



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED  
REGISTERED OFFICE: ELOOR, UDYOGAMANDAL, KOCHI.  
CIN : L24129KL1943GOI000371  
Website: <http://www.fact.co.in>

STANDALONE AUDITED FINANCIAL RESULTS FOR QUARTER AND YEAR ENDED 31ST MARCH 2019

₹ in Lakh

	Particulars	For the Quarter ended			For the period ended	
		31.3.2019	31.12.2018	31.03.2018	31.3.2019	31.03.2018
		Audited	Unaudited	Audited	Audited	Audited
I.	Revenue from operations	48552	59135	44618	195499	192867
II.	Other income	2946	674	3311	45674	4163
III.	Total revenue (I+II)	<b>51498</b>	<b>59809</b>	<b>47929</b>	<b>241173</b>	<b>197030</b>
IV.	Expenses	43974	42203	20367	136903	108024
	(a) Cost of materials consumed	31	79	-142	240	169
	(b) Purchases of stock-in-trade					
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	-15156	431	481	-7698	-3053
	(d) Employee benefits expense	8952	5142	6373	23015	24942
	(e) Finance costs	7460	6542	7856	28054	32142
	(f) Depreciation and amortization expense	976	420	488	2252	1715
	(g) Other expenses	10219	9969	15686	42093	45997
	Total expenses	<b>56456</b>	<b>64786</b>	<b>51109</b>	<b>224859</b>	<b>209936</b>
V.	Profit / (Loss) before exceptional and tax (III-IV)	<b>-4958</b>	<b>-4977</b>	<b>-3180</b>	<b>16314</b>	<b>-12906</b>
VI.	Exceptional items	-	-	-	-	-
VII.	Profit/(Loss) before tax (V-VI)	<b>-4958</b>	<b>-4977</b>	<b>-3180</b>	<b>16314</b>	<b>-12906</b>
VIII.	Tax expense	-	-	-	-	-
	(1) Current tax	-	-	-	-	-
	(2) Deferred tax	-	-	-	-	-
		<b>-4958</b>	<b>-4977</b>	<b>-3180</b>	<b>16314</b>	<b>-12906</b>
IX.	Operations (VII-VIII)	-	-	-	-	-
X.	Operations	-	-	-	-	-
X1.	Tax Expenses of discontinued Operations	-	-	-	-	-
X1I.	Operations after Tax	-	-	-	-	-
X111.	Profit / (Loss) for the period (IX+XII)	<b>-4958</b>	<b>-4977</b>	<b>-3180</b>	<b>16314</b>	<b>-12906</b>
XIV.	Other comprehensive Income					
	i. Items that will not be reclassified to Profit & Loss	979	0	378	979	1355
	i. Remeasurement of defined benefit plan	-1293	-400	-1087	821	-1087
	Total comprehensive Income for the period (XIII+XIV) (Comprising of profit (Loss) and Other Comprehensive Income for the period)	<b>-5272</b>	<b>-5377</b>	<b>-3889</b>	<b>18114</b>	<b>-12638</b>
XV.	Reserves excluding Revaluation Reserves as per balance sheet of Previous Accounting Year	-	-	-	-	-
XVI.	Paid-up Equity Share Capital (Face Value of the Share is Rs. 10 per Share)	<b>64707</b>	<b>64707</b>	<b>64707</b>	<b>64707</b>	<b>64707</b>
XVI.						
XII.	Earnings per equity share of ₹ 10 each (not Annualised)					
	(1) Basic -₹	(0.77)	(0.77)	(0.49)	2.52	(1.99)
	(2) Diluted -₹	(0.77)	(0.77)	(0.49)	2.52	(1.99)



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**Statement of Assets and Liabilities (Standalone) as at 31<sup>st</sup> March 2019 (Rs.Lakh)**

Particulars	As at 31.3.2019	As at 31.03.2018
	Audited	Audited
<b>A ASSETS</b>		
1 NON CURRENT ASSETS		
a Property, Plant and Equipment	29453.51	29462.42
b Capital Work in Progress	1733.44	1849.59
c Investment Property	9.50	9.60
d Intangible Assets	141.66	0.00
e Financial Assets		
(i) Investments	6906.20	5927.21
(ii) Trade Receivables	0.00	0.00
(iii) Loans	964.26	619.72
(iv) Other Financial Assets	13.64	13.32
f Other Non Current Assets	203.94	384.80
	39426.15	38266.66
2 CURRENT ASSETS		
a Inventories	65200.72	47,874.64
b Financial Assets		
(i) Trade Receivables	40900.60	36,438.61
(ii) Cash and Cash equivalents	642.77	4,612.04
(iii) Other Bank Balances	6824.53	1,752.48
(iv) Loans	52.32	54.49
(v) Other Financial Assets	76307.05	49,367.10
c Current Tax Assets	513.90	52.00
d Other current Assets	2862.40	3,154.27
	1,93,304.29	1,43,305.63
3 Assets held for sale	-	39.41
<b>TOTAL ASSETS</b>	<b>2,32,730.44</b>	<b>1,81,611.70</b>
<b>B EQUITY AND LIABILITIES</b>		
1 EQUITY		
a Equity Share Capital	64707.20	64707.20
	(2,10,478.05)	(2,28,590.21)
b Other Equity	(1,45,770.85)	(1,63,883.01)
2 LIABILITIES		
I NON CURRENT LIABILITIES		
a Financial Liabilities		
(i) Borrowings	179088.75	1,77,048.75
(ii) Trade Payables	-	-
(iii) Other Financial Liabilities	-	-
b Provisions	17326.61	16,246.12
c Other Non Current Liabilities	755.82	819.51
	197171.18	194114.38
II CURRENT LIABILITIES		
a Financial Liabilities		
(i) Borrowings	47793.18	50,737.49
(ii) Trade Payables	41890.07	42,300.61
(iii) Other Financial Liabilities	87780.48	52,661.01
b Other Current Liabilities	2086.24	3,865.95
c Provisions	1780.14	1,815.27
	181330.11	151380.33
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,32,730.44</b>	<b>1,81,611.70</b>





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## STANDALONE AUDITED FINANCIAL RESULTS SHOWING SEGMENTWISE REVENUE, RESULTS & CAPITAL EMPLOYED FOR QUARTER AND YEAR ENDED 31<sup>ST</sup> MARCH 2019

(Rs.in Lakh)

PARTICULARS	For the Quarter ended			For the period ended	For the period ended
	31.3.2019	31.12.2018	31.03.2018	31.3.2019	31.03.2018
	Audited	Unaudited	Audited	Audited	Audited
<b>1. Segment Revenue</b>					
a) Fertiliser:-	7057	58984	43805	194696	192312
b) Petrochemical:-	-1	3	-41	8	4
c) Unallocated:-	44474	1265	4648	47261	5872
Less: Inter Segment Revenue	440	466	632	1316	1476
Gross sales/Income from Operations	51089	59786	47780	240648	196712
<b>2. Segment Results</b>					
Profit (+) / Loss (-) before tax and Finance cost	-37667	1769	8375	6443	27016
a) Fertiliser:-	-3448	125	-246	-3508	-2119
b) Petrochemical:-	43775	419	-899	43783	-973
c) Unallocated:-					
Total	2661	2313	7230	46719	23924
Less					
i. Finance cost	7459	6542	7856	28053	32142
ii. Other un-allocable expenditure-net of un-allocable income	568	771	2703	2876	5006
Add	409	23	149	525	318
iii) Interest Income					
Total Profit/(Loss) Before Tax	-4958	-4977	-3180	16314	-12906
<b>3a. SEGMENT ASSETS</b>	As on 31.3.2019	As on 31.12.2018	As on 31.03.2018	As on 31.3.2019	As on 31.03.2018
a) Fertiliser	204965	152273	162568	204965	162568
b) Petrochemical	4975	4600	4122	4975	4122
c) Others	21057	18177	13072	21057	13072
	230997	175050	179762	230997	179762
<b>3b. SEGMENT LIABILITIES</b>					
a) Fertiliser	184604	129255	156509	184604	156509
b) Petrochemical	4141	3851	3593	4141	3593
c) Others	10667	11849	8344	10667	8344
	199412	144955	168446	199412	168446
<b>3c. SEGMENT CAPITAL EMPLOYED (SEGMENT ASSETS - SEGMENT LIABILITIES)</b>					
a) Fertiliser	20361	23018	6059	20361	6059
b) Petrochemical	834	749	529	834	529
c) Others	10390	6328	4728	10390	4728
Total	31585	30095	11316	31585	11316

### Notes:

Previous period figures have been regrouped wherever necessary

These results have been approved at the meeting of the Board of Directors of the company

UMESH DONGRE

Director (Finance)

KOCHI

Date:

29.05.2019





**BABU A. KALLIVAYALIL & CO.**  
**CHARTERED ACCOUNTANTS**

**INDEPENDENT AUDITOR'S REPORT**

**To the Members of the FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

**Report on the Audit of the Standalone Financial Statements**

**Opinion**

1. We have audited the accompanying **standalone financial statements of the FERTILISERS AND CHEMICALS TRAVANCORE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended on that date, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, its cash flows and changes in equity for the year ended on that date.

**Basis for Opinion**

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

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**Material uncertainty related to Going Concern**

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

Our opinion is not qualified in respect of this matter.

**Emphasis of Matter**

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

Our opinion is not qualified in respect of this matter.

**Key Audit Matters**

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

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

Under Direct Benefit Transfer (DBT) scheme of GoI, the Company is entitled to receive subsidy only upon sale of fertilizer by the dealer to the ultimate beneficiary through Point of Sale (PoS) devices. However, the Company continues to account subsidy as income at the time of sale to dealers as in the earlier scheme, considering the reasonable assurance that the sale will take place and subsidy will be received based on experience. Refer Note #27 to the standalone financial statements.

**Auditors' Response**

Our principal audit procedures included the following:

- Analysed the scheme framed by the DoF notified through Notification F. No. D(FA)/2016/DBT dated March 17, 2017.
- Reviewed the agreement with dealers.



- Performed analytical review procedures on the subsidy claim lodged by the Company from the inception of the DBT scheme and subsidy accounted by the Company.
- Analysed post Balance Sheet sales through PoS devices in Integrated Fertiliser Management System (iFMS) to assess the sales trend.
- Verified industry practise for accounting of subsidy income in post-DBT period.
- Compliance with Ind AS 20 on 'Accounting for Government Grants and Disclosure of Government Assistance'.

**b. Sale of 170 acres of land to BPCL**

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

**Auditors' Response**

Our principal audit procedures on the transaction included the following:

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

**c. Purchase of raw material from single vendor without tender**

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



**Auditors' Response**

Our principal audit procedures on the transaction included the following:

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

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

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the standalone financial statements, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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



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

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

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

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



11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Other Matter**

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

Our opinion is not modified in respect of this matter.

**Report on Other Legal and Regulatory Requirements**

14. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
15. Based on the verification of books of account of the Company and according to information and explanations given to us, we give in "**Annexure B**" a report on the directions/ additional sub-directions issued by the Comptroller and Auditor General of India in terms of section 143(5) of the Act.
16. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of those books and returns generally



adequate for the purpose of our audit have been received from the units/ marketing offices not audited by us.

- c. The reports on the accounts of the four areas of the Company audited under Section 143(8) of the Act by other auditors have been given to us and have been appropriately dealt with by us in preparing this report.
  - d. The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account and with the returns received from four areas not audited by us.
  - e. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015.
  - f. Being a government company, the provisions of sub section (2) of Section 164 of the Companies Act, 2013 is not applicable.
  - g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure C**".
  - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements (Refer Notes #46 to #49)
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company, where applicable.
17. Being a Government Company, the provisions of section 197 of the Act with respect to the matters to be included in the Auditors' Report is not applicable.

**For Babu A. Kallivayalil & Co.,**  
**Chartered Accountants,**  
**Firm Registration No. 053748**

**N.K. Alexander**  
**Partner, Membership No. 007448**

Kochi,  
May 29, 2019