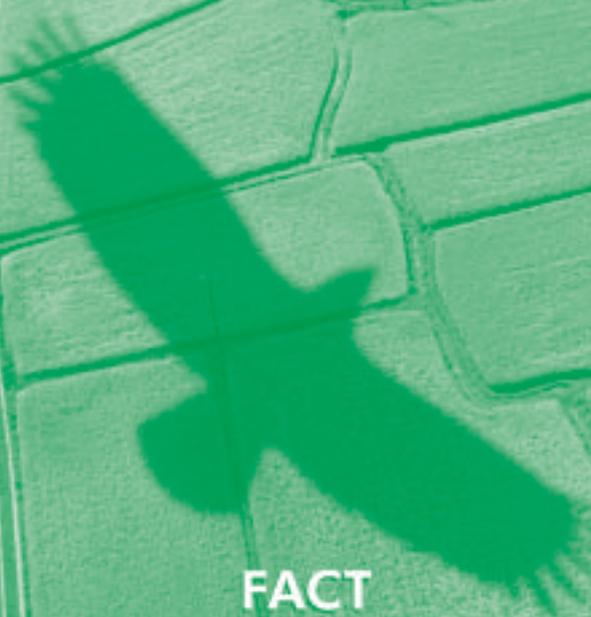


# 69<sup>th</sup>

वार्षिक रिपोर्ट  
Annual Report  
2012-2013



**FACT**  
Soaring heights,  
Surmounting challenges



दि फर्टिलाइजर्स एण्ड केमिकल्स ट्रावनकोर लिमिटेड  
**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

(A Government of India Enterprise)

Regd. Office: Eloor, Udyogamandal-683 501, Cochin, Kerala, India.

Website: <http://www.fact.co.in>

## CMD MEETS HON'BLE CHIEF MINISTER



*CMD Shri Jaiveer Srivastava having discussion with Shri Oommen Chandy, Hon'ble Chief Minister of Kerala at Thiruvananthapuram. Shri V K Anil D(T) is also seen.*

## CMD VISITS RUSSIA



*An Indian fertilizer delegation of Shri V K Subburaj, IAS, Addl. Secretary & Financial Adviser, Ministry of Chemicals and Fertilizers and Director of FACT, Shri Jaiveer Srivastava, CMD and Shri S C Gupta, IAS, Jt. Secretary Dept. of Fertilizers, visited Russia to explore possibilities of sourcing Potash and Rock Phosphate for various fertilizer companies in India. The photograph shows Shri V K Subburaj and Shri Jaiveer Srivastava with a representative of M/s Acron, Moscow.*

**BOARD OF DIRECTORS**  
**AS ON 28-10-2013**



**Shri. Jaiveer Srivastava**  
Chairman & Managing Director



**Shri. P. Muthusamy**  
Director (Finance)



**Shri. V.K. Anil**  
Director (Technical)



**Shri. V.K. Subburaj**  
Director (Govt. Nominee)



**Shri. S.C. Gupta**  
Director (Govt. Nominee)

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Shri **Jaiveer Srivastava**, Chairman & Managing Director (From 01.04.2013)

Shri **P. Muthusamy**, Director (Finance)

Shri **V.K. Anil**, Director (Technical)

Shri **V.K. Subburaj**, Govt.of India Nominee Director (From 03.05.2013)

Shri **S.C. Gupta**, Govt.of India Nominee Director

Shri **Sham Lal Goyal**, Chairman & Managing Director (upto 31.03.2013)

Dr. **V. Rajagopalan**, Govt.of India Nominee Director (upto 02.05.2013)

Shri **P.K. Chandrasekharan**, Director (Marketing) (upto 30.09.2013)

### CHIEF VIGILANCE OFFICER

Shri **J. Vinayan**, IRTS

### GENERAL MANAGERS

Shri **Sukumaran K.V.** (FEDO & FEW)

Shri **Hariharan S.** (Corporate Finance)

Shri **George Joseph K.** (International Trading)

Shri **Pradeep J.P.** (HR & BD)

Shri **Pradeep Kumar D.** (Corporate)

Shri **Nandakumar D.** (Marketing)

### COMPANY SECRETARY

Shri **Balakrishnan Nair K.V.**

### AUDITORS

#### Statutory Auditors

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

#### Branch Auditors

M/s. **R. Sadasivan and co.**  
Chartered Accountants, Chennai  
M/s. **Ramanatham and Rao**  
Chartered Accountants, Hyderabad

#### Cost Auditors

M/s. **BBS & Associates**  
Cost Accountants, Kochi

### BANKERS

State Bank of Travancore

State Bank of India

Bank of India

Dena Bank

Bank of Baroda

State Bank of Hyderabad

Canara Bank



**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**  
REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

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

Registered Office: Eloor, Udyogamandal, Kochi.

### **NOTICE TO SHAREHOLDERS**

NOTICE is hereby given that the 69th Annual General Meeting of the Company will be held on Friday the 27th day of December, 2013 at 11.00.A.M at Udyogamandal Club at Eloor, Udyogamandal, Kochi to transact the following business:

#### **Ordinary Business**

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2013 and the Profit and Loss Statement for the year ended on that date and Reports of the Directors and Auditors thereon.
2. To elect a Director in place of Shri S.C.Gupta, who retires at the Annual General meeting and being eligible offers himself for re-election.

#### **Special Business**

3. To elect Shri V.K.Subburaj, as a Director of the company.

The Company has received Notice in terms of Section 257 of the Companies Act, 1956 proposing Shri V.K.Subburaj, for election as a Director of the Company at this Annual General Meeting.

By Order of the Board of Directors.

Sd/-  
K.V. Balakrishnan Nair  
Company Secretary

Eloor, Udyogamandal  
Date : 26<sup>th</sup> November 2013

#### **Note:**

1. The Register of Members will be closed from 24th December 2013 to 27th December 2013 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.
3. The relative explanatory statement required under Section 102 of the Companies Act, 2013 is given below:

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

#### **Item No.3**

Government of India, Ministry of Chemicals and Fertilisers, Department of Fertilisers vide Order No. 130/8/2003-HR-1 dated 02nd May 2013 appointed Shri V.K.Subburaj, Additional Secretary & Financial Adviser (AS&FA), Department of Fertilisers, Ministry of Chemicals and Fertilisers as a Part-time Official Director of the Company in pursuance of Article 80 (c) of the Articles of Association of the Company. To comply with the relative Company Law requirement, Shri. V.K.Subburaj was co-opted as additional Director of the Company with effect from 03.05.2013. For a fresh term from the close of the AGM, to meet the requirements under the Companies Act, he needs to be elected as a Director.

No Director other than Shri V.K.Subburaj, is interested in the resolution.



# THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

## DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the 69<sup>th</sup> Annual Report and audited accounts of the Company and the report of the Auditors for the year 2012-2013.

Your Directors are happy to inform you that FACT has successfully completed the online change over of Ammonia Plant to Re-gasified Natural Gas (RLNG). The commissioning and guarantee test run of CPP boilers in Petrochemical Plant with RLNG has also been completed. Change over from liquid feed stock and fuel to cleaner RLNG is a milestone in the history of FACT and this will help in gearing the operations of the company by reducing the CO<sub>2</sub> emission level.

The year 2012-13 was a challenging year for your company. The unprecedented adverse situation in all its core functional areas - production, finance and marketing has affected adversely the performance of the company for the year 2012-13. During the year under report, the Company had to face problems ranging from increase in the prices of raw materials to shut down of various plants of the company. However, we are happy to inform you that FACT has been able to tide over the adverse situation and to maintain a reasonable performance level and sustain its operations during the financial year 2012-2013.

### PERFORMANCE – FINANCIAL, PRODUCTION AND SALES

#### A. FINANCIAL

₹ in lakh

		2012-13	2011-12
1.	Turnover	<b>239380.00</b>	293657.00
2.	Revenue from operations	<b>231576.68</b>	287604.83
3.	Other Income	<b>1823.31</b>	3670.17
4.	Total Revenue	<b>233399.99</b>	291275.00
5.	Total Expenses	<b>268835.46</b>	289295.19
6.	Profit / Loss (-) Before Tax	<b>-35435.47</b>	1979.81
7.	Exceptional item	<b>39.29</b>	Nil
8.	Profit / Loss (-) After tax	<b>-35396.18</b>	1979.81

Due to accumulated loss, your Directors are not recommending any dividend for the year 2012-13.

#### B. PRODUCTION

In Tonnes

		2012-13	2011-12
1.	Factamfos 20 : 20	<b>537081</b>	622256
2.	Ammonium Sulphate	<b>126286</b>	163468
3.	Caprolactam	<b>15544</b>	37854

#### C. SALES

In Tonnes

		2012-13	2011-12
1.	Fertilisers	<b>740111</b>	834580
2.	Capraolactam	<b>17695</b>	40963



## THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

Financial results of the company for the year 2012-2013 shows a loss of ₹35396 lakh as against the Profit of ₹1980 lakh during the year 2011-2012.

The increase in price of Benzene, the main raw material for Caprolactam production and unremunerative realization has resulted in shut down of Caprolactam plant from 11.10.2012. As a result of lower production of Caprolactam, there was under-absorption of fixed cost to the tune of ₹48 crore. The shut down of Caprolactam Plant has affected the production of Ammonium Sulphate also.

Due to non-availability of Phosphoric acid, Factamfos production was lower. The adverse climatic conditions and stock build up of fertilizers, forced the company to give additional discount on fertilizers to the tune of Rs.40 crore. Continuous losses, accumulated stock and delay in receipt of subsidy has adversely affected the working capital position. Due to severe constraint in working capital and stock built up, Factamfos and Ammonium Sulphate production was stopped from 9.2.2013 to 31.3.2013. As a result of lower production under absorption of fixed cost with regard to fertilizers was to the tune of ₹89 crore.

On adoption of the Accounts for the year 2012-13, the net-worth of the company will decrease to ₹-192.47 crore as against a net-worth of ₹161.49 crore as on 31.3.2012.

The company has submitted a comprehensive Financial Re-structuring package to the Government of India for sustainable operation of the Company which is under the consideration of the BRPSE/Government of India. Your board is hopeful of an early sanction of the financial relief package by the BRPSE/GoI. On approval of the financial relief package, the networth of the Company will be positive and the company shall remain out of the purview of BIFR.

FACT has drawn up an ambitious plan for expansion and diversification of the company which envisages complete turnaround of the company ensuring sustainable operation and continuous profit.

FACT's immediate focus is on maximizing production of Ammonium Sulphate and Complex fertilizers. FACT is focusing on long term arrangement for supply of raw materials and capacity enhancement of NP plant by adding 1000 TPD stream at Cochin Division. Trading of imported fertilizers is one area with high growth potentials. The Company is focusing on import of complex fertilizers and potash to supplement own production and thereby to enhance FACT's presence in

the market. FEDO and FEW, the engineering and fabrication divisions of FACT are gearing up to diversify their activities with entry into new areas and strengthening the core sector which are projected to generate extra revenue. FACT-RCF Building Products Ltd (FRBL) the joint venture with RCF for making load bearing Gypsum Panels, is focusing on its efforts to enter in to the building construction field in urban as well as in rural areas.

The production and marketing performance of the company for the 1<sup>st</sup> half of the financial year 2013-14 is encouraging. The Company is hopeful of achieving the targeted level of production and marketing of Fertilisers during the financial year 2013-14. However high cost of RLNG as compared to Natural Gas pose a threat to profitability of FACT. FACT has requested adequate compensation for high cost RLNG to have a level playing field as compared to other players, which is under the consideration of the Government.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A Management Discussion and Analysis Report covering the operational aspects during the year 2012-2013 is enclosed.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Sec.217(2AA) of the Companies Act, 1956, your Directors hereby state:

that in the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.

that the directors had 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, 2013 and of profit and loss statement for the year ended March 31, 2013.

that 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.

that the directors had prepared the annual accounts on a going concern basis.

### REPORT ON CORPORATE GOVERNANCE

Your Directors are pleased to state that your Company has been practicing the principles of good Corporate

## THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

Governance. The Board lays emphasis on transparency and accountability for the benefit of all stake-holders of the Company. Report on Corporate Governance in accordance with the listing agreement is annexed to this report.

### STATUTORY AUDITORS,

#### COST AUDITORS

M/s. Babu A.Kallivayalil and Co., Chartered Accountants, Kochi, was re-appointed as Statutory Auditors of the Company for the year 2012-2013 by the Comptroller and Auditor General of India. M/s. R. Sadasivan and Co, Chartered Accountants, Chennai, and M/s. Ramanatham and Rao, Chartered Accountants, Hyderabad, were appointed as Branch Auditors of the Company for the year 2012-2013 by the Comptroller and Auditor General of India.

M/s. BBS & Associates, Cost Accountants, Kochi has been appointed as Cost Auditors of the Company for the year 2012-2013.

#### Comments of Statutory Auditors

The Statutory Auditors in their report has made certain comments on the Accounts of the Company for the year 2012-2013. The reply to the comments of Statutory Auditors are annexed to this report.

### DIRECTORS

#### RETIREMENT & APPOINTMENTS

Government of India, Ministry of Chemicals and Fertilisers, Department of Fertilisers vide Order No. 86/5/2008-HR-I dated 12th February 2013 notified the appointment of Shri Jaiveer Srivastava, Chairman & Managing Director, Hindustan Prefab Limited, Jangpura, New Delhi 110 014, as Chairman and Managing Director of FACT. Shri Jaiveer Srivastava assumed charge of the post of Chairman & Managing Director with effect from 01.04.2013.

Government of India, Ministry of Chemicals and Fertilisers, Department of Fertilisers, vide Order No.130/8/2003-HR-1 dated 2nd May 2013 notified the appointment of Shri V.K.Subburaj, Additional Secretary & Financial Adviser (AS & FA), Department of Fertilisers, Ministry of Chemicals and Fertilisers as Part-time Official Director, in place of Dr.V. Rajagopalan.

On superannuation, Shri P.K. Chandrasekharan, Director (Marketing) retired from the service of FACT on 30.9.2013.

The Board place on record its appreciation of the valuable services rendered by Shri Sham Lal Goyal, Chairman and Managing Director, Dr. V. Rajagopalan, Director and Shri P.K. Chandrasekharan, Director (Marketing).

### AUDIT COMMITTEE

In line with the Provision of Section 292(A) of the Companies (Amendment) Act 2000 and Clause 49 of the listing agreement with Stock Exchange, an Audit Committee of the Board has been constituted.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information regarding the conservation of energy, technology absorption, adaptation & innovation and foreign exchange earnings and-outgo required as per Section 217(1) (e) of the Companies Act, 1956 is set out in a separate statement attached to this report and forms part of it.

### EMPLOYEES PARTICULARS, REMUNERATION ETC.

During the year no employee had received remuneration within the purview of Section 217(2A) of the Companies Act, 1956.

### ACKNOWLEDGEMENT

Your Directors gratefully acknowledge the valuable guidance and support extended by the Government of India, Department of Fertilisers and the State Governments of Kerala, Tamilnadu, Karnataka and Andhra Pradesh.

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, Depositors, Dealers, Suppliers and Customers of the Company, the Press and Electronic Media.

For and on behalf of the Board of Directors.

Sd/-  
**JAIVEER SRIVASTAVA**

Chairman and Managing Director

Udyogamandal

Date: 22-11-2013

# THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

## ANNEXURE TO DIRECTORS' REPORT

Particulars Required under Companies  
(Disclosure of particulars in the report of Directors) Rules 1988

### A. Conservation of Energy

The raw-materials/utilities consumption of all the products is monitored regularly by evaluating the critical parameters. The raw-materials/energy efficiency is reviewed on a monthly basis to identify the weak areas and rectify the short comings.

### B. Technology Absorption, Adaptation and Innovation

#### Efforts in brief

1. Conversion of Ammonia Plant to enable it to use natural gas as fuel and feed stock.
2. In Sulphuric Acid Plant at Udyogamandal, advanced condensate recovery system with a view to recovery of about 4 MT per hour of steam condensate and 0.5 MT/hour of flash steam is under implementation.

#### Benefits derived

1. Energy saving due to fuel change over is expected to be 0.3 Gcal/MT of Ammonia.
2. On implementation of advanced condensate recovery system, annual saving is estimated as ₹ 63 lakh.

### 3. R&D Activities

Details of Research & Development (R&D) activities are given in Form B.

### C. Foreign Exchange Earnings and Outgo-Details of activities relating to export; Initiatives taken to Increase exports; development of new export market.

During the financial year 2012-13, 3043 MT of Caprolactam was exported as against 9010 MT during 2011-12. The exports were mainly to

Malaysia. FACT is an associate member of Federation of Indian Export Organisation and hold Two Star Export House Status.

Details of foreign exchange earnings and outgo are given separately.

FOREIGN EXCHANGE EARNINGS AND OUTGO		
	Current Year ₹ in Lakh	Previous Year ₹ in Lakh
1) Foreign exchange earned	<b>3951.60</b>	15389.01
2) Foreign Exchange Outgo		
(i) C.I.F.Value of Imports:		
(a) Raw Materials	<b>70600.53</b>	100526.50
(b) Traded Products	<b>7530.20</b>	21599.16
(c) Spares and Other Materials	<b>765.66</b>	519.01
(d) Capital Goods	<b>237.26</b>	28.23
	<b>79133.65</b>	122672.90
(ii) Expenditure in Foreign Currency (Cash Basis)		
(a) Consultancy Service	<b>118.66</b>	254.21
(b) Others	<b>20.75</b>	25.59
	<b>139.41</b>	279.80
Total (i) + (ii)	<b>79273.06</b>	122952.70

# THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

## FORM A

Form for disclosure of particulars with respect to conservation of energy: 2012-2013

### (A) POWER AND FUEL CONSUMPTION

Particulars	Udyogamandal Division		Cochin Division		Petrochemical Division	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
<b>(1) ELECTRICITY</b>						
(a) Purchased						
Unit: Lakh KWH	<b>484.32</b>	543.32	<b>501.08</b>	529.81	<b>185.67</b>	317.27
Amount ₹ in lakh	<b>2318.86</b>	2010.90	<b>2331.11</b>	1937.67	<b>873.77</b>	1166.71
Rate/Unit: ₹/KWH	<b>4.79</b>	3.69	<b>4.65</b>	3.66	<b>4.71</b>	3.69
(b) Own Generation						
(i) Through Steam Turbine/Generator						
Unit: Lakh KWH	<b>183.40</b>	200.12	-	-	<b>192.25</b>	370.87
Unit per liter of fuel						
KWH/liter	<b>3.06</b>	3.71	-	-	<b>3.35</b>	3.41
Cost/Unit: ₹/KWH at normative levels	<b>17.22</b>	13.09	-	-	<b>14.06</b>	11.95
(ii) Transfer from other Divisions						
Unit: Lakh KWH	<b>0.42</b>	-	-	-	<b>9.93</b>	29.99
Unit per liter of fuel						
KWH/liter	<b>3.35</b>	-	-	-	<b>3.06</b>	3.71
Cost/Unit: ₹/KWH at normative levels	<b>14.06</b>	-	-	-	<b>17.22</b>	13.09
<b>(2) FURNACE OIL/LSHS</b>						
Quantity: Tonnes	<b>31723</b>	42461	<b>9897</b>	10075	<b>26262</b>	45635
Total Cost ₹ in Lakh	<b>12993</b>	15506	<b>4086</b>	3540	<b>10449</b>	15821
Average Rate ₹/MT	<b>40957</b>	36518	<b>41287</b>	35137	<b>39788</b>	34669

### (B) CONSUMPTION PER UNIT OF PRODUCTION

Sl. No	PRODUCT	ELECTRICITY			NAPHTHA			FURNACE OIL/LSHS		
		Unit	2012-13	2011-12	Unit	2012-13	2011-12	Unit	2012-13	2011-12
1	<b>UDYOGAMANDAL DIVISION</b>									
	Ammonia	KWH	155	127	MT	0.7007	0.6893	MT	0.2209	0.1858*
	Sulphuric Acid	KWH	87	77						
	Phosphoric Acid	KWH	-	-						
	Ammonium Sulphate	KWH	58	48						
	Factamfos 20:20	KWH	45	42				MT	0.0240	0.0232
2	<b>COCHIN DIVISION</b>									
	Sulphuric Acid	KWH	14	16				MT	0.0021	0.0017
	Phosphoric Acid	KWH	264	248						
	Factamfos 20:20	KWH	70	66				MT	0.0201	0.0202
3	<b>PETROCHEMICAL DIVISION</b>									
	Caprolactam	KWH	2207	1899				MT	1.2516	1.2269*

\* Includes fuel oil used for power generation



# THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

## FORM - B

### RESEARCH AND DEVELOPMENT (R&D)

The Research and Development Centre function with the aim of carrying out in-depth research in new fertilizer formulations, innovation in the fertilizer production for cost control and value addition of by-products, existing product lines and waste utilization in the organization. R&D is carrying out the specialized services such as the monitoring and controlling the quality of the finished products before they are dispatched to the market and periodical collection of product samples from the field godowns, distributors, and dealers for evaluation of post dispatch quality as a part of three tiers quality control system being practiced in the company. R&D Centre is also producing Bio-fertilisers and dispatching directly to marketing areas of the company in all the four southern states. Apart from the above activities, R&D Centre is focusing on developing organic fertilizer from farmyard waste and cost reduction in Bio-fertilisers production.

#### 1. Specific Areas on which the Company carries out R&D

- (a) Development of Coir pith based formulation for Agri/Horticulture end use:

An MOU has been entered into between FACT and Coir Board for carrying out a Research project on composting of coir pith for end use in Horticulture - Agricultural areas. The cost of the Project is ₹172.02 lakh, out of which ₹159.57 lakh will be contributed by Central Coir Research institute, Coir Board, Alleppey.

- (b) Optimization of electrical conductivity on composting of coir pith.

The C:N ratio is one of the most important parameters that determines the extent of composting and degree of compost maturity in the composting of coir pith. Significantly higher electrical conductivity is recorded in composting treatment with chemical additives than nonamended treatments. Electrical conductivity is high in initial stages due to mineralization, soluble salt content etc. Higher the conductivity, higher will be the salt index of the soil which affects the plant growth. Thus the electrical conductivity should not exceed  $4 \text{ dsm}^{-1}$  in an organic matured compost. It is proposed to optimize the electrical conductivity to the accepted level during the composting of coir-pith.

- (c) Studies on the use of bone meal as an alternate ingredient for culture growth

Bio-fertilisers are produced by mass multiplication of microorganisms using specific nutrient solution (growth medium) at a predetermined pH, time and aeration. Growth medium plays an important roll in effective multiplication of any organism which is normally consist of carbon source, nitrogen, trace elements etc. In the production of Bio-fertilisers like Phosphate Solubilising bacteria (PSB), the virulent strains of the bacteria are cultured in specific growth medium now known as Pirkovsky's medium. One of the components of this medium along with other ingredients includes pricalcium phosphate of regant grade. The purpose of this component is to activate the bacteria for its function, thereby aids multiplication. It is planned to partially or completely replace the tricalcium phosphate with bone meal.

- (d) Quality Control Cell

R&D Centre has constituted a quality control cell for efficiently monitoring the quality of finished chemical fertilisers in manufacturing units and field godowns, distributors and dealers for evaluating the quality to ensure the quality of product even after dispatching the product to market.

#### 2. Benefits derived

- (a) The MOU with Coir Board, is for a mutually beneficial research project. It is a project that will tackle the problem of environmentally hazardous material and convert it into a source of nutrient to soil. Coir Board being an establishment under the Ministry of Micro, Small and Medium Enterprises, Government of India, association with them will enhance credentials of FACT R&D department.

- (b) In order to enhance the microbial activity, the coir pith was subjected to bio-degradation with the microbes isolated from bio-effluent treatment plant after purification and sub-culturing in suitable nutrient medium. The partially degraded coir pith was taken for conductivity study and parameters like carbon, Nitrogen, pH, salinity and total dissolved solids were estimated. The pH decreased to a level below 5. It was observed that at low pH, the activity of microbes decreases and change in C:N ratio was insignificant. This highlights that no more complex formation was taking place to reduce conductivity.

- (c) The monitoring of the product at manufacturing units and field godowns has resulted in maintaining the quality of the product Factamfos 20:20:0:15.

#### 3. Future Plan of Action

- FACT R&D Centre proposes to continue the quality control cell activities covering entire marketing network of FACT.
- Ensuring the productivity of biofertilisers in accordance with the demand from the Marketing Division.
- Time bound action to complete the MOU and other Research Projects.
- Extending value added service to other departments and divisions.

#### 4. Expenditure on R&D

Details of expenditure on R&D are given below:

EXPENDITURE ON R&D				
₹ in Lakh				
Year	Capital	Revenue	Total	As % of total Turnover
2010-2011	0.00	73.27	73.27	0.029
2011-2012	0.00	71.60	71.60	0.024
2012-2013	0.00	72.49	72.49	0.030

# THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

## REPLIES TO THE OBSERVATIONS OF STATUTORY AUDITORS ON THE ACCOUNTS FOR THE YEAR 2012-13

OBSERVATION	REPLY
<p>i) Valuation of closing stock of by-product gypsum of 41 lakhs metric tonne, at the rate of Rs. 331 per metric tonne based on the assessment of net realizable value by the Management, instead of net realizable value based on the most reliable evidence of approved selling price for bulk sales of Rs. 200 per metric tonne exclusive of excise duty, in variation to Accounting standard 2 issued by the Institute of Chartered Accountants of India resulting in an over valuation of inventory of gypsum by rupees 5364 lakhs and understatement of loss to the same extent. [Refer Note no.15.1]</p>	<p>The approved selling price of Gypsum is at the rate of ₹ 675/MT. In order to increase the sales, the company has specified different discount slabs ranging from ₹100 to ₹450 per MT depending upon the upliftment of quantity.</p> <p>The audit has considered maximum rate of discount slab of ₹ 450/MT in order to arrive at the selling price of ₹ 200/MT. There is no firm contract for sale of Gypsum at the maximum discount rate of ₹450/MT. Incidentally, the company has not effected sales with maximum discount slabs of ₹450/MT till date leading to the derived price of ₹200/MT.</p> <p>Extract of para 23 of Accounting Standard 2 on "Valuation of Inventory" which is appropriate is reproduced as under:</p> <p>"23. Estimates of net realizable value also take into consideration the purpose for which the inventory is held. For example, the net realizable value of the quantity of inventory held to satisfy firm sales or service contracts is based on the contract price. If the sales contracts are for less than the inventory quantities held, the net realizable value of the excess inventory is based on general selling prices."</p> <p>Based on Accounting Standard-2, the past experience and assessment of likely sales at different discount slabs as on the balance sheet date, the price fixed at the rate of ₹ 675/MT has been suitably adjusted with the impact of the discount at the expected sales volume and discount slabs and accordingly stock of Gypsum has been valued at the expected net realizable value after adjusting the cost of sale at ₹25/MT.</p> <p>The actual average realization obtained for the year 2012-13 is ₹443/MT and the rate arrived at based on realization of saleable quantity after considering the quantity rebate on different slabs as per MOU entered into with different customers works out to ₹358/MT whereas the rate adopted for valuation of stock as on 31.3.2013 is ₹331/-, being the rate considered for valuation of stock as on 31.3.2012, taking into account conservative principles.</p> <p>There is, therefore, no over valuation of inventory and understatement of loss.</p>

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OBSERVATION	REPLY
<p>ii. <i>Classification of fixed asset originally held for sale of rupees 3245 lakhs as current asset instead of non-current asset, though the company has issued sale order in January 2011, which was subsequently cancelled by the Company, and the matter is under litigation in the Hon'ble High Court of Kerala (Refer Note no. 19.1)</i></p>	<p>The cancellation of the sale order is intended to resell the property to fetch higher value. The intention of the company as approved by the Board of Directors is to dispose the property and therefore, the asset held for disposal has been classified as current assets.</p> <p>An extract of the publication by Institute of Chartered Accountants of India in their website under the heading "Frequently Asked Questions on revised schedule VI to the Companies Act, 1956 (22.5.2012) which classifies the treatment of such cases is reproduced as under:</p> <p style="text-align: center;"><i>"17. How should "fixed assets held for sale" be classified in the balance sheet?</i></p> <p>They should be classified as a current asset since the intent of the company to sell is established. "</p> <p>Therefore, the treatment given by the company in the books of accounts is in order.</p>

OBSERVATION	REPLY
<p>iii) <i>Claim lodged by a contractor of rupees 1,78,490 lakhs towards shortfall charge and damages against the Company upon termination of the contract and the dispute is under arbitration. The said claim is shown as a contingent liability and being so, we are unable to comment on the same, considering the significant uncertainty in the final outcome of the case. [Refer Note number 29. A (vii)]</i></p>	<p>The claim lodged by the party has been disputed by the company and is disclosed in Note No.29 (1) (a) (vii). The disclosure has been made in line with the compliance of Accounting Standard-29.</p>
<p><i>We further report that:</i></p> <p><i>Had the quantifiable qualifications in paragraph 6 (i) and (ii) above been effected, the loss before tax for the year would have been higher by rupees 5364 lakhs, current assets would have been lower by rupees 8,609 lakhs, non-current assets would have been higher by rupees 3245 lakhs and reserves and surplus, negative balance would have been higher by rupees 5364 lakhs.</i></p> <p><i>We are unable to determine the financial impact of the above qualifications in point (iii) in the absence of appropriate details.</i></p>	<p>In view of the clarifications given individually for the qualifications raised by the Auditor, there would not be any change in the loss reported by the company and there would not be any change in the current, non-current assets and reserves and surplus.</p>



# THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

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## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Fertilizer Industry

Fertiliser is one of the key inputs in crop production. India is the second largest consumer of fertilizers in the world next only to China. The Indian fertilizer companies produced around 37.6 million tones of fertilizers during the year 2012-13.

The Indian fertilizer industry is most efficient and bench marked at par with world plants. However, the fertiliser industry in India is facing several challenges. Non-availability of sufficient funds and lack of new investment in the sector is the most important challenge being faced by this industry. No new fertilizer plants have been set up in India in the last 15 years. The existing plants have been continuously investing to improve efficiency and increasing capacity through revamp.

Availability of natural gas and other raw materials such as Phosphoric acid is another challenge being faced by the fertilizer industry. Due to non-availability of domestic Natural Gas the industry resorts to import of gas. The high cost of imported gas is not affordable to the industry. The Government of India is encouraging setting up of joint ventures in overseas to ensure regular supply of raw materials and import of fertilizers.

Attainment of self sufficiency in food grain is vital for the food security of the nation. Agricultural intensification, one of the basic strategies for enhanced food production is depended on increased flows of plant nutrients to the crops for securing high yields. Fertiliser industry is working hard to ensure food security in the country on a sustainable basis. For increasing the average yield of crop, balanced use of fertilizers need to be given more emphasis. Sustainable development of fertilizer industry is vital for the food security of the nation and the overall economic growth of India.

### 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 towards the end of 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 2012-2013

#### UDYOGAMANDAL COMPLEX

During the year 2012-2013 Udyogamandal Division produced 103751 MT of Factamfos 20:20 and 126286 MT of Ammonium Sulphate. During the financial year 2011-2012 production of Factamfos and Ammonium Sulphate were 168236 MT and 163468 MT respectively.

Nutrient wise the production during 2012-2013 was 46765 MT of N and 20750 MT of  $P_2O_5$  as against 67322 MT of N and 33647 MT of  $P_2O_5$  during the previous year. Shortage of Phosphoric Acid and other raw materials is the main reason for the low production of Factamfos. The shut down of Caprolactam plant due to uneconomic realization has resulted in low production of Caprolactam and Ammonium Sulphate.

The production of Caprolactam for the year 2012-2013 was 15544 MT as against 37854 MT during the year 2011-2012.

**Cochin Division:** During the financial year 2012-2013 Cochin Division produced 433330 MT of Factamfos 20:20 as against 449159 MT during the year 2011-2012.

The production of Nutrient nitrogen and Nutrient  $P_2O_5$  was 87249 MT each as against 89832 MT during the last year.

The shortfall in production was mainly due to shortage of Ammonia



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due to shut down of Ammonia Plant and restriction on day time movement of Ammonia from Udyogamandal Division to Cochin Division.

During the year 2012-2013, the division produced 253920 MT of Sulphuric acid and 44030 MT of phosphoric acid as compared to 258900 MT of Sulphuric acid and 53435 MT of phosphoric acid in the year 2011-2012.

**Marketing Division:** During the financial year 2012-2013 the Fertiliser sales was 7.40 Lakh MT as against 8.40 lakh MT during the previous year. Sale of Facatmfos during the year was 541966 MT as compared to 582471 MT during the year 2011-2012. The sale of Ammonium Sulphate during the year was 134720 MT as compared to 175524 MT during the previous year.

The Division continued its Village Adoption Programmes, Dealer Training Programs, Field Demonstrations etc. during the year 2012-2013. The division has organized and conducted 4 Village Adoption Programmes, 23 Seminars, 7 Dealer Training Programmes, 25 Squad Programmes and 5 Field Demonstrations in all the four southern States. The division has collected and analysed 11457 soil samples during the year 2012-2013 free of cost and results with crop specific fertilizers recommendation were communicated to the farmers. During the year the division has conducted extensive field demonstrations for promoting FACT MIX, the customized fertilizer grade. Field trials for evaluating FACT MIX on important crops of Tamil Nadu., viz., Rice, Maize, Sugarcane and Banana are completed at various Research Stations of Tamilnadu Agricultural University during 2012-2013

**FEDO:** During the year 2012-2013, FEDO has achieved a turnover of ₹ 1108 lakh as against ₹ 1100 lakh during the year 2011-2012.

FEDO has ambitious plans to open Business Development Centres in the metro cities like Delhi, Mumbai and Kolkotta. This would help FEDO to gain access to the regional markets and sell itself to prospective clients in various engineering sectors.

FEDO is executing a major project of Indian Oil Corporation Ltd (IOCL). The Crude and Product Tankages at Paradeep project of IOCL is expected to attain mechanical completion and commissioning in 2013-14. The successful completion of this project shall enable FEDO to pre-qualify for similar large project in future.

FEDO is also planning to involve in a big way in civil infrastructure projects. FEDO is planning to have a tie-up with various process licensors.

**FEW :** The turnover of FEW for the year 2012-2013 was ₹ 1017 lakh as against ₹ 868 lakh during the year 2011-2012. During the year FEW has bagged orders worth ₹ 2141 lakh. FEW expect to sustain the turn over during 2013-14 and also generate profit. The

demand from the process industry for pressure vessels and heat exchangers for replacement as well as for capacity expansion is steady. The shipping sector is also expected to bring in substantial orders to FEW.

FEW has also entered into the field of fabrication of barges, for inland cargo transportation, which is a new area for FEW's development.

### Opportunities & Threats

#### Opportunities

- Premium product in the complex fertilizer segment containing Sulphur
- Strong 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

#### Threats

- Non-availability of Natural Gas, High prices of RLNG and lack of level playing field for Gas.
- Non-availability of sufficient quantity of Phosphoric Acid and other inputs.
- Volatility in the prices of raw materials and feedstock.
- Fluctuations in the price of Caprolactam.
- Exchange rate variations
- Over dependence on import of raw materials

### Segment-wise or Product-wise Performance

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

### Risk and Concern

- Shortage of Phosphoric acid and other raw-material.
- Restriction imposed on day time movement of Ammonia.
- High Price of Benzene.
- Low price of Caprolactam in the market.
- Lack of level playing field in the price of RLNG.

The Company has adequate internal control system commensurate with its size and nature of business. FACT has evolved a system of internal control to ensure that assets are safeguarded and transactions

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are authorized, recorded and correctly reported. The internal control system is subjected to periodical review by the Audit Committee of the Board.

## HUMAN RESOURCES DEVELOPMENT

### Industrial Relations

The Industrial Relations situation was generally peaceful during the year 2012-2013. There was no stoppage of work affecting the normal operations of the Company due to HR related issues. However, a section of employees took part in the national strike called by Central Trade Unions on issues not directly linked to FACT.

### Career growth

Existing vacancies in various cadres were filled by promotion for maintaining higher levels of production and also for maintaining the morale of the employees.

### Development of SC/ST

Employment of Reserved Categories as on 31.03.2013 is given below:

	TOTAL	SC	ST	OBC	PWD	EX-SER	TOTAL
No.of employees	2991	391	95	937	65	28	1516
%of total employees		13	3	31	2	1	51

### Steps taken for the Welfare of SCs/STs

#### 1. Employment / Fresh recruitment

The Company has taken all measures for maintaining reservation of SCs / STs in employment in accordance with the Presidential directives. In view of the specific directions issued by the Government of India to fill the backlog vacancies in recruitment reserved for SC / ST, a special recruitment drive was launched in the year 2008-2009 and so far 4 attempts were made for filling 56 such vacancies (31 SC & 25 ST). 4 ST vacancies were filled during the year under report. So far, 31 SC & 19 ST candidates have been appointed. For filling the remaining 6 ST vacancies, action is in progress.

#### 2. Training

Inservice training to company employees is arranged through the Training Department. Maximum representation is ensured for SC / ST employees to attend in house training programme. 138 SC employees and 21 ST employees had undergone training during the year 2012-2013.

For engagement of Apprentices under the Apprentices Act, representation as per rules is provided. The representation for SC / ST in Apprentices as on 31.03.2013 is as follows:

Total No.of Apprentices	SC	ST
174	23	3

#### 3. SC / ST Grievance Cell

An SC / ST Grievance Cell is functioning at Corporate Level comprising the Chairman, who is also the Chief Liaison officer for matters pertaining to reservation of SC / ST and their grievances in the company, Liaison Officers of the various divisions and two Officers each belonging to SC and ST. The grievances received are examined in detail by the Cell and appropriately redressed and if found necessary they are called by the cell to present their cases in person. The employee concerned is informed of the decision / action taken on the grievances by the Grievance Cell. Further, there are associations representing SC / ST employees and these associations also take up individual grievances of SC / ST employees with the management for direct redressal.

#### 4. Allotment of Residential Quarters

Due consideration is given for allotment of Residential Quarters to SC / ST employees. Details of quarters allotted to SC/ST is given below:

Total Number of Employees Occupying Quarters	SC	ST
669	143	32

As on date no application received from SC/ST for quarters is pending for allotment.

#### 5. Reservation of Dealership

FACT is having 7745 dealers for distribution of fertilizers. In allotment of dealership, due consideration is given to SCs and STs. Details of dealerships allotted to SC/ST is given below:

Sl. No	State	Total Dealers	SC	ST
1	Kerala	3394	194	29
2	Tamil Nadu	1166	50	1
3	Karnataka	1582	142	50
4	Andhra Pradesh	1603	132	21
	Total	7745	518	101

#### Corporate Social Responsibility

During the year 2012-2013, the company continued to give priority on various Social Responsibility measures. Following are some of the Corporate Social Responsibility measures undertaken by the

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company during the financial year 2012-2013.

Drinking Water supply to residents of Eloor Municipality

FACT is supplying drinking water to more than 3000 households of Eloor Municipality.

Village Adoption Programme

Under the Village Adoption Programme, 10 progressive farmers, each having at least one acre of land, in a village is selected and the farmers are supplied with fertilizers (major and micro-nutrients) free of cost (based on soil test results) for a short duration crop, which is usually paddy. The field force makes regular field visits at the critical stages of crop growth. In order to create awareness on balanced use of fertilizers, a field day is arranged with the help of Agriculture department officials and local Panchayat leaders.

Field Demonstration

The field demonstration Programme aims to demonstrate the effectiveness of correct fertilizer application at farmer level. During the year 2012-13, FACT has conducted five field demonstration. FACT is analyzing soil samples freely and recommendations of crop specific fertilizers are communicated to the farmers.

### Official Language

FACT continued to give top priority for the implementation of the provisions of Official Language Act and Rules issued by the Ministry of Home Affairs, Government of India from time to time. FACT has been awarded Bronze Trophy by the Department of Fertilizers for the excellent Hindi work during the year 2011-12. The award was presented on 17-05-2013.

FACT is regularly conducting official language conferences and various competitions in Hindi to create interest in official language among the employees and their spouses and children. Official Language Implementation Committee meetings are held regularly and the progress is reviewed in the use of Rajabhasha. The company is regularly conducting Hindi Workshops, spoken Hindi classes, Rajabhasha orientation programme, Rajabhashi seminar etc. Company is providing incentives for encouraging employees who are doing excellent work in Hindi.

### Pollution Control Activities

All fertilizer plants in Udyogamandal Complex are certified for ISO:14001, thereby giving top most priority to ensure clean air and better living environment to the inhabitants around the factory. The Effluent Treatment Plants and emission control facilities are kept in operation along with parent plants throughout the year and treated liquid effluents and gas emission discharged from plants confirmed to the standards prescribed by the Kerala State Pollution Control Board.

The Cochin Division has also maintained all effluent parameters within limits as specified by the statutory authorities. One of the NPK equalisation tanks was cleared of accumulated sludge and civil repairs carried out thereby increasing its holding capacity. As per agreement between FACT and Kerala Enviro Infrastructures Ltd (KEIL), the accumulated stock of hazardous wastes viz., Arsenic waste and spent V2o5 catalysts were sent to KEIL for final disposal.

As a long term measure for air pollution control, installation of candle type mist eliminators of special glass fibre bed at DCDA plant replacing the existing mist pads is in progress.

The feed stock conversion of the Ammonia Plant from Naphtha to RLNG will result in reduction of CO2 production.

### Awards and Recognitions

During the year 2012-2013, FACT Udyogamandal Complex has been awarded the winner for outstanding safety performance in group I (a) Major Chemical Industries who have worked more than 1.5 Million man-hours for the year 2012 from the National Safety Council of India, Kerala Chapter. This is the 12<sup>th</sup> year FACT has been bagging this Award.

FACT Udyogamandal Complex has been awarded the Third Prize in Safety Award 2012 for very large Chemical and Petroleum and Petrochemical Industries instituted by Directorate of Factories and Boilers Department, Thiruvananthapuram.

### Roadmap for sustainability

In order to ensure the revival of FACT and help it sustain and grow over the years the company has drawn up a roadmap outlining its path of progress. The scheme for the revival of FACT can be categorized as short term, medium term and long term plans. These plans are expected to ensure the survival and growth of the company helping it improve its turn over, productivity and profitability. The brief details of these plans are summarized below:

#### 1) Short Term Plan

FACT has requested the following assistance from the Government of India.

- a) Sanctioning of the Financial restructuring proposal to prevent erosion of its net worth, reduce interest and ease the working capital strain
- b) Providing a level playing field for LNG pricing by allocation of domestic gas or implementation of a price support mechanism
- c) Plan fund support for essential renewals, replacements & other schemes

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- d) Finalisation of an adequate compensation for Naphtha from 2010, which takes into account the increase in the price of Naphtha and furnace oil in the place of the adhoc compensation

FACT is hopeful of receiving favourable approval of these financial assistance paving way for operation of its plants in full capacity and earn a reasonable profit on continuous basis.

### 2) Medium Term Plan

Ensuring availability of raw materials and removal of imbalances in Intermediates and enhancing NP production capacity

One of the main reasons for the lower level of physical performance of the company is the dependence on imported raw materials, mainly phosphoric acid. The international phosphoric acid market is controlled by a few big players who dominate and not only decide the pricing but also its availability. The company has drawn up plans to reduce dependency on imported phosphoric acid by implementation of the following projects:

- a) Revamping the capacity of captive phosphoric acid production facility at Cochin division from 360 TPD to 500 TPD.

The present capacity of the phosphoric acid plant at Cochin division is 360 TPD. In order to meet the phosphoric acid requirements, it is proposed to revamp the capacity of this plant to 500 TPD. Dependence on imported acid will then be restricted to meet the balance requirements which will be manageable with existing suppliers. The estimated investment for this project is ₹ 145 crore. For this project, a DPR has been prepared by FEDO based on the technical study report provided by the original process licensor in October 2012.

- b) Setting up a 2000 TPD Sulphuric acid plant to reduce imbalance in availability of Sulphuric acid

Implementation of this project intends to avoid imbalance between production and demand of Sulphuric acid for meeting production requirements. Taking into consideration the revamp of the Phosphoric acid plant and providing for expansion of NP capacity, it is proposed to set up a 2000 TPD Sulphuric acid plant at Cochin division. The new 2000 TPD Sulphuric acid plant will not only help the company reduce dependency on external Sulphuric acid but will also offer an opportunity to optimize cost by power generation from the waste steam which is generated from the Sulphuric acid plant. The estimated cost of this project is ₹ 330 crore.

- c) NP expansion at Cochin division

It is proposed to enhance the capacity of NP production at Cochin division by setting up a 1000 TPD NP plant. The estimated investment for this plant is ₹ 200 crore.

FEDO has prepared a DPR for the project and conducted Environmental Impact Assessment study & Public hearing. EIA report incorporating comments of public hearing has been submitted to Ministry of Environment and Forest (MOEF) for final environmental clearance.

- d) Technological upgradation and optimization of plant capacities at Udyogamandal

It is also proposed to optimize the capacities of the old, small capacity plants at Udyogamandal by the following strategies:

- Setting up a high capacity Sulphuric acid plant at Udyogamandal catering to the requirement of Sulphuric acid, Oleum and Sulphur dioxide in the complex. This plant will also aid in meeting the steam and power requirements partly in the complex from the waste steam generated.
- Setting up a 3000 TPD NP plant at Udyogamandal to replace the two low capacity plants presently in operation. The sulphuric acid requirement for this plant will be met from the new sulphuric acid plant. The estimated investment for this plant will be ₹ 625 crore.

Pre feasibility study on these projects is completed. The implementation of schemes depend on the availability of external Phosphoric Acid through outsourcing or Joint Venture. These projects have been conceived to address the problem of vintage and sub optimal capacity of the existing plants at Udyogamandal.

### 3) Long Term Plan

Ammonia-Urea complex at Cochin Division

FACT was a manufacturer of Urea until 2003. The 1000 TPD Urea production was stopped in 2003 when the operations became unviable under the Group pricing scheme. In order to restore its position in the Urea market in the South, the company proposes to set up a 2800 TPD Ammonia plant coupled with a 3500 TPD Urea plant. The sizing of the Ammonia plant will ensure meeting the Ammonia requirements for NP production and Urea production at Cochin division. The Urea plant is assured of availability of feedstock LNG and infrastructure facilities like land and utilities & railhead connectivity. The estimated investment for this project is ₹ 5070 crore.

### Outlook for the future

The financial restructuring proposals submitted by the Company is under the active consideration of the Government of India.

On implementation of the financial restructuring package and new projects for expansion and modernization, FACT is expecting a turnaround in its performance and profit on a sustainable basis in the coming years.

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**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**

Sl.No	Name	Period	Nature of Directorship
1	Shri Jaiveer Srivastava	From 01.04.2013	Chairman and Managing Director
2	Shri P.Muthusamy	01.04.2012/31.03.2013	Director (Finance)
3	Shri V.K.Anil	01.04.2012/31.03.2013	Director (Technical)
4	Shri P.K.Chandrasekharan	01.04.2012/31.03.2013	Director (Marketing)
5	Shri S.C.Gupta	01.04.2012/31.03.2013	Part-time Official Director
6	Dr. V.Rajagopalan	01.04.2012/31.03.2013	Part-time Official Director
7	Shri V.K.Subburaj	From 03.05.2013	Part-time Official Director
8	Shri Sham Lal Goyal	01.04.2012/31.03.2013	Chairman and Managing Director

**Board Meetings**

Sl.No.	Board Meeting Number and Date	Venue	Filled strength	Directors present
1	447 dated 28.05.2012	New Delhi	6	6
2	448 dated 24.07.2012	New Delhi	6	6
3	449 dated 17.10.2012	New Delhi	6	6
4	450 dated 07.11.2012	New Delhi	6	5
5	451 dated 31.01.2013	New Delhi	6	5

**Attendance in Board Meetings**

Sl.No	Name of Director	Period	No.of Meetings held	No.of Meetings Attended	No.of Directorship in other Boards
1	Shri Jaiveer Srivastava	From 01.04.2013	-	-	1
2	Shri P.Muthusamy	01.04.2012/31.03.2013	5	5	1
3	Shri V.K.Anil	01.04.2012/31.03.2013	5	5	1
4	Shri P.K.Chandrasekharan	01.04.2012/31.03.2013	5	5	-
5	Shri S.C.Gupta	01.04.2012/31.03.2013	5	5	3
6	Dr. V.Rajagopalan	01.04.2012/31.03.2013	5	3	5
7	Shri V.K.Subburaj	From 03.05.2013	-	-	-
8	Shri Sham Lal Goyal	01.04.2012/31.03.2013	5	5	6

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### 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	Shri S.C.Gupta	50	12.08.2011	Elected in 68th AGM
2	Shri V.K.Subburaj	57	03.05.2013	Co-opted as Director on 03.05.2013

### IV. Particulars of Directors under III above are as follows:

#### Shri S.C.Gupta

Shri S.C.Gupta belongs to 1986 batch of Indian Administrative Service. He held number of key positions in various Government departments and has rich and varied experience in Administrative and Industrial field. At present he is the Joint Secretary in the Department of Fertilisers, Ministry of Chemicals and Fertilisers, Government of India.

#### Shri V.K.Subburaj

Shri V.K.Subburaj belongs to 1980 batch of Indian Administrative Service. He held number of key positions in various Government departments and has rich and varied experience in Administrative and Industrial field. At present he is the Additional Secretary and Financial Adviser in the Department of Fertilisers, Ministry of Chemicals and Fertilisers, Government of India.

### V Audit Committee

Sl.No	Name of Director	Nature of Directorship
1	Shri V.K.Subburaj (From 03.05.2013)	GOI Nominee Director
2	Dr.V.Rajagopalan (Upto 02.05.2013)	GOI Nominee Director
3	Shri V.K.Anil	Functional Director
4	Shri S.C.Gupta	GOI Nominee Director

Director (Finance), Chief Vigilance Officer and head of Internal Audit Department are permanent invitees 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 Section 292 (A) of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

Date of Audit Committee Meeting	Number of Members	Number of Members Attended
28.05.2012	3	3
24.07.2012	3	3
07.11.2012	3	2
31.01.2013	3	2

### VI Remuneration Committee

FACT is a Government Company in terms of Section 2(45) of the Companies Act, 2013 (Section 617 of the Companies Act, 1956). 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). FACT is paying only sitting fee to Non-official Part-time Directors for attending meetings of the Board / Sub-committees of the Board.

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 is finalized on the basis of agreement with Unions and with the approval of Board / Government of India.

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



## THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

### VII Shareholders/Investors Grievance Committee

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

1. Shri S.C.Gupta, Director
2. Shri V.K.Anil, Director (Technical)
3. Shri P.K. Chandrasekharan, Director (Marketing) (up to 30-09-2013)

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 once in 15 days provided there are any Share Transfer requests to approve. As on 31.03.2013 there is no valid share transfer request pending for approval.

The Compliants 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 year Company attended to 22 complaints of Shareholders/Investors.

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 Standing Purchase Committee

The Board of Directors of the Company has constituted a Standing Purchase Committee for import/procurement of Fertilisers, raw materials and intermediates. The members of the committee are:

1. Shri Sham Lal Goyal, C & MD (upto 31.03.2013)
2. Shri P.Muthusamy, Director (Finance)
3. Shri V.K.Anil, Director (Technical)
4. Shri P.K.Chandrasekharan, Director (Marketing) (upto 30-09-2013)

### IX General Body Meetings

Year	Date	Time	Venue	Details of Special Resolution
2009-2010	29.09.2010	11.00 AM	Udyogamandal	NIL
2010-2011	29.09.2011	11.00 AM	Udyogamandal	NIL
2011-2012	28.09.2012	11.00 AM	Udyogamandal	NIL

No resolution was put through postal ballot in the last Annual General Meeting. The Company has evolved suitable procedures to pass Resolution through Postal ballot in accordance with the provisions of the Companies Act and Rules/Regulations in this regard.

Shri Sham Lal Goyal, Chairman and Managing Director, Shri P.Muthusamy, Director (Finance), Shri V.K.Anil, Director (Technical) and Shri P.K.Chandrasekharan, Director (Marketing) attended the 68th Annual General Meeting.



# THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

## X. Disclosure

During the year 2012-2013, the Company has not entered into any transactions of material nature with Directors and/or relatives that may have a potential 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 Exchanges or SEBI or any Statutory Authority on matters related to Capital Markets during the last three years.

The Share of the Company are scarcely traded and hence a broad based comparison with the NSE/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](http://www.fact.co.in).

Un-audited financial results are sent to the Stock Exchange where the Company's shares are listed.

## XII General Shareholders Information

Information relating to the Annual General Meeting & Financial Calendar for 2013-2014 are given below:

69th Annual General Meeting	
Day	Friday
Date	27th December 2013
Time	11.00 AM
Venue	Udyogamandal Club, Udyogamandal

Financial Calendar for 2013-14	
Ist Quarter Financial Results	Published on 29th July 2013
IInd Quarter Financial Results	Published on 28th October 2013
IIIrd Quarter Financial Results	Ist week of February 2014
IVth Quarter Financial Results	Ist week of May 2014

<b>Dates of Book Closure</b>	24th December 2013 to 27th December 2013
<b>Dividend Payment date</b>	No dividend is being declared

### Listing

The shares of the Company is listed in the National Stock Exchange of India Ltd, Mumbai. Listing fee has been paid to the Stock Exchange up to the year 2013-2014

### Stock Code

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

## THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

### XIII Market Price

The high, low market price during each month in last financial year 2012-2013 as available from the National Stock Exchange of India Limited are given below:-

Month	High (₹)	Low (₹)
April 2012	33.80	31.00
May 2012	32.40	28.65
June 2012	29.50	27.80
July 2012	33.90	27.15
August 2012	29.50	26.20
September 2012	31.50	26.20
October 2012	31.90	27.80
November 2012	28.65	27.20
December 2012	33.20	27.50
January 2013	34.00	29.25
February 2013	29.70	27.40
March 2013	27.65	21.50

### XIV Share transfer/Depository Agent

BgSE Financials Limited (A Subsidiary of Bangalore Stock Exchange Limited), Stock Exchange Towers, 51, 1st Cross, J.C.Road, Bangalore 560 027.

### XV Share Transfer System

The Shares of FACT are compulsorily traded in De-mat form. All the transfer form received are processed by the Share Transfer Agent of the Company and approved by the Share Transfer Sub-committee of the Board.

### XVI Distribution of shareholding as on 31-03-2013

Shareholding of nominal value of ₹ 10	Shareholders		Amount ₹
	Number	% to Total	
Upto 5000	14195	89.96	16729530
5001 - 10000	875	5.55	7410810
10001 - 20000	355	2.25	5626750
20001 - 30000	122	0.77	3186950
30001 - 40000	53	0.34	1945370
40001 - 50000	56	0.35	2696500
50001 - 100000	74	0.47	5577230
100001 and above	49	0.31	6427546600
<b>Total</b>	<b>15779</b>	<b>100</b>	<b>6470719740</b>



## THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

### XVII De-materialization of shares and liquidity

In accordance with the direction of SEBI, trading of FACT shares have been brought under compulsory De-mat segment for all categories of investors with effect from 26th June 2001. The Company has executed tripartite agreement with both the Depositories i.e. NSDL and CDSL and the Share Transfer Agents of the Company. As on 31.03.2013, 64,40,41,229 Equity shares have been dematerialized.

### XVIII 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.

### XIX Plant Locations

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

### XX Address for Correspondence by Shareholders

The Company Secretary, The Fertilisers And Chemicals Travancore Limited, Udyogamandal-683501 Kerala.

### XXI Compliance of guidelines issued by DPE

The Company is giving top priority for the compliance of guidelines on Corporate Governance issued by DPE. The Company has complied with all the guidelines on Corporate Governance issued by DPE applicable to FACT except the guidelines relating to composition of Board/Non-official part-time Directors. Consequent to the completion of three year term, as per the Government Order all the Non-official Part-time Directors have retired from the Board of Directors of the Company during the Financial Year 2011-2012. The Company is yet to receive fresh notification from Government of India on appointment of Non-official Part-time Directors on the Board of Directors of FACT.

#### CFO/CEO's CERTIFICATION

We Certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year 2012-13 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 and those we have evaluated the effectiveness of the internal control systems of the Company.

#### 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.

Udyogamandal  
Date : November 22, 2013

Sd/-  
**Jaiveer Srivastava**  
CHAIRMAN AND MANAGING DIRECTOR



## THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

### SATISH.V

B.COM,LLB,PGDT,ACMA,ACS  
PRACTISING COMPANY SECRETARY

B1,I FLOOR, PERIELLATH TOWERS, JAWAHAR - MAHATMA ROAD, VYTTILA P.O, COCHIN - 682019  
Phone:0484-6002101; 9961333309 E-mail: vsathishmenon@gmail.com

## CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

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

To the Members of

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

Eloor P.O, Udyogamandal

I have examined all relevant records of The Fertilisers and Chemicals Travancore Limited (the Company), for the purpose of certifying compliance of the conditions of Corporate Governance under Clause 49 of the Listing Agreement of the said Company with National Stock Exchange of India Limited for the financial year ended March 31, 2013. I have obtained all the information and explanations which to the best of my knowledge and belief where 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 procedure and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance.

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, except Clause 49 (1A) relating to composition of the Board of Directors.

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.

COCHIN - 682019  
21-11-2013

Sd/-  
**SATHISH V**  
B.Com,LLb,PGDT,ACMA,ACS  
Practising Company Secretary  
ACS - 13501; CP 8343



# THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

## BABU A. KALLIVAYALIL & CO CHARTERED ACCOUNTANTS

IInd FLOOR, MANCHU COMPLEX,  
P.T.USHA ROAD, Ernakulam, KOCHI - 682 011  
Phone:0484-2363119, 2380868, TeleFax:0484-2380868  
E-mail : bakco@vsnl.net; bakco.ca@gmail.com

### INDEPENDENT AUDITORS' REPORT

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

#### Report on the Financial Statements

1) We have audited the accompanying Financial Statements of **THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED** ("the Company"), which comprise the Balance Sheet as at **March 31, 2013** and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

#### Management's Responsibility for the Financial Statements

2) The Company's Management is responsible for the preparation of the financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

3) Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.

- 4) An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risks assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.
- 5) We believe that the audit evidence we have obtained is insufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

- 6) 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 report of other auditors on the financial information of the Branch, on the aforesaid 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:
- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;



## THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

- b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date,

except qualified opinion in respect of the matters covered in points (i) to (iii) given below :

- i. Valuation of closing stock of by-product gypsum of 41 lakhs metric tonne, at the rate of rupees 331 per metric tonne based on the assessment of net realizable value by the Management, instead of net realizable value based on the most reliable evidence of approved selling price for bulk sales of rupees 200 per metric tonne exclusive of excise duty, in variation to Accounting Standard 2 issued by the Institute of Chartered Accountants of India resulting in an over valuation of inventory of gypsum by rupees 5364 lakhs and under statement of loss to the same extent. [Refer Note number 15.1].
- ii. Classification of fixed asset originally held for sale of rupees 3245 lakhs as current asset instead of non-current asset, though the Company has issued sale order in January 2011, which was subsequently cancelled by the Company, and the matter is under litigation in the Hon'able High Court of Kerala [Refer Note number 19.1]
- iii. Claim lodged by a contractor of rupees 1,78,490 lakhs towards short fall charge and damages against the Company upon termination of the contract and the dispute is under arbitration. The said claim is shown as a contingent liability and being so, we are unable to comment on the same, considering the significant uncertainty in the final outcome of the case [Refer note number 29.a (vii)].

We further report that:-

*Had the quantifiable qualifications in paragraph 6 (i) and (ii) above been effected, the loss before tax for the year would have been higher by rupees 5364 lakhs, current assets would have been lower by rupees 8,609 lakhs, non-current assets would have been higher by rupees 3245 lakhs and reserves and surplus, negative balance would have been higher by rupees 5364 lakhs.*

*We are unable to determine the financial impact of the above qualifications in point (iii) in the absence of appropriate details.*

### Report on Other Legal and Regulatory Requirements

- 7) As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227 (4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 8) As required by Section 227 (3) of the Act, we report that:
- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the area/regional offices not audited by us. The area/regional Auditors' report have been given to us and have been appropriately dealt with in preparing our report.
- c) The Balance Sheet, the Statement of Profit and Loss 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 area/regional offices not visited by us.
- d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211 (3C) of the Act.
- e) Being a government company, the provisions of clause (g) of sub section (1) of section 274 of the Companies Act, 1956 is not applicable.

**For Babu A. Kallivayalil & Co.,**  
Chartered Accountants  
Firm Registration No.05374S  
Sd/-

New Delhi,  
October 28,2013.

Mathew Sebastian  
Partner, Membership, No.  
018859

# THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

## BABU A. KALLIVAYALIL & CO.

### Annexure to the Independent Auditors' Report (Referred to in paragraph 7 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. In respect of the Company's fixed assets:
- (a) The Company has maintained generally proper records showing most of the particulars including quantitative details and location of fixed assets and in the case of certain Regional Offices, quantitative details and location of fixed assets are not properly recorded.
- (b) The fixed assets have not been satisfactorily physically verified by the Management during the year. The physical verification procedure needs to be strengthened. As explained to us, no material discrepancies were noticed on such physical verification.
- (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- ii. In respect of Company's inventories:
- (a) As explained to us, the inventories have generally been physically verified by the management at reasonable intervals.
- (b) In our opinion, the procedures of physical verification of inventories followed by the Management need to be strengthened 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 and no material discrepancies were noticed on physical verification.
- iii. As informed to us, the Company has neither granted nor taken any loans, secured or unsecured, to/ from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956, and hence reporting requirements under clauses (iii) (a) to (g) of this clause do not apply.
- iv. In our opinion and according to the information and explanations given to us, the internal control system may be strengthened to commensurate with the size of the Company and nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. According to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control.
- v. a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956, have been entered in the register under that section.
- b) In our opinion and according to the information and explanations given to us, during the year there are no transactions in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956, aggregating to rupees five lakhs or more in respect of any party.
- vi. In our opinion and according to the information and explanations given to us, the Company has complied with directives issued by Reserve Bank of India, the provisions of section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules 1975, with regard to the deposit accepted from the public.
- vii. In our opinion, the internal audit functions were carried out by the Company at Head office and by firms of Chartered Accountants at area/regional offices have been generally commensurate with the size of the Company and nature of its business.
- viii. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government u/s 209 (1) (d) of the Companies Act, 1956 and are of the opinion that, prima facie the prescribed cost records have been maintained by the Company. We have, however, not made a detailed examination of the records with a view to determining whether these records are accurate or complete.
- ix. a) According to the information and explanations given to us and according to the books and records of the Company produced to us and examined by us, in our opinion, the Company has been generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, service tax, sales tax, customs duty, excise duty and other material statutory dues applicable to it with the appropriate authorities during the year and there were no outstanding as at March 31, 2013 for a period of more than six months from the date they became payable
- b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues towards sales tax, income tax, customs duty, excise duty, service tax, entry tax and cess as at March 31, 2013, which have not been deposited on account of disputes are furnished below:

## THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

Name of the Statute	Nature of the dues	Amount (Rupees in lakhs)	Period to which dispute relates	Forum where dispute is pending
Income Tax Act, 1961	Tax demand due to disallowances	10	1997-98	High Court of Kerala
Income Tax Act, 1961	Additional tax and interest demanded on payments to foreign technicians	78	1994-95 to 1997-98	High Court of Kerala
Finance Act, 1994	Tax, penalty and interest demand on service tax	205	2003-04 To 2008-09	Customs, Excise and Service Tax Appellate Tribunal, Bangalore
Finance Act, 1994	Tax, penalty & interest demanded on service tax disputed by the Company	75	2006-07 to 2011-12	Commissioner of Central Excise, Cochin
Customs Act, 1962	Differential duty	40	1991-92 to 1992-93	Customs, Excise and Service Tax Appellate Tribunal, Chennai
Central Excise Act, 1944	Duty, penalty with interest demand, disputed by the Company. Cenvat utilised for fertilizer clearances due to tariff changes. (The Company is still following the same methods / practice)	4663	2010-11 to 2011-12	Customs, Excise and Service Tax Appellate Tribunal, Bangalore.
Central Excise Act, 1944	Duty with interest and penalty on shortages written off	72	2003-04	Adjudicating Authority
Central Excise Act, 1944	Duty with interest and penalty on Cenvat availment	5	2006-11	Adjudicating Authority
Madhya Pradesh Entry Tax	Entry tax demand	4	1980-84	Board of Revenue (Commercial Tax Tribunal), Gwalior, Madhya Pradesh
Sales Tax Act, Orissa	Sales tax demand	63	1985-92	High Court of Orissa
Sales Tax and Central Sales Tax Act, Punjab	Sales tax demand	431	2000 -01	High Court of Punjab and Hariyana



## THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

- x. The accumulated losses of the Company as at March 31, 2013 after giving effect to the qualifications in the Auditors' Report are more than hundred percent of its net worth and it has incurred cash losses during the year and in the immediately preceding financial year and provisions of the Sick Industrial Companies (Special Provisions Act), 1985 is applicable.
- xi. Based on our examination of the records of the Company and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks as at Balance Sheet date. Further in our opinion and according to the information and explanations given to us, the Company did not have any amount outstanding to financial institution or debenture holders.
- xii. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the Company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xv. According to the information and explanations given to us, the Company has given guarantee for loan taken by FACT-RCF Building Products Limited from State Bank of India, to the extent of Rs.1,750 lakhs [Refer Note number 29(1)(b)].
- xvi. According to the information and explanations given to us, we are of the opinion that the term loans availed by the Company were, prima-facie, applied during the year for the purpose for which the loans were obtained except temporary deployment in working capital.
- xvii. According to the information and explanations given to us and overall examination of the Balance Sheet of the Company, we are of the opinion that the funds raised by the Company on short-term basis has not been used for long term investments.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.
- xix. The Company has not issued any debentures.
- xx. The Company has not raised any money by public issue during the year.
- xxi. 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 as per the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

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

Sd/-

**Mathew Sebastian**

Partner, Membership No.018859

New Delhi,  
October 28,2013.



# THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

## BALANCE SHEET AS AT 31-3-2013

₹ in Lakh

	Particulars	Note No.	Figures as at 31.03.2013	Figures as at 31.03.2012
	1	2	3	4
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
(1)	<b>Shareholders' funds</b>			
	(a) Share capital	1	64707.20	64707.20
	(b) Reserves and Surplus	2	-83882.04	-48482.43
(2)	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	3	21803.10	24023.00
	(b) Long term provisions	4	18735.46	17739.95
(3)	<b>Current liabilities</b>			
	(a) Short-term borrowings	5	70861.79	43857.87
	(b) Trade payables	6	32173.77	53537.30
	(c) Other current liabilities	7	39869.63	30445.86
	(d) Short term provisions	8	5681.00	4778.93
	<b>TOTAL</b>		<b>169949.91</b>	190607.68
<b>II.</b>	<b>ASSETS</b>			
(1)	<b>Non-current assets</b>			
	(a) Fixed assets			
	(i) Tangible assets	9	23984.84	27192.35
	(ii) Intangible assets	9	351.00	561.80
	(iii) Capital work-in-progress	10	5312.62	2510.12
	(b) Non-current investments	11	2135.55	1823.15
	(c) Deferred tax assets (net)	12	0.00	0.00
	(d) Long-term loans and advances	13	621.79	212.07
	(e) Other non-current assets	14	1231.18	555.32
(2)	<b>Current assets</b>			
	(a) Inventories	15	67445.26	75754.49
	(b) Trade receivables	16	825.85	1125.39
	(c) Cash and Bank balances	17	3236.65	7017.10
	(d) Short-term loans and advances	18	15402.78	18436.35
	(e) Other current assets	19	49402.39	55419.54
	<b>TOTAL</b>		<b>169949.91</b>	190607.68
	Significant Accounting Policies Notes on Accounts	1 to 38		

For and on behalf of the Board

Sd/-  
**K.V.Balakrishnan Nair**  
Secretary

Sd/-  
**P.Muthusamy**  
Director (Finance)

Sd/-  
**Jaiveer Srivastava**  
Chairman & Managing Director

Place : New Delhi  
Date : 28<sup>th</sup> October, 2013

Per our report attached.  
**For Babu A. Kallivayalil & Co.,**  
Chartered Accountants  
Firm Registration Number: 05374S

Sd/-  
C A Mathew Sebastian  
Partner  
Membership Number: 18859



# THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

## PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31-3-2013

₹ in Lakh

	Particulars	Note No.	Figures for the year ended 31.03.2013	Figures for the year ended 31.03.2012
I.	Revenue from operations	20	231576.68	287604.83
II.	Other income	21	1823.31	3670.17
III.	Total Revenue (I+II)		233399.99	291275.00
IV.	Expenses			
	Cost of materials consumed	22	142464.27	174918.01
	Purchases of Stock-in-trade	23	8721.52	13484.79
	Changes in inventories of finished goods, work-in-progress and Stock-in-trade.	24	11044.20	-4858.76
	Employee benefits expense	25	23714.84	22472.52
	Finance costs	26	15537.82	13676.58
	Depreciation and amortization expense	9	4554.44	4258.90
	Other expenses	27	62798.37	65343.15
	Total Expenses		268835.46	289295.19
V.	Profit before exceptional and extraordinary items, and tax (III-IV)		-35435.47	1979.81
VI.	Exceptional items	28	-39.29	0.00
VII.	Profit before extraordinary items and tax (V-VI)		-35396.18	1979.81
VIII.	Extraordinary items		0.00	0.00
IX.	Profit before tax (VII-VIII)		-35396.18	1979.81
X.	Tax expense			
	(1) Current tax		0.00	0.00
	(2) Deferred tax		0.00	0.00
XI.	Profit / (Loss) for the year from continuing operations (IX-X)		-35396.18	1979.81
XII.	Profit / (Loss) from discontinuing operations		0.00	0.00
XIII.	Tax expense of discontinuing operations		0.00	0.00
XIV.	Profit / (Loss) from discontinuing operations (after tax) (XII-XIII)		0.00	0.00
XV.	Profit / (Loss) for the year (XI+XIV)		-35396.18	1979.81
XVI.	Earnings per equity share of ₹10 each			
	(1) Basic -₹		-5.47	0.31
	(2) Diluted -₹		-5.47	0.31
	Significant Accounting Policies Notes on Accounts	1 to 38		

For and on behalf of the Board

Sd/-  
**K.V.Balakrishnan Nair**  
Secretary

Sd/-  
**P.Muthusamy**  
Director (Finance)

Sd/-  
**Jaiveer Srivastava**  
Chairman & Managing Director

Place : New Delhi  
Date : 28<sup>th</sup> October, 2013

Per our report attached.  
**For Babu A. Kallivayalil & Co.,**  
Chartered Accountants  
Firm Registration Number: 05374S

Sd/-  
C A Mathew Sebastian  
Partner  
Membership Number: 18859

# THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2013

PARTICULARS	For the year ended 31.3.2013	For the year ended 31.3.2012
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>₹ in Lakh</b>	<b>₹ in Lakh</b>
<b>Net Profit after Tax and Extra ordinary items</b>	<b>-35396.18</b>	1979.81
<b>Adjustments For:</b>		
Depreciation/Impairment loss /Deferred Revenue Expenditure	4604.60	4255.32
Provision for obsolescence/Bad and doubtful debts (Net)	4451.73	185.61
Provision for employee benefits	2863.40	1599.14
Income from Investments	-8.10	-302.80
(Profit)/Loss on sale of assets (Net)	-0.25	-21.36
Loss on sale/diminution in value of investments	0.00	0.00
Finance cost	15537.82	13676.58
<b>Operating Profit before Working Capital changes</b>	<b>-7946.98</b>	21372.30
<b>Adjustments for:</b>		
Trade and other receivables	6035.55	-13397.25
Inventories	7646.50	-14814.70
Trade and other payables	-15816.22	21766.61
<b>Cash generated from Operations</b>	<b>-10081.15</b>	14926.96
Direct Taxes	0.00	0.00
<b>Cash Flow before extraordinary items</b>	<b>-10081.15</b>	14926.96
Prior Period - (excluding non cash)	0.00	0.00
<b>Net Cash from Operating Activities</b>	<b>-10081.15</b>	14926.96
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets/Capital Work-in-Progress	-3997.42	-1844.62
Sale of Fixed Assets	5.45	22.78
Interest received	0.00	294.70
Dividend received	8.10	8.10
Investments/Sale of Investments(Net)	-332.00	12016.91
<b>Net cash from/used (-) in Investing Activities</b>	<b>-4315.87</b>	10497.87
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings (Net)	-4048.37	5339.48
Increase/Decrease in Short Term Borrowings	27003.92	-21360.19
Interest	-10798.71	-9718.93
<b>Net cash used in Financing Activities</b>	<b>12156.84</b>	-25739.64
<b>NET INCREASE /DECREASE (-) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>-2240.18</b>	-314.81
<b>CASH AND CASH EQUIVALENTS</b>		
<b>AS AT 01.04.2012 (Opening Balance)</b>	<b>2943.00</b>	3257.81
<b>AS AT 31.03.2013 (Closing Balance)</b>	<b>702.82</b>	2943.00
<b>CASH AND CASH EQUIVALENTS</b>	<b>As at 31.03.2013</b>	<b>As at 31.03.2012</b>
Balances with Banks	676.59	2742.30
Cheques , Drafts on hand	2.82	67.95
Cash on hand	12.53	7.82
Current Account with banks for unpaid interest warrants	0.70	115.09
With Post Office/Treasury Savings Account	10.18	9.84
<b>TOTAL</b>	<b>702.82</b>	2943.00

For and on behalf of the Board

Sd/-  
**K.V.Balakrishnan Nair**  
Secretary

Sd/-  
**P.Muthusamy**  
Director (Finance)

Sd/-  
**Jaiveer Srivastava**  
Chairman & Managing Director

Place : New Delhi  
Date : 28<sup>th</sup> October, 2013

Per our report attached.  
**For Babu A. Kallivayalil & Co.,**  
Chartered Accountants  
Firm Registration Number: 05374S

Sd/-  
C A Mathew Sebastian  
Partner  
Membership Number: 18859

# THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

## SIGNIFICANT ACCOUNTING POLICIES

### I. Basis for preparation of financial statements.

The financial statements are prepared under historical cost convention on accrual basis as a going concern in accordance with the generally accepted accounting principles in India and to comply with all material aspects with the mandatory accounting standards notified by the Companies (Accounting Standard) Rules 2006 and the provisions of the Companies Act, 1956.

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.

### II. 1) Fixed Assets:

- (a) Fixed assets 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 fixed assets. Grants utilized for acquisition of depreciable Fixed Assets are treated as Deferred Government Grants and the same is recognized in the Profit and Loss statement on a systematic and rational basis over the useful life of the assets.
- (e) Depreciation is charged on Plant and Machinery on straight line method and on other tangible assets (excluding land) on written down value method at the rates specified in Schedule XIV of the Companies Act subject to adjustment for impairment, if any, except in the case of roads, culverts, bridges, dams and godowns (factory) for which depreciation has been charged at 10% as against 5% prescribed in the Companies Act, 1956. On additions to assets, depreciation is charged from the date of such addition and on sale or discarding of assets upto the date of such sale or discarding.
- (f) An asset is treated as impaired when the carrying amount of assets exceeds its recoverable value. Impairment loss is charged to the Profit and Loss statement 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.

### 2) Construction period expenses on Project:

- (a) 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.
- (b) Financing cost incurred during construction period on loans specifically borrowed and utilized for projects is capitalized upto the date of capitalization.
- (c) 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.

### III. Capital Stores:

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

### IV. Intangible Assets:

- (a) 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.
- (b) Expenditure incurred on Research and Development, other than capital account is charged to revenue.
- (c) Costs incurred on computer software purchased/ developed resulting in future economic benefits, are capitalized as intangible assets and amortised over a period of 5 years.

### V. Inventory Valuation:

- (a) 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.

## THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

- b) Materials in process are not valued consistently.
- c) Finished/Trading products are valued at lower of cost or net realizable value in the aggregate, productwise. 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.
- d) Materials in transit / under inspection are valued at cost.
- d) Other income is recognized on an accrual basis.
- e) Dividend income is recognized when right to receive dividend is established.
- f) Interest income is recognized when no significant uncertainty as to its realization exists.
- g) Scrap, salvaged / waste materials and sweepings are accounted for on realization.
- h) 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.

### VI. Commitments:

#### Capital

Estimated amount of contracts remaining to be executed on capital accounts, above ₹ Five 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 Profit and Loss Statement.

### VIII. Investments:

Long term investments are valued at cost, after providing for diminution in value if it is of a permanent nature. Current investments are valued (individually) at lower of cost and quoted/ fair value.

### IX. Revenue Recognition:

- a) Sales are recognized on an accrual basis when all significant risks and rewards of ownership are transferred to the buyer and the company retains no effective control of the goods transferred.
- b) Gross sales (net of returns) include excise duty, wherever applicable.
- c) 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.

### X. Excise Duty:

Excise duty is accounted on the basis of both payments made in respect of goods cleared as also provision made for goods lying in stock. Closing stock value of finished goods includes excise duty payable / paid on such goods.

### XI. Foreign Currency Transactions:

- a) Receivables and payables in foreign currency as on the reporting date including forward exchange contracts are restated at the rate prevailing at that date.
- b) The premium in respect of forward exchange contracts is recognized over the life of the contracts.
- c) Variations arising on account of fluctuations in foreign exchange rates are treated as revenue (gain/loss (-)).

### XII. Employee Benefits:

- a) 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 Profit and Loss statement. 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 Profit and Loss statement.
- b) 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. Actuarial gain/loss is charged to Profit and Loss statement.

### XIII. Grants:

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

## THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

- b) 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 Profit and Loss statement over the period and in the proportion in which depreciation is charged.
- c) Revenue grants relating to revenue expenses are deducted from the respective expenses.
- d) 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 Profit and Loss statement.

#### XIV. Taxes:

- a) Provision for current tax is made in accordance with the provisions of the Income Tax Act, 1961.
- b) 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.
- c) 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. Cenvat:

Cenvat credit and VAT credit on eligible materials is recognised on receipt of such materials and Cenvat credit of eligible service tax is recognized on payment of service tax to the service provider.

#### XVI. Segment Reporting:

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

- a) 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.

- b) Investments, advance towards investments and other advances, which are not allocable to segments, are excluded from segment capital employed.

#### XVII. Contract Operation:

- a) 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.
- b) Foreseeable losses on contract activities are recognized fully irrespective of the progress of work.

#### XVIII. Prior Period Adjustments:

Individual items of Income and Expenditure relating to a prior period and exceeding ₹One Lakh is accounted as a prior period item and disclosed accordingly.

#### XIX. Contingent Liabilities:

- a) Show Cause notices issued by various Government Authorities are not considered as Obligation.
- b) When the demand notices are raised against such show cause notices and are disputed by the company, these are classified as disputed obligations.
- c) 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.

# THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

## NOTES ON ACCOUNTS

₹ in Lakh

No	Particulars	As at 31.03.2013		As at 31.03.2012	
<b>1</b>	<b>Share capital</b>				
a.	<b>Authorised:</b> 100,00,00,000 (Previous year 100,00,00,000) Equity Shares of ₹ 10/-each		100000.00		100000.00
b.	Issued, Subscribed and fully Paid up: Equity Shares of ₹ 10/- each fully paid up 64,70,71,974 (Previous year 64,70,71,974)		64707.20		64707.20
			<b>64707.20</b>		<b>64707.20</b>
c.	Shares subscribed but not fully paid up		Nil		Nil
d.	Par value per Share		₹ 10/- each		₹ 10/- each
e.	No of shares at the beginning of the year		647071974		647071974
f.	No of shares at the end of the year		647071974		647071974
g.	Rights, Preference and restrictions attached to each class of shares including restrictions on the distribution of dividend and payment of capital		Only one class of equity shares, each having one vote with equal right of dividend		Only one class of equity shares, each having one vote with equal right of dividend
h.	Shares in respect of each class in the company held by Holding company/ ultimate holding company/ subsidiaries of its Holding company/ Associates of Holding company / Subsidiaries of ultimate Holding company / Associates of ultimate Holding company.		Nil		Nil
i.	Shares held by shareholders holding more than 5% of shares: 98.56 % of shares are held by The Government of India		637765200		637765200
j.	Shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.		Nil		Nil
k.	For the period of five years immediately preceeding the dates as at which the Balance sheet is prepared-				
	I. Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash		Nil		Nil
	II. Aggregate number and class of shares allotted as fully paid up by way of Bonus shares		Nil		Nil
	III. Aggregate number and class of shares bought back		Nil		Nil
l.	Terms of any securities convertible into equity / preferential shares issued along with the earliest date of conversion		Nil		Nil
m.	Calls unpaid		Nil		Nil
n.	Forfeited shares		Nil		Nil

# THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

## NOTES ON ACCOUNTS

₹ in Lakh

No	Particulars	As at 31.03.2013		As at 31.03.2012	
<b>2</b>	<b>Reserves and Surplus</b>				
	<b>Capital Reserves:</b>				
	Subsidy from Kerala State Government under Industrial Housing Scheme		2.64		2.64
	<b>Other Reserves:</b>				
	Deferred Government Grant :				
	Indo EEC Fertiliser Education Project				
	Opening balance	64.79		67.42	
	Less amount written off during current year	2.48	62.31	2.63	64.79
	Bio Fertiliser Project				
	Opening balance	8.36		9.31	
	Less amount written off during current year	0.95	7.41	0.95	8.36
	<b>Surplus / Debit balance in Profit &amp; Loss statement:</b>				
	<b>Profit / Loss (-)</b>				
	Opening balance	-48558.22		-50538.03	
	Add Profit/ Loss (-) during the year	-35396.18	-83954.40	1979.81	-48558.22
			<b>-83882.04</b>		<b>-48482.43</b>
<b>3</b>	<b>Long-term borrowings</b>				
	<b>Term loans</b>				
	<b>Unsecured:-</b>				
	Other than banks				
	From Government of India (Refer Note 3.1)		21803.10		24023.00
	<b>Deposits</b>				
	<b>Unsecured:-</b>				
	Fixed Deposit from Public		0.00		0.00
3.1	Repayable in 10 equal yearly instalments after 2 year's moratorium. Defaulted payment of ₹ 4250.00 lakh (Previous year ₹ 2930.00 lakh) towards principal from the year 2008-09 and interest (@ 11.50% / 12.50% P.A.) ₹ 10594.28 lakh (Previous year ₹ 7272.89 lakh) from 2006-07. Defaulted amounts along with instalments due during the succeeding year has been shown under Other current liabilities.		<b>21803.10</b>		24023.00
<b>4</b>	<b>Long-term provisions</b>				
	<b>Employee benefits</b> (Refer Note 25.4)				
	Gratuity		11162.41		10327.20
	Leave encashment		7573.05		7412.75
			<b>18735.46</b>		17739.95
<b>5</b>	<b>Short-term borrowings</b>				
	<b>Secured:-</b>				
	Loans repayable on demand				
	From Banks (Refer Note 5.1)				
	Cash credit		61352.58		34823.97
	Term loan		0.00		9033.90
	Libor Linked Buyers Credit		9509.21		0.00

# THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

## NOTES ON ACCOUNTS

₹ in Lakh

No	Particulars	As at 31.03.2013	As at 31.03.2012
5.1	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 533.608 acres of land (Previous year 533.608 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 varies from 13.95% to 14.90 % p.a. (Previous year- from 12% to 14.90% p.a). Defaulted amount during the year ₹Nil (Previous year ₹Nil). Cash credit is repayable on demand (Previous year-on demand) and Buyer's credit in six months.		
		<b>70861.79</b>	<b>43857.87</b>
<b>6</b>	<b>Trade payables</b>		
	<b>Creditors:-</b>		
	For Supplies and Services	32173.77	53537.30
		<b>32173.77</b>	<b>53537.30</b>
6.1	Trade payables include ₹35.30 lakh (Previous year ₹16.37 lakh) 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 exceeding ₹1 lakh which is outstanding for more than 30 days is ₹1.03 lakh (Previous year Nil)		
6.2	The amount unpaid towards vendors under the Micro, Small and Medium Enterprises Development Act 2006 is ₹40.50 lakh (Previous year ₹31.01 lakh) and interest thereon works out to ₹0.71 lakh (Previous year ₹0.06 lakh)		
<b>7</b>	<b>Other current liabilities</b>		
	<b>Current maturities of long term debt</b>		
	Term loan from the Government of India	6469.90	4250.00
	Fixed Deposit from public	0.00	4048.37
	<b>Interest accrued but not due on borrowings</b>		
	Term loan from the Government of India	5323.03	3998.20
	Fixed Deposit from Public	0.00	738.19
	<b>Interest accrued and due on borrowings</b>		
	Term loan from the Government of India	10594.28	7272.89
	<b>Unclaimed matured fixed deposit and interest thereon</b>	4.57	31.31
	<b>Other payables</b>		
	Dues to banks on Forward Exchange contracts	7282.35	0.00
	Dues to employees	119.35	531.44
	Dues to customers	4534.68	4529.46
	Statutory dues	906.92	1009.97
	Other liabilities		
	Others	4634.55	4036.03
		<b>39869.63</b>	<b>30445.86</b>
<b>8</b>	<b>Short-term provisions</b>		
	<b>Employee benefits</b> (Refer Note 25.4)		
	Gratuity	1300.60	193.79
	Leave encashment	957.44	390.15
	<b>Others</b>		
	Excise duty on closing stock	3422.96	4194.99
		<b>5681.00</b>	<b>4778.93</b>

# THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Floor, Udyogamandal, Kochi, Kerala

₹ in Lakh

## NOTES ON ACCOUNTS

### 9. FIXED ASSETS - TANGIBLE ASSETS & INTANGIBLE ASSETS:

	GROSS BLOCK (AT COST)			DEPRECIATION			IMPAIRMENT LOSS		NET BLOCK						
	As at 01.04.2012	Additions during the year	Disposals/ Deductions during the year	Adjustments during the year	As at 31.03.2013	Upto 31.03.2012	For the year	On Disposals/ Deductions during the year	On adjustments during the year	Upto 31.03.2013	Upto 31.03.2012	With-drawal during the year	Upto 31.03.2013	As at 31.03.2013	As at 31.03.2012
Tangible assets															
Land	1735.30		0.00	0.99	1736.29	0.00				0.00			1736.29	1735.30	
Buildings	6370.91	2.75	0.00		6373.66	5104.72	38.44	0.00		5143.16	12.76	-1.92	1219.66	1253.43	
Plant & Equipment	122736.08	702.45	-94.15	57.74	123402.12	98819.39	4129.90	-89.44		102859.85	604.94	-82.51	20019.84	23311.75	
Furniture & Fixtures	482.01	1.31			483.32	451.02	1.98			453.00			30.32	30.99	
Vehicles	486.48	24.27	-6.88		503.87	352.68	38.59	-6.54		384.73			119.14	133.80	
Office equipment	1842.38	40.39	-1.54		1881.23	1541.67	101.62	-1.39		1641.90			239.33	300.71	
Others:-															
Roads & Culverts	1090.00	335.08			1425.08	831.59	100.33	53.59		985.71			439.37	258.41	
Railway Sidings	312.32				312.32	296.71				296.71			15.61	15.61	
Misc. Assets	573.49	28.11			601.60	490.30	12.70			503.00			98.60	83.19	
Minor Assets	179.72	1.83			181.55	179.72	1.83			181.55			0.00	0.00	
<b>Total (A)</b>	<b>135808.69</b>	<b>1136.19</b>	<b>-102.57</b>	<b>58.73</b>	<b>136901.04</b>	<b>108667.80</b>	<b>4425.59</b>	<b>-97.37</b>	<b>53.59</b>	<b>112449.61</b>	<b>617.70</b>	<b>-84.43</b>	<b>23918.16</b>	<b>27123.19</b>	
Indo EEC project:-															
Land	20.91				20.91	0.00				0.00			20.91	20.91	
Buildings	133.27				133.27	86.96	2.32			89.28			43.99	46.31	
Plant & Equipment	13.88				13.88	12.13	0.16			12.29			1.99	1.75	
Furniture & Fixtures	1.96				1.96	1.86				1.86			0.10	0.10	
Office equipment	1.64				1.64	1.55				1.55			0.09	0.09	
<b>Total (B)</b>	<b>171.66</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>171.66</b>	<b>102.50</b>	<b>2.48</b>	<b>0.00</b>	<b>0.00</b>	<b>104.98</b>	<b>617.70</b>	<b>-84.43</b>	<b>23984.84</b>	<b>69.16</b>	
Tangible assets total (A+B)	135980.35	1136.19	-102.57	58.73	137072.70	108770.30	4428.07	-97.37	53.59	112554.59	617.70	-84.43	533.27	23984.84	27192.35
Intangible Asset:-															
Computer Software	1054.01	0.00			1054.01	492.21	210.80			703.01			351.00	561.80	
<b>Total (C)</b>	<b>1054.01</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1054.01</b>	<b>492.21</b>	<b>210.80</b>	<b>0.00</b>	<b>0.00</b>	<b>703.01</b>	<b>617.70</b>	<b>-84.43</b>	<b>24335.84</b>	<b>2754.15</b>	
<b>Grand Total (A+B+C)</b>	<b>137034.36</b>	<b>1136.19</b>	<b>-102.57</b>	<b>58.73</b>	<b>138126.71</b>	<b>108662.51</b>	<b>4638.87</b>	<b>-97.37</b>	<b>53.59</b>	<b>112257.60</b>	<b>617.70</b>	<b>-84.43</b>	<b>533.27</b>	<b>24335.84</b>	<b>2754.15</b>
Previous year	136532.85	411.05	-21.78	12.24	137034.36	104296.44	4386.43	-20.36	0.00	108662.51	745.23	127.53	617.70	2754.15	31591.18
Depreciation for the year : (D)					<b>2012-13</b>	2011-12							<b>2012-13</b>	2011-12	
Impairment loss withdrawn during the year (Net) : (E)					<b>4638.87</b>	4386.43							<b>113257.60</b>	108662.51	
Amount charged to Profit & Loss Statement: (D) - (E)					<b>84.43</b>	127.53							<b>533.27</b>	617.70	
Amount charged to Profit & Loss Statement: (D) - (E)					<b>4554.44</b>	4258.90							<b>113790.87</b>	109280.21	

- 9.1) Out of the total 2150.50 (Previous year 2150.50 acres) acres of land held by the Company, 158.82 acres, value ₹ Nil (Previous year 158.82 acres, value ₹ Nil) are held under leasehold 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 execution.
- 9.2) Land for ₹ 517.40 lakh (Previous year ₹ 516.41 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 Profit and Loss statement of the year.
- 9.3) Possession of 50 acres of land in Cochin Division was handed over to the Government of Kerala for Common Hazardous Waste Treatment Storage and Disposal Facility (TSDF) Project in May 2006 for which 50% consideration, has been received in cash. The title deed for sale of this land is yet to be executed. Allotment of shares of Kerala Enviro Infrastructure Limited towards balance 50% (₹ 312.40 lakh) is made on 26.2.2013 and accordingly the amount is classified under Non-current investments (Refer Note no. 11 (viii))
- 9.4) As per the joint Venture agreement with M/s Rashtriya Chemicals and Fertilisers Limited (RCF), the company, during 2008-09, has made available 11 acres of land at Cochin Division on lease basis to M/s. FACT-RCF Building Products Limited for a period of 20 years on an upfront premium of ₹ 1000 lakh and an yearly rent of ₹ 10 per year.
- 9.5) During the year 2011-12, the company, by way of leave and licence basis, has made available to M/s Gas Authority of India Ltd, at Udyogamandal / Cochin Division, 2.40 acres of land and Right of Use of 0.33 acres for laying pipe lines for a period of 35 years for an upfront premium of ₹ 479 lakh and an yearly licence fee of ₹ 100/- . Leave and licence agreement is under execution.
- 9.6) 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).
- 9.7) The cost of licence fee and implementation of SAP ERP system software has been capitalised during the year 2009-10 as Intangible Asset and depreciated proportionately over a period of five years from the date of commissioning (including on additions). Addition during the year is ₹ Nil (Previous Year ₹ 31.52 lakh).
- 9.8) During 2012-13, the company has by way of leave and licence basis, made available JNM hospital building ( 15300 sq ft) and no 5 dormitory (25035 sq ft) to M/s Central Institute of Plastics Engineering & Technology for 15 years for conducting academic classes /training /research and for providing hostel facilities.
- 9.9) Impairment loss provided for Steam Generation, Power Generation, Water treatment plants of Phase 1 in Cochin Division and Phosphoric Acid plant in Udyogamandal Division due to unviable operations (Fertiliser Segment) was reviewed as on 31.03.2013. Accordingly an amount of ₹ 533.27 lakh is retained as Impairment loss as on 31.03.2013 ( as per class of assets as given above) and ₹ 84.43 lakh has been reversed and credited to Profit and Loss statement during the year on account of decrease in book value due to current year depreciation. The recoverable amount of the asset is the net selling price which is worked out on the basis of estimated technical valuation.

# THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

## NOTES ON ACCOUNTS

₹ in Lakh

No	Particulars	As at 31.03.2013	As at 31.03.2012
10	<b>A.Capital work-in-progress</b> Work-in-progress Goods in transit/ Material pending inspection	3928.63 1383.99	2051.95 458.17
		<b>5312.62</b>	2510.12
11	<b>Non-Current investments</b> <b>Investments in Equity instruments</b> <b>Non-trade Investments (At cost)-Unquoted</b> <b>In joint venture</b>		
(i)	1,76,90,000 (Previous year 1,76,90,000) Equity Shares of ₹ 10/- each in FACT-RCF Building Products Ltd	1769.00	1769.00
	<b>In Others</b>		
(ii)	6,81,820 Equity Shares of ₹ 10/- each in Travancore Cochin Chemicals Ltd., including 3,40,910 Bonus shares.	34.09	34.09
(iii)	15 Equity Shares of ₹ 1000/- each fully paid-up in Capexil Agencies Ltd.	0.15	0.15
(iv)	3,24,000 Equity Shares of ₹ 10/- each fully paid-up in Indian Potash Ltd., including 1,35,000 Bonus Shares	18.90	18.90
(v)	10,001 shares of ₹ 10/- each fully paid-up in FACT Co-operative Society Ltd.	1.00	1.00
(vi)	7 shares of ₹ 100/- each fully paid-up in Meherabad Co-operative Housing Society ltd.	0.01	0.01
(vii)	10 shares of ₹ 50/- each fully paid-up in Good Earth Housing Society Ltd. ₹ 500 (Previous year ₹ 500)		
(viii)	31,24,000 shares of ₹10/- each fully paid-up in Kerala Enviro Infrastructure Ltd. Allotted on 26.2.2013(Refer Note 9.3)	312.40	0.00
	<b>Aggregate of unquoted non-current investments</b>	<b>2135.55</b>	1823.15
11.1	Financial reporting on interest in Joint Ventures In the year 2008-09, a joint venture with Rashtriya Chemicals and Fertilisers Ltd.(RCF) for manufacture of Rapid Building materials from Gypsum has been formed. The company has invested ₹ 1769 lakh (Previous year ₹ 1769 lakh ) as its share in the Joint venture. Other details are:- Name : FACT-RCF Building Products Ltd. Country of incorporation : India Ownership interest : 50% (31.03.13 ) The Company's share in assets, liabilities, income, expenses , contingent liabilities and capital commitments of Joint venture		
	1.Assets	<b>As at 31.03.2013</b>	<b>As at 31.03.2012</b>
	Non-current assets	<b>5926.17</b>	5766.42
	Current assets	<b>325.82</b>	406.79
	2.Liabilities		
	Non-current liabilities	<b>4326.85</b>	3045.10
	Current Liabilities & Provisions	<b>157.66</b>	1143.50
	3.Income	<b>39.96</b>	0.21
	4.Expenses	<b>848.22</b>	41.20
	5.Contingent Liability	<b>411.52</b>	352.84
	6.Capital commitments	<b>205.30</b>	213.63
11.2	Related party disclosure on Joint Ventures (Accounting Standard 18) List of related party <b>FACT-RCF Building Products Ltd. (Joint Venture)</b> <b>Transactions with related parties:</b> Share application money paid during the year : ₹ 884.32 lakh (Previous year ₹ 219 lakh) Guarantees given during the year: ₹ Nil (Previous year ₹ Nil) Expenditure incurred during the year on employees deputed :₹103.94 lakh (Previous year ₹ 99.91 lakh) Sale of goods and stores during the year : ₹ 496.87 lakh (Previous year ₹ 10.26 lakh) Supply of services and others during the year : ₹7.46 lakh ( Previous year ₹ 11.47 lakh) Guarantees given to Joint Venture as on 31.03.2013: ₹ 1750 lakh(Previous year ₹ 1750 lakh) Advance towards share capital pending allotment as on 31st March 2013 : ₹ 884.32 lakh (Previous year ₹ Nil) Receivables as on 31st March 2013 : ₹ 510.83 lakh (Previous year ₹268.89 lakh) Payables as on 31st March 2013: ₹ Nil (Previous year ₹ Nil)		

# THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

## NOTES ON ACCOUNTS

₹ in Lakh

No	Particulars	As at 31.03.2013	As at 31.03.2012
<b>12</b>	<b>Deferred tax assets (net)</b> The Company has deferred tax asset of ₹ 89462 lakh (Previous year ₹72242 lakh) as on 31.03.2013 because of unabsorbed depreciation and accumulated losses. The deferred tax liability as on 31.03.13 is ₹15081 lakh (Previous year ₹18213 lakh). Since there is net deferred tax asset as on 31.03.2013, 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 ₹24129 lakh.(Previous year ₹17527 lakh)		
<b>13</b>	<b>Long-term loans and advances</b>		
	<b>Capital advances</b>		
	Unsecured considered good		
	Advance to vendors	605.61	193.68
	<b>Other loans and advances</b>		
	Unsecured considered good		
	Advance to employees	16.18	18.39
		<b>621.79</b>	<b>212.07</b>
13.1	Advance to vendors (capital) include advances paid covered by Bank Guarantees. Current year ₹Nil (Previous year ₹22.37 lakh )		
13.2	Advance to vendors (capital) include amount paid for items supplied but rejected by the Company pending settlement is ₹12.79 lakh (Previous year ₹11.53 lakh )		
13.3	Advance to employees include ₹16.14 lakh (Previous year ₹ 17.99 lakh) towards festival advance paid during 1996-97, and is being recovered at the time of separation from company's service.		
<b>14</b>	<b>Other non-current assets</b>		
	Share application money pending allotment (Refer Note 11.2)	884.32	312.40
	Others	346.86	242.92
		<b>1231.18</b>	<b>555.32</b>
<b>15</b>	<b>Inventories</b> (As taken, valued and certified by the Management. Mode of valuation explained in No. V-Significant Accounting Policies)		
	Raw Materials	20065.54	11158.05
	Raw materials-in -transit	0.00	9171.04
	Work-in-progress	4645.37	4751.48
	Finished Goods	24840.70	32447.84
	Stock-in-trade (in respect of goods acquired for trading)	2347.98	5678.93
	Stores and Spares		
	Machinery Spares	9675.66	8063.53
	General Stores	8184.17	6180.70
	Retired Spares	453.50	453.50
		18313.33	14697.73
	Less: Provision towards obsolescence and storage losses (Refer Note No.15.2 & 15.3)	3757.12	3094.39
		14556.21	11603.34
	Stores & Spares-in -transit	989.46	943.81
		<b>67445.26</b>	<b>75754.49</b>
15.1	Finished Goods includes 40.95 lakh MT (Previous year 45.04 lakh MT) of Gypsum (out of 41.86 lakh MT stock on hand as on 31.03.2013) (Previous year 45.96 lakh MT) amounting to ₹16970.63 lakh (Previous year ₹18667.26 lakh) valued at net realisable value(inclusive of Excise Duty ).		
15.2	The company provides for redundancy / obsolescence keeping in view the estimated realisable value, in respect of a)stores and spares lying in stores for more than 10 years b) stores and spares identified as surplus having an age of 5-10 years and c) all damaged stores and spares. Current year ₹662.73 lakh (Previous year ₹227.64 lakh).		
15.3	The disclosure of provisions movement as required under Accounting Standard 29 "Provisions, Contingent Liabilities and Contingent Assets"		
	Provision towards obsolescence and storage losses (including provision towards Retired spares )		
	Provision at the beginning of the year	3094.39	2866.75
	Provisions made during the year	662.73	227.64
	Utilisations during the year	0.00	0.00
	Released during the year	0.00	0.00
	Provision at the end of the year	3757.12	3094.39
15.4	Stores & Spares in transit includes Stores & Spares at site pending inspection ₹392.15 lakh ( Previous year ₹411.63 lakh).		

# THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

## NOTES ON ACCOUNTS

₹ in Lakh

No	Particulars	As at 31.03.2013	As at 31.03.2012
<b>16</b>	<b>Trade receivables</b>		
a	Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
	Secured, considered good	0.49	0.55
	Unsecured, considered good	495.76	113.03
	Doubtful	978.81	1002.49
	Less: Allowance for doubtful Trade receivables	-978.81	-1002.49
b	Other Trade receivables		
	Secured, considered good	0.00	0.01
	Unsecured, considered good	329.60	1011.80
		<b>825.85</b>	<b>1125.39</b>
16.1	The disclosure of provisions movement as required under Accounting Standard 29		
	Allowance for doubtful Trade receivable		
	Provision at the beginning of the year	1002.49	1028.20
	Provisions made during the year	13.16	0.00
	Written off during the year	3.18	1.65
	Released during the year	33.66	24.06
	Provision at the end of the year	978.81	1002.49
16.2	Bills discounted amounting to ₹ Nil (Previous year ₹7343.18 lakh) is deducted from Other Trade receivables-Unsecured, considered good.		
<b>17</b>	<b>Cash and Bank balances</b>		
	<b>Cash and cash equivalents</b>		
	Balances with Banks	676.59	2742.30
	Cheques, Drafts on hand	2.82	67.95
	Cash on hand	12.53	7.82
	Others		
	Current Account with banks for unpaid interest warrants	0.70	115.09
	Treasury Savings Account- Includes ₹ 9.88 lakh (Previous year ₹9.59 lakh) lodged with Kerala Water Authority towards security deposit.	10.18	9.84
	<b>Other Bank balances</b>		
	Balances with Banks held as Margin money/ Security	2531.21	4071.67
	Deposits (with more than 3 months maturity)	2.62	2.43
		<b>3236.65</b>	<b>7017.10</b>
17.1	Balance with banks include ₹ 33.27 lakh (Previous Year ₹ 49.83 lakh) being the balance of amount received from clients for execution of jobs on Total Responsibility basis lying in a specified account to meet the matching liabilities under Current Liabilities.		
<b>18</b>	<b>Short-term loans and advances</b>		
	Other than related parties		
	Considered Good - Unsecured:		
	Advances recoverable in cash or in kind or for value to be received:		
	i) Advance Income tax (net of Provision for Income tax)	59.27	499.26
	ii) Income tax deducted at source	95.62	135.01
	iii) Advance to/ Dues from vendors	2251.17	5055.40
	iv) Advance to employees	271.36	177.55
	v) Other Loans and Advances	264.02	483.80
	Balance with Central Excise	7247.38	8213.68
	VAT Refund receivable	4234.92	2846.16
	Deposits	687.83	685.27
	Prepaid expenses	291.21	340.22
	Considered Doubtful	3948.78	136.10
	Less : Allowance for bad and doubtful loans and advances	-3948.78	-136.10
		<b>15402.78</b>	<b>18436.35</b>

# THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

## NOTES ON ACCOUNTS

₹ in Lakh

No	Particulars	As at 31.03.2013	As at 31.03.2012
18.1	Other loans and advances include unutilised certificates worth ₹ 13.49 lakh (Previous year ₹ 328.48 lakh) under Duty Entitlement Passbook Scheme (DEPB) and ₹12.98 lakh (Previous year ₹18.12 lakh) receivable under Duty Drawback scheme , effective from 01.10.2011, on export of Caprolactam.		
18.2	Deposits includes ₹ 67.92 lakh (Previous Year ₹70.38 lakh) towards the amount paid against disputed demands pending appeal and ₹545.07 lakh (Previous year ₹ 544.51 lakh) towards security deposit with Kerala State Electricity Board.		
18.3	Advance to vendors/dues from vendors include advances paid covered by Bank Guarantees and interest accrued upto the date of reiterating the claim under bank guarantee.Current year ₹ 1353.19 lakh (Previous year ₹4285.76 lakh).The bank guarantee was invoked and the court has stayed the encashment till the arbitration award.		
18.4	Advance to vendors include amount paid for materials supplied but rejected by the Company pending settlement ₹ 27.05 lakh (Previous year ₹10.54 lakh )		
18.5	Advance to employees include ₹ 1.79 lakh (Previous year ₹ 1.52 lakh) towards a portion of festival advance paid during 1996-97 and recoverable at the time of seperation from company's service during the year 2013-14.		
18.6	The disclosure of provisions movement as required under Accounting Standard 29		
	Allowance for bad & doubtful Loans and advances		
	Provision at the beginning of the year	136.10	152.42
	Provisions made during the year	3812.68	0.00
	Written off during the year	0.00	0.00
	Released during the year	0.00	16.32
	Provision at the end of the year	3948.78	136.10
18.7	Allowance for bad and doubtful loans and advances include ₹ 3794.44 lakh (Previous year ₹ Nil) towards interest accrued on unpaid interest bearing mobilisation advance given to a private company, which the company had been accounting as amount claimable from bank.Based on recent developments arising out of the order of the Hon'ble High Court of Kerala, the claim of interest from the bank beyond the date of invocation is not considered on the basis of bank guarantee.However, the company continues to maintain its claim on the party as per the legal opinion obtained.On a conservative basis, in view of the ongoing arbitration case, the company has also made equivalent provision towards the claim of interest accrued receivable from the said party		
19	<b>Other current assets</b>		
	Subsidy/Concession on fertilisers receivable from the Government of India	38040.86	51437.95
	Other accrued income	854.07	716.16
	Retired plant held for sale	3256.90	3256.90
	Other receivables		
	Amount receivable from banks on forward exchange contracts	7154.45	0.00
	Others	96.11	8.53
		<b>49402.39</b>	<b>55419.54</b>
19.1	During the year 2009-10 company has decided to scrap Ammonia & Urea plants at Cochin Division. These plants have been stated at estimated realisable value of ₹ 3245.03 lakh (Previous year ₹ 3245.03 lakh) and included under Retired Plants held for sale.		

# THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

## NOTES ON ACCOUNTS

₹ in Lakh

No	Particulars	Figures for the year ended 31.03.2013	Figures for the year ended 31.03.2012
<b>20</b>	<b>Revenue from operations</b>		
	<b>Sale of products:</b>		
	Own Products	145297.46	170781.13
	Traded Products	7478.52	3753.61
		152775.98	174534.74
	Less: Sales discount/Dealer margin	7803.74	6052.20
		144972.24	168482.54
	Subsidy/Concession on Fertilisers	90668.83	126596.43
	<b>Sale of Services:</b>		
	Gross income from contracts and other services	742.01	974.75
		236383.08	296053.72
	Less: Excise duty	4806.40	8448.89
	<b>Total Revenue from operations</b>	<b>231576.68</b>	<b>287604.83</b>
20.1	Sale of own products:		
	Ammonium Sulphate	14751.39	16266.01
	Factamfos 20-20-0-13	94696.77	72587.38
	Mixed Manures	2033.58	1902.75
	Caprolactam	27843.81	71822.90
	Nitric acid	147.00	355.39
	Soda Ash	288.30	525.32
	Gypsum	4399.76	5973.79
	Others	1136.85	1347.59
	Total	<b>145297.46</b>	<b>170781.13</b>
20.2	Sale of traded products:		
	Muriate of Potash	7194.47	486.68
	Urea-Imported	23.96	3008.81
	Organic Manures	248.29	258.12
	Others	11.80	0.00
		<b>7478.52</b>	<b>3753.61</b>
20.3	Subsidy/Concession on Fertilisers		
	Ammonium Sulphate	13210.78	23913.04
	Factamfos 20-20-0-13	71385.54	98076.23
	Muriate of Potash	6072.51	4607.16
		<b>90668.83</b>	<b>126596.43</b>

Subsidy/Concession on Ammonium Sulphate includes an amount of ₹Nil (Previous year ₹6590.85 lakh) pertaining to earlier years, as per notification received from the Government of India.

# THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

## NOTES ON ACCOUNTS

₹ in Lakh

No	Particulars	Figures for the year ended 31.03.2013	Figures for the year ended 31.03.2012
<b>21</b>	<b><u>Other income</u></b>		
	Interest income:		
	(a) On deposits with banks	207.41	194.83
	(b) On loans, advances, claims, overdues etc. ₹1288.81		
	Less: Provision for interest on advance (note 21.1) ₹861.87	426.94	1319.70
	(c) On Government securities (Current)	0.00	294.70
	Dividend income (Long term)	8.10	8.10
	Other non-operating income		
	(a) Excess provisions written back	92.10	56.05
	(b) Profit on sale/realisable value of assets (net)	0.25	21.36
	(c) Transfer from deferred Government grants:		
	(i) On EEC project	2.48	2.63
	(ii) On Bio-Fertiliser project	0.95	0.95
	(d) Miscellaneous income	1085.08	1771.85
	<b>Total Other income</b>	<b>1823.31</b>	<b>3670.17</b>
21.1	Interest of ₹ 861.87 lakh for 2012-13 receivable from the contractor on the interest bearing mobilisation advance still retained by the party, has been considered in the accounts.(Previous year ₹717.57 lakh). However a corresponding provision for doubtful interest has been made during the current year. (Refer note 18.7)		
<b>22</b>	<b><u>Cost of raw materials consumed (Refer Note 37 )</u></b>		
	Opening stock	11158.05	13647.66
	Purchases	151371.76	172428.40
		162529.81	186076.06
	Closing stock	20065.54	11158.05
	Cost of materials consumed	<b>142464.27</b>	<b>174918.01</b>
22.1	The physical verification of raw materials and finished products has been carried out on or around 31st March 2013. The differences over book figures in the case of raw material has been adjusted in consumption ( Excess(-) / Shortage). Current year ₹923.26 lakh (Previous year ₹22.84 lakh ).		
<b>23</b>	<b><u>Purchases of Stock-in-trade</u></b>		
	Urea Imported	0.00	2384.51
	Muriate of Potash	8522.67	10958.92
	Others	198.85	141.36
	Total purchases of Stock in trade	<b>8721.52</b>	<b>13484.79</b>
<b>24</b>	<b><u>Changes in inventories of Finished goods, Work-in-progress and Traded products</u></b>		
	Opening stock		
	Finished Goods- Includes excise duty ₹4194.99 lakh (Previous year ₹ 3584.45 lakh)	32447.84	32631.76
	Traded products	5678.93	166.35
	Work-in progress	4751.48	5221.38
		<b>42878.25</b>	<b>38019.49</b>

# THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

## NOTES ON ACCOUNTS

₹ in Lakh

No	Particulars	Figures for the year ended 31.03.2013	Figures for the year ended 31.03.2012
	Closing stock		
	Finished Goods- Includes excise duty ₹ 3422.96 lakh (Previous year ₹ 4194.99 lakh)	24840.70	32447.84
	Traded products	2347.98	5678.93
	Work-in progress	4645.37	4751.48
		31834.05	42878.25
	<b>Changes in inventories: Increase(-)/Decrease(+)</b>	<b>11044.20</b>	<b>-4858.76</b>
<b>25</b>	<b>Employee benefit expense</b>		
	Salaries and Wages	16550.95	15613.73
	Contribution to Provident fund	1804.29	1723.39
	Leave encashment	1927.75	1677.96
	Gratuity	1962.46	1963.22
	Staff welfare expenses	1469.39	1494.22
	Total Employee benefit expense	<b>23714.84</b>	<b>22472.52</b>
25.1	Remuneration to Directors		
	Sri Sham Lal Goyal IAS, Chairman and Managing Director	0.00	0.00
	Sri V.G.Sankaranarayanan, Director(Technical) - (Upto 30.04.2011)	0.00	18.58
	Sri P.Muthusamy, Director (Finance)	18.05	15.99
	Sri V.K.Anil, Director (Technical)	19.73	13.89
	Sri P.K.Chandrasekharan, Director (Marketing)	17.71	5.55
		<b>55.49</b>	<b>54.01</b>
	The whole time Directors have been allowed the use of company car and for private journey upto a ceiling of 9000 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.		
25.2	Related party disclosure on Joint Ventures (Accounting Standard 18) List of related party Key Management Personnel Sri Sham Lal Goyal IAS , Chairman and Managing Director. Sri V.G.Sankaranarayanan, Director (Technical)-(Upto 30.04.2011) Sri P.Muthusamy, Director (Finance) Sri V.K.Anil, Director (Technical) Sri P.K.Chandrasekharan, Director (Marketing) <b>Transactions with related parties:</b> Remuneration to key management personnel : ₹ 55.49 lakh (Previous year ₹54.01 lakh )		
25.3	The Company as on date is not liable to provide for the arrears of salaries and wages (net of interim relief paid) for the period 01.01.1997 to 30.06.2001 and perquisites and other allowances for the period 20.10.2000 to 30.06.2001, in respect of its managerial and unionised employees, in view of the conditions in the directives of the Government of India while implementing the wage revision. Accordingly no provision has been made in the accounts.		

# THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

## NOTES ON ACCOUNTS

25.4 The disclosure required under Accounting Standard 15 "Employee Benefits" <b>Defined contribution plan</b>	₹ in Lakh			
	31.03.2013	31.03.2012		
Contribution to defined contribution plan recognised and charged off during the year are:-				
1 Employer's contribution to Provident Fund and Pension Scheme	<b>1804.29</b>	1723.39		
2 Employer's contribution to Superannuation benefit fund (₹100/-)	<b>0.00</b>	0.00		
3 The Company's Provident Fund is exempted under section 17 of the Employees Provident Fund Act, 1952. Conditions for grant of exemption stipulates that the employer shall make good the deficiency, if any. During the year ₹ nil (Previous year - ₹ 20.60 lakh) has been withdrawn from provision in the accounts towards deficiency in respect of FACT Employees Provident Fund, Udyogamandal. There is no deficiency in respect of FACT Cochin Division Employees Provident Fund.				
<b>Defined benefit plan</b>				
Gratuity fund is managed under Group Gratuity (Cash Accumulation) policy by M/s Life Insurance Corporation of India. The present value of obligation is determined on the basis of actuarial valuation using projected unit credit method. The present value of obligations for leave encashment is recognised in the same manner.				
	₹ in Lakh		₹ in Lakh	
<b>a. Changes in the present value of obligations (P V O)</b>	<b>Leave encashment (unfunded)</b>		<b>Gratuity (Funded)</b>	
	<b>2012-13</b>	2011-12	<b>2012-13</b>	2011-12
Present value of obligations at the beginning of the year	<b>7802.90</b>	6943.78	<b>12356.50</b>	11452.19
Interest cost	<b>652.84</b>	595.33	<b>1008.80</b>	935.90
Past service cost	<b>0.00</b>	0.00	<b>0.00</b>	0.00
Current service cost	<b>715.08</b>	995.61	<b>507.09</b>	493.26
Benefits paid	<b>-1200.15</b>	-818.85	<b>-1577.49</b>	-1169.15
Actuarial loss/(gain) on obligation	<b>559.83</b>	87.03	<b>526.37</b>	644.30
Present value of obligations at the end of the year	<b>8530.50</b>	7802.90	<b>12821.27</b>	12356.50
<b>b. Changes in the fair value of plan assets</b>				
Fair value of plan assets at the beginning of the year			<b>1835.51</b>	1671.22
Expected return on investment			<b>146.84</b>	133.70
Employer's contribution	<b>1200.15</b>	818.85	<b>0.00</b>	1200.00
Benefits paid	<b>1200.15</b>	818.85	<b>-1577.49</b>	-1169.15
Actuarial loss/(gain) on plan assets	<b>0.00</b>	0.00	<b>-46.60</b>	-0.26
Fair value of plan assets at the end of the year	<b>0.00</b>	0.00	<b>358.26</b>	1835.51
Actual return on investment	<b>0.00</b>	0.00	<b>146.84</b>	133.70
<b>c. Amount recognised in Balance sheet</b>				
Present value of obligations at the end of the year	<b>8530.50</b>	7802.90	<b>12821.27</b>	12356.50
Fair value of plan assets at the end of the year	<b>0.00</b>	0.00	<b>358.26</b>	1835.51
Unfunded net liability recognised in Balance sheet	<b>8530.50</b>	7802.90	<b>12463.01</b>	10520.99
<b>d. Expenses recognised in Profit and Loss Statement during the year</b>				
Current service cost	<b>715.08</b>	995.61	<b>507.09</b>	493.26
Past service cost	<b>0.00</b>	0.00	<b>0.00</b>	0.00
Interest cost	<b>652.84</b>	595.33	<b>1008.80</b>	935.90
Expected return on investment	<b>0.00</b>	0.00	<b>146.84</b>	133.70
Net actuarial (gain) / loss recognised during the year	<b>559.83</b>	87.03	<b>572.98</b>	644.56
Total Expenses recognised in Profit & Loss Statement during the year	<b>1927.75</b>	1677.97	<b>1942.03</b>	1940.02
<b>e. Investment details</b>	% invested as at 31st March		% invested as at 31st March	
LIC Group Gratuity (Cash Accumulation) policy			<b>2.79</b>	14.85
<b>f. Actuarial assumptions</b>	(1994-96) Ultimate		LIC (1994-96) Ultimate	
Mortality rate				
Discount rate	<b>8.00%</b>	8.00%	<b>8.00%</b>	8.00%
Salary escalation rate	<b>5.00%</b>	5.00%	<b>5.00%</b>	5.00%
Expected rate of return on plan assets	-	-	<b>9.40%</b>	9.40%

# THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

## NOTES ON ACCOUNTS

₹ in Lakh

No	Particulars	Figures for the year ended 31.03.2013	Figures for the year ended 31.03.2012
<b>26</b>	<b>Finance costs</b>		
(a)	Interest expense		
	Interest on loans from the Government of India	4739.11	3957.65
	Interest on Cash credit/loans from banks	8642.87	7516.92
	Interest -others	1213.58	1544.95
(b)	Other borrowing costs	774.87	657.06
(c)	Net loss on foreign currency transactions		
	Exchange rate variation & premium on forward exchange contract on buyer's credit	167.39	0.00
		<b>15537.82</b>	<b>13676.58</b>
<b>27</b>	<b>Other expenses</b>		
	Consumption of stores & spare parts	5086.17	3912.67
	Power and Fuel	33382.00	40312.46
	Rent	601.06	426.09
	Repairs to buildings	161.71	217.89
	Repairs to machinery	3185.83	2909.45
	Packing materials	2120.18	2590.46
	Insurance	125.38	98.85
	Rates and Taxes	82.68	76.90
	Gain(-)/Loss on exchange rate variation (net)	1830.09	1237.73
	Material and other direct charges on contracts	195.47	249.71
	Auditors' Fees and Expenses	24.08	22.83
	Freight , Handling and other charges	9701.07	9383.55
	Net provision for excise duty on stock of Finished goods	-772.03	610.54
	Bad debts written off	3.20	1.68
	Provision for doubtful debts/advances	2963.96	0.00
	Damages/Shortages of Stores , Spares & Products (Net)	-8.63	16.55
	Provision for obsolescence of stores (Net)	662.73	227.64
	Research and Development Expenditure	72.49	71.60
	Miscellaneous Expenses	4568.40	3718.09
		63985.84	66084.69
	Less :Allocated Expenses [net of income from inter-divisional jobs of ₹ 1115.27 lakh] (Previous year ₹670.25 lakh)	1187.47	741.54
		<b>62798.37</b>	<b>65343.15</b>
27.1	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 ₹ -8.63 lakh (Previous year ₹ 16.55 lakh)		
27.2	Miscellaneous Expenses includes Directors travel amounting to ₹ 26.90 lakh (Previous year ₹ 26.37 lakh) and Directors sitting fee ₹ Nil (Previous year ₹ 2.70 lakh)		
27.3	Auditors' Fees and Expenses		
	Statutory Auditors' Fees and Expenses (including for Branch Auditors)		
	As Auditor	7.19	7.19
	For Company Law matters	0.00	0.51
	For Other Services	10.32	9.04
	For Expenses	6.57	6.09
	Total	24.08	22.83
27.4	Provision for excise duty on stock of Finished goods		
	Provision on closing stock	3422.96	4194.99
	Less: provision on opening stock	4194.99	3584.45
	Net provision	-772.03	610.54
27.5	Research and Development Expenditure includes depreciation of ₹0.56 lakh. (Previous year ₹ 0.69 lakh) on Research and Development Assets.		
<b>28</b>	<b>Exceptional items- Prior period income (-)/expense</b>		
	Penal interest provision on GOI loan reversed in line with GOI calculation during the year	-92.88	0.00
	Prior year depreciation from August 2010 on NHAI underpass capitalised during the year	53.59	0.00
	Net Prior period income	<b>-39.29</b>	<b>0.00</b>

# THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

## NOTES ON ACCOUNTS

	₹ in Lakh	
	31-03-2013	31-03-2012
29 <b>Contingent Liabilities and Commitments</b> ( to the extent not provided for) :		
(1) Contingent Liabilities :		
(a) Claims against the company pending before various legal/ statutory authorities and not acknowledged as debts in respect of:		
i) Excise Duty *	4739.51	72.56
ii) Service Tax	279.77	75.96
iii) Sales Tax / Entry tax	497.43	472.20
iv) Customs Duty	0	40.04
v) Income Tax	151.48	151.48
vi) ESI	224.80	221.27
viii) Suppliers and contractors #	178666.37	178381.66
viii) Others	1025.99	511.94
# 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's claim for shortfall charges (for the period 01.04.2003 to 22.04.2008) and damages for ₹178489.75 lakh (Previous year ₹178101.42 lakh) which is pending before the Arbitrator has not been provided in the accounts and is included under Contingent liabilities based on the assessment of the management.		
* Excise duty demand of ₹30.62 lakh on purchase of Raw material, pending appeal, has not been considered since the liability rests with supplier as per order terms.(PreviousYear ₹28.52 lakh).		
(b) Guarantees given to various clients\ statutory authorities for performance of contracts\ obligations are not included, as the money value thereof cannot be ascertained. In addition company has provided Corporate Guarantee for the term loan of M/s FACT-RCF Building Products Ltd. However the share of term loan exposure as on 31.03.2013 is ₹4256.07 lakh (50% of total loan exposure of ₹8512.13 lakh).	1750.00	1750.00
(c) The contingent liability in respect of bills discounted with banks fully covered by buyers' letter of credit	0.00	7343.18

## THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

		₹ in Lakh	
		31-03-2013	31-03-2012
30	(2) Commitments:		
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for.	4688.41	1737.44
	(b) Other commitments	0.00	0.00
31	a) Contract revenue recognised in the period.	731.45	966.10
	b) Advance received against contract in progress.	0.70	0.70
	c) Retention by customers against contract in progress.	9.13	8.88
	d) Aggregate amount of cost incurred and recognised profit (less recognised loss) on contracts in progress upto the reporting date.	2474.40	1964.35
	e) Gross amount due from customers for contract work as an asset.	1123.72	1115.93
	f) Gross amount due to customers for contract work as a liability.	7.57	2.78
	g) 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 ₹936.58 lakh (Previous year ₹588.88 lakh), and capital ₹1038.11lakh (Previous year ₹524.74 lakh).		
	h) Excise duty on own division jobs is ascertained based on Cost Accounting Standard 4.		
32	The Company has a system of obtaining confirmation of balances from third parties. Some of the parties have confirmed the balances.		
33	Company continues to fall under section 23 of Sick Industrial Companies (Special Provisions) Act, 1985. A report under section 23 of SICA was made in February 2004 to the Board for Industrial and Financial Reconstruction.		
34	<b>Earnings Per Share (Accounting Standard - 20)</b>		
	i) Earnings ₹-35396.18 lakh [Previous year ₹1979.81 lakh (profit)]		
	ii) Number of Shares -Issued, Subscribed and Paid up 647071974 (Previous year 647071974)		
	iii) Earning Per Share ₹-5.47 ( Previous year ₹0.31 ) (Basic and Diluted)		
35	Figures for the previous year have been regrouped and recast wherever necessary to conform with the current year classification.		

# THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

## NOTES ON ACCOUNTS

### 36. SEGMENTAL REPORTING (ACCOUNTING STANDARD 17)

Segment Information for the year ended 31st March 2013 Information about Primary Business Segments				
	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh
	Fertiliser	Petrochemical	Others (Unallocated)	Total
<b>REVENUE</b>				
External Revenue	<b>206245.25</b> (222387.21)	<b>25431.40</b> (65215.81)	<b>1088.99</b> (1862.75)	<b>232765.64</b> (289465.77)
<b>TOTAL REVENUE</b>	<b>206245.25</b> (222387.21)	<b>25431.40</b> (65215.81)	<b>1088.99</b> (1862.75)	<b>232765.64</b> (289465.77)
<b>SEGMENT RESULTS</b>				
Profit before Interest, Taxation and before Exceptional items	<b>-10536.69</b> (15296.25)	<b>-5422.23</b> (4159.99)	<b>-10.01</b> (-836.18)	<b>-15968.93</b> (18620.06)
Unallocated Corporate Expense			<b>5298.65</b> (5429.96)	<b>5298.65</b> (5429.96)
Operating Profit	<b>-10536.69</b> (15296.25)	<b>-5422.23</b> (4159.99)	<b>-5308.66</b> (-6266.14)	<b>-21267.58</b> (13190.10)
Interest Expense	<b>0.00</b> (0.00)	<b>0.00</b> (0.00)	<b>14762.95</b> (13019.52)	<b>14762.95</b> (13019.52)
Interest Income	<b>0.00</b> (0.00)	<b>0.00</b> (0.00)	<b>634.35</b> (1809.23)	<b>634.35</b> (1809.23)
Income Tax	<b>0.00</b> (0.00)	<b>0.00</b> (0.00)	<b>0.00</b> (0.00)	<b>0.00</b> (0.00)
Profit after Interest and Taxation	<b>-10536.69</b> (15296.25)	<b>-5422.23</b> (4159.99)	<b>-19437.26</b> (-17476.43)	<b>-35396.18</b> (1979.81)
<b>OTHER INFORMATION</b>				
Segment Assets	<b>136171.81</b> (148916.31)	<b>18283.05</b> (22339.37)	<b>15495.05</b> (19352.00)	<b>169949.91</b> (190607.68)
Segment Liabilities	<b>47685.42</b> (41199.73)	<b>2008.41</b> (22827.38)	<b>120256.08</b> (126580.57)	<b>169949.91</b> (190607.68)
Depreciation	<b>4036.33</b> (3762.55)	<b>293.44</b> (289.65)	<b>309.10</b> (334.23)	<b>4638.87</b> (4386.43)
Capital Expenditure	<b>1046.87</b> (257.90)	<b>57.61</b> (35.49)	<b>31.71</b> (117.66)	<b>1136.19</b> (411.05)

The business segments are:-

**Segment**

Fertiliser  
Petrochemical

**Products**

Ammonium Phosphate, Ammonium Sulphate, Mixtures , MOP, Urea  
Caprolactam

Segments have been identified taking into account the organisation structure.

Segment assets and liabilities represents assets and liabilities in respective segments. Share capital, Secured and Unsecured loans, Investments and Accumulated loss are classified as Unallocated.

Figures given in brackets pertains to previous year.

RECONCILIATION OF REVENUE	2012-13	2011-12
Segment Revenue as above	<b>232765.64</b>	289465.77
Add Interest Income	<b>634.35</b>	1809.23
Revenue as per Profit and Loss Statement	<b>233399.99</b>	291275.00

# THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala



## NOTES ON ACCOUNTS

### 37. COST OF MATERIALS CONSUMED

₹ in Lakh

Sl No.	Particulars	2012-13				2011-12			
		Opening Stock	Purchases	Closing Stock	Consumption	Opening Stock	Purchases	Closing Stock	Consumption
1	Naphtha	1010.74	59551.64	1065.02	59497.36	942.45	67738.16	1010.74	67669.87
2	Sulphur - Imported	3780.19	17605.84	3251.32	18134.71	3868.39	20020.29	3780.19	20108.49
3	Rock Phosphate-Imported	2500.03	17946.30	5140.97	15305.36	4423.88	15666.33	2500.03	17590.18
4	Phosphoric Acid-Imported	543.59	37659.52	6632.42	31570.69	284.11	29111.06	543.59	28851.58
5	Phosphoric Acid	110.51	1100.93	2.59	1208.85	166.83	12469.21	110.51	12525.53
6	Ammonia - Imported	1088.38	6555.91	2887.45	4756.84	98.17	5773.36	1088.38	4783.15
7	Benzene -Imported	1566.31	4235.94	50.99	5751.26	3817.17	18006.42	1566.31	20257.28
8	Benzene	0.00	5607.31	654.29	4953.02	0.00	0.00	0.00	0.00
9	Caustic Soda	54.14	625.70	62.88	616.96	46.65	1154.25	54.14	1146.76
10	Sulphuric Acid	504.16	482.66	317.61	669.21	0.01	2489.32	504.16	1985.17
	<b>TOTAL</b>	<b>11158.05</b>	<b>151371.75</b>	<b>20065.54</b>	<b>142464.26</b>	<b>13647.66</b>	<b>172428.40</b>	<b>11158.05</b>	<b>174918.01</b>

# THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

## NOTES ON ACCOUNTS

### 38 INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPH 5 (viii) OF GENERAL INSTRUCTIONS FOR STATEMENT OF PROFIT AND LOSS OF SCHEDULE VI TO THE COMPANIES ACT, 1956 FOR THE YEAR ENDED 31.03.2013

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

	Current year ₹ in lakh	Percentage	Previous year ₹ in lakh	Percentage
A Raw Materials:				
Imported	75518.86	53.01	91590.68	52.36
Indigenous	66945.41	46.99	83327.33	47.64
	<b>142464.27</b>	<b>100.00</b>	174918.01	100.00
B Spare Parts & Components				
Imported	505.85	9.95	175.81	4.49
Indigenous	4580.32	90.05	3736.86	95.51
	<b>5086.17</b>	<b>100.00</b>	3912.67	100.00

#### 2 CIF Value of Imports

	Current year ₹ in lakh	Previous year ₹ in lakh
(i) Raw Materials	70600.53	100526.50
(ii) Traded products	7530.20	21599.16
(iii) Spares and other materials	765.66	519.01
(iv) Capital Goods	237.26	28.23
	<b>79133.65</b>	122672.90

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

(i) Consultancy service	118.66	254.21
(ii) Others	20.75	25.59
	<b>139.41</b>	279.80

#### B Earnings in foreign currency

(i) Export of goods (FOB Basis)	3951.60	15389.01
(ii) Others	0.00	0.00
	<b>3951.60</b>	15389.01

\* Including tax deducted at source

## THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

**DETAILS OF CAPITAL EXPENDITURE INCURRED ON TOWNSHIP AND OTHER SOCIAL OVERHEADS AS REQUIRED BY O.M.No.BPE-1(17)/ADV(F)/69 DATED 5.03.1969 FROM THE MINISTRY OF FINANCE (BUREAU OF PUBLIC ENTERPRISES) UP TO 31st MARCH 2013**

					₹ in Lakh
	Gross Block as at 31.03.2012	Written Down Value as at 31.03.2012	Additions / Adjustments 2012-2013	Depreciation for the year 2012-2013	Depreciated value as at 31.03.2013
Land (estimated)	186.18	186.18	0.00	0.00	<b>186.18</b>
Staff Quarters etc in Township	1379.96	471.52	0.00	23.52	<b>448.00</b>
Sewers & Drains	280.85	81.94	0.00	4.12	<b>77.82</b>
Hospitals	64.37	16.68	0.00	0.83	<b>15.85</b>
Schools	93.43	29.81	0.00	1.49	<b>28.32</b>
Shops	12.08	2.40	0.00	0.12	<b>2.28</b>
	<b>2016.87</b>	<b>788.53</b>	<b>0.00</b>	<b>30.08</b>	<b>758.45</b>

**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 5.03.1969 FROM THE MINISTRY OF FINANCE (BUREAU OF PUBLIC ENTERPRISES) DURING THE YEAR ENDED 31ST MARCH 2013**

PARTICULARS	₹ in Lakh		
	EXPENDITURE	INCOME	NET EXPENDITURE
Staff Quarters	399.05	254.24	<b>144.81</b>
Schools	1.53	16.54	<b>-15.01</b>
Medical Facilities	977.03	23.92	<b>953.11</b>
Other Welfare Expenses	643.74	35.85	<b>607.89</b>
Estate Establishment	77.50	0.00	<b>77.50</b>
Notional Interest @6% p.a on Capital outlay on Township and Overheads	121.01	0.00	<b>121.01</b>
	<b>2219.86</b>	<b>330.55</b>	<b>1889.31</b>

**STATEMENT SHOWING EXPENDITURE ON PUBLIC RELATIONS AND PUBLICITY (AS REQUIRED BY BPE O.M.No.BPE/ GL/042/78 BPE (IR) 21 (1) /78 DATED 18.12.1978) FOR THE YEAR ENDED 31ST MARCH 2013**

PARTICULARS	₹ in Lakh
Salaries and Wages including Provident fund	<b>18.62</b>
Advertisement Charges	<b>26.24</b>
Propaganda and Publicity	<b>14.00</b>
Exhibition	<b>0.04</b>
Demonstration, Sign Boards, Cost of Fertilisers, Village Adoption, Soil Testing and agronomy services	<b>14.84</b>
Audio-Visual film, Slide Projection, Projection charges and Equipments	<b>0.00</b>
Running and Maintenance expenses of Publicity Vehicles and Travel Expenses	<b>0.00</b>
	<b>73.74</b>

# THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

## SUMMARISED ACCOUNTS

	₹ in Lakh		
	2012-13	2011-12	2010-11
<b>RESOURCES</b>			
Net Worth	<b>-19247</b>	16149	14169
Borrowings and Deferred Credits	<b>117875</b>	93943	109100
Capital Reserve	<b>73</b>	76	79
	<b>98701</b>	110168	123348
<b>UTILISATION OF RESOURCES</b>			
Fixed Assets	<b>138127</b>	137034	136633
Less: Depreciation & Impairment loss	<b>113791</b>	109280	105042
	<b>24336</b>	27754	31591
Capital -work- in progress	<b>5313</b>	2510	881
Other non-current assets	<b>1853</b>	767	581
Investments	<b>2136</b>	1823	13840
Net Current Assets	<b>65063</b>	77314	76455
	<b>98701</b>	110168	123348
<b>EARNINGS</b>			
Sale of products and services (net)	<b>231577</b>	287605	246073
Accretion/decretion(-) to work in progress and finished goods	<b>-11044</b>	4859	179
Other Income	<b>1823</b>	3670	3060
	<b>222356</b>	296134	249312
<b>OUT GOINGS</b>			
Direct Materials & inputs	<b>192362</b>	233128	191253
Employees' remuneration and benefits	<b>23715</b>	22473	26805
Other expenses	<b>22564</b>	21274	17528
Depreciation / Impairment loss	<b>4554</b>	4259	4263
Interest	<b>14596</b>	13020	13575
	<b>257791</b>	294154	253424
Profit/Loss(-) for the year	<b>-35435</b>	1980	-4112
Income/Expenses(-) in respect of prior years	<b>39</b>	0	-821
Extraordinary items (Income)	<b>0</b>	0	0
Profit/Loss(-) before tax	<b>-35396</b>	1980	-4933
Provision for Taxation	<b>0</b>	0	0
Profit/Loss(-) after tax	<b>-35396</b>	1980	-4933

# THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

## CHANGES IN FINANCIAL POSITION FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2013

₹ in Lakh			
	2012-13	2011-12	2010-11
<b>SOURCES OF FUNDS</b>			
Funds generated from operations:			
Profit after tax	0	1980	0
Depreciation and Impairment loss	4508	4235	4035
Long term loan & others	996	6913	9556
Short term loan	22936	0	00
Fertilizer Bonds	0	12286	14290
	<b>28440</b>	<b>25414</b>	<b>27881</b>
<b>APPLICATION OF FUNDS</b>			
Loss for the year	35396	0	4933
Short term loan	0	22070	21720
Capital expenditure (net)	3896	2030	1776
Investment in shares/bonds	313	269	0
Non current assets	1086	186	0
Increase/decrease(-) in Working capital	-12251	859	-548
	<b>28440</b>	<b>25414</b>	<b>27881</b>

## STATEMENT OF CHANGES IN WORKING CAPITAL

₹ in Lakh			
	2012-13	2011-12	2010-11
Cash and bank balance	-3780	1494	2707
Inventories	-8310	14381	3790
Sundry debtors	-299	-3721	5105
Other current assets	-6018	14449	-7823
Loans and advances	-3033	715	2315
	<b>-21440</b>	<b>27318</b>	<b>6,094</b>
Creditors and other liabilities	-9189	26459	6642
Increase/decrease(-) in Working capital	-12251	859	-548
	<b>-21440</b>	<b>27318</b>	<b>6094</b>

## VALUE ADDED STATEMENT

PARTICULARS	2012-13		2011-12		2010-11	
	₹ in Lakh	%	₹ in Lakh	%	₹ in Lakh	%
Value of production *	222356		296134		249312	
(Including other income)						
Less: Cost of Direct materials & inputs	192362		233128		191253	
Value Added	29994		63006		58059	
Applied in the following way :						
Employee remuneration and benefits	23715	79	22473	36	26805	46
Other operating expenses	22564	75	21274	34	17528	30
Depreciation	4554	15	4259	7	4263	7
Interest	14596	49	13020	20	13575	23
Adjustment in respect of prior years	-39	0	0	0	821	2
Provision for Income Tax	0	0	0	0	0	0
Extraordinary items:Expense/Income(-)	0	0	0	0	0	0
Retained profit/loss (-)	-35396	-118	1980	3	-4933	-8
	<b>29994</b>	<b>100</b>	<b>63006</b>	<b>100</b>	<b>58059</b>	<b>100</b>
* Net of sales discount/dealer Margin						

## 10 YEARS FINANCIAL HIGHLIGHTS

₹ in Lakh

		2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
1	Sales	140177	160043	129119	108966	70689	57376	105501	101917	98055	76751
2	Subsidy	90669	126596	115928	100517	141047	29236	40216	36578	19712	15230
3	Total(1+2)	230846	286639	245047	209483	211736	86612	145717	138495	117767	91981
4	Income from Contracts & Services	731	966	1026	1110	1130	784	1222	850	650	1021
5	Other Income	1823	3670	3060	5361	4543	2150	2049	1203	2779	1276
6	Stock:Accretion(+)/Decretion(-)	-11044	4859	179	9693	3563	-16154	7350	241	1231	6726
7	Interest waived by the Government of India	0	0	0	0	0	0	0	0	0	0
8	<b>Total Income</b>	<b>222356</b>	<b>296134</b>	<b>249312</b>	<b>225647</b>	<b>220972</b>	<b>73392</b>	<b>156338</b>	<b>140789</b>	<b>122427</b>	<b>101004</b>
9	Material Consumed	142464	174918	142879	129037	167825	49931	104343	95275	79545	57298
10	Salaries & Allowances	23715	22473	26805	19486	12563	10951	10157	9441	10728	14820
11	Repairs & Maintenance	7761	5974	4512	3508	2825	3248	2791	2742	2416	2409
12	Power & Fuel	33382	40312	35496	30068	20806	9018	22435	22422	18587	17209
13	Other Manufacturing Expenses	31319	33198	25894	39895	23739	9559	17665	12271	9706	16092
14	Past period Expen/Income(-)	-39	0	821	0	0	1	105	9	3480	8
15	<b>Total Expenditure</b>	<b>238602</b>	<b>276875</b>	<b>236407</b>	<b>221994</b>	<b>227758</b>	<b>82708</b>	<b>157496</b>	<b>142160</b>	<b>124462</b>	<b>107836</b>
16	Gross Margin (8-15)	-16246	19259	12905	3653	-6786	-9316	-1158	-1371	-2035	-6832
17	Extraordinary Items (Income)	0	0	0	0	22116	20000	614	35503	0	0
18	Interest	14596	13020	13575	11597	6396	6221	5340	3985	8423	3281
19	Depreciation / Impairment loss	4554	4259	4263	2427	4623	3545	6381	6527	6318	6609
20	Profit/(Loss) before taxation	-35396	1980	-4933	-10371	4311	918	-12265	23620	-16776	-16722
21	Provision for taxation/Refund of tax (-)	0	0	0	13	16	21	208	54	20	0
22	<b>Net profit / (Loss)</b>	<b>-35396</b>	<b>1980</b>	<b>-4933</b>	<b>-10384</b>	<b>4295</b>	<b>897</b>	<b>-12473</b>	<b>23566</b>	<b>-16796</b>	<b>-16722</b>
23	Proposed Dividend	0	0	0	0	0	0	0	0	0	0
24	Tax on Proposed Dividend	0	0	0	0	0	0	0	0	0	0
25	Net block	24336	27754	31591	36350	38606	42420	44763	50826	56941	66333
26	Capital work-in-progress	5313	2510	881	1642	687	908	1268	627	450	627
27	Non-Current assets, Loans & Advances	1853	767	581	0	0	0	0	0	0	0
28	Current assets, Loans & Advances	136313	157753	130435	128048	82352	57746	72030	54150	40802	48009
29	Current Liabilities & Provisions	(1) 71250	80439	53980	70621	41615	30386	41927	39032	34023	35603
30	Investments	2136	1823	13840	28130	28131	55	55	55	55	55
31	Misc.expenditure to the extent not w.off	0	0	0	0	0	10	15	166	2595	3091
32	Accumulated Loss	83954	48558	50538	45605	35222	39517	39535	27062	50628	30561
33	<b>Total Utilisation</b>	<b>182655</b>	<b>158726</b>	<b>173886</b>	<b>169154</b>	<b>143383</b>	<b>110270</b>	<b>115739</b>	<b>93854</b>	<b>117448</b>	<b>113073</b>
34	<b>Working Capital (28-29)</b>	<b>65063</b>	<b>77314</b>	<b>76455</b>	<b>57427</b>	<b>40737</b>	<b>27360</b>	<b>30103</b>	<b>15118</b>	<b>6779</b>	<b>12406</b>
35	Long term borrowings	28273	28273	22199	12643	9243	8500	7000	4000	61940	57446
36	Long term liabilities and provisions	18735	17739	16900	0	0	0	0	0	0	0
37	Short term borrowings	70867	47931	70001	91721	69346	36972	43937	25048	19927	19967
38	Share Capital (Incl. Pending allotment)	64707	64707	64707	64707	64707	64707	64707	64707	35477	35477
39	Reserves & Surplus	0	0	0	0	0	0	0	0	0	0
40	Capital Reserve	73	76	79	83	87	91	95	99	104	183

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**  
REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala



## 10 YEARS FINANCIAL HIGHLIGHTS

₹ in Lakh

		2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
41	<b>Total Sources</b>	<b>182655</b>	<b>158726</b>	<b>173886</b>	<b>169154</b>	<b>143383</b>	<b>110270</b>	<b>115739</b>	<b>93854</b>	<b>117448</b>	<b>113073</b>
42	<b>Networth (38+39-31-32)</b>	<b>-19247</b>	<b>16149</b>	<b>14169</b>	<b>19102</b>	<b>29485</b>	<b>25180</b>	<b>25157</b>	<b>37479</b>	<b>-17746</b>	<b>1825</b>
43	<b>Capital employed (25+27+34-36)</b>	<b>(2) 72517</b>	<b>88096</b>	<b>91727</b>	<b>93777</b>	<b>79343</b>	<b>69780</b>	<b>74866</b>	<b>65944</b>	<b>63720</b>	<b>78739</b>
44	Finished Goods	<b>27189</b>	38127	32798	37743	28050	4537	20691	13341	13100	11836
45	Work in progress	<b>4645</b>	4751	5221	0	0	0	0	0	363	396
46	Raw Materials	<b>20066</b>	11158	13648	7681	4390	15569	6711	4409	1463	961
47	Stores, Spares & Loose tools	<b>14556</b>	11604	9307	8055	8608	9280	6928	6617	6337	6371
48	Materials in transit	<b>989</b>	10115	400	4105	212	2459	286	1163	1626	123
49	Sundry debtors	<b>826</b>	1125	4846	6125	27137	7585	19234	14817	9997	22815
50	Cash & bank balance	<b>3237</b>	7017	5523	2818	2305	6746	7782	3463	2278	2466
51	Loans & advances	<b>15403</b>	18436	17721	15841	10579	11068	9668	9969	5601	2999
52	Other Current Assets	<b>49402</b>	55420	40971	45680	1071	502	730	371	37	42
53	Total (44 to 52)	<b>136313</b>	157753	130435	128048	82352	57746	72030	54150	40802	48009
54	Current Liabilities	<b>(1) 65569</b>	75660	50048	60427	32870	26789	39644	37092	32383	34178
55	Provisions	<b>5681</b>	4779	3932	10194	8745	3597	2283	1940	1640	1425
56	Total (54+55)	<b>71250</b>	80439	53980	70621	41615	30386	41927	39032	34023	35603
57	<b>Net Working Capital (53-56)</b>	<b>65063</b>	<b>77314</b>	<b>76455</b>	<b>57427</b>	<b>40737</b>	<b>27360</b>	<b>30103</b>	<b>15118</b>	<b>6779</b>	<b>12406</b>
58	<b>Gross Internal resources (19+22-17)</b>	<b>-30842</b>	<b>6239</b>	<b>-670</b>	<b>-7957</b>	<b>-13198</b>	<b>-15558</b>	<b>-6706</b>	<b>-5410</b>	<b>-10478</b>	<b>-10113</b>
59	<b>Installed Capacity (MT)</b>										
	Ammonium Sulphate	<b>225000</b>	225000	225000	225000	225000	225000	225000	225000	225000	225000
	Factamphos 20:20	<b>633500</b>	633500	633500	633500	633500	633500	633500	633500	633500	633500
	DAP										
	Urea					330000	330000	330000	330000	330000	330000
	Caprolactam	<b>50000</b>	50000	50000	50000	50000	50000	50000	50000	50000	50000
	N	<b>173050</b>	173050	173050	173050	324450	324450	324450	324450	324450	324450
	P205	<b>131900</b>	131900	131900	131900	131900	131900	131900	131900	131900	131900
60	<b>Production (MT)</b>										
	Ammonium Sulphate	<b>126286</b>	163468	200311	179546	128845	30478	183490	172986	200564	190268
	Factamphos 20:20	<b>537081</b>	622256	644454	753744	605047	425530	721202	745902	560788	567678
	DAP	<b>0</b>	0	0	0	0	0	0	0	0	0
	Urea	<b>0</b>	0	0	0	0	0	0	0	0	0
	Caprolactam	<b>15544</b>	37854	44345	42006	13548	6759	41327	38666	44932	41794
	N	<b>133431</b>	158126	170155	187735	147551	91384	182039	184816	153474	152731
	P205	<b>107416</b>	124451	128891	150749	121009	85106	144240	149180	112158	113536
61	<b>Capacity utilisation (%)</b>										
	N	<b>77.11</b>	91.38	98.33	108.49	45.48	28.17	56.11	56.96	47.30	47.07
	P205	<b>81.44</b>	94.35	97.72	114.29	91.74	64.52	109.36	113.10	85.03	86.08

(1) Including Interest accrued and due and excluding short-term bank borrowings and current maturities of long term borrowings

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





**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**  
**REGISTERED OFFICE** : Eloor, Udyogamandal, Kochi, Kerala

69th Annual General Meeting  
 Friday, 27th December 2013 at 11.00 A.M.  
 At Udyogamandal Club, Eloor, Udyogamandal.

**Attendance Slip**

Members 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.

Name of the shareholder.....  
 Reg. Folio No.....  
 No. of shares held.....

Whether member or proxy  Member  Proxy

I/We hereby record my/our attendance at the 69th Annual General Meeting being held on 27<sup>th</sup> December 2013 and / or at any adjournment thereof.

Signature of the Shareholder or Proxy

**PROXY FORM**

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Regd. Office : Eloor, Udyogamandal, Kochi

I / We.....in the district of.....being a member of the above named Company (Folio No.....) hereby appoint Mr..... in the district of.....as my / our Proxy to vote for me / us on my / our behalf at the 69th Annual General Meeting of the Company to be held on Friday the 27<sup>th</sup> December 2013 at 11.00 A.M. at Udyogamandal Club at Eloor, Udyogamandal and at any adjournment thereof.

Signed this.....day of.....2013

FULL NAME.....FOLIO NO.....

FOR OFFICE USE ONLY	
No. of Shares	
Proxy No.	

Affix 30  
paise  
Revenue  
Stamp

**IMPORTANT**

1. Revenue stamp of 30 paise is to be affixed on this form.
2. The form should be signed across the stamp as per specimen signature registered with the Company.
3. The Companies Act, 1956 lays down that an instrument appointing a proxy filled in all respects shall be deposited at the Registered Office of the Company not less than Forty Eight Hours before the time fixed for holding the meeting.
4. A proxy need not be a member.

The Comments of the Comptroller and Auditor General of India under Section 619 (4) of the Companies Act, 1956 on the accounts for the year ended 31st March, 2013 will be forwarded separately

## FACT AUGMENTS USE OF WATERWAYS FOR TRANSPORT OF RAW MATERIALS



*CMD Shri Jaiveer Srivastava inspects the new ammonia barge on the eve of its commissioning to transport ammonia from Udyogmandal to Ambalamedu.*

## HERALDING A NEW ERA



*A view of the inauguration of the flow of LNG to FACT held at ammonia plant premises. Shri V K Anil, D(T), Shri P K Chandrasekharan, D(M), Shri P Muthusamy, D(F), are seen among others.*

We are the  
**green fuel**  
for a growing nation!

**The very FACT!**  
**Then, now and  
for ever!!!**

FACT, which began in 1943 introduced chemical and organic fertilizers to the common farmer. FACT is the nation's foremost manufacturer and supplier of complex fertilizer FACTAMFOS, Ammonium Sulphate and a variety of crop-specific mixtures. Caprolactam, the raw material for Nylon-6 is another key product from the house of FACT.



दि फर्टिलाइजर्स एण्ड केमिकल्स ट्रावनकोर लिमिटेड  
**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

(A Government of India Enterprise)

Regd. Office: Eloor, Udyogamandal-683 501, Cochin, Kerala, India.

Website: <http://www.fact.co.in>