



प्रगति के पथप्रदर्शक
PIONEERS IN PROGRESS

दि फर्टिलाइजर्स एण्ड केमिकल्स ट्रावन्कोर लिमिटेड
THE FERTILISERS AND CHEMICALS TRAVANCORE LTD.

(भारत सरकार का उद्यम) (A Government of India Enterprise)

पंजीकृत कार्यालय: एलूर, उद्योगमंडल, कोची - 683501, केरल राज्य, भारत

Regd. Office: Eloor, Udyogamandal, Kochi - 683501, Kerala State, India. Website: www.fact.co.in CIN: L24129KL1943GOI000371

CS-CO-6636 - 105

3rd June, 2020

The Manager (Listing Department),
National Stock Exchange of India Ltd.,
Exchange Plaza,
Bandra-Kurla Complex,
Bandra (E),
MUMBAI – 400 051

Dear Sir,

Sub: Material Impact of COVID-19 on FACT – Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to Regulation 30 of the SEBI (Listing obligation and disclosure requirement) Regulation 2015 and in continuation to our letter No.CS-CO-6569 dated 24th March, 2020, we give below material impact of COVID-19 on The Fertilisers And Chemicals Travancore Ltd.

A. Impact of the CoVID-19 pandemic on the business:

FACT is a Public Sector Undertaking under the Administrative control of Department of Fertilizers, Ministry of Chemicals and Fertilizers, Government of India. FACT is in the category of continuous process industry and is in Priority Sector.

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

In the wake of growing concern all over the world on COVID-19 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. All the plants of FACT is being started operations in a phased manner.

Even with all restrictions during COVID times, 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 Manufactures 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 are scheduled to be completed utilising in-house technical expertise by second half of May 2020 and normal production is planned in a phased manner.

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

All the employees of Company are being advised to take precautionary measures at their working 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.

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 during the last two months.

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 countrywide lockdown, Company had to curtail manufacturing operations during second half of March '20, considering the shortage of labour for bagging & loading and road / rail movement limitations. Company has two production divisions, Udyogamandal Complex (UC) and Cochin Division (CD) both located on the outskirts of Kochi. Company had to take a temporary Shut-down of UC and

maintained fertiliser production utilising the bulk storage facility available at CD, with critical staff.

Operations at Cochin Port also became difficult considering the restrictions and Company was forced to cancel a few shipments of raw material / intermediate scheduled for arrival during April for balancing the material stock & consumption and avoiding Demurrage.

Subsequently, when there was improvement in labour and rail wagon availability, Company could start operations and start dispatching fertiliser through rail wagons. Despatch 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 Covid-19 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.
- A COVID Awareness session was arranged for the officials & employees.
- 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.
- Circulars focusing on COVID awareness and social distancing is made available through intranet/ electronic media and also displayed at all notice Boards.
- 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 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 implement Aarogyasethu App.

D. Estimation of the future impact of CoVID-19 on its 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 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 VOVID-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 do 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.

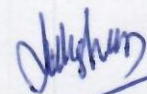
M. Existing Contracts and Agreements

Company can fulfill all existing contracts and arrangements.

Kindly take the above on record and oblige.

Thanking you,

Very truly yours,
For THE FERTILISERS AND CHEMICALS
TRAVANCORE LIMITED



K. V. Balakrishnan
Company Secretary & ED (Fin)