



## THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office: Eloor, Udyogamandal – 683 501, Kochi, Kerala

CIN: **L24129KL1943GOI000371**

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

Website: [www.fact.co.in](http://www.fact.co.in) E-mail Id: [kvbair@factltd.com](mailto:kvbair@factltd.com)

Dear Shareholder,

**Subject: 76<sup>th</sup> Annual General Meeting (AGM) scheduled on Wednesday the 23<sup>rd</sup> September, 2020, at 11.00A.M, through Video Conferencing (VC)/Other Audio Visual Means (OAVM).**

In continuation to our email dated 27<sup>th</sup> August 2020, kindly note that the Comptroller and Auditor General of India (C & AG) vide letter no No. 890-PDA(AFWR)/co/A/cs/FCTL/2020-21/1562 dated 18-09-2020 has forwarded the comments on the Standalone Financial Statements of the Company for the financial year 2019-20. The comments and replies to the comments of C & AG is hereby attached. The Comments and replies can also be downloaded from the website of the Company [www.fact.co.in](http://www.fact.co.in).

It may please be noted that, the Company has not received the comments of C&AG on the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020. Hence the Consolidated Financial Statements for the financial year 2019-20 (item No 1 (b) in the notice) would not be considered at the AGM scheduled to be held on 23-09-2020.

All other business mentioned in the Notice dated 27<sup>th</sup> August, 2020 will be considered at the meeting.

The notice of the meeting can be downloaded from the website of the Company, [www.fact.co.in](http://www.fact.co.in).

The remote e-voting period will commence on 20<sup>th</sup> September 2020 (9:00 AM IST) and ends on 22<sup>nd</sup> September 2020 (5:00 P.M IST). The Shareholders holding shares as on 17-09-2020 may cast their vote electronically. The facility for voting electronically shall be made available at the AGM to enable members attending the meeting who have not cast their vote by remote e-voting, to exercise their right at the meeting.

### **Pre-Requisites for Shareholders/Viewers for a smooth experience of viewing the AGM proceedings are given below:**

- Any internet enabled device – Laptop/Desktop/Smartphone/Tablet
- Latest internet browser
- Laptop/desktop with at least Core2duo processor, 1GB RAM, good quality multimedia kit, Internet connectivity good quality without proxy & firewall –ideally broadband connectivity- 512 kbps or 2 mbps and above dedicated bandwidth
- Ports 1935, 443 and 80 should be opened to allow streaming content
- iPad viewers to have good internet connection of at least 1 Mbps bandwidth to view the webcast
  - For better viewing experience, you can use the active speaker view (top right corner).
  - Ensure no other applications are running in the background.

- Ensure your Wi-Fi is not connected to any other device.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & e-VOTING ARE AS UNDER:**

- The procedure for attending & e-Voting during the day of the AGM is same as the instructions for Remote e-voting.
- Shareholders/Viewers can join the meeting 30 minutes before meeting time by following the following step by step process.
  - (i) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) & Click on “Shareholders /member” module. Or click on [https://www.evotingindia.com/login\\_BO.jsp?t=i1](https://www.evotingindia.com/login_BO.jsp?t=i1)
  - (ii) Now enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
  - (iii) Next enter the Image Verification as displayed and Click on Login.
  - (iv) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
  - (v) If you are first time user, then enter your PAN & Bank account no. recorded in company/RTA records for given user ID.
  - (vi) **Click on the Live Streaming Link available in column before EVSN to join meeting.**
  - (vii) Enter your First Name, Last Name and click on Join Now. *(Note: If you are not able to join the meeting and are getting the error that mentioned password is incorrect, please clear your browsing cache or cookies and try again as may be your browser displaying your earlier attended meeting password)*
  - (viii) Click on the EVSN for The Fertilisers and Chemicals Travancore Limited. Kindly click on Live streaming link before voting.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System you may mail us at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542)

Thanking you,  
Yours Faithfully,

Sd/-  
K.V. Balakrishnan Nair  
Company Secretary & Executive Director (FIN)

Office of The Principal Director of Audit (Agriculture, Food & Water Resources) New Delhi

**Confidential**

No. 890-PDA(AFWR)/co/A/cs/FCTL/2020-21/1562  
Dt 18.09.2020

To  
The Chairman and Managing Director  
FACT Township  
Eloor, Udyogamandal - 683 501  
Kochi, Kerala

Sub: Comments on financial accounts (standalone) of Fertilisers and Chemicals Travancore Limited for the year ended 31 March 2020 under article 143 (6) (b) of the Companies Act 2013 by the Comptroller and Auditor General of India

Sir

We are sending herewith the comments on the financial accounts (standalone) of Fertilizers and Chemicals Travancore Limited for the year ended 31 March, 2020 under Article 143 (6) (b) of the Companies Act 2013.

Please acknowledge.

Yours faithfully

Encl: as above

Sd/-  
(Amitabh Prasad)  
Principal Director of Audit  
(Agriculture, Food and Water Resources)

**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 (Standalone) FOR THE YEAR ENDED 31 MARCH 2020**

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The preparation of financial statements of THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED (Standalone) for the year ended 31 March 2020 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 Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act, are responsible for expressing opinion on the 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 25.06.2020**.

I, on the 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 2020. 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. Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.

**A. Comment on Financial Position**

**Balance Sheet**

**Other Intangible Assets (Note-1B) ₹ 110.64 lakh**

The above is understated by ₹42.06 lakh due to non-inclusion of value of software work completed during the year. The work of SAP migration and up-gradation was completed on 12 February 2020. However, Company did not capitalize related charges of ₹42.06 lakh during the year payable to vendor.

This has resulted in understatement of other intangible Assets by ₹40.93 lakh and amortization by ₹1.13 lakh. Consequently, profit for the year is also overstated by ₹1.13 lakh and current liabilities understated by ₹42.06 lakh.

**B. Comment on Disclosure**

**Notes to Standalone Financial Statements**

**Estimated amount of contracts remaining to be executed on capital account and not provided for (Note-50): ₹1347.08 lakh**

The above is overstated by ₹ 294.65 lakh due to inclusion of :

- (i) ₹24.59 in respect of M/s.Agilent Technologies India Pvt Ltd. The related work already completed before 31 March 2020 and liability was provided for the value of work done.
- (ii) ₹135 lakh in respect of M/s.Bharat Heavy Electricals Limited. The related work already completed before 31 March 2020 and liability was provided for the value of work done.
- (iii) ₹135.06 lakh in respect of M/s.Sify Technologies Limited. Out of this, work valuing ₹ 42.06 lakh was completed before 31 March 2020. Remaining ₹ 93 lakh being in the nature of maintenance contract should be disclosed under the head other commitments instead of contracts remaining to be executed on capital account and not provided for

**Sd/-**  
**(Amitabh Prasad)**  
**Principal Director of Audit**  
**(Agriculture, Food and Water Resources)**

**REPLIES TO 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 (Standalone) FOR THE YEAR ENDED 31 MARCH 2020**

Comments of C & AG	Reply
<p><b>A. Comment on Financial Position</b></p> <p><b>Balance Sheet</b>  <b>Other Intangible Assets (Note-1B) ₹ 110.64 lakh</b>                      The above is understated by ₹42.06 lakh due to non-inclusion of value of software work completed during the year. The work of SAP migration and up-gradation was completed on 12 February 2020. However, Company did not capitalize related charges of ₹42.06 lakhs during the year payable to vendor                      This has resulted in understatement of other intangible Assets by ₹40.93 lakh and amortization by ₹1.13 lakh. Consequently, profit for the year is also overstated by ₹1.13 lakh and current liabilities understated by ₹42.06 lakh</p>	<p>Audit comment is noted.</p> <p>The amount involved does not have any material impact on the Financial position/ Financial Statements of the Company.</p>
<p><b>B. Comment on Disclosure</b></p> <p><b>Notes to Standalone Financial Statements</b>  <b>Estimated amount of contracts remaining to be executed on capital account and not provided for (Note-50): ₹1347.08 lakhs</b></p> <p>The above is overstated by ₹294.65 lakhs due to inclusion of :</p> <ul style="list-style-type: none"> <li>(iv) ₹24.59 in respect of M/s.Agilent Technologies India Pvt Ltd. The related work already completed before 31 March 2020 and liability was provided for the value of work done</li> <li>(v) ₹135 lakh in respect of M/s.Bharat Heavy Electricals Limited. The related work already completed before 31 March 2020 and liability was provided for the value of work done</li> <li>(vi) ₹135.06 lakh in respect of M/s.Sify Technologies Limited. Out of this, work valuing ₹42.06 lakh was completed before 31 March 2020. Remaining ₹93 lakh being in the nature of maintenance contract should be disclosed under the head other commitments instead of contracts remaining to be executed on capital account and not provided for</li> </ul>	<p>Audit comment on disclosure is noted.</p> <p>It may please be noted that the overstatements in notes on Financial Statement does not have any impact on the Financial Results of the Company.</p>