

ENRICHING AGRICULTURE ENRICHING NATION

74TH

वार्षिक रिपोर्ट
ANNUAL
REPORT
— 2017-2018 —



FACT

प्रगति के पथप्रदर्शक
PIONEERS IN PROGRESS

द फर्टिलाइज़र्स एण्ड केमिकल्स ट्रावन्कोर लिमिटेड
(भारत सरकार का उद्यम)

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED
(A Government of India Enterprise)



FACT bagged first prize (C Region) for the best performance in the implementation of official language during the year 2017-18. Shri. Manoj Mishra, C & M D receives the Golden Shield.

BOARD OF DIRECTORS



Shri Manoj Mishra
Chairman & Managing Director



Shri U Saravanan
Director (Technical)



Shri D Nandakumar
Director (Marketing)



Shri Sanjai Maheshwari
Director (Finance)



Ms Alka Tiwari
Govt. Nominee Director



Ms Gurveen Sidhu
Govt. Nominee Director



Shri K P S Nair
Independent Director



Dr S Murali
Independent Director



Dr G Manohar Reddy
Independent Director



Dr. Jyoti Kaushal Sheth
Independent Director



Prof. B Vijayakumar
Independent Director

CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri Manoj Mishra, Chairman & Managing Director

Shri U Saravanan, Director (Technical)

Shri D Nandakumar, Director (Marketing)

Shri Sanjai Maheshwari, Director (Finance)

Ms Alka Tiwari, Govt. Nominee Director

Ms Gurveen Sidhu, Govt. Nominee Director

Shri K P S Nair, Independent Director

Dr. S Murali, Independent Director

Dr. Gangidi Manohar Reddy, Independent Director

Dr. Jyoti Kaushal Sheth, Independent Director

Prof. B Vijayakumar, Independent Director

Shri S K Lohani, Chairman & Managing Director (Up to 15.02.2018)

Shri Suresh Warrior, Director (Finance) (Up to 30.11.2017)

CHIEF VIGILANCE OFFICER

Shri T R Shaji

CHIEF GENERAL MANAGERS

Smt I S Ambika (Training & Development)

Shri N Ramakrishnan (Production Co-ordination)

Shri A S Kesavan Namboothiri (Udyogamandal Complex)

COMPANY SECRETARY

Shri K V Balakrishnan Nair

AUDITORS

Statutory Auditors

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

Cost Auditors

M/s. BBS & Associates
Cost Accountants, Kochi

Branch Auditors

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

Secretarial Auditors

M/s. SVJS & Associates
Company Secretaries, Kochi

BANKERS

State Bank of India
Bank of India
Dena Bank

Bank of Baroda
Canara Bank

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala



CHAIRMAN'S MESSAGE

Dear Shareholders,

It gives me immense pleasure to present to you the 74th Annual Report for the year 2017-18. As all of you are aware, this is my maiden address to the esteemed shareholders of FACT, a moment I cherish to the core of my heart.

Despite many challenges, your Company has performed comparatively well during the financial year 2017-18. Among other achievements, the production of Factamfos and Ammonium Sulphate for the financial year 2017-18 have increased by 4.8 % and 17.8% respectively as compared to previous year. The production of Ammonium Sulphate remained highest in the past seven years. The fertiliser sales also registered a growth of 13.63% as compared to previous year, which is also the highest in the last four years.

Before deliberating on the performance, I would like to briefly talk about the state of economy and in particular fertilizer scenario during 2017-18.

Economic Scenario & Fertilizer Industry

India is one of the fastest growing major economy, picking up 7.7% jump in GDP during the quarter ended March 2018 and it is estimated that Indian Economy will grow 7-7.5% in the financial year 2018 -19.

Industrial growth also recovered with the index of Industrial production registering an impressive growth rate of 7.5% in January 2018 as compared to 2.4% in January 2017. Rapid growth in agriculture (4.5%), manufacturing (9.1%) and construction sectors (11.5%) contributed to the overall growth. As India is poised to emerge as a super economic power in the near future, the agriculture sector backed by a vibrant fertilizer industry is the key to our sustained growth and development.

Indian Fertiliser Industry is anticipated to witness robust growth in the coming years owing to increasing demand for agricultural products in the country. Expansion of Fertilizer production

capacities in India along with increasing Government initiatives towards the reduction of imports of fertilisers are further anticipated to boost the growth of Indian Fertilizers Market in the coming years.

The primary fertiliser sales witnessed a modest growth of around 2% in financial year 2017-18. The fertiliser sales growth is back on a positive trajectory post a 7% decline witnessed in 2016-17. The financial performance of fertilizer industry continued to remain moderate in the financial year 2017-18.

The Cabinet Committee on Economic Affairs has approved an increase in the nutrient based subsidy rates for phosphate and sulphur for the financial year 2018-19. Government of India had increased the subsidy allocation for P & K Fertilisers to Rs 250 billion for the year 2018-19 from Rs 222 billion in Financial Year 2017-18. These are positive signs for FACT.

While raw material prices had remained subdued for the P&K fertiliser manufacturers for major parts of the Financial Year 2017-18, the Phos Acid and Sulphur prices have firmed up in recent months. Dependence on import of feed stock and raw materials and its high cost, unfavourable exchange rate variations are the major challenges being faced by Fertiliser Industry in India.

Performance of FACT

I am happy to inform you that FACT is on a turnaround stage. During the Financial Year 2017-18, the Company achieved a turnover of Rs 1970 Crore as compared to Rs 1901 crore for the year 2016-17. The earnings before interest, depreciation and Taxes (EBDITA) improved from Rs 63 Crore for the Financial Year 2016-17 to Rs 208 Crore for the year 2017-18. However, after considering huge interest and finance charges, the financial results show a loss of Rs 128 crore for the year 2017-18 as against Rs 235 crore for the previous year. The Financial statement for the year 2017-18 are the first financial statements of FACT under Indian Accounting Standard (Ind AS), a transition from previous Generally Accepted Accounting Principles (GAAP).



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

The production and marketing performance of the company is also gradually improving and during the Financial Year 2017-18 the company was able to maintain the momentum in Production and Marketing. The production of Factamfos and Ammonium Sulphate has increased as compared to previous year. Despite the South-West monsoon deficit, the fertiliser sale of your company improved significantly during 2017-18, the highest in last four years.

Man power

The Company considers its Human Resource as its most important asset and makes sustained efforts for the development of its manpower. The company is currently replenishing the depleting manpower strength through a major recruitment drive to address the serious problem of manpower scarcity arising out of superannuation of many experienced technical and other professionals. The company is recruiting about 100 new hands who will be the backbone of this company in the days to come. By moulding and motivating them with effective training and empowerment, the recruits will prove their mettle and assume greater responsibilities.

Financial Restructuring

As you may be aware, the Financial Restructuring Package submitted by your Company for the sustainable operation in the long run is under the consideration of Government of India. The leveraging of land resources has earnestly begun with the execution of sale deed for the sale of 151 Acres of land to BPCL Kochi Refinery. Serious deliberations are being held at various levels regarding how to proceed further and also as the ways of utilisation of the proceeds in our kitty. I can assure you that every single penny will be utilized with long term benefit of FACT as the only motive. On approval of the Financial Restructuring Package, FACT would become profitable venture from the financial year 2018-19 onwards.

Awards and Recognitions

I am pleased to inform you that during the year 2017-18, FACT received a number of awards in different areas of activities and the details are mentioned in the Management Discussion and Analysis Report. During the current calendar year, FACT Cochin

Division received the Award of appreciation from Kerala State Pollution Control Board, for its efforts in pollution control and initiative in Environmental Protection in the category of very large industries in Kerala

The company was awarded first prize in Official Language Implementation in "C" Region by Hindi Salahkar Samiti of Ministry of Chemicals & Fertilizers.

Corporate Governance:

FACT has committed to conform to all relevant directives and guidelines of Government and statutory authorities relating to corporate governance. Your company continues to adopt the best practices in the industry to ensure transparency, integrity and accountability.

Acknowledgement

I hereby place on record my sincere thanks to my colleagues on the Board of Directors for their advice and support, the Officers' Forums, the Trade Unions and all the employees of the company for their dedicated efforts and unstinted support for overcoming various challenges facing the company and for their contribution for the revival and sustainable growth of FACT.

I also thank various departments of Government of India, in particular the Department of Fertilizers for the support given to FACT. I also extend my gratitude to the various departments of the Government of Kerala for their support and cooperation.

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

As I conclude, I sincerely thank each and every one of you, our shareowners, for the confidence and trust you have reposed on us. We will try our best to meet your expectations.

Jai Hind

(Manoj Mishra)

Place: Noida
Date: 16-08-2018

Chairman & Managing Director
DIN-06408953



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

CIN: L24129KL1943GOI000371

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

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

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 74th Annual General Meeting of the members of The Fertilisers and Chemicals Travancore Ltd will be held on Monday, the 24th September, 2018, at 2.30 P.M. at Udyogamandal Club at Eloor, Udyogamandal, Kochi, to transact the following business:

Ordinary Business

1. To receive, consider and adopt (a) the audited stand alone financial statements of the Company for the financial year ended 31st March, 2018, and Reports of the Board of Directors and Auditors thereon; and (b) the audited consolidated financial statements of the company for the financial year ended 31st March, 2018 and Report of Auditors thereon and in this regard pass the following resolutions, as ordinary resolutions.
 - (a) RESOLVED THAT the audited Standalone Financial Statements of the Company for the year ended 31st March, 2018 and the reports of the Board of Directors and Auditors thereon be and are hereby considered, approved and adopted.
 - (b) FURTHER RESOLVED THAT the audited Consolidated Financial Statements of the Company for the year ended 31st March, 2018 and the report of the Auditors thereon be and are hereby considered, approved and adopted.
2. To fix the remuneration of Statutory Auditors and Branch Auditors for the Financial Year 2018-19 and in this regard, pass the following resolution as an ordinary resolution.

RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to fix remuneration of the Statutory Auditors and Branch Auditors appointed by the Comptroller and Auditor General of India for the financial year 2018-19.
3. To elect Smt. Alka Tiwari, Director, who retires by rotation at this Annual General Meeting and being eligible, offers herself for re-election and in this regard, pass the following resolution as an ordinary resolution.

RESOLVED THAT Smt. Alka Tiwari, Joint Secretary, Department of Fertilisers, Ministry of Chemicals and Fertilisers, New Delhi, be and is hereby elected as a Director of the Company.

Special Business

4. To elect Ms. Gurveen Sidhu, as a Director on the Board of Directors of the Company.

The Company has received notice in terms of Section 160 (1) of the Companies Act, 2013 proposing to elect Ms. Gurveen Sidhu (DIN No.08121526) as a Director of the Company at this Annual General Meeting.

Members may consider and if thought fit, pass with or without modification, the following resolution as an ordinary resolution.

RESOLVED THAT pursuant to the provisions of Section 160 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Rules made thereunder read with Articles of Association of the Company, Ms. Gurveen Sidhu, (DIN No.08121526), Joint Secretary, Department of Fertilisers, Ministry of Chemicals and Fertilisers, New Delhi, be and is hereby elected as a Director of the Company.
5. **Remuneration to Cost Auditors**

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

RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act 2013 and the Companies (Audit and Auditors) Rules 2014, the Cost Auditors appointed by the Board of Directors of the Company to conduct the audit of the cost records of the company for the financial year 2018-19 be paid the remuneration of ₹65,000/- plus out of pocket expenses (subject to a maximum of ₹10,000/-).

By Order of the Board of Directors.

Sd/-

(K.V. Balakrishnan Nair)

Company Secretary & GM (Fin)

Place : Eloor, Udyogamandal

Date : 16-08-2018



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Note:

1. The Register of Members will be closed from 18th September 2018 to 25th September 2018 (both days inclusive).
2. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member. The instrument appointing the proxy, in order to be effective, should, however, be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting. **A blank proxy form is annexed to the Annual Report and can also be downloaded from the website of the Company.**
3. Pursuant to Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 and Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules 2014, and Companies (Management and Administration) Amendment Rules, 2015, the Company is offering e-voting facility to its members. The Company engaged the services of M/s Central Depository Services (India) Limited (CDSL) to provide e-voting facility to members. Instructions and other information relating to e-voting are given in this notice under note No.7.
4. The relative explanatory statement required under Section 102 of the Companies Act, 2013 is given separately.
5. Relevant documents referred to in the Notice are open for inspection by the members at the registered office of the Company on all working days (that is, except Sundays and Public Holidays) during business hours upto the date of the Meeting. The above said documents will also be available for inspection by members at the Meeting.
6. Members, who have not registered their e-mail IDs so far, are requested to register their e-mail IDs for receiving all communications from the Company electronically.
7. Information and other instructions relating to e-voting are as under:
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL).
 - II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
 - III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 21-09-2018 (Friday) at 9.00 a.m. and ends on 23-09-2018 (Sunday) at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 17-09-2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.



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Registered Office : Eloor, Udyogamandal, Kochi, Kerala

- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

| For Members holding shares in Demat Form and Physical Form | |
|--|---|
| PAN | <p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account / folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field. |
| Dividend Bank Details OR Date of Birth (DOB) | <p>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.</p> <ul style="list-style-type: none"> 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 (iv). |

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant (The Fertilisers and Chemicals Travancore Ltd.) on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.



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- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- (xxii) The following person shall be responsible to address grievances concerned with facility for remote e-voting:
- Contact Name – Mr. Rakesh Dalvi, Designation - Manager, Address – 25th Floor, Marathon Futurex, N.M. Joshi Marg, Lower Parel East, Mumbai - 400013. Contact No.18002005533. Email id - helpdesk.evoting@cdslindia.com.
8. The voting rights of members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date.
 9. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e 17-09-2018 may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com
 10. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
 11. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper. A person who is not a member as on the cut-off date should take this notice for information purpose only.
 12. Shri M.C.Sajumon, Practising Company Secretary, Littonia Cottage, M.A. Balakrishnan Road, Kochi-682018, has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and conduct the remote e-voting process in a fair and transparent manner.
 13. The Chairman shall, at the AGM at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
 14. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
 15. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.fact.co.in and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the National Stock Exchange of India Ltd., Mumbai.

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

Item No. 4

Government of India, Ministry of Chemicals & Fertilisers, Department of Fertilisers, vide Order dated 10th April, 2018 notified the appointment of Ms. Gurveen Sidhu, Joint Secretary, Department of Fertilisers, as part-time (Official) Director on the Board of Directors of FACT. In order to comply with the provisions of Companies Act 2013, Ms. Gurveen Sidhu was appointed as an additional Director on the Board of Directors of FACT till the conclusion of the next Annual General Meeting of the Company. To comply with the provisions of Companies Act, 2013, it is proposed that Ms. Gurveen Sidhu may be elected as a Director on the Board of Directors of the Company.

No Director/Key Managerial Personnel/Relatives of the Directors and Key Managerial Personnel other than Ms. Gurveen Sidhu is concerned or interested in the Resolution.

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

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

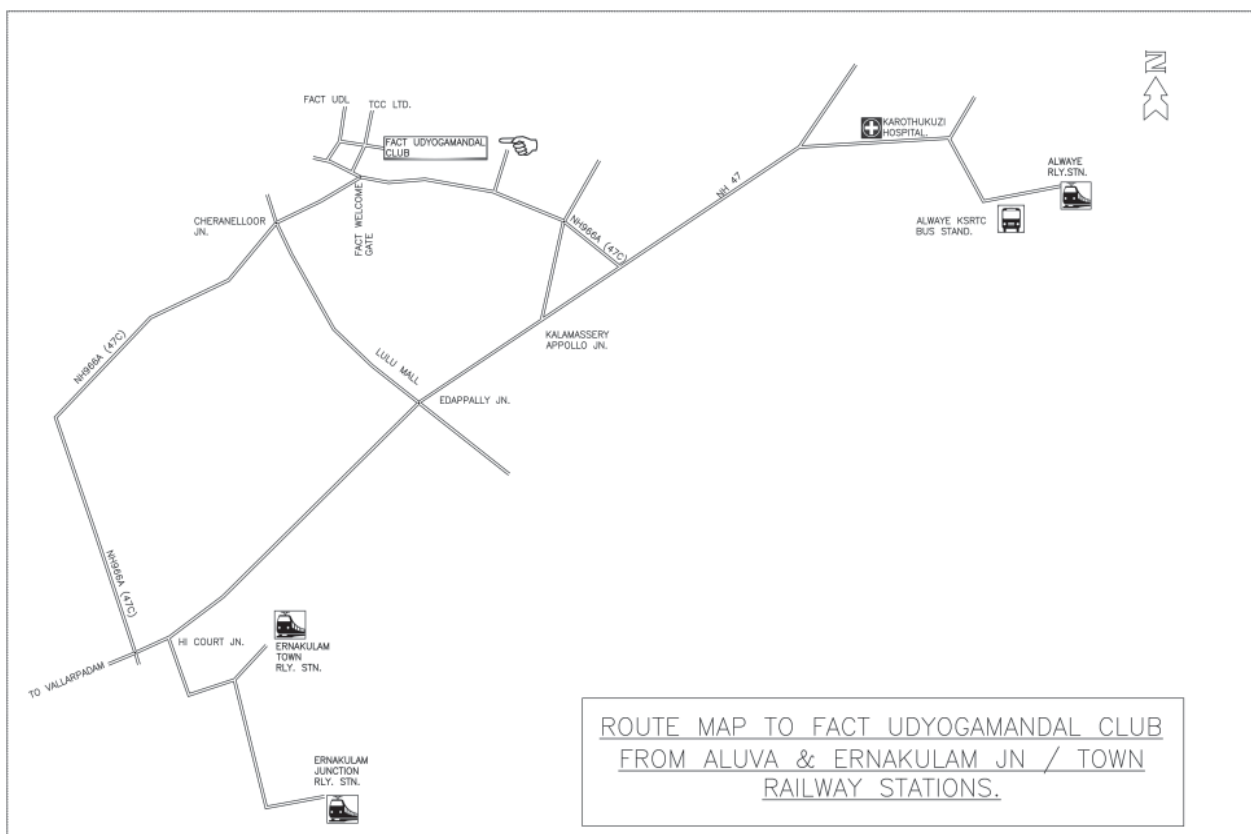
Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Item No. 5

The Board has approved the appointment of M/s BBS & Associates, Cost Accountants, Kochi, as Cost Auditors to conduct the audit of cost accounts of the Company for the financial year 2018-19 on a remuneration of Rs. 65,000/- plus out of pocket expenses (subject to a maximum of Rs.10,000/-). As per Rule 14 of Companies (Audit and Auditors) Rules, 2014 read with Section 148(3) of the Companies Act 2013, the remuneration approved by the Board of Directors has to be ratified subsequently by the shareholders. Accordingly the consent of the members is sought through an ordinary resolution for ratification of remuneration payable to the Cost Auditors for the financial year 2018-19.

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

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





THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Annexure to the Notice dated 16-08-2018

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

| | | |
|---|--|---|
| Particulars | Ms Alka Tiwari | Ms Gurveen Sidhu |
| Age | 53 | 50 |
| Qualifications | IAS | IA & AS |
| Experience/ Brief Resume | See Website www.fact.co.in | See Website www.fact.co.in |
| Terms & Conditions of Appointment | As per GOI notification No130/82003 -HR-1 dated 6th March 2017. Ms Alka Tiwari was appointed as a part time Government Nominee Director | As per GOI notification No130/8/2003-HR-1 dated 10th April 2018. Ms Gurveen Sidhu was appointed as a part time Government Nominee Director |
| Remuneration | NIL | NIL |
| Date of First Appointment on the Board | 21.04.2017 | 27.04.2018 |
| Shareholding in the Company as on 31st March, 2018 | NIL | NIL |
| Relationship / Other Directors/ Key Managerial Personnel | Not related to other Directors/Key Managerial Personal | Not related to other Directors/Key Managerial Personal |
| No. of Meetings of the Board attended during the year | 3 | NIL |
| Directorship of other Boards as on 31st March, 2018 | Rashtriya Chemicals & Fertilisers Ltd | Rashtriya Chemicals and Fertilisers Ltd. |
| Membership/ Chairmanship of Committees of other Boards as on 31st March, 2018 | NIL | NIL |

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 74th Annual Report and Audited Financial Statements of the Company and the report of the Auditors for the financial year ended March 31, 2018.

Your Directors are happy to inform you that your company is presenting the financial statements for the financial year 2017-18, as per the provisions of Ind As for the first time.

During the financial year 2017-18, the financial, production and marketing performance of your company has improved considerably as compared to previous year.

The company's Financial Performance for the year ended March 31, 2018 is summarized below:

| ₹ in crores | | |
|---|-----------|-----------|
| Particulars | 2017-18 | 2016-2017 |
| Net Sales | 1928.67 | 1883.27 |
| Other Income | 41.35 | 18.04 |
| Total Revenue | 1970.02 | 1901.31 |
| Total Expenses | 2100.53 | 2163.99 |
| Earnings before interest, depreciation and Taxes (EBIDTA) | 208.05 | 63.28 |
| Interest | 321.42 | 304.66 |
| Depreciation | 17.15 | 21.30 |
| Profit before tax | (-)130.51 | (-)262.68 |
| Total comprehensive Income | 2.69 | 27.95 |
| Profit after tax(PAT) after Comprehensive income | (-)127.82 | (-)234.73 |

Due to accumulated loss, your directors have not recommended any dividend for the financial year 2017-18. The Company has not transferred any amount to Reserve during the financial year 2017-18.

Total revenue of the Company for the year 2017-18 was ₹ 1970.02 crore against the previous year of ₹ 1901.31 crore. The financial results of the Company for the year 2017-18 shows a net loss of ₹ 127.82 crore as compared to a loss of ₹ 234.73 crore during the year 2016-17.

Huge interest on Government of India Loan, restriction in production due to poor lifting of fertilizers on account of failure of South West monsoon are the major reasons for the negative financial results of the company for the year 2017-18.

PRODUCTION & SALES

| (in MT) | | |
|-------------------|-----------|-----------|
| Production | 2017-2018 | 2016-2017 |
| Factamfos 20 : 20 | 670915 | 640322 |
| Ammonium Sulphate | 180178 | 152953 |
| Caprolactam | 0 | 770 |

| (in MT) | | |
|-------------|-----------|-----------|
| Sales | 2017-2018 | 2016-2017 |
| Fertilisers | 867370 | 763232 |
| Caprolactam | 0 | 770 |

The company was able to maintain the momentum in production and marketing during the financial year 2017-18.

Despite the failure of South West monsoon, the Company could significantly improve the production and marketing performance during the year 2017-18 compared to previous year. Factamfos production for the year 2017-18 was 670915 MT in comparison with 640322 MT for the year 2016-17, showing a remarkable improvement of 30593 MT.



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In the case of Ammonium Sulphate, the production was 1,80,178 MT against the previous year of 1,52,953 MT, with an increase of 27,225 MT registering a growth of 17.8% during the year. The production of Ammonium Sulphate is highest in past seven years.

Total fertilizer sales for the year 2017-18 is 8.67 lakh MT as against 7.63 lakh MT for the year 2016-17 registering a growth of 13.63% during the year. This is the highest annual sales in the last four years.

During the year 2017-18 FACT Engineering Works (FEW) has commissioned a barge for transportation of Ammonia and the same is operating successfully.

During the ensuing financial year 2018-19 the company is planning to optimise the production and sale of fertilisers. An ambitious sales plan is envisaged with a sale of more than 1 Million MT of fertilisers. The company envisage a 30% increase from average sale of past five years, recapturing the potential markets of Telengana and North Karnataka. The company is also planning to re-start the Caprolactam Operations in a phased manner, depending on economics.

The Company is envisaging to make use of RLNG in manufacturing of Ammonia, the essential raw material of fertilisers to enhance the production in ensuing financial year 2018-19.

However, the break down in Sulphuric Acid Plant at Udyogamandal Division in April 2018 had affected the production of Ammonium Sulphate. The company is trying to reduce the impact on production by outsourcing sulphuric acid. The company is also planning to import fertilisers to reduce the impact on production loss due to break down of acid plant.

The financial restructuring package submitted by the Company for sustainable operation in the long run is under the consideration of Department of Fertilisers, Government of India.

With the approval of Government of India, on 10-05-2018 Sale deed for sale of 150.899 acres of land to BPCL was executed and an amount of ₹ 244.60 Crore was received by the company, after deducting the outstanding amount of Rs 161.59 crore to BPCL towards the supply of Naphtha and Furnace Oil.

Management Discussion and Analysis Report

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

Consolidated Financial Statements

The Consolidated Financial Statements of the Company for the financial year ended March 31, 2018, prepared in accordance with Section 129(3) of the Companies Act 2013 and relevant accounting standards form part of the Annual Report.

Directors and Key Managerial Personnel

Appointments

Government of India, Ministry of Chemicals & Fertilisers, Department of Fertilisers, vide Order No.86/5/2008-HR-1 dated 21st February, 2018 entrusted the additional charge of the post of CMD, FACT to Shri Manoj Mishra, Chairman and Managing Director, National Fertilisers Ltd. (NFL). Government of India, Ministry of Chemicals & Fertilisers, Department of Fertilisers, vide Order No.86/1/2012-HR-1 dated 13th September, 2017, appointed Shri D Nandakumar, Ex- Chief General Manager FACT to the post of Director (Marketing), FACT.

Government of India, Ministry of Chemicals & Fertilisers, Department of Fertilisers, vide Order No.86/1/2017-HR-1 dated 10th August, 2017, entrusted the additional charge of the post of Director (Technical), FACT to Shri U Saravanan, Director (Technical) Madras Fertilisers Ltd (MFL)

Government of India, Ministry of Chemicals & Fertilisers, Department of Fertilisers, vide Order No.88/1/2014-HR-1 dated 05th March, 2018, entrusted the additional charge of the post of Director (Finance), FACT to Shri Sanjai Maheshwari, Director (Finance) Brahmaputra Valley Fertilizer Corporation Limited (BVFCL).

Government of India, Ministry of Chemicals & Fertilisers, Department of Fertilisers vide Order No. 130/8/2003-HR-1 dated 10th April 2018 notified the appointment of Ms Gurveen Sidhu, Joint Secretary, Department of Fertilizers, Ministry of Chemicals & Fertilizers, Government of India as a part time Government Nominee Director on the Board of FACT in place of Shri S K Lohani.

Government of India, Ministry of Chemicals & Fertilisers, Department of Fertilisers, vide Order No.86/01/2016-HR-1 dated 28th April, 2017 entrusted the additional charge of the post of Director (Finance), FACT to Shri Suresh Warior, Director (Finance), Rashtriya Chemicals and Fertilisers Ltd.

Shri Manoj Mishra, C&MD, Shri D Nandakumar, Director Marketing and Shri K.V. Balakrishnan, Company Secretary are the Key Managerial personnel of the company.

Retirements and Resignations

On completion of tenure in Department of Fertilisers, Shri S K Lohani ceased to be the C&MD of the Company with effect from 15.02.2018.

Consequent to the superannuation from Rashtriya Chemicals and Fertilisers Limited Shri Suresh Warior ceased to be the Director (Finance) FACT with effect from 1st December 2017.

Reappointment and Appointment of Directors at the Annual General Meeting

Pursuant to the provisions section 152 of the Companies Act 2013 Ms Alka Tiwari, Government nominee Director will retire by rotation at the ensuing AGM and being eligible has offered herself for reappointment.

Notice has been received under section 160 of the Companies Act 2013 for appointment of Ms Gurveen Sidhu, Joint secretary, Department of Fertilisers as Director at the ensuing annual general meeting.

Brief resume of Directors are given in Report on Corporate Governance .



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Reappointment of Independent Directors

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

Disqualification of Directors

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

Annual Evaluation of Board.

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

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

Declaration of Independent Directors

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

Meetings of the Board

During the financial year 2017-18, seven meetings of the Board were convened and held. The details of the meetings of the Board of Directors are given in the report on Corporate Governance, which is part of this report. The intervening gap between the meetings was within the limit prescribed under the Companies Act 2013.

Secretarial Standards

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

Corporate Governance

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

AUDITORS

(1) Statutory Auditors and Statutory Auditor's Report

M/s. Babu A Kallivayalil & Co., Chartered Accountants, Kochi, was appointed as Statutory Auditors of the Company for the year 2017-18 by the Comptroller and Auditor General of India. M/s Narothon Madhav & Ramesh, Chartered Accountants, Hyderabad, was reappointed as Branch Auditors for the year 2017-18 for the Area / Regional Offices at Andhra Pradesh, Telangana and Karnataka States. M/s Siv Ram & Raj, Chartered Accountants, Chennai, was appointed as Branch Auditors for the year 2017-18, for the Area / Regional Offices at Tamil Nadu and Kerala, by the Comptroller and Auditor General of India.

The Statutory Auditors have submitted their unmodified report on the financial statements of the company for the year ended 31st March, 2018. In the said report there is no qualification on the annual financial statements of the Company.

(2) Cost Auditors

As prescribed under section 148 of the Companies Act, 2013, read with the Companies (Cost report and Audit) Rules 2014, the cost accounting records are being maintained by the Company. M/s BBS & Associates, Cost Accountants, Kochi has been reappointed as Cost Auditors of the Company for the year 2017-18. Cost Audit report for the financial year 2016-17 was filed with Ministry of Corporate Affairs (MCA) on 18.09.2017.

(3) Secretarial Audit

M/s SVJS & Associates, Company Secretaries, Kochi, have been appointed as Secretarial Auditors of the Company for the year 2017-18. The report of the Secretarial Auditor is annexed to this report as **Annexure-1**.

Comments of C & AG

Comptroller and Auditor General of India (C&AG) has conducted a supplementary audit under section 143(6) of the Companies Act 2013 on the financial statements including consolidated financial statement of the Company for the financial year 2017-18. C&AG has not given any comment on the financial statements of the Company.

Audit Committee

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

Associate Company

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

Report on financial position and Performance of Joint Venture

During the financial year 2017-18, the financial results of FRBL show a net loss of ₹14.84 crore, as per provisional accounts considered for consolidation. Due to the accumulated loss, the entire networth of FRBL has been eroded. The Company has created provisions for the entire investment made in FRBL.



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The financial results of Kerala Enviro Infrastructure Ltd. for the financial year 2017-18 shows a profit of ₹2.46 Crore.

Public Deposit

During the financial year 2017-18, the Company has not accepted any deposit from public.

Investor Education and Protection Fund (IEPF)

During the year 2017-18 FACT has transferred an amount of Rs 6484/- to Investor Education and protection Fund. As on date no amount is pending for transfer to IEPF.

Contract or arrangement with related parties

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

Corporate Social Responsibility

FACT continues to give priority on various Social Responsibility measures during the financial year 2017-18. The Company has constituted a Board level Committee as per the provisions of Companies (Corporate Social Responsibility Policy) Rules 2014. Annual Report on CSR as per the provisions of Companies (Corporate Social Responsibility Policy) Rules 2014 is annexed to this report as **Annexure-2A**.

Material changes and commitments

There were no material changes and commitments affecting the financial position of the company between the end of financial year (31st March 2018) and the date of the report. Similarly, there was no change in the nature of business of the company during the financial year 2017-18.

Risk Management

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

Internal Financial Control

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

Vigil Mechanism & Whistle Blower Policy

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

Code of Conduct

FACT is having a code of conduct known as FACT Code of business Conduct and Ethics applicable to the members of the Board and all senior executives of the Company. The code has been posted on the Company's website www.fact.co.in.

The code lays down the standard procedure of business conduct which is expected to be followed by the Directors and senior executives of the Company. Senior management personnel have confirmed compliance of the code of conduct.

The Board members and Senior Executives of the Company have affirmed compliance of the code of Conduct for the financial year 2017-18.

Prevention of Insider Trading

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

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

Particulars of Investment made and guarantees given along with the purpose for which the guarantee is given are provided in the financial statement for the year 2017-18.

During the financial year 2017-18, FACT has not provided any loan/guarantee or made any investment within the purview of Section 186 of the Companies Act 2013.

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

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

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

| | |
|--|-------|
| No. of complaints at the beginning of the year | : Nil |
| No. of complaints received during the year | : Nil |
| No. of complaints disposed off during the year | : Nil |
| No. of complaints at the end of the year | : Nil |

Particulars of Employees

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



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Integrity Pact

FACT is in the process of finalising the integrity pact in line with Government of India guide lines in this regard

The Right to Information Act 2005

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

Extract of Annual Return

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

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

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

Director's Responsibility Statement

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

- (a) in the preparation of annual accounts for the year ended March 31, 2018, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of profit and loss statement for the year ended March 31, 2018.
- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) the directors have prepared the annual accounts on a going concern basis.
- (e) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

General

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

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

Acknowledgement

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

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

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

For and on behalf of the Board of Directors.

Place : Noida
Date : 16-08-2018

(Manoj Mishra)
CHAIRMAN AND MANAGING DIRECTOR
DIN-06408953

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ANNEXURE TO DIRECTORS' REPORT

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

A. Conservation of Energy

- (i) Steps taken or impact on conservation of energy
The raw-material/utilities and energy consumption of all the products and intermediates are monitored regularly by evaluating the critical parameters. The raw-material / consumption ratios and energy efficiency are reviewed on monthly basis to identify weak areas and rectify the shortcomings.
 - a. Replacement of old air conditioners with new energy efficient five star split AC sets has resulted in savings in energy.
 - b. Replacement of incandescent type induction lamp with energy efficient LED lamps has resulted in considerable annual energy savings.
- (ii) Steps taken by the Company for utilizing alternate source of energy
Nil
- (iii) The capital investment on energy conservation equipment
Nil

B. Technology Absorption

- i. Efforts made towards technology absorption
FACT ammonia plant is tagged as a designated consumer by Bureau of Energy Efficiency (BEE) for PAT cycle. PAT 2 cycle started its functioning in financial year 2016-17. With proper monitoring and standard operation FACT has been able to achieve better energy performance.
- ii. Benefits derived
Specific energy consumption achieved in the financial year 2017-18 is 9.027 GCal/MT of ammonia against the BEE target of 9.56 GCal/MT of ammonia. There has been a specific energy consumption reduction of 1.04% over the previous year.
- iii. Imported technology
No technology has been imported during the Financial Year 2017-18.
- iv. The major activities of Research & Development
 - Humate based value added customised fertilisers:- Organic carbon plays a vital role in maintaining crop productivity and soil health. Research was carried out in developing humate based NPK formulation varying different inputs for nitrogen and phosphorous. The advantages of urea humate were studied and it was also concluded that 10:0:10 humate based grade had best solubility and physical properties.
 - Effective utilisation of ETP sludge:- Preliminary studies were conducted at R&D to formulate

different NPK mixtures based on ETP sludge. Thorough analysis of the sludge was carried out and a 10:10:10 NPK grade was prepared from the sludge and its nutrient and physical properties are monitored periodically.

- Phosphate Rich Organic Manure:- Organic source of lignite was utilized to develop phosphate rich organic manure. Thorough research is being carried out to optimise the properties and quality of this newly developed fertilizer.
- Carrying out research in new fertilizer formulations, innovation in the fertilizer production for cost and value addition of by-products, existing product lines and waste utilization in the Organisation.
- Production of Bio fertilisers, studies to develop Organic fertilizer from farm yard waste, cost reduction in Bio fertilizer production etc.

Details of expenditure on R&D are given below.

| EXPENDITURE ON R&D | | | | |
|--------------------|---------|---------|--------|------------------------|
| ₹ in Lakh | | | | |
| Year | Capital | Revenue | Total | As % of total Turnover |
| 2015-2016 | 0.00 | 145.14 | 145.14 | 0.081 |
| 2016-2017 | 0.00 | 108.87 | 108.87 | 0.056 |
| 2017-2018 | 0.00 | 114.17 | 114.17 | 0.058 |

C. Foreign Exchange Earnings and Outgo

Details of foreign exchange earnings and outgo are given below.

| FOREIGN EXCHANGE EARNINGS AND OUTGO | | |
|---|---------------------------|----------------------------|
| | Current Year ₹ in Lakh | Previous Year ₹ in Lakh |
| 1) Foreign exchange earned | 0.00 | 0.00 |
| 2) Foreign Exchange Outgo | | |
| (i) C.I.F. Value of Imports: | | |
| (a) Raw Materials | 62534.84 | 69606.03 |
| (b) Traded Products | 0.00 | 5215.23 |
| (c) Spares and Other Materials | 137.35 | 181.92 |
| (d) Capital Goods | 0.00 | 0.00 |
| | 62672.19 | 75003.18 |
| (ii) Expenditure in Foreign Currency (Cash Basis) | | |
| (a) Consultancy Service | 0.00 | 0.00 |
| (b) Others | 119.74 | 89.81 |
| | 119.74 | 89.81 |
| Total (i) + (ii) | 62791.93 | 75092.99 |

Place : Noida
Date : 16-08-2018

(Manoj Mishra)
Chairman And Managing Director
DIN-06408953



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MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Development

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

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

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

FACT's objectives are:

- To produce and market Fertilisers & Caprolactam and other products efficiently and economically, besides achieving a reasonable and consistent growth.
- Turnaround of the CPSE by all efforts.
- To effectively manage the assets and resources of the company to ensure a reasonable return on investment.
- To focus on cost reduction and technology upgradation in order to become competitive in its line of business.
- To constantly innovate and develop new products and services to satisfy customer requirements.
- To invest in new business lines, where profit can be made on a sustainable basis over the long term.
- To provide services to the farming community by organizing technical training, soil testing and other productivity improvement services in agriculture.

Performance highlights during the Year 2017-2018

Udyogamandal Complex:

During the year 2017-18 Udyogamandal Complex produced 178873 MT of Factamfos, (NP 20:20:0:13) and 180178 MT of Ammonium Sulphate. During the financial year 2016-17 production of Factamfos and Ammonium Sulphate were 163061 MT and 152953 MT respectively.

Nutrient wise the production during 2017-18 was 72891 MT of N and 35775 MT of P2O5 as against 64121 MT of N and 32612 MT of P2O5 during the previous year.

Inspection and essential maintenance activities along with preservation of equipment in Caprolactam plant were carried out during the year 2017-18 envisaging the phase -II trial of petrochemical plants.

Cochin Division: During the financial year 2017-18, Cochin Division produced 492042 MT of Factamfos 20:20 as against 477260 MT during the year 2016-17.

The production of Nutrient nitrogen and Nutrient P2O5 during the year was 98408 MT each as against 95452 MT during the last year.

During the year 2017-18, the division produced 263850 MT of Sulphuric Acid and 29300 MT of Phosphoric Acid as compared to 254650 MT of Sulphuric Acid and 28355 MT of Phosphoric Acid in the year 2016-17.

Marketing Division: During the financial year 2017-18 the Fertiliser sales was 8.67 Lakh MT as against 7.63 lakh MT during the previous year. Sale of Factamfos during the year was 670710 MT as compared to 613123 MT during the year 2016-17. The sale of Ammonium Sulphate during the year was 168070 MT as compared to 134976 MT during the previous year.

FEDO: During the financial year 2017-18, FEDO focused on execution of major jobs entrusted by its external clients and achieved substantial progress in completion of major milestones laid out in the spectrum of Design, Engineering, Procurement & Inspection fronts as well as the Project & construction phases in the Engineering Consultancy/ EPC business domain. Even though the Global business in the Oil & Gas sector at the middle-east was at its lowest ebb, FEDO seriously participated in the E tenders/Enquiries from several overseas clientele in Oil & Gas, Fertilizers, Chemicals, Logistics sectors on BPO mode.

The turnover (including own division jobs) of FEDO for the year 2017-18 was Rs.17.59 crore as against Rs.41.51 crore in 2016-17. During the year 2017-18, FEDO received new orders for a value of Rs. 11.60 crore as compared to Rs.3.06 crore during the year 2016-17.

FEW : The turnover of FEW for the year 2017-18 was Rs.9.82 crore as against Rs.12.71 crore during the year 2016-17. During the year 2017-18, FEW has bagged orders worth Rs.6.80 crore compared to Rs.17.78 crore during the year 2016-17.

FEW expect to increase the turnover during 2018-19 and also generate profits. There is a steady demand from the process industry for pressure vessels and Heat Exchangers for replacement as well as for capacity expansion. The shipping sector and aerospace sector are also expected to bring in several orders.

Opportunities & Threats

Opportunities

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

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Threats

- High interest and finance charges.
- Volatility in the prices of raw materials and feedstock.
- Exchange rate variations
- Over dependence on import of raw materials and the logistics
- Shortage of quality manpower

Segment-wise or Product-wise Performance

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

Risk and Concern

- Lack of level playing field in the price of RLNG/LNG
- Non-operation of Caprolactam plant due to economic reason

HUMAN RESOURCES DEVELOPMENT

1. Industrial Relations

The Industrial Relations situation was generally peaceful during the year 2017-18. There were no issues connected with Industrial Relations in the Company. There was no stoppage of work affecting normal operations in the Company. The relations between the Management and the Trade unions, and Officers Association were cordial and the year witnessed whole hearted support from trade unions and Officers Association in all areas of activities of the Company.

2. Human Resources

Human resources functions in the Company were effective during the year. The Company has recruited 29 Management Trainees and two Doctors during the period and initiated action for recruitment of 32 Management Trainees, 10 layer 1 officers and 71 Non-Managerial Employees to meet the shortage in critical areas of operation during the financial year 2017-18. Normal promotions were also effected during the year. HR audit for benchmarking of the HR practices/policies with leading organizations was conducted with the help of external consultants.

3. Development of SC&ST.

Employment of Reserved categories as on 31.03.2018 is given below:

| | Total | SC | ST | OBC | PWD | EX-SER | Others |
|-------------------------------|-------|-------|------|-------|------|--------|--------|
| No of Employees | 1962 | 238 | 59 | 684 | 52 | 7 | 981 |
| Percentage of total employees | | 12.13 | 3.01 | 34.86 | 2.65 | 0.35 | 50 |

Steps taken for the welfare of SCs/STs:

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

SC/ST Grievance Cell

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

Training

In service training to company employees is arranged through the training department. Maximum representation is ensured for SC/ST employees to attend in house training programme. 68 SC employees and 20 ST employees had undergone training during the year 2017-18.

For engagement of Apprentices under the Apprentices Act, representation as per rules is provided. The representation for SC/ST in Apprentices as on 31.03.2018 is as follows:

| Total No of Apprentices | SC | ST |
|-------------------------|----|----|
| 81 | 17 | 1 |

4. Allotment of Residential Quarters

Due consideration is given for allotment of Residential Quarters to SC/ST employees. Details of quarter allotted to SC/ST employees as on 31.03.2018 is furnished below:

| Total Number of Employees Occupying Quarters | SC | ST |
|--|-----|----|
| 499 | 120 | 23 |

5. Reservation of Dealership

FACT is having 6287 dealers for distribution of fertilizers. During the financial year 2017-18, 12 nos. SC/ST category dealers were appointed across the marketing territories in South India. FACT is encouraging SC/ST category dealers to apply for the dealership in accordance with policy of Department of Fertilisers, Government of India.

Total number of dealers and the representation of SC/ST in dealership as on 31.3.2018 is given below.

| Sl.No | State | Total Dealers | SC | ST |
|-------|-------------------------------|---------------|------------|------------|
| 1 | Kerala | 2914 | 195 | 11 |
| 2 | Tamil Nadu (Incl Pondicherry) | 1119 | 106 | 31 |
| 3 | Karnataka | 1372 | 119 | 60 |
| 4 | Telangana | 338 | 13 | 5 |
| 5 | Andhra Pradesh | 544 | 31 | 6 |
| | Total | 6287 | 464 | 113 |



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Official Language

FACT is giving top priority for the implementation of the Official Language Act & Rules issued by the Ministry of Home Affairs, Government of India from time to time to achieve the targets prescribed in the Annual Programme. Official Language Implementation Committee Meetings are being conducted regularly. Hindi Fortnight is celebrated in a grand manner every year in which various competitions are conducted for the employees of the company. For giving awareness of various Official Language Acts, Rules and Other provisions formulated by the Government of India, Hindi Department is organizing Hindi workshop for Company employees in every quarter. In order to create interest towards Official Language among the employees several Competitions have been conducted by Hindi Department. Cash Incentive Scheme for employees doing official work in Hindi is continued.

During the financial year 2017-18, FACT received First prize (in 'C' region) for excellent performance in Official Language Implementation.

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

During the financial year 2017-18, the Company has procured material worth Rs 13 crore from MSEs. Most of the feed stocks and materials procured by FACT are not available with the MSEs.

Pollution Control Activities

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

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

On the environmental front, Udyogamandal Division could maintain all effluent parameters within limits as specified by the statutory authority. As per the agreement between FACT and Kerala Enviro Infrastructure Limited (KEIL), the accumulated stock of hazardous wastes viz. spent V2O5 catalysts and Sulphur muck were sent to KEIL for final disposal.

AS directed by Kerala State Pollution Control Board, the uploading of SO2 emission data from Sulphuric Acid Plant stack at Central Pollution Control Board (CPCB) website was started in the year 2014-

15. In addition to the above, the data regarding pH and flow of the effluent let out are also uploaded to the website of CPCB.

In FACT Cochin Division construction of a Guard Pond for improvement of the existing effluent treatment system was completed successfully. Online monitoring system for ammonia from NP (A & B) stacks commissioned and data being uploaded to CPCB site.

Awards and recognitions

1. FACT Udyogamandal Complex is the winner of Best Safety Committee Award from Factories and Boilers Department for the year 2017.
2. FACT Cochin Division won the 'Outstanding safety performance award for very large industries' from the National Safety Council, Kerala Chapter, for the year 2017.
3. FACT Udyogamandal division has won the Runner up award for "Outstanding safety performance" from the National Safety Council Kerala chapter for the year 2017.

Roadmap for sustainability

FACT has drawn up a road map for the revival and sustainable growth in the long run. FACT has submitted a comprehensive financial restructuring package to the Govt. of India. As part of Financial Restructuring, for sustainable operation of the company in the long run, FACT proposes to set up a 1000 TPD NP expansion project at FACT Cochin Division at Ambalamedu. FACT also proposes to set up additional imported Ammonia Storage facility at Willingdon Island and augmentation of raw material handling facility to meet the raw material requirements of the company.

Outlook for the future

Once the Financial Restructuring proposal submitted by the Company is approved, the networth of the company would improve substantially and company could make net profit from the financial year 2018-19 onwards. On implementation of the proposed 1000 TPD NP expansion project, the fertiliser production of the company would increase from 9.5 lakh MT to 12.7 lakh MT and the turnover would increase from the present level of ₹2000 Crore to ₹3000 Crore.

(Manoj Mishra)

Place : Noida
Date : 16-08-2018

Chairman And Managing Director
DIN-06408953

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

REPORT ON CORPORATE GOVERNANCE

I Philosophy on Code of Governance

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

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

II Board of Directors

(a) Composition and Category

| Sl.No | Name of Director | Period | | Nature of Directorship/ Category | No. of Directorship in other Board |
|-------|---------------------------|------------|------------|--|------------------------------------|
| | | From | To | | |
| 1 | Shri Manoj Mishra * | 21.02.2018 | Continuing | Chairman& Managing Director- Whole time Functional (Executive) Director | 3 |
| 2 | Shri U Saravanan* | 14.08.2017 | Continuing | Director (Technical) Whole time (Executive) Functional Director | 1 |
| 3 | Shri D Nandakumar | 13.09.2017 | Continuing | Director (Marketing) Whole time (Executive) Functional Director | NIL |
| 4 | Shri Sanjai Maheshwari* | 06.03.2018 | Continuing | Director(Finance) Whole time (Executive Functional Director) | 1 |
| 5 | Ms Alka Tiwari | 21.04.2017 | Continuing | Part-time Official Director (Non executive Director) | 1 |
| 6 | Shri K P S Nair | 29.06.2016 | Continuing | Independent Director | 1 |
| 7 | Dr. S Murali | 29.06.2016 | Continuing | Independent Director | NIL |
| 8 | Dr. Gangidi Manohar Reddy | 16-02-2017 | Continuing | Independent Director | NIL |
| 9 | Dr. Jyoti Kaushal Sheth | 21.02.2017 | Continuing | Independent Director | 1 |
| 10 | Prof. B. Vijayakumar | 21.02.2017 | Continuing | Independent Director | NIL |
| 11 | Shri S K Lohani | 24.06.2014 | 15.02.2018 | Part time Official Director (Non Executive Director). Holding additional charge of Chairman & Managing Director from 16.03.2017 to 15.02.2018. | 3 |
| 12 | Shri Suresh Warior* | 28.04.2017 | 30.11.2017 | Director (Finance) Whole time Functional (Executive) Director | 2 |

*Holding additional charge

(b) Details of Board meetings & Attendance of Directors

| Sl.No | Board Meeting Number and Date | Venue | Filled Strength | Directors Present |
|-------|-------------------------------|-----------|-----------------|-------------------|
| 1 | 487 dated 21.04.2017 | Kochi | 7 | 6 |
| 2 | 488 dated 30.05.2017 | New Delhi | 8 | 7 |
| 3 | 489 dated 03.08.2017 | New Delhi | 8 | 7 |
| 4 | 490 dated 08.09.2017 | Kochi | 9 | 8 |
| 5 | 491 dated 17.11.2017 | Kochi | 10 | 8 |
| 6 | 492 dated 25.01.2018 | Kochi | 9 | 8 |
| 7 | 493 dated 09.03.2018 | Kochi | 10 | 10 |



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

(c) Attendance in Board meetings

| Sl.No | Name of Director | Period | No.of Meetings held | No.of Meetings Attended |
|-------|--------------------------|--------------------------|---------------------|-------------------------|
| 1 | Shri Manoj Mishra | 21.02.2018 to 31.03.2018 | 1 | 1 |
| 2 | Shri U Saravanan | 14.08.2017 to 31.03.2018 | 4 | 4 |
| 3 | Shri D Nandakumar | 13.09.2017 to 31.03.2017 | 3 | 3 |
| 4 | Shri Sanjai Maheswari | 06.03.2018 to 31.03.2018 | 1 | 1 |
| 5 | Smt Alka Tiwari | 01.04.2017 to 31.03.2018 | 7 | 4 |
| 6 | Shri KPS Nair | 01.04.2017 to 31.03.2018 | 7 | 6 |
| 7 | Dr S Murali | 01.04.2017 to 31.03.2018 | 7 | 7 |
| 8 | Dr Gangidi Manohar Reddy | 01.04.2017 to 31.03.2018 | 7 | 6 |
| 9 | Dr Jyoti Kaushal Sheth | 01.04.2017 to 31.03.2018 | 7 | 6 |
| 10 | Prof. B Vijayakumar | 01.04.2017 to 31.03.2018 | 7 | 7 |
| 11 | Shri SK Lohani | 01.04.2017 to 15.02.2018 | 6 | 6 |
| 12 | Shri Suresh Warior | 28.04.2017 to 30.11.2017 | 4 | 3 |

Shri SK Lohani, Chairman and Managing Director, Ms Alka Tiwari, Director, Shri Suresh Warior, Director (Finance) Shri D Nandakumar, Director (Marketing), Dr S Murali, Director and Dr Gangidi Manohar Reddy, Director, attended the 73rd Annual General Meeting held on 22.09.2017.

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

| Sl.No | Name of Director | Age | Date of Directorship | Remarks |
|-------|-------------------|-----|----------------------|--|
| 1 | Mrs. Alka Tiwari | 53 | 21.04.2017 | Retiring by Rotation and eligible for re-appointment |
| 2 | Ms. Gurveen Sidhu | 50 | 27.04.2018 | Appointed as Additional Director |

IV. Particulars of Directors under III above as follows:

Ms. Alka Tiwari

Ms. Alka Tiwari, a Government of India Nominee Director (Part time Official Director) on the Board of FACT with effect from 21-04-2017 belongs to 1988 batch of Indian Administrative Service. Presently she is Joint Secretary, Department of Fertilisers, Ministry of Chemicals and Fertilisers. She has held number of key positions in State Government of Jharkhand and Government of India. She also served as Advisor to the NITI Ayog. At present she is a Board member of Rashtriya Chemicals and Fertilisers Ltd.

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

Ms. Gurveen Sidhu

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

V. Audit Committee

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



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

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| Number and Date of Audit Committee Meeting | Number of Members | Number of Members Attended |
|--|-------------------|----------------------------|
| 60 dated 29.05.2017 | 3 | 3 |
| 61 dated 03.08.2017 | 3 | 2 |
| 62 dated 08.09.2017 | 3 | 2 |
| 63 dated 17.11.2017 | 3 | 2 |
| 64 dated 25.01.2018 | 3 | 2 |

VI. Nomination and Remuneration Committee

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

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

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

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

Composition of the Nomination and Remuneration Committee is given below:

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

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

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

| | | |
|----|-------------------------------------|----------------------|
| 1. | Dr Gangidi Manohar Reddy (Chairman) | Independent Director |
| 2. | Shri K.P.S.Nair | Independent Director |
| 3. | Dr. S Murali | Independent Director |

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

During the financial year 2017-18 FACT has not received any genuine complaints from any share holder.

VIII. Share Transfer Committee

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

The Committee meets regularly provided there are any Share Transfer requests to approve. As on 31.03.2018 there is no valid share transfer request pending for approval.

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

VIII. Committee on Corporate Social Responsibility

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

| | | |
|---|-----------------------------------|----------------------|
| 1 | Dr Jyoti Kaushal Sheth (Chairman) | Independent Director |
| 2 | Prof. B Vijayakumar | Independent Director |
| 3 | D Nandakumar | Director (Marketing) |



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

IX. General Meetings

| Year | Date | Time | Venue | Details of Special Resolution |
|-----------|------------|----------|--------------|--|
| 2014-2015 | 28.09.2015 | 11.00 AM | Udyogamandal | Resolution u/s 180(a) & 180(c) of the Companies Act, 2013. |
| 2015-2016 | 27.09.2016 | 11.00 AM | Udyogamandal | NIL |
| 2016-2017 | 22.09.2017 | 11.00 AM | Udyogamandal | NIL |

During the financial year 2017-18 the Company has passed a special resolution through postal ballot/E voting for sale/transfer of 652 acres of FACT land at Cochin Division, Ambalamedu, Vadavukode, Puthencruz panchayath, Kunnathunadu Taluk, Ernakulam District, Kerala. The Company has followed all procedures as prescribed in the Companies Act, 2013 and Company (Management & Administration) Rules, 2014. M/s SVJS & Associates, Company Secretaries, Kochi was appointed as the Scrutinizer for conducting postal ballot process and engaged the service of CDSL for e- voting facilities to members. The voting results of the resolution passed through postal ballot/e- voting is given below.

| SPECIAL BUSINESS-SPECIAL RESOLUTION | Mode of Voting | No. of Votes in Favour | % of Votes in favour on Votes polled | No. of Votes Against | % of Votes Against on Votes polled | Total No. of Votes polled | Total percentage |
|--|----------------|------------------------|--------------------------------------|----------------------|------------------------------------|---------------------------|------------------|
| Consent of the Company under section 180(1)(a) of the Companies Act, 2013 to the Board of Directors to sell/transfer 652 acres of FACT land at Cochin Division, Ambalamedu | e- Voting | 3065 | 99.90 | 3 | 0.10 | 3068 | 100 |
| | Postal Ballot | 2201781 | 99.94 | 1249 | 0.06 | 2203030 | 100 |
| | Total | 2204846 | 99.94 | 1252 | 0.06 | 2206098 | 100 |

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

X. Disclosure

During the year 2017-2018, the Company has not entered into any transactions of material nature with Directors and / or relatives that may have a conflict with the interests of the Company at large.

The Company has complied with requirements of listing agreement and guidelines of the Stock Exchanges / SEBI / other Statutory Authorities. The Company was not imposed with any penalties / strictures by Stock Exchange or SEBI or any Statutory Authority on matters related to Capital Markets during the last three years due to the non-compliance of any provisions by the Company.

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

XI. Means of Communications

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

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

XII. Risk Assessment and Minimisation Procedure

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

XIII. General Shareholders Information

Information relating to the Annual General Meeting & Financial Calendar for 2018-2019 are given below:

| 74th Annual General Meeting | |
|-----------------------------|---------------------------------|
| Day | Monday |
| Date | 24.09.2018 |
| Time | 2.30 PM |
| Venue | Udyogamandal Club, Udyogamandal |



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Financial Calendar 2018-2019

| | |
|---------------------------------|---|
| Ist Quarter Financial Results | Published on 31 st July 2018 |
| IInd Quarter Financial Results | Will be published on II week of November 2018 |
| IIIRD Quarter Financial Results | Will be published on II week of February 2019 |
| Dates of Book Closure | From 18th September 2018 to 25th September 2018 (both days inclusive) |
| Dividend Payment Date | No dividend is being declared |

Listing

The shares of the Company are listed in National Stock Exchange of India Ltd, Mumbai. Listing fee has been paid to the Stock Exchange up to the year 2018-2019

Stock code

| Name of Stock Exchange | Stock Code |
|--|-------------------|
| National Stock Exchange of India Ltd, Mumbai | FACT |

XIV Market Price

The high, low market price of Shares during each month in last financial year 2017-2018 as available from the National Stock Exchange of India Limited are given below:-

| Month | High (Rs) | Low (Rs) |
|----------------|------------------|-----------------|
| April 2017 | 54.40 | 36.50 |
| May 2017 | 63.80 | 44.60 |
| June 2017 | 51.40 | 40.55 |
| July 2017 | 46.50 | 39.25 |
| August 2017 | 44.40 | 33.50 |
| September 2017 | 48.85 | 38.50 |
| October 2017 | 44.75 | 38.10 |
| November 2017 | 45.85 | 38.40 |
| December 2017 | 55.95 | 40.55 |
| January 2018 | 64.20 | 51.55 |
| February 2018 | 65.70 | 43.65 |
| March 2018 | 64.50 | 45.75 |

XV Share Transfer / Depository Agent

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

XVI Share Transfer System

The Shares of FACT are compulsorily traded in Demat form. All share transfer form received are processed by the Share Transfer Agent of the Company and approved by the Share Transfer Committee of the Board.



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

XVII Distribution of Shareholding as on 31.03.2018

| Share holding of Nominal Value of Rs. 10/- | Share holders | | Amount (Rs) |
|--|---------------|---------------|----------------------|
| | Number | % to Total | |
| Up to 500 | 17610 | 89.31 | 21378750 |
| 501 - 1000 | 1194 | 6.06 | 10250330 |
| 1001 - 2000 | 457 | 2.32 | 7172560 |
| 2001 - 3000 | 154 | 0.78 | 4034500 |
| 3001 - 4000 | 73 | 0.37 | 2637400 |
| 4001 - 5000 | 77 | 0.39 | 3706990 |
| 5001 - 10000 | 94 | 0.48 | 7152550 |
| 10001 - 50000 | 50 | 0.25 | 9261400 |
| 50001 and above | 8 | 0.04 | 6405125260 |
| Total | 19717 | 100.00 | 6470719740.00 |

XVIII Dematerialisation of shares and liquidity

In accordance with the direction of SEBI, trading of FACT shares have been brought under compulsory Demat segment for all categories of investors with effect from 26th June 2001. The Company has executed tripartite agreement with both the Depositories i.e. NSDL and CDSL and the Share Transfer Agents of the Company. As on 31.03.2018, 644060935 Equity shares have been dematerialized.

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

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

XX **Plant Locations**

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

XXI Address for correspondence by Shareholders:

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

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

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



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

CFO / CEO's CERTIFICATION

We Certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations:
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee:
 - i. Significant changes in internal control over financial reporting during the year;
 - ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements.

(Sanjai Maheshwari)
Director (Finance)
DIN 00653170

(Manoj Mishra)
Chairman & Managing Director
DIN 06408953

DECLARATION OF COMPLIANCE OF CODE OF BUSINESS CONDUCT AND ETHICS

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

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

Place: Noida
Date : 16-08-2018

(Manoj Mishra)
Chairman And Managing Director
DIN-06408953



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Annexure I

SVJS & Associates
Company Secretaries

39/3519B, FIRST FLOOR, PADMAM APARTMENTS,
MANIKKATH ROAD, RAVIPURAM

Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2018

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

To

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (b) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (v) As informed to us, the following other laws are specifically applicable to the Company
 1. Fertiliser (Control) Order, 1985;
 2. The Manufacture, Storage and Import of Hazardous Chemical Rules, 1989;
 3. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008;
 4. Batteries (Management and Handling) Rules, 2001;
 5. The Industries (Development and Regulation) Act, 1951 and the Regulations and Bye-laws framed there under;
 6. The Water (Prevention and Control of Pollution) Act 1974 and the Regulations and Bye-laws framed there under;
 7. The Air (Prevention and Control of Pollution) Act, 1981 and the Regulations and Bye-laws framed there under;
 8. The Environment (Protection) Act, 1986 and the Regulations and Bye-laws framed there under;
 9. The Factories Act, 1948 and the Regulations and Bye-laws framed there under;
 10. The Boilers Act, 1923 and the Regulations and Bye-laws framed there under;
 11. Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010;

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



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

- (i) Secretarial Standards relating to Board (SS 1) and General Meetings (SS 2) issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreement entered into by the Company with National Stock Exchange of India Limited;

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

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

We report that

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

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

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

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

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

- (i) Public / Right / Preferential issue of shares / debentures / sweat equity
- (ii) Redemption / buy-back of securities
- (iii) Merger / amalgamation / reconstruction, etc.
- (iv) Foreign technical collaborations

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

For SVJS & Associates
Company Secretaries

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

Kochi
20.07.2018

'Annexure A'

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

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

1. Maintenance of the Secretarial records is the responsibility of the management of the Company. Our responsibility as Secretarial Auditors is to express an opinion on these records, based on our audit.
2. During the audit, we have followed the practices and process as were appropriate, to obtain reasonable assurance about the correctness of the contents of the Secretarial records. We believe that the process and practices we followed provide a reasonable basis for our report.
3. The correctness and appropriateness of financial records and Books of Accounts of the Company have not been verified.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards etc. is the responsibility of management. Our examination was limited to the verification of the procedures and compliances on test basis.
6. While forming an opinion on compliance and issuing the Secretarial Audit Report, we have also taken into consideration the compliance related actions taken by the Company after 31st March 2018 but before issue of the Report.
7. We have considered actions carried out by the Company based on independent legal / professional opinion as being in compliance with law, wherever there was scope for multiple interpretations.

For SVJS & Associates
Company Secretaries

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

Kochi
20.07.2018



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Annexure- 2

FORM NO. AOC – 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the
Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

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

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

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

| Sl.No. | Particulars | Details | |
|--------|---|---|--|
| a) | Name (s) of the related party | FACT RCF Building Products Limited | |
| | Nature of relationship | Joint Venture | |
| b) | Nature of contracts/ arrangements/ transaction | Supply of Gypsum and deputation of personnel, Supply of petrol/ Diesel, Supply of meals & guest house facilities. | |
| c) | Duration of the contracts/ arrangements/ transaction | NA | |
| d) | Salient terms of the contracts or arrangements or transaction | Transactions on Arms length basis | |
| e) | Date of approval by the board | 03.08.2017 and 17.11.2017 | |
| f) | Amount paid as advances, if any | NIL | |
| g) | Amount incurred during the year | ₹ 97.02 lakhs | |

Place : Noida
Date : 16-08-2018

(Manoj Mishra)
CHAIRMAN AND MANAGING DIRECTOR
DIN-06408953



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Annexure- 2 A

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

- A brief outline on Companies CSR policy:
FACT gives priority on various social responsibility measures for the benefit of weaker section of the Society and to improve the standard of living of the inhabitant near the factory area. FACT is a loss making company and hence the provisions of sub-section 5 of section 135 of the Companies Act 2013 is not applicable to FACT. However, the Company is having its CSR policy.
- Composition of CSR Committee:
FACT has constituted a CSR Committee consisting of the following Directors :
Dr. Jyoti Kaushal Sheth, Independent Director
Prof. B Vijayakumar, Independent Director
Shri D Nandakumar, Director (Marketing)
- Average net profit of the Company for the
last three financial years : Nil
- Prescribed CSR Expenditure : Not applicable
- Details of CSR expenditure for the financial year 2017-18 : Not applicable

Total amount spent for the financial year :

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

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

Place : Noida
Date : 16-08-2018

(Manoj Mishra)
CHAIRMAN AND MANAGING DIRECTOR
DIN-06408953



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Form No. MGT-9

Annexure- 3

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2018

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

I REGISTRATION AND OTHER DETAILS

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

II PRICIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

| Sl. No | Name and Description of main products / services | NIC Code of the Product / Service | % to total turnover of the company |
|--------|--|-----------------------------------|------------------------------------|
| 1 | Complex Fertilisers | 31052000 | 81 |
| 2 | Ammonium sulphate | 31022100 | 15 |

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

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

i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % change during the year |
|--|---|----------------|------------------|-------------------|---|----------------|------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual / HUF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Central Government | 582364076 | 700 | 582364776 | 90 | 582364076 | 700 | 582364776 | 90 | 0 |
| c) State Government (s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) Bodies Corp. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e) Banks / FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| f) Any Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total (A) (1):- | 582364076 | 700 | 582364776 | 90 | 582364076 | 700 | 582364776 | 90 | 0 |
| (2) Foreign | | | | | | | | | |
| a) NRIs - Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Other Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) Bodies Corp. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) Banks / FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e) Any Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total (A) (2):- | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Shareholding of Promoter (A) = (A) (1) + (A) (2) | 582364076 | 700 | 582364776 | 90 | 582364076 | 700 | 582364776 | 90 | 0 |
| B. Public Shareholding | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| a) Mutual Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Banks / FI | 5104 | 4290 | 9394 | 0.00 | 14220 | 4290 | 18510 | 0.00 | 97% |
| c) Central Government | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| d) State Government(s) | 0 | 2585000 | 2585000 | 0.40 | 0 | 2585000 | 2585000 | 0.40 | 0 |
| e) Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| f) Insurance Companies | 0 | 1250 | 1250 | 0.00 | 0 | 1250 | 1250 | 0.00 | 0 |
| g) FIs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 |
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| i) Others | | | | | | | | | |
| Special National Investment Fund | 55400424 | 0 | 55400424 | 8.56 | 55400424 | 0 | 55400424 | 8.56 | 0 |
| Sub-total (B) (1):- | 55405528 | 2590540 | 57996068 | 8.96 | 55414644 | 2590540 | 58005184 | 8.96 | 0 |
| (2) Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 951283 | 4513 | 955796 | 0.15 | 455034 | 4513 | 459547 | 0.07 | 48.08 |
| ii) Overseas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| i) Individual shareholders holding nominal sharecapital upto Rs. 1 lakh | 3612519 | 422077 | 4034596 | 0.62 | 4226269 | 415186 | 4641455 | 0.72 | 115.04 |
| ii) Individual shareholders holding nominal sharecapital in excess of Rs. 1 lakh | 612782 | 0 | 612782 | 0.09 | 957783 | 0 | 957783 | 0.15 | 156.30 |
| c) Others (Specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Clearing Members | 573699 | 0 | 573699 | 0.09 | 311318 | 0 | 311318 | 0.05 | 54.27 |
| Hindu Undivided Families | 224241 | 0 | 224241 | 0.03 | 204241 | 0 | 204241 | 0.03 | 91.08 |
| Trust | 200 | 0 | 200 | | 200 | 0 | 200 | | 0 |
| Non-Resident Indians/FN | 309716 | 100 | 309816 | 0.05 | 127370 | 100 | 127470 | 0.02 | 41.14 |
| Sub-total (B) (2):- | 6284440 | 426690 | 6711130 | 1.04 | 6282215 | 419799 | 6702014 | 1.04 | 0 |
| Total Public Shareholding (B) = (B) (1) + (B) (2) | 61689968 | 3017230 | 64707198 | 10.00 | 61696859 | 3010339 | 64707198 | 10.00 | 0 |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total (A+B+C) | 644054044 | 3017930 | 647071974 | 100 | 644060935 | 3011039 | 647071974 | 100 | 0 |

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ii) Shareholding of Promoters

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

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

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

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

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

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

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| SI No 03 | Bonanza Portfolio Limited | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|-------------|------------------------------|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | 549295 | 0.08 | 0 | 0 |
| | Increase/Decrease | Nil | Nil | Nil | Nil |
| | At the end of the year | 549295 | 0 | 0 | 0 |

| SI No 04 | The Government of Tamilnadu | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|-------------|------------------------------|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | 256933 | 0.04 | 256933 | 0.04 |
| | Increase/Decrease | Nil | Nil | Nil | Nil |
| | At the end of the year | 256933 | 0.04 | 256933 | 0.04 |

| SI No 05 | The Government of Andhra Pradesh | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|-------------|----------------------------------|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | 147600 | 0.02 | 147600 | 0.02 |
| | Increase/Decrease | Nil | Nil | Nil | Nil |
| | At the end of the year | 147600 | 0.02 | 147600 | 0.02 |

| SI No 06 | Saji Varghese | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|-------------|------------------------------|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | 138348 | 0.02 | 0 | 0 |
| | Increase/Decrease | 138348 | 0.02 | 0 | 0 |
| | At the end of the year | 0 | 0 | 0 | 0 |

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| SI No 07 | Tradeswift Broking Pvt Ltd | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|-------------|------------------------------|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | 127684 | 0.02 | 0 | 0 |
| | Increase/Decrease | 127684 | 0.02 | Nil | Nil |
| | At the end of the year | 0 | 0 | 0 | 0 |

| SI No 08 | BNB Paribas Financilas Services Ltd | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|-------------|-------------------------------------|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | 99041 | 0.02 | 0 | 0 |
| | Increase/Decrease | 99041 | 0.02 | Nil | Nil |
| | At the end of the year | 0 | 0 | 0 | 0 |

| SI No 09 | Dheeraj Lal S Mehta | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|-------------|------------------------------|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | 50000 | 0.01 | 50000 | 0.01 |
| | Increase/Decrease | Nil | 0 | 0 | 0 |
| | At the end of the year | 50000 | 0.01 | 50000 | 0.01 |

| SI No 10 | Karvy Stock Brocking Ltd | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|-------------|------------------------------|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | 50000 | 0.01 | 55315 | 0.01 |
| | Increase/Decrease | 5315 | 0 | 0 | 0 |
| | At the end of the year | 55315 | 0.01 | 55315 | 0.01 |

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

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v) Shareholding of Directors and Key Managerial Personnel:

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

V INDEBTEDNESS

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

| | Secured Loans excluding deposits | Unsecured loans | Deposits | Total indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the Financial year | | 0 | | |
| i) Principal amount | 21917168015 | 0 | 0 | 21917168015 |
| ii) Interest due but not paid | 0 | | 0 | 0 |
| iii) Interest accrued but not due | 2105866166 | | 0 | 2105866166 |
| Total (i+ii+iii) | 24023034181 | 0 | 0 | 24023034181 |
| Change in Indebtedness during the financial year | | | | |
| Addition (Interest due but not paid) | 861455299 | 0 | 0 | 861455299 |
| Reduction (Principal Amount) | 284291932 | 0 | 0 | 284291932 |
| Net Change | 1145747231 | 0 | 0 | 1145747231 |
| Indebtedness at the end of the Financial year | | | | |
| i) Principal amount | 22778623314 | 0 | 0 | 22778623314 |
| ii) Interest due but not paid | 0 | 0 | 0 | 0 |
| iii) Interest accrued but not due | 2390158098 | | 0 | 2390158098 |
| Total (i+ii+iii) | 25168781412 | 0 | 0 | 25168781412 |

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VI REMUNERATION OF DIRECTORS AND KEY AMANAGERIAL PERSONNEL

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

| Sl.No | Particulars of Remuneration | Name of MD / WTD / Manager | Total amount |
|-------|--|--|--------------|
| | | Shri D NANDAKUMAR, DIRECTOR (MARKETING) | |
| 1 | Gross Salary | | |
| | (a) Salary as per provisions contained in Section 17 (1) of the Income-Tax Act, 1961 | | 1162371.75 |
| | (b) Value of perquisites u/s 17 (2) of Income-Tax Act, 1961 | | 0 |
| | ©Profit in lieu of salary u/s 17 (3) of Income-Tax Act, 1961 | | 133650 |
| 2 | Stock Option | | 0 |
| 3 | Sweat Equity | | 0 |
| 4 | Commission | | |
| | - as % of Profit | | 0 |
| | - others, specify..... | | 0 |
| 5 | Others, please specify | | 0 |
| | Total (A) | | 1296021.75 |
| | Ceiling as per the Act | | NA* |

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

B. Remuneration to other Directors

| Sl.No | Particulars of Remuneration | Name of Directors | | | | | Total amount |
|-------|--|-------------------|-------------|--------------------------|---------------------|------------------------|--------------|
| | Independent Directors | KPS Nair | Dr S Murali | Dr Gangidi Manohar Reddy | Prof B Vijaya kumar | Dr Jyoti Kaushal Sheth | |
| | ● Sitting Fee for attending Board Meetings | 40000 | 45000 | 40000 | 45000 | 40000 | 210000 |
| | ● Commission | 0 | 0 | 0 | 0 | 0 | 0 |
| | ● Others, Please specify:- 1. Sitting fee for attending meetings of the Sub Committee of the Board | 30000 | 40000 | 5000 | 0 | 0 | 75000 |
| | Total (1) | 70000 | 85000 | 45000 | 45000 | 40000 | 285000 |
| | 4. Other Non-Executive Directors | | | | | | 0 |
| | ● Fee for attending Board Committee Meetings | | | | | | 0 |
| | ● Commission | | | | | | 0 |
| | ● Others, Please specify | | | | | | 0 |
| | Total (2) | | | | | | 0 |
| | Total (B)= (1+2) | 70000 | 85000 | 45000 | 45000 | 40000 | 285000 |
| | Total Managerial Remuneration | | | | | | 1581021.75 |
| | Overall ceiling as per the Act | | | | | | NA |
| | | | | | | | 0 |



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

| Sl.No | Particulars of Remuneration | Key Managerial Personnel | | | | | |
|-------|--|--------------------------|-----|-------------------|--|--|------------|
| | | CEO | CFO | Company Secretary | | | Total |
| 1 | Gross Salary | | | | | | |
| | (a) Salary as per provisions contained in Section 17 (1) of the Income-Tax Act, 1961 | 0 | 0 | 1521602.7 | | | 1521602.73 |
| (b) | Value of perquisites u/s 17 (2) of Income-Tax Act, 1961 | | 0 | 0 | | | 0 |
| | ©Profit in lieu of salary u/s 17 (3) of Income-Tax Act, 1961 | | | 172427.73 | | | 172427.73 |
| 2 | Stock Option | | | 0 | | | 0 |
| 3 | Sweat Equity | | | 0 | | | 0 |
| 4 | Commission | | | 0 | | | 0 |
| | - as % of Profit | | | 0 | | | 0 |
| | - others, specify..... | | | 0 | | | 0 |
| 5 | Others, please specify | | | 0 | | | 0 |
| | Total | | 0 | 1694030.5 | | | 1694030.46 |

VII PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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

Place : Noida
Date: 16-08-2018

(Manoj Mishra)
CHAIRMAN AND MANAGING DIRECTOR
DIN: 06408953



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala



SATHISH.V

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

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

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

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

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

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

To the Members of

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Eloor P.O, Udyogamandal

I have examined all relevant records of **The Fertilisers and Chemicals Travancore Limited** (the Company), for the purpose of certifying compliance of the conditions of Corporate Governance as stipulated in the relevant clauses of the Listing Agreement of the said Company with National Stock Exchange of India Limited for the financial year ended March 31, 2018. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of certification.

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

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

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

Sd/-

SATHISH V

B.Com, LLb, PGDT, ACMA, FCS
Practising Company Secretary
FCS – 8005; CP 8343

COCHIN – 682019
24/07/2018



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

To The Members of The Fertilisers And Chemicals Travancore Limited

Report on the Standalone Financial Statements

- 1) We have audited the accompanying **standalone Ind AS financial statements of THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

- 2) The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs, profit or loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.
- 3) This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
- 4) In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operation, or has no realistic alternative but to do so.

Auditor's Responsibility

- 5) Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken

into account the provisions of the Act, the Accounting and Auditing Standards and matters required to be included in the audit report under the provisions of the Act and the Rules made there under.

- 6) We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
- 7) An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.
- 8) We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidences obtained, whether a material uncertainty exists, related to events and conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.
- 9) We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

- 10) In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

of the report of other auditors on the financial information of the branches, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2018, its loss (including other comprehensive income), its changes in equity and its cash flows for the year ended on that date.

Material uncertainty related to Going Concern

- 11) We draw attention to note no # 58 of standalone Ind AS financial statements. The Company has accumulated loss amounting to Rs. 234347 lakhs with a negative net worth of Rs. 164018 lakhs and its net worth has been completely eroded. The Company has incurred a net loss during the current and previous years. This condition indicates the existence of material uncertainty which may cast significant doubt as to the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on going concern basis.

Our opinion is not qualified in respect of this matter.

Other Matter

- 12) We did not audit the financial statements of four areas comprising marketing offices of the Company whose financial statements reflect total fixed assets of Rs.150 lakhs as at March 31, 2018 and total sales of Rs. 137953 lakhs for the year ended on that date as considered in the financial statement. 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 financial statements, in so far as they relate to the amounts and disclosures included in respect of these areas and our report, in so far as it relates to the aforesaid areas, is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

- 13) As required by the Companies (Auditor's Report) Order, 2016 ("the CARO"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the said CARO, to the extent applicable.
- 14) Based on the verification of books of account of the Company and according to information and explanations given to us, we give in "Annexure B" a report on the Directions/ Additional sub- directions issued by the Comptroller and Auditor General of India in terms of section 143(5) of the Act.
- 15) As required by Section 143(3) of the Act, we report that:

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

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and returns generally adequate for the purpose of our audit have been received from the units/marketing offices not audited by us.
- c) The reports on the accounts of the four areas of the Company audited under Section 143(8) of the Act by other auditors have been given to us and have been appropriately dealt with by us in preparing this Report.
- d) The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and, the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the four areas not visited by us.
- e) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015.
- f) Being a government company, the provisions of sub section (2) of Section 164 of the Companies Act, 2013 is not applicable.
- g) With respect to the adequacy of the internal controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure C" to the Report.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements. (Refer Note #47)
- b) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
- c) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company, where applicable.

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

Kochi
May 30, 2018

Sd/-
E V Thomas
Partner
Membership No. 3679

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Annexure A to the Independent Auditors' Report

(Referred to in paragraph 13 under 'Report on Other Legal and Regulatory Requirements' section of our report)

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

- (a) The Company has maintained generally proper records showing the particulars including quantitative details except impairment losses. Even though fixed asset register contains individual asset identification numbers, no such numbers are marked on the respective fixed assets.
- (b) The fixed assets have been stated to be physically verified by the Management during the year and are not observed by us. However, the physical verification procedure needs to be strengthened. As explained to us, no material discrepancies were noticed on such physical verification.
- (c) In our opinion and according to information and explanations given to us and on the basis of an examination of records of the Company, the title deeds of immovable properties are held in the name of the Company, except in the following cases.

| Particulars | Number of assets | Extent of land | Gross Block as at | | Net block as at | |
|----------------|------------------|----------------|-------------------|----------------|-----------------|----------------|
| | | (in acres) | March 31, 2018 | March 31, 2017 | March 31, 2018 | March 31, 2017 |
| | | | (Rupees in lakhs) | | | |
| Freehold land | 1 | 48.49 | 513* | 511* | 513* | 511* |
| Leasehold land | 1 | 14.26 | ..** | ..** | ..** | ..** |

*As provided by Management (Refer Note number 1.3 of Property, plant and equipment under Note number 1).

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

ii. In respect of the Company's inventories:

- (a) The inventories have generally been physically verified by the Management as at year-end. In our opinion, the frequency of verification needs to be improved.
- (b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed by the Management is reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained

proper records of inventories. As explained to us, no material discrepancies were noticed on such physical verification and have been properly dealt with in the books of account, except in case of by-product gypsum.

- iii. The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered under register maintained under section 189 of the Companies Act, 2013 ("the Act"), except the interest free advances in the nature of loans doubtful of recovery, of Rs.953 lakhs (previous year Rs.885 lakhs) to a joint venture company (Refer note number 6)
- iv. According to the information and explanations given to us, there are no loans, investments, guarantees and securities given in respect of which provisions of section 185 and 186 of the Act are applicable including the amount due from the joint venture company.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from public. Therefore, the provisions of clause (v) of paragraph 3 of the CARO are not applicable to the Company.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under section 148(1) of the Act and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- vii. According to the information and explanations given to us and records of the Company examined by us, in respect of statutory dues:
 - a. In our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, goods and services tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it with the appropriate authorities during the year. No undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2018 for a period of more than six months from the date they became payable.
 - b. The particulars of dues towards income tax, sales tax, service tax, customs duty, excise duty, value added tax, cess which have not been deposited as at March 31, 2018, on account of disputes are given below:

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

| Name of statute | Nature of dues | Demand- net of payment (Rupees in lakhs) | Period to which dispute relates | Forum where dispute pending |
|--------------------------|---|--|---|--|
| Central Excise Act, 1944 | Excise duty, interest and penalty against utilization of CENVAT credit against duty payable. | 6875 | 2010-11 to 2013-14 and 2006-07 to 2010-11 | Customs, Excise and Service Tax Appellate Tribunal, Bangalore |
| Central Excise Act, 1944 | Excise duty, interest and penalty on shortage of raw material written off. | 90 | 2003-04 | Commissioner of Central Excise, Kochi |
| Finance Act, 1994 | Service tax and interest thereon on training fee, upfront premium on shares issued and maintenance charges. | 293 | 2003-04 to 2009-10 | Customs, Excise and Service Tax Appellate Tribunal, Bangalore |
| Finance Act, 1994 | Service tax and interest thereon on training fee. | 104 | 2006-07 to 2012-13 | Commissioner of Central Excise, Kochi |
| Madhya Pradesh Entry Tax | Entry tax | 4 | 1980-84 | Board of Revenue (Commercial Tax Tribunal) Gwalior, Madhya Pradesh |
| Sales Tax Act, Punjab | Sales tax | 48 | 1999 -00 to 2000-01 | High Court of Haryana and Punjab |
| Sales Tax Act, Orissa | Sales tax | 63 | 1985-1992 | High Court of Orissa |
| Sales Tax, Kerala | Sales tax | 257 | 2009-10 to 2011-12 | Commercial Taxes Ernakulam |
| Income Tax Act, 1961 | Interest on income tax | 3 | 2001-02 | Commissioner of Income Tax (Appeals), Kochi |
| Income Tax Act, 1961 | Income tax and interest on payments to foreign technicians | 78 | 1994-95 to 1997-98 | High Court of Kerala |
| Income Tax Act, 1961 | Income tax and interest thereon on certain disallowances in assessment. | 10 | 1997-98 | High Court of Kerala |

- viii. Based on our examination of the records of the Company and according to the information and explanations given to us, the Company has no dues to financial institution, bank or debenture holders as at Balance Sheet date. However, the Company has defaulted in repayment of interest on loan from Government of India as at Balance Sheet date, the details of which are given below:

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

| Name of lender and nature | Period of default | Defaulted amount (Rupees in lakhs) |
|--|-------------------|------------------------------------|
| Interest accrued and due on loans from Government of India | Less than 1 year | 23902 |

- ix. However, the Management is of the view that there is no default in repayment of interest. According to the information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer. In our opinion and according to the information and explanations given to us, term loan from Government of India has been applied by the Company for which they were sanctioned.



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

- | | |
|--|--|
| <p>x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.</p> <p>xi. Being a government Company, the provisions of Section 197 read with Schedule V of the Act regarding managerial remuneration are not applicable to the Company and hence reporting under clause (xi) of paragraph 3 of the CARO is not applicable.</p> <p>xii. The Company is not a Nidhi Company as prescribed under Section 406 of the Act and hence reporting under clause (xii) of paragraph 3 of the CARO is not applicable.</p> <p>xiii. Based on our examination of the books and records of the Company and according to the information and explanations given to us, all transactions with the related parties are in compliance with Section 177 and 188 of the Act, where applicable and the details have been disclosed in the standalone Ind AS financial statements as required by the applicable Accounting Standards.</p> <p>xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any allotment of</p> | <p>shares or debentures during the year. Hence reporting under clause (xiv) of paragraph 3 of the CARO is not applicable.</p> <p>xv. According to the information and explanations given to us and based on our examination of records of the Company, the Company has not entered into any non-cash transactions with the directors or persons connected with him and hence reporting under clause (xv) of paragraph 3 of the CARO is not applicable.</p> <p>xvi. According to the information and explanations given to us, the Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 and hence reporting under clause (xvi) of paragraph 3 of the CARO is not applicable.</p> |
|--|--|
- For Babu A Kallivayalil & Co.
Chartered Accountants
Firm Registration No. 05374S

Sd/-
E V Thomas
Partner
Membership No. 3679
- Kochi
May 30, 2018

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Annexure B to the Independent Auditors' Report

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

AUDIT REPORT ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2018 AS PER DIRECTIONS OF C&AG UNDER SECTION 143(5) OF THE COMPANIES ACT, 2013

| SI No. | C & AG Directions | Comments of Statutory Auditor | | | | | | | | | | | | | | | |
|----------------|---|---|---------------------------------------|-------------------------------------|---------------------------|---------------------------------------|-------------------------------------|---------------|---|-------|------|------|----------------|---|-------|-----|-----|
| 1 | Whether the company has clear title/lease deeds for freehold and leasehold land respectively? If not, please state the area of freehold and leasehold land for which title/ lease deeds are not available | <p>In our opinion and according to information and explanations given to us and on the basis of an examination of records of the Company, the title deeds of immovable properties are held in the name of the Company, except in the following cases.</p> <table><tr><th>Nature</th><th>Number of assets</th><th>Extent of land (in acres)</th><th>Gross Block of asset (Amount in lacs)</th><th>Net block of asset (Amount in lacs)</th></tr><tr><td>Freehold land</td><td>1</td><td>48.49</td><td>513*</td><td>513*</td></tr><tr><td>Leasehold land</td><td>1</td><td>14.26</td><td>-**</td><td>-**</td></tr></table> <p>*As provided by Management (Refer Note number 1.3 of Property, plant and equipment under Note number 1). **The Company has executed a deed of indemnity with the Lessor in respect of the property on February 26, 2016, wherein it was agreed that the Company is interested to continue the lease for a further period of 30 years from April 01, 2014 to March 31, 2044 on execution of fresh lease deed incorporating mutually agreed terms and conditions. However, no fresh deed is executed till date, though the Company continues to occupy the land and pay the lease rentals.</p> | Nature | Number of assets | Extent of land (in acres) | Gross Block of asset (Amount in lacs) | Net block of asset (Amount in lacs) | Freehold land | 1 | 48.49 | 513* | 513* | Leasehold land | 1 | 14.26 | -** | -** |
| Nature | Number of assets | Extent of land (in acres) | Gross Block of asset (Amount in lacs) | Net block of asset (Amount in lacs) | | | | | | | | | | | | | |
| Freehold land | 1 | 48.49 | 513* | 513* | | | | | | | | | | | | | |
| Leasehold land | 1 | 14.26 | -** | -** | | | | | | | | | | | | | |
| 2 | Please report whether there are any cases of waiver/write off of debts/loans/interest etc. if yes, the reasons therefore and the amount involved. | According to information and explanations given to us, the Company has not waived / written off any of debts / loans/interest etc. during the year. | | | | | | | | | | | | | | | |
| 3 | Whether proper records are maintained for inventories lying with third parties and assets received as gift from Government or other authorities. | According to information and explanations given to us, the Company does not have any inventories lying with third parties and no assets are received by the Company as a gift/ grants from Government or other authorities. | | | | | | | | | | | | | | | |
| 4 | State of impact of revision of subsidies for fertilizers products, viz. NPK, Ammonium Sulphate and imported MoP in valuation of its closing stock. | <p>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".</p> <p>During the year following items are valued at cost, since it is lower than net realizable value.</p> <p>1. NPK, 2. Ammonium sulphate, 3. Imported MoP.</p> <p>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.</p> | | | | | | | | | | | | | | | |

Kochi
May 30, 2018

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

Sd/-
E V Thomas
Partner
Membership No. 3679



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Annexure C to the Independent Auditors' Report

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

REPORT ON THE INTERNAL FINANCIAL CONTROLS

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

We have audited the internal financial controls over financial reporting of **FERTILISERS AND CHEMICALS TRAVANCORE LIMITED** ('the Company') as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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, the Company has, in all material respects, reasonably adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting need to be strengthened as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on 'Audit of Internal Financial Controls Over Financial Reporting' issued by the Institute of Chartered Accountants of India.

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

Sd/-

E V Thomas
Partner

Membership No. 3679

Kochi
May 30, 2018



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

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

CONFIDENTIAL

07.08.2018

PDCA/G-2/4-4/FACTA /cs/2018-19/30

To

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

Sir,

Sub: Comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the Financial Statements of The Fertilisers and Chemicals Travancore Limited, for the year ended 31 March 2018

I am to forward herewith the Comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the financial statements of The Fertilisers and Chemicals Travancore Limited, for the year ended 31 March 2018.

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

Receipt of this letter may be acknowledged.

Yours faithfully,
Sd/-

(R Ambalavanan)

PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT AND
EX-OFFICIO MEMBER AUDIT BOARD, CHENNAI

Encl: Audit certificate

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED FOR THE YEAR ENDED 31 MARCH 2018

The preparation of financial statements of The Fertilisers and Chemicals Travancore Limited for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act, are responsible for expressing opinion on these financial statements under Section 143 of the Act based on independent audit in accordance with the Standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 30.05.2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of The Fertilisers and Chemicals Travancore Limited for the year ended 31 March 2018. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report.

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

Place: Chennai
Date: August 07, 2018

Sd/-

(R. AMBALAVANAN)

PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT AND
EX-OFFICIO MEMBER AUDIT BOARD, CHENNAI

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Balance Sheet as at 31st March 2018

₹ in Lakh

| Particulars | Note No. | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|--------------------------------|----------|--------------------|--------------------|--------------------|
| ASSETS | | | | |
| NON CURRENT ASSETS | | | | |
| Property, Plant and Equipment | 1 | 29462.42 | 29670.86 | 31316.39 |
| Capital Work in Progress | 1A | 1882.57 | 2467.93 | 2186.40 |
| Investment Property | 2 | 9.60 | 9.70 | 9.80 |
| Financial Assets | | | | |
| Investments | 3 | 5927.21 | 4571.53 | 4375.54 |
| Trade Receivables | 4 | - | - | - |
| Loans | 5 | 619.72 | 621.24 | 621.31 |
| Other Financial Assets | 6 | 13.32 | 12.00 | 11.99 |
| Other Non Current Assets | 7 | 384.80 | 174.83 | 218.69 |
| | | 38299.64 | 37528.09 | 38740.12 |
| CURRENT ASSETS | | | | |
| Inventories | 8 | 47874.64 | 42910.81 | 37611.14 |
| Financial Assets | | | | |
| Trade Receivables | 9 | 45009.24 | 50606.94 | 40559.19 |
| Cash and Cash equivalents | 10 | 4612.04 | 3229.09 | 2008.08 |
| Other Bank Balances | 11 | 1752.48 | 1989.29 | 3737.34 |
| Loans | 12 | 54.49 | 2.60 | 12.72 |
| Other Financial Assets | 13 | 40766.34 | 17669.31 | 39951.92 |
| Current Tax Assets | 14 | 52.00 | 92.93 | 5.48 |
| Other current Assets | 15 | 3154.27 | 2733.10 | 3355.35 |
| | | 143275.50 | 119234.07 | 127241.22 |
| Assets held for Disposal | 16 | 39.41 | - | - |
| TOTAL ASSETS | | 181614.55 | 156762.16 | 165981.34 |
| EQUITY AND LIABILITIES | | | | |
| EQUITY | | | | |
| Equity Share Capital | 17 | 64707.20 | 64707.20 | 64707.20 |
| Other Equity | 18 | (228725.30) | (215940.59) | (197601.55) |
| | | (164018.10) | (151233.39) | (132894.35) |
| LIABILITIES | | | | |
| NON CURRENT LIABILITIES | | | | |
| Financial Liabilities | | | | |
| Borrowings | 19 | 177048.75 | 177048.75 | 162713.36 |
| Provisions | 20 | 16246.12 | 11918.63 | 13317.74 |
| Other Non Current Liabilities | 21 | 819.51 | 883.20 | 946.88 |
| | | 194114.38 | 189850.58 | 176977.98 |



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Balance Sheet as at 31st March 2018

₹ in Lakh

| Particulars | Note No. | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|-------------------------------------|----------|------------------|------------------|------------------|
| CURRENT LIABILITIES | | | | |
| Financial Liabilities | | | | |
| Borrowings | 22 | 50737.50 | 63181.59 | 18345.35 |
| Trade Payables | 23 | 42328.14 | 32072.49 | 57151.39 |
| Other Financial Liabilities | 24 | 52771.41 | 16911.99 | 39888.22 |
| Other Current Liabilities | 25 | 3865.95 | 4485.43 | 5046.72 |
| Provisions | 26 | 1815.27 | 1493.47 | 1466.03 |
| | | 151518.27 | 118144.97 | 121897.71 |
| TOTAL EQUITY AND LIABILITIES | | 181614.55 | 156762.16 | 165981.34 |

Statement of significant Accounting Policies

A

Explanatory Information on Financial Statements

36 - 63

In terms of our Report Attached

For and on behalf of the Board of Directors

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

Sd/-
Sanjai Maheshwari
Director (Finance)
DIN 00653170

Sd/-
Manoj Mishra
Chairman & Managing Director
DIN 06408953

Sd/-
E V Thomas
Partner
Membership No. 3679

Sd/-
K V Balakrishnan Nair
Company Secretary

Place: Kochi
Date: 30 May 2018

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Statement of Profit and Loss for the year ended 31st March 2018

₹ in Lakh

| Particulars | Note No. | Year ended 31.03.2018 | Year ended 31.03.2017 |
|---|----------|--------------------------|--------------------------|
| I Revenue from Operations | 27 | 192867.07 | 188327.97 |
| II Other Income | 28 | 4134.96 | 1803.50 |
| III Total Income (I+II) | | 197002.03 | 190131.47 |
| IV Expenses | | | |
| Cost of Materials Consumed | 29 | 108023.90 | 108741.03 |
| Purchase of Stock in Trade | 30 | 169.03 | 9867.93 |
| Change in Inventories of Finished Goods, Work in Progress and Stock in Trade | 31 | (3052.86) | (8120.41) |
| Employee Benefit Expenses | 32 | 25029.87 | 24396.53 |
| Finance Cost | 33 | 32141.63 | 30466.33 |
| Depreciation and Amortization Expenses / Impairment | 1,2 | 1714.78 | 2129.91 |
| Other Expenses | 34 | 46026.86 | 48917.92 |
| Total Expenses (IV) | | 210053.21 | 216399.24 |
| V Profit / (Loss) before Tax (III-IV) | | (13051.18) | (26267.77) |
| VI Tax Expenses | | - | - |
| VII Profit / (Loss) for the Year (V+VI) | | (13051.18) | (26267.77) |
| VIII Other Comprehensive Income | | | |
| (i) Items that will not be reclassified to Profit or loss | | 1355.68 | 196.00 |
| (ii) Remeasurement of defined benefit plan | | (1087.32) | 2598.39 |
| (iii) Income Tax relating to items that will not be reclassified to Profit or Loss | | | |
| Other Comprehensive income for the year (VIII) | | 268.36 | 2794.39 |
| IX Total Comprehensive Income for the year (VII+VIII) | | (12782.82) | (23473.38) |
| X Earnings per Equity Share | | | |
| Basic/Diluted per Equity Share (₹) | 35 | (2.02) | (4.06) |
| Statement of significant Accounting Policies | A | | |
| Explanatory Information on Financial Statements | 36-63 | | |

In terms of our Report Attached

For and on behalf of the Board of Directors

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

Sd/-
Sanjai Maheshwari
Director (Finance)
DIN 00653170

Sd/-
Manoj Mishra
Chairman & Managing Director
DIN 06408953

Sd/-
E V Thomas
Partner
Membership No. 3679

Sd/-
K V Balakrishnan Nair
Company Secretary

Place: Kochi
Date: 30 May 2018

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Cash flow statement for the year ended 31st March 2018

₹ in Lakh

| Particulars | Year ended 31.03.2018 | Year ended 31.03.2017 |
|---|--------------------------|--------------------------|
| A Cash flow From Operating Activities | | |
| Net Profit / (Loss) before Tax | (13051.18) | (26267.77) |
| Adjustments for: | | |
| Depreciation / Impairment loss on Assets | 1714.78 | 2129.91 |
| (Profit) / Loss on Sale of Asset | (6.38) | 0.05 |
| Interest Income | (317.57) | (316.21) |
| Dividend Income | (9.72) | (9.72) |
| Interest and Finance Charges | 32141.63 | 30466.33 |
| Provision for bad / Doubtful Debts | 203.15 | 249.50 |
| Provision for Obsolescence | 27.63 | 101.51 |
| Amount written back from deferred Government Grants | (1.89) | (1.89) |
| Operating Profit before Working Capital Changes | 20700.45 | 6351.71 |
| Adjustment for : | | |
| Inventories | (4991.46) | (5401.19) |
| Trade Receivables | 5483.93 | (10167.28) |
| Loans | (50.37) | 10.19 |
| Others Including Bank balances | (48837.81) | 24283.34 |
| Trade Payables | 10255.65 | (46137.56) |
| Borrowings | (12444.09) | 59171.63 |
| Other liabilities | 35176.25 | (23601.20) |
| Provisions | 4649.29 | (1371.67) |
| | (10758.61) | (3213.74) |
| Cash Generation from Operations | 9941.84 | 3137.97 |
| Direct Tax Paid | - | - |
| Net Cash from Operating Activities | 9941.84 | 3137.97 |
| B Cash Flow from Investing Activities | | |
| Addition to Fixed Assets | (914.50) | (765.87) |
| Change in other Comprehensive Income | 268.36 | 2794.38 |
| Change in Retained Earnings (Prior Period adj) | - | 5136.27 |
| Interest Received | 317.57 | 316.21 |
| Dividend Received | 9.72 | 9.72 |
| Net Cash from investing Activities | (318.85) | 7490.71 |



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Cash flow statement for the year ended 31st March 2018

₹ in Lakh

| Particulars | Year ended 31.03.2018 | Year ended 31.03.2017 |
|--|--------------------------|--------------------------|
| C Cash Flow from Financing Activities | | |
| Interest Paid | (8240.05) | (9407.67) |
| Net Cash from Financing Activities | (8240.05) | (9407.67) |
| Net increase in Cash and Cash Equivalents (A+B+C) | 1382.95 | 1221.01 |
| Cash and Cash Equivalents as at 1st April (Opening Balance) | 3229.09 | 2008.08 |
| Cash and Cash Equivalents as at 31st March (Closing Balance) | 4612.04 | 3229.09 |
| Closing Cash and Cash Equivalents | | |
| Represented By : | | |
| Cash on hand | 2.61 | 3.00 |
| Balances with banks | 400.01 | 919.21 |
| Cheques, drafts on hand | 0.05 | 500.17 |
| Deposit with Bank (less than 3 month maturity) | 4209.37 | 1806.71 |
| Total | 4612.04 | 3229.09 |

In terms of our Report Attached

For and on behalf of the Board of Directors

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

Sd/-
Sanjai Maheshwari
Director (Finance)
DIN 00653170

Sd/-
Manoj Mishra
Chairman & Managing Director
DIN 06408953

Sd/-
E V Thomas
Partner
Membership No. 3679

Sd/-
K V Balakrishnan Nair
Company Secretary

Place: Kochi
Date: 30 May 2018



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Statement of changes in equity for the year ended March 31, 2018

A. Equity share capital

₹ in Lakh

| Particulars | Opening balance as at 1 Apr 2016 | Changes in equity share capital during the year | Closing balance as at 31 Mar 2017 | Changes in equity share capital during the year | Closing balance as at 31 Mar 2018 |
|---------------------------|-------------------------------------|---|--------------------------------------|---|--------------------------------------|
| Equity shares of ₹10 each | 64707.20 | - | 64707.20 | - | 64707.20 |
| Total | 64707.20 | - | 64707.20 | - | 64707.20 |

B. Other Equity

| Particulars | Reserves and Surplus | | | Equity Instrument Through Other Comprehensive Income | Total |
|--|----------------------|--------------------|------------------|---|--------------------|
| | Capital Reserve | Retained Earnings | Government Grant | | |
| Balance as on 01.04.2017 | 2.64 | (220208.22) | 60.01 | 4204.98 | (215940.59) |
| Changes in Accounting Policy or prior period errors | - | - | - | - | - |
| Restated Balance at the beginning of the reporting period | 2.64 | (220208.22) | 60.01 | 4204.98 | (215940.59) |
| Profit for the year | - | (13051.18) | - | - | (13051.18) |
| Other Comprehensive Income for the year (Net of Taxes ; if any) | - | (1087.32) | - | 1355.68 | 268.36 |
| Total Comprehensive Income for the year | - | (14138.50) | - | 1355.68 | (12782.82) |
| Transfers(if any) | - | - | (1.89) | - | (1.89) |
| Balance as on 31.03.2018 | 2.64 | (234346.72) | 58.12 | 5560.66 | (228725.30) |

| Particulars | Reserves and Surplus | | | Equity Instrument Through Other Comprehensive Income | Total |
|--|----------------------|--------------------|------------------|---|--------------------|
| | Capital Reserve | Retained Earnings | Government Grant | | |
| Balance as on 01.04.2016 | 2.64 | (195660.26) | 61.90 | - | (195595.72) |
| Changes in Accounting Policy or prior period errors | - | (878.58) | - | 4008.98 | 3130.40 |
| Restated Balance at the beginning of the reporting period | 2.64 | (196538.84) | 61.90 | 4008.98 | (192465.32) |
| Profit for the year | - | (26267.77) | - | - | (26267.77) |
| Other Comprehensive Income for the year (Net of Taxes ; if any) | - | 2598.39 | - | 196.00 | 2794.39 |
| Total Comprehensive Income for the year | - | (23669.38) | - | 196.00 | (23473.38) |
| Transfers(if any) | - | - | (1.89) | - | (1.89) |
| Balance as on 31.03.2017 | 2.64 | (220208.22) | 60.01 | 4204.98 | (215940.59) |

In terms of our Report Attached

For and on behalf of the Board of Directors

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

Sd/-
Sanjai Maheshwari
Director (Finance)
DIN 00653170

Sd/-
Manoj Mishra
Chairman & Managing Director
DIN 06408953

Sd/-
E V Thomas
Partner
Membership No. 3679
Place: Kochi
Date: 30 May 2018

Sd/-
K V Balakrishnan Nair
Company Secretary



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

A Statement of Significant Accounting Policy forming part of Accounts for the Year ended 31st March 2018

1. Corporate Information

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

2. Basis for preparation of financial statements

The standalone financial statements of the Company have been prepared in accordance with accounting standards prescribed under Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards)(Amendment) Rules, 2016 and other relevant provisions of the Act.

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

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

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

3. Significant Accounting Policies

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

i) Property Plant and Equipment

- a) All Property, Plant and Equipment are stated at acquisition cost less accumulated depreciation / amortization and cumulative impairment.
- b) Land purchased/acquired and under the possession of the company are treated as free hold land.
- c) Technical know-how / license fee relating to plant / facilities are capitalized as part of cost of the underlying asset
- d) Income approach is adopted for accounting Government grants related to depreciable Property, Plant and Equipment. Grants utilized for acquisition of depreciable Property, Plant and Equipment are treated as Deferred Government Grants and the same is recognized in the Statement of Profit and Loss on a systematic and rational basis over the useful life of the assets.
- e) Spares costing (Unit value of ₹10 lakh and above), and other components which are required to be replaced at intervals, meeting the recognition criteria, have been classified as Plant and equipment and are depreciated separately based on their specific useful lives.
- f) The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.
- g) Revenue expenses exclusively attributable to projects incurred during construction period are capitalized. However, such expenses in respect of capital facilities being executed along with production / operation simultaneously are charged to revenue.

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

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

Depreciation

Depreciation is charged on Fixed Assets based on the useful lives 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 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.



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Impairment

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

Capital Stores

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

Exemption Availed Under Ind AS 101

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

ii) Capital Work In Progress

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

iii) Investment Property

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

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

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Depreciation on Investment property, wherever applicable, is provided on straight line basis as per useful lives prescribed in Schedule II to Companies Act, 2013.

Investment properties are derecognised either when they have been disposed off or when they are being occupied by the Company for its own use or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

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

iv) Intangible Assets

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

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

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

Exemption Availed Under Ind AS 101

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

The Company has no intangible assets with infinite useful lives.

v) Inventory Valuation

Raw materials and stores and spares are valued at or below cost. Cost being ascertained on weighted average method. In cases where there has been a decline in the price of imported and indigenous raw material and it is estimated that cost of finished product will exceed the net realizable value, the materials are written down to net realizable value.

Materials in process are not valued, consistently.



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

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 closing stock as per survey report as on 31.3.2016 will be taken as the base year and closing stock shall be derived by considering the production, consumption, dispatch and sales during the year.

vi) Commitments

Capital

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

Other Commitments

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

vii) Borrowing Cost

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

viii) Investments

All equity investments in scope of Ind- AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may decide to classify the same as at FVTOCI. The Company makes such election on an instrument-by-instrument basis upon on initial recognition and same is irrevocable. Company is not holding any equity instrument for trading. Upon classification of equity instruments as at FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investments. The Company may transfer the cumulative gain or loss within equity.

ix) Revenue Recognition

Sales are recognized on accrual basis when all significant risks and rewards of ownership are transferred to the buyer.

Gross sales (net of returns) include excise duty, wherever applicable

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, Goods and Service Tax Departments are taken into account on acceptance.

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

x) Leases

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



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

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.

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 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.



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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 on account of timing difference between taxable income and accounting income is provided considering the tax rates and tax laws enacted or substantively enacted by the Balance Sheet date.

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 Services Tax

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

xvi) Segment Reporting

The accounting policies adopted for segment reporting are in line with the accounting policies of the company.

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.

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

xviii) Errors and Omissions of earlier period

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

xix) Research and Development Expenses

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

xx) Provisions, Contingent Liabilities and Contingent Assets

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

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

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

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- i) a provision is recognized in respect of present obligations where the outflow of resources is probable
- ii) all other cases are disclosed as contingent liabilities unless the Possibility of outflow of resources is remote.

Contingent assets are neither recognized nor disclosed in the financial statements.

xxi) Non-current assets held for sale

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

xxii) Financial Instruments

Financial Assets

Classification

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

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

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

Measurement

Initial recognition

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

Subsequent Measurement

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

Amortized Cost

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

Fair value through other comprehensive income (FVOCI)

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

Fair value through Profit and Loss(FVTPL)

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

Investments in Joint Venture

Investment in Joint venture is recognised at fair value through FVOCI

Impairment of financial assets

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



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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) First-time adoption of Ind AS

These financial statements, for the year ended 31st March 2016, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31st March 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2015 (Indian GAAP).

The Company has adopted all the applicable Ind AS standards and the adoption was carried out in accordance with Ind AS 101, First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies Accounts Rules, 2014 (IGAAP), which was the previous GAAP.

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31st March 2016 as described in the significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1st April 2016, the Company's date of transition to Ind AS. Reconciliations and descriptions of the effect of the transition have been summarised in Note no.46 to financial statements.

Exemptions Applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions.

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. 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.

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

₹ in lakh

| Particulars | DEEMED COST / COST | | | | DEPRECIATION | | | IMPAIRMENT LOSS | | NET BLOCK | | |
|------------------------|--------------------|---------------------------|---------------------------------------|-----------------------------|------------------|-----------------|----------------|--|--------------------------------|-----------------|-----------------|---|
| | As at 01.04.2017 | Additions during the year | Disposals/ Deductions during the year | Adjustments during the year | As at 31.03.2018 | Upto 01.04.2017 | For the year | On disposals/ Deductions during the year | On adjustments during the year | Upto 31.03.2018 | Upto 01.04.2017 | (Withdrawal)/ Provision during the year |
| Tangible assets | | | | | | | | | | | | |
| Land | 1744.73 | 2.17 | (39.41) | - | 1707.49 | - | - | - | - | - | - | - |
| Buildings | 1331.41 | - | - | - | 1331.41 | 44.57 | 44.55 | - | - | 89.12 | 5.53 | (1.20) |
| Plant and Equipment | 24238.69 | 1335.75 | (20.75) | (32.06) | 25221.63 | 2025.05 | 1600.21 | (19.71) | (294.56) | 3310.99 | 325.21 | (36.25) |
| Furniture and Fixtures | 33.88 | 0.23 | - | - | 34.11 | 1.54 | 1.56 | - | - | 3.10 | - | - |
| Vehicles | 66.43 | 12.03 | - | - | 78.46 | 12.33 | 12.61 | - | - | 24.94 | - | - |
| Office equipment | 128.37 | 191.91 | - | - | 320.28 | 38.22 | 49.10 | - | - | 87.32 | - | - |
| Others:- | | | | | | | | | | | | |
| Roads & Culverts | 338.17 | - | - | - | 338.17 | 20.97 | 20.95 | - | - | 41.92 | - | - |
| Railway Sidings | 15.62 | - | - | - | 15.62 | - | - | - | - | - | - | - |
| Misc. Assets | 178.12 | 5.46 | (0.89) | - | 183.58 | 23.57 | 23.16 | - | - | 46.73 | - | - |
| Retired Asset | 4092.40 | - | - | 37.50 | 4129.05 | - | - | - | - | - | - | - |
| Minor Assets | 0.24 | - | - | - | 0.24 | 0.24 | - | - | - | 0.24 | - | - |
| Total | 32168.06 | 1547.55 | (61.01) | (294.56) | 33360.04 | 2166.49 | 1752.14 | (19.71) | (294.56) | 3604.36 | 330.74 | (37.45) |
| Previous year | 32130.91 | 484.65 | (1.15) | - | 32168.06 | 446.34 | 1720.93 | (0.78) | - | 2166.49 | 368.18 | (37.44) |

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

1.2) Out of the total 2150.50 acres (Previous year 2150.50 acres) of land held by the Company, 158.82 acres, value ₹ Nil (Previous year 158.82 acres, value ₹ Nil) are held under lease hold right. Out of this, lease agreement in respect of 14.26 acres (Previous year 14.26 acres) of leasehold land belonging to Cochin Port Trust is under finalisation.

1.3) Land for ₹512.94 lakh (Previous year ₹510.77 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 year.

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

1.5) During the year 2013-14, Company had given 4.0558 hectares of land to Kochi Metro Rail Limited on leave and license basis for a period of 2 years from 22.10.2013 to 21.10.2015. The lease has been

extended from 22-10-2015 for a period of two years for a consideration of ₹46.2 lakh per hectare for the year 2015-16 and ₹50.82 lakh per hectares for the year 2016-17. The area under lease from 22-10-2015 is 4.1344 hectares.

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

1.7) ₹37.45 lakh has been withdrawn shown as reduction from depreciation expenses in the Statement of Profit and Loss towards impairment loss during the FY 2017-18 and cumulative impairment loss is ₹ 293.29 lakh.

1.8) Non Current asset held for disposal includes Ammonia and Urea Plant at Cochin Division. These assets are retained in books at written down value which the Company expects as its fair value.

1.9) First charge on 520.47625 acres of land (Previous year 520.47625 acres, on 01.04.2016 520.47625 acres) and buildings in the States of Kerala, Tamilnadu and Karnataka and First charge on certain Plant and Machinery permanently attached to the above land as a security against loans repayable on demand.

1.10) Includes assets procured with EEC fund amounting to ₹59.61 lakh (previous year ₹60.55 lakh, on 01.04.2016 ₹61.49 lakh)

Note No. 1A. Non Current Assets - Capital Work in Progress

| | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|--|-----------------------|-----------------------|----------------------|
| Capital Work in Progress | 1679.20 | 2300.52 | 1855.83 |
| Goods in Transit / Material in Transit | 203.37 | 167.41 | 330.57 |
| | 1882.57 | 2467.93 | 2186.40 |

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Note No. 2. Non Current assets - Investment Property

₹ In Lakh

| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 1.04.2016 |
|------------------------|------------------|------------------|-----------------|
| Opening Balance | | | |
| Land | 6.50 | 6.50 | 6.50 |
| Building | 3.30 | 3.30 | 3.30 |
| Total | 9.80 | 9.80 | 9.80 |
| Addition | | | |
| Land | - | - | - |
| Building | - | - | - |
| Total | - | - | - |
| Closing Balance | | | |
| Land | 6.50 | 6.50 | 6.50 |
| Building | 3.30 | 3.30 | 3.30 |
| Total | 9.80 | 9.80 | 9.80 |
| Depreciation | | | |
| Building | | | |
| Opening Balance | 0.10 | - | - |
| Current Year | 0.10 | 0.10 | - |
| Closing Balance | 0.20 | 0.10 | - |
| Net Block | | | |
| Land | 6.50 | 6.50 | 6.50 |
| Building | 3.10 | 3.20 | 3.30 |
| Total | 9.60 | 9.70 | 9.80 |

For investment property existing as on 1 April 2016, i.e., its date of transition to Ind-AS, the company has used Indian GAAP carrying value as deemed costs.

| Particulars | As at 31.03.2018 | As at 31.03.2017 |
|---|------------------|------------------|
| Rental Income from investment property | 99.12 | 99.12 |
| Direct operating expenses to income generating property | - | - |
| Less: Reimbursement of expenses | - | - |
| Profit arising from Investment Property before depreciation | 99.12 | 99.12 |
| Depreciation | 0.10 | 0.10 |
| Profit arising from Investment Property | 99.02 | 99.02 |

Reconciliation of fair value

| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|--|------------------|------------------|------------------|
| Fair Value of Investment property | | | |
| Opening Balance | | | |
| Freehold Land | 1355.07 | 1355.07 | 1355.07 |
| Buildings | 26.42 | 26.42 | 26.42 |
| Total | 1381.49 | 1381.49 | 1381.49 |
| Additions/(Deletions) | | | |
| Freehold Land | 135.51 | - | - |
| Buildings | - | - | - |
| Total | 135.51 | - | - |
| Closing Balance | | | |
| Freehold Land | 1490.58 | 1355.07 | 1355.07 |
| Buildings | 26.42 | 26.42 | 26.42 |
| Total | 1517.00 | 1381.49 | 1381.49 |

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

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₹ In Lakh

| Note No. 3. Non Current Asset - Financial Assets - Investments | | | |
|--|------------------|------------------|------------------|
| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
| In joint venture | | | |
| FACT-RCF Building Products Ltd | | | |
| 32870000 (Previous year 32870000) Equity Shares of ₹10/- each | - | - | 3287.00 |
| Less: Provision for diminution in the value of investment | - | - | (3287.00) |
| | - | - | - |
| Kerala Enviro Infrastructure Ltd | | | |
| 3124000 (Previous year 3124000) equity shares of ₹10/- each fully paid-up | 308.72 | 245.62 | 224.89 |
| | 308.72 | 245.62 | 224.89 |
| Investment in Joint Venture | 308.72 | 245.62 | 224.89 |
| *Reconciliation of fair value measurement of the investment in unquoted | | | |
| FACT-RCF Building Products Ltd | | | |
| 32870000 equity shares (P.Y.32870000, 32870000 as on 01.04.2016) of ₹10 each | - | - | 3287.00 |
| Less:- Provision for Diminution in the value of investment | - | - | (3287.00) |
| | - | - | - |
| Carrying Value | | | |
| Kerala Enviro Infrastructure Ltd | | | |
| *Reconciliation of fair value measurement of the investment in unquoted | | | |
| Opening balance | 245.62 | 224.89 | 312.40 |
| Total Gains and losses recognised in OCI | 63.10 | 20.73 | (87.51) |
| Closing Balance | 308.72 | 245.62 | 224.89 |
| Travancore Cochin Chemicals Ltd., | | | |
| 681820(Previous year 681820)Equity Shares of ₹10/- each including 340910 Bonus shares. | 94.31 | 4.89 | - |
| Capexil Agencies Ltd. | | | |
| 15 (Previous year 15) Equity Shares of ₹1000/- each fully paid-up | - | - | - |
| Indian Potash Ltd. | | | |
| 324000 (Previous year 324000) Equity Shares of ₹10/- each fully paid-up, including 135000 Bonus Shares | 5523.16 | 4320.00 | 4149.63 |
| | 5617.47 | 4324.89 | 4149.63 |
| Shares in Co-Operative Societies: | | | |
| FACT Co-operative Society Ltd | | | |
| 10001 (Previous year 10001) shares of ₹10/- each fully paid-up | 1.00 | 1.00 | 1.00 |
| Meherabad Co-operative Housing Society Ltd | | | |
| 7 (Previous year 7) shares of ₹100/- each fully paid-up | 0.01 | 0.01 | 0.01 |
| Good Earth Housing Society Ltd. | | | |
| 10 (Previous year 10) shares of ₹50/- each fully paid-up ₹500 (Previous year Rs 500) | 0.01 | 0.01 | 0.01 |
| | 1.02 | 1.02 | 1.02 |
| Total Investments | 5927.21 | 4571.53 | 4375.54 |
| Aggregate amount of unquoted investments | 5927.21 | 4571.53 | 4375.54 |
| Aggregate amount of impairment in the value of investments | - | - | - |
| *Reconciliation of fair value measurement of the investment in unquoted | | | |
| Travancore Cochin Chemicals Ltd | | | |
| Opening balance | 4.89 | - | 34.09 |
| Total Gains and losses recognised in OCI | 89.42 | 4.89 | (34.09) |
| Closing Balance | 94.31 | 4.89 | - |

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| | | | |
|---|----------------|----------------|----------------|
| Capexil Agencies Ltd. | | | |
| *Reconciliation of fair value measurement of the investment in unquoted | | | |
| Opening balance | - | - | 0.15 |
| Total Gains and losses recognised in OCI | - | - | (0.15) |
| Closing Balance | - | - | - |
| Indian Potash Ltd | | | |
| *Reconciliation of fair value measurement of the investment in unquoted | | | |
| Opening balance | 4320.00 | 4149.63 | 18.90 |
| Total Gains and losses recognised in OCI | 1203.16 | 170.37 | 4130.73 |
| Closing Balance | 5523.16 | 4320.00 | 4149.63 |

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

Company has adopted the carrying amount as per IGAAP as its deemed cost of its investment in joint ventures.

The deemed cost of the investments has been arrived as under:

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

| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|-------------------------------------|------------------|------------------|------------------|
| From related party | | | |
| Considered doubtful | 203.41 | 174.92 | 134.52 |
| Less : Provision for Doubtful Debts | 203.41 | 174.92 | 134.52 |
| | - | - | - |
| Others | | | |
| Secured | | | |
| Considered doubtful | 1328.00 | 1242.72 | 1163.59 |
| Less : Provision for Doubtful Debts | 1328.00 | 1242.72 | 1163.59 |
| | - | - | - |
| | - | - | - |

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 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|------------------|------------------|------------------|
| Provision at the beginning of the year | 1417.64 | 1298.11 | 1276.42 |
| Provisions made during the year | 113.77 | 119.53 | 21.69 |
| Released during the year | - | - | - |
| Provision at the end of the year | 1531.41 | 1417.64 | 1298.11 |

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

| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|----------------------------|------------------|------------------|------------------|
| Security deposit | | | |
| Un Secured Considered Good | 611.38 | 611.28 | 609.71 |
| | 611.38 | 611.28 | 609.71 |
| Loan to Employees | | | |
| Un Secured Considered Good | 8.34 | 9.96 | 11.60 |
| | 8.34 | 9.96 | 11.60 |
| | 619.72 | 621.24 | 621.31 |

Note :Loans to employees ₹8.34 lakh (Previous year ₹9.96 lakh) towards festival advance paid during 1996-97, and is being recovered at the time of separation from company's service.

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₹ In Lakh

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

| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|------------------|------------------|------------------|
| Advances to Related Parties | | | |
| Considered doubtful | 953.20 | 884.67 | 754.69 |
| Less : Provision | 953.20 | 884.67 | 754.69 |
| | - | - | - |
| Advance to Others | | | |
| Un Secured Considered Doubtful | 11661.97 | 9486.67 | 7692.94 |
| Less : Provision for Doubtful Receivables | 11661.97 | 9486.67 | 7692.94 |
| | - | - | - |
| Treasury Deposit and Interest Warrant Deposit | 12.86 | 11.54 | 11.54 |
| Other Deposits | 0.46 | 0.46 | 0.45 |
| | 13.32 | 12.00 | 11.99 |

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

Allowance for bad & doubtful Loans and advances

| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|--|------------------|------------------|------------------|
| Provision at the beginning of the year | 10371.33 | 8447.63 | 6871.15 |
| Provisions made during the year | 2243.84 | 1923.70 | 1576.48 |
| Written off during the year | - | - | - |
| Provision at the end of the year | 12615.17 | 10371.33 | 8447.63 |

Provision for doubtful loans and advances include ₹11514.60 lakh (Previous year ₹9360.14 lakh, on 01.04.2016 ₹7566.41 lakh) towards interest accrued on mobilisation advance given to a private company. Pending litigation, equivalent provision has been made towards interest beyond the amount considered recoverable .

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

| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|------------------|------------------|------------------|
| Capital Advances | | | |
| Un Secured Considered Good | 305.80 | 55.40 | 5.00 |
| Un Secured Considered Doubtful | - | - | - |
| Less : Provision | - | - | - |
| Advances Other than Capital Advances: | - | - | - |
| Security Deposit | - | - | - |
| Tax Deducted at source including Advance Tax (net of Provision) | 79.00 | 119.43 | 213.69 |
| | 384.80 | 174.83 | 218.69 |

Note : Capital advance include amount paid for items supplied but rejected by the Company pending settlement ₹Nil (Previous year ₹4.00 lakh, ₹4.74 Lakh on 01.04.2016)

Deferred tax assets (net)

The Company has deferred tax asset of ₹212611 lakh (Previous year ₹205581 lakh) as on 31.03.2018 because of unabsorbed depreciation and accumulated losses. The deferred tax liability as on 31.03.2018 is ₹18824 lakh (Previous year ₹14487 lakh). Since there is net deferred tax asset as on 31.03.2018, 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 ₹59880 lakh.(Previous year ₹59048 lakh)

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₹ In Lakh

Note No. 8. Current Assets - Inventories

| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|------------------|------------------|------------------|
| Raw Materials | 4637.68 | 6340.32 | 10269.03 |
| Raw materials-in -transit | 5835.84 | 1540.70 | - |
| | 10473.52 | 7881.02 | 10269.03 |
| Work-in-progress | 1527.09 | 1815.36 | 2541.53 |
| Finished Goods | 26476.67 | 20766.08 | 14759.93 |
| Stock-in-trade (in respect of goods acquired for trading) | 525.73 | 2895.19 | 54.76 |
| Stores and Spares | | | |
| Machinery Spares | 9637.77 | 9793.53 | 10114.19 |
| General Stores | 2316.47 | 2850.98 | 2741.03 |
| Stores & Spares-in -transit | 267.58 | 231.21 | 351.72 |
| | 12221.82 | 12875.72 | 13206.94 |
| Retired Spares | 453.50 | 453.50 | 453.50 |
| Total Inventories | 51678.33 | 46686.87 | 41285.69 |
| Less: Provision towards obsolescence and storage losses | 3803.69 | 3776.06 | 3674.55 |
| | 47874.64 | 42910.81 | 37611.14 |

Notes

- Inventories along with other Current Assets is pledged as Primary Security for Working Capital arrangement with Consortium of Banks amounting to ₹114962 Lakh (Fund Based ₹70250 lakh and Non Fund Based ₹44712 lakh)
- Inventory of raw material, stores and spares, Work in Progress are valued at cost and finished goods are valued at lower of cost or realisable value
- Finished Goods includes 27.63 lakh MT of saleable gypsum (PY 31.22 lakh MT, on 01.04.2016 34.45 lakh MT) amounting to ₹9119.39 lakh (Previous year ₹7400.07 lakh, on 01.04.2016 ₹11506.82 lakh - inclusive of Excise Duty) valued as per Accounting policy.
- Stores & Spares in transit includes Stores & Spares at site pending inspection Rs. 218.81 lakh (Previous year ₹177.83 lakh, ₹269.71 lakh on 01.04.2016)
The disclosure of provisions movement as required under Indian Accounting Standard "Provisions, Contingent Liabilities and Contingent Assets"

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

| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|--|------------------|------------------|------------------|
| Provision at the beginning of the year | 3776.06 | 3674.55 | 3591.54 |
| Provisions made during the year | 27.63 | 101.51 | 83.01 |
| Utilisations during the year | - | - | - |
| Released during the year | - | - | - |
| Provision at the end of the year | 3803.69 | 3776.06 | 3674.55 |

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

| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|-----------------------------|------------------|------------------|------------------|
| Subsidy Receivable | | | |
| Unsecured Considered good | 44572.30 | 49780.22 | 39848.95 |
| | 44572.30 | 49780.22 | 39848.95 |
| Sundry Debtors | | | |
| Secured , considered good | 6.28 | 15.68 | 0.19 |
| Unsecured , considered good | 430.66 | 811.04 | 710.05 |
| | 436.94 | 826.72 | 710.24 |
| | 45009.24 | 50606.94 | 40559.19 |

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

| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|------------------|------------------|------------------|
| Balances with Banks | 400.01 | 919.21 | 353.06 |
| Cheques , Drafts on hand | 0.05 | 500.17 | 0.27 |
| Cash on hand | 2.61 | 3.00 | 2.30 |
| Deposit with original maturity less than three months | 4209.37 | 1806.71 | 1652.45 |
| | 4612.04 | 3229.09 | 2008.08 |

Cash and bank balances include ₹ 0.16 lakh (Previous Year ₹0.16 lakh, on 01.04.2016 ₹0.17 lakh) being the balance of amount received from clients for execution of jobs on Total Responsibility basis and ₹1683.06 lakh (Previous year ₹1217.82 lakh, on 01.04.2016 ₹52.23 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 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|------------------|------------------|------------------|
| Deposit with original maturity more than three months but less than twelve months (*) | 1752.48 | 1989.29 | 3737.34 |
| | 1752.48 | 1989.29 | 3737.34 |

(*) Includes margin money Deposit

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

| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|-----------------------------|------------------|------------------|------------------|
| Security Deposits: | | | |
| Unsecured , considered good | 54.49 | 2.60 | 12.72 |
| Others | - | - | - |
| | 54.49 | 2.60 | 12.72 |

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

| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|--|------------------|------------------|------------------|
| Foreign Currency Receivable on Forwad Contract | 15652.25 | 3153.65 | 25741.97 |
| Dues from Statutory Authorities | 21726.30 | 12081.62 | 12390.31 |
| Interest Accrued | - | - | - |
| Amount receivable against Service Orders | 1199.54 | 1007.98 | 1138.24 |
| Other Accrued Income | 997.16 | 742.58 | 379.02 |
| Employee Benefit - Gratuity | 297.79 | 281.63 | 112.17 |
| Township Dues | 893.30 | 400.00 | 190.21 |
| Other Receivables | - | 1.85 | - |
| | 40766.34 | 17669.31 | 39951.92 |

Dues from statutory authorities include ₹4044.53 lakh (Previous year ₹3046.41lakh, on 01.04.2016 ₹1239.82lakh) relates to Kerala Value Added Tax paid on procurement of Regasified Liquid Natural Gas has been accounted as refundable on account of announcement by the Hon'ble Finance Minister of Kerala in the State Legislative Assembly during the Budget Session.

Deposits includes ₹72.97 lakh (Previous Year ₹72.97 lakh, on 01.04.2016 ₹78.09 lakh) towards the amount paid against disputed demands pending appeal.

Note No. 14. Current Assets - Current Tax Assets

| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|------------------------|------------------|------------------|------------------|
| Tax Deducted at Source | 52.00 | 92.93 | 5.48 |
| | 52.00 | 92.93 | 5.48 |

Note No. 15. Current Assets - Other Current assets

| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|-------------------|------------------|------------------|------------------|
| Contractors | 2490.64 | 2216.45 | 2925.90 |
| Employees | 189.34 | 203.47 | 112.81 |
| Pre Paid Expenses | 333.64 | 230.90 | 246.25 |
| Others | 140.65 | 82.28 | 70.39 |
| | 3154.27 | 2733.10 | 3355.35 |

Dues from Contractors include amount paid for materials supplied but rejected by the Company pending settlement ₹8.63 lakh (Previous year ₹9.45 lakh, on 01.04.2016 ₹22.52 lakh)

Due from Contractors includes 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'ble 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'ble High court of Mumbai for realization of amount, which is pending. However an amount of ₹1353.19 lakh only has been retained pending disposal of the case.

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| Note No. 16. Current Assets - Financial assets- Non Current Assets held for Disposal | | | |
|--|------------------|------------------|------------------|
| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
| Retired Assets held for Disposal | - | - | - |
| Land Held for Sale (M/s. BPCL) | 39.41 | - | - |
| | 39.41 | - | - |
| <p>Company entered an agreement with M/s. Bharat Petroleum Corporation Limited for sale of 169.689 Acre of land @ Rs. 248 Lakh per acre at Ambalamedu. The above land is shown under Land held for sale.</p> | | | |
| Note No. 17. Equity- Equity Share Capital | | | |
| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
| Authorised: | | | |
| 1000000000 (Previous year 1000000000) Equity Shares of ₹10/-each | 100000.00 | 100000.00 | 100000.00 |
| Issued, Subscribed and fully Paid up: | | | |
| 647071974 (Previous year 647071974) Equity Shares of ₹10/- each fully paid up | 64707.20 | 64707.20 | 64707.20 |
| Reconciliation of the shares outstanding at the beginning and at the end of the Financial Year | | | |
| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
| No. of shares at the beginning of the year | 647071974 | 647071974 | 647071974 |
| No. of shares issued during the year | - | - | - |
| No. of shares at the end of the year | 647071974 | 647071974 | 647071974 |
| Notes | | | |
| 1. Rights , Preference and restrictions attached to each class of shares including restrictions on the distribution of dividends and the repayment of capital. - Nil / Not Applicable | | | |
| 2. Shares held by shareholders holding more than 5% of shares: | | | |
| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
| The Government of India - No of shares | 582364776 | 582364776 | 582364776 |
| - Percentage of Total Shares | 90.00% | 90.00% | 90.00% |
| Special National Investment Fund constituted by the Government of India - No of Shares | 55400424 | 55400424 | 55400424 |
| - Percentage of Total Shares | 8.56% | 8.56% | 8.56% |
| 3. In order to comply with the minimum public shareholding norms, the Government of India have transferred 55400424 equity shares of ₹10 each to Special National Investment Fund on 6th August 2013. | | | |
| 4. Shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment. | | | |
| I. Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash | - | - | - |
| II. Aggregate number and class of shares allotted as fully paid up by way of Bonus shares | - | - | - |
| III. Aggregate number and class of shares bought back | - | - | - |
| 5. Terms of any securities convertible into equity / preferential shares issued along with the earliest date of conversion - NIL | | | |
| Note No. 18. Equity - Other Equity | | | |
| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
| Capital Reserves: | | | |
| Subsidy from Kerala State Government under Industrial Housing Scheme | 2.64 | 2.64 | 2.64 |
| | 2.64 | 2.64 | 2.64 |

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Other Reserves:

Deferred Government Grant :

Indo EEC Fertiliser Education Project

| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|--|------------------|------------------|------------------|
| Opening balance | 56.40 | 57.34 | 58.27 |
| Less: Amount written off during current year | 0.94 | 0.94 | 0.93 |
| Closing balance | 55.46 | 56.40 | 57.34 |

Bio-Fertiliser Project

| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|--|------------------|------------------|------------------|
| Opening balance | 3.61 | 4.56 | 5.51 |
| Less: Amount written off during current year | 0.95 | 0.95 | 0.95 |
| Closing balance | 2.66 | 3.61 | 4.56 |

Equity Instruments through other Comprehensive Income

| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|-------------------------|------------------|------------------|------------------|
| Opening Balance | 4204.98 | 4008.98 | - |
| Changes During the Year | 1355.68 | 196.00 | 4008.98 |
| Closing Balance | 5560.66 | 4204.98 | 4008.98 |

Retained Earnings:

| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|------------------|------------------|------------------|
| Opening balance | (220208.22) | (201675.07) | (195660.26) |
| Add Changes in Accounting Policy / Prior Period items as per Ind AS | - | 5136.23 | (6014.81) |
| Add :Profit/ (Loss) during the year | (13051.18) | (26267.77) | - |
| Add: Remeasurement of defined benefit plan | (1087.32) | 2598.39 | - |
| Closing balance | (234346.72) | (220208.22) | (201675.07) |
| Other equity | (228725.30) | (215940.59) | (197601.55) |

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

| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|------------------|------------------|------------------|
| Term loans | | | |
| Secured | | | |
| From the Government of India (Refer Note) | 177048.75 | 177048.75 | 162713.36 |
| | 177048.75 | 177048.75 | 162713.36 |

Note : A plan loan of ₹1000 crore bearing interest @13.50% p.a subject to revision on annual basis was released by the Government of India on 29th March 2016 to maintain the operations of the company. As per the terms of sanction of the loan, the amount of ₹1000 crore along with the earlier loan and interest outstanding has been converted to a single loan carrying interest @13.50% p.a with a one year moratorium for payment of interest. The loan along with interest is repayable in three or more equal instalments in a period of 5 years ending by 2022. Since there is no commitment to repay the loan / interest in the Financial Year 2018-19, the loan amount outstanding as at 31.03.2017 along with interest is shown under Non Current Liabilities - Financial Liabilities - Borrowings.

Note No. 20. Non Current Liabilities - Provisions

| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|--|------------------|------------------|------------------|
| Provision for employee benefits | | | |
| (i) Provision for gratuity | 7668.55 | 3072.69 | 2505.38 |
| (ii) Provision for leave encashment | 8388.29 | 8670.68 | 10650.08 |
| Decommissioning of Assets in Leased Properties | 189.28 | 175.26 | 162.28 |
| | 16246.12 | 11918.63 | 13317.74 |

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| Note No. 21. Non Current Liabilities - Other Non current Liabilities | | | |
|---|-------------------------|-------------------------|-------------------------|
| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
| Advance Rent Received | 819.51 | 883.20 | 946.88 |
| | 819.51 | 883.20 | 946.88 |
| As on 1st April | (946.89) | (1010.57) | (1010.57) |
| Released to Profit and Loss account | 63.69 | 63.68 | - |
| As at 31st March | (883.20) | (946.89) | (1010.57) |
| current | 63.69 | 63.69 | 63.69 |
| Non Current | 819.51 | 883.20 | 946.88 |

| Note No. 22. Current Liabilities - Financial Liabilities -Borrowings | | | |
|---|-------------------------|-------------------------|-------------------------|
| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
| Secured:- | | | |
| Loans repayable on demand | | | |
| From Banks | | | |
| Cash credit | 48416.11 | 63181.59 | 5694.47 |
| Libor Linked Buyers Credit | 2321.39 | - | 11850.88 |
| Borrowing against Fixed Deposit | - | - | 800.00 |
| | 50737.50 | 63181.59 | 18345.35 |

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 520.47625 acres of land (Previous year 520.47625 acres, on 01.04.2016 520.47625 acres) and buildings in the States of Kerala, Tamilnadu and Karnataka (c) First charge on certain Plant and Machinery permanently attached to the above land. Rate of interest on Cash credit varies from 12.00% to 13.65 % P.A (Previous year from 12.00 % to 14.00 % P.A) and is repayable on Demand (Previous year- On demand).

Cash Credit includes Rs. 16149.00 lakh (previous year Rs.8337.25 lakh) towards working capital demand loan from State Bank of India at interest rate of 7.80% Per Annum (Previous year 8.00% Per Annum), secured by subsidy due for the months of September 2017 to December 2017(Previous year September 2016 and October 2016). As per Office Memorandum No.23011/11/2017-MPR dated 05.03.2018 „issued by the Government of India, interest at the rate of 0.96% Per Annum (Previous year 1.75% Per Annum) is to be borne by the company. The outstanding loan amount has been fully liquidated on 7th April 2018 (Previous year - on 7th April 2017) .

| Note No. 23. Current Liabilities - Financial Liabilities - Trade Payables | | | |
|--|-------------------------|-------------------------|-------------------------|
| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
| Trade payables | | | |
| (i) Due to Micro,Small and Medium Enterprises | 49.45 | 40.28 | 17.16 |
| (ii) Others | 42278.69 | 32032.21 | 57134.23 |
| | 42328.14 | 32072.49 | 57151.39 |

Note : Trade payables include ₹34.24 lakh (Previous year ₹22.70 lakh, ₹15.55 lakh on 01.04.2016) payable to Small Scale Industrial Undertakings to the extent such parties have been identified from the available documents/ information. Dues owed by the Company to Small Scale Industrial Undertakings outstanding for more than 30 days is ₹19.65 lakh (Previous year ₹8.03 lakh, ₹Nil on 01.04.2016)

| Note No. 24. Current Liabilities - Financial Liabilities -Other Financial Liabilities | | | |
|--|-------------------------|-------------------------|-------------------------|
| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
| Interest accrued on borrowings | 23901.58 | - | 110.96 |
| Liability on corporate Guarantee | 2550.00 | 3766.50 | 3766.50 |
| Unclaimed matured fixed deposit and interest thereon | 0.49 | 0.49 | 0.49 |
| Other payables (forward Contract) | 15546.05 | 3213.36 | 26581.28 |
| Dues to employees | 89.83 | 274.66 | 41.83 |
| Trade Deposit from customers | 2377.66 | 2364.21 | 2459.26 |
| Statutory dues | 1066.23 | 1121.23 | 1084.21 |
| Other liabilities | 7239.57 | 6171.54 | 5843.69 |
| | 52771.41 | 16911.99 | 39888.22 |

During the year Company's liability in respect of Corporate Guarantee issued in favour of the bankers of Joint Venture (FRBL), has been reassessed based on the One Time Settlement Scheme offered by the bankers. Considering the negative networth of FRBL, the amount receivable against the above has been fully provided for and the liability has been classified as above under "Other Financial Liabilities".

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| Note No. 25. Current Liabilities - Other Current Liabilities | | | |
|---|------------------------------|------------------------------|-------------------------|
| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
| Income received in Advance from Customer | - | - | 33.58 |
| Advance from Customers | 3802.26 | 2812.45 | 2361.76 |
| Advance Rent Received | 63.69 | 63.69 | 63.69 |
| Statutory Dues | | | |
| a) Excise Duty on Closing Stock | - | 1609.29 | 2587.69 |
| | 3865.95 | 4485.43 | 5046.72 |
| Note No. 26. Current Liabilities - Provisions | | | |
| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
| Provision for employee benefits | | | |
| (i) Provision for leave encashment | 1515.27 | 1493.47 | 1466.03 |
| | 1515.27 | 1493.47 | 1466.03 |
| Provision towards other Contractual Obligation | 300.00 | - | - |
| | 1815.27 | 1493.47 | 1466.03 |
| Note No. 27. Revenue from operations | | | |
| Particulars | Year ended 31.03.2018 | Year ended 31.03.2017 | |
| Sale of products | | | |
| Own Products | 137862.54 | 128623.93 | |
| Traded Products | 2788.62 | 4773.84 | |
| | 140651.16 | 133397.78 | |
| Less : Sales discount/Dealer margin | (6705.39) | (6251.87) | |
| | 133945.77 | 127145.91 | |
| Subsidy/Concession on Fertilisers | 57655.49 | 57269.64 | |
| | 57655.49 | 57269.64 | |
| Sale of Services | | | |
| Gross income from contracts and other services | 1265.81 | 3912.43 | |
| Total Revenue from operations * | 192867.07 | 188327.97 | |
| *including excise duty | | | |
| Sale of own products comprises of: | | | |
| Ammonium Sulphate | 21669.38 | 17546.86 | |
| Factamfos 20-20-0-13 | 113554.09 | 107091.36 | |
| Mixed Manures | 84.03 | 461.53 | |
| Caprolactam | - | 900.09 | |
| Gypsum | 1860.88 | 1504.45 | |
| Others | 694.16 | 1119.64 | |
| Total | 137862.54 | 128623.93 | |
| Sale of traded products: | | | |
| Muriate of Potash | 894.54 | 1664.58 | |
| Imported Complex Fertiliser (20:20:0:13) | 1594.32 | 2704.83 | |
| Organic Manures | 299.76 | 399.66 | |
| Others | - | 4.77 | |
| | 2788.62 | 4773.84 | |
| Subsidy/Concession on Fertilisers | | | |
| Factamfos 20-20-0-13 | 47945.45 | 46062.53 | |
| Ammonium Sulphate | 9204.28 | 7137.20 | |
| Muriate of Potash | - | 2409.47 | |
| Imported Complex Fertiliser (20:20:0:13) | 417.93 | 1587.78 | |
| City Compost | 87.83 | 72.66 | |
| | 57655.49 | 57269.64 | |

Consequent to the implementation of Direct Benefit Transfer Scheme (DBT), subsidy income on fertilizers is being recognised upon the sales basis instead of hitherto followed practice of recognising revenue upon the movement of fertilizers to the warehouses under the erstwhile on account subsidy scheme of Government of India. The DBT programme has been implemented in a phased manner and the roll out was completed in January 2018. Under the scheme, 100% subsidy is being released to the fertilizer companies on sale of fertilizer, which is given effect through the concessional pricing of fertilizers to the ultimate beneficiary.

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| Note No. 28. Other income | | |
|--|------------------------------|------------------------------|
| Particulars | Year ended 31.03.2018 | Year ended 31.03.2017 |
| Interest income: | | |
| On deposits with banks | 257.70 | 267.01 |
| On loans , advances , claims , overdues | 59.87 | 49.20 |
| Dividend income | 9.72 | 9.72 |
| Other non-operating income | | |
| Excess provisions written back | 2836.45 | 41.20 |
| Profit on Fixed assets sold/written off/revalued (net) | 6.38 | (0.05) |
| Transfer from deferred Government grants: | | |
| (i) On EEC project | 0.94 | 0.94 |
| (ii) On Bio-Fertiliser project | 0.95 | 0.95 |
| Rent | 636.69 | 602.76 |
| Miscellaneous income | 326.26 | 831.77 |
| | 4134.96 | 1803.50 |

Note : Interest of ₹2154.46 lakh (Previous year ₹1793.73 lakh) for the year 2017-18 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.

Excess provisions written back includes write back of interest expenditure amounting to ₹1919.95 lakh, consequent to waiver of interest by suppliers and ₹916.50 Lakh towards withdrawal of Provision for liability on corporate guarantee after considering ₹300 lakh for remaining Contractual obligation

Note No. 29. Cost of materials consumed

| Particulars | Year ended 31.03.2018 | Year ended 31.03.2017 |
|---------------------------------|------------------------------|------------------------------|
| Raw Material (refer note below) | 105495.49 | 106062.36 |
| Packing Material | 2528.41 | 2678.67 |
| | 108023.90 | 108741.03 |

Note : The physical verification of raw materials has been carried out on or around 31st March 2018. The differences over book figures in the case of raw material has been adjusted in consumption (Excess(-) / Shortage). Current year ₹ (-)317.42 lakh (Previous year ₹ (-)497.42 lakh).

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

| Particulars | Year ended 31.03.2018 | Year ended 31.03.2017 |
|--|------------------------------|------------------------------|
| Muriate of Potash | - | 4008.32 |
| Imported Complex Fertiliser (20:20:0:13) | - | 5555.32 |
| Others | 169.03 | 304.29 |
| | 169.03 | 9867.93 |

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

| Particulars | Year ended 31.03.2018 | Year ended 31.03.2017 |
|---|------------------------------|------------------------------|
| Opening stock | | |
| Finished Goods | 20766.08 | 14759.93 |
| <i>Includes excise duty ₹1609.30lakh (PY ₹2587.69 lakh)</i> | | |
| Stock-in-trade | 2895.19 | 54.76 |
| Work-in progress | 1815.36 | 2541.53 |
| | 25476.63 | 17356.22 |
| Closing stock | | |
| Finished Goods | 26476.67 | 20766.08 |
| <i>Includes excise duty Nil (PY ₹1609.30 lakh)</i> | | |
| Stock-in-trade | 525.73 | 2895.19 |
| Work-in progress | 1527.09 | 1815.36 |
| | 28529.49 | 25476.63 |
| Changes in inventories: (Increase)/ Decrease | (3052.86) | (8120.41) |

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₹ In Lakh

| Note No. 32. Employee benefits expense | | |
|---|-----------------------|-----------------------|
| Particulars | Year ended 31.03.2018 | Year ended 31.03.2017 |
| Salaries and Wages | 16050.24 | 17405.26 |
| Contribution to Provident Fund | 1747.02 | 1892.91 |
| Leave encashment (net of Provision) | 913.33 | 2459.94 |
| Gratuity | 4482.86 | 694.65 |
| Staff welfare expenses | 1836.42 | 1943.77 |
| | 25029.87 | 24396.53 |
| Note : Remuneration to Directors | | |
| Particulars | Year ended 31.03.2018 | Year ended 31.03.2017 |
| Sri Jaiveer Srivastava, Chairman and Managing Director (upto 02.11.2016) | - | 15.97 |
| Sri V.K.Anil, Director (Technical) (upto 27.06.2016) | - | 24.98 |
| Sri D Nandakumar Director (Marketing) (From 13.09.2017) | 12.96 | 0.00 |
| | 12.96 | 40.95 |
| Note No. 33. Finance costs | | |
| Particulars | Year ended 31.03.2018 | Year ended 31.03.2017 |
| Interest | | |
| Interest on loans from the Government of India | 23901.58 | 21058.66 |
| Interest on Cash credit from banks | 7567.66 | 6975.90 |
| Interest -others | 437.46 | 2074.94 |
| Other borrowing costs | 294.04 | 333.18 |
| Net loss on foreign currency transactions translations | | |
| Exchange rate variation & premium on forward exchange contract on buyer's credit | (59.11) | 23.65 |
| | 32141.63 | 30466.33 |
| Note No. 34. Other expenses | | |
| Particulars | Year ended 31.03.2018 | Year ended 31.03.2017 |
| Consumption of stores and spare parts | 2644.01 | 3309.70 |
| Power and Fuel | 16458.99 | 16681.05 |
| Rent | 771.56 | 582.16 |
| Repairs and maintenance to buildings | 80.18 | 104.11 |
| Repairs and maintenance to machinery | 3362.94 | 3389.75 |
| Insurance | 44.41 | 57.91 |
| Rates and Taxes | 102.25 | 88.60 |
| (Gain)/Loss on exchange rate variation (net) | (320.44) | 154.03 |
| Material and other direct charges on contracts | 1003.15 | 3331.20 |
| Auditors' Fees and Expenses (refer note below) | 17.39 | 29.48 |
| Freight , Handling and other charges | 17184.30 | 14642.04 |
| Increase/(Decrease) in provision for excise duty on stock of Finished goods (refer note below) | (1609.29) | (978.39) |
| Bad debts written off | 0.03 | - |
| Provision for doubtful receivables & advances | 672.69 | 264.22 |
| Damages/Shortages of Stores , Spares & Products (Net) | 0.31 | (11.98) |
| Provision for obsolescence of stores (Net) | 27.63 | 101.51 |
| Research and Development Expenditure(refer note below) | 114.17 | 108.87 |
| CISF Expenses (including salaries) | 2480.34 | 2830.23 |
| Directors' Sitting Fees | 2.85 | 1.30 |
| Excise duty | 184.68 | 1665.35 |
| Miscellaneous Expenses (refer note below) | 3842.91 | 3344.48 |
| | 47065.06 | 49695.62 |
| Less :Allocated Expenses [net of income from inter-divisional jobs of ₹1476.00 lakh] (Previous year ₹1521.89 lakh) | (1038.20) | (777.70) |
| | 46026.86 | 48917.92 |

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₹ In Lakh

Notes:

1. Auditors' Fees and Expenses include

| Particulars | Year ended 31.03.2018 | Year ended 31.03.2017 |
|---------------------|-----------------------|-----------------------|
| For Statutory Audit | 6.65 | 6.90 |
| For Branch Audit | 1.40 | 1.64 |
| For Other Services | 5.01 | 15.99 |
| For Expenses | 4.33 | 4.95 |
| Total | 17.39 | 29.48 |

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

| Particulars | Year ended 31.03.2018 | Year ended 31.03.2017 |
|---------------------------------|-----------------------|-----------------------|
| Provision on closing stock | 0.00 | 1609.30 |
| Less provision on opening stock | 1609.30 | 2587.69 |
| Net provision | (1609.30) | (978.39) |

3. Research and Development Expenditure of ₹114.17 lakh (Previous Year ₹108.87 lakh) includes expenditure towards salary ₹113.92 lakh (Previous year ₹108.20 lakh) and depreciation ₹0.10 lakh (Previous year ₹0.20 lakh).

4. Miscellaneous Expenses includes Directors travel amounting to ₹17.92 lakh (Previous year ₹13.7 lakh).

5. Miscellaneous Expenses includes ₹353.72 lakh (previous year ₹6.51 lakh) towards the cost of PoS machine distributed by the Company under Direct benefit Transfer Scheme framed by the government of India.

6. 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 ₹0.31 lakh (Previous year ₹(-) 11.98 lakh)

7. Physical verification of fuel was carried out at all divisions as per the procedure laid down in the Stores Management Manual and the differences(Excess(-)/Shortage) over book figures has been adjusted in the accounts. Current year ₹3.86 lakh (Previous year ₹ 79.17 lakh)

Note No. 35. Earning per Share

| Particulars | Year ended 31.03.2018 | Year ended 31.03.2017 |
|--|-----------------------|-----------------------|
| Profit / (Loss) after Tax | (13051.18) | (26267.77) |
| Number of Equity Shares | 647071974 | 647071974 |
| Face Value per Share (₹) | 10.00 | 10.00 |
| Basic/ Diluted earnings per Share (₹) | (2.02) | (4.06) |

Explanatory Information on Financial Statements

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. But due to the losses suffered during the preceding Financial Years, the Company is not liable to spend any amount mandatorily on CSR.

Note No. 37. Caprolactam Operations:

Due to uneconomic price of one of the product namely Caprolactam in the market, the plant remained unproductive during the year. Certain segments of the Petro Chemical plant has been operated for production of Ammonium Sulphate through the direct neutralization method. The Caprolactam plant is maintained and preserved for commencement of production when required. Company has redeployed a section of the employees of the plant to other areas wherever required. The unabsorbed fixed cost pertaining to caprolactam plant charged to revenue during the year is ₹2123.07 lakh.(Previous year ₹2430.17 lakh)



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38. Disclosure required for Micro Small and Medium Enterprises

₹In Lakh

| Sl No. | Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|--------|---|------------------|------------------|------------------|
| 1 | Principal amount remaining unpaid | 49.45 | 40.28 | 17.16 |
| 2 | Interest due thereon | 3.58 | 1.16 | 0.77 |
| 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. | - | - | - |
| 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. | 0.34 | 1.01 | - |
| 5 | Interest accrued and remaining unpaid | 3.92 | 1.16 | 0.77 |
| 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. | - | - | - |

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 a weighted average of DCF, PE and 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.

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₹In Lakh

| Particulars | 31.03.2018 | | 31.03.2017 | | 01.04.2016 | |
|--|-------------------------------|---------|-------------------------------|---------|-------------------------------|---------|
| | Significant observable inputs | | Significant observable inputs | | Significant observable inputs | |
| | Level 2 | Level 3 | Level 2 | Level 3 | Level 2 | Level 3 |
| Financial Assets | | | | | | |
| Investment in Unquoted Equity Shares of: | | | | | | |
| Indian Potash Limited | | 5523.16 | | 4320.00 | | 4149.63 |
| Travancore Cochin Chemicals Ltd | | 94.31 | | 4.89 | | - |
| Capexil Agencies Ltd. | | - | | - | | - |
| Kerala Enviro Infrastructure Limited | | 308.72 | | 245.62 | | 224.89 |
| Foreign Currency Receivable under Forward exchange contracts | 15652.25 | | 3153.65 | | 25741.97 | |
| Financial Liabilities | | | | | | |
| Amount Payable under forward exchange contracts | 15546.05 | | 3213.36 | | 26581.28 | |
| Assets for which Fair values are disclosed | | | | | | |
| Investment Properties | 1517.00 | | 1381.49 | | 1381.49 | |

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 payments under non-cancellable leases are receivable as follows

| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|----------------------------|------------------|------------------|------------------|
| Within less than one year | 87.62 | 87.62 | 87.62 |
| Between one and five years | 350.48 | 350.48 | 350.48 |
| More than five years | 445.10 | 508.79 | 572.47 |

ii) Amounts recognized in profit and loss

| Particulars | As at 31.03.2018 | As at 31.03.2017 |
|-------------|------------------|------------------|
| Lease Rent | 87.62 | 87.62 |
| | 87.62 | 87.62 |

Leases as lessee

FACT 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 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|----------------------------|------------------|------------------|------------------|
| Within less than one year | 207.03 | 197.17 | 187.78 |
| Between one and five years | 936.93 | 892.31 | 849.82 |
| More than five years | 9437.93 | 9689.57 | 9929.23 |
| | 10581.89 | 10779.06 | 10966.84 |

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 31.03.2018 | As at 31.03.2017 |
|---------------|------------------|------------------|
| Lease Rentals | 197.56 | 187.78 |
| | 197.56 | 187.78 |

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| 40 . Financial Instrument Classification | | | |
|---|------------------|------------------|------------------|
| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
| Financial Assets | | | |
| Financial Assets at Amortised Cost | | | |
| Trade Receivables | 45009.24 | 50606.94 | 40559.19 |
| Cash and Cash equivalents | 4612.04 | 3229.09 | 2008.08 |
| Other Bank Balances | 1752.48 | 1989.29 | 3737.34 |
| Loans | 674.21 | 623.84 | 634.03 |
| Other Financial Assets | 25127.41 | 14527.66 | 14221.94 |
| | 77175.38 | 70976.82 | 61160.58 |
| Financial Assets at Fair Value through Other Comprehensive Income: | | | |
| Equity Investments | 5927.21 | 4571.53 | 4375.54 |
| Financial Assets at Fair Value through Profit and Loss Statement: | | | |
| Foreign Currency Receivable on Forward exchange contract | 15652.25 | 3153.65 | 25741.97 |
| | 21579.46 | 7725.18 | 30117.51 |
| Financial Liabilities | | | |
| Financial Liability at Amortised Cost | | | |
| Borrowings | 227786.25 | 240230.34 | 181058.71 |
| Trade Payables | 42328.14 | 32072.49 | 57151.39 |
| Other Financial Liabilities | 37225.36 | 13698.63 | 13306.94 |
| | 307339.75 | 286001.46 | 251517.04 |
| Financial Liabilities at Fair Value through Profit and Loss Statement: | | | |
| Liability on Forward Exchange contract | 15546.05 | 3213.36 | 26581.28 |
| | 15546.05 | 3213.36 | 26581.28 |

41. Financial Risk Management

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

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

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

(A) Credit risk

Credit Risk refers to the risk of default on its obligations resulting in financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹45406.64 lakh and ₹50606.94 lakh as of March 31, 2018 and March 31, 2017, respectively of which ₹44969.71 lakh (previous year ₹49780.22 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



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In addition, the Company is exposed to credit risk in relation to financial guarantees given to the banks. The maximum exposure in this respect is the amount the Company would have to pay if the guarantee is called on is ₹2550.00 lakh as at March 31, 2018 (₹3766.50 lakh as on 31.03.2017, as at 1st April 2016, ₹3766.50 lakh).

(B) Liquidity risk

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

Financing arrangements

The company had access to the following undrawn fund based borrowing facilities at the end of the reporting period:

| Particulars | 31st March, 2018 | 31st March, 2017 | 1st April, 2016 |
|---|------------------|------------------|-----------------|
| Expiring within one year (Bank Overdraft/ CC Limit) | 34732.89 | 12155.66 | 61305.23 |

The Bank Overdraft/Cash Credit (CC)/Short term loan (STL) facilities may be drawn at any time and may be called back by the bank at their discretion. The credit facilities of Banks are subject to compliance with sanctioned terms & conditions. The credit facilities have an average maturity of 1 year.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. The Company's activities exposes it's primarily to the financial risk of changes in foreign currency risk. To mitigate the foreign currency risk, the company is entering into forward contracts with Banks.

42. Disclosure under Ind AS 24 on related party transactions are given below

Since Government of India owns 90% of the Company's equity share capital (under the administrative control of Ministry of Chemicals and Fertilizers), the disclosures relating to transactions with the Government and other Government controlled entities have been reported in accordance with para 26 of Ind AS 24.

Certain transactions are carried out with other government related entities for purchase of Gases, for procurement of Raw Materials / Finished Goods, Assets / Spare Parts from Original equipment manufacturers, which are significant in terms of value, the details of which are as under:

| Name of Entity | Nature of Transaction | 2017-18 | 2016-17 |
|--------------------------------------|---|----------|----------|
| GAIL (India) Ltd | Procurement of Gas / Transmission Charges | 13527.37 | 14104.34 |
| MMTC Limited | Procurement of Traded Products | - | 3299.42 |
| Bharat Petroleum Corporation Limited | Procurement of Gas / Petroleum Products | 19527.34 | 13935.86 |
| Indian Oil Corporation Ltd | Procurement of Gas / Petroleum Products | 11995.51 | 13096.32 |
| Steel Authority of India | Procurement of Steel Structural | 260.03 | 188.23 |
| Rashtriya Chemicals and Fertilisers | Sale of Fertilisers | 433.99 | - |
| Bharat Petroleum Corporation Limited | Services Provided | 83.85 | 129.43 |
| Indian Oil Corporation Ltd | Services Provided | 87.31 | 378.31 |

The above referred transactions have been carried out on arm's length basis with the said entities.

The other disclosures with related parties are as under:

1) Relationship

JOINT CONTROLLED ENTITIES

| SI No | Name of Entity | Percentage of ownership interest as at | | |
|-------|--|--|------------|------------|
| | | 31.03.2018 | 31.03.2017 | 01.04.2016 |
| 1 | FACT-RCF BUILDING PRODUCTS LTD. (FRBL) | 50.00% | 50.00% | 50.00% |
| 2 | Kerala Enviro Infrastructure Ltd. (KEIL) | 25.66% | 25.66% | 25.66% |

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Transactions during the year with the above referred related parties:

| Sl No | Particulars | Year ended 31.03.2018 | Year ended 31.03.2017 |
|-------|-----------------------------------|--------------------------|--------------------------|
| | | Amount | Amount |
| i) | Contribution towards sharecapital | - | - |
| ii) | Sales of Products | 28.49 | 40.40 |
| iii) | Others | 68.53 | 129.98 |

Consequent to full provision recognized towards the investments made in FRBL as per Indian GAAP, the carrying value as on the date of transition has been recognized as deemed cost of investment which is NIL as on the transition date .i.e. 1st April 2016.

The provision towards the amount given as material, Services and advances made in the earlier financial years continues. Similar Provision amounting to ₹97.02 Lakh (Previous year ₹170.38 lakh) has been made for the current year also.

Balance Outstanding:

| Sl. No | Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|--------|--|------------------|------------------|------------------|
| i) | Corporate Gurantees given | 3766.50 | 3766.50 | - |
| ii) | Due to FACT on sales | 203.41 | 174.92 | 134.52 |
| iii) | Advances Given (for meeting business requirements) | 953.20 | 884.67 | 754.69 |

Out of the guarantees given by the Company on behalf of FRBL to its bankers, guarantees amounting to ₹3766.50 Lakh as a part of the Debt restructuring scheme, has been accounted for as a financial liability required to be measured at fair value and also tested for loss allowance. Expecting the liability of repayment of debt obligations of FRBL, bankers may devolve on the Company, the Company has provided for loss on impairment of its corporate guarantee amounting to ₹3766.50 lakh towards term loan which has been adjusted to its opening reserves as at 1st April 2016, the date of transition to Ind AS. During the year the said liability has been crystalised and agreed for alone time settlement for and amount of ₹ 3030 lakh has been provided. The said liability towards financial guarantee is reported under other financial liabilities.

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 FACT is only provision of its existing facilities of Training School. The accounts of the society are not consolidated as society is formed with an objective of not obtaining any economic benefits from its activities and is considered immaterial to the Company's activity.

2) Key Management Personnel

- 1 Shri Sushil Kumar Lohani, Chairman and Managing Director (upto 16.02.2018)
- 2 Shri Manoj Mishra, Chairman and Managing Director (from 21.02.2018)
- 3 Shri Suresh Warior, Director (Finance) (upto 30.11.2017)
- 4 Shri D Nandakumar, Director (Marketing) (from 13.09. 2017)
- 5 Shri U Saravanan, Director (Technical) (from 14.8.2017)
- 6 Shri Sanjai Maheshwari Director (Finance) (from 06.03.2018)
- 7 Shri K V Balakrishnan Nair, Company Secretary

Transactions with related parties:

Remuneration to key management personnel :

| Sl No | Particulars | Year ended 31.03.2018 | Year ended 31.03.2017 |
|-------|---|-----------------------|-----------------------|
| 1 | Shri Jaiveer Srivastava, Chairman and Managing Director (Upto 02.11.2016) | - | 15.97 |
| 2 | Shri V K Anil, Director (Technical) (upto 27.06.2016) | - | 24.98 |
| 3 | Shri D Nandakumar, Director (Marketing) (From 13.09.2017) | 12.96 | - |
| 4 | Shri K V Balakrishnan Nair, Company Secretary | 16.94 | 16.36 |
| | | 29.90 | 57.31 |

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.

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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 | | |
|--------------------------------------|--------------------------|----------------------------------|------------|------------|
| | | 31.03.2018 | 31.03.2017 | 01.04.2016 |
| FACT RCF Building Products Ltd. | India | 50.00% | 50.00% | 50.00% |
| Kerala Enviro Infrastructure Limited | India | 25.66% | 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 31.03.2018 (Unaudited) | As at 31.03.2017 (Audited) | As at 01.04.2016 (Audited) |
|---|------------------------------------|----------------------------------|----------------------------------|
| Non-Current Assets | 7383.00 | 8388.25 | 9327.83 |
| Cash and Cash Equivalent | 54.50 | 54.48 | 129.72 |
| Current Assets other than Cash and Cash Equivalents | 826.02 | 955.11 | 1201.61 |
| Non-Current Liabilities | 7508.61 | 10981.23 | 8507.43 |
| Current Liabilities | 4470.75 | 2352.18 | 3685.98 |
| Equity | (3715.84) | (3935.57) | (1534.25) |
| Proportion of the company's ownership | 50.00% | 50.00% | 50.00% |
| Carrying amount of the investment* | - | - | - |

| Particulars | Year Ended 31.3.2018 (Unaudited) | Year Ended 31.3.2017 (Audited) |
|---|--|--------------------------------------|
| Income | 1647.87 | 2104.57 |
| Cost of materials consumed | 152.70 | 177.17 |
| Depreciation and amortization expense | 969.10 | 966.83 |
| Finance costs | 462.06 | 1199.62 |
| Employee benefits expenses | 291.62 | 359.38 |
| Other Expenses | 1256.81 | 1803.68 |
| Loss from continuing operations | (1484.42) | (2402.11) |
| Total comprehensive income for the year | (1484.42) | (2402.11) |
| Company's Share of profit / loss for the year | (742.21) | (1201.06) |

* Owing to the company's share of losses exceeding its interest in the joint venture the share of loss stands discontinued. Accordingly company has not recognized share of loss of ₹742.21 lakh for the year (P.Y. ₹1201.06 lakh) and ₹1857.92 lakh cumulatively upto the year ended 31.03.2018 (₹1967.79 lakh cumulatively upto the year ended 31.03.2017).

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 FINANCIAL STATEMENTS

₹ In Lakh

Summarised financial information of Company's investment in Kerala Enviro Infrastructure Ltd. (KEIL)

| Particulars | As at 31.03.2018 (Audited) | As at 31.03.2017 (Audited) | As at 01.04.2016 (Audited) |
|---|----------------------------------|----------------------------------|----------------------------------|
| Non-Current Assets | 1071.33 | 1072.00 | 840.45 |
| Cash and Cash Equivalent | 775.56 | 259.98 | 418.50 |
| Current Assets other than Cash and Cash Equivalents | 694.82 | 725.80 | 666.45 |
| Non-Current Liabilities | 1084.81 | 953.58 | 900.24 |
| Current Liabilities | 253.89 | 147.07 | 148.82 |
| Equity | 1203.01 | 957.13 | 876.34 |
| Proportion of the company's ownership | 25.66% | 25.66% | 25.66% |
| Carrying amount of the investment | 308.72 | 245.62 | 224.89 |

| Particulars | Year Ended 31.3.2018 (Audited) | Year Ended 31.3.2017 (Audited) |
|---|--------------------------------------|--------------------------------------|
| Income | 1358.51 | 891.89 |
| Cost of materials consumed | 4.40 | 6.02 |
| Depreciation and amortization expense | 41.94 | 57.82 |
| Finance costs | - | - |
| Employee benefits expenses | 119.22 | 103.19 |
| Other Expenses | 873.87 | 627.07 |
| Profit before Tax | 319.08 | 97.79 |
| Current Tax | 73.31 | 16.13 |
| Profit after Tax | 245.77 | 81.66 |
| Other Comprehensive Income | 0.12 | (0.87) |
| Total comprehensive income for the year | 245.89 | 80.79 |
| Company's Share of profit / loss for the year | 63.10 | 20.73 |

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

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44. SEGMENTAL REPORTING

Segment Information for the year ended 31st March 2018

Information about Primary Business Segments

| | ₹ in Lakh. | ₹ in Lakh. | ₹ in Lakh. | ₹ in Lakh. |
|-------------------------------------|---------------------------------|--------------------------------|----------------------------------|----------------------------------|
| | Fertiliser | Petrochemical | Others (Unallocated) | Total |
| REVENUE | | | | |
| External Revenue | 192283.93 (184716.36) | 4.19 (919.64) | 4396.34 (4179.27) | 196684.46 (189815.27) |
| TOTAL REVENUE | 192283.93 (184716.36) | 4.19 (919.64) | 4396.34 (4179.27) | 196684.46 (189815.27) |
| SEGMENT RESULTS | | | | |
| Profit before Interest and Taxation | 26871.05 (11649.61) | (2118.88) (-1510.53) | (1267.33) (-3268.17) | 23484.84 (6870.91) |
| Unallocated Corporate Expense | | | 5005.99 (3321.73) | 5005.99 (3321.73) |
| Operating Profit | 26871.05 (11649.61) | (2118.88) (-1510.53) | (6273.32) (-6589.90) | 18478.84 (3549.18) |
| Interest Expense | - | - | 31847.59 (30133.15) | 31847.59 (30133.15) |
| Interest Income | - | - | 317.57 (316.20) | 317.57 (316.20) |
| Income Tax | - | - | - | - |
| Profit after Interest and Taxation | 26871.05 (11649.61) | (2118.88) (-1510.53) | (37803.35) (-36406.85) | (13051.18) (-26267.77) |
| OTHER INFORMATION | | | | |
| Segment Assets | 163654.81 (136578.16) | 4840.01 (4577.89) | 13119.71 (15606.11) | 181614.53 (156762.16) |
| Segment Liabilities | 156646.59 (121014.28) | 3593.31 (3551.12) | 21374.62 (32196.77) | 181614.53 (156762.16) |
| Depreciation | 1489.87 (1489.35) | 163.54 (202.43) | 98.82 (475.60) | 1752.23 (2167.37) |
| Capital Expenditure | 1480.95 (440.81) | 2.17 (0.00) | 64.42 (43.84) | 1547.55 (484.65) |

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

| RECONCILIATION OF REVENUE | 2017-18 | 2016-17 |
|--|------------------|------------------|
| Segment Revenue as above | 196684.46 | 189815.27 |
| Add Interest Income | 317.57 | 316.20 |
| Revenue as per Profit and Loss Statement | 197002.03 | 190131.47 |

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

45. NOTES FORMING PART OF FINANCIAL STATEMENTS

A General Description of Defined Contribution Plan

Contributory Superannuation Scheme-The scheme is aimed to provide superannuation benefits to the employees. Every year company contributes ₹100 to the fund.

B General Description of Defined Benefit Plan

1 Provident Fund

The Provident Fund contributions are made to Trusts administered by the company. The interest rate payable to the members of the Trust shall not be lower than statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act 1952.

During the year an amount of ₹1747.02 lakh (Previous Year ₹1892.91 lakh) has been charged to Statement of Profit & Loss towards contribution by the Company. In terms of the Ind AS 19 issued by the Institute of Chartered Accountants of India, the Provident Fund Trust set up by the company is treated as Defined Benefit Plan since the company has to meet the shortfall in the fund assets , if any.

2 Gratuity and Leave Encashment

The company operates gratuity plan where in every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service.The same is payable on death , separation from service or retirement, whichever is earlier. The benefit vests after five years of continuous service.The company has been accounting for provision on account of leave encashment on retirement based on actuarial valuation carried out as at the balance sheet date.

| Particulars | ₹ in Lakh | | ₹ in Lakh | |
|---|-----------------------------|------------|-----------------------------|------------|
| | Leave encashment (Unfunded) | | Gratuity (Funded) | |
| | 31.03.2018 | 31.03.2017 | 31.03.2018 | 31.03.2017 |
| a. Changes in the present value of obligations | | | | |
| Present value of obligations at the beginning of the year | 10164.15 | 12116.10 | 11640.69 | 12172.46 |
| Interest cost | 830.18 | 1020.24 | 892.82 | 990.33 |
| Past service cost | - | - | 3,588.96 | - |
| Current service cost | 1809.77 | 1273.90 | 527.11 | 413.34 |
| Benefits paid | (1955.48) | (1746.55) | (2251.18) | (1836.60) |
| Actuarial loss/(gain) on obligation | (945.06) | (2499.54) | 142.27 | (98.84) |
| Present value of obligations at the end of the year | 9903.56 | 10164.15 | 14540.67 | 11640.69 |
| b. Changes in the fair value of plan assets | | | | |
| Fair value of plan assets at the beginning of the year | - | - | 8567.99 | 9667.07 |
| Expected return on investment | - | - | 685.44 | 773.37 |
| Employer's contribution | 1955.48 | 1746.55 | 0.18 | 0.36 |
| Benefits paid | 1955.48 | 1746.55 | (2251.18) | (1836.60) |
| Actual return on Plan Asset over Expected Interest | - | - | 555.11 | (36.21) |
| Fair value of plan assets at the end of the year | - | - | 7557.54 | 8567.99 |
| Actual return on investment | - | - | 685.44 | 773.37 |
| c. Amount recognised in Balance sheet | | | | |
| Present value of obligations at the end of the year | 9903.56 | 10164.15 | 14540.67 | 11640.69 |
| Fair value of plan assets at the end of the year | - | - | 7557.54 | 8568.00 |
| Unfunded net liability recognised in Balance sheet | 9903.56 | 10164.15 | 6983.13 | 3072.69 |
| d. Expenses recognised in the Statement of Profit and Loss during the year | | | | |
| Current service cost | 1809.77 | 1273.90 | 527.11 | 413.34 |
| Past service cost | - | - | - | - |
| Net Interest on Obligation / Asset | 830.18 | 1020.24 | 337.71 | 253.17 |
| Total Expenses recognised in the Statement of Profit and Loss during the year | 2639.95 | 2294.14 | 864.82 | 666.51 |
| Amount Disclosed under Other Comprehensive Income: | | | | |
| Opening balance | (2499.55) | - | (98.84) | - |
| Actuarial Gain or Loss on Obligation side during the year | (945.05) | (2499.55) | 3731.23 | (98.84) |
| Closing Amount Disclosed under OCI | (3444.60) | (2499.55) | 3632.39 | (98.84) |
| e. Investment details | % invested as at 31st March | | % invested as at 31st March | |
| LIC Group Gratuity (Cash Accumulation) policy | - | - | 51.98 | 73.60 |
| f. Actuarial assumptions | (1994-96) Ultimate | | LIC (1994-96) Ultimate | |
| Mortality rate | 8.00% | 8.00% | 8.00% | 8.00% |
| Discount rate | 5.00% | 5.00% | 5.00% | 5.00% |
| Salary escalation rate | - | - | 8.00% | 8.00% |
| Expected rate of return on plan assets | - | - | - | - |

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

45. NOTES FORMING PART OF FINANCIAL STATEMENTS

| | ₹ in Lakh | | ₹ in Lakh | |
|---|--|------------|---|------------|
| | Trust managed Provident Fund Udyogamandal | | Trust managed Provident Fund Cochin Division | |
| | 31.03.2018 | 31.03.2017 | 31.03.2018 | 31.03.2017 |
| a. Changes in the present value of obligations | | | | |
| Present value of obligations at the beginning of the year | 24514.32 | 22756.00 | 2818.79 | 2545.55 |
| Interest cost | 2109.00 | 1979.03 | 242.91 | 225.01 |
| Past service cost | - | - | - | - |
| Current service cost | 3696.53 | 3963.81 | 435.14 | 534.10 |
| Benefits paid | (3983.21) | (3509.71) | (495.39) | (382.10) |
| Actuarial loss/(gain) on obligation | (1462.13) | (674.81) | (644.63) | (103.77) |
| Present value of obligations at the end of the year | 24874.51 | 24514.32 | 2356.82 | 2818.79 |
| b. Changes in the fair value of plan assets | | | | |
| Fair value of plan assets at the beginning of the year | 29980.72 | 23621.45 | 2873.33 | 2915.41 |
| Expected return on investment | 2398.46 | 2105.72 | 229.87 | 233.23 |
| Employer's contribution | - | - | - | - |
| Benefits paid | (3983.21) | (3509.71) | (495.39) | (382.10) |
| Actuarial loss/(gain) on plan assets | (3223.22) | 7763.26 | (185.17) | 106.79 |
| Fair value of plan assets at the end of the year | 25172.75 | 29980.72 | 2422.64 | 2873.33 |
| Actual return on investment | 2398.46 | 2105.72 | 229.87 | 233.23 |
| c. Amount recognised in Balance sheet | | | | |
| Present value of obligations at the end of the year | 24874.51 | 24514.32 | 2356.82 | 2818.79 |
| Fair value of plan assets at the end of the year | 25172.75 | 29980.72 | 2422.64 | 2873.33 |
| Unfunded net liability | (298.24) | (5466.40) | (65.82) | (54.54) |
| d. Expenses recognised in the Statement of Profit and Loss during the year | | | | |
| Current service cost | 3696.53 | 3963.81 | 435.14 | 534.10 |
| Past service cost | - | - | - | - |
| Interest cost | 2109.00 | 1979.03 | 242.91 | 225.01 |
| Expected return on investment | (2398.46) | (2105.72) | (229.87) | (233.23) |
| Net actuarial (gain) / loss recognised during the year | 1761.08 | (8438.07) | (210.55) | (210.55) |
| Total Expenses | 5168.15 | (4600.95) | 237.63 | 315.33 |

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NOTES FORMING PART OF FINANCIAL STATEMENTS

| 46. Ind AS 101 - Reconciliation | | ₹In Lakh | | | | | |
|--|------|---|--------------------|------------------|------------------|--------------------|------------------|
| Reconciliations between previous GAAP and Ind AS | | Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following table represent the reconciliations from previous GAAP to Ind AS. | | | | | |
| Particulars | Note | IGAAP Accounts | Ind AS Adjustments | As at 31.03.2017 | IGAAP Accounts | Ind AS Adjustments | As at 01.04.2016 |
| ASSETS | | | | | | | |
| NON CURRENT ASSETS | | | | | | | |
| Property, Plant and Equipment | a,f | 25378.32 | 4292.54 | 29670.86 | 26972.78 | 4343.61 | 31316.39 |
| Capital Work in Progress | | 2467.93 | - | 2467.93 | 2186.40 | - | 2186.40 |
| Investment Property | a | - | 9.70 | 9.70 | | 9.80 | 9.80 |
| Intangible Assets | | | | | | | |
| Financial Assets | | | | | | | |
| Investments | b | 366.55 | 4204.98 | 4571.53 | 366.55 | 4008.99 | 4375.54 |
| Trade Receivables | c | 621.24 | - | 621.24 | 621.31 | - | 621.31 |
| Loans | d | 12.00 | - | 12.00 | 12.31 | (0.32) | 11.99 |
| Other Financial Assets | c | 267.77 | (92.94) | 174.83 | 224.18 | (5.49) | 218.69 |
| Other Non Current Assets | | | | | | | |
| | | 29113.81 | 8414.28 | 37528.09 | 30383.53 | 8356.59 | 38740.12 |
| CURRENT ASSETS | | | | | | | |
| Inventories | a | 44556.93 | (1646.12) | 42910.81 | 38862.03 | (1250.89) | 37611.14 |
| Financial Assets | | | | | | | |
| Trade Receivables | e | 50606.94 | - | 50606.94 | 40559.19 | - | 40559.19 |
| Cash and Cash equivalents | d | 3229.09 | - | 3229.09 | 2008.15 | (0.07) | 2008.08 |
| Bank Balances other than above | | 1989.29 | - | 1989.29 | 3737.34 | - | 3737.34 |
| Loans | c | 2.60 | - | 2.60 | 12.72 | - | 12.72 |
| Other financial assets | e,h | 17179.21 | 490.10 | 17669.31 | 39888.43 | 63.49 | 39951.92 |
| Current Tax Asset | | | 92.93 | 92.93 | | 5.48 | 5.48 |
| Other current Assets | e,f | 6849.43 | (4116.33) | 2733.10 | 7698.85 | (4343.50) | 3355.35 |
| | | 124413.49 | (5179.42) | 119234.07 | 132766.71 | (5525.49) | 127241.22 |
| Assets held for disposal | | | - | - | | - | - |
| TOTAL ASSETS | | 153527.30 | 3234.86 | 156762.16 | 163150.24 | 2831.10 | 165981.34 |
| EQUITY AND LIABILITIES | | | | | | | |
| EQUITY | | | | | | | |
| Equity Share Capital | | 64707.20 | - | 64707.20 | 64707.20 | - | 64707.20 |
| Other Equity | | (214293.86) | (1646.73) | (215940.59) | (195595.75) | (2005.80) | (197601.55) |
| | | (149586.66) | (1646.73) | (151233.39) | (130888.55) | (2005.80) | (132894.35) |

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| | | | | | | | ₹ in Lakh |
|-------------------------------------|---|-----------|---------|-----------|-----------|---------|-----------|
| LIABILITIES | | | | | | | |
| NON CURRENT LIABILITIES | | | | | | | |
| Financial Liabilities | | | | | | | |
| Borrowings | | | | | | | |
| Provisions | | | | | | | |
| Deferred Tax Liabilities (Net) | | | | | | | |
| Other Non Current Liabilities | | | | | | | |
| | g | 177048.75 | - | 177048.75 | 162713.36 | - | 162713.36 |
| | | 11743.37 | 175.26 | 11918.63 | 13155.46 | 162.28 | 13317.74 |
| | h | - | - | - | - | - | - |
| | | - | 883.20 | 883.20 | - | 946.88 | 946.88 |
| | | 188792.12 | 1058.46 | 189850.58 | 175868.82 | 1109.16 | 176977.98 |
| CURRENT LIABILITIES | | | | | | | |
| Financial Liabilities | | | | | | | |
| Borrowings | | | | | | | |
| Trade Payables | | | | | | | |
| Other Financial Liabilities | | | | | | | |
| Other Current Liabilities | | | | | | | |
| Provisions | | | | | | | |
| Current Tax Liabilities (Net) | | | | | | | |
| | | 63181.59 | - | 63181.59 | 18345.35 | - | 18345.35 |
| | | 32072.50 | (0.01) | 32072.49 | 57246.75 | (95.36) | 57151.39 |
| | | 13152.53 | 3759.46 | 16911.99 | 36128.47 | 3759.75 | 39888.22 |
| | | 4421.75 | 63.68 | 4485.43 | 4983.37 | 63.35 | 5046.72 |
| | | 1493.47 | - | 1493.47 | 1466.03 | - | 1466.03 |
| | | 114321.84 | 3823.13 | 118144.97 | 118169.97 | 3727.74 | 121897.71 |
| | | 153527.30 | 3234.86 | 156762.16 | 163150.24 | 2831.10 | 165981.34 |
| TOTAL EQUITY AND LIABILITIES | | | | | | | |

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NOTES FORMING PART OF FINANCIAL STATEMENTS

| Reconciliation of Total Comprehensive Income | | | | | ₹ In Lakh |
|--|----------|-------------------|-----------------------|--------------------------|-----------|
| Particulars | Note No. | IGAAP ACCOUNTS | IND AS ADJUSTMENTS | YEAR ENDED 31.03.2017 | |
| I Revenue from Operations | | 186259.99 | 2067.98 | 188327.97 | |
| II Other Income | | 1715.88 | 87.62 | 1803.50 | |
| III Total Income (I+II) | | 187975.87 | 2155.60 | 190131.47 | |
| IV Expenses: | | | | | |
| Cost of Materials Consumed | i | 106062.36 | 2678.67 | 108741.03 | |
| Purchase of Stock in Trade | | 9867.93 | - | 9867.93 | |
| Change in Inventories of Finished Goods and Stock in Trade | | (8120.41) | 0.00 | (8120.41) | |
| Employee Benefit Expenses | | 21827.29 | 2569.24 | 24396.53 | |
| Finance Cost | j | 30512.52 | (46.19) | 30466.33 | |
| Depreciation and Amortization Expenses / Impairment | k | 1683.49 | 446.42 | 2129.91 | |
| Other Expenses | l | 49975.00 | (1057.08) | 48917.92 | |
| Total Expenses (IV) | | 211808.18 | 4591.06 | 216399.24 | |
| V Profit before Tax (III-IV) | | (23832.31) | (2435.46) | (26267.77) | |
| Exceptional Items | | (5136.09) | 5136.09 | - | |
| VI Tax Expenses | | | | | |
| Current Tax | | | | | |
| Deferred Tax | | | | | |
| VII Profit for the Year (V+VI) | | (18696.22) | (7571.55) | (26267.77) | |
| VIII Other Comprehensive Income | | | | | |
| Items that will not be reclassified to Profit or loss | | - | - | - | |
| Income Tax relating to items that will not be reclassified to Profit / Loss | | - | - | - | |
| Other Comprehensive income for the year (VIII) | | - | 2794.39 | 2794.39 | |
| IX Total Comprehensive Income for the year (VII+VIII) | | (18696.22) | (4777.16) | (23473.38) | |

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NOTES FORMING PART OF FINANCIAL STATEMENTS

46A. Explanatory Statement to Reconciliation of Equity

a Property, Plant and Equipment:

This includes spares capitalised as per Ind AS ₹1646.12 Lakh (Previous Year ₹1250.88 Lakh) less Depreciation Reserve ₹1561.52 lakh (Previous Year ₹1119.74 Lakh) net ₹84.60 lakh (previous Year ₹131.14 lakh). These spares were shown as Inventories under IGAAP. Capitalisation of Decommissioning Expenses of installation in Cochin Port ₹129.85 Lakh (Previous Year ₹129.85 Lakh) less Depreciation Reserve ₹4.64 Lac (Previous year NIL) ₹125.21 Lakh (previous year ₹129.85 lakh)
Land given on lease to FRBL (11 Acre) and GAIL (2.40 Acre in Udyogamandal and 0.33 Acre in Cochin Division) and building to CIPET were classified as Investment Property as per Ind AS valued at ₹9.70 lakh (Previous Year ₹9.80 lakh)

b Investment:

Under previous IGAAP, Company had accounted for long term investment in unquoted equity shares of Indian Potash Limited (IPL), Travancore Cochin Chemicals Limited (TCC), Capexil Agencies Limited and Kerala Enviro Infrastructure Limited, at cost. Under Ind AS, Company has designated this investment as FVTOCI financial asset. Ind AS requires such investments to be measured at fair value on every reporting date. As at the date of transition to Ind AS, the difference between the fair value and previous IGAAP carrying amount has been recognized as a separate component of equity, in the FVTOCI reserve amounting to Rs ₹4204.98 lakh (as on 01.04.2016 ₹4008.98 lakh). As on 31.03.2017 the value was increased by ₹196.00 lakh

c Loans / Others

Capital advances ₹55.40 lakh (previous year ₹5 lakh) and Advance income Tax (net of Provision and TDS) ₹212.36 lakh (Previous Year ₹219.17 lakh) grouped under Loans and Advances as per IGAAP were regrouped to Other Non current Asset.

d Cash and cash equivalents

Unpaid interest warrant and Treasury deposit were regrouped from Cash and Cash Equivalent amounting to ₹11.54 Lakh (previous year ₹11.54 Lakh).

e Trade receivables

Subsidy receivable on fertilisers from the Government of India ₹49780.22 lakh (Previous year ₹39848.95 Lakh) shown under other current asset under IGAAP regrouped under Trade receivable as per Ind AS.
Sales Tax Advance remittance pending appeal ₹72.97 lakh (Previous year ₹72.97 lakh) were regrouped under Dues from Deposits under Ind AS.

f Retired Assets

Retired Assets which was shown under other current assets is disclosed under property, plant and equipment under Ind AS.

g Provisions:

Provision for Decommissioning of assets in Leasehold Property amounting to ₹175.26 lakh (Previous year ₹162.28 lakh)
Liability on Corporate Guarantee amounting to ₹3766.50 lakh has been provided as per Ind AS.
Provision for Excise duty on finished product stock is classified under other Current liabilities under Ind AS
Excise duty on sales has been included under other expenses as per Ind AS instead of deduction from Sale of Product / service
Upfront Premium received on lease of land to FRBL ₹50 lakh and GAIL ₹13.90 lakh has been amortised as per Ind AS

h Unearned portion of upfront money received from FRBL and GAIL less due within 12 months shown under Non Current others liabilities.

i Cost of material Consumed

Packing Material consumed has been grouped under Cost of Material Consumed as per Ind AS

j Forward Contract Premium

Unexpired portion of Premium on Forward Exchange contract, which was deferred during previous years, has been considered and adjusted in the respective year of contract.

k Depreciation

Depreciation has been charged on Spares capitalised (₹441.78 lakh) and Decommissioning Asset (₹4.63 lakh)

l Other Expenses

₹In Lakh

| Particulars | AS per Ind AS | IGAAP | Impact |
|---|---------------|---------|------------------|
| 1) Excise Duty on Sales regrouped in Other Expenses | 1665.35 | - | 1665.35 |
| 2) Packing Material regrouped to Materials Consumed | - | 2678.67 | (2678.67) |
| 3) Deferred portion of Premium on Forward Contract | (43.93) | - | (43.93) |
| 4) Prior Period expenses | - | (0.17) | 0.17 |
| | | | (1057.08) |



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NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ In Lakh

| Statement Showing Reconciliation of other Equity | | | |
|---|-----------------------|-------------------|-------------|
| Particulars | Adjustment to Reserve | Adjustment to OCI | Amount |
| Other Equity as per IGAAP as on 1st April 2016 | | | (195595.72) |
| Depreciation on PPE (spares Capitalised) | (1119.73) | | |
| Fair Value of unquoted Equity Instruments | - | 4008.98 | |
| One time Compensation received | (1010.57) | | |
| Other Current Liabilities - Financial Guarantee | (3766.50) | | |
| Liability toward de commissioning of Assets in Leasehold property | (32.43) | | |
| change in Accounting Policy - Deferred Premium on Forward contracts | (156.16) | | |
| Write back of provision-BPCL | (21.69) | | |
| Prior period expenses | 92.27 | | (2005.83) |
| Other Equity as per Ind AS as at 1st April 2016 | | | (197601.55) |

47. Contingent Liabilities and Commitments (to the extent not provided for):

Contingent Liabilities

Particulars

As at 31.03.2018

As at 31.03.2017

Claims against the company not acknowledged as debts in respect of:

| | | |
|---------------------------------|----------|----------|
| Central Excise Act, 1944 * | 9194.55 | 8829.79 |
| Finance Act, 1994 (Service Tax) | 408.99 | 389.45 |
| Sales Tax / Entry tax | 444.96 | 193.35 |
| Income Tax Act, 1961 | 82.47 | 151.48 |
| ESI Act | 127.83 | 127.83 |
| Suppliers and contractors # | 24639.62 | 23001.36 |
| Bonus Act, 1965 | 33.59 | 33.59 |
| Others | 2024.59 | 1655.16 |

48. Excise duty demand of ₹2.38 lakh on purchase of Raw material, pending appeal, has not been considered since the liability rests with supplier as per order terms.(Previous Year ₹2.38 lakh).
49. 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'ble District Court which has since stayed the award. Accordingly, the award amount along with interest up to 31.03.2018, amounting to ₹21629.14 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.
50. In view of the conditions in the directives of the Government of India, while implementing the wage revision for the period 1997 to 2006, the company is not liable to provide for arrears of salary and wages (net of interim relief paid) for the period from 01.01.1997 to 30.06.2001 and perquisites and other allowances for the period from 20.10.2000 to 30.06.2001, in respect of managerial and non managerial employees. Certain retired managerial employees of FACT have moved the Hon'ble High Court of Kerala and obtained a directive dt 31.3.2016, by which the company has to frame a scheme towards disbursement of the arrears. The company has appealed against the decision and the same is pending before the Hon'ble High Court of Kerala. The amount involved is not ascertained at this stage.
51. Bank Guarantees given to various clients/ statutory authorities for performance of contracts/ obligations are not included, as the money value thereof cannot be ascertained.



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ In Lakh

| | As at 31.03.2018 | As at 31.03.2017 |
|---|---------------------|---------------------|
| 52. Estimated amount of contracts remaining to be executed on capital account and not provided for. | 468.83 | 441.83 |
| 53. 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 ₹1156.00 lakh (Previous year ₹1218.78 lakh), and capital ₹320.00 lakh (Previous year ₹303.11 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, 50%(previous year 46.75%) of work related to consultancy services by FEDO to NIT, has been completed as on 31.3.2018 and pro-rata credit of ₹816.65 lakh (previous year ₹772.96 lakh) has been taken, after considering for ₹204.81 lakh as work in Progress (previous year ₹161.93 lakh towards unearned income). The value of construction work done and certified during the FY 2017-18 is taken as ₹866.66 lakh, (previous year ₹3119.89 lakh) and equivalent amount has been considered for direct charges on contract. | | |

| Particulars | As at 31.03.2018 | As at 31.03.2017 |
|--|---------------------|---------------------|
| Contract revenue recognised in the period. | 1265.81 | 3900.61 |
| Advance received against contract in progress. | 1800.94 | 833.85 |
| Retention by customers against contract in progress. | 38.89 | 34.87 |
| Aggregate amount of cost incurred and recognised profit (less recognised loss) on contracts in progress upto the reporting date. | 1760.53 | 1568.53 |
| Gross amount due from customers for contract work as an asset. | 231.79 | 210.39 |
| Gross amount due to customers for contract work as a liability. | 209.60 | 123.70 |

Excise duty on own division jobs is ascertained based on Cost Accounting Standard 4.

54. 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 31.03.2018 | | Figures as at 31.03.2017 | |
|---------------|--------------------------|--------------|--------------------------|--------------|
| | Foreign Currency | Indian Rupee | Foreign Currency | Indian Rupee |
| | (in lakh) | | (in lakh) | |
| Trade Payable | USD 81.13 | 5356.89 | USD 31.03 | 2021.13 |

55. The Company has a system of obtaining confirmation of balances from Vendors and Customers. Some of the parties confirmed the balances.
56. For all periods upto and including the year 31st March 2016 the company prepared its financial statements in accordance with the accounting standard prescribed under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).
57. Company entered an agreement with M/s. Bharat Petroleum Corporation Limited for sale of 169.689 Acre of land @ Rs. 248 Lakh per acre at Ambalamedu. Transfer Deed for 150 Acre of land registered on 10th may 2018, registration of title deed for the balance land will be completed in a short period. In additions to the above, there is a MoU with Government of Kerala for transfer of 150 Acre of land @ Rs. 100 lakh per acre and 331.790 acres @Rs. 248 lakh per acre.
58. 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. FACT is not required to file any case for



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

NOTES FORMING PART OF FINANCIAL STATEMENTS

insolvency resolution under the Insolvency and Bankruptcy Code 2016 before NCLT at present. During the financial year 2015-16 ,with the objective of carrying on the operations of the company without hindrance, the Government of India has disbursed a plan loan of Rs. 1000 crores on 29/3/2016. This helped the company to overcome its working capital constraints and improve the operations during the financial year 2016-17 and 2017-18. A comprehensive proposal for revival of the company is under the consideration of the Ministry. 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.

59. The Standalone financial statements were authorized for issue in accordance with a resolution passed by the Board of Directors on 30th May 2018
60. The financial statements as approved by the Board of Directors are subject to audit by Comptroller and Auditor General of India and final approval by its Shareholders.
61. The figures as on the transition date and 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/-
E V Thomas
Partner
Membership No. 3679

Place: Kochi
Date: 30 May 2018

For and on behalf of the Board of Directors

Sd/-
Sanjai Maheshwari
Director (Finance)
DIN 00653170

Sd/-
K V Balakrishnan Nair
Company Secretary

Sd/-
Manoj Mishra
Chairman & Managing Director
DIN 06408953

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

62. NOTES FORMING PART OF FINANCIAL STATEMENTS

| COST OF MATERIALS CONSUMED | | 2017-18 | | | | 2016-17 | | | |
|----------------------------|--------------------------------|---------------|-----------|---------------|-------------|---------------|-----------|---------------|-------------|
| Sl. No. | Particulars | Opening Stock | Purchases | Closing Stock | Consumption | Opening Stock | Purchases | Closing Stock | Consumption |
| 1 | Regassified Liquid natural Gas | - | 24280.02 | - | 24280.02 | - | 27842.70 | - | 27842.70 |
| 2 | Naphtha | 237.09 | - | - | 237.09 | 358.87 | - | 237.09 | 121.78 |
| 3 | Sulphur - Imported | 1669.80 | 9608.68 | 1245.30 | 10033.18 | 2306.17 | 10177.70 | 1669.80 | 10814.07 |
| 4 | Sulphur | - | 6,150.04 | 1441.91 | 4708.13 | - | - | - | - |
| 5 | Rock Phosphate-Imported | 1666.47 | 6925.87 | 233.29 | 8359.05 | 3291.14 | 7665.82 | 1666.47 | 9290.49 |
| 6 | Phosphoric Acid-Imported | 1303.35 | 34174.74 | 85.62 | 35392.47 | 1479.17 | 46571.19 | 1303.35 | 46747.01 |
| 7 | Phosphoric Acid | - | 6844.44 | 65.81 | 6778.63 | 1.36 | - | - | 1.36 |
| 8 | Ammonia - Imported | 1210.94 | 15643.77 | 1304.29 | 15550.42 | 2161.12 | 9053.11 | 1210.94 | 10003.29 |
| 9 | Benzene - Imported | 10.24 | - | 10.24 | - | 10.89 | - | 10.24 | 0.65 |
| 10 | Benzene | 177.53 | - | 177.53 | - | 188.36 | - | 177.53 | 10.83 |
| 11 | Caustic Soda** | 43.33 | - | 37.20 | - | 53.99 | - | 43.33 | - |
| 12 | Rock Phosphate-18% for mixing | 8.16 | 19.20 | 27.35 | 0.01 | 11.43 | 28.47 | 8.16 | 31.74 |
| 13 | Sulphuric Acid | 13.41 | 152.21 | 9.14 | 156.48 | 406.53 | 805.31 | 13.41 | 1198.43 |
| | TOTAL | 6340.32 | 103798.97 | 4637.68 | 105495.49 | 10269.03 | 102144.30 | 6340.32 | 106062.36 |

** Closing stock after adjustments for consumption as chemicals of ₹6.14 lakh.

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

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NOTES FORMING PART OF FINANCIAL STATEMENTS
Note No. 63. 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 31.03.2018
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 | 148.11 | 5.60 | 238.40 | 7.20 |
| Indigenous | 2495.90 | 94.40 | 3071.33 | 92.80 |
| | 2644.01 | 100.00 | 3309.73 | 100.00 |

2 CIF Value of Imports

| | |
|--------------|---------------|
| Current year | Previous year |
| ₹ in lakh | ₹ in lakh |

| | | |
|----------------------------------|-----------------|-----------------|
| (i) Raw Materials | 62534.84 | 69606.03 |
| (ii) Traded Products | 0.00 | 5215.23 |
| (iii) Spares and other materials | 137.35 | 181.92 |
| (iv) Capital Goods | 0.00 | 0.00 |
| | 62672.19 | 75003.18 |

3 A Expenditure in foreign currency (Cash Basis)

| | | |
|-------------------------|---------------|--------------|
| (i) Consultancy service | 0.00 | 0.00 |
| (ii) Others | 119.74 | 89.81 |
| | 119.74 | 89.81 |



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

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FORM AOC-1

(Pursuant to first proviso to sub section (3) of section 129 read with rules 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part -A Subsidiaries

NIL

Part-B Associates and Joint ventures

Statement pursuant to Section 129(3) of the Companies Act 2013 related to Associate Companies and Joint ventures

| Name of Associates or Joint Ventures | FACT RCF Building Products Ltd. | Kerala Enviro Infrastructure Ltd |
|---|---|--|
| Latest audited balance sheet date | 31.03.2017 | 31.03.2018 |
| Date on which the Associate or Joint Venture was associated or acquired | 2 nd May 2008 | 4 th March 2015 |
| Shares of Associate or Joint ventures held by the Company on the year end (No.) | 32870000 | 3124000 |
| Amount of Investment in Associates or Joint ventures | ₹32.87 crore | ₹3.12 crore |
| Extent of Holding (in percentage) | 50% | 25.66% |
| Description of how there is significant influence | 50:50 Joint venture One half of the Directors are nominated by FACT | Share holding of 25.66% FACT is nominating one Director on the Board |
| Reason why the associate/Joint venture is not consolidated | Consolidated | Consolidated |
| Networth attributable to shareholding as per latest audited Balance sheet | (₹39.36crore) | ₹12.03 crore |
| Profit or loss for the year | (₹14.84 crore) | ₹2.46 crore |
| 1. Considered in consolidation | NIL | ₹0.63 crore |
| 2. Not Considered in consideration | (₹7.42 crore*) | NIL |

*As the entire investment is eroded and fully provided, further losses are not considered.

- Names of associates or joint ventures which are yet to commence operations- NIL
- Names of associates or joint ventures which have been liquidated or sold during the year - NIL

(K V Balakrishnan)
Company Secretary

(Sanjai Maheshwari)
Director(Finance)

(Manoj Mishra)
Chairman & Managing Director

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

₹ in lakh

DETAILS OF CAPITAL EXPENDITURE INCURRED ON TOWNSHIP AND OTHER SOCIAL OVERHEADS AS REQUIRED BY O.M. No. BPE - 1 (17) / ADV (F) / 69 DATED 5-3-69 FROM THE MINISTRY OF FINANCE (BUREAU OF PUBLIC ENTERPRISES) UPTO 31st MARCH 2018

| | Gross Block as at 31-3-2017 | Written down value as at 31-3-2017 | Additions/ adjustments 2017-18 | Depreciation for the year 2017-18 | Depreciated value as at 31-3-2018 |
|------------------------------------|-----------------------------------|--|--------------------------------------|---|---|
| Land (Estimated) | 186.18 | 186.18 | 0.00 | 0.00 | 186.18 |
| Staff Quarters etc. in Township | 1379.96 | 374.43 | 0.00 | 7.55 | 366.88 |
| Sewers & Drains | 280.85 | 41.63 | 0.00 | 10.64 | 30.99 |
| Hospitals | 64.37 | 13.96 | 0.00 | 0.37 | 13.59 |
| Schools | 93.43 | 24.56 | 0.00 | 0.58 | 23.98 |
| Shops | 12.08 | 2.02 | 0.00 | 0.05 | 1.97 |
| | 2016.86 | 642.78 | 0.00 | 19.19 | 623.59 |

DETAILS OF MAINTENANCE AND OTHER REVENUE EXPENDITURE ON TOWNSHIP AND OTHER SOCIAL OVERHEADS AS REQUIRED BY O.M.No. BPE-1(17)/ADV.(F)/69 DATED 5-3-69 FROM THE MINISTRY OF FINANCE (BUREAU OF PUBLIC ENTERPRISES) DURING THE YEAR ENDED 31st MARCH 2018

| Particulars | Expenditure | Income | Net Expenditure |
|--|-------------|--------|--------------------|
| Staff Quarters & Estate Establishment | 474.66 | 684.49 | (209.83) |
| Schools | 0.60 | 11.15 | (10.55) |
| Medical facilities | 938.45 | 17.51 | 920.94 |
| Other Welfare Expenses | 765.53 | 27.38 | 738.15 |
| Notional interest at 6 % p.a. on capital outlay on Township and overheads | 121.01 | 0.00 | 121.01 |
| | 2300.25 | 740.53 | 1559.72 |

STATEMENT SHOWING EXPENDITURE ON PUBLIC RELATIONS AND PUBLICITY (AS REQUIRED BY BPE O.M. No. BPE/GL/O42/78 BPE (IR)21(1)/78 DATED 18-12-1978) FOR THE YEAR ENDED 31st MARCH 2018

| Particulars | |
|---|--------|
| Salaries and Wages including Provident Fund | 27.10 |
| Advertisement Charges | 65.16 |
| Propoganda and Publicity | 21.88 |
| Exhibition | 0.23 |
| Demonstration, Sign Boards, Cost of Fertilisers, Village adoption, Soil Testing and Agronomy Services | 8.06 |
| Audio-visual film, Slides production, Projection charges and equipment | 0.00 |
| Running and Maintenance Expenses of Publicity vehicles and Travel Expenses | 0.00 |
| | 122.43 |

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

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SUMMARISED ACCOUNTS

₹ In Lakh

| PARTICULARS | 2017-18 | 2016-17 | 2015-16 |
|---|---------------|---------------|---------------|
| RESOURCES | | | |
| Net Worth | (169640) | (155501) | (130953) |
| Borrowings And Deferred Credits | 194114 | 189851 | 175868 |
| Capital Reserve | 61 | 63 | 65 |
| Equity Instruments through OCI | 5561 | 4205 | - |
| | 30096 | 38617 | 44980 |
| UTILISATION OF RESOURCES | | | |
| Net Fixed Asset | 29472 | 29681 | 26973 |
| Capital -work- in progress | 1883 | 2468 | 2186 |
| Other non-current assets | 1018 | 808 | 846 |
| Investments | 5927 | 4572 | 367 |
| Net Current Assets | (8203) | 1089 | 14609 |
| | 30096 | 38617 | 44981 |
| EARNINGS | | | |
| Sale of products and services (net) | 192867 | 188328 | 173599 |
| Accretion/(decretion) to work in progress and finished goods | 3053 | 8120 | (17904) |
| Other Income | 4135 | 1804 | 2898 |
| | 200055 | 198252 | 158593 |
| OUT GOINGS | | | |
| Direct Materials & inputs | 128130 | 132063 | 130708 |
| Employees' remuneration and benefits | 25030 | 24397 | 24965 |
| Other expenses | 26090 | 35464 | 22348 |
| Depreciation / Impairment loss | 1715 | 2130 | 1812 |
| Finance Cost | 32142 | 30466 | 25214 |
| | 213106 | 224520 | 205047 |
| Profit/(Loss) for the year | (13051) | (26268) | (46454) |
| Extraordinary items / Exceptional items: Income/ (Expense) | - | - | 1235 |
| Profit/ (Loss) before tax | (13051) | (26268) | (45219) |
| Provision for Taxation | - | - | - |
| Profit/ (Loss) after tax | (13051) | (26268) | (45219) |

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Floor, Udyogamandal, Kochi, Kerala

CHANGES IN FINANCIAL POSITION FOR THE YEAR ENDED 31ST MARCH 2018

₹ in lakh

| PARTICULARS | 2017-18 | 2016-17 | 2015-16 |
|--|---------|---------|----------|
| SOURCES OF FUNDS | | | |
| Funds generated from operations: | | | |
| Profit after tax | - | - | - |
| Depreciation and Impairment loss | 1715 | 2130 | 1484 |
| Long term borrowings & liabilities | - | - | - |
| Short-term borrowings | - | - | - |
| Fertilizer Bonds | - | - | - |
| Decrease in Working Capital | 9290 | 4269 | (94727) |
| | 11005 | 6399 | (93243) |
| APPLICATION OF FUNDS | | | |
| Loss for the year | 13051 | 26268 | 45219 |
| Prior Period Adjustments | - | (5136) | - |
| Remeasurement of Fixed Benefit Plan | 1087 | (2598) | - |
| Decrease in short term borrowings | - | - | - |
| Decrease in Long term borrowings & liabilities | (4264) | (12873) | (138498) |
| Capital expenditure (net) | 921 | 776 | (22) |
| Investment in shares/bonds | - | - | - |
| Non current assets | 210 | (38) | 58 |
| Increase in Working Capital | - | - | - |
| | 11005 | 6399 | (93243) |

STATEMENT OF CHANGES IN WORKING CAPITAL

| PARTICULARS | 2017-18 | 2016-17 | 2015-16 |
|--|---------|---------|---------|
| Cash and bank balance | 1146 | (539) | (3082) |
| Inventories | 4966 | 5300 | (16269) |
| Sundry debtors | (5598) | 10048 | (311) |
| Other current assets | 23517 | (22819) | 19312 |
| Loans and advances | 52 | (10) | 1852 |
| | 24083 | (8020) | 1502 |
| Creditors and other liabilities | 33373 | (3751) | (93225) |
| Increase/(decrease) in Working capital | (9290) | (4269) | 94727 |
| | 24083 | (8020) | 1502 |

VALUE ADDED STATEMENT

| PARTICULARS | 2017-18 | 2016-17 | 2015-16 |
|---|---------|---------|---------|
| Value of production * | | | |
| (Including other income) | 200055 | 198252 | 158593 |
| Less: Cost of Direct materials & inputs | 128130 | 132063 | 130708 |
| | 71925 | 66189 | 27885 |
| Add: Exceptional Items :Income/ (Expense) | - | - | 1235 |
| Value Added | 71925 | 66189 | 29120 |
| Applied in the following way : | | | |
| Employee remuneration and benefits | 25030 | 24397 | 24965 |
| Other operating expenses | 26090 | 35464 | 22348 |
| Depreciation | 1715 | 2130 | 1812 |
| Finance Cost | 32142 | 30466 | 25214 |
| Provision for Income Tax | - | - | - |
| Retained profit/(loss) | (13051) | (26268) | (45219) |
| | 71925 | 66189 | 29120 |
| * Net of sales discount/dealer Margin | | | |

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

| 10 YEARS FINANCIAL HIGHLIGHTS | | | | | | | | | | | ₹ in lakh |
|-------------------------------|-----------------------------------|---------|---|---------|---------|--|---------|---------|---------|---------|-----------|
| | 2017-18 | 2016-17 | 2015-16 | 2014-15 | 2013-14 | 2012-13 | 2011-12 | 2010-11 | 2009-10 | 2008-09 | |
| | As per Indian Accounting Standard | | As per Schedule III of the Companies Act 2013 | | | As per revised Schedule VI of the Companies Act 1956 | | | | | |
| 1 | 140651 | 133398 | 119419 | 136743 | 143993 | 152776 | 174535 | 139348 | 115357 | 73832 | |
| 2 | 57655 | 57270 | 52997 | 65280 | 83141 | 90669 | 126596 | 115927 | 100517 | 141047 | |
| 3 | 1266 | 3912 | 5592 | 1213 | 488 | 742 | 975 | 1045 | 1110 | 1130 | |
| 4 | 199572 | 194580 | 178008 | 203236 | 227622 | 244187 | 302106 | 256320 | 216984 | 216009 | |
| 5 | 6705 | 6252 | 4409 | 5357 | 6684 | 12610 | 14501 | 10247 | 6391 | 3143 | |
| 6 | 192867 | 188328 | 173599 | 197879 | 220938 | 231577 | 287605 | 246073 | 210593 | 212866 | |
| 7 | 4135 | 1804 | 2898 | 1855 | 1401 | 1979 | 3670 | 3060 | 5361 | 4543 | |
| 8 | 197002 | 190131 | 176497 | 199734 | 222339 | 233556 | 291275 | 249133 | 215954 | 217409 | |
| 9 | 108024 | 108741 | 107980 | 139440 | 152490 | 142464 | 174918 | 142879 | 129037 | 167825 | |
| 10 | 169 | 9868 | 272 | 6928 | 6730 | 8722 | 13485 | 9257 | 21952 | 8723 | |
| 11 | (3053) | (8120) | 17904 | (59) | (3368) | 11044 | (4859) | (179) | (9693) | (3563) | |
| 12 | 25030 | 24397 | 24965 | 26278 | 25754 | 23871 | 22473 | 26805 | 19486 | 12563 | |
| 13 | 3443 | 3494 | 4069 | 3251 | 3237 | 3348 | 3127 | 1837 | 3508 | 2825 | |
| 14 | 16459 | 16681 | 11998 | 14876 | 25925 | 33382 | 40312 | 35496 | 30068 | 20806 | |
| 15 | 26125 | 28743 | 28737 | 24955 | 24765 | 26068 | 21903 | 18547 | 17943 | 15016 | |
| 16 | 176197 | 183803 | 195925 | 215669 | 235533 | 248899 | 271359 | 234642 | 212301 | 224195 | |
| 17 | 20805 | 6328 | (19428) | (15935) | (13194) | (15343) | 19916 | 14491 | 3553 | (6786) | |
| 18 | | | (1235) | 2406 | (10407) | (39) | | - 821 | - | - | |
| 19 | - | - | - | - | - | - | - | - | 22116 | - | |
| 20 | 32142 | 30466 | 25214 | 19629 | 19183 | 15538 | 13677 | 14340 | 11597 | 6396 | |
| 21 | 1715 | 2130 | 1812 | 2021 | 4526 | 4554 | 4259 | 4263 | 2427 | 4623 | |
| 22 | (13051) | (26268) | (45219) | (39991) | (26496) | (35396) | 1980 | (4933) | (10371) | 4311 | |
| 23 | - | - | - | - | - | - | - | - | 13 | 16 | |
| 24 | (13051) | (26268) | (45219) | (39991) | (26496) | (35396) | 1980 | (4933) | (10384) | 4295 | |
| 25 | - | - | - | - | - | - | - | - | - | - | |
| 26 | - | - | - | - | - | - | - | - | - | - | |
| 27 | 29472 | 29681 | 26973 | 28180 | 27606 | 24336 | 27754 | 31591 | 36350 | 38606 | |
| 28 | 1883 | 2468 | 2186 | 2486 | 2383 | 5313 | 2510 | 881 | 1642 | 687 | |
| 29 | 1018 | 808 | 846 | 788 | 1871 | 1853 | 767 | 581 | - | - | |
| 30 | 143315 | 119234 | 132779 | 131277 | 154205 | 136312 | 157753 | 130435 | 128048 | 82352 | |
| 31 | 151518 | 118145 | 118170 | 211395 | 195369 | 148586 | 132620 | 124157 | 70621 | 41615 | |
| 32 | 5927 | 4572 | 367 | 367 | 2136 | 2136 | 1823 | 13840 | 28130 | 28131 | |
| 33 | - | - | - | - | - | - | - | - | - | - | |
| 34 | 234347 | 220208 | 195660 | 150441 | 110450 | 83954 | 48558 | 50538 | 45605 | 35222 | |
| 35 | 264443 | 258825 | 240640 | 102143 | 103282 | 105318 | 106545 | 103709 | 169154 | 143383 | |
| 36 | (8203) | 1089 | 14609 | (80118) | (41164) | (12274) | 25133 | 6278 | 57427 | 40737 | |
| | | | | | | | | | | | |
| 37 | 177049 | 177049 | 162713 | 16149 | 18976 | 21803 | 24023 | 22023 | 12643 | 9243 | |
| 38 | 17066 | 12802 | 13155 | 21221 | 19530 | 18735 | 17739 | 16900 | | | |
| 39 | - | - | - | - | - | - | - | - | 91721 | 69346 | |
| 40 | 64707 | 64707 | 64707 | 64707 | 64707 | 64707 | 64707 | 64707 | 64707 | 64707 | |
| 41 | - | - | - | - | - | - | - | - | - | - | |

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

10 YEARS FINANCIAL HIGHLIGHTS

| | 2017-18 | 2016-17 | 2015-16 | 2014-15 | 2013-14 | 2012-13 | 2011-12 | 2010-11 | 2009-10 | 2008-09 |
|-----|---|--|----------|----------|---------|---------|---------|---------|---------|---------|
| | ₹ in lakh | | | | | | | | | |
| | As per Indian Accounting Standard | As per revised Schedule VI of the Companies Act 1956 | | | | | | | | |
| | 61 | 63 | 65 | 66 | 69 | 73 | 76 | 79 | 83 | 87 |
| 42 | Capital Reserve | 5561 | 4205 | 240640 | 102143 | 103282 | 106545 | 103709 | 169154 | 143383 |
| 43 | Equity Instruments through OCI | 264443 | 258825 | (130953) | (85734) | (45743) | 16149 | 14169 | 19102 | 29485 |
| 43 | Total Sources | (169640) | (155501) | 29273 | (72371) | (31217) | (4820) | 35915 | 93777 | 79343 |
| 44 | Networth (40+41-33-34) | (2) | (2) | 27002 | 23661 | 31246 | 27188 | 32798 | 37743 | 28050 |
| 45 | Capital employed (27+29+36-38) | 5221 | 18776 | 14815 | 29809 | 31246 | 38127 | 32798 | 37743 | 28050 |
| 46 | Finished Goods | 27002 | 23661 | 14815 | 29809 | 31246 | 38127 | 32798 | 37743 | 28050 |
| 47 | Work in progress | 1527 | 1815 | 2542 | 5452 | 3956 | 4645 | 5221 | - | - |
| 48 | Raw Materials | 10474 | 7881 | 10269 | 7243 | 11670 | 20066 | 11548 | 7681 | 4390 |
| 49 | Stores, Spares & Loose tools | 8604 | 9322 | 10885 | 12482 | 14289 | 14556 | 9307 | 8055 | 8608 |
| 50 | Materials in transit | 268 | 231 | 352 | 146 | 927 | 989 | 400 | 4105 | 212 |
| 51 | Sundry debtors | 45009 | 50607 | 710 | 1021 | 1147 | 826 | 4846 | 6125 | 27137 |
| 52 | Cash & bank balance | 6365 | 5218 | 5757 | 8839 | 7737 | 3237 | 5523 | 2618 | 2305 |
| 53 | Loans & advances | 54 | 3 | 16122 | 14270 | 14453 | 18436 | 17721 | 15841 | 10579 |
| 54 | Other Current Assets | 44012 | 20495 | 71327 | 52015 | 68780 | 49402 | 40971 | 45680 | 1071 |
| 55 | Total (46 to 54) | 143315 | 119234 | 132779 | 131277 | 154205 | 136312 | 130435 | 128048 | 82352 |
| 56 | Current Liabilities | 149703 | 116652 | 114116 | 206807 | 189720 | 142905 | 120225 | 60427 | 32870 |
| 57 | Provisions | 1815 | 1493 | 4054 | 4588 | 5649 | 5681 | 3932 | 10194 | 8745 |
| 58 | Total (56+57) | 151518 | 118145 | 118170 | 211395 | 195369 | 148586 | 132620 | 70621 | 41615 |
| 59 | Net Working Capital (55-58) | (8203) | 1089 | 14609 | (80118) | (41164) | (12274) | 6278 | 57427 | 40737 |
| 60 | Gross Internal resources (21+24-19) | (11336) | (24138) | (43407) | (37970) | (21970) | (30842) | (670) | (7957) | (13198) |
| 61 | Installed Capacity (MT) | | | | | | | | | |
| | Ammonium Sulphate | 225000 | 225000 | 225000 | 225000 | 225000 | 225000 | 225000 | 225000 | 225000 |
| | Factamphos 20:20 | 633500 | 633500 | 633500 | 633500 | 633500 | 633500 | 633500 | 633500 | 633500 |
| | DAP | | | | | | | | | |
| | Urea | | | | | | | | | |
| | Caprolactam | 50000 | 50000 | 50000 | 50000 | 50000 | 50000 | 50000 | 50000 | 50000 |
| | N | 173050 | 173050 | 173050 | 173050 | 173050 | 173050 | 173050 | 173050 | 173050 |
| | P2O5 | 131900 | 131900 | 131900 | 131900 | 131900 | 131900 | 131900 | 131900 | 131900 |
| 62 | Production (MT) | | | | | | | | | |
| | Ammonium Sulphate | 180178 | 152953 | 79567 | 120360 | 178792 | 163468 | 200311 | 179546 | 128845 |
| | Factamphos 20:20 | 661973 | 654361 | 515435 | 614004 | 663787 | 622256 | 644454 | 753744 | 605047 |
| | DAP | | | | | | | | | |
| | Urea | | | | | | | | | |
| | Caprolactam | - | 770.00 | - | - | - | - | - | - | - |
| | N | 169511 | 162381 | 119478 | 147595 | 169589 | 158126 | 170155 | 187735 | 147551 |
| | P2O5 | 132395 | 130872 | 103087 | 122801 | 132757 | 124451 | 128891 | 150749 | 121009 |
| 63 | Capacity utilisation (%) | | | | | | | | | |
| | N | 97.96 | 93.83 | 69.04 | 85.29 | 98.00 | 91.38 | 98.33 | 108.49 | 45.48 |
| | P2O5 | 100.37 | 99.22 | 78.16 | 93.10 | 100.65 | 94.35 | 97.72 | 114.29 | 91.74 |
| (1) | Short term borrowings are included under current liabilities. | | | | | | | | | |
| (2) | Does not include capital work-in-progress. | | | | | | | | | |



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

CONSOLIDATED FINANCIAL STATEMENT

BABU A. KALLIVAYALIL & CO.

CHARTERED ACCOUNTANTS

IIInd Floor, Manchu Complex, P.T. Usha Road, Kochi - 682 011

Telephone: 0484-2363119, 2380868 Fax : 0484 - 2380868

E-mail : bakco@vsnl.net; bakco.ca@gmail.com

INDEPENDENT AUDITOR'S REPORT

To The Members of The Fertilisers And Chemicals Travancore Limited

Report on the Consolidated Financial Statements

- 1) We have audited the accompanying consolidated Ind AS financial statements of **FERTILISERS AND CHEMICALS TRAVANCORE LIMITED ("the Holding Company")** and its Associate and Jointly controlled entities (the holding company and its associate and jointly controlled entities together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information ("Consolidated Ind AS Financial Statements"- "CFS").

Management's responsibility for the Consolidated Ind AS Financial Statements

- 2) The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated position, consolidated performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended 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 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.
- 3) In preparing the consolidated Ind AS 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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

- 4) Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters required to be included in the audit report under the provisions of the Act and Rules made there under.
- 5) We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.
- 6) An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls.
- 7) An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.
- 8) We are also responsible to 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 Ind AS 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.
- 9) We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in term of their reports referred to in Other Matter paragraph (13) is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Opinion

- 10) In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditor on separate financial statement of the Associate company, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2018, its consolidated loss including other comprehensive income, its consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Material uncertainty related to Going Concern

- 11) We draw attention to note number # 58 of consolidated Ind AS financial statements. The Group has accumulated loss amounting to Rs. 2,34,347 lakhs (Previous year Rs.2,20,208 lakhs) with a negative net worth of Rs. 1,64,018 lakhs (Previous year Rs.1,51,233 lakhs) and its net worth has been completely eroded. The Group has incurred a net loss during the current and previous years. This condition indicates the existence of material uncertainty which may cast significant doubt as to the Group's ability to continue as a going concern. However, the financial statements of the Group have been prepared on going concern basis.
Our opinion is not qualified in respect of this matter.

Emphasis of Matter

- 12) We draw your attention to Note number # 43 of consolidated Ind AS financial statements. In respect of a jointly controlled entity, FACT RCF Building Products Limited, the financial statements considered for consolidation is unaudited and we have relied on the financial statements furnished by the Management.
Our opinion is not qualified in respect of these matters.

Other Matter

- 13) a) We did not audit the financial statements of four areas comprising marketing offices of the Holding Company whose financial statements reflect total fixed assets of Rs. 150 lakhs as at March 31, 2018 and total sales of Rs. 1,37,953 lakhs for the year ended on that date as considered in the standalone Ind AS financial statement. 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 financial statements, in so far as they relate to the amounts and disclosures included in respect of these areas and our report, in so far as it relates to the aforesaid areas, is based solely on the reports of the other auditors.
- b) We did not audit the financial statement of Associate Company which have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the financial statements, in so far as they relate to the amounts and disclosures included in respect of these areas and our report, in so far as it relates to the aforesaid areas, is based solely on the reports of the other auditors.
Our opinion on the consolidated Ind AS financial statements is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

- 14) Based on the verification of books of account of the Holding Company and according to information and explanations given to us, we give in "Annexure A" on the Directions/ Additional sub-directions issued by the Comptroller and Auditor General of India (C&AG) in terms of section 143(5) of the Act.

- 15) As required by sub-section 3 of Section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements of the joint venture and associate company as noted in the 'Emphasis of Matter' and 'Other Matter' paragraphs respectively, we report to the extent applicable that:
- 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 Ind AS financial statements.
 - In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Changes in Equity and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
 - In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015.
 - With respect to the adequacy of the internal controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" to the Report.
 - Being a Government Company, the provisions of sub-section 2 of section 164 of the Companies Act, 2013, does not apply to the Company by virtue of Notification F No. 1/2/2014-CL.V dated June 05, 2015.
 - 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 and based on the consideration of the reports of other Auditors on separate financial statements as noted in the 'Emphasis of Matter' and 'Other Matter' paragraph:
 - The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the holding company and its associate company and jointly controlled entities. (Refer note #47)
 - The holding company and its associate company and jointly controlled entities did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - The holding company and its associate company and jointly controlled entities did not have any amount which is liable to be transferred to the Investor Education and Protection Fund.

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

Kochi
May 30, 2018

Sd/-
E V Thomas
Partner
Membership No. 3679

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Annexure A to the Independent Auditors' Report

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

AUDIT REPORT ON THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 AS PER DIRECTIONS OF C&AG UNDER SECTION 143(5) OF THE COMPANIES ACT, 2013

| SI No. | C & AG Directions | Comments of Statutory Auditor | | | | | | | | | | | | | | | |
|----------------|---|--|---------------------------------------|-------------------------------------|---------------------------|---------------------------------------|-------------------------------------|---------------|---|-------|------|------|----------------|---|-------|-----|-----|
| 1 | Whether the company has clear title/lease deeds for freehold and leasehold land respectively? If not, please state the area of freehold and leasehold land for which title/ lease deeds are not available | <p>In our opinion and according to information and explanations given to us and on the basis of an examination of records of the Holding Company ("the Company"), the title deeds of immovable properties are held in the name of the Company, except in the following cases.</p> <table><tr><th>Nature</th><th>Number of assets</th><th>Extent of land (in acres)</th><th>Gross Block of asset (Amount in lacs)</th><th>Net block of asset (Amount in lacs)</th></tr><tr><td>Freehold land</td><td>1</td><td>48.49</td><td>513*</td><td>513*</td></tr><tr><td>Leasehold land</td><td>1</td><td>14.26</td><td>-**</td><td>-**</td></tr></table> <p>*As provided by Management (Refer Note number 1.3 of Property, plant and equipment under Note number 1 of CFS). **The Company has executed a deed of indemnity with the Lessor in respect of the property on February 26, 2016, wherein it was agreed that the Company is interested to continue the lease for a further period of 30 years from April 01, 2014 to March 31, 2044 on execution of fresh lease deed incorporating mutually agreed terms and conditions. However, no fresh deed is executed till date, though the Company continues to occupy the land and pay the lease rentals.</p> | Nature | Number of assets | Extent of land (in acres) | Gross Block of asset (Amount in lacs) | Net block of asset (Amount in lacs) | Freehold land | 1 | 48.49 | 513* | 513* | Leasehold land | 1 | 14.26 | -** | -** |
| Nature | Number of assets | Extent of land (in acres) | Gross Block of asset (Amount in lacs) | Net block of asset (Amount in lacs) | | | | | | | | | | | | | |
| Freehold land | 1 | 48.49 | 513* | 513* | | | | | | | | | | | | | |
| Leasehold land | 1 | 14.26 | -** | -** | | | | | | | | | | | | | |
| 2 | Please report whether there are any cases of waiver/write off of debts/loans/interest etc. if yes, the reasons therefore and the amount involved. | According to information and explanations given to us, the Company has not waived / written off any of debts / loans/interest etc. during the year. | | | | | | | | | | | | | | | |
| 3 | Whether proper records are maintained for inventories lying with third parties and assets received as gift from Government or other authorities. | According to information and explanations given to us, the Company does not have any inventories lying with third parties and no assets are received by the Company as a gift/ grants from Government or other authorities. | | | | | | | | | | | | | | | |
| 4 | State of impact of revision of subsidies for fertilizers products, viz. NPK, Ammonium Sulphate and imported MoP in valuation of its closing stock. | <p>As per Company's 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".</p> <p>During the year following items are valued at cost, since it is lower than net realizable value.</p> <p>1. NPK, 2. Ammonium sulphate, 3. Imported MoP.</p> <p>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 fertilizer products, viz. NPK, Ammonium Sulphate and imported MoP are reflected in valuation of its closing stock.</p> | | | | | | | | | | | | | | | |

Kochi
May 30, 2018

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

E V Thomas
Partner
Membership No. 3679

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Annexure B to the Independent Auditors' Report

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

REPORT ON THE INTERNAL FINANCIAL CONTROLS

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

We have audited the internal financial controls over financial reporting of **FERTILISERS AND CHEMICALS TRAVANCORE LIMITED** ('the Company' or 'the Holding Company') and its associate and jointly controlled entities (the Holding Company and its associate and jointly controlled entities together referred to as "the Group") as of March 31, 2018 in conjunction with our audit of the Consolidated Ind AS financial statements of the Holding Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Companies included in the Group are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the policies of the Group, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls of the Group over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Group'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, the Group has, in all material respects, reasonably adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting need to be strengthened as at March 31, 2018, based on the internal control over financial reporting criteria established by the Group, considering the essential components of internal control stated in the Guidance Note on 'Audit of Internal Financial Controls Over Financial Reporting' issued by the Institute of Chartered Accountants of India.

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

Kochi
May 30, 2018

Sd/-
E V Thomas
Partner
Membership No. 3679



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

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

CONFIDENTIAL

07.08.2018

PDCA/G-2/4-4/FACTA /cs/2018-19/28

To

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

Sir,

Sub: Comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the Consolidated Financial Statements of The Fertilisers and Chemicals Travancore Limited, for the year ended 31 March 2018

I am to forward herewith the Comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the Consolidated financial statements of The Fertilisers and Chemicals Travancore Limited, for the year ended 31 March 2018.

Five copies of Annual Report of your Company may kindly be arranged to be forwarded to this office
Receipt of this letter may be acknowledged.

Yours faithfully,
Sd/-

(R Ambalavanan)

PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT AND
EX-OFFICIO MEMBER AUDIT BOARD, CHENNAI

Encl: Audit certificate

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED FOR THE YEAR ENDED 31 MARCH 2018

The preparation of Consolidated financial statements of The Fertilisers and Chemicals Travancore Limited for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) read with section 129(4) of the Act are responsible for expressing opinion on the financial statement under section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 30.05.2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) read with section 129(4) of the Act of the consolidated financial statements of The Fertilisers and Chemicals Travancore Limited for the year ended 31 March 2018. We conducted a supplementary audit of the financial statements of The Fertilisers and Chemicals Travancore Limited but did not conduct supplementary audit of the financial statements of FACT-RCF Building Products Limited for the year ended on that date. Further section 139(5) and 143(6)(b) of the Act are not applicable to Kerala Enviro Infrastructure Limited being private entity for appointment of their Statutory Auditor nor for conduct of Supplementary Audit. Accordingly C&AG has neither appointed the Statutory Auditor nor conducted the supplementary audit of this Company. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report.

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

Place: Chennai
Date: August 07, 2018

Sd/-

(R. AMBALAVANAN)

PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT AND
EX-OFFICIO MEMBER AUDIT BOARD, CHENNAI

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Consolidated Balance Sheet as at 31st March 2018

₹ in Lakh

| Particulars | Note No. | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|--------------------------------|----------|--------------------|--------------------|--------------------|
| ASSETS | | | | |
| NON CURRENT ASSETS | | | | |
| Property, Plant and Equipment | 1 | 29462.42 | 29670.86 | 31316.39 |
| Capital Work in Progress | 1A | 1882.57 | 2467.93 | 2186.40 |
| Investment Property | 2 | 9.60 | 9.70 | 9.80 |
| Joint Venture Investments | 3A | 308.72 | 245.62 | 224.89 |
| Financial Assets | | | | |
| Investments | 3B | 5618.49 | 4325.91 | 4150.65 |
| Trade Receivables | 4 | - | - | - |
| Loans | 5 | 619.72 | 621.24 | 621.31 |
| Other Financial Assets | 6 | 13.32 | 12.00 | 11.99 |
| Other Non Current Assets | 7 | 384.80 | 174.83 | 218.69 |
| | | 38299.64 | 37528.09 | 38740.12 |
| CURRENT ASSETS | | | | |
| Inventories | 8 | 47874.64 | 42910.81 | 37611.14 |
| Financial Assets | | | | |
| Trade Receivables | 9 | 45009.24 | 50606.94 | 40559.19 |
| Cash and Cash equivalents | 10 | 4612.04 | 3229.09 | 2008.08 |
| Other Bank Balances | 11 | 1752.48 | 1989.29 | 3737.34 |
| Loans | 12 | 54.49 | 2.60 | 12.72 |
| Other Financial Assets | 13 | 40766.34 | 17669.31 | 39951.92 |
| Current Tax Assets | 14 | 52.00 | 92.93 | 5.48 |
| Other current Assets | 15 | 3154.27 | 2733.10 | 3355.35 |
| | | 143275.50 | 119234.07 | 127241.22 |
| Assets held for Disposal | 16 | 39.41 | - | - |
| TOTAL ASSETS | | 181614.55 | 156762.16 | 165981.34 |
| EQUITY AND LIABILITIES | | | | |
| EQUITY | | | | |
| Equity Share Capital | 17 | 64707.20 | 64707.20 | 64707.20 |
| Other Equity | 18 | (228725.30) | (215940.59) | (197601.55) |
| | | (164018.10) | (151233.39) | (132894.35) |
| LIABILITIES | | | | |
| NON CURRENT LIABILITIES | | | | |
| Financial Liabilities | | | | |
| Borrowings | 19 | 177048.75 | 177048.75 | 162713.36 |
| Provisions | 20 | 16246.12 | 11918.63 | 13317.74 |
| Other Non Current Liabilities | 21 | 819.51 | 883.20 | 946.88 |
| | | 194114.38 | 189850.58 | 176977.98 |



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Consolidated Balance Sheet as at 31st March 2018

₹ in Lakh

| Particulars | Note No. | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|-------------------------------------|----------|------------------|------------------|------------------|
| CURRENT LIABILITIES | | | | |
| Financial Liabilities | | | | |
| Borrowings | 22 | 50737.50 | 63181.59 | 18345.35 |
| Trade Payables | 23 | 42328.14 | 32072.49 | 57151.39 |
| Other Financial Liabilities | 24 | 52771.41 | 16911.99 | 39888.22 |
| Other Current Liabilities | 25 | 3865.95 | 4485.43 | 5046.72 |
| Provisions | 26 | 1815.27 | 1493.47 | 1466.03 |
| | | 151518.27 | 118144.97 | 121897.71 |
| TOTAL EQUITY AND LIABILITIES | | 181614.55 | 156762.16 | 165981.34 |

Statement of significant Accounting Policies

A

Explanatory Information on Consolidated Financial Statements

36-63

In terms of our Report Attached

For and on behalf of the Board of Directors

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

Sd/-
Sanjai Maheshwari
Director (Finance)
DIN 00653170

Sd/-
Manoj Mishra
Chairman & Managing Director
DIN 06408953

Sd/-
E V Thomas
Partner
Membership No. 3679

Sd/-
K V Balakrishnan Nair
Company Secretary

Place: Kochi
Date: 30 May 2018

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Consolidated Statement of Profit and Loss for the year ended 31st March 2018

₹ in Lakh

| Particulars | Note No. | Year ended 31.03.2018 | Year ended 31.03.2017 |
|---|----------|--------------------------|--------------------------|
| I Revenue from Operations | 27 | 192867.07 | 188327.97 |
| II Other Income | 28 | 4134.96 | 1803.50 |
| III Total Income (I+II) | | 197002.03 | 190131.47 |
| IV Expenses | | | |
| Cost of Materials Consumed | 29 | 108023.90 | 108741.03 |
| Purchase of Stock in Trade | 30 | 169.03 | 9867.93 |
| Change in Inventories of Finished Goods, Work in Progress and Stock in Trade | 31 | (3052.86) | (8120.41) |
| Employee Benefit Expenses | 32 | 25029.87 | 24396.53 |
| Finance Cost | 33 | 32141.63 | 30466.33 |
| Depreciation and Amortization Expenses / Impairment | 1,2 | 1714.78 | 2129.91 |
| Other Expenses | 34 | 46026.86 | 48917.92 |
| Total Expenses (IV) | | 210053.21 | 216399.24 |
| V Profit / (Loss) before Tax (III-IV) | | (13051.18) | (26267.77) |
| VI Tax Expenses | | - | - |
| VII Profit / (Loss) for the Year (V+VI) | | (13051.18) | (26267.77) |
| VIII Other Comprehensive Income | | | |
| (i) Items that will not be reclassified to Profit or loss | | 1355.68 | 196.00 |
| (ii) Remeasurement of defined benefit plan | | (1087.32) | 2598.39 |
| (iii) Income Tax relating to items that will not be reclassified to Profit or Loss | | | |
| Other Comprehensive income for the year (VIII) | | 268.36 | 2794.39 |
| IX Total Comprehensive Income for the year (VII+VIII) | | (12782.82) | (23473.38) |
| X Earnings per Equity Share | | | |
| Basic/Diluted per Equity Share (₹) | 35 | (2.02) | (4.06) |
| Statement of significant Accounting Policies | A | | |
| Explanatory Information on Financial Statements | 36-63 | | |

In terms of our Report Attached

For and on behalf of the Board of Directors

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

Sd/-
Sanjai Maheshwari
Director (Finance)
DIN 00653170

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E V Thomas
Partner
Membership No. 3679

Sd/-
K V Balakrishnan Nair
Company Secretary

Place: Kochi
Date: 30 May 2018

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Consolidated Cash flow statement for the year ended 31st March 2018

₹ in Lakh

| Particulars | Year ended 31.03.2018 | Year ended 31.03.2017 |
|---|--------------------------|--------------------------|
| A Cash flow From Operating Activities | | |
| Net Profit / (Loss) before Tax | (13051.18) | (26267.77) |
| Adjustments for: | | |
| Depreciation / Impairment loss on Assets | 1714.78 | 2129.91 |
| (Profit) / Loss on Sale of Asset | (6.38) | 0.05 |
| Interest Income | (317.57) | (316.21) |
| Dividend Income | (9.72) | (9.72) |
| Interest and Finance Charges | 32141.63 | 30466.33 |
| Provision for bad / Doubtful Debts | 203.15 | 249.50 |
| Provision for Obsolescence | 27.63 | 101.51 |
| Amount written back from deferred Government Grants | (1.89) | (1.89) |
| Operating Profit before Working Capital Changes | 20700.45 | 6351.71 |
| Adjustment for : | | |
| Inventories | (4991.46) | (5401.19) |
| Trade Receivables | 5483.93 | (10167.28) |
| Loans | (50.37) | 10.19 |
| Others Including Bank balances | (48837.81) | 24283.34 |
| Trade Payables | 10255.65 | (46137.56) |
| Borrowings | (12444.09) | 59171.63 |
| Other liabilities | 35176.25 | (23601.20) |
| Provisions | 4649.29 | (1371.67) |
| | (10758.61) | (3213.74) |
| Cash Generation from Operation | 9941.84 | 3137.97 |
| Direct Tax Paid | - | - |
| Net Cash from Operating Activities | 9941.84 | 3,137.97 |
| B Cash Flow from Investing Activities | | |
| Addition to Fixed Assets | (914.50) | (765.87) |
| Change in other Comprehensive Income | 268.36 | 2794.38 |
| Change in Retained Earnings (Prior Period adj) | - | 5136.27 |
| Interest Received | 317.57 | 316.21 |
| Dividend Received | 9.72 | 9.72 |
| Net Cash from investing Activities | (318.85) | 7490.71 |



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Consolidated Cash flow statement for the year ended 31st March 2018

₹ in Lakh

| Particulars | Year ended 31.03.2018 | Year ended 31.03.2017 |
|--|--------------------------|--------------------------|
| C Cash Flow from Financing Activities | | |
| Interest Paid | (8240.05) | (9407.67) |
| Net Cash from Financing Activities | (8240.05) | (9407.67) |
| Net increase in cash and Cash Equivalents (A+B+C) | 1382.95 | 1221.01 |
| Cash and Cash Equivalents as at 1st April (Opening Balance) | 3229.09 | 2008.08 |
| Cash and Cash Equivalents as at 31st March (Closing Balance) | 4612.04 | 3229.09 |
| Closing Cash and Cash Equivalents | | |
| Represented By : | | |
| Cash on hand | 2.61 | 3.00 |
| Balances with banks | 400.01 | 919.21 |
| Cheques, drafts on hand | 0.05 | 500.17 |
| Deposit with Bank (less than 3 month maturity) | 4209.37 | 1806.71 |
| Total | 4612.04 | 3229.09 |

In terms of our Report Attached

For and on behalf of the Board of Directors

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

Sd/-
Sanjai Maheshwari
Director (Finance)
DIN 00653170

Sd/-
Manoj Mishra
Chairman & Managing Director
DIN 06408953

Sd/-
E V Thomas
Partner
Membership No. 3679

Sd/-
K V Balakrishnan Nair
Company Secretary

Place: Kochi
Date: 30 May 2018



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Statement of changes in equity for the year ended March 31, 2018

A. Equity share capital

₹ in Lakh

| Particulars | Opening balance as at 1 Apr 2016 | Changes in equity share capital during the year | Closing balance as at 31 Mar 2017 | Changes in equity share capital during the year | Closing balance as at 31 Mar 2018 |
|---------------------------|-------------------------------------|---|--------------------------------------|---|--------------------------------------|
| Equity shares of ₹10 each | 64707.20 | - | 64707.20 | - | 64707.20 |
| Total | 64707.20 | - | 64707.20 | - | 64707.20 |

B. Other Equity

| Particulars | Reserves and Surplus | | | Equity Instrument Through Other Comprehensive Income | Total |
|--|----------------------|--------------------|------------------|---|--------------------|
| | Capital Reserve | Retained Earnings | Government Grant | | |
| Balance as on 01.04.2017 | 2.64 | (220208.22) | 60.01 | 4204.98 | (215940.59) |
| Changes in Accounting Policy or prior period errors | - | - | - | - | - |
| Restated Balance at the beginning of the reporting period | 2.64 | (220208.22) | 60.01 | 4204.98 | (215940.59) |
| Profit for the year | - | (13051.18) | - | - | (13051.18) |
| Other Comprehensive Income for the year (Net of Taxes ; if any) | - | (1087.32) | 1355.68 | 268.36 | - |
| Total Comprehensive Income for the year | - | (14138.50) | - | 1355.68 | (12782.82) |
| Transfers(if any) | - | - | (1.89) | - | (1.89) |
| Balance as on 31.03.2018 | 2.64 | (234346.72) | 58.12 | 5560.66 | (228725.30) |

| Particulars | Reserves and Surplus | | | Equity Instrument Through Other Comprehensive Income | Total |
|--|----------------------|--------------------|------------------|---|--------------------|
| | Capital Reserve | Retained Earnings | Government Grant | | |
| Balance as on 01.04.2016 | 2.64 | (195660.26) | 61.90 | - | (195595.72) |
| Changes in Accounting Policy or prior period errors | - | (878.58) | - | 4008.98 | 3130.40 |
| Restated Balance at the beginning of the reporting period | 2.64 | (196538.84) | 61.90 | 4008.98 | (192465.32) |
| Profit for the year | - | (26,267.77) | - | - | (26267.77) |
| Other Comprehensive Income for the year (Net of Taxes ; if any) | - | 2598.39 | - | 196.00 | 2,794.39 |
| Total Comprehensive Income for the year | - | (23669.38) | - | 196.00 | (23473.38) |
| Transfers(if any) | - | - | (1.89) | - | (1.89) |
| Balance as on 31.03.2017 | 2.64 | (220208.22) | 60.01 | 4204.98 | (215940.59) |

In terms of our Report Attached

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

Sd/-
E V Thomas
Partner
Membership No. 3679

Place: Kochi
Date: 30 May 2018

For and on behalf of the Board of Directors

Sd/-
Sanjai Maheshwari
Director (Finance)
DIN 00653170

Sd/-
K V Balakrishnan Nair
Company Secretary

Sd/-
Manoj Mishra
Chairman & Managing Director
DIN 06408953



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

A Statement of Significant Accounting Policy forming part of Accounts for the Year ended 31st March 2018

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 LIMITED.

The accounting policies have been consistently applied by the Company and its Jointly Controlled Entities and are consistent with those used to prepare the opening balance sheet as at the transition date.

The financial statements of the Jointly Controlled Entities used in the consolidation are drawn up to the same reporting date as of the Company i.e. for the year ended 31st March 2018.

Principles of Consolidation:

The financial statements of Jointly Controlled Entities are combined by applying equity method in accordance with IND AS 28 - "Investment in Associates and Joint Ventures".

The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate Financial Statements. Differences in accounting policies followed by joint venture entity consolidated have been reviewed and no adjustments have been made, since the impact of these differences is not material.

The following Jointly Controlled Entities are considered in the consolidated financial statements:

| Name of the Company | Country of Incorporation | Proportion of Ownership Interest as on 31.03.2018 | Date of the entity becoming Joint Venture |
|----------------------------------|--------------------------|---|---|
| FACT -RCF Building Products Ltd. | India | 50% | 2-May-08 |
| Kerala Enviro Infrastructure Ltd | India | 26.48% | 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

- All Property, Plant and Equipment are stated at acquisition cost less accumulated depreciation / amortization and cumulative impairment.
- Land purchased/acquired and under the possession of the company are treated as free hold land.
- Technical know-how / license fee relating to plant / facilities are capitalized as part of cost of the underlying asset
- 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.

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

- 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 lives 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 01.04.2014. Effective from 1st April, 2014, the Company has reassessed the useful life of its existing fixed assets and has charged depreciation over the remaining useful lives, after retaining residual value, in accordance with the transitional provisions contained in the Schedule II of the Companies Act, 2013.

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

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

Impairment

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

Capital Stores

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

Exemption Availed Under Ind AS 101

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

ii) Capital Work In Progress

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

iii) Investment Property

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

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

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.



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

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

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 closing stock as per survey report as on 31.3.2016 will be taken as the base year and closing stock shall be derived by considering the production, consumption, dispatch and sales during the year.

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.

Exemption Availed Under Section 101

On transition to Ind AS, Company has elected to continue with the carrying value of its investments Joint ventures as at 1st April 2016, measured as per previous GAAP and used that carrying value as the deemed cost of the same.

ix) Revenue Recognition

Sales are recognized on accrual basis when all significant risks and rewards of ownership are transferred to the buyer.

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Gross sales (net of returns) include excise duty, wherever applicable.

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.

The company operates defined benefit plan for gratuity and leave encashment. The cost of providing such defined benefits is determined

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using the projected unit credit method of actuarial valuation made at the end of the year and the gratuity fund is administered through a fund maintained by insurance company (Life insurance Corporation of India).

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 on account of timing difference between taxable income and accounting income is provided considering the tax rates and tax laws enacted or substantively enacted by the Balance Sheet date.

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

The accounting policies adopted for segment reporting are in line with the accounting policies of the company.

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 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.

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 a earlier periods, exceeding ₹1 Lakh is accounted in the respective period, if possible, or adjusted against opening retained earnings.

xix) Research and Development Expenses

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

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xx) Provisions, Contingent Liabilities and Contingent Assets

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

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

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

- i) a provision is recognized in respect of present obligations where the outflow of resources is probable
- ii) all other cases are disclosed as contingent liabilities unless the Possibility of outflow of resources is remote.

Contingent assets are neither recognized nor disclosed in the financial statements.

xxi) Non-current assets held for sale

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

xxii) Financial Instruments

Financial Assets

Classification

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

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

Measurement

Initial recognition

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

Subsequent Measurement

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

Amortized Cost

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

Fair value through other comprehensive income (FVOCI)

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

Fair value through Profit and Loss (FVTPL)

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



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Investments in Joint Venture

The results and assets and liabilities of associates or joint ventures are incorporated in the consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IND AS 105.

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not in control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Company's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Company's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Company's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Company recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Company and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Company's net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Company's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Company.

After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Company determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Company measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Financial Liabilities

Initial recognition and measurement

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

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

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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

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) First-time adoption of Ind AS

These financial statements, for the year ended 31st March 2016, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31st March 2015, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2015 (Indian GAAP).

The Company has adopted all the applicable Ind AS standards and the adoption was carried out in accordance with Ind AS 101, First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies Accounts Rules, 2014 (IGAAP), which was the previous GAAP.

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31st March 2016 as described in the significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1st April 2016, the Company's date of transition to Ind AS. Reconciliations and descriptions of the effect of the transition have been summarized in Note no. 46 to financial statements.

Exemptions Applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions.

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. 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 this 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.

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

₹ in lakh

| Particulars | DEEMED COST / COST | | | | DEPRECIATION | | | IMPAIRMENT LOSS | | NET BLOCK | | |
|------------------------|--------------------|---------------------------|---------------------------------------|-----------------------------|------------------|-----------------|--------------|--|--------------------------------|-----------------|-----------------|------------------|
| | As at 01.04.2017 | Additions during the year | Disposals/ Deductions during the year | Adjustments during the year | As at 31.03.2018 | Upto 01.04.2017 | For the year | On Disposals/ Deductions during the year | On adjustments during the year | Upto 31.03.2018 | Upto 01.04.2017 | As at 31.03.2018 |
| Tangible assets | | | | | | | | | | | | |
| Land | 1744.73 | 2.17 | (39.41) | - | 1707.49 | - | - | - | - | - | - | 1744.07 |
| Buildings | 1331.41 | - | - | - | 1331.41 | 44.57 | 44.55 | - | - | 89.12 | - | 1237.97 |
| Plant and Equipment | 24238.69 | 1335.75 | (20.75) | (332.06) | 25221.63 | 2025.05 | 1600.21 | (19.71) | (294.56) | 3310.99 | 288.96 | 21621.69 |
| Furniture and Fixtures | 33.88 | 0.23 | - | - | 34.11 | 1.54 | 1.56 | - | - | 3.10 | - | 31.01 |
| Vehicles | 66.43 | 12.03 | - | - | 78.46 | 12.33 | 12.61 | - | - | 24.94 | - | 53.52 |
| Office equipment | 128.37 | 191.91 | - | - | 320.28 | 38.22 | 49.10 | - | - | 87.32 | - | 232.96 |
| Others:- | | | | | | | | | | | | |
| Roads & Culverts | 338.17 | - | - | - | 338.17 | 20.97 | 20.95 | - | - | 41.92 | - | 296.25 |
| Railway Sidings | 15.62 | - | - | - | 15.62 | - | - | - | - | - | - | 15.62 |
| Misc. Assets | 178.12 | 5.46 | - | - | 183.58 | 23.57 | 23.16 | - | - | 46.73 | - | 136.85 |
| Retired Asset | 4092.40 | - | (0.85) | 37.50 | 4129.05 | - | - | - | - | - | - | 4129.05 |
| Minor Assets | 0.24 | - | - | - | 0.24 | 0.24 | - | - | - | 0.24 | - | - |
| Total | 32168.06 | 1547.55 | (61.01) | (294.56) | 33640.04 | 2166.49 | 1752.14 | (19.71) | (294.56) | 3004.36 | 330.74 | 29462.42 |
| Previous year | 32130.91 | 484.65 | (1.15) | - | 32168.06 | 446.34 | 1720.93 | (0.78) | - | 2166.49 | 368.18 | 29670.86 |

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

1.2) Out of the total 2150.50 acres (Previous year 2150.50 acres) of land held by the Company, 158.82 acres, value ₹ Nil (Previous year 158.82 acres, value ₹ Nil) are held under lease hold right. Out of this, lease agreement in respect of 14.26 acres (Previous year 14.26 acres) of leasehold land belonging to Cochin Port Trust is under finalisation.

1.3) Land for ₹ 512.94 lakh (Previous year ₹ 510.77 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 year.

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

1.5) During the year 2013-14, Company had given 4.0558 hectares of land to Kochi Metro Rail Limited on leave and license basis for a period of 2 years from 22.10.2013 to 21.10.2015. The lease has been

extended from 22-10-2015 for a period of two years for a consideration of ₹46.2 lakh per hectare for the year 2015-16 and ₹ 50.82 lakh per hectares for the year 2016-17. The area under lease from 22-10-2015 is 4.1344 hectares.

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

1.7) ₹37.45 lakh has been withdrawn, shown as reduction from depreciation expenses in the Statement of Profit and Loss towards impairment loss during the FY 2017-18 and cumulative impairment loss is ₹293.29 lakh.

1.8) Non Current asset held for disposal includes Ammonia and Urea Plant at Cochin Division. These assets are retained in books at written down value which the Company expects as its fair value.

1.9) First charge on 520.47625 acres of land (Previous year 520.47625 acres, on 01.04.2016 520.47625 acres) and buildings in the States of Kerala, Tamilnadu and Karnataka and First charge on certain Plant and Machinery permanently attached to the above land as a security against loans repayable on demand.

1.10) Includes assets procured with EEC fund amounting to ₹59.61 lakh (previous year ₹60.55 lakh, on 01.04.2016 ₹61.49 lakh)

Note No. 1A. Non Current Assets - Capital Work in Progress

| | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|--|-----------------------|-----------------------|----------------------|
| Capital Work in Progress | 1679.20 | 2300.52 | 1855.83 |
| Goods in Transit / Material in Transit | 203.37 | 167.41 | 330.57 |
| | 1882.57 | 2467.93 | 2186.40 |

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Note No. 2. Non Current assets - Investment Property

₹ In Lakh

| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 1.04.2016 |
|------------------------|------------------|------------------|-----------------|
| Opening Balance | | | |
| Land | 6.50 | 6.50 | 6.50 |
| Building | 3.30 | 3.30 | 3.30 |
| Total | 9.80 | 9.80 | 9.80 |
| Addition | | | |
| Land | - | - | - |
| Building | - | - | - |
| Total | - | - | - |
| Closing Balance | | | |
| Land | 6.50 | 6.50 | 6.50 |
| Building | 3.30 | 3.30 | 3.30 |
| Total | 9.80 | 9.80 | 9.80 |
| Depreciation | | | |
| Building | | | |
| Opening Balance | 0.10 | - | - |
| Current Year | 0.10 | 0.10 | - |
| Closing Balance | 0.20 | 0.10 | - |
| Net Block | | | |
| Land | 6.50 | 6.50 | 6.50 |
| Building | 3.10 | 3.20 | 3.30 |
| Total | 9.60 | 9.70 | 9.80 |

For investment property existing as on 1 April 2016, i.e., its date of transition to Ind-AS, the company has used Indian GAAP carrying value as deemed costs.

| Particulars | As at 31.03.2018 | As at 31.03.2017 |
|---|------------------|------------------|
| Rental Income from investment property | 99.12 | 99.12 |
| Direct operating expenses to income generating property | - | - |
| Less: Reimbursement of expenses | - | - |
| Profit arising from Investment Property before depreciation | 99.12 | 99.12 |
| Depreciation | 0.10 | 0.10 |
| Profit arising from Investment Property | 99.02 | 99.02 |

Reconciliation of fair value

| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|--|------------------|------------------|------------------|
| Fair Value of Investment property | | | |
| Opening Balance | | | |
| Freehold Land | 1355.07 | 1355.07 | 1355.07 |
| Buildings | 26.42 | 26.42 | 26.42 |
| Total | 1381.49 | 1381.49 | 1381.49 |
| Additions/(Deletions) | | | |
| Freehold Land | 135.51 | - | - |
| Buildings | - | - | - |
| Total | 135.51 | - | - |
| Closing Balance | | | |
| Freehold Land | 1490.58 | 1355.07 | 1355.07 |
| Buildings | 26.42 | 26.42 | 26.42 |
| Total | 1517.00 | 1381.49 | 1381.49 |

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

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₹ In Lakh

Note No. 3A. Joint Venture Investments

| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|--|------------------|------------------|------------------|
| FACT-RCF Building Products Ltd | | | |
| 32870000 (Previous year 32870000) Equity Shares of ₹10/- each | - | - | 3,287.00 |
| Less: Provision for diminution in the value of investment | - | - | (3,287.00) |
| | | | - |
| Kerala Enviro Infrastructure Ltd | | | |
| 3124000 (Previous year 3124000) equity shares of ₹10/- each fully paid-up | 308.72 | 245.62 | 224.89 |
| | 308.72 | 245.62 | 224.89 |
| Investment in Joint Venture | 308.72 | 245.62 | 224.89 |
| *Reconciliation of fair value measurement of the investment in unquoted | | | |
| FACT-RCF Building Products Ltd | | | |
| 32870000 equity shares (P.Y.32870000, 32870000 as on 01.04.2016) of ₹10 each | - | - | 3,287.00 |
| Less:- Provision for Diminution in the value of investment | - | - | (3,287.00) |
| Carrying Value | - | - | - |
| Kerala Enviro Infrastructure Ltd | | | |
| *Reconciliation of fair value measurement of the investment in unquoted | | | |
| Opening balance | 245.62 | 224.89 | 312.40 |
| Total Gains and losses recognised in OCI | 63.10 | 20.73 | (87.51) |
| Closing Balance | 308.72 | 245.62 | 224.89 |
| Note No. 3B. Non Current Asset - Financial Assets - Investments | | | |
| Travancore Cochin Chemicals Ltd., | | | |
| 681820(Previous year 681820)Equity Shares of ₹10/- each including 340910 Bonus shares. | 94.31 | 4.89 | - |
| Capexil Agencies Ltd. | | | |
| 15 (Previous year 15) Equity Shares of ₹1000/- each fully paid-up | - | - | - |
| Indian Potash Ltd. | | | |
| 324000 (Previous year 324000) Equity Shares of ₹10/- each fully paid-up, including 1,35,000 Bonus Shares | 5,523.16 | 4,320.00 | 4,149.63 |
| | 5,617.47 | 4,324.89 | 4,149.63 |
| Shares in Co-Operative Societies: | | | |
| FACT Co-operative Society Ltd | | | |
| 10001 (Previous year 10001) shares of ₹10/- each fully paid-up | 1.00 | 1.00 | 1.00 |
| Meherabad Co-operative Housing Society Ltd | | | |
| 7 (Previous year 7) shares of ₹100/- each fully paid-up | 0.01 | 0.01 | 0.01 |
| Good Earth Housing Society Ltd. | | | |
| 10 (Previous year 10) shares of ₹50/- each fully paid-up ₹500 (Previous year Rs 500) | 0.01 | 0.01 | 0.01 |
| | 1.02 | 1.02 | 1.02 |
| Total Investments | 5,618.49 | 4,325.91 | 4,150.65 |
| Aggregate amount of unquoted investments | 5,927.21 | 4,571.53 | 4,375.54 |
| Aggregate amount of impairment in the value of investments | - | - | - |
| *Reconciliation of fair value measurement of the investment in unquoted | | | |
| Travancore Cochin Chemicals Ltd | | | |
| Opening balance | 4.89 | - | 34.09 |
| Total Gains and losses recognised in OCI | 89.42 | 4.89 | (34.09) |
| Closing Balance | 94.31 | 4.89 | - |

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₹ In Lakh

| | | | |
|---|---------|---------|---------|
| Capexil Agencies Ltd. | | | |
| *Reconciliation of fair value measurement of the investment in unquoted | | | |
| Opening balance | - | - | 0.15 |
| Total Gains and losses recognised in OCI | - | - | (0.15) |
| Closing Balance | - | - | - |
| Indian Potash Ltd | | | |
| *Reconciliation of fair value measurement of the investment in unquoted | | | |
| Opening balance | 4320.00 | 4149.63 | 18.90 |
| Total Gains and losses recognised in OCI | 1203.16 | 170.37 | 4130.73 |
| Closing Balance | 5523.16 | 4320.00 | 4149.63 |

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

Company has adopted the carrying amount as per IGAAP as its deemed cost of its investment in joint ventures.

The deemed cost of the investments has been arrived as under:

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

| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|------------------------------------|------------------|------------------|------------------|
| From related party | | | |
| Considered doubtful | 203.41 | 174.92 | 134.52 |
| Less: Provision for Doubtful Debts | 203.41 | 174.92 | 134.52 |
| | - | - | - |
| Others | | | |
| Secured | | | |
| Considered doubtful | 1328.00 | 1242.72 | 1163.59 |
| Less: Provision for Doubtful Debts | 1328.00 | 1242.72 | 1163.59 |
| | - | - | - |
| | - | - | - |

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 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|------------------|------------------|------------------|
| Provision at the beginning of the year | 1417.64 | 1298.11 | 1276.42 |
| Provisions made during the year | 113.77 | 119.53 | 21.69 |
| Released during the year | - | - | - |
| Provision at the end of the year | 1531.41 | 1417.64 | 1298.11 |

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

| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|----------------------------|------------------|------------------|------------------|
| Security deposit | | | |
| Un Secured Considered Good | 611.38 | 611.28 | 609.71 |
| | 611.38 | 611.28 | 609.71 |
| Loan to Employees | | | |
| Un Secured Considered Good | 8.34 | 9.96 | 11.60 |
| | 8.34 | 9.96 | 11.60 |
| | 619.72 | 621.24 | 621.31 |

Note : Loans to employees ₹8.34 lakh (Previous year ₹9.96 lakh) towards festival advance paid during 1996-97, and is being recovered at the time of separation from company's service.

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₹ In Lakh

| Note No. 6. Non current Assets - Financial assets- Other Financial Assets | | | |
|--|-------------------------|-------------------------|-------------------------|
| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
| Advances to Related Parties | | | |
| Considered doubtful | 953.20 | 884.67 | 754.69 |
| Less : Provision | 953.20 | 884.67 | 754.69 |
| | - | - | - |
| Advance to Others | | | |
| Un Secured Considered Doubtful | 11661.97 | 9486.67 | 7692.94 |
| Less : Provision for Doubtful Receivables | 11661.97 | 9486.67 | 7692.94 |
| | - | - | - |
| Treasury Deposit and Interest Warrant Deposit | 12.86 | 11.54 | 11.54 |
| Other Deposits | 0.46 | 0.46 | 0.45 |
| | 13.32 | 12.00 | 11.99 |

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

Allowance for bad & doubtful Loans and advances

| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|--|-------------------------|-------------------------|-------------------------|
| Provision at the beginning of the year | 10,371.33 | 8,447.63 | 6,871.15 |
| Provisions made during the year | 2,243.84 | 1,923.70 | 1,576.48 |
| Written off during the year | - | - | - |
| Provision at the end of the year | 12,615.17 | 10,371.33 | 8,447.63 |

Provision for doubtful loans and advances include ₹11514.60 lakh (Previous year ₹9360.14 lakh, on 01.04.2016 ₹7566.41 lakh) towards interest accrued on mobilisation advance given to a private company. Pending litigation, equivalent provision has been made towards interest beyond the amount considered recoverable .

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

| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|-------------------------|-------------------------|-------------------------|
| Capital Advances | | | |
| Un Secured Considered Good | 305.80 | 55.40 | 5.00 |
| Un Secured Considered Doubtful | - | - | - |
| Less : Provision | - | - | - |
| Advances Other than Capital Advances: | | | |
| Security Deposit | - | - | - |
| Tax Deducted at source including Advance Tax (net of Provision) | 79.00 | 119.43 | 213.69 |
| | 384.80 | 174.83 | 218.69 |

Note : Capital advance include amount paid for items supplied but rejected by the Company pending settlement ₹Nil (Previous year ₹4.00 lakh, ₹4.74 Lakh on 01.04.2016)

Deferred tax assets (net)

The Company has deferred tax asset of ₹212611 lakh (Previous year ₹205581 lakh) as on 31.03.2018 because of unabsorbed depreciation and accumulated losses. The deferred tax liability as on 31.03.2018 is ₹18824 lakh (Previous year ₹14487 lakh). Since there is net deferred tax asset as on 31.03.2018, 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 ₹59880 lakh.(Previous year ₹59048 lakh)

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₹ In Lakh

Note No. 8. Current Assets - Inventories

| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|------------------|------------------|------------------|
| Raw Materials | 4637.68 | 6340.32 | 10269.03 |
| Raw materials-in -transit | 5835.84 | 1540.70 | - |
| | 10473.52 | 7881.02 | 10269.03 |
| Work-in-progress | 1527.09 | 1815.36 | 2541.53 |
| Finished Goods | 26476.67 | 20766.08 | 14759.93 |
| Stock-in-trade (in respect of goods acquired for trading) | 525.73 | 2895.19 | 54.76 |
| Stores and Spares | | | |
| Machinery Spares | 9637.77 | 9793.53 | 10114.19 |
| General Stores | 2316.47 | 2850.98 | 2741.03 |
| Stores & Spares-in -transit | 267.58 | 231.21 | 351.72 |
| | 12221.82 | 12875.72 | 13206.94 |
| Retired Spares | 453.50 | 453.50 | 453.50 |
| Total Inventories | 51678.33 | 46686.87 | 41285.69 |
| Less: Provision towards obsolescence and storage losses | 3803.69 | 3,776.06 | 3,674.55 |
| | 47874.64 | 42910.81 | 37611.14 |

Notes

- Inventories along with other Current Assets is pledged as Primary Security for Working Capital arrangement with Consortium of Banks amounting to ₹114962 Lakh (Fund Based ₹70250 lakh and Non Fund Based ₹44712 lakh)
- Inventory of raw material, stores and spares, Work in Progress are valued at cost and finished goods are valued at lower of cost or realisable value
- Finished Goods includes 27.63 lakh MT of saleable gypsum (PY 31.22 lakh MT, on 01.04.2016 34.45 lakh MT) amounting to ₹9119.39 lakh (Previous year ₹7400.07 lakh, on 01.04.2016 ₹11506.82 lakh - inclusive of Excise Duty) valued as per Accounting policy.
- Stores & Spares in transit includes Stores & Spares at site pending inspection Rs. 218.81 lakh (Previous year ₹177.83 lakh, ₹269.71 lakh on 01.04.2016)

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

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

| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|--|------------------|------------------|------------------|
| Provision at the beginning of the year | 3776.06 | 3674.55 | 3591.54 |
| Provisions made during the year | 27.63 | 101.51 | 83.01 |
| Utilisations during the year | - | - | - |
| Released during the year | - | - | - |
| Provision at the end of the year | 3803.69 | 3776.06 | 3674.55 |

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

| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|----------------------------|------------------|------------------|------------------|
| Subsidy Receivable | | | |
| Unsecured Considered good | 44572.30 | 49780.22 | 39848.95 |
| | 44572.30 | 49780.22 | 39848.95 |
| Sundry Debtors | | | |
| Secured, considered good | 6.28 | 15.68 | 0.19 |
| Unsecured, considered good | 430.66 | 811.04 | 710.05 |
| | 436.94 | 826.72 | 710.24 |
| | 45009.24 | 50606.94 | 40559.19 |

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₹ In Lakh

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

| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|------------------|------------------|------------------|
| Balances with Banks | 400.01 | 919.21 | 353.06 |
| Cheques , Drafts on hand | 0.05 | 500.17 | 0.27 |
| Cash on hand | 2.61 | 3.00 | 2.30 |
| Deposit with original maturity less than three months | 4209.37 | 1806.71 | 1652.45 |
| | 4612.04 | 3229.09 | 2008.08 |

Cash and bank balances include ₹ 0.16 lakh (Previous Year ₹0.16 lakh, on 01.04.2016 ₹0.17 lakh) being the balance of amount received from clients for execution of jobs on Total Responsibility basis and ₹1683.06 lakh (Previous year ₹1217.82 lakh, on 01.04.2016 ₹52.23 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 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|------------------|------------------|------------------|
| Deposit with original maturity more than three months but less than twelve months (*) | 1752.48 | 1989.29 | 3737.34 |
| (*) Includes margin money Deposit | 1752.48 | 1989.29 | 3737.34 |

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

| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|-----------------------------|------------------|------------------|------------------|
| Security Deposits: | | | |
| Unsecured , considered good | 54.49 | 2.60 | 12.72 |
| Others | - | - | - |
| | 54.49 | 2.60 | 12.72 |

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

| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|------------------|------------------|------------------|
| Foreign Currency Receivable on Forward Contract | 15652.25 | 3153.65 | 25741.97 |
| Dues from Statutory Authorities | 21726.30 | 12081.62 | 12390.31 |
| Interest Accrued | - | - | - |
| Amount receivable against Service Orders | 1199.54 | 1007.98 | 1138.24 |
| Other Accrued Income | 997.16 | 742.58 | 379.02 |
| Employee Benefit - Gratuity | 297.79 | 281.63 | 112.17 |
| Township Dues | 893.30 | 400.00 | 190.21 |
| Other Receivables | - | 1.85 | - |
| | 40766.34 | 17669.31 | 39951.92 |

Dues from statutory authorities include ₹4044.53 lakh (Previous year ₹3046.41lakh, on 01.04.2016 ₹1239.82lakh) relates to Kerala Value Added Tax paid on procurement of Regasified Liquid Natural Gas has been accounted as refundable on account of announcement by the Hon'ble Finance Minister of Kerala in the State Legislative Assembly during the Budget Session.

Deposits includes ₹72.97 lakh (Previous Year ₹72.97 lakh, on 01.04.2016 ₹78.09 lakh) towards the amount paid against disputed demands pending appeal.

Note No. 14. Current Assets - Current Tax Assets

| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|------------------------|------------------|------------------|------------------|
| Tax Deducted at Source | 52.00 | 92.93 | 5.48 |
| | 52.00 | 92.93 | 5.48 |

Note No. 15. Current Assets - Other Current assets

| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|-------------------|------------------|------------------|------------------|
| Contractors | 2490.64 | 2216.45 | 2925.90 |
| Employees | 189.34 | 203.47 | 112.81 |
| Pre Paid Expenses | 333.64 | 230.90 | 246.25 |
| Others | 140.65 | 82.28 | 70.39 |
| | 3154.27 | 2733.10 | 3355.35 |

Dues from Contractors include amount paid for materials supplied but rejected by the Company pending settlement ₹8.63 lakh (Previous year ₹9.45 lakh, on 01.04.2016 ₹22.52 lakh)

Due from Contractors includes 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'ble 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'ble High court of Mumbai for realization of amount, which is pending. However an amount of ₹1353.19 lakh only has been retained pending disposal of the case.

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| Note No. 16. Current Assets - Financial assets- Non Current Assets held for Disposal | | | |
|---|-------------------------|-------------------------|-------------------------|
| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
| Retired Assets held for Disposal | - | - | - |
| Land Held for Sale (M/s. BPCL) | 39.41 | - | - |
| | 39.41 | - | - |

Company entered an agreement with M/s. Bharat Petroleum Corporation Limited for sale of 169.689 Acre of land @ Rs. 248 Lakh per acre at Ambalamedu. The above land is shown under Land held for sale.

Note No. 17. Equity- Equity Share Capital

| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|-------------------------|-------------------------|-------------------------|
| Authorised: 1000000000 (Previous year 1000000000) Equity Shares of ₹10/-each | 100000.00 | 100000.00 | 100000.00 |
| Issued, Subscribed and fully Paid up: 647071974 (Previous year 647071974) Equity Shares of ₹10/- each fully paid up | 64707.20 | 64707.20 | 64707.20 |

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

| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|--|-------------------------|-------------------------|-------------------------|
| No. of shares at the beginning of the year | 647071974 | 647071974 | 647071974 |
| No. of shares issued during the year | - | - | - |
| No. of shares at the end of the year | 647071974 | 647071974 | 647071974 |

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 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|--|-------------------------|-------------------------|-------------------------|
| The Government of India - No of shares | 582364776 | 582364776 | 582364776 |
| - Percentage of Total Shares | 90.00% | 90.00% | 90.00% |
| Special National Investment Fund constituted by the Government of India - No of Shares | 55400424 | 55400424 | 55400424 |
| - Percentage of Total Shares | 8.56% | 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.

| | | | |
|--|---|---|---|
| I. Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash | - | - | - |
| II. Aggregate number and class of shares allotted as fully paid up by way of Bonus shares | - | - | - |
| III. 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. 18. Equity - Other Equity

| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|--|-------------------------|-------------------------|-------------------------|
| Capital Reserves: | | | |
| Subsidy from Kerala State Government under Industrial Housing Scheme | 2.64 | 2.64 | 2.64 |
| | 2.64 | 2.64 | 2.64 |
| Other Reserves: | | | |
| Deferred Government Grant : | | | |

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₹ In Lakh

| Indo EEC Fertiliser Education Project | | | |
|--|------------------|------------------|------------------|
| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
| Opening balance | 56.40 | 57.34 | 58.27 |
| Less: Amount written off during current year | 0.94 | 0.94 | 0.93 |
| Closing balance | 55.46 | 56.40 | 57.34 |
| Bio-Fertiliser Project | | | |
| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
| Opening balance | 3.61 | 4.56 | 5.51 |
| Less: Amount written off during current year | 0.95 | 0.95 | 0.95 |
| Closing balance | 2.66 | 3.61 | 4.56 |
| Equity Instruments through other Comprehensive Income | | | |
| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
| Opening Balance | 4204.98 | 4008.98 | - |
| Changes During the Year | 1355.68 | 196.00 | 4008.98 |
| Closing Balance | 5560.66 | 4204.98 | 4008.98 |
| Retained Earnings: | | | |
| | - | | |
| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
| Opening balance | (220208.22) | (201675.07) | (195660.26) |
| Add Changes in Accounting Policy / Prior Period items as per Ind AS | - | 5136.23 | (6014.81) |
| Add :Profit/ (Loss) during the year | (13051.18) | (26267.77) | - |
| Add: Remeasurement of defined benefit plan | (1087.32) | 2598.39 | - |
| Closing balance | (234346.72) | (220208.22) | (201675.07) |
| Other equity | | | |
| | (228725.30) | (215940.59) | (197601.55) |
| Note No. 19. Non Current Liabilities - Financial Liabilities - Borrowings | | | |
| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
| Term loans | | | |
| Secured | | | |
| From the Government of India (Refer Note) | 177048.75 | 177048.75 | 162713.36 |
| | 177048.75 | 177048.75 | 162713.36 |
| Note : A plan loan of ₹1000 crore bearing interest @13.50% p.a subject to revision on annual basis was released by the Government of India on 29th March 2016 to maintain the operations of the company. As per the terms of sanction of the loan, the amount of ₹1000 crore along with the earlier loan and interest outstanding has been converted to a single loan carrying interest @13.50% p.a with a one year moratorium for payment of interest. The loan along with interest is repayable in three or more equal instalments in a period of 5 years ending by 2022. Since there is no commitment to repay the loan / interest in the Financial Year 2018-19, the loan amount outstanding as at 31.03.2017 along with interest is shown under Non Current Liabilities - Financial Liabilities - Borrowings. | | | |
| Note No. 20. Non Current Liabilities - Provisions | | | |
| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
| Provision for employee benefits | | | |
| (i) Provision for gratuity | 7668.55 | 3072.69 | 2505.38 |
| (ii) Provision for leave encashment | 8388.29 | 8670.68 | 10650.08 |
| Decommissioning of Assets in Leased Properties | 189.28 | 175.26 | 162.28 |
| | 16246.12 | 11918.63 | 13317.74 |

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| Note No. 21. Non Current Liabilities - Other Non current Liabilities | | | |
|---|-------------------------|-------------------------|-------------------------|
| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
| Advance Rent Received | 819.51 | 883.20 | 946.88 |
| | 819.51 | 883.20 | 946.88 |
| As on 1st April | (946.89) | (1010.57) | (1010.57) |
| Released to Profit and Loss account | 63.69 | 63.68 | - |
| As at 31st March | (883.20) | (946.89) | (1010.57) |
| current | 63.69 | 63.69 | 63.69 |
| Non Current | 819.51 | 883.20 | 946.88 |

| Note No. 22. Current Liabilities - Financial Liabilities - Borrowings | | | |
|--|-------------------------|-------------------------|-------------------------|
| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
| Secured:- | | | |
| Loans repayable on demand | | | |
| From Banks | | | |
| Cash credit | 48416.11 | 63181.59 | 5694.47 |
| LIBOR Linked Buyers Credit | 2321.39 | - | 11850.88 |
| Borrowing against Fixed Deposit | - | - | 800.00 |
| | 50737.50 | 63181.59 | 18345.35 |

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 520.47625 acres of land (Previous year 520.47625 acres, on 01.04.2016 520.47625 acres) and buildings in the States of Kerala, Tamilnadu and Karnataka (c) First charge on certain Plant and Machinery permanently attached to the above land. Rate of interest on Cash credit varies from 12.00% to 13.65 % P.A (Previous year from 12.00 % to 14.00 % P.A) and is repayable on Demand (Previous year- On demand).

Cash Credit includes Rs. 16149.00 lakh (previous year Rs.8337.25 lakh) towards working capital demand loan from State Bank of India at interest rate of 7.80% Per Annum (Previous year 8.00% Per Annum), secured by subsidy due for the months of September 2017 to December 2017(Previous year September 2016 and October 2016). As per Office Memorandum No.23011/11/2017-MPR dated 05.03.2018, issued by the Government of India, interest at the rate of 0.96% Per Annum (Previous year 1.75% Per Annum) is to be borne by the company. The outstanding loan amount has been fully liquidated on 7th April 2018 (Previous year - on 7th April 2017) .

| Note No. 23. Current Liabilities - Financial Liabilities - Trade Payables | | | |
|--|-------------------------|-------------------------|-------------------------|
| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
| Trade payables | | | |
| (i) Due to Micro,Small and Medium Enterprises | 49.45 | 40.28 | 17.16 |
| (ii) Others | 42278.69 | 32032.21 | 57134.23 |
| | 42328.14 | 32072.49 | 57151.39 |

Note : Trade payables include ₹34.24 lakh (Previous year ₹22.70 lakh, ₹15.55 lakh on 01.04.2016) payable to Small Scale Industrial Undertakings to the extent such parties have been identified from the available documents/ information. Dues owed by the Company to Small Scale Industrial Undertakings outstanding for more than 30 days is ₹19.65 lakh (Previous year ₹8.03 lakh, ₹Nil on 01.04.2016)

| Note No. 24. Current Liabilities - Financial Liabilities -Other Financial Liabilities | | | |
|--|-------------------------|-------------------------|-------------------------|
| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
| Interest accrued on borrowings | 23901.58 | - | 110.96 |
| Liability on corporate Guarantee | 2550.00 | 3766.50 | 3766.50 |
| Unclaimed matured fixed deposit and interest thereon | 0.49 | 0.49 | 0.49 |
| Other payables (forward Contract) | 15546.05 | 3213.36 | 26581.28 |
| Dues to employees | 89.83 | 274.66 | 41.83 |
| Trade Deposit from customers | 2377.66 | 2364.21 | 2459.26 |
| Statutory dues | 1066.23 | 1121.23 | 1084.21 |
| Other liabilities | 7239.57 | 6171.54 | 5843.69 |
| | 52771.41 | 16911.99 | 39888.22 |

During the year Company's liability in respect of Corporate Guarantee issued in favour of the bankers of Joint Venture (FRBL), has been reassessed based on the One Time Settlement Scheme offered by the bankers. Considering the negative networth of FRBL, the amount receivable against the above has been fully provided for and the liability has been classified as above under "Other Financial Liabilities".

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| Note No. 25. Current Liabilities - Other Current Liabilities | | | |
|--|-----------------------|-----------------------|------------------|
| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
| Income received in Advance from Customer | - | - | 33.58 |
| Advance from Customers | 3802.26 | 2812.45 | 2361.76 |
| Advance Rent Received | 63.69 | 63.69 | 63.69 |
| Statutory Dues | - | - | - |
| a) Excise Duty on Closing Stock | - | 1609.29 | 2587.69 |
| | 3865.95 | 4485.43 | 5046.72 |
| Note No. 26. Current Liabilities - Provisions | | | |
| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
| Provision for employee benefits | - | - | - |
| (i) Provision for leave encashment | 1515.27 | 1493.47 | 1466.03 |
| | 1515.27 | 1493.47 | 1466.03 |
| Provision towards other Contractual Obligation | 300.00 | - | - |
| | 1815.27 | 1493.47 | 1466.03 |
| Note No. 27. Revenue from operations | | | ₹ In Lakh |
| Particulars | Year ended 31.03.2018 | Year ended 31.03.2017 | |
| Sale of products | | | |
| Own Products | 137862.54 | 128623.93 | |
| Traded Products | 2788.62 | 4773.84 | |
| | 140651.16 | 133397.78 | |
| Less : Sales discount/Dealer margin | (6705.39) | (6251.87) | |
| | 133945.77 | 127145.91 | |
| Subsidy/Concession on Fertilisers | 57655.49 | 57269.64 | |
| | 57655.49 | 57269.64 | |
| Sale of Services | | | |
| Gross income from contracts and other services | 1265.81 | 3912.43 | |
| Total Revenue from operations * | 192867.07 | 188327.97 | |
| *including excise duty | | | |
| Sale of own products comprises of: | | | |
| Ammonium Sulphate | 21669.38 | 17546.86 | |
| Factamfos 20-20-0-13 | 113554.09 | 107091.36 | |
| Mixed Manures | 84.03 | 461.53 | |
| Caprolactam | - | 900.09 | |
| Gypsum | 1860.88 | 1504.45 | |
| Others | 694.16 | 1119.64 | |
| Total | 137862.54 | 128623.93 | |
| Sale of traded products: | | | |
| Muriate of Potash | 894.54 | 1664.58 | |
| Imported Complex Fertiliser (20:20:0:13) | 1594.32 | 2704.83 | |
| Organic Manures | 299.76 | 399.66 | |
| Others | - | 4.77 | |
| | 2788.62 | 4773.84 | |
| Subsidy/Concession on Fertilisers | | | |
| Factamfos 20-20-0-13 | 47945.45 | 46062.53 | |
| Ammonium Sulphate | 9204.28 | 7137.20 | |
| Muriate of Potash | - | 2409.47 | |
| Imported Complex Fertiliser (20:20:0:13) | 417.93 | 1587.78 | |
| City Compost | 87.83 | 72.66 | |
| | 57655.49 | 57269.64 | |

Consequent to the implementation of Direct Benefit Transfer Scheme (DBT), subsidy income on fertilizers is being recognised upon the sales basis instead of hitherto followed practice of recognising revenue upon the movement of fertilizers to the warehouses under the erstwhile on account subsidy scheme of Government of India. The DBT programme has been implemented in a phased manner and the roll out was completed in January 2018. Under the scheme, 100% subsidy is being released to the fertilizer companies on sale of fertilizer, which is given effect through the concessional pricing of fertilizers to the ultimate beneficiary.

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₹ In Lakh

| Note No. 28. Other income | | |
|--|------------------------------|------------------------------|
| Particulars | Year ended 31.03.2018 | Year ended 31.03.2017 |
| Interest income: | | |
| On deposits with banks | 257.70 | 267.01 |
| On loans , advances , claims , overdues | 59.87 | 49.20 |
| Dividend income | 9.72 | 9.72 |
| Other non-operating income | | |
| Excess provisions written back | 2836.45 | 41.20 |
| Profit on Fixed assets sold/written off/revalued (net) | 6.38 | (0.05) |
| Transfer from deferred Government grants: | | |
| (i) On EEC project | 0.94 | 0.94 |
| (ii) On Bio-Fertiliser project | 0.95 | 0.95 |
| Rent | 636.69 | 602.76 |
| Miscellaneous income | 326.26 | 831.77 |
| | 4134.96 | 1803.50 |

Note : Interest of ₹2154.46 lakh (Previous year ₹1793.73 lakh) for the year 2017-18 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.

Excess provisions written back includes write back of interest expenditure amounting to ₹1919.95 lakh, consequent to waiver of interest by suppliers and ₹916.50 Lakh towards withdrawal of Provision for liability on corporate guarantee after considering ₹300 lakh for remaining Contractual obligation

Note No. 29. Cost of materials consumed

| Particulars | Year ended 31.03.2018 | Year ended 31.03.2017 |
|---------------------------------|------------------------------|------------------------------|
| Raw Material (refer note below) | 105495.49 | 106062.36 |
| Packing Material | 2528.41 | 2678.67 |
| | 108023.90 | 108741.03 |

Note : The physical verification of raw materials has been carried out on or around 31st March 2018. The differences over book figures in the case of raw material has been adjusted in consumption (Excess(-) / Shortage). Current year ₹ (-)317.42 lakh (Previous year ₹ (-)497.42 lakh).

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

| Particulars | Year ended 31.03.2018 | Year ended 31.03.2017 |
|--|------------------------------|------------------------------|
| Muriate of Potash | - | 4008.32 |
| Imported Complex Fertiliser (20:20:0:13) | - | 5555.32 |
| Others | 169.03 | 304.29 |
| | 169.03 | 9867.93 |

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

| Particulars | Year ended 31.03.2018 | Year ended 31.03.2017 |
|--|------------------------------|------------------------------|
| Opening stock | | |
| Finished Goods | 20766.08 | 14759.93 |
| <i>Includes excise duty ₹ 1609.30 lakh (PY ₹ 2587.69 lakh)</i> | | |
| Stock-in-trade | 2895.19 | 54.76 |
| Work-in progress | 1815.36 | 2541.53 |
| | 25476.63 | 17356.22 |
| Closing stock | | |
| Finished Goods | 26476.67 | 20766.08 |
| <i>Includes excise duty Nil (PY ₹ 1609.30 lakh)</i> | | |
| Stock-in-trade | 525.73 | 2895.19 |
| Work-in progress | 1527.09 | 1815.36 |
| | 28529.49 | 25476.63 |
| Changes in inventories: (Increase)/ Decrease | (3052.86) | (8120.41) |

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₹ In Lakh

| Note No. 32. Employee benefits expense | | |
|--|------------------------------|------------------------------|
| Particulars | Year ended 31.03.2018 | Year ended 31.03.2017 |
| Salaries and Wages | 16050.24 | 17405.26 |
| Contribution to Provident Fund | 1747.02 | 1892.91 |
| Leave encashment (net of Provision) | 913.33 | 2459.94 |
| Gratuity | 4482.86 | 694.65 |
| Staff welfare expenses | 1836.42 | 1943.77 |
| | 25029.87 | 24396.53 |
| Note : Remuneration to Directors | | |
| Particulars | Year ended 31.03.2018 | Year ended 31.03.2017 |
| Sri Jaiveer Srivastava, Chairman and Managing Director (upto 02.11.2016) | - | 15.97 |
| Sri V.K.Anil, Director (Technical) (upto 27.06.2016) | - | 24.98 |
| Sri D Nandakumar Director (Marketing) (From 13.09.2017) | 12.96 | 0.00 |
| | 12.96 | 40.95 |
| Note No. 33. Finance costs | | |
| Particulars | Year ended 31.03.2018 | Year ended 31.03.2017 |
| Interest | | |
| Interest on loans from the Government of India | 23901.58 | 21058.66 |
| Interest on Cash credit from banks | 7567.66 | 6975.90 |
| Interest -others | 437.46 | 2074.94 |
| Other borrowing costs | 294.04 | 333.18 |
| Net loss on foreign currency transactions translations | | |
| Exchange rate variation & premium on forward exchange contract on buyer's credit | (59.11) | 23.65 |
| | 32141.63 | 30466.33 |
| Note No. 34. Other expenses | | |
| Particulars | Year ended 31.03.2018 | Year ended 31.03.2017 |
| Consumption of stores and spare parts | 2644.01 | 3309.70 |
| Power and Fuel | 16458.99 | 16681.05 |
| Rent | 771.56 | 582.16 |
| Repairs and maintenance to buildings | 80.18 | 104.11 |
| Repairs and maintenance to machinery | 3362.94 | 3389.75 |
| Insurance | 44.41 | 57.91 |
| Rates and Taxes | 102.25 | 88.60 |
| (Gain)/Loss on exchange rate variation (net) | (320.44) | 154.03 |
| Material and other direct charges on contracts | 1003.15 | 3331.20 |
| Auditors' Fees and Expenses (refer note below) | 17.39 | 29.48 |
| Freight , Handling and other charges | 17184.30 | 14642.04 |
| Increase/(Decrease) in provision for excise duty on stock of Finished goods (refer note below) | (1609.29) | (978.39) |
| Bad debts written off | 0.03 | - |
| Provision for doubtful receivables & advances | 672.69 | 264.22 |
| Damages/Shortages of Stores , Spares & Products (Net) | 0.31 | (11.98) |
| Provision for obsolescence of stores (Net) | 27.63 | 101.51 |
| Research and Development Expenditure(refer note below) | 114.17 | 108.87 |
| CISF Expenses (including salaries) | 2480.34 | 2830.23 |
| Directors' Sitting Fees | 2.85 | 1.30 |
| Excise duty | 184.68 | 1,665.35 |
| Miscellaneous Expenses (refer note below) | 3842.91 | 3344.48 |
| | 47065.06 | 49695.62 |
| Less : Allocated Expenses [net of income from inter-divisional jobs of ₹1476.00 lakh] (Previous year ₹1521.89 lakh) | (1,038.20) | (777.70) |
| | 46026.86 | 48917.92 |

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₹ In Lakh

Notes:

1. Auditors' Fees and Expenses include

| Particulars | Year ended 31.03.2018 | Year ended 31.03.2017 |
|---------------------|-----------------------|-----------------------|
| For Statutory Audit | 6.65 | 6.90 |
| For Branch Audit | 1.40 | 1.64 |
| For Other Services | 5.01 | 15.99 |
| For Expenses | 4.33 | 4.95 |
| Total | 17.39 | 29.48 |

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

| Particulars | Year ended 31.03.2018 | Year ended 31.03.2017 |
|---------------------------------|-----------------------|-----------------------|
| Provision on closing stock | 0.00 | 1609.30 |
| Less provision on opening stock | 1609.30 | 2587.69 |
| Net provision | (1609.30) | (978.39) |

3. Research and Development Expenditure of ₹114.17 lakh (Previous Year ₹108.87 lakh) includes expenditure towards salary ₹113.92 lakh (Previous year ₹108.20 lakh) and depreciation ₹0.10 lakh (Previous year ₹0.20 lakh).

4. Miscellaneous Expenses includes Directors travel amounting to ₹17.92 lakh (Previous year ₹13.70 lakh).

5. Miscellaneous Expenses includes ₹353.72 lakh (previous year ₹6.51 lakh) towards the cost of PoS machine distributed by the Company under Direct benefit Transfer Scheme framed by the government of India.

6. 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 ₹0.31 lakh (Previous year ₹(-) 11.98 lakh)

7. Physical verification of fuel was carried out at all divisions as per the procedure laid down in the Stores Management Manual and the differences(Excess(-)/Shortage) over book figures has been adjusted in the accounts. Current year ₹3.86 lakh (Previous year ₹ 79.17 lakh)

Note No. 35. Earning per Share

| Particulars | Year ended 31.03.2018 | Year ended 31.03.2017 |
|--|-----------------------|-----------------------|
| Profit / (Loss) after Tax | (13051.18) | (26267.77) |
| Number of Equity Shares | 647071974 | 647071974 |
| Face Value per Share (₹) | 10.00 | 10.00 |
| Basic/ Diluted earnings per Share (₹) | (2.02) | (4.06) |

Explanatory Information on Consolidated Financial Statements

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. But due to the losses suffered during the preceding Financial Years, the Company is not liable to spend any amount mandatorily on CSR.

Note No. 37. Caprolactam Operations:

Due to uneconomic price of one of the product namely Caprolactam in the market, the plant remained unproductive during the year. Certain segments of the Petro Chemical plant has been operated for production of Ammonium Sulphate through the direct neutralization method. The Caprolactam plant is maintained and preserved for commencement of production when required. Company has redeployed a section of the employees of the plant to other areas wherever required. The unabsorbed fixed cost pertaining to caprolactam plant charged to revenue during the year is ₹2123.07 lakh.(Previous year ₹2430.17 lakh)

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38. Disclosure required for Micro, Small and Medium Enterprises

₹In Lakh

| SI No. | Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|--------|---|------------------|------------------|------------------|
| 1 | Principal amount remaining unpaid | 49.45 | 40.28 | 17.16 |
| 2 | Interest due thereon | 3.58 | 1.16 | 0.77 |
| 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. | - | - | - |
| 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. | 0.34 | 1.01 | - |
| 5 | Interest accrued and remaining unpaid | 3.92 | 1.16 | 0.77 |
| 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. | - | - | - |

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 a weighted average of DCF, PE and 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.

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₹ In Lakh

| Particulars | 31.03.2018 | | 31.03.2017 | | 01.04.2016 | |
|---|-------------------------------|---------|-------------------------------|---------|-------------------------------|---------|
| | Significant observable inputs | | Significant observable inputs | | Significant observable inputs | |
| | Level 2 | Level 3 | Level 2 | Level 3 | Level 2 | Level 3 |
| Financial Assets | | | | | | |
| Investment in Unquoted Equity Shares of: | | | | | | |
| Indian Potash Limited | | 5523.16 | | 4320.00 | | 4149.63 |
| Travancore Cochin Chemicals Ltd | | 94.31 | | 4.89 | | - |
| Capexil Agencies Ltd. | | - | | - | | - |
| Kerala Enviro Infrastructure Limited | | 308.72 | | 245.62 | | 224.89 |
| Forward exchange contracts | 15652.25 | | 3153.65 | | 25741.97 | |
| Financial Liabilities | | | | | | |
| Amount Payable under forward exchange contracts | 15546.05 | | 3213.36 | | 26581.28 | |
| Assets for which Fair values are disclosed | | | | | | |
| Investment Properties | 1517.00 | | 1381.49 | | 1381.49 | |

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 payments under non-cancellable leases are receivable as follows

| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|----------------------------|------------------|------------------|------------------|
| Within less than one year | 87.62 | 87.62 | 87.62 |
| Between one and five years | 350.48 | 350.48 | 350.48 |
| More than five years | 445.10 | 508.79 | 572.47 |

ii) Amounts recognized in profit and loss

| Particulars | As at 31.03.2018 | As at 31.03.2017 |
|-------------|------------------|------------------|
| Lease Rent | 87.62 | 87.62 |
| | 87.62 | 87.62 |

Leases as lessee

FACT 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 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|----------------------------|------------------|------------------|------------------|
| Within less than one year | 207.03 | 197.17 | 187.78 |
| Between one and five years | 936.93 | 892.31 | 849.82 |
| More than five years | 9437.93 | 9689.57 | 9929.23 |
| | 10581.89 | 10779.06 | 10966.84 |

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 31.03.2018 | As at 31.03.2017 |
|---------------|------------------|------------------|
| Lease Rentals | 197.56 | 187.78 |
| | 197.56 | 187.78 |



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40 . Financial Instrument Classification

| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|------------------|------------------|------------------|
| Financial Assets | | | |
| Financial Assets at Amortised Cost | | | |
| Trade Receivables | 45009.24 | 50606.94 | 40559.19 |
| Cash and Cash equivalents | 4612.04 | 3229.09 | 2008.08 |
| Other Bank Balances | 1752.48 | 1989.29 | 3737.34 |
| Loans | 674.21 | 623.84 | 634.03 |
| Other Financial Assets | 25127.41 | 14527.66 | 14221.94 |
| | 77175.38 | 70976.82 | 61160.58 |
| Financial Assets at Fair Value through Other Comprehensive Income: | | | |
| Equity Investments | 5927.21 | 4571.53 | 4375.54 |
| Financial Assets at Fair Value through Profit and Loss Statement: | | | |
| Foreign Currency Receivable on Forward exchange contract | 15652.25 | 3153.65 | 25741.97 |
| | 21579.46 | 7725.18 | 30117.51 |
| Financial Liabilities | | | |
| Financial Liability at Amortised Cost | | | |
| Borrowings | 227786.25 | 240230.34 | 181058.71 |
| Trade Payables | 42328.14 | 32072.49 | 57151.39 |
| Other Financial Liabilities | 37225.36 | 13698.63 | 13306.94 |
| | 307339.75 | 286001.46 | 251517.04 |
| Financial Liabilities at Fair Value through Profit and Loss Statement: | | | |
| Liability on Forward Exchange contract | 15546.05 | 3213.36 | 26581.28 |
| | 15546.05 | 3213.36 | 26581.28 |

41. Financial Risk Management

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

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

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

(A) Credit risk

Credit Risk refers to the risk of default on its obligations resulting in financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹45406.64 lakh and ₹50606.94 lakh as of March 31, 2018 and March 31, 2017, respectively of which ₹44969.71 lakh (previous year ₹49780.22 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



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In addition, the Company is exposed to credit risk in relation to financial guarantees given to the banks. The maximum exposure in this respect is the amount the Company would have to pay if the guarantee is called on is ₹2550.00 lakh as at March 31, 2018 (₹3766.50 lakh as on 31.03.2017, as at 1st April 2016, ₹3766.50 lakh).

(B) Liquidity risk

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

Financing arrangements

The company had access to the following undrawn fund based borrowing facilities at the end of the reporting period:

| Particulars | 31st March, 2018 | 31st March, 2017 | 1st April, 2016 |
|---|------------------|------------------|-----------------|
| Expiring within one year (Bank Overdraft/ CC Limit) | 34732.89 | 12155.66 | 61305.23 |

The Bank Overdraft/Cash Credit (CC)/Short term loan (STL) facilities may be drawn at any time and may be called back by the bank at their discretion. The credit facilities of Banks are subject to compliance with sanctioned terms & conditions. The credit facilities have an average maturity of 1 year.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. The Company's activities exposes it's primarily to the financial risk of changes in foreign currency risk. To mitigate the foreign currency risk, the company is entering into forward contracts with Banks.

42. Disclosure under Ind AS 24 on related party transactions are given below

Since Government of India owns 90% of the Company's equity share capital (under the administrative control of Ministry of Chemicals and Fertilizers), the disclosures relating to transactions with the Government and other Government controlled entities have been reported in accordance with para 26 of Ind AS 24.

Certain transactions are carried out with other government related entities for purchase of Gases, for procurement of Raw Materials / Finished Goods, Assets / Spare Parts from Original equipment manufacturers, which are significant in terms of value, the details of which are as under:

| Name of Entity | Nature of Transaction | 2017-18 | 2016-17 |
|--------------------------------------|---|----------|----------|
| GAIL (India) Ltd | Procurement of Gas / Transmission Charges | 13527.37 | 14104.34 |
| MMTC Limited | Procurement of Traded Products | - | 3299.42 |
| Bharat Petroleum Corporation Limited | Procurement of Gas / Petroleum Products | 19527.34 | 13935.86 |
| Indian Oil Corporation Ltd | Procurement of Gas / Petroleum Products | 11995.51 | 13096.32 |
| Steel Authority of India | Procurement of Steel Structural | 260.03 | 188.23 |
| Rashtriya Chemicals and Fertilisers | Sale of Fertilisers | 433.99 | - |
| Bharat Petroleum Corporation Limited | Services Provided | 83.85 | 129.43 |
| Indian Oil Corporation Ltd | Services Provided | 87.31 | 378.31 |

The above referred transactions have been carried out on arm's length basis with the said entities.

The other disclosures with related parties are as under:

1) Relationship

JOINT CONTROLLED ENTITIES

| SI No | Name of Entity | Percentage of ownership interest as at | | |
|-------|--|--|------------|------------|
| | | 31.03.2018 | 31.03.2017 | 01.04.2016 |
| 1 | FACT-RCF BUILDING PRODUCTS LTD. (FRBL) | 50.00% | 50.00% | 50.00% |
| 2 | Kerala Enviro Infrastructure Ltd. (KEIL) | 25.66% | 25.66% | 25.66% |

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₹ In Lakh

Transactions during the year with the above referred related parties:

| SI No | Particulars | Year ended 31.03.2018 | Year ended 31.03.2017 |
|-------|-----------------------------------|-----------------------|-----------------------|
| | | Amount | Amount |
| i) | Contribution towards sharecapital | - | - |
| ii) | Sales of Products | 28.49 | 40.40 |
| iii) | Others | 68.53 | 129.98 |

Consequent to full provision recognized towards the investments made in FRBL as per Indian GAAP, the carrying value as on the date of transition has been recognized as deemed cost of investment which is NIL as on the transition date i.e. 1st April 2016.

The provision towards the amount given as material, Services and advances made in the earlier financial years continues. Similar Provision amounting to ₹97.02 Lakh (Previous year ₹170.38 lakh) has been made for the current year also.

Balance Outstanding:

| SI.No | Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|-------|--|------------------|------------------|------------------|
| i) | Corporate Gurantees given | 3766.50 | 3766.50 | - |
| ii) | Due to FACT on sales | 203.41 | 174.92 | 134.52 |
| iii) | Advances Given (for meeting business requirements) | 953.20 | 884.67 | 754.69 |

Out of the guarantees given by the Company on behalf of FRBL to its bankers, guarantees amounting to ₹3766.50 Lakh as a part of the Debt restructuring scheme, has been accounted for as a financial liability required to be measured at fair value and also tested for loss allowance. Expecting the liability of repayment of debt obligations of FRBL, bankers may devolve on the Company, the Company has provided for loss on impairment of its corporate guarantee amounting to ₹3766.50 lakh towards term loan which has been adjusted to its opening reserves as at 1st April 2016, the date of transition to Ind AS. During the year the said liability has been crystallised and agreed for alone time settlement for and amount of ₹3030 lakh has been provided. The said liability towards financial guarantee is reported under other financial liabilities. 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 FACT is only provision of its existing facilities of Training School. The accounts of the society are not consolidated as society is formed with an objective of not obtaining any economic benefits from its activities and is considered immaterial to the Company's activity.

2) Key Management Personnel

- 1 Shri Sushil Kumar Lohani, Chairman and Managing Director (upto 16.02.2018)
- 2 Shri Manoj Mishra, Chairman and Managing Director (from 21.02.2018)
- 3 Shri Suresh Warior, Director (Finance) (upto 30.11.2017)
- 4 Shri D Nandakumar, Director (Marketing) (from 13.09. 2017)
- 5 Shri U Saravanan, Director (Technical) (from 14.8.2017)
- 6 Shri Sanjai Maheshwari Director (Finance) (from 06.03.2018)
- 7 Shri K V Balakrishnan Nair, Company Secretary

Transactions with related parties:

Remuneration to key management personnel :

| SI No | Particulars | Year ended 31.03.2018 | Year ended 31.03.2017 |
|-------|---|-----------------------|-----------------------|
| 1 | Shri Jaiveer Srivastava, Chairman and Managing Director (Upto 02.11.2016) | - | 15.97 |
| 2 | Shri V K Anil, Director (Technical) (upto 27.06.2016) | - | 24.98 |
| 3 | Shri D Nandakumar, Director (Marketing) (From 13.09.2017) | 12.96 | - |
| 4 | Shri K V Balakrishnan Nair, Company Secretary | 16.94 | 16.36 |
| | | 29.90 | 57.31 |

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.

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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 | | |
|--------------------------------------|--------------------------|----------------------------------|------------|------------|
| | | 31.03.2018 | 31.03.2017 | 01.04.2016 |
| FACT RCF Building Products Ltd. | India | 50.00% | 50.00% | 50.00% |
| Kerala Enviro Infrastructure Limited | India | 25.66% | 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 31.03.2018 (Unaudited) | As at 31.03.2017 (Audited) | As at 01.04.2016 (Audited) |
|---|------------------------------------|----------------------------------|----------------------------------|
| Non-Current Assets | 7383.00 | 8388.25 | 9327.83 |
| Cash and Cash Equivalent | 54.50 | 54.48 | 129.72 |
| Current Assets other than Cash and Cash Equivalents | 826.02 | 955.11 | 1201.61 |
| Non-Current Liabilities | 7508.61 | 10981.23 | 8507.43 |
| Current Liabilities | 4470.75 | 2352.18 | 3685.98 |
| Equity | (3715.84) | (3935.57) | (1534.25) |
| Proportion of the company's ownership | 50.00% | 50.00% | 50.00% |
| Carrying amount of the investment* | - | - | - |

| Particulars | Year Ended 31.3.2018 (Unaudited) | Year Ended 31.3.2017 (Audited) |
|---|--|--------------------------------------|
| Income | 1647.87 | 2104.57 |
| Cost of materials consumed | 152.70 | 177.17 |
| Depreciation and amortization expense | 969.10 | 966.83 |
| Finance costs | 462.06 | 1199.62 |
| Employee benefits expenses | 291.62 | 359.38 |
| Other Expenses | 1256.81 | 1803.68 |
| Loss from continuing operations | (1484.42) | (2402.11) |
| Total comprehensive income for the year | (1484.42) | (2402.11) |
| Company's Share of profit / loss for the year | (742.21) | (1201.06) |

* Owing to the company's share of losses exceeding its interest in the joint venture the share of loss stands discontinued. Accordingly company has not recognized share of loss of ₹742.21 lakh for the year (P.Y. ₹1201.06 lakh) and ₹1857.92 lakh cumulatively upto the year ended 31.03.2018 (₹1967.79 lakh cumulatively upto the year ended 31.03.2017).

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.



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₹ In Lakh

Summarised financial information of Company's investment in Kerala Enviro Infrastructure Ltd. (KEIL)

| Particulars | As at 31.03.2018 (Audited) | As at 31.03.2017 (Audited) | As at 01.04.2016 (Audited) |
|---|----------------------------------|----------------------------------|----------------------------------|
| Non-Current Assets | 7383.00 | 8388.25 | 9327.83 |
| Non-Current Assets | 1071.33 | 1072.00 | 840.45 |
| Cash and Cash Equivalent | 775.56 | 259.98 | 418.50 |
| Current Assets other than Cash and Cash Equivalents | 694.82 | 725.80 | 666.45 |
| Non-Current Liabilities | 1084.81 | 953.58 | 900.24 |
| Current Liabilities | 253.89 | 147.07 | 148.82 |
| Equity | 1203.01 | 957.13 | 876.34 |
| Proportion of the company's ownership | 25.66% | 25.66% | 25.66% |
| Carrying amount of the investment | 308.72 | 245.62 | 224.89 |

| Particulars | Year Ended 31.3.2018 (Audited) | Year Ended 31.3.2017 (Audited) |
|---|--------------------------------------|--------------------------------------|
| Income | 1358.51 | 891.89 |
| Cost of materials consumed | 4.40 | 6.02 |
| Depreciation and amortization expense | 41.94 | 57.82 |
| Finance costs | - | - |
| Employee benefits expenses | 119.22 | 103.19 |
| Other Expenses | 873.87 | 627.07 |
| Profit before Tax | 319.08 | 97.79 |
| Current Tax | 73.31 | 16.13 |
| Profit after Tax | 245.77 | 81.66 |
| Other Comprehensive Income | 0.12 | (0.87) |
| Total comprehensive income for the year | 245.89 | 80.79 |
| Company's Share of profit / loss for the year | 63.10 | 20.73 |

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44. SEGMENTAL REPORTING

Segment Information for the year ended 31st March 2018

Information about Primary Business Segments

| | ₹ in Lakh. Fertiliser | ₹ in Lakh. Petrochemical | ₹ in Lakh. Others (Unallocated) | ₹ in Lakh. Total |
|-------------------------------------|---------------------------------|-----------------------------|---------------------------------------|---------------------------------|
| REVENUE | | | | |
| External Revenue | 192283.93 (184716.36) | 4.19 (919.64) | 4396.34 (4179.27) | 196684.46 (189815.27) |
| TOTAL REVENUE | 192283.93 (184716.36) | 4.19 (919.64) | 4396.34 (4179.27) | 196684.46 (189815.27) |
| SEGMENT RESULTS | | | | |
| Profit before Interest and Taxation | 26871.05 (11649.61) | (2118.88) (-1510.53) | (1267.33) (-3268.17) | 23484.84 (6870.91) |
| Unallocated Corporate Expense | | | 5005.99 (3321.73) | 5005.99 (3321.73) |
| Operating Profit | 26871.05 (11649.61) | (2118.88) (-1510.53) | (6273.32) (-6589.90) | 18478.84 (3549.18) |
| Interest Expense | - | - | 31847.59 (30133.15) | 31847.59 (30133.15) |
| Interest Income | - | - | 317.57 (316.20) | 317.57 (316.20) |
| Income Tax | - | - | - | - |
| Profit after Interest and Taxation | 26871.05 (11649.61) | (2118.88) (-1510.53) | (37803.35) (-36406.85) | (13051.18) (-26267.77) |
| OTHER INFORMATION | | | | |
| Segment Assets | 163654.81 (136578.16) | 4840.01 (4577.89) | 13119.71 (15606.11) | 181614.53 (156762.16) |
| Segment Liabilities | 156646.59 (121014.28) | 3593.31 (3551.12) | 21374.62 (32196.77) | 181614.53 (156762.16) |
| Depreciation | 1489.87 (1489.35) | 163.54 (202.43) | 98.82 (475.60) | 1752.23 (2167.37) |
| Capital Expenditure | 1480.95 (440.81) | 2.17 (0.00) | 64.42 (43.84) | 1547.55 (484.65) |

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

| RECONCILIATION OF REVENUE | 2017-18 | 2016-17 |
|--|-----------|-----------|
| Segment Revenue as above | 196684.46 | 189815.27 |
| Add Interest Income | 317.57 | 316.20 |
| Revenue as per Profit and Loss Statement | 197002.03 | 190131.47 |

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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 ₹1747.02 lakh (Previous Year ₹1892.91 lakh) has been charged to Statement of Profit & Loss towards contribution by the Company. In terms of the Ind AS 19 issued by the Institute of Chartered Accountants of India, the Provident Fund Trust set up by the company is treated as Defined Benefit Plan since the company has to meet the shortfall in the fund assets, if any.

2 Gratuity and Leave Encashment

The company operates gratuity plan where in every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on death, separation from service or retirement, whichever is earlier. The benefit vests after five years of continuous service. The company has been accounting for provision on account of leave encashment on retirement based on actuarial valuation carried out as at the balance sheet date.

| Particulars | ₹ in Lakh | | ₹ in Lakh | |
|---|-----------------------------|------------|-----------------------------|------------|
| | Leave encashment (Unfunded) | | Gratuity (Funded) | |
| | 31.03.2018 | 31.03.2017 | 31.03.2018 | 31.03.2017 |
| a. Changes in the present value of obligations | | | | |
| Present value of obligations at the beginning of the year | 10164.15 | 12116.10 | 11640.69 | 12172.46 |
| Interest cost | 830.18 | 1020.24 | 892.82 | 990.33 |
| Past service cost | - | - | 3588.96 | - |
| Current service cost | 1809.77 | 1273.90 | 527.11 | 413.34 |
| Benefits paid | (1955.48) | (1746.55) | (2251.18) | (1836.60) |
| Actuarial loss/(gain) on obligation | (945.06) | (2499.54) | 142.27 | (98.84) |
| Present value of obligations at the end of the year | 9903.56 | 10164.15 | 14540.67 | 11640.69 |
| b. Changes in the fair value of plan assets | | | | |
| Fair value of plan assets at the beginning of the year | - | - | 8567.99 | 9667.07 |
| Expected return on investment | - | - | 685.44 | 773.37 |
| Employer's contribution | 1955.48 | 1746.55 | 0.18 | 0.36 |
| Benefits paid | 1955.48 | 1746.55 | (2251.18) | (1836.60) |
| Actual return on Plan Asset over Expected Interest | - | - | 555.11 | (36.21) |
| Fair value of plan assets at the end of the year | - | - | 7557.54 | 8567.99 |
| Actual return on investment | - | - | 685.44 | 773.37 |
| c. Amount recognised in Balance sheet | | | | |
| Present value of obligations at the end of the year | 9903.56 | 10164.15 | 14540.67 | 11640.69 |
| Fair value of plan assets at the end of the year | - | - | 7557.54 | 8568.00 |
| Unfunded net liability recognised in Balance sheet | 9903.56 | 10164.15 | 6983.13 | 3072.69 |
| d. Expenses recognised in the Statement of Profit and Loss during the year | | | | |
| Current service cost | 1809.77 | 1273.90 | 527.11 | 413.34 |
| Past service cost | - | - | - | - |
| Net Interest on Obligation / Asset | 830.18 | 1,020.24 | 337.71 | 253.17 |
| Total Expenses recognised in the Statement of Profit and Loss during the year | 2639.95 | 2294.14 | 864.82 | 666.51 |
| Amount Disclosed under Other Comprehensive Income: | | | | |
| Opening balance | (2499.55) | 0.00 | (98.84) | 0.00 |
| Actuarial Gain or Loss on Obligation side during the year | -945.05 | (2499.55) | 3731.23 | (98.84) |
| Closing Amount Disclosed under OCI | (3444.60) | (2499.55) | 3632.39 | (98.84) |
| e. Investment details | % invested as at 31st March | | % invested as at 31st March | |
| LIC Group Gratuity (Cash Accumulation) policy | - | - | 51.98 | 73.60 |
| f. Actuarial assumptions | (1994-96) Ultimate | | LIC (1994-96) Ultimate | |
| Mortality rate | 8.00% | 8.00% | 8.00% | 8.00% |
| Discount rate | 5.00% | 5.00% | 5.00% | 5.00% |
| Salary escalation rate | - | - | 8.00% | 8.00% |
| Expected rate of return on plan assets | - | - | - | - |

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45. NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

| | | | ₹ in Lakh | |
|---|--|------------|---|------------|
| | Trust managed Provident Fund Udyogamandal | | Trust managed Provident Fund Cochin Division | |
| | 31.03.2018 | 31.03.2017 | 31.03.2018 | 31.03.2017 |
| a. Changes in the present value of obligations | | | | |
| Present value of obligations at the beginning of the year | 24514.32 | 22756.00 | 2818.79 | 2545.55 |
| Interest cost | 2109.00 | 1979.03 | 242.91 | 225.01 |
| Past service cost | - | - | - | - |
| Current service cost | 3696.53 | 3963.81 | 435.14 | 534.10 |
| Benefits paid | (3983.21) | (3509.71) | (495.39) | (382.10) |
| Actuarial loss/(gain) on obligation | (1462.13) | (674.81) | (644.63) | (103.77) |
| Present value of obligations at the end of the year | 24874.51 | 24514.32 | 2356.82 | 2818.79 |
| b. Changes in the fair value of plan assets | | | | |
| Fair value of plan assets at the beginning of the year | 29980.72 | 23621.45 | 2873.33 | 2915.41 |
| Expected return on investment | 2398.46 | 2105.72 | 229.87 | 233.23 |
| Employer's contribution | - | - | - | - |
| Benefits paid | (3983.21) | (3509.71) | (495.39) | (382.10) |
| Actuarial loss/(gain) on plan assets | -3223.22 | 7763.26 | (185.17) | 106.79 |
| Fair value of plan assets at the end of the year | 25172.75 | 29980.72 | 2422.64 | 2873.33 |
| Actual return on investment | 2398.46 | 2105.72 | 229.87 | 233.23 |
| c. Amount recognised in Balance sheet | | | | |
| Present value of obligations at the end of the year | 24874.51 | 24514.32 | 2356.82 | 2818.79 |
| Fair value of plan assets at the end of the year | 25172.75 | 29980.72 | 2422.64 | 2873.33 |
| Unfunded net liability | (298.24) | (5466.40) | (65.82) | (54.54) |
| d. Expenses recognised in the Statement of Profit and Loss during the year | | | | |
| Current service cost | 3696.53 | 3963.81 | 435.14 | 534.10 |
| Past service cost | - | - | - | - |
| Interest cost | 2109.00 | 1979.03 | 242.91 | 225.01 |
| Expected return on investment | (2398.46) | (2105.72) | (229.87) | (233.23) |
| Net actuarial (gain) / loss recognised during the year | 1761.08 | (8438.07) | (210.55) | (210.55) |
| Total Expenses | 5168.15 | (4600.95) | 237.63 | 315.33 |

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NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

| 46. Ind AS 101 - Reconciliation Reconciliations between previous GAAP and Ind AS | | | | | | |
|---|------|-------------------|-----------------------|---------------------|-------------------|-----------------------|
| Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following table represent the reconciliations from previous GAAP to Ind AS. | | | | | | |
| Particulars | Note | IGAAP Accounts | Ind AS Adjustments | As at 31.03.2017 | IGAAP Accounts | Ind AS Adjustments |
| ASSETS | | | | | | |
| NON CURRENT ASSETS | | | | | | |
| Property, Plant and Equipment | a,f | 25378.32 | 4292.54 | 29670.86 | 26972.78 | 4343.61 |
| Capital Work in Progress | | 2467.93 | - | 2467.93 | 2186.40 | - |
| Investment Property | a | - | 9.70 | 9.70 | - | 9.80 |
| Intangible Assets | | | | | | |
| Financial Assets | | | | | | |
| Investments | b | 366.55 | 4204.98 | 4571.53 | 366.55 | 4008.99 |
| Trade Receivables | | | | | | |
| Loans | c | 621.24 | - | 621.24 | 621.31 | - |
| Other Financial Assets | d | 12.00 | - | 12.00 | 12.31 | (0.32) |
| Other Non Current Assets | c | 267.77 | (92.94) | 174.83 | 224.18 | (5.49) |
| | | 29113.81 | 8414.28 | 37528.09 | 30383.53 | 8356.59 |
| CURRENT ASSETS | | | | | | |
| Inventories | a | 44556.93 | (1646.12) | 42910.81 | 38862.03 | (1250.89) |
| Financial Assets | | | | | | |
| Trade Receivables | e | 50606.94 | - | 50606.94 | 40559.19 | - |
| Cash and Cash equivalents | d | 3229.09 | - | 3229.09 | 2008.15 | (0.07) |
| Bank Balances other than above | | 1989.29 | - | 1989.29 | 3737.34 | - |
| Loans | c | 2.60 | - | 2.60 | 12.72 | - |
| Other financial assets | e, h | 17179.21 | 490.10 | 17669.31 | 39888.43 | 63.49 |
| Current Tax Asset | | | 92.93 | 92.93 | | 5.48 |
| Other current Assets | e,f | 6849.43 | (4116.33) | 2733.10 | 7698.85 | (4343.50) |
| | | 124413.49 | (5179.42) | 119234.07 | 132766.71 | (5525.49) |
| Assets held for disposal | | | - | - | | - |
| TOTAL ASSETS | | 153527.30 | 3234.86 | 156762.16 | 163150.24 | 2831.10 |
| EQUITY AND LIABILITIES | | | | | | |
| EQUITY | | | | | | |
| Equity Share Capital | | 64707.20 | - | 64707.20 | 64707.20 | - |
| Other Equity | | (214293.86) | (1646.73) | (215940.59) | (195595.75) | (2005.80) |
| | | (149586.66) | (1646.73) | (151233.39) | (130888.55) | (2005.80) |

₹In Lakh

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| Reconciliation of Total Comprehensive Income | | | | | |
|--|----------|-------------------|-----------------------|--------------------------|--|
| ₹ In Lakh | | | | | |
| Particulars | Note No. | IGAAP ACCOUNTS | IND AS ADJUSTMENTS | YEAR ENDED 31.03.2017 | |
| I Revenue from Operations | | 186259.99 | 2067.98 | 188327.97 | |
| II Other Income | | 1715.88 | 87.62 | 1803.50 | |
| III Total Income (I+II) | | 187975.87 | 2155.60 | 190131.47 | |
| IV Expenses: | | | | | |
| Cost of Materials Consumed | i | 106062.36 | 2678.67 | 108741.03 | |
| Purchase of Stock in Trade | | 9867.93 | - | 9867.93 | |
| Change in Inventories of Finished Goods and Stock in Trade | | (8120.41) | 0.00 | (8120.41) | |
| Employee Benefit Expenses | | 21827.29 | 2569.24 | 24396.53 | |
| Finance Cost | j | 30512.52 | (46.19) | 30466.33 | |
| Depreciation and Amortization Expenses / Impairment | k | 1683.49 | 446.42 | 2129.91 | |
| Other Expenses | l | 49975.00 | (1057.08) | 48917.92 | |
| Total Expenses (IV) | | 211808.18 | 4591.06 | 216399.24 | |
| V Profit before Tax (III-IV) | | (23832.31) | (2435.46) | (26267.77) | |
| Exceptional Items | | (5136.09) | 5136.09 | - | |
| VI Tax Expenses | | | | | |
| Current Tax | | | | | |
| Deferred Tax | | | | | |
| VII Profit for the Year (V+VI) | | (18696.22) | (7571.55) | (26267.77) | |
| VIII Other Comprehensive Income | | | | | |
| Items that will not be reclassified to Profit or loss | | | | | |
| Income Tax relating to items that will not be reclassified to Profit / Loss | | | | | |
| Other Comprehensive income for the year (VIII) | | - | 2794.39 | 2794.39 | |
| IX Total Comprehensive Income for the year (VII+VIII) | | (18696.22) | (4777.16) | (23473.38) | |

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46A. Explanatory Statement to Reconciliation of Equity

a Property, Plant and Equipment:

This includes spares capitalised as per Ind AS ₹1646.12 Lakh (Previous Year ₹1250.88 Lakh) less Depreciation Reserve ₹1561.52 lakh (Previous Year 1119.74 Lakh) net ₹84.60 lakh (previous Year ₹131.14 lakh). These spares were shown as Inventories under IGAAP. Capitalisation of Decommissioning Expenses of installation in Cochin Port ₹129.85 Lakh (Previous Year ₹129.85 Lakh) less Depreciation Reserve ₹4.64 Lac (Previous year NIL) ₹125.21 Lakh (previous year ₹129.85 lakh)
Land given on lease to FRBL (11 Acre) and GAIL (2.40 Acre in Udyogamandal and 0.33 Acre in Cochin Division) and building to CIPET were classified as Investment Property as per Ind AS valued at ₹9.70 lakh (Previous Year ₹9.80 lakh)

b Investment:

Under previous IGAAP, Company had accounted for long term investment in unquoted equity shares of Indian Potash Limited (IPL), Travancore Cochin Chemicals Limited (TCC), Capexil Agencies Limited and Kerala Enviro Infrastructure Limited, at cost. Under Ind AS, Company has designated this investment as FVTOCI financial asset. Ind AS requires such investments to be measured at fair value on every reporting date. As at the date of transition to Ind AS, the difference between the fair value and previous IGAAP carrying amount has been recognized as a separate component of equity, in the FVTOCI reserve amounting to Rs ₹4204.98 lakh (as on 01.04.2016 ₹4008.98 lakh). As on 31.03.2017 the value was increased by ₹196.00 lakh

c Loans / Others

Capital advances ₹55.40 lakh (previous year ₹5 lakh) and Advance income Tax (net of Provision and TDS) ₹212.36 lakh (Previous Year ₹219.17 lakh) grouped under Loans and Advances as per IGAAP were regrouped to Other Non current Asset.

d Cash and cash equivalents

Unpaid interest warrant and Treasury deposit were regrouped from Cash and Cash Equivalents amounting to ₹11.54 Lakh (previous year ₹11.54 Lakh).

e Trade receivables

Subsidy receivable on fertilisers from the Government of India ₹49780.22 lakh (Previous year ₹39848.95 Lakh) shown under other current asset under IGAAP regrouped under Trade receivable as per Ind AS.

Sales Tax Advance remittance pending appeal ₹72.97 lakh (Previous year ₹72.97 lakh) were regrouped under Dues from Deposits under Ind AS.

f Assets held for disposal

Assets held for disposal which was shown under other current assets is disclosed separately under Ind AS.

g Provisions:

Provision for Decommissioning of assets in Leasehold Property amounting to ₹175.26 lakh (Previous year ₹162.28 lakh)

Liability on Corporate Guarantee amounting to ₹3766.50 lakh has been provided as per Ind AS.

Provision for Excise duty on finished product stock is classified under other Current liabilities under Ind AS

Excise duty on sales has been included under other expenses as per Ind AS instead of deduction from Sale of Product / service

Upfront Premium received on lease of land to FRBL ₹50 lakh and GAIL ₹13.90 lakh has been amortised as per Ind AS

h Unearned portion of upfront money received from FRBL and GAIL less due within 12 months shown under Non Current others liabilities.

i Cost of material Consumed

Packing Material consumed has been grouped under Cost of Material Consumed as per Ind AS

j Forward Contract Premium

Unexpired portion of Premium on Forward Exchange contract, which was deferred during previous years, has been considered and adjusted in the respective year of contract.

k Depreciation

Depreciation has been charged on Spares capitalised (₹441.78 lakh) and Decommissioning Asset (₹4.63 lakh)

l Other Expenses

₹In Lakh

| Particulars | AS per Ind AS | IGAAP | Impact |
|---|---------------|---------|-----------|
| 1) Excise Duty on Sales regrouped in Other Expenses | 1665.35 | - | 1665.35 |
| 2) Packing Material regrouped to Materials Consumed | - | 2678.67 | (2678.67) |
| 3) Deferred portion of Premium on Forward Contract | (43.93) | - | (43.93) |
| 4) Prior Period expenses | - | (0.17) | 0.17 |
| | | | (1057.08) |



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakh

| Statement Showing Reconciliation of other Equity | | | |
|---|-----------------------|-------------------|-------------|
| Particulars | Adjustment to Reserve | Adjustment to OCI | Amount |
| Other Equity as per IGAAP as on 1st April 2016 | | | (195595.72) |
| Depreciation on PPE (spares Capitalised) | (1119.73) | | |
| Fair Value of unquoted Equity Instruments | - | 4008.98 | |
| One time Compensation received | (1010.57) | | |
| Other Current Liabilities - Financial Guarantee | (3766.50) | | |
| Liability toward de commissioning of Assets in Leasehold property | (32.43) | | |
| change in Accounting Policy - Deferred Premium on Forward contracts | (156.16) | | |
| Write back of provision-BPCL | (21.69) | | |
| Prior period expenses | 92.27 | | (2005.83) |
| Other Equity as per Ind AS as at 1st April 2016 | | | (197601.55) |

47. Contingent Liabilities and Commitments (to the extent not provided for):

Contingent Liabilities

| Particulars | As at 31.03.2018 | As at 31.03.2017 |
|---|------------------|------------------|
| Claims against the company not acknowledged as debts in respect of: | | |
| Central Excise Act, 1944 * | 9194.55 | 8829.79 |
| Finance Act, 1994 (Service Tax) | 408.99 | 389.45 |
| Sales Tax / Entry tax | 444.96 | 193.35 |
| Income Tax Act, 1961 | 82.47 | 151.48 |
| ESI Act | 127.83 | 127.83 |
| Suppliers and contractors # | 24639.62 | 23001.36 |
| Bonus Act, 1965 | 33.59 | 33.59 |
| Others | 2024.59 | 1655.16 |

48. Excise duty demand of ₹2.38 lakh on purchase of Raw material, pending appeal, has not been considered since the liability rests with supplier as per order terms. (Previous Year ₹2.38 lakh).
49. 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'ble District Court which has since stayed the award. Accordingly, the award amount along with interest up to 31.03.2018, amounting to ₹21629.14 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.
50. In view of the conditions in the directives of the Government of India, while implementing the wage revision for the period 1997 to 2006, the company is not liable to provide for arrears of salary and wages (net of interim relief paid) for the period from 01.01.1997 to 30.06.2001 and perquisites and other allowances for the period from 20.10.2000 to 30.06.2001, in respect of managerial and non managerial employees. Certain retired managerial employees of FACT have moved the Hon'ble High Court of Kerala and obtained a directive dt 31.3.2016, by which the company has to frame a scheme towards disbursement of the arrears. The company has appealed against the decision and the same is pending before the Hon'ble High Court of Kerala. The amount involved is not ascertained at this stage.
51. Bank Guarantees given to various clients/ statutory authorities for performance of contracts/ obligations are not included, as the money value thereof cannot be ascertained.

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

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NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakh

| | As at 31.03.2018 | As at 31.03.2017 |
|---|---------------------|---------------------|
| 52. Estimated amount of contracts remaining to be executed on capital account and not provided for. | 468.83 | 441.83 |

53. 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 ₹1156.00 lakh (Previous year ₹1218.78 lakh), and capital ₹320.00 lakh (Previous year ₹303.11 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, 50% (previous year 46.75%) of work related to consultancy services by FEDO to NIT, has been completed as on 31.3.2018 and pro-rata credit of ₹816.65 lakh (previous year ₹772.96 lakh) has been taken, after considering for ₹204.81 lakh as work in Progress (previous year ₹161.93 lakh towards unearned income). The value of construction work done and certified during the FY 2017-18 is taken as ₹866.66 lakh, (previous year ₹3119.89 lakh) and equivalent amount has been considered for direct charges on contract.

| Particulars | As at 31.03.2018 | As at 31.03.2017 |
|--|---------------------|---------------------|
| Contract revenue recognised in the period. | 1265.81 | 3900.61 |
| Advance received against contract in progress. | 1800.94 | 833.85 |
| Retention by customers against contract in progress. | 38.89 | 34.87 |
| Aggregate amount of cost incurred and recognised profit (less recognised loss) on contracts in progress upto the reporting date. | 1760.53 | 1568.53 |
| Gross amount due from customers for contract work as an asset. | 231.79 | 210.39 |
| Gross amount due to customers for contract work as a liability. | 209.60 | 123.70 |

Excise duty on own division jobs is ascertained based on Cost Accounting Standard 4.

54. 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 31.03.2018 | | Figures as at 31.03.2017 | |
|---------------|--------------------------|--------------|--------------------------|--------------|
| | Foreign Currency | Indian Rupee | Foreign Currency | Indian Rupee |
| | (in lakh) | | (in lakh) | |
| Trade Payable | USD 81.13 | 5356.89 | USD 31.03 | 2021.13 |

55. The Company has a system of obtaining confirmation of balances from Vendors and Customers. Some of the parties confirmed the balances.
56. For all periods upto and including the year 31st March 2016 the company prepared its financial statements in accordance with the accounting standard prescribed under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).
57. Company entered an agreement with M/s. Bharat Petroleum Corporation Limited for sale of 169.689 Acre of land @ Rs. 248 Lakh per acre at Ambalamedu. Transfer Deed for 150 Acre of land registered on 10th May 2018, registration of title deed for the balance land will be completed in a short period. In additions to the above, there is a MoU with Government of Kerala for transfer of 150 Acre of land @ Rs. 100 lakh per acre and 331.790 acres @Rs. 248 lakh per acre.
58. 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. FACT is not required to file any case for



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

insolvency resolution under the Insolvency and Bankruptcy Code 2016 before NCLT at present. During the financial year 2015-16 ,with the objective of carrying on the operations of the company without hindrance, the Government of India has disbursed a plan loan of Rs. 1000 crores on 29/3/2016. This helped the company to overcome its working capital constraints and improve the operations during the financial year 2016-17 and 2017-18. A comprehensive proposal for revival of the company is under the consideration of the Ministry. 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.

59. The Consolidated financial statements were authorized for issue in accordance with a resolution passed by the Board of Directors on 30th May 2018
60. The financial statements as approved by the Board of Directors are subject to audit by Comptroller and Auditor General of India and final approval by its Shareholders.
61. The figures as on the transition date and 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 and on behalf of the Board of Directors

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

Sd/-
Sanjai Maheshwari
Director (Finance)
DIN 00653170

Sd/-
Manoj Mishra
Chairman & Managing Director
DIN 06408953

Sd/-
E V Thomas
Partner
Membership No. 3679

Sd/-
K V Balakrishnan Nair
Company Secretary

Place: Kochi
Date: 30 May 2018

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

62. NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

| COST OF MATERIALS CONSUMED | | 2017-18 | | | | 2016-17 | | | |
|----------------------------|--------------------------------|---------------|-----------|---------------|-------------|---------------|-----------|---------------|-------------|
| Sl. No. | Particulars | Opening Stock | Purchases | Closing Stock | Consumption | Opening Stock | Purchases | Closing Stock | Consumption |
| 1 | Regassified Liquid natural Gas | - | 24280.02 | - | 24280.02 | - | 27842.70 | - | 27842.70 |
| 2 | Naphtha | 237.09 | - | - | 237.09 | 358.87 | - | 237.09 | 121.78 |
| 3 | Sulphur - Imported | 1669.80 | 9608.68 | 1245.30 | 10033.18 | 2306.17 | 10177.70 | 1669.80 | 10814.07 |
| 4 | Sulphur | - | 6,150.04 | 1441.91 | 4708.13 | - | - | - | - |
| 5 | Rock Phosphate-Imported | 1666.47 | 6925.87 | 233.29 | 8359.05 | 3291.14 | 7665.82 | 1666.47 | 9290.49 |
| 6 | Phosphoric Acid-Imported | 1303.35 | 34174.74 | 85.62 | 35392.47 | 1479.17 | 46571.19 | 1303.35 | 46747.01 |
| 7 | Phosphoric Acid | - | 6844.44 | 65.81 | 6778.63 | 1.36 | - | - | 1.36 |
| 8 | Ammonia - Imported | 1210.94 | 15643.77 | 1304.29 | 15550.42 | 2161.12 | 9053.11 | 1210.94 | 10003.29 |
| 9 | Benzene -Imported | 10.24 | - | 10.24 | - | 10.89 | - | 10.24 | 0.65 |
| 10 | Benzene | 177.53 | - | 177.53 | - | 188.36 | - | 177.53 | 10.83 |
| 11 | Causitic Soda** | 43.33 | - | 37.20 | - | 53.99 | - | 43.33 | - |
| 12 | Rock Phosphate-18% for mixing | 8.16 | 19.20 | 27.35 | 0.01 | 11.43 | 28.47 | 8.16 | 31.74 |
| 13 | Sulphuric Acid | 13.41 | 152.21 | 9.14 | 156.48 | 406.53 | 805.31 | 13.41 | 1198.43 |
| | TOTAL | 6340.32 | 103798.97 | 4637.68 | 105495.49 | 10269.03 | 102144.30 | 6340.32 | 106062.36 |

** Closing stock after adjustments for consumption as chemicals of ₹6.14 lakh.

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

₹ In Lakh

63. NOTES ON ACCOUNTS
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 31.03.2018
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 | 148.11 | 5.60 | 238.40 | 7.20 |
| Indigenous | 2495.90 | 94.40 | 3071.33 | 92.80 |
| | 2644.01 | 100.00 | 3309.73 | 100.00 |

2 CIF Value of Imports

Current year Previous year

| | | |
|----------------------------------|-----------------|-----------------|
| (i) Raw Materials | 62534.84 | 69606.03 |
| (ii) Traded Products | 0.00 | 5215.23 |
| (iii) Spares and other materials | 137.35 | 181.92 |
| (iv) Capital Goods | 0.00 | 0.00 |
| | <u>62672.19</u> | <u>75003.18</u> |

3 A Expenditure in foreign currency (Cash Basis)

| | | |
|-------------------------|---------------|--------------|
| (i) Consultancy service | 0.00 | 0.00 |
| (ii) Others | 119.74 | 89.81 |
| | <u>119.74</u> | <u>89.81</u> |



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

CIN: L24129KL1943GOI000371

Ph. 0484-2546486 : Fax No.0484-2546637 Website: www.fact.co.in E-mail Id: kvbnair@factltd.com

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies' (Management and Administration) Rules, 2014]

| | |
|---------------------------|--|
| Name of the Shareholders | |
| Registered address | |
| Folio No./DP ID-Client ID | |
| E-mail ID | |

I/We, being the shareholder(s) of shares of the above named Company, hereby appoint;

- Name address
E-mail ID signature : or failing him ;
- Name address
E-mail ID signature : or failing him ;
- Name address
E-mail ID signature :

as my /our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 74th Annual General Meeting of the Company to be held on Monday the 24th September 2018 at 2.30 PM at Udyogamandal Club, Eloor, Udyogamandal and any adjournment thereof in respect of such resolutions as are indicated below:

I wish my above proxy to vote in the manner as indicated in the box below.

| SI | Resolutions | For | Against |
|----|--|-----|---------|
| 1 | Consider and Adopt a. Audited Standalone Financial statements for the financial year ended 31st March 2018 and the reports of the Board of Directors and Auditors thereon. b. Audited Consolidated financial statement for the financial year ended 31st March 2018 and the reports of the Auditors there on | | |
| 2 | Fixation of remuneration of Statutory Auditors and Branch Auditors. | | |
| 3 | Election of Smt Alka Tiwari as a Director on the Board of Directors | | |
| 4 | Election of Smt. Gurveen Sidhu as a Director on the Board of Directors | | |
| 5 | Fixation of Remuneration of Cost Auditors | | |

Signed this day of 2018.

Signature of Shareholder(s) :

Signature of Proxy holder(s) :

Affix
Revenue
Stamp

Note:

This Form of Proxy in order to be effective should be duly completed and deposited at the registered office of the Company at Eloor, Udyogamandal-683501, Kochi, Kerala, not less than 48 hours before the commencement of the Annual General Meeting.



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

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Ph. 0484-2546486 : Fax No.0484-2546637 Website: www.fact.co.in E-mail Id: kvbnair@factltd.com

Attendance Slip

**74th Annual General Meeting, 24th September 2018 at 2.30 PM.
At Udyogamandal Club, Eloor, Udyogamandal.**

Shareholders or their proxies are requested to present this form for admission, duly signed in accordance with their specimen signature registered with the Company. Duplicate slip will not be issued at the entrance to the meeting hall.

1. Name(s) of Shareholder(s) :
including joint holders, if any
2. Registered address of the Sole/
First named Shareholder :
3. DP ID No.& Client ID No. :
Registered Folio No.
4. No. of Shares held :

Whether shareholder or proxy

☐

Shareholder

☐

Proxy

I/We hereby record my/our attendance at the 74th Annual General Meeting being held on 24th September 2018 and / or at any adjournment thereof.

Signature of the Shareholder or Proxy :

PLEASE BRING THE ATTENDANCE SLIP TO THE MEETING



Building Inauguration at FEW



**प्रगति के पथप्रदर्शक
PIONEERS IN PROGRESS**

**दि फर्टिलाइजर्स एण्ड केमिकल्स ट्रावन्कोर लिमिटेड
(भारत सरकार का उद्यम)**

पंजीकृत कार्यालय: एलूर, उद्योगमंडल - 683 501, कोच्ची, केरल, भारत
वेबसाइट: www.fact.co.in
सी आई एन: L24129KLI943GO1000371

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED
(A Government of India Enterprise)
Regd. Office: Eloor, Udyogamandal - 683 501, Kochi, Kerala, India
Website : www.fact.co.in
CIN: L24129KLI943GO1000371

Delhi Office :

FACT House, B-67, East of Kailash, New Delhi - 110 065
Email : factdelhi@factltd.com

Mumbai Office :

Regional Office, FACT
11 Meherabad, Bhulabai Desai Road, Mumbai - 400 036
Email : factmumbai@factltd.com

State Offices :

Bengaluru, Chennai, Hyderabad, Thiruvananthapuram & Udyogamandal-Kochi