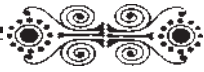




दि फर्टिलाइजर्स एण्ड केमिकल्स ट्रावन्कोर लिमिटेड  
THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED



**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 68th Annual General Meeting of the Company will be held on Friday the 28th day of September, 2012 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 31<sup>st</sup> March, 2012 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 Dr. V. Rajagopalan, who retires at the Annual General Meeting and being eligible, offers himself for re-election.
3. 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.

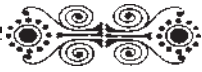
By Order of the Board of Directors.

Sd/-  
K.V.Balakrishnan Nair  
Company Secretary

Eloor, Udyogamandal  
Date : August 23, 2012

#### **Note:**

1. The Register of Members will be closed from 26th September 2012 to 28th September 2012 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.



# THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

## BOARD OF DIRECTORS

**Shri Sham Lal Goyal**  
Chairman & Managing Director

**Shri V.K.Anil**  
Director (Technical)  
(w.e.f 28.06.2011)

**Dr.V.Rajagopalan**  
Part-time official Director  
(w.e.f 12.08.2011)

**Shri Satish Chandra**  
Part-time official Director  
(upto 12.08.2011)

**Ms. Pratibha Karan**  
Non-official Part-time Director  
(up to 03.10.2011)

**Prof.Khan Masood Ahmad**  
Non-official Part-time Director  
(up to 03.10.2011)

**Dr.B.S.Ghuman**  
Non-official Part-time Director  
(up to 03.10.2011)

**Shr S.Balan**  
Non-official Part-time Director  
(up to 04.03.2012)

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

**Shri P.K.Chandrasekharan**  
Director (Marketing)  
(w.e.f 30.11.2011)

**Shri S.C.Gupta**  
Part-time Official Director  
(w.e.f 12.08.2011)

**Shri V.G. Sankaranarayanan**  
Director (Technical)  
(upto 30-4-2011)

**Shri T.M.Jeyachandran**  
Non-official Part-time Director  
(up to 03.10.2011)

**Prof.R.K.Mishra**  
Non-official Part-time Director  
(up to 03.10.2011)

**Dr.B.Bodeiah**  
Non-official Part-time Director  
(up to 04.03.2012)

**Chief Vigilance Officer**  
Shri J. Vinayan

**Company Secretary**  
Shri. K.V.Balakrishnan Nair

### Auditors

**Statutory Auditors**  
M/s. Babu A Kallivayalil & Co  
Kochi

**COST AUDITORS**  
M/s. Sukumaran & Co.,  
Cost Accountants,Thiruvananthapuram

**Branch Auditors**  
M/s. R.Sadasivan & Co.  
Chennai

M/s. Ramanatham & Rao  
Hyderabad

### BANKERS

State Bank of Travancore  
State Bank of Hyderabad

Bank of Baroda  
Bank of India

State Bank of India  
Canara Bank, Dena Bank



# THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala



## CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors of your company, FACT, it is my pleasure to extend a warm welcome to all of you to the 68<sup>th</sup> Annual General Meeting.

It is with immense pleasure and a sense of satisfaction that I address this august gathering as Chairman and Managing Director for the second time.

The Annual Report for the financial year ended 31<sup>st</sup> March, 2012 along with the Director's Report, Audited Annual Accounts and Auditor's Report are with you for some time and with your permission, I shall take them as read.

Dear Members, you might have noticed that during the year 2011-12 your company has reported a profit of Rs.19.80 crores. During the year 2011-12, your company was able to improve the sales turnover and a marginal reduction in interest and finance charges. As we have gathered here for the 68<sup>th</sup> Annual General Meeting, I recall the performance of your company during the last one decade. There was a time when the financial performance witnessed varying degrees of negative swing to the extent that it threatened to bring down the morale. But I am happy that FACT has been able to overcome all the roadblocks and move ahead with a firm determination. It is my pleasure and pride to note that your company has earned a profit of Rs.19.80 crores during 2011-12 against a loss of Rs.49.33 crores during 2010-11 indicating reversal of the loss trend. All of us here, all in the FACT family, can hold their head high in the realization that they have a place in this achievement. The greatest challenge before us is to maintain the trend created during the last year and to further improve the performance and profitability during the current year and succeeding years.

The Indian fertilizer industry is passing through a challenging phase for the last two years. Many policy changes have taken place during this period. The policy changes have set in motion a way of change and the sweep of which has the potential to transform the fertilizer industry and the agriculture sector in India. The policy changes are generally beneficial for the long term sustenance of FACT. But unfortunately the company was not able to fully capitalise the changes in policy to its advantage.

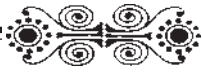
FACT has to go a long way to achieve its past glory. The support of Central and State Governments and all other stake holders are required for the same. Initiative is to be taken at all levels utilizing expertise and strength for a common goal - the growth and development of FACT.

The key focus area in growth and expansion of your company is implementation of various projects utilizing the existing resources available such as land. As part of its long term plan, FACT has identified certain projects for its diversification and expansion. These projects form part of the 12<sup>th</sup> Plan proposals submitted by FACT to the Government of India. The projects in the purview of FACT include expansion of Complex fertilizer production by 1000 Tonnes per day, setting up a 1500 TPD Urea Plant at Udyogamandal, setting up a 2000 TPD Sulphuric Acid Plant at Cochin Division and also a 2850 TPD Ammonia-3500 Urea complex at Cochin Division. The total investment required for these projects will be above Rs.5000 crore. FACT intends partnering with Public or private sector companies for executing these projects on the Joint Venture concept. FACT had invited Expression of Interest for these ventures and has received positive response for some projects. Discussions are going on to finalise the business model and funding options. For the successful implementation of these projects, FACT is hopeful of getting full support from Government of Kerala and Government of India.

Improvement in the efficiency of existing equipments and enhancement of port facilities in Willingdon Island are the essential requirements for enabling handling of the increased raw material movement essential for the above expansion schemes. Schemes pertaining to this are included in the 12<sup>th</sup> plan and will be executed in phases over a period of 2 to 3 years.

Terms and conditions for setting up of a Container Freight Station as a Joint initiative in association with Central Warehousing Corporation has been finalized. Formal approval from Government of Kerala for leasing out the land to CWC for the project is awaited.

During the first quarter of the financial year 2012-13, the fertilizer industry in India was not able to maintain the growth achieved during the last year. Production of N & P2O5 fell short by 2.48 lakh tonnes



## THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala



and 4.2 lakh tonnes respectively from the target for the quarter April-June 2012.

Due to various reasons your company was also lagging behind in its production target. The company was able to produce 229003 MT of Factamfos and 55012 MT of Ammonium Sulphate upto August 2012 as against MOU target of 249000 MT of Factamfos and 66600 MT of Ammonium Sulphate. The production of Caprolactam upto August 2012 is 10027 MT as against MOU target of 14800 MT. Constraints in the availability of Phosphoric Acid, decreasing trend in the prices of Caprolactam in the international market coupled with the increase in the prices of Naphtha and other intermediaries are the biggest challenges being faced by FACT. Erratic monsoon in the south Indian States has affected the sales of Factamfos and Ammonium Sulphate. With the active support and cooperation of all stake holders, FACT is trying for improvement in production and sales in the remaining months of the financial year 2012-13 and end up the financial year with a positive results.

The financial results upto August 2012 is not encouraging. Additional compensation for manufacturers using Naphtha for the current year is yet to be notified. The company has requested Government of India to continue additional Naphtha compensation till switch over of feed stock from Naphtha to LNG and the same is under the active consideration of Government of India. The company is hopeful of obtaining necessary notification towards additional compensation during the current year also and such notification would enable the company to report better financial performance and ease out the liquidity constraints being faced by the company.

FACT's fortunes are deeply connected with availability of LNG at Kochi by this year end, a promising development on the industrial horizon of Kerala. But the concern is the pricing of Kochi LNG. It is apprehended that the landed price of LNG at Kochi will be around \$18 per MMBTU, whereas some of the fertilizer companies are at present getting natural gas at about \$4 per MMBTU. A request has been made to the Government and the company is expecting some assistance and support to address the issue. Let us hope that the availability of LNG at Kochi will lead to the fulfillment of the growth and expansion which this company is aspiring for.

For the turnaround of FACT, Department of Fertilizers has advised the company to submit a detailed financial restructuring proposal made by a Consultant for submission to the BRPSE. Accordingly the company has appointed M/s.Deloitte Toache Tohmatsu India Pvt. Ltd. for preparing a detailed financial restructuring proposal. M/s.Deloitte has submitted a financial restructuring proposal which is under the consideration of the company. The proposal submitted by M/s.Deloitte will be forwarded to the Ministry shortly.

It is a matter of satisfaction to inform you that the FACT-RCF Building Products Limited, the first Joint Venture company of FACT has commenced commercial production and the first consignment of Load Bearing Gypsum Panel was flagged off from FRBL on 3<sup>rd</sup> August 2012.

### Acknowledgement

I hereby place on record my sincere thanks to my colleagues on the Board of Directors for their advice and support, the Trade Unions, Officers' Forums and to all the employees of the company for their dedicated efforts and unstinted support for overcoming various challenges facing the company and for their contribution for the revival and growth of FACT. I must also thank the various departments of Government of India, in particular the Department of Fertilizers and Department of Public Enterprises for the support given to FACT. Gratitude is also extended to the various departments of the Government of Kerala, Government of Tamilnadu, Government of Karnataka, Government of Andhra Pradesh and Government of Puducherry.

I also express my sincere thanks to all other stake holders like farmers, suppliers, buyers, contractors, banks, shareholders, depositors, auditors, dealers and the general public for the trust they have been reposing on us. I sincerely place on record my appreciation to Indian Railways, Cochin Port Trust, CISF and PSUs like BPCL, IOCL, GAIL, RCF, PDIL, etc. for the support and cooperation being extended to FACT. I also wish to thank the print and electronic media for their constructive criticism, support and encouragement.

**SHAM LAL GOYAL**  
**CHAIRMAN & MANAGING DIRECTOR**

Udyogamandal  
28.9.2012



# THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

## DIRECTORS' REPORT

To the Members,

Your Directors are happy to present the 68<sup>th</sup> Annual Report and Audited Accounts of the Company for the year ended 31<sup>st</sup> March 2012.

Your Directors are pleased to report that your company has achieved highest ever turn over of ₹2937 crore and earned a profit of ₹19.80 crore in the financial year 2011-12.

### Highlights

- All time High Sales Turnover
- All time Record Sales of Gypsum
- Profit of ₹19.80 crores
- Increase in networth
- Reduction in interest and finance charges
- Improvement in working capital position
- Increase in sales of Urea and Organic Fertilizers
- Awards and Recognition from National Safety Council

### PERFORMANCE – FINANCIAL, PRODUCTION AND SALES

#### A. FINANCIAL / ₹ lakh

		2011-12	2010-11
1	Revenue from operations	<b>287604.83</b>	246072.63
2	Other Income	<b>3670.17</b>	3059.91
3	Total Revenue	<b>291275.00</b>	249132.54
4	Total Expenses	<b>289295.19</b>	253244.06
5	Profit Before Tax	<b>1979.81</b>	(-) 4932.67
6	Tax Expenses	<b>Nil</b>	Nil
7	Profit After Tax	<b>1979.81</b>	(-) 4932.67

Due to the accumulated loss, your Directors are not recommending any dividend for the year 2011-2012.

#### B. PRODUCTION / In Tonnes

		2011-12	2010-11
1	Factamfos 20:20	<b>622256</b>	644454
2	Ammonium Sulphate	<b>163468</b>	200311
3	Caprolactam	<b>37854</b>	44345

#### C. SALES / In Tonnes

		2011-12	2010-11
1	Fertilisers	<b>834580</b>	932670
2	Caprolactam	<b>40963</b>	44136



## THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

The performance of the company during the year 2011-12 was satisfactory. The company was able to maintain the production and sales at a reasonable level and earn a marginal profit. Financial results of the company for the year 2011-12 shows a Profit of ₹19.80 crore as against the loss of ₹49.32 crore during the year 2010-11.

During the financial year 2011-12, the company has faced several constraints in the production and marketing front.

The production of finished products has come down during the year under review as compared to the previous year. The main reason for adverse variation in production is constraint in the availability of Phosphoric Acid and the unexpected shutdown of ammonia plant on account of Carbon Di-oxide absorption section failure. The lower production has resulted in lower sales volume.

Low production and sales volume have affected the financial performance of the company. Steep increase in the prices of raw materials and intermediates has also affected the financial performance of the company adversely. Due to aging of plants, the company continues to incur considerable amount towards repairs and maintenance. The adverse impact of the exchange rate variation has also affected the profitability of the company. The adverse effect of exchange rate variation in the financial year 2011-12 is ₹12.38 crore as against a favourable effect of ₹11.32 crore during the year 2010-11.

However, marginal reduction in the interest and finance charges, improvement in the working capital position and net-worth are the silver lines in the performance of the company in the financial front.

As compared to the previous year, the company is able to achieve a reduction of ₹6.63 crore in the interest and finance charges. This is due to the lower utilization of bank limit and the reduction in interest rates. The net-worth of the company has also increased to ₹161.48 crore as against a net-worth of ₹141.69 crore as on 31.3.2011.

In order to improve the turnover and profitability, the company is concentrating also on marketing of traded products. During the year 2011-12, FACT has handled 56696 MT of imported Urea and 39430 MT of MOP at Cochin Port.

Prior to the financial year 2007-08, in the absence of viable market for Gypsum, the company did not value Gypsum stock in the books of accounts. Based on the qualification of the statutory auditors during 2007-08, the company started valuing Gypsum stock at net realizable value considering the estimated sales quantity of 5 years, out of the total stock available with the company. Based on the qualification of statutory auditors with regard to valuation of Gypsum on the accounts of 2010-11, opinion of Expert Advisory Committee of the Institute of Chartered Accountants of India was obtained as advised by the Principal Director of Commercial Audit and Ex-Officio Member Audit Board.

Accordingly, the company has valued the entire saleable quantity of Gypsum as against the 5 years sales quantity.

To promote Integrated Plant Nutrient Management, FACT is expanding the sale of organic manure to the States of Kerala and Tamil Nadu. During the year 2011-12, FACT has sold 5150 MT of organic manure. The company has sold 36772 MT Bagged Gypsum in the year 2011-12 compared to 38051 MT during the year 2010-2011. The company has plans to sell 50,000 MT of bagged Gypsum during the year 2012-2013.

The performance of the company during the first quarter of the financial year 2012-13 is not encouraging. The shut down of plants during April and May 2012 for Annual Maintenance has affected the production of finished products. Constraints in the availability of Phosphoric Acid continue to affect the production performance of the company for the year 2012-13. However, during the first quarter the production of Factamfos in Cochin Division was higher compared to the corresponding quarter of the previous year.

The company expects some improvement in performance in the coming months and expects to end the financial year 2012-13 with positive working result.

The additional compensation for use of Naphtha in the production of Ammonia has been allowed by the Government only upto 31.3.2012. The company expects Government notification on additional compensation for use of Naphtha in the year 2012-13 also.

Your Directors are pleased to inform you that the Joint Venture Company - FACT-RCF Building Products Limited - has started commercial production with effect from 1<sup>st</sup> June 2012.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A Management Discussion and Analysis Report covering the operational aspects during the year 2011-2012 is enclosed.

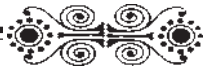
### DIRECTORS' RESPONSIBILITY STATEMENT

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, 2012 and of the profit of the company for the period from 1<sup>st</sup> April 2011 to 31<sup>st</sup> March 2012.

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.



## THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

that the annual accounts have been prepared 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 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 2011-12 by the Comptroller and Auditor General of India. M/s. R.Sadasivan and Co, Chartered Accountants, Chennai was appointed as Branch Auditors for Tamilnadu and Kerala area and M/s. Ramanatham and Rao, Chartered Accountants, Hyderabad was re-appointed as Branch Auditors for Karnataka and Andhra Pradesh area of the Company for the year 2011-12 by the Comptroller and Auditor General of India.

M/s. Sukumaran & Co., Cost Accountants, Thiruvananthapuram has been appointed as Cost Auditors of the Company for the year 2011-12.

#### Comments of Statutory Auditors

The Statutory Auditors in their report has made certain comments on the Accounts of the Company for the year 2011-12. The replies to the comments of Statutory Auditors are annexed to this report.

### DIRECTORS RETIREMENTS & APPOINTMENTS

Government of India, Ministry of Chemicals and Fertilisers, Department of Fertilisers, vide Order No.130/8/2003-HR-1 dated 8<sup>th</sup> August 2011 notified the appointment of Dr.V.Rajagopalan, Additional Secretary & Financial Adviser, Department of Fertilisers and Shri S.C.Gupta, Joint Secretary (F&P), Department of Fertilisers, as Part-time Official Directors on the Board of FACT.

Government of India, Ministry of Chemicals and Fertilisers, Department of Fertilisers, vide Order No.86/3/2009-HR-1 dated 29<sup>th</sup> November 2011 notified the appointment of Shri P.K.Chandrasekharan as Director (Marketing) on the Board of FACT.

Pursuant to Government of India, Ministry of Chemicals and Fertilizers, Department of Fertilizers Order No.130/8/2003-HR-I dated 8<sup>th</sup> August 2011, Shri Satish Chandra, Director, ceased to be a Director on the Board of Directors of FACT.

On completion of the 3 years term, Ms.Pratibha Karan, Shri T.M.Jeyachandran, Shri.Khan Masood Ahmad, Prof. R.K.Mishra and Dr.B.S.Ghuman, Non-official Part-time Directors of the company retired from the Board of FACT on 03.10.2011.

Dr.B.Bodeiah and Shri S.Balan, Non-official Part-time Directors retired from the Board of FACT with effect from 04.03.2012 on completion of three years.

The Board place on record its appreciation of the valuable services rendered by Shri Satish Chandra, Ms.Pratibha Karan, Shri T.M.Jeyachandran, Shri.Khan Masood Ahmad, Prof. R.K.Mishra, Dr.B.S.Ghuman Dr.B.Bodeiah and Shri S.Balan.

### 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.

### PUBLIC DEPOSITS

The total amount of Fixed Deposits as on 31<sup>st</sup> March 2012 was ₹ 4073.13 lakh. As on 31-03-2012, 27 depositors have not claimed their deposits amounting to ₹ 24.76 lakh.

### 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 endeavour 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/-  
**Sham Lal Goyal**  
Chairman and Managing Director

Udyogamandal  
Date: August 23, 2012





# 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-material/energy efficiency is reviewed on monthly basis to identify the weak areas and rectify the shortcomings. Efforts are being made for energy conservation utilizing variable frequency drives wherever possible and introducing solar panel lighting in office buildings.

### B. Technology Absorption, Adaptation and Innovation

#### Efforts in brief

- Modifications are being carried out to switch over the feedstock in the Ammonia Plant from costly Naphtha to cheaper LNG.
- Modifications are being implemented to convert the boiler in Udyogamandal Complex to dual fuel firing (LNG/Furnace Oil).
- Automation of the loading operations is being planned at Cochin Division, using modified conveyor systems.
- Automation of a granulator mixture plant is setting up at Cochin Division.
- A 4000 Litre Solar Water heating System was installed in Cafeteria replacing Electric Heater and also steam kettle used for cooking activities.
- Decision was taken to install Plate Heat Exchanger (PHE) in SO<sub>2</sub>/Acid Plant.
- 3 KW Solar Power System was installed at Corporate Office.

#### Benefits derived

- The switch over to LNG in the Ammonia Plant is an effort by the company to utilize cheaper and cleaner fuel and feedstock. It also reduces energy consumption in Ammonia plant marginally.
- The switch over to LNG for the boilers is a step in the direction of saving on fuel cost and also using cleaner fuel which will in turn improve the thermal efficiency of the boilers.
- The automation of the loading operation will save on cost of loading, reduction of manual labour and also reduction in demurrage to railways.
- The setting up of the granulated mixture plant will help the company produce quality crop specific mixtures. It will save on manual labour and cost.
- On the installation of Solar Water heating System the company can save Rs.1.63 lakh per Annum
- The installation of Plate Heat Exchangers in SO<sub>2</sub> Acid Plant would avoid leaks resulting in contamination of circulating water with Acid. The installation of Plate Heat Exchangers will ensure sustained and trouble free operation of SO<sub>2</sub> Acid Plant.

- Installation of 3 KW roof top Photo Voltac System resulted in savings in energy cost.

### 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 2011-12, 9010 MT of Caprolactam was exported as against 11985 MT during 2010-11. The exports were mainly to China, Thailand and Malaysia. FACT is an associate member of Federation of Indian Export Organisation and holding Two Star Export House Status.

Details of foreign exchange earning and outgo are given separately.

FOREIGN EXCHANGE EARNINGS AND OUTGO		
	Current Year ₹ in Lakh	Previous Year ₹ in Lakh
1) Foreign exchange earned	<b>15389.01</b>	13443.85
2) Foreign Exchange Outgo		
(i) C.I.F.Value of Imports:		
(a) Raw Materials	<b>112923.22</b>	77069.04
(b) Spares and Other Materials	<b>194.00</b>	148.24
(c) Capital Goods	<b>1.76</b>	62.54
	<b>113118.98</b>	77279.82
(ii) Expenditure in Foreign Currency (Cash Basis)		
(a) Consultancy Service	<b>254.21</b>	156.08
(b) Others	<b>25.59</b>	18.30
	<b>279.80</b>	174.38
Total (i) + (ii)	<b>113398.78</b>	77454.20



# 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: 2011-2012

### (A) POWER AND FUEL CONSUMPTION

Particulars	Udyogamandal Division		Cochin Division		Petrochemical Division	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
<b>(1) ELECTRICITY</b>						
(a) Purchased						
Unit: Lakh KWH	<b>543.32</b>	508.95	<b>529.81</b>	517.72	<b>317.27</b>	236.58
Amount ₹ in lakh	<b>2010.90</b>	1864.95	<b>1937.67</b>	1904.74	<b>1166.71</b>	867.44
Rate/Unit: ₹/ KWH	<b>3.69</b>	3.66	<b>3.66</b>	3.68	<b>3.69</b>	3.66
(b) Own Generation						
(i) Through Steam						
Turbine/Generator						
Unit: Lakh KWH	<b>200.12</b>	239.34	-	-	<b>370.87</b>	555.09
Unit per liter of fuel						
KWH/liter	<b>3.71</b>	3.58	-	-	<b>3.41</b>	3.33
Cost/Unit: ₹ /KWH at normative levels	<b>13.09</b>	9.89	-	-	<b>11.95</b>	8.94
(ii) Transfer from other Divisions						
Unit: Lakh KWH	-	-	-	-	<b>29.99</b>	26.26
Unit per liter of fuel	-	-	-	-	<b>3.71</b>	3.58
KWH/liter	-	-	-	-	<b>13.09</b>	9.89
Cost/Unit: ₹/ KWH at normative level	-	-	-	-	<b>13.09</b>	9.89
<b>(2) FURNACE OIL/LSHS</b>						
Quantity: Tonnes	<b>42461</b>	52135	<b>10075</b>	11450	<b>45635</b>	55191
Total Cost ₹ in Lakh	<b>15506</b>	13389	<b>3540</b>	2823	<b>15821</b>	14352
Average Rate ₹/MT	<b>36518</b>	25682	<b>35137</b>	24654	<b>34669</b>	26004

### (B) CONSUMPTION PER UNIT OF PRODUCTION

Sl. No	PRODUCT	ELECTRICITY			NAPHTHA			FURNACE OIL/LSHS		
		Unit	2011-12	2010-11	Unit	2011-12	2010-11	Unit	2011-12	2010-11
1	<b>UDYOGAMANDAL DIVISION</b>									
	Ammonia	KWH	<b>127</b>	129	MT	<b>0.6893</b>	0.6970	MT	<b>0.1858</b>	0.2301*
	Sulphuric Acid	KWH	<b>77</b>	76	-	-	-	-	-	-
	Phosphoric Acid	KWH	-	-	-	-	-	-	-	-
	Ammonium Sulphate	KWH	<b>48</b>	45	-	-	-	-	-	-
	Factamfos 20:20	KWH	<b>42</b>	44	-	-	-	MT	<b>0.0232</b>	0.0204
2	<b>COCHIN DIVISION</b>									
	Sulphuric Acid	KWH	<b>16</b>	14	-	-	-	MT	<b>0.0017</b>	0.0033
	Phosphoric Acid	KWH	<b>248</b>	288	-	-	-	-	-	-
	Factamfos 20:20	KWH	<b>66</b>	66	-	-	-	MT	<b>0.0202</b>	0.0200
3	<b>PETROCHEMICAL DIVISION</b>									
	Caprolactam	KWH	<b>1899</b>	1847	-	-	-	MT	<b>1.2269</b>	1.3249*

\* 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 in FACT function with the aim of carrying out in-depth research in new fertiliser formulations, innovation in the fertiliser production and value addition of by-products. R & D Centre is carrying out the specialised 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 field godowns, distributors, dealers for the evaluation of post dispatch quality as a part of three tiers quality control system being practiced by the Company. R & D Centre is also producing biofertilisers and despatching directly to marketing area of the company in all the four southern states.

#### 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 in September 2011 for carrying out a Research project on composting of coir pith for end use in Horticulture – Agricultural areas. The cost of the Project is Rs.172.02 lakh, out of which Rs.159.57 lakh will be contributed by Central Coir Research institute, Alleppey.

- (b) Development of substitute for conventional carrier in the production of Bio-fertilisers.

R&D Centre has taken up the study and investigations are going on for development of substitute for conventional carrier in the production of Bio-fertilisers, using coir pith and phospho gypsum.

- (c) Water soluble NPK Fertilisers

R&D Centre carried out experiments to develop a process for production of 100% water soluble NPK fertiliser grade 20:20:20.

- (d) Bio-fertilisers

R&D continued the production of Bio-fertilisers such as Rhizobium, Azospirillum and Phosphobacter(Bacillus Megatherium) from its 150 TPA plant.

- (e) Quality Control Cell

R&D Centre has conducted monitoring the quality of finished chemical fertilisers in manufacturing units and field godowns, distributors and dealers for evaluating the quality as per the direction of Ministry of Agriculture, Government of India.

#### 2. Benefits derived

- (a) Research and development of coir pith based formulation for end use has resulted in identification of certain micro organisms,

which secrete lignocellulosic enzyme that can degrade lignin and allied macromolecules. The completion of the project will tackle the problem of an environmentally hazardous material and convert it into a source for nutrient to soil.

- (b) In the process of developing an alternate substitute for conventional carrier in the production of bio-fertilisers using coir pith and phospho-gypsum, investigations are going on to make different ratio of coir pith and phosphogypsum.
- (c) The Water Soluble Fertilisers can be utilised for foilar application, thus helping precision agriculture.
- (d) R&D has produced about 41.48 MT of Bio-fertilisers and despatched 50.24 MT directly to Marketing areas in the year 2011-12.
- (e) 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

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

#### 4. Expenditure on R&D

Details of expenditure on R&D are given separately.

EXPENDITURE ON R&D				
₹ in Lakh				
Year	Capital	Revenue	Total	As % of total Turnover
2009-2010	0.00	48.39	48.39	0.023
2010-2011	0.00	73.27	73.27	0.029
<b>2011-2012</b>	<b>0.00</b>	<b>71.60</b>	<b>71.60</b>	<b>0.024</b>



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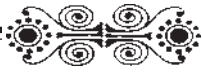


### REPLIES TO THE OBSERVATIONS OF STATUTORY AUDITORS ON THE ACCOUNTS FOR THE YEAR 2011-12

AUDIT QUERY	REPLY
<p>a) Valuation of closing stock of by-product gypsum of 45 lakhs metric tonne, at the rate of Rs.331 per metric tonne based on average selling price of future five years expected sales, instead of net realizable value based on approved selling price for bulk sales of Rs.200 per metric tonne in variation to Accounting standards 2 issued by the Institute of Chartered Accountants of India resulting in an overvaluation of stock by Rs.5895 lakhs and inflated profit to the same extent.[Refer Note no.17.1]</p>	<p>As per the opinion of the expert committee of the Institute of Chartered Accountants of India on valuation of Gypsum stock, the company has to consider the entire saleable quantity of Gypsum held in the normal course of business and being a by-product of insignificant value, the valuation should be based on net realizable value as provided in Accounting Standard 2. Accordingly, the company has considered the entire saleable quantity of Gypsum at a net realizable value after considering the volume discount on different slabs ranging from Rs. 550/MT to Rs. 225/MT against the expected selling price of Rs. 675/MT approved by the company. The company has not valued 5 years stock as stated in the Auditors' Report. Further, the company has approved the selling price of Rs.675/MT with various discount slabs and there is no single bulk price of Rs.200/MT as stated in the audit report. The company has valued the entire saleable quantity of Gypsum stock at net realizable value only as per Accounting Standard 2 and the expert opinion obtained from the Institute of Chartered Accountants of India.</p> <p>There is, therefore, no over valuation of stock and inflation of profit.</p>

AUDIT QUERY	REPLY
<p>(b) (i) Recognition of interest income of rupees 718 lakhs during the year and non-provision towards doubtful debts on the accumulated interest receivable on mobilization advance to a contractor, considering the significant uncertainty in realization, as at year end of rupees 4,286 lakhs; in variation of the Accounting Standard 9 issued by the Institute of Chartered Accountants of India</p> <p>[Refer Note numbers 23.1 and 20.3].</p>	<p>The amount accounted in the books of the accounts towards interest upto the financial year is Rs 3296 lakhs as against Rs 4286 lakhs as indicated in the audit report. An amount of Rs 990 lakh, outstanding is towards mobilization advance.</p> <p>As a principle, the issue to be considered for evaluating the uncertainty is whether the amount due is reasonably determinable and it would not be unreasonable to expect ultimate collection.</p> <p>The treatment given in the books of accounts is followed on consistent basis. In the absence of uncertainty, an amount of Rs.718 lakh has been recognized as interest income during the year and cumulative amount of Rs 3296 lakhs, interest receivable as on 31st March, 2012, has therefore been retained and not provided for, in line with Accounting Standard - 9. Therefore, provision towards doubtful debts on the accumulated interest receivable on mobilization advance is not required to be effected.</p> <p>Appropriate disclosure has also been made in Note No.23.1 &amp; 20.3.</p>





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AUDIT QUERY	REPLY
<p>(ii) <i>the contractor has also lodged a claim of rupees 1,78,101 lakhs towards shortfall charges and damages against the Company upon termination of the contract and dispute is under arbitration. The said claim is shown only as a contingent liability and no provision has been made for the possible liability, if any, upon arbitration award and being so, we are unable to comment on the issue, which can have a significant impact, if the award is not in favour of the Company. [Refer Note number 30(i)g].</i></p>	<p>The details are explained in our Note No. 30 (i)g. The disclosure has been made in line with the compliance of Accounting Standard - 29.</p>

AUDIT QUERY	REPLY
<p>(c) <i>Non-disclosure as exceptional item of additional compensation on ammonium sulphate of rupees 6591 lakhs received during the year, as is not similar to the subsidy in the ordinary nature besides it pertains to earlier years, instead of disclosure as income of the year; as required under revised schedule VI to the Companies Act, 1956 and Accounting Standard 5 issued by the Institute of Chartered Accountants of India.[Refer Note number 22.3].</i></p> <p><i>Had the quantifiable qualifications in paragraph 6 (a) to (c) above been effected, the profit before extra ordinary items and tax for the year of rupees 1980 lakhs would have been a loss of rupees 14,792 lakhs and the current assets would have been lower by rupees 10,181 lakhs.</i></p>	<p>As per the request of Department of Fertilisers, the Tariff Commission had conducted a study with regard to the subsidy applicable on Ammonium Sulphate and Department of Fertilisers had consulted the views of FACT on the report of the Tariff Commission. The matter of final notification of the subsidy was under the active consideration of the Government and finally the Government notified the subsidy rates on 25.5.2012. In the absence of clarity on the eligible rates, the company could not account the stated amount in the earlier years and accounted the same on receipt of the notification.</p> <p>During the financial year 2011-12, the Company has accounted subsidy of Rs 126596.43 lakhs which includes an amount of Rs 6590.85 lakhs on account of subsidy for Ammonium Sulphate pertaining to the years 2008-09 and 2009-10. As per the Accounting Policy followed by the Company, recognition of subsidy is made on the basis of in principle recognition/approval/settlement of claims by Government of India as per the policy in force. The subsidy has been consistently recognized as per the policy frame work provided in the approved Accounting Policy, which is in line with Accounting Standard - 9.</p> <p>Para 14 of the Accounting Standard-5 which lists some of the items covered under the head exceptional items within the normal operations. As settlement of the subsidy is only natural process in the handling of the fertilizer subsidy claims and therefore, are not required to be considered as exceptional items.</p> <p>Accordingly, the said amount due has been considered as part of regular subsidy income in line with Accounting Policy and Accounting Standard - 9.</p> <p>Moreover, appropriate disclosure in the notes (Ref. Note No. 22.3) to the financial statement is also made.</p> <p>In view of the clarifications given individually for the qualifications raised by the auditor, there would not be any change in the profit before extraordinary items and tax for the year reported by the company and there would be no change in the current assets.</p>



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

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

**Fertilizer Industry**

Agriculture plays a significant role in the development of socio economic sector in India. Chemical Fertilizer Industry has played an important role in rejuvenating India's Agriculture Sector which provides livelihood to nearly 60% of the work force and making the country self reliant in food grain production thereby ensuring food security of the nation. Increased usage of fertilizers has resulted in increase in agriculture productivity. Over the years, the consumption of fertilizers in the country has risen steadily, while the indigenous production of fertilizers has not increased likewise to meet the growing requirement.

India is completely lacking in potassic resources and deficient in phosphate resources. Over dependence on import, exchange rate variation of Indian rupee, non-availability of cheap feed stock like NG/LNG are the biggest challenges being faced by Indian Fertilizer Industry.

The implementation of the nutrient based subsidy with effect from 01.04.2010 has promoted balanced nutrient application and the use of micro nutrients which helps in increasing the productivity and restoring the health of soil.

Availability of feedstock like NG / LNG at a uniform price ensuring a level playing field for all manufacturers of fertilizers in India will help the growth and development of this vital industry. The growth of the Fertilizer industry maintaining a synergy between production and adoption of best practices which focuses on conservation of environment, energy and clean development is a must for achieving food security and overall development of the country.

**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 in 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 :

- a. To produce and market Fertilisers & Caprolactam and other products efficiently and economically, besides achieving a

reasonable and consistent growth.

- b. To effectively manage the assets and resources of the company to ensure a reasonable return on investment.
- c. To focus on cost reduction and technology upgradation in order to become competitive in its line of business.
- d. To constantly innovate and develop new products and services to satisfy customer requirements.
- e. To invest in new business lines, where profit can be made on a sustainable basis over the long term.
- f. 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 2011-2012**

**UDYOGAMANDAL COMPLEX**

During the year 2011-12 Udyogamandal Division produced 168236 MT of Factamfos 20:20, and 163468 MT of Ammonium Sulphate. During the financial year 2010-2011 production of Factamfos and Ammonium Sulphate were 164594 MT and 200311 MT respectively. During the year, the division achieved a capacity utilization of 113% in production of Factamfos.

Nutrient wise the production during 2011-12 was 67322 MT of N and 33647 MT of P<sub>2</sub>O<sub>5</sub> as against 74183 MT of N and 32919 MT of P<sub>2</sub>O<sub>5</sub> during the previous year.

The production of Caprolactam for the year 2011-12 was 37854 MT as against 44345 MT during the year 2010-11.

**Cochin Division:** During the financial year 2011-12 Cochin Division produced 449159 MT of Factamfos 20:20 as against 479045 MT during the year 2010-11.

The production of Nutrient nitrogen and Nutrient P<sub>2</sub>O<sub>5</sub> was 89832 MT each as against 95809 MT during the last year.

During the year 2011-12, the division produced 258900 MT of Sulphuric acid and 53435 MT of phosphoric acid as compared to 245380 MT of Sulphuric acid and 36050 MT of phosphoric acid in the year 2010-11.

**Marketing Division:** During the financial year 2011-12 the Fertiliser sales was 8.40 Lakh MT as against 9.33 lakh MT during the previous year. Sale of Factamfos during the year was 582471 MT as compared to 642657 MT during the year 2010-11. The sale of Ammonium Sulphate during the year was 175524 MT as compared to 220080 MT during the previous year. The Division could achieve an increase in sale of Urea and Organic fertilizers as compared to last year. The





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Marketing Division is concentrating on import of Fertilisers to improve the turn over and profitability. Import of fertilizers during the year 2011-12 was 0.96 lakh MT as compared to 0.50 lakh MT in the previous year.

The Division has sold 54 MT of Bio-fertilisers during the year 2011-12 compared to 79 MT during the previous year.

The Division continued its Village adoption programmes, dealer training programs, Field demonstrations, seminars for ensuring farmer education etc. during the year 2011-12. Extensive field demonstrations for promoting FACT MIX in paddy was conducted at 10 'Padasekhara Samities' covering an area of 150 acres in 3 major paddy belts in Kerala viz. Kuttanad, Thrissur and Palakkad. Field trials for evaluating FACT MIX on important crops of Tamil Nadu is under progress at various Research Stations of Tamil Nadu Agricultural University.

**FEDO:** During the year 2011-12, FEDO has achieved a turnover of ₹1100 lakh as against ₹ 1419 lakh during the year 2010-11 and incurred a loss of ₹144 lakh.

During the year 2011-12 FEDO has provided PMC services for setting up of two Sulphuric acid storage tanks for FACT at Willingdon Island. FEDO has also prepared DPR for a new 1500 TPD Urea project at Udyogamandal and revamp of existing 900 TPD ammonia plant at FACT Udyogamandal for feedstock flexibility.

The work for the second phase of the prestigious IOCL BOOT project is nearing completion and expected to be over by end of 2013.

**FEW :** The turnover of FEW for the year 2011-12 was ₹868 lakh as against ₹559 lakh during the year 2010-11. During the year FEW has bagged orders worth ₹1289 lakh. FEW expect to sustain the turn over during 2012-13 and also generate profit.

### Opportunities & Threats

#### Opportunities

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

#### Threats

- Non-availability of sufficient quantity of Phosphoric Acid and other inputs.
- Volatility in the prices of raw materials and feedstock like Naphtha, Furnace Oil, etc.

- Fluctuations in the price of Caprolactam
- Exchange rate variations
- Over dependence on import of raw materials

### Segment-wise or Product-wise Performance

Details of Segment-wise performance is furnished separately in the Annual Report.

### Risk and Concern

- Non-availability of sufficient working capital and severe liquidity crunch
- Lack of product range.
- Decreasing Market share of FEDO & FEW due to stiff competition.
- High cost of working capital.
- Cost of LNG at Kochi/South India

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 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

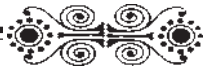
The Industrial Relations situation was generally peaceful during the year 2011-12. There was no work stoppage affecting the normal operations of the Company due to HR related issues.

#### Recruitment

Considering the attrition of technical hands and professionals, during the year 2011-12, the company has recruited technically/professionally qualified candidates as Management Trainees. 40 Process Technicians and two Fireman were also recruited during the year under report. In view of the specific directions issued by the Government of India to fill up back log vacancies reserved for SC / ST in recruitment, a special recruitment drive was launched to fill such vacancies. Consequent to this, 4 ST candidates were recruited during the year. Further to specific directions issued by the Chief Commissioner for persons with Disabilities to fill up short fall in reservation for Persons with Disabilities in direct recruitment, through a special recruitment drive, one PH candidate was recruited during the year.

#### Career growth

Existing vacancies in various cadres were filled to the extent possible by promotion as well as regularizing employees already in the stagnation grades for maintaining higher levels of production and



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also for maintaining the morale of the employees.

## Development of SC/ST

Employment of Reserved Categories as on 31.03.2012 is given below:

	TOTAL	SC	ST	OBC	PWD	EX-SER	TOTAL
No. of employees	3156	423	100	983	73	33	1612
% of total employees		13.4	3.2	31.2	2.3	1.0	51.1

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 recruitments reserved for SC / ST, a special recruitment drive was launched for filling 56 such vacancies (31 SC and 25 ST). Out of this 30 SC and 19 ST candidates have already been appointed. For filling the remaining one SC vacancy and six ST vacancies, action is in progress.

### 2. Training

In service training to company employees is arranged through the Training Department. Maximum representation is ensured for SC/ST employees to attend in house training programme. 97 SC employees and 18 ST employees had undergone training during the year 2011-12.

For engagement of Apprentices under the Apprentices Act, representation as per rules is provided. The representation for SC/ST in Apprentices as on 31.03.2012 is as follows:

Total No. of Apprentices	SC	ST
181	28	4

### 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. The employee concerned is informed of the decision / action taken on the grievances by the Grievance Cell.

### 4. Allotment of Residential Quarters

Due consideration is given for allotment of Residential Quarters to SC/ST employees.

Total Number of Employees Occupying Quarters	SC	ST
736	156	32

### 5. Reservation of Dealership

FACT is having more than 7000 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:

Category of Dealership	As on 31.3.2012
SC	517
ST	98

### Corporate Social Responsibility

During the year 2011-12, the company continued to give priority on various Social Responsibility measures. Following are some of the Corporate Social Responsibility measures undertaken by the company during the financial year 2011-12.

#### Village Adoption Programme

Under the Village Adoption Programme, 10 progressive farmers having at least one acre of land, in a village is identified. The soils of the plots are analyzed for major, secondary and micro nutrients. Based on the soil test results, soil and crop specific nutrients as per the respective State Agricultural University recommendations in the form of a proprietary fertilizer mixture developed by FACT are given to the farmers. In addition, micronutrients specified by the University were supplied free of cost. FACT has conducted 8 such Village Adoption Programmes in Kerala, Tamil Nadu, Andhra Pradesh and Karnataka.

#### Farmer Training Programme

The farmer training programme is intended to impart training to limited group of 20-25 farmers on balanced use of fertilisers based on soil test results. The objectives of this programme are to create awareness on soil sampling methodology and use of balanced fertiliser based on soil test results. FACT has conducted 10 Farmer Education Seminar, in all the four Southern States.

#### Field Demonstration

The Field Demonstration Programme aims to demonstrate the effectiveness of correct fertiliser application at farmer level. For this, one acre of plot of the farmer is divided into 2 equal 50 cents plots - control plot and treatment plot. In control plot, farmer's practice is followed. In treatment plot, Agricultural University recommended FACTMIX is given based on soil test results. The yield difference between treatment plot and control plot are compared. FACT has conducted 13 Field demonstrations during the year 2011-12.





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### Agri-FACT Extension Centres

During the year 2011-12, five Agri-FACT Extension Centres were set up and they acted as nodal centers for transformation of technology to the farming community.

### Soil Testing

During the year 2011-12, 10,003 soil samples were analysed at free of cost and results with crop specific fertilizer recommendation were communicated to the farmers.

### Drinking Water supply to residents of Eloor Municipality

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

### Official Language

FACT continued to give top priority for the implementation of the provisions of the Official Language Act and Rules and the related instructions given by the Ministry of Home Affairs, Government of India. Official Language Implementation Committee meetings are held regularly and the progress is reviewed in the use of Rajabhasha. Company is providing incentives for encouraging employees who are doing excellent work in Hindi. During the year 2011-12, FACT has conducted a one day Official Language Conference for official language staff of Central Government Offices and PSUs in Cochin and Research Students of Cochin University. The company is regularly conducting Hindi workshops, spoken Hindi classes, Rajabhasha Orientation Programme, Rajabhasha Seminar etc. The company has also conducted various Hindi competitions for spouse and children of FACT employees, students of neighboring schools, students of the schools in Ernakulam Revenue District and for the employees of other Public Sector Undertakings.

### Pollution Control Activities

All Fertiliser Plants in Udyogamandal complex is certified for ISO 14001 which always gives top 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 the parent plant throughout the year and treated liquid effluents and gas emissions discharged from plants conformed to the standards prescribed by the Kerala Pollution control Board.

FACT has three computerised ambient air quality monitoring stations to monitor the quality of the air around the factory and to ensure a clean environment in the locality.

During the year saplings were planted at company premises as a measure of Green Belt Environment.

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.

### Awards and Recognitions

During the year 2011-12, your Company has been honoured with many awards and laurels.

Udyogamandal Division has been awarded the First Prize for outstanding performance in Group 1(a) major chemical industries worked more than 1.5 million manhours for the year 2011 from the National Safety Council of India, Kerala Chapter. This is the second year in succession Udyogamandal division has been bagging this coveted award.

Cochin Division received the runner up award for outstanding performance in Industrial Safety by achieving the lower frequency rate of accidents in the group of very large size chemical industries constituted by National Safety Council, Kerala Chapter.

FACT has successfully implemented a new ERP system SAP within a short period and won Award for Customer Excellence from among the Public Sector Organisations.

FACT has won First Place among the 38 PSUs coming under the auspices of Cochin Town Official Language Implementation Committee for the year 2011 for the progressive use and successful implementation of Hindi in FACT. FACT Official Language Magazine "RASHTRAVANI" has been awarded second prize among the magazine of Cochin TOLIC.

### Short Term Strategies / Projects

In order to improve the operational efficiency and profitability, FACT intends to implement the following Short-term Projects.

#### 1) Feed Stock conversion of Ammonia Plant to LNG

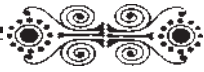
LNG is expected to be available at Kochi by the end of 2012. Modifications in the Ammonia Plant are being done for using cheaper LNG as feed stock and fuel for Ammonia manufacture as soon as it is available. The Project will bring an energy saving in the Ammonia Plant to the tune of 0.3 Gcal / MT Ammonia. The total cost of the project is estimated as ₹31.57 Crore. The pay back period of this project on account of energy savings alone is just six months.

#### 2) Conversion of fuel for the boilers to LNG

It is also proposed to carry out modification in the 5 boilers at Udyogamandal Complex to use LNG as fuel in place of Furnace Oil. The total cost of the venture is expected to ₹12 crore to be implemented in 2 phases.

#### 3) Wagon Loading and Stacking System

Movement by rail wagons forms a major mode of transportation of



## THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

Factamfos to the various destinations in all four southern States of India. It was decided to implement a scheme for "Enhancement of Wagon Loading" at Cochin Division. The Scheme envisages modification with conveyor system for stacking of sufficient quantities of bagged Factamfos along side the length of the platform to augment the loading rate along with the online bagging/loading operations. The project cost is estimated at ₹13.77 Crore.

#### 4) **Ammonia Transportation by own Barge**

In order to produce 2000 TPD of Factamfos at Cochin Division, 500 TPD of ammonia is required. As there is no ammonia production at Cochin Division, 600 MT to 700 MT of ammonia will have to be transported daily to meet this requirement as well as to ensure sufficient buffer stock. At present, a maximum of 450 MT of ammonia is being transported by road. To ensure sustained production of Factamfos at Cochin Division, it was decided to construct own barge to transport ammonia from Udyogamandal to Cochin Division. FACT's fabrication division, FEW, has the infrastructure to enter into the marine vessel field. This is expected to have a vast potential especially looking at the thrust given by water transport from all sides including the Kerala Government. By manufacturing a barge to meet the in-house requirement, FEW envisages to achieve a landmark shift in its capacity thereby becoming competitive in a field of barge making and other related areas.

#### 5) **Container Freight Station**

In order to capitalize the business opportunities due to the opening up of the NH connecting the ICTT at Vallarpadam, it was decided to set up a Container Freight Station as a Joint Venture on revenue sharing model, with Central Warehousing Corporation. The Business Model and Joint Venture agreement and other terms and conditions have already been approved and final clearance from Government of Kerala for leasing out of the land for JV purpose is awaited.

#### 6) **Sulphur un-loading facilities at Udyogamandal Complex**

FACT has decided to replace the present system of Sulphur un-loader facility at Udyogamandal with a new barge un-loader system with an estimated cost of ₹6 crore. The un-loader proposed is ideally suited from the environmental control point of view as there will be less spillage and dust compared to the present system. Moreover the rate of un-loading will be much higher than the present arrangement.

#### **Long Term Strategies/Projects**

##### 1) **New Urea Plant at Udyogamandal**

FACT has a proposal for setting up a new Urea plant of 1500 MT per day capacity at Udyogamandal utilising the CO<sub>2</sub> being vented from the Ammonia Plant at a Project Cost of ₹940 Crore. A DPR has been prepared by FACT Engineering and Design Organisation (FEDO). Expression of Interest has been invited for Joint Venture participation in this project.

##### 2) **A New 1000 TPD NP Plant**

FACT is considering to set up an additional NP Plant of 1000 TPD capacity at Cochin Division along with revamp of Willingdon Island Facilities for handling increased volumes of Raw-materials utilizing modern equipments to increase the discharge rates from shipments. The estimated project cost is ₹283 Crore (including Port improvement schemes) distributed over 3 years. Expression of Interest has been invited for Joint Venture participation in this project.

##### 3) **Sulphuric Acid Plant**

FACT is proposed to set up a Sulphuric Acid plant of 2000 TPD capacity at its Cochin Division to cater to the requirements of Sulphuric Acid for the production of Phosphoric Acid. The estimated cost for the project is ₹320 crore. Expression of Interest has been invited for Joint Venture participation in this project.

##### 4) **Ammonia-Urea Complex**

FACT proposes to set up an Ammonia-Urea complex having a capacity of 2800-3500 TPD Ammonia and Urea. The estimated project cost is ₹4600 crore.

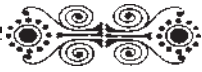
In order to mobilize the resources for these long term projects, an expression of interest was invited from public and private sector companies for equity participation. Responses have been received from PSUs and other private sector entities. It is proposed to carry out further discussion with the parties who have evinced interest to participate in JV projects with FACT and finalise the mode of partnership in line with an agreeable business model.

#### **Outlook for the future**

FACT had submitted a Financial Restructuring proposal to the Department of Fertilizers, Government of India, requesting assistance to tide over the interest burden and for sustainable growth of the company in the long run.

Department of Fertilizers has requested the company to submit a detailed financial restructuring proposal made by a Consultant for submission to the BRPSE. Accordingly the company has appointed M/s.Deloitte Touche Tohmatsu India Pvt.Ltd. for preparing a detailed financial restructuring proposal to be submitted to the BRPSE. M/s.Deloitte has submitted a financial restructuring proposal which is under the consideration of the company. The proposal submitted by M/s.Deloitte will be forwarded to the Ministry shortly.

On implementation of the financial restructuring package and new projects for expansion and modernization, FACT is expected to sustain profitability in the coming years.



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

**REPORT ON CORPORATE GOVERNANCE**

**I Philosophy on Code of Governance**

A self disciplinary code to achieve the highest standards of Corporate Governance to safeguard 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 Sham Lal Goyal	01.04.2011/31.03.2012	Chairman and Managing Director
2	Shri P.Muthusamy	01.04.2011/31.03.2012	Director (Finance)
3	Shri V.K.Anil	28.06.2011/31.03.2012	Director (Technical)
4	Shri P.K.Chandrasekharan	30.11.2011/31.03.2012	Director (Marketing)
5	Dr.V.Rajagopalan	12.08.2011/31.03.2012	Part-time Official Director
6	Shri S.C.Gupta	12.08.2011/31.03.2012	Part-time Official Director
7	Shri V.G.Sankaranarayanan	01.04.2011/30.04.2011	Director (Technical)
8	Shri Satish Chandra	01.04.2011/12.08.2011	Part-time Official Director
9	Ms.Pratibha Karan	01-04-2011/03.10.2011	Non-Official Part-time Director
10	Shri T.M.Jeyachandran	01-04-2011/03.10.2011	Non-Official Part-time Director
11	Shri Khan Masood Ahmad	01-04-2011/03.10.2011	Non-Official Part-time Director
12	Prof. R.K.Mishra	01-04-2011/03.10.2011	Non-Official Part-time Director
13	Dr. B.S.Ghuman	01-04-2011/03.10.2011	Non-Official Part-time Director
14	Dr. B.Bodeiah	01-04-2011/04.03.2012	Non-Official Part-time Director
15	Shri S.Balan	01-04-2011/04.03.2012	Non-Official Part-time Director

**Board Meetings**

Sl.No.	Date of the Board Meeting	Venue	Filled strength	Directors present
1	18.04.2011	Udyogamandal	11	8
2	29.06.2011	New Delhi	11	10
3	12.08.2011	New Delhi	12	8
4	12.09.2011	Udyogamandal	12	8
5	09.11.2011	New Delhi	7	7
6	05.01.2012	New Delhi	8	7
7	14.02.2012	New Delhi	8	8
8	03.03.2012	New Delhi	8	8
9	09.03.2012	New Delhi	6	6



## THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

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### Attendance in Board Meetings

Sl.No	Name of Director	Period	No.of Meeting held	No.of Meeting Attended	No.of Directorship in other Boards
1	Shri Sham Lal Goyal	01.04.2011/31.03.2012	9	9	6
2	Shri P.Muthusamy	01.04.2011/31.03.2012	9	9	1
3	Shri V.K.Anil	28.06.2011/31.03.2012	8	8	1
4	Shri P.K.Chandrasekharan	30.11.2011/31.03.2012	4	4	-
5	Dr. V.Rajagopalan	12.08.2011/31.03.2012	7	6	5
6	Shri S.C.Gupta	12.08.2011/31.03.2012	7	6	-
7	Shri V.G.Sankaranarayanan	01.04.2011/30.04.2011	1	1	1
8	Shri Satish Chandra	06.05.2010/12.08.2011	2	2	4
9	Ms.Pratibha Karan	01-04-2011/03.10.2011	4	1	1
10	Shri T.M.Jeyachandran	01-04-2011/03.10.2011	4	4	-
11	Shri Khan Masood Ahmad	01-04-2011/03.10.2011	4	3	-
12	Prof. R.K.Mishra	01-04-2011/03.10.2011	4	3	2
13	Dr. B.S.Ghuman	01-04-2011/03.10.2011	4	2	-
14	Dr. B.Bodeiah	01-04-2011/04.03.2012	8	8	-
15	Shri S.Balan	01-04-2011/04.03.2012	8	4	-

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

Sl.No.	Name	Age	Date of Directorship	Remarks
1	Dr. V. Rajagopalan	58	12.08.2011	Elected in 67 <sup>th</sup> AGM
2	Shri S.C. Gupta	50	12.08.2011	Elected in 67 <sup>th</sup> AGM

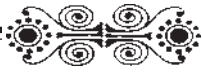
### IV. Particulars of Directors under III above are as follows:

#### Dr. V. Rajagopalan

Dr.V.Rajagopalan belongs to 1978 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 Special Secretary and Financial Adviser in the Department of Fertilisers, Ministry of Chemicals and Fertilisers, Government of India.

#### 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 Fertilizers, Ministry of Chemicals and Fertilizers, Government of India.



# THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala



## V Audit Committee

Sl.No	Name	Nature of Directorship
1	Dr.V.Rajagopalan	GOI Nominee Director
2	Shri V.K.Anil	Functional Director
3	Shri S.C.Gupta	GOI Nominee Director
4	Shri Satish Chandra *	GOI Nominee Director
5	Shri.T.M.Jeyachandran **	Non-Official part-time Director
6	Prof.R.K.Mishra **	Non-Official part-time Director
7	Dr.B.S.Ghuman **	Non-Official Part-time Director
8	Dr. B. Bodeiah***	Non-Official Part-time Director
9	Shri S Balan***	Non-Official Part-time Director

\* upto 12.08.2011    \*\* upto 03.10.2011    \*\*\* from 17.10.2011 to 04.03.2012

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 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
29.06.2011	4	4
12.08.2011	4	2
09.11.2011	3	3
09.02.2012	3	3

## VI Remuneration Committee

FACT is a Government Company in terms of Section 617 of the Companies Act 1956. The remuneration of Chairman and Managing Director and other whole-time functional Directors are fixed by the Government of India. The Company is not paying any remuneration to Part-time Official Directors (nominees of the Government of India). FACT is paying only sitting fee to Non-official Part-time Directors for attending meeting of the Board/Sub-Committee 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 is 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)

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 is any share transfer request to approve. As on 31-3-2012 there is no valid share transfer request pending for approval.

The complaints of Investors/Shareholders are promptly attended to either by the share transfer agents or the Company directly and no genuine complaints of Shareholders remain unattended. During the year the Company attended to 26 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 ShamLal Goyal, C & MD
2. Shri P.Muthusamy, Director (Finance)
3. Shri V.K.Anil, Director (Technical)
4. Shri P.K. Chandrasekharan, Director (Marketing)

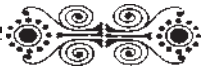
## IX General Body Meetings

Year	Date	Time	Venue	DetailsofSpecialResolution
2008-2009 AGM	25.09.2009	11.00 AM	Udyogamandal	Allotment of 29.23 Crore equity shares @Rs.10/- per share to Government of India
2009-2010 AGM	29.09.2010	11.00 A.M	Udyogamandal	Nil
2010-2011 AGM	29.09.2011	11.00 A.M	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 Companies Act and Rules/Regulations in this regard.

Sri. Sham lal Goyal, Chairman and Managing Director, Shri T.M.Jeyachandran, Director and Chairman of Audit Committee, Shri.P.Muthusamy, Director (Finance), Shri.V.K.Anil, Director (Technical) and Dr.R.K.Mishra, Director, attended the 67<sup>th</sup> Annual General Meeting.





# THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala



## X. Disclosure

During the year 2011-2012, 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 shares of the Company are very 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 2012-2013 are given below:

68th Annual General Meeting	
Day	Friday
Date	28th September 2012
Time	11.00 AM
Venue	Udyogamandal Club

Financial Calendar for 2012-13	
1st Quarter Financial Results	Published on 26.07.2012
2nd Quarter " "	1st week of November 2012
3rd Quarter " "	1st week of February 2013
4th Quarter "	1st week of May 2013

<b>Dates of Book Closure</b>	26th September 2012 to 28th September 2012
<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 2012-2013

### 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 2011-2012 as available from the National Stock Exchange of India Limited are given below:

Month	High (₹)	Low (₹)
April -2011	44.40	40.50
May -2011	42.50	37.95
June-2011	42.05	37.20
July-2011	42.95	38.00
August-2011	47.70	36.95
September-2011	40.80	34.50
October-2011	35.90	33.00
November-2011	35.30	24.00
December-2011	26.70	20.40
January-2012	36.15	23.55
February-2012	38.90	34.00
March-2012	36.80	30.65

**XIV Share transfer /Depository Agent:** M/s. Cameo Corporate Services Limited, 'Subramanian Building' No.1, Club House Road, Chennai-600002

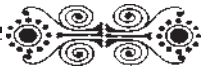
### XV Share Transfer System

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

### XVI Distribution of shareholding as on 31-03-2012

Shareholding of nominal value of ₹ 10	Shareholders		Amount ₹
	Number	% to Total	
Upto 5000	14452	90.65	16881490
5001 - 10000	842	5.28	7158320
10001 - 20000	335	2.10	5370940
20001 - 30000	106	0.66	2767840
30001 - 40000	54	0.34	1968600
40001 - 50000	49	0.31	2374490
50001 - 100000	63	0.40	4896530
100001 and above	41	0.26	6429301530
<b>Total</b>	<b>15942</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 ie NSDL and CDSL and the share transfer agents of the Company. As on 31-3-2012, 64,40,38,244, 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 the 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 2011-12. The Company is yet to receive fresh notification on appointment of Non-official Part-time Directors on the Board of Directors of FACT.

#### CFO/CEO's CERTIFICATION

We certify that :

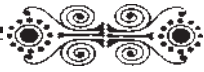
- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements 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 : August 23, 2012

Sd/-  
**Sham Lal Goyal**  
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

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No E,4<sup>th</sup> FLOOR, RATNA GARDENS, SOUTH JANATHA ROAD, PALARIVATTOM, COCHIN – 682025  
Phone 9961333309; 0484-6002101. E-mail: [vsathishmenon@gmail.com](mailto:vsathishmenon@gmail.com)

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**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, 2012. 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.

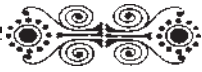
On the basis of my examination of the records produced, explanations and information furnished, I certify that the Company has complied with all the conditions of Listing Agreement, *except* Clause 49 (1A) relating to composition of the Board of Directors.

On completion of 3 years term (as per Government of India order notifying the appointment) 5 Non-official Part time Directors were retired from the Board of the Company on 3/10/2011 and 2 Non-official Part time Directors were also retired from the Board of the Company on 4/3/2012. Fresh Government notifications to fill up the vacancies are awaited.

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 – 682025  
18.08.2012

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

II<sup>nd</sup> FLOOR, MANCHU COMPLEX,  
P.T.USHA ROAD, KOCHI - 682 011  
Phone: 0484-2363119, 2380868  
Telefax : 0484-2380868  
E-mail: bakco.ca@gmail.com, bakco@vsnl.net

### AUDITORS' REPORT

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

1. We have audited the attached Balance sheet of **THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED** as at **March 31, 2012** and also the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, 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 purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our Audit have been received from the area/regional offices not audited by us. The area/regional Auditor's Reports have been given to us and have been appropriately dealt with in preparing our report.
  - (c) the Balance sheet, Statement of Profit and Loss and Cash Flow statement dealt with by this report are in agreement with the books of account and with the audited returns from the area/regional offices;
5. Being a Government Company, the provisions of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 is not applicable.
6. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt



## THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 to the extent applicable except for the points (a) to (c) given below:

(a) Valuation of closing stock of by-product gypsum of 45 lakhs metric tonne, at the rate of ₹331 per metric tonne based on average selling price of future five years expected sales, instead of net realizable value based on approved selling price for bulk sales of ₹ 200 per metric tonne in variation to Accounting Standard 2 issued by the Institute of Chartered Accountants of India resulting in an over valuation of stock by ₹ 5895 lakhs and inflated profit to the same extent [Refer Note number 17.1].

(b) (i) Recognition of interest income of rupees 718 lakhs during the year and non-provision towards doubtful debts on the accumulated interest receivable on mobilization advance to a contractor, considering the significant uncertainty in realization, as at year end of rupees 4,286 lakhs; in variation of the Accounting Standard 9 issued by the Institute of Chartered Accountants of India [Refer Note numbers 23.1 and 20.3]

(ii) the contractor has also lodged a claim of rupees 1,78,101 lakhs towards shortfall charges and damages against the Company upon termination of the contract and the dispute is under arbitration. The said claim is shown only as a contingent liability and no provision has been made for the possible liability, if any, upon arbitration award and being so, we are unable to comment on the issue, which can have a significant impact, if the award is not in favour of the Company. [Refer Note number 30(i)g]

(c) Non-disclosure as exceptional item of additional compensation on ammonium

*sulphate of rupees 6591 lakhs received during the year, as is not similar to the subsidy in the ordinary nature besides it pertains to earlier years, instead of disclosure as income of the year; as required under revised schedule VI to the Companies Act, 1956 and Accounting Standard 5 issued by the Institute of Chartered Accountants of India.[Refer Note number 22.3].*

We further report that:-

*Had the quantifiable qualifications in paragraph 6 (a) to (c) above been effected, the profit before extra ordinary items and tax for the year of rupees 1980 lakhs would have been a loss of rupees 14,792 lakhs and the current assets would have been lower by rupees 10,181 lakhs.*

7. Subject to the above, in our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) In the case of the Balance Sheet, of the State of affairs of the Company as at March 31, 2012;
- (ii) In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date and
- (iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

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

New Delhi  
July 24,2012

N.K.Alexander  
Partner,  
Membership No.007448



## THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

### Annexure referred to in paragraph 3 of the Auditors' Report to the Members of THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED, on the financial statements for the year ended March 31, 2012

- i a) The Company has maintained generally proper records showing full 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 been physically verified by the Management during the year, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. As explained to us, no material discrepancies were noticed on such physical verification.
- c) In our opinion and according to the information and explanations given to us, fixed assets disposed off during the year were not substantial, and therefore, do not affect the going concern status.
- ii a) The inventories have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company is maintaining proper records of inventories. The discrepancies noticed on verification between the physical stock and the book records were not material and have been properly dealt with in the books of account.
- 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 needs to 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 there are no transactions in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 aggregating during the year 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 deposits accepted from the public.
- vii On the basis of the test checks conducted by us and according to the explanations given to us, the Company has an internal audit generally commensurate with the size of the Company and nature of its business.
- viii We have broadly reviewed the books and records maintained by the Company pursuant to the order of the Central Government u/s 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima-facie the prescribed accounts and records have been made and maintained by the Company. We have however not made a detailed examination of the records with a view to determining whether 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, 2012 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, 2012, which have not been deposited on account of disputes are furnished below:*

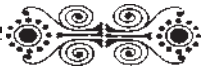


## THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala



Name of the Statute	Nature of the Dues	Amount (Rupees)	Period to which dispute relates	Forum where dispute is pending
Income Tax Act ,1961	Tax demand due to disallowances	10 lakhs	1997-98	High Court of Kerala
Income Tax Act, 1961	Additional tax and interest demanded on payments to foreign technicians	78 lakhs	1994-95 to1997-98	High Court of Kerala
Finance Act, 1994	Tax, Penalty and interest demand on service tax	11 lakhs	2003-04 to2005-06	Customs, Excise and Service Tax Appellate Tribunal, Bangalore
Finance Act, 1994	Tax, Penalty & Interest demanded on Service tax disputed by the Company	65 lakhs	2006-07 to2010-11	Commissioner of Central Excise, Kochi
Customs Act, 1962	Differential duty	40 lakhs	1991-92 to 1992-93	Customs, Excise and Service Tax Appellate Tribunal, Chennai
Central Excise Act, 1944	Duty with interest and penalty on shortages written off	68 lakhs	2003-04	Adjudicating Authority
Central Excise Act, 1944	Duty with interest and penalty on Cenvat availment	5 lakhs	2006-10	Adjudicating Authority
Madhya Pradesh Entry Tax	Entry Tax demand	4 lakhs	1980-84	Board of Revenue (Commercial Tax Tribunal), Gwalior, Madhya Pradesh
Sales Tax Act, Orissa	Sales Tax demand	63 lakhs	1985-92	High Court of Orissa
Sales Tax and Central Sales Tax Act, Punjab	Sales Tax demand	406 lakhs	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, 2012 after giving effect to the qualifications in the Auditors' Report are more than fifty percent of its net worth and it has incurred cash losses during the year and in the immediately preceding financial year.*
- 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.
- 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, 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 12.2).
- 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/-

**N.K. Alexander**

Partner, Membership No.007448

New Delhi  
July 24,2012



## THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

### COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

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

#### **CONFIDENTIAL**

No.PDCA/CA-2/ FACT/4-265/2012-13/51

Dated: September 21, 2012

To

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

Sir,

Sub: Comments of the Comptroller and Auditor General of India under Section 619 (4) of the Companies Act, 1956 on the accounts of The Fertilisers and Chemicals Travancore Limited, Udyogamandal for the year ended 31 March 2012.

\*\*\*\*\*

I forward herewith the comments of the Comptroller and Auditor General of India under Section 619 (4) of the Companies Act 1956, on the accounts of The Fertilisers and Chemicals Travancore Limited, Udyogamandal for the year ended 31 March 2012.

Receipt of this letter may kindly be acknowledged.

Yours faithfully,  
Sd/-

**(S.RAJANI)**

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

Encl : "Nil" comment certificate

### **COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED, UDYOGAMANDAL FOR THE YEAR ENDED 31 MARCH 2012**

The preparation of financial statements of **The Fertilisers and Chemicals Travancore Limited, Udyogamandal** for the year ended 31 March 2012 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 619 (2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 24<sup>th</sup> July 2012.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619 (3) (b) of the Companies Act, 1956 of the financial statements of **The Fertilisers and Chemicals Travancore Limited, Udyogamandal** for the year ended 31 March 2012. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records. On the basis of my audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report under Section 619 (4) of the Companies Act, 1956.

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

Sd/-

**(S.RAJANI)**

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

Place : Chennai  
Date : September 21, 2012





# THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

## BALANCE SHEET AS AT 31-3-2012

₹ in Lakh

	Particulars	Note No.	Figures as at 31.03.2012	Figures as at 31.03.2011
	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	-48482.43	-50458.66
	(c) Money received against share warrants		0.00	0.00
(2)	<b>Share application money pending allotment</b>		0.00	0.00
(3)	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	3	21803.10	22023.12
	(b) Other Long term liabilities	4	0.00	522.23
	(c) Long term provisions	5	17739.95	16377.56
(4)	<b>Current liabilities</b>			
	(a) Short-term borrowings	6	43857.87	65218.06
	(b) Trade payables	7	53537.30	31680.49
	(c) Other current liabilities	8	32665.76	23327.12
	(d) Short term provisions	9	4778.93	3931.64
	<b>TOTAL</b>		<b>190607.68</b>	177328.76
<b>II.</b>	<b>ASSETS</b>			
(1)	<b>Non-current assets</b>			
	(a) Fixed assets			
	(i) Tangible assets	10	27192.35	30854.30
	(ii) Intangible assets	10	561.80	736.88
	(iii) Capital work-in-progress	11	2302.80	870.46
	(iv) Intangible assets under development	11	0.00	11.01
	(b) Non-current investments	12	1823.15	1554.15
	(c) Deferred tax assets (net)	13	0.00	0.00
	(d) Long-term loans and advances	14	212.07	75.57
	(e) Other non-current assets	15	555.32	505.40
(2)	<b>Current assets</b>			
	(a) Current investments	16	0.00	12285.91
	(b) Inventories	17	75961.81	61374.75
	(c) Trade receivables	18	1125.39	4845.78
	(d) Cash and Bank balances	19	7017.10	5523.08
	(e) Short-term loans and advances	20	18436.35	17720.68
	(f) Other current assets	21	55419.54	40970.79
	<b>TOTAL</b>		<b>190607.68</b>	177328.76
	Significant Accounting Policies Notes on Accounts	1 to 40		

For and on behalf of the Board

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

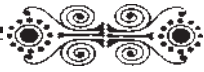
Sd/-  
**P.Muthusamy**  
Director (Finance)

Sd/-  
**Sham Lal Goyal, IAS**  
Chairman & Managing Director

Place : New Delhi  
Date : 24th July 2012

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

Sd/-  
**N.K.Alexander**  
Partner  
Membership Number:7448



# THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

## PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31-3-2012

₹ in Lakh

	Particulars	Note No.	Figures for the year ended 31.03.2012	Figures for the year ended 31.03.2011
I.	Revenue from operations	22	287604.83	246072.63
II.	Other income	23	3670.17	3059.91
III.	Total Revenue (I+II)		291275.00	249132.54
IV.	Expenses			
	Cost of materials consumed	24	174918.01	142879.07
	Purchases of Stock-in-trade	25	13484.79	9257.03
	Changes in inventories of finished goods, work-in-progress and Stock-in-trade.	26	-4858.76	-178.57
	Employee benefits expense	27	22523.57	26804.60
	Finance costs	28	13676.58	14339.73
	Depreciation and amortization expense	10	4258.90	4262.72
	Other expenses	29	65292.10	55879.48
	Total Expenses		289295.19	253244.06
V.	Profit before exceptional and extraordinary items, and tax (III-IV)		1979.81	-4111.52
VI.	Exceptional items	33	0.00	821.15
VII.	Profit before extraordinary items and tax (V-VI)		1979.81	-4932.67
VIII.	Extraordinary items		0.00	0.00
IX.	Profit before tax (VII-VIII)		1979.81	-4932.67
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)		1979.81	-4932.67
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)		1979.81	-4932.67
XVI.	Earnings per equity share of ₹ 10 each			
	(1) Basic - ₹		0.31	-0.76
	(2) Diluted - ₹		0.31	-0.76
	Significant Accounting Policies Notes on Accounts	1 to 40		

### For and on behalf of the Board

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

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

Sd/-  
**Sham Lal Goyal, IAS**  
Chairman & Managing Director

Place : New Delhi  
Date : 24th July 2012

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

Sd/-  
**N.K.Alexander**  
Partner  
Membership Number:7448



# THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Floor, Udyogamandal, Kochi, Kerala

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2012

PARTICULARS	For the year ended 31.3.2012	For the year ended 31.3.2011
	₹ in Lakh	₹ in Lakh
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit before Tax and Extraordinary items and Prior year items</b>	<b>1979.81</b>	-4111.52
<b>Adjustments For:</b>		
Depreciation/Impairment loss /Deferred Rev. Expenditure	4255.32	4258.98
Provision for Obsolescence/Bad & Doubtful Debts (Net)	185.61	348.92
Provision for Employee Benefits	1599.14	6784.73
Income from Investments	-302.80	-1795.27
(Profit)/Loss on sale of assets (Net)	-21.36	-460.80
Loss on sale/diminution in value of investments	0.00	1848.39
Finance cost	13676.58	14339.73
<b>Operating Profit before Working Capital changes</b>	<b>21372.30</b>	21213.16
<b>Adjustments for:</b>		
Trade and Other Receivables	-13397.25	750.19
Inventories	-14814.70	-4025.81
Trade and Other Payables	21766.61	-3425.77
<b>Cash generated from Operations</b>	<b>14926.96</b>	14511.77
Direct Taxes	0.00	0.00
<b>Cash Flow before extraordinary items</b>	<b>14926.96</b>	14511.77
Prior Period - (excluding non cash)	0.00	0.00
<b>Net Cash from Operating Activities</b>	<b>14926.96</b>	14511.77
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets/Capital Work-in-Progress	-1844.62	-1542.84
Sale of Fixed Assets	22.78	3.06
Interest Received	294.70	1788.79
Dividend Received	8.10	6.48
Investments/Sale of Investments(Net)	12016.91	11595.39
<b>Net cash from/used (-) in Investing Activities</b>	<b>10497.87</b>	11850.88
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings (Net)	5339.48	7553.75
Increase/Decrease in Cash credit with Banks	-21360.19	-20274.51
Interest	-9718.93	-11319.97
<b>Net cash used in Financing Activities</b>	<b>-25739.64</b>	-24040.73
<b>NET INCREASE /DECREASE (-)IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>-314.81</b>	2321.92
<b>CASH AND CASH EQUIVALENTS</b>		
<b>AS AT 01.04.2011 (Opening Balance)</b>	<b>3257.81</b>	935.89
<b>AS AT 31.03.2012 (Closing Balance)</b>	<b>2943.00</b>	3257.81
<b>CASH AND CASH EQUIVALENTS</b>	<b>As at 31.03.2012</b>	<b>As at 31.03.2011</b>
Balances with Banks	2742.30	3033.21
Cheques , Drafts on hand	67.95	64.21
Cash on hand	7.82	5.71
Current Account with banks for unpaid interest warrants	115.09	144.98
With Post Office/Treasury Savings Account	9.84	9.70
<b>TOTAL</b>	<b>2943.00</b>	3257.81

For and on behalf of the Board

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

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

Sd/-  
**Sham Lal Goyal, IAS**  
Chairman & Managing Director

Place : New Delhi  
Date : 24th July 2012

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

Sd/-  
**N.K.Alexander**  
Partner  
Membership Number:7448



**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:**

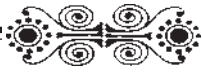
Capital stores are valued at cost. Specific provision is made for likely diminution in value, wherever required.

**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



## THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

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.

- 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.

### 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.
- 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.

### 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



## THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

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.
- 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:

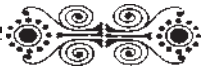
- a) In contract operations revenue is recognized on percentage of completion method. The stage of completion is ascertained on the basis of physical evaluation of respective contract activity on the reporting date.
- b) Foreseeable losses on contract activities are recognized fully irrespective of the 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

	Particulars	As at 31.03.2012		As at 31.03.2011	
<b>1</b>	<b>Share capital</b>				
a.	Authorised: 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

Particulars		As at 31.03.2012		As at 31.03.2011	
<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	67.42		70.21	
	Less amount written off during current year	2.63	64.79	2.79	67.42
	Bio Fertiliser Project				
	Opening balance	9.31		10.26	
	Less amount written off during current year	0.95	8.36	0.95	9.31
	<b>Surplus Debit balance in Profit &amp; Loss statement:</b>				
	<b>Profit / Loss (-)</b>				
	Opening balance	-50538.03		-45605.36	
	Add Profit/ Loss (-) during the year	1979.81	-48558.22	-4932.67	-50538.03
			<b>-48482.43</b>		<b>-50458.66</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		17949.00
	<b>Deposits</b>				
	<b>Unsecured:-</b>				
	Fixed Deposit from Public (Refer Note 3.2)		0.00		4074.12
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 2007-08 and interest (@ 11.50% / 12.50% P.A.) ₹ 7272.89 lakh (Previous year ₹ 4650.00 lakh) from 2006-07. Defaulted amounts along with instalments due during the succeeding year has been shown under Other current liabilities.				
3.2	Repayable on maturity period of 1/2/3 years. No default in payment of principal and interest (Previous year ₹ Nil). Rate of interest varies from 9% to 11% P.A. All outstanding amounts as on 31.03.2012 are due during the year 2012-13 and has been shown under Other current liabilities				
			21803.10		22023.12
<b>4</b>	<b>Other Long-term liabilities</b>				
	Others				
	Dues to employees		0.00		522.23
			<b>0.00</b>		<b>522.23</b>
<b>5</b>	<b>Long-term provisions</b>				
	<b>Employee benefits</b>				
	Gratuity		10327.20		9780.97
	Leave encashment		7412.75		6596.59
			<b>17739.95</b>		<b>16377.56</b>





# THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

## NOTES ON ACCOUNTS

₹ in Lakh

Particulars		As at 31.03.2012	As at 31.03.2011
<b>6</b>	<b>Short-term borrowings</b>		
	<b>Secured:-</b>		
	<b>Loans repayable on demand</b>		
	From Banks (Refer Note 6.1)		
	Cash credit	34823.97	53204.16
	Term loan	9033.90	126.41
	Overdraft (Refer Note 6.2)	0.00	11887.49
6.1	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 in Udyogamandal and Petrochemical Divisions. Rate of interest varies from 12.00% to 14.90 % P.A. (Previous year- from 12% to 13.75% P.A.). Defaulted amount during the year ₹ Nil ( Previous year ₹ Nil ) . Repayment period of Cash credit is one year ( Previous year - one year )and in respect of term loan is 3 months ( Previous year 16 quarterly instalments , last instalment was due on 07.04.2011).		
6.2	Secured by pledge of Fertiliser bonds issued by the Government of India. Rate of interest 9.00% P.A. Defaulted amount - ₹ Nil. Repayment period is one year.		
		<b>43857.87</b>	65218.06
<b>7</b>	<b>Trade payables</b>		
	<b>Creditors:-</b>		
	For Supplies and Services	53537.30	31680.49
		<b>53537.30</b>	31680.49
7.1	Trade payables include ₹16.37 lakh (Previous year ₹ 4.20 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 ₹ Nil. (Previous year- Nil).		
7.2	The company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act 2006, and hence the disclosure relating to the amount unpaid together with interest paid/payable as at the year end has not been given.		
<b>8</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
	Deposit from public	4048.37	708.77
	<b>Interest accrued but not due on borrowings</b>		
	Term loan from the Government of India	3998.20	2663.44
	Fixed Deposit from Public	738.19	566.88
	<b>Interest accrued and due on borrowings</b>		
	Term loan from the Government of India	7272.89	4650.00
	<b>Unpaid matured deposit and interest thereon</b>	31.31	90.95
	<b>Other payables</b>		
	Dues to employees	531.44	2279.10
	Dues to customers	4529.46	4212.03
	Statutory dues	1009.97	912.46
	Other liabilities	4036.03	2993.49
		<b>32665.76</b>	23327.12
<b>9</b>	<b>Short-term provisions</b>		
	<b>Employees benefits</b>		
	Gratuity	193.79	0.00
	Leave encashment	390.15	347.19
	<b>Others</b>		
	Excise duty on closing stock	4194.99	3584.45
		<b>4778.93</b>	3931.64

# THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Floor, Udyogamandal, Kochi, Kerala

₹ in Lakh

## NOTES ON ACCOUNTS

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

	GROSS BLOCK (AT COST)			DEPRECIATION			IMPAIRMENT LOSS		NET BLOCK					
	As at 01.04.2011	Additions during the year	Disposals Deductions during the year	Adjust- ments during the year	As at 31.03.2012	Upto 31.03.2011	For the year	On Disposals Deductions during the year	On adjustments during the year	Upto 31.03.2012	With- drawal during the year	Upto 31.03.2012	As at 31.03.2012	As at 31.03.2011
<b>Tangible assets</b>														
Land	1733.16		-0.10	12.24	1735.30	0.00	20.52			0.00		1735.30	1733.16	
Buildings	6316.00	58.61	-3.70		6370.91	5011.98	96.06	-3.32		5104.72	14.85	1253.43	1289.17	
Plant & Equipment	12,26,35.84	107.56	-7.32		12,27,66.08	9,49,24.59	3,901.76	-6.96		9,88,19.39	7,30.38	2,331.75	2,690.87	
Furniture & Fixtures	477.67	4.34			482.01	448.86	2.16			451.02		30.99	28.81	
Vehicles	385.12	107.07	-5.71		486.48	341.98	16.12	-5.42		352.68		133.80	43.14	
Office equipment	1749.59	97.74	-4.95		1842.38	1418.02	128.31	-4.66		1541.67		300.71	331.57	
Others:-														
Roads & Culverts	1090.00				1090.00	811.07	20.52			831.59		258.41	278.93	
Railway Sidings	312.32				312.32	296.71				296.71		15.61	15.61	
Misc. Assets	569.58	3.91			573.49	478.33	11.97			490.30		83.19	91.25	
Minor Assets	179.42	0.30			179.72	179.42	0.30			179.72		0.00	0.00	
<b>Total (A)</b>	<b>13,54,38.70</b>	<b>379.53</b>	<b>-21.78</b>	<b>12.24</b>	<b>13,58,06.69</b>	<b>10,39,10.96</b>	<b>4,177.20</b>	<b>-20.36</b>	<b>0.00</b>	<b>1,08,067.80</b>	<b>745.23</b>	<b>6,17.70</b>	<b>27,123.19</b>	<b>30,782.51</b>
<b>Indo EEC project:-</b>														
Land	20.91				20.91	0.00				0.00		20.91	20.91	
Buildings	133.27				133.27	84.52	2.44			86.96		46.31	48.75	
Plant & Equipment	13.88				13.88	11.94	0.19			12.13		1.75	1.94	
Furniture & Fixtures	1.36				1.36	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>99.87</b>	<b>2.63</b>	<b>0.00</b>	<b>0.00</b>	<b>102.50</b>	<b>745.23</b>	<b>69.16</b>	<b>71.79</b>	
<b>Tangible assets Total (A+B)</b>	<b>13,56,10.36</b>	<b>379.53</b>	<b>-21.78</b>	<b>12.24</b>	<b>13,59,80.35</b>	<b>10,40,10.83</b>	<b>4,179.83</b>	<b>-20.36</b>	<b>0.00</b>	<b>1,08,170.30</b>	<b>745.23</b>	<b>6,17.70</b>	<b>27,192.35</b>	<b>30,854.30</b>
<b>Intangible Asset:-</b>														
Computer Software	1022.49	31.52			1054.01	285.61	206.60			492.21		561.80	736.88	
Trade Mark	1022.49	31.52			1054.01	285.61	206.60			492.21		561.80	736.88	
<b>Total (C)</b>	<b>13,66,22.85</b>	<b>411.05</b>	<b>-21.78</b>	<b>12.24</b>	<b>13,70,94.36</b>	<b>10,42,96.44</b>	<b>4,386.43</b>	<b>-20.36</b>	<b>0.00</b>	<b>1,08,662.51</b>	<b>745.23</b>	<b>6,17.70</b>	<b>27,754.15</b>	<b>31,591.18</b>
<b>Grand Total (A+B+C)</b>	<b>13,46,00.37</b>	<b>2,295.58</b>	<b>-270.75</b>	<b>7.65</b>	<b>13,66,32.85</b>	<b>10,00,30.30</b>	<b>4,390.39</b>	<b>-224.25</b>	<b>0.00</b>	<b>1,04,296.44</b>	<b>872.90</b>	<b>7,45.23</b>	<b>31,591.18</b>	<b>33,597.17</b>
Previous year														
					<b>2011-12</b>	<b>2010-11</b>				<b>2011-12</b>	<b>2010-11</b>		<b>2011-12</b>	<b>2010-11</b>
Depreciation for the year : (D)					<b>4386.43</b>	<b>4390.39</b>				<b>108662.51</b>	<b>104296.44</b>		<b>108662.51</b>	<b>104296.44</b>
Impairment loss withdrawn during the year(Net) : (E)					<b>127.53</b>	<b>127.67</b>				<b>617.70</b>	<b>745.23</b>		<b>617.70</b>	<b>745.23</b>
Amount charged to Profit & Loss Statement: (D) - (E)					<b>4258.90</b>	<b>4262.72</b>				<b>109280.21</b>	<b>105041.67</b>		<b>109280.21</b>	<b>105041.67</b>

10.1) Out of the total 2150.50 (Previous year 2150.55 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 renewal. During the year adjustment has been made towards 0.05 acres of land acquired by NHAI.

10.2) Land for ₹ 516.41 lakh (Previous year ₹ 504.17 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.

10.3) 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% consideration is yet to be received and accordingly the amount is classified under 'Other non-current assets'. Current year ₹ 312.40 lakh (Previous year ₹ 312.40 lakh).

10.4) 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.

10.5) During the year 2011-12, the company by way of leave and license 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/-.

10.6) 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).

10.7) 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 ₹31.52 lakh (Previous year ₹15.39 lakh).

10.8) Impairment loss provided for Steam Generation, Power Generation/Water Treatment plants of Phase I in Cochin Division and Phosphoric Acid plant in Udyogamandal Division due to unviable operations (Fertiliser Segment) was reviewed as on 31.03.2012. Accordingly an amount of ₹617.70 lakh is retained as impairment loss as on 31.03.2012 (as per class of assets as given above) and ₹127.53 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

Particulars		As at 31.03.2012	As at 31.03.2011
<b>11</b>	<b>A.Capital work-in-progress</b>		
	Work-in-progress	2051.95	801.53
	Goods in transit/ Material pending inspection	250.85	68.93
		<b>2302.80</b>	<b>870.46</b>
11.1	Work-in-progress include the expenditure incurred of ₹ 335.08 Lakh towards under pass / over bridge across the container terminal road on the land acquired by National High way Authority of India , meant for exclusive use of FACT as a part of Railway Siding / approach road for movement of FACT products. Pending construction of the Railway Siding / approach road the expenditure is treated as Capital work in progress , since it is having future economic benefits.		
	<b>B.Intangible assets under development</b>		
	Computer Software	0.00	11.01
		0.00	11.01
<b>12</b>	<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 1,50,00,000) Equity Shares of ₹ 10/- each in FACT-RCF Building Products Ltd.- including 26,90,000 Equity shares of ₹ 10/- each allotted and received during the year 2011-12	1769.00	1500.00
	<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)		
	<b>Aggregate of unquoted non-current investments</b>	<b>1823.15</b>	<b>1554.15</b>
12.1	Financial reporting on interest in Joint Ventures (Accounting Standard 27)		
	In the year 2008-09 , a jointventure 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 ₹ 1500 lakh ) as its share in the Joint venture. Other details are:-		
	Name : FACT-RCF Building Products Ltd.		
	Country of incorporation : India		
	Ownership interest : 50% (31.03.12 )		
	The Company's share in assets, liabilities, income, expenses , contingent liabilities and capital commitments of Joint venture		
	1.Assets	<b>As at 31.03.2012</b>	<b>As at 31.03.2011</b>
	Non-current assets	<b>5766.42</b>	5108.13
	Current assets	<b>406.79</b>	407.79
	2.Liabilities		
	Non-current liabilities	<b>3045.10</b>	3146.50
	Current Liabilities & Provisions	<b>1143.50</b>	824.84
	3.Income	<b>0.21</b>	0.12
	4.Expenses	<b>41.20</b>	40.38
	5.Contingent Liability	<b>352.84</b>	77.32
	6.Capital commitments	<b>213.63</b>	249.62
12.2	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 : ₹ 219 lakh (Previous year ₹ 50 lakh)		
	Guarantees given during the year: ₹ Nil (Previous year ₹ Nil)		
	Expenditure incurred during the year on employees deputed : ₹ 99.91 lakh (Previous year ₹ 82.97 lakh)		
	Sale of goods and stores during the year : ₹ 10.26 lakh (Previous year ₹ 3.03 lakh)		
	Supply of services and others during the year : ₹ 11.47 lakh ( Previous year ₹ 25.69 lakh)		
	Guarantees given to Joint Venture as on 31.03.2012: ₹ 1750 lakh(Previous year ₹ 1750 lakh)		
	Advance towards share capital pending allotment as on 31st March 2012 : ₹ Nil (Previous year ₹ 50.00 lakh)		
	Receivables as on 31st March 2012 : ₹ 268.89 lakh (Previous year ₹ 146.85 lakh)		
	Payables as on 31st March 2012: ₹ Nil (Previous year ₹ Nil)		



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

**NOTES ON ACCOUNTS**

₹ in Lakh

Particulars	As at 31.03.2012	As at 31.03.2011
<b>13 Deferred tax assets (net)</b> The Company has deferred tax asset of ₹ 72242 lakh (Previous year ₹ 85658 lakh) as on 31.03.2012 because of unabsorbed depreciation and accumulated losses. The deferred tax liability as on 31.03.12 is ₹ 18213 lakh (Previous year ₹ 23949 lakh). Since there is net deferred tax asset as on 31.03.2012, as 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 ₹ 17527 lakh. (Previous year ₹ 20500 lakh)		
<b>14 Long-term loans and advances</b>		
<b>Capital advances</b>		
Unsecured considered good		
Advance to vendors	193.68	55.90
<b>Other loans and advances</b>		
Unsecured considered good		
Advance to employees	18.39	19.67
	<b>212.07</b>	<b>75.57</b>
14.1 Advance to vendors include advances paid covered by Bank Guarantees. Current year ₹ 22.37 lakh (Previous year ₹ Nil).		
14.2 Advance to vendors include amount paid for items supplied but rejected by the Company pending settlement is ₹ 11.53 lakh (Previous year ₹ 7.69 lakh).		
14.3 Advance to employees include ₹ 17.99 lakh (Previous year ₹ 19.51 lakh) towards festival advance paid during 1996-97, and is being recovered at the time of separation from company's service.		
<b>15 Other non-current assets</b>		
Share application money pending allotment	312.40	362.40
Others	242.92	143.00
	<b>555.32</b>	<b>505.40</b>
<b>16 Current investments</b>		
<b>Investments in Government/Trust Securities (Quoted, traded):</b>		
(i) 7% Fertilizer companies GOI special bonds 2022	0.00	6986.23
(ii) 6.20% Fertilizer companies GOI special bonds 2022	0.00	87.61
(iii) 6.65% Fertilizer companies GOI special bonds 2023 Above bonds are stated at market value. The aggregate of face value is ₹ 13288 lakh and provision towards diminution in value is ₹ 1002.09 lakh.	0.00	5212.07
<b>Aggregate of quoted current investments</b>	<b>0.00</b>	<b>12285.91</b>
16.1 During the year 2010-11 the Government of India has decided to buyback the "Fertiliser Companies Government of India special bonds " (Fertiliser bonds- issued by it in an earlier year in lieu of subsidy dues) in two equal installments during 2010-11 and 2011-12 through Reserve Bank of India. Accordingly, the company sold the remaining 50% of the Fertilizer Bonds on 26-07-2011 for an amount of ₹ 11283.83 lakh. As per Government Notification, the company had also accounted an amount of ₹ 1848.38 lakh towards 50% of the loss due to the Sale of Fertilizer Bonds, as receivable from the Government. An amount of ₹ 1558.30 lakh has been received during 2011-12 against amount receivable of ₹ 1848.38 lakh and balance of ₹ 290.08 lakh is expected to be received .		
<b>17 Inventories</b> (As taken, valued and certified by the Management. Mode of valuation explained in No. V-Significant Accounting Policies)		
Raw Materials	11158.05	13647.66
Raw materials-in -transit	9171.04	0.00
Work-in-progress	4751.48	5221.38
Finished Goods	32447.84	32631.76
Stock-in-trade (in respect of goods acquired for trading)	5678.93	166.35
Stores and Spares		
Machinery Spares	8270.85	7078.64
General Stores	6180.70	4641.90
Retired Spares	453.50	453.50
	14905.05	12174.04
Less: Provision towards obsolescence and storage losses (Refer Note No.17.2 & 17.3)	3094.39	2866.75
	11810.66	9307.29
Stores & Spares-in -transit	943.81	400.31
	<b>75961.81</b>	<b>61374.75</b>



# THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

## NOTES ON ACCOUNTS

₹ in Lakh

Particulars	As at 31.03.2012	As at 31.03.2011
17.1 Finished Goods includes 45.04 lakh MT (Previous year 37.00 lakh MT ) of Gypsum (out of 45.96 lakh MT stock on hand as on 31.03.2012 - Previous year 49.98 lakh MT) amounting to ₹ 18667.26 lakh (Previous year ₹20353.70 lakh ) valued at net realisable value(inclusive of Excise Duty).		
17.2 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. However no provision for redundancy / obsolescence is considered in respect of insurance spares. Current year ₹ 227.64 lakh (Previous year ₹ 235.43 lakh)		
17.3 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	2866.75	2631.32
Provisions made during the year	227.64	400.32
Utilisations during the year	0.00	0.00
Released during the year	0.00	164.89
Provision at the end of the year	3094.39	2866.75
17.4 Stores & Spares in transit includes Stores & Spares at site pending inspection ₹ 411.63 lakh (Previous year ₹ 192.64 lakh)		
<b>18 Trade receivables</b>		
a Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	0.55	5.16
Unsecured, considered good	113.03	137.40
Doubtful	1002.49	1028.20
Less: Allowance for doubtful Trade receivables	-1002.49	-1028.20
b Other Trade receivables		
Secured, considered good	0.01	0.29
Unsecured, considered good	1011.80	4702.93
	<b>1125.39</b>	<b>4845.78</b>
18.1 The disclosure of provisions movement as required under Accounting Standard 29 "Provisions , Contingent Liabilities and Contingent Assets"		
Allowance for doubtful Trade receivable		
Provision at the beginning of the year	1028.20	938.75
Provisions made during the year	-	107.83
Written off during the year	1.65	1.13
Released during the year	24.06	17.25
Provision at the end of the year	1002.49	1028.20
18.2 Bills discounted amounting to ₹ 7343.18 lakh (Previous year ₹ 6297.09 lakh) is deducted from Other Trade receivables-Unsecured , considered good.		
<b>19 Cash and Bank balances</b>		
<b>Cash and cash equivalents</b>		
Balances with Banks	2742.30	3033.21
Cheques, Drafts on hand	67.95	64.21
Cash on hand	7.82	5.71
Others		
Current Account with banks for unpaid interest warrants	115.09	144.98
Treasury Savings Account- Includes ₹ 9.59 lakh (Previous year ₹ 9.31 lakh) lodged with Kerala Water Authority towards security deposit.	9.84	9.70
<b>Other Bank balances</b>		
Balances with Banks held as Margin money/ Security	4071.67	2263.01
Deposits (with more than 3 months maturity)	2.43	2.26
	<b>7017.10</b>	<b>5523.08</b>
19.1 Balance with banks include ₹ 49.83 lakh (Previous Year ₹ 147.63 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.		



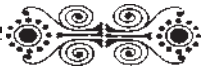
# THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

## NOTES ON ACCOUNTS

₹ in Lakh

Particulars		As at 31.03.2012	As at 31.03.2011
<b>20</b>	<b>Short-term loans and advances</b>		
	<b>Other than related parties</b>		
	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)	499.26	499.26
	ii ) Income tax deducted at source	135.01	95.63
	iii ) Advance to/ Dues from vendors	5055.40	5402.87
	iv ) Advance to employees	177.55	269.83
	v ) Other Loans and Advances	483.80	891.08
	Balance with Central Excise	8213.68	8098.28
	VAT Refund receivable	2846.16	1539.20
	Deposits	685.27	691.41
	Prepaid expenses	340.22	233.12
	Considered Doubtful	136.10	152.42
	Less : Allowance for bad and doubtful loans and advances	-136.10	-152.42
		<b>18436.35</b>	<b>17720.68</b>
20.1	Other loans and advances include unutilised certificates worth ₹ 328.48 lakh (Previous year ₹ 749.99 lakh) under Duty Entitlement Passbook Scheme (DEPB) and ₹ 18.12 lakh (Previous year ₹ Nil) receivable under Duty Drawback scheme, effective from 01.10.2011, on export of Caprolactam.		
20.2	Deposits includes ₹ 70.38 lakh (Previous Year ₹ 70.15 lakh) towards the amount paid against disputed demands pending appeal and ₹ 544.51 lakh (Previous year ₹ 544.50 lakh) towards security deposit with Kerala State Electricity Board.		
20.3	Advance to vendors/dues from vendors include advances paid covered by Bank Guarantees and interest accrued. Current year ₹ 4285.76 lakh (Previous year ₹ 3568.19 lakh).		
20.4	Advance to vendors include amount paid for materials supplied but rejected by the Company pending settlement is ₹ 10.54 lakh (Previous year ₹ 12.81 lakh).		
20.5	Advance to employees include ₹ 1.52 lakh (Previous year ₹ 1.20 lakh) towards festival advance paid during 1996-97, and is being recovered at the time of separation from company's service in the succeeding 12 month period.		
20.6	The disclosure of provisions movement as required under Accounting Standard 29 "Provisions, Contingent Liabilities and Contingent Assets"		
	Allowance for bad & doubtful Loans and advances		
	Provision at the beginning of the year	152.42	128.38
	Provisions made during the year	-	24.04
	Written off during the year	-	0.00
	Released during the year	16.32	0.00
	Provision at the end of the year	136.10	152.42
<b>21</b>	<b>Other current assets</b>		
	Interest accrued on investments and deposits	0.00	226.70
	Subsidy/Concession on fertilisers receivable from the Government of India	51437.95	37119.40
	Other accrued income	716.16	364.04
	Retired plants held for sale	3256.90	3256.90
	Other receivables	8.53	3.75
		<b>55419.54</b>	<b>40970.79</b>
21.1	During the year 2009-10 company has decided to scrap Ammonia & Urea plants at Cochin Division. These plants have been restated 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 : Floor, Udyogamandal, Kochi, Kerala

## NOTES ON ACCOUNTS

₹ in Lakh

	Particulars	Figures for the year ended 31.03.2012	Figures for the year ended 31.03.2011
<b>22</b>	<b>Revenue from operations</b>		
	Sale of products:		
	Own Products	170781.13	136882.89
	Traded Products	3753.61	2465.07
		174534.74	139347.96
	Less: Sales discount/Dealer margin	6052.20	5110.23
		168482.54	134237.73
	Subsidy/Concession on Fertilisers	126596.43	115927.52
	Sale of Services:		
	Gross income from contracts and other services	974.75	1044.85
		296053.72	251210.10
	Less: Excise duty	8448.89	5137.47
	<b>Total Revenue from operations</b>	<b>287604.83</b>	246072.63
22.1	Sale of own products:		
	Ammonium Sulphate	16266.01	19137.36
	Factamfos 20-20-0-13	72587.38	45822.57
	Mixed Manures	1902.75	1953.01
	Caprolactam	71822.90	63325.88
	Nitric acid	355.39	386.88
	Soda Ash	525.32	643.71
	Gypsum	5973.79	4314.31
	Others	1347.59	1299.17
	Total	170781.13	136882.89
22.2	Sale of traded products:		
	Muriate of Potash	486.68	2455.52
	Urea-Imported	3008.81	5.22
	Organic Manures	258.12	0.00
	Others	0.00	4.33
		3753.61	2465.07
22.3	Subsidy/Concession on Fertilisers		
	Ammonium Sulphate	23913.04	19797.44
	Factamfos 20-20-0-13	98076.23	89118.73
	Muriate of Potash	4607.16	7011.35
		126596.43	115927.52

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



# THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

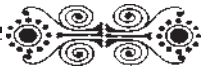
REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

## NOTES ON ACCOUNTS

₹ in Lakh

	Particulars	Figures for the year ended 31.03.2012	Figures for the year ended 31.03.2011
<b>23</b>	<b>Other income</b>		
	<b>Interest income:</b>		
	(a) On deposits with banks	194.83	107.59
	(b) On loans , advances , claims, overdues etc.	1319.70	998.55
	(c) On Government securities (Current)	294.70	1788.79
	Dividend income (Long term)	8.10	6.48
	Net Gain/Loss(-) on sale of investments (Current)	0.00	-846.30
	<b>Other non-operating income</b>		
	(a) Excess provisions written back	56.05	18.38
	(b) Profit on sale/realisable value of assets (net)	21.36	460.80
	(c) Diminution in the value of current investments	0.00	-1002.09
	(d) Transfer from deferred Government grants:		
	(i) On EEC project	2.63	2.79
	(ii) On Bio-Fertiliser project	0.95	0.95
	(e) Miscellaneous income	1771.85	1523.97
	<b>Total Other income</b>	<b>3670.17</b>	<b>3059.91</b>
23.1	Interest of ₹ 717.57 lakh for 2011-12 receivable from the contractor on the interest bearing mobilisation advance still retained by the party, has been considered in the accounts (Previous year ₹ 597.42 lakh).		
<b>24</b>	<b>Cost of raw materials consumed (Refer Note 39)</b>		
	Opening stock	13647.66	7582.90
	Purchases	172428.40	148943.83
		186076.06	156526.73
	Closing stock	11158.05	13647.66
	Cost of materials consumed	<b>174918.01</b>	<b>142879.07</b>
24.1	The physical verification of raw materials and finished products has been carried out on or around 31st March 2012. The differences over book figures in the case of raw material has been adjusted in consumption (Excess/ Shortage(-) ). Current year ₹ 22.84 lakh (Previous year ₹ 161.00 lakh )		
<b>25</b>	<b>Purchases of Stock-in-trade</b>		
	Urea Imported	2384.51	0.00
	Muriate of Potash	10958.92	9248.38
	Others	141.36	8.65
	Total purchases of Stock in trade	<b>13484.79</b>	<b>9257.03</b>
<b>26</b>	<b>Changes in inventories of Finished goods, Work-in-progress and Traded products</b>		
	Opening stock		
	Finished Goods- Includes excise duty ₹ 3584.45 lakh (Previous year ₹ 2537.97 lakh)	32631.76	33179.23
	Traded products	166.35	98.35
	Work-in progress	5221.38	4563.34
		38019.49	37840.92
	Closing 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
		42878.25	38019.49
	Changes in inventories : Increase(-)/ Decrease (+)	<b>-4858.76</b>	<b>-178.57</b>





# THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

## NOTES ON ACCOUNTS

₹ in Lakh

	Particulars	Figures for the year ended 31.03.2012	Figures for the year ended 31.03.2011
<b>27</b>	<b>Employee benefit expense</b>		
	Salaries and Wages	15613.73	15381.20
	Contribution to Provident fund	1774.44	1658.39
	Leave encashment	1677.96	2550.69
	Gratuity	1963.22	5983.90
	Staff welfare expenses	1494.22	1230.42
	<b>Total Employee benefit expense</b>	<b>22523.57</b>	<b>26804.60</b>
27.1	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)	18.58	17.79
	Sri P.Muthusamy, Director (Finance)	15.99	0.54
	Sri V.K.Anil, Director (Technical)- (From 28.06.2011 onwards)	13.89	0.00
	Sri P.K.Chandrasekharan, Director (Marketing)- (From 30.11.2011 onwards)	5.55	0.00
	Sri A.Asokan, Chairman and Managing Director- (Upto 30.06.2010)	0.00	23.58
	Sri K.Mathevan Pillai, Chairman and Managing Director- (Upto 31.08.2010)	0.00	19.93
		<b>54.01</b>	<b>61.84</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.		
27.2	<b>Related party disclosure on Joint Ventures (Accounting Standard 18)</b>		
	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)-(From 28.06.2011 onwards)		
	Sri P.K.Chandrasekharan, Director (Marketing)-(From 30.11.2011 onwards)		
	<b>Transactions with related parties:</b>		
	Remuneration to key management personnel : ₹ 54.01 lakh (Previous year ₹ 61.84 lakh )		
27.3	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

27.4 The disclosure required under Accounting Standard 15 "Employee Benefits" <b>Defined contribution plan</b>	₹ in Lakh			
	31.03.2012	31.03.2011		
Contribution to defined contribution plan recognised and charged off during the year are:-				
1 Employer's contribution to Provident Fund and Pension Scheme	1774.44	1658.39		
2 Employer's contribution to Superannuation benefit fund (₹100/-)	0.00	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 ₹20.60 lakh (Previous year -₹48.00 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>Leave encashment (unfunded)</b>		<b>Gratuity (Funded)</b>	
	2011-12	2010-11	2011-12	2010-11
<b>a. Changes in the present value of obligations (P V O)</b>				
Present value of obligations at the beginning of the year	6943.78	5112.08	11452.19	6589.32
Interest cost	595.33	447.82	935.90	527.15
Past service cost	0.00	171.86	0.00	0.00
Current service cost	995.61	971.26	493.26	82.05
Benefits paid	-818.85	-718.99	-1169.15	-1219.92
Actuarial loss/(gain) on obligation	87.03	959.75	644.30	5473.59
Present value of obligations at the end of the year	7802.90	6943.78	12356.50	11452.19
<b>b. Changes in the fair value of plan assets</b>				
Fair value of plan assets at the beginning of the year			1671.22	1761.68
Expected return on investment			133.70	129.46
Employer's contribution	818.85	718.99	1200.00	1000.00
Benefits paid	818.85	718.99	-1169.15	-1219.92
Actuarial loss/(gain) on plan assets	0.00	0.00	-0.26	0.00
Fair value of plan assets at the end of the year	0.00	0.00	1835.51	1671.22
Actual return on investment	0.00	0.00	133.70	129.46
<b>c. Amount recognised in Balance sheet</b>				
Present value of obligations at the end of the year	7802.90	6943.78	12356.50	11452.19
Fair value of plan assets at the end of the year	0.00	0.00	1835.51	1671.22
Unfunded net liability recognised in Balance sheet	7802.90	6943.78	10520.99	9780.97
<b>d. Expenses recognised in Profit and Loss Statement during the year</b>				
Current service cost	995.61	971.26	493.26	82.05
Past service cost	0.00	171.86	0.00	0.00
Interest cost	595.33	447.82	935.90	527.15
Expected return on investment	0.00	0.00	133.70	129.46
Net actuarial (gain) / loss recognised during the year	87.03	959.75	644.56	5473.59
Total Expenses recognised in Profit & Loss Statement during the year	1677.97	2550.69	1940.02	5953.33
<b>e. Investment details</b>	% invested as at 31st March		% invested as at 31st March	
			14.85	14.59
<b>f. Actuarial assumptions</b>	(1994-96) Ultimate		LIC (1994-96) Ultimate	
Mortality rate				
Discount rate	8.00%	8.00%	8.00%	8.00%
Salary escalation rate	5.00%	5.00%	5.00%	5.00%
Expected rate of return on plan assets	-	-	9.40%	9.40%



# THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

## NOTES ON ACCOUNTS

₹ in Lakh

	Particulars	Figures for the year ended 31.03.2012	Figures for the year ended 31.03.2011
<b>28</b>	<b>Finance costs</b>		
	(a) <b>Interest expense</b>		
	Interest on loans from the Government of India	3957.65	3019.76
	Interest on Cash credit/loans from banks	7516.92	8529.52
	Interest -others	1544.95	2026.13
	(b) <b>Other borrowing costs</b>	657.06	764.32
		<b>13676.58</b>	<b>14339.73</b>
<b>29</b>	<b>Other expenses</b>		
	Consumption of stores & spare parts	3912.67	3077.76
	Power and Fuel	40312.46	35496.46
	Rent	426.09	387.75
	Repairs to buildings	217.89	118.58
	Repairs to machinery	2909.45	1718.25
	Packing materials	2590.46	2660.87
	Insurance	98.85	86.51
	Rates and Taxes	76.90	59.88
	Gain(-)/Loss on exchange rate variation (net)	1237.73	-1132.48
	Material and other direct charges on contracts	249.71	164.75
	Auditors' Fees and Expenses	22.83	14.34
	Freight , Handling and other charges	9383.55	8865.48
	Net provision for excise duty on stock of Finished goods	610.54	1046.48
	Bad debts written off	1.68	1.13
	Provision for doubtful debts/advances	0.00	131.87
	Damages/Shortages of Stores, Spares & Products (Net)	16.55	7.45
	Provision for obsolescence of stores (Net)	227.64	235.43
	Research and Development Expenditure	71.60	73.27
	Miscellaneous Expenses	3667.04	3622.53
		66033.64	56636.31
	Less :Allocated Expenses [net of income from inter-divisional jobs of ₹ 670.25 lakh] (Previous year ₹ 683.86 lakh)	741.54	756.83
		<b>65292.10</b>	<b>55879.48</b>
29.1	Physical verification of stores and spares was carried out at all divisions as per the procedures laid down in the Stores Management Manual and the differences( Excess/ Shortage(-) ) over book figures has been adjusted in the accounts. Current year ₹ 16.55 lakh (Previous year ₹ 21.64 lakh)		
29.2	Miscellaneous Expenses includes Directors travel amounting to ₹ 26.37 lakh (Previous year ₹ 16.92 lakh) and Directors sitting fee ₹ 2.70 lakh (Previous year ₹ 3.80 lakh)		
29.3	Auditors' Fees and Expenses		
	Statutory Auditors' Fees and Expenses (including for Branch Auditors)		
	As Auditor	7.19	5.96
	For Company Law matters	0.51	0.50
	For Other Services	9.04	3.75
	For Expenses	6.09	4.13
	Total	22.83	14.34
29.4	Provision for excise duty on stock of Finished goods		
	Provision on closing stock	4194.99	3584.45
	Less provision on opening stock	3584.45	2537.97
	Net provision	610.54	1046.48
29.5	Research and Development Expenditure includes depreciation of ₹ 0.69 lakh( Previous year ₹ 0.79 lakh) on Research and Development Assets.		

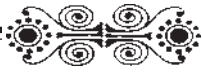


# THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

## NOTES ON ACCOUNTS

	₹ in Lakh	
	31-03-2012	31-03-2011
<b>30</b> Contingent Liabilities not provided for :		
(i) Claims against the company pending before various legal/ statutory authorities and not acknowledged as debts in respect of:		
a) Excise Duty	<b>72.56</b>	63.79
b) Service Tax	<b>75.96</b>	51.47
c) Sales Tax / Entry tax	<b>472.20</b>	446.97
d) Customs Duty	<b>40.04</b>	40.04
e) Income Tax	<b>151.48</b>	599.34
f) ESI	<b>221.27</b>	218.16
g) Suppliers and contractors #	<b>178360.50</b>	179569.57
h) Others	<b>511.94</b>	375.82
# 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 ₹ 178101.42 lakh (Previous year ₹ 177713.07 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.		
(ii) Excise duty demand of ₹ 28.52 lakh on purchase of Raw material , pending appeal, has not been considered since the liability rests with supplier as per order terms.(PreviousYear ₹ 26.42 lakh).		
(iii) 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 31.03.2012 is ₹732.40 lakh (50% of total loan exposure of ₹1464.81 lakh).	<b>1750.00</b>	1750.00
(iv) The contingent liability in respect of bills discounted with banks is fully covered by buyers' letter of credit	<b>7343.18</b>	6297.09
<b>31</b> i) Estimated amount of contracts remaining to be executed on capital account and not provided for.	<b>1737.44</b>	593.58
ii) Other commitments	<b>0.00</b>	0.00



## THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala



		₹ in Lakh	
		31-03-2012	31-03-2011
<b>32</b>	a) Contract revenue recognised in the period.	<b>966.10</b>	1025.95
	b) Advance received against contract in progress.	<b>0.70</b>	0.70
	c) Retention by customers against contract in progress.	<b>8.88</b>	8.65
	d) Aggregate amount of cost incurred and recognised profit (less recognised loss) on contracts in progress upto the reporting date.	<b>1964.35</b>	1592.34
	e) Gross amount due from customers for contract work as an asset.	<b>1115.93</b>	818.37
	f) Gross amount due to customers for contract work as a liability.	<b>2.78</b>	0.30
	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 ₹ 588.88 lakh (Previous year ₹ 558.34 lakh ), and capital ₹ 524.74 lakh (Previous year ₹451.59 lakh ).		
	h) Excise duty on own division jobs is ascertained based on Cost Accounting Standard 4.		
<b>33</b>	During the year 2010-11 company has charged interest amounting to ₹ 821.15 lakh as prior year adjustment under exceptional items in the Profit and loss statement.		
<b>34</b>	The Company has a system of obtaining confirmation of balances from third parties. Some of the parties have confirmed the balances.		
<b>35</b>	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.		
<b>36</b>	<b>Earnings Per Share (Accounting Standard - 20)</b>		
	i) Earnings	₹ 1979.81 Lakh [ Previous year ₹ 4932.67 lakh (loss) ]	
	ii) Number of Shares -Issued, Subscribed and Paid up	-647071974 (Previous year 647071974)	
	iii) Earning Per Share	₹ 0.31 ( Previous year ₹ -0.76 )	
	(Basic and Diluted)		
<b>37</b>	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

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

Segment Information for the year ended 31st March 2012 Information about Primary Business Segments				
	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh
	Fertiliser	Petrochemical	Others (Unallocated)	Total
<b>REVENUE</b>				
External Revenue	222387.21 (187685.12)	65215.81 (59258.77)	1862.75 (1082.51)	289465.77 (248026.40)
<b>TOTAL REVENUE</b>	<b>222387.21</b> (187685.12)	<b>65215.81</b> (59258.77)	<b>1862.75</b> (1082.51)	<b>289465.77</b> (248026.40)
<b>SEGMENT RESULTS</b>				
Profit before Interest, Taxation and before Exceptional items	15296.25 (7525.56)	4159.99 (6885.95)	-836.18 (-3661.99)	18620.06 (10749.52)
Unallocated Corporate Expense	-	-	5429.96 (3212.92)	5429.96 (3212.92)
Operating Profit	15296.25 (7525.56)	4159.99 (6885.95)	-6266.14 (-6874.91)	13190.10 (7536.60)
Interest Expense	0.00 (0.00)	0.00 (0.00)	13019.52 (13575.41)	13019.52 (13575.41)
Interest Income	0.00 (0.00)	0.00 (0.00)	1809.23 (1106.14)	1809.23 (1106.14)
Income Tax	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Profit after Interest and Taxation	15296.25 (7525.56)	4159.99 (6885.95)	-17476.43 (-19344.18)	1979.81 (-4932.67)
<b>OTHER INFORMATION</b>				
Segment Assets	148916.31 (121292.13)	22339.37 (31073.67)	19352.00 (24962.96)	190607.68 (177328.76)
Segment Liabilities	41199.73 (22693.62)	22827.38 (19364.08)	126580.57 (135271.06)	190607.68 (177328.76)
Depreciation	3762.55 (3735.34)	289.65 (285.29)	334.23 (369.76)	4386.43 (4390.39)
Capital Expenditure	257.90 (1375.67)	35.49 (871.72)	117.66 (48.19)	411.05 (2295.58)

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	2011-12	2010-11
Segment Revenue as above	289465.77	248026.40
Add Interest Income	1809.23	1106.14
Revenue as per Profit and Loss Statement	291275.00	249132.54



# THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Floor, Udyogamandal, Kochi, Kerala

## NOTES ON ACCOUNTS

### 39. COST OF MATERIALS CONSUMED

₹ in Lakh

Sl No.	Particulars	2011-12				2010-11			
		Opening Stock	Purchases	Closing Stock	Consumption	Opening Stock	Purchases	Closing Stock	Consumption
1	Naphtha	942.45	67738.16	1010.74	67669.87	658.11	52366.77	942.45	52082.43
2	Sulphur - Imported	3868.39	20020.29	3780.19	20108.49	896.17	16508.84	3868.39	13536.62
3	Rock Phosphate-Imported	4423.88	15666.33	2500.03	17590.18	1789.75	12169.61	4423.88	9535.48
4	Phosphoric Acid-Imported	284.11	29111.06	543.59	28851.58	152.91	26750.25	284.11	26619.05
5	Phosphoric Acid	166.83	12469.21	110.51	12525.53	258.40	10283.31	166.83	10374.88
6	Ammonia - Imported	98.17	5773.36	1088.38	4783.15	544.09	6797.48	98.17	7243.40
7	Benzene -Imported	3817.17	18006.42	1566.31	20257.28	3226.17	21956.25	3817.17	21365.25
8	Benzene	0.00	0.00	0.00	0.00	0.00	262.83	0.00	262.83
9	Caustic Soda	46.65	1154.25	54.14	1146.76	57.30	1262.48	46.65	1273.13
10	Sulphuric Acid	0.01	2489.32	504.16	1985.17	0.00	586.01	0.01	586.00
	<b>TOTAL</b>	<b>13647.66</b>	<b>172428.40</b>	<b>11158.05</b>	<b>174918.01</b>	<b>7582.90</b>	<b>148943.83</b>	<b>13647.66</b>	<b>142879.07</b>



# THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

## NOTES ON ACCOUNTS

### 40 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 31.03.2012

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

	Current year	Percentage	Previous year	Percentage
	₹ in lakh		₹ in lakh	
A Raw Materials:				
Imported	91590.68	52.36	78299.80	54.80
Indigenous	83327.33	47.64	64579.27	45.20
	<b>174918.01</b>	<b>100.00</b>	142879.07	100.00
B Spare Parts & Components				
Imported	175.81	4.49	448.41	14.57
Indigenous	3736.86	95.51	2629.35	85.43
	<b>3912.67</b>	<b>100.00</b>	3077.76	100.00

#### 2 CIF Value of Imports

	Current year	Previous year
	₹ in lakh	₹ in lakh
(i) Raw Materials & Stock-in-trade	112923.22	77069.04
(ii) Spares and other materials	194.00	148.24
(iii) Capital Goods	1.76	62.54
	<b>113118.98</b>	77279.82

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

(i) Consultancy service	254.21	156.08
(ii) Others	25.59	18.30
	<b>279.80</b>	174.38

#### B Earnings in foreign currency

(i) Export of goods (FOB Basis)	15389.01	13416.67
(ii) Others	0.00	27.18
	<b>15389.01</b>	13443.85

\* 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)/ADB(F)/69 DATED 5.03.1969 FROM THE MINISTRY OF FINANCE (BUREAU OF PUBLIC ENTERPRISES) UP TO 31st MARCH 2012**

₹ in Lakh					
	Gross Block as at 31.03.2011	Written Down Value as at 31.03.2011	Additions / Adjustments 2011-2012	Depreciation for the year 2011-2012	Depreciated value as at 31.03.2012
Land (estimated)	186.18	186.18	0.00	0.00	<b>186.18</b>
Staff Quarters etc in Township	1380.34	496.70	-0.38	24.80	<b>471.52</b>
Sewers and Drains	280.85	86.29	0.00	4.35	<b>81.94</b>
Hospitals	64.37	17.56	0.00	0.88	<b>16.68</b>
Schools	93.43	31.38	0.00	1.57	<b>29.81</b>
Shops	12.08	2.53	0.00	0.13	<b>2.40</b>
	2017.25	820.64	-0.38	31.73	<b>788.53</b>

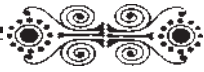
**DETAILS OF MAINTENANCE AND OTHER REVENUE EXPENDITURE ON TOWNSHIP AND OTHER SOCIAL OVERHEADS AS REQUIRED BY O.M.No. BPE-1 (17)/ADB (F)/69 DATED 5.03.1969 FROM THE MINISTRY OF FINANCE (BUREAU OF PUBLIC ENTERPRISES) DURING THE YEAR ENDED 31ST MARCH 2012**

PARTICULARS	₹ in Lakh		
	EXPENDITURE	INCOME	NET EXPENDITURE
Staff Quarters	320.02	190.56	<b>129.46</b>
Schools	1.90	16.80	<b>-14.90</b>
Medical Facilities	1081.97	24.77	<b>1057.20</b>
Other Welfare Expenses	701.79	34.69	<b>667.10</b>
Estate Establishment	83.60	0.00	<b>83.60</b>
Notional Interest @6% p.a on Capital outlay on Township and Overheads	121.04	0.00	<b>121.04</b>
	2310.32	266.82	<b>2043.50</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 2012**

PARTICULARS	₹ in Lakh
Salaries and Wages including Provident fund	<b>24.83</b>
Advertisement Charges	<b>14.03</b>
Propaganda and Publicity	<b>14.80</b>
Exhibition	<b>0.45</b>
Demonstration, Sign Boards, Cost of Fertilisers, Village Adoption, Soil Testing and agronomy services	<b>0.97</b>
Audio-Visual film, Slides Projection, Projection charges and Equipments	<b>0.00</b>
Running and Maintenance expenses of Publicity Vehicles and Travel Expenses	<b>0.00</b>
	<b>55.08</b>





# THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Eloor, Udyogamandal, Kochi, Kerala

## SUMMARISED ACCOUNTS

	₹ in Lakh		
	2011-12	2010-11	2009-10
<b>RESOURCES</b>			
Net Worth	16149	14169	19102
Borrowing and Deferred Credits	93943	109100	104364
Capital Reserve	76	79	83
	<b>110168</b>	123348	123549
<b>UTILISATION OF RESOURCES</b>			
Fixed Assets	137034	136633	137353
Less: Depreciation & Impairment loss	109280	105042	101003
	<b>27754</b>	31591	36350
Capital Work-in-Progress	2303	881	1642
Other non-current assets	767	581	0
Investments	1823	13840	28130
Net Current Assets	77521	76455	57427
	<b>110168</b>	123348	123549
<b>EARNINGS</b>			
Sale of Products and services (net)	287605	246073	210592
Accretion / decretion (-) to Work in progress and finished goods	4859	179	9693
Other Income	3670	3060	5361
	<b>296134</b>	249312	225646
<b>OUTGOINGS</b>			
Direct Materials & Inputs	233128	191253	181531
Employees' remuneration & benefits	22524	26805	20387
Other expenses	21223	17528	20075
Depreciation / Impairment loss	4259	4263	2427
Interest	13020	13575	11597
	<b>294154</b>	253424	236017
Profit / Loss (-) for the year	1980	-4112	-10371
Income / Expenses (-) in respect of prior years	0	-821	0
Extraordinary items (Income)	0	0	0
Profit / Loss (-) before tax	1980	-4933	-10371
Provision for Taxation	0	0	13
Profit / Loss (-) after tax	1980	-4933	-10384



# 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 2012

₹ in Lakh			
	2011-12	2010-11	2009-10
<b>SOURCES OF FUNDS</b>			
Funds Generated from Operations:			
Profit after tax	1980	0	0
Depreciation and Impairment loss	4235	4035	2358
Long-term loan & others	6913	9556	3400
Short-term loan	0	0	22375
Fertiliser Bonds	12286	14290	0
	<b>25414</b>	<b>27881</b>	<b>28133</b>
<b>APPLICATION OF FUNDS</b>			
Loss for the year	0	4933	10384
Short-term loan	22070	21720	0
Capital expenditure (net)	1823	1776	1062
Investments in Shares/bonds	269	0	-1
Non current assets	186	0	0
Increase / decrease (-) in Working Capital	1066	-548	16688
	<b>25414</b>	<b>27881</b>	<b>28133</b>

## STATEMENT OF CHANGES IN WORKING CAPITAL

₹ in Lakh			
	2011-12	2010-11	2009-10
Cash and Bank Balance	1494	2707	513
Inventories	14588	3790	16324
Sundry Debtors	-3721	5105	23842
Other Current Assets	14449	-7823	67
Loans and Advances	715	2315	4995
	<b>27525</b>	<b>6094</b>	<b>45741</b>
Creditors and other liabilities	26459	6642	29053
Increase / decrease (-) in Working Capital	1066	-548	16688
	<b>27525</b>	<b>6094</b>	<b>45741</b>

## VALUE ADDED STATEMENT

PARTICULARS	2011-12		2010-11		2009-10	
	₹ in Lakh	%	₹ in Lakh	%	₹ in Lakh	%
Value of Production* (Including other income)	296134		249312		225646	
Less: Cost of Direct Materials & inputs	233128		191253		181531	
Value Added	63006		58059		44115	
Applied in the following way:						
Employee remuneration and benefits	22524	36	26805	46	20387	46
Other operating expenses	21223	34	17528	30	20075	46
Depreciation	4259	7	4263	7	2427	6
Interest	13020	20	13575	23	11597	26
Adjustment in respect of prior years	0	0	821	2	0	0
Provision for Income Tax	0	0	0	0	13	0
Extraordinary items: Expense/Income(-)	0	0	0	0	0	0
Retained Profit / Loss (-)	1980	3	-4933	-8	-10384	-24
	<b>63006</b>	<b>100</b>	<b>58059</b>	<b>100</b>	<b>44115</b>	<b>100</b>
* Net of sales discount / dealer Margin						



**FACT**  
PIONEERS IN PROGRESS

# THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Floor, Udyogamandal, Kochi, Kerala

## 10 YEARS FINANCIAL HIGHLIGHTS

₹ in Lakh

	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
1 Sales	160043	129119	108966	70689	57376	105501	101917	98055	76751	92718
2 Subsidy	126596	115928	100517	141047	29236	40216	36578	19712	15230	16616
3 Total(1+2)	286639	245047	209483	211736	86612	145717	138495	117767	91981	109334
4 Income from Contracts & Services	966	1026	1110	1130	784	1222	850	650	1021	2348
5 Other Income	3670	3060	5361	4543	2150	2049	1203	2779	1276	2021
6 Stock:Accretion(+)/Decretion(-)	4859	179	9693	3563	-16154	7350	241	1231	6726	-9415
7 Interest waived by the Government of India	0	0	0	0	0	0	0	0	0	1310
8 <b>Total Income</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>	<b>105598</b>
9 Material Consumed	174918	142879	129037	167825	49931	104343	95275	79545	57298	58785
10 Salaries & Allowances	22524	26805	19486	12563	10951	10157	9441	10728	14820	15389
11 Repairs & Maintenance	5974	4512	3508	2825	3248	2791	2742	2416	2409	3815
12 Power & Fuel	40312	35496	30068	20806	9018	22435	22422	18587	17209	18088
13 Other Manufacturing Expenses	33147	25894	39895	23739	9559	17665	12271	9706	16092	18950
14 Past period Expen/Income(-)	0	821	0	0	1	105	9	3480	8	-40
15 <b>Total Expenditure</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>	<b>114987</b>
16 Gross Margin (8-15)	19259	12905	3653	-6786	-9316	-1158	-1371	-2035	-6832	-9389
17 Extraordinary Items (Income)	0	0	0	22116	20000	614	35503	0	0	0
18 Interest	13020	13575	11597	6396	6221	5340	3985	8423	3281	3972
19 Depreciation / Impairment loss	4259	4263	2427	4623	3545	6381	6527	6318	6609	6632
20 Profit/(Loss) before taxation	1980	-4933	-10371	4311	918	-12265	23620	-16776	-16722	-19993
21 Provision for taxation/Refund of tax (-)	0	0	13	16	21	208	54	20	0	0
22 <b>Net profit / (Loss)</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>	<b>-19993</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	27754	31591	36350	38606	42420	44763	50826	56941	66333	71968
26 Capital work-in-progress	2303	881	1642	687	908	1268	627	450	627	1111
27 Non-Current assets, Loans & Advances	767	581	0	0	0	0	0	0	0	0
28 Current assets, Loans & Advances	157960	130435	128048	82352	57746	72030	54150	40802	48009	53031
29 Current Liabilities & Provisions (1)	80439	53980	70621	41615	30386	41927	39032	34023	35603	33996
30 Investments	1823	13840	28130	28131	55	55	55	55	55	55
31 Misc.expenditure to the extent not w.off	0	0	0	0	10	15	166	2595	3091	579
32 Accumulated Loss	48558	50538	45605	35222	39517	39535	27062	50628	30561	13839
33 <b>Total Utilisation</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>	<b>106587</b>
34 <b>Working Capital (28-29)</b>	<b>77521</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>	<b>19035</b>
35 Long term borrowings	28273	22199	12643	9243	8500	7000	4000	61940	57446	50440
36 Long term liabilities and provisions	17739	16900	0	0	0	0	0	0	0	0
37 Short term borrowings	47931	70001	91721	69346	36972	43937	25048	19927	19967	20482
38 Share Capital (Incl. Pending allotment)	64707	64707	64707	64707	64707	64707	64707	35477	35477	35477
39 Reserves & Surplus	0	0	0	0	0	0	0	0	0	0
40 Capital Reserve	76	79	83	87	91	95	99	104	183	188



**FACT**  
PIONEERS IN PROGRESS

# THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

REGISTERED OFFICE : Floor, Udyogamandal, Kochi, Kerala

## 10 YEARS FINANCIAL HIGHLIGHTS

		2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
41	<b>Total Sources</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>	<b>106587</b>
42	<b>Networth (38+39-31-32)</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>	<b>21059</b>
43	<b>Capital employed (25+27+34-36)</b>	<b>(2) 88303</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>	<b>91003</b>
44	Finished Goods	38127	32798	37743	28050	4537	20691	13341	13100	11836	5251
45	Work in progress	4751	5221	0	0	0	0	0	363	396	255
46	Raw Materials	11158	13648	7681	4390	15569	6711	4409	1463	961	4991
47	Stores, Spares & Loose tools	11811	9307	8055	8608	9280	6928	6617	6337	6371	7838
48	Materials in transit	10115	400	4105	212	2459	286	1163	1626	123	357
49	Sundry debtors	1125	4846	6125	27137	7585	19234	14817	9997	22815	29118
50	Cash & bank balance	7017	5523	2818	2305	6746	7782	3463	2278	2466	1649
51	Loans & advances	18436	17721	15841	10579	11068	9668	9969	5601	2999	3543
52	Other Current Assets	55420	40971	45680	1071	502	730	371	37	42	29
53	Total (44 to 52)	157960	130435	128048	82352	57746	72030	54150	40802	48009	53031
54	Current Liabilities	(1) 75660	50048	60427	32870	26789	39644	37092	32383	34178	32682
55	Provisions	4779	3932	10194	8745	3597	2283	1940	1640	1425	1314
56	Total (54+55)	80439	53980	70621	41615	30386	41927	39032	34023	35603	33996
57	<b>Net Working Capital (53-56)</b>	<b>77521</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>	<b>19035</b>
58	<b>Gross Internal resources (19+22-17)</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>	<b>-13361</b>
59	<b>Installed Capacity (MT)</b>										
	Ammonium Sulphate	225000	225000	225000	225000	225000	225000	225000	225000	225000	225000
	Factamphos 20:20	633500	633500	633500	633500	633500	633500	633500	633500	633500	633500
	DAP										
	Urea				330000	330000	330000	330000	330000	330000	330000
	Caprolactam	50000	50000	50000	50000	50000	50000	50000	50000	50000	50000
	N	173050	173050	173050	324450	324450	324450	324450	324450	324450	324450
	P205	131900	131900	131900	131900	131900	131900	131900	131900	131900	131900
60	<b>Production (MT)</b>										
	Ammonium Sulphate	163468	200311	179546	128845	30478	183490	172986	200564	190268	182222
	Factamphos 20:20	622256	644454	753744	605047	425530	721202	745902	560788	567678	673678
	DAP	0	0	0	0	0	0	0	0	0	0
	Urea	0	0	0	0	0	0	0	0	0	9590
	Caprolactam	37854	44345	42006	13548	6759	41327	38666	44932	41794	40409
	N	158126	170155	187735	147551	91384	182039	184816	153474	152731	176685
	P205	124451	128891	150749	121009	85106	144240	149180	112158	113536	134736
61	Capacity utilisation (%)										
	N	91.38	98.33	108.49	45.48	28.17	56.11	56.96	47.30	47.07	54.46
	P205	94.35	97.72	114.29	91.74	64.52	109.36	113.10	85.03	86.08	102.15

(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.

## Wide range of FACT Products



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(भारत सरकार का उद्यम)

पंजीकृत कार्यालय : एलूर, उद्योगमंडल - 683 501,

कोचीन, केरल, भारत

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

(A Government of India Enterprise)

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