

Nurturing nature...



73<sup>rd</sup>

वार्षिक रिपोर्ट  
Annual Report

2016-2017



**FACT**

प्रगति के पथप्रदर्शक  
PIONEERS IN PROGRESS

दि फर्टिलाइज़र्स एण्ड केमिकल्स ट्रावन्कोर लिमिटेड  
(भारत सरकार का उद्यम)  
पंजीकृत कार्यालय : एलूर, उद्योगमंडल- 683 501, कोच्ची, केरल, भारत  
वेबसाइट: [www.fact.co.in](http://www.fact.co.in)  
सी आई एन: L24129KL1943GOI000371

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED  
(A Government of India Enterprise)  
Regd. Office: Eloor, Udyogamandal - 683 501, Kochi, Kerala, India  
Website: [www.fact.co.in](http://www.fact.co.in)  
CIN: L24129KL1943GOI000371



**Shri Mansukh L Mandaviya, Minister of State for Shipping, Chemicals & Fertilizers, plants a sapling at FACT Corporate Office premises.**



**FACT has launched a new speed boat named 'JALSURAKSHA', for handling emergency situations in the inland waterways.**

# BOARD OF DIRECTORS

AS ON 03-08-2017



**Shri SK Lohani**  
Chairman & Managing Director



**Shri Suresh Warior**  
Director (Finance)



**Ms Alka Tiwari**  
Director



**Shri KPS Nair**  
Director



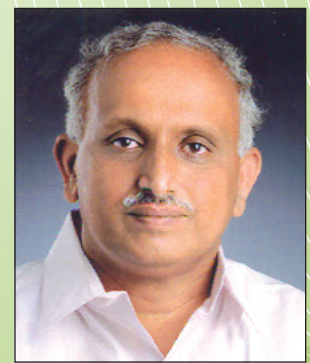
**Dr S Murali**  
Director



**Dr. Jyoti Kaushal Sheth**  
Director



**Dr. G Manohar Reddy**  
Director



**Prof. B Vijayakumar**  
Director





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

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

CIN: L24129KL1943GOI000371

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

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

### **NOTICE TO SHAREHOLDERS**

NOTICE is hereby given that the 73rd Annual General Meeting of the members of The Fertilizers and Chemicals Travancore Ltd. will be held on Friday, the 22<sup>nd</sup> September, 2017 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 (a) the audited financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2017, and Reports of the Board of Directors and Auditors thereon; and (b) the audited consolidated financial statements of the company for the financial year ended 31<sup>st</sup> March, 2017 and report of Auditors thereon and in this regard to pass the following resolutions, as ordinary resolutions.
  - (a) RESOLVED that the audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2017 and the reports of the Board of Directors and Auditors thereon be and are hereby considered, approved and adopted.
  - (b) RESOLVED that the audited consolidated financial statements of the Company for the year ended 31<sup>st</sup> March, 2017 and the report of the Auditors thereon be and are here by considered approved and adopted.
2. To fix the remuneration of Statutory Auditors and Branch Auditors for the Financial Year 2017-18 and in this regard, pass the following resolution as an ordinary resolution.

RESOLVED that the Board of Directors of the Company be and is hereby authorized to fix remuneration of the Statutory Auditors and Branch Auditors appointed by the Comptroller and Auditor General of India for the financial year 2017-18.

#### **Special Business**

3. To elect Dr. Gangidi Manohar Reddy as a Director on the Board of Directors of the Company.

The Company has received notice in terms of Section 160 (1) of the Companies Act, 2013 proposing to elect Dr. Gangidi Manohar Reddy (DIN No. 07028036) as an Independent Director of the Company at this Annual General Meeting.

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

RESOLVED that pursuant to the provisions of Section 149, 152, 160 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Rules made thereunder read with Schedule IV to the Act and Articles of Association of the Company, Dr. Gangidi Manohar Reddy, (DIN No. 07028036), H.No. 17-1-388/P/69, Laxmi Nagar Colony Saidabad, Hyderabad, who has submitted a declaration that he meets the criteria for independence as provided in section 149 (6) of the Act, be and is hereby elected as a Director of the Company.

4. To elect Dr. Jyoti Kaushal Sheth, as a Director on the Board of Directors of the Company.

The Company has received notice in terms of Section 160 (1) of the Companies Act, 2013 proposing to elect Dr. Jyoti Kaushal Sheth (DIN No. 07744339) as an Independent Director of the Company at this Annual General Meeting.

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

RESOLVED that pursuant to the provisions of Section 149, 152, 160 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Rules made thereunder read with Schedule IV to the Act and Articles of Association of the Company, Dr. Jyoti Kaushal Sheth (DIN No. 07744339), Opp. Panigate Police Station, Haankhana Road, Vadodara, who has submitted a declaration that she meets the criteria for independence as provided in section 149 (6) of the Act, be and is hereby elected as a Director of the Company.

5. To elect Prof. B. Vijayakumar, as a Director on the Board of Directors of the Company.

The Company has received notice in terms of Section 160 (1) of the Companies Act, 2013 proposing to elect Prof. B. Vijayakumar, (DIN No. 07744346) as an Independent Director of the Company at this Annual General Meeting.

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

RESOLVED that pursuant to the provisions of Section 149, 152, 160 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Rules made thereunder read with Schedule IV to the Act and Articles of Association of the Company, Prof. B. Vijayakumar (DIN No. 07744346), 'Anagha', Chettikadavu Road, Chethimattom, Pala, Kottayam Dist, who has submitted a declaration that he meets the criteria for independence as provided in section 149 (6) of the Act, be and is hereby elected as a Director of the Company.



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

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6. To elect Ms Alka Tiwari as a Director on the Board of Directors of the Company.

The Company has received notice in terms of Section 160 (1) of the Companies Act, 2013 proposing to elect Ms Alka Tiwari, (DIN No. 06912948) as a Director of the Company at this Annual General Meeting.

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

RESOLVED that pursuant to the provisions of Section 160 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Rules made thereunder read with Schedule IV to the Act and Articles of Association of the Company, Ms Alka Tiwari, (DIN No. 06912948), Joint Secretary, Department of Fertilisers, Ministry of Chemicals & Fertilisers, New Delhi, be and is hereby elected as a Director of the Company.

7. **Remuneration to Cost Auditors**

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

RESOLVED that pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act 2013 and the Companies (Audit and Auditors) Rules 2014, the Cost Auditors appointed by the Board of Directors of the Company to conduct the audit of the cost records of the company for the financial year 2017-18 be paid the remuneration of ₹65,000/- plus out of pocket expenses (subject to a maximum of ₹10,000/-).

By Order of the Board of Directors.

Eloor, Udyogamandal

Date: 12.08.2017

Sd/-

K.V. Balakrishnan Nair

Company Secretary

**Note:**

1. The Register of Members will be closed from 18<sup>th</sup> September 2017 to 22<sup>nd</sup> September 2017 both days inclusive.
2. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member. The instrument appointing the proxy, in order to be effective, should, however, be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting. **A blank proxy form is annexed to the Annual Report and can also be downloaded from the website of the Company.**
3. Pursuant to Regulation 44 of SEBI (Listing Obligations and Disclosure of Requirements) Regulation 2015 and Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules 2014, and Companies (Management and Administration) Amendment Rules, 2015, the Company is offering e-voting facility to its members. The Company engaged the services of M/s Central Depository Services (India) Limited (CDSL) to provide e-voting facility to members. Instructions and other information relating to e-voting are given in this notice under note No. 7.
4. The relative explanatory statement required under Section 102 of the Companies Act, 2013 is given separately.
5. Relevant documents referred to in the Notice are open for inspection by the members at the registered office of the Company on all working days (that is, except Sundays and Public Holidays) during business hours up to the date of the Meeting. The above said documents will be also available for inspection by members at the Meeting.
6. Members, who have not registered their e-mail IDs so far, are requested to register their e-mail IDs for receiving all communications from the Company electronically.
7. Information and other instructions relating to e-voting are as under:
  1. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL).



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- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on 19.09.2017(Tuesday) at 9 AM and ends on 21.09.2017 (Thursday) at 5 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 15.09.2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both Demat Shareholders as well as physical shareholders): <ul style="list-style-type: none"> <li>● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the Demat Account/Folio Number in the PAN field.</li> <li>● In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>● If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant (The Fertilisers and Chemicals Travancore Ltd.) on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.



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- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xx) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (xxii) The following person shall be responsible to address grievances concerned with facility for remote e-voting:

Contact Name - Mr. Rakesh Dalvi, Designation - Deputy Manager. Address - 16th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400001. Contact No.18002005533. Email id - [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

8. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date.
9. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
10. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper. A person who is not a member as on the cut-off date should take this notice for information purpose only.
11. Shri M.C.Sajumon, Practising Company Secretary, Littonia Cottage, M.A. Balakrishnan Road, Kochi-682018, has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
12. The Chairman shall, at the AGM at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by “Ballot Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
13. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
14. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.fact.co.in](http://www.fact.co.in) and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the National Stock Exchange Ltd., Mumbai.

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

#### **Item No. 3, 4 & 5**

Government of India, Ministry of Chemicals & Fertilisers, Department of Fertilisers, vide Order dated 2<sup>nd</sup> February, 2017 notified the appointment of Dr. Gangidi Manohar Reddy, H.No. 17-1-388/P/69, Laxmi Nagar Colony Saidabad, Hyderabad, Dr. Jyoti Kaushal Sheth, Opp. Panigate Police Station, Haankhana Road, Vadodara, and Prof. B. Vijayakumar, ‘Anagha’, Chettikadavu Road, Chethimattom, Pala, Kottayam Dist., as non-official Director on the Board of Directors of FACT. In order to comply with the provisions of Companies Act 2013, Dr. Gangidi Manohar Reddy, Dr. Jyoti Kaushal Sheth and Prof. B. Vijayakumar were elected as additional Directors (Independent) on the Board of Directors of FACT till the conclusion of the next Annual General





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Meeting of the Company. To comply with the provisions of Companies Act, 2013, it is proposed that Dr. Gangidi Manohar Reddy, Dr. Jyoti Kaushal Sheth and Prof. B. Vijayakumar, may be elected as Independent Directors on the Board of Directors of the Company. In the opinion of the Board, Dr. Gangidi Manohar Reddy, Dr. Jyoti Kaushal Sheth; and Prof. B. Vijayakumar fulfill the conditions specified for appointment as independent Director of the Company as specified in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Only the concerned Directors are interested in the respective resolution. Save and except as above, none of the Directors/Key Managerial Personnel/Relatives of Directors and Key Managerial Personnel are in any way concerned or interested in these Resolutions.

Details of Directors whose appointment as Independent Directors is proposed at item No. 3, 4 & 5 are provided in the Annexure to the Notice pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

### **Item No. 6**

Government of India, Ministry of Chemicals & Fertilisers, Department of Fertilisers, vide Order dated 6<sup>th</sup> March, 2017 notified the appointment of Ms Alka Tiwari, Joint Secretary, Department of Fertilisers, as part-time (Official) Director on the Board of Directors of FACT. In order to comply with the provisions of Companies Act 2013, Ms Alka Tiwari was appointed as an additional Director on the Board of Directors of FACT till the conclusion of the next Annual General Meeting of the Company. To comply with the provisions of Companies Act, 2013, it is proposed that Ms Alka Tiwari may be elected as a Director on the Board of Directors of the Company

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

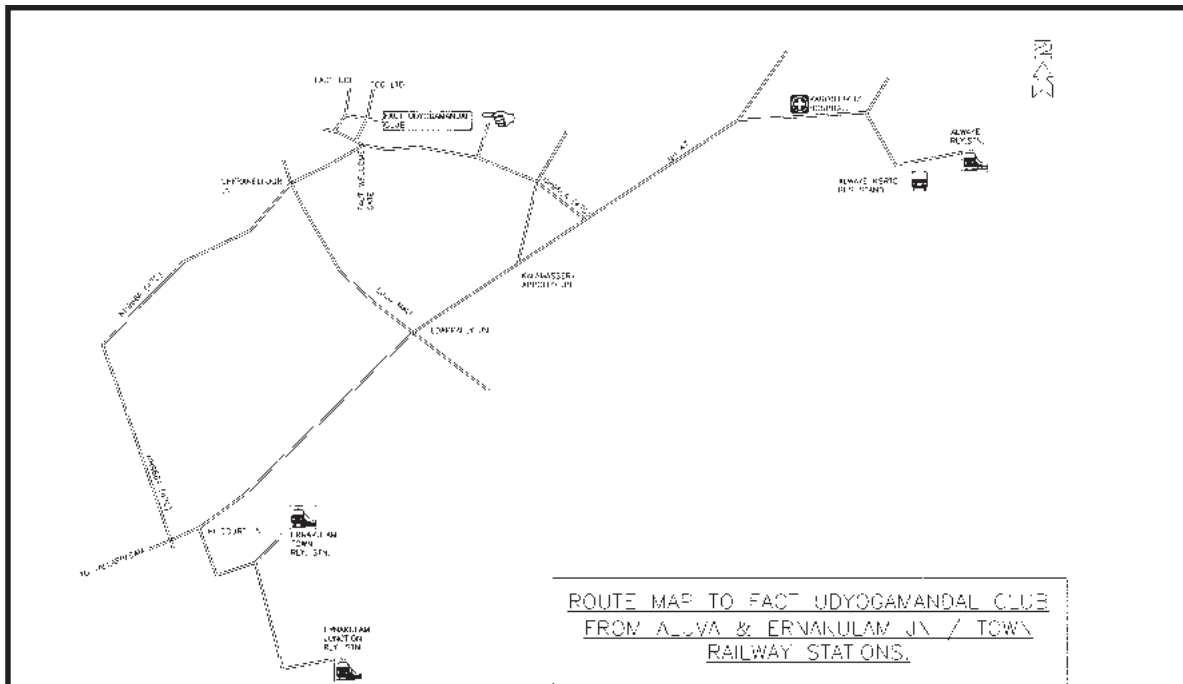
Details of Ms Alka Tiwari whose appointment is proposed at item No. 6 are provided in the Annexure to the Notice pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

### **Item No. 7**

The Board has approved the appointment of M/s BBS & Associates, Cost Accountants, Kochi, as Cost Auditors to conduct the audit of cost accounts of the Company for the financial year 2017-18 on a remuneration of ₹ 65,000/- plus out of pocket expenses (subject to a maximum of ₹10,000/-). As per Rule 14 of Companies (Audit and Auditors) Rules, 2014 read with Section 148(3) of the Companies Act 2013, the remuneration approved by the Board of Directors has to be ratified subsequently by the shareholders. Accordingly the consent of the members is sought through an ordinary resolution for ratification of remuneration payable to the Cost Auditors for the financial year 2017-18.

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

### **Route map to Udyogamandal Club, Eloor, Udyogamandal, Kochi**



**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

**ANNEXURE TO THE NOTICE DATED 12.08.2017**

Details of Directors seeking appointment at the ensuing Annual General Meeting:

Particulars	Dr.Gangidi Manohar Reddy	Dr.Jyoti Kaushal Sheth	Prof.B. Vijaya-kumar	Ms Alka Tiwari
Age	52	51	61	52
Qualifications	M.Sc., Ph. D in Chemistry	M A (History), Diploma in Homeopathic Medicine & Surgery.	M. Sc Physics, Ph. D	IAS
Experience/ Brief Resume	See Website www.fact.co.in	See Website www.fact.co.in	See Website www.fact.co.in	See Website www.fact.co.in
Terms & Conditions of Appointment	As per the GOI notification No 78/2/2006-HR-1 dated 2 <sup>nd</sup> February 2017, Dr. Gangidi Manohar Reddy was appointed as Non Official Director	As per the GOI notification No 78/2/2006-HR-1 dated 2 <sup>nd</sup> February 2017, Dr. Jyoti Kaushal Sheth was appointed as Non Official Director	As per the GOI notification No 78/2/2006-HR-1 dated 2 <sup>nd</sup> February 2017, Prof. B Vijayakumar was appointed as Non official Director.	As per the GOI notification No 130/8/2003-HR-1 dated 6 <sup>th</sup> March 2017, Ms Alka Tiwari was appointed as a part time Government Nominee Director
Remuneration	Sitting fee only	Sitting fee only	Sitting fee only	Nil
Date of First Appointment on the Board	16.02.2017	21.02.2017	21.02.2017	21.04.2017
Shareholding in the Company as on 31 <sup>st</sup> March, 2017	NIL	NIL	NIL	NIL
Relationship / Other Directors/ Key Managerial Personnel	Not related to Other Directors/ Key Managerial Personnel	Not related to Other Directors/ Key Managerial Personnel	Not related to Other Directors/ Key Managerial Personnel	Not related to Other Directors/ Key Managerial Personnel
No. of Meetings of the Board attended during the year	NIL	NIL	NIL	NIL
Directorship of other Boards as on 31 <sup>st</sup> March, 2017	NIL	NIL	NIL	Rashtriya Chemicals & Fertilisers Ltd.
Membership/ Chairmanship of Committees of other Boards as on 31 <sup>st</sup> March, 2017	NIL	NIL	NIL	NIL



## THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

### DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the 73<sup>rd</sup> Annual Report and Audited Financial Statements of the Company and the report of the Auditors for the financial year 2016-17.

Your Directors are happy to inform you that during the financial year 2016-17, the production, financial and marketing performance of your company has improved considerably despite the adverse impact on the failure of monsoon in the southern part of the country.

#### Highlights / Achievements

- Production of all fertilisers has improved as compared to last year.
- Highest Sale of fertilisers in past 8 years .
- Successful Completion of trial run of Lactam plant in Petrochemical Division.
- Implementation of DBT in Pilot District .
- Fabrication of own barge for transportation of Ammonia .
- Runner up award for outstanding safety performance among large scale industry group in Kerala, for Udyogamandal Division.
- Willingdon Island installation is awarded as the first among the medium sized installations for safety performance.
- PSE Excellence award from the Indian Chamber of Commerce at New Delhi.
- Excellence award from 'Bureaucracy Today' for CSR

#### PERFORMANCE - FINANCIAL, PRODUCTION AND SALES

The Company's performance for the year ended March 31, 2017 is summarized below.

##### A. FINANCIAL

₹ in Lakh

	2016-17	2015-2016
Turnover	194177	178008
Revenue from operations	186260	173599
Other Income	1716	2898
Total Revenue	187976	176497
Total Expenses	211808	222951
Profit / Loss (-) Before Tax & Exceptional items	(-) 23832	(-) 46454
Exceptional items	(-) 5136	1235
Profit / Loss (-) After tax	(-) 18696	(-) 45219

##### B. PRODUCTION

in Tonnes

	2016-2017	2015-2016
Factamfos 20 : 20	640322	527445
Ammonium Sulphate	152953	79567
Caprolactam	770	0

##### C. SALES

in Tonnes

	2016-2017	2015-2016
Fertilisers	786106	704962
Caprolactam	770	0



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

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

### **Financial Results**

Turnover of the Company for the year 2016-17 was ₹ 1941.77 crore against the previous year figure of ₹ 1780.08 crore. The financial results of the Company for the year 2016-17 shows a net loss of ₹ 186.96 crore as compared to ₹ 452.19 crore during the year 2015-16.

Due to accumulated loss, your directors are not recommending any dividend for the financial year 2016-17. The Company has not transferred any amount to Reserve during the financial year 2016-17.

The year 2016-17 was a year of mixed performance for the company. Company could achieve excellent level of physical and financial performance during the first half of the financial year.

The receipt of ₹ 1000 crore towards plan loan from Government of India on 29<sup>th</sup> March 2016 has helped the company to plan for optimum production levels from April 2016 and Company could procure LNG from May 2016 maximising production levels, leading to operating profit (before considering Gol interest) from the month of June 2016 to November 2016. However the scenario has drastically changed with the failure of monsoon (during Rabi) in South Indian states, forcing the company to restrict production levels considerably due to piling up of fertiliser stock in field and plant storages.

Despite the adverse situation in South India, Company could significantly improve the performance levels compared to previous year. Factamfos production for the year was 6,40,322 MT in comparison with 5,27,445 MT for the year 2015-16, showing a remarkable improvement of 1,12,877 MT.

In the case of Ammonium Sulphate, the production was 1,52,953 MT against the previous year figure of 79,567 MT, with an improvement of 73386 MT.

During the year, company imported two fertiliser parcels (one parcel NP 20:20:0:13 and one parcel MOP) for trading.

The Company has finalized an ambitious production and marketing target for the financial year 2017-18. Even though the Company could not achieve the targeted level of physical and financial performance during the 1<sup>st</sup> quarter of the financial year 2017-18, the Company is hopeful of improving the financial and physical performance during the year 2017-18.

### **Management Discussion and Analysis Report**

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

### **Directors and Key Managerial Personnel**

#### **Appointments**

Government of India, Ministry of Chemicals & Fertilisers, Department of Fertilisers, vide Order No.87/8/2006-HR-1 dated 10<sup>th</sup> June, 2016 notified the appointment of Shri K.P.S. Nair, 'DeepaSree', Nazreth Road, Aluva and Dr. S Muarli, 2, Lakshminivas, 4<sup>th</sup> Cross, 6<sup>th</sup> Main, Papaiah Garden, Bangalore-85 as Non Official Directors (Independent Directors) on the Board of Directors of FACT.

Government of India, Ministry of Chemicals & Fertilisers, Department of Fertilisers vide Order No. 130/8/2003-HR-1 dated 08/09/2016 notified the appointment of Dr AK Padhee, Joint Secretary, Department of Fertilizers, Ministry of Chemicals & Fertilizers, Government of India as a part time Government Nominee Director on the Board of FACT in place of Shri Vinod Kumar Thakral.

Government of India, Ministry of Chemicals & Fertilisers, Department of Fertilisers vide Order No.130/8/2003-HR-1 dated 08/12/2016 notified the appointment of Ms Meenakshi Gupta, Additional Secretary & Financial Advisor (AS&FA), Department of Fertilizers, Ministry of Chemicals & Fertilizers, Government of India as a part time Government Nominee Director on the Board of FACT in place of Dr. AK Padhee .

Government of India, Ministry of Chemicals & Fertilisers, Department of Fertilisers, vide Order No.78/2/2006-HR-1 dated 2<sup>nd</sup> February , 2017 notified the appointment of Dr Gangidi Manohar Reddy, H- No 17-1, Laxmi Nagar Colony, Hyderabad, Telangana, Dr. Jyoti Kaushal Sheth, Opp Panigate Police station, Haankhana Road, Vadodara and Prof. B Vijayakumar, Anagha, Chettikadavu Road, Pala , as Non Official Directors (Independent Directors) on the Board of Directors of FACT.

Government of India, Ministry of Chemicals & Fertilisers, Department of Fertilisers vide Order No. 130/8/2003-HR-1 dated 06/03/2017 notified the appointment of Ms Alka Tiwari, Joint Secretary (AT)), Department of Fertilizers, Ministry of Chemicals & Fertilizers, Government of India as a part time Government Nominee Director on the Board of FACT in place of Ms Meenakshi Gupta .

Government of India, Ministry of Chemicals & Fertilisers, Department of Fertilisers, vide Order No.86/5/2008-HR-1 dated 2<sup>nd</sup> November, 2016 entrusted the additional charge of the post of CMD, FACT to Shri A.B. Khare, Chairman and Managing Director, Madras Fertilisers Ltd.

Government of India, Ministry of Chemicals & Fertilisers, Department of Fertilisers, vide Order No.86/5/2008-HR-1 dated 15<sup>th</sup> March , 2017 entrusted the additional charge of the post of Chairman & Managing Director, FACT to Shri S K Lohani, Joint Secretary, Department of Fertilisers, Ministry of Chemicals and Fertilisers.

Government of India, Ministry of Chemicals & Fertilisers, Department of Fertilisers, vide Order No.86/5/2008-HR-1 dated 28th April, 2017, entrusted the additional charge of the post of Director (Finance), FACT to Shri Suresh Warior, Director (Finance) Rashtriya Chemicals and Fertilisers Ltd. (RCFL).

The Board at its meeting held on 30.05.2017 appointed Shri Suresh Warior , Director (Finance) as the Chief Financial Officer of the Company in place of Shri Sreenath V. Kamath, Chief General Manager (Corporate Finance).

Shri S K Lohani , C&MD, Shri Suresh Warior, Chief Financial Officer and Shri K.V. Balakrishnan, Company Secretary are the Key Managerial personnel of the company.

### **Retirements and Resignations**

On completion of five year term on 27/06/2016, Shri V.K. Anil, Director (Technical) relinquished the post of Director (Technical) on 12/07/2016.

Consequent to the appointment of Dr A. K. Padhee as Government of India nominee Director, Shri Vinod Kumar Thakral, Director retired from the Board with effect from 08.12.2016.

Department of Fertilisers, Ministry of Chemicals & Fertilisers, vide Order No. 86/5/2008-HR-1(Part) dated 02.11.2016 removed Shri Jaiveer Srivastava, from the post of Chairman and Managing Director. Consequent to the appointment of Ms Meenakshi Gupta as Government of India Nominee Director, Dr A K Padhee Director retired from the Board with effect from 08.01.2017.

Consequent to the appointment of Ms Alka Tiwari as Government of India Nominee Director , Ms Meenakshi Gupta Director retired from the Board with effect from 06.03.2017.



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Consequent to the appointment of Shri SK Lohani, Joint Secretary, Department of Fertilisers, as C & MD, Shri AB Khare ceased to be the C&MD of the Company with effect from 16.03.2017.

The Board place on record its appreciation of the valuable services rendered by Shri Vinod Kumar Thakral, Director, Dr A K Padhee, Director, Ms Meenakshi Gupta, Director, Shri Jaiveer Srivastava, C&MD, Shri AB Khare, C&MD and Shri V.K. Anil, Director (Technical).

### **Annual Evaluation of Board.**

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

### **Declaration of Independent Directors**

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

### **Meetings of the Board**

During the financial year 2016-17, nine meetings of the Board were convened and held. The details of the meetings of the Board of Directors are given in the report on Corporate Governance, which is part of this report. The intervening gap between the meetings was within the period prescribed under the Companies Act 2013.

### **Director's Responsibility Statement**

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

- (a) in the preparation of annual accounts for the year ended March 31, 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of profit and loss statement for the year ended March 31, 2017.
- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) the directors have prepared the annual accounts on a going concern basis.
- (e) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **Corporate Governance**

The Company is committed to maintain the highest standard of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The Board lays emphasis on transparency and accountability for the benefit

of all stake-holders of the Company. The Report on Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 annexed to this report forms an integral part of this report.

### **AUDITORS**

#### **(1) Statutory Auditors.**

M/s. K.Varghese & Co., Chartered Accountants, Kochi, was reappointed as Statutory Auditors of the Company for the year 2016-17 by the Comptroller and Auditor General of India. M/s Narotham Madhav & Ramesh, Chartered Accountants, Hyderabad, and M/s Sarathy & Balu, Chartered Accountants, Chennai, were reappointed as Branch Auditors for the year 2016-17, by the Comptroller and Auditor General of India.

The report of the statutory Auditors on the financial statements of the company for the year ended 31<sup>st</sup> March, 2017 is unmodified report. However, the Statutory Auditors in their report has emphasized certain issues which are being addressed by the Company.

#### **(2) Cost Auditors**

M/s. BBS & Associates, Cost Accountants, Kochi has been re-appointed as Cost Auditors of the Company for the year 2016-17.

#### **(3) Secretarial Audit**

M/s SVJS & Associates, Company Secretaries, Kochi, have been appointed as Secretarial Auditors of the Company for the year 2016-17. The report of the Secretarial Auditor is annexed to this report as Annexure-1.

### **Audit Committee**

In line with the provision of Section 177 of the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Audit Committee of the Board has been constituted. Details of Members/ Meetings of the Audit Committee are elaborated in the report on Corporate Governance.

### **Associate Company**

FACT-RCF Building Products Limited (FRBL) is the associate company of FACT. During the financial year, no Company has become/ceased to become subsidiaries/Joint Ventures and Associate Company of FACT.

### **Report on Performance of Joint Venture**

During the financial year 2016-17, the financial results of FRBL show a net loss of ₹ 27.15 crore. Due to the accumulated loss, the entire networth of FRBL has been eroded.

### **Public Deposit**

During the financial year 2016-17, the Company has not accepted any deposit from public. However, as on 31.3.2017, ₹ 0.49 lakh is lying in unclaimed matured fixed deposit account.

### **Contract or arrangement with related parties**

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

### **Corporate Social Responsibility**

FACT continues to give priority on various Social Responsibility measures during the financial year 2016-17. The Company has constituted a Board level Committee as per the provisions of Companies (Corporate Social Responsibility Policy) Rules 2014. Annual Report on CSR as per the provisions of Companies (Corporate Social Responsibility Policy) Rules 2014 is annexed to this report as Annexure 3.



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### **Material changes and commitments**

There were no material changes and commitments affecting the financial position of the company between the end of financial year (31<sup>st</sup> March 2017) and the date of the report. Similarly, there was no change in the nature of business of the company during the financial year 2016-17.

### **Risk Management**

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

### **Internal Financial Control**

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

### **Vigil Mechanism**

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

### **Code of Conduct**

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

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

### **Prevention of Insider Trading**

No instances of insider trading have been reported on FACT shares till date. None of the Directors and key managerial personnel is holding any shares in FACT. A code of conduct for prevention of insider trading and code for corporate disclosure is published in the website of the company, [www.fact.co.in](http://www.fact.co.in)

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

Particulars of Investment made and guarantees given along with the purpose for which the guarantee is given are provided in the financial statement for the year 2016-17.

During the financial year 2016-17, FACT has not provided any loan/guarantee or made any investment within the purview of Section 186 of the Companies Act 2013.

### **General**

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

during the year under review.

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the company under any scheme.
4. The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees .
5. Neither the Managing Director nor the whole time Directors of the Company receive any remuneration or commission from its Associate Company.
6. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
7. No fraud has been reported by the auditors to the Audit Committee or to the Board.
8. There were no cases filed pursuant to the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act 2013.

### **Extract of Annual Return**

Extract of Annual Return of the Company in Form MGT9 is annexed as Annexure 4 to this report

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

Information regarding the conservation of energy, technology absorption, and foreign exchange earnings and-outgo as required to be disclosed under the Act is set out in a separate statement attached to this report.

### **Acknowledgement**

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

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

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

For and on behalf of the Board of Directors.

Sd/-

**S.K. LOHANI**

CHAIRMAN AND MANAGING DIRECTOR

DIN-06912948

Udyogamandal  
Date: 11.08.2017

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

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**Annexure to Directors' Report**

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

**A. Conservation of Energy**
**(i) Steps taken or impact on conservation of energy**

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

- a. The replacement of furnace oil with RLNG for product drying in Amophos Plant and replacement of Kerosene with RLNG for heating up and down during start up and shut down of acid plants are in implementation stage. These replacements will result in considerable savings in energy.
- b. No.1 and No. 2 Intake Well Pumps in Water Treatment Plant were driven by 3.3 KV 200 KW Motors with a capacity output of 3000 M3/hr. Since the demand was reduced over a period of time, the pumps were operated on its discharge throttled. The excess water was pumped back to the source to ensure the minimum discharge for the stable operation of the pump. For saving electrical energy variable frequency drive with the new pump and low tension motor were purchased and the trial run taken in February, 2017. Since the desired output is achieved by varying the speed by the variable frequency drive, considerable savings in electrical energy is achieved.
- c. Grouping of the lighting transformers installed in Ammonia Plant and isolating of the under-utilised transformers is in progress and will result in savings in electrical energy consumption.

**(ii) Steps taken by the Company for utilizing alternate source of energy**

Nil

**(iii) The capital investment of energy conservation equipment**

Capital investment for the above project is ₹171.17 lakh.

**B. Technology Absorption**
**(i) Efforts made towards technology absorption**

FACT Ammonia Plant is earmarked as a designated consumer by Bureau of Energy Efficiency from its PAT cycle-1, commenced in Financial Year 2012-13. PAT Cycle-2 started its functioning in Financial Year 2016-17.

The following action plan has been derived to meet the PAT-2 Cycle target.

1. Continuous effort in optimizing the damper opening of the RLNG heater H206 is made, following the lab analysis of the stack out gas, so as to reduce the heat loss through the stack. The stack outlet temperature was improved to 215 degree C with 6% oxygen content in the stack out gas. Further optimization is targeted with the support of the on line oxygen analyzer, proposed in the stack with ultimate objective of savings in the fuel RLNG.
2. Scheme finalization for waste heat recovery from condensate stripper is in final stage and implementation is proposed in 2017-18.

**(ii) Benefit derived**

Specific energy consumption achieved in Financial Year 2016-17 is 9.122 GCal/MT against the BEE target of 9.59 G Cal/MT.

(iii) **Imported technology** - No technology has been imported during the Financial Year 2016-17.

**(iv) The major activities of Research & Development**

- Carrying out research in new fertilizer formulations, innovation in the fertilizer production for cost and value addition of by-products, existing product lines and waste utilization in the Organisation.
- Carrying out the specialized services such as the monitoring and controlling the quality of the finished products before dispatch to the market and periodical collection of product samples from the field godowns, Agro service Centre, Distributors, dealers or the evaluation of post dispatch quality as part of three tier quality control systems practiced in the Company.
- Production of Bio fertilisers, studies to develop Organic fertilizer from farm yard waste, cost reduction in Bio fertilizer production etc.
- Preparation of micronutrient enriched fertilizer formulations (eg:- Boronated Ammonium Phosphate Sulphate). Based on the study conducted at R&D Centre during 2015-16, it is concluded that micro nutrient Boron can be incorporated by using fertilizer grade Borax as Boron source and the product was recommended for Gazette notification to incorporate in the FCO 1985. The same was notified in the gazette during September 2016. Details of expenditure on R&D are given below.

EXPENDITURE ON R&D					₹ in Lakh
Year	Capital	Revenue	Total	As % of total Turnover	
2014-2015	0.00	94.01	94.01	0.0460	
2015-2016	0.00	145.14	145.14	0.081	
2016-2017	0.00	108.87	108.87	0.056	

**C. Foreign Exchange Earnings and Outgo-**

Details of foreign exchange earning and outgo are given below.

FOREIGN EXCHANGE EARNINGS AND OUTGO		
	Current Year ₹ in Lakh	Previous Year ₹ in Lakh
1) Foreign exchange earned	0.00	0.00
2) Foreign Exchange Outgo		
(i) C.I.F.Value of Imports:		
(a)Raw Materials	69606.03	85645.14
b)Traded Products	5215.23	-
(c)Spares and Other Materials	181.92	118.79
(d)Capital Goods	0.00	1.63
	75003.18	85765.56
(ii) Expenditure in Foreign Currency (Cash Basis)		
(a) Consultancy Service	0.00	-
(b) Others	99.84	34.77
	99.84	34.77
Total (i) + (ii)	75103.02	85800.33

Sd/-

**S.K. Lohani**

Chairman &amp; Managing Director

DIN:06912948

Udyogamandal

Date:11.08.2017



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

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### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

#### **Industry Structure and Development**

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

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

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

FACT's objectives are:

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

#### **Performance highlights during the Year 2016-2017**

##### **UDYOGAMANDAL COMPLEX**

During the year 2016-17 Udyogamandal Complex produced 163061 MT of Factamfos, (NP 20:20:0:13) and 152953 MT of Ammonium Sulphate. During the financial year 2015-16, production of Factamfos and Ammonium Sulphate were 120145 MT and 79567 MT respectively. Nutrient wise the production during 2016 -17 was 64121 MT of N and 32612 MT of P<sub>2</sub>O<sub>5</sub> as against 40420 MT of N and 24029 MT of P<sub>2</sub>O<sub>5</sub> during the previous year.

Phase-I trial of Lactam Plant was carried out in October-November, 2016 and the Company could produce and dispatch 770 MT of Caprolactam. Inspection and essential maintenance activities along with preservation of equipment in Caprolactam plant were carried out during the year 2016-17.

**Cochin Division:** During the financial year 2016-17, Cochin Division produced 477260 MT of Factamfos 20:20 as against 407300 MT during the year 2015-16.

The production of Nutrient nitrogen and Nutrient P<sub>2</sub>O<sub>5</sub> during the year was 95452 MT each as against 81460 MT during the last year.

During the year 2016-17, the division produced 254650 MT of Sulphuric acid and 28355 MT of phosphoric acid as compared to 202010 MT of Sulphuric Acid and 27305 MT of phosphoric acid in the year 2015-16.

**Marketing Division:** During the financial year 2016-17 the Fertiliser sales was 7.86 Lakh MT as against 7.04 lakh MT during the previous year. Sale of Factamfos during the year was 613123 MT as compared to 563267 MT during the year 2015-16. The sale of Ammonium Sulphate during the year was 134976 MT as compared to 99474 MT during the previous year.

The sales of Zincated Factamfos and Organic fertilisers have increased during the year 2016-17 as compared to the previous year.

**FEDO:** FEDO completed its third year of working as a Profit Centre. During the financial year 2016-17, FEDO focused on execution of major jobs entrusted by its external clients and achieved substantial progress in completion of major milestones laid out for major projects in the Engineering, Procurement & Inspection fronts as well as the Project & construction phases in its EPC business domain. A period of consolidation and project execution dominated the organizational goals. Since the international business in the Oil & Gas sector at the middle-east was at its lowest ebb, not much export related jobs were received, nonetheless, FEDO seriously participated in the E tenders from core Oil & Gas clients in India. The high growth sector of the Indian economy being the infrastructure, wherein FEDO has its national presence and contributes to Nation building and on the Make in India initiatives of the GOI.

The turnover (including on division jobs) of FEDO for the year 2016-17 was ₹ 41.51 crore as against ₹ 59.87 crore in 2015-16. The operations of FEDO for the year 2016-17 shows a loss of ₹ 3.40 crore as against profit of ₹ 3.08 crore during the year 2015-16. During the year 2016-17, FEDO received new orders for a value of ₹ 3.06 crore as compared to ₹ 8.16 crore during the year 2015-16.

**FEW :** The new Ammonia Barge fabricated by FEW at Palluruthy has been launched. This is the first time that FACT is building a barge which is a part of diversification plan of FACT. The vessel is to be used for transporting ammonia from FACT's ammonia storage facility at Willingdon Island and also from its Ammonia plant at Udyogamandal to its Ambalamedu Unit. The fabrication of the bullets was carried at FEW Shop at Palluruthy.

The turnover(including own division job) of FEW for the year 2016-17 was ₹ 12.71 crore as against ₹10 crore during the year 2015-16. During the year 2016-17, FEW has bagged orders worth ₹ 17.78 crore compared to ₹ 4.24 crore during the year 2015-16.

FEW expect to increase the turnover during 2017-18 and also generate profits. The steady demand from the process industry for pressure vessels and Heat Exchangers for replacement as well as for capacity expansion is expected to bring orders to FEW. The shipping sector and aerospace sector are also expected to bring in several orders.



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### Opportunities & Threats

#### Opportunities

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

#### Threats

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

#### Segment-wise or Product-wise Performance

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

#### Risk and Concern

- a) Lack of level playing field in the price of RLNG/LNG
- b) Non-operation of Caprolactam plant due to economic reasons

### HUMAN RESOURCES DEVELOPMENT

#### 1. Industrial Relations

The industrial relations situation was generally peaceful during the year 2016-17. A section of the employees took part in the All India Strike called on by the political parties on 02-09-2016, due to which, there was production loss.

There was a strike by the Casual Labourers for 15 days on 24.06.2016 and from 28-06-2016 to 11-07-2016, which affected the production marginally in Udyogamandal Complex.

#### 2. Human Resources

Human resources functions in the Company were normal during the year. The Company has recruited one Officer during the period and initiated action for recruitment of 45 Technicians (Process), 20 Management Trainees and 8 Officer (Sales). Normal promotions were effected during the year.

#### 3. Development of SC&ST.

Employment of Reserved categories as on 31.03.2017 is given below:

	TOTAL	SC	ST	OBC	PWD	EX-SER	OTHERS
No of Employees	2180	269	66	731	53	8	1053
% of total Employees		12.34	3.03	33.53	2.43	0.37	48.30

### Steps taken for the welfare of SCs/STs:

#### Fresh recruitment /Employment

Company has initiated action for the recruitment of 45 Technicians (Process), 22 Management Trainees and 8 Officer (Sales), of which 10 posts are reserved for SCs and 5 posts are reserved for STs.

#### 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. 69 SC employees and 15 ST employees had undergone training during the year 2016-17.

For engagement of Apprentices under the Apprentices Act, representation as per rules is provided. The representation for SC/ST in Apprentices as on 31.03.2017 is as follows:

Total No of Apprentices	SC	ST
87	7	0

#### SC/ST Grievance Cell

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

#### 4. Allotment of Residential Quarters

Due consideration is given for allotment of Residential Quarters to SC/ST employees. Details of quarter allotted to SC/ST employees as on 31.03.2017 is furnished below:

Total Number of Employees Occupying Quarters	SC	ST
499	120	23

#### Reservation of Dealership

FACT is having 6489 dealers for distribution of fertilizers. During the financial year 2016-17, 12 nos. SC/ST category dealers were appointed across the marketing territories in South India. FACT is encouraging SC/ST category dealers to apply for the dealership.

Total number of dealers and the representation of SC/ST in dealership as on 31.3.2017 is given below.

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

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Sl.No	State	Total Dealers	SC	ST
1	Kerala	2917	192	11
2	Tamil Nadu	1146	101	31
3	Karnataka	1436	118	58
4	Telungana	373	13	5
5	Andhra Pradesh	617	31	6
	<b>Total</b>	<b>6489</b>	<b>455</b>	<b>111</b>

### **Official Language**

FACT is giving top priority for the implementation of the Official Language Act & Rules issued by the Ministry of Home Affairs, Government of India from time to time to achieve the targets prescribed in the Annual Programme. Official Language Implementation Committee Meetings and Official Language Compliance Officers' Meetings are being conducted regularly. In order to create interest in Official Language among the employees, Quiz competition, Hindi Kavi Sammelan, etc. have been conducted. Hindi Fortnight is celebrated in a grand manner every year in which various competitions are organized for the company employees. FACT has continued the Cash Incentive Scheme for the employees, to motivate them to do more official work in Official Language. FACT won first prize for Hindi magazine 'Rashtravani', third prize for Official Language Implementation and second prize in Hindi competitions at Joint Hindi Fortnight celebrations - 2016 organised by Kochi Town Official Language Implementation Committee.

### **Pollution Control Activities**

All fertilizer plants of FACT are certified for ISO:14001:2004 which always gives top most priority to ensure clean air and better living environment to the inhabitants in and around the factory. The Effluent Treatment Plants and emission control facilities are kept in operation along with production plant throughout the year. Treated liquid effluents and gas emissions discharged from plants conformed to the standards prescribed by the Kerala State Pollution Control Board throughout the year.

Uploading of pH and flow of treated effluent outlets to the CPCB server is being done continuously. Procurement and installation of Continuous Monitoring of Data of emission (CEMS) and Effluent (EQMS) System is in progress.

As per the agreement between FACT and Kerala Enviro Infrastructure Limited (KEIL), the accumulated stock of hazardous wastes viz. spent V2O5 catalysts and Sulphur muck were sent to KEIL for final disposal.

In FACT Cochin Division construction of a Guard Pond for improvement of the existing effluent treatment system was completed. Trial run was successful. Installation of online monitoring system

for ammonia from NP stacks is in progress and expected to be completed shortly.

### **Awards and recognitions**

- FACT-Udyogamandal Complex Fertiliser plants secured third position among the category of very large industry in Kerala State Pollution Control Board pollution Control Award for substantial and sustained efforts in pollution control and for initiatives in environment protection in 2015.
- FACT-Udyogamandal Complex received 'Order of Merit' award in SKOCH Renaissance Awards under India's best project category for installation of remote mode operated High Volume Long Range Water Monitors at Ammonia Storage and Handling area.
- FACT-Udyogamandal Complex received 'Order of Merit' award in SKOCH Renaissance Awards under India's Best Project category for repair of Waste Heat Recovery coils of Primary Reformer, H 201 in Ammonia Plant.
- FACT-Udyogamandal Complex has been selected for the 'Certificate of Merit' award in the National Energy Conservation Award conducted by Bureau of Energy Efficiency.
- FACT Cochin Division received the certificate of appreciation from Kerala State Pollution Control Board for the "Environmental Performance" during the year 2016.
- FACT installation at Willingdon Island was adjudged the winner of "Outstanding Safety Performance" award in the category of medium scale chemical industries for the year constituted by National Safety Council (Kerala Chapter).

### **Roadmap for sustainability**

FACT has drawn up a road map for the revival and sustainable growth in the long run. FACT has submitted a comprehensive financial restructuring package to the Govt. of India. On implementation of financial restructuring package the company expects a turn around resulting in wipe out of the entire accumulated losses. FACT also intends to set up various expansion projects aiming continuous existence of the company in the long run.

### **Outlook for the future**

With the optimum capacity utilisation of the existing plants and new projects for expansion and modernization, FACT is expecting a turnaround in its performance and profit on a sustainable basis in the coming years.

Udyogamandal  
Date:11.08.2017

Sd/-  
**S.K. Lohani**  
Chairman & Managing Director  
DIN:06912948



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

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

### **REPORT ON CORPORATE GOVERNANCE**

#### **I Philosophy on Code of Governance**

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

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

#### **II Board of Directors**

##### **(a) Composition and Category**

Sl.No	Name of Director	Period	Nature of Directorship/ Category
1	Shri S K Lohani *	01.04.2016 / 31.03.2017	Part-time Official Director, and C&MD from 16-03-2017
2	Ms Meenakshi Gupta	28.12.2016/31.03.2017	Part-time Official Director (Non Executive Director)
3	Shri K P S Nair *	29.06.2016 / 31.03.2017	Independent Director
4	Dr. S Murali *	29.06.2016 / 31-03-2017	Independent Director
5	Dr. Gangidi Manohar Reddy*	16-02-2017 / 31-03-2017	Independent Director
6	Dr. Jyoti Kaushal Sheth*	21-02-2017 / 31-03-2017	Independent Director
7	Prof. B. Vijayakumar*	21-02-2017 / 31-03-2017	Independent Director
8	Shri AK Padhee	27.09.2016 / 28.12.2016	Part-time Official Director (Non Executive Director)
9	Shri Jaiveer Srivastava	01.04.2016 / 02.11.2016	Chairman and Managing Director WholetimeFunctional( Executive) Director
10	Shri A B Khare	02.11.2016/15.03.2017	Chairman and Managing Director
11	Shri V.K.Anil	01.04.2016 /12.07.2016	Director (Technical) – Whole time functional (Executive) Director
12	Shri Vinod Kumar Thakral	01.04.2016 / 27.09.2016	Part-time Official Director (Non Executive Director)

\* Continue in the Board.

##### **(b) Details of Board Meetings & Attendance of Directors**

Sl.No	Board Meeting Number and Date	Venue	Filled Strength	Directors Present
1	478 dated 27.04.2016	New Delhi	4	4
2	479 dated 30.05.2016	New Delhi	4	4
3	480 dated 29.06.2016	New Delhi	6	6
4	481 dated 12.08.2016	Kochi	5	3
5	482 dated 06.09.2016	New Delhi	5	4
6	483 dated 27.09.2016	Kochi	5	3
7	484 dated 03.11.2016	New Delhi	5	5
8	485 dated 16.01.2017	New Delhi	5	5
9	486 dated 03.02.2017	New Delhi	5	4



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

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### (c) Attendance in Board meetings

Sl.No	Name of Director	Period	No.of Meetings held	No.of Meetings Attended	No.of Directorship in other Boards
1	Shri Jaiveer Srivastava	01.04.2016 / 02.11.2016	6	6	3*
2	Shri A.B Khare	02.11.2016 / 15.03.2017	3	3	3**
3	Shri V.K.Anil	01.04.2016 / 12.07.2016	3	3	2
4	Shri .S.K.Lohani	01.04.2016 / 31.03.2017	9	6	3***
5	Shri Vinod Kumar Thakral	01.04.2016 / 27.09.2016	5	3	2
6	Shri AK Padhee	27.09.2016 / 28.12.2016	2	1	0
7	Ms Meenakshi Gupta	28.12.2016 / 31.03.2017	2	2	3
8	Shri K P S Nair	29.06.2016 / 31.03.2017	7	7	0
9	Dr. S Murali	29.06.2016 / 31-03-2017	7	7	0

\* Chairman FRBL till 02.11.2016

\*\* Chairman FRBL till 15.03.2017

\*\*\* Chairman FRBL

Shri Jaiveer Srivastava, Chairman and Managing Director, Shri KPS Nair, Director and Dr S Murali, Director attended the 72nd Annual General Meeting.

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

Sl.No	Name of Director	Age	Date of Directorship	Remarks
1	Ms Alka Tiwari	52	21.04.2017	Appointed as an Additional Director
2	Dr. Gangidi Manohar Reddy	52	16.02.2017	Appointed as an Additional Director
3	Dr. Jyoti Kaushal Sheth	51	21.02.2017	Appointed as an Additional Director
4	Prof. B Vijayakumar	61	21.02.2017	Appointed as an Additional Director

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

#### Ms Alka Tiwari

Ms Alka Tiwari Government of India nominee Director (Part time Official Director) with effect from 21.04.2017 belongs to 1988 batch of Indian Administrative Service . Presently she is Joint secretary, Department of Fertilisers, Ministry of Chemicals and Fertilisers . She has held number of key positions in State Government of Jharkhand and Government of India. She also served as Advisor to the NITI Ayog. At present she is a Board member of Rashtriya Chemicals & Fertilisers Ltd.

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

#### Dr. Gangidi Manohar Reddy

Dr. Gangidi Manohar Reddy, Msc, PhD was a lecturer in Hyderabad. He is having rich experience in Educational and Management field . He is closely associated with various educational and charitable institutions at Hyderabad. He organized many seminars and conferences at national and International level in the field of Science and technology.

Shri. Gangidi Manohar Reddy is a member of the Stake holders Relationship Committee/ Share holders / Investors Grievance Committee of the Board.



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

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### **Dr. Jyoti Kaushal Sheth**

Dr. Jyoti Kaushal Sheth is a doctor by profession and is practicing at Vadodara, Gujarat. She is actively engaged in various social activities. She conducts Workshops and Seminars in Communication and Leadership under transaction module . Presently she is a Director, Central Social Welfare Board, Gujarat and Director Mahila Utkarsh Kendra , Vadodara.

Dr. Jyoti Kaushal Sheth is a member of the Committee on Corporate Social Responsibility of the Board.

### **Prof. B Vijayakumar**

Prof B Vijayakumar MSc, PhD is a retired Associate Professor of Physics from NSS College , Kottayam, Kerala. He is having 32 years teaching experience and published many books in Malayalam and English. He is associated with many social and cultural forums and holding key positions in them too.

Prof. B Vijayakumar is a member of the Committee on Corporate Social Responsibility of the Board.

Directors do not have any inter-se relationship. Directors are not holding any shares or any convertible instruments of the Company.

### **V. Audit Committee**

Sl.No	Name of Director	Nature of Directorship
1	Shri Vinod Kumar Thakral ( From 01.04.2016 to 27.09.2016) Chairman	GOI Nominee Director
2	Shri S.K.Lohani	GOI Nominee Director
3	Shri V.K.Anil (01.04.2016 to 12.07.2016)	Functional Director
4	Shri K P S Nair ( from 12.08.2016) Chairman	Independent Director
5	Dr. S Murali (From 12.08.2016 )	Independent Director

Chief Vigilance Officer is a permanent invitee to the meetings of the Audit Committee of the Board

Terms of reference of the Audit committee of the Board are as per the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

Number and Date of Audit Committee Meeting	Number of Members	Number of Members Attended
55 dated 30.05.2016	3	3
56 dated 12.08.2016	4	2
57 dated 27.09.2016	3	2
58 dated 03.11.2016	3	3
59 dated 03.02.2017	3	2

### **VI. Nomination and Remuneration Committee**

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

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

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

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

Composition of the Nomination and Remuneration Committee is given below:



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

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Sl.No.	Name of Director	Nature of Directorship
1	Shri Jaiveer Srivastava (Up to 02.11.2016)	C & MD
1	Shri S.K. Lohani	GOI Nominee Director
2	Shri V K Anil (Up to 12.07.2016)	Director (Technical)
3	Shri KPS Nair	Independent Director
4	Dr. S. Murali	Independent Director

On completion of the five year term, Shri V. K. Anil, Director (Technical) ceased to be a Director of FACT with effect from 12.07.2016 and the Board at its 481st meeting held on 12<sup>th</sup> August, 2016 nominated Shri K.P.S. Nair Director, and Dr. S. Murali, Director to the Nomination and Remuneration Committee.

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

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

1. Shri S.K. Lohani, Director
2. Shri V.K Anil , Director (Technical) up to 12.07.2016
3. Shri K.P.S.Nair, Independent Director (From 12.08.2016 onwards)
4. Dr. S Murali, Independent Director (From 12.08.2016 onwards)

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

The Committee meets regularly provided there are any Share Transfer requests to approve. As on 31.03.2017 there is no valid share transfer request pending for approval.

The Complaints of Investors / shareholders are promptly attended to either by the Share Transfer Agent or the Company directly and no genuine complaints of Shareholders remain un-attended. The Company has not received any genuine complaints from share holders during the year 2016-17.

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

### **VIII. Committee on Corporate Social Responsibility**

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

1. Shri Jaiveer Srivastava, C&MD (up to 02.11.2016)
2. Shri V.K.Anil, Director (Technical) (Up to 12.07.2016)
3. Shri K.P.S. Nair , Independent Director (From 12.08.2016 onwards)
4. Dr S Murali, Independent Director (From 12.08.2016 onwards)

### **IX. General Body Meetings**

Year	Date	Time	Venue	Details of Special Resolution
2013-2014	26.09.2014	11.00 AM	Udyogamandal	NIL
2014-2015	28.09.2015	11.00 AM	Udyogamandal	Resolution u/s 180(a) & 180(c) of the Companies Act, 2013
2015-2016	27.09.2016	11.00 AM	Udyogamandal	NIL



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

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During the financial year 2016-17 the Company has not passed any resolution through postal ballot. As on date, the Company is not proposing to conduct any resolution through postal ballot

### **X. Disclosure**

During the year 2016-2017, the Company has not entered into any transactions of material nature with Directors and / or relatives that may have a conflict with the interests of the Company at large.

The Company has complied with requirements of listing agreement and guidelines of the Stock Exchanges / SEBI / other Statutory Authorities. The Company was not imposed with any penalties / strictures by Stock Exchange or SEBI or any Statutory Authority on matters related to Capital Markets during the last three years due to the non-compliance of any provisions by the Company. However, during the year 2014-15, The National Stock Exchange of India Ltd. have advised FACT to remit fine for non-compliance of provisions relating to appointment of Woman Director on the Board of Directors of FACT.

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

### **XI. Means of Communications**

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

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

### **XII. General Shareholders Information**

Information relating to the Annual General Meeting & Financial Calendar for 2017-2018 are given below:

<b>73rd Annual General Meeting</b>	
Day	Friday
Date	22.09.2017
Time	11.00 AM
Venue	Udyogamandal Club, Udyogamandal

#### **Financial Calendar 2017-2018**

Ist Quarter Financial Results	Will be published before 14 <sup>th</sup> September 2017
II <sup>nd</sup> Quarter Financial Results	Will be published on II <sup>nd</sup> week of November 2017
III <sup>rd</sup> Quarter Financial Results	Will be published on II <sup>nd</sup> week of February 2018
IV <sup>th</sup> Quarter Financial Results	Will be published on II <sup>nd</sup> week of May 2018

<b>Dates of Book Closure</b>	From 18th September 2017 to 22nd September 2017 (both days inclusive)
<b>Dividend Payment Date</b>	No dividend is being declared

#### **Listing**

The shares of the Company is listed in National Stock Exchange of India Ltd, Mumbai. Listing fee has been paid to the Stock Exchange up to the year 2017-2018

#### **Stock code**

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



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

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### XIII Market Price

The high, low market price of Shares during each month in last financial year 2016-2017 as available from the National Stock Exchange of India Limited are given below:-

Month	High (₹)	Low (₹)
April 2016	25.80	20.85
May 2016	27.70	22.75
June 2016	28.70	22.10
July 2016	27.30	23.25
August 2016	24.70	22.50
September 2016	24.15	21.80
October 2016	25.90	22.80
November 2016	26.35	19.30
December 2016	26.15	22.40
January 2017	38.55	24.00
February 2017	38.45	29.75
March 2017	43.35	32.90

### XIV. Share Transfer / Depository Agent

BgSE Financial Limited Stock Exchange Towers, 51, 1st Cross, J.C. Road, Bangalore 560 027.

### XV Share Transfer System

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

### XVI Distribution of Shareholding as on 31.03.2017

Share holding of Nominal Value of Rs. 10/-	Share holders		Amount (₹)
	Number	% to Total	
<b>Up to 500</b>	14388	89.23	17143350
501 - 1000	941	5.84	8113480
1001 - 2000	384	2.38	6067040
2001 - 3000	137	0.85	3530320
3001 - 4000	61	0.38	2195840
4001 - 5000	67	0.42	3221940
5001 - 10000	82	0.51	6250330
10001 - 50000	55	0.34	11613430
50001 and above	9	0.05	6412584010
<b>Total</b>	<b>16124</b>	<b>100.00</b>	<b>6470719740</b>





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

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

### **XVII De-materialisation 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 26<sup>th</sup> June 2001. The Company has executed tripartite agreement with both the Depositories i.e. NSDL and CDSL and the Share Transfer Agents of the Company. As on 31.03.2017, 644056847 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-683 501, Kerala;  
e-mail - kvbnair@factltd.com : Ph: 0484-2546486

### **XXI Compliance of Corporate Governance requirements and guidelines issued by DPE:**

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



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

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

### **CFO / CEO's CERTIFICATION**

We Certify that:

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

Sd/-  
**S.K. Lohani**  
Chairman & Managing Director  
DIN 06912948

Sd/-  
**Suresh Warior**  
Chief Financial Officer  
DIN 06920261

### **DECLARATION OF COMPLIANCE OF CODE OF BUSINESS CONDUCT AND ETHICS**

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

The information relating to FACT has been documented in the website of the Company [www.fact.co.in](http://www.fact.co.in)

Udyogamandal  
Date: 11.08.2017

Sd/-  
**S K Lohami**  
CHAIRMAN AND MANAGING DIRECTOR  
DIN : 06912948



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

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Annuxure 1

**SVJS & Associates**  
Company Secretaries

39/3519B, FIRST FLOOR, PADMAM APARTMENTS,  
MANIKKATH ROAD, RAVIPURAM, KOCHI - 682 016

**Form No. MR-3**

### **SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31.03.2017

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

To

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

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

- (a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (b) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (v) As informed to us, the following other laws are specifically applicable to the Company.
  1. Fertiliser (Control) Order, 1985;
  2. The Manufacture, Storage and Import of Hazardous Chemical Rules, 1989;
  3. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008;
  4. Batteries (Management and Handling) Rules, 2001;
  5. The Industries (Development and Regulation) Act, 1951 and the Regulations and Bye-laws framed there under;
  6. The Water (Prevention and Control of Pollution) Act 1974 and the Regulations and Bye-laws framed there under;
  7. The Air (Prevention and Control of Pollution) Act, 1981 and the Regulations and Bye-laws framed there under;
  8. The Environment (Protection) Act, 1986 and the Regulations and Bye-laws framed there under;
  9. The Factories Act, 1948 and the Regulations and Bye-laws framed there under;
  10. The Boilers Act, 1923 and the Regulations and Bye-laws framed there under;
  11. Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010;
  12. The Central Vigilance Commission Act, 2003 and the Regulations and Bye-laws framed there under;



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

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

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

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

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

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

### **We report that**

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

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

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

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

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

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

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

For SVJS & Associates  
Company Secretaries

Sd/-  
P. D. Vincent  
Partner  
FCS. 3067  
CP. No. 7940

Kochi  
03.08.2017

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

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

1. Maintenance of the Secretarial records is the responsibility of the management of the Company. Our responsibility as Secretarial Auditors is to express an opinion on these records, based on our audit.
2. During the audit, we have followed the practices and process as were appropriate, to obtain reasonable assurance about the correctness of the contents of the Secretarial records. We believe that the process and practices we followed provide a reasonable basis for our report.
3. The correctness and appropriateness of financial records and Books of Accounts of the Company have not been verified.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards etc. is the responsibility of management. Our examination was limited to the verification of the procedures and compliances on test basis.
6. While forming an opinion on compliance and issuing the Secretarial Audit Report, we have also taken into consideration the compliance related actions taken by the Company after 31st March 2017 but before issue of the Report.
7. We have considered actions carried out by the Company based on independent legal / professional opinion as being in compliance with law, wherever there was scope for multiple interpretations.

For SVJS & Associates  
Company Secretaries

Sd/-  
P. D. Vincent  
Partner  
FCS. 3067  
CP. No. 7940

Kochi  
03.08.2017



**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Annexure - 2

**FORM NO. AOC – 2**  
**(Pursuant to clause (h) of sub-section (3) of section 134 of the**  
**Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

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

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

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

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

SI.No.	Particulars	Details
a)	Name (s) of the related party	<b>FACT RCF Building Products Limited</b>
	Nature of relationship	Joint Venture
b)	Nature of contracts/ arrangements/ transaction	Supply of Gypsum and deputation of personnel, Supply of petrol/Diesel, Supply of meals & guest house facilities.
c)	Duration of the contracts/ arrangements/ transaction	NA
d)	Salient terms of the contracts or arrangements or transaction	Transactions on Arms length basis
e)	Date of approval by the board	03-08-2017
f)	Amount paid as advances, if any	NIL
g)	Amount incurred during the year	₹ 174.06 lakhs

Udyogamandal  
Date: 11.08.2017

Sd/-  
**S.K. LOHANI**  
CHAIRMAN AND MANAGING DIRECTOR  
DIN : 06912948



**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Annexure-3

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

1. A brief outline on Companies CSR policy:

FACT gives priority on various social responsibility measures for the benefit of weaker section of the Society and to improve the standard of living of the inhabitant near the factory area. FACT is a loss making company and hence the provisions of sub-section 5 of section 135 of the Companies Act is not applicable to FACT. However, the Company is having its CSR policy.

2. Composition of CSR Committee:

FACT has constituted a CSR Committee consisting of the following Directors :

Shri S K Lohani, C&MD

Dr. Jyoti Kaushal Sheth, Director

Prof. B Vijayakumar, Director

3. Average net profit of the Company for the last three financial years

: Nil

4. Prescribed CSR Expenditure

: Not applicable

5. Details of CSR expenditure for the financial year 2016-17

Total amount spent for the financial year : Not applicable

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

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

Udyogamandal  
Date:11.08.2017

Sd/-  
**S K Lohani**  
Chairman & Managing Director  
DIN : 06912948



**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

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**Annexure 4**

**Form No. MGT-9  
EXTRACT OF ANNUAL RETURN**  
as on the financial year ended on 31st March 2017

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

**I REGISTRATION AND OTHER DETAILS**

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

**II PRICIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sl.No	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the company
1	Complex Fertilisers	31052000	80
2	Ammonium sulphate	31022100	13

**III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl.No	Name and address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of Shares Held	Applicable Section
1.	FACT RCF BUILDING PRODUCTS LTD.	U26992KL2008PLC022347	JOINT VENTURE	50%	2(6)
2.	KERALA ENVIRO INFRASTRUCTURE LTD.	U24129KL2005PLC017973	ASSOCIATE	25%	2(6)

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

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**IV SHAREHOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity)**
**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual / HUF									
b) Central Government	582364076	700	582364776	90	582364076	700	582364776	90	0
c) State Government (s)									
d) Bodies Corp.									
e) Banks / FI/ Any Other									
<b>Sub-total (A) (1):-</b>	<b>582364076</b>	<b>700</b>	<b>582364776</b>	<b>90</b>	<b>582364076</b>	<b>700</b>	<b>582364776</b>	<b>90</b>	<b>0</b>
(2) Foreign									
a) NRIs - Individuals									
b) Other Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other									
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoter (A) = (A) (1) + (A) (2)</b>	<b>582364076</b>	<b>700</b>	<b>582364776</b>	<b>90</b>	<b>582364076</b>	<b>700</b>	<b>582364776</b>	<b>90</b>	<b>0</b>
<b>B. Public Shareholding</b>									
(1) Institutions									
a) Mutual Funds	0								
b) Banks / FI	550	4290	4840	0.00	5104	4290	9394	0.00	0
c) Central Government	0	0	0	0.00	0	0	0	0.00	0
d) State Government(s)	0	2585000	2585000	0.00	0	2585000	2585000	0.00	0
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0
f) Insurance Companies	0	1250	1250	0.00	0	1250	1250	0.00	0
g) FIs	0	0	0	0			0	0.00	0
h) Foreign Venture Capital Funds	0	0	0	0			0	0	0
i) Others Special National Investment Fund	55400424	0	55400424	8.56	55400424	0	55400424	8.56	0
<b>Sub-total (B) (1):-</b>	<b>55400974</b>	<b>2590540</b>	<b>57991514</b>	<b>8.56</b>	<b>55405528</b>	<b>2590540</b>	<b>57996068</b>	<b>8.56</b>	<b>0</b>
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	483419	4713	488132	0.08	951283	4513	955796	0	95.81
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0			0	0	0		
<b>i) Individual shareholders holding nominal sharecapital upto Rs. 1 lakh</b>	<b>3919100</b>	<b>421977</b>	<b>4341077</b>	<b>0.67</b>	<b>3612519</b>	<b>422077</b>	<b>4034596</b>	<b>0.62</b>	<b>-7.06</b>
<b>ii) Individual shareholders holding nominal sharecapital in excess of Rs. 1 lakh</b>	<b>676951</b>	<b>0</b>	<b>676951</b>	<b>0</b>	<b>612782</b>	<b>0</b>	<b>612782</b>	<b>0</b>	<b>-9.48</b>
c) Others (Specify)	0	0	0	0	0	0	0	0	0
Clearing Members	83277	0	83277	0.01	573699	0	573699	0.80	588.90
Hindu Undivided Families	232882	0	232882	0.04	224241	0	224241	0.02	-3.71
FN's	3310	0	3310		200	0	200		
Non-Resident Indians	890055	0	890055	0.14	309716	100	309816	0	-65
<b>Sub-total (B) (2):-</b>	<b>6288994</b>	<b>426690</b>	<b>6715684</b>	<b>1.0</b>	<b>6284440</b>	<b>426690</b>	<b>6711130</b>	<b>1.44</b>	<b>0</b>
<b>Total Public Shareholding (B) = (B) (1) + (B) (2)</b>	<b>61689968</b>	<b>3017230</b>	<b>64707198</b>	<b>10</b>	<b>61689968</b>	<b>3017230</b>	<b>64707198</b>	<b>10</b>	<b>0</b>
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>644054044</b>	<b>3017930</b>	<b>647071974</b>	<b>100</b>	<b>644054044</b>	<b>3017930</b>	<b>647071974</b>	<b>100</b>	<b>0</b>



**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

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**ii) Shareholding of Promoters**

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

**iii) Change in Promoter's Shareholding (please specify, if there is no change) No change in Promoter's Shareholding**

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

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

Sl.No.	For each of the Top 10 Shareholders Special National Investment Fund	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No.of Shares	% of total shares of the Company	No.of Shares	% of total of the Company
	At the beginning of the year	55400424	8.56	55400424	8.56
	Increase /Decrease	NIL	Nil	Nil	Nil
	At the end of the year	55400424	8.56	55400424	8.56

Sl.No	For each of the Top 10 Shareholders The Government of Kerala	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No.of Shares	% of total shares of the Company	No.of Shares	% of total shares of the Company
	At the beginning of the year	2175000	0.34	2175000	0.34
	Increase /Decrease	NIL	Nil	Nil	Nil
	At the end of the year	2175000	0.34	2175000	0.34

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Sl. No 03	For each of the Top 10 Shareholders The Government of Tamilnadu	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No.of Shares	% of total shares of the Company	No.of Shares	% of total shares of the Company
	At the beginning of the year	256933	0.04	256933	0.04
	Increase /Decrease	NIL	Nil	Nil	Nil
	At the end of the year	256933	0.04	256933	0.04

Sl. No 04	For each of the Top 10 Shareholders The Government of Andhra pradesh	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No.of Shares	% of total shares of the Company	No.of Shares	% of total shares of the Company
	At the beginning of the year	147600	0.02	147600	0.02
	Increase /Decrease	NIL	Nil	Nil	Nil
	At the end of the year	147600	0.02	147600	0.02

Sl. No 05	For each of the Top 10 Shareholders Saji Varghese	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No.of Shares	% of total shares of the Company	No.of Shares	% of total shares of the Company
	At the beginning of the year	138348	0.02	138348	0.02
	Increase /Decrease	NIL	Nil	Nil	Nil
	At the end of the year	138348	0.02	138348	0.02

Sl. No 06	For each of the Top 10 Shareholders Dheeraj Lal S Mehta	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No.of Shares	% of total shares of the Company	No.of Shares	% of total shares of the Company
	At the beginning of the year	50000	0.01	50000	0.01
	Increase /Decrease	NIL	Nil	Nil	Nil
	At the end of the year	50000	0.01	50000	0.01

Sl. No 07	For each of the Top 10 Shareholders Shri Rachhpal Kaur Bains	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No.of Shares	% of total shares of the Company	No.of Shares	% of total shares of the Company
	At the beginning of the year	44444	0.01	44444	0.01
	Increase /Decrease	NIL	Nil	Nil	Nil
	At the end of the year	44444	0.01	44444	0.01

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Sl. No 08	For each of the Top 10 Shareholders Udayakumar N Kothari	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No.of Shares	% of total shares of the Company	No.of Shares	% of total shares of the Company
	At the beginning of the year	42050	0.01	42050	0.01
	Increase /Decrease	NIL	Nil	Nil	Nil
	At the end of the year	42050	0.01	42050	0.01

Sl. No 09	For each of the Top 10 Shareholders Sachin Sogani	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No.of Shares	% of total shares of the Company	No.of Shares	% of total shares of the Company
	At the beginning of the year	41389	0.01	41389	0.01
	Increase /Decrease	NIL	Nil	Nil	Nil
	At the end of the year	41389	0.01	41389	0.01

Sl. No 10	For each of the Top 10 Shareholders Jinnu Abraham	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No.of Shares	% of total shares of the Company	No.of Shares	% of total shares of the Company
	At the beginning of the year	30672	0	30672	0
	Increase /Decrease	NIL	Nil	Nil	Nil
	At the end of the year	30672	0	30672	0

**v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No.of Shares	% of total shares of the Company	No.of Shares	% of total shares of the Company
	At the beginning of the year	0	0	0	0
	Date-wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g.allotment /transfer / bonus / sweat equity etc):	0	0	0	0
	At the end of the year (or on the date of seperation, if seperated during the year)	0	0	0	0

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

**VI) INDEBTEDNESS**

Indebtedness of the company including interest outstanding/ accrued but not due for payment	Secured Loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
<b>Indebtedness at the beginning of the Financial year</b>	18105870986	0		18105870986
i) Principal amount		11095890	0	11095890
ii) Interest due but not paid	0		0	0
iii) Interest accrued but not due	0		0	0
<b>Total (i+ii+iii)</b>	18105870986	11095890	0	18116966876
<b>Change in Indebtedness during the financial year</b>	5917163195			5917163195
Addition (interest due but not paid)			0	0
Reduction (Principal Amount)		-11095890		-11095890
<b>Net Change</b>	5917163195	-11095890	0	5906067305
<b>Indebtedness at the end of the Financial year</b>				
i) Principal amount	21917163195	0	0	21917168015
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	215866166		0	2105866166
<b>Total (i+ii+iii)</b>	24023034181	0	0	24023034181

**VII REMUNERATION OF DIRECTORS AND KEY AMANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and / or Manager**

Sl.No	Particulars of Remuneration	Name of MD / WTD / Manager	Total amount
		Shri JAIVEER SRIVASTAVA, CHAIRMAN & MANAGING DIRECTOR (Up to 02.11.2016)	
1	Gross Salary		
	(a) Salary as per provisions contained in Section 17 (1) of the Income-Tax Act, 1961		1326933.44
	(b) Value of perquisites u/s 17 (2) of Income-Tax Act, 1961		111316
	©Profit in lieu of salary u/s 17 (3) of Income-Tax Act, 1961		159082.73
2	Stock Option		0
3	Sweat Equity		0
4	Commission		
	- as % of Profit		0
	- others, specify.....		0
5	Others, please specify		0
	Total (A)		1597332.17
	Ceiling as per the Act		NA**

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Sl.No	Particulars of Remuneration	Name of MD / WTD / Manager	Total amount
		Shri V K Anil, DIRECTOR (Technical ) (UP to 12.07.2016)	
1	Gross Salary		
	(a) Salary as per provisions contained in Section 17 (1) of the Income-Tax Act, 1961		2434957.79
	(b) Value of perquisites u/s 17 (2) of Income-Tax Act, 1961		
	(c) Profit in lieu of salary u/s 17 (3) of Income-Tax Act, 1961		62952.22
2	Stock Option		0
3	Sweat Equity		0
4	Commission		
	- as % of Profit		0
	- others, specify.....		0
5	Others, please specify		0
	Total (A)		2497910*
	Ceiling as per the Act		NA**

\* Inclusive of gratuity and leave encashments

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

## B. Remuneration to other Directors

Sl.No	Particulars of Remuneration	Name of Directors				Total amount
	3. Independent Directors	KPS Nair	Dr S Murali			
	Sitting Fee for attending Board Meetings	35000	35000			70000
	Commission	0	0			0
	Others, Please specify:- 1. Sitting fee for attending meetings of the Sub Committee of the Board.	30000	30000			60000
						0
	Total (1)					130000
	4. Other Non-Executive Directors					0
	Fee for attending Board Meetings					0
	Commission					0
	Others, Please specify					0
	Total (2)					0
	Total (B)= (1+2)					0
	Total Managerial Remuneration					0
	Overall ceiling as per the Act					NA
						0

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

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

Sl.No	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	CFO	Company Secretary	
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17 (1) of the Income-Tax Act, 1961		1005105.27	1447690	2452795.02
	(b) Value of perquisites u/s 17 (2) of Income-Tax Act, 1961		0	0	0
	(c) Profit in lieu of salary u/s 17 (3) of Income-Tax Act, 1961		113668.89	163559	1168663.8
2.	Stock Option			0	0
3	Sweat Equity			0	0
4	Commission			0	0
	- as % of Profit			0	0
	- others, specify.....			0	0
5.	Others, please specify			0	0
	Total		1118774.16	1611248	3621458.82

**VIII PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

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



**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala



**SATHISH.V**  
B.COM, LLB, PGDT, ACMA, FCS  
PRACTISING COMPANY SECRETARY

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

Phone : 0484 - 6002101; 9961333309 Email: [vsathish.cs@gmail.com](mailto:vsathish.cs@gmail.com)

**CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**

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

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

To the Members of

**THE FERTILISERS AND CHEMICALS TRANCORE LIMITED**

Eloor P.O., Udyogamandal

I have examined all relevant records of the Fertilisers and Chemicals Travancore Limited (the Company), for the purpose of certifying compliance of the conditions of Corporate Governance as stipulated in the relevant clauses of the Listing Agreement of the said Company with National Stock Exchange of India Limited for the financial year ended March 31, 2017. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of certification .

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

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

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

Cochin - 682 019  
Date : 30.06.2017

Sd/-  
**Sathish V**  
B.Com,LLB, PGDT, ACMA, FCS  
Practising Company Secretary  
FCS-8005; CP 8343



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

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

### **K.VARGHESE & CO. CHARTERED ACCOUNTS**

Sageti Business Centre, IInd Floor, Choolackal Building, Opp Metro Plaza, North Market Road, Ernakulam-682 014

Telephone:0484-2398398, 9847046200, 9287270400/Fax 0474-2746083/E mail:kochi@kvco.in

Chennai, Mumbai, Kollam, Adoor, Calicut Coimbatore

Web: www.kvco.in, E-mail:mail@kvco.in

## **INDEPENDENT AUDITOR'S REPORT**

**To The Members of The Fertilisers And Chemicals Travancore Limited**

### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **The Fertilisers And Chemicals Travancore Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters, which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31<sup>st</sup>, 2017, and its loss and its cash flows for the year ended on that date.

### **Emphasis of Matter**

- a) We draw attention to Note No. 33 to the standalone financial statement. The Company has accumulated loss amounting to ₹ 214356.50 Lakhs and its net worth has been fully eroded, the Company has incurred a net loss during the current and previous years. This condition indicates the existence of material uncertainty which may cast significant doubt as to the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said note.
- b) We draw attention to Note No. 28.1 to the standalone financial statement. The Company has written back the interest provision amounting to ₹ 6834.22 Lakhs during the year and shown under exceptional item. Confirmation in this regard is expected from the



**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Government of India. The Company has received communication dated 26<sup>th</sup> May, 2017 from Department of Fertilizers address to Pay and Accounts Officer, Department of Fertilizers, advising to confirm.

- c) We draw attention to Note No.19.1 to the standalone financial statement. The Company has shown under other current assets amount of ₹ 3046.41 Lakhs as receivable from Government of Kerala towards reimbursement of KVAT paid on purchase of RLNG during the period from 18<sup>th</sup> July 2016 to 31<sup>st</sup> March 2017. The Company has considered the pronouncement made in State Assembly during the budget session.

Our opinion is not modified in respect of this matter

**Other Matter**

We did not audit the financial statements of 4 areas of marketing division included in the standalone financial statements of the company whose financial information reflect total asset of ₹ 201.02 Lakhs as at 31<sup>st</sup> March, 2017 and total revenue of ₹ 128813.15 Lakhs for the year ended on that date, as considered in the standalone financial statements. The financial information of these branches have been audited by the branch auditors whose report have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors.

Our opinion is not qualified in respect of this matter.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143 (5) of the Act, we give in Annexure C, on the basis of such checks of the books and the records of the Company as we considered appropriate and according to the informations and explanations given to us, in the annexure on the directions issued by the Comptroller and Auditor-General of India.
3. As required by section 143(3) of the Companies Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of written representation received from the Directors as on 31<sup>st</sup> March, 2017, and taken on record by the Board of Directors, We report that none of the Directors is disqualified as on 31<sup>st</sup> March, 2017, from being appointed as director in terms of Section 164(2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B", our report express an unmodified opinion on the adequacy and the operating effectiveness of the Company's internal financial control over financial reporting; and
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- refer Note 29 to the financial statements.
  - ii. The Company has made provision as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. The Company has provided requisite disclosure in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 17.2 to the financial statements.

**For K. VARGHESE & Co.**  
 Chartered Accountants  
 (Firm Registration No. 004525S)

Sd/-  
**Sam Varghese**  
 Partner  
 (Membership No. 216979)

New Delhi  
 30<sup>th</sup> May, 2017

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

**ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT**
**Referred to in Paragraph (1) under the heading of "Report on Other Legal and Regulatory Requirements" of our report to the members of The Fertilisers And Chemicals Travancore Limited on the accounts for the year ended 31<sup>st</sup> March, 2017**

1. In respect of its fixed assets:
  - (a) The Company is generally maintaining proper records showing full particulars, including the quantitative details and situation of fixed assets.
  - (b) The company has a regular programme of physical verification of its fixed assets by which fixed assets were verified in a phased manner over a period of three years. In our Opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and nature of its business. To the best of our knowledge, no material discrepancies were noticed on verification conducted during the year as compared with book records.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except for 48.49 Acres of land amounting to ₹ 510.77 Lakhs for which Patta/ Title Deed is to be issued.
2. In respect of inventories
  - a. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. 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 accounts.
3. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments, guarantees and security made.
5. According to the information and explanation given to us, the Company has not accepted any deposits from the public during the year.
6. We have broadly reviewed the books of accounts maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as prescribed by the Central Government under section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees State Insurance Fund, Income Tax, Wealth Tax, Sales Tax, Value Added Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.
 

According to the information and explanation given to us, no material undisputed amounts payable in respect of Provident Fund, Employees State Insurance Fund, Income Tax, Wealth Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other material statutory dues were in arrears as at 31<sup>st</sup> March, 2017 for a period of more than six months from the date they became payable.

  - b) According to the information and explanation given to us, the following disputed dues of Sales Tax, Income Tax, Customs Duty, Excise Duty, Service Tax, Cess etc. which have not been deposited as on 31<sup>st</sup> March, 2017 are given below.

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Nature of Statute	Nature of Dues	Forum where Dispute pending	Financial Year	Amount involved (₹ in lakhs)	Amount unpaid (₹ in lakhs)
Central Excise Act, 1944	Duty, penalty with interest demand disputed by company. Cenvat utilised for fertilizer clearances	Customs, Excise and Service Tax Appellate Tribunal, Bangalore	2010 to 2013-14	8742.53	6512.75
Central Excise Act, 1944	Duty with interest and penalty on shortages written off	Commissioner of Central Excise, Kochi	2003-04	86.77	86.77
Central Excise Act, 1944	Duty with interest and penalty on Cenvat availment	Customs, Excise and Service Tax Appellate Tribunal, Bangalore	2006-07 to 2010-11	0.49	0.44
Finance Act, 1944	Tax Penalty and interest demand on service tax	Customs, Excise and Service Tax Appellate Tribunal, Bangalore	2003-04 to 2009-10	290.46	278.05
Finance Act, 1944	Tax Penalty and interest demand on service tax	Commissioner of Central Excise, Kochi	2006-07 to 2012-13	98.99	98.99
Madhya Pradesh Entry Tax	Entry tax demand	Board of Revenue (Commercial Tax Tribunal) Gwalior, Madhya Pradesh)	1980-84	3.67	3.67
Sales Tax Act, Punjab	Sales tax demand	High Court of Haiana & Punjab	1999-2000 2000-2001	119.00	46.03
Sales Tax Act, Orissa	Sales tax demand	High Court of Orissa	1985-1992	63.00	63.00
Sales Tax Act, Kerala	Sales tax demand	Commercial Taxes, Ernakulam	2011-2012	7.68	7.68
Income Tax Act, 1961	Tax demand due to disallowances	High Court of Kerala	1987-88	11.77	-
Income Tax Act, 1961	Tax demand due to disallowances	High Court of Kerala	1989-90	32.40	-
Income Tax Act, 1961	Interest demand u/s 234B(3)	CIT (Appeals), Kochi	2001-02	2.94	-
Income Tax Act, 1961	Tax demand due to disallowance	CIT (Appeals), Kochi	2005-06	1.32	-
Income Tax Act, 1961	Additional Tax and Interest demanded on payments to foreign technicians	High Court of Kerala	1994-95 to 1997-98	103.05	78.21
Income Tax Act, 1961	Tax demand due to disallowance	High Court of Kerala	1997-98	10.49	10.49



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

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

8. In our opinion and according to the information and explanations given to us and based on the documents and records produced before us, the Company has not defaulted in repayment of loans or borrowings to Financial Institutions, Banks, Government or dues to debenture holders.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). The term loans raised during the year were applied for the purpose for which those are raised.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit. However, on initiation of vigilance enquiry it is observed that, a tender for sale of gypsum awarded to a contractor enabled certain beneficiary to gain undue benefits. Based on the intervention of GOI, the Company have cancelled the sale of gypsum to the said contractor. Since the data relating to undue benefits is not available with the Company, we are not in a position to quantify the amount involved.
11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company,
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.
- transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

**For K. VARGHESE & Co.**  
Chartered Accountants  
(Firm Registration No. 004525S)

Sd/-  
**Sam Varghese**  
Partner  
(Membership No. 216979)

New Delhi  
30<sup>th</sup> May, 2017

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

**ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT****Referred to in Paragraph (f) under the heading of "Report on Other Legal and Regulatory Requirements" of our report to the members of The Fertilisers And Chemicals Travancore Limited on the accounts for the year ended 31<sup>st</sup> March, 2017****Report on the Internal Financial Controls over financial reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of The Fertilisers And Chemicals Travancore Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

**For K. VARGHESE & Co.**  
Chartered Accountants  
(Firm Registration No. 004525S)

Sd/-  
**Sam Varghese**  
Partner  
(Membership No. 216979)

New Delhi  
30<sup>th</sup> May, 2017



**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

**ANNEXURE ‘C’ TO THE INDEPENDENT AUDITORS’ REPORT**

Referred to in Paragraph 2 under the heading of “Report on Other Legal and Regulatory Requirements” of our report to the members of The Fertilisers And Chemicals Travancore Limited on the accounts for the year ended 31<sup>st</sup> March, 2017

**AUDIT REPORT ON THE ACCOUNTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017 AS PER DIRECTIONS OF C&AG UNDER SECTION 143(5) OF THE COMPANIES ACT, 2013**

Sl. No.	C&AG Directions	Comments of Statutory Auditor
1.	Whether the company has clear title/lease deeds for freehold and leasehold land respectively? If not, please state the area of freehold and leasehold land for which title/lease deeds are not available	FACT is having title deed in respect of freehold/leasehold land. However, Govt of Kerala is yet to issue Title deed/patta in respect of 48.49 Acres of land amounting to ₹ 510.77 Lacs. Lease agreement for 14.26 acres of land need to be executed by the Company for the property laying at Willing Island, Kochi.
2.	Please report whether there are any cases of waiver/write off of debts/loans/interest etc. if yes, the reasons therefore and the amount involved”.	During the year the Company has not waived / written off any of debts / loans/interest etc.
3	Whether proper records are maintained for inventories lying with third parties and assets received as gift from Government or other authorities.	As a policy company does not part with the inventory of the Company with others except in specific cases required under extreme exigencies, though such cases are few and far between. However, there could be cases in which some machinery or part thereof, though under “Plant and Machinery” and not under “Inventory”, may have to be sent to third parties for repair, retrofitting etc. These cases are monitored by the respective department which causes such transaction. Normally company is insisting security for the material by way of DD, Bank Guarantee etc. However, in cases where the other party refuses to provide such securities and company necessarily has to get the work done through such parties, the equipment is sent to such third parties without such formalities. However such cases are strictly monitored by the respective user department, which shall be responsible for making timely return of such inventory. Registers/Records/files are maintained in Stores as per Board approved Stores Management Manual for such transaction done by Stores Department.  During 2016-17 company has renewed the agreement until 7th August 2017 for hiring tanks from IOC Ltd for storage of imported furnace oil. Proper records of the Furnace Oil imported, transported and balances in the tanks have been maintained.  During the year 2016-17, no gift of assets was received from Government of other agencies.
4	State of impact of revision of subsidies for fertilizers products, viz. NPK, Ammonium Sulphate and imported MoP in valuation of its closing stock.	As per company policy for inventory valuation “Finished / Trading products are valued at lower of cost or net realizable value in the aggregate, product-wise. 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”. During the year following items are valued at cost, since it is lower than Net realizable value. 1. Ammonium sulphate 2. Imported MoP 3. NPK Hence, during the year there is no impact of revision of subsidies for fertilizers products, viz. NPK, Ammonium Sulphate and imported MoP in valuation of its closing stock.

**For K. VARGHESE & Co.**  
Chartered Accountants  
(Firm Registration No. 004525S)

**Sd/-**  
**Sam Varghese**  
Partner  
(Membership No. 216979)

New Delhi  
30<sup>th</sup> May, 2017



**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**

August 08, 2017

PDCA/CA-I/FACT/4-187/2017-18/159

To

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

Sir,

Sub:Comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the  
Financial Statements of The Fertilisers and Chemicals Travancore Limited, for the year ended 31 March 2017

\*\*\*\*\*

I am to forward herewith the Comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on  
the financial statements of The Fertilisers and Chemicals Travancore Limited, for the year ended 31 March 2017.

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

Receipt of this letter may be acknowledged.

Yours faithfully,

Sd/-

(G.SUDHARMINI)

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

Encl: Audit certificate

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT,  
2013 ON THE FINANCIAL STATEMENTS OF THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED  
FOR THE YEAR ENDED 31 MARCH 2017**

The preparation of financial statements of The Fertilisers and Chemicals Travancore Limited for the year ended 31 March 2017 in accordance  
with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company.  
The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act, are responsible for expressing  
opinion on these financial statements under Section 143 of the Act based on independent audit in accordance with the Standards on auditing  
prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 30.05.2017.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the  
financial statements of The Fertilisers and Chemicals Travancore Limited for the year ended 31 March 2017. This supplementary audit has  
been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the  
Statutory Auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit, nothing  
significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report.

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

Place: Chennai

Date : August 08, 2017

Sd/-

(G.SUDHARMINI)

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



**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

**Balance Sheet as at 31.03.2017**

₹ in Lakh

	Particulars	Note No.	Figures as at 31.03.2017	Figures as at 31.03.2016
<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	(214293.86)	(195595.75)
(2)	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	3	177048.75	162713.36
	(b) Long- term provisions	4	11743.37	13155.46
(3)	<b>Current liabilities</b>			
	(a) Short-term borrowings	5	63181.59	18345.36
	(b) Trade payables	6	32072.50	57246.75
	(c) Other current liabilities	7	15964.99	38524.14
	(d) Short- term provisions	8	3102.76	4053.72
	<b>TOTAL</b>		<b>153527.30</b>	<b>163150.24</b>
<b>II.</b>	<b>ASSETS</b>			
(1)	<b>Non-current assets</b>			
	(a) Fixed assets			
	(i) Tangible assets	9	25378.33	26972.78
	(ii) Intangible assets	9	-	-
	(iii) Capital work-in-progress	10	2467.93	2186.40
	(b) Non-current investments	11	366.55	366.55
	(c) Deferred tax assets (net)	12	-	-
	(d) Long-term loans and advances	13	889.00	845.48
	(e) Other non-current assets	14	0.46	0.45
(2)	<b>Current assets</b>			
	(a) Inventories	15	44556.93	38862.03
	(b) Trade receivables	16	826.72	710.24
	(c) Cash and Bank balances	17	5229.91	5757.03
	(d) Short-term loans and advances	18	12076.49	16122.01
	(e) Other current assets	19	61734.98	71327.27
	<b>TOTAL</b>		<b>153527.30</b>	<b>163150.24</b>
	Significant Accounting Policies Notes forming part of the Financial Statements	<b>A</b> <b>1 to 39</b>		

In terms of our report attached.

For and on behalf of the Board of Directors

For K. Varghese & Co.  
Chartered Accountants  
Firm Registration No. 004525S

Sd/-  
Suresh Warior  
Director (Finance) & C F O

Sd/-  
S K Lohani  
Chairman & Managing Director

Sd/-  
Sam Varghese  
Partner  
Membership No.216979

Sd/-  
K.V. Balakrishnan Nair  
Company Secretary

Place: New Delhi  
Date : 30<sup>th</sup> May, 2017



**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

**Statement of Profit and Loss for the year ended 31.03.2017**

₹ in Lakh

	Particulars	Note No.	Figures for the year ended 31.03.2017	Figures for the year ended 31.03.2016
I.	Revenue from operations	20	186259.99	173599.13
II.	Other income	21	1715.88	2898.01
III.	Total revenue (I+II)		187975.87	176497.14
IV.	Expenses			
	(a) Cost of materials consumed	22	106062.36	107980.40
	(b) Purchases of stock-in-trade	23	9867.93	271.75
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(8120.41)	17904.48
	(d) Employee benefits expense	25	21827.29	24965.47
	(e) Finance costs	26	30512.52	25213.61
	(f) Depreciation and amortization expense	9	1683.49	1812.47
	(g) Other expenses	27	49975.00	44803.27
	Total expenses		211808.18	222951.45
V.	Profit / (Loss) before exceptional and extraordinary items and tax (III-IV)		(23832.31)	(46454.31)
VI.	Exceptional items	28	(5136.09)	(1234.85)
VII.	Profit/(Loss) before extraordinary items and tax (V-VI)		(18696.22)	(45219.46)
VIII.	Extraordinary items		-	-
IX.	Profit /(Loss) before tax (VII-VIII)		(18696.22)	(45219.46)
X.	Tax expense			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
XI.	Profit /(Loss) for the year (IX-X)		(18696.22)	(45219.46)
XII.	Earnings per equity share of ₹ 10 each			
	(1) Basic -₹		(2.89)	(6.99)
	(2) Diluted -₹		(2.89)	(6.99)
	Significant Accounting Policies	A		
	Notes forming part of Financial Statements	1 to 39		

In terms of our report attached.

For and on behalf of the Board of Directors

 For K. Varghese & Co.  
 Chartered Accountants  
 Firm Registration No. 004525S

 Sd/-  
 Suresh Warior  
 Director (Finance) & C F O

 Sd/-  
 S K Lohani  
 Chairman & Managing Director

 Sd/-  
 Sam Varghese  
 Partner  
 Membership No.216979

 Sd/-  
 K.V. Balakrishnan Nair  
 Company Secretary

 Place: New Delhi  
 Date : 30<sup>th</sup> May, 2017

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2017**

Particulars	For the year ended ended 31-03-2017	For the year ended 31-03-2016
	₹. in lakh	₹. in lakh
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit/ (Loss) before exceptional &amp; extraordinary Items and Tax</b>	(23832.31)	(46454.31)
Adjustments for:		
Depreciation	1720.93	1966.51
Provision for impairment of fixed assets	(37.44)	(154.04)
Amount written back from deferred Government Grants	(1.89)	(1.89)
Provision for obsolescence/Bad and doubtful receivables(Net)	2144.74	1730.11
Provision for employee benefits	(1384.65)	(7758.22)
Income from Investments	(9.72)	(8.10)
Other non-cash Expenses/(Income)	-	3.60
(Profit)/Loss on sale of assets (Net)	0.04	(801.87)
Finance costs	30512.52	25213.61
<b>Operating Profit/ (Loss) before Working Capital changes</b>	9112.22	(26264.60)
<b>Changes on Working Capital</b>		
Adjustments for (increase)/decrease in operating assets		
Inventories	(5796.41)	16187.71
Trade receivables	(236.01)	240.55
Short-term loans and advances	2251.79	(3345.75)
Other current assets	(11377.95)	8846.28
Long-term loans and advances	6.88	(61.25)
Other non current assets	(0.01)	(0.02)
Adjustments for increase/(decrease) in operating liabilities		
Trade payables	(25174.25)	(15091.69)
Other current liabilities & provisions	(6892.89)	(2307.26)
<b>Cash generated from Operations</b>	<b>(38106.63)</b>	<b>(21796.03)</b>
Direct Taxes	-	-
<b>Cash Flow before Exceptional / Extraordinary items</b>	<b>(38106.63)</b>	<b>(21796.03)</b>
Exceptional Items- income/ (expense)	<b>5136.09</b>	1234.85
Extraordinary Items	-	-
<b>Net Cash from / (used in) Operating Activities - A</b>	<b>(32970.54)</b>	<b>(20561.18)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
capital advances	(421.36)	(324.51)
Proceeds from sale of Fixed Assets	0.33	0.38
Dividend received	9.72	8.10
Purchase/proceeds from sale of Investments(Net)	-	-
Net cash from/(used in) Investing Activities - B	(411.31)	(316.03)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings (Net)	-	100000.00
Proceeds from / (repayment of) Short Term Borrowings (Net)	44836.23	(60811.51)
Interest paid	(9453.86)	(17643.35)
Forward exchange contracts with Banks (Net)	(779.60)	838.07
Net cash from/ (used in) Financing Activities - C	34602.77	22383.21



**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2017**

₹ in Lakh

Particulars	For the year ended 31-03-2017	For the year ended 31-03-2016
<b>NET INCREASE / DECREASE (-) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	1220.93	1506.00
<b>CASH AND CASH EQUIVALENTS</b>		
AS AT 01.04.2016 (Opening Balance)	2019.69	513.69
AS AT 31.03.2017 (Closing Balance)	3240.62	2019.69
<b>CASH AND CASH EQUIVALENTS</b>	At at 31-03-2017	At at 31-03-2016
Cash on hand	2.99	2.31
Balance with banks	919.21	353.12
Cheques, drafts on hand #	500.17	0.27
Deposit with Bank (less than 3 month maturity)	1806.71	1652.45
Current Account with banks for unpaid interest warrants*	0.69	0.69
With Post Office/Treasury Savings Account	10.85	10.85
<b>TOTAL</b>	<b>3240.62</b>	<b>2019.69</b>

\* These balances are not available for use by the Company as they represent unpaid interest warrants on public deposits.

# Includes ₹500 lakh towards amount received for work on Deposit basis

Cash Flow Statement has been prepared based on Indirect Method prescribed under Accounting Standard-3 "Cash Flow Statements".

In terms of our report attached.

For and on behalf of the Board of Directors

For K. Varghese & Co.  
Chartered Accountants  
Firm Registration No. 004525S

Sd/-  
Suresh Warior  
Director (Finance) & C F O

Sd/-  
S K Lohani  
Chairman & Managing Director

Sd/-  
Sam Varghese  
Partner  
Membership No. 216979

Sd/-  
K.V. Balakrishnan Nair  
Company Secretary

Place: New Delhi  
Date : 30<sup>th</sup> May, 2017

## **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 of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act ,2013 ,read with Rule 7 of the Companies (Accounts)Rules ,2014.The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except incorporation of method of Valuation Gypsum mentioned in VI(e).

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 Statement of Profit and Loss on a systematic and rational basis over the useful life of the assets.
- (e) Depreciation:
  - (i) Depreciation is charged on Fixed Assets based on the useful lives of assets, prescribed under the Schedule II of the Companies Act 2013.The Company has adopted Straight Line method of depreciation for all the categories of assets, acquired on or after 01.04.2014, in absence of a provision on method of depreciation, in the Companies Act, 2013.
  - (ii) Effective from 1st April, 2014, the Company has reassessed the useful life of its existing fixed assets and has charged depreciation over the remaining useful lives, after retaining residual value, in accordance with the transitional provisions contained in the Schedule II of the Companies Act 2013.
  - (iii) Residual value of 5% has been retained for all the Fixed Assets, which is in line with the provisions of the Schedule II.
  - (iv) Depreciation is charged @ 100% on the assets with acquisition value of less than ₹ 5,000/-, the value being immaterial, considering the size and nature of the business of the Company.

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

#### **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. Capital Work in progress :**

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

#### **V. 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 amortized over a period of 5 years.

#### **VI. Inventory Valuation:**

- a) Raw materials and stores and spares are valued at or below cost. Cost being ascertained on moving weighted average method. In cases where there has been a decline in the price of imported and indigenous raw material and it is estimated the cost of finished product will exceed the net realizable value, the materials are written down to net realizable value.
- b) Materials in process are not valued, consistently.

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

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

- c) Finished/Trading products are valued at lower of cost or net realizable value in the aggregate, product-wise. Intermediate products are valued at lower of cost or net realizable value derived from finished products and saleable by-product at realizable value. Cost of Finished / semi-finished / intermediate products are determined based on annual average cost excluding interest and head office and administrative overheads. Cost of finished goods in warehouse includes freight and handling charges.
- d) Materials in transit / under inspection are valued at cost.
- e) Gypsum valuation
- The entire quantity of saleable gypsum is valued at the lowest slab of the approved price for the next financial year reduced by the anticipated loading charges and moisture discount or average of the actual price realized during the year, whichever is lower. For assessing the closing stock of gypsum, the closing stock as per survey report as on 31.3.2016 will be taken as the base year and closing stock shall be derived by considering the production, consumption, dispatch and sales during the year.
- 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.

### **VII Commitments:**

#### **Capital**

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

#### **Other Commitments**

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

### **VIII Borrowing Cost:**

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

### **IX 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.

### **X Revenue Recognition:**

- a) Sales are recognized on 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.

### **XI 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.

### **XII 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 (-)).

### **XIII Employee Benefits:**

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

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

#### **Post-employment Benefits**

##### **a) Defined Contribution Benefits**

The company's contribution to the Provident Fund is remitted to separate trust established for this purposes based on a fixed percentage of the eligible employees salary and charged to Statement of Profit and Loss. Shortfall, if any, in the fund assets based on the Government specified minimum rate of return will be made good by the company and charged to Statement of Profit and Loss.

##### **b) Defined Benefit Plans**

The company operates defined benefit plan for gratuity and

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

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

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 and losses in respect of post employment and other long term benefits are charged to statement of Profit and Loss.

#### **XIV 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 statement of Profit and Loss 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 statement of Profit and Loss.

#### **XV 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.

#### **XVI 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.

#### **XVII 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.

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

#### **XIX Prior Period Adjustments:**

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

#### **XX Research and Development Expenses:**

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

#### **XXI Provisions, Contingent Liabilities and Contingent Assets:**

- a) Provision is recognised in the accounts when there is a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.
- b) Contingent liabilities are disclosed unless the possibility of outflow of resources is remote. Show Cause notices issued by various Government Authorities are not considered as Obligation. When the demand notices are raised against such show cause notices and are disputed by the company, these are classified as disputed obligations.
- 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.
- d) Contingent assets are neither recognized nor disclosed in the financial statements.

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

₹ in Lakh

No.	Particulars	As at 31.03.2017		As at 31.03.2016	
1	<b>Share capital</b>				
a.	<b>Authorised:</b> 100,00,00,000 (Previous year 100,00,00,000) Equity Shares of ₹ 10/-each		100000.00		100000.00
b.	<b>Issued, Subscribed and fully Paid up:</b> 64,70,71,974 (Previous year 64,70,71,974) Equity Shares of ₹ 10/- each fully paid up		64707.20		64707.20
			64707.20		64707.20
c.	Par value per Share		₹ 10/- each		₹ 10/- each
d.	Reconciliation of the shares outstanding at the beginning and at the end of the Financial Year				
	<b>Particulars</b>	<b>No. of shares</b>	<b>Value of share</b>	<b>No. of shares</b>	<b>Value of share</b>
	No. of shares at the beginning of the year	647071974	64707.20	647071974	64707.20
	No. of shares at the end of the year	647071974	64707.20	647071974	64707.20
e.	Rights, Preference and restrictions attached to each class of shares including restrictions on the distribution of dividends and the repayment of capital	Only one class of equity shares , each having one vote with equal right of dividend. Repayment of capital will be in proportion to the number of equity shares			
f.	Shares held by shareholders holding more than 5% of shares:				
	<b>Particulars</b>	<b>% of holding</b>	<b>No. of shares held</b>	<b>% of holding</b>	<b>No. of shares held</b>
	Government of India	90.00%	582364776	90.00%	582364776
	Special National Investment Fund constituted by Government of India	8.56%	55400424	8.56%	55400424
	In order to comply with a minimum public shareholding norms Govt. of India have transferred 55400424 equity shares of ₹10 each to special national investment fund on 6th August 2013.				
g.	Shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.		Nil		Nil
h.	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 II. Aggregate number and class of shares allotted as fully paid up by way of Bonus shares III. Aggregate number and class of shares bought back		Nil		Nil
			Nil		Nil
			Nil		Nil
i.	Terms of any securities convertible into equity/preferential shares issued along with the earliest date of conversion		Nil		Nil
j.	Calls unpaid		Nil		Nil
k.	Forfeited shares		Nil		Nil
l.	As there is no change in the equity share capital during the year, the Company has not prepared "Statement of Change in Equity" as required under the provisions of Companies Act 2013.				

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

₹ in Lakh

No.	Particulars		As at 31.03.2017		As at 31.03.2016
<b>2</b>	<b>Reserves and Surplus</b>				
a.	<b>Capital Reserves:</b>				
	Subsidy from Kerala State Government under Industrial Housing Scheme		2.64		2.64
b.	<b>Other Reserves:</b>				
	Deferred Government Grant :				
	Indo EEC Fertiliser Education Project				
	Opening balance	57.33		58.27	
	Less: Amount written off during current year	0.94		0.94	
	Closing balance		56.39		57.33
	Bio-Fertiliser Project				
	Opening balance	4.56		5.51	
	Less: Amount written off during current year	0.95		0.95	
	Closing balance		3.61		4.56
c.	Surplus/ (Deficit) in statement of Profit and Loss:				
	Opening balance	(195660.28)		(150440.82)	
	Add :Profit/ (Loss) during the year	(18696.22)		(45219.46)	
	Closing balance		(214356.50)		(195660.28)
			(214293.86)		(195595.75)
<b>3</b>	<b>Long-term borrowings (Secured)</b>				
	Term loans				
	From Government of India (Refer Note 3.1)		177048.75		162713.36
			177048.75		162713.36
3.1	A plan loan of ₹1000 crore bearing interest @ 13.50% p.a subject to revision on annual basis was released by the Government of India on 29th March 2016 to maintain the operations of the company. As per the terms of sanction of the loan, the amount of ₹1000 crore along with the earlier loan and interest outstanding has been converted to a single loan carrying interest @ 13.50% p.a with a one year moratorium for payment of interest. The loan along with interest is repayable in three or more equal instalments in a period of 5 years ending by 2022. Since there is no commitment to repay the loan / interest in the Financial Year 2017-18, the loan amount outstanding as at 31.03.2017 along with interest is shown under Long Term Liabilities as follows:- (Please refer Note 28.1 also)				
(1)	Old Loan Outstanding (Received upto 2011-12)on 31.03.2016		28273.00		
2(a)	Interest on the above loan upto 31.03.2016		22273.57		
2(b)	Penal Interest on the above loan upto 31.03.2016		5295.57		
(3)	Total outstanding including interest (1+2a+2b)		55842.14		
(4)	Plan Loan released on 28.03.2016		100000.00		
(5)	Interest on New loan 31.03.2016		147.95		
<b>(6)</b>	<b>Total Loan Balance as on 31.03.2016 (3+4+5)</b>		<b>155990.09</b>		
(7)	Interest on total dues as on 01.04.2016 ((6) above) @ 13.5%		21058.66		
	<b>Total Loan Amount as on 31.03.2017 including Interest (6 + 7)</b>		<b>177048.75</b>		
	An agreement had been signed between FACT and Department of Fertilizers on 3rd March 2016 by which FACT had agreed to mortgage 408 acres of land belonging to FACT vide patta 7030 in Survey No. 205, Puthencruz villages, against the total loan and interest outstanding by the end of Moratorium on 31 March 2017.				
<b>4</b>	<b>Long-term provisions</b>				
	Provision for employee benefits (Refer Note 25.4)				
	(i) Provision for gratuity		3072.69		2505.38
	(ii) Provision for leave encashment		8670.68		10650.08
			11743.37		13155.46



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₹ in Lakh

No.	Particulars	As at 31.03.2017	As at 31.03.2016
<b>5</b>	<b>Short-term borrowings</b>		
	<b>Secured:-</b>		
	<b>Loans repayable on demand</b>		
	From Banks (Refer Note 5.1)		
	Cash credit	63181.59	5694.47
	Libor Linked Buyers Credit	-	11850.89
	Borrowing against Fixed Deposit	-	800.00
		<b>63181.59</b>	<b>18345.36</b>
5.1	Secured by (a) Hypothecation of current / movable assets viz. stock of raw materials, trade receivables, stores and spares, semi-finished goods, finished goods, receivables etc. (b) First charge on 520.47625 acres of land (Previous year 520.47625 acres ) and buildings in the States of Kerala, Tamilnadu and Karnataka (c) First charge on certain Plant and Machinery permanently attached to the above land. Rate of interest on Cash credit varies from 12 .00% to 14 % p. a (Previous year from 13.30 % to 15 % p a) and is repayable on Demand (Previous year- On demand).		
5.2	Cash Credit includes ₹ 8337.25 Lakh (previous year NIL) towards working capital demand loan from State Bank of India at interest rate of 8.00%, secured by subsidy due for the months of September and October 2016.		
<b>6</b>	<b>Trade payables</b>		
	(i) Acceptances	7739.92	13993.88
	(ii ) Other than Acceptances	24332.58	43252.87
		<b>32072.50</b>	<b>57246.75</b>
6.1	Trade payables include ₹ 22.70 lakh (Previous year ₹15.55 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 outstanding for more than 30 days is ₹ 8.03 lakh (Previous year ₹NIL)		
6.2	The amount unpaid towards vendors under the Micro, Small and Medium Enterprises Development Act 2006 is ₹ 40.28 lakh (Previous year ₹17.16 lakh) and interest thereon works out to ₹1.16 lakh ( Previous year ₹ 0.77 lakh)		
<b>7</b>	<b>Other current liabilities</b>		
	<b>Interest accrued but not due on borrowings</b>		
	Term loan from the Government of India ( Refer Note no.3.1)	-	110.96
	<b>Unclaimed matured fixed deposit and interest thereon</b>	0.49	0.49
	<b>Income received in advance</b>	-	33.58
	<b>Other payables</b>		
	Dues to banks on Forward Exchange contracts	3213.36	26581.28
	Dues to employees	274.65	41.83
	Dues to customers	5176.67	4821.01
	Statutory dues	1121.21	1084.22
	Other liabilities	6178.61	5850.77
		<b>15964.99</b>	<b>38524.14</b>
7.1	Other Liabilities include ₹236.03 lakh (Previous year ₹143.15 lakh) towards amount retained from retired employees towards 25% increase in HRA and LTE paid pending approval from Government of India		
7.2	During the year, the Company terminated a contract for sale of bulk gypsum. An amount of ₹ 31.90 lakh payable to the contractor as per the contract terms is included in other liabilities.		
<b>8</b>	<b>Short-term provisions</b>		
	<b>Provision for employee benefits</b> (Refer Note 25.4)		
	Provision for leave encashment	1493.47	1466.03
	<b>Others</b>		
	Excise duty on closing stock	1609.29	2587.69
		<b>3102.76</b>	<b>4053.72</b>

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₹ in lakh

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

	GROSS BLOCK (AT COST)				DEPRECIATION				IMPAIRMENT LOSS		NET BLOCK			
	As at 01.04.2016	Additions during the year	Disposals/ Deductions during the year	Adjustments during the year	As at 31.03.2017	For the year	On Disposals/ Deductions during the year	On adjustments during the year	Up to 31.03.2017	Up to 31.03.2016	(Withdrawal/ Provision during the year)	Up to 31.03.2017	As at 31.03.2017	As at 31.03.2016
<b>Tangible assets</b>														
Land	1729.65	0.67	-	-	1730.32	-	-	-	5426.38	6.75	-	1730.32	1729.65	
Buildings	6677.45	-	-	-	6677.45	43.73	-	-	11084.75	361.45	(1.20)	1245.53	1288.06	
Plant and Equipment	132775.56	73.9	(0.07)	-	132849.40	1578.91	(0.07)	-	443.80	-	(36.24)	21682.45	23151.21	
Furniture and Fixtures	476.03	0.07	-	-	476.10	1.54	-	-	362.94	-	-	32.30	33.77	
Vehicles	417.05	-	-	-	417.05	12.33	-	-	1131.20	-	-	54.11	66.44	
Office equipment	1207.78	13.97	(0.46)	-	1221.29	38.56	(0.34)	-	1107.96	-	-	90.09	114.80	
Others:-														
Roads & Culverts	1495.04	-	-	-	1425.04	20.97	-	-	286.71	-	-	317.18	338.15	
Railway Sidings	312.32	-	-	-	312.32	296.71	-	-	588.30	-	-	150.19	15.61	
Misc. Assets	718.54	0.57	(0.62)	-	718.49	23.73	(0.37)	-	120352.24	368.20	(37.44)	25317.78	26911.29	
Minor Assets	173.06	0.24	-	-	173.30	0.24	-	-	-	-	-	-	-	
<b>Total (A)</b>	<b>145912.48</b>	<b>89.43</b>	<b>(1.15)</b>	<b>-</b>	<b>146000.76</b>	<b>1720.01</b>	<b>(0.78)</b>	<b>-</b>	<b>120459.08</b>	<b>368.20</b>	<b>(37.44)</b>	<b>25378.33</b>	<b>26972.78</b>	
<b>Indo EEC project:-</b>														
Land	20.91	-	-	-	20.91	0.94	-	-	94.30	-	-	38.97	20.91	
Buildings	133.27	-	-	-	133.27	10.20	-	-	10.20	-	-	0.54	39.91	
Plant & Equipment	10.74	-	-	-	10.74	0.79	-	-	1.55	-	-	0.04	0.54	
Furniture & Fixtures	0.83	-	-	-	0.83	1.55	-	-	106.84	-	-	60.55	0.09	
Office equipment	1.64	-	-	-	1.64	0.94	-	-	120459.08	-	-	61.49	61.49	
<b>Total (B)</b>	<b>167.39</b>	<b>-</b>	<b>(1.15)</b>	<b>-</b>	<b>167.39</b>	<b>1720.95</b>	<b>(0.78)</b>	<b>-</b>	<b>1054.01</b>	<b>-</b>	<b>-</b>	<b>330.76</b>	<b>26972.78</b>	
<b>Tangible assets Total (A+B)</b>	<b>146079.87</b>	<b>89.43</b>	<b>(1.15)</b>	<b>-</b>	<b>146168.15</b>	<b>1720.95</b>	<b>(0.78)</b>	<b>-</b>	<b>121513.09</b>	<b>368.20</b>	<b>(37.44)</b>	<b>25378.33</b>	<b>26972.78</b>	
<b>Intangible Asset:-</b>														
Computer Software	1064.01	-	-	-	1054.01	1054.01	-	-	119792.92	522.24	-	26972.78	28190.31	
<b>Total (C)</b>	<b>1064.01</b>	<b>-</b>	<b>(1.15)</b>	<b>-</b>	<b>1054.01</b>	<b>1720.93</b>	<b>(0.78)</b>	<b>-</b>	<b>119792.92</b>	<b>522.24</b>	<b>(37.44)</b>	<b>26972.78</b>	<b>28190.31</b>	
<b>Grand Total (A+B+C)</b>	<b>147133.88</b>	<b>89.43</b>	<b>(1.15)</b>	<b>-</b>	<b>147222.16</b>	<b>1720.93</b>	<b>(0.78)</b>	<b>-</b>	<b>121513.09</b>	<b>368.20</b>	<b>(37.44)</b>	<b>25378.33</b>	<b>26972.78</b>	
Previous year	146856.37	624.23	(349.50)	2.78	147133.88	181533.82	(331.01)	3.60	119792.92	522.24	(154.04)	26972.78	28190.31	
Depreciation for the year (D)														
2016-17														
2015-16														
Impairment loss provided/(withdrawn) during the year (E)														
2016-17														
2015-16														
Amount charged to Statement of Profit & Loss: (D)+(E)														
2016-17														
2015-16														

9.1) Company has agreed to mortgage 408 acres of land vide patna no. 7030 in survey no. 205 in puthencuz, Ernakulam District, Kerala state to the Government of India against the plan loan sanctioned by the Government of India during the year 2015-16. (Refer Note no.3.1)

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

9.3) Land for ₹ 510.77 lakh (Previous year ₹ 510.77 lakh) in respect of which the title deeds are yet to be registered received. Certain land owners have since preferred extra compensation claims which are pending before Courts. The liability on this account is not ascertainable. Interest and legal expenses incurred on land acquisition cases are charged to Statement of Profit and Loss of the year.

9.4) As per the Joint Venture agreement with M/s Raashriya Chemicals and Fertilisers Limited (RCF), the company, during 2008-09, has made available 11 acres of land at Cochin Division on lease basis to M/s. FACT-RCF Building Products Limited for a period of 20 years on an upfront premium of ₹ 1000 lakh and an yearly rent of ₹ 10 per year.

9.5) During the year 2011-12, the Company by way of leave and 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 ₹ 47.9 lakh and an yearly license fee of ₹ 100/. Leave and license agreement is pending execution.

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

9.7) During 2012-13, the Company has by way of leave and license basis, made available JNM hospital building (15300 sq.ft) and no.5 dormitory (25035 sq.ft) to M/s Central Institute of Plastics Engineering & Technology for 15 years for conducting academic classes / training / research and for providing hostel facilities.

9.8) During the year 2013-14, Company had given 4.0538 hectares of land to Kochi Metro Rail Limited on leave and license basis for a period of 2 years from 22-10-2013 to 21-10-2015. The lease has been extended from 22-10-2015 for a period of two years for a consideration of ₹ 46.2 lakh per hectare for the year 2015-16 and ₹ 50.82 lakh per hectare for the year 2016-17. The area under lease from 22-10-2015 is 4,1344 hectare.

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

9.10) ₹ 37.44 lakh has been withdrawn, shown as reduction from depreciation expenses in the Statement of Profit and Loss towards impairment loss during the FY 2016-17 and cumulative impairment loss is ₹ 330.76 lakhs.

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₹ in Lakh

No.	Particulars	As at 31.03.2017	As at 31.03.2016
<b>10</b>	<b>A.Capital work-in-progress</b>		
	Work-in-progress	2300.52	1855.83
	Goods in transit/ Material pending inspection	167.41	330.57
		<b>2467.93</b>	<b>2186.40</b>
<b>11</b>	<b>Non-Current investments</b>		
	<b>Investments in Equity instruments</b>		
A	Trade Investments (At cost)-Unquoted In joint venture		
(i)	3,28,70,000 (Previous year 3,28,70,000) Equity Shares of ₹ 10/- each in FACT-RCF Building Products Ltd	3287.00	3287.00
	Less: Provision for diminution in the value of investment	(3287.00)	(3287.00)
B	In Others - Unquoted		
(ii)	6,81,820 (Previous year 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 (Previous year 15) Equity Shares of ₹1000/- each fully paid-up in Capexil Agencies Ltd.	0.15	0.15
(iv)	3,24,000 (Previous year 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 (Previous year 10,001) shares of ₹10/- each fully paid-up in FACT Co-operative Society Ltd	1.00	1.00
(vi)	7 (Previous year 7) shares of ₹100/- each fully paid-up in Meherabad Co-operative Housing Society Ltd and 10 (Previous year 10) shares of ₹ 50/- each fully paid-up in Good Earth Housing Society Ltd. ₹ 500 (Previous year ₹ 500)	0.01	0.01
(vii)	31,24,000 (Previous year 31,24,000) equity shares of ₹10/- each fully paid-up in Kerala Enviro Infrastructure Ltd	312.40	312.40
	<b>Aggregate of unquoted non-current investments</b>	<b>366.55</b>	<b>366.55</b>
11.1	Financial reporting on interest in Joint Ventures		
	In the year 2008-09 , a joint venture with Rashtriya Chemicals and Fertilisers Ltd.(RCF) for manufacture of Rapid Building materials from Gypsum has been formed. The Company has invested ₹ 3287 lakh (Previous year ₹ 3287 lakh ) as its share in the Joint venture. Other details are:-		
	Name : FACT-RCF Building Products Ltd.		
	Country of incorporation : India		
	Ownership interest : 50% (31.03.2017 )		
	The Company's share in assets, liabilities, income, expenses, contingent liabilities and capital commitments of Joint venture		
	1.Assets		
		As at 31.03.2017	As at 31.03.2016
	Non-current assets	3992.33	4442.36
	Current assets	325.26	749.71
	2.Liabilities		
	Non-current liabilities	5400.06	4095.04
	Current Liabilities & Provisions	490.36	1232.97
	3.Income	1052.30	1003.25
	4.Expenses	2364.75	1825.40
	5.Contingent Liability	281.44	709.83
	6.Capital commitments	232.76	232.76

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₹ in Lakh

No.	Particulars	As at 31.03.2017	As at 31.03.2016
11.2	Related party disclosure on Joint Ventures (Accounting Standard 18) <b>List of related party</b> FACT-RCF Building Products Ltd (FRBL) - Joint Venture <b>Transactions with related parties:</b> Sale of goods and stores during the year : ₹ 40.41 lakh (Previous year ₹ 32.25 lakh) Supply of services and others during the year : ₹ 3.69 Lakh ( Previous year ₹ 11.56 Lakh) Guarantees given to Joint Venture as on 31.03.2017: ₹ 3766.50 lakh (Previous year ₹ 3766.50 lakh) Receivables as on 31st March 2017 is ₹ 1096.73 lakh (Previous year ₹ 922.67 lakh). Out of this FACT has decided to convert ₹ 752.33 lakh as equity of FRBL subject to the approval of the Department of Fertilisers, Govt of India. The approval of Government of India is yet to be received.		
11.3	During the year 2009-10, the Company has along with Department of Factories and Boilers, Government of Kerala, formed a society under the Travancore Literary, Scientific and Charitable Societies Act 1955 with the objective of conducting courses relating to welding technologies with a grant of ₹ 1 Crore from Government of Kerala, under the name Kerala institute of Welding and Research. The contribution from FACT is only provision of its existing facilities of Training School. The accounts of the society are not consolidated as per Accounting Standards 21 and 27 as society is formed with an objective of not obtaining any economic benefits from its activities and is considered immaterial to the Company's activity.		
12	<b>Deferred tax assets (net)</b> The Company has deferred tax asset of ₹ 205581 lakh (Previous year ₹ 187268 lakh) as on 31.03.2017 because of unabsorbed depreciation and accumulated losses. The deferred tax liability as on 31.03.2017 is ₹ 14487 lakh (Previous year ₹ 14581 lakh). Since there is net deferred tax asset as on 31.03.2017, as a matter of prudence the deferred tax asset is not considered in the Accounts. The net impact (favourable) in tax on account of this comes to ₹ 59048 lakh. (Previous year ₹ 53360 lakh)		
13	<b>Long-term loans and advances (Unsecured, considered good )</b>		
a.	Capital advances	55.40	5.00
b.	Advance to employees	9.96	11.60
c.	Advance Income tax (net of Provision for Income tax)	212.36	219.17
d.	Deposit	611.28	609.71
		<b>889.00</b>	<b>845.48</b>
13.1	Capital advance to vendors include amount paid for items supplied but rejected by the Company pending settlement ₹ 4.00 lakh (Previous year ₹ 4.74 lakh )		
13.2	Advance to employees include ₹ 9.96 lakh (Previous year ₹ 11.60 lakh) towards festival advance paid during 1996-97, and is being recovered at the time of separation from company's service.		
13.3	Deposits includes ₹ 518.69 lakh (Previous year ₹ 518.17 lakh ) towards security deposit with Kerala State Electricity Board.		
14	<b>Other non-current assets</b>		
	Others	0.46	0.45
		<b>0.46</b>	<b>0.45</b>
15	<b>Inventories</b> (As taken, valued and certified by the Management. Mode of valuation explained in Note No. A (VI)-Significant Accounting Policies)		
	Raw Materials	6340.32	10269.03
	Raw materials-in-transit	1540.70	-
	Work-in-progress (Refer Note No.15.5)	1815.36	2541.53
	Finished Goods	20766.07	14759.93
	Stock-in-trade (in respect of goods acquired for trading)	2895.19	54.76
	Stores and Spares		
	Machinery Spares	11439.65	11365.07
	General Stores	2850.98	2741.04
	Retired Spares	453.50	453.50
		<b>14744.13</b>	<b>14559.61</b>
	Less: Provision towards obsolescence and storage losses (Refer Note No.15.2 & 15.3)	<b>3776.06</b>	<b>3674.55</b>
		<b>10968.07</b>	<b>10885.06</b>
	Stores & Spares-in-transit	231.22	351.72
		<b>44556.93</b>	<b>38862.03</b>

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No.	Particulars	As at 31.03.2017	As at 31.03.2016
15.1	Finished Goods includes 31.22 lakh MT of saleble gypsum (Previous year 34.45 lakh MT) amounting to ₹ 7400.07 lakh (Previous year ₹11506.82 lakh ) (inclusive of Excise Duty )valued as per policy (ref. note A VI(e)) at average realisation during the current year.		
15.2	The company provides for redundancy / obsolescence keeping in view the estimated realisable value, in respect of a)stores and spares lying in stores for more than 10 years b) stores and spares identified as surplus having an age of 5-10 years and c) all damaged stores and spares, Current year ₹101.51 Lakh (Previous year ₹ 83.01 lakh )		
15.3	The disclosure of provisions movement as required under Accounting Standard 29 "Provisions , Contingent Liabilities and Contingent Assets"		
	Provision towards obsolescence and storage losses (including provision towards Retired spares )		
	Provision at the beginning of the year	3674.55	3591.54
	Provisions made during the year	101.51	83.01
	Utilisations during the year	-	-
	Released during the year	-	-
	Provision at the end of the year	3776.06	3674.55
15.4	Stores & Spares in transit includes Stores & Spares at site pending inspection ₹177.83 lakh ( Previous year ₹269.71 lakh)		
15.5	Details of Work-in-progress		
	<b>Particulars</b>		
	Intermediaries ( Fertilisers)	1196.45	1195.41
	Intermediaries ( Non Fertilisers)	618.91	1346.12
		1815.36	2541.53
15.6	The physical verification of inventory has been carried out during the year 2016-17. The differences,if any, has been properly dealt with in the books of accounts.		
<b>16</b>	<b>Trade receivables</b>		
<b>a</b>	Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
	Secured , considered good	0.16	0.19
	Unsecured , considered good	590.57	480.76
	Doubtful	1395.95	1276.42
	Less: Provision for doubtful trade receivables	(1395.95)	(1276.42)
<b>b</b>	<b>Other Trade receivables</b>		
	Secured , considered good	15.52	-
	Unsecured, considered good	220.47	229.29
		826.72	710.24
16.1	The disclosure of provisions movement as required under Accounting Standard 29		
	Allowance for doubtful Trade receivables		
	Provision at the beginning of the year	1276.42	1205.80
	Provisions made during the year	134.24	70.62
	Written off during the year	-	-
	Released during the year	14.71	-
	Provision at the end of the year	1395.95	1276.42
16.2	Trade receivables includes ₹ 212.06 lakh (Previous year: ₹ 167.97 lakh) towards amount receivable from Companies where the directors of the Company are also directors.		

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₹ in Lakh

No.	Particulars	As at 31.03.2017	As at 31.03.2016																										
<b>17</b>	<b>Cash and Bank balances</b>																												
	<b>Cash and cash equivalents</b>																												
a.	Cash on hand	2.99	2.31																										
b.	Cheques , Drafts on hand # # ₹ 500 lakhs relating to amount received for work on Deposit basis	500.17	0.27																										
c.	Balances with Banks	919.21	353.12																										
d.	Deposits ( with less than 3 months maturity )	1806.71	1652.45																										
e.	Others																												
	(i) Current Account with banks for unpaid interest warrants	0.69	0.69																										
	(ii) Treasury Savings Account- (lodged with Kerala Water Authority towards security deposit)	10.85	10.85																										
	<b>Other Bank balances</b>																												
	(i) Balances with Banks held as Margin money/ Security	1989.29	3737.34																										
		<b>5229.91</b>	<b>5757.03</b>																										
17.1	Cash and bank balances include ₹ 0.16 lakh (Previous Year ₹ 0.17 lakh) being the balance of amount received from clients for execution of jobs on Total Responsibility basis and ₹1217.82 lakh (Previous year ₹ 52.23 lakh ) towards work on Deposit basis, lying in a specified account to meet the matching liabilities under Current Liabilities.																												
17.2	Details of Specified Bank Notes (SBN) held and transacted during the period from Novemeber 8, 2016 to December 30, 2016 as provided in the table below																												
	<table border="1"> <thead> <tr> <th colspan="3">Amount in Rupees</th> </tr> <tr> <th>SBNs #</th> <th>Other denomination Notes</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Closing cash in hand as on 08.11.2016</td> <td>65500</td> <td>131129</td> <td>196629</td> </tr> <tr> <td>(+) Permitted receipts</td> <td>35500</td> <td>2377424</td> <td>2412924</td> </tr> <tr> <td>(-) Permitted payments</td> <td>30500</td> <td>2333754</td> <td>2364254</td> </tr> <tr> <td>(-) Amount deposited in Banks</td> <td>70500</td> <td>-</td> <td>70500</td> </tr> <tr> <td>Closing cash in hand as on 30.12.2016</td> <td>-</td> <td>174799</td> <td>174799</td> </tr> </tbody> </table>			Amount in Rupees			SBNs #	Other denomination Notes	Total	Closing cash in hand as on 08.11.2016	65500	131129	196629	(+) Permitted receipts	35500	2377424	2412924	(-) Permitted payments	30500	2333754	2364254	(-) Amount deposited in Banks	70500	-	70500	Closing cash in hand as on 30.12.2016	-	174799	174799
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	# For the purpose of this clause, the term "Specified Bank Notes" shall have the same meaning provided in the Notification of the Government of India, Ministry of Finance, Department of Economic Affairs, No. S.O. 3407(E), dated Novemeber 8, 2016.																												
<b>18</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:																												
	a) Deposits	75.57	85.69																										
	b) Advance to employees	203.45	112.80																										
	c) Prepaid expenses	230.90	246.25																										
	d) Balance with Government Authorities:																												
	i) Central Excise / Service Tax Department	4749.90	6865.21																										
	ii) VAT input credit receivable	4212.35	5452.16																										
	e) Advance to/ Dues from vendors	2216.44	3021.20																										
	f ) Other Loans and Advances	387.88	338.71																										
	Considered Doubtful	9485.01	7691.28																										
	Less : Provision for bad and doubtful loans and advances	(9485.01)	(7691.28)																										
		<b>12076.49</b>	<b>16122.01</b>																										

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

₹ in Lakh

No.	Particulars	As at 31.03.2017	As at 31.03.2016
18.1	Deposits includes ₹ 73.47 lakh (Previous Year ₹78.59 lakh) towards the amount paid against disputed demands pending appeal.		
18.2	Advance to vendors include amount paid for materials supplied but rejected by the Company pending settlement ₹9.45 lakh (Previous year ₹ 22.52 lakh )		
18.3	Advance to vendors includes an amount of ₹1353.19 lakh (Previous year ₹1353.19 lakh) including interest considered as recoverable on the basis of a bank guarantee invoked by the Company but stayed till the completion of arbitration. The Arbitration Award was passed during the year 2013-14, as per which the company is entitled to adjust an amount of ₹ 2798.29 lakh towards this advance and interest from the dues claimed by the contractor. The Company has gone on appeal against the award before the Hon' District Court which has since stayed the award. Accordingly the Company demanded the bank to send the proceeds of encashment of bank guarantee along with interest. The bank rejected the claim and consequently the Company filed a suit against the bank before the Hon. High court of Mumbai for realization of amount, which is pending. However an amount of ₹ 1353.19 lakh only has been retained pending disposal of the case. ( Also Refer Note no 18.6 ,21.1 and 29(1) (a)(vi))		
18.4	Advance to employees include ₹ 1.60 lakh (Previous year ₹ 1.46 lakh) towards a portion of festival advance paid during 1996-97 and recoverable at the time of seperation from company's service during the year 2017-18.		
18.5	The disclosure of provisions movement as required under Accounting Standard 29		
	Allowance for bad & doubtful Loans and advances		
	Provision at the beginning of the year	7691.28	6197.87
	Provisions made during the year	1793.73	1493.41
	Written off during the year	-	-
	Provision at the end of the year	9485.01	7691.28
18.6	Allowance for bad and doubtful loans and advances include ₹9360.14 lakh (Previous year ₹ 7566.41 lakh) towards interest accrued on mobilisation advance given to a private company. Pending litigation, equivalent provision has been made towards interest beyond the amount considered recoverable .( Also Refer Note no 18.3 , 21.1 and 29(1) (a)(vi))		
<b>19</b>	<b>Other current assets</b>		
	Subsidy/Concession on fertilisers receivable from the Government of India	49780.22	39848.95
	VAT Refund due from Government of Kerala (Refer Note 19.1)	3046.41	-
	Other accrued income	1662.30	1643.95
	Retired assets held for sale	4092.40	4092.40
	Other receivables		
	Amount receivable from banks on forward exchange contracts	3153.65	25741.97
	Others	886.33	756.36
	Less: Provision towards doubtful receivables	(886.33)	(756.36)
		61734.98	71327.27
19.1	Kerala Value Added Tax paid on procurement of Regasified Liquid Natural Gas during the period 18.07.2016 to 31.03.2017 has been accounted as refundable on account of announcement by the Hon'ble Finance Minister of Kerala in the State Legislative Assembly during the Budget Session.		
19.2	During the year 2009-10, Company decided to scrap Ammonia and Urea Plant at Cochin Division. These retired assets are retained in books at written down value of ₹ 4065.02 lakh, in anticipation of higher realisable value on disposal.		

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

₹ in Lakh

No.	Particulars	Figures for the year ended 31.03.2017	Figures for the year ended 31.03.2016
20	<b>Revenue from operations</b>		
	<b>a) Sale of products:</b>		
	Own Products	128623.94	118844.13
	Traded Products	4773.84	574.76
		133397.78	119418.89
	Less : Sales discount/Dealer margin	6251.87	3029.56
		127145.91	116389.33
	Subsidy/Concession on Fertilisers	56867.00	52996.84
	<b>b) Sale of Services:</b>		
	Gross income from contracts and other services (Refer Note No. 20.4)	3912.43	5591.90
		187925.34	174978.07
	<b>c) Less Excise duty</b>	1665.35	1378.94
	<b>Total Revenue from operations</b>	<b>186259.99</b>	<b>173599.13</b>
20.1	Sale of own products comprises of:		
	Ammonium Sulphate	17546.86	12913.70
	Factamfos 20-20-0-13	107091.37	102499.85
	Mixed Manures	461.53	509.16
	Caprolactam	900.09	-
	Gypsum	1504.45	2322.91
	Others	1119.64	598.51
	Total	128623.94	118844.13
20.2	Sale of traded products:		
	Muriate of Potash	1664.58	129.45
	Imported Complex Fertiliser (20:20:0:13)	2704.83	-
	Organic Manures	399.66	424.82
	Others	4.77	20.49
		4773.84	574.76
20.3	Subsidy/Concession on Fertilisers		
	Factamfos 20-20-0-13	45650.82	47921.56
	Ammonium Sulphate	7108.67	5075.28
	Muriate of Potash	2447.08	-
	Imported Complex Fertiliser (20:20:0:13)	1587.77	-
	City Compost	72.66	-
		56867.00	52996.84
20.4	<p>In the case of work being carried out by FACT Engineering and Design Organisation (FEDO), for National Institute of Technology (NIT), Nagaland, as an executing agency, on a cost plus basis, as a deposit work, FEDO is eligible for certain percentage of fees of total project cost. As per technical evaluation, 46.75 % (previous year 35.10%) of work related to consultancy services by FEDO to NIT, has been completed as on 31.3.2017 and pro-rata credit of ₹ 772.96 lakh (previous year ₹ 439.16 lakh) has been taken, after providing for ₹ 161.93 lakh (previous year ₹ 119.97 lakh) towards unearned income. The value of construction work done and certified during the FY 2016-17 is taken as ₹ 3119.89 lakh, (previous year ₹ 4404.79 lakh) and equivalent amount has been considered for direct charges on contract. Similar deposit work on cost plus basis done for Cochin University of Science And Technology (CUSAT) by FEDO, percentage of completion as per technical evaluation as on 31.3.2017 is 99.99% (Previous year 97%) and pro-rata credit of ₹ 24.14 lakh (previous year ₹ 21.78 lakh) has been taken, after providing for ₹ 2.15 lakh (previous year ₹ 0.21 lakh) towards unearned income. The value of construction work done and certified during the FY 2016-17 is taken as ₹ 28.20 lakh, (previous year ₹ 253.13 lakh) and equivalent amount has been considered for direct charges on contract.</p>		



**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

₹ in Lakh

No.	Particulars	Figures for the year ended 31.03.2017	Figures for the year ended 31.03.2016
21	Other income		
	Interest income:		
	(a) On deposits with banks	267.01	411.93
	(b) On loans , advances , claims , overdues etc. ₹1842.93 lakh		
	Less:Provision for interest on advance (Note 21.1) ₹ 1793.73 lakh	49.20	198.40
	Dividend income from Long-term investment		
	-Other than joint venture	9.72	8.10
	Other non-operating income		
	(a) Excess provisions written back	41.20	-
	(b) Profit on Fixed assets sold/written off/revalued (net)	(0.04)	801.87
	(c) Transfer from deferred Government grants:		
	(i) On EEC project	0.94	0.94
	(ii) On Bio-Fertiliser project	0.95	0.95
	(d) Miscellaneous income	1346.90	1475.82
	<b>Total Other income</b>	<b>1715.88</b>	<b>2898.01</b>
21.1	Interest of ₹ 1793.73 lakh (Previous year ₹1493.41 lakh) for the year 2016-17 receivable from the contractor on the interest bearing mobilisation advance still retained by the party, has been considered in the accounts. However a corresponding provision for doubtful interest has been made during the current year. (Also Refer Note No. 18.3, 18.6 and 29 (1) (a) (vi))		
22	<b>Cost of raw materials consumed (Refer Note 38 )</b>		
	Opening stock	10269.03	7243.43
	Add: Purchases	102144.30	111011.00
		112413.33	118254.43
	Less: Closing stock	6340.32	10269.03
		106073.01	107985.40
	Less: Adjustments	10.65	5.00
	<b>Cost of materials consumed</b>	<b>106062.36</b>	<b>107980.40</b>
22.1	The physical verification of raw materials has been carried out on or around 31st March 2017. The differences over book figures in the case of raw material has been adjusted in consumption (Excess(-) / Shortage). Current year ₹ (-)497.42 lakh (Previous year ₹ 14.61 lakh ).		
23	<b>Purchases of Stock-in-trade</b>		
	Muriate of Potash	4008.32	-
	Complex Fertilisers (20:20:0:13) -Imported	5555.32	-
	Others	304.29	271.75
	<b>Total purchases of Stock-in-trade</b>	<b>9867.93</b>	<b>271.75</b>
24	<b>Changes in inventories of finished goods , work-in-progress and stock-in-trade</b>		
	Opening stock		
	Finished Goods- Includes excise duty ₹ 2587.69 lakh (Previous year ₹ 2831.92 lakh)	14759.93	29574.12
	Stock-in-trade	54.76	234.61
	Work-in progress	2541.53	5451.97
		17356.22	35260.70
	Closing stock		
	Finished Goods- Includes excise duty ₹ 1609.30 lakh (Previous year ₹ 2587.69 lakh)	20766.07	14759.93
	Stock-in-trade	2895.19	54.76
	Work-in- progress	1815.37	2541.53
		25476.63	17356.22
	Changes in inventories: (Increase) / Decrease	(8120.41)	17904.48

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

₹ in Lakh

No.	Particulars	Figures for the year ended 31.03.2017	Figures for the year ended 31.03.2016
25	<b>Employee benefits expense</b>		
	Salaries and Wages	17365.67	19765.86
	Contribution to Provident Fund	1892.91	1879.89
	Gratuity	595.80	1442.00
	Staff welfare expenses	1972.91	1877.72
	<b>Total Employee benefit expense</b>	<b>21827.29</b>	<b>24965.47</b>
25.1	Remuneration to Directors		
	Sri Jaiveer Srivastava, Chairman and Managing Director (upto 02.11.2016)	15.97	25.38
	Sri P.Muthusamy, Director (Finance) (upto 17.3.2016)	-	23.80
	Sri V.K.Anil, Director (Technical) (upto 27.06.2016)	24.98	24.48
	Sri V.Subramanian, Director (Marketing) (upto 09.06.2015 )	-	4.28
		<b>40.95</b>	<b>77.94</b>
	<p>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.</p> <p>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.</p>		
25.2	Related party disclosure (Accounting Standard 18)		
	<u>List of related party</u>		
	Key Managerial Personnel		
	Sri Jaiveer Srivastava, Chairman and Managing Director (Upto 02.11.2016)		
	Sri A.B. Khare, Chairman and Managing Director (from 02.11.2016)		
	Sri V.K.Anil, Director (Technical) (upto 27.06.2016)		
	Sri Sreenath V. Kamath CGM(CF) & CFO		
	Sri K.V.Balakrishnan Nair, Company Secretary		
	<u>Transactions with related parties:</u>		
	Remuneration to key management personnel : ₹ 68.25 lakh (Previous year ₹ 91.63 lakh )		
25.3	<p>In view of the conditions in the directives of the Government of India ,while implementing the wage revision for the period 1997 to 2006, the company is not liable to provide for arrears of salary and wages (net of interim relief paid) for the period from 01.01.1997 to 30.06.2001 and perquisites and other allowances for the period from 20.10.2000 to 30.06.2001, in respect of managerial and non managerial employees. Certain retired managerial employees of FACT have moved the Hon.High Court of Kerala and obtained a directive dt 31.3.2016, by which the company has to frame a scheme towards disbursement of the arrears.The company has appealed against the decision and the same is pending before the Hon.High Court of Kerala.The amount involved is not ascertained at this stage.</p>		

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

₹ in Lakh

25.4	<p>General Description of Defined Benefit Plan</p> <p>1 Gratuity and Leave Encashment The company operates gratuity plan where in every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on death, separation from service or retirement, whichever is earlier. The benefit vests after five years of continuous service. The company has been accounting for provision on account of leave encashment on retirement based on actuarial valuation carried out as at the balance sheet date.</p> <p>2 Provident Fund The Provident Fund contributions are made to Trusts administered by the company. The interest rate payable to the members of the Trust shall not be lower than statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act 1952. During the year an amount of ₹1892.91 lakh ( Previous Year ₹1879.88 lakh) has been charged to Statement of Profit &amp; Loss towards contribution by the Company. In terms of the revised AS 15 issued by the Institute of Chartered Accountants of India, the Provident Fund Trust set up by the company is treated as Defined Benefit Plan since the company has to meet the shortfall in the fund assets, if any.</p> <p>3 General Description of Defined Contribution Plan Contributory Superannuation Scheme-The scheme is aimed to provide superannuation benefits to the employees. Every year company contributes ₹ 100 to the fund.</p>																																																																																																																																																																																									
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Investment details</b></td> <td colspan="2">% invested as at 31st March</td> <td colspan="2">% invested as at 31st March</td> </tr> <tr> <td>LIC Group Gratuity (Cash Accumulation) policy</td> <td>-</td> <td>-</td> <td>73.60</td> <td>79.42</td> </tr> <tr> <td><b>f. Actuarial assumptions</b></td> <td colspan="2">(1994-96) Ultimate</td> <td colspan="2">LIC(1994-96) Ultimate</td> </tr> <tr> <td>Mortality rate</td> <td>8.00%</td> <td>8.00%</td> <td>8.00%</td> <td>8.00%</td> </tr> <tr> <td>Discount rate</td> <td>5.00%</td> <td>5.00%</td> <td>5.00%</td> <td>5.00%</td> </tr> <tr> <td>Salary escalation rate</td> <td>-</td> <td>-</td> <td>8.00%</td> <td>8.00%</td> </tr> <tr> <td>Expected rate of return on plan assets</td> <td>-</td> <td>-</td> <td>8.00%</td> <td>8.00%</td> </tr> </tbody> </table>		₹ in Lakh		₹ in Lakh			Leave encashment (Unfunded)		Gratuity (Funded)			31.03.2017	31.03.2016	31.03.2017	31.03.2016	<b>a. Changes in the present value of obligations</b>					Present value of obligations at the beginning of the year	12116.10	11397.06	12172.46	12388.15	Interest cost	1020.24	995.16	990.33	989.13	Past service cost	-	-	-	-	Current service cost	1273.90	2034.43	413.34	455.22	Benefits paid	(1746.55)	(1590.62)	(1836.60)	(1660.63)	Actuarial loss/(gain) on obligation	(2499.54)	(719.93)	(98.84)	0.59	Present value of obligations at the end of the year	10164.15	12116.10	11640.69	12172.46	<b>b. Changes in the fair value of plan assets</b>					Fair value of plan assets at the beginning of the year	-	-	9667.08	807.65	Expected return on investment	-	-	773.37	64.61	Employer's contribution	1746.55	1590.62	0.36	10500.09	Benefits paid	1746.55	1590.62	(1836.60)	(1660.63)	Actuarial loss/(gain) on plan assets	-	-	(36.21)	(44.64)	Fair value of plan assets at the end of the year	-	-	8568.00	9667.08	Actual return on investment	-	-	773.37	64.61	<b>c. Amount recognised in Balance sheet</b>					Present value of obligations at the end of the year	10164.15	12116.10	11640.69	12172.46	Fair value of plan assets at the end of the year	-	-	8568.00	9667.08	Unfunded net liability recognised in Balance sheet	10164.15	12116.10	3072.69	2505.38	<b>d. Expenses recognised in the Statement of Profit and Loss during the year</b>					Current service cost	1273.90	2034.43	413.34	455.22	Past service cost	-	-	-	-	Interest cost	1020.24	995.16	990.33	989.13	Expected return on investment	-	-	(773.37)	(64.61)	Net actuarial (gain) /loss recognised during the year	(2499.54)	(719.93)	(62.64)	45.23	Total Expenses recognised in the Statement of Profit and Loss during the year	(205.40)	2309.66	567.66	1424.97	<b>e. Investment details</b>	% invested as at 31st March		% invested as at 31st March		LIC Group Gratuity (Cash Accumulation) policy	-	-	73.60	79.42	<b>f. Actuarial assumptions</b>	(1994-96) Ultimate		LIC(1994-96) Ultimate		Mortality rate	8.00%	8.00%	8.00%	8.00%	Discount rate	5.00%	5.00%	5.00%	5.00%	Salary escalation rate	-	-	8.00%	8.00%	Expected rate of return on plan assets	-	-	8.00%	8.00%
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**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

₹ in Lakh

		₹ in Lakh		₹ in Lakh		
		Trust managed Provident Fund-Udyogamandal		Trust managed Provident Fund-Cochin Division		
		31/03/2017	31/03/2016	31/03/2017	31/03/2016	
<b>a.</b>	<b>Changes in the present value of obligations</b>					
	Present value of obligations at the beginning of the year	22756.00	22063.12	2545.55	2451.96	
	Interest cost	1979.03	1924.22	225.01	216.40	
	Past service cost	-	-	-	-	
	Current service cost	3963.81	3979.19	534.10	506.18	
	Benefits paid	(3509.71)	(4336.78)	(382.10)	(412.58)	
	Actuarial loss/(gain) on obligation	(674.81)	(873.75)	(103.77)	(216.41)	
	Present value of obligations at the end of the year	24514.32	22756.00	2818.79	2545.55	
<b>b.</b>	<b>Changes in the fair value of plan assets</b>					
	Fair value of plan assets at the beginning of the year	23621.45	22748.37	2915.41	2777.03	
	Expected return on investment	2105.72	1819.87	233.23	222.16	
	Employer's contribution	-	-	-	-	
	Benefits paid	(3509.71)	(4336.78)	(382.10)	(412.58)	
	Actuarial loss/(gain) on plan assets	7763.26	3389.99	106.79	328.80	
	Fair value of plan assets at the end of the year	29980.72	23621.45	2873.33	2915.41	
	Actual return on investment	2105.72	1819.87	233.23	222.16	
<b>c.</b>	<b>Amount recognised in Balance sheet</b>					
	Present value of obligations at the end of the year	24514.32	22756.00	2818.79	2545.55	
	Fair value of plan assets at the end of the year	29980.72	23621.45	2873.33	2915.41	
	Unfunded net liability	(5466.40)	(865.45)	(54.54)	(369.86)	
<b>d.</b>	<b>Expenses recognised in the Statement of Profit and Loss during the year</b>					
	Current service cost	3963.81	3979.19	534.10	506.18	
	Past service cost	-	-	-	-	
	Interest cost	1979.03	1924.22	225.01	216.40	
	Expected return on investment	(2105.72)	(1819.87)	(233.23)	(222.16)	
	Net actuarial (gain) / loss recognised during the year	(8438.07)	(4263.74)	(210.55)	(545.20)	
	Total Expenses	(4600.95)	(180.20)	315.33	(44.78)	
<b>e.</b>	<b>Investment details</b>	<b>Investment as at 31st March</b>		<b>Investment as at 31st March</b>		
	GOI / PSU Securities	13638.45	19413.73	2394.96	2264.95	
	Mutual Funds	1250.41	640.00	43.41	-	
	Bank Deposits	9327.43	2776.00	392.30	423.88	
<b>f.</b>	<b>Actuarial assumptions</b>					
	Interest rate guaranteed for the year	8.70%	8.75%	8.75%	8.75%	
	Valuation rate of interest for liability	8.00%	8.00%	8.00%	8.00%	
	Expected rate of return on plan assets	8.00%	8.00%	8.00%	8.00%	
<b>g.</b>	<b>Present value of Obligations</b>	<b>Fair value of Plan assets</b>				
<b>Financial Year</b>		₹ in Lakh			₹ in Lakh	
		Gratuity	Leave Encashment	Provident Fund	Gratuity	Leave Encashment
	2012-13	12821.27	8530.50	22062.30	358.26	-
	2013-14	13024.71	9397.28	23686.27	290.58	-
	2014-15	12388.15	11397.06	24746.65	807.65	-
	2015-16	12172.46	12116.10	25301.55	9667.08	-
	2016-17	11640.69	10164.15	27333.11	8568.00	-
		<b>Experience adjustments on Plan Liabilities</b>			<b>Experience adjustments on Plan Assets</b>	
<b>Financial Year</b>		₹ in Lakh			₹ in Lakh	
		Gratuity	Leave Encashment	Provident Fund	Gratuity	Leave Encashment
	2015-16	(215.69)	(427.09)	786.47	8859.42	-
	2016-17	(531.77)	(1951.96)	2031.56	(1099.08)	-

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₹ in Lakh

No.	Particulars	Figures for the year ended 31.03.2017	Figures for the year ended 31.03.2016
<b>26</b>	<b>Finance costs</b>		
(a)	<b>Interest expense</b>		
	Interest on loans from the Government of India	21058.66	7570.26
	Interest on Cash credit from banks	6975.90	10786.20
	Interest -others	2074.94	6060.17
(b)	<b>Other borrowing costs</b>	333.18	889.72
(c)	<b>Net loss on foreign currency transactions and translations</b>		
	Exchange rate variation & premium on forward exchange contract on buyer's credit	69.84	(92.74)
		<b>30512.52</b>	<b>25213.61</b>
<b>27</b>	<b>Other expenses</b>		
	Consumption of stores and spare parts	3309.73	3472.54
	Consumption of packing materials	2678.68	2003.04
	Power and Fuel (Refer note 27.7)	16681.07	11997.87
	Rent	582.17	532.51
	Repairs and maintenance to buildings	104.10	54.72
	Repairs and maintenance to machinery	3389.75	4014.39
	Insurance	57.92	54.05
	Rates and Taxes	88.60	79.09
	(Gain)/Loss on exchange rate variation (net)	240.03	2102.26
	Material and other direct charges on contracts	3331.19	4821.96
	Auditors' Fees and Expenses (Refer Note no.27.3)	29.48	19.05
	Freight , Handling and other charges	14642.03	10093.90
	Increase/(Decrease) in provision for excise duty on stock of Finished goods	(978.39)	(244.23)
	Bad debts written off	-	0.07
	Provision for doubtful receivables & advances	264.22	153.79
	Damages/Shortages of Stores , Spares & Products (Net)	(11.98)	7.85
	Provision for obsolescence of stores (Net)	101.51	83.01
	Research and Development Expenditure	108.87	145.14
	Prior period Expenses/(Income) (Refer Note No.27.6)	(0.17)	8.92
	CISF Expenses (including salaries)	2830.21	2254.17
	Directors' Sitting Fees	1.30	-
	Miscellaneous Expenses	3302.39	4144.79
		<b>50752.71</b>	<b>45798.89</b>
	Less : Allocated Expenses [net of income from inter-divisional jobs of ₹ 1521.89 lakh] (Previous year ₹ 1374.63 lakh)	777.71	995.62
		<b>49975.00</b>	<b>44803.27</b>
27.1	Physical verification of stores and spares was carried out at all divisions as per the procedure laid down in the Stores Management Manual and the differences( Excess(-)/Shortage) over book figures has been adjusted in the accounts. Current year ₹(-)11.98 lakh (Previous year ₹ 7.85 lakh)		
27.2	Miscellaneous Expenses includes Directors travel amounting to ₹13.71 lakh (Previous year ₹28.78 lakh).		
27.3	Auditors' Fees and Expenses		
	Statutory Auditors' Fees and Expenses (including for Branch Auditors)		
	For Statutory Audit	6.90	6.87
	For Branch Audit	1.64	1.60
	For Other Services	15.99	5.47
	For Expenses	4.95	5.11
	Total	<b>29.48</b>	<b>19.05</b>
27.4	Provision for excise duty on stock of Finished goods		
	Provision on closing stock	1609.30	2587.69
	Less provision on opening stock	2587.69	2831.92
	Net provision	<b>(978.39)</b>	<b>(244.23)</b>

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No.	Particulars	Figures for the year ended 31.03.2017	Figures for the year ended 31.03.2016
27.5	Research and Development Expenditure of ₹ 108.87 lakh (Previous Year ₹145.14 lakh) includes expenditure towards salary ₹ 108.20 lakh (Previous year ₹ 144.02 lakh) and depreciation ₹0.20 lakh (Previous year ₹ 0.20 lakh).		
27.6	Prior period Expenses/(Income)		
	Prior year certification Fees	3.09	-
	Prior year Subsidy income	(3.26)	-
	Royalty licence fees	-	5.32
	Prior year depreciation	-	3.60
		(0.17)	8.92
27.7	Physical verification of fuel was carried out at all divisions as per the procedure laid down in the Stores Management Manual and the differences( Excess(-)/Shortage) over book figures has been adjusted in the accounts. Current year ₹ 79.17 lakh (Previous year ₹ Nil)		
27.8	The Corporate Social responsibility (CSR) provisions as per sec 135(1) of the Companies Act, 2013 is applicable to the Company. But due to the losses suffered during the preceding Financial Years, the Company is not liable to spend any amount mandatorily on CSR.		
28	<b>Exceptional items- (Income)/Expense</b>		
	Write back of Interest on Government of India Loan (Refer Note No.28.1)	(6834.22)	-
	Reversal of ineligible Cenvat Credit on Furnace Oil (Refer Note No.28.2)	1698.13	-
	Refund of Kerala Value Added Tax paid on Regasified Liquid Natural Gas purchased from 4.2.2015 to 31.3.2015 due to retrospective exemption	-	(1234.85)
	Net Exceptional items	(5136.09)	(1234.85)
28.1	Based on the directive of Department of Fertilisers during 2016-17, reconciliation of the interest on Government of India loan including penal interest outstanding as on 31.3.2016 was done. The interest including penal interest outstanding as on 31.3.2016 as per books was ₹34551.30 lakh. However, during the year, the Government of India informed the Company that total loan and interest outstanding as per books of Government of India is only ₹ 27717.08 lakh, and advised to reconcile. Consequent to the reconciliation, an amount of ₹6834.22 lakh has been written back during the year.		
28.2	During the year, Hon'ble High Court of Kerala vide order dated 01.09.2016 allowed the appeal of Department on availing cenvat credit on Furnace oil used for production of exempted products. Consequently, an amount of ₹ 1698.13 lakhs has been reversed from Cenvat receivable. As per order, applicability of interest thereon if any has been remanded back to the original authority. As there is no quantified interest demand, it is not considered for provision / contingent liability.		
28.3	Due to uneconomic price of one of the product namely Caprolactam in the market, the plant remained unproductive during major part of the year. During the year, as part of operation of the plant in a phased manner, the Lactam plant was operated from 11.10.2016 to 06.11.2016 and the existing stock of intermediaries was consumed to produce 770 MT of Caprolactam. Certain segments of the Petro Chemical plant has been operated for production of Ammonium Sulphate through the direct neutralization method. The Caprolactam plant is maintained and preserved for commencement of production when required. Company has redeployed a section of the employees of the plant to other areas wherever required. The unabsorbed fixed cost pertaining to caprolactum plant charged to revenue during the year is ₹ 2430.17 lakh. (Previous year ₹ 3377.52 lakh)		

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₹ in Lakh

No.	Particulars	As at 31.03.2017	As at 31.03.2016
29	<b>Contingent Liabilities and Commitments (to the extent not provided for):</b>		
	<b>(1) Contingent Liabilities:</b>		
	(a) Claims against the company not acknowledged as debts in respect of:		
	i) Central Excise Act, 1944 *	8829.79	8469.99
	ii) Finance Act, 1994 (Service Tax)	389.45	369.89
	iii) Sales Tax / Entry tax	193.35	110.43
	iv) Income Tax Act, 1961	151.48	151.48
	v) ESI Act	127.83	127.83
	vi) Suppliers and contractors #	23001.36	20025.90
	vii) Bonus Act, 1965	33.59	-
	viii) Others	1655.16	1506.10
*	Excise duty demand of ₹ 2.38 lakh on purchase of Raw material, pending appeal, has not been considered since the liability rests with supplier as per order terms. (Previous Year ₹ 2.38 lakh).		
#	The contract for the barge transportation of Ammonia awarded to a private company has been cancelled void ab initio during 2004-05 by the Company. The Contractor claimed ₹ 178489.75 lakh including interest till 31.03.2013 before the arbitrator. The arbitrator has passed an award during the year 2013-14 in favour of the contractor for ₹ 17308.04 lakh including interest as on 31.12.2013. As per the award, the mobilisation advance paid by the Company to the contractor along with interest of ₹ 2798.29 lakh is to be adjusted against the said award. The Company has not accepted the award on legal and factual grounds and has challenged the award before the Hon' District Court which has since stayed the award. Accordingly, the award amount along with interest up to 31.03.2017, amounting to ₹ 20611.59 lakh with out considering the adjustment of mobilisation advance and interest allowed under the arbitral award is not considered as a liability and included under Contingent Liability. (Refer Note No 18.3, 18.6 and 21.1).		
	(b) Guarantees given to various clients/ statutory authorities for performance of contracts/ obligations are not included, as the money value thereof cannot be ascertained. <b>In addition company has provided Corporate Guarantee,</b>		
	(i) for the term loan from State Bank of India and Dena Bank availed by M/s FACT-RCF Building Products Ltd. However the share of term loan exposure as on 31.03.2017 is ₹ 5400.06 lakh (50% of total loan exposure of ₹ 10800.12 lakh).	3766.50	3766.50
	(ii) To M/s. Cochin Shipyard Ltd to release balance payments against work done by the Company	58.50	58.50
30	<b>Commitments:</b>		
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for.	441.83	207.72
31	a) Contract revenue recognised in the period.	3900.61	5590.53
	b) Advance received against contract in progress.	833.85	92.35
	c) Retention by customers against contract in progress.	34.87	11.05
	d) Aggregate amount of cost incurred and recognised profit (less recognised loss) on contracts in progress upto the reporting date.	1568.53	3274.29
	e) Gross amount due from customers for contract work as an asset.	210.39	1227.25
	f) Gross amount due to customers for contract work as a liability.	123.70	153.91



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₹ in Lakh

	<p>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 ₹ 1218.78 lakh (Previous year ₹ 1016.45 lakh), and capital ₹ 303.11 lakh (Previous year ₹ 382.17 lakh ).</p> <p>h) Excise duty on own division jobs is ascertained based on Cost Accounting Standard 4.</p>																
32	<p>The Company has a system of obtaining confirmation of balances from third parties. Some of the parties have confirmed the balances.</p>																
33	<p>As the accumulated loss has exceeded the networth as on 31.3.2013, the Company has made a formal reference under Section 15 of the Sick Industrial Companies ( Special Provisions) Act , 1985 on adoption of duly audited accounts for the Financial Year 2012-13 in the Annual General Meeting held on 27.12.2013 to Board for Industrial and Financial Reconstruction (BIFR) during February 2014. Consequent to the commencement of provisions of Sick Industrial Companies (Special Provisions) Repeal Act, 2003, BIFR has been dissolved and all pending cases before BIFR stand abated. With effect from 1st December, 2016 provisions relating to corporate insolvency, under the Insolvency and Bankruptcy Code, 2016 have been commenced. The National Company Law Tribunal (NCLT) under the Companies Act, 2013 are also established to deal with inter-alia, matters relating to insolvency of companies. FACT is not required to file any case for insolvency resolution under the Insolvency and Bankruptcy Code 2016 before NCLT at present. During the financial year 2015-16 ,with the objective of carrying on the operations of the company without hindrance, the Government of India has disbursed a plan loan of Rs. 1000 crores on 29/3/2016. This helped the company to overcome its working capital constraints and improve the operations during the financial year 2016-17. A comprehensive proposal for revival of the company is under the consideration of the Ministry. In view of the above, company does not foresee impairment of its operations as a going concern and hence the accounts are prepared on going concern basis.</p>																
34	<p><b>Earnings Per Share (Accounting Standard - 20)</b></p> <p>i) Earnings/( Loss) ₹(18696.22 lakh) ( Previous year ( ₹ 45219.46 lakh))</p> <p>ii) Number of Shares - Issued, Subscribed and Paid up 647071974 (Previous year 647071974)</p> <p>iii) Earning Per Share ₹ (2.89) ( Previous year ₹ (6.99 ) (Basic and Diluted)</p>																
35	<p><b>Foreign Currency Exposure</b></p> <p>The details of foreign currency balances which are not hedged as at the Balance Sheet date are as below:-</p> <table border="1" data-bbox="245 1513 1396 1719"> <thead> <tr> <th rowspan="2">Particulars</th> <th colspan="2">Figures as at 31.03.2017</th> <th rowspan="2">Figures as at 31.03.2016</th> </tr> <tr> <th>Foreign Currency</th> <th>Indian Rupee</th> </tr> </thead> <tbody> <tr> <td></td> <td colspan="2" style="text-align: center;">(In lakh)</td> <td></td> </tr> <tr> <td>Trade Payable</td> <td>USD 31.03</td> <td>2021.13</td> <td></td> </tr> </tbody> </table>			Particulars	Figures as at 31.03.2017		Figures as at 31.03.2016	Foreign Currency	Indian Rupee		(In lakh)			Trade Payable	USD 31.03	2021.13	
Particulars	Figures as at 31.03.2017		Figures as at 31.03.2016														
	Foreign Currency	Indian Rupee															
	(In lakh)																
Trade Payable	USD 31.03	2021.13															
36	<p>Figures for the previous year have been regrouped and re-classified wherever necessary to correspond with the current year classification/ disclosure.</p>																



**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

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**37. SEGMENTAL REPORTING (ACCOUNTING STANDARD 17)**

Segment Information for the year ended 31st March 2017 Information about Primary Business Segments				
	₹ in Lakh.	₹ in Lakh.	₹ in Lakh.	₹ in Lakh.
	Fertiliser	Petrochemical	Others (Unallocated)	Total
<b>REVENUE</b>				
External Revenue	182736.26 (170271.12)	819.63 (23.43)	4103.77 (5592.26)	187659.66 (175886.81)
<b>TOTAL REVENUE</b>	<b>182736.26</b> (170271.12)	<b>819.63</b> (23.43)	<b>4103.77</b> (5592.26)	<b>187659.66</b> (175886.81)
<b>SEGMENT RESULTS</b>				
Profit/(Loss) before Interest and Taxation	9645.74 (-13574.52)	(1610.54) (-3354.09)	6453.44 (309.90)	14488.64 (-16618.71)
Unallocated Corporate Expense			3321.73 (4887.21)	3321.73 (4887.21)
Operating Profit	9645.74 (-13574.52)	(1610.54) (-3354.09)	3131.70 (-4577.31)	11166.90 (-21505.92)
Interest Expense	-	-	30179.34 (24323.88)	30179.34 (24323.88)
Interest Income	-	-	316.21 (610.33)	316.21 (610.33)
Income Tax	-	-	-	-
Profit/ (Loss) after Interest and Taxation	9645.74 (-13574.52)	(1610.54) (-3354.09)	(26731.42) (-28290.86)	(18696.22) (-45219.46)
<b>OTHER INFORMATION</b>				
Segment Assets	116443.55 (133574.72)	9157.98 (10721.36)	27925.78 (18854.15)	153527.31 (163150.24)
Segment Liabilities	109683.06 (123179.09)	5842.34 (5609.82)	38001.92 (34361.33)	153527.31 (163150.24)
Depreciation	1484.71 (1717.87)	202.43 (203.26)	33.81 (45.38)	1720.95 (1966.51)
Capital Expenditure	45.59 (622.32)	-	43.84 (1.91)	89.43 (624.23)

The business segments are:-

**Segment**  
 Fertiliser  
 Petrochemical

**Products**

 Ammonium Phosphate, Ammonium Sulphate, Mixtures , MOP  
 Caprolactam

Segments have been identified taking into account the organisation structure.

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

Figures given in brackets pertains to previous year.

RECONCILIATION OF REVENUE		
	2016-17	2015-16
Segment Revenue as above	187659.66	175886.81
Add Interest Income	316.21	610.33
Revenue as per Statement of Profit and Loss	187975.87	176497.14

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

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**NOTES FORMING PART OF FINANCIAL STATEMENTS**
**38 . COST OF MATERIALS CONSUMED**

₹ in Lakh

Sl.No.	Particulars	2016-17				2015-16			
		Opening Stock	Purchases	Closing Stock	Consumption	Opening Stock	Purchases	Closing Stock	Consumption
1	Regassified Liquid natural Gas	-	27842.70	-	27842.70	-	13018.70	-	13018.70
2	Naphtha	358.87	-	237.09	121.78	588.11	-	358.87	229.24
3	Sulphur - Imported	2306.17	10177.70	1669.80	10814.07	3073.10	11733.57	2306.17	12500.50
4	Sulphur	-	-	-	-	228.57	163.20	-	391.77
5	Rock Phosphate-Imported	3291.14	7665.82	1666.47	9290.49	206.78	12387.21	3291.14	9302.85
6	Phosphoric Acid-Imported	1479.17	46571.19	1303.35	46747.01	18.91	39418.21	1479.17	37957.95
7	Phosphoric Acid	1.36	-	-	1.36	26.14	6410.71	1.36	6435.49
8	Ammonia - Imported	2161.12	9053.11	1210.94	10003.29	2669.93	26345.47	2161.12	26854.28
9	Benzene - Imported	10.89	-	10.24	0.65	10.89	-	10.89	-
10	Benzene	188.36	-	177.53	10.83	188.36	-	188.36	-
11	Caustic Soda**	53.99	-	43.33	-	58.99	-	53.99	-
12	Rock Phosphate-18% for mixing	11.43	28.47	8.16	31.74	6.19	51.66	11.43	46.42
13	Sulphuric Acid	406.53	805.31	13.41	1198.43	167.46	1482.27	406.53	1243.20
	<b>TOTAL</b>	10269.03	102144.30	6340.32	106062.36	7243.43	111011.00	10269.03	107980.40

**\*\* Closing stock after adjustments for consumption as chemicals of ₹ 10.65 lakh.**

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₹ in lakh

**39 INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPH 5 (viii) OF GENERAL INSTRUCTIONS FOR STATEMENT OF PROFIT AND LOSS OF SCHEDULE III TO THE COMPANIES ACT, 2013 FOR THE YEAR ENDED 31.03.2017**
**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	76855.51	72.46	86615.58	80.21
Indigenous	29206.84	27.54	21364.82	19.79
	106062.35	100.00	107980.40	100.00
B Spare Parts & Components				
Imported	238.40	7.20	150.80	4.34
Indigenous	3071.33	92.80	3321.74	95.66
	3309.73	100.00	3472.54	100.00

**2 CIF Value of Imports**

	Current year	Previous year
	₹ in lakh	₹ in lakh
(i) Raw Materials	69606.03	85645.14
(ii) Traded products	5215.23	-
(iii) Spares and other materials	181.92	118.79
(iv) Capital Goods	-	1.63
	75003.18	85765.56

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

(i) Consultancy service	-	-
(ii) Others	99.84	34.77
	99.84	34.77

**B Earnings in foreign currency**

(i) Export of goods (FOB Basis)	-	-
(ii) Others	-	-
	-	-

\* Including tax deducted at source

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

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₹ lakhs

<b>DETAILS OF CAPITAL EXPENDITURE INCURRED ON TOWNSHIP AND OTHER SOCIAL OVERHEADS AS REQUIRED BY O.M. NO. BPE - 1 (17) / ADV (F) / 69 DATED 5-3-69 FROM THE MINISTRY OF FINANCE (BUREAU OF PUBLIC ENTERPRISES) UPTO 31ST MARCH 2017</b>					
	Gross Block as at 31-3-2016	Written down value as at 31-3-2016	Additions/ adjustments 2016-17	Depreciation for the year 2016-17	Depreciated value as at 31-3-2017
Land (Estimated)	186.18	186.18	0.00	0.00	186.18
Staff Quarters etc. in Township	1379.96	381.99	0.00	7.56	374.43
Sewers & Drains	280.85	52.27	0.00	10.64	41.63
Hospitals	64.37	14.33	0.00	0.37	13.96
Schools	93.43	25.14	0.00	0.58	24.56
Shops	12.08	2.07	0.00	0.05	2.02
	2016.87	661.99	0.00	19.19	642.79

**DETAILS OF MAINTENANCE AND OTHER REVENUE EXPENDITURE ON TOWNSHIP AND OTHER SOCIAL OVERHEADS AS REQUIRED BY O.M.No. BPE-1(17)/ADV.(F)/69 DATED 5-3-69 FROM THE MINISTRY OF FINANCE (BUREAU OF PUBLIC ENTERPRISES )DURING THE YEAR ENDED 31st MARCH 2017**

₹ lakhs

Particulars	Expenditure	Income	Net Expenditure
Staff Quarters & Estate Establishment	514.26	573.50	(59.24)
Schools	0.58	11.00	(10.42)
Medical facilities	1121.37	19.20	1102.17
Other Welfare Expenses	800.65	29.49	771.16
Notional interest at 6 % p.a. on Capital outlay on Township and overheads	121.01	0.00	121.01
	2557.86	633.19	1924.67

**STATEMENT SHOWING EXPENDITURE ON PUBLIC RELATIONS AND PUBLICITY (AS REQUIRED BY BPE O.M. No. BPE/GL/O42/78 BPE (IR)21(1)/78 DATED 18-12-1978) FOR THE YEAR ENDED 31st MARCH 2017**

₹ lakhs

Particulars	
Salaries and Wages including Provident Fund	28.61
Advertisement Charges	77.81
Propoganda and Publicity	18.26
Exhibition	0.71
Demonstration, Sign Boards, Cost of Fertilisers, Village adoption, Soil Testing and Agronomy Services	9.62
Audio-visual film, Slides production, Projection charges and equipment	0.00
Running and Maintenance Expenses of Publicity vehicles and Travel Expenses	0.00
	135.00

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

**SUMMARISED ACCOUNTS**

₹ in lakh

	2016-17	2015-16	2014-15
<b>RESOURCES</b>			
Net Worth	(149650)	(130953)	(85734)
Borrowings And Deferred Credits	188792	175868	37370
Capital Reserve	63	65	66
	<b>39205</b>	44980	(48298)
<b>UTILISATION OF RESOURCES</b>			
Fixed Assets	147222	147134	146856
Less: Depreciation & Impairment loss	121844	120161	118676
	25378	26973	28180
Capital -work- in progress	2468	2186	2486
Other non-current assets	889	846	788
Investments	367	367	367
Net Current Assets	10102	14609	(80119)
	<b>39204</b>	44981	(48298)
<b>EARNINGS</b>			
Sale of products and services (net)	186260	173599	197879
Accretion/(decretion) to work in progress and finished goods	8120	(17904)	59
Other Income	1716	2898	1855
	<b>196096</b>	158593	199793
<b>OUT GOINGS</b>			
Direct Materials & inputs	142171	130708	169109
Employees' remuneration and benefits	21827	24965	26278
Other expenses	23734	22348	20341
Depreciation / Impairment loss	1683	1812	2021
Finance Cost	30513	25214	19629
	<b>219928</b>	205047	237378
Profit/(Loss) for the year	(23832)	(46454)	(37585)
Extraordinary items / Exceptional items: Income/ (Expense)	5136	1235	(2406)
Profit/ (Loss) before tax	(18696)	(45219)	(39991)
Provision for Taxation	-	-	-
Profit/ (Loss) after tax	(18696)	(45219)	(39991)

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

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**CHANGES IN FINANCIAL POSITION FOR THE YEAR ENDED 31ST MARCH 2017**

₹ Lakh

	2016-17	2015-16	2014-15
<b>SOURCES OF FUNDS</b>			
Funds generated from operations:			
Profit after tax	-	-	-
Depreciation and Impairment loss	1682	1484	2021
Long term borrowings & liabilities	-	-	-
Short-term borrowings	-	-	-
Fertilizer Bonds	-	-	-
Decrease in Working Capital	4503	(94727)	38954
	6186	(93243)	40975
<b>APPLICATION OF FUNDS</b>			
Loss for the year	18697	45219	39991
Decrease in short term borrowings	-	-	-
Decrease in Long term borrowings & liabilities	(12924)	(138498)	1136
Capital expenditure (net)	370	(22)	931
Investment in shares/bonds	-	-	0
Non current assets	43	58	(1083)
Increase in Working Capital	-	-	-
	6186	(93243)	40975
	0	0	0

**STATEMENT OF CHANGES IN WORKING CAPITAL**

	2016-17	2015-16	2014-15
Cash and bank balance	(527)	(3082)	1102
Inventories	5697	(16269)	(6956)
Sundry debtors	117	(311)	(126)
Other current assets	(9592)	19312	(16765)
Loans and advances	(4046)	1852	(183)
	(8351)	1502	(22928)
Creditors and other liabilities	(3848)	(93225)	16026
Increase/(decrease) in Working capital	(4503)	94727	(38954)
	(8351)	1502	(22928)

**VALUE ADDED STATEMENT**

PARTICULARS	2016-17 Rs.lakh	2015-16 Rs.lakh	2014-15 Rs.lakh
Value of production *	196096	158593	199793
(Including other income)			
Less: Cost of Direct materials & inputs	142171	130708	169109
	53925	27885	30684
Add: Exceptional Items :Income/ (Expense)	5136	1235	(2406)
Value Added	59061	29120	28278
Applied in the following way :			
Employee remuneration and benefits	21827	24965	26278
Other operating expenses	23734	22348	20341
Depreciation	1683	1812	2021
Finance Cost	30513	25214	19629
Provision for Income Tax	-	-	-
Retained profit/(loss)	(18696)	(45219)	(39991)
	59061	29120	28278

\* Net of sales discount/dealer Margin

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Floor, Udyogamandal, Kochi, Kerala

**10 YEARS FINANCIAL HIGHLIGHTS**

	As per Schedule III of the Companies Act 2013					As per revised Schedule VI of the Companies Act 1956					As per pre-revised Schedule VI of the Companies Act 1956		
	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08			
1 Sales	133398	119419	136743	143993	152776	174535	199348	115357	73832	60133			
2 Subsidy	56867	52997	65280	83141	90669	126596	115927	100517	141047	29236			
3 Income from Contracts & Services	3912	5592	1213	488	742	975	1045	1110	1130	784			
4 Turnover (1+2+3)	194177	178008	203236	227622	244187	302106	256320	216984	216009	90153			
5 Less: Discount & Exise duty	7917	4409	5357	6684	12610	14501	10247	6391	3143	2757			
6 Revenue from operations (4-5)	186260	173599	197879	220938	231577	287605	246073	210593	212866	87396			
7 Other Income	1716	2898	1855	1401	1979	3670	3060	5361	4543	2150			
8 Total Income	187976	176497	199734	222339	233556	291275	249133	215954	217409	89546			
9 Material Consumed	106062	107980	139440	152490	142464	174918	142879	129037	167825	49931			
10 Purchases of Stock-in-trade	9868	272	6928	6730	8722	13485	9257	21952	8723	3330			
11 Stock: (Accretion)/Decretion	(8120)	17904	(59)	(3368)	11044	(4859)	(179)	(9693)	(3563)	16154			
12 Employee benefits expenses	21827	24965	26278	25754	23871	22473	26805	19486	12563	10951			
13 Repairs & Maintenance	3494	4069	3251	3237	3348	3127	1837	3508	2825	3248			
14 Power & Fuel	16681	11998	14876	25925	33382	40312	35496	30068	20806	9018			
15 Other Manufacturing Expenses	29801	28737	24955	24765	26068	21903	18547	17943	15016	6229			
16 Total Expenditure	179613	195925	215669	235533	248899	271359	234642	212301	224195	98861			
17 Gross Margin (8-16)	8363	(19428)	(15935)	(13194)	(15343)	19916	14491	3653	(6786)	(9315)			
18 Exceptional Items- Expenses (+)/ Income (-)	(5136)	(1235)	2406	(10407)	(39)	-	821	-	-	1			
19 Extraordinary Items (Income)	-	-	-	-	-	-	-	-	-	-			
20 Finance Cost	30513	25214	19629	19183	15538	13677	14340	11597	6396	6221			
21 Depreciation / Impairment loss	1683	1812	2021	4526	4554	4259	4263	2427	4623	3545			
22 Profit/(Loss) before taxation	(18697)	(45219)	(39991)	(26496)	(35396)	1980	(4933)	(10371)	4311	918			
23 Provision for taxation	-	-	-	-	-	-	-	13	16	21			
24 Net profit / (Loss)	(18697)	(45219)	(39991)	(26496)	(35396)	1980	(4933)	(10384)	4295	897			
25 Proposed Dividend	-	-	-	-	-	-	-	-	-	-			
26 Tax on Proposed Dividend	-	-	-	-	-	-	-	-	-	-			
27 Net block	25378	26973	28180	27606	24336	27754	31591	36350	38606	42420			
28 Capital work-in-progress	2468	2186	2486	2383	5313	2510	881	1642	687	908			
29 Non-Current assets, Loans & Advances	889	846	788	1871	1853	767	581	-	-	-			
30 Current assets, Loans & Advances	124424	132779	131277	154205	136312	157753	130435	128048	82352	57746			
31 Current Liabilities & Provisions	114322	118170	211395	195369	148586	132620	124157	70621	41615	30386			
32 Investments	367	367	367	2136	2136	1823	13840	28130	28131	55			
33 Misc.expenditure to the extent not w.off	-	-	-	-	-	-	-	-	-	10			
34 Accumulated Loss	214357	195660	150441	110450	83954	48558	50538	45605	35222	39517			
35 Total Utilisation	253562	240640	102143	103282	105318	106545	103709	169154	143383	110270			
36 Working Capital (30-31)	10102	14609	(80118)	(41164)	(12274)	25133	6278	57427	40737	27360			
Non Current Liabilities :-													
37 Long term borrowings	177049	162713	16149	18976	21803	24023	22023	12643	9243	8500			
38 Short term borrowings	11743	13155	21221	19530	18735	17739	16900	91721	69346	36972			
39 Short term borrowings (1)	-	-	-	-	-	-	-	-	-	-			

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

**10 YEARS FINANCIAL HIGHLIGHTS**

	As per revised Schedule VI of the Companies Act 1956									
	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
40 Share Capital (Incl. Pending allotment)	64707	64707	64707	64707	64707	64707	64707	64707	64707	64707
41 Reserves & Surplus	-	-	-	-	-	-	-	-	-	-
42 Capital Reserve	63	65	66	69	73	76	79	83	87	91
43 <b>Total Sources</b>	253562	240640	102143	103282	105318	106545	103709	169154	143383	110270
44 <b>Networth (40+41-33-34)</b>	(149650)	(130953)	(85734)	(45743)	(19247)	16149	14169	19102	29485	25180
45 <b>Capital employed (27+29+36-38) (2)</b>	24626	29273	(72371)	(31217)	(4820)	35915	21550	93777	79343	69780
46 Finished Goods	23661	14815	29809	31246	27188	38127	32798	37743	28050	4537
47 Work in progress	1815	2542	5452	3956	4645	4751	5221	-	-	-
48 Raw Materials	7881	10269	7243	11670	20066	11158	13648	7681	4390	15569
49 Stores, Spares & Loose tools	10968	10885	12482	14289	14556	11604	9307	8055	8608	9280
50 Materials in transit	231	352	146	927	989	10115	400	4105	212	2459
51 Sundry debtors	827	710	1021	1147	826	1125	4846	6125	27137	7585
52 Cash & bank balance	5230	5757	8839	7737	3237	7017	5523	2818	2305	6746
53 Loans & advances	12076	16122	14270	14453	15403	18436	17721	15841	10579	11068
54 Other Current Assets	61735	71327	52015	68780	49402	55420	40971	45680	1071	502
55 <b>Total (46 to 54)</b>	124424	132779	131277	154205	136312	157763	130435	128048	82352	57746
56 Current Liabilities	111219	114116	208807	189720	142905	127841	120225	60427	32870	26789
57 Provisions	3103	4054	4588	5649	5681	4779	3932	10194	8745	3597
58 <b>Total (56+57)</b>	114322	118170	211395	195369	148586	132620	124157	70821	41615	30386
59 <b>Net Working Capital (55-58)</b>	10102	14609	(80118)	(41164)	(12274)	25133	6278	57427	40737	27360
60 <b>Gross internal resources (21+24-19)</b>	(17014)	(43407)	(37970)	(21970)	(30842)	6239	(670)	(7957)	(13198)	(15558)
61 <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										
Caprolactam	50000	50000	50000	50000	50000	50000	50000	50000	50000	50000
N	173050	173050	173050	173050	173050	173050	173050	173050	324450	324450
P2O5	131900	131900	131900	131900	131900	131900	131900	131900	131900	131900
62 <b>Production (MT)</b>										
Ammonium Sulphate	152953	79567	120360	178792	126286	163468	200311	179546	128845	30478
Factamphos 20:20	654361	515435	614004	663787	537081	622256	644454	753744	605047	425530
DAP										
Urea										
Caprolactam	770.00	0			155.44	3785.4	44345	42006	13548	6759
N	162381	119478	147595	169589	133431	158126	170155	187735	147551	91384
P2O5	130872	103087	122801	132757	107416	124451	128891	150749	121009	85106
Capacity utilisation (%)	93.83	69.04	85.29	98.00	77.11	91.38	98.33	108.49	45.48	28.17
P2O5	99.22	78.16	93.10	100.65	81.44	94.35	97.72	114.29	91.74	64.52
(1) Short term borrowings are included under current liabilities, as per revised Schedule VI.										
(2) Does not include capital work-in-progress.										





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

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

### **CONSOLIDATED FINANCIAL STATEMENT**

**For K. VARGHESE & Co.**

Chartered Accountants

Sageti Business Centre, IInd Floor, Choolackal Building, Opp Metro Plaza, North Market Road, Ernakulam 682014

Telephone: 0484-2398398, 9847046200, 9287270400/Fax.0474-2746083/E mail-kochi@kvco.in

Chennai, Mumbai, Kollam, Adoor, Calicut Coimbatore

Web:www.kvco.in, E mail: mail@kvco.in

### **INDEPENDENT AUDITORS'S REPORT**

**To The Members of The Fertilisers And Chemicals Travancore Limited**

#### **Report on the Consolidated Financial Statements**

We have audited the accompanying Consolidated financial statements of **The Fertilisers And Chemicals Travancore Limited** (hereinafter referred to as "the Venturer Company"), and its jointly controlled entity (the Venturer Company and jointly controlled entity together referred to as "the Group"), comprising the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2017, the Consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements")

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

The Venturer Company's Board of Directors is responsible for preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Companies included in the Group are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Venturer Company, as aforesaid.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit we have taken in to account the provisions of the Act, the accounting and auditing standards and matters, which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing

specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Venturer Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Venturer Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us together with unaudited financial statements of a jointly controlled entity certified by the Management of the Venturer Company as referred to in sub-paragraph (a) of other matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31<sup>st</sup>, 2017, and their consolidated loss and their consolidated cash flows for the year ended on that date.

#### **Emphasis of Matter**

- a) We draw attention to Note No. 29(11) to the consolidated financial statement which indicates that the Group has accumulated Loss amounting to ₹ 215929.27 Lakhs and its net worth has been fully eroded, the Group has incurred a net loss during the current and previous years. This condition indicates the existence of material uncertainty which may cast significant doubt as to the Group's ability to continue as a going concern. However, the financial statements of the Group have been prepared on a going concern basis for the reasons stated in the said note.

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

- b) We draw attention to Note No. 28.1 to the consolidated financial statement. The Company has written back the interest provision amounting to ₹ 6834.22 Lakhs during the year and shown under exceptional item. Confirmation in this regard is expected from the Government of India. The Company has received communication dated 26<sup>th</sup> May, 2017 from Department of Fertilizers address to Pay and Accounts Officer, Department of Fertilizers, advising to confirm.
- c) We draw attention to Note No.19.1 to the consolidated financial statement. The Company has shown under other current assets amount of ₹ 3046.41 Lakhs as receivable from Government of Kerala towards reimbursement of KVAT paid on purchase of RLNG during the period from 18<sup>th</sup> July 2016 to 31<sup>st</sup> March 2017. The Company has considered the pronouncement made in State Assembly during the budget session.
- d) relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors and certified by the management;
- e. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of written representation received from the Directors of the Venturer Company as on 31<sup>st</sup> March, 2017, taken on record by the Board of Directors of the Venturer Company, none of the Directors of the Venturer Company is disqualified as on 31<sup>st</sup> March, 2017, from being appointed as a director in terms of Section 164(2) of the Act;

Our opinion is not modified in respect of this matter

**Other Matter**

- (a) We did not audit the financial statements of Joint Venture Company, whose financial statements reflect total assets (net) of ₹ 4611.24 Lakhs as at 31<sup>st</sup> March, 2017, total revenue of ₹ 1029.95 Lakhs and net cash outflow amounting to ₹ 40.49 Lakhs for the year ended on that date, as considered in the consolidated financial statements. In respect of Joint Ventures, whose financial informations are unaudited and have been furnished to us by the Management.
- In our Opinion and according to the information and explanation given to us by the Management, these financial informations are not material to the Group.
- (b) We did not audit the financial statements of 4 area of marketing division included in the financial statements of the Venturer Company whose financial information reflect total asset of ₹ 201.02 Lakhs as at 31<sup>st</sup> March, 2017 and total revenue of ₹ 128813.15 Lakhs for the year ended on that date, and the as considered in the consolidated financial statements. The financial information of these branches have been audited by the branch auditors whose report have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors.
- f. with respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our report in "Annexure A", our report express an unmodified opinion on the adequacy and operating effectiveness of the Venturer Company's internal financial controls over financial reporting only; and
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
- ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.
- iv. The Company has provided requisite disclosure in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 17.2 to the financial statements.

Our opinion on the consolidated financial statements, and our report on other legal and regulatory requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditors and the financial statements/information certified by the Management.

**Report on Other Legal and Regulatory Requirements**

1. As required by section 143(3) of the Companies Act, we report that:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- b. In our opinion, proper books of account as required by law

New Delhi  
30<sup>th</sup> May, 2017

**For K. VARGHESE & Co.**  
Chartered Accountants  
(Firm Registration No. 004525S)

Sd/-  
**Sam Varghese**  
Partner (Membership No. 216979)



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

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

### **ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT**

**Referred to in Paragraph (f) under the heading of "Report on Other Legal and Regulatory Requirements" of our report to the members of The Fertilisers And Chemicals Travancore Limited on the accounts for the year ended 31<sup>st</sup> March, 2017**

**Report on the Internal Financial Controls over financial reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31<sup>st</sup> March, 2017, we have audited the internal financial controls over financial reporting of **The Fertilisers And Chemicals Travancore Limited** (herein after referred to as "the Venturer Company").

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing whether a risk of material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the

reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Venturer Company has, in all material respect, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2017, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

**For K. VARGHESE & Co.**  
Chartered Accountants  
(Firm Registration No. 004525S)

Sd/-  
**Sam Varghese**  
Partner  
(Membership No. 216979)

New Delhi  
30<sup>th</sup> May, 2017



**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

**Consolidated Balance Sheet as at 31.03.2017**

₹ in Lakh

	Particulars	Note No.	Figures as at 31-03-2017	Figures as at 31-03-2016
<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	(215866.63)	(195731.74)
(2)	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	3	182448.81	166808.41
	(b) Long- term provisions	4	11743.37	13155.47
(3)	<b>Current liabilities</b>			
	(a) Short-term borrowings	5	63181.59	18345.37
	(b) Trade payables	6	32356.08	57709.40
	(c) Other current liabilities	7	16171.72	39294.47
	(d) Short- term provisions	8	3102.76	4053.72
	<b>TOTAL</b>		<b>157844.90</b>	<b>168342.30</b>
<b>II.</b>	<b>ASSETS</b>			
(1)	<b>Non-current assets</b>			
	(a) Fixed assets			
	(i) Tangible assets	9	29359.06	31408.33
	(ii) Intangible assets	9	0.85	1.25
	(iii) Capital work-in-progress	10	2473.02	2186.40
	(b) Non-current investments	11	366.55	366.55
	(c) Deferred tax assets (net)	12	-	-
	(d) Long-term loans and advances	13	889.09	845.48
	(e) Other non-current assets	14	6.13	6.01
(2)	<b>Current assets</b>			
	(a) Inventories	15	44699.74	39123.98
	(b) Trade receivables	16	964.20	1114.37
	(c) Cash and Bank balances	17	5254.36	5821.87
	(d) Short-term loans and advances	18	12083.65	16130.99
	(e) Other current assets	19	61748.25	71337.07
	<b>TOTAL</b>		<b>157844.90</b>	<b>168342.30</b>
	Significant Accounting Policies	29		
	Notes forming part of the Financial Statements	1 to 28		

In terms of our report attached.

For and on behalf of the Board of Directors

For K. Varghese & Co.  
Chartered Accountants  
Firm Registration No. 004525S

Sd/-  
Suresh Warior  
Director (Finance) & C F O

Sd/-  
S K Lohani  
Chairman & Managing Director

Sd/-  
Sam Varghese  
Partner  
Membership No. 216979

Sd/-  
K.V. Balakrishnan Nair  
Company Secretary

Place: New Delhi  
Date : 30<sup>th</sup> May 2017



**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

**Consolidated Statement of Profit and Loss for the year ended 31.03.2017**

	Particulars	Note No.	Figures for the year ended 31.03.2017	Figures for the year ended 31.03.2016
I.	Revenue from operations	20	187288.10	174578.91
II.	Other income	21	1718.02	2899.56
III.	Total revenue (I+II)		189006.12	177478.47
IV.	Expenses			
	(a) Cost of materials consumed	22	106130.95	108025.38
	(b) Purchases of stock-in-trade	23	9867.93	271.75
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(8127.07)	17841.68
	(d) Employee benefits expense	25	22000.02	25091.20
	(e) Finance costs	26	31274.20	25655.17
	(f) Depreciation and amortization expense	9	2172.01	2298.16
	(g) Other expenses	27	50767.69	45386.61
	Total expenses		214085.73	224569.95
V.	Profit / (Loss) before exceptional and extraordinary items and tax (III-IV)		(25079.61)	(47091.48)
VI.	Exceptional items	28	(5136.09)	(1234.85)
VII.	Profit/(Loss) before extraordinary items and tax (V-VI)		(19943.52)	(45856.63)
VIII.	Extraordinary items		-	-
IX.	Profit / (Loss) before tax (VII-VIII)		(19943.52)	(45856.63)
X.	Tax expense			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
XI.	Profit / (Loss) for the year (IX-X)		(19943.52)	(45856.63)
XII.	Earnings per equity share of ₹10 each			
	(1) Basic - ₹		(3.08)	(7.09)
	(2) Diluted - ₹		(3.08)	(7.09)
	Significant Accounting Policies Notes forming part of Financial Statements	29 1 to 28		

In terms of our report attached.

For and on behalf of the Board of Directors

For K. Varghese & Co.  
Chartered Accountants  
Firm Registration No. 004525S

Sd/-  
Suresh Warior  
Director (Finance) & C F O

Sd/-  
S K Lohani  
Chairman & Managing Director

Sd/-  
Sam Varghese  
Partner  
Membership No. 216979

Sd/-  
K.V. Balakrishnan Nair  
Company Secretary

Place : New Delhi  
Date : 30<sup>th</sup> May, 2017

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2017**

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>(₹ in lakh)</b>	<b>(₹ in lakh)</b>
Profit/ (Loss) before exceptional & extraordinary Items and Tax	(25079.61)	(47091.48)
Adjustments for:		
Depreciation	2209.45	2452.20
Provision for impairment of fixed assets	(37.44)	(154.04)
Amount written back from deferred Government Grants	(1.89)	(1.89)
Provision for obsolescence/Bad and doubtful receivables(Net)	2057.60	1548.02
Provision for employee benefits	(1384.65)	(7758.20)
Income from Investments	(9.72)	(8.10)
Other non-cash Expenses/(Income)	-	3.60
(Profit)/Loss on sale of assets (Net)	0.04	(801.87)
Finance costs	31274.20	25213.60
<b>Operating Profit/ (Loss) before Working Capital changes</b>	<b>9027.98</b>	<b>(26598.16)</b>
<b>Changes on Working Capital</b>		
Adjustments for (increase)/decrease in operating assets		
Inventories	(5786.25)	16097.77
Trade receivables	34.05	(126.22)
Short-term loans and advances	2251.89	(3289.73)
Other current assets	(11296.11)	5763.26
Long-term loans and advances	6.88	(61.25)
Other non current assets	(0.12)	(1.62)
Adjustments for increase/(decrease) in operating liabilities		
Trade payables	(25442.52)	(14696.63)
Other current liabilities & provisions	(6142.90)	(2005.37)
<b>Cash generated from Operations</b>	<b>(37347.09)</b>	<b>(24917.95)</b>
Direct Taxes	-	-
<b>Cash Flow before Exceptional / Extraordinary items</b>	<b>(37347.09)</b>	<b>(24917.95)</b>
Exceptional Items- income/ (expense)	5136.09	1234.85
Extraordinary Items	-	-
<b>Net Cash from/ (used in) Operating Activities - A</b>	<b>(32211.00)</b>	<b>(23683.10)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure on Fixed Assets including capital advances	(459.60)	(399.41)
Proceeds from sale of Fixed Assets	0.33	0.38
Dividend received	9.72	8.10
Purchase/proceeds from sale of Investments(Net)	-	-
<b>Net cash from/(used in) Investing Activities - B</b>	<b>(449.55)</b>	<b>(390.93)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings (Net)	-	100000.00
Proceeds from / (Repayment of) Short Term Borrowings (Net)	44836.22	(60811.51)
Interest paid	(10215.54)	(17643.34)
Forward exchange contracts with Banks (Net)	(779.60)	838.07
<b>Net cash from/ (used in) Financing Activities - C</b>	<b>33841.08</b>	<b>22383.22</b>
<b>NET INCREASE /DECREASE (-)IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>1180.54</b>	<b>(1690.80)</b>
<b>CASH AND CASH EQUIVALENTS AS AT 01.04.2016 (Opening Balance)</b>	<b>2084.53</b>	<b>3775.33</b>
<b>AS AT 31.03.2017 (Closing Balance)</b>	<b>3265.07</b>	<b>2084.53</b>
<b>CASH AND CASH EQUIVALENTS</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>
Cash on hand	2.99	2.31
Balances with banks	943.66	355.46
Deposit with Bank (less than 3 month maturity)	1806.71	1714.95
Cheques, drafts on hand #	500.17	0.27
Current Account with banks for unpaid interest warrants*	0.69	0.69
With Post Office/Treasury Savings Account	10.85	10.85
<b>TOTAL</b>	<b>3265.07</b>	<b>2084.53</b>

\* These balances are not available for use by the Company as they represent unpaid interest warrants on public deposits.

# Includes ₹ 500 lakh towards amount received for work on Deposit basis.

Cash Flow Statement has been prepared based on Indirect Method prescribed under Accounting Standard-3 "Cash Flow Statements".

In terms of our report attached.

For and on behalf of the Board of Directors

 For K. Varghese & Co.  
 Chartered Accountants  
 Firm Registration No. 004525S

 Sd/-  
 Suresh Warior  
 Director (Finance) & C F O

 Sd/-  
 S K Lohani  
 Chairman & Managing Director

 Sd/-  
 Sam Varghese  
 Partner  
 Membership No. 216979

 Sd/-  
 K.V. Balakrishnan Nair  
 Company Secretary

 Place: New Delhi  
 Date : 30<sup>th</sup> May 2017

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

₹ in Lakh

No.	Particulars	Figures for the year ended 31.03.2017		Figures for the year ended 31.03.2016	
1	<b>Share capital</b>				
a.	<b>Authorised:</b> 100,00,00,000 (Previous year 100,00,00,000) Equity Shares of ₹ 10/-each	100000.00		100000.00	
b.	<b>Issued, Subscribed and fully Paid up:</b> 64,70,71,974 (Previous year 64,70,71,974) Equity Shares of ₹ 10/- each fully paid up	64707.20		64707.20	
		64707.20		64707.20	
c.	Par value per Share	₹ 10/- each		₹ 10/- each	
d.	Reconciliation of the shares outstanding at the beginning and at the end of the Financial Year				
	Particulars	No. of shares	Value of share	No. of shares	Value of share
	No. of shares at the beginning of the year	647071974	64707.20	647071974	64707.20
	No. of shares at the end of the year	647071974	64707.20	647071974	64707.20
e.	Rights, Preference and restrictions attached to each class of shares including restrictions on the distribution of dividends and the repayment of capital	Only one class of equity shares , each having one vote with equal right of dividend. Repayment of capital will be in proportion to the number of equity shares held.			
f.	Shares held by shareholders holding more than 5% of shares:				
	<b>Particulars</b>	<b>% of holding</b>	<b>No. of shares held</b>	<b>% of holding</b>	<b>No. of shares held</b>
	Government of India	90.00%	582364776	90.00%	582364776
	Special National Investment Fund constituted by Government of India	8.56%	55400424	8.56%	55400424
	In order to comply with the minimum public shareholding norms Government of India have transferred 55400424 equity shares of ₹10 each to Special National Investment Fund on 6th August 2013.				
g.	Shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.	Nil		Nil	
h.	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	
i.	Terms of any securities convertible into equity / preferential shares issued along with the earliest date of conversion	Nil		Nil	
j.	Calls unpaid	Nil		Nil	
k.	Forfeited shares	Nil		Nil	
l.	As there is no change in the equity share capital during the year, the Company has not prepared "Statement of Change in Equity" as required under the provisions of Companies Act 2013.				

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₹ in Lakh

No.	Particulars		As at 31.03.2017		As at 31.03.2016
<b>2</b>	<b>Reserves and Surplus</b>				
a.	<b>Capital Reserves:</b>				
	Subsidy from Kerala State Government under Industrial Housing Scheme		2.64		2.64
b.	<b>Other Reserves:</b>				
	Deferred Government Grant :				
	Indo EEC Fertiliser Education Project				
	Opening balance	57.33		58.27	
	Less: Amount written off during current year	0.94		0.94	
	Closing balance		56.39		57.33
	Bio-Fertiliser Project				
	Opening balance	4.56		5.51	
	Less: Amount written off during current year	0.95		0.95	
	Closing balance		3.61		4.56
c.	Surplus/ (Deficit) in statement of Profit and Loss:				
	Opening balance	(195985.75)		(149939.64)	
	Add :Profit/ (Loss) during the year	(19943.52)		(45856.63)	
	Closing balance		(215929.27)		(195796.27)
			(215866.63)		(195731.74)
<b>3</b>	<b>Long-term borrowings (Secured)</b>				
	Term loans				
	From Government of India (Refer Note 3.1)		177048.75		162713.36
	Term Loan From banks		4418.95		3320.77
	Funded Interest Term Loan From banks		981.11		774.27
			182448.81		166808.41
3.1	<p>A plan loan of ₹ 1000crore bearing interest @ 13.50% p.a subject to revision on annual basis was released by the Government of India on 29th March 2016 to maintain the operations of the company. As per the terms of sanction of the loan, the amount of ₹1000 crore along with the earlier loan and interest outstanding has been converted to a single loan carrying interest @ 13.50% p.a with a one year moratorium for payment of interest. The loan along with interest is repayable in three or more equal instalments in a period of 5 years ending by 2022. Since there is no commitment to repay the loan / interest in the Financial Year 2017-18, the loan amount outstanding as at 31.03.2017 along with interest is shown under Long Term Liabilities as follows:- (Please refer Note 28.1 also)</p>				
	(1) Old Loan Outstanding (Received upto 2011-12)on 31.03.2016		28273.00		
	2(a) Interest on the above loan upto 31.03.2016		22273.57		
	2(b) Penal Interest on the above loan upto 31.03.2016		5295.57		
	(3) Total outstanding including interest (1+2a+2b)		55842.14		
	(4) Plan Loan released on 28.03.2016		100000.00		
	(5) Interest on New loan 31.03.2016		147.95		
	<b>(6) Total Loan Balance as on 31.03.2016 (3+4+5)</b>		<b>155990.09</b>		
	(7) Interest on total dues as on 01.04.2016 ((6) above) @ 13.5%		21058.66		
	<b>Total Loan Amount as on 31.03.2017 including Interest (6 + 7)</b>		<b>177048.75</b>		
	<p>An agreement had been signed between FACT and Department of Fertilizers on 3rd March 2016 by which FACT had agreed to mortgage 408 acres of land belonging to FACT vide patta 7030 in Survey No. 205, Puthencruz village, against the total loan and interest outstanding by the end of Moratorium on 31 March 2017.</p>				



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No.	Particulars	As at 31.03.2017	As at 31.03.2016
3.2	<p>(a) The above term loans from Banks (FRBL) are secured by 1st charge on all the movable and immovable assets present and future of the project ranking pari passu with other term lenders.</p> <p>b) Based on the Joint Venture Company's (FRBL) request, their term loan account was restructured by the Corporate Debt Restructuring (C D R) cell during 2013-14 with interest at 11% p.a. with re-set option annually after three years, repayable in twenty quarterly installments.</p> <p>c) Corporate Guarantee for a total amount of ₹ 7533 lakhs (Previous Year ₹ 7533 lakhs) has been given to State Bank of India and Dena Bank by M/S FACT and M/S RCF (₹ 3766.50 lakh each) (previous year ₹ 3766.50 lakh each) for the above Term loans availed by FRBL.</p>		
4	<p><b>Long-term provisions</b></p> <p>Provision for employee benefits</p> <p>(i) Provision for gratuity</p> <p>(ii) Provision for leave encashment</p>	<p>3072.69</p> <p>8670.68</p> <p>11743.37</p>	<p>2505.38</p> <p>10650.08</p> <p>13155.47</p>
5	<p><b>Short-term borrowings</b></p> <p><b>Secured:-</b></p> <p><b>Loans repayable on demand</b></p> <p>From Banks (Refer Note 5.1)</p> <p>Cash credit</p> <p>Libor Linked Buyers Credit</p> <p>Borrowing against Fixed Deposit</p>	<p>63181.59</p> <p>-</p> <p>-</p> <p>63181.59</p>	<p>5694.47</p> <p>11850.89</p> <p>800.00</p> <p>18345.37</p>
5.1	<p>Secured by (a) Hypothecation of current / movable assets viz. stock of raw materials, trade receivables, stores and spares, semi-finished goods, finished goods, receivables etc. (b) First charge on 520.47625 acres of land (Previous year 520.47625 acres) and buildings in the States of Kerala, Tamilnadu and Karnataka (c) First charge on certain Plant and Machinery permanently attached to the above land. Rate of interest on Cash credit varies from 12.00% to 14% p. a (Previous year from 13.30% to 15% p a) and is repayable on Demand (Previous year- On demand) and buyers credit three months (Previous year- three to six months).</p>		
5.2	<p>Cash Credit includes ₹ 8337.25 Lakh (previous year NIL) towards working capital demand loan from State Bank of India at interest rate of 8.00%, secured by subsidy due for the month of September and October 2016.</p>		
6	<p><b>Trade payables</b></p> <p>(i) Acceptances</p> <p>(ii) Other than Acceptances</p>	<p>7739.92</p> <p>24616.16</p> <p>32356.08</p>	<p>13993.88</p> <p>43715.51</p> <p>57709.40</p>
6.1	<p>Trade payables include ₹ 22.70 lakh (Previous year ₹15.55 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 outstanding for more than 30 days is ₹ 8.03 lakh (Previous year ₹ NIL)</p>		
6.2	<p>The amount unpaid towards vendors under the Micro, Small and Medium Enterprises Development Act 2006 is ₹40.28 lakh (Previous year ₹ 17.16 lakh) and interest thereon works out to ₹1.16 lakh ( Previous year ₹ 0.77 lakh)</p>		

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No.	Particulars	As at 31.03.2017	As at 31.03.2016
7	<b>Other current liabilities</b>		
	<b>Current Maturities of Long term Debt</b>		
	Term loan from Banks	-	447.22
	<b>Interest accrued but not due on borrowings</b>		
	Term loan from the Government of India (Refer Note no.3.1)	-	110.96
	<b>Interest accrued and due on borrowings</b>		
	Term loan from Banks	-	41.38
	<b>Unclaimed matured fixed deposit and interest thereon</b>	0.49	0.49
	<b>Income received in advance</b>	-	33.58
	<b>Other payables</b>		
	Dues to banks on Forward Exchange contracts	3213.36	26581.28
	Dues to employees	274.65	41.83
	Dues to customers	5176.67	4821.01
	Statutory dues	1161.79	1134.59
	Amount Due under Contractual Obligation	78.08	61.25
	Other liabilities	6266.68	6020.87
		16171.72	39294.47
7.1	Other Liabilities include ₹ 236.03 lakh (Previous year ₹ 143.15 lakh) towards amount retained from retired employees towards 25% increase in HRA and LTE paid pending approval from Government of India		
7.2	During the year, the Company terminated a contract for sale of bulk gypsum. An amount of ₹ 31.90 lakh payable to the contractor as per the contract terms is included in Other liabilities.		
8	<b>Short-term provisions</b>		
	<b>Provision for employee benefits</b>		
	(i) Provision for leave encashment	1493.47	1466.03
	<b>Others</b>		
	Excise duty on closing stock	1609.29	2587.69
		3102.76	4053.72



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No.	Particulars	As at 31.03.2017	As at 31.03.2016
<b>10</b>	<b>A.Capital work-in-progress</b>		
	Work-in-progress	2305.61	1855.83
	Goods in transit/ Material pending inspection	167.41	330.57
		2473.02	2186.40
<b>11</b>	<b>Non-Current investments In Others- Unquoted</b>		
(i)	6,81,820 (Previous year 6,81,820) Equity Shares of ₹10/- each in Travancore Cochin Chemicals Ltd., including 3,40,910 Bonus shares.	34.09	34.09
(ii)	15 (Previous year 15) Equity Shares of ₹1000/- each fully paid-up in Capexil Agencies Ltd.	0.15	0.15
(iii)	3,24,000 (Previous year 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
(iv)	10,001 (Previous year 10,001) shares of ₹ 10/- each fully paid-up in FACT Co-operative Society Ltd	1.00	1.00
(v)	7 (Previous year 7) shares of ₹ 100/- each fully paid-up in Meherabad Co-operative Housing Society Ltd and 10 (Previous year 10) shares of ₹ 50/- each fully paid-up in Good Earth Housing Society Ltd. ₹ 500 (Previous year ₹ 500)	0.01	0.01
(vi)	31,24,000 (Previous year 31,24,000) equity shares of ₹10/- each fully paid-up in Kerala Enviro Infrastructure Ltd	312.40	312.40
	<b>Aggregate of unquoted non-current investments</b>	366.55	366.55
11.1	During the year 2009-10, the Company has along with Department of Factories and Boilers, Government of Kerala, formed a society under the Travancore Literary, Scientific and Charitable Societies Act 1955 with the objective of conducting courses relating to welding technologies with a grant of ₹ 1 Crore from Government of Kerala, under the name Kerala institute of Welding and Research. The contribution from FACT is only provision of its existing facilities of Training School. The accounts of the society are not consolidated as per Accounting Standards 21 and 27 as society is formed with an objective of not obtaining any economic benefits from its activities and is considered immaterial to the Company's activity.		
<b>12</b>	<b>Deferred tax assets (net)</b>		
	The Company has deferred tax asset of ₹ 205581 lakh (Previous year ₹ 187268 lakh) as on 31.03.2017 because of unabsorbed depreciation and accumulated losses. The deferred tax liability as on 31.03.2017 is ₹14487 lakh (Previous year ₹14581 lakh). Since there is net deferred tax asset as on 31.03.2017, as a matter of prudence the deferred tax asset is not considered in the Accounts. The net impact (favourable) in tax on account of this comes to ₹ 59048 lakh.(Previous year ₹ 53360 lakh)		
<b>13</b>	<b>Long-term loans and advances (Unsecured, considered good )</b>		
a.	Capital advances	55.40	5.00
b.	Advance to employees	9.96	11.60
c.	Advance Income tax (net of Provision for Income tax)	212.36	219.17
d.	Deposits	611.37	609.71
		889.09	845.48
13.1	Capital advance to vendors include amount paid for items supplied but rejected by the Company pending settlement ₹4.00 lakh (Previous year ₹4.74 lakh )		
13.2	Advance to employees include ₹ 9.96 lakh (Previous year ₹ 11.60 lakh) towards festival advance paid during 1996-97, and is being recovered at the time of seperation from company's service.		
13.3	Deposits includes ₹518.69 lakh (Previous year ₹ 518.17 lakh ) towards security deposit with Kerala State Electricity Board.		
<b>14</b>	<b>Other non-current assets</b>		
	Others	6.13	6.01
		6.13	6.01

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₹ in lakh

No.	Particulars		As at 31.03.2017		As at 31.03.2016
<b>15</b>	<b>Inventories</b> (As taken, valued and certified by the Management)				
	Raw Materials		6400.82		10338.58
	Raw materials-in -transit		1540.70		
	Work-in-progress (Refer Note No.15.5)		1815.36		2541.53
	Finished Goods		20821.71		14905.29
	Stock-in-trade (in respect of goods acquired for trading)		2895.19		54.76
	Stores and Spares				
	Machinery Spares		11460.91		11374.97
	General Stores		2856.39		2778.19
	Retired Spares		453.50		453.50
			14770.80		14606.66
	Less: Provision towards obsolescence and storage losses (Refer Note No.15.2 & 15.3)		3776.06		3674.55
			10994.74		10932.11
	Stores & Spares-in -transit		231.22		351.72
			44699.74		39123.98
15.1	Finished Goods includes 31.22 lakh MT of saleable gypsum (Previous year 34.45 lakh MT) amounting to ₹ 7400.07 lakh (Previous year ₹11506.82 lakh ) valued at net realisable value(inclusive of Excise Duty ).				
15.2	Company Provides for redundancy/obsolescence keeping in view the estimated reasonable value, in respect of a) stores and spares lying in stores for more than 10 years b) stores and spares identified as surplus having an age of 5-10 years and c) all damaged stores and spares. Current year ₹ 101.51 Lakh (Previous year ₹ 83.01 lakh )				
15.3	The disclosure of provisions movement as required under Accounting Standard 29 "Provisions , Contingent Liabilities and Contingent Assets" Provision towards obsolescence and storage losses (including provision towards Retired spares )				
	Provision at the beginning of the year		3674.55		3591.54
	Provisions made during the year		101.51		83.01
	Utilisations during the year		-		-
	Less: Released during the year		-		-
	Provision at the end of the year		3776.06		3674.55
15.4	Stores & Spares in transit includes Stores & Spares at site pending inspection ₹177.83 lakh ( Previous year ₹ 269.71 lakh)				
15.5	Details of Work-in-progress				
	<b>Particulars</b>				
	Intermediaries ( Fertilisers)		1196.45		1195.41
	Intermediaries ( Non Fertilisers)		618.91		1346.12
			<b>1815.36</b>		<b>2541.53</b>
15.6	The physical verification of inventory has been carried out during the year 2016-17. The differences,if any, has been properly dealt with in the books of Accounts.				
<b>16</b>	<b>Trade receivables</b>				
<b>a</b>	Trade receivables outstanding for a period exceeding six months from the date they are due for payment				
	Secured, considered good		0.16		0.19
	Unsecured, considered good		598.55		884.89
	Doubtful		1300.72		1192.43
	Less: Provision for doubtful trade receivables		(1300.72)		(1192.43)

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No.	Particulars	As at 31.03.2017	As at 31.03.2016
<b>b</b>	Other Trade receivables		
	Secured, considered good	145.02	-
	Unsecured, considered good	220.47	229.29
		964.20	1114.37
16.1	The disclosure of provisions movement as required under Accounting Standard 29		
	Allowance for doubtful Trade receivables		
	Provision at the beginning of the year	1192.43	1126.69
	Provisions made during the year	108.29	65.74
	Written off during the year	-	-
	Released during the year	-	-
	Provision at the end of the year	1300.72	1192.43
<b>17</b>	<b>Cash and Bank balances</b>		
	<b>Cash and cash equivalents</b>		
a.	Cash on hand	2.99	2.31
b.	Cheques, Drafts on hand #	500.17	0.27
	# ₹ 500 lakhs relating to amount received for work on Deposit basis		
c.	Balances with Banks	943.66	355.46
d.	Deposits ( with less than 3 months maturity )	1806.71	1714.95
e.	Others		
	(i) Current Account with banks for unpaid interest warrants	0.69	0.69
	(ii) Treasury Savings Account- (lodged with Kerala Water Authority towards security deposit)	10.85	10.85
	<b>Other Bank balances</b>		
	(i) Balances with Banks held as Margin money/ Security	1989.29	3737.34
		5254.36	5821.87
17.1	Cash and Bank balances include ₹ 0.16 lakh (Previous Year ₹ 0.17 lakh) being the balance of amount received from clients for execution of jobs on Total Responsibility basis and ₹1217.82 lakh (Previous year ₹ 52.23 lakh ) towards work on Deposit basis, lying in a specified account to meet the matching liabilities under Current Liabilities.		
17.2	<b>Details of Specified Bank Notes (SBN) held and transacted during the period from Novemeber 8, 2016 to December 30, 2016 as provided in the table below</b>		
		<b>Amount in Rupees</b>	
	<b>SBNs #</b>	<b>Other denomination Notes</b>	<b>Total</b>
	<b>Closing cash in hand as on 08.11.2016</b>	65500	131129
	(+) Permitted receipts	35500	2377424
	(-) Permitted payments	30500	2333754
	(-) Amount deposited in Banks	70500	-
	<b>Closing cash in hand as on 30.12.2016</b>	-	<b>174799</b>
			<b>174799</b>
	# For the purpose of this clause, the term "Specified Bank Notes" shall have the same meaning provided in the Notification of the Government of India, Ministry of Finance, Department of Economic Affairs, No. S.O. 3407(E), dated Novemeber 8, 2016.		

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No.	Particulars	As at 31.03.2017	As at 31.03.2016
<b>18</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:		
	a) Deposits	75.57	85.69
	b) Advance to employees	203.45	112.80
	c) Prepaid expenses	231.57	246.34
	d) Balance with Government Authorities:		
	i) Central Excise / Service Tax Department	4749.90	6865.32
	ii) VAT input credit receivable	4215.86	5455.67
	e) Advance to/ Dues from vendors	2216.44	3022.70
	f) Other Loans and Advances	390.86	342.47
	Considered Doubtful	9485.01	7691.27
	Less : Provision for bad and doubtful loans and advances	(9485.01)	(7691.27)
		12083.65	16130.99
18.1	Deposits includes ₹ 73.47 lakh (Previous Year ₹78.59 lakh) towards the amount paid against disputed demands pending appeal.		
18.2	Advance to vendors include amount paid for materials supplied but rejected by the Company pending settlement ₹ 9.45 lakh (Previous year ₹ 22.52 lakh )		
18.3	Advance to vendors includes an amount of ₹1353.19 lakh (Previous year ₹1353.19 lakh) including interest considered as recoverable on the basis of a bank guarantee invoked by the Company but stayed till the completion of arbitration. The Arbitration Award was passed during the year 2013-14, as per which the company is entitled to adjust an amount of ₹ 2798.29 lakh towards this advance and interest from the dues claimed by the contractor. The Company has gone on appeal against the award before the Hon' District Court which has since stayed the award. Accordingly the Company demanded the bank to send the proceeds of encashment of bank guarantee along with interest. The bank rejected the claim and consequently the Company filed a suit against the bank before the Hon. High court of Mumbai for realization of amount, which is pending. However an amount of ₹ 1353.19 lakh only has been retained pending disposal of the case. ( Also Refer Note no 18.6 and 21.1)		
18.4	Advance to employees include ₹ 1.60 lakh (Previous year ₹1.46 lakh) towards a portion of festival advance paid during 1996-97 and recoverable at the time of separation from company's service during the year 2017-18.		
18.5	The disclosure of provisions movement as required under Accounting Standard 29		
	Allowance for bad & doubtful Loans and advances		
	Provision at the beginning of the year	7691.28	6197.87
	Provisions made during the year	1793.73	1493.41
	Written off during the year	-	-
	Provision at the end of the year	9485.01	7691.28
18.6	Allowance for bad and doubtful loans and advances include ₹9360.14 lakh (Previous year ₹ 7566.41 lakh) towards interest accrued on mobilisation advance given to a private company. Pending litigation, equivalent provision has been made towards interest beyond the amount considered recoverable . ( Also Refer Note no 18.3 and 21.1)		
<b>19</b>	<b>Other current assets</b>		
	Subsidy/Concession on fertilisers receivable from the Government of India	49780.22	39848.94
	VAT Refund due from Government of Kerala (Refer Note 19.1)	3046.41	-
	Other accrued income	1662.30	1643.95
	Retired assets held for sale	4092.40	4092.40
	Other receivables	-	-
	Amount receivable from banks on forward exchange contracts	3153.65	25741.97
	Others	237.44	179.92
	Less: Provision towards doubtful receivables	(224.17)	(170.11)
		61748.25	71337.07
19.1	Kerala Value Added Tax paid on procurement of Regasified Liquid Natural Gas during the period 18.07.2016 to 31.03.2017 has been accounted as refundable on account of announcement by the Hon'ble Finance Minister of Kerala in the State Legislative Assembly during the Budget Session.		
19.2	During the year 2009-10, Company decided to scrap Ammonia and Urea Plant at Cochin Division. These retired assets are retained in books at written down value of Rs. 4065.02 lakh, in anticipation of higher realisable value on disposal.		

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No.	Particulars	Figures for the year ended 31.03.2017	Figures for the year ended 31.03.2016
20	<b>Revenue from operations</b>		
	<b>a) Sale of products:</b>		
	Own Products	128933.46	119117.36
	Traded Products	4775.28	574.93
		133708.74	119692.29
	Less : Sales discount/Dealer margin	6264.95	3041.69
		127443.79	116650.60
	Subsidy/Concession on Fertilisers	56867.00	52996.84
	<b>b) Sale of Services:</b>		
	Gross income from contracts and other services (Refer Note No. 20.4)	4642.66	6310.41
		188953.45	175957.85
	<b>c) Less Excise duty</b>	1665.35	1378.94
	<b>Total Revenue from operations</b>	187288.10	174578.91
20.1	Sale of own products comprises of:		
	Ammonium Sulphate	17546.86	12913.70
	Factamfos 20-20-0-13	107091.37	102499.85
	Mixed Manures	461.53	509.16
	Caprolactam	900.09	-
	Gypsum	1484.25	2306.78
	Others	1449.36	887.87
	Total	128933.46	119117.36
20.2	Sale of traded products:		
	Muriate of Potash	1664.58	129.45
	Imported Complex Fertiliser (20:20:0:13)	2704.83	-
	Organic Manures	399.66	424.82
	Others	6.21	20.66
		4775.28	574.93
20.3	Subsidy/Concession on Fertilisers		
	Factamfos 20-20-0-13	45650.82	47917.60
	Ammonium Sulphate	7108.67	5079.24
	Muriate of Potash	2447.08	-
	Imported Complex Fertiliser (20:20:0:13)	1587.77	-
	City Compost	72.66	-
		56867.00	52996.84
20.4	<p>In the case of work being carried out by FACT Engineering and Design Organisation (FEDO), for National Institute of Technology (NIT), Nagaland, as an executing agency, on a cost plus basis, as a deposit work, FEDO is eligible for certain percentage of fees of total project cost. As per technical evaluation, 46.75% (previous year 35.10%) of work related to consultancy services by FEDO to NIT, has been completed as on 31-3-2017 and pro-rate credit of ₹ 772.96 lakh (previous year ₹ 439.16 lakh) has been taken, after providing for ₹161.93 lakh (previous year ₹ 119.97 lakh) towards unearned income. The value of construction work done and certified during the FY 2016-17 is taken as ₹ 3119.89 lakh (previous year ₹ 4404.79 lakh) and equivalent amount has been considered for direct charges on contract. Similar deposit work on cost plus basis done for Cochin University of Science And Technology (CUSAT) by FEDO, percentage of completion as per technical evaluation as on 31-3-2017 is 99.99% (previous year 97%) and pro-rate credit of ₹ 24.14 lakh (previous year ₹ 21.78 lakh) has been taken, after providing for ₹ 2.15 lakh (previous year ₹ 0.21 lakh) towards unearned income. The value of construction work done and certified during the FY 2016-17 is taken as ₹ 28.20 lakh (previous year ₹ 253.13 lakh) and equivalent amount has been considered for direct charges on contract.</p>		



**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

₹ in Lakh

No.	Particulars	Figures for the year ended 31-03-2017	Figures for the year ended 31-03-2016
21	Other income Interest income: (a) On deposits with banks (b) On loans , advances , claims , overdues etc. ₹ 1842.93 lakh Less:Provision for interest on advance (Note 21.1) ₹ 1793.73 lakh Dividend income from Long-term investment -Other than joint venture Other non-operating income (a) Excess provisions written back (b) Profit on Fixed assets sold/written off/revalued (net) (c) Transfer from deferred Government grants: (i) On EEC project (ii) On Bio-Fertiliser project (d) Miscellaneous income Total Other income	268.25 49.61 9.72 41.20 (0.04) 0.94 0.95 1347.40 1718.02	412.53 198.71 8.10 - 801.87 0.94 0.95 1476.47 2899.56
21.1	Interest of ₹ 1793.73 lakh (Previous year ₹ 1493.41 lakh) for the year 2016-17 receivable from the contractor on the interest bearing mobilisation advance still retained by the party, has been considered in the accounts. However a corresponding provision for doubtful interest has been made during the current year. (Also Refer Note No. 18.3 and 18.6)		
22	<b>Cost of raw materials consumed</b> Opening stock Add: Purchases Less: Closing stock Less: Adjustments Cost of materials consumed	10338.58 102203.84 112542.42 6400.82 106141.60 10.65 106130.95	7299.85 111069.11 118368.95 10338.58 108030.38 5.00 108025.38
22.1	The physical verification of raw materials has been carried out on or around 31st March 2017. The differences over book figures in the case of raw material has been adjusted in consumption ( Excess(-) / Shortage). Current year ₹ (-)497.42 lakh (Previous year ₹14.61 lakh ).		
23	<b>Purchases of Stock-in-trade</b> Imported Complex Fertilisers Muriate of Potash Others Total purchases of Stock-in-trade	5555.32 4008.32 3 04.29 9867.93	- - 2 71.75 271.75
24	<b>Changes in inventories of finished goods, work-in-progress and stock-in-trade</b> Opening stock Finished Goods- Includes excise duty ₹ 2587.69 lakh (Previous year ₹ 2831.92 lakh) Stock-in-trade Work-in progress	14808.91 54.76 2541.53 17405.20	29656.67 234.61 5451.97 35343.25

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

₹ in Lakh

No.	Particulars	Figures for the year ended 31.03.2017	Figures for the year ended 31.03.2016
	Closing stock		
	Finished Goods- Includes excise duty ₹ 1609.30 lakh (Previous year ₹2587.69 lakh)	20821.71	14905.29
	Stock-in-trade	2895.19	54.76
	Work-in- progress	1815.37	2541.53
		25532.27	17501.57
	Changes in inventories: (Increase)/ Decrease	(8127.07)	17841.68
<b>25.</b>	<b>Employee benefits expense</b>		
	Salaries and Wages	17518.94	19891.33
	Contribution to Provident Fund	1912.20	1879.90
	Gratuity	595.80	1442.00
	Staff welfare expenses	1973.08	1877.98
	<b>Total Employee benefit expense</b>	22000.02	25091.20
25.1	Remuneration to Directors		
	Sri Jaiveer Srivastava, Chairman and Managing Director (upto 02.11.2016)	15.97	25.38
	Sri P.Muthusamy, Director (Finance) (upto 17.3.2016)	-	23.80
	Sri V.K.Anil, Director (Technical) (upto 27.06.2016)	24.98	24.48
	Sri V.Subramanian, Director (Marketing) ( upto 09.06.2015 )	-	4.28
	Sri C P Dinesh, (Managing Director - FRBL) (50%)	9.33	7.39
		50.28	85.33
	The whole time Directors have been allowed the use of company car and for private journey upto a ceiling of 9000 kms. per year, on payment as prescribed by the Government.		
	Gratuity payable to the Directors has not been disclosed as the contribution payable has been provided in the accounts and separate figures are not ascertainable.		
25.2	Related party disclosure (Accounting Standard 18)		
	<u>List of related party</u>		
	Key Management Personnel		
	Sri Jaiveer Srivastava, Chairman and Managing Director (Upto 02.11.2016)		
	Sri A B Khare, Chairman and Managing Director (from 02.11.2016)		
	Sri V.K.Anil, Director (Technical) (upto 27.06.2016)		
	Sri Sreenath V Kamath CGM(CF) & CFO		
	Sri K.V.Balakrishnan Nair ( Company Secretary)		
	Sri C P Dinesh (Managing Director - FRBL)		
	Transactions with related parties:		
	Remuneration to key management personnel : ₹ 86.92 lakh (Previous year ₹ 99.02 lakh )		
25.3.	In view of the conditions in the directives of the Government of India ,while implementing the wage revision for the period 1997 to 2006, the company is not liable to provide for arrears of salary and wages (net of interim relief paid) for the period from 01.01.1997 to 30.06.2001 and perquisites and other allowances for the period from 20.10.2000 to 30.06.2001, in respect of managerial and non managerial employees. Certain retired managerial employees of FACT have moved the Hon. High Court of Kerala and obtained a directive dt 31.3.2016, by which the company has to frame a scheme towards disbursement of the arrears. The company has appealed against the decision and the same is pending before the Hon. High Court of Kerala. The amount involved is not ascertained at this stage.		

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

₹ in Lakh

No.	Particulars	Figures for the year ended 31.03.2017	Figures for the year ended 31.03.2016
26	<b>Finance costs</b>		
(a)	<b>Interest expense</b>		
	Interest on loans from the Government of India	21058.66	7570.26
	Interest on Cash credit from banks	7737.58	11227.76
	Interest -others	2074.94	6060.17
(b)	<b>Other borrowing costs</b>	333.18	1236.12
(c)	<b>Net loss on foreign currency transactions and translations</b>		
	Exchange rate variation & premium on forward exchange contract on buyer's credit	69.84	(439.14)
		31274.20	25655.17
27	<b>Other expenses</b>		
	Consumption of stores and spare parts	3330.99	3472.65
	Consumption of packing materials	2678.68	2003.04
	Power and Fuel (ref Note 27.7)	16772.24	12031.65
	Rent	582.17	532.51
	Repairs and maintenance to buildings	104.10	54.72
	Repairs and maintenance to machinery	3416.53	4024.86
	Insurance	58.81	54.91
	Rates and Taxes	91.13	81.05
	(Gain)/Loss on exchange rate variation (net)	240.03	2102.26
	Material and other direct charges on contracts	4026.66	5506.05
	Auditors' Fees and Expenses (Refer Note no.27.3)	30.01	19.28
	Freight, Handling and other charges	14643.74	10095.79
	Increase/(Decrease) in provision for excise duty on stock of Finished goods	(978.39)	(244.23)
	Bad debts written off	-	0.07
	Provision for doubtful receivables & advances	177.00	(29.96)
	Damages/Shortages of Stores , Spares & Products (Net)	(11.98)	7.85
	Provision for obsolescence of stores (Net)	101.51	83.01
	Research and Development Expenditure	108.87	145.14
	Prior period Expenses/(Income) (Refer Note No.27.6)	(0.17)	8.92
	CISF Expenses (Including Salaries)	2830.21	2254.17
	Directors' Sitting Fees	1.30	-
	Miscellaneous Expenses	3341.94	4178.50
		51545.40	46382.24
	Less :Allocated Expenses [net of income from inter-divisional jobs of ₹ 1521.89 lakh] (Previous year ₹1374.63 lakh)	777.71	995.62
		50767.69	45386.61
27.1	Physical verification of stores and spares was carried out at all divisions as per the procedure laid down in the Stores Management Manual and the differences( Excess(-)/Shortage) over book figures has been adjusted in the accounts. Current year ₹ (-)11.98 lakh (Previous year ₹7.85 lakh)		
27.2	Miscellaneous Expenses includes Directors travel amounting to ₹ 13.71 lakh (Previous year ₹ 30.53 lakh).		
27.3	<b>Auditors' Fees and Expenses</b>		
	Statutory Auditors' Fees and Expenses (including for Branch Auditors)		
	For Statutory Audit	7.43	7.05
	For Branch Audit	1.64	1.60
	For Other Services	15.99	5.47
	For Expenses	4.95	5.16
	<b>Total</b>	<b>30.01</b>	<b>19.28</b>

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

₹ in Lakh

No.	Particulars	Figures for the year ended 31.03.2017	Figures for the year ended 31.03.2016
27.4	Provision for excise duty on stock of Finished goods Provision on closing stock Less provision on opening stock Net provision	1609.30 2587.69 (978.39)	2587.69 2831.92 (244.23)
27.5	Research and Development Expenditure of ₹ 108.87 lakh (Previous Year ₹ 145.14 lakh) includes expenditure towards salary ₹ 108.20 lakh (Previous year ₹ 144.02 lakh) and depreciation ₹ 0.20 lakh (Previous year ₹ 0.20 lakh).		
27.6	Prior period Expenses/(Income) Prior year certification Fees Prior year Subsidy income Royalty licence fees Prior year depreciation	3.09 (3.26) - -	- - 5.32 3.60
		(0.17)	8.92
27.7	Physical verification of fuel was carried out at all divisions as per the procedure laid down in the Stores Management Manual and the differences ( Excess(-)/Shortage) over book figures has been adjusted in the accounts. Current year ₹79.17 lakh (Previous year ₹Nil)		
27.8	The Corporate Social responsibility (CSR) provisions as per sec 135(1) of the Companies Act, 2013 is applicable to the Company. But due to the losses suffered during the preceding Financial Years, the Company is not liable to spend any amount mandatorily on CSR.		
28	<b>Exceptional items - (Income)/Expense</b> Write back of Interest on Government of India Loan (Refer Note No.28.1) Reversal of ineligible Cenvat Credit on Furnace Oil (Refer Note No.28.2) Refund of KVAT paid on LNG purchased from 4.2.2015 to 31.3.2015 due to retrospective exemption Net Exceptional items	(6834.22) 1698.13 - (5136.09)	- - (1234.85) (1234.85)
28.1	Based on the directive of Department of Fertilisers during 2016-17, reconciliation of the interest on Government of India loan including penal interest outstanding as on 31.3.2016 was done. The interest including penal interest outstanding as on 31.3.2016 as per books was ₹34551.30 lakh. However, during the year, the Government of India informed the Company that total loan and interest outstanding as per books of Government of India is only ₹ 27717.08 lakh, and advised to reconcile. Consequent to the reconciliation, an amount of ₹6834.22 lakh has been written back during the year.		
28.2	During the year, Hon'ble High Court of Kerala vide order dated 01.09.2016 allowed the appeal of Department on availing cenvat credit on Furnace oil used for production of exempted products. Consequently, an amount of ₹ 1698.13 lakhs has been reversed from Cenvat receivable. As per order, applicability of interest thereon if any has been remanded back to the original authority. As there is no quantified interest demand, it is not considered for provision / contingent liability.		
28.3	Due to uneconomic price of one of the product namely Caprolactam in the market, the plant remained unproductive during major part of the year. During the year, as part of operation of the plant in a phased manner, the Lactam plant was operated from 11.10.2016 to 06.11.2016 and the existing stock of intermediaries was consumed to produce 770 MT of Caprolactam. Certain segments of the Petro Chemical plant has been operated for production of Ammonium Sulphate through the direct neutralization method. The Caprolactam plant is maintained and preserved for commencement of production when required. Company has redeployed a section of the employees of the plant to other areas wherever required. The unabsorbed fixed cost pertaining to caprolactam plant charged to revenue during the year is ₹2430.17 lakh.(Previous year ₹3377.52 lakh)		

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

**29. Statement of Significant Accounting Policies and Explanatory Information on consolidated Financial Statements for the year ended 31<sup>st</sup> March 2017**
**1. Basis of Consolidation:**

- 1.1 The consolidated Financial Statements relates to the Company (The Fertilisers and Chemicals Travancore Limited) and Joint Venture entities (hereinafter referred as the “Group”), other than the Joint Venture referred in 1.3 below.
- 1.2 Joint Venture:  
 a) List of Joint ventures included in the Consolidated Financial Statements

Name of the Company	Country of Incorporation	Proportion of Ownership interest as on 31 <sup>st</sup> March 2017	Date of the entity becoming Joint Venture
FACT- RCF Building Products Limited	India	50%	2 <sup>nd</sup> May 2008

**1.3 Kerala Institute of Welding and Research**

During the year 2009-10, the Company has along with Department of Factories and Boilers, Government of Kerala, formed a society under the Travancore Literary, Scientific and Charitable Societies Act 1955 with the objective of conducting courses relating to welding technologies with a grant of ₹1 Cr from government of Kerala, under the name Kerala Institute of Welding and Research. The contribution from FACT is only provision of its existing facilities of Training School. The accounts of the society are not consolidated as per Accounting Standards 21 and 27 as society is formed with an objective of not obtaining any economic benefits from its activities and it is individually not considered to be material to the group activity.

**2. Basis of Accounting**

- 2.1 The financial statement of the Group have been prepared in conformity with generally accepted accounting principles to comply in all material respects with the notified Accounting Standards (AS) under Companies Act 2013 and the relevant provisions and of the Companies Act 2013 (the Act). The Financial statements of the Group have been prepared under the historical cost convention, on an accrual basis. The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year.
- 2.2 The Financial Statements of the Joint Venture entity used in the Consolidation are drawn up to the same reporting date as of the Company i.e., for the year ended 31<sup>st</sup> March 2017.

**3 Principles of Consolidation**

- 3.1 The Financial statements of joint venture entity are combined by applying proportionate consolidation method on a line by line basis on items of assets, liabilities, income and expenses after eliminating proportionate share of unrealized profit or losses in accordance with Accounting Standards (AS) 27 – “Financial Reporting of Interest in Joint Ventures”.
- 3.2 The Consolidated Financial statements are prepared using uniform accounting policies like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as Company’s separate Financial Statements.
- 3.3 The following Joint Venture entity is considered in the Consolidated Financial Statements.

Name of the Company	Country of Incorporation	Relation	Proportion of Ownership interest as on 31 <sup>st</sup> March 2017	Date of the entity becoming Joint Venture	Audited / Unaudited
FACT- RCF Building Products Limited	India	Joint Venture	50%	2 <sup>nd</sup> May 2008	Unaudited

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

**4 Accounting Policies:**

The Accounting policies of the parent company are presented in note No. A forming part of its standalone Financial Statements. Differences in Accounting Policies followed by Joint Venture entity consolidated have been reviewed and no adjustments have been made, since the impact of these differences is not material.

5 Estimated Amount of Contracts remaining to be executed on Capital Account and not provided for aggregates to ₹ 674.59 Lac (previous year ₹ 440.48 Lac).

**6 Contingent Liabilities**

6.1 Claims against the Company not acknowledged as a Debts to the extent ascertainable (interest cannot be estimated reliably) aggregates to ₹ 34663.45 Lac (Previous Year ₹ 31471.45 Lac)

6.2 Other contingent liabilities are same as disclosed in the standalone financial statements of the Company.

**7 Earnings per Share – Basic and Diluted:**

	31.03.2017	31.03.2016
Net Profit / (Loss) after Tax as per Statement of Profit and Loss (₹ in Lac) (A)	(19943.52)	(46856.62)
Weighted Average Numbers of Equity shares for calculating basic EPS (B)	647071974	647071974
Basic / Diluted Earnings per Share (in ₹) (face value of ₹10 per share) (A)/(B)	(3.08)	(7.09)

8 In compliance with Accounting Standard 27 on “Financial Reporting of Interest in Joint Ventures”. The required information is as under:

**Joint Controlled Entities:**

Name of the Company	Country of Incorporation	Percentage of Ownership interest as on	
		31.03.2017	31.03.2016
FACT RCF BUILDING PRODUCTS LTD	INDIA	50.00	50.00

**FACT RCF BUILDING PRODUCTS LTD:**

A Joint Venture Company with M/s. Rastriya Chemicals and Fertilizers Limited (RCF) for manufacture of rapid building materials from gypsum at Kochi.

The Company's share in assets, liabilities, income, expenditure, contingent liabilities and capital commitments compiled on the basis of Financials received from the Joint Venture entity FACT RCF BUILDING PRODUCTS LTD is as follows

Sl No.	Particulars	31.03.2017 (Unaudited) ₹ Lac	31.03.2016 (Audited) ₹ Lac
1	Non Current Assets	3992.33	4442.36
2	Current Assets	325.26	749.71
3	Non Current Liabilities	5400.06	4095.04
4	Current Liabilities	490.36	1232.97
5	Income	1052.30	1003.25
6	Expenditure	2364.75	1825.40
7	Contingent Liability	281.44	709.83
8	Capital Commitments	232.76	232.76



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

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

- 9 Consolidated Employee Benefits disclosures, Segment disclosures, related Party Transactions and lease disclosure are not materially different from those disclosed in the standalone Financial Statements of the Company.
- 10 The Notes to these consolidated Financial Statements are disclosed to the extent necessary for presenting a true and fair view of the Consolidated Financial Statements. The Company has given disclosures in the Notes to the extent it is relevant for Consolidated Financial statements in line with the General Circular No. 39/2014 dated 14<sup>th</sup> October 2014.
- 11 As the accumulated loss has exceeded the networth as on 31.3.2013, the Company has made a formal reference under Section 15 of the Sick Industrial Companies ( Special Provisions) Act , 1985 on adoption of duly audited accounts for the Financial Year 2012-13 in the Annual General Meeting held on 27.12.2013 to Board for Industrial and Financial Reconstruction (BIFR) during February 2014. Consequent to the commencement of provisions of Sick Industrial Companies (Special Provisions) Repeal Act, 2003, BIFR has been dissolved and all pending cases before BIFR stand abated. With effect from 1st December, 2016 provisions relating to corporate insolvency, under the Insolvency and Bankruptcy Code, 2016 have been commenced. The National Company Law Tribunal (NCLT) under the Companies Act, 2013 are also established to deal with inter-alia, matters relating to insolvency of companies. FACT is not required to file any case for insolvency resolution under the Insolvency and Bankruptcy Code 2016 before NCLT at present. During the financial year 2015-16 ,with the objective of carrying on the operations of the company without hindrance, the Government of India has disbursed a plan loan of Rs. 1000 crores on 29/3/2016. This helped the company to overcome its working capital constraints and improve the operations during the financial year 2016-17. A comprehensive proposal for revival of the company is under the consideration of the Ministry. In view of the above, company does not foresee impairment of its operations as a going concern and hence the accounts are prepared on going concern basis.
- Accumulated loss of FRBL has fully eroded the net worth and has become a sick company as per the provisions of Sick Industrial Companies (Special Provisions) Act, 1985.
- 12 Previous year figures have been rearranged and re-grouped wherever necessary and / or practicable to make them comparable with those of the current year.

**In terms of our report attached.**

**For and on behalf of the Board of Directors**

**For K. Varghese & Co.  
Chartered Accountants  
Firm Registration No. 004525S**

**Sd/-  
Suresh Warior  
Director (Finance) & C F O**

**Sd/-  
S K Lohani  
Chairman & Managing Director**

**Sd/-  
Sam Varghese  
Partner  
Membership No. 216979**

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

**Place: New Delhi  
Date : 30<sup>th</sup> May 2017**



**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**

August 08, 2017

PDCA/CA-I/FACT/4-187/2017-18/161

To

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

Sir,

Sub: Comments of the Comptroller and Auditor General of India under section 143(6)(b) of the Companies Act, 2013 on the consolidated Financial Statements of The Fertilisers and Chemicals Travancore Limited, for the year ended 31 March 2017.

\*\*\*\*\*

I am to forward herewith the Comments of the Comptroller and Auditor General of India under section 143(6)(b) of the Companies Act, 2013 on the consolidated financial statements of The Fertilisers and Chemicals Travancore Limited, for the year ended 31 March 2017.

Receipt of this letter may be acknowledged.

Yours faithfully,  
Sd/-

(G.SUDHARMINI)

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

Encl: Audit certificate

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT,  
2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED  
FOR THE YEAR ENDED 31 MARCH 2017**

The preparation of consolidated financial statements of The Fertilisers and Chemicals Travancore Limited for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act, are responsible for expressing opinion on these financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the Standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 30 May 2017.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) read with section 129(4) of the Act of the consolidated financial statements of The Fertilisers and Chemicals Travancore Limited for the year ended 31 March 2017. We conducted a supplementary audit of the financial statements of The Fertilisers and Chemicals Travancore Ltd. but did not conduct supplementary audit of the financial statements of FACT-RCF Building Product Ltd. for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report.

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

Sd/-

(G.SUDHARMINI)

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

Place: Chennai  
Date : August 08, 2017





**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

CIN: L24129KL1943GOI000371

Ph. 0484-2546486 : Fax No.0484-2546637 Website: www.fact.co.in E-mail id: kvbnair@factltd.com

**PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies' (Management and Administration) Rules, 2014]

Name of the Shareholders	
Registered address	
Folio No./DP ID-Client ID	
E-mail ID	

I/We, being the shareholder(s) of ..... shares of the above named Company, hereby appoint;

- Name ..... address .....  
E-mail ID ..... signature : **or failing him ;**
- Name ..... address .....  
E-mail ID ..... signature : **or failing him ;**
- Name ..... address .....  
E-mail ID ..... signature :

as my /our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 73rd Annual General Meeting of the Company to be held on Friday the 22<sup>nd</sup> September 2017 at 11.00 AM at Udyogamandal Club, Eloor, Udyogamandal and any adjournment thereof in respect of such resolutions as are indicated below:

I wish my above proxy to vote in the manner as indicated in the box below.

Sl	Resolutions	For	Against
1	Consider and Adopt		
a,	Audited Financial statements for the financial year ended 31 <sup>st</sup> March 2017 and the reports of the Board of Directors and Auditors thereon.		
b,	Audited Consolidated financial statement for the financial year ended 31 <sup>st</sup> March 2017 and the reports of the Auditors there on		
2	Fixation of remuneration of Statutory Auditors and Branch Auditors.		
3	Election of Dr Gangidi Manohar Reddy as a Director on the Board of Directors		
4	Election of Dr. Jyoti KaushalSheth as a Director on the Board of Directors		
5	Election of Prof. B Vijayakumar as a Director on the Board of Directors		
6	Election of Ms Alka Tiwari as a Director on the Board of Directors		
7	Fixation of Remuneration of Cost Auditors		

Signed this ..... day of ..... 2017.

Signature of Shareholder(s) :

Signature of Proxy holder(s) :

**Note:**

This Form of Proxy in order to be effective should be duly completed and deposited at the registered office of the Company at Eloor, Udyogamandal-683501, Kochi, Kerala, not less than 48 hours before the commencement of the Annual General Meeting.

Affix  
Revenue  
Stamp



**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

**CIN: L24129KL1943GOI000371**

Ph. 0484-2546486 : Fax No.0484-2546637 Website: www.fact.co.in E-mail id: kvbnair@factltd.com

**Attendance Slip**

**73rd Annual General Meeting, 22nd September 2017 at 11.00 a.m.  
At Udyogamandal Club, Eloor, Udyogamandal.**

Shareholders or their proxies are requested to present this form for admission, duly signed in accordance with their specimen signature registered with the Company. Duplicate slip will not be issued at the entrance to the meeting hall.

1.	Name(s) of Shareholder(s) including joint holders, if any	:
2.	Registered address of the Sole/ First named Shareholder	:
3.	DP ID No.& Client ID No. / Registered Folio No.	:
4.	No. of Shares held	:

Whether shareholder or proxy  Shareholder  Proxy

I/We hereby record my/our attendance at the 73rd Annual General Meeting being held on Friday 22<sup>nd</sup> September 2017 and / or at any adjournment thereof.

\_\_\_\_\_  
Signature of the Shareholder or Proxy



**Shri Mansukh L Mandaviya, Minister of State for Shipping, Chemicals & Fertilizers, visits FACT Ammonia plant Control Room.**



**Shri Piyush Goyal, Minister of State for Power, Coal and New and Renewable Energy and Mines, visits FACT exhibition stall at CIAL Trade Fair and Exhibition Centre, Nedumbassery held in connection with Digi Dhan Mela.**



प्रगति के पथप्रदर्शक  
PIONEERS IN PROGRESS

दि फर्टिलाइज़र्स एण्ड केमिकल्स ट्रावनकोर लिमिटेड

**THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED**

(भारत सरकार का उद्यम /A Government of India Enterprise)

पंजीकृत कार्यालय/Regd. Office: एलूर/Eloor, उद्योगमंडल/Udyogamandal - 683 501,

कोच्ची/Kochi, केरल/Kerala, भारत/India

वेबसाइट/Website: [www.fact.co.in](http://www.fact.co.in) सी आई एन/CIN: L24129KL1943GOI000371

**DELHI OFFICE:**

FACT House, B-67, East of Kailash, New Delhi - 110 065

Eail: [factdelhi@factltd.com](mailto:factdelhi@factltd.com)

**MUMBAI OFFICE:**

Regional Office, FACT,

11 Meherabad, Bhulabai Desai Road, Mumbai - 400 036

Email: [factmumbai@factltd.com](mailto:factmumbai@factltd.com)

**STATE OFFICES:**

Bengaluru, Chennai, Hyderabad, Thruvananthapuram  
& Udyogamandal-Kochi