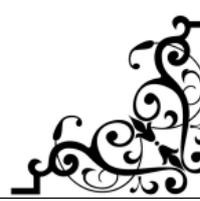




**Consolidated  
Financial Statement  
2019-20**





## 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 OF THE 76TH ADJOURNED ANNUAL GENERAL MEETING

NOTICE is hereby given that the 76th Adjoined Annual General Meeting of the members of The Fertilisers and Chemicals Travancore Ltd, will be held on Wednesday the 30th December 2020, at 11.00 A.M., through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

#### Ordinary Business

1. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2020, and Report of the Auditors thereon and in this regard pass the following resolution, as ordinary resolution.

RESOLVED that the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2020 and the report of the Auditors thereon be and are hereby considered, approved and adopted.

By Order of the Board of Directors.

Sd/-

Place : Udyogamandal

K.V. Balakrishnan Nair

Date : 08.12.2020

Company Secretary & ED (Fin)

#### NOTE ON THE 76<sup>th</sup> ADJOURNED ANNUAL GENERAL MEETING:

The 76<sup>th</sup> Annual General Meeting (AGM) of the members of The Fertilisers and Chemicals Travancore Ltd was held on 23<sup>rd</sup> September 2020. The Audited Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020 could not be considered at the 76<sup>th</sup> Annual General Meeting, since the comments of the Comptroller and Auditor General of India (C&AG) on the Consolidated Financial Statements in terms of the provisions of Section 143(6) of Companies Act, 2013 was not received.

The members resolved to adjourn the meeting *sine die* to be convened after receipt of the comments of the C&AG on the Consolidated Financial Statements.

Consequent to the advice of C & AG, the Company has revised the Consolidated Financial Statements for the financial year ended 31-03-2020.

The revised Consolidated Financial Statements along with the Report of the Statutory Auditors can be downloaded by using the link <http://fact.co.in/home/Dynamicpages?MenuId=871>

The same is also available on the website of the Company. [www.fact.co.in](http://www.fact.co.in) .

#### 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 Adjourned 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 Adjourned 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 Adjourned AGM will be provided by CDSL.

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

3. The Members can join the Adjourned AGM in the VC/OAVM mode 15 minutes before the time scheduled for commencement of the meeting. Members can also join the meeting within 15 minutes of the commencement of the meeting. The facility of participation at the Adjourned 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 Adjourned AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the Adjourned 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 Adjourned 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 Adjourned 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 Adjourned AGM has been uploaded on the website of the Company at [www.fact.co.in](http://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](http://www.nseindia.com). The Adjourned AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the Adjourned AGM) at [www.evotingindia.com](http://www.evotingindia.com).
7. Since this Adjourned 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 Adjourned AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
8. 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
9. 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 Adjourned 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, [cfccochoin@gmail.com](mailto:cfccochoin@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.

10. 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.
11. 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.
12. 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.

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

13. 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.
14. 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 Adjourned AGM.
15. Members seeking any information with regard to the Consolidated Financial Statements are requested to write to the Company on or before 23-12-2020 through email on kvbnair@factltd.com. The same will be replied by the Company suitably.
16. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the Adjourned AGM along with the Consolidated Financial Statements 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 Consolidated Financial Statements will also be available on the Company's website [www.fact.co.in](http://www.fact.co.in) , website of the National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com), and on the website of CDSL <https://www.evotingindia.com>,
17. Since the Adjourned AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
18. Instructions for e-voting and joining the Adjourned AGM are as follows:

**THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING:**

- (i) The voting period begins on 27-12-2020 at 09.00 AM and ends on 29-12-2020 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 24-12-2020 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, 68/567 C, II Floor, "Kombara Marriott", St.Benedict Road (West End), Cochin-18, 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](http://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](http://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:

<b>For Shareholders holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>● 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.</li> </ul>
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. <ul style="list-style-type: none"> <li>● 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).</li> </ul>

## **THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

- (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 RESOLUTION 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@bfsi.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@bfsi.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 ADJOURNED AGM THROUGH VC/OAVM:**

1. Shareholders will be provided with a facility to attend the Adjourned AGM through 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 Adjourned 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.

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

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 ADJOURNED AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the Adjourned AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the Adjourned 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 Adjourned AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the Adjourned 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 Adjourned AGM. However, they will not be eligible to vote at the Adjourned 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](http://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](mailto: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](mailto: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: [kvbair@factltd.com](mailto:kvbair@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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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, Central Depository Services (India) Limited (CDSL), 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](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43

**Note**

C & AG Comments on the Consolidated Financial Statements for the financial year 2019-20 will be submitted separately.



## THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

### BABU A. KALLIVAYALIL & CO.

CHARTERED ACCOUNTANTS

11nd 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 (REVISED)

To the Members of the FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

### Revised 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 entity and an associate (the Company and its jointly controlled entity along with associate 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 subsection (10) of Section 143 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.

## THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

### 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

- 7.i. We draw attention to Note # 60 of the Consolidated financial statements on the reason for revision of the Consolidated financial statements dated June 25, 2020, approved by the Board of Directors of the Company. Our report dated June 25, 2020 on the Consolidated financial statements, is revised due to the revision of the Consolidated financial statements.

The said revision is to comply with the directions of the Comptroller and Auditor General of India to prepare the Consolidated financial statements, based on the audited financial statements of a jointly controlled entity-FACT RCF Building Products Limited and an Associate-Kerala Enviro Infrastructure Limited, instead of the unaudited Management certified financial statements. Accordingly, the summarised financial information of these entities based on their respective audited financial statements is disclosed by the Company in the Notes to the Consolidated financial statements. (Refer Note # 43)

This Audit Report supersedes the audit report dated June 25, 2020 issued by us on the Consolidated financial statements of even date.

- ii. 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.
- iii. 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 absence 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 these matters.

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

8. The Company's Board of Directors is responsible for the matters stated in subsection (5) of Section 134 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.

## **THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

9. 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 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 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. i. We did not audit the financial statements / financial information of four areas comprising marketing offices of the Company included in the Consolidated financial statements of the Company, whose financial statements / financial information reflect total revenue of ₹2,02,286 lakhs (previous year ₹1,37,953 lakhs) for the year ended on that date, as

## THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

considered in the Consolidated financial 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 terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid areas, is based solely on the reports of the other auditors.

- ii. The financial statements of the jointly controlled entity and an associate of the Company have been audited by other auditors, whose reports have been furnished to us by the Management. Our opinion on the Consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these entities and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid entities, is based solely on the reports of the other auditors.
- iii. 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 the 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 subsection (5) of Section 143 of the Act.
16. As required by subsection (3) of Section 143 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.

Kochi  
November 06, 2020

UDIN: 20018177AAAABC1371

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

**Annexure A to the Independent Auditors' Report (Revised)**

(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 THE DIRECTIONS OF C&AG UNDER SUBSECTION (5) OF SECTION 143  
OF THE COMPANIES ACT, 2013**

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

Kochi,

November 06, 2020

## **THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

### **Annexure B to the Independent Auditors' Report (Revised)**

(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**

In conjunction with our audit of the consolidated financial statements of **FERTILISERS AND CHEMICALS TRAVANCORE LIMITED** (hereinafter referred to as "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 entity and an associate (hereinafter referred to as "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'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' 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 Group which 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 in the case of two out of four marketing areas, in the absence of any specific reporting by the auditors of these areas. The financial statements of the jointly controlled entity and an associate of the Company have been audited by other auditors, whose reports have been furnished to us by the Management. Our report on the adequacy of internal financial controls over financial reporting with respect to these financial statements, in so far as it relates to these entities, is based solely on the reports of the other auditors.

Kochi,

November 06, 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
<b>ASSETS</b>				
<b>NON CURRENT ASSETS</b>				
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
<b>CURRENT ASSETS</b>				
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
<b>TOTAL ASSETS</b>		<b>261,231.85</b>	<b>231,417.83</b>	<b>180,322.49</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
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)
<b>LIABILITIES</b>				
<b>NON CURRENT LIABILITIES</b>				
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
<b>CURRENT LIABILITIES</b>				
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
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>261,231.85</b>	<b>231,417.83</b>	<b>180,322.49</b>

Statement of significant Accounting Policies A

Explanatory Information on Financial Statements 36-60

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/-  
**Anupam Misra**  
Director (Marketing)  
DIN 07637439

Sd/-  
**Kishor Rungta**  
Chairman & Managing Director  
DIN 00231106

Place: Kochi  
Date: 06-11-2020

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

**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
<b>III Total Income (I+II)</b>		<b>280,142.47</b>	<b>197,728.78</b>
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
<b>Total Expenses (IV)</b>		<b>279,806.54</b>	<b>224,849.95</b>
<b>V Profit / (Loss) before exceptional items and tax (III - IV)</b>		<b>335.93</b>	<b>(27,121.17)</b>
VI Exceptional Items (Income /(Expenses))	34	97,216.52	43,389.77
<b>VII Profit / (Loss) before Tax (V+VI)</b>		<b>97,552.45</b>	<b>16,268.60</b>
VIII Tax Expenses		0.00	0.00
<b>IX Profit / (Loss) for the Year (VII-VIII)</b>		<b>97,552.45</b>	<b>16,268.60</b>
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
<b>Other Comprehensive income for the year (X)</b>		<b>533.10</b>	<b>1,800.18</b>
<b>XI Total Comprehensive Income for the year (IX+X)</b>		<b>98,085.55</b>	<b>18,068.78</b>
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	36-60		

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: 06-11-2020

For and on behalf of the Board of Directors

 Sd/-  
**Anupam Misra**  
 Director (Marketing)  
 DIN 07637439

 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
<b>A Cash flow From Operating Activities</b>		
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	<b>29,325.47</b>	<b>3,059.19</b>
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
	<b>(3,681.54)</b>	<b>(44,082.83)</b>
Cash Generated from Operations	<b>25,643.93</b>	<b>(41,023.64)</b>
Direct Tax Paid	0.00	0.00
<b>Net Cash from Operating Activities</b>	<b>25,643.93</b>	<b>(41,023.64)</b>
<b>B Cash Flow from Investing Activities</b>		
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
<b>Net Cash from investing Activities</b>	<b>28,935.26</b>	<b>41,600.39</b>

**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
<b>C Cash Flow from Financing Activities</b>		
Net Proceeds /Repayment of Working capital facilities and short term loans	(45,323.22)	(394.31)
Interest Paid	(5,026.99)	(4,151.71)
<b>Net Cash from Financing Activities</b>	<b>(50,350.21)</b>	<b>(4,546.02)</b>
<b>Net increase in cash and Cash Equivalent (A+B+C)</b>	<b>4,228.98</b>	<b>(3,969.27)</b>
<b>Cash and Cash Equivalent as at 1st April (Opening Balance)</b>	<b>642.77</b>	<b>4,612.04</b>
<b>Cash and Cash Equivalent as at 31st March (Closing Balance)</b>	<b>4,871.75</b>	<b>642.77</b>
<b>Closing Cash and Cash Equivalents</b>		
<b>Represented By :</b>		
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
<b>Total</b>	<b>4,871.75</b>	<b>642.77</b>

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/-  
**Anupam Misra**  
 Director (Marketing)  
 DIN 07637439

 Sd/-  
**Kishor Rungta**  
 Chairman & Managing Director  
 DIN 00231106

 Place: Kochi  
 Date: 06-11-2020

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



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

#### B. Other Equity

₹ in Lakh

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

Particulars	Reserves and Surplus			Equity Instrument Through Other Comprehensive Income	Total
	Capital Reserve	Retained Earnings	Government Grant		
<b>Balance as on 01.04.2018</b>	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)
<b>Restated Balance at the beginning of the reporting period</b>	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
<b>Total Comprehensive Income for the year</b>		17,089.81		978.97	18,068.79
Transfers(if any)	-	-	(1.89)	-	(1.89)
<b>Balance as on 31.03.2019</b>	<b>2.64</b>	<b>(218,532.41)</b>	<b>56.23</b>	<b>6,539.63</b>	<b>(211,933.90)</b>

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

Sd/-

**Anupam Misra**

Director (Marketing)

DIN 07637439

Sd/-

**K V Balakrishnan Nair**

Company Secretary & Executive Director (Finance)

For and on behalf of the Board of Directors

Sd/-

**Kishor Rungta**

Chairman & Managing Director

DIN 00231106

Place: Kochi

Date: 06-11-2020

## **THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

### **A Statement of Significant Accounting Policy forming part of Consolidated 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 2020.

#### **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.

## **THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

- 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.

## **THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

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) Commitments**

#### **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.

## **THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

### **ix) Revenue Recognition**

The revenue is recognised as and when control of goods or services is transferred to the customer at the amount which the Company expects to be entitled to. The Company adopted the 'Input method' as per Ind AS 115 for recognition of revenue.

Recognition of subsidy is generally made on the basis of in principle recognition / approval/ settlement of claims by the Government of India as per the policy in force.

Other income is recognized on an accrual basis.

Dividend income is recognized when right to receive dividend is established.

Interest income is recognized when no significant uncertainty as to its realization exists.

Scrap, salvaged / waste materials and sweepings are accounted for on realization.

Claims on underwriters, carriers and on Customs and Central Excise Departments are taken into account on acceptance.

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

### **x) Leases**

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

#### **Company as a lessee**

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

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

#### **Company as a lessor**

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

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

### **xi) Foreign Currency Transactions:**

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

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

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

### **xii) Employee Benefits**

#### **Short Term Employee Benefits**

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

#### **Post 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 FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

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

Re-measurements, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurements recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- i) service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- ii) net interest expenses or income; and re-measurements

The Company presents the first two components of defined benefit costs in the Statement of profit and loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

### **xiii) Grants**

Government grants in the nature of promoters' contribution are credited to Capital reserve and treated as part of Shareholders funds.

In case of depreciable assets, the cost of the asset is shown at gross value and grant thereon is treated as Capital Grants which are recognized as income in the statement of Profit and Loss over the period and in the proportion in which depreciation is charged.

Revenue grants relating to revenue expenses are deducted from the respective expenses.

In respect of revenue grants released by Government, the treatments in the accounts are considered as per the respective schemes notified by the Government. Other revenue grants relating to revenue expenses are considered as income and credited to statement of Profit and Loss.

### **xiv) Taxes**

Provision for current tax is made in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised using the Balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements.

Deferred tax assets are not recognized unless, in the management judgment there is a virtual certainty 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.

## THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

**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.

## **THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

### **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.

## **THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

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.

## THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

### NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

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	(Withdrawal)/ Provision during the year	Upto 31.03.2020	As at 31.03.2020	As at 31.03.2019
<b>Tangible assets</b>														
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	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	1,740.33	-	-	(69.09)	7,137.54	(186.65)	66.06	21,389.39	21,611.42
Furniture and Fixtures	34.11	3.02	(0.01)	-	37.12	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	102.33	(1.27)	-	-	253.29	-	-	475.30	202.12
Others:-														
Roads & Culverts	338.17	-	-	-	338.17	16.60	-	-	-	79.47	-	-	258.71	275.29
Railway Sidings	15.62	-	-	-	15.62	-	-	-	-	15.62	-	-	15.62	15.62
Misc. Assets	196.20	5.62	-	-	201.82	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	0.024	7.84	-	-	8.08	7.83	-	-	-	8.07	-	-	-	-
<b>Total</b>	<b>35,577.71</b>	<b>2,301.42</b>	<b>(142.74)</b>	<b>-</b>	<b>37,736.39</b>	<b>1,948.88</b>	<b>(2.67)</b>	<b>-</b>	<b>-</b>	<b>7,863.99</b>	<b>(186.65)</b>	<b>69.19</b>	<b>29,803.23</b>	<b>29,404.03</b>
<b>Previous year</b>	<b>33,360.02</b>	<b>2,231.20</b>	<b>(13.55)</b>	<b>-</b>	<b>35,577.67</b>	<b>2,325.61</b>	<b>(12.18)</b>	<b>-</b>	<b>-</b>	<b>5,917.80</b>	<b>(37.45)</b>	<b>255.84</b>	<b>29,404.03</b>	<b>29,462.42</b>

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 (CoK) (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/ID 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 considerably. 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)

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

₹ in lakh

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

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
	<b>3899.46</b>	<b>1791.91</b>

**Note No. 1B Other Intangible Assets:-**

Particulars	DEEMED COST / COST				AMORTIZATION			IMPAIRMENT LOSS		NET BLOCK				
	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- wa)/ Provision during the year	Upto 31.03.2020	As at 31.03.2019
Computer Software	155.08	-	-	-	155.08	13.42	31.02	-	-	44.44	-	-	110.64	141.66
<b>Total</b>	<b>155.08</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>155.08</b>	<b>13.42</b>	<b>31.02</b>	<b>-</b>	<b>-</b>	<b>44.44</b>	<b>-</b>	<b>-</b>	<b>110.64</b>	<b>141.66</b>

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

**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
<b>Opening Balance</b>		
Land	6.50	6.50
Building	3.30	3.30
<b>Total</b>	<b>9.80</b>	<b>9.80</b>
<b>Addition</b>		
Land	0.00	0.00
Building	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>
<b>Closing Balance</b>		
Land	6.50	6.50
Building	3.30	3.30
<b>Total</b>	<b>9.80</b>	<b>9.80</b>
<b>Depreciation</b>		
<b>Building</b>		
<b>Opening Balance</b>	0.30	0.20
Current Year	0.10	0.10
<b>Closing Balance</b>	<b>0.40</b>	<b>0.30</b>
<b>Net Block</b>		
Land	6.50	6.50
Building	2.90	3.00
<b>Total</b>	<b>9.40</b>	<b>9.50</b>

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
<b>Profit arising from Investment Property</b>	<b>99.02</b>	<b>99.02</b>

**Reconciliation of fair value**

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

Fair Value of Freehold Land is based on the notification issued by the Government of Kerala in their website. Management assumes the original 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

<b>Note No. 3A Joint Venture Investments</b>		
<b>Particulars</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
<b>FACT-RCF Building Products Ltd</b> 3,28,70,000 (Previous year 3,28,70,000) Equity Shares of ₹ 10/- each	0.00	0.00
<b>Kerala Enviro Infrastructure Ltd</b> 31,24,000 (Previous year 31,24,000) equity shares of ₹10/- each fully paid-up	514.52	434.86
	<b>514.52</b>	<b>434.86</b>
<b>Investment in Joint Venture</b> *Reconciliation of fair value measurement of the investment in unquoted equity shares		
<b>FACT-RCF Building Products Ltd</b> 3,28,70,000 equity shares (Previous Year 3,28,70,000) of ₹10 each	0.00	0.00
<b>Carrying Value</b>		
<b>Kerala Enviro Infrastructure Ltd</b> *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
<b>Closing Balance</b>	<b>514.52</b>	<b>434.86</b>
		₹ In Lakh
<b>Note 3 B Non Current Asset - Financial Asset - Investments</b>		
<b>Particulars</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
<b>Travancore Cochin Chemicals Ltd.,</b> 6,81,820(Previous year 6,81,820)Equity Shares of ₹10/- each including 3,40,910 Bonus shares.	200.93	134.69
<b>Capexil Agencies Ltd.</b> 15 (Previous year 15) Equity Shares of ₹1000/- each fully paidup	0.00	0.00
<b>Indian Potash Ltd.</b> 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
	<b>7,296.53</b>	<b>6,470.32</b>
<b>Shares in Co-Operative Societies:</b>		
<b>FACT Co-operative Society Ltd</b> 10,001 (Previous year 10,001) shares of ₹10/- each fully paid-up	1.00	1.00
<b>Meherabad Co-operative Housing Society Ltd</b> 7 (Previous year 7) shares of ₹100/- each fully paid-up	0.01	0.01
<b>Good Earth Housing Society Ltd.</b> 10 (Previous year 10) shares of ₹50/- each fully paid-up ₹500 (Previous year Rs 500)	0.01	0.01
	1.02	1.02
<b>Total Investments</b>	<b>7,297.55</b>	<b>6,471.34</b>
<b>Aggregate amount of unquoted investments</b>	7,812.07	6,906.20
<b>Aggregate amount of impairment in the value of investments</b>	0.00	0.00
*Reconciliation of fair value measurement of the investment in unquoted Equity shares of Travancore Cochin Chemicals Ltd (TCC)		
<b>Travancore Cochin Chemicals Ltd</b>		
Opening balance	134.69	94.31
Total Gains and losses recognised in OCI	66.24	40.38
<b>Closing Balance</b>	<b>200.93</b>	<b>134.69</b>

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

₹ In Lakh

<b>Capexil Agencies Ltd.</b>		
*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
<b>Closing Balance</b>	<b>0.00</b>	<b>0.00</b>
<b>Indian Potash Ltd</b>		
*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
<b>Closing Balance</b>	<b>7,095.60</b>	<b>6,335.63</b>

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
<b>From related party</b>		
Considered doubtful	297.72	280.42
Less: Provision for Doubtful Debts	297.72	280.42
	<b>0.00</b>	<b>0.00</b>
<b>Others</b>		
Secured		
Considered doubtful	1,627.16	1,530.96
Less Provision for Doubtful Debts	1,627.16	1,530.96
	0.00	0.00
	<b>0.00</b>	<b>0.00</b>

**The disclosure of movement as required under Indian Accounting Standard 37 Provisions, Contingent Liabilities 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
<b>Provision at the end of the year</b>	<b>1,924.88</b>	<b>1,811.38</b>

**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
	<b>945.57</b>	<b>964.26</b>

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.

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

₹ In Lakh

<b>Note No. 6. Non current Assets - Financial assets- Other Financial Assets</b>		
<b>Particulars</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
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 Doubtful	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
	<b>4,818.67</b>	<b>13.64</b>
The disclosure of provisions movement as required under Indian Accounting Standard 37 Provisions, Contingent Liabilities and Contingent Assets		
<b>Allowance for bad &amp; doubtful Loans and advances</b>		
<b>Particulars</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
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	<b>21,198.59</b>	<b>18,069.04</b>
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 .		
<b>Note No. 7. Non Current Assets - Other Non Current Assets</b>		
<b>Particulars</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
Capital Advances (Unsecured Considered Good)	136.10	138.65
Tax Deducted at Source including Advance Tax (net of Provision)	575.86	58.63
	<b>711.96</b>	<b>197.28</b>
<b>Deferred tax assets (net)</b>		
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)		

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

₹ In Lakh

<b>Note No. 8. Current Assets - Inventories</b>		
<b>Particulars</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
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	<b>59,666.04</b>	<b>68,602.16</b>
Less: Provision towards obsolescence and storage losses	3,339.47	3,401.44
	<b>56,326.57</b>	<b>65,200.72</b>

**Notes**

- 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)
- 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.
- 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.
- 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 )**

<b>Particulars</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
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	<b>3,339.47</b>	<b>3,401.44</b>

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

<b>Particulars</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
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
	<b>39,016.23</b>	<b>40,530.53</b>

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

**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
	<b>4,871.75</b>	<b>642.77</b>

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
	<b>61,844.98</b>	<b>6,824.53</b>

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
	<b>46.27</b>	<b>52.32</b>

**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
	<b>19,184.55</b>	<b>41,750.55</b>

Other Accrued 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
	<b>1,005.36</b>	<b>513.90</b>

**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
	<b>30,825.14</b>	<b>36,474.03</b>

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 Liquefied 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
<b>Authorised:</b> 100,00,00,000 (Previous year 100,00,00,000) Equity Shares of ₹10/-each	100,000.00	100,000.00
<b>Issued, Subscribed and fully Paid up:</b> 64,70,71,974 (Previous year 64,70,71,974) Equity Shares of ₹10/- each fully paid up	<b>64,707.20</b>	<b>64,707.20</b>

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**

- 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**
- 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 constituted by the Government of India		
- No of Shares	55,400,424.00	55,400,424.00
- Percentage of Total Shares	8.56%	8.56%

- 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.

- Shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.

- Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash
- Aggregate number and class of shares allotted as fully paid up by way of Bonus shares
- Aggregate number and class of shares bought back

- 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
<b>Capital Reserves:</b>		
Subsidy from Kerala State Government under Industrial Housing Scheme	2.64	2.64
	<b>2.64</b>	<b>2.64</b>
<b>Other Reserves:</b>		
<b>Deferred Government Grant :</b>		
Indo EEC Fertiliser Education Project		

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

**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
<b>Equity Instruments through other Comprehensive Income</b>		
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
<b>Retained Earnings:</b>		
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	<b>(121,352.73)</b>	<b>(218,532.40)</b>
Other equity	<b>(113,850.23)</b>	<b>(211,933.90)</b>

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
	<b>90,564.38</b>	<b>179,598.75</b>

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**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

**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
	<b>19,231.83</b>	<b>17,326.61</b>

**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
	<b>692.14</b>	<b>755.82</b>
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
	<b>2,469.95</b>	<b>47,793.18</b>

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
	<b>21,141.21</b>	<b>41,896.87</b>

**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
	<b>171,269.24</b>	<b>86,567.19</b>

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

**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
	<b>2,836.23</b>	<b>2,925.97</b>

**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
	<b>2,169.90</b>	<b>1,780.14</b>

**Note No. 26. Revenue from operations**

₹ In Lakh

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
<b>Sale of products</b>		
Own Products	182,491.00	133,874.84
Traded Products	6,046.74	887.34
	<b>188,537.74</b>	<b>134,762.18</b>
Subsidy/Concession on Fertilisers	86,484.97	58,648.67
	<b>86,484.97</b>	<b>58,648.67</b>
<b>Sale of Services</b>		
Gross income from contracts and other services	1,968.50	2,048.25
<b>Total Revenue from operations</b>	<b>276,991.21</b>	<b>195,459.10</b>
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	<b>182,491.00</b>	<b>133,874.84</b>
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	<b>6,046.74</b>	<b>887.34</b>
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	<b>86,484.97</b>	<b>58,648.67</b>

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 subsidy portion of the stock with dealers, pending sale to ultimate beneficiary, is ₹14495.83 lakh (Previous Year ₹9940.73 lakhs)

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

₹ In Lakh

<b>Note No. 27. Other income</b>		
<b>Particulars</b>	<b>Year ended 31.03.2020</b>	<b>Year ended 31.03.2019</b>
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
	<b>3,151.26</b>	<b>2,269.68</b>

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**

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

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**

<b>Particulars</b>	<b>Year ended 31.03.2020</b>	<b>Year ended 31.03.2019</b>
Complex Fertilisers/ Organic Manures	7,213.53	240.21
	<b>7,213.53</b>	<b>240.21</b>

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

<b>Particulars</b>	<b>Year ended 31.03.2020</b>	<b>Year ended 31.03.2019</b>
<b>Opening stock</b>		
Finished Goods	34,681.71	26,476.67
Stock-in-trade	44.09	525.73
Work-in progress	1,501.58	1,527.09
	<b>36,227.38</b>	<b>28,529.49</b>
<b>Closing stock</b>		
Finished Goods	32,292.49	34,681.71
Stock-in-trade	167.13	44.09
Work-in- progress	2,908.16	1,501.58
	<b>35,367.78</b>	<b>36,227.38</b>
Changes in inventories: (Increase)/ Decrease	<b>859.60</b>	<b>(7,697.89)</b>

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

₹ In Lakh

<b>Note No. 31. Employee benefits expense</b>		
<b>Particulars</b>	<b>Year ended 31.03.2020</b>	<b>Year ended 31.03.2019</b>
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
	<b>23,302.20</b>	<b>22,980.55</b>
<p>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.</p>		
<b>Note : Remuneration to Directors</b>		
<b>Particulars</b>	<b>Year ended 31.03.2020</b>	<b>Year ended 31.03.2019</b>
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
	<b>56.75</b>	<b>30.46</b>
<b>Note No. 32. Finance costs</b>		
<b>Particulars</b>	<b>Year ended 31.03.2020</b>	<b>Year ended 31.03.2019</b>
<b>Interest</b>		
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
<b>Net loss on foreign currency transactions &amp; translations</b>		
Exchange rate variation & premium on forward exchange contract on buyer's credit	0.00	(14.38)
	<b>28,928.57</b>	<b>28,053.29</b>
<b>Note No. 33. Other expenses</b>		
<b>Particulars</b>	<b>Year ended 31.03.2020</b>	<b>Year ended 31.03.2019</b>
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
	<b>66,180.31</b>	<b>42,906.71</b>
Less : Allocated Expenses [net of income from inter-divisional jobs of ₹1385.27 lakh] (Previous year ₹1314.86 lakh)	<b>(838.01)</b>	<b>(837.71)</b>
	<b>65,342.30</b>	<b>42,069.00</b>

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

**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
<b>Total</b>	<b>23.66</b>	<b>20.66</b>

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
	<b>97,216.52</b>	<b>43,389.77</b>

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
<b>Basic/ Diluted earnings per Share (₹)</b>	<b>15.08</b>	<b>2.51</b>

**Note No. 36. Corporate Social Responsibility**

The Corporate Social Responsibility (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 preceding 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 rejuvenation and recommissioning expenses and the same has been included under Capital Work in progress( refer Note 1A)

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

**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.

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

**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
<b>Financial Assets</b>				
Financial Assets				
Investment in Unquoted Equity Shares 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	
<b>Financial Liabilities</b>				
Amount Payable under forward exchange contracts	1,594.54		31,034.59	
<b>Assets for which Fair values are disclosed</b>				
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.

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

₹ In Lakh

**40 . Financial Instrument Classification**

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Financial Assets</b>		
<b>Financial Assets at Amortised Cost</b>		
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
	<b>129,059.79</b>	<b>60,562.20</b>
<b>Financial Assets at Fair Value through Other Comprehensive Income:</b>		
Equity Investments	7,297.55	6,471.34
<b>Financial Assets at Fair Value through Profit and Loss Statement:</b>		
Foreign Currency Receivable on Forward exchange contract	1,668.23	30,216.40
	<b>8,965.78</b>	<b>36,687.74</b>
<b>Financial Liabilities</b>		
<b>Financial Liability at Amortised Cost</b>		
Borrowings	93,034.33	227,391.93
Trade Payables	21,141.21	41,896.87
Other Financial Liabilities	169,674.70	55,532.60
	<b>283,850.23</b>	<b>324,821.40</b>
<b>Financial Liabilities at Fair Value through Profit and Loss Statement:</b>		
Liability on Forward Exchange contract	1,594.54	31,034.59
	<b>1,594.54</b>	<b>31,034.59</b>

**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

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

₹ In Lakh

**(B) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

**Financing arrangements**

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 Company.

**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 / Transmission Charges	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	Intercompany Loan	0.00	2,550.00
Rashtriya Chemicals and Fertilisers Ltd	Interest payment on Intercompany 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

SI 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:

SI.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:

SI. 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 condition 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

- Sri Kishor Rungta, Chairman and Managing Director (from 02.02.2019)
- Shri.A.Ganesan, Director(Finance) from 28.08.2019 & Chief Financial Officer (From 21.09.2019 )
- Shri D Nandakumar, Director (Marketing) ( up to 31.05.2019)
- Shri K V Balakrishnan Nair, Company Secretary & Executive Director (Finance)
- Shri.Pradeep Kumar.C, Chief Financial Officer (from 29.01.2019 to 20.09.2019)

#### Transactions with related parties:

Remuneration to key management personnel :

SI 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
		<b>83.71</b>	<b>51.76</b>

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.

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

**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 Fertilizers 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 (Audited)	As at 31.03.2019 (Audited)
Non-Current Assets	398.88	6,548.19
Cash and Cash Equivalent	0.97	101.60
Current Assets other than Cash and Cash Equivalents	1,502.84	1,539.71
Non-Current Liabilities	4,657.66	4,192.50
Current Liabilities	9,552.72	9,155.98
Equity	(12,307.69)	(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 (Audited)	2018-19 (Audited)
Income	1,683.67	1,660.76
Cost of materials consumed	185.21	373.00
Changes in inventories	227.01	(99.15)
Depreciation and amortization expense	6,523.59	912.44
Finance costs	482.74	432.69
Employee benefits expenses	326.80	379.73
Other Expenses	1,087.03	1,016.16
Exceptional items	-	1,083.12
Loss from continuing operations	(7,148.71)	(270.99)
Total comprehensive income for the year	(7,148.71)	(270.99)
Company's Share of profit / loss for the year	(3,574.36)	(135.50)

\* Owing to the company's share of losses exceeding its interest in the joint venture recognising the share of loss stands discontinued. Accordingly company has not recognized share of loss of ₹3574.36 lakh for the year (Previous Year ₹135.50 lakh) and ₹9676.55 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.

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, 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 ( Audited)	As at 31.03.2019 (Audited)
Non-Current Assets	2,398.80	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	201.06	313.04
Equity	2,005.04	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 (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
Operating expenses	734.28	637.41
Other Expenses	429.49	335.46
Profit before Tax	460.72	657.21
Current Tax	75.71	123.35
MAT Credit Entitlement	-	41.40
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

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

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

The business segments are:-

Segment

Fertiliser

Petrochemical

Products

Ammonium Phosphate, Ammonium Sulphate, Mixtures , MOP

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

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

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

**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 &amp; 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	
	Leave encashment (Unfunded)	Gratuity (Funded)	Leave encashment (Unfunded)	Gratuity (Funded)	CLR Gratuity (Unfunded)	Gratuity (Funded)
	31-03.2020	31-03.2019	31-03.2020	31-03.2019	31-03.2020	31-03.2019
<b>a. Changes in the present value of obligations</b>						
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
Actuarial 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>b. Changes in the fair value of plan assets</b>						
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
<b>c. Amount recognised in Balance sheet</b>						
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
<b>d. Expenses recognised in the Statement of Profit and Loss during the year</b>						
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
Actuarial 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
<b>Investment details</b>	% 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	-	-
<b>Actuarial assumptions</b>						
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

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

**45. NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

	₹ in Lakh		₹ in Lakh	
	Trust managed Provident Fund Udyogamandal		Trust managed Provident Fund Cochin Division	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
<b>a. Changes in the present value of obligations</b>				
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)
Actuarial 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>b. Changes in the fair value of plan assets</b>				
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)
Actuarial 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
<b>c. Amount recognised in Balance sheet of the Trust</b>				
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)
<b>d. Expenses recognised in the Statement of Profit and Loss of the Trust during the year</b>				
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 actuarial (gain) / loss recognised during the year	(2610.10)	(4815.31)	(346.82)	(411.93)
Total Expenses	944.80	(1067.56)	46.65	3.48

## THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

### 46. Contingent Liabilities and Commitments (to the extent not provided 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 mobilisation 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 Engineering and Design Organisation (FEDO), for National Institute of Technology (NIT), Nagaland, as an executing agency, on a cost plus basis, as a deposit work, FEDO is eligible for certain percentage of fees of total project cost. As per technical evaluation, 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.

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

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

For and on behalf of the Board of Directors

 Sd/-  
**Anupam Misra**  
 Director (Marketing)  
 DIN 07637439

 Sd/-  
**Kishor Rungta**  
 Chairman & Managing Director  
 DIN 00231106

 Place: Kochi  
 Date: 06-11-2020

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

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

**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%
	<b>2778.77</b>		<b>2727.53</b>	

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
		<b>94422.25</b>	<b>124878.12</b>

**3 A Expenditure in foreign currency (Cash Basis)**

(i) Consultancy service	0.00	0.00
(ii) Others	55.74	184.39
	<b>55.74</b>	<b>184.39</b>

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

**59. NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

COST OF MATERIALS CONSUMED		2019-20				2018-19			
		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	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
	<b>TOTAL</b>	<b>12817.41</b>	<b>146076.83</b>	<b>9480.20</b>	<b>149414.04</b>	<b>4637.68</b>	<b>142801.52</b>	<b>12817.41</b>	<b>134614.51</b>

\*\*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

60. Consolidated Financial Statements of the Company were prepared based on the Management certified Financial Statements of its Joint Venture/ Associate, as they are not material to the Company, and the same was approved by the Board of Directors on 25.06.2020, though not adopted by the Annual General Meeting of the Company.. As per the directions received from the Comptroller & Auditor General of India, vide letter No.890-PDA/Co/A/cs/FACT/2020-21 dated 18.09.2020, Company has been asked to resubmit the Consolidated Financial Statements based on the Audited Financial Statements in respect of the Joint Venture/ Associate viz FACT-RCF Building Products Ltd and Kerala Enviro Infrastructure Ltd. On receipt of the Audited Financial Statements of the above mentioned Joint Venture/ Associate, Consolidated Financial Statements of the Company stands duly revised and will be notified to all concerned.

As the Company has made full provision towards the value of investment and the receivables with respect to FACT-RCF Building Products Ltd and as there is no change in the figures of the Audited and Management certified Financial Statements of Kerala Enviro Infrastructure Ltd, there is no impact on the Consolidated Financial Statements of the Company, based on the Audited Financial Statements of the Joint venture/Associate.

Other disclosures relating to Summarised financial information of Company's investment in FACT- RCF Building Products Ltd and Kerala Enviro Infrastructure Ltd, stand revised which is explained in detail under Note 43 above