76th वार्षिक रिपोर्ट
ANNUAL REPORT 2019 - 2020

LET`S GROW TOGETHER



An year of
Invention...
Translation...
Turn around...

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 Anupam Misra
Director (Marketing)



Shri Harsh Malhotra
Director (Technical)



Ms Alka Tiwari
Director



Ms Gurveen Sidhu
Director



Shri Rabinarayan Patra
Director

CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri Kishor Rungta, Chairman & Managing Director
Shri Anupam Misra, Director (Marketing)
Shri Harsh Malhotra, Director (Technical)
Ms Alka Tiwari, Govt. Nominee Director
Ms Gurveen Sidhu, Govt. Nominee Director
Shri Rabinarayan Patra, Independent Director
Shri D Nandakumar, Director (Marketing) (Up to 31st May 2019)
Shri KPS Nair, Independent Director (Up to 26th June 2019)
Dr S Murali, Independent Director (Up to 26th June 2019)
Shri Umesh Dongre Director (Finance) (Up to 27th August 2019)
Shri Sudhir Dattatraya Panadare Director (Technical) (Up to 30th November 2019)
Dr. Gangidi Manohar Reddy, Independent Director(Up to 15th February 2020)
Dr. Jyoti Kaushal Sheth, Independent Director (Up to 20th February 2020)
Prof. B Vijayakumar, Independent Director (Up to 20th February 2020)
Shri K U Thankachen, Director (Marketing) (Upto 31st May 2020)
Shri A Ganesan, Director (Finance) (Upto 31st July 2020)

CHIEF VIGILANCE OFFICER

Shri T R Shaji

EXECUTIVE DIRECTORS

Shri A S Kesavan Namboothiri (Production Co-ordination)

Shri KV Balakrishnan Nair, Company Secretary & Executive Director (Finance)

GENERAL MANAGERS

Shri Ajithkumar.T.P. (C D)
Smt. Rejeni Mohan, (Marketing) C& C
Shri Krishnan.R. (Training&Development)
Shri Binny.P.J. (Technical)/CD

Shri Vimal V (FEW)
Shri Manikuttan R, (U C)
Shri Jacob K J, (Operations)/CD
Shri Siby Michael, (FEDO)

Shri Jayachandran K, (Corporate Planning)
Shri Jayaraj K B, (Technical)/UC
Shri Harikumar K S, (Operations)/UC
Shri A R Mohan Kumar, (HR&A)

Shri Mohanchandran M, (Projects),CD
Shri Dileep R, (Maintenance),UC
Shri Muraleekrishnan S, (Marketing)F
Shri Asok Kumar K A, (Engineering),FEDO

AUDITORS

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

Branch Auditors
Siv Ram & Raj
Chartered Accountants, Chennai
M/s Akasam & Associates
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

My dear shareholders,

A warm good morning to each and every one of you. I, as Chairman & Managing Director of your Company, welcome all of you to the 76th Annual General Meeting of FACT.

As all of you are aware the 76th AGM is convened as a virtual meeting, due to the spread of pandemic COVID-19, the most disruptive event in the modern human history. The world economy is facing an unprecedented crisis and hardships due to the pandemic.

The pandemic did not spare any sector including Fertilizer. Everyone has to respond with exceptional measures to maintain operation and to continue to provide services to customers while ensuring the health and safety.

I firmly believe that the success of every organisation depends on its ability to convert the adversities into opportunities. In the face of unprecedented challenges, your Company acted with a clear focus to conserve, preserve and innovate to ride out the waves of the ongoing crisis believing that we could emerge stronger at the other end. I strongly believe that your Company would also come out of the impact of COVID-19 soon.

I am addressing you second time in succession with a sense of pride about how well your Company performed during the financial year 2019-20, not only in financial terms but also in terms of production, marketing, despatch and all other activities.

I am happy to inform you that considering the extra ordinary income of ₹972.17 crore from sale of land, your company has reported a profit of ₹ 975.52 Crore for the financial year 2019-2020, which is an all-time record.

The achievements of the Company has reflected in the sentiments of the people in general and particularly the rating agencies and investors.

As on 31-03-2020, your Company has become one among the top 500 Companies listed in the National Stock Exchange of India Limited in terms of Market Capitalisation. The reputed rating agency, India Rating has given an investable rating to FACT upgrading two notch points.

Economic Scenario

India continues to remain the fastest growing major economy in the world in 2019-20 despite a moderation in its GDP growth from 6.1% in 2018-19 to 4.2% on 2019-2020.

At a time when the Indian economy had begun to regain momentum with clear signs of uptick in consumption and investment by the end of 3rd quarter of the financial year 2019-20, the outbreak of the COVID-19 in the fourth quarter has resulted in slow down of economic growth.

On the external front, India continued to attract robust foreign direct investment. Foreign Portfolio investment inflows also rebounded in recent months. This reflect the unshaken belief of foreign investors in India's macro-economic fundamentals.

Agriculture, which contributes 15% of total gross value added is set to push in the shock of COVID-19 pandemic in Indian economy in the year 2020-21.

Comfortable Foreign Exchange Reserve, higher Foreign Direct Investment, low oil prices coupled with the monetary policy of the Reserve Bank of India and stimulus package of the Government of India would stimulate the Indian Economy.

Fertilizer Industry

During the financial year 2019-20, production of total fertilizer nutrients increased by 3.4% as compared to previous year. Both N and P2O5 witnessed positive growth.

Eventhough fertilizer which falls under the essential commodities was exempted from the lockdown restrictions, the spread of COVID-19 pandemic caused a number of challenges for continuous operation of fertilizer plants in the Country. However, demand for fertilizers will remain buoyant during the financial year 2020-21 and the industry is expected to meet the requirements of farmers.

Liquidity crisis and volatility in input prices continues to be the major constraints being faced by fertilizer industry in India.

Business and Financial Performance

Financial statements of the Company for the year ended 31st March, 2020 along with Auditors report and Directors report have already been circulated to you. With your permission, I would like to take them as read.

You might have noticed that during the financial year FACT has leveraged 481.79 acres of land to Government of Kerala / KINFRA. As per the decision of the Union Cabinet, the sale proceeds will be utilised for expansion projects of the Company after meeting immediate working capital requirements as per the approval of the Union Cabinet.

Dear members, you may recall that while addressing you at the last AGM, I have shared some of the strategic initiative taken by your Company for its turnaround, growth and sustenance in the long run. I am happy to inform you that the Company successfully implemented the strategies and as a result, your Company has achieved record performance in production and marketing front during the financial year 2019-20.

I am happy to share some of the highlights of the performance of your Company during the year 2019-20.

- All time high Income - ₹3773 Crore.
- All time high Profit - ₹976 Crore.
- Operating Profit - ₹3.36 Crore.
- Highest Turnover in 9 years - ₹2770 Crore.
- All time high Factamfos production - 8.4 Lakh MT.
- Highest Ammonium Sulphate Production in 19 years - 2.21 Lakh MT.
- Highest sale of Factamfos in 19 years - 8.35 Lakh MT.
- Highest sale of Ammonium Sulphate - 2.36 Lakh MT.
- Augmentation of Fertilizer sales by trading of imported NPK.

Without continuous growth and progress such words as improvement, achievement and success have no meaning. Your Company is expected to continue the momentum in production and marketing in the year 2020-21 also. Company had already tied up for RLNG for one year at a reasonable rate. Annual turnaround activities of production divisions were carried out and the plants were back on line by the end of May, 2020.

I am pleased to share some of the highlights in the performance of FACT during the financial year 2020-21.

- Highest Factamfos sale during the 1st Quarter of 2020-21.
- Highest Organic Fertilizer sale during the 1st Quarter of 2020-21.
- Highest monthly Ammonium Sulphate production during July, 2020.
- Import of three shipment of fertilizers for Khariff season.

For a continuous process industry like FACT, sudden changes in the operating environment can have severe impact on operations and overall performance. By making suitable adaptations in its operation schedule, raw material planning, logistics, product despatch and marketing arrangements, FACT could minimise the impact of COVID-19.

Negative net worth, accumulated losses, logistic constraints and the vintage of plants continues to be the major concern for the Company. Another area of concern is the volatility of prices of fertilizer inputs. Once the Financial Restructuring, which is under the consideration of Government of India, is implemented, the accumulated loss would be wiped out and net worth become positive. On implementation of CAPEX projects, infrastructure bottleneck can also be addressed.

PAN India Operation

During the financial year 2019-20 FACT has extended fertilizer marketing operations to PAN India, enlarging marketing network to West Bengal, Odisha, Maharashtra and Gujarat. The Company expects to show the presence of FACT in these States during the financial year 2020-21.

Restart of Caprolactam

Successful trial run of the Caprolactam plant, which was in shut down conditions during the last eight years, was completed. The Company expects to restart Caprolactam operation during the financial year 2020-21, which may add ₹500 crore annually to the top line of the Company.

Coastal Shipping

FACT has started using coastal shipping as a new mode of transport for the movement of fertilizers to the east and west coasts of the Country. A total of 20 Containers of Ammonium Sulphate has been despatched to Haldia Port to distribute to the farmers of West Bengal. The shipping of fertilizers through sea route shall ease the pressure of movement of fertilizers by rail and road to a great extent. During the tough time of COVID-19 Pandemic, coastal shipping shall also help to ensure regular supply of fertilizers to farmers in coastal States.

CAPEX Projects

FACT has finalised CAPEX worth ₹608 crore for sustainable operations of the Company in the long run and to consolidate the existing business. These projects include 1650 MT per day fertilizer project, setting up of new Ammonia, Sulphuric Acid / Phosphoric Acid tanks, Barges for transportation of Ammonia etc.

Environmental clearance has already been obtained for the major projects. Due to outbreak of COVID-19, FACT could not finalise the tender proceedings. The Company expects to complete the projects by the year 2022.

Corporate Governance

FACT is committed to protect the interest of all Stakeholders, such as investors, Employees, Customers, Suppliers, Bankers, the Central and State Governments and the community by ensuring transparency in all aspects of the Company.

Your Company is committed to comply all 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 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 : 21-08-2020

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

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 76th Annual General Meeting of the members of The Fertilisers and Chemicals Travancore Ltd will be held on Wednesday the 23rd September, 2020, at 11.00A.M., through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

Ordinary Business

1. To receive, consider and adopt (a) the Audited Standalone Financial statements of the Company for the Financial Year ended 31st March, 2020, 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, 2020 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 Financial Year ended 31st March, 2020 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 Financial Year ended 31st March, 2020 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 2020-21 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 2020-21.

3. To appoint Ms. 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 in accordance with the provisions of section 152 and other applicable provisions of the Companies Act, 2013 Ms. Alka Tiwari (DIN- 03502306), Additional Secretary and Financial Advisor, Department of Fertilisers, Ministry of Chemicals and Fertilisers, New Delhi, who retire by rotation at this meeting be and is hereby appointed as a Director of the Company.

Special Business

4. To elect Shri Rabinarayan Patra (DIN: 00917044) as an Independent Director of the Company.

The Company has received notice in terms of Section 160(1) of the Companies Act, 2013 proposing Shri Rabinarayan Patra (DIN: 00917044) as an Independent Director of the Company at this Annual General Meeting.

Members may consider and if thought fit, pass with or without modification(s), the following Resolution as an Ordinary Resolution :

RESOLVED that pursuant to the provisions of section 149, 152, 160 and any other applicable provisions of the Companies Act 2013 ("Act") and the rules made there under read with Schedule IV of the Act, and Articles of Association of the Company, Shri. Rabinarayan Patra (DIN: 00917044) House No 10, Akash Deep Co-operative Housing Society, Plot 37, Sector 18, Koparkhairane, Navi Mumbai Maharashtra, India – 400709, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act, be and is hereby elected as an Independent Director of the Company.

5. Remuneration to Cost Auditors

To consider and if thought fit, 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 2020-21 be paid the remuneration of ₹65,000/- plus out of pocket expenses (subject to a maximum of ₹10,000/-).

By Order of the Board of Directors.

Sd/-
K.V. Balakrishnan Nair
Company Secretary & ED (Fin)

Place : Udyogamandal
Date : 27-08-2020

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Notes:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted holding of Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before the time scheduled for commencement of the meeting. Members can also join within 15 minutes of the commencement of meeting. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.fact.co.in. The Notice can also be accessed from the websites of the Stock Exchange i.e. National Stock Exchange of India Limited at www.nseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) at www.evotingindia.com.
7. Pursuant to the provisions of the Companies Act,2013, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
8. The relative explanatory statement required under Section 102 of the Companies Act, 2013 is given separately.
9. 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.
10. 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.
11. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution / Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution / Authorization shall be sent to the Scrutinizer by email through its registered email address to, cfccohin@gmail.com.

    As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact Company's Registrars and Share Transfer Agents, M/s. BgSE Financials Ltd ("BgSE"),for assistance in this regard. Address of RTA is as follows

    M/s. BgSE Financials Ltd,

    Registrars and Share Transfer Agents,
    Stock Exchange Towers, No.51,
    1st Cross, J.C.Road,
    Bangalore – 560 027.

12. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with BgSE in case the shares are held by them in physical form.

13. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to BgSE in case the shares are held by them in physical form.

14. As per the provisions of Section 72 of the Companies Act, 2013, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to BgSE in case the shares are held in physical form.

15. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to BgSE, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.

16. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

17. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 15th September, 2020 through email on kvbnair@factltd.com. The same will be replied by the Company suitably.

18. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.fact.co.in, website of the National Stock Exchange of India Limited at www.nseindia.com, and on the website of CDSLhttps://www.evotingindia.com,

19. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

20. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

21. Instructions for e-voting and joining the AGM are as follows:

THE INSTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING:

(i) The voting period begins on 20-09-2020 at 09.00 AM and ends on 22-09-2020 at 05.00 PM. During this period shareholders' of the Company, holding Shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 14-09-2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The Board of Directors of the Company has appointed Shri M.C. Sajumon, Practising Company Secretary, Littonia Cottage, M.A. Balakrishnan Road, Kochi-682018, as Scrutiniser to scrutinise the remote e-voting in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for the said purpose.

(iii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the time of meeting.

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

(v) Click on "Shareholders" module.

(vi) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

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

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

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

	For Shareholders 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)· ● Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
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 as mentioned in instruction (v).

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

(xi) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.

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

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

(xiv) 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.

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

(xvi) 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.

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

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

(xix) 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.

(xx) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company / RTA email id kvbnair@factltd.com / cs_rta@bfsl.co.in
2. For Demat shareholders, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company/RTA email id kvbnair@factltd.com / cs_rta@bfsl.co.in
3. The company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM:

1. Shareholders will be provided with a facility to attend the AGMthrough VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at https://www.evotingindia.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast two days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at kvbnair@factltd.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance two days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at kvbnair@factltd.com. These queries will be replied to by the company suitably by email.

6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(xxi) Note for Non – Individual Shareholders and Custodians

- Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- 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.
- Alternatively Non Individual Shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; kvbnair@factltd.com , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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 or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) 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 on 022-23058542/43

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

Item No. 4

Government of India, Ministry of Chemicals & Fertilisers, Department of Fertilisers, vide Order number FI No.78/2/2006-HR(PSU) dated 1st May 2020 notified the appointment of Shri. Rabinarayan Patra (DIN: 00917044) House No 10, Akash Deep Co-operative Housing Society, Plot 37, Sector 18, Koparkhairane, Navi Mumbai Maharashtra, India – 400709, as non-official Part time Director (Independent Director) on the Board of Directors of FACT. In order to comply with the provisions of Companies Act 2013, Shri. Rabinarayan Patra was elected as additional Director (Independent) on the Board of Directors of FACT till the conclusion of the Annual General Meeting. To comply with the provisions of Companies Act, 2013, it is proposed that Shri. Rabinarayan Patra may be elected as Independent Director on the Board of Directors of the Company. In the opinion of the Board, Shri. Rabinarayan Patra fulfill the conditions specified for appointment as independent Director of the Company as specified in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Only the concerned Director is interested in the resolution. Save and except as above, none of the Directors/Key Managerial Personnel/Relatives of Directors and Key Managerial Personnel are in any way concerned or interested in this Resolution.

Details of Director whose appointment as Independent Director is proposed at item No. 4, is provided in the Annexure to the Notice pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

The Board recommends the ordinary resolution set out at Item 4 of the Notice for approval of share holders.

Item No. 5

The Board has approved the appointment of M/s Rajendran, Mani &Varier, Cost Accountants, Cochin, as Cost Auditors to conduct the audit of cost accounts of the Company for the financial year 2020-21 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 2020-21.

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 5 of the Notice for approval of share holders.

Annexure to the Notice dated 27-08-2020

Details of Directors seeking appointment at the ensuing Annual General Meeting:

Name	Ms. Alka Tiwari	Shri. Rabinarayan Patra
Age	55	65
Qualifications	IAS	B Tech (Hons), PHD
Experience/ Brief Resume	See Website www.fact.co.in	See Website www.fact.co.in
Terms & Conditions of Appointment	As per GOI notification number 130/82003-HR-1 dated 06-03-2017 MsAlka Tiwari was appointed as a part term Government Nominee Director	As per GOI Order FI No.78/2/2006-HR(PSU) dated 01st May, 2020, Shri. Rabinarayan Patra appointed as an Independent Director of the Company
Remuneration	NIL	Sitting fees for attending meeting of the Board and Sub Committees of the Board.
Date of First Appointment on the Board	21-04-2017	07-05-2020
Shareholding in the Company as on 31st March, 2020	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	3	0
Directorship of other Boards as on 31st March, 2020	Rashtriya Chemicals and Fertilisers Ltd. Hindustan Organic Chemicals Limited	NIL
Membership/ Chairmanship of Committees of other Boards as on 31st March, 2020	Rashtriya Chemicals and Fertilisers Ltd. 1. Audit Committee 2. Nomination and Remuneration Committee 3. Stakeholders Relationship Committee	NIL



Shri Kishor Rungta, C & MD, receives Shri Mansukh Mandaviya Hon'ble Union Minister of State, Chemicals and Fertilisers at FACT, Udyogamandal



Shri Mansukh Mandavya, Hon'ble Union Minister of State, Chemicals and Fertilisers in discussion with Shri Kishor Rungta, C & MD and other Senior Executives of FACT.



Shri D V Sadananda Gowda, Hon'ble Union Minister, Chemicals & Fertilisers and Shri V Muralidharan, Hon'ble Union Minister of State, External Affairs, along with Shri Kishor Rungta, C & MD, Shri Dharampal, Addl. Secretary (Fert), after planting a sapling at Sree Chithira Thirunal Bhavan.



Shri D V Sadhanandha Gowda Hon'ble Union Minister, Chemicals & Fertilisers & Shri V Muraleedharan, Hon'ble Union Minister of State, External Affairs, in discussion with Shri Kishor Rungta, C & MD, Shri Dharampal, Add. Secretary (Fert.), Other Senior Executives of FACT and Trade Union Leaders.

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

DIRECTORS' REPORT

Dear Members,

The Board of Directors are pleased to present the 76th Annual Report of your Company and the Audited Financial Statements for the financial year ended 31st March 2020.

Your Directors are happy to inform you that your Company has touched new height in net profit, production of its prime product – Factamfos and sale of Fertilizers strengthening the position as one of the leading Fertilizer PSUs.

During the financial year 2019-20 Union Cabinet has approved a proposal for sale of 481.79 acres of land held by the Company to the Government of Kerala, and utilization of the sale proceeds to address working capital deficiency and improvement of Balance sheet to enable the Company to enhance physical and financial performance by implementing capacity expansion projects for sustainable growth.

After considering the extra ordinary income of ₹ 972.17 crore from sale of land, your company has reported a profit of ₹ 975.52 Crore for the financial year 2019-2020.

Highlights

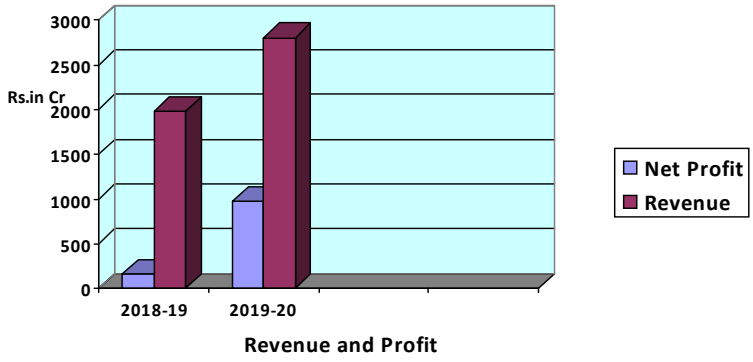
- Highest Net profit of ₹ 975.52 Crore
- Highest sale of Fertilizers in the last 18 years
- Highest Production of FACTAMFOS
- Pan India Operations
- One Million Ton of Fertilizer production.
- Successful Completion of Phase II & III trial run of petro plants
- Recognition in implementation of Official Language.
- Safety Awards for Cochin Division

PERFORMANCE- 2019-2020

1. Financial Performance

Financial Performance of the Company for the year ended March 31, 2020 is summarized below: ₹ in crores

Particulars	2019-20	2018-19
Net Sales	**2769.91**	1954.59
Other Income	**31.51**	22.70
Total Revenue	**2801.42**	1977.29
Total Expenses	**2798.06**	2248.50
Profit before Exceptional Items and Tax	**3.35**	-271.21
Exceptional Items	**972.17**	433.90
Earnings before interest, depreciation and Taxes (EBIDTA)	**1282.74**	466.04
Interest	**289.27**	280.53
Depreciation	**17.93**	23.02
Profit for the year	**975.52**	162.69
Other comprehensive Income	**5.33**	18.00
Total Comprehensive Income	**980.85**	180.69



Revenue and Profit

Due to accumulated loss, your directors have not recommended any dividend for the financial year 2019-2020. The Company has not transferred any amount to Reserve during the financial year 2019-2020.

2. Production and Sales

Production	(in MT)	(in MT)
	2019-2020	**2018-19**
Factamfos 20 : 20	**844738**	**634362**
Ammonium Sulphate	**220951**	**141754**
Caprolactam	**0**	**0**

Sales	(in MT)	(in MT)
	2019-2020	**2018-19**
Fertilisers	**1117541**	**768245**
Caprolactam		**0**

On Production front, Factamfos production for the fiscal is 8.45 lakh MT and Ammonium Sulphate 2.21 Lakh MT, as compared to 6.34 Lakh MT and 1.42 lakh MT respectively during the previous year. Factamfos (NP 20:20:0:13) production of 8.45 Lakh MT is an all time high surpassing the previous best of 8.38 Lakh MT and Ammonium Sulphate production of 2.21 lakh MT is the highest in last 19 years.

On marketing front, during the financial year 2019-2020, Factamfos sale was 8.35 lakhs MT and Ammonium Sulphate sale was 2.36 lakhs MT as compared to 6.17 lakh MT and 1.37 lakh MT respectively during the last financial year. During the Financial Year 2019-20 the Company has sold 11.17 lakh MT of all products together, which is the highest in the last 18 years.

During the year the Company has extended fertiliser marketing operations to PAN-INDIA, enlarging marketing network to West Bengal, Orissa, Maharashtra & Gujarat. As a first step, the company started marketing Ammonium Sulphate in the states of Maharashtra and West Bengal.

The company expected to continue the momentum in production and marketing front during the financial year 2020-21.

FACT has finalized an ambitious production and marketing plan for the Financial Year 2020-2021. The performance of the company in the production and marketing front for the first three months of the year 2020-21 is encouraging. The company is planning to improve the top and bottom line by fertilizer trading. So far company has placed purchase orders for import of 3 shipments of fertilizers- Two shipment of MOP and One shipment of Complex Fertiliser for kharif season.

The Company is planning to restart Caprolactam operations during the financial year 2020-2021 after completing major maintenance activities and installing online effluent monitoring facilities. Trial run of the plants were successfully completed.

COVID-19

During March 2020, the COVID-19 pandemic developed rapidly, forcing Central and State Governments to enforce social distancing and lock-downs all over the Country. Company has taken urgent steps to minimise the impact on its operations, with a special focus to Manpower safety. For a continuous process industry like FACT, sudden changes in the operating environment can have severe impact on operations and overall performance. By making suitable adaptations in the operation schedule, raw material planning, logistics, product despatch and marketing arrangements, FACT could minimise the impact of COVID-19 during the last two months

A detailed analysis of the Impact of COVID 19 is presented in the Management Discussion and Analysis Report.

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, 2020, 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.86/1/2016-HR-1 dated 07th August, 2019, appointed Shri A Ganesan, Executive Director, NLC Limited, as Director (Finance) of the Company.

Government of India, Ministry of Chemicals & Fertilisers, Department of Fertilisers, vide Order No.86/1/2017-HR-1 dated 29th November, 2019 entrusted the additional charge of the post of Director (Technical), FACT to Shri Harsh Malhotra, Director (Technical) Madras Fertilizers Ltd.

Government of India, Ministry of Chemicals & Fertilisers, Department of Fertilisers, vide Order No. 86/03/2015-HR(PSU) dated 29th May, 2020, appointed Shri Anupam Misra, as Director (Marketing) of the Company.

Independent Directors

The Independent Directors on the Board of FACT are being appointed based on the notification issued by the Government of India.

Government of India, Ministry of Chemicals & Fertilisers, Department of Fertilisers, vide Order FI No.78/2/2006-HR(PSU) dated 01st May, 2020, appointed Shri Rabinarayan Patra, as Non-Official Part-Time (Independent) Director of the Company.

As per section 149 (10) of the Companies Act 2013, no Independent Directors has been reappointed on the Board of the Company.

Retirements and Resignations

On appointment of Shri A Ganesan, Shri Umesh Dongre ceased to be the Director (Finance) of the Company with effect from 28.08.2019.

Consequent to Government of India, Ministry of Chemicals & Fertilisers, Department of Fertilisers, Order No.86/1/2017-HR-PSU dated 18th April, 2019, Shri Sudhir Dattatraya Panadare ceased to be the Director(Technical) of the Company with effect from 01.11.2019.

The period of the initial appointment of Shri B Vijayakumar, Independent Director, Dr. Gangidi Manohar Reddy, Independent Director and Dr. Jyoti Kaushal Sheth, Independent Director ended in February 2019.

On appointment of Shri. Anupam Misra, Shri K U Thankachen, ceased to be the Director (Marketing) of the Company with effect from 01st June 2020

The Board place on record its appreciation on the valuable services rendered by Shri Umesh Dongre, Director (Finance), Shri S D Panadare, Director (Technical), Shri K U Thankachen, Director (Marketing) Shri B Vijayakumar, Independent Director, Dr Gangidi Manohar Reddy, Independent Director, and Dr. Jyoti Kaushal Sheth, Independent Director.

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 during the financial year 2019-2020.

Meetings of the Board

During the financial year 2019-2020, Five 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 financial year 2019-2020 by the Comptroller and Auditor General of India. M/s Siv Ram & Raj, Chartered Accountants, Chennai, was reappointed as Branch Auditors for the year 2019-2020, for the Area / Regional Offices at Tamil Nadu and Kerala, by the Comptroller and Auditor General of India. M/s Akasam & Associates, Chartered Accountants, Hyderabad, was appointed as Branch Auditors for the year 2019-2020 for the Area / Regional Offices at Andhra Pradesh, Telengana and Karnataka States by the Comptroller and Auditor General of India.

The report of the Statutory Auditors on the financial statements for the financial year 2019-2020 is a modified report. Clarification of the Management in respect of qualification of Auditor's Report is annexed to this Report as addendum.

(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 2019-2020. Cost Audit report for the financial year 2018-19 was filed with Ministry of Corporate Affairs on 27.12.2019.

(3) Secretarial Audit

M/s SVJS & Associates, Company Secretaries, Kochi, has been appointed as Secretarial Auditors of the Company for the year 2019-2020. The report of the Secretarial Auditor is annexed to this report as **Annexure-1**. The Secretarial Auditors in their report stated that the Company is not complying the provisions of regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

The Company will comply the provisions of regulations 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, once the notification of appointment of Independent Director is issued by the Government of India

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 has 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 2019-2020, no Company has become/ceased to become subsidiaries/Joint Ventures/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 2019-2020, the financial results of FRBL show a net loss of ₹15.07 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 2019-2020 shows a profit of ₹3.85 Crore.

Public Deposit

During the financial year 2019-2020, the Company has not accepted any deposit from public.

Investor Education and Protection Fund (IEPF)

During the year 2019-2020 FACT has transferred ₹ 25,850 to Investor Education and Protection Fund on 26th April, 2019. No amount is pending for transfer to IEPF.

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 2019-2020. 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, 2020) and the date of the report. Similarly, there was no change in the nature of business of the company during the financial year 2019-2020.

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 wings of FACT headed by Deputy General Manager (Internal Audit) 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 there on 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 2019-2020.

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 2019-2020.

During the financial year 2019-2020, 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.

Following are 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

An integrity Pact in line with Government of India guidelines in this regard has been finalised and implemented in the company.

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, 2020, 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, 2020 and of profit and loss statement for the year ended March 31, 2020.

(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.

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 : 06-08-2020

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

ADDENDAM TO DIRECTORS REPORT

(Clarification in respect of qualification of Statutory Auditors)

Auditor's Qualification	Management Reply
Regarding the sale of land and conversion of lease hold to free hold land to the Company, though the Government of Kerala (GoK) has accorded freehold right to the Company over 143.22 acres of land, the Company is yet to receive freehold title. According to the Company, the fair value of the non-monetary asset of freehold title of the land converted as required under IND AS 16-Property Plant and Equipment and the consequent revenue cannot be recognized at this stage, not quantified. In view of this, Auditors are unable to comment on the compliance of the said Ind AS and the impact there of on the financial statements.	The Audit Qualification is relating to sale of land to Government of Kerala as per the decision of the Union Cabinet. Statutory Auditors have not quantified the Impact of Audit Qualification. FACT has complied with the directive of the Union Cabinet on sale of land and received the consideration also. The observation is relating to conversion of 143.22 acres of leasehold land held by the Company to freehold. Pending issue of title deed and other formalities in connection with conversion, Company continues the classification of said land as leasehold land. Since there is no change in the status of the land, as per the books of the Company, the Compliance of IND AS does not arise.

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

National Motor Replacement Programme.

The National Motor Replacement Programme (NMRP), which is a flagship programme of the Bureau of Energy Efficiency (BEE) under the Energy Conservation Act 2001, is being implemented in FACT-Cochin Division, under which the old motors are being replaced with energy efficient motors. During the year 2019-2020, 60 energy efficient motors have been used for the replacement of the old in efficient motors. The net savings in the energy is 1,79,865 units which amounts to ₹10,16,238/-.

Change in Fuel

In Sulphuric Acid Plant, Start up Fuel was changed to Regasified Liquefied Natural Gas (RLNG) from Kerosene and in Petrochemical Plant, Pollution Control, and in Waste heat recovery Purge Incineration Boiler Fuel was changed to RLNG from LPG. In Hyam Plant and Anone Plant also the fuel was changed to RLNG from LPG. The change in fuel has resulted in considerable savings in energy.

Installation of Oxygen Analyzer

Oxygen analyzer was installed in RLNG fired heater in Ammonia Plant for improving the thermal efficiency.

Replacement of old Gas Discharge Tubes

Replacement of old Gas Discharge Tubes and Fluorescent tube lights in FACT-Cochin Division has been done in phased manner and the net savings in energy is 55,300 units. This amounts to a savings of ₹ 2,98,620/-

B. Technology Absorption

i. Efforts made

1. Installation of new oxygen analyzer in RLNG heater's flue gas stack in Ammonia complex to optimize RLNG consumption. It was commissioned on 16.10.2019.
2. 550 TPD Sulphuric acid plant changed over its fuel from kerosene to the clean energy fuel – RLNG for startup and shutdown activities.
3. Preheating of converter's third catalyst bed in 600 TPD Sulphuric acid plant, by introducing 1-3 catalyst bed bypass.
4. Certification of ISO 50001:2018 in FACT UC – Ammonia Complex, becoming the first public sector fertilizer company among the BEE selected companies to achieve this feat.
5. Fuel conversion from furnace oil to RLNG in 150 TPD and 300 TPD Ammophos plants is in progress.

ii. Benefits derived

- Since the commissioning of oxygen analyzer in RLNG heater's flue gas stack in Ammonia plant on 16.10.2019, the RLNG consumption was reduced by optimizing the air flow, resulting in energy saving of 0.002 GCal/MT of Ammonia.
- On changing over from Kerosene to RLNG for startup and shutdown activities, fuel consumption in 550 TPD Sulphuric acid plant has been reduced, since natural gas has a higher calorific value. Being a green fuel, pollutant concentration in gaseous emission has been minimized.
- On introducing 1-3 bypass for preheating the converter's third catalyst bed in 600 TPD Sulphuric acid plant, the fuel consumption was brought down by 15% since third catalyst bed achieved its desired temperature much quicker than usual.

iii. Imported technology

No technology has been imported during the Financial Year 2019-2020.

iv. The major activities of Research & Development

- Low Grade Rock Phosphate Characterization Studies for Phosphoric Acid Production: Presently, Rock Phosphate with Phosphate content of around 30-32% P_2O_5 is used in the production of Phosphoric Acid. Lab scale Studies are being undertaken for partially replacing high grade rocks used in the Phosphoric Acid manufacturing units with law grade rock phosphate.
- Research and Development (R&D), monitoring the quality of Finished Chemical Fertilizers both in manufacturing unit and in field godowns, distributors and dealers for evaluating the quality as per the direction of Ministry of Agriculture, Government of India.
- Research and Development is engaged in Testing and Certification of Rock Phosphate (RP) and Single Super Phosphate (SSP) samples in connection with Technical audit of SSP Manufacturing Units in all southern states and Maharashtra.
- Research and Development (R&D) produces Bio Fertilizers such as Rhizobium, Azospirillum and Phosphate Solubilizing Bacteria (Phosphobacter) from its 150TPA plant.
- R&D imparts Project guidance to B.Tech, M.Tech , M.Sc Biotechnology, Micro Biology and Chemistry Students as part of their curriculam requirement.

Details of expenditure on R&D are given below.

EXPENDITURE ON R&D

₹ in Lakh

Year	Capital	Revenue	Total	As % of total Turnover
2017-18	0	114.17	114.17	0.059
2018-19	0	140.26	140.26	0.070
2019-2020	0	91.73	91.73	0.030

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	**88526.59**	**124813.32**
(b) Traded Products	**5812.33**	**0.00**
(c) Spares and Other Materials	**83.33**	**64.80**
(d) Capital Goods	**0.00**	**0.00**
	94422.25	**124878.12**
(ii) Expenditure in Foreign Currency (Cash Basis)		
(a) Consultancy Service	**0.00**	**0.00**
(b) Others	**55.74**	**184.39**
	55.74	**184.39**
Total (i) + (ii)	**94477.99**	**125062.51**

(Kishor Rungta)
Chairman And Managing Director
DIN-00231106

Place : Udyogamandal
Date : 06-08-2020

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.

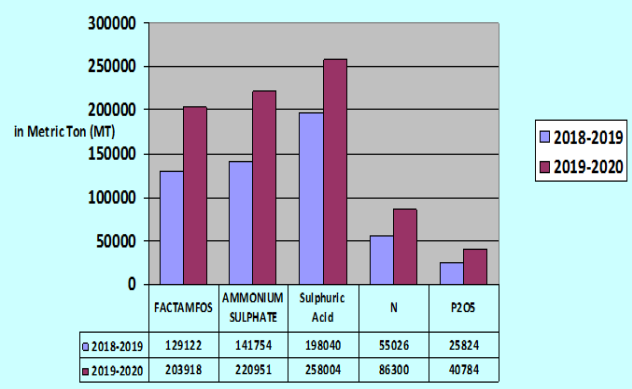
f. To invest in new business lines, where profit can be made on a sustainable basis over the long term.

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 2019-20

a. Udyogamandal Complex:

Fertilizer Units: During the year 2019-2020 Udyogamandal Complex produced 203918 MT of Factamfos, (NP 20:20:0:13), which is 137.32% of the installed capacity and 131.56% of MoU target. Ammonium Sulphate production during the year 2019-2020 was 220951 MT, which is 98.20% of the installed capacity and 122.75% of MoU target. During the financial year 2018-19 production of Factamfos and Ammonium Sulphate were 129122 MT and 141754 MT respectively.



	FACTAMFOS	AMMONIUM SULPHATE	Sulphuric Acid	N	P2O5
2018-2019	129122	141754	198040	55026	25824
2019-2020	203918	220951	258004	86300	40784

Nutrient wise production during 2019-2020 was 86300 MT of N against MoU target of 68080 MT and 40784 of P_2O_5 against MoU target of 31000 MT.

The Annual production of Sulphuric Acid for the year 2019-2020 was 258004 MT, it is all time highest production surpassing the previous record of 255170 MT in financial year 2000-01.

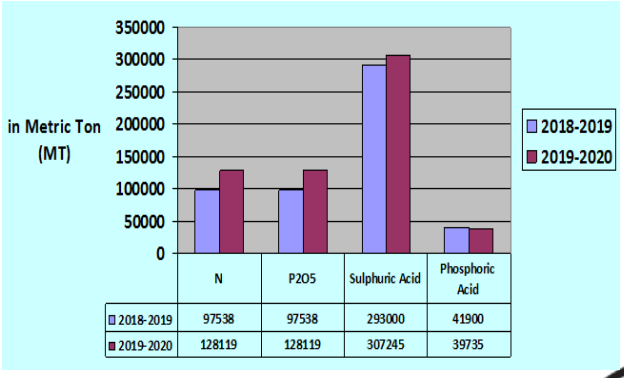
Petrochemical Unit: The phase II trial run of Petro Plant was carried out in July-August 2019. During the trial run 232.137 MT cyclohexane and 81.68 MT Anone were produced. Phase III trial run was carried out in October – November 2019. During the trial run, 282 MT of Hyam Sulphate, 16.09 MT Nitric Acid, 1.5 MT Colored Ammonium Sulphate and 22 MT Soda Ash were produced.

During the year 2019-2020 198890 MT of Ammonium Sulphate liquor was produced through Direct Neutralization process in Petrochemical unit for the production of Ammonium Sulphate

b. Cochin Division:

During the financial Year 2019-2020, Cochin Division produced 128119 MT each of nutrient nitrogen and nutrient P2O5, which is 132.08% of the installed capacity and 125.61 % of the MOU target. This achievement in production is an all time high.

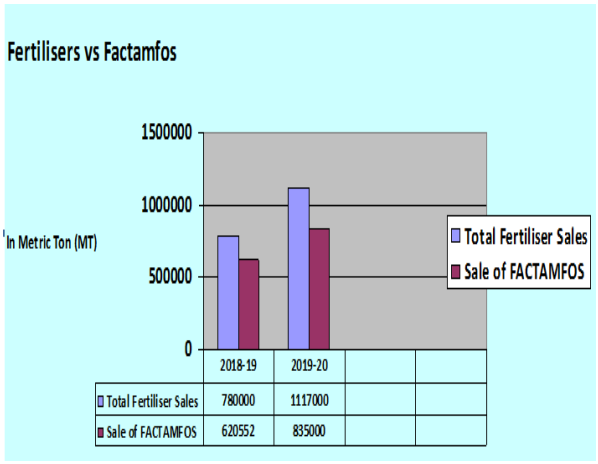
During the year 2019-2020 ,the division produced 307245 MT of Sulphuric Acid and 39735 MT of Phosphoric Acid as compared to 293000 MT of Sulphuric Acid and 41900 MT of Phosphoric Acid in the year 2018-19.



	N	P2O5	Sulphuric Acid	Phosphoric Acid
2018-2019	97538	97538	293000	41900
2019-2020	128119	128119	307245	39735

Marketing Division:

During the financial year, 2019-20, the Company had achieved sale of 11.17 lakh MT of fertilisers as compared to the previous year sale of 7.8 lakh MT. Out of this, 8.35 lakh MT of Factamfos sales was the most appreciated achievement of the year, which is the highest among the last 19 years. The sale of Ammonium Sulphate during the year was 2.35 lakh MT as compared to 1.37 lakh MT during the previous year.



	2018-19	2019-20		
Total Fertiliser Sales	780000	1117000		
Sale of FACTAMFOS	620552	835000		

During the Financial Year 2019-2020, the Company had imported 27300 MT of 16:16:16.

During the Financial Year 2019-2020 the Company expanded the fertiliser marketing areas to the states of Maharashtra & West Bengal, as first step towards PAN INDIA operation The Company is in the process of establishing dealer network and its brand image in the states of Odisha and Gujarat.

FACT Engineering and Design Organisation (FEDO):

During the year 2019-2020, FEDO focused on major jobs of external clientele and achieved substantial progress in completion of major jobs in the spectrum of design, engineering , procurement and inspection fronts as well as in the Projects & Constructions.

The turnover of FEDO for the year 2019-2020 was ₹ 16.82 crore as against ₹ 22.69 crore in 2018-19. During the year 2019-2020 FEDO received new orders for a value of ₹ 11.80 crore as compared to ₹ 14.75 crore during the year 2018-19.

FACT Engineering Works (FEW) :

The turnover of FEW for the financial year 2019-2020 was ₹16.71 crore as against ₹10.93 crore during the financial year 2018-19. During the financial year 2019-2020, FEW has bagged orders worth ₹ 25.34 crore compared to ₹13.74 crore during the year 2018-19.

During the Financial Year 2019-2020, FEW could bag an order worth ₹ 1 crore from M/s Mangalore Refinery & Petro Chemicals Ltd (MRPL).

There is steady demand from the process industry for pressure vessels and heat exchanges for replacement as well as for capacity expansion. BPCL-Kochi Refinery has now gone through major expansion, with substantial potential for business for FEW. The shipping sector is also now on the path of resurgence. FEW is charting out plans for associating with Cochin Shipyard Limited, with a prospect to achieve more orders. FEW is already in the field of fabrication of barges for inland cargo transportation, which is a new area for FEW's development. Construction of new self-propelled barge of high capacity for ammonia transportation for FACT is scheduled in the year 2020-21. FEW has already done various critical jobs to The Indian Space Research Organisation (ISRO).

Steps taken by FACT to tide over the crisis of COVID-19

In the wake of growing concern all over the world on COVID-19 pandemic and the lockdown announced emphasising social distancing by the Central and State Governments, company has taken urgent steps to minimise the impact on its operations, with a special focus to Manpower safety.

For a continuous process industry like FACT, sudden changes in the operating environment can have severe impact on operations and overall performance. By making suitable adaptations in operation schedule, raw material planning, logistics, product despatch and marketing arrangements, FACT could minimise the impact of COVID-19.

A. Impact of the COVID-19 pandemic on the business;

Ministry of Home affairs, Government of India has given certain exemption in lockdown conditions to continuous process industries and industry in Priority Sector. FACT is in the category of continuous process industry and is in Priority Sector.

All plants of FACT has started operations in a phased manner.

Even with all restrictions, Company could perform reasonably well on production and marketing fronts during the months of March, April and May 2020.

One area where the COVID has impacted FACT to some extent is the Annual Maintenance of its operating plants. Normally, annual maintenance of production units are planned during April - May period. This year, availability of skilled man-power and material, especially the service of Original Equipment Manufacturers from outside the state and availability of material ordered on parties from other states were major constraints. Some of the maintenance works were delayed on account of this and some are postponed for the next year. This may have an impact in the reliability of plants for maintaining maximum production in the coming months. Essential maintenance works in all the fertilizer plants were completed utilising in-house technical expertise by second half of May 2020.

B. Ability to maintain operations including the factories/units/ office spaces functioning and closed down

All employees of the Company are being advised to take precautionary measures at their work place. The Company is

adhering all directions in the guidelines /notification/ orders/ advisories, regarding the safety, issued by the Central and State Governments.

The company expects to maintain normal operations in all Divisions / Units during the year 2020-21.

Shortage of labour for bagging and loading of finished products and movement restriction for essential manpower & materials were the major problems faced during the initial stages of lockdown. On announcement of country wide lockdown, Company had to curtail manufacturing operations during second half of March 2020, considering the shortage of labour for bagging & loading and road / rail movement limitations.

Subsequently, when there was improvement in labour and rail wagon availability, Company could start operations and start dispatching fertiliser through rail wagons. Dispatch of the finished product is carried out with close coordination with railways avoiding stock build up in plants and meeting the requirements at various destinations. Road dispatch of Fertilisers to different destinations were also started.

C. Steps taken to ensure smooth functioning of operations;

The Company has put in place strict monitoring process for ensuring the following

- All guidelines and instructions issued by Central and State Governments were implemented in its letter and spirit
- Awareness posters displayed at all major locations in factory premises, Townships and nearby locality.
- Hand wash and Sanitisers are made available at all offices, plants, entry / exit points etc. Masks given to employees / officials on duty.
- Visitors are restricted at all points.
- Thermal screening of employees is done on a daily basis at major points & travel history is noted in support with a hospital.
- Special pass arranged for essential crew for travel during lockdown period.
- Special permission from district administration was taken for material movement
- Non-essential staff are allowed to work from home.
- For smooth operations during and after the lockdown, prepared an SOP for safe operation, in line with directives from Government & Health department.
- Advised employees to download Aarogyasethu App.

D. Estimation of the future impact of COVID-19 on operations

FACT is engaged in the manufacturing and manufacturing of Fertilizers, which is an essential input for Agriculture. Central and State Governments are giving top most priority on agriculture activities during COVID-19 situation also. The company expect to continue the normal operations and does not expect any impact of COVID-19 in its normal operations.

Due to COVID-19, there may be some delay in implementation of the CAPEX projects of the company.

E. Details of impact of COVID-19 on Company's Capital and Financial Resources

Capital and Financial resources of the company has not been affected due to COVID-19 till date. The company does not expect any impact on the Financial and Capital resources due to COVID-19.

F. Profitability

The company has finalized an ambitious production and marketing plan. The COVID-19 does not have any impact on the supply of raw material and marketing of finished products. Therefore, the company expects some improvement in the profitability from operations during the financial year 2020-21 as compared to the financial year 2019-20.

G. Liquidity

Liquidity position of the company is comfortable. At present the company is not utilizing any loan from Banks and financial institutions for working capital. Entire sales of FACT is on cash and carry basis. In view of the above, the company expects a comfortable liquidity position throughout the financial year 2020-21.

H. Ability to service debt and other financing arrangements

As on date major debt of FACT is the principal and interest due on Government of India loan. FACT has submitted a financial restructuring package to Government of India seeking approval for write off of Government of India loan interest and conversion of a portion of Government of India loan into equity and conversion of balance loan as interest free Government of India loan repayable in 10 annual instalments starting from the financial year 2021-22. The company expects a favourable decision in this regard from the Government of India.

I. Assets

COVID-19 do not have any impact on any of the Assets of the company.

J. Internal Financial Reporting and Control

COVID-19 do not have any impact on Internal Reporting and Control.

K. Supply Chain

The company does not expect any obstructions in the supply chain.

L. Demand for product

The company expects some improvement in the demand for its products during the financial year 2020-21.

M. Existing Contracts and Agreements

Company can fulfill all existing contracts and arrangements.

Opportunities & Threats

Opportunities

- ❖ Premium product in the complex fertilizer segment containing Sulphur
- ❖ Extensive Marketing network in Southern India
- ❖ Substantial infrastructure facilities

- ❖ Operational efficiency and high capacity utilisation of plants.
- ❖ Scope for expansion and diversification
- ❖ Availability of land resources for generating additional revenue
- ❖ Availability of RLNG at Kochi

Threats

- ❖ High interest on Government of India Loan
- ❖ Volatility in the prices of raw materials and feedstock.
- ❖ Exchange rate variations
- ❖ 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

- ➢ Lack of level playing field in the price of RLNG/LNG
- ➢ Non-operation of Caprolactam plant due to economic reason
- ➢ High fixed cost
- ➢ Lack of adequate infrastructure facilities
- ➢ Old vintage plants

Key Financial Ratios

Key financial ratios of the Company for the financial year 2018-19 and financial year 2019-2020 are given below.

SL No	Particulars	2019-2020	2018-19
1	Debtors Turn Over Ratio	0.14	0.20
2	Inventory Turn Over Ratio	3.70	3.18
3	Interest Coverage Ratio	4.37	1.58
4	Current Ratio	1.07	1.07
5	Debt Equity Ratio	-6.32	-2.60
6	Operating Profit Margin	0.46	0.23
7	Net Profit Margin	0.35	0.08

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

HUMAN RESOURCES DEVELOPMENT

1. Industrial Relations

During the financial year 2019-2020, the Company maintained the tradition of harmony and cordial industrial relations in all divisions. Management, Trade unions and associations continued to discuss and deliberate on various issues through regular meetings. It is worth mentioning that not only there was no loss of productivity due to IR issues, the year witness productivity increase and employee commitment as compared to previous year.

2. Human Resources

The Company values Human Resources as an important asset and recognizes the contribution in achieving record productivity and sales during the year. There were 1910 employees as on 31.03.2020. The Company has implemented a scientific man power strength based on the external study and succession plan aligned to lead the organization. The recruitment strategy persuaded by the Company in the year has attracted steady flow of people talent. During the year, 79 Executives and 180 Non-Executives were inducted into the Company through two All India Recruitment Drives

Employees are imparted training through the FACT Training and Management Development Centre. The new recruits were given induction training including on the Job Training in divisions. During the year, the Company implemented a series of initiatives for work life balance as well as leadership development of women employees. The Company has also undertaken Learning & Development programmes for Executives to build their technical and managerial competencies with special focus on web learning.

The Company has implemented, a Grievance Management System for redressing employee grievance by constitution of three Grievance Committees. These Committees will consider the grievances based on their cadre

3. Development of Scheduled Castes/ and Scheduled Tribes.

Employment of Reserved categories as on 31.03.2020 is given below:

No of Employees	Total	SC	ST	OBC	Others
	1910	235	51	697	927
Percentage of total employees		12.30	2.67	36.49	48.53

Steps taken for the welfare of Scheduled Castes/ and Scheduled Tribes (SCs/STs):

The directive of the Government in recruitment and promotion of SC, ST, OBC Ex- service men and PWD are followed by the Company. SC/ST Employees associations are functioning in the Company. SC/ ST Officers are adequately represented in the interview boards and ensure representations in other associations. Due consideration is given for allotment of residential quarters to SC/ST employees.

SC/ST Grievance Cell

An SC/ST Grievances Cell is functioning in the Company with the Liaison Officers of all divisions and representatives of employees belonging to SC and ST. Welfare benefits are extended to employees and their dependents by way of medical facilities, housing, social security etc.

Training

Maximum representation is ensured for the SC/ST employees to attend in house training programmes. 13 Scheduled Caste employees and 11 Scheduled Tribe employees had undergone training during the year 2019-2020

SL No	Programme Type	No of Employees				Total
		Scheduled Caste		Scheduled Tribe		
		Managerial	Non-Managerial	Managerial	Non-Managerial	
1	Internal Training	65	10	16	1	92
2	External Training	4	1	2	0	7
	Total	69	11	18	1	99

For engagement of Apprentices under the Apprentices Act, representation for SC/ST as per rules is provided. The representation for SC/ST in Apprentices as on 31.03.2020 is as follows:

Total No of Apprentices	SC	ST
23	21	2

4. Allotment of Residential Quarters

Due consideration is given for allotment of residential quarters to SC/ST employees. 28 % of the quarters are presently occupied by the SC/ST employees.Details of quarter allotted to SC/ST employees as on 31.03.2020 is furnished below:

Total Number of Employees Occupying Quarters	SC	ST
385	89	18

5. Reservation of Dealership

FACT is having 6308 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 31.3.2020 is given below.

Sl.No	State	Total Dealers	SC	ST
1	Kerala	2795	195	11
2	Tamil Nadu	906	110	31
3	Karnataka	1522	125	64
4	Telangana	466	13	7
5	Andhra Pradesh	619	31	6
	TOTAL	**6308**	**474**	**119**

Official Language

FACT is giving top priority for the implementation of the Official Language Act, Rules, resolutions and advisories, issued by the Ministry of Home Affairs, Government of India from time to time. Meetings of Official Language Implementation Committee are being conducted regularly under the chairmanship of Chairman and Managing Director. Every year Hindi Fortnight is celebrated, in which various competitions are conducted for the employees of the Company. For giving awareness of Official Language Act, rules and other provisions formulated by the Government of India, Hindi department is organizing Hindi workshop/ training program for the employees on quarterly basis. In order to create enthusiasm towards Hindi among the employees, several Hindi Competitions were conducted during the financial year 2019-2020. Cash incentive scheme is revised for the financial year 2019-2020 for the employees to motivate them to do more official work in Hindi.

FACT won second prize for the performance in Hindi Competitions during Joint Hindi Fortnight Celebrations - 2019 organized by Kochi Town Official Language Implementation Committee.

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

During the financial year 2019-2020, the Company has procured material worth ₹ 106.86 crore from MSEs. Most of the feed stocks and Fertiliser inputs procured by FACT are not available with the MSEs.

Company is giving priority to Micro and Small Enterprises for procurement as per directives issued by the Government of India from time to time.

FACT is registered with TReDs platform of Receivable Exchange of India Limited (RXIL) a joint venture by SIDBI and NSE for providing bills discounting facilities to MSMEs.

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 are kept in operation along with the plant throughout the year. Treated effluent and gas emissions discharged from plants conform to the standards prescribed by the Kerala State Pollution Control Board.

As per directions from Central Pollution Control Board (CPCB) and Kerala State Pollution Control Board (KSPCB), continuous online monitoring and web uploading are in progress. All analyzers as per guidelines have been installed and the parameters are uploaded in KSPCB & CPCB websites.

FACT Cochin Division could maintain all effluent parameters within limits as specified by the statutory authority during the year. As per an agreement between FACT and Kerala Enviro Infrastructure Limited (KEIL), the accumulated stock of hazardous wastes viz., spent V205 catalysts was sent to KEIL for final disposal. As directed by Kerala State Pollution Control Board, the uploading of SO2 emission data from Sulphuric Acid plant stack of CPCB website is continuing . In addition to the above, the data regarding pH and flow of the effluent let out & Ammonia from NP Plant (A&B streams) are also being uploaded on the website of CPCB/KSPCB.

Construction of gypsum stack as directed by CPCB guidelines was completed in December 2019.

Awards and recognitions

1. FACT Cochin Division has bagged the Award for Outstanding Safty Performance "Sreshta Suraksha Puraskar" In Very large Factories category from National Safety Council, Kerala Chapter (NSC-KC)
2. FACT Cochin Division secured First price in All Kerala Safety Quiz Competition organized by National Safety Council, Kerala Chapter.
3. FACT Cochin Division has bagged Award for Best Statutory Safety Officer from Department of Factories and Boilers for Outstanding Performance in Industrial Safety
4. During the financial year 2019-2020 Company has secured Award for Best Statutory Welfare Officer from Department of Factories and Boilers for Outstanding Performance.

Roadmap for sustainability

Union Cabinet has accorded approval for CAPEX worth ₹ 608 crore 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.

- ✓ 1650 TPD Factamfos plant at FACT Cochin Division at Ambalamedu
- ✓ Additional Ammonia Storage facility at Cochin Division at Ambalamedu
- ✓ Two Additional Phosphoric Acid storage facility (8500 MT each) at Willingdon Island
- ✓ Two Additional Sulphuric Acid storage facility (5000 MT) at Cochin Division
- ✓ Construction of New barge for transportation of Ammonia
- ✓ Reconstruction of South Coal Berth at Cochin Port Trust
- ✓ Developing Bio-enriched organic manure as per FCO specification

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.

The Company is planning to restart its Caprolactam operations during the financial year 2020-2021. The Company is having an ambitious plan for trading of Fertilisers.

Setting up of 1650 TPD Factomfos plant and implementation of the CAPEX may result in increase the fertiliser production of the Company from 10 lakh MT to 14 lakh MT and the turnover will increase from ₹ 2800 crore to ₹5000 crore by the year 2024-25, with a continuous profit of ₹ 250 to 300 crore per annum

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

(Kishor Rungta)

Place: Udyogamandal **CHAIRMAN AND MANAGING DIRECTOR**

Date : 06.08.2020 DIN-00231106

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

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	1
2	Shri Harsh Malhotra*	01.12.2019	Continuing	Director (Technical) Whole time Functional (Executive) Director	1
3	Shri Anupam Misra	14.07.2020	Continuing	Director (Marketing) Whole time Functional (Executive) Director	NIL
4	Ms. Alka Tiwari	21.04.2017	Continuing	Part-time Official Director (Non executive Director)	2
5	Ms. Gurveen Sidhu	27.04.2018	Continuing	Part-time Official Director (Non executive Director)	2
6	Shri Rabinarayan Patra	07.05.2020	Continuing	Independent Director	NIL
7	Shri A Ganesan	28.08.2019	31.07.2020	Director (Finance) Whole time Functional (Executive) Director	1
8	Shri D Nandakumar	13.09.2017	31.05.2019	Director (Marketing) Whole time (Executive) Functional Director	NIL
9	Shri K P S Nair	29.06.2016	28.06.2019	Independent Director	NIL
10	Dr. S Murali	29.06.2016	28.06.2019	Independent Director	NIL
11	Shri Umesh Dongre	01.02.2019	27.08.2019	Director (Finance) Whole time Functional (Executive) Director	2
12	Shri Sudhir Dattatraya Panadare	04.06.2019	30.11.2019	Director (Technical) Whole time Functional (Executive) Director	2
13	Dr. Gangidi Manohar Reddy	16-02-2017	15.02.2020	Independent Director	1
14	Dr. Jyoti Kaushal Sheth	21.02.2017	20.02.2020	Independent Director	NIL
15	Prof. B. Vijayakumar	21.02.2017	20.02.2020	Independent Director	NIL
16	Shri K U Thankachen	01.06.2019	31.05.2020	Director (Marketing) Whole time Functional (Executive) Director	1

*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	Ms. Alka Tiwari	Rashtriya Chemicals And Fertilizers Limited Hindustan Organic Chemicals Limited
2	Shri. Harsh Malhotra	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	Date	Venue	Filled Strength	Directors Present
1	502	29.05.2019	Kochi	10	8
2	503	30.07.2019	Kochi	9	8
3	504	20.09.2019	Kochi	9	7
4	505	14.11.2019	Kochi	9	9
5	506	17.01.2020	Humpi	9	8

(d) Attendance in Board Meetings

Sl.No	Name of Director	Period	No.of Meetings held	No.of Meetings Attended
1	Shri KishorRungta	01.04.2019/31.03.2020	5	5
2	Shri A Ganesan	28.08.2019/31.03.2020	3	3
3	Ms. Alka Tiwari	01.04.2019/31.03.2020	5	3
4	Ms. Gurveen Sidhu	01.04.2019/31.03.2020	5	3
5	Shri K U Thankachen	01.06.2019/31.03.2020	4	4
6	Shri Harsh Malhotra	01.12.2019/31.03.2020	1	1
7	Shri KPS Nair	01.04.2019/28.06.2019	1	1
8	Dr S Murali	01.04.2019/28.06.2019	1	1
9	Dr Gangidi Manohar Reddy	01.04.2019/15.02.2020	5	3
10	Dr Jyoti Kaushal Sheth	01.04.2019/20.02.2020	5	5
11	Prof. B Vijayakumar	01.04.2019/20.02.2020	5	5
12	Shri Sudhir Dattatraya Panadare	04.06.2019/30.11.2019	3	3
13	Shri Umesh Dongre	01.04.2019/28.08.2019	2	2
14	Shri D Nandakumar	01.04.2019/31.05.2019	1	1

Shri Kishor Rungta, Chairman and Managing Director, Shri A Ganesan, Director (Finance) Shri KU Thankachen, Director (Marketing), Shri SD Panadare, Director(Technical), Dr Jyoti Kaushal Sheth, Independent Director, Dr Gangidi Manohar Reddy, Independent Director and Prof. B Vijayakumar Independent Director attended the 75thAnnual General Meeting held on 20.09.2019.

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	55	21.04.2017	Reappointed as Director
2	Shri. Rabinarayan Patra	65	07.05.2020	Independent 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 Service (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.

Shri. Rabi Narayan Patra

Shri Rabinarayan Patra was the Chairman and Managing Director of IREL (India) Limited, (Erstwhile Indian Rare Earths Limited). He is B.Tech (Chemical Engineering) with Hons. from Indian Institute of Technology, Kharagpur and also holds Phd in Chemical Engineering from IIT Mumbai. Now he is working as a Techincal Consultant and Advisor in NITI Aayog, Government of India.

V. Audit Committee

Sl.No	Name of Director	Nature of Directorship
1	Shri Rabinarayan Patra (From 27-05-2020)	Independent Director
2	Shri Harsh Malhotra (From 27-05-2020)	Director (Technical)
3	Ms Alka Tiwari	Government Nominee Director
4	Dr Jyoti Kaushal Sheth (Upto 20-02-2020)	Independent Director
5	Dr Gangidi Manohar Reddy (Upto 15-02-2020)	Independent Director
6	Prof. B Vijayakumar (Upto 20-02-2020)	Independent 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.

Sl.No.	Audit Committee Meeting Number	Date	Number of Members	Number of Members Attended
1	70	29.05.2019	3	2
2	71	30.07.2019	4	4
3	72	20.09.2019	4	3
4	73	14.11.2019	4	4
5	74	17.01.2020	4	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 Gangidi Manohar Reddy (Chairman) Upto 15-02-2020	Independent Director
2	Dr Jyoti Kaushal Sheth-(Upto 20-02-2020)	Independent Director
3	Prof. B Vijayakumar - (Upto 20-02-2020)	Independent Director
4	Shri Kishor Rungta	Chairman and Managing Director
5	Shri Harsh Malhotra (from 25-06-2020)	Director (Technical)
6	Shri Rabinarayan Patra (from 25-06-2020)	Independent Director

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) -(Upto 15-02-2020)	Independent Director
2	Dr Jyoti Kaushal Sheth-Upto 20-02-2020	Independent Director
3	Prof. B Vijayakumar - Upto 20-02-2020	Independent Director
4	Shri Rabinarayan Patra (from 25-06-2020)	Independent Director
5	Shri Harsh Malhotra (from 25-06-2020)	Director (Technical)
6	Shri A Ganesan - Upto 31-07-2020	Director (Finance)

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 2019-2020 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 Transmission requests to approve. As on 31.03.2020 there is no valid Share 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) - Upto 20.02.2020	Independent Director
2	Prof. B Vijayakumar - Upto 20.02.2020	Independent Director
3	Shri Kishor Rungta	Chairman and Managing Director
4	Shri Rabinarayan Patra (from 25-06-2020)	Independent Director
5	Shri A Ganesan - Upto 31-07-2020	Director (Finance)

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
2016-2017	22.09.2017	11.00 AM	Udyogamandal	NIL
2017-2018	24.09.2018	02.30 PM	Udyogamandal	NIL
2018-2019	20.09.2019	03.00 PM	Udyogamandal	Resolution u/s 186(3) of the Companies Act 2013 - For investment in FACT-RCF Building Products Limited

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

XII. Disclosure

During the year 2019-2020, 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 2019-2020, The National Stock Exchange of India Limited has imposed a fine of ₹ 5,42,800.00 (inclusive of 18%GST) for non compliance of regulation 17(1) 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 Business Standard news paper and in one Malayalam language news paper.

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 2019-2020 India Rating has given rating on the bank facilities of the Company as follows
Long term Rating - IND BB+
Short term Rating- IND A4+

XVI. General Shareholders Information

Information relating to the Annual General Meeting & Financial Calendar for 2020-2021are given below:

76th Annual General Meeting	
Day	Wednesday
Date	23-09-2020
Time	11.00 AM
Venue	Udyogamandal

Financial Calendar 2020 - 21	
Ist Quarter Financial Results	Published on 18th August 2020
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 15th September 2020 to 23rd September 2020(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 2020-2021

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 2019-2020 as available from the National Stock Exchange of India Limited are given below:-

Month	High (₹)	Low (₹)
April 2019	39.00	35.05
May2019	46.05	31.40
June 2019	44.50	34.10
July 2019	48.95	34.55
August 2019	38.25	30.05
September 2019	44.80	33.25
October 2019	43.05	37.60
November 2019	42.90	37.90
December 2019	41.85	36.25
January 2020	54.90	39.05
February 2020	50.50	32.00
March 2020	33.80	20.50

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 31.03.2020

Share holding of Nominal Value of ₹ 10/-	Share holders		Amount (₹)
	Number	% to Total	
Up to 500	19271	89.23	23455090.00
501 -- 1000	1362	6.31	11643840.00
1001 -- 2000	541	2.50	8638620.00
2001----3000	152	0.70	3972450.00
3001--- 4000	79	0.37	2860190.00
4001---5000	65	0.30	3117050.00
5001---10000	86	0.40	6593860.00
10001 --50000	34	0.16	5998620.00
50001 and above	6	0.03	6404440020.00
Total	21596	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 31.03.2020,644078061Equity shares have been dematerialized.

XXII Audit and Audit Fees

Details of Audit fee paid to Statutory Auditors for the financial year 2019-2020 is given below. The Statutory Auditors of the Company has not rendered any services to the joint ventures/Associate Company of FACT.

Audit Fees

Sl No	Particulars	Amount (in Lakhs)
1	For Statutory Audit	10.60
2	For Other Services	9.99
3	For Expenses	3.07
	Total	**23.66**

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 members on the Board are nominated/ appointed by the Government of India.

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

The Company has 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 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 Administration
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 Company 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 (Marketing)	Marketing, Agriculture and Rural Economy, Business Management & Public Sector Undertaking
Director (Finance)	Fertilizers and Chemicals, Finance, Public Sector Undertaking, Economics, Costing, Risk Management & General Administration
Govt. Nominee Directors	General Administration, Finance, Fertilizers and Chemicals, Economics, Agriculture and Rural Economy & Public Sector Undertaking
Independent Directors	Law/General Administration/ Finance/Human Resources/ Agriculture /Rural Economy /Research and Development/Fertilizers and Chemicals & Agriculture and Rural Economy/ Finance/Risk Management/ Costing/ Business Management & Economics

The Board has identified the following Skills/ Experience/ Competencies in the following Directors

Sl No	Director	Skills/Competency/Experience
1	**Shri Kishor Rungta**	Expertise in Administration and Management of a Schedule A PSE, Risk Management, Public Sector Undertaking, Costing, Research and Development & Business Management
2	**Shri Harsh Malhotra**	Fertilizers and Chemicals, Research and Development, Human Resources & Agriculture and Rural Economy
3	**Shri Anupam Misra**	Marketing, Agriculture and Rural Economy, Business Management & Public Sector Undertaking
4	**Shri A Ganesan**	Fertilizers and Chemicals, Finance, Public Sector Undertaking, Economics, Costing and Risk management
5	**Ms Alka Tiwari**	General Administration,Finance, Fertilizers and Chemicals, Costing, Agriculture and Rural Economy & Public Sector Undertaking
6	**Smt. Gurveen Sidhu**	General Administration, Finance, Fertilizers and Chemicals, Costing, Agriculture and Rural Economy & Public Sector Undertaking
7	**Shri Rabinarayan Patra**	General Administration/ Finance/Human Resources/ Research and Development/Fertilizers and Chemicals & Agriculture and Rural Economy/ Finance/Risk Management/ 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 Non Disqualification Certificate From Company Secretary In Practice

Certificate from M/s SVJS & Associates, Company Secretaries, Kochi, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI, Ministry of Corporate Affairs, or any other Statutory Authority, as stipulated under Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, is attached to this Report.

XXVII Annual Secretarial Compliance Report

Pursuant to the SEBI circular no. CIR/CFD/ CMD1/27/2019 dated February 8, 2019, the Company has obtained an Annual Secretarial Compliance Report from M/s SVJS & Associates, Company Secretaries, Kochi, confirming compliance of SEBI Regulations / Circulars / Guidelines issued thereunder and applicable to the Company. In their report, they stated that the Company is not complying the provisions of regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

The Company will comply the provisions of regulations 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, once the notification on appointment of Independent Director is issued by the Government of India.

XXVIII. Remuneration of Directors

Functional (Executive) Directors are appointed by Government of India and their remuneration and other terms and conditions are governed by the terms of appointment as decided by the Government. Remuneration paid to the Directors during the year 2019-2020 is as under:

Sl No	Name of the Director	Salary and Allowances (in ₹)	Other benefit and perquisites (in ₹)	Total Remuneration (in ₹)
1.	**Shri. Kishor Rungta,** Chairman& MD	30,98,960.04	5,82,425.44	36,81,385.48
2.	**Shri. A Ganesan,** Director (Finance) from 28-08-2019	21,81,491.75	3,97,697.05	25,79,187.80
3.	**Shri. D Nandakumar,** Director (Marketing) - Upto 31-05-2019	3,95,089.50	44,755.56	4,39,845.06
	Total			**67,00,418.34**

The Independent Directors have been paid sitting fees of ₹ 10,000/- per meeting for attending meetings of the Board and sub committees of the Board. The sitting fees paid during the financial year 2019-2020 is as follows.

Sl No	Name of the Director	Sitting Fees (in ₹)
1	Shri. KPS Nair	20,000
2	Shri. Dr. S Murali	20,000
3	Shri. Dr Gangidi Manohar Reddy	1,00,000
4	Shri. Prof B Vijayakumar	1,40,000
5	Smt. Dr Jyoti Kaushal Sheth	1,40,000
	Total Sitting fees paid	**4,20,000**

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 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.

(A Ganesan)
Chief Financial Officer
DIN : 08556337

(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 : 25-06-2020

(Kishor Rungta)
Chairman And Managing Director
DIN-00231106

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 31.03.2020

[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 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, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31.03.2020 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, 2020 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, 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 Meetings of the Board of Directors (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 comprises of Executive and Non–Executive Directors. As per Regulation 17 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the board of directors shall have an optimum combination of executive and non-executive directors with at least one woman director and not less than fifty per cent of the board of directors shall comprise of non-executive directors. However, half the Board is not Independent for the quarter ended 30th September 2019 and 31st December 2019 and fifty per cent of the board of directors do not comprise of non-executive directors. Further there are no Independent Directors as on 31.03.2020.

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
UDIN: F008130B000382493

Kochi
25.06.2020

'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 2020 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
UDIN: F008130B000382493

Kochi
25.06.2020

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, the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, 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, 2020** 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	Gurveen Sidhu	08121526	27/04/2018
4	Harsh Malhotra	08520873	01/12/2019
5	Ganesan Alagarsamy	08556337	28/08/2019
6	Koppurath Ulahannan Thankachen	06946476	01/06/2019

Ensuring the eligibility of 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
UDIN: F008130B000382515

Kochi
25.06.2020

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

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	Deputation of personnel, Supply of Gypsum/ 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	Rs. 56 lakhs	

(Kishor Rungta)
CHAIRMAN AND MANAGING DIRECTOR
DIN : 00231106

Place : Udyogamandal
Date : 06.08.2020

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

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. Since FACT does not have profit as per section 198 of Companies Act 2013 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 - Upto 21st February 2020
   Prof. B Vijayakumar , Director - Upto 21st February 2020
   Shri Kishor Rungta , C & MD
   Shri Rabinarayan Patra, Director -
   Shri A Ganesan, Director (Finance) - Upto 31st July 2020

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 2019-2020 : ₹ 2,40,225/-

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 is having accumulated loss, it is not mandatory on the part of the company to spend any money under the CSR scheme. However, the Company has spent an amount of ₹ 2.40 lakhs in various schemes under Corporate Social Responsibility during the financial year 2019-2020.

(Kishor Rungta)
CHAIRMAN AND MANAGING DIRECTOR
DIN-00231106

Place : Udyogamandal
Date : 06-08-2020

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 2020

[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	79
2	Ammonium sulphate	31022100	21

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)

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	42612	4290	46902	0.01	23861	4290	28151	0.01	0
c) Central Government	0	0	0	0.00	0	0	0	0.00	0
d) State Government(s)	5467	2579533	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):-	**55448503**	**2585073**	**58033576**	**8.97**	**55429752**	**2585073**	**58014825**	**8.97**	**0**
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	252530	4513	257043	0.04	63205	4013	67218	0.01	26.15
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals			0	0				0	0
i) Individual shareholders holding nominal sharecapital upto Rs. 2 lakh	5158506	406449	5564955	0.86	5389168	404127	5793295	0.90	104.10
ii) Individual shareholders holding nominal sharecapital in excess of Rs. 1 lakh	277307	0	277307	0.04	305075	0	305075	0.05	110.01
c) Others (Specify)	0	0	0	0		0	0	0	0
Clearing Members	182445	0	182445	0.03	107533	0	107533	0.02	58.94
Hindu Undivided Families	235252	0	235252	0.04	260343	0	260343	0.04	110.67
Trust	200	0	200		200	0	200		100.00
Non-Resident Indians/FN	156420	0	156420	0.02	158709	0	158709	0.02	101.46
Sub-total (B) (2):-	**6262660**	**410962**	**6673622**	**1.03**	**6284233**	**408140**	**6692373**	**1.03**	**0**
Total Public Shareholding (B) = (B) (1) + (B) (2)	**61711163**	**2996035**	**64707198**	**10.00**	**61713985**	**2993213**	**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)	**644075239**	**2996735**	**647071974**	**100**	**644078061**	**2993913**	**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	0	0	0	0
	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	0	0	0	0
	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	0	0	0	0
	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	0	0	0	0
	At the end of the year	147600	0.02	147600	0.02

Sl No 05	RACHHPAL KAURBAINS	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	99969	0.02	99969	0.02
	Increase/Decrease	0	0	0	0
	At the end of the year	99969	0.02	99969	0.02

Sl No 06	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 07	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	40290	0.01	40290	0.01
	Increase/Decrease	0	0	0	0
	At the end of the year	40290	0.01	40290	0.01

Sl No 08	Geojit Financial Services 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	5779	0	5779	0
	Increase/Decrease	30594	0	30594	0
	At the end of the year	36373	0	36373	0.01

Sl No 09	Gouri Bank	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	0	0	0	0
	Increase/Decrease	0	0	28500	0
	At the end of the year	0	0	28500	0

Sl No 10	Archana Goyal	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	18525	0	18525	0
	Increase/Decrease	5743	0.01	5743	0
	At the end of the year	24268	0.01	24268	0

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No	For each of the 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	22484189385	255000000	0	22739189385
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued	4780316196	0	0	4780316196
Total (i+ii+iii)	27264505581	255000000	0	27519505581
Change in Indebtedness during the financial year				
Addition - Principal	246995444	0	0	246995444
Interest accrued	2390158098	9780472	0	2399938570
Reduction (Pricipal Amount)	4779314582	0	0	4779314582
Net Change	-2142161040	9780472	0	-2132380568
Indebtedness at the end of the Financial year				
i) Principal amount	17951870246	255000000	0	18206870246
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	7170474294	9780472	0	7180254766
Total (i+ii+iii)	25122344540	264780472	0	25387125012

VII REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl.No	Particulars of Remuneration	Name of MD / WTD / Manager			Total amount ₹
		Kishor Rungta, CMD	A Ganesan Director (FIN)	D Nandakumar Director (Mktg)	
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17 (1) of the Income-Tax Act, 1961	3098960.04	2181491.75	395089.50	5675541.29
	(b) Value of perquisites u/s 17 (2) of Income-Tax Act, 1961	210919	136131	0	347050.00
	(c)Profit in lieu of salary u/s 17 (3) of Income-Tax Act, 1961	371506.44	261565	44755.56	677827.00
	Stock Option				0
2	Sweat Equity				0
3	Commission				0
4	- as % of Profit				0
	- others, specify……..				0
	Others, please specify				0
5	Total (A)	3681385.48	2579187.75	439845.06	6700418.29
	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 ₹
1	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	10000	10000	30000	50000	50000	150000
	● Commission						0
	● Others, Please specify:- 1. Sittting fee for attending meetings of the Sub Committee of the Board	10000	10000	70000	90000	90000	270000 0
	Total (1)						420000
2	Other Non-Executive Directors						
	● Fee for attending Board Committee Meetings						0
	● Commission						0
	● Others, Please specify						0
	Total (2)						0
	Total (B)= (1+2)						420000
	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	C Pradeepkumar, CFO -Upto 20-09-2020	KV Balakrishnan Nair Company Secretary	Total
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17 (1) of the Income-Tax Act, 1961	NIL	839329.97	1863714.66	2703044.63
	(b) Value of perquisites u/s 17 (2) of Income-Tax Act, 1961	NIL	0	0	0
	©Profit in lieu of salary u/s 17 (3) of Income-Tax Act,1961	NIL	95924.37	213367.76	309292.13
2	Stock Option	NIL			0
3	Sweat Equity	NIL			0
4	Commission	NIL			0
	- as % of Profit	NIL			0
	- others, specify….....	NIL			0
5	Others, please specify	NIL			0
	Total	NIL	935254.34	2077082.42	3012336.76

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 : 06-08-2020

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: sathish@sathishv.in

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, 2020. 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
UDIN: F008005B000392983

COCHIN – 682019
29/06/2020

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L24129KL1943GOI000371
2	Name of the Company	The Fertilisers and Chemicals Travancore Limited
3	Registered address	Eloor, Udyogamandal, Ernakulam District, Kerala 683501
4	Website	http://www.fact.co.in/
5	E-mail id	kvbnair@factltd.com
6	Financial Year reported	01-04-2019 to 31-03-2020
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Complex Fertilisers – 31052000 Ammonium Sulphate - 31022100
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	FACTAMFOS / AMMONIUAM SULPHATE / FACT ORGANIC
9	Total number of locations where business activity is undertaken by the Company Number of International Locations (Provide details of major 5) Number of National Locations	 NIL 2
10	Markets served by the Company – Local/State/National/International	Local, State and National

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital (INR)	₹ 647.07 CR
2	Total Turnover (INR)	₹ 2801.42 CR
3	Total profit after taxes (INR)	₹ 975.52 CR
4	Total Spending on Corporate Social Responsibility (CSR)	₹ 2,40,225 *
5	List of activities in which expenditure in 4 above has been incurred:-	NA

*Since the company is not having profit as per section 198 of the Companies Act, 2013 during the last three years.Hence it is not mandatory on the part of the company to spend any amount under CSR scheme. However, the Company has spent ₹ 2,40,225 by way of Corporate Social Responsibility during the financial year 2019-2020

SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company/ Companies?	No
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	NA
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR policy/policies

1. DIN Number - 08520873
2. Name - Shri Harsh Malhotra
3. Designation - Director (Technical)

(b) Details of the BR head

Sl No	Particulars	Details
1	DIN Number (if applicable)	NA
2	Name	Shri A S Kesavan Namboothiri
3	Designation	Executive Director (Production Co-ordination)
4	Telephone Number	0484-2546556
5	e-mail id	askn@factltd.com

2. Principle-wise (as per NVGs) BR Policy/policies

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
P3	Businesses should promote the well-being of all employees
P4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
P5	Businesses should respect and promote human rights.
P6	Businesses should respect, protect and make efforts to restore the environment.
P7	Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner
P8	Businesses should support inclusive growth and equitable development
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

Details of compliance (Reply in Y/N)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Has the policy being formulated in consultation with the relevant stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes ISO 14001- For Environment Management System ISO 9001 – For Quality Management System								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Policies are signed by the Board of Directors/Division head.								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes.								

6	Indicate the link for the policy to be Viewed online?	www.factltd.co.in								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
8	Does the company have in-house structure to implement the policy/ policies.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	No								

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

Various principles of BR performance constitute an integral part of the day to day operations of the Company and the same are reviewed by the Board/ Committees of the Board as and when required.

(b) Does the Company publish a BR or a Sustainability Report? What is thehyperlink for viewing this report? How frequently it is published?

No

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 : Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company?

No.

Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?
Yes.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Stakeholder	No of Complaints received	No of Complaints resolved	% Resolved
Shareholders Complaints	NIL	NA	NA
RTI	167	167	100%
Employees & Others	248	248	100%

Principle 2 : Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities

The following products of FACT enhance crop yield, quality and environment friendly.

- Factamfos
- Ammoniuam Sulphate
- FACT Organic

Prior to introduction of these products into market, safety, health, environment and security related risks are identified. A Risk Management system is functioning in FACT and all potential risk relating to the products are identified and corrective action is being taken regularly. Suitable mechanism is also exists to prevent all potential environment issues

2. Does the company have procedures in place for sustainable sourcing (including transportation)?

   (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

   Yes: FACT is sourcing all fertiliser inputs by following prescribed procedures

3. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

   (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

   Yes: FACT is procuring goods and services from MSMEs. FACT is registered with TReDs platform of Receivable Exchange of India Limited (RXIL) a joint venture by SIDBI and NSE for providing bills discounting facilities to MSMEs

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

   No

Principle 3 : Businesses should promote the well-being of all employees

1. Please indicate the Total number of employees.–1910
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis - 467
3. Please indicate the Number of permanent women employees.- 116
4. Please indicate the Number of permanent employees with disabilities - 45
5. Do you have an employee association that is recognized by management - Yes
6. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.– NIL
8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year? Yes

Number of people who underwent Safety Training in 2019-2020.

Sl. No.	Venue	Permanent Employees	Permanent Women Employees	CLR/Temporary/ Contract Employees	Employees with Disabilities
1	FACT Training & Development Centre	296	37	0	1
2	Udyogamandal Complex	85	3	495	0
3	Cochin Division	236	5	129	1
4	Total employees who underwent safety training during 2019-2020	617	45	624	2
5	Manpower under each category as on 01.04.2020	1910	116	467	45
6	Percentage of employees who underwent safety training during 2019-2020	32.30	38.79	133.62	4.44

Principle 4: Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. Has the company mapped its internal and external stakeholders?

   Yes. Company has mapped its internal and external stakeholders

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

   Yes

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

   Company is rendering social security measures to the inhabitants of the nearby areas, where FACT plants are located.

Principle 5 : Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures / Suppliers / Contractors/NGOs / Others?

   Yes

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

   We have not received any complaints with respect to human right violations.

Principle 6: Businesses should respect, protect and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/JointVentures/Suppliers/Contractors/NGOs/ others.

   Yes

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

   Yes. Company has been taking initiatives to address global environmental issues such as climate change, global warming during the past few years.

   Major steps taken in the manufacturing side during the last few years include Feedstock & fuel change to cleaner sources, improving the process control systems, Energy efficiency improvement, Energy certification etc. Following are the steps taken by the Company.

   - Changed over to cleaner RLNG from Naphtha as feedstock in Ammonia production (2013-14)
   - Changed over to cleaner RLNG from Furnace Oil as fuel in Boilers (2013-14)
   - Changing over NP plant drier fuel from Furnace Oil to RLNG: Implementation rescheduled due to COVID19, for 2021 Annual Turnaround.
   - Changed over the process control systems to DCS in Cochin Division plants during 2013-14.
   - Changing over the process control systems to DCS in Udyogamandal Division plants. Final implementation rescheduled to 2021 Annual Turnaround due to COVID19.

3. Does the company identify and assess potential environmental risks?

   Company regularly identify and assess potential environmental risks and take adequate steps to minimize its impact to the environment. Both the production Division are certified for Quality (ISO 9001) and Environment (ISO 14001). ISO 50001: 2018 certification for Udyogamandal Complex during 2019-20.

   Major effluent/ emission parameters are uploaded to CPCB server for real time monitoring of the parameters

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

   No.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

   On Renewable Energy front, Company has a mini Rooftop Solar power unit of 10 KW at Cochin Division.

   Company is assessing the feasibility of a Floating solar plant at its lake at Cochin Division.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

   Yes

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

   Nil

Principle 7 : Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:
   (a) The Fertiliser Association of India
   (b) Standing Conference of Public Enterprises
   (c) All India Management Association
   (d) Kerala State Productivity Council
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

   Yes, The Company is in association with National bodies and participating with various committees for Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security and Sustainable Business Principles

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8?

   Yes.
2. Are the programmes/projects undertaken through in-house team/ownfoundation/external NGO/government structures/any other organization?

   All programmes are undertaken by the In-house team of the Company
3. Have you done any impact assessment of your initiative?

   No
4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

   The Company has spent ₹ 2.40 lakh for community development during the financial year 2019-2020.
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

   No

Principle 9 : Businesses should engage with and provide value to their customers and consumers in a responsible manner

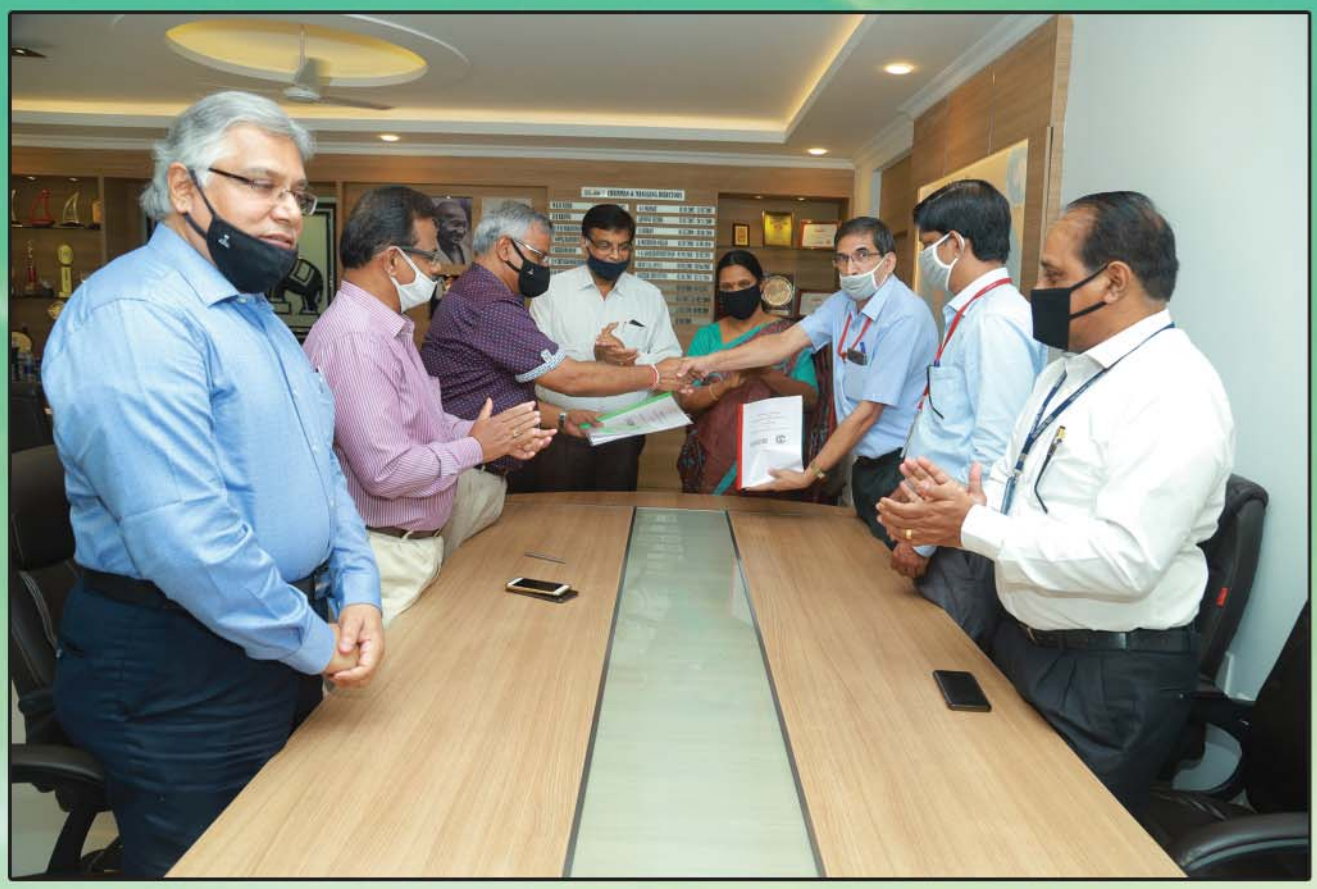
1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

   Nil
2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/ N.A. /Remarks(additional information)

   Yes, The Companyis displaying product information on the product label.
3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

   Nil
4. Did your company carry out any consumer survey/ consumer satisfaction trends?

   No



FACT & Cochin Port Trust exchanging the MoU for reconstruction of South Coal Berth at Cochin Port.



Coastal Shipping - Shri Kishor Rungta C & MD and Dr M Beena IAS, Chairman Cochin Port Trust jointly flagged off the container carrying Ammonium Sulphate from Udyogamandal.



Shri Kishor Rungta, C & MD meets Shri Pinarayi Vijayan, Hon'ble Chief Minister of Kerala.



Shri Kishor Rungta, C & MD meets Shri T M Thomas Isaac, Hon'ble Finance Minister, Kerala.

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

Qualified 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, 2020, 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, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, 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, 2020, the profit and total comprehensive income, cash flows and its changes in equity for the year ended on that date.

Basis for Qualified Opinion

3. As explained in note number 1.2.2 and 34 regarding sale of land and conversion of leasehold to freehold land to the Company, though the Government of Kerala (GoK) has accorded freehold right to the Company over 143.22 acres of land, the Company is yet to receive freehold title. According to the Company, the fair value of the non-monetary asset of freehold title of the land converted as required under Ind AS 16-Property Plant and Equipment and the consequent revenue cannot be recognised at this stage, not quantified. In view of this, we are unable to comment on the compliance of the said Ind AS and the impact thereof on the financial statements. (Refer note # 1.2.2 and 34)
4. 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 made 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 qualified opinion on the standalone financial statements.

Going Concern

5. We draw attention to Note # 54 of standalone financial statements. The Company has accumulated loss amounting to ₹1,21,353 lakhs (previous year ₹2,18,532 lakhs) with a negative net worth of ₹49,143 lakhs (previous year ₹1,47,226 lakhs). However, the Company has reported net profit of ₹97,552 lakhs during the year and in previous year of ₹16,269 lakhs. The Company has a balance under current assets of Cash and Cash Equivalents and Other Bank balances of ₹ 66,717 lakhs(previous year ₹7,467 lakhs) as at year end.The net current assets as at year end is ₹13,234 lakhs(previous year ₹ 11,026 lakhs).These conditions indicate that there is nouncertainty which may cast doubt as to the Company's ability to continue as a going concern. The standalone financial statements of the Company have been prepared on going concern basis.

   Our opinion is not modified 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 Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

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

Under Direct Benefit Transfer (DBT) scheme of Government of India(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 certainty that the sale will take place and subsid will be received based on the industry practice and past experience. Refer Note #26 to the standalone financial statements..

Auditors' Response

Our principal audit procedures included the following:

- Analysed the scheme framed by the Department of Fertilizers (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'.

6.2. 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 ₹10,943 lakhs (previous year ₹16,906 lakhs) and Phosphoric Acid for ₹ 67,398 lakhs (previous year ₹ 53,692 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 foreign 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.

Emphasis of Matter

7.i. We draw attention to Note # 18.1 of the standalone financial statements regarding variance in interest provision of ₹28,178 lakhs (previous year ₹28,178 lakhs) on the GoI loans in the Company's books as at the end of the previous year, which is higher as compared to the provisional working of the DoF, GoI which is pending for reconciliation and confirmation and consequent adjustments, if any, thereof.

ii. We draw attention to Note # 39 of the standalone financial statements regarding non-compliance of Ind AS 116 on 'Leases' applicable from the year under audit in the absences of agreed tenure and other terms of lease in writing,continuing the practice as in earlier years.

Our opinion is not modified in respect of this matter.

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

8. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, cash flowsand 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, which have been used for the purpose of preparation of the standalone financial statements by the Directors of the Company, as aforesaid.

9. In preparing the standalone financial statements, the Board of Directors 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 Board of Directors 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

10. 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 skepticism 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.

11. We communicate with those charged with governance of the Company 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.
12. 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.
13. 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

14. 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 revenue of ₹2,02,286 lakhs (previous year ₹1,37,953 lakhs) for the year ended on that date, as considered in the standalone financial statements and total assets not quantifiable in the absence of certified trial balance of the areas as at March 31, 2020. 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 on the standalone financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters, with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management, except on the scope limitation reported by other auditors due to non-provision of the trial balance of the area audited by them and their inability to ensure the correctness of the financial schedules due to this.

Report on Other Legal and Regulatory Requirements

15. 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 to the extent applicable.
16. 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.

17. 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 properly dealt with by us in preparing this report.

d. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flows 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, subject to the scope limitation by other auditors.

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.

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

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

Sd/-
M.D Thomas
Partner
Membership No. 018177

Kochi
June 25, 2020
UDIN: 20018177AAAAAU3202

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Annexure A to the Independent Auditors' Report

(Referred to in paragraph 15 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 1499 acres (previous year 1980 acres) of land held by the Company, we have been informed that the original title deeds of immovable properties of 766 acres (previous year 1179 acres) of land are submitted to District Court, Ernakulam, pledging 80 acres (previous year 80 acres) of land as a security against claim of a contractor (Refer Note number 1.2.1 to the standalone financial statements), title deeds of 484 acres (previous year 553) of land is pledged with Banks as security against credit facilities sanctioned (Refer Note number 21 to the standalone financial statements) and 145 acres (previous year 145 acres) of land is under lease (Refer Note number 1.2.1 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 (previous year 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 (in acres)	Gross Block as at March 31,		Net block as at March 31,	
		2020	2019	**2020**	2019
		(₹ 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 lease deed executed by the Company was expired and no fresh deed is executed till date, though the Company continues to occupy the land and pay 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 ₹3,841 lakhs (previous year ₹ 3,819 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, 2020 for a period of more than six months from the date they became payable except the following:

Name of statute	Nature of dues	Amount (₹ in lakhs)	Period to which amount relates
Central Goods And Services Tax Act, 2017	GST payable on liquidated damages recovered	15	2018-19
Central Goods And Services Tax Act, 2017	GST payable on liquidated damages recovered	19	2019-20

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, 2020, 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.	7598	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.	97	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.	307	2003-04 to 2009-10	Customs, Excise and Service Tax Appellate Tribunal, Bengaluru
Finance Act, 1994	Service tax and interest thereon on training fee.	114	2006-07 to 2012-13	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	53	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	13,462	2011-12	High Court of Kerala (Stay order granted)
Sales Tax, Kerala	Sales tax	164	2003-04 to 2012-13	Commercial Taxes, Ernakulam
Sales Tax, Kerala	Sales tax	24	2013-14	Commercial Taxes, Ernakulam
Income Tax Act, 1961	Interest on income tax	3	2001-02	Commissioner of Income Tax (Appeals), Kochi
Income Tax Act, 1961	Tax demand due to disallowance	1	2005-06	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 Government of India	732 days	23,902
	367 days	23902
	1 day	23,902

(Refer Note number 23 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. *(Refer Note number 18.2 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. *(Refer Note number 42 of standalone financial statements).*

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/-
M.D Thomas
Partner
Membership No. 018177

Kochi
June 25, 2020
UDIN: 20018177AAAAAU3202

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Annexure B to the Independent Auditors' Report

(Referred to in paragraph 16 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, 2020 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 / semifinished / 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 valuationof its closing stock.
5	Whether subsidy was recognised as per the provisions of Direct Benefit Transfer scheme?	According to information and explanations given to us and based on the examination of records of the Company, the subsidy is recognised as per the provisions of Direct Benefit Transfer scheme subject to the matters described in paragraph 4.1 of the Key Audit Matters of our Auditors' report.

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

Sd/-
M.D Thomas
Partner
Membership No. 018177

Kochi
June 25, 2020

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Annexure C to the Independent Auditors' Report

(Referred to in paragraph 17 (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 ("the Act")

We have audited the internal financial controls over financial reporting of **The FERTILISERS AND CHEMICALS TRAVANCORE LIMITED** ('the Company') as of March 31, 2020 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 was 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, 2020, 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 other auditors of these areas.

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

Sd/-
M.D Thomas
Partner
Membership No. 018177

Kochi
25 June 2020

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Balance Sheet as at 31st March 2020

₹ in Lakh

Particulars	Note No.	As at 31.03.2020	As at 31.03.2019	Restated as At 01.04.2018
ASSETS				
NON CURRENT ASSETS				
Property, Plant and Equipment	1	29,803.23	29,404.03	29,462.42
Capital Work in Progress	1A	3,899.46	1,791.91	1,849.59
Investment Property	2	9.40	9.50	9.60
Other Intangible Assets	1B	110.64	141.66	0.00
Financial Assets				
Investments	3	7,812.07	6,906.20	5,927.21
Trade Receivables	4	0.00	0.00	0.00
Loans	5	945.57	964.26	619.72
Other Financial Assets	6	4,818.67	13.64	13.32
Other Non Current Assets	7	711.96	197.28	378.14
		48,111.00	39,428.48	38,260.00
CURRENT ASSETS				
Inventories	8	56,326.57	65,200.72	47,874.64
Financial Assets				
Trade Receivables	9	39,016.23	40,530.53	36,107.73
Cash and Cash equivalents	10	4,871.75	642.77	4,612.04
Other Bank Balances	11	61,844.98	6,824.53	1,752.48
Loans	12	46.27	52.32	54.49
Other Financial Assets	13	19,184.55	41,750.55	48,705.48
Current Tax Assets	14	1,005.36	513.90	52.00
Other current Assets	15	30,825.14	36,474.03	2,864.22
		213,120.85	191,989.35	142,023.08
Assets held for Disposal		0.00	0.00	39.41
TOTAL ASSETS		**261,231.85**	**231,417.83**	**180,322.49**
EQUITY AND LIABILITIES				
EQUITY				
Equity Share Capital	16	64,707.20	64,707.20	64,707.20
Other Equity	17	(113,850.23)	(211,933.90)	(230,000.81)
		(49,143.03)	(147,226.70)	(165,293.61)
LIABILITIES				
NON CURRENT LIABILITIES				
Financial Liabilities				
Borrowings	18	90,564.38	179,598.75	177,048.75
Provisions	19	19,231.83	17,326.61	16,246.12
Other Non Current Liabilities	20	692.14	755.82	819.51
		110,488.35	197,681.18	194,114.38

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Balance Sheet as at 31st March 2020

₹ in Lakh

Particulars	Note No.	As at 31.03.2020	As at 31.03.2019	Restated as At 01.04.2018
CURRENT LIABILITIES				
Financial Liabilities				
Borrowings	21	2,469.95	47,793.18	50,737.49
Trade Payables	22	21,141.21	41,896.87	42,300.61
Other Financial Liabilities	23	171,269.24	86,567.19	52,782.40
Other Current Liabilities	24	2,836.23	2,925.97	3,865.95
Provisions	25	2,169.90	1,780.14	1,815.27
		199,886.53	180,963.35	151,501.72
TOTAL EQUITY AND LIABILITIES		**261,231.85**	**231,417.83**	**180,322.49**

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

For and on behalf of the Board of Directors

Sd/-
M.D Thomas
Partner
Membership No.018177

Sd/-
A.Ganesan
Director (Finance) & Chief Financial Officer
DIN 08556337

Sd/-
Kishor Rungta
Chairman & Managing Director
DIN 00231106

Sd/-
K V Balakrishnan Nair
Company Secretary & Executive Director (Finance)

Place: Kochi
Date: 25.06.2020

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Statement of Profit and Loss for the year ended 31st March 2020

₹ in Lakh

Particulars		Note No.	Year ended 31.03.2020	Year ended 31.03.2019
I	Revenue from Operations	26	276,991.21	195,459.10
II	Other Income	27	3,151.26	2,269.68
III	**Total Income (I+II)**		**280,142.47**	**197,728.78**
IV	Expenses			
	Cost of Materials Consumed	28	152,366.99	136,903.12
	Purchase of Stock in Trade	29	7,213.53	240.21
	Changes in Inventories of Finished Goods , Stock-in-Trade and Work-in-Progress	30	859.60	(7,697.89)
	Employee Benefit Expenses	31	23,302.20	22,980.55
	Finance Cost	32	28,928.57	28,053.29
	Depreciation and Amortization Expenses / Impairment	1,2	1,793.35	2,301.67
	Other Expenses	33	65,342.30	42,069.00
	Total Expenses (IV)		**279,806.54**	**224,849.95**
V	**Profit / (Loss) before exceptional items and tax (III - IV)**		**335.93**	**(27,121.17)**
VI	Exceptional Items (Income /(Expenses))	34	97,216.52	43,389.77
VII	**Profit / (Loss) before Tax (V+VI)**		**97,552.45**	**16,268.60**
VIII	Tax Expenses		0.00	0.00
IX	**Profit / (Loss) for the Year (VII-VIII)**		**97,552.45**	**16,268.60**
X	Other Comprehensive Income			
	(i) Items that will not be reclassified to Profit or loss		905.88	978.97
	(ii) Remeasurement of defined benefit plan	17	(372.78)	821.21
	(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 (X)		**533.10**	**1,800.18**
XI	**Total Comprehensive Income for the year (IX+X)**		**98,085.55**	**18,068.78**
XII	**Earnings per Equity Share**			
	Basic/Diluted per Equity Share (₹)	35	15.08	2.51
	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

Sd/-
M.D Thomas
Partner
Membership No.018177

Place: Kochi
Date: 25.06.2020

For and on behalf of the Board of Directors

Sd/-
A.Ganesan
Director (Finance) & Chief Financial Officer
DIN 08556337

Sd/-
Kishor Rungta
Chairman & Managing Director
DIN 00231106

Sd/-
K V Balakrishnan Nair
Company Secretary & Executive Director (Finance)

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Cash flows statement for the year ended 31st March 2020

₹ in Lakh

Particulars		Year ended 31.03.2020	Year ended 31.03.2019
A	**Cash flow From Operating Activities**		
	Net Profit / (Loss) before Tax	97,552.45	16,268.60
	Adjustments for:		
	Depreciation / Impairment loss on Assets	1,793.35	2,301.67
	Exceptional items	(97,216.52)	(43,389.77)
	Profit / Loss on Sale of Asset	(12.68)	0.00
	Interest Income	(1,363.96)	(524.65)
	Dividend Income	(11.08)	(13.13)
	Interest and Finance Charges	28,928.57	28,053.29
	Provision for Bad / Doubtful Debts	153.10	156.74
	Provision for Obsolescence	(61.96)	(402.25)
	Amount written off- Deferred Government Grants	(1.89)	(1.89)
	Adjustment for Non cash items	(61.13)	(210.63)
	Remeasurement of defined benefit plan	(372.78)	821.21
	Operating Profit before Working Capital Changes	**29,325.47**	**3,059.19**
	Adjustment for :		
	Inventories	8,936.12	(16,923.83)
	Trade Receivables	1,399.95	(4,520.29)
	Loans	24.74	(342.37)
	Other Current Assets	32,741.97	(31,944.88)
	Trade Payables	(20,755.66)	(403.74)
	Other liabilities	(28,323.64)	9,006.92
	Provisions	2,294.98	1,045.36
		(3,681.54)	**(44,082.83)**
	Cash Generated from Operations	**25,643.93**	**(41,023.64)**
	Direct Tax Paid	0.00	0.00
	Net Cash from Operating Activities	**25,643.93**	**(41,023.64)**
B	**Cash Flow from Investing Activities**		
	Deletion/(Addition) to Fixed Assets	92,960.22	41,062.61
	(Investment in)/Withdrawal of Bank deposits	(65,400.00)	0.00
	Interest Received	1,363.96	524.65
	Dividend Received	11.08	13.13
	Net Cash from investing Activities	**28,935.26**	**41,600.39**

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Cash flow statement for the year ended 31st March 2020

₹ in Lakh

Particulars		Year ended 31.03.2020	Year ended 31.03.2019
C	**Cash Flow from Financing Activities**		
	Net Proceeds /Repayment of Working capital facilities and short term loans	(45,323.22)	(394.31)
	Interest Paid	(5,026.99)	(4,151.71)
	Net Cash from Financing Activities	**(50,350.21)**	**(4,546.02)**
	Net increase in cash and Cash Equivalent (A+B+C)	**4,228.98**	**(3,969.27)**
	Cash and Cash Equivalent as at 1st April (Opening Balance)	**642.77**	**4,612.04**
	Cash and Cash Equivalent as at 31st March (Closing Balance)	**4,871.75**	**642.77**
	Closing Cash and Cash Equivalents		
	Represented By :		
	Cash on hand	4.34	4.57
	Balances with banks	1,796.27	125.26
	Cheques, drafts on hand	0.00	0.00
	Deposit with Bank (less than 3 month maturity)	3,071.14	512.94
	Total	**4,871.75**	**642.77**

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

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M.D Thomas
Partner
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DIN 08556337

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Kishor Rungta
Chairman & Managing Director
DIN 00231106

Sd/-
K V Balakrishnan Nair
Company Secretary & Executive Director (Finance)

Place: Kochi
Date: 25.06.2020

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Statement of changes in equity for the year ended March 31, 2020

A. Equity share capital

₹ in Lakh

Particulars	2019-20 Opening balance as at 1 Apr 2019	2019-20 Changes in equity share capital during the year	2019-20 Closing balance as at 31 Mar 2020	2018-19 Opening balance as at 1 Apr 2018	2018-19 Changes in equity share capital during the year	2018-19 Closing balance as at 31 Mar 2019
Equity shares of ₹10 each	64,707.20	Nil	64,707.20	64,707.20	Nil	64,707.20
Total	**64,707.20**		**64,707.20**	**64,707.20**		**64,707.20**

B. Other Equity

₹ in Lakh

Particulars	Reserves and Surplus			Equity Instrument Through Other Comprehensive Income	Total
	Capital Reserve	Retained Earnings	Government Grant		
Balance as on 01.04.2019	2.64	(218,532.40)	56.23	6,539.63	(211,933.90)
Changes in Accounting Policy or prior period errors		-			-
Restated Balance at the beginning of the reporting period	2.64	(218,532.40)	56.23	6,539.63	(211,933.90)
Profit for the year		97,552.45			97,552.45
Other Comprehensive Income for the year (Net of Taxes ; if any)		(372.78)		905.88	533.10
Total Comprehensive Income for the year		97,179.67		905.88	98,085.55
Transfers(if any)	-	-	(1.89)	-	(1.89)
Balance as on 31.03.2020	**2.64**	**(121,352.73)**	**54.34**	**7,445.51**	**(113,850.23)**

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		(1,410.60)			(1,410.60)
Restated Balance at the beginning of the reporting period	2.64	(235,622.23)	58.12	5,560.66	(230,000.81)
Profit for the year		16,268.60			16,268.61
Other Comprehensive Income for the year (Net of Taxes ; if any)		821.21		978.97	1,800.18
Total Comprehensive Income for the year		17,089.81		978.97	18,068.79
Transfers(if any)	-	-	(1.89)	-	(1.89)
Balance as on 31.03.2019	**2.64**	**(218,532.41)**	**56.23**	**6,539.63**	**(211,933.90)**

In terms of our Report Attached

For **Babu A Kallivayalil & Co.**
Chartered Accountants
Firm Registration No. 05374S
Sd/-
M.D Thomas
Partner
Membership No.018177

Place: Kochi
Date: 25.06.2020

For and on behalf of the Board of Directors

Sd/-
A.Ganesan
Director (Finance) & Chief Financial Officer
DIN 08556337

Sd/-
K V Balakrishnan Nair
Company Secretary & Executive Director (Finance)

Sd/-
Kishor Rungta
Chairman & Managing Director
DIN 00231106

A Statement of Significant Accounting Policy forming part of Financial Statements for the Year ended 31st March 2020

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 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 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 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 ₹ 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 derrived 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 recognistion of revenue.

Subsidy is recongnised 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 contrbution 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 recongnised 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 a earliar 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 01.04.2019	Additions during the year	Disposal/ Deduction during the year	Adjustment during the year	As at 31.03.2020	Upto 01.04.2019	For the year	On Disposal/ Deduction during the year	On adjustment during the year	Upto 31.03.2020	Upto 01.04.2019	(Withdrawal)/ Provision during the year	Upto 31.03.2020	As at 31.03.2020	As at 31.03.2019
Tangible assets															
Land	1,707.44	-	(111.91)	-	**1,595.53**	-		-	-	-	-	-	-	**1,595.53**	1,707.43
Buildings	1,393.63	421.54	(15.25)		**1,799.92**	122.80	49.30	(1.40)	-	**170.70**	3.13		**3.13**	**1,626.09**	1,267.68
Plant and Equipment	27,330.44	1,403.46	-	(140.91)	**28,592.99**	5,466.30	1,740.33	-	(69.09)	**7,137.54**	252.71	(186.65)	**66.06**	**21,389.39**	21,611.42
Furniture and Fixtures	34.11	3.02	(0.01)	-	**37.12**	4.63	3.89	-	-	**8.52**	-	-	-	**28.60**	29.48
Vehicles	78.46	70.14	-	-	**148.60**	36.85	9.83	-	-	**46.68**	-	-	-	**101.92**	41.61
Office equipment	354.35	389.80	(15.57)	-	**728.58**	152.23	102.33	(1.27)	-	**253.29**	-	-	-	**475.30**	202.12
Others:-															
Roads & Culverts	338.17	-	-	-	**338.17**	62.87	16.60	-	-	**79.47**	-	-	-	**258.71**	275.29
Railway Sidings	15.62	-	-	-	**15.62**	-	-	-	-	**-**	-	-	-	**15.62**	15.62
Misc. Assets	196.20	5.62	-		**201.82**	71.86	18.77	-	-	**90.63**	-	-	-	**111.19**	124.34
Retired Asset	4,129.05	-	-	140.91	**4,269.96**	-		-	69.09	**69.09**	-	-	-	**4,200.87**	4,129.04
Minor Assets	0.24	7.84			**8.08**	0.24	7.83	-	-	**8.07**	-	-	-	-	-
Total	35,577.71	2,301.42	(142.74)	-	**37,736.39**	5,917.78	1,948.88	(2.67)	-	**7,863.99**	255.84	(186.65)	**69.19**	29,803.23	29,404.03
Previous year	33,360.02	2,231.20	(13.55)	-	**35,577.67**	3,604.37	2,325.61	(12.18)	-	**5,917.80**	293.29	(37.45)	**255.84**	29,404.03	29,462.42

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.

1.2.1) Out of the total 1498.97 acres (Previous year 1980.76 acres) of land held by the Company, 14.26 acres, value Rs.Nil (Previous year 14.26 acres ,value Rs.Nil) are held under lease hold right from Cochin Port Trust, for which lease agreement is under finalization. 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). During the year company sold 481.79 acres of land at Cochin division to Government of Kerala/KINFRA as per the terms of GO(Ms)No.99/2019/ID dated 13.11.2019.

1.2.2) The land held by the company also include lease hold land of 143.22 acres, value Rs.Nil(Previous year 143.22 acres, value Rs.Nil) under lease from Government of Kerala. During the year, company has sold 481.79 acres of Land, as approved by union cabinet, Govt. of India @ Rs.1 Crore per acre for 150 Acres (in lieu of free hold right accorded by the Government of Kerala over 143.22 acres of lease hold land) and remaining 331.79 acres @ 2.4758 Crore per acre as assessed by the District Collector to a Corporation established by an Act of the Government of Kerala (GoK) (Previous year 169.689 Acres of land to a Public Sector Undertaking). Accordingly, GoK has accorded freehold right to the Company over 143.22 acres of land vide G.O. (Ms) No. 99/2019/1D dated 13/11/2019. Pending issue of the title deed and other formalities in connection with the conversion, company continues the classification of said land as lease hold land.

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

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 six years with the revised area of 4.1344 hectare. However, the leave and license agreement 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, with net Written Down value of ₹2.66 lakh.

1.7) During the year Company re-valued Plant and Equipment based on the recommendation of the internal technical team of the Company. Accordingly ₹186.65 lakh has been added to the carrying amount.

1.8) First charge has been created on 432.60625 acres of land (Previous year 501.68625 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 for Fund based and Non-fund based working capital facilities with banks. During the year Fund based working capital dues was fully settled and Non-fund based working capital arrangements was reduced considerablly. Accordingly company initiated steps for release of a portion of security.

1.9) Includes assets procured with EEC grant amounting to ₹57.73 lakh (previous year ₹58.67 lakh,)

NOTES FORMING PART OF FINANCIAL STATEMENTS

₹in lakh

Note No. 1A - Capital Work in Progress		
	As at 31.03.2020	**As at 31.03.2019**
Capital Work in Progress (Refer Note 37)	3315.67	1036.26
Goods in Transit / Material in Transit/Capital Stores	583.79	755.65
	3899.46	**1791.91**

Note No. 1B Other Intangible Assets:-

	DEEMED COST / COST					**AMORTIZATION**					**IMPAIRMENT LOSS**			**NET BLOCK**	
Particulars	**As at 01.04.2019**	**Additions during the year**	**Disposal/ Deduction during the year**	**Adjustment during the year**	**As st 31.03.2020**	**Upto 01.04.2019**	**For the year**	**On Disposal/ Deduction during the year**	**On Adjustment during the year**	**Upto 31.03.2020**	**Upto 01.04.2019**	**(Withdra-wal)/ Provision during the year**	**Upto 31.03.2020**	**As at 31.03.2020**	**As at 31.03.2019**
Computer Software	155.08		-	-	**155.08**	13.42	31.02	-	-	**44.44**	-	-	-	110.64	141.66
Total	**155.08**	**-**	**-**	**-**	**155.08**	**13.42**	**31.02**	**-**	**-**	**44.44**	**-**	**-**	**-**	**110.64**	**141.66**

NOTES FORMING PART OF FINANCIAL STATEMENTS

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

Particulars	As at 31.03.2020	As at 31.03.2019
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	0.30	0.20
Current Year	0.10	0.10
Closing Balance	0.40	0.30
Net Block		
Land	6.50	6.50
Building	2.90	3.00
Total	**9.40**	**9.50**

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 31.03.2020	As at 31.03.2019
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 31.03.2020	As at 31.03.2019
Fair Value of Investment property		
Opening Balance		
Freehold Land	1,490.58	1,490.58
Buildings	26.42	26.42
Total	**1,517.00**	**1,517.00**
Additions/(Deletions)		
Freehold Land	0.00	0.00
Buildings	0.00	0.00
Total	**0.00**	**0.00**
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

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NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ In Lakh

Note No. 3. Non Current Asset - Financial Assets - Investments

Particulars	As at 31.03.2020	As at 31.03.2019
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	514.52	434.86
	514.52	**434.86**
Investment in Joint Venture	**514.52**	**434.86**
*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	434.86	308.72
Total Gains and losses recognised in OCI	79.66	126.14
Closing Balance	514.52	434.86
Travancore Cochin Chemicals Ltd.,		
6,81,820(Previous year 6,81,820)Equity Shares of ₹10/- each including 3,40,910 Bonus shares.	200.93	134.69
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 6,48,000) Equity Shares of ₹10/- each fully paid-up, including 4,59,000 (previous year 459000) Bonus Shares	7,095.60	6,335.63
	7,296.53	**6,470.32**
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	**7,812.07**	**6,906.20**
Aggregate amount of unquoted investments	7,812.07	6,906.20
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	134.69	94.31
Total Gains and losses recognised in OCI	66.24	40.38
Closing Balance	200.93	134.69

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	6,335.63	5,523.16
Total Gains and losses recognised in OCI	759.97	812.47
Closing Balance	7,095.60	6,335.63

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

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

Particulars	**As at 31.03.2020**	**As at 31.03.2019**
From related party		
Considered doubtful	297.72	280.42
Less: Provision for Doubtful Debts	297.72	280.42
	0.00	**0.00**
Others		
Secured		
Considered doubtful	1,627.16	1,530.96
Less Provision for Doubtful Debts	1,627.16	1,530.96
	0.00	0.00
	0.00	**0.00**

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

Allowance for doubtful Trade receivables

Particulars	**As at 31.03.2020**	**As at 31.03.2019**
Provision at the beginning of the year	1,811.38	1,907.13
Provisions released during the year	(0.85)	(193.24)
Provisions made during the year	114.35	97.49
Provision at the end of the year	**1,924.88**	**1,811.38**

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

Particulars	**As at 31.03.2020**	**As at 31.03.2019**
Security deposit		
Un Secured Considered Good	939.87	957.33
	939.87	957.33
Loan to Employees		
Un Secured Considered Good	5.70	6.93
	5.70	6.93
	945.57	**964.26**

Note :Loans to employees ₹5.70 lakh (Previous year ₹6.93 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 31.03.2020	As at 31.03.2019
Advances to Related Parties		
Considered doubtful	3,840.73	3,819.34
Less : Provision	3,840.73	3,819.34
	0.00	0.00
Advance to Others		
Unsecured Considered Dobutful	17,357.86	14,249.70
Less : Provision for Doubtful Advances	17,357.86	14,249.70
	0.00	0.00
Term Deposit with Banks (original maturity more than twelve months)	4,805.00	0.00
Other Deposits	13.67	13.64
	4,818.67	**13.64**

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 31.03.2020	As at 31.03.2019
Provision at the beginning of the year	18,069.04	15,465.17
Provision released during the year	(17.31)	(43.09)
Provisions made during the year	3,146.86	2,646.96
Provision at the end of the year	**21,198.59**	**18,069.04**

Provision for doubtful loans and advances include ₹17210.42 lakh (Previous year ₹14102.31 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 31.03.2020	As at 31.03.2019
Capital Advances (Unsecured Considered Good)	136.10	138.65
Tax Deducted at Source including Advance Tax (net of Provision)	575.86	58.63
	711.96	**197.28**

Deferred tax assets (net)

The Company has deferred tax asset of ₹289926 lakh (Previous year ₹ 240534 lakh) as on 31.03.2020 because of unabsorbed depreciation and accumulated loss. The deferred tax liability as on 31.03.2020 is ₹18703 lakh (Previous year ₹18756 lakh). Since there is net deferred tax asset as on 31.03.2020, 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 ₹68267 lakh(Previous year ₹68530 lakh)

NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ In Lakh

Note No. 8. Current Assets - Inventories		
Particulars	**As at 31.03.2020**	**As at 31.03.2019**
Raw Materials	9,480.20	12,817.41
Raw materials-in -transit	2,009.77	6,621.17
	11,489.97	19,438.58
Work-in-progress	2,908.16	1,501.58
Finished Goods	32,292.49	34,681.71
Stock-in-trade (in respect of goods acquired for trading)	167.13	44.09
Stores and Spares		
Machinery Spares	9,328.79	9,072.96
General Stores	2,611.83	3,067.27
Stores & Spares-in -transit	414.17	342.47
	12,354.79	12,482.70
Retired Spares	453.50	453.50
Total Inventories	**59,666.04**	**68,602.16**
Less: Provision towards obsolescence and storage losses	3,339.47	3,401.44
	56,326.57	**65,200.72**

Notes

1. Inventories along with other Current Assets is pledged as Primary Security for Working Capital arrangement with Consortium of Banks amounting to ₹53820 Lakh as on reporting date (Fund Based ₹21560 lakh and Non Fund Based ₹32260 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 22.05 lakh MT of saleable gypsum (Previous Year 22.38 lakh MT) amounting to ₹9064.15 lakh (Previous year ₹ 8762.01 lakh) valued as per Accounting policy.
4. Stores & Spares in transit includes Stores & Spares at site pending inspection ₹ 414.15 lakh (Previous year ₹ 279.67 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 31.03.2020**	**As at 31.03.2019**
Provision at the beginning of the year	3,401.44	3,803.69
Provisions made during the year	0.00	0.00
Released during the year	(61.97)	(402.25)
Provision at the end of the year	**3,339.47**	**3,401.44**

Note No. 9. Current Assets - Financial assets-Trade Receivables		
Particulars	**As at 31.03.2020**	**As at 31.03.2019**
Subsidy Receivable		
Unsecured Considered good (Refer Note No.21)	37,327.75	40,011.75
	37,327.75	40,011.75
Sundry Debtors		
Secured , considered good	76.61	4.62
Unsecured , considered good	1,611.87	514.16
	1,688.48	518.78
	39,016.23	**40,530.53**

NOTES FORMING PART OF FINANCIAL STATEMENTS ₹ In Lakh

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

Particulars	As at 31.03.2020	As at 31.03.2019
Balances with Banks	1,796.27	125.26
Cheques , Drafts on hand	0.00	0.00
Cash on hand	4.34	4.57
Short Term Deposit with Banks (original maturity less than three months)	3,071.14	512.94
	4,871.75	642.77

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 ₹Nil (Previous year ₹9.58 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 31.03.2020	As at 31.03.2019
Short Term Deposit with Banks (original maturity less than twelve months) (Refer Note 1 below)	60,595.00	0.00
Deposit with Banks towards Margin money(Original maturity less than twelve months) (Refer Note 2 below)	1,249.98	6,824.53
	61,844.98	**6,824.53**

1. Short Term deposit with banks includes deposits amounting to ₹ 18088.20 lakhs (Previous year-Nil) on which lien marked for Non Fund based Working Capital Arrangement.
2. Lien is marked on deposits with banks towards margin money

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

Particulars	As at 31.03.2020	As at 31.03.2019
Security Deposits:		
Unsecured , considered good	46.27	52.32
	46.27	**52.32**

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

Particulars	As at 31.03.2020	As at 31.03.2019
Foreign Currency Receivable on Forward Contract	1,668.23	30,216.40
Amount receivable against Service Orders	872.63	640.19
Other Accrued Income	15,731.68	10,180.03
Amount receivable from LIC under group Gratuity scheme	357.86	330.72
Township Dues	554.15	383.21
Other receivables	0.00	0.00
	19,184.55	**41,750.55**

Other Accrrued income includes ₹ 14495.83 lakh (Previous Year ₹ 9940.73 lakhs) towards unclaimed DBT subsidy. (Refer Note No.26)

Note No. 14. Current Assets - Current Tax Assets

Particulars	As at 31.03.2020	As at 31.03.2019
Tax Deducted at Source	**1,005.36**	**513.90**
	1,005.36	**513.90**

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

Particulars	As at 31.03.2020	As at 31.03.2019
Dues from Statutory Authorities	27,850.11	33,894.89
Contractors	2,134.34	1,800.57
Employees	217.59	160.49
Pre Paid Expenses	576.79	592.36
Others	46.31	25.72
	30,825.14	**36,474.03**

Dues from statutory authorities include (i) ₹ Nil (Previous year ₹19622.25 lakhs) towards refundable Input Tax credit (ITC) on account of inverted duty structure, as per the provisions of Goods & Service Tax (ii)₹11945.42 lakh (Previous year ₹4100.11 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.

Dues from Contractors include amount paid for materials supplied but rejected by the Company pending settlement ₹19.92 lakh (Previous year ₹28.77 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.

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NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ In Lakh

Note No. 16. Equity- Equity Share Capital

Particulars	As at 31.03.2020	As at 31.03.2019
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 31.03.2020	As at 31.03.2019
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 31.03.2020	As at 31.03.2019
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. 17. Equity - Other Equity

Particulars	As at 31.03.2020	As at 31.03.2019
Capital Reserves:		
Subsidy from Kerala State Government under Industrial Housing Scheme	2.64	2.64
	2.64	**2.64**
Other Reserves:		
Deferred Government Grant :		
Indo EEC Fertiliser Education Project		

NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ In Lakh

Particulars	As at 31.03.2020	As at 31.03.2019
Opening balance	54.52	55.46
Less: Amount written off during current year	0.94	0.94
Closing balance	53.59	54.52

Bio-Fertiliser Project

Particulars	As at 31.03.2020	As at 31.03.2019
Opening balance	1.71	2.66
Less: Amount written off during current year	0.95	0.95
Closing balance	0.76	1.71

Equity Instruments through other Comprehensive Income

Particulars	As at 31.03.2020	As at 31.03.2019
Opening Balance	6,539.63	5,560.66
Changes During the Year	905.88	978.97
Closing Balance	7,445.51	6,539.63

Retained Earnings:

Particulars	As at 31.03.2020	As at 31.03.2019
Opening balance	(218,532.40)	(235,622.21)
Add Changes in Accounting Policy / Prior Period items as per Ind AS	-	-
Add :Profit/ (Loss) during the year	97,552.45	16,268.60
Add: Remeasurement of defined benefit plan	(372.78)	821.21
Closing balance	**(121,352.73)**	**(218,532.40)**
Other equity	**(113,850.23)**	**(211,933.90)**

17.1. The opening balance of retained earnings for the year ended March 31, 2019, is restated after prior period adjustments including withdrawal of freight subsidy claim of ₹992.50 lakh, write off of loss on sale of fertiliser bonds of ₹290.05 lakh and provision for penal interest on delayed payment of cost of deployment charges of CISF of ₹121.39 lakh etc. The profit for the year 2018-19 is also restated after prior period adjustments including capitalisation of fuel consumption on trial run of ₹58.46 lakh, depreciation provided on retired asset of ₹49.48 lakh, withdrawal of freight subsidy claim of ₹39.18 lakh etc.

Note No. 18. Non Current Liabilities - Financial Liabilities - Borrowings

Particulars	As at 31.03.2020	As at 31.03.2019
Term loans		
Secured		
From the Government of India (Refer Note 1 below)	88,524.38	177,048.75
Intercorporate loan from M/s.Rashtriya Chemicals & Fertilisers Ltd	2,040.00	2,550.00
	90,564.38	**179,598.75**

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 ₹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 of 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, 50% of the principal amount, being ₹88524.38 lakh has been classified under Current Liabilities-Current maturities of Long term Debt. The remaining amount 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 2018-19, 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 2020-21 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 2019-20 is 8.50% p.a (Previous year- 8.35% p.a)

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

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NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ In Lakh

Note No. 19. Non Current Liabilities - Provisions

Particulars	As at 31.03.2020	As at 31.03.2019
Provision for employee benefits		
(i) Provision for gratuity	11,313.64	9,384.59
(ii) Provision for leave encashment	7,697.41	7,737.59
Decommissioning of Assets in Leased Properties	220.78	204.43
	19,231.83	**17,326.61**

Note No. 20. Non Current Liabilities - Other Non current Liabilities

Particulars	As at 31.03.2020	As at 31.03.2019
Advance Rent Received	692.14	755.82
	692.14	**755.82**
As on 1st April	(819.51)	(883.20)
Released to Profit and Loss account	63.69	63.69
As at 31st March	(755.82)	(819.51)
Current	63.69	63.69
Non Current	692.13	755.82

Note No. 21. Current Liabilities - Financial Liabilities -Borrowings

Particulars	As at 31.03.2020	As at 31.03.2019
Secured:-		
Loans repayable on demand		
From Banks		
Cash credit (Refer Note 1.8)	0.00	34,941.12
Loan against Subsidy receivables	2,469.95	12,852.06
	2,469.95	**47,793.18**

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 432.60625 acres of land (Previous year 501.68625 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 11 .75% to 13.15 % p.a (Previous year from 12.00 % to 13.15 % 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-Punjab National Bank) under the Special Banking Arrangement scheme of Govt. of India, at interest rate of 6.15% p.a (Previous year 8.20% p.a), secured by subsidy due for the months of November 2019 to December 2019 (Previous year September 2018 to December 2018). As per Office Memorandum No.23011/10/2019-P&K dated 28.02.2020, issued by the Government of India, interest at the rate of Nil (Previous year 0.48%Per Annum) is to be borne by the Company.

Note No. 22. Current Liabilities - Financial Liabilities - Trade Payables

Particulars	As at 31.03.2020	As at 31.03.2019
Trade payables		
(i) Due to Micro,Small and Medium Enterprises (Refer Note: 38)	117.92	173.65
(ii) Others	21,023.29	41,723.22
	21,141.21	**41,896.87**

Note No. 23. Current Liabilities - Financial Liabilities -Other Financial Liabilities

Particulars	As at 31.03.2020	As at 31.03.2019
Current maturities of Long-term debt :		
From the Government of India (Refer Note 18.1)	88,524.38	0.00
Intercorporate loan from M/s.Rashtriya Chemicals & Fertilisers Ltd (Refer Note 18.2)	510.00	0.00
Interest accrued on borrowings (Refer Note 18.1 & 18.2)		
Term Loan from Government of India	71,704.74	47,803.16
Intercorporate Loan	97.80	0.00
Amount payable to banks on forward Contracts	1,594.54	31,034.59
Dues to employees	92.93	370.21
Trade Deposit from customers	3,302.50	2,690.65
Other liabilities	5,442.35	4,668.58
	171,269.24	**86,567.19**

NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ In Lakh

Note No. 24. Current Liabilities - Other Current Liabilities

Particulars	As at 31.03.2020	As at 31.03.2019
Statutory dues	906.34	839.73
Income accrued but not due	0.00	17.08
Advance from Customers	1,866.21	2,005.47
Advance Rent Received	63.69	63.69
	2,836.24	**2,925.97**

Note No. 25. Current Liabilities - Provisions

Particulars	As at 31.03.2020	As at 31.03.2019
Provision for employee benefits		
(i) Provision for gratuity	527.38	22.31
(ii) Provision for leave encashment	1,402.92	1,500.92
Provision towards other Contractual Obligation	239.60	256.91
	2,169.90	**1,780.14**

Note No. 26. Revenue from operations

₹In Lakh

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Sale of products		
Own Products	182,491.00	133,874.84
Traded Products	6,046.74	887.34
	188,537.74	134,762.18
Subsidy/Concession on Fertilisers	86,484.97	58,648.67
	86,484.97	58,648.67
Sale of Services		
Gross income from contracts and other services	1,968.50	2,048.25
Total Revenue from operations	**276,991.21**	**195,459.10**
Sale of own products comprises of:		
Factamfos 20-20-0-13	153,338.23	114,462.11
Ammonium Sulphate	26,682.53	17,040.87
Gypsum	1,496.28	2,057.32
Others	973.96	314.54
Total	**182,491.00**	**133,874.84**
Sale of traded products:		
Imported Complex Fertiliser (16:16:16)	5,137.67	0.00
Imported Complex Fertiliser (20:20:0:13)	0.00	534.80
Muriate of Potash	304.26	33.75
Urea	176.92	0.00
Organic Manures	427.89	318.79
Total	**6,046.74**	**887.34**
Subsidy/Concession on Fertilisers		
Factamfos 20-20-0-13	70,222.32	50,853.71
Ammonium Sulphate	13,862.51	7,767.77
Imported Complex Fertiliser	2,203.60	28.67
City Compost	196.54	140.56
Muriate of Potash	-	(142.04)
Total	**86,484.97**	**58,648.67**

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 ₹14495.83 lakh (Previous Year ₹9940.73 lakhs)

NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ In Lakh

Note No. 27. Other income

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Interest income:		
On deposits with banks	1,329.08	423.31
On loans , advances , claims , overdues	34.88	101.34
Dividend income		
Other than joint venture	11.08	13.13
Other non-operating income		
Excess provisions written back	139.52	56.94
Transfer from deferred Government grants:		
(i) On EEC project	0.94	0.94
(ii) On Bio-Fertiliser project	0.95	0.95
Rent	543.16	638.26
Miscellaneous income	1,091.65	1,034.81
	3,151.26	**2,269.68**

Note : Interest of ₹3108.11 lakh (Previous year ₹2587.71 lakh) for the year 2019-20 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. 28.Cost of materials consumed

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Raw Material (refer note below)	149,414.04	134,614.51
Packing Material	2,952.95	2,288.61
	152,366.99	**136,903.12**

Note : The physical verification of raw materials has been carried out on or around 31st March 2020. The differences over book figures in the case of raw material has been adjusted in consumption (Excess(-) / Shortage). Current year ₹ (-)1159.49 lakh (Previous year ₹(-)536.78 lakh).

Note No. 29. Purchases of Stock-in-trade

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Complex Fertilisers/ Organic Manures	7,213.53	240.21
	7,213.53	**240.21**

Note No. 30.Changes in inventories of finished goods, stock-in-trade and work-in-progress

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Opening 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
Closing stock		
Finished Goods	32,292.49	34,681.71
Stock-in-trade	167.13	44.09
Work-in- progress	2,908.16	1,501.58
	35,367.78	36,227.38
Changes in inventories: (Increase)/ Decrease	**859.60**	**(7,697.89)**

NOTES FORMING PART OF FINANCIAL STATEMENTS ₹ In Lakh

Note No. 31. Employee benefits expense

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Salaries and Wages	15,763.60	15,549.64
Contribution to Provident Fund	1,693.67	1,692.46
Leave encashment (Net of Provision)	2,701.59	2,734.81
Gratuity	1,366.17	1,288.13
Staff welfare expenses	1,777.17	1,715.51
	23,302.20	**22,980.55**

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 31.03.2020	Year ended 31.03.2019
Sri Kishor Rungta, Chairman and Managing Director (from 02.02.2019)	30.99	5.43
Shri.A.Ganesan, Director(Finance) from 28.08.2019 & Chief Financial Officer (From 21.09.2019)	21.81	0.00
Sri D Nandakumar Director (Marketing) (Up to 31.05.2019)	3.95	25.03
	56.75	**30.46**

Note No. 32. Finance costs

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Interest		
Interest on loans from the Government of India (Refer Note 18.1)	23,901.58	23,901.58
Interest on Cash credit from banks	4,499.07	3,686.96
Interest -others	382.72	407.78
Other borrowing costs	145.20	71.35
Net loss on foreign currency transactions & translations		
Exchange rate variation & premium on forward exchange contract on buyer's credit	0.00	(14.38)
	28,928.57	**28,053.29**

Note No. 33.Other expenses

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Consumption of stores and spare parts	2,778.77	2,727.53
Power and Fuel	25,478.35	11,789.07
Rent	1,056.75	581.90
Repairs and maintenance to buildings	202.40	53.83
Repairs and maintenance to machinery	3,241.08	3,309.12
Insurance	290.97	66.94
Rates and Taxes	214.36	206.83
(Gain)/Loss on exchange rate variation (net)	649.68	759.03
Material and other direct charges on contracts	1,268.09	1,661.63
Auditors' Fees and Expenses (Refer note 1 below)	23.66	20.66
Freight , Handling and other charges	23,746.00	15,529.49
Bad debts written off	0.80	0.00
Provision for doubtful receivables & advances	153.09	(18.09)
Damages/Shortages of Stores, Spares & Products (Net)	(0.89)	4.00
Provision for obsolescence of stores (Net)	(61.96)	(402.25)
Research and Development Expenditure (Refer note 2 below)	91.73	140.26
CISF Expenses (including salaries)	2,688.12	2,777.80
Directors' Sitting Fees	4.20	5.80
Loss on Fixed assets sold/written off	12.68	00.00
Miscellaneous Expenses (Refer note 3 below)	4,342.43	3,693.16
	66,180.31	42,906.71
Less :Allocated Expenses [net of income from inter-divisional jobs of ₹1385.27 lakh] (Previous year ₹1314.86 lakh)	(838.01)	(837.71)
	65,342.30	**42,069.00**

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

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NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ In Lakh

Notes:

1. Payments to the auditor as

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
(a) Auditor	10.60	9.10
(b) for taxation matters	0.00	0.00
(c) for company law matters	0.00	0.00
(d) for management services	0.00	0.00
(e) for other services	9.99	9.94
(f) for reimbursement of expenses	3.07	1.62
Total	**23.66**	**20.66**

2. Research and Development Expenditure of ₹91.73 lakh (Previous Year ₹140.26 lakh) includes expenditure towards salary ₹ 91.34 lakh (Previous year ₹139.61 lakh) and depreciation ₹ 0.09 lakh (Previous year ₹0.09 lakh).

3. Miscellaneous Expenses includes Directors travel amounting to ₹24.61 lakh (Previous year ₹20.39 lakh) and ₹34.29 lakh (previous year ₹ 45.40 lakh) towards the cost of PoS machine distributed by the Company under Direct benefit Transfer Scheme framed by the Government of India.

4. 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 ₹(-)1.13 lakh (Previous year ₹4 lakh)

Note No. 34. Exceptional Items

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Profit/(Loss) on sale of Land and Building	97,216.52	43,389.77
	97,216.52	**43,389.77**

During the year, company has sold 481.79 acres of Land, as approved by union cabinet, Govt. of India @ ₹1 Crore per acre for 150 Acres (in lieu of free hold right accorded by the Government of Kerala over 143.22 acres of lease hold land) and remaining 331.79 acres @₹ 2.4758 Crore per acre as assessed by the District Collector. The profit on sale of land and building thereon ₹ 97216.52 lakh (Previous Year ₹ 43389.77 lakh) has been shown as exceptional item in the Statement of Profit & Loss. As the title deed is not yet issued by the Government of Kerala, the fair value of freehold title of the land converted, if any, and the consequent revenue cannot be recognised at this stage.

Note No. 35. Earning per Share

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Profit / (Loss) after Tax	97,552.45	16,268.60
Number of Equity Shares	647071974	647071974
Face Value per Share (₹)	10.00	10.00
Basic/ Diluted earnings per Share (₹)	**15.08**	**2.51**

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. As the net average results for the three preceeding Financial Years is loss, the Company is not liable to spend any amount mandatorily on CSR.

Note No. 37. Caprolactam Operations:

Company has decided to rejuvenate and recommission the Caprolactam plant which was not in operation. An amount of ₹ 2291.29 lakhs (Previous year-Nil) has been incurred during the year towards rejuvanation and recommissioning expenses and the same has been included under Capital Work in progress(refer Note 1A)

NOTES FORMING PART OF FINANCIAL STATEMENTS

38. Disclosure required for Micro Small and Medium Enterprises

₹In Lakh

Sl No.	**Particulars**	**As at 31.03.2020**	**As at 31.03.2019**
1	Principal amount remaining unpaid	117.92	173.65
2	Interest due thereon	10.46	1.69
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.	10.99	20.89
5	Interest accrued and remaining unpaid	21.45	22.58
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	31.03.2020		31.03.2019	
	Significant observable inputs		Significant observable inputs	
	Level 2	Level 3	Level 2	Level 3
Financial Assets				
Financial Assets				
Investment in Unquoted EquityShares of:				
Indian Potash Limited		7,095.60		6,335.63
Travancore Cochin Chemicals Ltd		200.93		134.69
Capexil Agencies Ltd.		-		-
Kerala Enviro Infrastructure Limited		514.52		434.86
Foreign Currency Receivable under Forward exchange contracts	1,668.23		30,216.40	
Financial Liabilities				
Amount Payable under forward exchange contracts	1,594.54		31,034.59	
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 31.03.2020	As at 31.03.2019
Within one year	63.69	99.12
Between one and five years	254.76	254.76
More than five years	437.37	501.06

ii) Amounts recognized in profit and loss

Particulars	As at 31.03.2020	As at 31.03.2019
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 31.03.2020	As at 31.03.2019
Within one year	177.66	174.18
Between one and five years	746.90	732.24
More than five years	4,480.29	4,672.47
	5,404.85	**5,578.89**

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 31.03.2020	As at 31.03.2019
Lease Rentals	174.18	170.76
	174.18	**170.76**

The company has taken on lease land from Cochin Port Trust for the purpose of storage, handling of raw materials and for setting up a dock for barge operations. The lease agreement and terms and conditions have not been finalized and pending execution. In the absence of agreed tenure and other terms, the recognition of right of use as asset, lease as liability and consequential charge towards depreciation & interest expense has not been done. Hence, the Company continues the practice as in the earlier years and made disclosures accordingly.

NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ In Lakh

40 . Financial Instrument Classification

Particulars	As at 31.03.2020	As at 31.03.2019
Financial Assets		
Financial Assets at Amortised Cost		
Trade Receivables	39,016.23	40,530.53
Cash and Cash equivalents	4,871.75	642.77
Other Bank Balances	61,844.98	6,824.53
Loans	991.84	1,016.58
Other Financial Assets	22,334.99	11,547.79
	129,059.79	**60,562.20**
Financial Assets at Fair Value through Other Comprehensive Income:		
Equity Investments	7,812.07	6,906.20
Financial Assets at Fair Value through Profit and Loss Statement:		
Foreign Currency Receivable on Forward exchange contract	1,668.23	30,216.40
	9,480.30	**37,122.60**
Financial Liabilities		
Financial Liability at Amortised Cost		
Borrowings	93,034.33	227,391.93
Trade Payables	21,141.21	41,896.87
Other Financial Liabilities	169,674.70	55,532.60
	283,850.23	**324,821.40**
Financial Liabilities at Fair Value through Profit and Loss Statement:		
Liability on Forward Exchange contract	1,594.54	31,034.59
	1,594.54	**31,034.59**

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 based on market trends

(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 ₹39016.23 lakh and ₹40530.53 lakh as of March 31, 2020 and March 31, 2019, respectively of which ₹37327.75 lakh (previous year ₹40011.75 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 has sufficient fund position for its business/operational activities. The following is the undrawn fund based borrowing facilities at the end of the reporting period:

Particulars	31st March, 2020	31st March, 2019
Expiring within one year (Bank Overdraft/ CC Limit)	21,060.00	32,058.88
Stand by Line of credit	500.00	1,250.00

The credit facilities of Banks are subject to compliance with sanctioned terms & conditions. The credit facilities have an average maturity of 1 year. Besides, the above, Company has Non Fund Based Working Capital Arrangement with various Banks which is being availed with a lien on Term Deposits held by the Comapny.

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 rates, such as equity price risk and commodity risk. The Company's activities exposes primarily to the financial risk of changes in foreign currency rates. To mitigate the foreign currency risk, the company is entering into forward contracts with Banks, after analysing the market trend on required cases.

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	2019-20	2018-19
GAIL (India) Ltd	Procurement of Gas / TransmissionCharges	25,158.33	167.98
Bharat Petroleum Corporation Ltd	Procurement of Gas / Petroleum Products/Sulphur	34,842.09	18,918.57
Indian Oil Corporation Ltd	Procurement of Gas / Petroleum Products	21,015.85	518.10
Hindustan Petroleum Corporation Ltd	Procurement of Gas / Petroleum Products	129.25	149.29
Steel Authority of India Ltd	Procurement of Steel Structural	187.44	370.05
National Fertilisers Ltd	Purchase of Fertilisers	455.80	0.00
Rashtriya Chemicals and Fertilisers Ltd	Sale of Fertilisers	138.90	0.00
Hindusthan Insecticides Ltd	Sale of Fertilisers	450.22	0.00
Rashtriya Chemicals and Fertilisers Ltd	Intercorporate Loan	0.00	2,550.00
Rashtriya Chemicals and Fertilisers Ltd	Interest payment on Intercorporate Loan	217.34	212.93
Bharat Petroleum Corporation Limited	Sale of Land	0.00	43,580.27
Bharat Petroleum Corporation Limited	Services Provided	735.83	219.91
Hindustan Petroleum Corporation Ltd	Services Provided	61.66	0.00
Bharat Heavy Electricals Ltd	Procurement of Assets/Spare parts	21.30	1.32
Bharat Earth Movers Ltd	Procurement of Assets/Spare parts	26.87	13.38
Indian Oil Corporation Ltd	Services Provided	0.00	11.95
Rashtriya Chemicals and Fertilisers Ltd	Services Provided	4.13	0.00
Kochi Metro Rail Ltd	Lease of property	211.28	310.66
Central Institute of Plastic Engineering & Technology	Lease of property	55.55	41.81
GAIL (India) Ltd	Lease of property	33.85	33.85

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ in Lakh

JOINT CONTROLLED ENTITIES

Sl No	Name of Entity	Percentage of ownership interest as at	
		31.03.2020	31.03.2019
1	FACT-RCF Building Products Ltd(FRBL)	50.00%	50.00%
2	Kerala Enviro Infrastructure Ltd. (KEIL)	25.66%	25.66%

Transactions during the year with the above referred related parties:

Sl.No	Particulars	2019-20	2018-19	
		Amount	Amount	
i)	Contribution towards sharecapital	0.00	0.00	-
ii)	Sales of Products	17.31	39.86	-
ii)	Others	240.29	167.80	

The provision towards the amount given as material, Services and advances made in the earlier financial years continues. A provision amounting to ₹38.69 Lakh (Previous year ₹59.23 lakh) has been made for the current year also.

Balance Outstanding:

Sl. No	Particulars	As at 31.03.2020	As at 31.03.2019
	Amount receivable under Corporate Gurantee	2,550.00	2,550.00
	Amount receivable under Contractual obligations	239.60	256.91
	Due from FRBL on sale of gypsum,salary of deputationists and other expenses	1,348.85	1,292.85

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 2018-19, RCF had 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. Interest rate applicable on the loan for the year 2019-20 is 8.50% p.a. (Previous year- 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.A.Ganesan, Director(Finance) from 28.08.2019 & Chief Financial Officer (From 21.09.2019)
3 Shri D Nandakumar, Director (Marketing) (up to 31.05.2019)
4 Shri K V Balakrishnan Nair, Company Secretary & Executive Director (Finance)
5 Shri.Pradeep Kumar.C, Chief Financial Officer (from 29.01.2019 to 20.09.2019)

Transactions with related parties:

Remuneration to key management personnel :

Sl No	Particulars	Year ended 31.03.2020	Year ended 31.03.2019
1	Sri Kishor Rungta, Chairman and Managing Director (from 02.02.2019)	30.99	5.43
2	Shri.A.Ganesan, Director(Finance) from 28.08.2019 & Chief Financial Officer (From 21.09.2019)	21.81	0.00
3	Shri D Nandakumar, Director (Marketing) (up to 31.05.2019)	3.95	25.03
4	Shri K V Balakrishnan Nair, Company Secretary & Executive Director (Finance)	18.60	18.09
5	Shri.Pradeep Kumar.C, Chief Financial Officer (up To 20.09.2019)	8.36	3.21
		83.71	**51.76**

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	
		31.03.2020	31.03.2019
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 31.03.2020 (Unaudited)	As at 31.03.2019 (Audited)
Non-Current Assets	5,597.39	6,548.19
Cash and Cash Equivalent	0.97	101.60
Current Assets other than Cash and Cash Equivalents	1,042.22	1,539.71
Non-Current Liabilities	4,654.26	4,192.50
Current Liabilities	8,652.33	9,155.98
Equity	(6,666.01)	(5,158.98)
Proportion of the company's ownership	50.00%	50.00%
Carrying amount of the investment*	0.00	0.00

Particulars	2019-20 (Unaudited)	2018-19 (Audited)
Income	1,679.86	1,660.76
Cost of materials consumed	185.21	373.00
Changes in inventories	227.00	(99.15)
Depreciation and amortization expense	912.64	912.44
Finance costs	479.36	432.69
Employee benefits expenses	326.79	379.73
Other Expenses	1,055.90	1,016.16
Loss from continuing operations	(1,507.04)	(1,354.11)
Total comprehensive income for the year	(1,507.04)	(1,354.11)
Company's Share of profit / loss for the year	(753.52)	(677.06)

*Owing to the company's share of losses exceeding its interest in the joint venture recogonising the share of loss stands discontinued. Accordingly company has not recognized share of loss of ₹753.52 lakh for the year (Previous Year ₹677.06 lakh) and ₹6855.71 lakh cumulatively upto the year ended 31.03.2020 (₹6102.19lakh cumulatively upto the year ended 31.03.2019).

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 31.03.2020 (Un Audited)	As at 31.03.2019 (Audited)
Non-Current Assets	2,398.79	1,358.69
Cash and Cash Equivalent	125.18	106.62
Current Assets other than Cash and Cash Equivalents	1,183.92	1,729.86
Non-Current Liabilities	1,501.80	1,187.58
Current Liabilities	201.07	313.04
Equity	2,005.03	1,694.55
Proportion of the company's ownership	25.66%	25.66%
Carrying amount of the investment	514.54	434.86

Particulars	2019-20 (Un Audited)	2018-19 (Audited)
Income	1,908.22	1,858.09
Cost of materials consumed	21.35	25.32
Changes in inventories	0.00	0.00
Depreciation and amortization expense	50.33	38.35
Finance costs	0.05	2.51
Employee benefits expenses	212.00	161.83
Other Expenses	1,163.77	972.87
Profit before Tax	460.72	657.21
Current Tax	75.71	164.75
Profit after Tax	385.00	492.46
Other Comprehensive Income	(1.39)	(0.92)
Total comprehensive income for the year	383.61	491.54
Company's Share of profit / loss for the year	98.44	126.14

NOTES FORMING PART OF FINANCIAL STATEMENTS

44. SEGMENTAL REPORTING

Segment Information for the year ended 31st March 2020
Information about Primary Business Segments

	₹ in Lakh. Fertiliser	₹ in Lakh. Petrochemical	₹ in Lakh. Others (Unallocated)	₹ in Lakh. Total
REVENUE				
External Revenue	**276754.30** (151251.65)	**56.42** (7.55)	**1967.79** (45944.75)	**278778.51** (197203.95)
TOTAL REVENUE	**276754.30** (151251.65)	**56.42** (7.55)	**1967.79** (45944.75)	**278778.51** (197203.95)
SEGMENT RESULTS				
Profit before Interest and Taxation	**34469.71** (6397.96)	**(2537.58)** (-3507.60)	**(4268.21)** (-2679.73)	**27663.91** (210.63)
Unallocated Corporate Expense			**(91.43)** (-139.70)	**(91.43)** (-139.70)
Operating Profit	**34469.71** (6397.96)	**(2537.58)** (-3507.60)	**(4176.78)** (-2540.03)	**27755.35** (350.34)
Interest Expense	**-** -	**-** -	**28783.37** (27996.34)	**28783.37** (27996.34)
Interest Income	**-** (0.00)	**-** (0.00)	**1363.96** (524.84)	**1363.96** (524.84)
Profit before Exceptional items and Tax	**34469.71** (6397.96)	**(2537.58)** (-3507.60)	**(31596.19)** (-30011.53)	**335.93** (27121.17)
Exceptional Income	**97216.52** (43389.77)	**-** (0.00)	**-** (0.00)	**97216.52** (43389.77)
Income Tax	**-**	**-**	**-**	**-**
Profit after Interest and Taxation	**131686.23** (49787.73)	**(2537.58)** (3507.60)	**(31596.19)** (30011.53)	**97552.45** (16268.60)
OTHER INFORMATION				
Segment Assets	**222496.97** (215756.78)	**9679.17** (7297.69)	**29055.72** (8363.34)	**261231.85** (231417.83)
Segment Liabilities	**250986.18** (211742.36)	**468.24** (2239.91)	**9777.44** (17435.55)	**261231.85** (231417.83)
Depreciation	**1479.46** (1667.32)	**168.70** (570.63)	**145.19** (63.73)	**1793.35** (2301.67)
Capital Expenditure	**1764.55** (1694.36)	**57.92** (57.92)	**478.94** (478.94)	**2301.42** (2231.22)

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.

RECONCILIATION OF REVENUE	**2019-20**	**2018-19**
Segment Revenue as above	278778.51	197203.95
Add Interest Income	1363.96	524.84
Revenue as per Profit and Loss Statement	**280142.47**	**197728.79**

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 ₹1693.67 lakh (Previous Year ₹1692.46 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)**	
		31-03.2020	31-03.2019	31-03.2020	31-03.2019	31-03.2020	31-03.2019
	Present value of obligations at the beginning of the year	**9238.52**	**9903.56**	**13514.37**	**14540.67**	**348.70**	**0.00**
	Interest cost	**808.25**	**861.21**	**1099.83**	**1182.69**	**29.27**	**0.76**
	Past service cost	**-**	**-**	**-**	**-**	**-**	**-**
	Current service cost	**1729.04**	**1723.10**	**467.00**	**485.96**	**34.45**	**19.03**
	Benefits paid	**(2015.43)**	**(1982.53)**	**(2907.57)**	**(2811.65)**	**(11.20)**	**0.00**
	Acturial loss/(gain) on obligation	**(660.05)**	**(1266.82)**	**837.47**	**116.70**	**195.35**	**328.91**
	Present value of obligations at the end of the year	**9100.33**	**9238.52**	**13011.10**	**13514.37**	**596.57**	**348.70**
b.	**Changes in the fair value of plan assets**						
	Fair value of plan assets at the beginning of the year	**0.00**	**0.00**	**4456.16**	**6872.10**	**0.00**	**0.00**
	Expected return on investment	**0.00**	**0.00**	**334.21**	**549.76**	**0.00**	**0.00**
	Employer's contribution	**0.00**	**0.00**	**0.00**	**0.28**	**0.00**	**0.00**
	Benefits paid	**0.00**	**0.00**	**(2907.57)**	**(2811.65)**	**0.00**	**0.00**
	Actual return on Plan Asset over Expected Interest	**0.00**	**0.00**	**(116.13)**	**(154.33)**	**0.00**	**0.00**
	Fair value of plan assets at the end of the year	**0.00**	**0.00**	**1766.67**	**4456.16**	**0.00**	**0.00**
	Actual return on investment	**0.00**	**0.00**	**334.21**	**549.76**	**0.00**	**0.00**
c.	**Amount recognised in Balance sheet**						
	Present value of obligations at the end of the year	**9100.33**	**9238.52**	**13011.10**	**13514.37**	**596.57**	**348.70**
	Fair value of plan assets at the end of the year	**-**	**-**	**1,766.67**	**4456.16**	**0.00**	**0.00**
	Unfunded net liability recognised in Balance sheet	**9100.33**	**9238.52**	**11244.43**	**9058.21**	**596.57**	**348.70**
d.	**Expenses recognised in the Statement of Profit and Loss during the year**						
	Current service cost	**1729.04**	**1723.10**	**467.00**	**485.96**	**34.45**	**19.03**
	Past service cost	**-**	**-**	**-**	**-**	**-**	**-**
	Net Interest on Obligation / Asset	**808.25**	**861.21**	**881.74**	**787.26**	**29.27**	**0.76**
	Total Expenses recognised in the Statement of Profit and Loss during the year	**2537.29**	**2584.31**	**1348.74**	**1273.22**	**63.72**	**19.79**
	Amount Disclosed under Other Comprehensive Income:						
	Opening balance	**(4711.42)**	**(3444.60)**	**160.12**	**43.42**	**328.91**	**0.00**
	Acturial Gain or Loss on Obligation side during the year	**(660.05)**	**(1266.82)**	**837.47**	**116.70**	**195.35**	**328.91**
	Closing Amount Disclosed under OCI	**(5371.47)**	**(4711.42)**	**997.59**	**160.12**	**524.26**	**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	-	-	13.58	32.97	-	-
	Acturial assumptions						
	Mortality rate	(1994-96) Ultimate		LIC (1994-96) Ultimate		(1994-96) Ultimate	
e.	Discount rate	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
	Salary escalation rate	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
f.	Expected rate of return on plan assets	NA	NA	7.50%	8.00%	NA	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	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Present value of obligations at the beginning of the year	**24335.38**	**24874.52**	**2173.50**	**2356.82**
Interest cost	**2087.76**	**2135.02**	**189.21**	**204.73**
Past service cost	-	-	-	-
Current service cost	**3523.23**	**3626.55**	**383.12**	**404.49**
Benefits paid	**(4389.16)**	**(5747.97)**	**(474.13)**	**(520.99)**
Acturial loss/(gain) on obligation	**(1670.71)**	**(552.74)**	**(141.05)**	**(271.55)**
Present value of obligations at the end of the year	**23886.50**	**24335.38**	**2130.65**	**2173.50**
b. Changes in the fair value of plan assets				
Fair value of plan assets at the beginning of the year	**25701.17**	**25172.75**	**2235.84**	**2422.64**
Expected return on investment	**2056.09**	**2013.82**	**178.86**	**193.81**
Employer's contribution				
Benefits paid	**(4389.16)**	**(5747.97)**	**(474.13)**	**(520.99)**
Acturial loss/(gain) on plan assets	**939.39**	**4262.57**	**205.76**	**140.38**
Fair value of plan assets at the end of the year	**24307.50**	**25701.17**	**2146.33**	**2235.84**
Actual return on investment	**2056.09**	**2013.82**	**178.86**	**193.81**
c. Amount recognised in Balance sheet of the Trust				
Present value of obligations at the end of the year	**23886.50**	**24335.38**	**2130.65**	**2173.50**
Fair value of plan assets at the end of the year	**24307.50**	**25701.17**	**2146.33**	**2235.84**
Unfunded net liability	**(421.00)**	**(1365.79)**	**(15.68)**	**(62.34)**
d. Expenses recognised in the Statement of Profit and Loss of the Trust during the year				
Current service cost	**3523.23**	**3626.55**	**383.12**	**404.49**
Past service cost				
Interest cost	**2087.76**	**2135.02**	**189.21**	**204.73**
Expected return on investment	**(2056.09)**	**(2013.82)**	**(178.86)**	**(193.81)**
Net acturial (gain) / loss recognised during the year	**(2610.10)**	**(4815.31)**	**(346.82)**	**(411.93)**
Total Expenses	**944.80**	**(1067.56)**	**46.65**	**3.48**

46. Contingent Liabilities and Commitments (to the extent not povided for):

Contingent Liabilities

₹ in Lakh

Particulars	As at 31.03.2020	As at 31.03.2019
Claims against the company not acknowledged as debts in respect of:		
Central Excise Act, 1944	9,924.06	9,559.30
Service Tax (Finance Act, 1994)	428.84	459.66
Sales Tax / Value Added Tax/ Entry tax	13,843.15	12,606.24
Income Tax Act, 1961	4.26	4.26
ESI Act	127.83	127.83
Suppliers and contractors	24,130.03	23,294.03
Payment of Bonus Act,1965	33.59	33.59
Others	1,132.74	1,354.22

47. Sales Tax/ Value Added Tax / Entry Tax includes ₹13462.47 lakh (including interest up to 31.03.2020) (previous year ₹12251.80 lakh) towards differential tax demand in respect of the year 2011-12 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 31.03.2020, amounting to ₹23664.24 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 1997 wage revision , 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 dtd 31.3.2016, by which the court directed company to frame a scheme towards disbursement of the arrears in a phased manner.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 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 Secretary (Fertilizers), vide Order dated 09.07.2019 communicated his decision stating their inability to relax/remove the condition of three years continuous profit as requested by FACT vide its letter dated 09.02.2018. Against the order of The Secretary (Fertilizers), the retired employees approached the Court by filing a contempt of court case. Thereafter the The Secretary (Fertilizers) filed Special Leave Petition before the Hon'ble Supreme Court and obtained a stay of the order of the High Court and is pending. Hence the amount of liability cannot be ascertained at this stage.

	As at 31.03.2020	As at 31.03.2019
50. Estimated amount of contracts remaining to be executed on capital account and not provided for.	1,347.08	286.33

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 ₹954.28 lakh (Previous year ₹998.75 lakh), and capital ₹430.99 lakh (Previous year ₹316.11 lakh).

In the case of work being carried out by FACT Enginering 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, 59.47 %(previous year 57.10%) of work related to consultancy services by FEDO to NIT, has been completed as on 31.3.2020 and pro-rata credit of ₹942.56 lakh (previous year ₹904.25 lakh) has been taken, after considering ₹344.45 lakh as work in Progress (previous year ₹292.42 lakh). The value of construction work done and certified during the year 2019-20 is taken as ₹654.18 lakh, (previous year ₹1462.75 lakh) and equivalent amount has been considered for direct charges on contract.

Particulars	As at 31.03.2020	As at 31.03.2019
Contract revenue recognised in the period.	1,968.50	2,048.25
Advance received against contract in progress.	0.00	9.58
Retention by customers against contract in progress.	65.01	40.48
Aggregate amount of cost incurred and recognised profit (less recognised loss) on contracts in progress upto the reporting date.	3,136.95	2,010.99
Gross amount due from customers for contract work as an asset.	487.97	158.51
Gross amount due to customers for contract work as a liability.	134.07	107.28

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 31.03.2020		Figures as at 31.03.2019	
	Foreign Currency	Indian Rupee	Foreign Currency	Indian Rupee
		(in lakh)		(in lakh)
Trade Payable	USD 161.78	12304.66	USD 37.57	2621.52

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 crore 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 also under the consideration of the Government of India. During the year, the Company has disposed a portion of its land in Cochin Division. On receipt of land sale proceeds, Company paid all its Fund Based Working Capital facility dues and invested the remaining surplus funds in various banks. This improved the liquidity/Fund position of the Company to a considerable extent. 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 25.06.2020.

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 the 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/-
M.D Thomas
Partner
Membership No.018177

Place: Kochi
Date: 25.06.2020

For and on behalf of the Board of Directors

Sd/-
A.Ganesan
Director (Finance) & Chief Financial Officer
DIN 08556337

Sd/-
Kishor Rungta
Chairman & Managing Director
DIN 00231106

Sd/-
K V Balakrishnan Nair
Company Secretary & Executive Director (Finance)

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 31.03.2020

1 Value of imported and indigenous raw materials and spare parts consumed and percentage thereof to total consumption.

₹ in lakh

		Current year	Percentage	Previous year	Percentage
B	Spare Parts , Components & Chemicals				
	Imported	**51.94**	**1.87%**	56.14	2.06%
	Indigenous	**2726.83**	**98.13%**	2671.39	97.94%
		2778.77		2727.53	

2 CIF Value of Imports	**Current year** ₹ **in lakh**	Previous year ₹ in lakh
(i) Raw Materials	**88526.59**	124813.32
(ii) Traded Products	**5812.33**	0.00
(iii) Spares and other materials	**83.33**	64.80
(iv) Capital Goods	**0.00**	0.00
	94422.25	124878.12

3 A **Expenditure in foreign currency (Cash Basis)**		
(i) Consultancy service	**0.00**	0.00
(ii) Others	**55.74**	**184.39**
	55.74	184.39

59. NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ in lakh

COST OF MATERIALS CONSUMED		2019-20				2018-19			
Sl. No.	Particulars	Opening Stock	Purchases	Closing Stock	Consumption	Opening Stock	Purchases	Closing Stock	Consumption
1	Regassified Liquid natural Gas	-	45044.55	-	45044.55	-	0.00	-	0.00
2	Naphtha	-	-	0.00	0.00	0.00	-	0.00	0.00
3	Sulphur - Imported	2,501.81	3366.69	1044.39	4824.11	1245.30	6244.57	2501.81	4988.06
4	Sulphur	770.64	7,168.11	453.09	7485.66	1,441.91	11675.21	770.64	12346.48
5	Rock Phosphate-Imported	2,770.39	10943.49	1504.56	12209.32	233.29	16905.69	2770.39	14368.59
6	Phosphoric Acid-Imported	4,410.97	67398.17	4087.19	67721.95	85.62	53691.82	4410.97	49366.47
7	Phosphoric Acid	-	-	-	0.00	65.81	0.00	0.00	65.81
8	Ammonia - Imported	1,607.38	8933.03	1928.66	8611.75	1304.29	53267.29	1607.38	52964.20
9	Benzene -Imported	10.24	-	10.24	0.00	10.24	-	10.24	0.00
10	Benzene	177.53	-	125.07	52.46	177.53	-	177.53	0.00
11	Caustic Soda**	29.92	18.56	20.45	28.03	37.20	-	29.92	-
12	Rock Phosphate-18% for mixing	27.35	0.00	27.35	0.00	27.35	0.00	27.35	0.00
13	Sulphuric Acid	8.79	0.00	8.79	0.00	9.14	0.00	8.79	0.35
14	Sulphuric Acid-Imported	502.39	3204.23	270.41	3436.21	0.00	1,016.94	502.39	514.55
	TOTAL	**12817.41**	**146076.83**	**9480.20**	**149414.04**	4637.68	142801.52	12817.41	134614.51

**Closing stock after adjustments for consumption as chemicals of ₹ Nil (Previous Year ₹ 7.28 lakh).

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	31.03.2019	31.03.2020
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	(₹ 15.07 crore)	₹ 3.85 crore
1. Considered in consolidation	Nil	Nil
2. Not Considered in consolidation	(₹ 15.07 crore)	₹ 3.85 crore

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/-
A Ganesan
Director (Finance)
& CFO

Sd/-
K V Balakrishnan Nair
Company Secretary
& Compliance Officer

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 2020

	Gross Block as at 31-3-2019	Written down value as at 31-3-2019	Additions/ adjustments 2019-20	Depreciation for the year 2019-20	**Depreciated value as at 31-3-2020**
Land (Estimated)	186.18	186.18	-29.47	0.00	**156.71**
Staff Quarters etc. in Township	1379.96	358.17	0.00	7.50	**350.67**
Sewers & Drains	280.85	20.35	0.00	6.30	**14.05**
Hospitals	64.37	13.22	0.00	0.37	**12.85**
Schools	93.43	23.40	0.00	0.58	**22.82**
Shops	12.08	1.92	0.00	0.05	**1.87**
	2016.86	603.24	-29.47	14.80	**558.97**

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 2020

Particulars	Expenditure	Income	**Net Expenditure**
Staff Quarters & Estate Establishment	459.12	608.64	**(149.52)**
Schools	0.58	51.81	**(51.23)**
Medical facilities	927.99	14.54	**913.45**
Other Welfare Expenses	713.74	27.19	**686.55**
Notional interest at 6 % p.a. on capital outlay on Township and overheads	121.01	0.00	**121.01**
	2222.43	**702.18**	**1520.25**

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 2020

Particulars	
Salaries and Wages including Provident Fund	14.89
Advertisement Charges	101.72
Propoganda and Publicity	29.49
Exhibition	0.00
Demonstration, Sign Boards, Cost of Fertilisers, Village adoption,Soil Testing and Agronomy Services	4.50
Audio-visual film, Slides production, Projection charges and equipment	0.00
Running and Maintenance Expenses of Publicity vehicles and Travel Expenses	0.00
	150.60

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

SUMMARISED ACCOUNTS

₹ In Lakh

PARTICULARS	2019-20	2018-19	2017-18
RESOURCES			
Net Worth	**(56646)**	(153825)	(170915)
Borrowings And Deferred Credits	**110488**	197681	194114
Capital Reserve	**57**	59	61
Equity Instruments through OCI	**7446**	**6540**	5561
	61345	**50454**	**28821**
UTILISATION OF RESOURCES			
Net Fixed Asset	**29923**	29555	29472
Capital -work- in progress	**3899**	1792	1850
Other non-current assets	**6476**	1175	1011
Investments	**7812**	6906	5927
Net Current Assets	**13234**	11026	(9439)
	61345	**50454**	**28821**
EARNINGS			
Sale of products and services (net)	**276991**	195459	192867
Accretion/(decretion) to			
work in progress and finished goods	**(860)**	7698	3053
Other Income	**3151**	2270	4162
	279283	**205427**	**200082**
OUT GOINGS			
Direct Materials & inputs	**181892**	153081	128130
Employees' remuneration and benefits	**23302**	22981	24942
Other expenses	**43031**	26131	26060
Depreciation / Impairment loss	**1793**	2302	1715
Finance Cost	**28929**	28053	32142
	278947	232548	212988
Profit/(Loss) for the year	**336**	(27121)	(12906)
Extraordinary items / Exceptional items: Income/ (Expense)	**97217**	43390	0
Profit/ (Loss) before tax	97552	16269	(12906)
Provision for Taxation	**-**	-	-
Profit/ (Loss) after tax	**97552**	16269	(12906)

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

CHANGES IN FINANCIAL POSITION FOR THE YEAR ENDED 31ST MARCH 2020

₹ in lakh

PARTICULARS	2019-20	2018-19	2017-18
SOURCES OF FUNDS			
Funds generated from operations:			
Profit after tax	**97552**	**16269**	**-**
Depreciation and Impairment loss	**1793**	**2302**	**1715**
Increase in Long term borrowings & liabilities	**-**	**3566**	**4,263**
Decrease in Working Capital	**-**	**-**	**10550**
	99346	22136	16528
APPLICATION OF FUNDS			
Loss for the year	**-**	**-**	**12906**
Prior Period Adjustments	**-**	**-**	**1411**
Remeasurement of Fixed Benefit Plan	**373**	**(821)**	**1087**
Decrease in Long term borrowings & liabilities	**87194**	**0**	**0**
Capital expenditure (net)	**4270**	**2328**	**921**
Non current assets	**5301**	**164**	**203**
Increase in Working Capital	**2208**	**20465**	**-**
	99346	22136	16528

STATEMENT OF CHANGES IN WORKING CAPITAL

PARTICULARS	2019-20	2018-19	2017-18
Cash and bank balance	59249	1103	1147
Inventories	(8874)	17326	4965
Sundry debtors	(1514)	4423	(14499)
Other current assets	(27723)	27077	31166
Loans and advances	(6)	(2)	51
	21132	49927	22830
Creditors and other liablities	**18923**	**29462**	**33380**
Increase/(decrease) in Working capital	**2208**	**20465**	**(10550)**
	21132	49927	22830

VALUE ADDED STATEMENT

PARTICULARS	2019-20	2018-19	2017-18
Value of production * (Including other income)	**279283**	**205427**	**200082**
Less: Cost of Direct materials & inputs	**181892**	**153081**	**128130**
	97391	52345	71952
Add: Exceptional Items :Income/ (Expense)	**97217**	**43390**	0
Value Added	**194607**	**95735**	**71952**
Applied in the following way :			
Employee remuneration and benefits	**23302**	22981	24942
Other operating expenses	**43031**	26131	26060
Depreciation	**1793**	2302	1715
Finance Cost	**28929**	28053	32142
Provision for Income Tax	**-**	-	-
Retained profit/(loss)	**97552**	16269	(12906)
	194607	95735	71952
* Net of sales discount/dealer Margin			

10 YEARS FINANCIAL HIGHLIGHTS

₹ in lakh

			2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
			As per Indian Accounting Standard				As per Schedule III of the Companies Act 2013			As per revised Schedule VI of the Companies Act 1956		
1	Sales		**188538**	**134762**	133946	127146	115010	131386	137309	140166	160034	129101
2	Subsidy		**86485**	**58649**	57655	57270	52997	65280	83141	90669	126596	115927
3	Income from Contracts & Services		**1969**	**2048**	1266	3912	5592	1213	488	742	975	1045
4	**Revenue from operations (1+2+3)**		**276991**	**195459**	192867	188328	173599	197879	220938	231577	287605	246073
5	Other Income		**3151**	**2270**	4162	1804	2898	1855	1401	1979	3670	3060
6	**Total Income**		**280142**	**197729**	**197030**	**190132**	**176497**	**199734**	**222339**	**233556**	**291275**	**249133**
7	Material Consumed		**1,52,367**	**1,36,903**	108023.9	108741	107980	139440	152490	142464	174918	142879
8	Purchases of Stock-in-trade		**7,214**	**240**	169.03	9868	272	6928	6730	8722	13485	9257
9	Stock: (Accretion)/Decretion		**860**	**(7698)**	(3053)	(8120)	17904	(59)	(3368)	11044	(4859)	(179)
10	Employee benefits expenses		**23302**	**22981**	24942	24397	24965	26278	25754	23871	22473	26805
11	Repairs & Maintenance		**3443**	**3363**	3443	3494	4069	3251	3237	3348	3127	1837
12	Power & Fuel		**25,478**	**11,789**	16459	16681	11998	14876	25925	33382	40312	35496
13	Other Manufacturing Expenses		**36420**	**26917**	26095	28743	28737	24955	24765	26068	21903	18547
14	**Total Expenditure**		**249085**	**194495**	**176079**	**183804**	**195925**	**215669**	**235533**	**248899**	**271359**	**234642**
15	Gross Margin (6-14)		**31058**	**3234**	20950	6328	(19428)	(15935)	(13194)	(15343)	19916	14491
16	Finance Cost		**28929**	**28053**	32142	30466	25214	19629	19183	15538	13677	14340
17	Depreciation / Impairment loss		**1793**	**2302**	1715	2130	1812	2021	4526	4554	4259	4263
18	Profit/(Loss) before Exceptional items and tax		**336**	**(27121)**	**(12906)**	**(26268)**	**(46454)**	**(37585)**	**(36903)**	**(35435)**	**1980**	**(4112)**
19	Exceptional Items- Income / (Expenses)		**97217**	**43390**	0	0	1235	(2406)	10,407.00	39	-	(821.00)
20	Profit/(Loss) before tax		**97552**	**16269**	(12906)	(26268)	(45219)	(39991)	(26496)	(35396)	1980	(4933)
21	Provision for taxation		**-**	**-**	-	-	-	-	-	0	0	
22	**Net profit / (Loss)**		**97552**	**16269**	**(12906)**	**(26268)**	**(45219)**	**(39991)**	**(26496)**	**(35396)**	**1980**	**(4933)**
23	Proposed Dividend		**-**	**-**	-	-	-	-	-	-	-	
24	Tax on Proposed Dividend		**-**	**-**	-	-	-	-	-	-	-	
25	Net block		**29923**	**29555**	29472	29681	26973	28180	27606	24336	27754	31591
26	Capital work-in-progress		**3899**	**1792**	1850	2435	2186	2486	2383	5313	2510	881
27	Non-Current assets, Loans & Advances		**6476**	**1175**	1011	808	846	788	1871	1853	767	581
28	Current assets, Loans & Advances		**213121**	**191989**	142062	119234	132779	131277	154205	136312	157753	130435
29	Current Liabilities & Provisions		**199887**	**180963**	151502	118122	118170	211395	195369	148586	132620	124157
30	Investments		**7812**	**6906**	5927	4572	367	367	2136	2136	1823	13840
31	Accumulated Loss		**121353**	**218532**	235622	220218	195660	150441	110450	83954	48558	50538
32	**Total Utilisation**		**182698**	**268987**	**264443**	**258826**	**240640**	**102143**	**103282**	**105318**	**106545**	**103709**
33	**Working Capital (28-29)**		**13234**	**11026**	**(9439)**	**1112**	**14609**	**(80118)**	**(41164)**	**(12274)**	**25133**	**6278**
34	Non Current Liabilities :-											
35	Long term borrowings		**90564**	**179599**	177049	177049	162713	16149	18976	21803	24023	22023
36	Other non-current liabilities & Long term provisions		**19924**	**18082**	17066	12802	13155	21221	19530	18735	17739	16900
37	Short term borrowings	(1)	**-**	**-**	-	-	-	-	-	0	0	
38	Share Capital (Incl. Pending allotment)		**64707**	**64707**	64707	64707	64707	64707	64707	64707	64707	64707
39	Reserves & Surplus		**-**	-	-	-	-	-	-			
40	Capital Reserve		**57**	**59**	61	63	65	66	69	73	76	79
41	Equity Instruments through OCI		**7446**	**6540**	5561	4205						
42	**Total Sources**		**182698**	**268987**	**264443**	**258826**	**240640**	**102143**	**103282**	**105318**	**106545**	**103709**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

10 YEARS FINANCIAL HIGHLIGHTS

₹ in lakh

			2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
			As per Indian Accounting Standard				As per Schedule III of the Companies Act 2013			As per revised Schedule VI of the Companies Act 1956		
43	**Networth (38+39-31)**		**(56646)**	**(153825)**	**(170915)**	**(155511)**	**(130953)**	**(85734)**	**(45743)**	**(19247)**	**16149**	**14169**
44	**Capital employed (25+27+33-36)**	(2)	**29710**	**23674**	**3978**	**18799**	**29273**	**(72371)**	**(31217)**	**(4820)**	**35915**	**21550**
45	Finished Goods		**32460**	**34726**	27002	23661	14815	29809	31246	27188	38127	32798
46	Work in progress		**2908**	**1502**	1527	1815	2542	5452	3956	4645	4751	5221
47	Raw Materials		**11490**	**19439**	10474	7881	10269	7243	11670	20066	11158	13648
48	Stores,Spares & Loose tools		**9055**	**9192**	8604	9322	10885	12482	14289	14556	11604	9307
49	Materials in transit		**414**	**342**	268	231	352	146	927	989	10115	400
50	Sundry debtors		**39016**	**40531**	36108	50607	710	1021	1147	826	1125	4846
51	Cash & bank balance		**66717**	**7467**	6365	5218	5757	8839	7737	3237	7017	5523
52	Loans & advances		**46**	**52**	54	3	16122	14270	14453	15403	18436	17721
53	Other Current Assets		**51015**	**78738**	51661	20495	71327	52015	68780	49402	55420	40971
54	Total (46 to 54)		**213121**	**191989**	142062	119234	132779	131277	154205	136312	157753	130435
55	Current Liabilities		**197717**	**179183**	149686	116629	114116	206807	189720	142905	127841	120225
56	Provisions		**2170**	**1780**	1815	1493	4054	4588	5649	5681	4779	3932
57	Total (55+56)		**199887**	**180963**	151502	118145	118170	211395	195369	148586	132620	124157
58	**Net Working Capital (54-57)**		**13234**	**11026**	**(9439)**	**1089**	**14609**	**(80118)**	**(41164)**	**(12274)**	**25133**	**6278**
59	**Gross Internal resources (17+22)**		**99346**	**18570**	**(11191)**	**(24138)**	**(43407)**	**(37970)**	**(21970)**	**(30842)**	**6239**	**(670)**
60	**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
61	**Production (MT)**											
	Ammonium Sulphate		**220951**	**141754**	180178	152953	79567.1	120360	178792	126286	163468	200311
	Factamphos 20:20		**844738**	**634362**	661973	654361	515435	614004	663787	537081	622256	644454
	DAP		-	-	-	-	-	-	-	-	-	-
	Urea		-	-	-	-	-	-	-	-	-	-
	Caprolactam		**-**	**-**	-	770.00	-	-	-	15544	37854	44345
	N		**214464**	**156074**	169511	162381	119478	147595	169589	133431	158126	170155
	P2O5		**168948**	**126872**	132395	130872	103087	122801	132757	107416	124451	128891
62	Capacity utilisation (%)											
	N		**123.93**	**90.19**	97.95	93.83	69.04	85.29	98.00	77.11	91.38	98.33
	P2O5		**128.09**	**96.19**	100.38	99.22	78.16	93.10	100.65	81.44	94.35	97.72

(1) Short term borrrowings are included under current liabilities.

(2) Does not include capital work- in- progress.



Shri Kishor Rungta, C & MD along with Shri. D Nandakumar, then Director (Marketing) meets Shri T P Ramakrishnan Hon'ble Minister for Labour & Excise, Government of Kerala



Smt Kanimozhi, MP, Chairperson "Standing Committee on Chemicals and Fertilisers" and members of the Committee during their visit to FACT Cochin Division, Ambalamughal. Shri Kishor Rungta, C & MD is also seen.



. Shri Kishor Rungta, C & MD inaugurating onam celebrations at FACT Head Office



Shri Kishor Rungta, C & MD with prize winners of 50th Seshasayee Badminton (Shuttle) Tournament 2019 held at Udyogamandal Club.



Shri Chhabilendra Raul, Secretary (Fertilisers), along with Shri Kishor Rungta, C & MD and other Senior Executives of FACT at Udyogamandal Division.



Shri Kishor Rungta, C & MD unfurled the National Flag in connection with Republic Day Celebrations 2020 held at Udyogamandal.



Shri Kishor Rungta, C & MD meets Shri Tom Jose, IAS,
then Chief Secretary, Government of Kerala at his chamber at Thiruvananthapuram



Shri Kishor Rungta, C & MD signing sale deed for the sale of land to Govt of Kerala/ KINFRA.

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

BABU A. KALLIVAYALIL & CO.
CHARTERED ACCOUNTANTS
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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 Consolidated Financial Statements

Qualified 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, 2020, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flows 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, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, 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, 2020, of the consolidated profit, consolidated total comprehensive income, consolidated cash flows and its consolidated changes in equity, for the year then ended on that date.

Basis for Qualified Opinion

3. As explained in note number 1.2.2 and 34 regarding sale of land and conversion of leasehold to freehold land to the Company, though the Government of Kerala (GoK) has accorded freehold right to the Company over 143.22 acres of land, the Company is yet to receive freehold title. According to the Company, the fair value of the non-monetary asset of freehold title of the land converted as required under Ind AS 16-Property Plant and Equipment and the consequent revenue cannot be recognised at this stage, not quantified. In view of this, we are unable to comment on the compliance of the said Ind AS and the impact thereof on the financial statements.
4. 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 and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the consolidated financial statements.

Going Concern

5. We draw attention to Note # 54 of consolidated financial statements. The Company has accumulated loss amounting to ₹1,21,353 lakhs (previous year ₹2,18,532 lakhs) with a negative net worth of ₹49,143 lakhs (previous year ₹1,47,226 lakhs). However, the Company has reported net profit of ₹97,552 lakhs during the year (previous year of ₹16,269 lakhs). The Company has a balance under current assets of Cash and Cash Equivalents and Other Bank balances of ₹ 66,717 lakhs (previous year ₹7,467 lakhs) as at year end. The net current assets as at the year-end is ₹13,234 lakhs (previous year ₹11,026 lakhs). These conditions indicate that there is no uncertainty which may cast doubt as to the Company's ability to continue as a going concern. The consolidated financial statements of the Company have been prepared on going concern basis.

   Our opinion is not modified 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 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 matter described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

6.1. **Accounting of subsidy income from Government of India under DBT Scheme**

Under Direct Benefit Transfer (DBT) scheme of Government of India (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 certainty that the sale will take place and subsidy will be received based on the industry practice and past experience. Refer Note #26 to the Consolidated financial statements.

Auditors' Response

Our principal audit procedures included the following:

- Analysed the scheme framed by the Department of Fertilisers (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'.

6.2. **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 ₹10,943 lakhs (previous year ₹ 16,906 lakhs) and Phosphoric Acid for ₹ 67,398 lakhs (previous year ₹ 53,692 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 foreign 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.

Emphasis of Matter

i. We draw attention to Note # 18.1 of the Consolidated financial statements regarding variance in interest provision of ₹28,178 lakhs (previous year ₹28,178 lakhs) on the GoI loans in the Company's books as at the end of the previous year, which is higher as compared to the provisional working of the DoF, GoI which is pending for reconciliation and confirmation and consequent adjustments, if any, thereof.

ii. We draw attention to Note # 39 of the Consolidated financial statements regarding non-compliance of Ind AS 116 on 'Leases' applicable from the year under audit in the absences of agreed tenure and other terms of lease in writing, continuing the practice as in earlier years.

iii. 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 modified in respect of these matters.

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 and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, including 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group

tocontinue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors 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

10. 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 skepticism 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 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 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

11. We communicate with those charged with governance of the Company 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.
12. 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.
13. 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

14. We did not audit the financial statements of four areas comprising marketing offices of the Company included in the consolidated financial statements of the Company, whose financial statements reflect total revenue of ₹2,02,286 lakhs (previous year ₹ 1,37,953 lakhs) for the year ended on that date, as considered in the consolidatedfinancial statements and total assets not quantifiable in the absence of certified trial balance of other areas as at March 31, 2020. 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 on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters, with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management, except on the scope limitation reported by other auditors due to non-provision of the trial balance of the area audited by them and their inability to ensure the correctness of the financial schedules due to this.

Report on Other Legal and Regulatory Requirements

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 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.

16. 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 and the reports of the 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 relevant books of account and with the returns received from four areas not audited by us, subject to the scope limitation by other auditors.

    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.

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

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

Sd/-
M.D Thomas
Partner
Membership No. 018177

Kochi
25 June 2020

UDIN: 20018177AAAAAV1758

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Annexure A 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, 2020 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 ofthe 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.
5	Whether subsidy was recognised as per the provisions of Direct Benefit Transfer scheme?	According to information and explanations given to us and based on the examination of records of the Company, the subsidy is recognised as per the provisions of Direct Benefit Transfer scheme subject to the matters described in paragraph 4.1 of the Key Audit Matters of our Auditors' report.

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

Sd/-
M.D Thomas
Partner
Membership No. 018177

Kochi
June 25, 2020

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Annexure B to the Independent Auditors' Report

(Referred to in paragraph 16 (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 ("the Act")

In conjunction with our audit of the consolidated financial statements of FER**TILISERS AND CHEMICALS TRAVANCORE LIMITED** ('the Company') as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of the Company and its jointly controlled entities ('the Group') which are Companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Companies included in the Group which are Companies incorporated in India, 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 respective company'spolicies, 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' 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 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 was 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 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 and to the best of our information and according to the explanations given to us, the Groupwhich are Companies incorporated in India, have, 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, 2020, 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/-
M.D Thomas
Partner
Membership No. 018177

Kochi
25 June 2020

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Consolidated Balance Sheet as at 31st March 2020

₹ in Lakh

Particulars	Note No.	As at 31.03.2020	As at 31.03.2019	Restated as At 01.04.2018
ASSETS				
NON CURRENT ASSETS				
Property, Plant and Equipment	1	29,803.23	29,404.03	29,462.42
Capital Work in Progress	1A	3,899.46	1,791.91	1,849.59
Investment Property	2	9.40	9.50	9.60
Other Intangible Assets	1B	110.64	141.66	0.00
Joint Venture Investments	3A	514.52	434.86	308.72
Financial Assets				
Investments	3B	7,297.55	6,471.34	5,618.49
Trade Receivables	4	0.00	0.00	0.00
Loans	5	945.57	964.26	619.72
Other Financial Assets	6	4,818.67	13.64	13.32
Other Non Current Assets	7	711.96	197.28	378.14
		48,111.00	39,428.48	38,260.00
CURRENT ASSETS				
Inventories	8	56,326.57	65,200.72	47,874.64
Financial Assets				
Trade Receivables	9	39,016.23	40,530.53	36,107.73
Cash and Cash equivalents	10	4,871.75	642.77	4,612.04
Other Bank Balances	11	61,844.98	6,824.53	1,752.48
Loans	12	46.27	52.32	54.49
Other Financial Assets	13	19,184.55	41,750.55	48,705.48
Current Tax Assets	14	1,005.36	513.90	52.00
Other current Assets	15	30,825.14	36,474.03	2,864.22
		213,120.85	191,989.35	142,023.08
Assets held for Disposal		0.00	0.00	39.41
TOTAL ASSETS		**261,231.85**	**231,417.83**	**180,322.49**
EQUITY AND LIABILITIES				
EQUITY				
Equity Share Capital	16	64,707.20	64,707.20	64,707.20
Other Equity	17	(113,850.23)	(211,933.90)	(230,000.81)
		(49,143.03)	(147,226.70)	(165,293.61)
LIABILITIES				
NON CURRENT LIABILITIES				
Financial Liabilities				
Borrowings	18	90,564.38	179,598.75	177,048.75
Provisions	19	19,231.83	17,326.61	16,246.12
Other Non Current Liabilities	20	692.14	755.82	819.51
		110,488.35	197,681.18	194,114.38

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Consolidated Balance Sheet as at 31st March 2020

₹ in Lakh

Particulars	Note No.	As at 31.03.2020	As at 31.03.2019	Restated as At 01.04.2018
CURRENT LIABILITIES				
Financial Liabilities				
Borrowings	21	2,469.95	47,793.18	50,737.49
Trade Payables	22	21,141.21	41,896.87	42,300.61
Other Financial Liabilities	23	171,269.24	86,567.19	52,782.40
Other Current Liabilities	24	2,836.24	2,925.97	3,865.95
Provisions	25	2,169.90	1,780.14	1,815.27
		199,886.54	180,963.35	151,501.72
TOTAL EQUITY AND LIABILITIES		**261,231.85**	**231,417.83**	**180,322.49**

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/-
M.D Thomas
Partner
Membership No.018177

Sd/-
A.Ganesan
Director (Finance) & Chief Financial Officer
DIN 08556337

Sd/-
Kishor Rungta
Chairman & Managing Director
DIN 00231106

Sd/-
K V Balakrishnan Nair
Company Secretary & Executive Director (Finance)

Place: Kochi
Date: 25.06.2020

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Consolidated Statement of Profit and Loss for the year ended 31st March 2020

₹ in Lakh

Particulars	Note No.	Year ended 31.03.2020	Year ended 31.03.2019
I Revenue from Operations	26	276,991.21	195,459.10
II Other Income	27	3,151.26	2,269.68
III Total Income (I+II)		**280,142.47**	**197,728.78**
IV Expenses			
Cost of Materials Consumed	28	152,366.99	136,903.12
Purchase of Stock in Trade	29	7,213.53	240.21
Changes in Inventories of Finished Goods , Stock-in-Trade and Work-in-Progress	30	859.60	(7,697.89)
Employee Benefit Expenses	31	23,302.20	22,980.55
Finance Cost	32	28,928.57	28,053.29
Depreciation and Amortization Expenses / Impairment	1,2	1,793.35	2,301.67
Other Expenses	33	65,342.30	42,069.00
Total Expenses (IV)		**279,806.54**	**224,849.95**
V Profit / (Loss) before exceptional items and tax (III - IV)		**335.93**	**(27,121.17)**
VI Exceptional Items (Income /(Expenses))	34	97,216.52	43,389.77
VII Profit / (Loss) before Tax (V+VI)		**97,552.45**	**16,268.60**
VIII Tax Expenses		0.00	0.00
IX Profit / (Loss) for the Year (VII-VIII)		**97,552.45**	**16,268.60**
X Other Comprehensive Income			
(i) Items that will not be reclassified to Profit or loss		905.88	978.97
(ii) Remeasurement of defined benefit plan	17	(372.78)	821.21
(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 (X)		**533.10**	**1,800.18**
XI Total Comprehensive Income for the year (IX+X)		**98,085.55**	**18,068.78**
XII Earnings per Equity Share			
Basic/Diluted per Equity Share (₹)	35	15.08	2.51
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

Sd/-
M.D Thomas
Partner
Membership No.018177

Place: Kochi
Date: 25.06.2020

For and on behalf of the Board of Directors

Sd/-
A.Ganesan
Director (Finance) & Chief Financial Officer
DIN 08556337

Sd/-
K V Balakrishnan Nair
Company Secretary & Executive Director (Finance)

Sd/-
Kishor Rungta
Chairman & Managing Director
DIN 00231106

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Consolidated Cash flow statement for the year ended 31st March 2020

₹ in Lakh

Particulars		Year ended 31.03.2020	Year ended 31.03.2019
A	**Cash flow From Operating Activities**		
	Net Profit / (Loss) before Tax	97,552.45	16,268.60
	Adjustments for:		
	Depreciation / Impairment loss on Assets	1,793.35	2,301.67
	Exceptional items	(97,216.52)	(43,389.77)
	Profit / Loss on Sale of Asset	(12.68)	-
	Interest Income	(1,363.96)	(524.65)
	Dividend Income	(11.08)	(13.13)
	Interest and Finance Charges	28,928.57	28,053.29
	Provision for Bad / Doubtful Debts	153.10	156.74
	Provision for Obsolescence	(61.96)	(402.25)
	Amount written off- Deferred Government Grants	(1.89)	(1.89)
	Adjustment for Non cash items	(61.13)	(210.63)
	Remeasurement of defined benefit plan	(372.78)	821.21
	Operating Profit before Working Capital Changes	**29,325.47**	**3,059.19**
	Adjustment for :		
	Inventories	8,936.12	(16,923.83)
	Trade Receivables	1,399.95	(4,520.29)
	Loans	24.74	(342.37)
	Other Current Assets	32,741.97	(31,944.88)
	Trade Payables	(20,755.66)	(403.74)
	Other liabilities	(28,323.64)	9,006.92
	Provisions	2,294.98	1,045.36
		(3,681.54)	**(44,082.83)**
	Cash Generated from Operations	**25,643.93**	**(41,023.64)**
	Direct Tax Paid	0.00	0.00
	Net Cash from Operating Activities	**25,643.93**	**(41,023.64)**
B	**Cash Flow from Investing Activities**		
	Deletion/(Addition) to Fixed Assets	92,960.22	41,062.61
	(Investment in)/Withdrawal of Bank deposits	(65,400.00)	0.00
	Interest Received	1,363.96	524.65
	Dividend Received	11.08	13.13
	Net Cash from investing Activities	**28,935.26**	**41,600.39**

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Consolidated Cash flow statement for the year ended 31st March 2020

₹ in Lakh

Particulars		Year ended 31.03.2020	Year ended 31.03.2019
C	**Cash Flow from Financing Activities**		
	Net Proceeds /Repayment of Working capital facilities and short term loans	(45,323.22)	(394.31)
	Interest Paid	(5,026.99)	(4,151.71)
	Net Cash from Financing Activities	**(50,350.21)**	**(4,546.02)**
	Net increase in cash and Cash Equivalent (A+B+C)	**4,228.98**	**(3,969.27)**
	Cash and Cash Equivalent as at 1st April (Opening Balance)	**642.77**	**4,612.04**
	Cash and Cash Equivalent as at 31st March (Closing Balance)	**4,871.75**	**642.77**
	Closing Cash and Cash Equivalents		
	Represented By :		
	Cash on hand	4.34	4.57
	Balances with banks	1,796.27	125.26
	Cheques, drafts on hand	0.00	0.00
	Deposit with Bank (less than 3 month maturity)	3,071.14	512.94
	Total	**4,871.75**	**642.77**

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/-
M.D Thomas
Partner
Membership No.018177

Sd/-
A.Ganesan
Director (Finance) & Chief Financial Officer
DIN 08556337

Sd/-
Kishor Rungta
Chairman & Managing Director
DIN 00231106

Sd/-
K V Balakrishnan Nair
Company Secretary & Executive Director (Finance)

Place: Kochi
Date: 25.06.2020

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Consolidated Statement of changes in equity for the year ended March 31, 2020

A. Equity share capital

₹ in Lakh

Particulars	2019-20 Opening balance as at 1 Apr 2019	2019-20 Changes in equity share capital during the year	2019-20 Closing balance as at 31 Mar 2020	2018-19 Opening balance as at 1 Apr 2018	2018-19 Changes in equity share capital during the year	2018-19 Closing balance as at 31 Mar 2019
Equity shares of ₹10 each	64,707.20	Nil	64,707.20	64,707.20	Nil	64,707.20
Total	**64,707.20**		**64,707.20**	**64,707.20**		**64,707.20**

B. Other Equity

₹ in Lakh

Particulars	Reserves and Surplus			Equity Instrument Through Other Comprehensive Income	Total
	Capital Reserve	Retained Earnings	Government Grant		
Balance as on 01.04.2019	2.64	(218,532.40)	56.23	6,539.63	(211,933.90)
Changes in Accounting Policy or prior period errors		-			-
Restated Balance at the beginning of the reporting period	2.64	(218,532.40)	56.23	6,539.63	(211,933.90)
Profit for the year		97,552.45			97,552.45
Other Comprehensive Income for the year (Net of Taxes ; if any)		(372.78)		905.88	533.10
Total Comprehensive Income for the year		97,179.67		905.88	98,085.55
Transfers(if any)	-	-	(1.89)	-	(1.89)
Balance as on 31.03.2020	**2.64**	**(121,352.73)**	**54.34**	**7,445.51**	**(113,850.23)**

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		(1,410.60)			(1,410.60)
Restated Balance at the beginning of the reporting period	2.64	(235,622.23)	58.12	5,560.66	(230,000.81)
Profit for the year		16,268.60			16,268.61
Other Comprehensive Income for the year (Net of Taxes ; if any)		821.21		978.97	1,800.18
Total Comprehensive Income for the year		17,089.81		978.97	18,068.79
Transfers(if any)	-	-	(1.89)	-	(1.89)
Balance as on 31.03.2019	**2.64**	**(218,532.41)**	**56.23**	**6,539.63**	**(211,933.90)**

In terms of our Report Attached

For **Babu A Kallivayalil & Co.**
Chartered Accountants
Firm Registration No. 05374S
Sd/-
M.D Thomas
Partner
Membership No.018177

Place: Kochi
Date: 25-06-2020

For and on behalf of the Board of Directors

Sd/-
A.Ganesan
Director (Finance) & Chief Financial Officer
DIN 08556337

Sd/-
K V Balakrishnan Nair
Company Secretary & Executive Director (Finance)

Sd/-
Kishor Rungta
Chairman & Managing Director
DIN 00231106

A Statement of Significant Accounting Policy forming part of Consoilidated Financial Statements for the Year ended 31st March 2020

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 31.03.2020	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 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.

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 recognistion 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 Employment 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 recongnised 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 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 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 01.04.2019	Additions during the year	Disposal/ Deduction during the year	Adjustment during the year	As at 31.03.2020	Upto 01.04.2019	For the year	On Disposal/ Deduction during the year	On adjustment during the year	Upto 31.03.2020	Upto 01.04.2019	(Withdrawal)/ Provision during the year	Upto 31.03.2020	As at 31.03.2020	As at 31.03.2019
Tangible assets															
Land	1,707.44	-	(111.91)	-	**1,595.53**	-		-	-	-	-	-	-	**1,595.53**	1,707.43
Buildings	1,393.63	421.54	(15.25)		**1,799.92**	122.80	49.30	(1.40)	-	**170.70**	3.13		**3.13**	**1,626.09**	1,267.68
Plant and Equipment	27,330.44	1,403.46	-	(140.91)	**28,592.99**	5,466.30	1,740.33	-	(69.09)	**7,137.54**	252.71	(186.65)	**66.06**	**21,389.39**	21,611.42
Furniture and Fixtures	34.11	3.02	(0.01)	-	**37.12**	4.63	3.89	-	-	**8.52**	-	-	-	**28.60**	29.48
Vehicles	78.46	70.14	-	-	**148.60**	36.85	9.83	-	-	**46.68**	-	-	-	**101.92**	41.61
Office equipment	354.35	389.80	(15.57)	-	**728.58**	152.23	102.33	(1.27)	-	**253.29**	-	-	-	**475.30**	202.12
Others:-															
Roads & Culverts	338.17	-	-	-	**338.17**	62.87	16.60	-	-	**79.47**	-	-	-	**258.71**	275.29
Railway Sidings	15.62	-	-	-	**15.62**	-	-	-	-	**-**	-	-	-	**15.62**	15.62
Misc. Assets	196.20	5.62	-		**201.82**	71.86	18.77	-	-	**90.63**	-	-	-	**111.19**	124.34
Retired Asset	4,129.05	-	-	140.91	**4,269.96**	-		-	69.09	**69.09**	-	-	-	**4,200.87**	4,129.04
Minor Assets	0 0.24	7.84			**8.08**	0.24	7.83	-	-	**8.07**	-	-	-	-	-
Total	35,577.71	2,301.42	(142.74)	-	**37,736.39**	5,917.78	1,948.88	(2.67)	-	**7,863.99**	255.84	(186.65)	**69.19**	29,803.23	29,404.03
Previous year	33,360.02	2,231.20	(13.55)	-	**35,577.67**	3,604.37	2,325.61	(12.18)	-	**5,917.80**	293.29	(37.45)	**255.84**	29,404.03	29,462.42

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.

1.2.1) Out of the total 1498.97 acres (Previous year 1980.76 acres) of land held by the Company, 14.26 acres, value Rs.Nil (Previous year 14.26 acres ,value Rs.Nil) are held under lease hold right from Cochin Port Trust, for which lease agreement is under finalization. 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). During the year company sold 481.79 acres of land at Cochin division to Government of Kerala/KINFRA as per the terms of GO(Ms)No.99/2019/ID dated 13.11.2019.

1.2.2) The land held by the company also include lease hold land of 143.22 acres, value Rs.Nil(Previous year 143.22 acres, value Rs.Nil) under lease from Government of Kerala. During the year, company has sold 481.79 acres of Land, as approved by union cabinet, Govt. of India @ Rs.1 Crore per acre for 150 Acres (in lieu of free hold right accorded by the Government of Kerala over 143.22 acres of lease hold land) and remaining 331.79 acres @ 2.4758 Crore per acre as assessed by the District Collector to a Corporation established by an Act of the Government of Kerala (GoK) (Previous year 169.689 Acres of land to a Public Sector Undertaking). Accordingly, GoK has accorded freehold right to the Company over 143.22 acres of land vide G.O. (Ms) No. 99/2019/1D dated 13/11/2019. Pending issue of the title deed and other formalities in connection with the conversion, company continues the classification of said land as lease hold land.

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

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 six years with the revised area of 4.1344 hectare. However, the leave and license agreement 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, with net Written Down value of ₹2.66 lakh.

1.7) During the year Company re-valued Plant and Equipment based on the recommendation of the internal technical team of the Company. Accordingly ₹186.65 lakh has been added to the carrying amount.

1.8) First charge has been created on 432.60625 acres of land (Previous year 501.68625 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 for Fund based and Non-fund based working capital facilities with banks. During the year Fund based working capital dues was fully settled and Non-fund based working capital arrangements was reduced considerablly. Accordingly company initiated steps for release of a portion of security.

1.9) Includes assets procured with EEC grant amounting to ₹57.73 lakh (previous year ₹58.67 lakh)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹in lakh

Note No. 1A - Capital Work in Progress		
	As at 31.03.2020	**As at 31.03.2019**
Capital Work in Progress (Refer Note 37)	3315.67	1036.26
Goods in Transit / Material in Transit/Capital Stores	583.79	755.65
	3899.46	**1791.91**

Note No. 1B Other Intangible Assets:-

	DEEMED COST / COST					**AMORTIZATION**					**IMPAIRMENT LOSS**			**NET BLOCK**	
Particulars	**As at 01.04.2019**	**Additions during the year**	**Disposal/ Deduction during the year**	**Adjustment during the year**	**As st 31.03.2020**	**Upto 01.04.2019**	**For the year**	**On Disposal/ Deduction during the year**	**On Adjustment during the year**	**Upto 31.03.2020**	**Upto 01.04.2019**	**(Withdra-wal)/ Provision during the year**	**Upto 31.03.2020**	**As at 31.03.2020**	**As at 31.03.2019**
Computer Software	155.08		-	-	**155.08**	13.42	31.02	-	-	**44.44**	-	-	-	110.64	141.66
Total	**155.08**	**-**	**-**	**-**	155.08	**13.42**	**31.02**	**-**	**-**	44.44	**-**	**-**	**-**	**110.64**	**141.66**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

Particulars	As at 31.03.2020	As at 31.03.2019
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	0.30	0.20
Current Year	0.10	0.10
Closing Balance	0.40	0.30
Net Block		
Land	6.50	6.50
Building	2.90	3.00
Total	**9.40**	**9.50**

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 31.03.2020	As at 31.03.2019
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 31.03.2020	As at 31.03.2019
Fair Value of Investment property		
Opening Balance		
Freehold Land	1,490.58	1,490.58
Buildings	26.42	26.42
Total	**1,517.00**	**1,517.00**
Additions/(Deletions)		
Freehold Land	0.00	0.00
Buildings	0.00	0.00
Total	**0.00**	**0.00**
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

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakh

Note No. 3A Joint Venture Investments

Particulars	As at 31.03.2020	As at 31.03.2019
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	514.52	434.86
	514.52	**434.86**
Investment in Joint Venture	**514.52**	**434.86**
*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	434.86	308.72
Total Gains and losses recognised in OCI	79.66	126.14
Closing Balance	514.52	434.86

₹ In Lakh

Particulars	As at 31.03.2020	As at 31.03.2019
Travancore Cochin Chemicals Ltd.,		
6,81,820(Previous year 6,81,820)Equity Shares of ₹10/- each including 3,40,910 Bonus shares.	200.93	134.69
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 6,48,000) Equity Shares of ₹10/- each fully paid-up in, including 4,59,000 (previous year 459000) Bonus Shares	7,095.60	6,335.63
	7,296.53	**6,470.32**
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	**7,297.55**	**6,471.34**
Aggregate amount of unquoted investments	7,812.07	6,906.20
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	134.69	94.31
Total Gains and losses recognised in OCI	66.24	40.38
Closing Balance	200.93	134.69

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	6,335.63	5,523.16
Total Gains and losses recognised in OCI	759.97	812.47
Closing Balance	7,095.60	6,335.63

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

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

Particulars	**As at 31.03.2020**	**As at 31.03.2019**
From related party		
Considered doubtful	297.72	280.42
Less: Provision for Doubtful Debts	297.72	280.42
	0.00	**0.00**
Others		
Secured		
Considered doubtful	1,627.16	1,530.96
Less Provision for Doubtful Debts	1,627.16	1,530.96
	0.00	0.00
	0.00	**0.00**

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

Allowance for doubtful Trade receivables

Particulars	**As at 31.03.2020**	**As at 31.03.2019**
Provision at the beginning of the year	1,811.38	1,907.13
Provisions released during the year	(0.85)	(193.24)
Provisions made during the year	114.35	97.49
Provision at the end of the year	**1,924.88**	**1,811.38**

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

Particulars	**As at 31.03.2020**	**As at 31.03.2019**
Security deposit		
Un Secured Considered Good	939.87	957.33
	939.87	957.33
Loan to Employees		
Un Secured Considered Good	5.70	6.93
	5.70	6.93
	945.57	**964.26**

Note :Loans to employees ₹5.70 lakh (Previous year ₹6.93 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

₹ In Lakh

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

Particulars	As at 31.03.2020	As at 31.03.2019
Advances to Related Parties		
Considered doubtful	3,840.73	3,819.34
Less : Provision	3,840.73	3,819.34
	0.00	0.00
Advance to Others		
Unsecured Considered Dobutful	17,357.86	14,249.70
Less : Provision for Doubtful Advances	17,357.86	14,249.70
	0.00	0.00
Term Deposit with Banks (original maturity more than twelve months)	4,805.00	0.00
Other Deposits	13.67	13.64
	4,818.67	**13.64**

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 31.03.2020	As at 31.03.2019
Provision at the beginning of the year	18,069.04	15,465.17
Provision released during the year	(17.31)	(43.09)
Provisions made during the year	3,146.86	2,646.96
Provision at the end of the year	**21,198.59**	**18,069.04**

Provision for doubtful loans and advances include ₹17210.42 lakh (Previous year ₹14102.31 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 31.03.2020	As at 31.03.2019
Capital Advances (Unsecured Considered Good)	136.10	138.65
Tax Deducted at Source including Advance Tax (net of Provision)	575.86	58.63
	711.96	**197.28**

Deferred tax assets (net)

The Company has deferred tax asset of ₹289926 lakh (Previous year ₹ 240534 lakh) as on 31.03.2020 because of unabsorbed depreciation and accumulated loss. The deferred tax liability as on 31.03.2020 is ₹18703 lakh (Previous year ₹18756 lakh). Since there is net deferred tax asset as on 31.03.2020, 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 ₹68267 lakh(Previous year ₹68530 lakh)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakh

Note No. 8. Current Assets - Inventories		
Particulars	**As at 31.03.2020**	**As at 31.03.2019**
Raw Materials	9,480.20	12,817.41
Raw materials-in -transit	2,009.77	6,621.17
	11,489.97	19,438.58
Work-in-progress	2,908.16	1,501.58
Finished Goods	32,292.49	34,681.71
Stock-in-trade (in respect of goods acquired for trading)	167.13	44.09
Stores and Spares		
Machinery Spares	9,328.79	9,072.96
General Stores	2,611.83	3,067.27
Stores & Spares-in -transit	414.17	342.47
	12,354.79	12,482.70
Retired Spares	453.50	453.50
Total Inventories	**59,666.04**	**68,602.16**
Less: Provision towards obsolescence and storage losses	3,339.47	3,401.44
	56,326.57	**65,200.72**

Notes

1. Inventories along with other Current Assets is pledged as Primary Security for Working Capital arrangement with Consortium of Banks amounting to ₹53820 Lakh as on reporting date (Fund Based ₹21560 lakh and Non Fund Based ₹32260 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 22.05 lakh MT of saleable gypsum (Previous Year 22.38 lakh MT) amounting to ₹9064.15 lakh (Previous year ₹ 8762.01 lakh) valued as per Accounting policy.
4. Stores & Spares in transit includes Stores & Spares at site pending inspection ₹ 414.15 lakh (Previous year ₹ 279.67 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 31.03.2020**	**As at 31.03.2019**
Provision at the beginning of the year	3,401.44	3,803.69
Provisions made during the year	0.00	0.00
Released during the year	(61.97)	(402.25)
Provision at the end of the year	**3,339.47**	**3,401.44**

Note No. 9. Current Assets - Financial assets-Trade Receivables		
Particulars	**As at 31.03.2020**	**As at 31.03.2019**
Subsidy Receivable		
Unsecured Considered good (Refer Note No.21)	37,327.75	40,011.75
	37,327.75	40,011.75
Sundry Debtors		
Secured , considered good	76.61	4.62
Unsecured , considered good	1,611.87	514.16
	1,688.48	518.78
	39,016.23	**40,530.53**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS ₹ In Lakh

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

Particulars	As at 31.03.2020	As at 31.03.2019
Balances with Banks	1,796.27	125.26
Cheques , Drafts on hand	0.00	0.00
Cash on hand	4.34	4.57
Short Term Deposit with Banks (original maturity less than three months)	3,071.14	512.94
	4,871.75	642.77

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 ₹Nil (Previous year ₹9.58 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 31.03.2020	As at 31.03.2019
Short Term Deposit with Banks (original maturity less than twelve months) (Refer Note 1 below)	60,595.00	0.00
Deposit with Banks towards Margin money(Original maturity less than twelve months) (Refer Note 2 below)	1,249.98	6,824.53
	61,844.98	**6,824.53**

1. Short Term deposit with banks includes deposits amounting to ₹ 18088.20 lakhs (Previous year-Nil) on which lien marked for Non Fund based Working Capital Arrangement.
2. Lien is marked on deposits with banks towards margin money

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

Particulars	As at 31.03.2020	As at 31.03.2019
Security Deposits:		
Unsecured , considered good	46.27	52.32
	46.27	**52.32**

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

Particulars	As at 31.03.2020	As at 31.03.2019
Foreign Currency Receivable on Forward Contract	1,668.23	30,216.40
Amount receivable against Service Orders	872.63	640.19
Other Accrued Income	15,731.68	10,180.03
Amount receivable from LIC under group Gratuity scheme	357.86	330.72
Township Dues	554.15	383.21
Other receivables	0.00	0.00
	19,184.55	**41,750.55**

Other Accrrued income includes ₹ 14495.83 lakh (Previous Year ₹ 9940.73 lakhs) towards unclaimed DBT subsidy. (Refer Note No.26)

Note No. 14. Current Assets - Current Tax Assets

Particulars	As at 31.03.2020	As at 31.03.2019
Tax Deducted at Source	**1,005.36**	**513.90**
	1,005.36	**513.90**

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

Particulars	As at 31.03.2020	As at 31.03.2019
Dues from Statutory Authorities	27,850.11	33,894.89
Contractors	2,134.34	1,800.57
Employees	217.59	160.49
Pre Paid Expenses	576.79	592.36
Others	46.31	25.72
	30,825.14	**36,474.03**

Dues from statutory authorities include (i) ₹ Nil (Previous year ₹19622.25 lakhs) towards refundable Input Tax credit (ITC) on account of inverted duty structure, as per the provisions of Goods & Service Tax (ii)₹11945.42 lakh (Previous year ₹4100.11 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.

Dues from Contractors include amount paid for materials supplied but rejected by the Company pending settlement ₹19.92 lakh (Previous year ₹28.77 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.

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakh

Note No. 16. Equity- Equity Share Capital

Particulars	As at 31.03.2020	As at 31.03.2019
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 31.03.2020	As at 31.03.2019
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 31.03.2020	As at 31.03.2019
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. 17. Equity - Other Equity

Particulars	As at 31.03.2020	As at 31.03.2019
Capital Reserves:		
Subsidy from Kerala State Government under Industrial Housing Scheme	2.64	2.64
	2.64	**2.64**
Other Reserves:		
Deferred Government Grant :		
Indo EEC Fertiliser Education Project		

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakh

Particulars	As at 31.03.2020	As at 31.03.2019
Opening balance	54.52	55.46
Less: Amount written off during current year	0.94	0.94
Closing balance	53.59	54.52

Bio-Fertiliser Project

Particulars	As at 31.03.2020	As at 31.03.2019
Opening balance	1.71	2.66
Less: Amount written off during current year	0.95	0.95
Closing balance	0.76	1.71

Equity Instruments through other Comprehensive Income

Particulars	As at 31.03.2020	As at 31.03.2019
Opening Balance	6,539.63	5,560.66
Changes During the Year	905.88	978.97
Closing Balance	7,445.51	6,539.63

Retained Earnings:

Particulars	As at 31.03.2020	As at 31.03.2019
Opening balance	(218,532.40)	(235,622.21)
Add Changes in Accounting Policy / Prior Period items as per Ind AS	-	-
Add :Profit/ (Loss) during the year	97,552.45	16,268.60
Add: Remeasurement of defined benefit plan	(372.78)	821.21
Closing balance	**(121,352.73)**	**(218,532.40)**
Other equity	**(113,850.23)**	**(211,933.90)**

17.1. The opening balance of retained earnings for the year ended March 31, 2019, is restated after prior period adjustments including withdrawal of freight subsidy claim of ₹992.50 lakh, write off of loss on sale of fertiliser bonds of ₹290.05 lakh and provision for penal interest on delayed payment of cost of deployment charges of CISF of ₹121.39 lakh etc. The profit for the year 2018-19 is also restated after prior period adjustments including capitalisation of fuel consumption on trial run of ₹58.46 lakh, depreciation provided on retired asset of ₹49.48 lakh, withdrawal of freight subsidy claim of ₹39.18 lakh etc.

Note No. 18. Non Current Liabilities - Financial Liabilities - Borrowings

Particulars	As at 31.03.2020	As at 31.03.2019
Term loans		
Secured		
From the Government of India (Refer Note 1 below)	88,524.38	177,048.75
Intercorporate loan from M/s.Rashtriya Chemicals & Fertilisers Ltd	2,040.00	2,550.00
	90,564.38	**179,598.75**

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 ₹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 of 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, 50% of the principal amount, being ₹88524.38 lakh has been classified under Current Liabilities-Current maturities of Long term Debt. The remaining amount 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 2018-19, 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 2020-21 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 2019-20 is 8.50% p.a (Previous year- 8.35% p.a)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakh

Note No. 19. Non Current Liabilities - Provisions

Particulars	As at 31.03.2020	As at 31.03.2019
Provision for employee benefits		
(i) Provision for gratuity	11,313.64	9,384.59
(ii) Provision for leave encashment	7,697.41	7,737.59
Decommissioning of Assets in Leased Properties	220.78	204.43
	19,231.83	**17,326.61**

Note No. 20. Non Current Liabilities - Other Non current Liabilities

Particulars	As at 31.03.2020	As at 31.03.2019
Advance Rent Received	692.14	755.82
	692.14	**755.82**
As on 1st April	(819.51)	(883.20)
Released to Profit and Loss account	63.69	63.69
As at 31st March	(755.82)	(819.51)
Current	63.69	63.69
Non Current	692.13	755.82

Note No. 21. Current Liabilities - Financial Liabilities -Borrowings

Particulars	As at 31.03.2020	As at 31.03.2019
Secured:-		
Loans repayable on demand		
From Banks		
Cash credit (Refer Note 1.8)	0.00	34,941.12
Loan against Subsidy receivables	2,469.95	12,852.06
	2,469.95	**47,793.18**

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 432.60625 acres of land (Previous year 501.68625 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 11 .75% to 13.15 % p.a (Previous year from 12.00 % to 13.15 % 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-Punjab National Bank) under the Special Banking Arrangement scheme of Govt. of India, at interest rate of 6.15% p.a (Previous year 8.20% p.a), secured by subsidy due for the months of November 2019 to December 2019 (Previous year September 2018 to December 2018). As per Office Memorandum No.23011/10/2019-P&K dated 28.02.2020, issued by the Government of India, interest at the rate of Nil (Previous year 0.48%Per Annum) is to be borne by the Company.

Note No. 22. Current Liabilities - Financial Liabilities - Trade Payables

Particulars	As at 31.03.2020	As at 31.03.2019
Trade payables		
(i) Due to Micro,Small and Medium Enterprises (Refer Note: 38)	117.92	173.65
(ii) Others	21,023.29	41,723.22
	21,141.21	**41,896.87**

Note No. 23. Current Liabilities - Financial Liabilities -Other Financial Liabilities

Particulars	As at 31.03.2020	As at 31.03.2019
Current maturities of Long-term debt :		
From the Government of India (Refer Note 18.1)	88,524.38	0.00
Intercorporate loan from M/s.Rashtriya Chemicals & Fertilisers Ltd (Refer Note 18.2)	510.00	0.00
Interest accrued on borrowings (Refer Note 18.1 & 18.2)		
Term Loan from Government of India	71,704.74	47,803.16
Intercorporate Loan	97.80	0.00
Amount payable to banks on forward Contracts	1,594.54	31,034.59
Dues to employees	92.93	370.21
Trade Deposit from customers	3,302.50	2,690.65
Other liabilities	5,442.35	4,668.58
	171,269.24	**86,567.19**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakh

Note No. 24. Current Liabilities - Other Current Liabilities

Particulars	As at 31.03.2020	As at 31.03.2019
Statutory dues	906.34	839.73
Income accrued but not due	0.00	17.08
Advance from Customers	1,866.21	2,005.47
Advance Rent Received	63.68	63.69
	2,836.23	**2,925.97**

Note No. 25. Current Liabilities - Provisions

Particulars	As at 31.03.2020	As at 31.03.2019
Provision for employee benefits		
(i) Provision for gratuity	527.38	22.31
(ii) Provision for leave encashment	1,402.92	1,500.92
Provision towards other Contractual Obligation	239.60	256.91
	2,169.90	**1,780.14**

Note No. 26. Revenue from operations

₹In Lakh

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Sale of products		
Own Products	182,491.00	133,874.84
Traded Products	6,046.74	887.34
	188,537.74	134,762.18
Subsidy/Concession on Fertilisers	86,484.97	58,648.67
	86,484.97	58,648.67
Sale of Services		
Gross income from contracts and other services	1,968.50	2,048.25
Total Revenue from operations	**276,991.21**	**195,459.10**
Sale of own products comprises of:		
Factamfos 20-20-0-13	153,338.23	114,462.11
Ammonium Sulphate	26,682.53	17,040.87
Gypsum	1,496.28	2,057.32
Others	973.96	314.54
Total	**182,491.00**	**133,874.84**
Sale of traded products:		
Imported Complex Fertiliser (16:16:16)	5,137.67	0.00
Imported Complex Fertiliser (20:20:0:13)	0.00	534.80
Muriate of Potash	304.26	33.75
Urea	176.92	0.00
Organic Manures	427.89	318.79
Total	**6,046.74**	**887.34**
Subsidy/Concession on Fertilisers		
Factamfos 20-20-0-13	70,222.32	50,853.71
Ammonium Sulphate	13,862.51	7,767.77
Imported Complex Fertiliser	2,203.60	28.67
City Compost	196.54	140.56
Muriate of Potash	-	(142.04)
Total	**86,484.97**	**58,648.67**

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 ₹14495.83 lakh (Previous Year ₹9940.73 lakhs)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakh

Note No. 27. Other income

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Interest income:		
On deposits with banks	1,329.08	423.31
On loans , advances , claims , overdues	34.88	101.34
Dividend income		
Other than joint venture	11.08	13.13
Other non-operating income		
Excess provisions written back	139.52	56.94
Transfer from deferred Government grants:		
(i) On EEC project	0.94	0.94
(ii) On Bio-Fertiliser project	0.95	0.95
Rent	543.16	638.26
Miscellaneous income	1,091.65	1,034.81
	3,151.26	**2,269.68**

Note : Interest of ₹3108.11 lakh (Previous year ₹2587.71 lakh) for the year 2019-20 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. 28.Cost of materials consumed

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Raw Material (refer note below)	149,414.04	134,614.51
Packing Material	2,952.95	2,288.61
	152,366.99	**136,903.12**

Note : The physical verification of raw materials has been carried out on or around 31st March 2020. The differences over book figures in the case of raw material has been adjusted in consumption (Excess(-) / Shortage). Current year ₹ (-)1159.49 lakh (Previous year ₹(-)536.78 lakh).

Note No. 29.Purchases of Stock-in-trade

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Complex Fertilisers/ Organic Manures	7,213.53	240.21
	7,213.53	**240.21**

Note No. 30.Changes in inventories of finished goods, stock-in-trade and work-in-progress

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Opening 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
Closing stock		
Finished Goods	32,292.49	34,681.71
Stock-in-trade	167.13	44.09
Work-in- progress	2,908.16	1,501.58
	35,367.78	36,227.38
Changes in inventories: (Increase)/ Decrease	**859.60**	**(7,697.89)**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakh

Note No. 31. Employee benefits expense

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Salaries and Wages	15,763.60	15,549.64
Contribution to Provident Fund	1,693.67	1,692.46
Leave encashment (Net of Provision)	2,701.59	2,734.81
Gratuity	1,366.17	1,288.13
Staff welfare expenses	1,777.17	1,715.51
	23,302.20	**22,980.55**

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 31.03.2020	Year ended 31.03.2019
Sri Kishor Rungta, Chairman and Managing Director (from 02.02.2019)	30.99	5.43
Shri.A.Ganesan, Director(Finance) from 28.08.2019 & Chief Financial Officer (From 21.09.2019)	21.81	0.00
Sri D Nandakumar Director (Marketing) (Up to 31.05.2019)	3.95	25.03
	56.75	**30.46**

Note No. 32. Finance costs

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Interest		
Interest on loans from the Government of India (Refer Note 18.1)	23,901.58	23,901.58
Interest on Cash credit from banks	4,499.07	3,686.96
Interest -others	382.72	407.78
Other borrowing costs	145.20	71.35
Net loss on foreign currency transactions & translations		
Exchange rate variation & premium on forward exchange contract on buyer's credit	0.00	(14.38)
	28,928.57	**28,053.29**

Note No. 33.Other expenses

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Consumption of stores and spare parts	2,778.77	2,727.53
Power and Fuel	25,478.35	11,789.07
Rent	1,056.75	581.90
Repairs and maintenance to buildings	202.40	53.83
Repairs and maintenance to machinery	3,241.08	3,309.12
Insurance	290.97	66.94
Rates and Taxes	214.36	206.83
(Gain)/Loss on exchange rate variation (net)	649.68	759.03
Material and other direct charges on contracts	1,268.09	1,661.63
Auditors' Fees and Expenses (Refer note 1 below)	23.66	20.66
Freight , Handling and other charges	23,746.00	15,529.49
Bad debts written off	0.80	0.00
Provision for doubtful receivables & advances	153.09	(18.09)
Damages/Shortages of Stores, Spares & Products (Net)	(0.89)	4.00
Provision for obsolescence of stores (Net)	(61.96)	(402.25)
Research and Development Expenditure (Refer note 2 below)	91.73	140.26
CISF Expenses (including salaries)	2,688.12	2,777.80
Directors' Sitting Fees	4.20	5.80
Loss on Fixed assets sold/written off	12.68	00.00
Miscellaneous Expenses (Refer note 3 below)	4,342.43	3,693.16
	66,180.31	42,906.71
Less :Allocated Expenses [net of income from inter-divisional jobs of ₹1385.27 lakh] (Previous year ₹1314.86 lakh)	(838.01)	(837.71)
	65,342.30	**42,069.00**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakh

Notes:

1. Payments to the auditor as

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
(a) Auditor	10.60	9.10
(b) for taxation matters	0.00	0.00
(c) for company law matters	0.00	0.00
(d) for management services	0.00	0.00
(e) for other services	9.99	9.94
(f) for reimbursement of expenses	3.07	1.62
Total	**23.66**	**20.66**

2. Research and Development Expenditure of ₹91.73 lakh (Previous Year ₹140.26 lakh) includes expenditure towards salary ₹ 91.34 lakh (Previous year ₹139.61 lakh) and depreciation ₹ 0.09 lakh (Previous year ₹0.09 lakh).

3. Miscellaneous Expenses includes Directors travel amounting to ₹24.61 lakh (Previous year ₹20.39 lakh) and ₹34.29 lakh (previous year ₹ 45.40 lakh) towards the cost of PoS machine distributed by the Company under Direct benefit Transfer Scheme framed by the Government of India.

4. 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 ₹(-)1.13 lakh (Previous year ₹4 lakh)

Note No. 34. Exceptional Items

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Profit/(Loss) on sale of Land and Building	97,216.52	43,389.77
	97,216.52	**43,389.77**

During the year, company has sold 481.79 acres of Land, as approved by union cabinet, Govt. of India @ ₹1 Crore per acre for 150 Acres (in lieu of free hold right accorded by the Government of Kerala over 143.22 acres of lease hold land) and remaining 331.79 acres @₹ 2.4758 Crore per acre as assessed by the District Collector. The profit on sale of land and building thereon ₹ 97216.52 lakh (Previous Year ₹ 43389.77 lakh) has been shown as exceptional item in the Statement of Profit & Loss. As the title deed is not yet issued by the Government of Kerala, the fair value of freehold title of the land converted, if any, and the consequent revenue cannot be recognised at this stage.

Note No. 35. Earning per Share

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Profit / (Loss) after Tax	97,552.45	16,268.60
Number of Equity Shares	647071974	647071974
Face Value per Share (₹)	10.00	10.00
Basic/ Diluted earnings per Share (₹)	**15.08**	**2.51**

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. As the net average results for the three preceeding Financial Years is loss, the Company is not liable to spend any amount mandatorily on CSR.

Note No. 37. Caprolactam Operations:

Company has decided to rejuvenate and recommission the Caprolactam plant which was not in operation. An amount of ₹ 2291.29 lakhs (Previous year-Nil) has been incurred during the year towards rejuvanation and recommissioning expenses and the same has been included under Capital Work in progress(refer Note 1A)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

38. Disclosure required for Micro Small and Medium Enterprises

₹In Lakh

Sl No.	Particulars	As at 31.03.2020	As at 31.03.2019
1	Principal amount remaining unpaid	117.92	173.65
2	Interest due thereon	10.46	1.69
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.	10.99	20.89
5	Interest accrued and remaining unpaid	21.45	22.58
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	31.03.2020		31.03.2019	
	Significant observable inputs		Significant observable inputs	
	Level 2	Level 3	Level 2	Level 3
Financial Assets				
Financial Assets				
Investment in Unquoted EquityShares of:				
Indian Potash Limited		7,095.60		6,335.63
Travancore Cochin Chemicals Ltd		200.93		134.69
Capexil Agencies Ltd.		-		-
Kerala Enviro Infrastructure Limited		514.52		434.86
Foreign Currency Receivable under Forward echange contracts	1,668.23		30,216.40	
Financial Liabilities				
Amount Payable under forward exchange contracts	1,594.54		31,034.59	
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 31.03.2020	As at 31.03.2019
Within one year	63.69	99.12
Between one and five years	254.76	254.76
More than five years	437.37	501.06

ii) Amounts recognized in profit and loss

Particulars	As at 31.03.2020	As at 31.03.2019
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 31.03.2020	As at 31.03.2019
Within one year	177.66	174.18
Between one and five years	746.90	732.24
More than five years	4,480.29	4,672.47
	5,404.85	**5,578.89**

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 31.03.2020	As at 31.03.2019
Lease Rentals	174.18	170.76
	174.18	**170.76**

The company has taken on lease land from Cochin Port Trust for the purpose of storage, handling of raw materials and for setting up a dock for barge operations. The lease agreement and terms and conditions have not been finalized and pending execution. In the absence of agreed tenure and other terms, the recognition of right of use as asset, lease as liability and consequential charge towards depreciation & interest expense has not been done. Hence, the Company continues the practice as in the earlier years and made disclosures accordingly.

NOTES FORMING PART OFCONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakh

40 . Financial Instrument Classification

Particulars	As at 31.03.2020	As at 31.03.2019
Financial Assets		
Financial Assets at Amortised Cost		
Trade Receivables	39,016.23	40,530.53
Cash and Cash equivalents	4,871.75	642.77
Other Bank Balances	61,844.98	6,824.53
Loans	991.84	1,016.58
Other Financial Assets	22,334.99	11,547.79
	129,059.79	**60,562.20**
Financial Assets at Fair Value through Other Comprehensive Income:		
Equity Investments	7,297.55	6,471.34
Financial Assets at Fair Value through Profit and Loss Statement:		
Foreign Currency Receivable on Forward exchange contract	1,668.23	30,216.40
	8,965.78	**36,687.74**
Financial Liabilities		
Financial Liability at Amortised Cost		
Borrowings	93,034.33	227,391.93
Trade Payables	21,141.21	41,896.87
Other Financial Liabilities	169,674.70	55,532.60
	283,850.23	**324,821.40**
Financial Liabilities at Fair Value through Profit and Loss Statement:		
Liability on Forward Exchange contract	1,594.54	31,034.59
	1,594.54	**31,034.59**

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 based on market trends

(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 ₹39016.23 lakh and ₹40530.53 lakh as of March 31, 2020 and March 31, 2019, respectively of which ₹37327.75 lakh (previous year ₹40011.75 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 OFCONSOLIDATED 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 has sufficient fund position for its business/operational activities. The following is the undrawn fund based borrowing facilities at the end of the reporting period:

Particulars	31st March, 2020	31st March, 2019
Expiring within one year (Bank Overdraft/ CC Limit)	21,060.00	32,058.88
Stand by Line of credit	500.00	1,250.00

The credit facilities of Banks are subject to compliance with sanctioned terms & conditions. The credit facilities have an average maturity of 1 year. Besides, the above, Company has Non Fund Based Working Capital Arrangement with various Banks which is being availed with a lien on Term Deposits held by the Comapny.

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 rates, such as equity price risk and commodity risk. The Company's activities exposes primarily to the financial risk of changes in foreign currency rates. To mitigate the foreign currency risk, the company is entering into forward contracts with Banks, after analysing the market trend on required cases.

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	2019-20	2018-19
GAIL (India) Ltd	Procurement of Gas / TransmissionCharges	25,158.33	167.98
Bharat Petroleum Corporation Ltd	Procurement of Gas / Petroleum Products/Sulphur	34,842.09	18,918.57
Indian Oil Corporation Ltd	Procurement of Gas / Petroleum Products	21,015.85	518.10
Hindustan Petroleum Corporation Ltd	Procurement of Gas / Petroleum Products	129.25	149.29
Steel Authority of India Ltd	Procurement of Steel Structural	187.44	370.05
National Fertilisers Ltd	Purchase of Fertilisers	455.80	0.00
Rashtriya Chemicals and Fertilisers Ltd	Sale of Fertilisers	138.90	0.00
Hindusthan Insecticides Ltd	Sale of Fertilisers	450.22	0.00
Rashtriya Chemicals and Fertilisers Ltd	Intercorporate Loan	0.00	2,550.00
Rashtriya Chemicals and Fertilisers Ltd	Interest payment on Intercorporate Loan	217.34	212.93
Bharat Petroleum Corporation Limited	Sale of Land	0.00	43,580.27
Bharat Petroleum Corporation Limited	Services Provided	735.83	219.91
Hindustan Petroleum Corporation Ltd	Services Provided	61.66	0.00
Bharat Heavy Electricals Ltd	Procurement of Assets/Spare parts	21.30	1.32
Bharat Earth Movers Ltd	Procurement of Assets/Spare parts	26.87	13.38
Indian Oil Corporation Ltd	Services Provided	0.00	11.95
Rashtriya Chemicals and Fertilisers Ltd	Services Provided	4.13	0.00
Kochi Metro Rail Ltd	Lease of property	211.28	310.66
Central Institute of Plastic Engineering & Technology	Lease of property	55.55	41.81
GAIL (India) Ltd	Lease of property	33.85	33.85

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

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

JOINT CONTROLLED ENTITIES ₹ in Lakh

Sl No	Name of Entity	Percentage of ownership interest as at	
		31.03.2020	31.03.2019
1	FACT-RCF Building Products Ltd(FRBL)	50.00%	50.00%
2	Kerala Enviro Infrastructure Ltd. (KEIL)	25.66%	25.66%

Transactions during the year with the above referred related parties:

Sl.No	Particulars	2019-20	2018-19	
		Amount	Amount	
i)	Contribution towards sharecapital	0.00	0.00	-
ii)	Sales of Products	17.31	39.86	-
ii)	Others	240.29	167.80	

The provision towards the amount given as material, Services and advances made in the earlier financial years continues. A provision amounting to ₹38.69 Lakh (Previous year ₹59.23 lakh) has been made for the current year also.

Balance Outstanding:

Sl. No	Particulars	As at 31.03.2020	As at 31.03.2019
	Amount receivable under Corporate Gurantee	2,550.00	2,550.00
	Amount receivable under Contractual obligations	239.60	256.91
	Due from FRBL on sale of gypsum,salary of deputationists and other expenses	1,348.85	1,292.85

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 2018-19, RCF had 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. Interest rate applicable on the loan for the year 2019-20 is 8.50% p.a. (Previous year- 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.A.Ganesan, Director(Finance) from 28.08.2019 & Chief Financial Officer (From 21.09.2019)
3 Shri D Nandakumar, Director (Marketing) (up to 31.05.2019)
4 Shri K V Balakrishnan Nair, Company Secretary & Executive Director (Finance)
5 Shri.Pradeep Kumar.C, Chief Financial Officer (from 29.01.2019 to 20.09.2019)

Transactions with related parties:

Remuneration to key management personnel :

Sl No	Particulars	Year ended 31.03.2020	Year ended 31.03.2019
1	Sri Kishor Rungta, Chairman and Managing Director (from 02.02.2019)	30.99	5.43
2	Shri.A.Ganesan, Director(Finance) from 28.08.2019 & Chief Financial Officer (From 21.09.2019)	21.81	0.00
3	Shri D Nandakumar, Director (Marketing) (up to 31.05.2019)	3.95	25.03
4	Shri K V Balakrishnan Nair, Company Secretary & Executive Director (Finance)	18.60	18.09
5	Shri.Pradeep Kumar.C, Chief Financial Officer (up To 20.09.2019)	8.36	3.21
		83.71	**51.76**

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	
		31.03.2020	31.03.2019
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 31.03.2020 (Unaudited)	As at 31.03.2019 (Audited)
Non-Current Assets	5,597.39	6,548.19
Cash and Cash Equivalent	0.97	101.60
Current Assets other than Cash and Cash Equivalents	1,042.22	1,539.71
Non-Current Liabilities	4,654.26	4,192.50
Current Liabilities	8,652.33	9,155.98
Equity	(6,666.01)	(5,158.98)
Proportion of the company's ownership	50.00%	50.00%
Carrying amount of the investment*	0.00	0.00

Particulars	2019-20 (Unaudited)	2018-19 (Audited)
Income	1,679.86	1,660.76
Cost of materials consumed	185.21	373.00
Changes in inventories	227.00	(99.15)
Depreciation and amortization expense	912.64	912.44
Finance costs	479.36	432.69
Employee benefits expenses	326.79	379.73
Other Expenses	1,055.90	1,016.16
Loss from continuing operations	(1,507.04)	(1,354.11)
Total comprehensive income for the year	(1,507.04)	(1,354.11)
Company's Share of profit / loss for the year	(753.52)	(677.06)

*Owing to the company's share of losses exceeding its interest in the joint venture recogonising the share of loss stands discontinued. Accordingly company has not recognized share of loss of ₹753.52 lakh for the year (Previous Year ₹677.06 lakh) and ₹6855.71 lakh cumulatively upto the year ended 31.03.2020 (₹6102.19lakh cumulatively upto the year ended 31.03.2019).

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 31.03.2020 (Un Audited)	As at 31.03.2019 (Audited)
Non-Current Assets	2,398.79	1,358.69
Cash and Cash Equivalent	125.18	106.62
Current Assets other than Cash and Cash Equivalents	1,183.92	1,729.86
Non-Current Liabilities	1,501.80	1,187.58
Current Liabilities	201.07	313.04
Equity	2,005.03	1,694.55
Proportion of the company's ownership	25.66%	25.66%
Carrying amount of the investment	514.54	434.86

Particulars	2019-20 (Un Audited)	2018-19 (Audited)
Income	1,908.22	1,858.09
Cost of materials consumed	21.35	25.32
Changes in inventories	0.00	0.00
Depreciation and amortization expense	50.33	38.35
Finance costs	0.05	2.51
Employee benefits expenses	212.00	161.83
Other Expenses	1,163.77	972.87
Profit before Tax	460.72	657.21
Current Tax	75.71	164.75
Profit after Tax	385.00	492.46
Other Comprehensive Income	(1.39)	(0.92)
Total comprehensive income for the year	383.61	491.54
Company's Share of profit / loss for the year	98.44	126.14

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

44. SEGMENTAL REPORTING

Segment Information for the year ended 31st March 2020

Information about Primary Business Segments

	₹ in Lakh. Fertiliser	₹ in Lakh. Petrochemical	₹ in Lakh. Others (Unallocated)	₹ in Lakh. Total
REVENUE				
External Revenue	**276754.30** (151251.65)	**56.42** (7.55)	**1967.79** (45944.75)	**278778.51** (197203.95)
TOTAL REVENUE	**276754.30** (151251.65)	**56.42** (7.55)	**1967.79** (45944.75)	**278778.51** (197203.95)
SEGMENT RESULTS				
Profit before Interest and Taxation	**34469.71** (6397.96)	**(2537.58)** (-3507.60)	**(4268.21)** (-2679.73)	**27663.91** (210.63)
Unallocated Corporate Expense			**(91.43)** (-139.70)	**(91.43)** (-139.70)
Operating Profit	**34469.71** (6397.96)	**(2537.58)** (-3507.60)	**(4176.78)** (-2540.03)	**27755.35** (350.34)
Interest Expense	**-** -	**-** -	**28783.37** (27996.34)	**28783.37** (27996.34)
Interest Income	**-** (0.00)	**-** (0.00)	**1363.96** (524.84)	**1363.96** (524.84)
Profit before Exceptional items and Tax	**34469.71** (6397.96)	**(2537.58)** (-3507.60)	**(31596.19)** (-30011.53)	**335.93** (27121.17)
Exceptional Income	**97216.52** (43389.77)	**-** (0.00)	**-** (0.00)	**97216.52** (43389.77)
Income Tax	**-**	**-**	**-**	**-**
Profit after Interest and Taxation	**131686.23** 49787.73	**(2537.58)** (3507.60)	**(31596.19)** (30011.53)	**97552.45** (16268.60)
OTHER INFORMATION				
Segment Assets	**222496.97** (215756.78)	**9679.17** (7297.69)	**29055.72** (8363.34)	**261231.85** (231417.83)
Segment Liabilities	**250986.18** (211742.36)	**468.24** (2239.91)	**9777.44** (17435.55)	**261231.85** (231417.83)
Depreciation	**1479.46** (1667.32)	**168.70** (570.63)	**145.19** (63.73)	**1793.35** (2301.67)
Capital Expenditure	**1764.55** (1694.36)	**57.92** (57.92)	**478.94** (478.94)	**2301.42** (2231.22)

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	**2019-20**	**2018-19**
Segment Revenue as above	278778.51	197203.95
Add Interest Income	1363.96	524.84
Revenue as per Profit and Loss Statement	**280142.47**	**197728.79**

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 ₹1693.67 lakh (Previous Year ₹1692.46 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)**	
	31-03.2020	31-03.2019	31-03.2020	31-03.2019	31-03.2020	31-03.2019
Present value of obligations at the beginning of the year	**9238.52**	**9903.56**	**13514.37**	**14540.67**	**348.70**	**0.00**
Interest cost	**808.25**	**861.21**	**1099.83**	**1182.69**	**29.27**	**0.76**
Past service cost	**-**	**-**	**-**	**-**	**-**	**-**
Current service cost	**1729.04**	**1723.10**	**467.00**	**485.96**	**34.45**	**19.03**
Benefits paid	**(2015.43)**	**(1982.53)**	**(2907.57)**	**(2811.65)**	**(11.20)**	**0.00**
Acturial loss/(gain) on obligation	**(660.05)**	**(1266.82)**	**837.47**	**116.70**	**195.35**	**328.91**
Present value of obligations at the end of the year	**9100.33**	**9238.52**	**13011.10**	**13514.37**	**596.57**	**348.70**
b. Changes in the fair value of plan assets						
Fair value of plan assets at the beginning of the year	**-**	**-**	**4456.16**	**6872.10**	**0.00**	**0.00**
Expected return on investment	**-**	**-**	**334.21**	**549.76**	**0.00**	**0.00**
Employer's contribution	**-**		**0.00**	**0.28**	**0.00**	**0.00**
Benefits paid	**-**	**-**	**(2907.57)**	**(2811.65)**	**0.00**	**0.00**
Actual return on Plan Asset over Expected Interest	**-**	**-**	**(116.13)**	**(154.33)**	**0.00**	**0.00**
Fair value of plan assets at the end of the year	**-**	**-**	**1766.67**	**4456.16**	**0.00**	**0.00**
Actual return on investment	**-**	**-**	**334.21**	**549.76**	**0.00**	**0.00**
c. Amount recognised in Balance sheet						
Present value of obligations at the end of the year	**9100.33**	**9238.52**	**13011.10**	**13514.37**	**596.57**	**348.70**
Fair value of plan assets at the end of the year	**-**	**-**	**1,766.67**	**4456.16**	**0.00**	**0.00**
Unfunded net liability recognised in Balance sheet	**9100.33**	**9238.52**	**11244.43**	**9058.21**	**596.57**	**348.70**
d. Expenses recognised in the Statement of Profit and Loss during the year						
Current service cost	**1729.04**	**1723.10**	**467.00**	**485.96**	**34.45**	**19.03**
Past service cost	**-**	**-**	**-**	**-**	**-**	**-**
Net Interest on Obligation / Asset	**808.25**	**861.21**	**881.74**	**787.26**	**29.27**	**0.76**
Total Expenses recognised in the Statement of Profit and Loss during the year	**2537.29**	**2584.31**	**1348.74**	**1273.22**	**63.72**	**19.79**
Amount Disclosed under Other Comprehensive Income:						
Opening balance	**(4711.42)**	**(3444.60)**	**160.12**	**43.42**	**328.91**	**0.00**
Acturial Gain or Loss on Obligation side during the year	**(660.05)**	**(1266.82)**	**837.47**	**116.70**	**195.35**	**328.91**
Closing Amount Disclosed under OCI	**(5371.47)**	**(4711.42)**	**997.59**	**160.12**	**524.26**	**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	-	-	13.58	32.97	-	-
Acturial assumptions						
Mortality rate	(1994-96) Ultimate		LIC (1994-96) Ultimate		(1994-96) Ultimate	
e. Discount rate	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Salary escalation rate	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
f. Expected rate of return on plan assets	NA	NA	7.50%	8.00%	NA	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	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Present value of obligations at the beginning of the year	**24335.38**	**24874.52**	**2173.50**	**2356.82**
Interest cost	**2087.76**	**2135.02**	**189.21**	**204.73**
Past service cost	-	-	-	-
Current service cost	**3523.23**	**3626.55**	**383.12**	**404.49**
Benefits paid	**(4389.16)**	**(5747.97)**	**(474.13)**	**(520.99)**
Acturial loss/(gain) on obligation	**(1670.71)**	**(552.74)**	**(141.05)**	**(271.55)**
Present value of obligations at the end of the year	**23886.50**	**24335.38**	**2130.65**	**2173.50**
b. Changes in the fair value of plan assets				
Fair value of plan assets at the beginning of the year	**25701.17**	**25172.75**	**2235.84**	**2422.64**
Expected return on investment	**2056.09**	**2013.82**	**178.86**	**193.81**
Employer's contribution				
Benefits paid	**(4389.16)**	**(5747.97)**	**(474.13)**	**(520.99)**
Acturial loss/(gain) on plan assets	**939.39**	**4262.57**	**205.76**	**140.38**
Fair value of plan assets at the end of the year	**24307.50**	**25701.17**	**2146.33**	**2235.84**
Actual return on investment	**2056.09**	**2013.82**	**178.86**	**193.81**
c. Amount recognised in Balance sheet of the Trust				
Present value of obligations at the end of the year	**23886.50**	**24335.38**	**2130.65**	**2173.50**
Fair value of plan assets at the end of the year	**24307.50**	**25701.17**	**2146.33**	**2235.84**
Unfunded net liability	**(421.00)**	**(1365.79)**	**(15.68)**	**(62.34)**
d. Expenses recognised in the Statement of Profit and Loss of the Trust during the year				
Current service cost	**3523.23**	**3626.55**	**383.12**	**404.49**
Past service cost				
Interest cost	**2087.76**	**2135.02**	**189.21**	**204.73**
Expected return on investment	**(2056.09)**	**(2013.82)**	**(178.86)**	**(193.81)**
Net acturial (gain) / loss recognised during the year	**(2610.10)**	**(4815.31)**	**(346.82)**	**(411.93)**
Total Expenses	**944.80**	**(1067.56)**	**46.65**	**3.48**

46. Contingent Liabilities and Commitments (to the extent not povided for):

Contingent Liabilities

₹ in Lakh

Particulars	As at 31.03.2020	As at 31.03.2019
Claims against the company not acknowledged as debts in respect of:		
Central Excise Act, 1944	9,924.06	9,559.30
Service Tax (Finance Act, 1994)	428.84	459.66
Sales Tax / Value Added Tax/ Entry tax	13,843.15	12,606.24
Income Tax Act, 1961	4.26	4.26
ESI Act	127.83	127.83
Suppliers and contractors	24,130.03	23,294.03
Payment of Bonus Act,1965	33.59	33.59
Others	1,132.74	1,354.22

47. Sales Tax/ Value Added Tax / Entry Tax includes ₹13462.47 lakh (including interest up to 31.03.2020) (previous year ₹12251.80 lakh) towards differential tax demand in respect of the year 2011-12 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 31.03.2020, amounting to ₹23664.24 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 1997 wage revision , 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 dtd 31.3.2016, by which the court directed company to frame a scheme towards disbursement of the arrears in a phased manner.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 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 Secretary (Fertilizers), vide Order dated 09.07.2019 communicated his decision stating their inability to relax/remove the condition of three years continuous profit as requested by FACT vide its letter dated 09.02.2018. Against the order of The Secretary (Fertilizers), the retired employees approached the Court by filing a contempt of court case. Thereafter the The Secretary (Fertilizers) filed Special Leave Petition before the Hon'ble Supreme Court and obtained a stay of the order of the High Court and is pending. Hence the amount of liability cannot be ascertained at this stage.

	As at 31.03.2020	As at 31.03.2019
50. Estimated amount of contracts remaining to be executed on capital account and not provided for.	1,347.08	286.33

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 ₹954.28 lakh (Previous year ₹998.75 lakh), and capital ₹430.99 lakh (Previous year ₹316.11 lakh).

In the case of work being carried out by FACT Enginering 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, 59.47 %(previous year 57.10%) of work related to consultancy services by FEDO to NIT, has been completed as on 31.3.2020 and pro-rata credit of ₹942.56 lakh (previous year ₹904.25 lakh) has been taken, after considering ₹344.45 lakh as work in Progress (previous year ₹292.42 lakh). The value of construction work done and certified during the year 2019-20 is taken as ₹654.18 lakh, (previous year ₹1462.75 lakh) and equivalent amount has been considered for direct charges on contract.

Particulars	As at 31.03.2020	As at 31.03.2019
Contract revenue recognised in the period.	1,968.50	2,048.25
Advance received against contract in progress.	0.00	9.58
Retention by customers against contract in progress.	65.01	40.48
Aggregate amount of cost incurred and recognised profit (less recognised loss) on contracts in progress upto the reporting date.	3,136.95	2,010.99
Gross amount due from customers for contract work as an asset.	487.97	158.51
Gross amount due to customers for contract work as a liability.	134.07	107.28

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 31.03.2020		Figures as at 31.03.2019	
	Foreign Currency	Indian Rupee	Foreign Currency	Indian Rupee
	(in lakh)		(in lakh)	
Trade Payable	USD 161.78	12304.66	USD 37.57	2621.52

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 crore 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 also under the consideration of the Government of India. During the year, the Company has disposed a portion of its land in Cochin Division. On receipt of land sale proceeds, Company paid all its Fund Based Working Capital facility dues and invested the remaining surplus funds in various banks. This improved the liquidity/Fund position of the Company to a considerable extent. 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 25.06.2020.

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 the 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/-
M.D Thomas
Partner
Membership No.018177

Sd/-
A.Ganesan
Director (Finance) & Chief Financial Officer
DIN 08556337

Sd/-
Kishor Rungta
Chairman & Managing Director
DIN 00231106

Sd/-
K V Balakrishnan Nair
Company Secretary & Executive Director (Finance)

Place: Kochi
Date: 25.06.2020

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 31.03.2020

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	**51.94**	**1.87%**	56.14	2.06%
	Indigenous	**2726.83**	**98.13%**	2671.39	97.94%
		2778.77		2727.53	

2 CIF Value of Imports	**Current year** ₹ **in lakh**	Previous year ₹ in lakh
(i) Raw Materials	**88526.59**	124813.32
(ii) Traded Products	**5812.33**	0.00
(iii) Spares and other materials	**83.33**	64.80
(iv) Capital Goods	**0.00**	0.00
	94422.25	124878.12

3 A Expenditure in foreign currency (Cash Basis)		
(i) Consultancy service	**0.00**	0.00
(ii) Others	**55.74**	**184.39**
	55.74	184.39

59. NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ in lakh

COST OF MATERIALS CONSUMED		2019-20				2018-19			
Sl. No.	Particulars	Opening Stock	Purchases	Closing Stock	Consumption	Opening Stock	Purchases	Closing Stock	Consumption
1	Regassified Liquid natural Gas	-	45044.55	-	45044.55	-	0.00	-	0.00
2	Naphtha	-	-	0.00	0.00	0.00	-	0.00	0.00
3	Sulphur - Imported	2,501.81	3366.69	1044.39	4824.11	1245.30	6244.57	2501.81	4988.06
4	Sulphur	770.64	7,168.11	453.09	7485.66	1,441.91	11675.21	770.64	12346.48
5	Rock Phosphate-Imported	2,770.39	10943.49	1504.56	12209.32	233.29	16905.69	2770.39	14368.59
6	Phosphoric Acid-Imported	4,410.97	67398.17	4087.19	67721.95	85.62	53691.82	4410.97	49366.47
7	Phosphoric Acid	-	-	-	0.00	65.81	0.00	0.00	65.81
8	Ammonia - Imported	1,607.38	8933.03	1928.66	8611.75	1304.29	53267.29	1607.38	52964.20
9	Benzene -Imported	10.24	-	10.24	0.00	10.24	-	10.24	0.00
10	Benzene	177.53	-	125.07	52.46	177.53	-	177.53	0.00
11	Caustic Soda**	29.92	18.56	20.45	28.03	37.20	-	29.92	-
12	Rock Phosphate-18% for mixing	27.35	0.00	27.35	0.00	27.35	0.00	27.35	0.00
13	Sulphuric Acid	8.79	0.00	8.79	0.00	9.14	0.00	8.79	0.35
14	Sulphuric Acid-Imported	502.39	3204.23	270.41	3436.21	0.00	1,016.94	502.39	514.55
	TOTAL	**12817.41**	**146076.83**	**9480.20**	**149414.04**	4637.68	142801.52	12817.41	134614.51

**Closing stock after adjustments for consumption as chemicals of ₹ Nil (Previous Year ₹ 7.28 lakh).

EMPOWERING FARMERS
ENRICHING CROPS

FACT FERTILISERS

FOR FERTILE SOIL AND HEALTHY CROPS

BIO FERTILIZERS | **CHEMICAL FERTILIZERS** | **ORGANIC MANURES**



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PIONEERS IN PROGRESS

दि फर्टिलाइज़र्स एण्ड केमिकल्स ट्रावनकोर लिमिटेड

(भारत सरकार का उद्यम)

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सी आइ एन : L24129KL1943GO1000371

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