggregate amount of cost incurred and recognised profit (less recognised loss) on contracts in progress upto the reporting date.	2,010.99	1,760.53
Gross amount due from customers for contract work as an asset.	158.51	231.79
Gross amount due to customers for contract work as a liability.	107.28	209.60

52. Foreign Currency Exposure

The details of foreign currency balances which are not hedged as at the Balance Sheet date are as below:-

Particulars	Figures as at 31.03.2019		Figures as at 31.03.2018	
	Foreign Currency	Indian Rupee	Foreign Currency	Indian Rupee
	(in lakh)		(in lakh)	
Trade Payable	USD 37.57	2621.52	USD 81.13	5356.89

53. The Company has a system of obtaining confirmation of balances from Vendors and Customers. Some of the parties confirmed the balances.

54. As the accumulated loss has exceeded the networth as on 31.3.2013,the Company has made a formal reference under Section 15 of the Sick Industrial Companies (Special Provisions) Act , 1985 on adoption of duly audited accounts for the Financial Year 2012-13 in the Annual General Meeting held on 27.12.2013 to Board for Industrial and Financial Reconstruction (BIFR) during February 2014. Consequent to the commencement of provisions of Sick Industrial Companies (Special Provisions) Repeal Act, 2003, BIFR has been dissolved and all pending cases before BIFR stand abated. With effect from 1st December, 2016 provisions relating to corporate insolvency, under the Insolvency and Bankruptcy Code, 2016 have been commenced. The National Company Law Tribunal (NCLT) under the Companies Act, 2013 are also established to deal with inter-alia, matters relating to insolvency of companies. The Company is not required to file any case for insolvency resolution under the Insolvency and Bankruptcy Code 2016 before NCLT at present. During the financial year 2015-16 ,with the objective of carrying on the operations of the company without hindrance, the Government of India has disbursed a plan loan of Rs. 1000 crores on 29/3/2016.This enabled the company to overcome its working capital constraints and improve the operations from the financial year 2016-17. A comprehensive proposal for revival of the company is under the consideration of the Government of India. In addition to this, as apart of financial restructuring, Government of India has accorded approval for sale of 169.689 acres of land to Bharat Petroleum Corporation Ltd. The transaction has alreday been completed and ₹ 43580.27 lakhs has been realised as consideration. In view of the above, Company does not foresee impairment of its operations as a going concern and hence the accounts are prepared on going concern basis.

55. The standalone financial statements were authorized for issue in accordance with a resolution passed by the Board of Directors on 29.05.2019

56. The financial statements as approved by the Board of Directors are subject to audit by Comptroller and Auditor General of India and final approval by its Shareholders.

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

In terms of our Report Attached

For Babu A Kallivayalil & Co.
Chartered Accountants
Firm Registration No. 05374S

Sd/
N.K Alexander
Partner
Membership No.7448

Place: Kochi
Date: 29.05.2019

For and on behalf of the Board of Directors

Sd/
Umesh Dongre
Director (Finance)
DIN 08039073

Sd/
Kishor Rungta
Chairman & Managing Director
DIN 00231106

Sd/
K V Balakrishnan Nair
Company Secretary & Chief General Manager (Finance)

Sd/
Pradeep Kumar.C
Chief Financial Officer

58. NOTES FORMING PART OF FINANCIAL STATEMENTS

INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPH 5 (viii) OF GENERAL INSTRUCTIONS FOR STATEMENT OF PROFIT AND LOSS OF SCHEDULE III TO THE COMPANIES ACT, 2013 FOR THE YEAR ENDED 31.03.2019

1 Value of imported and indigenous raw materials and spare parts consumed and percentage thereof to total consumption.

		Current year	**Percentage**	Previous year	Percentage
B	Spare Parts , Components & Chemicals				
	Imported	**56.14**	**2.06%**	148.11	5.60%
	Indigenous	**2671.39**	**97.94%**	2495.90	94.40%
		2727.53		2644.01	

2	**CIF Value of Imports**	**Current year** **Rs in lakh**	Previous year Rs in lakh
	(i) Raw Materials	**124813.32**	62534.84
	(ii) Traded Products	**0.00**	0.00
	(iii) Spares and other materials	**64.80**	137.35
	(iv) Capital Goods	**0.00**	0.00
		124878.12	62672.19

3 A	**Expenditure in foreign currency (Cash Basis)**		
	(i) Consultancy service	**0.00**	0.00
	(ii) Others	**184.39**	119.74
		184.39	119.74

59. NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ in lakh

COST OF MATERIALS CONSUMED		2018-19				2017-18			
Sl. No.	Particulars	Opening Stock	Purchases	Closing Stock	Consumption	Opening Stock	Purchases	Closing Stock	Consumption
1	Regasified Liquid natural Gas	-	0.00	-	0.00	-	24280.02	-	24280.02
2	Naphtha	-	-	0.00	0.00	237.09	-	0.00	237.09
3	Sulphur - Imported	1,245.30	6244.57	2501.81	4988.06	1669.80	9608.68	1245.30	10033.18
4	Sulphur	1,441.91	11,675.21	770.64	12346.48	-	6150.04	1,441.91	4708.13
5	Rock Phosphate-Imported	233.29	16905.69	2770.39	14368.59	1666.47	6925.87	233.29	8359.05
6	Phosphoric Acid-Imported	85.62	53691.82	4410.97	49366.47	1303.35	34174.74	85.62	35392.47
7	Phosphoric Acid	65.81	-	-	65.81	0.00	6844.44	65.81	6778.63
8	Ammonia - Imported	1,304.29	53267.29	1607.38	52964.20	1210.94	15643.77	1304.29	15550.42
9	Benzene -Imported	10.24	-	10.24	0.00	10.24	-	10.24	0.00
10	Benzene	177.53	-	177.53	0.00	177.53	-	177.53	0.00
11	Caustic Soda**	37.20	-	29.92	0.00	43.33	-	37.20	-
12	Rock Phosphate-18% for mixing	27.35	0.00	27.35	0.00	8.16	19.20	27.35	0.01
13	Sulphuric Acid	9.14	0.00	8.79	0.35	13.41	152.21	9.14	156.49
14	Sulphuric Acid-Imported	-	1016.94	502.39	514.55		-	-	-
	TOTAL	**4637.68**	**142801.52**	**12817.41**	**134614.51**	6340.32	103798.97	4637.68	105495.49

**Closing stock after adjustments for consumption as chemicals of ₹ 7.28 lakh.

FACT
PIONEERS IN PROGRESS

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

FORM AOC-1

(Pursuant to first proviso to sub section (3) of section 129 read with rules 5 of Companies (Accounts) Rules,2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part -A Subsidiaries

NIL

Part-B Associates and Joint ventures

Statement pursuant to Section 129(3) of the Companies Act 2013 related to Associate Companies and Joint ventures

Name of Associates or Joint Ventures	FACT RCF Building Products Ltd.	Kerala Enviro Infrastructure Ltd
Latest audited balance sheet date	31.03.2018	31.03.2019
Date on which the Associate or Joint Venture was associated or acquired	2nd May 2008	4th March 2005
Shares of Associate or Joint ventures held by the Company on the year end (No.)	32870000	3124000
Amount of Investment in Associates or Joint ventures32.87 crore	₹ 32.87 crore	₹ 3.12 crore
Extent of Holding (in percentage)	50%	25.66%
Description of how there is significant influence	50:50 Joint venture One half of the Directors are nominated by FACT	Share holding of 25.66%FACT is nominating one Director on the Board
Reason why the associate/Joint venture is not consolidated	Consolidated	Consolidated
Networth attributable to shareholding as per latest audited Balance sheet	NIL	₹ 4.35 crore
Profit or loss for the year	(₹ 2.71 crore)	₹ 4.92 crore
1. Considered in consolidation	Nil	Nil
2. Not Considered in consolidation*	(₹ 2.71 crore)**	₹ 4.92 crore

*As the entire investment is eroded and fully provided, further losses are not considered for FRBL. The Financial statements of jointly controlled entity are consolidated by applying equity method in accordance with Ind AS 28.
** Provisional and subject to audit

1. Names of associates or joint ventures which are yet to commence operations - NIL
2. Names of associates or joint ventures which have been liquidated or sold during the year - NIL

Sd/-
Kishor Rungta
Chairman & Managing Director

Sd/-
Umesh Dongre
Director (Finance)

Sd/-
K V Balakrishnan Nair
Company Secretary & CGM(Fin)

Sd/-
C Pradeepkumar
Chief Financial Officer

FACT
PIONEERS IN PROGRESS

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

₹ in lakh

DETAILS OF CAPITAL EXPENDITURE INCURRED ON TOWNSHIP AND OTHER SOCIAL OVERHEADS AS REQUIRED BY O.M. No. BPE - 1 (17) / ADV (F) / 69 DATED 5-3-69 FROM THE MINISTRY OF FINANCE (BUREAU OF PUBLIC ENTERPRISES) UPTO 31st MARCH 2019

	Gross Block as at 31-3-2018	Written down value as at 31-3-2018	Additions/ adjustments 2018-19	Depreciation for the year 2018-19	**Depreciated value as at 31-3-2019**
Land (Estimated)	186.18	186.18	0.00	0.00	**186.18**
Staff Quarters etc. in Township	1379.96	366.88	-1.20	7.51	**358.17**
Sewers & Drains	280.85	30.99	0.00	10.64	**20.35**
Hospitals	64.37	13.59	0.00	0.37	**13.22**
Schools	93.43	23.98	0.00	0.58	**23.40**
Shops	12.08	1.97	0.00	0.05	**1.92**
	2016.86	623.59	-1.20	19.15	**603.24**

DETAILS OF MAINTENANCE AND OTHER REVENUE EXPENDITURE ON TOWNSHIP AND OTHER SOCIAL OVERHEADS AS REQUIRED BY O.M.No. BPE-1(17)/ADV.(F)/69 DATED 5-3-69 FROM THE MINISTRY OF FINANCE (BUREAU OF PUBLIC ENTERPRISES)DURING THE YEAR ENDED 31st MARCH 2019

Particulars	Expenditure	Income	**Net Expenditure**
Staff Quarters & Estate Establishment	394.62	688.48	**(293.86)**
Schools	0.58	19.80	**(19.22)**
Medical facilities	950.76	15.52	**935.24**
Other Welfare Expenses	792.55	26.71	**765.84**
Notional interest at 6 % p.a. on capital outlay on Township and overheads	121.01	0.00	**121.01**
	2259.52	750.51	**1509.01**

STATEMENT SHOWING EXPENDITURE ON PUBLIC RELATIONS AND PUBLICITY (AS REQUIRED BY BPE O.M. No. BPE/GL/O42/78 BPE (IR)21(1)/78 DATED 18-12-1978) FOR THE YEAR ENDED 31st MARCH 2019

Particulars	
Salaries and Wages including Provident Fund	19.62
Advertisement Charges	101.28
Propoganda and Publicity	20.12
Exhibition	0.00
Demonstration, Sign Boards, Cost of Fertilisers, Village adoption,Soil Testing and Agronomy Services	1.91
Audio-visual film, Slides production, Projection charges and equipment	0.00
Running and Maintenance Expenses of Publicity vehicles and Travel Expenses	0.00
	142.94

FACT
PIONEERS IN PROGRESS

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

SUMMARISED ACCOUNTS

₹ In Lakh

PARTICULARS	2018-19	2017-18	2016-17
RESOURCES			
Net Worth	**(152369)**	(169504)	(155501)
Borrowings And Deferred Credits	**197171**	194114	189851
Capital Reserve	**59**	61	63
Equity Instruments through OCI	**6540**	**5561**	**4205**
	51400	**30231**	38618
UTILISATION OF RESOURCES			
Fixed Assets	**0**	0	0
Less: Depreciation & Impairment loss	**0**	0	0
Net Fixed Asset	**29605**	**29472**	**29681**
Capital -work- in progress	**1733**	1850	2468
Other non-current assets	**1182**	1018	808
Investments	**6906**	5927	4572
Net Current Assets	**11974**	(8035)	1089
	51400	30231	38618
EARNINGS			
Sale of products and services (net)	**195498**	192867	188328
Accretion/(decretion) to work in progress and finished goods	**7698**	3053	8120
Other Income	**45675**	4162	1804
	248871	200082	198252
OUT GOINGS			
Direct Materials & inputs	**153140**	128130	132063
Employees' remuneration and benefits	**23015**	24942	24397
Other expenses	26097	26060	35464
Depreciation / Impairment loss	**2252**	1715	2130
Finance Cost	**28053**	32142	30466
	232557	212988	224520
Profit/(Loss) for the year	**16314**	(12906)	(26268)
Extraordinary items / Exceptional items: Income/ (Expense)	**0**	0	0
Profit/ (Loss) before tax	16314	(12906)	(26268)
Provision for Taxation	**-**	-	-
Profit/ (Loss) after tax	**16314**	(12906)	(26268)

FACT
PIONEERS IN PROGRESS

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

CHANGES IN FINANCIAL POSITION FOR THE YEAR ENDED 31ST MARCH 2019

₹ in lakh

PARTICULARS	2018-19	2017-18	2016-17
SOURCES OF FUNDS			
Funds generated from operations:			
Profit after tax	**16314**		
Depreciation and Impairment loss	**2252**	**1715**	**2130**
Long term borrowings & liabilities			
Short-term borrowings	**-**	**-**	**-**
Fertilizer Bonds	**-**	**-**	-
Decrease in Working Capital		**9124**	**4269**
	18566	10839	6399
APPLICATION OF FUNDS			
Loss for the year		**12906**	**26268**
Prior Period Adjustments	**0**	**10**	**-5136**
Remeasurement of Fixed Benefit Plan	**-821**	**1087**	**-2598**
Decrease in short term borrowings	**-**	**-**	-
Decrease in Long term borrowings & liabilities	**-3056**	**-4263**	**-12873**
Capital expenditure (net)	**2269**	**888**	**776**
Investment in shares/bonds	**-**	**-**	**0**
Non current assets	**165**	**211**	**-38**
Increase in Working Capital	**20009**	**-**	**-**
	18566	10839	6399

STATEMENT OF CHANGES IN WORKING CAPITAL

PARTICULARS	2018-19	2017-18	2016-17
Cash and bank balance	**1103**	**1147**	**-539**
Inventories	**17326**	**4965**	**4047**
Sundry debtors	**4462**	**(14168)**	**49897**
Other current assets	**27071**	**32118**	**(50832)**
Loans and advances	**-2**	**51**	**-16119**
	49959	24112	-13546
Creditors and other liablities	**29950**	**33235**	**-25**
Increase/(decrease) in Working capital	**20009**	**(9123)**	**(13521)**
	49959	24112	-13546

VALUE ADDED STATEMENT

PARTICULARS	2018-19	2017-18	2016-17
Value of production *	**248871**	**200082**	**198252**
(Including other income)			
Less: Cost of Direct materials & inputs	**153140**	**128130**	**132063**
	95731	71952	66189
Add: Exceptional Items :Income/ (Expense)	**0**	0	0
Value Added	**95731**	**71952**	**66189**
Applied in the following way :			
Employee remuneration and benefits	**23015**	24942	24397
Other operating expenses	**26097**	26060	35464
Depreciation	**2252**	1715	2130
Finance Cost	**28053**	32142	30466
Provision for Income Tax	**-**	-	-
Retained profit/(loss)	**16314**	(12906)	(26268)
	95731	71952	66189
* Net of sales discount/dealer Margin			

10 YEARS FINANCIAL HIGHLIGHTS

₹ in lakh

		2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
		As per Indian Accounting Standard			As per Schedule III of the Companies Act 2013			As per revised Schedule VI of the Companies Act 1956			As per pre-revised Schedule VI of the Co. Act 1956
1	Sales	**140265**	**140651**	133398	119419	136743	143993	152776	174535	139348	115357
2	Subsidy	**58688**	**57655**	57270	52997	65280	83141	90669	126596	115927	100517
3	Income from Contracts & Services	**2048**	**1266**	3912	5592	1213	488	742	975	1045	1110
4	**Turnover (1+2+3)**	**201001**	**199572**	**194580**	**178008**	**203236**	**227622**	**244187**	**302106**	**256320**	**216984**
5	Less: Discount & Excise duty	**5503**	**6705**	6252	4409	5357	6684	12610	14501	10247	6391
6	**Revenue from operations (4-5)**	**195498**	**192867**	**188328**	**173599**	**197879**	**220938**	**231577**	**287605**	**246073**	**210593**
7	Other Income	**45675**	**4162**	1804	2898	1855	1401	1979	3670	3060	5361
8	**Total Income**	**241173**	**197030**	**190132**	**176497**	**199734**	**222339**	**233556**	**291275**	**249133**	**215954**
9	Material Consumed	**136,903**	**108,024**	108741	107980	139440	152490	142464	174918	142879	129037
10	Purchases of Stock-in-trade	**240**	**169**	9868	272	6928	6730	8722	13485	9257	21952
11	Stock: (Accretion)/Decretion	**(7698)**	**(3053)**	(8120)	17904	(59)	(3368)	11044	(4859)	(179)	(9693)
12	Employee benefits expenses	**23015**	**24942**	24397	24965	26278	25754	23871	22473	26805	19486
13	Repairs & Maintenance	**3363**	**3443**	3494	4069	3251	3237	3348	3127	1837	3508
14	Power & Fuel	**11,848**	**16,459**	16681	11998	14876	25925	33382	40312	35496	30068
15	Other Manufacturing Expenses	**26883**	**26095**	28743	28737	24955	24765	26068	21903	18547	17943
16	**Total Expenditure**	**194553**	**176079**	**183804**	**195925**	**215669**	**235533**	**248899**	**271359**	**234642**	**212301**
17	Gross Margin (8-16)	**46619**	**20950**	**6328**	**(19428)**	**(15935)**	**(13194)**	**(15343)**	**19916**	**14491**	**3653**
18	Exceptional Items- Expenses (+)/ Income (-)			0	(1235)	2406	(10407)	(39)	-	821	-
19	Extraordinary items (income)	**-**	**-**	-	-		-	-	-	-	-
20	Finance Cost	**28053**	**32142**	30466	25214	19629	19183	15538	13677	14340	11597
21	Depreciation / Impairment loss	**2252**	**1715**	2130	1812	2021	4526	4554	4259	4263	2427
22	Profit/(Loss) before taxation	**16314**	**(12906)**	**(26268)**	**(45219)**	**(39991)**	**(26496)**	**(35396)**	**1980**	**(4933)**	**(10371)**
23	Provision for taxation	**-**	**-**	**-**	-		-	-	-	-	13
24	**Net profit / (Loss)**	**16314**	**(12906)**	**(26268)**	**(45219)**	**(39991)**	**(26496)**	**(35396)**	**1980**	**(4933)**	**(10384)**
25	Proposed Dividend	**-**	**-**	**-**	-		-	-	-	-	-
26	Tax on Proposed Dividend	**-**	**-**	**-**	-		-	-	-	-	-
27	Net block	**29605**	**29472**	29681	26973	28180	27606	24336	27754	31591	36350
28	Capital work-in-progress	**1733**	**1850**	2468	2186	2486	2383	5313	2510	881	1642
29	Non-Current assets, Loans & Advances	**1182**	**1018**	808	846	788	1871	1853	767	581	-
30	Current assets, Loans & Advances	**193304**	**143345**	119234	132779	131277	154205	136312	157753	130435	128048
31	Current Liabilities & Provisions	**181330**	**151380**	118145	118170	211395	195369	148586	132620	124157	70621
32	Investments	**6906**	**5927**	4572	367	367	2136	2136	1823	13840	28130
33	Misc.expenditure to the extent not w.off	**-**	**-**	-	-		-	-	-	-	-
34	Accumulated Loss	**217077**	**234212**	220208	195660	150441	110450	83954	48558	50538	45605
35	**Total Utilisation**	**268477**	**264443**	**258826**	**240641**	**102144**	**103282**	**105318**	**106545**	**103709**	**169154**
36	**Working Capital (30-31)**	**11974**	**(8035)**	**1089**	**14609**	**(80118)**	**(41164)**	**(12274)**	**25133**	**6278**	**57427**
	Non Current Liabilities :-										
37	Long term borrowings	**179089**	**177049**	177049	162713	16149	18976	21803	24023	22023	12643
38	Long term provisions	**18082**	**17066**	12802	13155	21221	19530	18735	17739	16900	
39	Short term borrowings (1)	**-**	**-**	-	-		-	-	-	-	91721
40	Share Capital (Incl. Pending allotment)	**64707**	**64707**	64707	64707	64707	64707	64707	64707	64707	64707
41	Reserves & Surplus	**-**		-	-		-	-	-	-	-

10 YEARS FINANCIAL HIGHLIGHTS

₹ in lakh

		2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
		As per Indian Accounting Standard			As per Schedule III of the Companies Act 2013			As per revised Schedule VI of the Companies Act 1956			As per pre-revised Schedule VI of the Co. Act 1956
42	Capital Reserve	**59**	**61**	63	65	66	69	73	76	79	83
43	Equity Instruments through OCI	**6540**	**5561**	4205							
44	**Total Sources**	**268477**	**264443**	**258826**	**240640**	**102143**	**103282**	**105318**	**106545**	**103709**	**169154**
45	**Networth (40+41-33-34)**	**(152369)**	**(169504)**	**(155501)**	**(130953)**	**(85734)**	**(45743)**	**(19247)**	**16149**	**14169**	**19102**
46	**Capital employed (27+29+36-38) (2)**	**24678**	**5389**	**18776**	**29273**	**(72371)**	**(31217)**	**(4820)**	**35915**	**21550**	**93777**
47	Finished Goods	**34726**	**27002**	23661	14815	29809	31246	27188	38127	32798	37743
48	Work in progress	**1502**	**1527**	1815	2542	5452	3956	4645	4751	5221	-
49	Raw Materials	**19439**	**10474**	7881	10269	7243	11670	20066	11158	13648	7681
50	Stores,Spares & Loose tools	**9192**	**8604**	9322	10885	12482	14289	14556	11604	9307	8055
51	Materials in transit	**342**	**268**	231	352	146	927	989	10115	400	4105
52	Sundry debtors	**40901**	**36439**	50607	710	1021	1147	826	1125	4846	6125
53	Cash & bank balance	**7467**	**6365**	5218	5757	8839	7737	3237	7017	5523	2818
54	Loans & advances	**52**	**54**	3	16122	14270	14453	15403	18436	17721	15841
55	Other Current Assets	**79683**	**52613**	20495	71327	52015	68780	49402	55420	40971	45680
56	Total (47 to 55)	**193304**	**143345**	119234	132779	131277	154205	136312	157753	130435	128048
57	Current Liabilities	**179550**	**149565**	116652	114116	206807	189720	142905	127841	120225	60427
58	Provisions	**1780**	**1815**	1493	4054	4588	5649	5681	4779	3932	10194
59	Total (57+58)	**181330**	**151380**	118145	118170	211395	195369	148586	132620	124157	70621
60	**Net Working Capital (56-59)**	**11974**	**(8035)**	**1089**	**14609**	**(80118)**	**(41164)**	**(12274)**	**25133**	**6278**	**57427**
61	**Gross Internal resources (21+24-19)**	**18566**	**(11191)**	**(24138)**	**(43407)**	**(37970)**	**(21970)**	**(30842)**	**6239**	**(670)**	**(7957)**
62	**Installed Capacity (MT)**										
	Ammonium Sulphate	**225000**	225000	225000	225000	225000	225000	225000	225000	225000	225000
	Factamphos 20:20	**633500**	633500	633500	633500	633500	633500	633500	633500	633500	633500
	DAP										
	Urea										
	Caprolactam	**50000**	50000	50000	50000	50000	50000	50000	50000	50000	50000
	N	**173050**	173050	173050	173050	173050	173050	173050	173050	173050	173050
	P2O5	**131900**	131900	131900	131900	131900	131900	131900	131900	131900	131900
63	**Production (MT)**										
	Ammonium Sulphate	**141754**	180178	152953	79567	120360	178792	126286	163468	200311	179546
	Factamphos 20:20	**634362**	661973	654361	515435	614004	663787	537081	622256	644454	753744
	DAP						-	-	-	-	-
	Urea						-	-	-	-	-
	Caprolactam	**-**	-	770.00	0		-	15544	37854	44345	42006
	N	**156074**	169511	162381	**119478**	147595	169589	133431	158126	170155	187735
	P2O5	**126872**	132395	130872	**103087**	122801	132757	107416	124451	128891	150749
64	Capacity utilisation (%)										
	N	**90.19**	**97.95**	**93.83**	**69.04**	85.29	98.00	77.11	91.38	98.33	108.49
	P2O5	**96.19**	**100.38**	**99.22**	**78.16**	93.10	100.65	81.44	94.35	97.72	114.29
(1)	Short term borrrowings are included under current liabilities.										
(2)	Does not include capital work- in- progress.										



Shri. Chhabilendra Roul IAS, Secretary (Fertilisers) along with Shri. Kishor Rungta C & MD and senior executives of FACT at FACT Cochin Division, Ambalamedu



Shri. Kishor Rungta C & MD along with trade union leaders and senior executives at Udyogamandal Division in connection with farewell meeting of Shri. D. Nandakumar, Director (Marketing)



Shri. Kishor Rungta, C & MD administring the productivity pledge at Corporate Office Udyogamandal



Shri. Kishor Rungta, C & MD along with Board of Directors

FACT
PIONEERS IN PROGRESS

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

BABU A. KALLIVAYALIL & CO.

CHARTERED ACCOUNTANTS

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E-mail : bakco@vsnl.net; bakco.ca@gmail.com

INDEPENDENT AUDITOR'S REPORT

To the Members of the FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying **Consolidated Financial Statements of the FERTILISERS AND CHEMICALS TRAVANCORE LIMITED** ("the Company") and its jointly controlled entities (the Company and its jointly controlled entities together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended on that date, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, the consolidated profit, consolidated total comprehensive income, consolidated cash flows and its consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit of the consolidated 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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Material uncertainty related to Going Concern

4. We draw attention to Note # 54 of consolidated financial statements. The Group has accumulated loss amounting to ₹2,17,077 lakhs (previous year ₹2,34,212 lakhs) with a negative net worth of ₹1,45,771 lakhs (previous year ₹1,63,883 lakhs). However, the Group has reported net profit of ₹16,314 lakhs during the year, though it is net loss in the earlier years. These conditions indicate the existence of material uncertainty which may cast doubt as to the Group's ability to continue as a going concern. However, the Consolidated Financial Statements of the Group have been prepared on going concern basis.
   Our opinion is not qualified in respect of this matter.

Emphasis of Matter

5.
   a. We draw attention to Note # 19.1 of the consolidated financial statements regarding variance in interest provision of ₹28,178 lakhs on the Government of India (GoI) loans in the Company's books as at year-end, which is higher as compared to the provisional working of the Department of Fertilisers (DoF), GoI, which is pending for reconciliation and confirmation and consequent adjustments, if any, thereof.
   b. We draw attention to Note # 43 of the consolidated financial statements. In respect of jointly controlled entities, FACT-RCF Building Products Limited and Kerala Enviro Infrastructure Limited, the financial statements considered for consolidation is unaudited and we have relied on the financial statements furnished by the Management.
   Our opinion is not qualified in respect of these matters.

Key Audit Matters

6. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Material Uncertainty related to Going Concern section and Emphasis of Matter section, we have determined the matters described below to be the key audit matters to be communicated in our report.

a. Accounting of subsidy income from Government of India under DBT Scheme

Under Direct Benefit Transfer (DBT) scheme of GoI, the Company is entitled to receive subsidy only upon sale of fertilizer by the dealer to the ultimate beneficiary through Point of Sale (PoS) devices. However, the Company continues to account subsidy as income at the time of sale to dealers as in the earlier scheme, considering the reasonable assurance that the sale will take place and subsidy will be received based on experience. Refer Note #27 to the consolidated financial statements.

Auditors' Response

Our principal audit procedures included the following:

- Analysed the scheme framed by the DoF notified through Notification F. No. D(FA)/2016/DBT dated March 17, 2017.
- Reviewed the agreement with dealers.
- Performed analytical review procedures on the subsidy claim lodged by the Company from the inception of the DBT scheme and subsidy accounted by the Company.
- Analysed post Balance Sheet sales through PoS devices in Integrated Fertiliser Management System (iFMS) to assess the sales trend.
- Verified industry practise for accounting of subsidy income in post-DBT period.
- Compliance with Ind AS 20 on 'Accounting for Government Grants and Disclosure of Government Assistance'.

b. Sale of 170 acres of land to BPCL

During the year, the Company has sold 170 acres of land to Bharat Petroleum Corporation Limited (BPCL) for ₹42,979 lakhs. The sale is part of the financial re-structuring of the Company considered in a meeting chaired by the Principal Secretary to the Prime Minister besides it is between two Central Public Sector Undertakings. The sale price was mutually agreed based on the value determined by the District Collector. The sale has the approval of the administrative ministry of the Company and no objection of the Government of Kerala. However, value of the said land as per approved valuer of the Company in 2016 was ₹72,100 lakhs resulting in an apparent lower realisation of ₹29,121 lakhs.

Auditors' Response

Our principal audit procedures on the transaction included the following:

- Valuation by the District Collector.
- Administrative approval of the Ministry of Chemicals and Fertilisers for transfer of land and its price.
- Minutes of the meeting held on June 6, 2017 regarding the sale of 170 acres of land to BPCL held under the chairmanship of Secretary (Fertilisers), GoI, attended by Joint Secretary, Ministry of Petroleum and Natural Gas, GoI and representatives of both the Companies.
- Verified sale deed for 151 acres of land (the sale deed for balance land is yet to be received though executed).
- Receipt of entire sale consideration.
- No objection certificate from Government of Kerala for transfer of land to BPCL.
- Memorandum of Understanding between the Companies for sale of 170 acres of land.
- Valuation report of approved valuer in 2016.

c. Purchase of raw material from single vendor without tender

The Company has been importing raw materials from a single vendor without inviting tender. During the year, the Company has purchased Rock Phosphate for ₹16,906 lakhs (previous year ₹6926 lakhs) and Phosphoric Acid for ₹53,692 lakhs (previous year ₹34,175 lakhs). There is no inter-governmental agreement or memorandum of understanding by the Company with the supplier. According to the Company, the party is providing the materials of required quality at the price for the Indian Market and the Company can procure entire quantity only from the present supplier.

Auditors' Response

Our principal audit procedures on the transaction included the following:

- Evaluated the internal controls relating to import of raw materials.
- Verified the purchase documents, receipt of material and consumption thereof on the selected sample.
- Ensured there is no major rejection of material.
- Compared the import price with indigenous price during the previous year in the absence of any indigenous purchase during the year.
- Compared the price in the international market with that of the Company's purchase price.
- Import purchase is from a Government owned Company.
- Verified the pattern of purchase in earlier years.
- The Company's efforts to enter into a government to government agreement for sourcing the material.
- Brought to the notice of those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and

maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the consolidated financial statements, the respective Management of the companies included in the Group are responsible for assessing the Group'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 the Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

   The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 of internal control.
- Obtain an understanding of internal control 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 Group has adequate internal financial controls 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 ability of the Group 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 consolidated financial statements or, if such disclosures 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

10. 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.
11. 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.
12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

13. We did not audit the financial statements of four areas comprising marketing offices of the Company included in the financial statements of the Company, whose financial statements reflect total fixed assets of ₹105 lakhs (previous year ₹150 lakhs) as at March 31, 2019 and total sales of ₹1,37,953 lakhs (previous year ₹1,37,953 lakhs) for the year ended on that date, as considered in the consolidated financial statements. The Company has submitted certain "financial schedules" only which have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these areas and our report, in so far as it relates to

the aforesaid areas, is based solely on the reports of other auditors.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

14. Based on the verification of books of account of the Company and according to information and explanations given to us, we give in "**Annexure A**" a report on the directions/ additional sub-directions issued by the Comptroller and Auditor General of India (C&AG) in terms of section 143(5) of the Act.
15. As required by Section 143(3) of the Act, based on our audit and our comments on separate financial statements of the jointly controlled entities as noted in the Emphasis of Matter paragraph, we report to the extent applicable that:
    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
    b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept, so far as it appears from our examination of those books, returns and reports of other auditors.
    c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of consolidated financial statements.
    d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015.
    e. Being a government company, the provisions of sub section (2) of Section 164 of the Companies Act, 2013 is not applicable.
    f. With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
    g. 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, in our opinion and to the best of our information and according to the explanations given to us::
    i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. (Refer Notes #46 to #49)
    ii. Provision has been made in the consolidated financial statements as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group, where applicable.
16. Being a Government Company, the provisions of section 197 of the Act with respect to the matters to be included in the Auditors' Report is not applicable.

For Babu A Kallivayalil & Co.
Chartered Accountants
Firm Registration No. 05374S

Sd/-
N K Alexander
Partner
Membership No. 7448

Kochi
May 29, 2019

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Annexure A to the Independent Auditors' Report

(Referred to in paragraph 14 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

AUDIT REPORT ON THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 AS PER DIRECTIONS OF THE C&AG UNDER SECTION 143(5) OF THE COMPANIES ACT, 2013

Sl No.	C & AG Directions	Comments of Statutory Auditor
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, 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 stated.	According to information and explanations given to us and based on the examination of records of the Company, all the accounting transactions of the Company are processed through IT system. As explained to us, there is no accounting transaction being processed outside the IT system.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	According to information and explanations given to us, during the year, there was no restructuring of existing loans of the Company or cases of waiver/write off of debts /loans/interest etc. made by a lender to the Company due to Company's inability to repay the loan.
3	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	According to information and explanations given to us, during the year, the Company has not received any funds received/ receivable for specific schemes of central/ state agencies.
4	State of impact of revision of subsidies for fertilizers products, viz. NPK, Ammonium Sulphate and imported MoP in valuation of its closing stock.	As per company policy for inventory valuation "Finished / trading products are valued at lower of cost or net realizable value in the aggregate, product-wise. Costs of finished / semi-finished / intermediate products are determined based on annual average cost excluding interest and head office and administrative overheads. Cost of finished goods in warehouse includes freight and handling charges". During the year following items are valued at cost, since it is lower than net realizable value. 1. NPK, 2. Ammonium sulphate, 3. Imported MoP. The closing stock of items transferred under non-Direct Benefit Transfer scheme is valued at cost less subsidies received for the same. Hence, during the year the impact of revision of subsidies for fertilizers products, viz. NPK, Ammonium Sulphate and imported MoP is reflected in valuation of its closing stock.

For Babu A Kallivayalil & Co.
Chartered Accountants,
Firm Registration No. 05374S

Sd/-
N.K Alexander
Partner
Membership No. 7448

Kochi
May 29, 2019

FACT
PIONEERS IN PROGRESS

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Annexure B to the Independent Auditors' Report

(Referred to in paragraph 15 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS

under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013

In conjunction with our audit of the consolidated financial statements of **FERTILISERS AND CHEMICALS TRAVANCORE LIMITED** ('the Company') as at March 31, 2019, we have audited the internal financial controls over financial reporting with reference to the financial statements of the Company and its jointly controlled entities ('the Group') as on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Companies included in the Group are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). 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 business, including adherence to the policies of respective companies, the safeguarding 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 ('the Act').

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Group based on our audit. We conducted our audit in accordance with 'the Guidance Note' and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures 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 auditors' 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 Group.

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 the 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.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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 financial controls over financial reporting to future periods 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Group has, in all material respects, reasonably adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting need to be strengthened as at March 31, 2019, based on the internal control over financial reporting criteria established by the respective companies, considering the essential components of internal control stated in 'the Guidance Note' issued by the ICAI. However, we are unable to comment on the adequacy of internal financial controls over financial reporting on the two jointly controlled entities in the Group since their financial statements are unaudited and in the case of two out of four marketing areas, in the absence of any specific reporting by the auditors of these areas.

For Babu A Kallivayalil & Co.
Chartered Accountants
Firm Registration No. 05374S

Sd/-
N K Alexander
Partner
Membership No. 7448

Kochi
May 29, 2019

FACT
PIONEERS IN PROGRESS

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Consolidated Balance Sheet as at 31st March 2019

₹ in Lakh

Particulars	Note No.	As at 31.03.2019	As at 31.03.2018
ASSETS			
NON CURRENT ASSETS			
Property, Plant and Equipment	1	29,453.51	29,462.42
Capital Work in Progress	1A	1,733.44	1,849.59
Investment Property	2	9.50	9.60
Intangible Assets	1B	141.66	0.00
Joint Venture Investments	3A	434.86	308.72
Financial Assets			
Investments	3B	6,471.34	5,618.49
Trade Receivables	4	0.00	0.00
Loans	5	964.26	619.72
Other Financial Assets	6	13.64	13.32
Other Non Current Assets	7	203.94	384.80
		39,426.15	**38,266.66**
CURRENT ASSETS			
Inventories	8	65,200.72	47,874.64
Financial Assets			
Trade Receivables	9	40,900.60	36,438.61
Cash and Cash equivalents	10	642.77	4,612.04
Other Bank Balances	11	6,824.53	1,752.48
Loans	12	52.32	54.49
Other Financial Assets	13	76,307.05	49,367.10
Current Tax Assets	14	513.90	52.00
Other current Assets	15	2,862.40	3,154.27
		193,304.29	**143,305.63**
Assets held for Disposal	16	0.00	39.41
TOTAL ASSETS		**232,730.44**	**181,611.70**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	17	64707.20	64,707.20
Other Equity	18	(210,478.05)	(228,590.21)
		(145,770.85)	**(163,883.01)**
LIABILITIES			
NON CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	19	179,088.75	177,048.75
Provisions	20	17,326.61	16,246.12
Other Non Current Liabilities	21	755.82	819.51
		197,171.18	**194,114.38**

FACT
PIONEERS IN PROGRESS

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Consolidated Balance Sheet as at 31st March 2019

₹ in Lakh

Particulars	Note No.	As at 31.03.2019	As at 31.03.2018
CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	22	47,793.18	50,737.49
Trade Payables	23	41,890.07	42,300.61
Other Financial Liabilities	24	87,780.48	52,661.01
Other Current Liabilities	25	2,086.24	3,865.95
Provisions	26	1,780.14	1,815.27
		181,330.11	**151,380.33**
TOTAL EQUITY AND LIABILITIES		**232,730.44**	**181,611.70**

Statement of significant Accounting Policies A

Explanatory Information on Financial Statements 36-59

In terms of our Report Attached

For Babu A Kallivayalil & Co.
Chartered Accountants
Firm Registration No. 05374S

For and on behalf of the Board of Directors

Sd/
N.K Alexander
Partner
Membership No.7448

Sd/
Umesh Dongre
Director (Finance)
DIN 08039073

Sd/
Kishor Rungta
Chairman & Managing Director
DIN 00231106

Sd/
K V Balakrishnan Nair
Company Secretary & Chief General Manager (Finance)

Sd/
Pradeep Kumar.C
Chief Financial Officer

Place: Kochi
Date: 29.05.2019

FACT
PIONEERS IN PROGRESS

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Consolidated Statement of Profit and Loss for the year ended 31st March 2019

₹ in Lakh

Particulars		Note No.	Year ended 31.03.2019	Year ended 31.03.2018
I	Revenue from Operations	27	195,498.30	192,867.07
II	Other Income	28	45,674.51	4,162.49
III	**Total Income (I+II)**		**241,172.81**	**197,029.56**
IV	Expenses			
	Cost of Materials Consumed	29	136,903.12	108,023.90
	Purchase of Stock in Trade	30	240.21	169.03
	Change in Inventories of Finished Goods, Work in Progress and Stock in Trade	31	(7,697.89)	(3,052.86)
	Employee Benefit Expenses	32	23,014.97	24,942.43
	Finance Cost	33	28,053.29	32,141.63
	Depreciation and Amortization Expenses / Impairment	1,2	2,252.19	1,714.78
	Other Expenses	34	42,093.05	45,996.72
	Total Expenses (IV)		**224,858.94**	**209,935.63**
V	**Profit / (Loss) before Tax (III-IV)**		**16,313.87**	**(12,906.07)**
VI	Tax Expenses		0.00	0.00
VII	**Profit / (Loss) for the Year (V+VI)**		**16,313.87**	**(12,906.07)**
VIII	Other Comprehensive Income			
	(i) Items that will not be reclassified to Profit or loss		978.97	1,355.68
	(ii) Remeasurement of defined benefit plan	18	821.21	(1,087.32)
	(iii) Income Tax relating to items that will not be reclassified to Profit or Loss		0.00	0.00
	Other Comprehensive income for the year (VIII)		**1,800.18**	**268.36**
IX	**Total Comprehensive Income for the year (VII+VIII)**		**18,114.05**	**(12,637.71)**
X	Earnings per Equity Share			
	Basic/Diluted per Equity Share (₹)	35	2.52	(1.99)
	Statement of siginificant Accounting Policies	A		
	Explanatory Information on Financial Statements	36-59		

In terms of our Report Attached

For Babu A Kallivayalil & Co.
Chartered Accountants
Firm Registration No. 05374S

Sd/
N.K Alexander
Partner
Membership No.7448

Place: Kochi
Date: 29.05.2019

For and on behalf of the Board of Directors

Sd/
Umesh Dongre
Director (Finance)
DIN 08039073

Sd/
K V Balakrishnan Nair
Company Secretary & Chief General Manager (Finance)

Sd/
Kishor Rungta
Chairman & Managing Director
DIN 00231106

Sd/
Pradeep Kumar.C
Chief Financial Officer

FACT
PIONEERS IN PROGRESS

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Consolidated Cash flow statement for the year ended 31st March 2019

₹ in Lakh

Particulars		Year ended 31.03.2019	Year ended 31.03.2018
A	**Cash flow From Operating Activities**		
	Net Profit / (Loss) before Tax	16,313.87	(12,906.07)
	Adjustments for:		
	Depreciation / Impairment loss on Assets	2,252.19	1,714.78
	Profit / Loss on Sale of Asset	(43,389.77)	(6.38)
	Interest Income	(524.65)	(317.57)
	Dividend Income	(13.13)	(9.72)
	Interest and Finance Charges	28,053.29	32,141.63
	Provision for bad / Doubtful Debts	156.73	900.56
	Provision for Obsolescence	(402.25)	27.63
	Amount written back off deferred Government Grants	(1.89)	(1.89)
	Operating Profit before Working Capital Changes	**2,444.39**	**21,542.97**
	Adjustment for :		
	Inventories	(16,923.83)	(4,991.46)
	Trade Receivables	(4,559.48)	13,657.15
	Loans	(342.37)	(50.37)
	Other Including Bank balances	(80,803.47)	(33,836.98)
	Trade Payables	(410.54)	10,228.12
	Other liabilities	57,177.65	11,187.23
	Provisions	1,045.36	4,649.29
		(44,816.68)	842.98
	Cash Generation from Operation	(42,372.29)	22,385.95
	Direct Tax Paid	0.00	0.00
	Net Cash from Operating Activities	**(42,372.29)**	**22,385.95**
B	**Cash Flow from Investing Activities**		
	Addition to Fixed Assets	41,121.08	(914.50)
	Purchase of Investments	0.00	0.00
	Change in other Comprehensive Income	1,800.18	268.36
	Change in Retained Earnings (Prior Period adj)	-	-
	Interest Received	524.65	317.57
	Dividend Received	13.13	9.72
	Net Cash from investing Activities	**43,459.04**	**(318.85)**

FACT
PIONEERS IN PROGRESS

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Consolidated Cash flow statement for the year ended 31st March 2019

₹ in Lakh

Particulars		Year ended 31.03.2019	Year ended 31.03.2018
C	**Cash Flow from Financing Activities**		
	Net Proceeds /Repayment of Working capitalfacilities and short term loans	(904.31)	(12,444.10)
	Interest Paid	(4,151.71)	(8,240.05)
	Net Cash from Financing Activities	**(5,056.02)**	**(20,684.15)**
	Net increase in cash and Cash Equivalents (A+B+C)	(3,969.27)	1,382.95
	Cash and Cash Equivalent as at 1st April (Opening Balance)	4,612.04	3,229.09
	Cash and Cash Equivalent as at 31st March (Closing Balance)	642.77	4,612.04
	Closing Cash and Cash Equivalents		
	Represented By :		
	Cash on hand	4.57	2.61
	Balances with banks	125.26	400.01
	Cheques, drafts on hand	0.00	0.05
	Deposit with Bank (less than 3 month maturity)	512.94	4,209.37
	Total	**642.77**	**4,612.04**

In terms of our Report Attached

For Babu A Kallivayalil & Co.
Chartered Accountants
Firm Registration No. 05374S

For and on behalf of the Board of Directors

Sd/
N.K Alexander
Partner
Membership No.7448

Sd/
Umesh Dongre
Director (Finance)
DIN 08039073

Sd/
Kishor Rungta
Chairman & Managing Director
DIN 00231106

Sd/
K V Balakrishnan Nair
Company Secretary & Chief General Manager (Finance)

Sd/
Pradeep Kumar.C
Chief Financial Officer

Place: Kochi
Date: 29.05.2019

FACT
PIONEERS IN PROGRESS

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Statement of changes in equity for the year ended March 31, 2019

A. Equity share capital ₹ in Lakh

Particulars	Opening balance as at 1 Apr 2018	Changes in equity share capital during the year	Closing balance as at 31 Mar 2019
Equity shares of ₹10 each	64,707.20	Nil	64,707.20
Total	**64,707.20**		**64,707.20**

B. Other Equity

Particulars	Reserves and Surplus			Equity Instrument Through Other Comprehensive Income	Total
	Capital Reserve	Retained Earnings	Government Grant		
Balance as on 01.04.2018	2.64	(234,211.63)	58.12	5,560.66	(228,590.21)
Changes in Accounting Policy or prior period errors	-	-	-	-	-
Restated Balance at the beginning of the reporting period	2.64	(234,211.63)	58.12	5,560.66	(228,590.21)
Profit for the year		16,313.87			16,313.87
Other Comprehensive Income for the year (Net of Taxes ; if any)		821.21		978.97	1,800.18
Total Comprehensive Income for the year		17,135.08		978.97	18,114.05
Transfers(if any)			(1.89)		(1.89)
Balance as on 31.03.2019	**2.64**	**(217,076.55)**	**56.23**	**6,539.63**	**(210,478.05)**

In terms of our Report Attached

For Babu A Kallivayalil & Co.
Chartered Accountants
Firm Registration No. 05374S

For and on behalf of the Board of Directors

Sd/
N.K Alexander
Partner
Membership No.7448

Sd/
Umesh Dongre
Director (Finance)
DIN 08039073

Sd/
Kishor Rungta
Chairman & Managing Director
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Sd/
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Company Secretary & Chief General Manager (Finance)

Sd/
Pradeep Kumar.C
Chief Financial Officer

Place: Kochi
Date: 29.05.2019

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

A Statement of Significant Accounting Policy forming part of Consoilidated Financial Statements for the Year ended 31st March 2019

1. Corporate Information

The Company is a public company domiciled in India and is incorporated under provisions of the Companies Act applicable in India. Its shares are listed on one recognized stock exchanges in India. The registered office of the Company is located at Eloor, Udyogamandal, Ernakulam 683501, Kerala.

2. Basis for preparation of financial statements

The Consolidated financial statements of the Company have been prepared in accordance with accounting standards prescribed under Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards)(Amendment) Rules, 2016 and other relevant provisions of the Act.

The Consolidated financial statements have been prepared under the historical cost and on accrual basis, except for the following: -

- Certain financial assets and liabilities measured at fair value
- Certain provisions recognized using actuarial valuation techniques
- Non-current assets classified as "*held for sale*" are measured at the lower of their carrying amount and fair value less cost to sell.

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

The consolidated financial statements relate to the Company [The Fertilisers and Chemicals Travancore Ltd.] and Jointly Controlled Entities FACT RCF Building Products Ltd. (FRBL) and Kerala Enviro Infrastructure Ltd (KEIL)
The accounting policies have been consistently applied by the Company and its Jointly Controlled Entities and are consistent with those used to prepare the opening balance sheet as at the transition date.

The financial statements of the Jointly Controlled Entities used in the consolidation are drawn up to the same reporting date as of the Company i.e. for the year ended 31st March 2018.

Principles of Consolidation:

The financial statements of Jointly Controlled Entities are combined by applying Equity method in accordance with IND AS 28 -"Investment in Associates and Joint Ventures".

The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate Financial Statements. Differences in accounting policies followed by joint venture entity consolidated have been reviewed and no adjustments have been made, since the impact of these differences is not material.

The following Jointly Controlled Entities are considered in the consolidated financial statements:

Name of the Company	Country of Incorporation	Proportion of Ownership Interest as on 31.03.2019	Date of the entity becoming Joint Venture
FACT –RCF Building Products Ltd.	India	50%	2-May-08
Kerala Enviro Infrastructure Ltd	India	25.66%	4-Mar-15

3.Significant Accounting Policies

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. Differences between estimates and actuals are recognized in the period in which they materialize.

i) Property Plant and Equipment

a) All Property, Plant and Equipment are stated at acquisition cost less accumulated depreciation / amortization and cumulative impairment.

b) Land purchased/acquired and under the possession of the company are treated as free hold land.

c) Technical know-how / license fee relating to plant / facilities are capitalized as part of cost of the underlying asset

d) Income approach is adopted for accounting Government grants related to depreciable Property, Plant and Equipment. Grants utilized for acquisition of depreciable Property, Plant and Equipment are treated as Deferred Government Grants and the same is recognized in the Statement of Profit and Loss on a systematic and rational basis over the useful life of the assets.

e) Spares costing (Unit value of ₹10 lacs and above), and other components which are required to be replaced at intervals, meeting the recognition criteria have been classified as Plant and equipment and are depreciated separately based on their specific useful lives.

f) The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

g) Revenue expenses exclusively attributable to projects incurred during construction period are capitalized. However, such expenses in respect of capital facilities being executed along with production / operation simultaneously are charged to revenue.

Financing cost incurred during construction period on loans specifically borrowed and utilized for projects is capitalized upto the date of capitalization.Financing cost, if any, incurred on general borrowings used for projects is capitalized at the weighted average cost. The amount of such borrowings is determined after setting off the amount of internal accruals, if any.

Depreciation

Depreciation is charged on Fixed Assets based on the useful life of assets, prescribed under the Schedule II of the Companies Act 2013.The Company has adopted Straight Line method of depreciation for all the categories of assets, acquired on or after 01st April 2014.

Effective from 1st April, 2014, the Company has reassessed the useful life of its existing fixed assets (considering component approach weherever necessary) and has charged depreciation over the remaining useful lives, after retaining residual value, in accordance with the transitional provisions contained in the Schedule II of the Companies Act 2013.

Residual value of 5% has been retained for all the Fixed Assets, which is in line with the provisions of the Schedule II.

Depreciation is charged @ 100% on the assets with acquisition value of less than Rs.5,000/-, the value being immaterial, considering the size and nature of the business of the Company.

Impairment

An asset is treated as impaired when the carrying amount of assets exceeds its recoverable value. Impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. When the recoverable amount of previously impaired assets exceeds its carrying amount, the value of asset is reinstated by reversing the impairment loss considered in prior years limited to lower of its recoverable value or carrying amount at the depreciated historical cost.

Capital Stores

Capital stores are valued at cost. Specific provision is made for likely diminution in value, wherever required.

Exemption Availed Under Ind AS 101

On transition to Ind AS, Company has elected to continue with the carrying value of all its property plant and equipment existing as at 1st April 2016, measured as per previous GAAP (Indian GAAP) and used that carrying value as the deemed cost of the property plant and equipment.

ii) Capital Work In Progress

Projects under which Property, Plant and Equipment are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

iii) Investment Property

Investment properties are properties that are held to earn rentals and /or for capital appreciation (including property under construction for such purposes) and not occupied by the Company for its own use.

Investment properties are measured initially at cost, including transaction costs and net of recoverable taxes. The cost includes the cost of replacing parts and borrowing costs if recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Depreciation on Investment property, wherever applicable, is provided on straight line basis as per useful lives prescribed in Schedule II to Companies Act, 2013.

Investment properties are derecognised either when they have been disposed off or when they are being occupied by the Company for its own use or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The

difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

Exemption availed under Ind AS 101 :- On transition to Ind AS, the Company has elected to continue with the carrying value of its Investment Property existing as at 1st April 2016, measured as per previous GAAP (Indian GAAP) and used that carrying value as the deemed cost of the same.

iv) Intangible Assets

Technical know-how / license fee relating to production process and process design are recognized as intangible assets and amortised on a straight line method over a period of 5 years or life of the underlying plant / facility whichever is earlier.

Expenditure incurred on Research and Development, other than capital account is charged to revenue.

Costs incurred on computer software purchased/developed resulting in future economic benefits, are capitalized as intangible assets and amortized over a period of 5 years

Exemption Availed Under Ind AS 101

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets existing as on 1st April 2016 measured as per the previous GAAP (Indian GAAP) and use that value as its deemed cost as of the transition date.

The Company has no intangible assets with infinite useful lives.

v) Inventory Valuation

Raw materials and stores and spares are valued at or below cost. Cost being ascertained on moving weighted average method. In cases where there has been a decline in the price of imported and indigenous raw material and it is estimated the cost of finished product will exceed the net realizable value, the materials are written down to net realizable value.

Materials in process are not valued, consistently.

Finished/Trading products are valued at lower of cost or net realizable value in the aggregate, product-wise. Intermediate products are valued at lower of cost or net realizable value derived from finished products and saleable by-product at realizable value. Cost of Finished / semi-finished / intermediate products are determined based on annual average cost excluding interest and Head Office and Administrative Overheads. Cost of finished goods in warehouse includes freight and handling charges.

Materials in transit / under inspection are valued at cost.

Gypsum Valuation

The entire quantity of saleable gypsum is valued at the lowest slab of the approved price for the next financial year reduced by the anticipated loading charges and moisture discount or average of the actual price realized during the year, whichever is lower. For assessing the closing stock of gypsum, the saleable quantity is assessed on the basis of technical study as on 30.09.2018 and the year end stock has been derived by considering production, consumption, despatch and sales, till the year end.

vi) Committments

Capital

Estimated amount of contracts remaining to be executed on capital accounts, above ‘5 lakhs in each case, are considered for disclosure.

Other Commitments

Disclosure is considered in respect of those non-cancellable contractual commitments (i.e. cancellation of which will result in a penalty disproportionate to the benefits involved) based on the professional judgement of the management which are material and relevant.

vii) Borrowing Cost

Borrowing Costs that are specifically identified to the acquisition or construction of qualifying assets are capitalised as part of such asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to Statement of Profit and Loss.

viii) Investments

All equity investments in scope of Ind- AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at Fair Value through Profit and Loss (FVTPL). For all other equity instruments, the Company may decide to classify the same as at Fair Value through Other Comprehensive Income (FVTOCI). The Company makes such election on an instrument-by-instrument basis upon on initial recognition and same is irrevocable. Company is not holding any equity instrument for trading.

Upon classification of equity instruments as at FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investments. The Company may transfer the cumulative gain or loss within equity.

ix) Revenue Recognition

The revenue is recognised as and when control of goods or services is transferred to the customer at the amount which the Company expects to be entitled to. The Company adopted the 'Input method' as per Ind AS 115 for recognition of revenue.

Recognition of subsidy is generally made on the basis of in principle recognition / approval/ settlement of claims by the Government of India as per the policy in force.

Other income is recognized on an accrual basis.

Dividend income is recognized when right to receive dividend is established.

Interest income is recognized when no significant uncertainty as to its realization exists.

Scrap, salvaged / waste materials and sweepings are accounted for on realization.

Claims on underwriters, carriers and on Customs and Central Excise Departments are taken into account on acceptance.

Insurance and other miscellaneous claims are recognized on receipt/ acceptance of claim. Contractual pass through incentives, benefits, etc. are recognized on receipt basis.

x) 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 contract 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.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Operating lease payments are recognized as an expense in the Statement of profit and loss as per lease terms as such payments are structured to increase in line with expected general inflation.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised as revenues as per lease terms since such rentals are structured to increase in line with expected general inflation. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases.

Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

xi) Foreign Currency Transactions:

Receivables and payables in foreign currency as on the reporting date including forward exchange contracts are restated at the rate prevailing at that date.

The premium in respect of forward exchange contracts is recognized in the year of contracts.

Variations arising on account of fluctuations in foreign exchange rates are treated as revenue (gain/loss (-)).

xii) Employee Benefits

Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employee are recognised as an expense during the period when the employees render the services.

Post Employement Benefits

Defined Contribution Benefits

Contributory Superannuation Scheme with an annual contribution of ₹100 by the Company, aimed to provide superannuation benefits to the employees, has been treated as Defined Contribution Plan.

Defined Benefit Plans

The company's contribution to the Provident Fund is remitted to separate trust established for this purposes based on a fixed percentage

of the eligible employees salary and charged to Statement of Profit and Loss. Shortfall, if any, in the fund assets based on the Government specified minimum rate of return will be made good by the company and charged to Statement of Profit and Loss. As a matter of prudence Company provides for certain expenses of the fund such as audit fees & expenses, bank charges etc.

The company operates defined benefit plan for gratuity and leave encashment. The cost of providing such defined benefits is determined using the projected unit credit method of actuarial valuation made at the end of the year and the gratuity fund in respect of regular employees is administered through a fund maintained by insurance company.

Re-measurements, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurements recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

i) service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

ii)net interest expenses or income; and re-measurements

The Company presents the first two components of defined benefit costs in the Statement of profit and loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

xiii) Grants

Government grants in the nature of promoters' contribution are credited to Capital reserve and treated as part of Shareholders funds.

In case of depreciable assets, the cost of the asset is shown at gross value and grant thereon is treated as Capital Grants which are recognized as income in the statement of Profit and Loss over the period and in the proportion in which depreciation is charged.

Revenue grants relating to revenue expenses are deducted from the respective expenses.

In respect of revenue grants released by Government, the treatments in the accounts are considered as per the respective schemes notified by the Government. Other revenue grants relating to revenue expenses are considered as income and credited to statement of Profit and Loss.

xiv) Taxes

Provision for current tax is made in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised using the Balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilties and their carrying amount in financial statements. Deferred tax assets are not recognized unless, in the management judgment there is a virtual certainity supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

xv) Goods and Service Tax

Goods and Service Tax credit on eligible materials is recognised on receipt of such materials and services.

xvi) Segment Reporting

Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis have been included under unallocable corporate expenses.

Investments, advance towards investments and other advances, which are not allocable to segments, are excluded from segment capital employed.

xvii) Contract Operations

In contract operations revenue is recognized on percentage of completion method. The stage of completion is ascertained on the basis of physical evaluation of respective contract activity on the reporting date. Foreseeable losses on contract activities are recognized fully irrespective of the progress of work. The amount of estimated liquidated damages is reduced from revenue.

In the case of Total responsibility jobs/Deposit work/Cost plus contracts, contract revenue is determined by adding the aggregate cost plus fixed percentage fees thereon as agreed with the Customer.

xviii) Errors and Omissions of earlier period

Errors and omissions in individual items of Income and Expenditure relating to an earlier periods, exceeding ₹1 Lakh is accounted in the respective period, if possible, or adjusted against opening retained earnings.

xix) Research and Development Expenses

Research and development expenses (other than cost of fixed assets acquired) are charged as an expense in the Statement of Profit And Loss in the year in which they are incurred.

xx) Provisions, Contingent Liabilities and Contingent Assets

Provision is recognised in the accounts when there is a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote. Show Cause notices issued by various Government Authorities are not considered as Obligation. When the demand notices are raised against such show cause notices and are disputed by the company, these are classified as disputed obligations.

The treatment in respect of disputed obligations, in each case, is as under:

i) a provision is recognized in respect of present obligations where the outflow of resources is probable

ii) all other cases are disclosed as contingent liabilities unless the Possibility of outflow of resources is remote.

Contingent assets are neither recognized nor disclosed in the financial statements.

xxi) Non-current assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any resultant loss on a disposal group is allocated first to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, and biological assets, which continue to be measured in accordance with the Group's other accounting policies. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognized in profit or loss. Once classified as held-for-sale, intangible assets, property, plant and equipment and investment properties are no longer amortized or depreciated.

xxii) Financial Instruments

Financial Assets

Classification

The Company classifies its financial assets in the following measurement categories:those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses arising from fair valuation will either be recorded in profit or loss or other comprehensive income. For nvestments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

Measurement

Initial recognition

The Company measures a financial asset at its fair value and, in the case of a financial asset not at fair value through profit or loss, at fair value including transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent Measurement

Subsequent measurement of financial assets depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its financial assets:

Amortized Cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

Fair value through other comprehensive income (FVOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the

carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income.

Fair value through Profit and Loss(FVTPL)

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit and loss.

Investments in Joint Venture

The results and assets and liabilities of associates or joint ventures are incorporated in the consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IND AS 105.

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not in control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Company's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Company's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Company's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Company recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Company and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Company's net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Company's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Company.

After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Company determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Company measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition as loans and borrowings, payables, derivatives and financial liabilities at fair value through profit or loss. The Company's financial liability consists of trade and other payables, loans and borrowings, bank overdrafts, financial guarantee contracts and derivative financial instruments.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs, if any.

Subsequent measurement

The subsequent measurement of financial liabilities of the Company depending on their classification is described below:

Loans and borrowings including bank overdrafts

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

This category generally applies to interest-bearing loans and borrowings.

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder of the guarantee for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognized less cumulative amortization.

xxiii) Exemption as per Ind AS 101

Company has elected to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition measured as per Indian GAAP and use that as its deemed cost as at date of transition to Ind AS. The same is applicable even for Investment property and intangible assets.

Company has also reviewed the necessary adjustments required to be done in accordance with paragraph D21 of the standard (i.e. adjustments arising on account of decommissioning or restoration liabilities) and has accordingly considered the impact of the same wherever applicable.

The Company has designated unquoted equity instruments held at 1st April 2016 as fair value through OCI.

xxiv) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

xxv) Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed using the weighted average number of equity and dilutive equivalent shares outstanding during the period.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Note No. 1.Non Current Assets - Property, Plant and Equipment (PPE):

₹ in lakh

Particulars	DEEMED COST / COST					DEPRECIATION					IMPAIRMENT LOSS			NET BLOCK	
	As at 01.04.2018	Additions during the year	Disposals/ Deductions during the year	Adjustments during the year	As at 31.03.2019	Upto 01.04.2018	For the year	On Disposals/ Deductions during the year	On adjustments during the year	Upto 31.03.2019	Upto 01.04.2018	(Withdrawal)/ Provision during the year	Upto 31.03.2019	As at 31.03.2019	As at 31.03.2018
Tangible assets															
Land	1,707.49	-	(0.05)	-	**1,707.44**	-	-	-	-	-	-	-	-	**1,707.43**	1,707.50
Buildings	1,331.41	75.72	(13.50)		**1,393.63**	89.12	45.86	(12.18)	-	**122.80**	4.33	(1.20)	**3.13**	**1,267.69**	1,237.97
Plant and Equipment	25,221.63	2,108.81	-	-	**27,330.44**	3,310.99	2,105.83	-	-	**5,416.82**	288.96	(36.25)	**252.71**	**21,660.90**	21,621.69
Furniture and Fixtures	34.11	-	-	-	**34.11**	3.10	1.53	-	-	**4.63**	-	-	-	**29.48**	31.01
Vehicles	78.46	-	-	-	**78.46**	24.94	11.91	-	-	**36.85**	-	-	-	**41.61**	53.52
Office equipment	320.28	34.07	-	-	**354.35**	87.32	64.91	-	-	**152.23**	-	-	-	**202.11**	232.96
Others:-															
Roads & Culverts	338.17	-	-	-	**338.17**	41.92	20.95	-	-	**62.87**	-	-	-	**275.29**	296.25
Railway Sidings	15.62	-	-	-	**15.62**	-	-	-	-	**-**	-	-	-	**15.62**	15.62
Misc. Assets	183.58	12.62	-		**196.20**	46.73	25.13	-	-	**71.86**	-	-	-	**124.34**	136.85
Retired Asset	4,129.05	-	-	-	**4,129.05**	-	-	-	-	**-**	-	-	-	**4,129.04**	4,129.05
Minor Assets	0.24	-	-	-	**0.24**	0.24	-	-	-	**0.24**	-	-	-	-	-
Total	33,360.04	2,231.22	(13.55)	-	**35,577.71**	3,604.36	2,276.12	(12.18)	-	**5,868.30**	293.29	(37.45)	**255.84**	29,453.51	29,462.42
Previous year	32,168.06	1,547.55	(61.01)	(294.56)	**33,360.04**	2,166.49	1,752.14	(19.71)	(294.56)	**3,604.36**	330.74	(37.45)	**293.29**	29,462.42	29,670.86

1.1) Company has agreed to mortgage 408 acres of land vide patta no.7030 in survey no.205 in puthencruz, Ernakulam District ,Kerala state to the Government of India against the plan loan sanctioned by the Government of India during the year 2015-16.

1.2) Out of the total 1980.76 acres (Previous year 2150.50 acres) of land held by the Company, 158.82 acres, value ₹ Nil (Previous year 158.82 acres ,value ₹Nil) are held under lease hold right. Out of this, lease agreement in respect of 14.26 acres (Previous year 14.26 acres) of leasehold land belonging to Cochin Port Trust is under finalization. During the year, 80.50 acres of land has been provided as security towards arbitration award in the dispute between the Company and M/s.ABC & Sons (Refer Note.48). The disposal/deduction of land during the year is towards the value adjusted for 0.04571 acres of land taken over by Government of kerala for Kochi Metro Rail Project.

1.3) Land for ₹512.94 lakh (Previous year ₹512.94 lakh) in respect of which the title deeds are yet to be registered/ received. Certain land owners have since preferred extra compensation claims which are pending before Courts. The liability on this account is not ascertainable. Interest and legal expenses incurred on land acquisition cases are charged to Statement of Profit and Loss of the respective year.

1.4) Cost of Railway siding includes ₹85.43 lakh (Previous year ₹85.43 lakh) , written down value ₹4.27 lakh (Previous year ₹4.27 lakh), held jointly with M/s.Bharat Petroleum Corporation Limited (Kochi Refinery)

1.5) During the year 2013-14, Company had given 4.0558 hectares of land to Kochi Metro Rail Limited on leave and license basis for a period of 2 years from 22.10.2013 to 21.10.2015. The Company has agreed to extend the Leave & license for a further period of four years with the revised area of 4.1344 hectare. However, the leave and license agrement is pending execution.

1.6) Plant and Equipment includes value of 6 nos of Ammonia bullets fixed on the barges of contractor of the company for transportation of Ammonia, of original cost ₹53.30 lakh and accumulated depreciation ₹50.64 lakh, with net value of ₹2.66 lakh.

1.7) ₹37.45 lakh has been withdrawn, shown as reduction from depreciation expenses in the Statement of Profit and Loss towards impairment loss during the FY 2018-19 and cumulative impairment loss is ₹255.84 lakh.

1.8) First charge has been created on 501.68625 acres of land (Previous year 520.47625 acres) and buildings in the States of Kerala, Tamilnadu and Karnataka and First charge on certain Plant and Machinery permanently attached to the above land as a security against loans repayable on demand.

1.9) Includes assets procured with EEC grant amounting to ₹58.67 lakh (previous year ₹59.61 lakh)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹in lakh

Note No. 1A - Capital Work in Progress

	As at 31.03.2019	As at 31.03.2018
Capital Work in Progress	977.79	1646.22
Goods in Transit / Material in Transit/Capital Stores	755.65	203.37
	1733.44	**1849.59**

Note No. 1B Intangible Assets:-

Particulars	DEEMED COST / COST					DEPRECIATION				IMPAIRMENT LOSS			NET BLOCK	
	As at 01.04.2018	Additions during the year	Disposal/ Deduction during the year	Adjustment during the year	As st 31.03.2019	Upto 01.04.2018	For the year	On Disposal/ Deduction during the year	On Adjustment during the year	Upto 31.03.2019	Upto 01.04.2018	(Withdra-wal)/ Provision during the year	Upto 31.03.2019	As at 31.03.2019	As at 31.03.2018
Computer Software	-	155.08	-	-	**155.08**	-	13.42	-	-	**13.42**	-	-	-	141.66	-
Total		**155.08**	**-**	**-**	**155.08**		**13.42**	**-**	**-**	**13.42**	**-**	**-**	**-**	**141.66**	**-**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Note No. 2. Non Current assets - Investment Property ₹ In Lakh

Particulars	As at 31.03.2019	As at 31.03.2018
Opening Balance		
Land	6.50	6.50
Building	3.30	3.30
Total	**9.80**	**9.80**
Addition		
Land	0.00	0.00
Building	0.00	0.00
Total	0.00	0.00
Closing Balance		
Land	6.50	6.50
Building	3.30	3.30
Total	**9.80**	**9.80**
Depreciation		
Building		
Opening Balance	0.20	0.10
Current Year	0.10	0.10
Closing Balance	0.30	0.20
Net Block		
Land	6.50	6.50
Building	3.00	3.10
Total	**9.50**	**9.60**

During the year 2011-12 Company by way of leave and license basis, has made available to M/s. GAIL (India) Ltd. at Udyogamandal/Cochin Division, 2.40 acres of land and right to use of 0.33 acres for laying pipelines for a period of 35 years for an upfront premium of ₹479 lakh and yearly license fee of ₹100. The Leave and license agreement is pending.

The Company by way of leave and license basis made available JNM Hospital building (15300 sq.ft.) and dormitory No. V (25035 sq.ft.) to M/s. Central Institute of Plastics Engineering & Technology for a period of five years from 08.05.2012 to 07.05.2017. The renewal of the agreement is pending for execution.

As per the joint Venture agreement with Rashtriya Chemicals & Fertilisers Ltd (RCF), the Company during 2008-09, has made available, 11 acres of land at Cochin Division on lease basis to M/s. FACT - RCF Building Products Ltd. for a period of 20 years on an upfront premium of ₹1000 lakh and yearly rent of ₹10.

Particulars	As at 31.03.2019	As at 31.03.2018
Rental Income from investment property	99.12	99.12
Direct operating expenses to income generating property	0.00	0.00
Less:Reimbursement of expenses	0.00	0.00
Profit arising from Investment Property before depreciation	99.12	99.12
Depreciation	0.10	0.10
Profit arising from Investment Property	**99.02**	**99.02**

Reconciliation of fair value

Particulars	As at 31.03.2019	As at 31.03.2018
Fair Value of Investment property		
Opening Balance		
Freehold Land	1,490.58	1,355.07
Buildings	26.42	26.42
Total	**1,517.00**	**1,381.49**
Additions/(Deletions)		
Freehold Land	-	135.51
Buildings	0.00	0.00
Total	**-**	**135.51**
Closing Balance		
Freehold Land	1,490.58	1,490.58
Buildings	26.42	26.42
Total	**1,517.00**	**1,517.00**

Fair Value of Freehold Land is based on the notification issued by the Government of Kerala in their website. Management assumes the orginal cost of the Building as fair value.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakh

Note No. 3A. Joint Venture Investments		
Particulars	**As at 31.03.2019**	**As at 31.03.2018**
FACT-RCF Building Products Ltd		
3,28,70,000 (Previous year 3,28,70,000) Equity Shares of ₹10/- each	0.00	0.00
Kerala Enviro Infrastructure Ltd		
31,24,000 (Previous year 31,24,000) equity shares of ₹10/- each fully paid-up	434.86	308.72
	434.86	**308.72**
Investment in Joint Venture	**434.86**	**308.72**
*Reconciliation of fair value measurement of the investment in unquoted equity shares		
FACT-RCF Building Products Ltd		
3,28,70,000 equity shares (Previous Year 3,28,70,000) of ₹10 each	0.00	0.00
Carrying Value		
Kerala Enviro Infrastructure Ltd		
*Reconciliation of fair value measurement of the investment in unquoted equity shares		
Opening balance	308.72	245.62
Total Gains and losses recognised in OCI	126.14	63.10
Closing Balance	434.86	308.72
Note No. 3B Non Current Asset - Financial Assets - Investments		
Travancore Cochin Chemicals Ltd.,		
6,81,820(Previous year 6,81,820)Equity Shares of ₹10/- each including 3,40,910 Bonus shares.	134.69	94.31
Capexil Agencies Ltd.		
15 (Previous year 15) Equity Shares of ₹1000/- each fully paidup	0.00	0.00
Indian Potash Ltd.		
6,48,000 (Previous year 3,24,000) Equity Shares of ₹10/- each fully paid-up in, including 4,59,000 (previous year 135000) Bonus Shares	6,335.63	5,523.16
	6,470.32	**5,617.47**
Shares in Co-Operative Societies:		
FACT Co-operative Society Ltd		
10,001 (Previous year 10,001) shares of ₹10/- each fully paid-up	1.00	1.00
Meherabad Co-operative Housing Society Ltd		
7 (Previous year 7) shares of ₹100/- each fully paid-up	0.01	0.01
Good Earth Housing Society Ltd.		
10 (Previous year 10) shares of ₹50/- each fully paid-up ₹500 (Previous year Rs 500)	0.01	0.01
	1.02	1.02
Total Investments	**6,471.34**	**5,618.49**
Aggregate amount of unquoted investments	6,906.20	5,927.21
Aggregate amount of impairment in the value of investments	0.00	0.00
*Reconciliation of fair value measurement of the investment in unquoted		
Travancore Cochin Chemicals Ltd		
Opening balance	94.31	4.89
Total Gains and losses recognised in OCI	40.38	89.42
Closing Balance	134.69	94.31

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakh

Capexil Agencies Ltd.		
*Reconciliation of fair value measurement of the investment in unquoted		
Opening balance	0.00	0.00
Total Gains and losses recognised in OCI	0.00	0.00
Closing Balance	0.00	0.00
Indian Potash Ltd		
*Reconciliation of fair value measurement of the investment in unquoted		
Opening balance	5,523.16	4,320.00
Total Gains and losses recognised in OCI	812.47	1,203.16
Closing Balance	6,335.63	5,523.16

Note : Shares of Co-operative societies are retained at book value.

Note No. 4. Non current Assets - Financial assets- Trade Receivables

₹ In Lakh

Particulars	**As at 31.03.2019**	**As at 31.03.2018**
From related party		
Considered doubtful	280.42	240.56
Less: Provision for Doubtful Debts	280.42	240.56
	0.00	**0.00**
Others		
Secured		
Considered doubtful	1,530.96	1,666.57
Less Provision for Doubtful Debts	1,530.96	1,666.57
	0.00	0.00
	0.00	**0.00**

The disclosure of movement as required under Ind. Accounting Standard 37 Provisions, Contingent Liablities and Contingent Assets

Allowance for doubtful Trade receivables

Particulars	**As at 31.03.2019**	**As at 31.03.2018**
Provision at the beginning of the year	1,907.13	1,395.95
Provisions released during the year	193.24	-
Provisions made during the year	97.49	511.18
Provision at the end of the year	**1,811.38**	**1,907.13**

Note No. 5. Non current Assets - Financial assets-Loans

Particulars	**As at 31.03.2019**	**As at 31.03.2018**
Security deposit		
Un Secured Considered Good	957.33	611.38
	957.33	611.38
Loan to Employees		
Un Secured Considered Good	6.93	8.34
	6.93	8.34
	964.26	**619.72**

Note :Loans to employees ₹6.93 lakh (Previous year ₹8.34 lakh) towards festival advance paid during 1996-97, and is being recovered at the time of seperation from company's service.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Note No. 6. Non current Assets - Financial assets- Other Financial Assets ₹ In Lakh

Particulars	As at 31.03.2019	As at 31.03.2018
Advances to Related Parties		
Considered doubtful	3,819.34	3,803.20
Less : Provision	3,819.34	3,803.20
	0.00	0.00
Advance to Others		
Un Secured Considered Dobutful	14,249.70	11,661.97
Less : Provision for Doubtful Advances	14,249.70	11,661.97
	0.00	0.00
Other Deposits	13.64	13.32
	13.64	**13.32**

The disclosure of provisions movement as required under Indian Accounting Standard 37 Provisions, Contingent Liablities and Contingent Assets

Allowance for bad & doubtful Loans and advances

Particulars	As at 31.03.2019	As at 31.03.2018
Provision at the beginning of the year	15,465.17	14,137.83
Provision released during the year	(43.09)	(1,216.50)
Provisions made during the year	2,646.96	2,543.84
Provision at the end of the year	**18,069.04**	**15,465.17**

Provision for doubtful loans and advances include ₹14102.31 lakh (Previous year ₹11514.60 lakh) towards interest accrued on mobilisation advance given to a private company. Pending litigation, equivalent provision has been made towards interest beyond the amount considered recoverable .

Note No. 7. Non current Assets - Financial assets- Other Non Current Assets

Particulars	As at 31.03.2019	As at 31.03.2018
Capital Advances (Un Secured Considered Good)	138.65	305.80
Tax Deducted at source including Advance Tax (net of Provision)	65.29	79.00
	203.94	**384.80**

Deferred tax assets (net)

The Company has deferred tax asset of ₹240534 lakh (Previous year ₹212611 lakh) as on 31.03.2019 because of unabsorbed depreciation and accumulated loss. The deferred tax liability as on 31.03.2019 is ₹18756 lakh (Previous year ₹18824 lakh). Since there is net deferred tax asset as on 31.03.2019, as a matter of prudence the deferred tax asset is not considered in the Accounts. The net impact (favourable) in tax on account of this comes to ₹68530 lakh(Previous year ₹59880 lakh)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Note No. 8. Current Assets - Inventories ₹ In Lakh

Particulars	As at 31.03.2019	As at 31.03.2018
Raw Materials	12,817.41	4,637.68
Raw materials-in -transit	6,621.17	5,835.84
	19,438.58	10,473.52
Work-in-progress	1,501.58	1,527.09
Finished Goods	34,681.71	26,476.67
Stock-in-trade (in respect of goods acquired for trading)	44.09	525.73
Stores and Spares		
Machinery Spares	9,072.96	9,637.77
General Stores	3,067.27	2,316.47
Stores & Spares-in -transit	342.47	267.58
	12,482.70	12,221.82
Retired Spares	453.50	453.50
Total Inventories	**68,602.16**	**51,678.33**
Less: Provision towards obsolescence and storage losses	3,401.44	3,803.69
	65,200.72	**47,874.64**

Notes

1. Inventories along with other Current Assets is pledged as Primary Security for Working Capital arrangement with Consortium of Banks amounting to ₹112962 Lakh (Fund Based ₹68250 lakh and Non Fund Based ₹44712 lakh)
2. Inventory of raw material, stores and spares and work in progress are valued at cost. The finished goods are valued at lower of cost or realisable value.
3. Finished Goods includes 22.38 lakh MT of saleable gypsum (Previous Year ₹27.63 lakh MT) amounting to ₹8762.01 lakh (Previous year ₹9119.39 lakh) valued as per Accounting policy.
4. Stores & Spares in transit includes Stores & Spares at site pending inspection ₹279.67 lakh (Previous year ₹218.81 lakh)

The disclosure of provisions movement as required under Indian Accounting Standard "Provisions, Contingent Liabilities and Contingent Assets"

Provision towards obsolescence and storage losses (including provision towards Retired spares)

Particulars	As at 31.03.2019	As at 31.03.2018
Provision at the beginning of the year	3,803.69	3,776.06
Provisions made during the year	0.00	27.63
Released during the year	(402.25)	0.00
Provision at the end of the year	**3,401.44**	**3,803.69**

Note No. 9. Current Assets - Financial assets-Trade Receivables

Particulars	As at 31.03.2019	As at 31.03.2018
Subsidy Receivable		
Unsecured Considered good (Refer Note No.22)	40,381.82	36,001.67
	40,381.82	36,001.67
Sundry Debtors		
Secured , considered good	4.62	6.28
Unsecured , considered good	514.16	430.66
	518.78	436.94
	40,900.60	**36,438.61**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Note No. 10. Current Assets - Financial assets-Cash and Cash Equivalents ₹ In Lakh

Particulars	As at 31.03.2019	As at 31.03.2018
Balances with Banks	125.26	400.01
Cheques , Drafts on hand	0.00	0.05
Cash on hand	4.57	2.61
Short Term Deposit with Banks (original maturity less than three months)	512.94	4,209.37
	642.77	**4,612.04**

Cash and bank balances include ₹0.15 lakh (Previous Year ₹0.15 lakh) being the balance of amount received from clients for execution of jobs on Total Responsibility basis and ₹ 9.58 lakh (Previous year ₹1683.06 lakh) towards work on Deposit basis, lying in a specified account to meet the matching liabilities under Current Liabilities.

Note No. 11. Current Assets - Financial assets-Other Bank Balances

Particulars	As at 31.03.2019	As at 31.03.2018
Deposit with Banks towards Margin money	6,824.53	1,752.48
(Original maturity less than twelve months)	**6,824.53**	**1,752.48**

Note No. 12. Current Assets - Financial assets-Loans

Particulars	As at 31.03.2019	As at 31.03.2018
Security Deposits:		
Unsecured , considered good	52.32	54.49
	52.32	**54.49**

Note No. 13. Current Assets - Financial assets-Other financial assets

Particulars	As at 31.03.2019	As at 31.03.2018
Foreign Currency Receivable on Forward Contract	30,216.40	15,652.25
Dues from Statutory Authorities	33,894.89	21,756.43
Amount receivable against Service Orders	640.19	1,199.54
Other Accrued Income	10,841.64	9,567.79
Amount receivable from LIC under group Gratuity scheme	330.72	297.79
Township Dues	383.21	893.30
	76,307.05	**49,367.10**

Dues from statutory authorities include (i) ₹19622.25 lakhs (Previous year ₹ 6923.61 lakhs) towards refundable Input Tax credit (ITC) on account of inverted duty structure, as per the provisions of Goods & Service Tax (ii) ₹4100.11 lakh (Previous year ₹4044.53 lakh) towards Kerala Value Added Tax paid on procurement of Regasified Liquified Natural Gas, and (iii) ₹ 72.97 lakh (Previous Year ₹72.97 lakh) towards the amount paid against disputed demands pending appeal.

Other Accrrued income includes ₹9940.73 lakh (Previous Year ₹8570.63 lakhs) towards unclaimed DBT subsidy. (Refer Note No.27)

Note No. 14. Current Assets - Current Tax Assets

Particulars	As at 31.03.2019	As at 31.03.2018
Tax Deducted at Source	**513.90**	**52.00**
	513.90	**52.00**

Note No. 15. Current Assets - Financial assets-Other Current assets

Particulars	As at 31.03.2019	As at 31.03.2018
Contractors	2,090.62	2,490.64
Employees	160.49	189.34
Pre Paid Expenses	592.36	333.64
Others	18.93	140.65
	2,862.40	**3,154.27**

Dues from Contractors include amount paid for materials supplied but rejected by the Company pending settlement ₹28.77 lakh (Previous year ₹8.63 lakh) and an amount of ₹1353.19 lakh (Previous year ₹1353.19 lakh) including interest considered as recoverable on the basis of a bank guarantee invoked by the Company but stayed till the completion of arbitration. The Arbitration Award was passed during the year 2013-14, as per which the company is entitled to adjust an amount of ₹2798.29 lakh towards this advance and interest from the dues claimed by the contractor. The Company has gone on appeal against the award before the Hon' District Court which has since stayed the award. Accordingly the Company demanded the bank to send the proceeds of encashment of bank guarantee along with interest. The bank rejected the claim and consequently the Company filed a suit against the bank before the Hon. High court of Mumbai for realization of amount, which is pending. However an amount of ₹1353.19 lakh only has been retained pending disposal of the case.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Note No. 16. Current Assets - Financial assets- Non Current Assets held for Disposal ₹ In Lakh

Particulars	As at 31.03.2019	As at 31.03.2018
Land Held for Sale	0.00	39.41
	0.00	**39.41**

Company has sold during the year 2018-19, 169.689 Acres of land at Ambalamedu, to M/s. Bharat Petroleum Corporation Limited.

Note No. 17. Equity- Equity Share Capital ₹ In Lakh

Particulars	As at 31.03.2019	As at 31.03.2018
Authorised:		
100,00,00,000 (Previous year 100,00,00,000) Equity Shares of ₹10/-each	100,000.00	100,000.00
Issued, Subscribed and fully Paid up:		
64,70,71,974 (Previous year 64,70,71,974) Equity Shares of ₹10/- each fully paid up	**64,707.20**	**64,707.20**

Reconciliation of the shares outstanding at the beginning and at the end of the Financial Year

Particulars	As at 31.03.2019	As at 31.03.2018
No. of shares at the beginning of the year	647,071,974	647,071,974
No. of shares issued during the year	Nil	Nil
No. of shares at the end of the year	647,071,974	647,071,974

Notes

1. Rights , Preference and restrictions attached to each class of shares including restrictions on the distribution of dividends and the repayment of capital. - **Nil / Not Applicable**
2. Shares held by shareholders holding more than 5% of shares:

Particulars		As at 31.03.2019	As at 31.03.2018
The Government of India	- No of shares	582,364,776	582,364,776
	- Percentage of Total Shares	90.00%	90.00%
Special National Investment Fund constitued by the Government of India	- No of Shares	55,400,424.00	55,400,424.00
	- Percentage of Total Shares	8.56%	8.56%

3. In order to comply with the minimum public shareholding norms, the Government of India have transferred 55400424 equity shares of ₹10 each to Special National Investment Fund on 6th August 2013.
4. Shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.

I.	Aggregate number and class of shares alloted as fully paid up pursuant to contract(s) without payment being received in cash	Nil	Nil
II.	Aggregate number and class of shares alloted as fully paid up by way of Bonus shares	Nil	Nil
III.	Aggregate number and class of shares bought back	Nil	Nil

5. Terms of any securities convertible into equity / preferential shares issued along with the earliest date of conversion - NIL

Note No. 18. EQUITY - Other Equity ₹ In Lakh

Particulars	As at 31.03.2019	As at 31.03.2018
Capital Reserves:		
Subsidy from Kerala State Government under Industrial Housing Scheme	2.64	2.64
	2.64	**2.64**
Other Reserves:		
Deferred Government Grant :		

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakh

Indo EEC Fertiliser Education Project		
Particulars	**As at 31.03.2019**	**As at 31.03.2018**
Opening balance	55.46	56.40
Less: Amount written off during current year	0.94	0.94
Closing balance	54.52	55.46

Bio-Fertiliser Project		
Particulars	**As at 31.03.2019**	**As at 31.03.2018**
Opening balance	2.66	3.61
Less: Amount written off during current year	0.95	0.95
Closing balance	1.71	2.66

Equity Instruments through other Comprehensive Income		
Particulars	**As at 31.03.2019**	**As at 31.03.2018**
Opening Balance	5,560.66	4,204.98
Changes During the Year	978.97	1,355.68
Closing Balance	**6,539.63**	**5,560.66**

Retained Earnings:		
Particulars	**As at 31.03.2019**	**As at 31.03.2018**
Opening balance	(234,211.63)	(220,208.22)
Add Changes in Accounting Policy / Prior Period items as per Ind AS	0.00	(10.02)
Add :Profit/ (Loss) during the year	16,313.87	(12,906.07)
Add: Remeasurement of defined benefit plan	821.21	(1,087.32)
Closing balance	**(217,076.55)**	**(234,211.63)**
Other equity	**(210,478.05)**	**(228,590.21)**

Note No. 19. Non Current Liabilities - Financial Liabilities - Borrowings		
Particulars	**As at 31.03.2019**	**As at 31.03.2018**
Term loans		
Secured		
From the Government of India (Refer Note 1 below)	177,048.75	177,048.75
Intercorporate loan from M/s.Rashtriya Chemicals & Fertilisers Ltd	2,040.00	-
	179,088.75	**177,048.75**

1. A plan loan of ₹100000.00 lakh bearing interest @13.50% per annum was released by the Government of India (GOI) on 29th March 2016 to maintain the operations of the company. Accordingly, ₹100000.00 lakh along with the earlier loan and interest outstanding has been converted into a single loan carrying interest @ 13.50% per annum with one year moratorium for payment of interest. As per the letter dated 12.01.2016, of the Ministry of Finance, GOI, sanctioning the loan, the total outstanding liability of the company is Rs.183672.00 lakh. The company entered into an agreement with the Department of Fertilizers(DOF), GOI, agreeing to mortgage 408 acres of company's land to secure repayment the entire loan together with interest at the rate of 13.50% per annum on the amount outstanding as on 31.03.2017. The loan amount was reconciled and loan outstanding has been arrived at ₹177048.75 lakh as on 31.03.2017. The loan along with interest is repayable in three or more equated installments within a period of 5 years ending by 2022. As per the terms of the sanction of the loan the entire repayment can be made during the years 2020-21 and/or 2021-22 in three or more equated installments. Accordingly, the entire amount of principal ₹177048.75 lakh has been classified under 'Non – Current Liabilities – Financial Liabilities – Borrowings'. The outstanding principal and interest is pending reconciliation and confirmation with the balance of Government of India and consequential adjustment thereon.

2. The Company and M/s.Rashtriya Chemicals & Fertilisers Ltd(RCF) had provided Corporate Guarantee to the lenders of M/s.FACT-RCF Building Products Ltd-the 50:50 joint venture between the Company and RCF. During the year, RCF has settled the entire liability to the bankers, to the extent of ₹5100 lakhs including 50% share of the Company ₹ 2550 lakhs on the condition that the Company shall treat the amount paid by RCF on behalf of the Company as Inter-Corporate loan with a repayment period of five years. The principal amount payable ₹510 lakhs (Previous year -Nil) during the year 2019-20 has been classified under 'Current Liabilities - Financial Liabilities -Other Financial Liabilities' . The remaining amount has been classified under Non Current Liabilities - Financial Liabilities - Borrowings. Interest rate applicable on the loan for the year 2018-19 is 8.35% p.a.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS ₹ In Lakh

Note No. 20. Non Current Liabilities - Provisions

Particulars	As at 31.03.2019	As at 31.03.2018
Provision for employee benefits		
(i) Provision for gratuity	9,384.59	7,668.55
(ii) Provision for leave encashment	7,737.59	8,388.29
Decommissioning of Assets in Leased Properties	204.43	189.28
	17,326.61	**16,246.12**

Note No. 21. Non Current Liabilities - Other Non current Liabilities

Particulars	As at 31.03.2019	As at 31.03.2018
Advance Rent Received	755.82	819.51
	755.82	**819.51**
As on 1st April	(883.20)	(946.89)
Released to Profit and Loss account	63.69	63.69
As at 31st March	(819.51)	(883.20)
Current	63.69	63.69
Non Current	755.82	819.51

Note No. 22. Current Liabilities - Financial Liabilities -Borrowings

Particulars	As at 31.03.2019	As at 31.03.2018
Secured :		
Loans repayable on demand		
From Banks		
Cash credit	34,941.12	32,267.10
Loan against Subsidy receivables	12,852.06	16,149.00
Libor Linked Buyers Credit	0.00	2,321.39
	47,793.18	**50,737.49**

Secured by (a) Hypothecation of current / movable assets viz. stock of raw materials, trade receivables, stores and spares, semi-finished goods, finished goods, receivables etc. (b) First charge on 501.68625 acres of land (Previous year 520.47625 acres) and buildings in the States of Kerala, Tamilnadu and Karnataka (c) First charge on certain Plant and Machinery permanently attached to the above land. Rate of interest on Cash credit varies from 12 .00% to 13.15 % p.a (Previous year from 12.00 % to 13.65 % p.a) and is repayable on Demand (Previous year- On demand).

'Loan against Subsidy receivables' relates to loan availed from Punjab National Bank (Previous year-State Bank of India) under the Special Banking Arrangement scheme of Govt. of India, at interest rate of 8.20% p.a (Previous year 7.80% p.a), secured by subsidy due for the months of September 2018 to December 2018(Previous year September 2017 to December 2017). As per Office Memorandum No.23011/05/2018-P&K dated 25.02.2019 ,issued by the Government of India, interest at the rate of 0.48% Per Annum (Previous year 0.96%Per Annum) is to be borne by the company.

Note No. 23. Current Liabilities - Financial Liabilities - Trade Payables

Particulars	As at 31.03.2019	As at 31.03.2018
Trade payables		
(i) Due to Micro,Small and Medium Enterprises (Refer Note: 38)	173.65	49.45
(ii) Others	41,716.42	42,251.16
	41,890.07	**42,300.61**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Note No. 24. Current Liabilities - Financial Liabilities -Other Financial Liabilities ₹ In Lakh

Particulars	As at 31.03.2019	As at 31.03.2018
Current maturities of Long-term debt :		
Intercorporate loan from M/s.Rashtriya Chemicals &		
Fertilisers Ltd (Refer Note 19.2)	510.00	0.00
Interest accrued on borrowings (Refer Note 19.1)	47,803.16	23,901.58
(Term Loan from Government of India)		
Liability on Corporate Guarantee (Refer Note 19.2)	0.00	2,550.00
Unclaimed matured fixed deposit	0.00	0.49
Amount payable to banks on forward Contracts	31,034.59	15,546.05
Dues to employees	370.21	89.83
Trade Deposit from customers	2,690.65	2,377.66
Statutory dues	824.67	1,066.23
Other liabilities	4,547.20	7,129.17
	87,780.48	**52,661.01**

Note No. 25. Current Liabilities - Other Current Liabilities

Particulars	As at 31.03.2019	As at 31.03.2018
Income accrued but not due	17.08	-
Advance from Customers	2,005.47	3,802.26
Advance Rent Received	63.69	63.69
	2,086.24	**3,865.95**

Note No. 26. Current Liabilities - Provisions

Particulars	As at 31.03.2019	As at 31.03.2018
Provision for employee benefits		
(i) Provision for gratuity	22.31	-
(ii) Provision for leave encashment	1,500.92	1,515.27
Provision towards other Contractual Obligation	256.91	300.00
	1,780.14	**1,815.27**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS ₹ In Lakh

Note No. 27. Revenue from operations

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Sale of products		
Own Products	139,292.17	137,862.54
Traded Products	973.16	2,788.62
	140,265.33	140,651.16
Less : Sales discount/Dealer margin	(5,503.14)	(6,705.39)
	134,762.19	133,945.77
Subsidy/Concession on Fertilisers	58,687.86	57,655.49
	58,687.86	57,655.49
Sale of Services		
Gross income from contracts and other services	2,048.25	1,265.81
Total Revenue from operations	**195,498.30**	**192,867.07**
Sale of own products comprises of:		
Ammonium Sulphate	17,587.62	21,669.38
Factamfos 20-20-0-13	119,304.67	113,554.09
Mixed Manures	3.97	84.03
Caprolactam	0.00	0.00
Gypsum	2,084.35	1,860.88
Others	311.56	694.16
Total	**139,292.17**	**137,862.54**
Sale of traded products:		
Muriate of Potash	35.04	894.54
Imported Complex Fertiliser (20:20:0:13)	555.12	1,594.32
Organic Manures	383.00	299.76
Total	**973.16**	**2788.62**
Subsidy/Concession on Fertilisers		
Factamfos 20-20-0-13	50,868.34	47,945.45
Ammonium Sulphate	7,792.33	9,204.28
Muriate of Potash	(142.04)	0.00
Imported Complex Fertiliser (20:20:0:13)	28.67	417.93
City Compost	140.56	87.83
Total	**58,687.86**	**57,655.49**

Consequent to the implementation of Direct Benefit Transfer (DBT) subsidy scheme, subsidy income on fertilizers is recognised at the time of sale to dealers. However, the subsidy claim is generated on sale of fertilisers to ultimate beneficiary. The susbsidy portion of the stock with dealers, pending sale to ultimate beneficiary, is ₹ 9940.73 lakh (Previous Year ₹ 8570.63 lakhs)

Note No. 28. Other income

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Interest income:		
On deposits with banks	423.31	257.70
On loans , advances , claims , overdues	101.34	59.87
Dividend income		
Other than joint venture	13.13	9.72
Other non-operating income		
Excess provisions written back	56.94	2,836.45
Profit on Fixed assets sold/written off	43,389.77	6.38
Transfer from deferred Government grants:		
(i) On EEC project	0.94	0.94
(ii) On Bio-Fertiliser project	0.95	0.95
Rent	638.26	636.69
Miscellaneous income	1,049.87	353.79
	45,674.51	**4,162.49**

Note : Interest of ₹2587.71 lakh (Previous year ₹2154.46 lakh) for the year 2018-19 receivable from the contractor on the interest bearing mobilisation advance still retained by the party, has been considered in the accounts. However a corresponding provision for doubtful interest has been made during the current year.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Note No. 29.Cost of materials consumed

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Raw Material (refer note below)	134,614.51	105,495.49
Packing Material	2,288.61	2,528.41
	136,903.12	**108,023.90**

Note : The physical verification of raw materials has been carried out on or around 31st March 2019. The differences over book figures in the case of raw material has been adjusted in consumption (Excess(-) / Shortage). Current year ₹(-)536.78 lakh (Previous year ₹ (-)317.42 lakh).

Note No. 30.Purchases of Stock-in-trade

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Organic Manures	240.21	169.03
	240.21	**169.03**

Note No. 31.Changes in inventories of finished goods , work-in-progress and stock-in-trade

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Opening stock		
Finished Goods	26,476.67	20,766.08
Includes excise duty ₹Nil (Previous Year ₹1609.29 lakh)		
Stock-in-trade	525.73	2,895.19
Work-in progress	1,527.09	1,815.36
	28,529.49	25,476.63
Closing stock		
Finished Goods	34,681.71	26,476.67
Stock-in-trade	44.09	525.73
Work-in- progress	1,501.58	1,527.09
	36,227.38	28,529.49
Changes in inventories: (Increase)/ Decrease	**(7,697.89)**	**(3,052.86)**

Note No. 32. Employee benefits expense

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Salaries and Wages	15,549.64	16,050.24
Contribution to Provident Fund	1,692.46	1,747.02
Leave encashment (Net of Provision)	2,734.81	913.33
Gratuity	1,322.55	4,482.86
Staff welfare expenses	1,715.51	1,748.98
	23014.97	**24942.43**

The revision of pay scales for the Board and below Board level executives and Non- Unionised supervisors and wage revision of its workmen are due from 1.1.2017. As the company is not meeting the condition for affordability of pay/wage revision specified by the Government , action was not initiated for implementation of the pay /wage revision. Accordingly no provision is made in the financial statements.

Note : Remuneration to Directors

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Sri Kishor Rungta, Chairman and Managing Director (from 02.02.2019)	5.43	0.00
Sri D Nandakumar Director (Marketing)	25.03	12.96
	30.46	**12.96**

Note No. 33. Finance costs

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Interest		
Interest on loans from the Government of India (Refer Note 19.1)	23,901.58	23,901.58
Interest on Cash credit from banks	3,686.96	7,567.66
Interest -others	407.78	437.46
Other borrowing costs	71.35	294.04
Net loss on foreign currency transactions translations		
Exchange rate variation & premium on forward exchange contract on buyer's credit	(14.38)	(59.11)
	28,053.29	**32,141.63**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakh

Note No. 34.Other expenses		
Particulars	**Year ended 31.03.2019**	**Year ended 31.03.2018**
Consumption of stores and spare parts	2,727.53	2,644.01
Power and Fuel	11,847.54	16,458.99
Rent	581.90	741.42
Repairs and maintenance to buildings	53.83	80.18
Repairs and maintenance to machinery	3,309.12	3,362.94
Insurance	66.94	44.41
Rates and Taxes	206.83	102.25
(Gain)/Loss on exchange rate variation (net)	759.03	(320.44)
Material and other direct charges on contracts	1,661.63	1,003.15
Auditors' Fees and Expenses (Refer note 1 below)	20.66	17.39
Freight , Handling and other charges	15,529.49	17,184.30
Increase/(Decrease) in provision for excise duty on stock of Finished goods (Refer note 2 below)	0.00	(1,609.29)
Bad debts written off	0.00	0.03
Provision for doubtful receivables & advances	(18.09)	672.69
Damages/Shortages of Stores , Spares & Products (Net)	4.00	0.31
Provision for obsolescence of stores (Net)	(402.25)	27.63
Research and Development Expenditure (Refer note 3 below)	140.26	114.17
CISF Expenses (including salaries)	2,777.80	2,480.34
Directors' Sitting Fees	5.80	2.85
Excise duty	0.00	184.68
Miscellaneous Expenses (Refer note 4 below)	3,658.74	3,842.91
	42,930.76	47,034.92
Less :Allocated Expenses [net of income from inter-divisional jobs of ₹1314.86 lakh] (Previous year ₹ 1476.00 lakh)	(837.71)	(1,038.20)
	42,093.05	**45,996.72**

Notes:

1. Auditors' Fees and Expenses include

Particulars	**Year ended 31.03.2019**	**Year ended 31.03.2018**
For Statutory Audit	7.70	6.65
For Branch Audit	1.40	1.40
For Other Services	9.94	5.01
For Expenses	1.62	4.33
Total	**20.66**	**17.39**

2.Increase/(Decrease) in provision for excise duty on stock of Finished goods

Particulars	**Year ended 31.03.2019**	**Year ended 31.03.2018**
Provision on closing stock	0.00	0.00
Less provision on opening stock	0.00	1609.29
Net provision	**0.00**	**(1609.29)**

3. Research and Development Expenditure of ₹140.26 lakh (Previous Year ₹114.17 lakh) includes expenditure towards salary ₹139.61 lakh (Previous year ₹113.92 lakh) and depreciation ₹0.09 lakh (Previous year ₹0.10 lakh).
4. Miscellaneous Expenses includes Directors travel amounting to ₹ 20.39 lakh (Previous year ₹17.92 lakh) and ₹45.40 lakh (previous year ₹353.72 lakh) towards the cost of PoS machine distributed by the Company under **Direct Benefit Transfer Scheme** framed by the Government of India.
5. Physical verification of stores and spares was carried out at all divisions as per the procedure laid down in the Stores Management Manual and the differences(Excess(-)/Shortage) over book figures has been adjusted in the accounts. Current year ₹4.00 lakh (Previous year ₹0.31 lakh)
6. Physical verification of fuel was carried out at all divisions as per the procedure laid down in the Stores Management Manual and the differences(Excess(-)/Shortage) over book figures has been adjusted in the accounts. Current year Nil (Previous year ₹3.86 lakh)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakh

Note No. 35. Earning per Share

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Profit / (Loss) after Tax	16,313.87	(12,906.07)
Number of Equity Shares	647071974	647071974
Face Value per Share (₹)	10.00	10.00
Basic/ Diluted earnings per Share (₹)	**2.52**	**(1.99)**

Note No. 36. Corporate Social Responsibility

The Corporate Social repsonsibility (CSR) provisions as per sec 135(1) of the Companies Act, 2013 is applicable to the Company. But due to the losses sufferred during the preceding Financial Years, the Company is not liable to spend any amount mandatorily on CSR.

Note No. 37. Caprolactam Operations:

The Caprolactam plant remained unproductive during the year 2018-19. Certain segments of the Petro Chemical plants has been operated for production of Ammonium Sulphate through the direct neutralization method. The Caprolactam plant is maintained and preserved for commencement of production when required. Company has redeployed a section of the employees of the plant to other areas wherever required. The unabsorbed fixed cost pertaining to caprolactum plant charged to revenue during the year is ₹3515.00 lakh (Previous year ₹2123.07 lakh)

38. Disclosure required for Micro, Small and Medium Enterprises

₹In Lakh

Sl No.	Particulars	As at 31.03.2019	As at 31.03.2018
1	Principal amount remaining unpaid	173.65	49.45
2	Interest due thereon	1.69	3.58
3	Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act,2006 ,along with the amount of the payment made to the supplier beyond the appointed day during the year.	0.00	0.00
4	Interest due and payable for the period of delay making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	20.89	0.34
5	Interest accrued and remaining unpaid	22.58	3.92
6	Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	0.00	0.00

39. Fair Value Hierarchy

The management has assessed that its financial assets and liabilities like cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to estimate the fair values for the given below financial assets.

Unquoted Equity Shares of Indian Potash Limited

The fair values of the unquoted equity shares have been estimated using NAV model.

Unquoted Equity Shares of Other Companies:

The fair values of the unquoted equity shares have been estimated using NAV model.

Derivatives not designated as hedges

Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs (i.e. based on inputs/statement of position received from banks).

Investment Properties

The value of the investment properties are based on the information available in Government of kerala fair value notification, market conditions etc.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakh

Particulars	31.03.2019		31.03.2018	
	Significant observable inputs		Significant observable inputs	
	Level 2	Level 3	Level 2	Level 3
Financial Assets				
Investment in Unquoted EquityShares of:				
Indian Potash Limited		6,335.63		5,523.16
Travancore Cochin Chemicals Ltd		134.69		94.31
Capexil Agencies Ltd.		-		-
Kerala Enviro Infrastructure Limited		434.86		308.72
Foreign Currency Receivable under Forward exchange contracts		30,216.40		15,652.25
Financial Liabilities				
Amount Payable under forward exchange contracts	31,034.59		15,546.05	
Assets for which Fair values are disclosed				
Investment Properties	1,517.00		1,517.00	

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV. Company do not have any such investment.

The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in **Level 2**.

If one or more of the significant inputs is not based on observable market data, the instrument is included in **Level 3**. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in **Level 3.**

Operating Leases

Leases as lessor

The Company leases out its investment property on operating lease basis

i) Future minimum lease receivable

At 31 March, the future minimum lease receivables under non-cancellable leases are receivable as follows

Particulars	As at 31.03.2019	As at 31.03.2018
Within one year	99.12	99.12
Between one and five years	254.76	254.76
More than five years	501.06	564.75

ii) Amounts recognized in profit and loss

Particulars	As at 31.03.2019	As at 31.03.2018
Lease Rent	99.12	99.12
	99.12	**99.12**

Leases as lessee

The Company has taken lands for lease (Operating lease) for the purpose of storage and handling of Raw Materials

i) Future minimum lease Payable

Future minimum rentals payable under non-cancellable operating leases

Particulars	As at 31.03.2019	As at 31.03.2018
Within one year	174.18	170.76
Between one and five years	732.24	717.88
More than five years	4,672.47	4,861.00
	5,578.88	**5,749.64**

ii) Amounts recognized in profit and loss

The amount paid as Lease rental expense during the last two years are as below:

Particulars	As at 31.03.2019	As at 31.03.2018
Lease Rentals	170.76	167.42
	170.76	**167.42**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakh

40 . Financial Instrument Classification

Particulars	As at 31.03.2019	As at 31.03.2018
Financial Assets		
Financial Assets at Amortised Cost		
Trade Receivables	40,900.60	36,438.61
Cash and Cash equivalents	642.77	4,612.04
Other Bank Balances	6,824.53	1,752.48
Loans	1,016.58	674.21
Other Financial Assets	46,104.29	33,728.17
	95,488.77	**77,205.51**
Financial Assets at Fair Value through Other Comprehensive Income:		
Equity Investments	6,471.34	5,618.49
Financial Assets at Fair Value through Profit and Loss Statement:		
Foreign Currency Receivable on Forward exchange contract	30,216.40	15,652.25
	36,687.74	**21,270.74**
Financial Liabilities		
Financial Liability at Amortised Cost		
Borrowings	226,881.93	227,786.24
Trade Payables	41,890.07	42,300.61
Other Financial Liabilities	56,745.89	37,114.96
	325,517.89	**307,201.81**
Financial Liabilities at Fair Value through Profit and Loss Statement:		
Liability on Forward Exchange contract	31,034.59	15,546.05
	31,034.59	**15,546.05**

41. Financial Risk Management

The company's activities expose it to market risk, liquidity risk and credit risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk in the financial statements

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortized cost.	Aging analysis, Credit Analysis, Post Dated Cheques and Security Deposit.	Diversification of bank deposits, credit limits and Bank Guarantees
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk –foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash Flow Forecasting, Monitoring of Forex Risk Management Policy	Forward Foreign exchange contracts

(A) Credit risk

Credit Risk refers to the risk of default on its obligations resulting in financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹40900.60 lakh and ₹36438.61 lakh as of March 31, 2019 and March 31, 2018, respectively of which ₹40381.82 lakh (previous year ₹36001.67 lakh) due from Government of India relating to subsidy receivable. Trade receivables mainly constitute subsidy receivable from the Government of India and from services rendered. Credit risk is being managed through credit approvals, establishing credit limits and monitoring the creditworthiness of customers to allow credit terms in the normal course of business

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS ₹ In Lakh

(B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

Financing arrangements (₹ in Lakh)

The company had access to the following undrawn fund based borrowing facilities at the end of the reporting period:

Particulars	31st March, 2019	31st March, 2018
Expiring within one year (Bank Overdraft/ CC Limit)	32,058.88	34,732.89
Stand by Line of credit	1,250.00	1,250.00

The Bank Overdraft/Cash Credit (CC)/Short term loan (STL) facilities may be drawn at any time and may be called back by the bank at their discretion. The credit facilities of Banks are subject to compliance with sanctioned terms & conditions. The credit facilities have an average maturity of 1 year.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk,currency risk and other price risk, such as equity price risk and commodity risk. The Company's activities exposes it's primarily to the financial risk of changes in foreign currency risk. To mitigate the foreign currency risk, the company is entering into forward contracts with Banks.

42.Disclosure under Ind AS 24 on related party transactions are given below

Since Government of India owns 90% of the Company's equity share capital (under the administrative control of Ministry of Chemicals and Fertilizers), the disclosures relating to transactions with the Government and other Government controlled entities have been reported in accordance with para 26 of Ind AS 24.

Certain transactions are carried out with other government related entities for purchase of Gases, for procurement of Raw Materials / Finished Goods, Assets / Spare Parts from Original equipment manufacturers, which are significant in terms of value, the details of which are as under

Name of Entity	Nature of Transaction	2018-19	2017-18
GAIL (India) Ltd	Procurement of Gas / TransmissionCharges	167.98	13,527.37
Bharat Petroleum Corporation Ltd	Procurement of Gas / Petroleum Products/Sulphur	18,918.57	19,527.34
Indian Oil Corporation Ltd	Procurement of Gas / Petroleum Products	518.10	11,995.51
Steel Authority of India Ltd	Procurement of Steel Structural	370.05	260.03
Rashtriya Chemicals and Fertilisers Ltd	Sale of Fertilisers	0.00	433.99
Rashtriya Chemicals and Fertilisers Ltd	Intercorporate Loan	2,550.00	0.00
Bharat Petroleum Corporation Limited	Sale of Land	43,580.27	0.00
Bharat Petroleum Corporation Limited	Services Provided	219.91	83.85
Indian Oil Corporation Ltd	Services Provided	11.95	87.31
Kochi Metro Rail Ltd	Lease of property	310.66	268.28
Central Institute of Plastic Engineering & Technology	Lease of property	41.81	41.55
GAIL (India) Ltd	Lease of property	33.85	28.28

The above referred transactions have been carried out on arm's length basis with the said entities.

The other disclosures with related parties are as under:

1) Relationship

JOINT CONTROLLED ENTITIES

Sl No	Name of Entity	Percentage of ownership interest as at	
		31.03.2019	31.03.2018
1	FACT-RCF Building Products Ltd(FRBL)	50.00%	50.00%
2	Kerala Enviro Infrastructure Ltd. (KEIL)	25.66%	25.66%

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS ₹ In Lakh

Transactions during the year with the above referred related parties:

Sl No	Particulars	2018-19	2017-18
		Amount	Amount
i)	Contribution towards sharecapital	0.00	0.00
ii)	Sales of Products	39.86	28.49
iii)	Others	167.80	68.53

The provision towards the amount given as material, Services and advances made in the earlier financial years continues. Similar Provision amounting to ₹99.09 Lakh (Previous year ₹97.02 lakh) has been made for the current year also.

Balance Outstanding:

Sl.No	Particulars	As at 31.03.2019	As at 31.03.2018
	Amount receivable under Corporate Gurantee	2,550.00	2,550.00
	Amount receivable under Contractual obligations	256.91	300.00
	Due from FRBL on sale of gypsum,salary of deputationists and other expenses	1,292.85	1,193.76

The Company and M/s.Rashtriya Chemicals & Fertilisers Ltd(RCF) had provided Corporate Guarantee to the lenders of M/s.FACT-RCF building products Ltd-the 50:50 joint venture between the Company and RCF. During the year, RCF has settled the entire liability to the bankers, to the extent of ₹ 5100 lakhs including 50% share of the Company ₹2550 lakhs on the condiiton that the Company shall treat the amount paid by RCF on behalf of the Company as Inter-Corporate loan. Accordingly, the amount of ₹ 2550 lakhs has been classified as Intercorporate loan during the year. Interest rate applicable on the loan for the year 2018-19 is 8.35% p.a.

During the year 2009-10, the Company has along with Department of Factories and Boilers, Government of Kerala, formed a society under the Travancore Literary, Scientific and Charitable Societies Act 1955 with the objective of conducting courses relating to welding technologies with a grant of ₹1 Crore from the Government of Kerala, under the name Kerala institute of Welding and Research. The contribution from the Company is only provision of its existing facilities of Training School. The accounts of the society are not consolidated as society is formed with an objective of not obtaining any economic benefits from its activities and is considered immaterial to the Company's activity.

2) Key Management Personnel

1 Sri Kishor Rungta, Chairman and Managing Director (from 02.02.2019)

2 Shri Manoj Mishra, Chairman and Managing Director (upto 01.02.2019)

3 Shri D Nandakumar, Director (Marketing)

4 Shri K V Balakrishnan Nair, Company Secretary

5 Shri.Pradeep Kumar.C, Chief Financial Officer (from 29.01.2019)

Transactions with related parties: Remuneration to key management personnel :

Sl No	Particulars	Year ended 31.03.2019	Year ended 31.03.2018
1	Sri Kishor Rungta, Chairman and Managing Director (from 02.02.2019)	5.43	0.00
2	Shri D Nandakumar, Director (Marketing) (From 13.09.2017)	25.03	12.96
3	Shri K V Balakrishnan Nair, Company Secretary	18.09	16.94
4	Shri.Pradeep Kumar.C, Chief Financial Officer (from 29.01.2019)	3.21	0.00
		51.76	**29.90**

The whole time Directors have been allowed the use of company car and for private journey upto a ceiling of 12000 kms. per year, on payment as prescribed by the Government.

Gratuity payable to the Directors has not been disclosed as the contribution payable has been provided in the accounts and separate figures are not ascertainable.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakh

43. Financial Reporting of interest in Joint Ventures

The required information is as under:-

JOINT CONTROLLED ENTITIES

Name of Entity	Country of Incorporation	Percentage of ownership interest	
		31.03.2019	31.03.2018
FACT RCF Building Products Ltd.	India	50.00%	50.00%
Kerala Enviro Infrastructure Limited	India	25.66%	25.66%

FACT-RCF BUILDING PRODUCTS LTD.:- A Joint venture Company with Rashtriya Chemicals and Fetilizers Limited (RCF) for manufacture of rapid building materials from Gypsum at Kochi.

Summarized financial information of Company's investment in FACT-RCF BUILDING PRODUCTS LTD. (FRBL)

Particulars	As at 31.03.2019 (Audited)	As at 31.03.2018 (Audited)
Non-Current Assets	6,521.67	7,443.15
Cash and Cash Equivalent	101.81	54.97
Current Assets other than Cash and Cash Equivalents	1,510.67	1,574.48
Non-Current Liabilities	4,192.50	8,739.28
Current Liabilities	9,100.62	5,221.29
Equity	(5,158.98)	(4,887.97)
Proportion of the company's ownership	50.00%	50.00%
Carrying amount of the investment*	0.00	0.00

Particulars	2018-19 (Unaudited)	2017-18 (Audited)
Income	1,660.76	1,712.96
Cost of materials consumed	373.00	152.34
Changes in inventories	(99.15)	(19.11)
Depreciation and amortization expense	912.44	912.10
Finance costs	432.69	1,031.55
Employee benefits expenses	373.74	320.46
Other Expenses	1,022.15	1,321.28
Loss from continuing operations	(1,354.12)	(2,005.66)
Other exceptional income	1,083.12	1,053.20
Total comprehensive income for the year	(271.00)	(952.46)
Company's Share of profit / loss for the year	(135.50)	(476.23)

* Owing to the company's share of losses exceeding its interest in the joint venture the share of loss stands discontinued. Accordingly company has not recognized share of loss of ₹135.50 lakh for the year (Previous Year₹476.23 lakh) and ₹6102.19 lakh cumulatively upto the year ended 31.03.2019 (₹5966.70 lakh cumulatively upto the year ended 31.03.2018).

Kerala Enviro Infrastructure Ltd. (KEIL) is a public limited company formed as Special Purpose Vehicle and promoted by the Kerala State Industrial Development Corporation (KSIDC) in association with various industries in the State for establishing Common Treatment, Storage and Disposal Facility (CTSDF) for solid hazardous industrial waste in the State of Kerala.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS ₹ In Lakh

Summarised financial information of Company's investment in Kerala Enviro Infrastructure Ltd. (KEIL)

Particulars	As at 31.03.2019 (Unaudited)	As at 31.03.2018 (Audited)
Non-Current Assets	1,380.70	1,071.33
Cash and Cash Equivalent	623.66	775.56
Current Assets other than Cash and Cash Equivalents	1,190.79	694.82
Non-Current Liabilities	1,187.59	1,084.81
Current Liabilities	313.02	253.89
Equity	1,694.54	1,203.01
Proportion of the company's ownership	25.66%	25.66%
Carrying amount of the investment	434.86	308.72

Particulars	Year Ended 31.3.2019 (Unaudited)	Year Ended 31.3.2018 (Audited)
Income	1,858.09	1,358.51
Cost of materials consumed	25.32	4.40
Changes in inventories	103.13	131.77
Depreciation and amortization expense	38.35	41.94
Finance costs	2.51	-
Employee benefits expenses	170.50	119.22
Other Expenses	861.07	742.11
Profit before Tax	657.21	319.07
Current Tax	164.75	73.31
Profit after Tax	492.46	245.76
Other Comprehensive Income	(0.92)	0.12
Total comprehensive income for the year	491.54	245.88
Company's Share of profit / loss for the year	126.14	63.10

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

44. SEGMENTAL REPORTING

Segment Information for the year ended 31st March 2019

Information about Primary Business Segments

	₹ in Lakh. Fertiliser	₹ in Lakh. Petrochemical	₹ in Lakh. Others (Unallocated)	₹ in Lakh. Total
REVENUE				
External Revenue	**194695.87** (192311.46)	**7.55** (4.19)	**45944.75** (4396.34)	**240648.17** (196711.99)
TOTAL REVENUE	**194695.87** (192311.46)	**7.55** (4.19)	**45944.75** (4396.34)	**240648.17** (196711.99)
SEGMENT RESULTS				
Profit before Interest and Taxation	**6443.46** (27016.15)	**(3507.60)** (-2118.88)	**43725.70** (-1267.33)	**46661.56** (23629.94)
Unallocated Corporate Expense			**2875.99** (5005.99)	**2875.99** (5005.99)
Operating Profit	**6443.46** (27016.15)	**(3507.60)** (-2118.88)	**40849.71** (-6273.32)	**43785.57** (18623.95)
Interest Expense	**-** (0.00)	**-** (0.00)	**27996.32** (31847.59)	**27996.32** (31847.59)
Interest Income	**-** (0.00)	**-** (0.00)	**524.64** (317.57)	**524.64** (317.57)
Income Tax	**-** **-**	**-** **-**	**-** **-**	**-** **-**
Profit after Interest and Taxation	**6443.46** (27016.15)	**(3507.60)** (-2118.88)	**13378.01** (-37803.34)	**16313.87** (-12906.07)
OTHER INFORMATION				
Segment Assets	**207954.53** (163651.96)	**4328.60** (4840.01)	**20447.32** (13119.73)	**232730.44** (181611.70)
Segment Liabilities	**195269.25** (156643.75)	**4141.41** (3593.31)	**33319.78** (21374.64)	**232730.44** (181611.70)
Depreciation	**3255.29** (1489.87)	**570.63** (163.54)	**-1536.27** (98.82)	**2289.64** (1752.23)
Capital Expenditure	**2076.40** (1480.95)	**55.41** (2.17)	**254.49** (64.43)	**2386.30** (1547.55)

The business segments are:-

Segment	Products
Fertiliser	Ammonium Phosphate, Ammonium Sulphate, Mixtures , MOP
Petrochemical	Caprolactam

Segments have been identified taking into account the organisation structure.

Segment assets and liabilities represents assets and liabilities in respective segments. Share capital,Secured and Unsecured loans, Investments and Accumulated loss are classified as Unallocated.

Figures given in brackets pertains to previous year.

₹ in Lakh

RECONCILIATION OF REVENUE	**2018-19**	**2017-18**
Segment Revenue as above	240648.17	196711.99
Add Interest Income	524.64	317.57
Revenue as per Profit and Loss Statement	**241172.81**	**197029.56**

45. NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

A General Description of Defined Contribution Plan

Contributory Superannuation Scheme-The scheme is aimed to provide superannuation benefits to the employees. Every year company contributes ₹100 to the fund.

B General Description of Defined Benefit Plan

1 Provident Fund

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

During the year an amount of ₹1692.46 lakh (Previous Year ₹1747.02 lakh) has been charged to Statement of Profit & Loss towards contribution by the Company. In terms of the Ind AS 19 issued by the Institute of Chartered Accountants of India, the Provident Fund Trust set up by the company is treated as Defined Benefit Plan since the company has to meet the shortfall in the fund assets , if any.

2 Gratuity and Leave Encashment

The company operates gratuity plan where in every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service.The same is payable on death , separation from service or retirement , whichever is earlier. The benefit vests after five years of continuous service.The company has been accounting for provision on account of leave encashment on retirement based on actuarial valuation carried out as at the balance sheet date.

Particulars	₹ in Lakh		₹ in Lakh		₹ in Lakh
a. Changes in the present value of obligations	**Leave encashment (Unfunded)**		**Gratuity (Funded)**		CLR Gratuity (Unfunded)
	31-03.2019	31-03.2018	31-03.2019	31-03.2018	31-03.2019
Present value of obligations at the beginning of the year	**9903.56**	**10164.15**	**14540.67**	**11640.69**	**0.00**
Interest cost	**861.21**	**830.18**	**1182.69**	**892.82**	**0.76**
Past service cost	**-**	**-**	-	**3,588.96**	**-**
Current service cost	**1723.10**	**1809.77**	**485.96**	**527.11**	**19.03**
Benefits paid	**(1982.53)**	**(1955.48)**	**(2811.65)**	**(2251.18)**	**0.00**
Acturial loss/(gain) on obligation	**(1266.82)**	**(945.06)**	**116.70**	**142.27**	**328.91**
Present value of obligations at the end of the year	**9238.52**	**9903.56**	**13514.37**	**14540.67**	**348.70**
b. Changes in the fair value of plan assets					
Fair value of plan assets at the beginning of the year	**-**	**-**	**6872.10**	**8567.99**	**0.00**
Expected return on investment	**-**	**-**	**549.76**	**685.44**	**0.00**
Employer's contribution	**-**		**0.28**	**0.18**	**0.00**
Benefits paid	**-**	**-**	**(2811.65)**	**(2251.18)**	**0.00**
Actual return on Plan Asset over Expected Interest	**-**	**-**	**(154.33)**	**(130.33)**	**0.00**
Fair value of plan assets at the end of the year	**-**	**-**	**4,456.16**	**6872.10**	**0.00**
Actual return on investment	**-**	**-**	**549.76**	**685.44**	**0.00**
c. Amount recognised in Balance sheet					
Present value of obligations at the end of the year	**9238.52**	**9903.56**	**13514.37**	**14540.67**	**348.70**
Fair value of plan assets at the end of the year	**-**	**-**	**4,456.16**	**6872.10**	**0.00**
Unfunded net liability recognised in Balance sheet	**9238.52**	**9903.56**	**9058.21**	**7668.57**	**348.70**
d. Expenses recognised in the Statement of Profit and Loss during the year					
Current service cost	**1723.10**	**1809.77**	**485.96**	**527.11**	**19.03**
Past service cost	**-**	**-**	-	**3,588.96**	
Net Interest on Obligation / Asset	**861.21**	**830.18**	**787.26**	**337.71**	**0.76**
Total Expenses recognised in the Statement of Profit and Loss during the year	**2584.31**	**2639.95**	**1273.22**	**4453.78**	**19.79**
Amount Disclosed under Other Comprehensive Income:					
Opening balance	**(3444.60)**	**(2499.55)**	**43.42**	**(98.84)**	**0.00**
Acturial Gain or Loss on Obligation side during the year	**(1266.82)**	**(945.05)**	**116.70**	**142.26**	**328.91**
Closing Amount Disclosed under OCI	**(4711.42)**	**(3444.60)**	**160.12**	**43.42**	**328.91**
Investment details	% invested as at 31st March		% invested as at 31st March		% invested as at 31st March
LIC Group Gratuity (Cash Accumulation) policy	-	-		47.26	
Acturial assumptions					
Mortality rate	(1994-96) Ultimate		LIC (1994-96) Ultimate		(1994-96) Ultimate
e. Discount rate	8.00%	7.50%	8.00%	7.50%	8.00%
Salary escalation rate	5.00%	5.00%	5.00%	5.00%	5.00%
f. Expected rate of return on plan assets	NA	NA	8.00%	8.00%	NA

45. NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	₹ in Lakh		₹ in Lakh	
	Trust managed Provident Fund Udyogamandal		Trust managed Provident Fund Cochin Division	
a. Changes in the present value of obligations	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Present value of obligations at the beginning of the year	**24874.52**	**24514.32**	**2356.82**	**2818.79**
Interest cost	**2135.02**	**2109.01**	**204.73**	**242.91**
Past service cost	-	-	**-**	
Current service cost	**3626.55**	**3696.53**	**404.49**	**435.14**
Benefits paid	**(5747.97)**	**(3983.21)**	**(520.99)**	**(495.39)**
Acturial loss/(gain) on obligation	**(552.74)**	**(1462.13)**	**(271.55)**	**(644.63)**
Present value of obligations at the end of the year	**24335.38**	**24874.52**	**2173.50**	**2356.82**
b. Changes in the fair value of plan assets				
Fair value of plan assets at the beginning of the year	**25172.75**	**29980.72**	**2422.64**	**2873.33**
Expected return on investment	**2013.82**	**2398.46**	**193.81**	**229.87**
Employer's contribution	**-**		**-**	
Benefits paid	**(5747.97)**	**(3983.21)**	**(520.99)**	**(495.39)**
Acturial loss/(gain) on plan assets	**4262.57**	**(3223.22)**	**140.38**	**(185.17)**
Fair value of plan assets at the end of the year	**25701.17**	**25172.75**	**2235.84**	**2422.64**
Actual return on investment	**2013.82**	**2398.46**	**193.81**	**229.87**
c. Amount recognised in Balance sheet of the Trust				
Present value of obligations at the end of the year	**24335.38**	**24874.52**	**2173.50**	**2356.82**
Fair value of plan assets at the end of the year	**25701.17**	**25172.75**	**2235.84**	**2422.64**
Unfunded net liability	**(1365.79)**	**(298.23)**	**(62.34)**	**(65.82)**
d. Expenses recognised in the Statement of Profit and Loss during the year of the Trust				
Current service cost	**3626.55**	**3696.53**	**404.49**	**435.14**
Past service cost	**-**		**-**	
Interest cost	**2135.02**	**2109.01**	**204.73**	**242.91**
Expected return on investment	**(2013.82)**	**(2398.46)**	**(193.81)**	**(229.87)**
Net acturial (gain) / loss recognised during the year	**(4815.31)**	**1761.08**	**(411.93)**	**(459.46)**
Total Expenses	**(1067.56)**	**5168.16**	**3.48**	**(11.28)**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ in lakh

46. Contingent Liabilities and Commitments (to the extent not povided for):
Contingent Liabilities

Particulars	As at 31.03.2019	As at 31.03.2018
Claims against the company not acknowledged as debts in respect of:		
Central Excise Act, 1944	9,559.30	9,194.55
Service Tax (Finance Act, 1994)	459.66	408.99
Sales Tax / Entry tax	12,606.24	444.96
Income Tax Act, 1961	4.26	82.47
ESI Act	127.83	127.83
Suppliers and contractors #	23,294.03	24,639.62
Payment of Bonus Act,1965	33.59	33.59
Others	1,354.22	2,024.59

47. During the year, Kerala Value Added Tax assessment for the year 2011-12 was completed with differential tax demand ₹ 12251.80 lakh (including interest) on the disputed turnover. Against this order, company obtained stay from Hon. High Court of Kerala.

48. The contract for the barge transportation of Ammonia awarded to a private company has been cancelled void ab initio during 2004-05 by the Company. The Contractor claimed ₹178489.75 lakh including interest till 31.03.2013 before the arbitrator .The arbitrator has passed an award during the year 2013-14 in favour of the contractor for ₹17308.04 lakh including interest as on 31.12.2013 .As per the award, the mobilisation advance paid by the Company to the contractor along with interest of ₹2798.29 lakh is to be adjusted against the said award. The Company has not accepted the award on legal and factual grounds and has challenged the award before the Hon' District Court which has since stayed the award. During the year, as per the directive of Hon' District Court, the Company has provided 80.50 acres of land as security for the award. Accordingly, the award amount along with interest up to 31.03.2019, amounting to ₹22646.69 lakh without considering the adjustment of mobilsation advance and interest allowed under the arbitral award is not considered as a liability and included under Contingent Liability.

49. In view of the conditions in the directives of the Government of India ,while implementing the wage revision for the period 1997 to 2006, the company is not liable to provide for arrears of salary and wages (net of interim relief paid) for the period from 01.01.1997 to 30.06.2001 and perquisites and other allowances for the period from 20.10.2000 to 30.06.2001, in respect of managerial and non managerial employees. Certain retired managerial employees of FACT have moved the Hon.High Court of Kerala and obtained a directive dt 31.3.2016, by which the company has to frame a scheme towards disbursement of the arrears.The company has appealed against the decision. The Board of Directors of the Company at its meeting held on 25-01-2018 decided to refer the matter to Department of Fertilisers, with a request to remove / review the criteria for payment of arrears. The Hon'ble High Court of Kerala vide its order dated 7th February 2019 directed the Secretary to the Ministry to take a decision adverting to the observations of the Court and the request of the Company pursuant to Board resolution dated 25-01-2018 and to issue appropriate order / proceedings permitting the company to honour the commitments under the wage revision order on such terms as it may find fit to impose. The company is yet to receive any directive from the Secretary, Department of Fertilisers in this regard. Pending order from the Ministry the amount involved is not ascertained.

	As at 31.03.2019	As at 31.03.2018
50. Estimated amount of contracts remaining to be executed on capital account and not provided for.	286.33	468.74

51. Construction Contracts

Income under services for own units reckoned by the Engineering and Consultancy Division (FEDO) and the Fabrication Division (FEW) is accounted by respective units under revenue expenditure ₹998.75 lakh (Previous year ₹1156.00lakh), and capital ₹316.11 lakh (Previous year ₹320.00 lakh).

In the case of work being carried out by FACT Engineering and Design Organisation (FEDO), for National Institute of Technology (NIT), Nagaland, as an executing agency, on a cost plus basis, as a deposit work , FEDO is eligible for certain percentage of fees of total project cost . As per technical evaluation, 57.10%(previous year 50%) of work related to consultancy services by FEDO to NIT, has been completed as on 31.3.2019 and pro-rata credit of ₹904.25 lakh (previous year ₹816.65 lakh) has been taken, after considering for ₹ 292.42 lakh as work in Progress (previous year ₹204.81 lakh towards unearned income). The value of construction work done and certified during the year 2018-19 is taken as ₹1463.75 lakh, (previous year ₹866.66 lakh) and equivalent amount has been considered for direct charges on contract.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS ₹ In Lakh

Particulars	As at 31.03.2019	As at 31.03.2018
Contract revenue recognised in the period.	2,048.25	1,265.81
Advance received against contract in progress.	9.58	1,800.94
Retention by customers against contract in progress.	40.48	38.89
Aggregate amount of cost incurred and recognised profit (less recognised loss) on contracts in progress upto the reporting date.	2,010.99	1,760.53
Gross amount due from customers for contract work as an asset.	158.51	231.79
Gross amount due to customers for contract work as a liability.	107.28	209.60

52. Foreign Currency Exposure

The details of foreign currency balances which are not hedged as at the Balance Sheet date are as below:-

Particulars	Figures as at 31.03.2019		Figures as at 31.03.2018	
	Foreign Currency	Indian Rupee	Foreign Currency	Indian Rupee
	(in lakh)		(in lakh)	
Trade Payable	USD 37.57	2621.52	USD 81.13	5356.89

53. The Company has a system of obtaining confirmation of balances from Vendors and Customers. Some of the parties confirmed the balances.

54. As the accumulated loss has exceeded the networth as on 31.3.2013,the Company has made a formal reference under Section 15 of the Sick Industrial Companies (Special Provisions) Act , 1985 on adoption of duly audited accounts for the Financial Year 2012-13 in the Annual General Meeting held on 27.12.2013 to Board for Industrial and Financial Reconstruction (BIFR) during February 2014. Consequent to the commencement of provisions of Sick Industrial Companies (Special Provisions) Repeal Act, 2003, BIFR has been dissolved and all pending cases before BIFR stand abated. With effect from 1st December, 2016 provisions relating to corporate insolvency, under the Insolvency and Bankruptcy Code, 2016 have been commenced. The National Company Law Tribunal (NCLT) under the Companies Act, 2013 are also established to deal with inter-alia, matters relating to insolvency of companies. The Company is not required to file any case for insolvency resolution under the Insolvency and Bankruptcy Code 2016 before NCLT at present. During the financial year 2015-16 ,with the objective of carrying on the operations of the company without hindrance, the Government of India has disbursed a plan loan of Rs. 1000 crores on 29/3/2016.This enabled the company to overcome its working capital constraints and improve the operations from the financial year 2016-17. A comprehensive proposal for revival of the company is under the consideration of the Government of India. In addition to this, as apart of financial restructuring, Government of India has accorded approval for sale of 169.689 acres of land to Bharat Petroleum Corporation Ltd. The transaction has alreday been completed and ₹43580.27 lakhs has been realised as consideration. In view of the above, Company does not foresee impairment of its operations as a going concern and hence the accounts are prepared on going concern basis.

55. The standalone financial statements were authorized for issue in accordance with a resolution passed by the Board of Directors on 29.05.2019.

56. The financial statements as approved by the Board of Directors are subject to audit by Comptroller and Auditor General of India and final approval by its Shareholders.

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

In terms of our Report Attached

For Babu A Kallivayalil & Co.
Chartered Accountants
Firm Registration No. 05374S

For and on behalf of the Board of Directors

Sd/
N.K Alexander
Partner
Membership No.7448

Sd/
Umesh Dongre
Director (Finance)
DIN 08039073

Sd/
Kishor Rungta
Chairman & Managing Director
DIN 00231106

Sd/
K V Balakrishnan Nair
Company Secretary & Chief General Manager (Finance)

Sd/
Pradeep Kumar.C
Chief Financial Officer

Place: Kochi
Date: 29.05.2019

₹ In Lakh

58. NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPH 5 (viii) OF GENERAL INSTRUCTIONS FOR STATEMENT OF PROFIT AND LOSS OF SCHEDULE III TO THE COMPANIES ACT, 2013 FOR THE YEAR ENDED 31.03.2019

1 Value of imported and indigenous raw materials and spare parts consumed and percentage thereof to total consumption.

		Current year	**Percentage**	Previous year	Percentage
B	Spare Parts , Components & Chemicals				
	Imported	**56.14**	**2.06%**	148.11	5.60%
	Indigenous	**2671.39**	**97.94%**	2495.90	94.40%
		2727.53		2644.01	

2	**CIF Value of Imports**	**Current year** (₹ In Lakh)	Previous year (₹ In Lakh)
(i)	Raw Materials	**124813.32**	62534.84
(ii)	Traded Products	**0.00**	0.00
(iii)	Spares and other materials	**64.80**	137.35
(iv)	Capital Goods	**0.00**	0.00
		124878.12	62672.19

3 A	**Expenditure in foreign currency (Cash Basis)**		
(i)	Consultancy service	0.00	0.00
(ii)	Others	**184.39**	**119.74**
		184.39	119.74

59. NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ in l akh

COST OF MATERIALS CONSUMED		2018-19				2017-18			
Sl. No.	Particulars	Opening Stock	Purchases	Closing Stock	Consumption	Opening Stock	Purchases	Closing Stock	Consumption
1	Regassified Liquid natural Gas	-	0.00	-	0.00	-	24280.02	-	24280.02
2	Naphtha	-	-	0.00	0.00	237.09	-	0.00	237.09
3	Sulphur - Imported	1,245.30	6244.57	2501.81	4988.06	1669.80	9608.68	1245.30	10033.18
4	Sulphur	1,441.91	11,675.21	770.64	12346.48	-	6150.04	1,441.91	4708.13
5	Rock Phosphate-Imported	233.29	16905.69	2770.39	14368.59	1666.47	6925.87	233.29	8359.05
6	Phosphoric Acid-Imported	85.62	53691.82	4410.97	49366.47	1303.35	34174.74	85.62	35392.47
7	Phosphoric Acid	65.81	-	-	65.81	0.00	6844.44	65.81	6778.63
8	Ammonia - Imported	1,304.29	53267.29	1607.38	52964.20	1210.94	15643.77	1304.29	15550.42
9	Benzene -Imported	10.24	-	10.24	0.00	10.24	-	10.24	0.00
10	Benzene	177.53	-	177.53	0.00	177.53	-	177.53	0.00
11	Caustic Soda**	37.20	-	29.92	0.00	43.33	-	37.20	-
12	Rock Phosphate-18% for mixing	27.35	0.00	27.35	0.00	8.16	19.20	27.35	0.01
13	Sulphuric Acid	9.14	0.00	8.79	0.35	13.41	152.21	9.14	156.49
14	Sulphuric Acid-Imported	-	1016.94	502.39	514.55		-	-	-
	TOTAL	4637.68	142801.52	12817.41	134614.51	6340.32	103798.97	4637.68	105495.49

** Closing stock after adjustments for consumption as chemicals of ₹7.28 lakh.

FACT
PIONEERS IN PROGRESS

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

CIN: **L24129KL1943GOI000371**

Ph. 0484-2546486 : Fax No.0484-2546637 Website: www.fact.co.in E-mail Id: kvbnair@factltd.com

PROXY FORM

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

Name of the Shareholders	
Registered address	
Folio No./DP ID-Client ID	
E-mail ID	

I/We, being the shareholder(s) of …… shares of the above named Company, hereby appoint;

1. Name …… address ……
   E-mail ID …… signature : or failing him ;
2. Name …… address ……
   E-mail ID …… signature : or failing him ;
3. Name …… address ……
   E-mail ID …… signature :

as my /our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 75th Annual General Meeting of the Company to be held on Friday the 20th September 2019 at 03.00 PM at Udyogamandal Club, Eloor, Udyogamandal and any adjournment thereof in respect of such resolutions as are indicated below:

I wish my above proxy to vote in the manner as indicated in the box below.

Sl	Resolutions	For	Against
1	Consider and Adopt a. Audited Standalone Financial statements for the financial year ended 31st March 2019 and the reports of the Board of Directors and Auditors thereon. b. Audited Consolidated financial statement for the financial year ended 31st March 2019 and the reports of the Auditors there on		
2	Fixation of remuneration of Statutory Auditors and Branch Auditors.		
3	Election of Smt Alka Tiwari as a Director on the Board of Directors		
4	Election of Smt. Gurveen Sidhu as a Director on the Board of Directors		
5	Fixation of Remuneration of Cost Auditors		
6	Subscription to Additional Equity Capital of FACT RCF Building Products Limited		

Signed this …… day of …… 2019.

Affix Revenue Stamp

Signature of Shareholder(s) :

Signature of Proxy holder(s) :

Note:

This Form of Proxy in order to be effective should be duly completed and deposited at the registered office of the Company at Eloor, Udyogamandal-683501, Kochi, Kerala, not less than 48 hours before the commencement of the Annual General Meeting.

FACT
PIONEERS IN PROGRESS

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

CIN: **L24129KL1943GOI000371**

Ph. 0484-2546486 : Fax No.0484-2546637 Website: www.fact.co.in E-mail Id: kvbnair@factltd.com

Attendance Slip

75th Annual General Meeting, 20th September 2019 at 3.00 PM.
At Udyogamandal Club, Eloor, Udyogamandal.

Shareholders or their proxies are requested to present this form for admission, duly signed in accordance with their specimen signature registered with the Company. Duplicate slip will not be issued at the entrance to the meeting hall.

1.	Name(s) of Shareholder(s) including joint holders, if any	:
2.	Registered address of the Sole/ First named Shareholder	:
3.	DP ID No.& Client ID No. Registered Folio No.	:
4.	No. of Shares held	:

Whether shareholder or proxy ☐ Shareholder ☐ Proxy

I/We hereby record my/our attendance at the 75th Annual General Meeting being held on 20th September 2019 and / or at any adjournment thereof.

Signature of the Shareholder or Proxy :

PLEASE BRING THE ATTENDANCE SLIP TO THE MEETING

EMPOWERING FARMERS
ENRICHING CROPS

FACT FERTILISERS

FOR FERTILE SOIL AND HEALTHY CROPS

BIO FERTILIZERS | **CHEMICAL FERTILIZERS** | **ORGANIC MANURES**



FACT

प्रगति के पथप्रदर्शक
PIONEERS IN PROGRESS

दि फर्टिलाइज़र्स एण्ड केमिकल्स ट्रावनकोर लिमिटेड

(भारत सरकार का उद्यम)

पंजीकृत कार्यालय: एलूर, उद्योगमंडल-683 501 कोच्ची, केरल, भारत. वेबसाइट : www.fact.co.in

सी आइ एन : L24129KL1943GO1000371

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

(A Government of India Enterprise)

Regd. Office: Eloor, Udyogamandal - 683 501, Kochi, Kerala, India

Website: www.fact.co.in, CIN: L24129KL1943GO1000371

Delhi Office

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Mumbai Office

Regional Office, FACT, 11 Meherabad, Bhulabai Desai Road, Mumbai - 400 036

Email: factmumbai@factltd.com

State Offices

Bengaluru, Chennai, Hyderabad, Thiruvananthapuram & Udyogamandal-Kochi