

71st

वार्षिक रिपोर्ट
 Annual Report
 2014-2015



दि फर्टिलाइजर्स एण्ड केमिकल्स ट्रावनकोर लिमिटेड
 (भारत सरकार का उद्यम)

पंजीकृत कार्यालय: एलूर, उद्योगमंडल-683 501, कोची, केरल, भारत. वेबसाइट <http://www.fact.co.in>

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

(A Government of India Enterprise)

Regd. Office: Eloor, Udyogamandal-683 501, Cochin, Kerala, India. Website: <http://www.fact.co.in>

CIN: L24129KL1943GOI000371

BOARD OF DIRECTORS



Shri Jaiveer Srivastava
Chairman & Managing Director



Shri P. Muthusamy
Director (Finance)



Shri V. K. Anil
Director (Technical)



Shri S. K. Lohani
Director



Shri Sham Lal Goyal
Director

C O R P O R A T E I N F O R M A T I O N

BOARD OF DIRECTORS

Shri **Jaiveer Srivastava**, Chairman & Managing Director
Shri **P.Muthusamy**, Director (Finance)
Shri **V.K.Anil**, Director (Technical)
Shri **S.K.Lohani**, Govt. of India Nominee Director (from 24.06.2014)
Shri **Sham Lal Goyal**, Govt. of India Nominee Director (from 06.05.2015)
Shri **V.Subramanian**, Director (Marketing) (upto 09.06.2015)
Shri **K.M.Gupta**, Govt. of India Nominee Director (upto 06.05.2015)

CHIEF VIGILANCE OFFICER

Shri **J. Vinayan**, IRTS

GENERAL MANAGERS

Shri **Manuel Zacharias** (FEDO-I)
Smt.**Ambika I.S.** (Marketing)
Smt.**Mariamamma K.T.** (FEDO-II)
Shri **Sreekumar M.** (Production Coordination)
Shri **Jacob Kurian E.** (Cochin Division)
Shri **Sreenath V.Kamath** (Corporate Finance)
Shri **Jayakumar A.V.** (HR & Administration)
Shri **Sreekumar P.** (Materials)
Shri **Ashok Kumar K.** (ENGG., FEDO)
Shri **Pradeed P.** (Internal Audit)

COMPANY SECRETARY

Shri **Balakrishnan Nair K. V**

AUDITORS

Statutory Auditors
M/s. **K. Varghese & Co.,**
Chartered Accountants, Kochi

Branch Auditors
M/s. **R. Sadasivan & Co**
Chartered Accountants, Chennai
M/s. **Praturi & Sriram**
Chartered Accountants, Hyderabad

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

BANKERS

State Bank of Travancore
State Bank of India
Bank of India
Canara Bank

Dena Bank
Bank of Baroda
State Bank of Hyderabad



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

CIN: L24129KL1943GOI000371

Tel: 0484-2546486, Fax: 0484-2546637

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

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 71st Annual General Meeting of the members of The Fertilizers and Chemicals Travancore Ltd. will be held on Monday the 28th day of September 2015 at 11.00.A.M at Udyogamandal Club at Eloor, Udyogamandal, Kochi to transact the following business:

Ordinary Business

1. To receive, consider and adopt the audited financial statement of the Company for the financial year ended 31st March, 2015, Cash Flow Statement for the year ended 31st March 2015 and Reports of the Board of Directors and Auditors thereon.
2. To elect a Director in place of Shri S.K. Lohani (DIN 06912948), who is liable to retire by rotation and offers himself for re-election.
3. To fix the remuneration of Statutory Auditors and Branch Auditors for the Financial Year 2015-2016.

Members may consider and if thought fit pass with or without modification 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 2015-16.

Special Business

4. 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 2015-16 be paid the remuneration of ₹65,000/- plus out of pocket expenses (subject to a maximum of ₹10,000/-).

5. To consider and if thought fit, pass the following resolution with or without modification, as a special resolution.

RESOLVED that pursuant to Section 180 (1)(c) and all other applicable provisions, if any, of the Companies Act, 2013, approval be and is here by accorded to the Board of Directors for raising through borrowings, loans, overdraft, cash credit, etc. up to ₹2000 crore. (apart from temporary loans obtained from the Companies Bankers in the ordinary course of business) from banks, Financial Institutions and other sources for the purpose of Financing working capital requirements and also for acquisition of capital assets and / or for any other requirements of the company not withstanding that the moneys to be borrowed together with the moneys already borrowed by the company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of Business) will exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purposes.

By Order of the Board of Directors.

Sd/-

K.V.Balakrishnan Nair
Company Secretary

Eloor, Udyogamandal

19-08-2015

Note:

1. The Register of Members will be closed from 25th September 2015 to 30th September 2015 both days inclusive.
2. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
3. Pursuant to Clause 35B of the Listing Agreement 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) Amendments Rules, 2015, the Company is offering e-voting facility to its members. The Company engaged the services of M/s. National Securities Depository Limited (NSDL) to provide e-voting facility to members. Instructions and other information relating to e-voting are given in this notice under note No. 6.
4. The relative explanatory statement required under Section 102 of the Companies Act, 2013 is given separately.
5. Members, who have not registered their e-mail address so far, are requested to register their e-mail address for receiving all communications from the Company electronically.
6. 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 Clause 35B of the Listing Agreement, 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 National Securities Depository Limited (NSDL).



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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.
- IV. The remote e-voting period commences on 25.09.2015 (9:00 am) and ends on 27.09.2015 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 21.09.2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
 - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
 - (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" of The Fertilisers and Chemicals Travancore Limited.
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to cfccochin@gmail.com with a copy marked to evoting@nsdl.co.in
 - B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :
 - (i) Initial password is provided at the bottom of the attendance slip for the AGM.
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. 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 of 21st September 2015.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 21st September 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- XI. 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.
- XII. 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.
- XIII. Shri M.C.Sajumon, Company Secretary, Kochi, 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.
- XIV. 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



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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.

- XV. 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.
- XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.fact.co.in and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the National Stock Exchange of India, Mumbai.

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

Item No. 4

The Board on the recommendation of the Audit Committee 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 2015-16 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 recommended by the Audit Committee shall be considered and approved by the Board of Directors and 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 2015-16.

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

Item No. 5

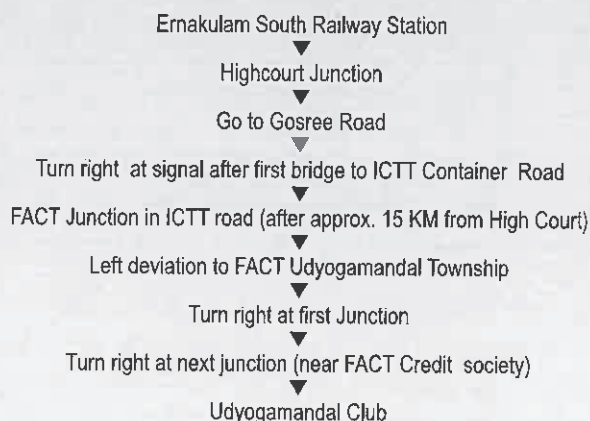
The shareholders of the Company in its 64th Annual General Meeting held on 27th day of September, 2008 authorized the Board of Directors for raising fund based and non-fund based loans, overdraft, etc. upto a limit of ₹1750 crore. There had been substantial change in the operational requirement, and there is likely to be a requirement of enhancing limit as and when the proposal submitted by the company towards revival is approved. Considering this, the Board of Directors has decided to increase the limit from the current level of ₹1750 crore to ₹2000 crore. The increased limit is expected to take care of various types of requirements from time to time.

To comply with the provisions of Section 180 of the Companies Act, 2013, The Board of Directors of your company recommended a special Resolution as set out in the notice.

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.

Route from Ernakulam South Railway station to Udyogamandal Club – FACT
(Distance by Road 18 KM)





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DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present the 71st Annual Report and audited Financial Statements of the Company and the report of the Auditors for the financial year 2014-15.

Your directors are happy to inform you that the company could sustain its operations at a reasonable level during the financial year 2014-15 despite the constraints and adversities.

Highlights/Achievements – 2014-15

- FAI Award for Best Production Performance
- Skoch Renaissance Award 2014 in recognition of the successful implementation of the innovative project of transportation of liquid ammonia by barge fitted with bullet tanks.
- India Sea Trade Awards for Cargo Owner/User.
- "Most Valuable PSU" award in the India Today Group PSU Awards, 2014
- Award for the "Organization with Innovative HR practices" at the Asia Pacific HRM Congress 2014.
- Winner for the outstanding safety performance for the year 2014 by M/s National Safety Council, Kerala Chapter.
- Highest production of Bio-fertilizers in the last 5 years.

PERFORMANCE - FINANCIAL, PRODUCTION AND SALES

The Company's performance for the year ended March 31, 2015 is summarized below.

A. FINANCIAL		₹ in Lakh
	2014-2015	2013-2014
Turnover	203236.00	227622.18
Revenue from operations	197879.00	220938.13
Other Income	1855.00	1401.00
Total Revenue	199734.00	222339.00
Total Expenses	237318.00	259241.00
Profit / Loss (-) Before Tax & Exceptional items	-37585.00	-36903.00
Exceptional items	-2406.00	10407.00
Profit / Loss (-) After tax	-39991.00	-26496.00

B. PRODUCTION		in Tonnes
	2014-2015	2013-2014
Factamfos 20 : 20	614004	663787
Ammonium Sulphate	120360	178792
Caprolactam	0	0

C. SALES		in Tonnes
	2014-2015	2013-2014
Fertilisers	776858	853442
Caprolactam	0	0



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Financial Results

Despite reasonable production and marketing performance of the company, the financial results for the year 2014-15 shows a loss of Rs.39990.79 lakh as against a loss of Rs.26495.63 lakh during the year 2013-14.

Working capital constraints, High interest and finance charges, low level of operation, decrease in total revenue and non-operation of Caprolactam Plant through out the year, etc. are the main reasons for the negative working results.

Total revenue earned by the Company during the financial year 2014-15 is ₹1997 crore as against ₹2223 crore during the financial year 2013-14. Total interest and finance charges incurred during the year is ₹196.28 crore. The Company has provided interest on GOI loan and penal interest totalling ₹57.87 crore during the year 2014-15. Considering the poor financial performance of FRBL and as a prudent measure, during the financial year 2014-15, the entire investment made in FRBL and the amount due from FRBL totalling ₹40.84 crore was written off.

Due to accumulated loss, your directors are not recommending any dividend for the financial year 2014-15. The Company has not transferred any amount to Reserve during the financial year 2014-15.

Operations

The fertilizer production and sales performance of the company during the year 2014-15 was affected by the dependency on import Ammonia for fertilizer production during the first ten months and severe working capital crisis. There were constraints in Ammonia import infrastructure and logistics limiting the production levels to about 70% - 80%.

With the favourable international price situation, the Company has re-started LNG operations with effect from 10th February 2015 based on a letter of comfort facility issued by the Department of Fertilizers in favour of MMTC. In spite of this, during the fourth quarter of the aforesaid year 2014-15, Company was not in a position to ensure other raw-materials due to severe financial crunch. However with all out efforts, Company could achieve Factamfos production of 6.14 lakh MT and Ammonium Sulphate production of 1.2 lakh MT. Due to economic reasons, the Caprolactam plant remained shut down through out the financial year 2014-15. However, in-house modification has been carried out in the plants to maintain production of Ammonium Sulphate at 100% capacity through direct neutralization.

The sales performance during the year include sale of 6.22 lakh MT of Factamfos, 1.1 lakh MT of Ammonium Sulphate, 0.3 lakh MT of Traded MOP and 5.2 lakh MT of Gypsum. The sale of 66.235 MT of Bio-fertilizers is the highest sale in the last 4 years.

FEDO completed its first year as a profit center in an excellent way. The turnover increased from ₹11.05 crore in 2013-14 to

₹18.48 crore in 2014-15. The loss of FEDO also came down from ₹187.77 lakh in 2013-14 to ₹36.55 lakh in 2014-15. During the financial year, FEDO has bagged orders worth Rs.860 lakh. The value of jobs on hand as on 31.3.2015 is ₹220 crore.

Performance - 2015-16

Your Directors are pleased to inform you that the annual maintenance work could be completed in time and the plants are restarted as per schedule to cater to the increasing fertilizer demand of the monsoon season. The production and marketing performance during the first quarter of the financial year 2015-16 is encouraging. The Company could produce 124550 tonnes of Factamfos and 24079 tones of Ammonium Sulphate during the 1st quarter of the financial year 2015-16.

FACT has been exploring avenues to strengthen the organic nutrient source of the soil. FACT has entered into an MOU with Kerala Agricultural University for marketing of Bio-fertilizers being produced by the University.

FACT has fixed an ambitious targets for production and marketing of fertilizers for the financial year 2015-16 and entered into a performance MOU with the Department of Fertilizers. As per the MOU, the Company envisage a sales turnover of ₹2614 crore for the year 2015-16. The major physical targets for the year include production and marketing of 6.80 lakh tones of Factamfos, 1.89 lakh tones of Ammonium Sulphate and 150 tonnes of Bio-fertilizers. The company intends to augment its core competency sectors with a projected turn over of ₹66 crore for FEDO and ₹22 crore for FEW, the Consultancy and Fabrication divisions.

The financial relief package submitted by the company and cleared by the Board for Restructuring of Public Sector Enterprises (BRPSE) is still under the consideration of the Government of India. The sanctioning of the updated financial relief package is vital for the long term sustenance of the Company.

Management Discussion and Analysis Report

A Management Discussion and Analysis Report covering the operational aspects for the year under review, as stipulated under clause 49 of the listing agreement with the Stock Exchange is presented in a separate section forming part of the Directors Report.

Directors and Key Managerial Personnel

Appointments

Governments of India, Ministry of Chemicals & Fertilisers, Department of Fertilisers vide Order No. 130/8/2003-HR-I dated 01st May 2014 notified the appointment of Shri K.M.Gupta, Economic Adviser, 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



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Shri V.K.Subburaj, Director.

Government of India, Ministry of Chemicals & Fertilisers, Department of Fertilisers, vide Order No.130/8/2003-HR-I dated 19th June 2014 notified the appointment of Shri S.K.Lohani, Joint Secretary, Department of Fertilizers, Ministry of Chemicals & Fertilizers as Part-time Government nominee Director, in place of Shri S.C.Gupta, Director on the Board of FACT.

Government of India, Ministry of Chemicals & Fertilizers, Department of Fertilizers, vide Order No.130/8/2003-HR-1 dated 27th April 2015 notified the appointment of Shri Sham Lal Goyal, Joint Secretary (SLG), Department of Fertilizers, Ministry of Chemicals & Fertilizers as Part-time Government Nominee Director, in place of Shri K.M.Gupta, Ex-Economic Advisor.

The Board at its meeting held on 12.2.2015 appointed Shri Jaiveer Srivastava, C&MD, Shri P. Muthusamy, Director (Finance), Shri V.K. Anil, Director (Technical), Shri V.Subramanian, Director (Marketing) and Shri K.V. Balakrishnan, Company Secretary as Key Managerial personnel of the company.

Retirements and resignations

Consequent to the appointment of Shri Sham Lal Goyal as Government of India nominee Director of FACT, Shri K.M.Gupta, Director retired from the Board of FACT with effect from 6.5.2015.

Shri V.Subramanian, Director (Marketing) resigned from the Board of FACT and Government of India vide Order No.82/3/2006-HR-I dated 9th June 2015, accepted the resignation of Shri V.Subramanian with effect from 9.6.2015.

The Board place on record its appreciation of the valuable services rendered by Shri K.M.Gupta, Director and Shri V.Subramanian, Director (Marketing).

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 5th June 2015, clause (e) and (p) of sub-section 3 of Section 134 of the Companies Act 2013 relating to appointment, remuneration and Annual evaluation of Board on its performance are not applicable to FACT.

Meetings of the Board

During the financial year 2014-15, ten 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 a 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) of the Companies Act, 2013, your Directors hereby state that:

- in the preparation of annual accounts for the year ended March 31, 2015, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- 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, 2015 and of profit and loss statement for the year ended March 31, 2015.
- the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- the directors have prepared the annual accounts on a going concern basis.
- 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
- 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 stakeholders of the Company. The Report on Corporate Governance as stipulated under the listing agreement annexed to this report forms an integral part of this report.

AUDITORS

(1) Statutory Auditors.

M/s. K.Varghese & Co., Chartered Accountants, Kochi, was appointed as Statutory Auditors of the Company for the year 2014-2015 by the Comptroller and Auditor General of India. M/s.Praturi & Sriram, Chartered Accountants, Hyderabad, and M/s. R. Sadasivan & Co, Chartered Accountants, Chennai, were re-appointed as



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Branch Auditors for the year 2014-2015, by the Comptroller and Auditor General of India.

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 2014-2015.

(3) Secretarial Auditors

M/s.SVJS & Associates, Company Secretaries, Kochi, has been appointed as Secretarial Auditors of the Company for the year 2014-15. The report of the Secretarial Auditor is annexed to this report as **Annexure-1**

Clarification/reply to the remarks of Secretarial Auditor is annexed as **Annexure.2**.

Audit Committee

In line with the provision of Section 177 of the Companies Act 2013 and Clause 49 of the listing agreement with Stock Exchange, an Audit Committee of the Board has been constituted. Details of Members/ Meetings of the Audit Committee is elaborated in the report on Corporate Governance.

Associate Company

FACT-RCF Building Products Limited (FRBL) is the only associate company of FACT. During the financial year 2014-15 no Company has become/ ceased to become subsidiaries/ Joint Ventures and Associate Company of FACT.

Public Deposit

During the financial year 2014-15, the company has not accepted any deposit from public. However, as on 31.3.2015, ₹0.49 lakh is lying in unclaimed matured fixed deposit account.

Contract or arrangement with related parties

During the financial year 2014-15, FACT has not entered into any contracts or arrangements with related parties referred to in sub-section (1) of section 188 of the Companies Act 2013.

Corporate Social Responsibility

FACT continues to give priority on various Social Responsibility measures during the financial year 2014-15. 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**

Material changes and commitments

There were no material changes and commitments affecting the financial position of the company between the end of financial year (31st March 2015) and the date of the report (19th August 2015).

In the Audit Report for the Financial Year 2012-13, the Statutory Auditors have made certain qualification on valuation of closing stock of Gypsum having an impact of ₹53.64 crore on the financial results. The Securities and Exchange Board of India (SEBI) vide letter dt. 27.04.2015 advised the Company to restate the financial results for the financial year 2012-13 and 2013-14 (if the same qualification is repeated in 2013-14 also), and the effect of these restated adjustment may be carried out in the annual accounts of the financial year 2014-15 as a prior period item.

Without prejudice to the right of the company to challenge the advice of SEBI in the appropriate forum, the Company has given effect to the restatement adjustment on valuation of gypsum as a prior period item in the financial statement of 2014-15. Subsequently, FACT has approached Hon'ble High Court of Kerala by way of Writ Petition, requesting to quash the Order issued by SEBI directing FACT to restate the financial year statement for the financial year 2012-13. The Hon'ble High Court of Kerala has set aside the Order issued by SEBI. The Hon'ble High Court of Kerala has also directed that the order of QARC, if any, shall be communicated to the petitioner and the petitioner shall be heard by the SEBI and orders passed clearly showing the reasons for ordering a restatement of accounts.

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 a 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



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

Code of Conduct

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

The code lays down the standard procedure of business conduct which is expected to be followed by the Directors and senior executives of the Company. The functional Directors and 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.

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 2014-15 (Note No. 11 & 29(1)(b))

During the financial year 2014-15, FACT has not provided any loan/guarantee or made any investment within the purview of Section 186 of the Companies Act 2013. However, the Board of FACT has decided to convert ₹752.33 lakh due from FACT-RCF Building Products Limited (FRBL), the 50:50 Joint Venture of FACT and RCF, as equity of FRBL, subject to the approval of the Department of Fertilizers, Government of India. Approval is awaited from the Department of Fertilizers.

General

Your 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 differentiate rights as to dividend, voting or otherwise.

3. Issue of shares (including sweat equity shares) to employees of the company under any scheme.
4. Neither the Managing Director nor the whole time Directors of the Company receive any remuneration or commission from its Associate Company.
5. 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. Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Resressal) 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 annexed 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, Puducherry, Andhra Pradesh and Telangana.

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/-

JAIVEER SRIVASTAVA
CHAIRMAN AND MANAGING DIRECTOR
DIN: 01858412

Udyogamandal
Date: 19-08-2015



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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.

Implementation of Energy saving programmes resulted in an annual saving of 93,200 units (kWh) and a monetary saving of Rs.4.70 lakh per annum. Details relating to implementation of energy savings programmes are given below:

- 1) The CPP Control room in Petrochemical Unit is equipped with Central air conditioning, which is in continuous operation for smooth functioning of DCS. The energy consumption of the 30 Ton Refrigeration (TR) Central AC Plant comes to 270 kWh per day. The same operating conditions in the room could be achieved by installing 4 Nos. of Split AC units of 5-star, 1.5 TR Split AC units (total 6 TR) while consuming lesser energy. The operational performance was verified and the conditions (temperature and humidity) were observed to be the same as before with lesser power consumption. The retrofitting done has resulted in an energy saving of 180 kWh per day.
- 2) Retrofitting of Ceiling fans and fluorescent lamps: A total of 25 Nos. of 5-star ceiling fans and 240 Nos. of energy efficient, T5, double-tube fluorescent lamps have been installed. Power consumption for a 5-star ceiling fan comes to only 50 W against the consumption of 80 W for an ordinary fan and consumption for T5 double-tube lamp is only 60 W against 110 W for ordinary tube. Hence, the retrofitting job resulted in an annual saving of 27,500 kWh.

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

FACT is exploring the possibilities of utilizing alternate source of energy. As part of renewable energy utilization, FACT has set up solar photovoltaic system in Corporate Office, Cochin Division and Udyogamandal Complex. FACT is also using solar water heaters and Biogas plants.

(iii) The capital investment on energy conservation equipments

During the financial year 2014-15, FACT has not made any capital investment on energy conservation equipments.

B. Technology Absorption

(i) Efforts made towards technology absorption:

- 1) Commissioning of New Instrument Air Compressor House Compressors located in various plants were relocated to a central location along with procurement of new compressor and drying unit
- 2) DCS conversion of Factamfos, Sulphuric Acid & ETP plants New DCS is under implementation in Factamfos, Sulphuric acid and ETP plants of FACT Udyogamandal. DCS building construction is completed.
- 3) Fabrication of New Barge fitted with Liquid Ammonia Gas (LAG) bullets FACT has embarked on fabricating a new barge in its fabrication wing of Fact Engineering Works (FEW).
- 4) Fabrication of new Waste Heat Boiler and Combustion furnace in Sulphuric acid Plant

(ii) Benefits Derived:

- 1) Commissioning of new Instrument Air Compressor House and relocation of compressor resulted in reduced consumption of power, cooling water, improved quality of instrument air and reduced breakdown maintenance.
- 2) The implementation of DCS conversion of Factamfos, Sulphuric acid and ETP plants of FACT udyogamandal will result in operational efficiency of plants.
- 3) The Project of installing Liquid Ammonia Gas (LAG) bullets inside a barge

is an innovative step, first of its kind in India. The fabrication and installation of the new barge will enhance water transportation of Ammonia and reduce the road transportation of Ammonia.

- 4) Operational efficiency of sulphuric plant at cochin division will increase with installation of new Waste Heat Boiler and Combustion furnace in Sulphuric acid Plant

(iii) Imported Technology

During the last three years the Company has not imported any technology.

(iv) The expenditure incurred for Research & Development

FACT Research and Development (R & D) Centre is carrying out research in new fertilizer formulations for cost control and development of value added by-products. R&D is also producing bio-fertilisers directly for marketing in all the five southern states. R&D is also focusing on developing organic fertilisers from farmyard waste and cost reduction in bio-fertilisers production. R&D is monitoring the quality of finished chemical fertilisers both in manufacturing units and field godowns, distributors and dealers for evaluating the quality as per the direction of Ministry of Agriculture, Government of India.

Details of expenditure on R&D are given below.

EXPENDITURE ON R&D				
₹ in Lakh				
Year	Capital	Revenue	Total	As % of total Turnover
2012-2013	0.00	72.49	72.49	0.030
2013-2014	0.00	71.65	71.65	0.032
2014-2015	0.00	94.01	94.01	0.046

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	113543.01	77950.64
(b) Traded Products	6395.23	5519.85
(c) Spares and Other Materials	272.47	926.96
(d) Capital Goods	181.24	148.15
	120391.95	84545.60
(ii) Expenditure in Foreign Currency (Cash Basis)		
(a) Consultancy Service	37.68	168.60
(b) Others Total	21.66	246.20
	59.34	414.80
Total (I) + (II)	120451.29	84960.40



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MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Fertilizer Industry

Fertilizer industry is one of the vital industries for the Indian economy as it manufactures a very critical raw material for agriculture and Fertilizer serve as the key ingredient for the food security of the country by increasing the production and productivity of soil. Indian fertilizer industry's main objective is to ensure the supply of primary and secondary nutrients in the required quantity.

The success of the agricultural sector in India is largely dependent on the fertilizer industry. The benchmark that the food industry in India has set is mainly due to the many technically competent fertilizer producing companies in the country.

Chemical fertilizers have played an important role in making the country self-reliant in food grain production. The Government of India has been consistently pursuing policies conducive to increased availability and consumption of fertilizers at affordable prices in the country. Due to this the consumption of fertilizers in India is showing an increasing trend year after year. The Government of India is playing a significant role in making available all types of nutrient at affordable prices to farmers at appropriate time.

Over the years, the consumption of fertilizers in the country has risen steadily, while the indigenous production of fertilizers has not increased like wise to meet the growing requirement mainly due to raw materials/input limitations.

The increasing international prices of inputs is the major challenge being faced by fertilizer industry in India. Strategic tie-up and major investment for continuous supply of inputs at an affordable rate is vital for the sustenance and development of fertilizer industry in India.

Industry Structure and Development

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

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

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

FACT's objectives are:

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

Performance highlights during the Year 2014-2015

UDYOGAMANDAL COMPLEX

During the year 2014-2015 Udyogamandal Complex produced 134514 MT of Factamfos 20:20, and 120360 MT of Ammonium Sulphate. During the financial year 2013-2014 production of Factamfos and Ammonium Sulphate were 103751 MT and 126286 MT respectively.

Nutrient wise the production during 2014-2015 was 51697 MT of N and 26903 MT of P_2O_5 as against 69918 MT of N and 20750 MT of P_2O_5 during the previous year. Due to economic reasons, the Caprolactam Plant remained in shut down condition during the financial year 2014-2015.

Cochin Division: During the financial year 2014-2015, Cochin Division produced 468445 MT of Factamfos 20:20 as against 494647 MT during the year 2013-2014.

The production of Nutrient nitrogen and Nutrient P_2O_5 during the year was 93689 MT each as against 98929 MT during the last year.

During the year 2014-2015, the division produced 315340 MT of Sulphuric acid and 67840 MT of phosphoric acid as compared to 285245 MT of Sulphuric acid and 41970 MT of phosphoric acid in the year 2013-2014.



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Marketing Division: During the financial year 2014-2015 the Fertiliser sales was 7.77 Lakh MT as against 8.89 lakh MT during the previous year. Sale of Facatmfos during the year was 617807 MT as compared to 624927 MT during the year 2013-2014. The sale of Ammonium Sulphate during the year was 110800 MT as compared to 166417 MT during the previous year.

The sale of MOP, Biofertilisers & Zincated Factamfos has increased during the year 2014-15 over the previous year. Sales of Biofertilisers have more than doubled compared to the previous year.

FEDO: FEDO completed its first year as a Profit Centre in an excellent way. The turnover of FEDO increased to ₹18.48 crore in 2014-15 from ₹11.05 crore in 2013-14. The loss of the Division has come down to ₹36.55 lakh in 2014-15 compared to ₹187.77 lakh in 2013-14. During the financial year 2014-15, FEDO has bagged orders worth ₹860 lakh. The value of jobs on hand as on 31.03.2015 is ₹220 crore. Apart from the infrastructure projects being executed for NIT, Nagaland and BPCL-Kochi Refinery, FEDO intends involving in this sector in projects like the upcoming IITs and NITs under expansion. EOIs have already been sent to various such departments. FEDO also anticipates the opportunity to associate with NIT Nagaland in their next phase of expansion. FEDO has to its credit successful completion of the jobs related to implementation of M B Lal Committee recommendation in various oil refineries.

FEW : The turnover of FEW for the year 2014-2015 was ₹1064 lakh as against ₹1109 lakh during the year 2013-2014. During the year 2014-2015, FEW has bagged orders worth ₹222.95 lakh compared to Rs.1894.48 lakh during the year 2013-2014.

The turnover of FEW is expected to improve during 2015-2016. FEW expects steady demand from the process industry for pressure vessels and heat exchangers for replacement as well as for capacity expansion. The shipping sector is also expected to bring in new orders. FEW is manufacturing an Ammonia Barge for transportation of Ammonia to the different production divisions of FACT. The operation of the Barge is also to be arranged by FEW.

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) Non-availability of working capital and high interest and finance charges.
- b) Non-availability of Natural Gas.
- c) Non-availability of sufficient quantity of Phosphoric Acid and other inputs.
- d) Volatility in the prices of raw materials and feedstock.
- e) Exchange rate variations
- f) Over dependence on import of raw materials and the logistics
- g) 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) Shortage of Phosphoric acid and other raw-material.
- c) Low level of operation of Fertilizer plants.
- d) Lack of level playing field in the price of RLNG.
- e) Liquidity crunch and shortage of working capital
- f) Non-operation of Caprolactam plant due to economic reasons

HUMAN RESOURCES DEVELOPMENT

Industrial Relations

The Industrial Relations situation was generally peaceful during the year 2014-2015. There was no stoppage of work affecting the normal operations of the Company due to Industrial Relation problems in the Company. However, there were several hartals called by political parties, which affected production to some extent. The Save FACT Action Committee in co-ordination with other political parties were conducting hunger strike in front of the main Office at Udyogamandal demanding sanction of financial relief package from Government of India, till 26.06.2014. The action committee announced a one day hartal in Eloor Panchayath area on



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12.05.2014 to pressurize the Government for the release of financial package and some of the employees participated in the hartal.

Human Resources

Human resources functions in the company were normal during the year. Senior Regional Managers, Management Trainees and Process Technicians were recruited during the year. The total number of recruitments made during the year 2014-15 is 57 out of which 9 belongs to Scheduled Caste and 2 belongs to Scheduled Trabe. Normal promotions as well as stagnation promotions were kept pending during the year due to the poor financial condition of the Company.

Development of SC/ST

Employment of Reserved Categories as on 31.03.2015 is given below:

	TOTAL	SC	ST	OBC	PWD	EX-SER	TOTAL
No. of employees	2593	335	82	837	58	17	1329
% of total employees		12.8	3.2	32	2	0.65	51

Steps taken for the Welfare of SCs/STs

1. Employment / Fresh recruitment

9 SC employees and 2 ST employees were recruited during the period 2014-15. Details of employment of SCs/STs as on 31.03.2015 is provided above.

2. Training

In service training to company employees is arranged through the Training Department. Maximum representation is ensured for SC / ST employees to attend in house training programme. 86 SC employees and 18 ST employees had undergone training during the year 2014-2015.

For engagement of Apprentices under the Apprentices Act, reservation as per rules is provided. The representation for SC / ST in Apprentices as on 31.03.2015 is as follows:

Total No. of Apprentices	SC	ST
140	15	2

3. SC / ST Grievance Cell

An SC / ST Grievance Cell is functioning at Corporate Level comprising the Chairman, who is also the Chief Liaison officer for

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

4. Allotment of Residential Quarters

Due consideration is given for allotment of Residential Quarters to SC/ST employees. Details of quarter allotted to SC/ST employees as on 31.03.2015 is furnished below:

Total Number of Employees Occupying Quarters	SC	ST
599	142	41

5. Reservation of Dealership

FACT is having 7185 dealers for distribution of fertilizers. During the financial year 2014-15, 30 SC and 4 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 31.3.2015 is given below.

Sl.		Total		
No	State	Dealers	SC	ST
1	Kerala	2906	190	10
2	Tamil Nadu	1363	96	30
3	Karnataka	1964	114	53
4	Telungana	378	11	5
5	Andhra Pradesh	574	31	6
Total		7185	442	104

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



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Compliance Officers' Committee Meetings are being conducted regularly. In order to create interest in Official Language among the employees, Hindi Department is regularly conducting Hindi Clubs in all Divisions of the Company. 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 Second prize for the Excellent Performance in Hindi competitions during Joint Hindi Fortnight Celebrations-2014 organized by Kochi Town Official Language Implementation Committee.

Pollution Control Activities

All fertilizer plants of FACT are certified for ISO:14001 thereby giving top most priority to ensure clean air and better living environment to the inhabitants around the factory. The Effluent Treatment Plants and emission control facilities are kept in operation along with 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.

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

Awards and recognitions

FACT received "Award for improvement in overall performance of a Company" from Fertiliser Association of India in the year 2014.

FACT received Order of Merit Awards in SKOCH Renaissance Awards-2014 under the India's Best Project Category for Online feed change over in Ammonia Plant, Fuel change over in boilers of Captive Power Plant, Condensate Recovery System in Sulphuric Acid Plant and for the innovative project of "Transportation of Liquid Ammonia Gas (LAG) by Barge fitted with bullets."

FACT was conferred with two awards at the India Sea Trade Award function held in Kochi, Kerala on 29.8.2014, viz., Cargo Owner/User of the year Award and The Public-Private Partnership Award in connection with the commencement of **barge movement** of Ammonia from Cochin Port to its production divisions.

FACT was selected for Order of Merit in National Energy Conservation Award conducted by Bureau of Energy Efficiency, Ministry of Power.

National Safety Council of India, Kerala Chapter, has adjudged FACT as the winner for outstanding safety performance in the category of very large size Chemical Industries in 2014.

FACT has won the Second place in Kerala State Pollution Control Awards-2014 among very large Industries in Kerala.

Roadmap for sustainability

FACT has drawn up a road map for the revival and sustainable growth of the company. The scheme for the revival of FACT is categorized as short term and long term plans. These plans are expected to ensure the survival and growth of the company helping it improve its turn over, productivity and profitability. The brief details of these plans are summarized below:

1) Short Term/Medium term plan

- Maximize production with existing infrastructure
- Remove dependency on use of high cost LNG by putting up facilities to receive, store and transport imported ammonia and to have own barges for movement of other raw materials and augmentation of bulk handling facilities.
- Increment the existing NP production by setting up 1000 MT/day NP plant.

2) Long Term Plan:

With sustained operation on implementation of Short Term plan, the company shall take up Long Term plan of setting up of Ammonia Urea plant and other joint venture projects both within and outside India.

Outlook for the future

The Company has submitted an updated financial restructuring package to the Government of India.

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



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REPORT ON CORPORATE GOVERNANCE

I Philosophy on Code of Governance

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

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

II Board of Directors

Sl.No	Name of Director	Period	Nature of Directorship
1	Shri Jaiveer Srivastava	01.04.2014 / 31.03.2015 *	Chairman and Managing Director
2	Shri P.Muthusamy	01.04.2014 / 31.03.2015 *	Director (Finance)
3	Shri V.K.Anil	01.04.2014 / 31.03.2015 *	Director (Technical)
4	Shri V.Subramanian	01.04.2014 / 31.03.2015	Director (Marketing)
5	Shri K.M.Gupta	06.05.2014 / 31.03.2015	Part-time official Director
6	Shri S.K.Lohani	24.06.2014 / 31.03.2015 *	Part-time Official Director
7	Shri S.C.Gupta	01.04.2014 / 24.06.2014	Part-time Official Director
8	Shri V.K.Subburaj	01.04.2014 / 06.05.2014	Part-time Official Director
9	Shri Sham Lal Goyal	From 06.05.2015 *	Part-time Official Director

* Still continue in the Board.

Board meetings

Sl.No	Board Meeting Number and Date	Venue	Filled Strength	Directors Present
1	460 dated 19.05.2014	Ambalamedu	6	5
2	461 dated 29.05.2014	New Delhi	6	5
3	462 dated 11.07.2014	New Delhi	6	6
4	463 dated 06.08.2014	New Delhi	6	6
5	464 dated 20.10.2014	New Delhi	6	6
6	465 dated 14.11.2014	New Delhi	6	6
7	466 dated 07.01.2015	Udyogamandal	6	6
8	467 dated 12.02.2015	Udyogamandal	6	5
9	468 dated 23.02.2015	New Delhi	6	6
10	469 dated 18.03.2015	New Delhi	6	6

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	01.04.2014 / 31.03.2015	10	10	3
2	Shri P.Muthusamy	01.04.2014 / 31.03.2015	10	10	2
3	Shri V.K.Anil	01.04.2014 / 31.03.2015	10	10	2
4	Shri V.Subramanian	01.04.2014 / 31.03.2015	10	10	1
5	Shri K.M.Gupta	06.05.2014 / 31.03.2015	10	9	
6	Shri S.K.Lohani	24.06.2014 / 31.03.2015	9	9	3
7	Shri V.K.Subburaj	01.04.2014 / 06.05.2014	0	0	
8	Shri S.C.Gupta	01.04.2014 / 24.06.2014	2	0	



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

Sl.No	Name of Director	Age	Date of Directorship	Remarks
1	Shri Sham Lal Goyal	56	06.05.2015	Co-opted as Director on 06.05.2015. [Due to relief from Department of Fertilizers, FACT is not proposing him for election as a Director at the 71 st AGM.]
2	Shri S.K.Lohani	43	24.06.2014	Elected as a Director at the 70 th Annual General Meeting

IV. Particulars of Directors under III above as follows:

Shri Sham Lal Goyal

Shri Sham Lal Goyal, Government of India nominee Director (Part-time official Director), belongs to Indian Administrative Service. He held number of key positions in various Government departments and has rich and varied experience in Administrative field. He held additional charge of the post of Chairman and Managing Director, FACT from 1.3.2011 to 31.3.2013.

Shri S.K.Lohani

Shri S.K.Lohani, Government of India nominee Director (Part-time official Director), belongs to 1995 batch of Indian Administrative Service. He held number of key positions in various Government departments and has rich and varied Administrative experience. At present he is the Joint Secretary in the Department of Fertilizers, Ministry of Chemicals and Fertilizers, Government of India.

V. Audit Committee

Sl.No	Name of Director	Nature of Directorship
1	Shri K.M.Gupta (upto 06.05.2015)	GOI Nominee Director
2	Shri S.K.Lohani (From 24.06.2014)	GOI Nominee Director
3	Shri V.K.Anil	Functional Director
4	Shri Sham Lal Goyal (From 06.05.2015)	GOI Nominee Director
5	Shri S.C.Gupta (upto 24.06.2014)	GOI Nominee Director
Director (Finance), Chief Vigilance Officer, Head of Internal Audit Department and Statutory Auditors are permanent invitees to the meetings of the audit Committee of the Board		
Terms of reference of the Audit committee of the Board are as per the provisions of the Companies Act, 1956 / 2013 and Clause 49 of the Listing Agreement.		

Number and Date of Audit Committee Meeting	Number of Members	Number of Members Attended
48 dated 29.05.2014	3	2
49 dated 06.08.2014	3	3
50 dated 14.11.2014	3	3
51 dated 12.02.2015	3	2

VI. Remuneration Committee

FACT is a Government Company in terms of Section 2 (45) of the Companies Act, 2013 (Section 617 of the Companies Act, 1956). The Government of India fixes the remuneration of Chairman and Managing director and other Whole-time Functional Directors. The Company is not paying any remuneration to part-time official directors (Nominees of Government of India).

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.



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

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VII. Shareholders / Investors Grievance 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 V.K.Anil, Director (Technical)
2. Shri V.Subramanian, Director (Marketing) (upto 9.6.2015)
3. Shri Sham Lal Goyal, Director

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 31.03.2015 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. During the year Company attended to 10 complaints of Shareholders / Investors.

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

VIII. Standing Purchase Committee

The Board of Directors of the Company has constituted a Standing Purchase Committee of the Board for import of Fertilizers, raw materials and intermediates. The Committee at present consists of the following Directors:

1. Shri P.Muthusamy, Director (Finance)
2. Shri V.K.Anil, Director (Technical)

IX. 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
2. Shri P.Muthusamy, Director (Finance)
3. Shri V.K.Anil, Director (Technical)

X. General Body Meetings

Year	Date	Time	Venue	Details of Special Resolution
2011-2012	28.09.2012	11.00 AM	Udyogamandal	NIL
2012-2013	27.12.2013	11.00 AM	Udyogamandal	NIL
2013-2014	26.09.2014	11.00 AM	Udyogamandal	NIL

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

Shri Jaiveer Srivastava, Chairman and Managing Director, Shri P.Muthusamy, Director (Finance), Shri V.K.Anil, Director (Technical), Shri V.Subramanian, Director (Marketing) attended the 70th Annual General Meeting.

XI. Disclosure

During the year 2014-2015, 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 Exchanges 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 National Stock Exchange of India Limited vide letter dated 1st July 2015 have advised FACT to remit fine of Rs.50,000/- for non-compliance of provisions relating to appointment of women Director on the Board of Directors of FACT. FACT has requested the Government of India to appoint Woman Director on the Board of Directors of the company.

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



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XII. Means of Communications

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

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

XIII. General Shareholders Information

Information relating to the Annual General Meeting & Financial Calendar for 2015-2016 are given below:

71 st Annual General Meeting	
Day	Monday
Date	28 th September 2015
Time	11.00 AM
Venue	Udyogamandal Club, Udyogamandal

Financial Calendar 2015-2016	
Ist Quarter Financial Results	Published on 12th August 2015
IInd Quarter Financial Results	II nd week of November 2015
IIIrd Quarter Financial Results	II nd week of February 2016
Ivth Quarter Financial Results	II nd week of May 2016

Dates of Book Closure	25 th September 2015 to 30 th September 2015
Dividend Payment Date	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 2015-2016

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

Month	High (Rs)	Low (Rs)
April 2014	22.35	20.55
May 2014	33.65	20.60
June 2014	43.30	31.50
July 2014	45.00	33.35
August 2014	35.80	30.95
September 2014	33.45	28.45
October 2014	31.65	28.10
November 2014	35.85	29.95
December 2014	34.70	29.65
January 2015	34.25	31.75
February 2015	34.45	31.70
March 2015	33.70	26.45



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XV Share Transfer / Depository Agent

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

XVI 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.

XVII Distribution of Shareholding as on 31.03.2015

Shareholding of Nominal Value of Rs.10/-	Shareholders		Amount (Rs)
	Number	% to Total	
Upto 500	13945	89.55	16767920
501 - 1000	919	5.90	7843010
1001 - 2000	369	2.37	5848830
2001 - 3000	112	0.72	2977760
3001 - 4000	54	0.35	1945770
4001 - 5000	63	0.40	3052470
5001 - 10000	58	0.37	4639550
10001 - 50000	44	0.28	7584220
50001 and above	9	0.06	6420060210
Total	15573	100.00	6470719740

XVIII 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 26th June 2001. The Company has executed tripartite agreement with both the Depositories i.e. NSDL and CDSL and the Share Transfer Agents of the Company. As on 31.03.2015, 644044395 Equity shares have been dematerialized.

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

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

XX Plant Locations

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

XXI Address for correspondence by Shareholders:

The Company Secretary, The Fertilisers And Chemicals Travancore Limited, Udyogamandal 683 501, Kerala.

XXII Compliance of guidelines issued by DPE:

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



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

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CFO / CEO's CERTIFICATION

We Certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and the effectiveness of the internal control systems of the Company.

DECLARATION OF COMPLIANCE OF CODE OF BUSINESS CONDUCT AND ETHICS

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

Udyogamandal
Date: 19-08-2015

Sd/-
Jaiveer Srivastava
CHAIRMAN AND MANAGING DIRECTOR
DIN01858412



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

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SVJS & Associates
Company Secretaries
Kochi, Ernakulam.

ANNEXURE-I

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2015

[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 M/s. 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 31.03.2015 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 31.03.2015 according to the provisions of,

- (i) The Companies Act, 2013 (the Act) and the Companies Act, 1956 (to the extent applicable) 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, 1992;
- 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;

(v) As informed to us, the following other laws are specifically applicable to the Company.

1. Industries (Development and Regulation) Act, 1951 and the Regulations and Bye-laws framed thereunder;
2. The Air (Prevention and Control of Pollution) Act, 1981;
3. The Water (Prevention and Control of Pollution) Act 1974;
4. The Environment (Protection) Act, 1986;
5. The Factories Act, 1948;
6. The Boilers Act, 1923 and the Regulations and Bye-laws framed thereunder;
7. The Industrial Employment (Standing Orders) Act, 1946;
8. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
9. The Central Vigilance Commission Act, 2003 and the Regulations and Bye-laws framed thereunder;
10. The Sick Industrial Companies (Special Provisions) Act, 1985, We have also examined compliance with the applicable clauses of the following:

(i) The Listing Agreement entered into by the Company with National Stock Exchange Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above subject to the following observations:

1. The Company has not appointed Woman Director and Independent Directors pursuant to Section 149 of the Companies Act, 2013 and clause 49 of the Listing Agreement;
2. The Company has constituted a Corporate Social Responsibility (CSR) Committee; however,



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composition of the Committee lacks Independent Directors as per Section 135 of the Act;

3. *The Audit Committee of the Company is not duly constituted pursuant to section 177 of the Act read with clause 49 of the listing agreement.*
4. *The Nomination and Remuneration Committee is not duly constituted pursuant to section 178 of the Act read with clause 49 of the listing agreement.*

We further report that

The Board of Directors of the Company is not duly constituted and the Board does not have an optimum combination of Executive, Non-Executive, Independent Directors and Women Director as contemplated under Clause 49 of the Listing Agreement. 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.

Adequate notice is 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
CS Vincent P. D.
Partner
CP No: 7940
FCS: 3067

Kochi
12-08-2015

'Annexure A'

To,
The Members,
THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

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. Wherever 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 2015 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, especially since the financial year ended 31st March 2015 was the first full financial year in which the Companies Act, 2013 has become operational.

For SVJS & Associates
Company Secretaries
CS Vincent P. D.
Partner
CP No: 7940
FCS: 3067

Kochi
12-08-2015



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office: Eloor, Udyogamandal, Kochi, Kerala

ANNEXURE TO DIRECTORS' REPORT

Comments/Reply on observation/coments of Secretarial Auditor

ANNEXURE-II

Comments/Observations	Reply
<p>1. The Company has not appointed Woman Director and Independent Directors pursuant to Section 149 of the Companies Act, 2013 and Listing Agreement.</p> <p>2. The Company has constituted a Corporate Social Responsibility (CSR) Committee; However, composition of the Committee lacks Independent Directors as per Section 135 of the Act;</p> <p>3. The Audit Committee of the Company is not duly constituted pursuant to Section 177 of the Act read with Clause 49 of the Listing Agreement.</p> <p>4. The nomination and remuneration Committee is not duly constituted pursuant to Section 178 of the Act read with Clause 49 of the Listing Agreement.</p> <p>The Board of Directors of the company is not duly constituted and the Board does not have an optimum combination of Executive, Non-executive, independent Directors and woman Director as contemplated under Clause 49 of the Listing Agreement.</p>	<p>FACT is a Central Public sector Undertaking. As per the Articles of Association of the Company, Government of India is the competent authority to appoint Directors on the Board of Directors of FACT.</p> <p>The Company has requested the Government of India to nominate non-official part-time Directors including Woman Director on the Board of FACT.</p> <p>Once the Company receive notification on appointment of part-time Directors on the Board of FACT, the Company shall comply with the provisions of Section 135, 149, 177 and 178 of the Companies Act 2013 and Clause 49 of the Listing Agreement.</p>



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

ANNEXURE-III

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 sick and 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 finalizing its CSR policy.

2. Composition of CSR Committee:

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

Shri Jaiveer Srivastava, C&MD
Shri P.Muthusamy, Director (Finance)
Shri V.K.Anil, Director (Technical)

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 2014-15

Total amount spent for the financial year : Not applicable

(1) Sl.No.	(2) CSR Project or activity identified	(3) Sector in which the Project is covered	(4) Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	(7) Cumulative expenditure up to the reporting period	(8) 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.

Jaiveer Srivastava
Chairman & Managing Director

P.Muthusamy
Director (Finance)

V.K.Anil
Director (Technical)



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Form No.MGT-9

ANNEXURE-IV

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2015

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

I REGISTRATION AND OTHER DETAILS

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

II PRINCIPAL 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/ Services	% to total turnover of the company
1	Complex Fertilizers	31052000	82
2	Ammonium Sulphate	31022100	10

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl.No.	Name & 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)



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IV SHAREHOLDING PATTERN (Equity Share Capital Break-up as Percentage of total Equity)

i) Category wise Share Holding

Category of share holders	No. of shares held at the beginning of the year			% of Total shares	No. of shares held at the end of the year			% of total shares	% change during the year
	Demat	Physical	Total		Demat	Physical	Total		
A. Promoters									
(1) Indian									
a) Individual/HUF									
b) Central Government	582364776	0	582364776	90	582364776	0	582364776	90	0
c) State Government(s)									
d) Bodies Corp.									
e) Bank / FI									
f) Any other									
Sub-total (A)(1):	582364776	0	582364776	90	582364776	0	582364776	90	0
(2) Foreign									
a) NRIs - Individuals									
b) Other individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other									
Sub-total (A)(1):(2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A) = (A)(1) + (A)2	582364776	0	582364776	90	582364776	0	582364776	90	0
B. Publishing Shareholding									
(1) Institutions									
a) Mutual Funds	0								
b) Banks / FI	550	4290	4840	0	550	4290	4840	0	0
c) Central Government	0	0	0	0	0	0	0	0	0
d) State Governments	0	2585000	2585000	0	0	2585000	2585000	1	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	913940	1450	915390	0	913940	1450	915390	0	0
g) FIIS	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital funds"	0	0	0	0	0	0	0	0	0
i) Others special Investment Fund"	55400424	0	55400424	9	55400424	0	55400424	8	0
Sub-total (B)(1):	56314914	2590740	58905654	9	56314914	2590740	58905654	9	0
(2) Non-Institutions									
a) Bodies corp.									
i) Indian	314215	4513	318728	0	475831	4513	480344	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0			0	0	0		
i) Individual Shareholders holding nominal share capital upto Rs.1 lakh "	3320762	432326	3753088	1	3191801	428813	3620614	1	0
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	641033	0	641033	0	619105	0	619105	0	0
c) Others (specify)		0	0			0	0		
Clearing Members	60960	0	60960	0	78502	0	78502	0	0
Hindu Undivided Families	122110	0	122110	0	205256	0	205256	0	0
Non-Resident Indians	905625	0	905625	0	797723	0	797723	0	0
Sub-total (b) (2):	5364705	436839	5801544	1	5368218	433326	5801544	1	0
Total Shareholding of Promoter (B) = (B)(1) + (B) 2	61679619	3027579	64707198	10	61683132	3024066	64707198	10	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	644044395	3027579	647071974	100	644047908	3024066	647071974	100	0



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ii) Shareholding of Promoters

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

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

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	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	Shareholding at the beginning of the year		Shareholding at the End of the year including cumulative	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Special National Investment Fund	55400424	8.56	55400424	8.56
2	The Governor of Kerala	2175000	0.34	2175000	0.34
3	United India Insurance Company Limited	913940	0.14	913940	0.14
4	Ravi Kumar Kowtha	646227	0.10	577421	0.09
5	The Governor of Tamil Nadu	256933	0.04	256933	0.04
6	The Governor of Andhra Pradesh	147600	0.02	147600	0.02
7	Saji Varghese	138348	0.02	138348	0.02
8	Girish Kumar Sharda	54000	0.01	-	-
9	Dhirajlal S.Mehta	50000	0.01	50000	0.01
10	Karvy Stock Broking Ltd	44313	0.01 (purchased during the year-13378)	57691	0.01
11	Udayankumar N.Kothari	-	-	42050	0.01



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office: Eloor, Udyogamandal, Kochi, Kerala

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No	For each of the Directors and KMP	Shareholding at the beginning of the year during the year		Cumulative Shareholding	
		No. of Shares	% of total shares of the Company	No. of Shares of the Company	% of total shares
	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 separation, if separated during the year)	0	0	0	0

V INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the Financial year				
i) Principal amount	8281281732	2827300000	0	11108581732
ii) Interest due but not paid	0	1948523837	0	1948523837
iii) Interest accrued but not due	0	170873861	0	170873861
Total (i+ii+iii)	8281281732	4946697698	0	13227979430
Change in Indebtedness during the financial year				
Addition (interest due but not paid)	0	578708033	0	578708033
Reduction (Principal Amount)	-365594782	0	0	-365594782
Net Change	-365594782	578708033	0	213113251
Indebtedness at the end of the Financial year				
i) Principal amount	7915686950	2827300000	0	10742986950
ii) Interest due but not paid	0	2527231870	0	2527231870
iii) Interest accrued but not due	0	170873861	0	170873861
Total (i+ii+iii)	7915686950	5525405731	0	13441092681

VI REMUNERATION OF DIRECTORS AND KEY AMANAGERIAL PERSONNEL

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

Sl.No	Particulars of Remuneration	Name of MD / WTD / Manager	Total amount
		Shri JAIVEER SRIVASTAVA, CHAIRMAN & MANAGING DIRECTOR	
1	Gross Salary		
	(a) Salary as per provisions contained in Section 17 (1) of the Income-Tax Act, 1961		1925578
	(b) Value of perquisites u/s 17 (2) of Income-Tax Act, 1961		170580
	©Profit in lieu of salary u/s 17 (3) of Income-Tax Act, 1961		230817
2	Stock Option		0
3	Sweat Equity		0
4	Commission		
	- as % of Profit		0
	- others, specify.....		0
5	Others, please specify		0
	Total (A)		2326975
	Ceiling as per the Act		



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

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Sl.No	Particulars of Remuneration	Name of MD / WTD / Manager	Total amount
		Shri P.MUTHUSAMY, DIRECTOR (FINANCE)	
1	Gross Salary		
	(a) Salary as per provisions contained in Section 17 (1) of the Income-Tax Act, 1961		1920952
	(b) Value of perquisites u/s 17 (2) of Income-Tax Act, 1961		122518
	©Profit in lieu of salary u/s 17 (3) of Income-Tax Act, 1961		230175
2	Stock Option		0
3	Sweat Equity		0
4	Commission		
	- as % of Profit		0
	- others, specify.....		0
5	Others, please specify		0
	Total (A)		2273645
	Ceiling as per the Act	NA	

Sl.No	Particulars of Remuneration	Name of MD / WTD / Manager	Total amount
		Shri V.K.ANIL, DIRECTOR (TECHNICAL)	
1	Gross Salary		
	(a) Salary as per provisions contained in Section 17 (1) of the Income-Tax Act, 1961		2175431
	(b) Value of perquisites u/s 17 (2) of Income-Tax Act, 1961		0
	©Profit in lieu of salary u/s 17 (3) of Income-Tax Act, 1961		228502
2	Stock Option		0
3	Sweat Equity		0
4	Commission		
	- as % of Profit		0
	- others, specify.....		0
5	Others, please specify		0
	Total (A)		2403933
	Ceiling as per the Act	NA	

Sl.No	Particulars of Remuneration	Name of MD / WTD / Manager	Total amount
		Shri V.SUBRAMANIAN, DIRECTOR (MARKETING)	
1	Gross Salary		
	(a) Salary as per provisions contained in Section 17 (1) of the Income-Tax Act, 1961		1779800
	(b) Value of perquisites u/s 17 (2) of Income-Tax Act, 1961		156517
	©Profit in lieu of salary u/s 17 (3) of Income-Tax Act, 1961		1545808
2	Stock Option		0
3	Sweat Equity		0
4	Commission		
	- as % of Profit		0
	- others, specify.....		0
5	Others, please specify		0
	Total (A)		3482125
	Ceiling as per the Act	NA	



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

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B. Remuneration to other Directors

Sl.No	Particulars of Remuneration	Name of Directors	Total amount
	3. Independent Directors		
	. Fee for attending Board Committee Meetings		0
	.Commission		0
	.Others, Please specify		0
	Total (1)		0
	4. Other Non-Executive Directors		0
	. Fee for attending Board Committee Meetings		0
	.Commission		0
	.Others, Please specify		0
	Total (2)		0
	Total (B)= (1+2)		0
	Total Managerial Remuneration		0
	Overall ceiling as per the Act		0
			0

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

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			1297486	1297486
	(b) Value of perquisites u/s 17 (2) of Income-Tax Act, 1961			0	0
	©Profit in lieu of salary u/s 17 (3) of Income-Tax Act, 1961			134298	134298
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			1431784	1431784

VII PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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



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 TOWERS, JAWAHAR – MAHATMA ROAD, VYTTILA P.O, COCHIN - 682019
Phone: 0484 – 6002101; 9961333309 Email: vsathishmenon@gmail.com

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

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

To the Members of

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Eloor P.O, Udyogamandal

I have examined all relevant records of **The Fertilisers and Chemicals Travancore Limited** (the Company), for the purpose of certifying compliance of the conditions of Corporate Governance under Clause 49 of the Listing Agreement of the said Company with National Stock Exchange of India Limited for the financial year ended March 31, 2015. 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 procedure and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance.

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

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

COCHIN – 682019
12.08.2015

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 ACCOUNTANTS

Sageeti Business Centre, 11th Floor, Choolackal Building, Opp.Metro Plaza, North Market Road, Ernakulam 682014

Telephone:0484-2398398, 98470 46200, 92872 70400 / Fax : 0474-2746083 / E-mail : kochi@kvco.in

Chennai, Mumbai, Kollam, Adoor, Calicut, Coimbatore

Web: www.kvco.in; Email : mail@kvco.in

INDEPENDENT AUDITOR'S REPORT

To The Members of The Fertilizers And Chemicals Travancore Limited

Report on the Stand alone Financial Statements

We have audited the accompanying standalone financial statements of The Fertilizers And Chemicals Travancore Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, and the Statement of Profit and Loss 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 Stand alone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Company's 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 judgements 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 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 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 standalone 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 31st March 2015, and its loss and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note No. 33 to the financial statements which indicates that the Company has accumulated losses amounting to Rs. 150440.82 Lacs and its net worth has been fully eroded, the Company has incurred a net loss during the current and previous years and the Company's current liabilities exceeded the current assets as at 31st March 2015. In order to continue operation for the next 12 months the Company is dependent upon the approval of the financial Restructuring



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office: Eloor, Udyogamandal, Kochi, Kerala

Proposal, which has been recommended by Board for Reconstruction of Public Sector Enterprises on 20.12.2013 and is awaiting the final approval of Government of India. 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 of the reason stated in the said note.

Our Opinion is not modified in respect of this matter.

Other Matter

We did not audit the financial information of 5 branches included in the standalone financial statements of the Company whose financial information reflect total assets of Rs. 11,262.49 lacs as at 31st March, 2015 and total revenues of Rs. 1,32,152.94 lacs 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 reports 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

- (i) As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Sub Section 143 of the Company's Act 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
- (ii) We are enclosing our report in terms of section 143 (5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the Annexure on the directions and sub-directions issued by the Comptroller and Auditor General of India.
- (iii) 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 reports on the accounts of the branch offices of the Company audited under section 143(8) of the Act by branch auditors have been sent to us and have

been properly dealt with by us in preparing this report.

- d) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- e) In our opinion, the aforesaid standalone financial statement comply with the Accounting Standards notified under Section 133 of the Act read with Rule 7 of the Company's (Accounts) Rules, 2014.
- f) The going concern matter described in sub-paragraph under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- g) On the basis of the written representations received from the Directoros as on 31st March, 2015 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2015 from being appointed as a Director in terms of Section 164(2) of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - 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.

For K. VARGHESE & Co.

Chartered Accountants
(Firm Registration No. 004525S)

Sd/-
K. Varghese
Partner
(Membership No. 020674)

Kochi
29th May 2015



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office: Eloor, Udyogamandal, Kochi, Kerala

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph (1) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

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. However in respect of certain regional offices the records are not showing full particulars of the 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. During the year fixed assets were verified and no material discrepancies were noticed on such verification. In our opinion, this periodicity of verification is reasonable having regard to the size of the Company and the nature of the business.

2. In respect of its inventory:

- a) As explained to us, the inventories have generally been physically verified (except those lying with third parties and in transit) during the year by the management at reasonable intervals.
- b) In our opinion and according to the information and explanation given to us, and taking into consideration the nature of business, we are of the opinion that the procedures of physical verification of the inventories followed by the Management need to be strengthened in relation to the size of the company and the nature of its business.
- c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and records were not material in relation to the operation of the company and the same have been properly dealt with in the books of account.

3. The Company has neither granted nor taken any loans, secured or unsecured to companies, firms 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 internal control system may be strengthened in certain areas at the certain regions to commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and service. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.

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 account maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 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 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 statutory dues were in arrears as at 31st March, 2015 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, service tax excised duty, cess, value added tax, etc. which have not been deposited as on 31st March, 2015, are given below.



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office: Eloor, Udyogamandal, Kochi, Kerala

Name of the Statute Income	Nature of the dues	Amount (Rupees in Lacs)	Period to which dispute relates	Forum where dispute is pending
Income Tax Act, 1961	Tax demand due to disallowances	10.49	1997-98	High Court of Kerala
Income Tax Act, 1961	Additional tax and interest demanded on payments to foreign technicians	78.21	1994-95 to 1997-98	High Court of Kerala
Finance Act, 1994	Tax, penalty and interest demand on service tax	235.98	2003-04 to 2008-09	Customs, Excise and Service Tax Appellate Tribunal, Bangalore
Finance Act, 1994	Tax, penalty and interest demanded, disputed by the Company	86.11	2006-07 to 2011-12	Commissioner of central excise, kochi
Central Excise Act, 1944	Duty ,penalty and with interest demand disputed by company. Cenvat utilised for fertiliser clearances	6273.02	2010-11 to 2011-12	Customs, Excise and Service Tax Appellate Tribunal, Bangalore
Central Excise Act, 1944	Duty with interest and penalty on shortages written off	79.94	2003-04	Commissioner of central excise, kochi
Central Excise Act, 1944	Duty with interest and penalty on Cenvat availment	5.53	2006-11	Commissioner of central excise, kochi
Madhya Pradesh Entry Tax	Entry tax demand	3.67	1980-84	Board of Revenue (Commercial Tax Tribunal), Gwalior, Madhya Pradesh
Sales Tax Act, Orissa	Sales tax demand	63.00	1985-92	High Court of Orissa
Sales Tax and Central Sales Tax Act, Punjab	Sales tax demand	30.84	2000-01	High Court of Punjab and Haryana

- c. According to the information and explanations given to us, the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under has been transferred to such fund within time.
8. The accumulated losses of the company as at 31st march, 2015 are more than One Hundred percentage of its net worth and it has incurred cash losses during the year and in the immediately preceding financial year and provisions of the Sick Industrial Companies (Special Provisions Act), 1985 is applicable.
9. 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 dues to Financial Institutions / Banks.
10. In our opinion and according to the information and explanations given to us, the company has given guarantee for the Loan taken by FACT- RCF Building Products Limited from Banks, to the extent of Rs. 3546.50 Lacs. According to the information and explanation given t o

us, we are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interest of the company.

11. In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purpose f o r which they were obtained.
12. To the best of our knowledge and according to the information and explanations given to us, no material fraud on or by the company has been noticed or reported during the year

For K. VARGHESE & Co.
Chartered Accountants
 (Firm Registration No. 004525S)
 Sd/-
K. Varghese
 Partner
 (Membership No. 020674)

KOCHI
 29th May 2015



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office: Eloor, Udyogamandal, Kochi, Kerala

**SUPPLEMENTARY AUDIT REPORT ON THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2015
AS PER DIRECTIONS OF C&AG UNDER SECTION 143(5) OF THE COMPANIES ACT,
2013 (619(3)(a) OF THE COMPANIES ACT, 1956)
AS REQUIRED CAG OFFICE LETTER NO. 964/CAIV/6-2012/Vol.III 06 DECEMBER 2013.**

Sl.No.	C&AG Directions	Comments of Statutory Auditor								
1.	If the Company has been selected for disinvestments, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liabilities (including Committed & General Reserves) may be examined including the mode and present stage of disinvestments process	The Company is not selected for disinvestments. Hence the direction is not applicable.								
2.	Please report whether there are any cases of waiver/write off of debts/loans/interest, etc. If yes, the reasons there for and the amount involved	We have informed that there have been no cases of waiver of debts/loans/interest								
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other Authorities	According to the information and explanations given to us, there are no inventories lying with third parties. No gift of assts was received from Government or other Agencies. However, there are goods in transit.								
4.	A report on age-wise analysis of pending legal/arbitration cases including the reasons of pendency and existence/effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.	<p>As per the information and explanations given to us, the total number of pending legal/arbitration cases as on 31.03.2015 is 270. Age wise pending cases are as under:</p> <table><tr><td>a) Cases filed upto 2000</td><td>25</td></tr><tr><td>b) Cases filed during 2001-2005</td><td>35</td></tr><tr><td>c) Cases filed during 2006-2014</td><td>155</td></tr><tr><td>d) Cases filed during 2014-2015</td><td>55</td></tr></table> <p>The reason for pendency of cases is delay of proceedings in the Court/Arbitration.</p> <p>As informed to us the Company is paying fees to the legal consultants and Counsel appearing before the Court, based on the effective appearance of the case and the amounts claimed are reasonable.</p>	a) Cases filed upto 2000	25	b) Cases filed during 2001-2005	35	c) Cases filed during 2006-2014	155	d) Cases filed during 2014-2015	55
a) Cases filed upto 2000	25									
b) Cases filed during 2001-2005	35									
c) Cases filed during 2006-2014	155									
d) Cases filed during 2014-2015	55									



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

Dated: July 30, 2015

No. PDCA/CA-I/FACT/4-197/2015-16/72

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

Sir,
Sub: Comments of the Comptroller and Auditor General of India under Section 143(6) (b) of the Companies Act, 2013 on the accounts of
The Fertilisers and Chemicals Travancore Limited, Udyogamandal for the year ended 31 March 2015.

I forward herewith the Comments of the Comptroller and Auditor General of India under Section 143(6) (b) of the Companies Act, 2013 on the
accounts of The Fertilisers and Chemicals Travancore Limited, Udyogamandal for the year ended 31 March 2015.

Receipt of this letter may kindly be acknowledged.

Yours faithfully,
Sd/-

(G.SUDHARMINI)

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

Encl: Nil Comment Certificate

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE
COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENT OF THE FERTILISERS AND CHEMICALS
TRAVANCORE LIMITED, UDYOGAMANDAL FOR THE YEAR ENDED 31 MARCH 2015**

The preparation of financial statements of THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED, UDYOGAMANDAL for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 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 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 29.05.2015.

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, Udyogamandal** for the year ended 31 March 2015. 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 Auditor and company personnel and a selective examination of some of the accounting records. On the basis of my audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report.

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, CHENNAI

Place: Chennai
Date: July 30, 2015



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office: Eloor, Udyogamandal, Kochi, Kerala

Balance Sheet as at 31.03.2015

₹ in Lakh

	Particulars	Note No.	Figures as at 31.03.2015	Figures as at 31.03.2014
	1	2	3	4
I.	EQUITY AND LIABILITIES			
(1)	Shareholders' funds			
	(a) Share capital	1	64707.20	64707.20
	(b) Reserves and Surplus	2	(150374.40)	(110380.96)
(2)	Non-current liabilities			
	(a) Long-term borrowings	3	16148.50	18975.80
	(b) Long-term provisions	4	21221.33	19530.19
(3)	Current liabilities			
	(a) Short-term borrowings	5	79156.87	82812.82
	(b) Trade payables	6	72338.44	52957.75
	(c) Other current liabilities	7	55311.92	53949.80
	(d) Short-term provisions	8	4588.15	5648.58
	TOTAL		163098.01	188201.18
II.	ASSETS			
(1)	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	9	28180.31	27466.16
	(ii) Intangible assets	9	-	140.20
	(iii) Capital work-in-progress	10	2486.20	2383.07
	(b) Non-current investments	11	366.55	2135.55
	(c) Deferred tax assets (net)	12	-	-
	(d) Long-term loans and advances	13	232.47	351.61
	(e) Other non-current assets	14	0.43	1518.42
(2)	Current assets			
	(a) Inventories	15	55132.75	62087.95
	(b) Trade receivables	16	1021.41	1147.42
	(c) Cash and Bank balances	17	8838.71	7737.34
	(d) Short-term loans and advances	18	14824.13	14453.17
	(e) Other current assets	19	52015.05	68780.29
	TOTAL		163098.01	188201.18
	Significant Accounting Policies	A		
	Notes forming part of the Financial Statements	1 to 39		

In terms of our report attached.

Sd/-

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

Sd/-

K.Varghese
Partner
Membership No.020674

Place : Udyogamandal
Date : 29-05-2015

On behalf of the Board

Sd/-

P. Muthusamy
Director (Finance) & CFO

Sd/-

K.V. Balakrishnan Nair
Secretary

Sd/-

Jaiveer Srivastava
Chairman & Managing Director



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office: Eloor, Udyogamandal, Kochi, Kerala

Statement of Profit and Loss for the year ended 31.03.2015

₹ in Lakh

	Particulars	Note No.	Figures for the year ended 31.03.2015	Figures for the year ended 31.03.2014
I.	Revenue from operations	20	197878.70	220938.13
II.	Other income	21	1854.66	1400.67
III.	Total revenue (I+II)		199733.36	222338.80
IV.	Expenses			
	(a) Cost of materials consumed	22	139440.49	152489.68
	(b) Purchases of stock-in-trade	23	6928.04	6729.86
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade.	24	(58.96)	(3367.69)
	(d) Employee benefits expense	25	26277.84	25754.22
	(e) Finance costs	26	19628.69	19183.05
	(f) Depreciation and amortization expense	9	2020.65	4525.69
	(g) Other expenses	27	43081.11	53926.48
	Total expenses		237317.86	259241.29
V.	Profit / (Loss) before exceptional and extraordinary items and tax (III-IV)		(37584.50)	(36902.49)
VI.	Exceptional items	28	2406.29	(10406.86)
VII.	Profit/(Loss) before extraordinary items and tax (V-VI)		(39990.79)	(26495.63)
VIII.	Extraordinary items		-	-
IX.	Profit /(Loss) before tax (VII-VIII)		(39990.79)	(26495.63)
X.	Tax expense			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
XI.	Profit /(Loss) for the year (IX-X)		(39990.79)	(26495.63)
XII.	Earnings per equity share of ₹10 each			
	(1) Basic - ₹		(6.18)	(4.09)
	(2) Diluted - ₹		(6.18)	(4.09)
	Significant Accounting Policies	A		
	Notes forming part of Financial Statements	1 to 39		

In terms of our report attached.

Sd/-

For K. Varghese & Co.

Chartered Accountants

Firm Registration No. 004525S

Sd/-

K.Varghese

Partner

Membership No.020674

Place : Udyogamandal

Date : 29-05-2015

On behalf of the Board

Sd/-

P. Muthusamy

Director (Finance) & CFO

Sd/-

K.V. Balakrishnan Nair

Secretary

Sd/-

Jaiveer Srivastava

Chairman & Managing Director



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office: Eloor, Udyogamandal, Kochi, Kerala

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2015

₹ in Lakh

Particulars	For the year ended 31.03.2015	For the year ended 31.03.2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (Loss) before exceptional & extraordinary Items and Tax	(37584.50)	(36902.49)
Adjustments for:		
Depreciation	1948.37	4613.86
Provision for impairment of fixed assets	72.28	(83.31)
Amount written back from deferred Government Grants	(2.65)	(3.29)
Provision for obsolescence/Bad and doubtful receivables(Net)	2393.49	590.30
Provision for employee benefits	2340.33	2438.51
Income from Investments	(8.10)	(8.10)
Other non-cash Expenses/(Income)	(1696.51)	-
(Profit)/Loss on sale of assets (Net)	64.55	(0.07)
Finance cost	19628.69	19183.05
Operating Profit/ (Loss) before Working Capital changes	(12844.05)	(10171.54)
Changes on Working Capital		
Adjustments for (increase)/decrease in operating assets		
Inventories	6694.69	5783.40
Trade receivables	(89.44)	(333.11)
Short-term loans and advances	(1615.21)	(359.28)
Other current assets	7932.56	(21179.79)
Long-term loans and advances	(17.07)	1.65
Other non current assets	(0.01)	346.44
Adjustments for increase/(decrease) in operating liabilities		
Trade payables	19380.69	20783.98
Other current liabilities & provisions	(1119.04)	830.22
Cash generated from Operations	18323.12	(4298.03)
Direct Taxes	-	-
Cash Flow before Exceptional / Extraordinary items	18323.12	(4298.03)
Exceptional Items- income/ (expense)	880.71	10406.86
(Other than 'provision for diminution in value', being non-cash expense)	-	-
Extraordinary Items	-	-
Net Cash from Operating Activities - A	19203.83	6108.83
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on Fixed Assets including capital advances	(940.17)	(4409.98)
Proceeds from sale of Fixed Assets	10.63	0.24
Dividend received	8.10	8.10
Purchase/proceeds from sale of Investments(Net)	-	(633.68)
Net cash from/(used in) Investing Activities - B	(921.44)	(5035.32)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings (Net)	-	-
Proceeds from Short Term Borrowings (Net)	(3655.95)	11950.98
Interest paid	(13841.61)	(13906.39)
Forward exchange contracts with Banks (Net)	(511.21)	384.55
Net cash from/ (used in) Financing Activities - C	(18008.77)	(1570.86)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	273.62	(497.35)
CASH AND CASH EQUIVALENTS		
AS AT 01.04.2014 (Opening Balance)	205.47	702.82
AS AT 31.03.2015 (Closing Balance)	479.09	205.47
CASH AND CASH EQUIVALENTS	As at 31.03.2015	As at 31.03.2014
Cash on hand	4.59	3.37
Balances with banks	460.27	184.03
Cheques , drafts on hand	3.03	7.19
Current Account with banks for unpaid interest warrants*	0.69	0.69
With Post Office/Treasury Savings Account	10.51	10.19
TOTAL	479.09	205.47

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

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

In terms of our report attached.

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

Sd/-
K.Varghese
Partner
Membership No.020674

Place : Udyogamandal
Date : 29-05-2015

On behalf of the Board
Sd/-
P. Muthusamy
Director (Finance) & CFO

Sd/-
K.V. Balakrishnan Nair
Secretary

Sd/-
Jaiveer Srivastava
Chairman & Managing Director



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 for change in the accounting policy for depreciation.

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 Rs.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 amortised over a period of 5 years.

VI Inventory Valuation:

- a) Raw materials and stores and spares are valued at or below



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office: Eloor, Udyogamandal, Kochi, Kerala

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

- b) Materials in process are not valued consistently.
- c) Finished/Trading products are valued at lower of cost or net realizable value in the aggregate, productwise. Intermediate products are valued at lower of cost or net realizable value derived from finished products and saleable by-product at realizable value. Cost of Finished / semi-finished / intermediate products are determined based on annual average cost excluding interest and head office and administrative overheads. Cost of finished goods in warehouse includes freight and handling charges.
- d) Materials in transit / under inspection are valued at cost.

VII Commitments:

Capital

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

Other Commitments

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

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

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 leave encashment. The cost of providing such defined benefits is determined using the projected unit credit method



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office: Eloor, Udyogamandal, Kochi, Kerala

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:

- Government grants in the nature of promoters' contribution are credited to Capital reserve and treated as part of Shareholders funds.
- In case of depreciable assets, the cost of the asset is shown at gross value and grant thereon is treated as Capital Grants which are recognized as income in the statement of Profit and Loss over the period and in the proportion in which depreciation is charged.
- Revenue grants relating to revenue expenses are deducted from the respective expenses.
- In respect of revenue grants released by Government, the treatments in the accounts are considered as per the respective schemes notified by the Government. Other revenue grants relating to revenue expenses are considered as income and credited to statement of Profit and Loss.

XV Taxes:

- Provision for current tax is made in accordance with the provisions of the Income Tax Act, 1961.
- Deferred tax on account of timing difference between taxable income and accounting income is provided considering the tax rates and tax laws enacted or substantively enacted by the Balance Sheet date.
- Deferred tax assets are not recognized unless, in the management judgment there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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.

- Revenue and expenses have been identified to segments on

the basis of their relationship to the operating activities of the segment. Revenue and expenses which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis have been included under unallocable corporate expenses.

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

XVIII Contract Operation:

- In contract operations revenue is recognized on percentage of completion method. The stage of completion is ascertained on the basis of physical evaluation of respective contract activity on the reporting date.
- Foreseeable losses on contract activities are recognized fully irrespective of the progress of work.
- In the case of Total responsibility jobs/Deposit work/Cost plus contracts, contract revenue is determined by adding the aggregate cost plus fixed percentage fees there on as agreed with the Customer.

XIX Prior Period Adjustments:

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

XX Provisions, Contingent Liabilities and Contingent Assets:

- Provision is recognised in the accounts when there is a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.
- Contingent liabilities are disclosed unless the possibility of outflow of resources is remote. Show Cause notices issued by various Government Authorities are not considered as Obligation. When the demand notices are raised against such show cause notices and are disputed by the company, these are classified as disputed obligations.
- The treatment in respect of disputed obligations, in each case, is as under:
 - a provision is recognized in respect of present obligations where the outflow of resources is probable.
 - all other cases are disclosed as contingent liabilities unless the Possibility of outflow of resources is remote.
- Contingent assets are neither recognised 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 31.03.2015		As at 31.03.2014	
1	Share capital				
a.	Authorised: 100,00,00,000 (Previous year 100,00,00,000) Equity Shares of ₹10/-each		100000.00		100000.00
b.	Issued, Subscribed and fully Paid up: 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:				
	Particulars	% of holding	No. of shares held	% of holding	No. of shares held
	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
	I. 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 31.03.2015		As at 31.03.2014	
2	Reserves and Surplus				
a.	Capital Reserves:				
	Subsidy from Kerala State Government under Industrial Housing Scheme		2.64		2.64
b.	Other Reserves:				
	Deferred Government Grant :				
	Indo EEC Fertiliser Education Project				
	Opening balance	59.97		62.31	
	Less: Amount written off during current year	1.70		2.34	
	Closing balance		58.27		59.97
	Bio-Fertiliser Project				
	Opening balance	6.46		7.41	
	Less: Amount written off during current year	0.95		0.95	
	Closing balance		5.51		6.46
c.	Surplus/ (Deficit) in statement of Profit & Loss:				
	Opening balance	(110450.03)		(83954.40)	
	Add :Profit/ (Loss) during the year	(39990.79)		(26495.63)	
	Closing balance		(150440.82)		(110450.03)
			(150374.40)		(110380.96)
3	Long-term borrowings (Unsecured)				
	Term loans				
	From Government of India (Refer Note 3.1)		16148.50	18975.80	
			16148.50	18975.80	
3.1	Repayable in 10 equal yearly instalments after 2 year's moratorium.Defaulted payments are ₹9297.20 lakh (Previous year ₹6469.90 lakh) towards principal from the year 2008-09 and interest (@ 11.50% / 12.50% p.a) ₹25272.32 lakh (Previous year 19485.24 lakh) from 2006-07. Defaulted amounts along with instalments due during the succeeding year has been shown under other current liabilities (Refer Note No.7).				
4	Long-term provisions				
	Provision for employee benefits (Refer Note 25.4)				
	(i) Provision for gratuity		10982.65		11239.95
	(ii) Provision for leave encashment		10238.68		8290.24
			21221.33		19530.19
5	Short-term borrowings				
	Secured:-				
	Loans repayable on demand				
	From Banks (Refer Note 5.1)				
	Cash credit				73410.21
	Libor Linked Buyers Credit		79156.87		9402.61
			79156.87		82812.82



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office: Eloor, Udyogamandal, Kochi, Kerala

NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ in Lakh

No.	Particulars	As at 31.03.2015	As at 31.03.2014
5.1	Secured by (a) Hypothecation of current / movable assets viz. stock of raw materials, trade receivables, stores and spares, semi-finished goods, finished goods, receivables etc. (b) First charge on 533.608 acres of land (Previous year 533.608 acres) and buildings in the States of Kerala, Tamilnadu and Karnataka (c) First charge on certain Plant and Machinery permanently attached to the above land. Rate of interest varies from 13.90 % to 15% p.a (Previous year from 13.95 % to 15 % p.a). Cash credit is repayable on demand (Previous year- On demand) and buyers credit (Previous year- three to six months).		
6	Trade payables		
	(i) Acceptances	37136.98	22268.73
	(ii) Other than Acceptances	35201.46	30689.02
		72338.44	52957.75
6.1	Trade payables include ₹43.68 lakh (Previous year ₹75.72 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 ₹13.23 lakh (Previous year ₹4.32 lakh)		
6.2	The amount unpaid towards vendors under the Micro, Small and Medium Enterprises Development Act 2006 is ₹62.56 lakh (Previous year ₹76.98 lakh) and interest thereon works out to ₹1.36 lakh (Previous year ₹0.57 lakh)		
7	Other current liabilities		
	Current maturities of long-term debt		
	Term loan from the Government of India (Refer Note no.3.1)	12124.50	9297.20
	Interest accrued but not due on borrowings		
	Term loan from the Government of India	1708.74	1708.74
	Interest accrued and due on borrowings		
	Term loan from the Government of India	25272.32	19485.24
	Unclaimed matured fixed deposit and interest thereon	0.49	0.49
	Income received in advance	124.22	43.68
	Other payables		
	Dues to banks on Forward Exchange contracts	2909.30	10752.16
	Dues to employees	52.51	8.25
	Dues to customers	6851.24	6964.65
	Statutory dues	1125.24	1282.18
	Other liabilities	5143.36	4407.21
		55311.92	53949.80
8	Short-term provisions		
	Provision for employee benefits (Refer Note 25.4)		
	(i) Provision for gratuity	597.85	1494.18
	(ii) Provision for leave encashment	1158.38	1107.04
	Others		
	Excise duty on closing stock	2831.92	3047.36
		4588.15	5648.58

NOTES FORMING PART OF FINANCIAL STATEMENTS

9. FIXED ASSETS - TANGIBLE ASSETS & INTANGIBLE ASSETS:

3. FIXED ASSETS - TANGIBLE ASSETS & INTANGIBLE ASSETS:													₹ in lakh
GROSS BLOCK (AT COST)					DEPRECIATION					IMPAIRMENT LOSS	NET BLOCK		
	As at 01.04.2014	Additions during the year	Disposals/ Deductions during the year	Adjustments during the year	As at 31.03.2015	Up to 31.03.2014	For the year	On Disposals/ Deductions during the year	On adjustments during the year	Up to 31.03.2015	Up to 31.3.2014	As at 31.3.2014	As at 31.3.2014
Tangible assets													
Land	1736.30	-	(0.01)	(6.83)	1729.46	-	-	-	-	-	-	1729.46	1736.30
Buildings	6685.22	-	(0.04)	(7.37)	6677.81	5293.45	45.83	(0.04)	-	5339.24	9.15	1330.62	1382.62
Plant and Equipment	130744.65	775.20	(605.96)	1537.83	132451.72	106988.34	1546.65	(555.51)	(231.79)	107747.69	440.81	24189.74	23315.50
Furniture and Fixtures	489.54	2.80	(15.70)	-	476.64	455.67	1.50	(14.92)	-	442.25	-	34.39	33.87
Vehicles	509.92	-	(53.40)	(38.47)	417.05	413.86	12.49	(50.73)	(37.50)	338.12	-	78.93	96.06
Office equipment	1940.95	70.28	(793.26)	(1.76)	1216.21	1718.14	85.62	(752.59)	(1.87)	1049.50	-	166.71	222.81
Others:-													
Roads & Culverts	1425.08	-	(0.01)	-	1425.07	974.72	76.72	0.01	-	1051.45	-	373.62	450.36
Railway Sidings	312.32	-	-	-	312.32	296.71	-	-	-	296.71	-	15.61	15.61
Misc. Assets	673.28	86.28	(4.05)	-	755.51	524.59	35.98	(3.85)	-	556.72	-	198.79	148.89
Minor Assets	181.79	1.68	(9.11)	-	174.36	181.79	1.68	(9.11)	-	174.36	-	-	-
Total (A)	144699.05	936.24	(1481.54)	1482.40	145636.15	116647.27	1806.47	(1386.74)	(270.96)	116966.04	449.96	28117.87	27401.82
Indo EEC project:-													
Land	20.91	-	-	-	20.91	-	-	-	-	-	-	20.91	20.91
Buildings	133.27	-	-	-	133.27	91.48	0.94	-	-	92.42	-	40.85	41.79
Plant & Equipment	13.88	-	(3.14)	-	10.74	12.43	0.76	(2.99)	-	10.20	-	0.54	1.45
Furniture & Fixtures	1.96	-	(0.96)	-	1.00	1.86	-	0.91	-	0.95	-	0.05	0.10
Office equipment	1.64	-	-	-	1.64	1.55	-	-	-	1.55	-	0.09	0.09
Total (B)	171.66	-	(4.10)	-	167.56	107.32	1.70	(3.90)	-	105.12	-	62.44	64.34
Tangible assets Total (A+B)	144870.71	936.24	(1485.64)	1482.40	145803.71	116954.59	1808.17	(1390.64)	(270.96)	117101.16	449.96	28180.31	27466.16
Intangible Asset:-													
Computer Software	1054.01	-	-	-	1054.01	913.81	140.20	-	-	1054.01	-	-	140.20
Total (C)	1054.01	-	-	-	1054.01	913.81	140.20	-	-	1054.01	-	-	140.20
Grand Total (A+B+C)	145924.72	936.24	(1485.64)	1482.40	146857.72	117868.40	1948.37	(1390.64)	(270.96)	118155.17	449.96	28180.31	27606.36
Previous year	138126.71	7801.23	(3.23)	0.01	145924.72	113257.60	4609.00	(3.06)	4.86	117868.40	533.27	27606.36	24335.84
				2014-15	2013-14								
Depreciation for the year : (D)				1948.37	4609.00								
Impairment loss provided/(withdrawn) during the year/(Net) : (E)				72.28	(83.31)								
Amount charged to Profit & Loss Statement: (D)+ (E)				2020.65	4525.69								
				2014-15	2013-14								
				118155.17	117868.40	Cumulative Depreciation up to the year : (F)							
				522.24	449.96	Cumulative Impairment loss : (G)							
				118677.41	118318.36	Amount deducted from Gross Block: (F)+(G)							

Effective from 1st April, 2014, the Company has revised the useful life of the fixed assets to comply with the useful life as per the Schedule II of the Companies Act, 2013. Consequently to this, the depreciation expense and net loss for the year has been lower by ₹27,67,59 lakhs.

2) The current year depreciation of ₹1948.37 lakhs includes ₹149.02 lakhs, towards carrying cost of the assets (after retaining the residual value) charged off to the Statement of Profit and Loss, where the remaining useful life of an asset is Nil as on 01.04.2014, as per the transitional provisions contained in the Schedule II of the Companies Act, 2013.

3.3) 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 14.28 acres (Previous year 14.26 acres) of leasehold land belonging to Carpin Port Trust is pending execution.

9.4) Land for ₹510.58 lakh (Previous year ₹517.41 lakh) in respect of which the title deeds are yet to be registered/ received. Certain land owners have since preferred extra compensation claims which are pending before Courts. The liability on this account is not ascertainable. Interest and legal expenses incurred on land acquisition cases are charged to Statement of Profit and Loss of the year.

5) As per the Joint Venture agreement with M/s Rashmiya 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.

6) 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 Udyogmandal / Corbin Division, 2.40 acres of land and Right of Use of 0.33 acres for laying pipe lines for a period of 35 years for an upfront premium of ₹479 lakh and an yearly license fee of ₹100/. Leave and license agreement is pending execution.

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

9.8) The cost of license fee and implementation of SAP ERP system software has been capitalised during the year 2009-10 as Intangible Asset and depreciated proportionately over a period of five years ending 31.03.2015.

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.

9.10) During 2013-14, Company has given 4,058 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 for a consideration of ₹2.98 cr.

9.11) During 2014-15, Company has given 2,5845 hectares of land to Bharat Petroleum Corporation Limited on leave and license basis for a period of 1 year from 04.11.2014 to 03.11.2015 for a consideration of ₹1.94 cr.

9.12) 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 ₹55.30 lakh and accumulated depreciation ₹50.64 lakh, with net value of ₹4.66 lakh.

original cost ₹ 30.00 lakh and accumulated depreciation ₹ 50.04 lakh, with net value of ₹ 2.06 lakh.

9.14) The disposals/ deductions for the year includes adjustments made, as per the physical verification of Fixed assets carried out in the Financial year 2014-15



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₹ in Lakh

No.	Particulars	As at 31.03.2015		As at 31.03.2014	
10	A.Capital work-in-progress				
	Work-in-progress		2222.02		1822.24
	Goods in transit/ Material pending inspection		264.18		560.83
			2486.20		2383.07
11	Non-Current investments				
	Investments in Equity instruments				
	Trade Investments (At cost)-Unquoted				
	In joint venture				
(i)	3,28,70,000 (Previous year 1,76,90,000) Equity Shares of ₹10/- each in FACT-RCF Building Products Ltd		3287.00		1769.00
	Less: Provision for diminution in the value of investment		(3287.00)		-
					1769.00
	In Others				
(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)	5 (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
	Aggregate of unquoted non-current investments		366.55		2135.55
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, including ' Nil (Previous Year ₹1518 lakh) towards share application money pending allotment.Other details are:- Name : FACT-RCF Building Products Ltd. Country of incorporation : India Ownership interest : 50% (31.03.2015) The Company's share in assets, liabilities, income, expenses , contingent liabilities and capital commitments of Joint venture				
		Un-Audited figure		Audited figure	
	1.Assets	As at 31.03.2015		As at 31.03.2014	
	Non-current assets	5119.73		5687.74	
	Current assets	230.06		313.95	
	2.Liabilities				
	Non-current liabilities	4024.99		4087.28	
	Current Liabilities & Provisions	667.66		136.15	
	3.Income	136.98		100.70	
	4.Expenses	1330.14		976.26	
	5.Contingent Liability	707.70		236.79	
	6.Capital commitments	232.76		206.30	
11.2	Related party disclosure on Joint Ventures (Accounting Standard 18) List of related party FACT-RCF Building Products Ltd. (Joint Venture) Transactions with related parties: Share application money paid during the year Nil (Previous year ₹633.68 lakh) Expenditure incurred during the year on employees deputed: ₹91.24 lakh (Previous year ₹105.09 lakh) Sale of goods and stores during the year: ₹42.42 lakh (Previous year ₹26.45 lakh) Supply of services and others during the year : Nil (Previous year ₹5.05 lakh) Guarantees given to Joint Venture as on 31.03.2015: ₹3546.50 lakh(Previous year ₹3546.50 lakh) Advance towards share capital pending allotment as on 31st March 2015 : ₹Nil (Previous year ₹1518.00 lakh) Receivables as on 31st March 2015: ₹797.44 lakh (Previous year ₹681.41 lakh)				



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₹ in Lakh

No.	Particulars	As at 31.03.2015	As at 31.03.2014
12	Deferred tax assets (net) The Company has deferred tax asset of ₹143111 lakh (Previous year ₹105036 lakh) as on 31.03.2015 because of unabsorbed depreciation and accumulated losses. The deferred tax liability as on 31.03.2015 is ₹15874 lakh (Previous year ₹13764 lakh). Since there is net deferred tax asset as on 31.03.2015, 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 ₹39316 lakh.(Previous year ₹28203 lakh)		
13	Long-term loans and advances (Unsecured considered good)		
a.	Capital advances	7.70	143.91
b.	Advance to employees	13.13	14.53
c.	Advance Income tax (net of Provision for Income tax)	59.27	59.27
d.	Income tax deducted at source	152.37	133.90
		232.47	351.61
13.1	Capital advance to vendors include amount paid for items supplied but rejected by the Company pending settlement ₹7.44 lakh (Previous year ₹12.51 lakh)		
13.2	Advance to employees include ₹14.43 lakh (Previous year ₹14.54 lakh) towards festival advance paid during 1996-97, and is being recovered at the time of sepration from company's service.		
14	Other non-current assets		
	Share application money pending allotment (Refer Note 11.1& 11.2)	-	1518.00
	Others	0.43	0.42
		0.43	1518.42
15	Inventories (As taken, valued and certified by the Management. Mode of valuation explained in Note No. A (VI)-Significant Accounting Policies)		
	Raw Materials	7243.43	11669.88
	Work-in-progress (Refer Note No.15.5)	5451.97	3955.69
	Finished Goods	29574.12	31114.96
	Stock-in-trade (in respect of goods acquired for trading)	234.61	131.09
	Stores and Spares		
	Machinery Spares	11751.34	11227.30
	General Stores	3869.07	5939.48
	Retired Spares	453.50	453.50
		16073.91	17620.28
	Less: Provision towards obsolescence and storage losses (Refer Note No.15.2 & 15.3)	3591.54	3331.03
		12482.37	14289.25
	Stores & Spares-in -transit	146.25	927.08
		55132.75	62087.95
15.1	Finished Goods includes 37.51 lakh MT (Previous year 37.74 lakh MT) of Gypsum (out of 38.43 lakh MT stock on hand as on 31.03.2015) (Previous year 38.83 lakh MT) amounting to ₹13917.98 lakh (Previous year ₹15524.31 lakh) valued at net realisable value(inclusive of Excise Duty).		
15.2	The company provides for redundancy / obsolescence keeping in view the estimated realisable value, in respect of a)stores and spares lying in stores for more than 10 years b) stores and spares identified as surplus having an age of 5-10 years and c) all damaged stores and spares. Current year ₹260.51 Lakh (Previous year ₹(426.09) 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	3331.03	3757.12
	Provisions made during the year	415.77	152.96
	Utilisations during the year	-	-
	Released during the year	155.26	579.05
	Provision at the end of the year	3591.54	3331.03
15.4	Stores & Spares in transit includes Stores & Spares at site pending inspection ₹118.20 lakh (Previous year ₹736.04 lakh)		
15.5	Details of Work-in-progress		
	Particulars		
	Intermediaries (Fertilisers)	4105.85	1508.12
	Intermediaries (Non Fertilisers)	1346.12	2447.57
		5451.97	3955.69



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No.	Particulars	As at 31.03.2015	As at 31.03.2014
16	Trade receivables		
a	Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
	Secured, considered good	0.22	0.40
	Unsecured, considered good	749.89	446.64
	Doubtful	1205.80	990.35
	Less: Provision for doubtful trade receivables	(1205.80)	(990.35)
b	Other Trade receivables		
	Secured, considered good		0.11
	Unsecured, considered good	271.30	700.27
		1021.41	1147.42
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	990.35	978.81
	Provisions made during the year	222.28	14.71
	Written off during the year	-	0.80
	Released during the year	6.83	2.37
	Provision at the end of the year	1205.80	990.35
16.2	Trade receivables includes ₹124.16 lakh (Previous year: ₹117.62 lakhs) towards amount receivable from Companies where the directors of the Company are also directors.		
17	Cash and Bank balances		
	Cash and cash equivalents		
a.	Cash on hand	4.59	3.37
b.	Cheques, Drafts on hand	3.03	7.19
c.	Balances with Banks	460.27	184.03
d.	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)	10.51	10.19
	Other Bank balances		
	(i) Balances with Banks held as Margin money/ Security	5089.32	5053.97
	(ii) Deposits (with more than 3 months maturity)	-	2.90
	(iii) Deposits (with less than 3 months maturity)	3270.30	2475.00
		8838.71	7737.34
17.1	Balance with banks include ₹0.24 lakh (Previous Year ₹8.10 lakh) being the balance of amount received from clients for execution of jobs on Total Responsibility basis and ₹2777.97 lakh(Previous year ₹2500.00 lakh) towards work on Deposit basis, lying in a specified account to meet the matching liabilities under Current Liabilities.		
18	Short-term loans and advances		
	Other than related parties		
	Considered Good - Unsecured:		
	Advances recoverable in cash or in kind or for value to be received:		
	i) Advance to/ Dues from vendors	2151.36	2099.62
	ii) Advance to employees	208.59	214.23
	iii) Other Loans and Advances	202.79	365.17
	Balance with Central Excise	7100.72	6600.98
	VAT input credit receivable	4220.32	4214.57
	Deposits	640.21	630.49
	Prepaid expenses	300.14	328.11
	Considered Doubtful	6197.87	4953.62
	Less : Provision for bad and doubtful loans and advances	(6197.87)	(4953.62)
		14824.13	14453.17



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₹ in Lakh

No.	Particulars	As at 31.03.2015	As at 31.03.2014
18.1	Other loans and advances include unutilised certificates worth ₹6.07 lakh (Previous year ₹13.49 lakh) under Duty Entitlement Passbook Scheme (DEPB) and ₹Nil (Previous year ₹Nil) receivable under Duty Drawback scheme, effective from 01.10.2011, on export of Caprolactam.		
18.2	Deposits includes ₹78.59 lakh (Previous Year ₹67.92 lakh) towards the amount paid against disputed demands pending appeal and ₹462.34 lakh (Previous year ₹462.34 lakh) towards security deposit with Kerala State Electricity Board.		
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 18.7,21.1 and 29(1) (a)(vi))		
18.4	Advance to vendors include amount paid for materials supplied but rejected by the Company pending settlement ₹5.56 lakh (Previous year ₹22.35lakh)		
18.5	Advance to employees include ₹1.31 lakh (Previous year ₹1.62 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 2015-16.		
18.6	The disclosure of provisions movement as required under Accounting Standard 29		
	Allowance for bad & doubtful Loans and advances		
	Provision at the beginning of the year	4953.62	3948.78
	Provisions made during the year	1244.25	1036.24
	Written off during the year	0.00	31.40
	Provision at the end of the year	6197.87	4953.62
18.7	Allowance for bad and doubtful loans and advances include ₹6073 lakh (Previous year ₹4829.63 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))		
19	Other current assets		
	Subsidy/Concession on fertilisers receivable from the Government of India	44823.00	53798.49
	Other accrued income	1011.58	921.41
	Retired assets held for sale	3272.41	3256.90
	Other receivables		
	Amount receivable from banks on forward exchange contracts	2908.06	10239.71
	Others	673.28	563.78
	Less: Provision towards doubtful receivables	(673.28)	-
		52015.05	68780.29
19.1	During the year 2009-10 company has decided to scrap Ammonia & Urea plants at Cochin Division. These plants have been stated at estimated realisable value of ₹3245.03 lakh (Previous year ₹3245.03 lakh) and included under Retired Plants held for sale.		



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₹ in Lakh

No.	Particulars	Figures for the year ended 31.03.2015	Figures for the year ended 31.03.2014
20	Revenue from operations		
	a) Sale of products:		
	Own Products	131543.11	136657.76
	Traded Products	5199.74	7335.39
	Less : Sales discount/Dealer margin	136742.85	143993.15
		3762.14	4803.51
	Subsidy/Concession on Fertilisers	132980.71	139189.64
	b) Sale of Services:	65280.45	83141.35
	Gross income from contracts and other services (Refer Note No. 20.5)	1212.87	487.68
	c) Less Excise duty	199474.03	222818.67
	Total Revenue from operations	1595.33	1880.54
		197878.70	220938.13
20.1	Sale of own products comprises of:		
	Ammonium Sulphate	13899.05	18175.86
	Factamfos 20-20-0-13	112876.70	111632.48
	Mixed Manures	1073.56	1588.41
	Gypsum	2923.12	3924.78
	Others	770.68	1336.23
	Total	131543.11	136657.76
20.2	Sale of traded products:		
	Muriate of Potash	4826.93	2208.02
	Imported Complex Fertilisers	-	4608.67
	Urea-Imported	-	0.80
	Organic Manures	372.81	517.90
		5199.74	7335.39
20.3	Subsidy/Concession on Fertilisers		
	Factamfos 20-20-0-13 (Including imported Complex Fertilisers)	55423.59	70014.94
	Ammonium Sulphate	6603.39	13126.41
	Muriate of Potash	3253.47	-
		65280.45	83141.35
20.4	Subsidy includes ₹Nil (Previous Year ₹11656.72 lakh) on account of additional compensation for use of Naphtha which has since been discontinued with effect from 05.10.2013 by Department of Fertilisers.No credit has been taken for similar additional compensation towards use of higher cost Liquefied Natural Gas (LNG) in lieu of Naphtha pending approval from Govt of India.		
20.5	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, 34.53% of work related to consultancy services by FEDO to NIT, has been completed as on 31.3.2015 and pro-rata credit of ₹446.53 lakh has been taken, after providing for ₹20.25 lakh towards unearned income. The value of construction work done is taken as ₹510.54 lakh, to the extent of bills certified and paid during the Financial Year 2014-15 and equivalent amount has been considered for direct charges on contract.		
21	Other income		
	Interest income:		
	(a) On deposits with banks	569.07	260.87
	(b) On loans, advances, claims, overdues etc. ₹1274.01 lakh		
	Less:Provision for interest on advance (Note 21.1) ₹1243.37 lakh	30.64	0.60
	Dividend income from Long-term investment		
	-Other than joint venture	8.10	8.10
	Other non-operating income		
	(a) Excess provisions written back	5.33	22.39
	(b) Profit on Fixed assets sold/written off (net)	(64.55)	0.07
	(c) Transfer from deferred Government grants:		
	(i) On EEC project	1.70	2.34
	(ii) On Bio-Fertiliser project	0.95	0.95
	(d) Miscellaneous income	1303.42	1105.35
	Total Other income	1854.66	1400.67



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₹ in Lakh

No.	Particulars	Figures for the year ended 31.03.2015	Figures for the year ended 31.03.2014
21.1	Interest of ₹1243.37 lakh (Previous year ₹1035.19 lakh) for the year 2014-15 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, 18.7 and 29 (1) (a) (vi))		
22	Cost of raw materials consumed (Refer Note 38)		
	Opening stock	11669.88	20065.54
	Add: Purchases	135017.93	144094.02
		146687.81	164159.56
	Less: Closing stock	7243.43	11669.88
		139444.38	152489.68
	Less: Adjustments	3.89	-
	Cost of materials consumed	139440.49	152489.68
22.1	The physical verification of raw materials and finished products has been carried out on or around 31st March 2015. The differences over book figures in the case of raw material has been adjusted in consumption (Excess(-) / Shortage). Current year ₹-396.49 lakh (Previous year ₹-446.10 lakh).		
23	Purchases of Stock-in-trade		
	Imported Complex Fertilisers	-	6251.28
	Muriate of Potash	6641.36	-
	Others	286.68	478.58
	Total purchases of Stock-in-trade	6928.04	6729.86
24	Changes in inventories of finished goods, work-in-progress and stock-in-trade		
	Opening stock		
	Finished Goods- Includes excise duty ₹3047.36 lakh (Previous year ₹3422.96 lakh)	31114.96	24840.70
	Stock-in-trade	131.09	2347.98
	Work-in progress	3955.69	4645.37
		35201.74	31834.05
	Closing stock		
	Finished Goods- Includes excise duty ₹ 2831.92 lakh (Previous year ₹3047.36 lakh)	29574.12	31114.96
	Stock-in-trade	234.61	131.09
	Work-in- progress	5451.97	3955.69
		35260.70	35201.74
	Changes in inventories: (Increase)/ Decrease	(58.96)	(3367.69)
25	Employee benefits expense		
	Salaries and Wages	17481.97	17553.23
	Contribution to Provident Fund	1907.99	1898.11
	Leave encashment	3611.30	2379.43
	Gratuity	1370.85	2090.95
	Staff welfare expenses	1905.73	1832.50
	Total Employee benefit expense	26277.84	25754.22
25.1	Remuneration to Directors		
	Sri Jaiveer Srivastava, Chairman and Managing Director	23.27	20.69
	Sri P.Muthusamy, Director (Finance)	22.74	20.68
	Sri V.K.Anil, Director (Technical)	24.04	21.99
	Sri P.K.Chandrasekharan, Director (Marketing) (upto 30.09.2013)	-	10.21
	Sri V.Subramanian, Director (Marketing) (from 29.11.2013)	21.50	6.48
		91.55	80.05
	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.		
	Sri P.Muthusamy, Director (Finance)		
	Sri V.K.Anil, Director (Technical)		
	Sri V. Subramanian, Director (Marketing)		
	Transactions with related parties:		
	Remuneration to key management personnel : ₹91.55 lakh (Previous year ₹80.05 lakh)		
25.3	The Company as on date is not liable to provide for the arrears of salaries and wages (net of interim relief paid) for the period 01.01.1997 to 30.06.2001 and perquisites and other allowances for the period 20.10.2000 to 30.06.2001, in respect of its managerial and unionised employees, in view of the conditions in the directives of the Government of India while implementing the wage revision. Accordingly no provision has been made in the accounts.		



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25.4 General Description of Defined Benefit Plan

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.

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 ₹1907.99 lakh (Previous Year ₹1897.27 lakh) has been charged to Statement of Profit & 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.

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.

	₹ in Lakh		₹ in Lakh	
	Leave encashment (Unfunded)		Gratuity (Funded)	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
a. Changes in the present value of obligations				
Present value of obligations at the beginning of the year	9397.28	8530.50	13024.71	12821.27
Interest cost	829.26	695.91	1060.79	1046.11
Past service cost	-	-	-	-
Current service cost	1936.96	337.05	470.37	510.23
Benefits paid	(1627.44)	(1512.39)	(1999.20)	(1890.99)
Actuarial loss/(gain) on obligation	861.00	1346.21	(168.52)	538.09
Present value of obligations at the end of the year	11397.06	9397.28	12388.15	13024.71
b. Changes in the fair value of plan assets				
Fair value of plan assets at the beginning of the year	-	-	290.58	358.26
Expected return on investment	-	-	23.25	28.66
Employer's contribution	1627.44	1512.39	2497.73	1800.00
Benefits paid	1627.44	1512.39	(1999.20)	(1890.99)
Actuarial loss/(gain) on plan assets	-	-	(4.71)	(5.35)
Fair value of plan assets at the end of the year	-	-	807.65	290.58
Actual return on investment	-	-	23.25	28.66
c. Amount recognised in Balance sheet				
Present value of obligations at the end of the year	11397.06	9397.28	12388.15	13024.71
Fair value of plan assets at the end of the year	-	-	807.65	290.58
Unfunded net liability recognised in Balance sheet	11397.06	9397.28	11580.50	12734.13
d. Expenses recognised in the Statement of Profit and Loss during the year				
Current service cost	1936.96	337.05	470.37	510.23
Past service cost	-	-	-	-
Interest cost	829.26	695.91	1060.79	1046.11
Expected return on investment	-	-	(23.25)	(28.66)
Net actuarial (gain) /loss recognised during the year	861.00	1346.21	(163.81)	543.43
Total Expenses recognised in the Statement of Profit and Loss during the year	3627.22	2379.17	1344.10	2071.11
e. Investment details	% invested as at 31st March		% invested as at 31st March	
LIC Group Gratuity (Cash Accumulation) policy	-	-	6.52	2.23
f. Actuarial assumptions	(1994-96) Ultimate		LIC (1994-96) Ultimate	
Mortality rate	8.00%	8.00%	8.00%	8.00%
Discount rate	5.00%	5.00%	5.00%	5.00%
Salary escalation rate	-	-	8.00%	8.00%
Expected rate of return on plan assets	-	-	-	-



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	₹ in Lakh		₹ in Lakh	
	Trust managed Provident Fund-Udyogamandal		Trust managed Provident Fund-Cochin Division	
a. Changes in the present value of obligations	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Present value of obligations at the beginning of the year	21179.04	19731.47	2507.18	2330.83
Interest cost	1855.51	1858.92	198.82	198.82
Past service cost	-	-	-	-
Current service cost	4029.71	4115.02	308.75	308.75
Benefits paid	(3983.20)	(3511.46)	(528.88)	(528.88)
Actuarial loss/(gain) on obligation	(1017.94)	(1014.91)	197.66	197.66
Present value of obligations at the end of the year	22063.12	21179.04	2683.53	2507.18
b. Changes in the fair value of plan assets				
Fair value of plan assets at the beginning of the year	22370.20	19818.61	2995.99	2751.80
Expected return on investment	1789.62	1585.49	220.14	220.14
Employer's contribution	-	-	-	-
Benefits paid	(3983.20)	(3511.46)	(528.88)	(528.88)
Actuarial loss/(gain) on plan assets	2571.75	4477.56	552.93	552.93
Fair value of plan assets at the end of the year	22748.37	22370.20	3240.18	2995.99
Actual return on investment	1789.62	1585.49	220.14	220.14
c. Amount recognised in Balance sheet				
Present value of obligations at the end of the year	22063.12	21179.04	2683.53	2507.18
Fair value of plan assets at the end of the year	22748.37	22370.20	3240.18	2995.99
Unfunded net liability	(685.25)	(1191.16)	(556.65)	(488.81)
d. Expenses recognised in the Statement of Profit and Loss during the year				
Current service cost	4029.71	4115.02	308.75	308.75
Past service cost	-	-	-	-
Interest cost	1855.51	1858.92	198.82	198.82
Expected return on investment	(1789.62)	(1585.49)	(220.14)	(220.14)
Net actuarial (gain) / loss recognised during the year	(3589.70)	(5492.47)	(355.27)	(355.27)
Total Expenses	505.90	(1104.02)	(67.84)	(67.84)
e. Investment details	Investment as at 31st March		Investment as at 31st March	
GOI / PSU Securities	15576.84	13421.02	2015.97	2302.51
Mutual Funds	53.28	153.28	-	-
Bank Deposits	6406.08	6979.61	549.69	468.39
f. Actuarial assumptions				
Interest rate guaranteed for the year	8.75%	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%

g	Financial Year	Present value of Obligations			Fair value of Plan assets		
		₹ in lakh			₹ in Lakh		
		Gratuity	Leave Encashment	Provident Fund	Gratuity	Leave Encashment	Provident Fund
	2010-11	11452.19	6943.78	19659.07	1671.22	-	20630.79
	2011-12	12356.50	7802.90	20641.94	1835.5	-	21406.76
	2012-13	12821.27	8530.50	22062.30	358.26	-	22570.41
	2013-14	13024.71	9397.28	23686.27	290.58	-	25366.19
	2014-15	12388.15	11397.06	24746.65	807.65	-	25988.55

Financial Year	Experience adjustments on Plan Liabilities			Experience adjustments on Plan Assets		
	₹ in lakh			₹ in lakh		
	Gratuity	Leave Encashment	Provident Fund	Gratuity	Leave Encashment	Provident Fund
2013-14	203.44	866.79	1623.94	(67.67)	-	2795.79
2014-15	(636.56)	1387.59	828.83	495.10	-	-

h. The financial restructuring plan submitted by the company to the Government of India is under their consideration and on receipt of the approval and release of funds, the gap in the gratuity fund will be substantially reduced. The gap in the funding of leave encashment is expected to be progressively reduced in the coming years.



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No.	Particulars	Figures for the year ended 31.03.2015	Figures for the year ended 31.03.2014
26	Finance costs		
(a)	Interest expense		
	Interest on loans from the Government of India	5787.08	5276.66
	Interest on Cash credit from banks	10221.03	9644.81
	Interest -others	2945.96	2782.71
(b)	Other borrowing costs	748.55	556.39
(c)	Net loss on foreign currency transactions and translations		
	Exchange rate variation & premium on forward exchange contract on buyer's credit	(73.93)	922.48
		19628.69	19183.05
27	Other expenses		
	Consumption of stores and spare parts	4570.31	4871.70
	Consumption of packing materials	2615.86	2863.01
	Power and Fuel	14876.33	25924.73
	Rent	605.69	597.10
	Repairs and maintenance to buildings	248.67	328.22
	Repairs and maintenance to machinery	3002.33	2908.37
	Insurance	126.76	123.36
	Rates and Taxes	123.78	84.62
	(Gain)/Loss on exchange rate variation (net)	1353.02	(7.97)
	Material and other direct charges on contracts	593.42	180.82
	Auditors' Fees and Expenses (Refer Note no.27.3)	25.93	23.31
	Freight , Handling and other charges	11708.02	12933.70
	Increase/(Decrease) in provision for excise duty on stock of Finished goods	(215.44)	(375.60)
	Bad debts written off		0.80
	Provision for doubtful receivables & advances	896.45	15.75
	Damages/Shortages of Stores , Spares & Products (Net)	9.86	4.78
	Provision for obsolescence of stores (Net)	260.51	(426.09)
	Research and Development Expenditure	94.01	71.65
	Prior period Expenses/(Income) (Refer Note No.27.6)	(1696.51)	23.16
	Miscellaneous Expenses	5033.38	5103.47
		44232.38	55248.89
	Less :Allocated Expenses [net of income from inter-divisional jobs of ₹1732.80 lakh] (Previous year ₹1251.43 lakh)	1151.27	1322.41
		43081.11	53926.48
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 ₹9.86 lakh (Previous year ₹4.78 lakh)		
27.2	Miscellaneous Expenses includes Directors travel amounting to ₹31.63 lakh (Previous year ₹41.90 lakh) and Directors sitting fee ₹Nil (Previous year ₹Nil).		
27.3	Auditors' Fees and Expenses		
	Statutory Auditors' Fees and Expenses (including for Branch Auditors)		
	For Statutory Audit	6.74	6.74
	For Branch Audit	1.57	1.57
	For Other Services	9.38	7.81
	For Expenses	8.24	7.19
	Total	25.93	23.31
27.4	Provision for excise duty on stock of Finished goods		
	Provision on closing stock	2831.92	3047.36
	Less provision on opening stock	3047.36	3422.96
	Net provision	(215.44)	(375.60)



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No.	Particulars	Figures for the year ended 31.03.2015	Figures for the year ended 31.03.2014
27.5	Research and Development Expenditure of ₹94.01 lakh (Previous Year ₹71.65 lakh) includes expenditure towards salary ₹92.33 lakh (Previous year ₹70.49 lakh) and depreciation ₹0.98 lakh (Previous year ₹0.49 lakh).		
27.6	Prior period Expenses/(Income)		
	Rent relating to Financial Year 2012-13	-	18.30
	Prior year depreciation	43.61	4.86
	Interest on loan from Govt. of India availed for RLNG conversion project debited to Profit & Loss Account during the previous years, capitalised as borrowing cost, during the current year	(1724.40)	-
	Cost of a capital item wrongly debited to Profit & loss Account during the FY 2013-14, capitalised during the current year	(15.72)	-
	Closing stock adjustment of Gypsum in the FY 2012-13 (Refer Note No.27.7)	5364.00	-
	Less: Opening stock adjustment in the FY 2013-14 (Refer Note No.27.7)	(5364.00)	-
		(1696.51)	23.16
27.7	Securities and Exchange Board of India (SEBI) vide letter No.CFD/FAC/SKS/OW/11675/2015 dated 27.4.2015 advised the company to restate the financial results for the Financial year 2012-13 and 2013-14 (if the same qualification is repeated in 2013-14 also) and the effect of these restatement adjustments may be carried out in the annual accounts of the Financial year 2014-15 as a prior period item. The same qualification is, however, not repeated in the FY 2013-14 for similar treatment of valuation of gypsum. Without prejudice to the right of the company to approach the appropriate forum against the advice of SEBI, the company has given effect to the restatement adjustment on valuation of Gypsum during the financial year 2012-13 and 2013-14, as a prior period item in financial statements of 2014-15. However, there is no impact on the profit / loss due to such adjustment in the financial year 2014-15.		
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	<u>Exceptional items- (Income)/Expense</u>		
	Additional Naphtha compensation for the Financial Year 2012-13		
	For Factamfos	-	(7754.23)
	For Ammonium sulphate	-	(2652.63)
	(Refer Note No.28.1)		
	Provision for diminution in the value of investments	3287.00	-
	Difference on account of finalisation of transmission charges on LNG supplied by GAIL in FY 2013-14	(880.71)	-
	Net Exceptional items	2406.29	(10406.86)
28.1	Rate of additional compensation for use of Naphtha has been provisionally revised upwards with effect from 01.04.2012 during the Financial Year 2013-14 by Department of Fertilisers. Impact on the income for the Financial Year 2012-13 is shown above as exceptional item.		
	Due to uneconomic price of one of the product namely caprolactam in the market, the company did not produce caprolactam during the year. However certain segments of the petrochemical 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 fixed cost pertaining to the portion which has remained unproductive throughout the year charged to revenue during the year is ₹4136.82 lakh (Previous year ₹4974.66 lakh.)		
	During the year, the captive ammonia plant was not operated up to 17.2.2015 due to maintenance of ammonia plant and higher LNG prices. The unabsorbed costs due to non-operation of ammonia plant is ₹5379.65 lakh (Previous year Nil)		



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		As at 31.03.2015	As at 31.03.2014
29	Contingent Liabilities and Commitments (to the extent not provided for):		
	(1) Contingent Liabilities:		
	(a) Claims against the company not acknowledged as debts in respect of:		
	i) Central Excise Act, 1944 *	7541.33	7156.24
	ii) Finance Act, 1994 (Service Tax)	334.25	296.79
	iii) Sales Tax / Entry tax	108.17	522.66
	iv) Income Tax Act, 1961	151.48	151.48
	v) ESI Act	127.83	127.83
	vi) Suppliers and contractors #	19279.59	18444.26
	vii) Others	1333.34	1098.87
*	Excise duty demand of ₹36.92 lakh on purchase of Raw material, pending appeal, has not been considered since the liability rests with supplier as per order terms. (Previous Year ₹32.72 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 31.03.2015, amounting to ₹18576.50 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, 18.7 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.		
	In addition company has provided Corporate Guarantee,		
	(i) for the term loan of M/s FACT-RCF Building Products Ltd. However the share of term loan exposure as on 31.03.2015 is ₹4024.99 lakh (50% of total loan exposure of ₹8049.98 lakh).	3546.50	3546.50
	(ii) To M/s. Cochin Shipyard Ltd to release balance payments against a fabrication work done by the Company	72.03	-
(c)	The contingent liability in respect of bills discounted with banks fully covered by buyers' letter of credit	-	-
30	Commitments:		
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for.	502.39	949.61
31	a) Contract revenue recognised in the period.	1212.87	438.54
	b) Advance received against contract in progress.	466.78	0.70
	c) Retention by customers against contract in progress.	10.72	9.13
	d) Aggregate amount of cost incurred and recognised profit (less recognised loss) on contracts in progress upto the reporting date.	2120.40	1610.69
	e) Gross amount due from customers for contract work as an asset.	1089.73	948.63
	f) Gross amount due to customers for contract work as a liability.	111.60	79.64



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		As at 31.03.2015	As at 31.03.2014																									
	<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 ₹ 1072.39 lakh (Previous year ₹ 917.94 lakh), and capital ₹ 627.74 lakh (Previous year ₹812.95 lakh).</p> <p>h) Excise duty on own division jobs is ascertained based on Cost Accounting Standard 4.</p>																											
32	The Company has a system of obtaining confirmation of balances from third parties. Some of the parties have confirmed the balances.																											
33	As the accumulated loss has exceeded the networth as on 31.3.2013,the Company has become a sick industrial company with in the meaning of section 3(1) (o) of Sick Industrial Companies (Special Provisions) Act ,1985 as per duly audited accounts for Financial Year 2012-13 as adopted in the Annual General Meeting on 27.12.2013 .Accordingly company has submitted a formal reference under section 15 of Sick Industrial Companies (Special Provisions) Act ,1985 to Board for Industrial and Financial Reconstruction during February 2014.The financial restructuring proposal submitted by company had already been recommended by Board for Reconstruction of Public Sector Enterprises on 20.12.2013 and is awaiting the final approval of Government of India. Considering the likely approval of the financial restructuring proposal, company does not foresee impairment of its operations as a going concern and hence the accounts are prepared on going concern basis.																											
34	Earnings Per Share (Accounting Standard - 20) I Earnings/(Loss) ₹ (39990.79 lakh) (Previous year (₹ 26495.63 lakh)) ii) Number of Shares -Issued, Subscribed and Paid up 647071974 (Previous year 647071974) iii) Earning Per Share ₹ (6.18) (Previous year ₹(4.09)) (Basic and Diluted)																											
35	Foreign Currency Exposure The details of foreign currency balances which are not hedged as at the Balance Sheet date are as below:-+																											
	<table><tr><th>Particluars</th><th colspan="2">Balance as at 31.03.2015</th><th colspan="2">Balance as at 31.03.2014</th></tr><tr><td></td><td>Foreign Currency</td><td>Indian Rupee</td><td>Foreign Currency</td><td>Indian Rupee</td></tr><tr><td></td><td colspan="2">(In lakh)</td><td colspan="2">(In lakh)</td></tr><tr><td>Trade Payable</td><td>USD 207.01</td><td>12998.08</td><td>USD 210.22</td><td>12612.45</td></tr><tr><td>Buyers Credit</td><td>-</td><td>-</td><td>USD 68.07</td><td>4082.40</td></tr></table>	Particluars	Balance as at 31.03.2015		Balance as at 31.03.2014			Foreign Currency	Indian Rupee	Foreign Currency	Indian Rupee		(In lakh)		(In lakh)		Trade Payable	USD 207.01	12998.08	USD 210.22	12612.45	Buyers Credit	-	-	USD 68.07	4082.40		
Particluars	Balance as at 31.03.2015		Balance as at 31.03.2014																									
	Foreign Currency	Indian Rupee	Foreign Currency	Indian Rupee																								
	(In lakh)		(In lakh)																									
Trade Payable	USD 207.01	12998.08	USD 210.22	12612.45																								
Buyers Credit	-	-	USD 68.07	4082.40																								
36	Figures for the previous year have been regrouped and re-classified wherever necessary to correspond with the current year classification/ disclosure.																											



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office: Eloor, Udyogamandal, Kochi, Kerala

NOTES FORMING PART OF FINANCIAL STATEMENTS

37. SEGMENTAL REPORTING (ACCOUNTING STANDARD 17)

Segment Information for the year ended 31st March 2015 Information about Primary Business Segments				
	₹ in Lakh.	₹ in Lakh.	₹ in Lakh.	₹ in Lakh.
	Fertiliser	Petrochemical (Unallocated)	Others	Total
REVENUE				
External Revenue	197736.87 (221374.35)	23.25 (48.48)	1373.54 (654.50)	199133.66 (222077.33)
TOTAL REVENUE	197736.87 (221374.35)	23.25 (48.48)	1373.54 (654.50)	199133.66 (222077.33)
SEGMENT RESULTS				
Profit before Interest and Taxation	(8897.07) (1307.30)	(4136.82) (-4455.91)	(1315.88) (384.65)	(14349.76) (-2763.96)
Unallocated Corporate Expense			7360.60 (5366.48)	7360.60 (5366.48)
Operating Profit	(8897.07) (1307.30)	(4136.82) (-4455.91)	(8676.46) (-4981.83)	(21710.36) (-8130.44)
Interest Expense	-	-	18880.14 (18626.66)	18880.14 (18626.66)
Interest Income	-	-	599.70 (261.47)	599.70 (261.47)
Income Tax	-	-	-	-
Profit after Interest and Taxation	(8897.07) (1307.30)	(4136.82) (-4455.91)	(26956.91) (-23347.02)	(39990.79) (-26495.63)
OTHER INFORMATION				
Segment Assets	148313.85 (169219.53)	10674.30 (11775.15)	4109.86 (7206.50)	163098.01 (188201.18)
Segment Liabilities	142032.38 (120446.98)	6511.60 (6977.69)	14554.03 (60776.51)	163098.01 (188201.18)
Depreciation	1559.31 (4006.90)	171.47 (313.84)	217.59 (288.26)	1948.37 (4609.00)
Capital Expenditure	824.07 (6513.97)	71.01 (1227.48)	41.16 (59.78)	936.24 (7801.23)

The business segments are:-

Segment	Products
Fertiliser	Ammonium Phosphate, Ammonium Sulphate, Mixtures , MOP, Urea
Petrochemical	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	2014-15	2013-14
Segment Revenue as above	199133.66	222077.33
Add Interest Income	599.70	261.47
Revenue as per Profit and Loss Statement	199733.36	222338.80

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

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NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ in Lakh

38 COST OF MATERIALS CONSUMED		2014-15				2013-14			
SI No.	Particulars	Opening Stock	Purchases	Closing Stock	Consumption	Opening Stock	Purchases	Closing Stock	Consumption
1	Regassified Liquid natural Gas	-	7508.88	-	7508.88	-	31245.53	-	31245.53
2	Naphtha	1035.88	-	588.11	447.77	1065.02	27517.60	1035.88	27546.74
3	Sulphur - Imported	2489.16	20376.56	3073.10	19792.62	3251.32	12259.67	2489.16	13021.83
4	Sulphur	-	228.57	228.57	-	-	252.00	-	252.00
5	Rock Phosphate-Imported	3029.79	18354.14	206.78	21177.15	5140.97	11468.34	3029.79	13579.52
6	Phosphoric Acid-Imported	1408.00	21390.56	18.91	22779.65	6632.42	35702.63	1408.00	40927.05
7	Phosphoric Acid	64.96	5231.60	26.14	5270.42	2.59	1623.43	64.96	1561.06
8	Ammonia - Imported	2781.72	60753.20	2669.93	60864.99	2887.45	23065.22	2781.72	23170.95
9	Benzene - Imported	36.26	-	10.89	25.37	50.99	-	36.26	-
10	Benzene	654.29	-	188.36	465.93	654.29	-	654.29	-
11	Caustic Soda**	62.88	-	58.99	-	62.88	-	62.88	-
12	Rock Phosphate-18% for mixing	2.36	72.28	6.19	68.45	-	10.83	2.36	8.47
13	Sulphuric Acid	104.58	1102.14	167.46	1039.26	317.61	963.50	104.58	1176.53
	TOTAL	11669.88	135017.93	7243.43	139440.49	20065.54	144108.75	11669.88	152489.68

** Closing stock after adjustments for consumption as chemicals of ₹3.89 lakh.



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office: Eloor, Udyogamandal, Kochi, Kerala

NOTES FORMING PART OF FINANCIAL STATEMENTS

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 31.03.2015

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	124639.78	89.39	90699.34	59.48
Indigenous	14800.71	10.61	61790.34	40.52
	139440.49	100.00	152489.68	100.00
B Spare Parts & Components				
Imported	219.14	4.79	594.90	12.21
Indigenous	4351.17	95.21	4276.80	87.79
	4570.31	100.00	4871.70	100.00

2 CIF Value of Imports

	Current year	Previous year
	₹ in lakh	₹ in lakh
(i) Raw Materials	113543.01	77950.64
(ii) Traded products	6395.23	5519.85
(iii) Spares and other materials	272.47	926.96
(iv) Capital Goods	181.24	148.15
	120391.95	84545.60

3 A Expenditure in foreign currency (Cash Basis) *

(i) Consultancy service	37.68	168.60
(ii) Others	21.66	246.20
	59.34	414.80

B Earnings in foreign currency

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

* Including tax deducted at source



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office: Eloor, Udyogamandal, Kochi, Kerala

DETAILS OF CAPITAL EXPENDITURE INCURRED ON TOWNSHIP AND OTHER SOCIAL OVERHEADS AS REQUIRED BY O.M. No. BPE-1 (17) / ADV (F) / 69 DATED 5-3-69 FROM THE MINISTRY OF FINANCE (BUREAU OF PUBLIC ENTERPRISES) UPTO 31st MARCH 2015

	Gross Block as at 31-3-2014	Written down value as at 31-3-2014	Additions/ adjustments 2014-15	Depreciation for the year 2014-15	₹ in Lakh Depreciated value as at 31-3-2015
Land (Estimated)	186.18	186.18	0.00	0.00	186.18
Staff Quarters etc. in Township	1379.96	428.74	0.00	24.72	404.02
Sewers & Drains	280.85	73.91	0.00	11.00	62.91
Hospitals	4.37	15.06	0.00	0.37	14.69
Schools	93.43	26.90	0.00	1.18	25.72
Shops	12.08	2.17	0.00	0.05	2.12
	2016.87	732.96	0.00	37.31	695.65

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 2015

	Expenditure	Income	₹ in Lakh Net Expenditure
Staff Quarters & Estate Establishment	663.79	504.93	158.86
Schools	1.18	17.60	-16.42
Medical facilities	1105.96	22.04	1083.92
Other Welfare Expenses	753.34	32.57	720.77
Notional interest at 6 % p.a. on capital outlay on Township and overheads	121.01	0.00	121.01
	2645.27	577.14	2068.14

**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 2015**

Particulars	₹ in lakh
Salaries and Wages including Provident Fund	25.13
Advertisement Charges	12.96
Propaganda and Publicity	13.34
Exhibition	0.50
Demonstration, Sign Boards, Cost of Fertilisers, Village adoption, Soil Testing and Agronomy Services	0.40
Audio-visual film, Slides production, Projection charges and equipment	0.00
Running and Maintenance Expenses of Publicity vehicles and Travel Expenses	0.00
	52.33



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office: Eloor, Udyogamandal, Kochi, Kerala

SUMMARISED ACCOUNTS

₹ in Lakh

	2014-15	2013-14	2012-13
RESOURCES			
Net Worth	(85734)	(45743)	(19247)
Borrowings And Deferred Credits	37370	38506	40538
Capital Reserve	66	69	73
	(48298)	(7168)	21364
UTILISATION OF RESOURCES			
Fixed Assets	146857	145925	138127
Less: Depreciation & Impairment loss	118677	118318	113791
	28180	27607	24336
Capital -work- in progress	2486	2383	5313
Other non-current assets	233	1871	1853
Investments	367	2136	2136
Net Current Assets	(79564)	(41164)	(12274)
	(48298)	(7167)	21364
EARNINGS			
Sale of products and services (net)	197879	220938	231577
Accretion/(decretion) to work in progress and finished goods	59	3368	(11044)
Other Income	1855	1401	1979
	199793	225707	222512
OUT GOINGS			
Direct Materials & inputs	169109	193322	192362
Employees' remuneration and benefits	26278	25754	23871
Other expenses	20341	19825	21622
Depreciation / Impairment loss	2021	4526	4554
Finance Cost	19629	19183	15538
	237378	262610	257947
Profit/(Loss) for the year	(37585)	(36903)	(35435)
Extraordinary items / Exceptional items: Income/ (Expense)	(2406)	10407	39
Profit/ (Loss) before tax	(39991)	(26496)	(35396)
Provision for Taxation	-	-	-
Profit/ (Loss) after tax	(39991)	(26496)	(35396)



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office: Eloor, Udyogamandal, Kochi, Kerala

CHANGES IN FINANCIAL POSITION FOR THE YEAR ENDED 31ST MARCH 2015 ₹ in Lakh

	2014-15	2013-14	2012-13
SOURCES OF FUNDS			
Funds generated from operations:			
Profit after tax	-	-	-
Depreciation and Impairment loss	2021	4523	4507
Long term borrowings & liabilities	-	-	-
Short-term borrowings	-	-	-
Fertilizer Bonds	-	-	-
Decrease in Working Capital	38400	28889	37407
	40421	33412	41914
APPLICATION OF FUNDS			
Loss for the year	39991	26496	35396
Decrease in short term borrowings	-	-	-
Decrease in Long term borrowings & liabilities	1136	2032	1223
Capital expenditure (net)	932	4866	3896
Investment in shares/bonds	-	-	313
Non current assets	(1638)	18	1086
Increase in Working Capital	-	-	-
	40421	33412	41914

STATEMENT OF CHANGES IN WORKING CAPITAL

	2014-15	2013-14	2012-13
Cash and bank balance	1102	4500	(3780)
Inventories	(6956)	(5355)	(8311)
Sundry debtors	(126)	321	(299)
Other current assets	(16765)	19378	(6018)
Loans and advances	371	(950)	(3033)
	(22374)	17894	(21441)
Creditors and other liabilities	16026	46783	15966
Increase/(decrease) in Working capital	(38400)	(28889)	(37407)
	(22374)	17894	(21441)

VALUE ADDED STATEMENT

PARTICULARS	2014-15	2013-14	2012-13
Value of production *	199793	225707	222512
(Including other income)			
Less: Cost of Direct materials & inputs	169109	193322	192362
	30684	32385	30150
Add: Exceptional Items :Income/ (Expense)	(2406)	10407	39
Value Added	28278	42792	30189
Applied in the following way :			
Employee remuneration and benefits	26278	25754	23871
Other operating expenses	20341	19825	21622
Depreciation	2021	4526	4554
Finance Cost	19629	19183	15538
Provision for Income Tax	-	-	-
Retained profit/(loss)	(39991)	(26496)	(35396)
	28278	42792	30189
* Net of sales discount/dealer Margin			

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office: Eloor, Udyogamandal, Kochi, Kerala

10 YEARS FINANCIAL HIGHLIGHTS											₹ in Lakh
	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	
	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					
1	Sales	136743	143993	152776	174535	139348	115357	73832	60133	112520	109472
2	Subsidy	65280	83141	90669	126596	115927	100517	141047	29236	40216	36578
3	Income from Contracts & Services	1213	488	742	975	1045	1110	1130	784	1222	849
4	Turnover (1+2+3)	203236	227622	244187	302106	256320	216984	216009	90153	153958	146899
5	Less: Discount & Excise duty	5357	6684	12610	14501	10247	6391	3143	2757	7019	7555
6	Revenue from operations (4-5)	197879	220938	231577	287605	246073	210593	212866	87396	146939	139344
7	Other Income	1855	1401	1979	3670	3060	5361	4543	2150	2049	1203
8	Total Income	199734	222339	233556	291275	249133	215954	217409	89546	148988	140547
9	Material Consumed	139440	152490	142464	174918	142879	129037	167825	49931	104343	95275
10	Purchases of Stock-in-trade	6928	6730	8722	13485	9257	21952	8723	3330	5664	547
11	Stock: (Accretion)/Decretion	(59)	(3368)	11044	(4859)	(179)	(9693)	(3563)	16154	(7350)	(242)
12	Employee benefits expenses	26278	25754	23871	22473	26805	19486	12563	10951	10157	9441
13	Repairs & Maintenance	3251	3237	3348	3127	1837	3508	2825	3248	2791	2742
14	Power & Fuel	14876	25925	33382	40312	35496	30068	20806	9018	22435	22422
15	Other Manufacturing Expenses	24955	24765	26068	21903	18547	17943	15016	6229	12001	11724
16	Total Expenditure	215669	235533	248899	271359	234642	212301	224195	98861	150041	141909
17	Gross Margin (8-16)	(15935)	(13194)	(15343)	19916	14491	3653	(6786)	(9315)	(1053)	(1362)
18	Exceptional Items- Expenses / (Income)			(39)	-	821	-	-	1	105	9
19	Extraordinary items (income)										
20	Finance Cost	19629	19183	15538	13677	14340	11597	6396	6221	5340	35503
21	Depreciation / Impairment loss	2021	4526	4554	4259	4263	2427	4623	3545	6381	6527
22	Profit/(Loss) before taxation	(39991)	(26496)	(35396)	1980	(4933)	(10371)	4311	918	(12266)	23620
23	Provision for taxation	-	-	-	-	-	13	16	21	208	54
24	Net profit / (Loss)	(39991)	(26496)	(35396)	1980	(4933)	(10384)	4295	897	(12473)	23566
25	Proposed Dividend	-	-	-	-	-	-	-	-	-	-
26	Tax on Proposed Dividend	-	-	-	-	-	-	-	-	-	-
27	Net block	28180	27606	24336	27754	31591	36350	38606	42420	44763	50826
28	Capital work-in-progress	2486	2383	5313	2510	881	1642	687	908	1268	627
29	Non-Current assets, Loans & Advances	233	1871	1853	767	581	-	-	-	-	-
30	Current assets, Loans & Advances	131831	154205	136312	157753	130435	128048	82352	57746	72030	54150
31	Current Liabilities & Provisions	211395	195369	148586	132620	124157	70621	41615	30386	41927	39032
32	Investments	367	2136	2136	1823	13840	28130	28131	55	55	55
33	Misc.expenditure to the extent not w.off	-	-	-	-	-	-	-	10	15	166
34	Accumulated Loss	150441	110450	83954	48558	50538	45605	35222	39517	39535	27062
35	Total Utilisation	102143	103282	105318	106545	103709	169154	143383	110270	115739	93854
36	Working Capital (30-31)	(79564)	(41164)	(12274)	25133	6278	57427	40737	27360	30103	15118
	Non Current Liabilities :-										
37	Long term borrowings	16149	18976	21803	24023	22023	12643	9243	8500	7000	4000
38	Long term provisions	21221	19530	18735	17739	16900	-	-	-	-	-
39	Short term borrowings(1)	-	-	-	-	-	91721	69346	36972	43937	25048

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10 YEARS FINANCIAL HIGHLIGHTS											₹ in Lakh
	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	
	As per Schedule III of the Companies Act 2013										
	64707	64707	64707	64707	64707	64707	64707	64707	64707	64707	
40	Share Capital (Incl. Pending allotment)										
41	Reserves & Surplus										
42	66	69	73	76	79	83	87	91	95	99	
43	Capital Reserve										
44	102143	103282	105318	106545	103709	169154	143383	110270	115739	93854	
45	Total Sources										
46	(85734)	(45743)	(19247)	16149	14169	19102	29485	25180	25157	37479	
47	Networth (40+41-33-34)										
48	(72372)	(31217)	(4820)	35915	21550	93777	79343	69780	74866	65944	
49	Capital employed (27+29+36-38)(2)										
50	29809	31246	27188	38127	32798	37743	28050	4537	20691	13341	
51	Finished Goods										
52	5452	3956	4645	4751	5221	-	-	-	-	-	
53	Work in progress										
54	7243	11670	20066	11158	13648	7681	4390	15569	6711	4409	
55	Raw Materials										
56	12482	14289	14556	11604	9307	8055	8608	9280	6928	6617	
57	Stores, Spares & Loose tools										
58	146	927	989	10115	400	4105	212	2459	286	1163	
59	Materials in transit										
60	1021	1147	826	1125	4846	6125	27137	7585	19234	14817	
61	Sundry debtors										
62	8839	7737	3237	7017	5523	2818	2305	6746	7782	3463	
63	Cash & bank balance										
64	14824	14453	15403	18436	17721	15841	10579	11068	9668	9969	
65	Loans & advances										
66	52015	68780	49402	55420	40971	45680	1071	502	730	371	
67	Other Current Assets										
68	131831	154205	136312	157753	130435	128048	82352	57746	72030	54150	
69	Total (46 to 54)										
70	206807	189720	142905	127841	120225	60427	32870	26789	39644	37092	
71	Current Liabilities										
72	4588	5649	5681	4779	3932	10194	8745	3597	2283	1940	
73	Provisions										
74	211395	195369	148586	132620	124157	70621	41615	30386	41927	39032	
75	Total (56+57)										
76	(79564)	(41164)	(12274)	25133	6278	57427	40737	27360	30103	15118	
77	Net Working Capital (55-58)										
78	(37970)	(21970)	(30842)	6239	(670)	(7957)	(13198)	(15558)	(6706)	(5410)	
79	Gross Internal resources (21+24-19)										
80	Installed Capacity (MT)										
81	225000	225000	225000	225000	225000	225000	225000	225000	225000	225000	
82	Ammonium Sulphate										
83	633500	633500	633500	633500	633500	633500	633500	633500	633500	633500	
84	Factamphos 20:20										
85											
86	DAP										
87											
88	Urea										
89	50000	50000	50000	50000	50000	50000	50000	50000	50000	50000	
90	Caprolactam										
91	173050	173050	173050	173050	173050	173050	324450	324450	324450	324450	
92	N										
93	131900	131900	131900	131900	131900	131900	131900	131900	131900	131900	
94	P2O5										
95	Production (MT)										
96	120360	178792	126286	163468	200311	179546	128845	30478	183490	172986	
97	Ammonium Sulphate										
98	614004	663787	537081	622256	644454	753744	605047	425530	721202	745902	
99	Factamphos 20:20										
100	-	-	-	-	-	-	-	-	-	-	
101	DAP										
102	-	-	-	-	-	-	-	-	-	-	
103	Urea										
104	-	-	-	-	-	-	-	-	-	-	
105	Caprolactam										
106	-	-	15544	37854	44345	42006	13548	6759	41327	38666	
107	N										
108	147595	169589	133431	158126	170155	187735	147551	91384	182039	184816	
109	P2O5										
110	122801	132757	107416	124451	128891	150749	121009	85106	144240	149180	
111	Capacity utilisation (%)										
112											
113	N										
114	85.29	98.00	77.11	91.38	98.33	108.49	45.48	28.17	56.11	56.96	
115	P2O5										
116	93.10	100.65	81.44	94.35	97.72	114.29	91.74	64.52	109.36	113.10	
117	(1) Short term borrowings are included under current liabilities, as per revised Schedule VI.										
118	(2) Does not include capital work- in- progress.										

(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

CIN: L24129KL1943GOI000371

Ph. 0484-2546486, Fax No.0484-2546637 Website: www.fact.co.in; E-mail Id: kvbnair@facttd.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;

1. Name address
E-mail IDsignature : or failing him ;
2. Name address
E-mail IDsignature : or failing him ;
3. Name address
E-mail ID signature :

as my /our proxy and to vote (on a poll) for me/us and on my/our behalf at the 71st Annual General Meeting of the Company to be held on Monday the 28th September 2015 at 11.00 AM at Udyogamandal Club, Eloor, Udyogamandal and any adjournment thereof in respect of such resolutions as are indicated below:

Sl.No. Resolutions

Ordinary Business

1. To receive, consider and adopt the audited financial statement of the Company for the financial year ended 31st March, 2015, Cash Flow Statement for the year ended 31st March 2015 and Reports of the Board of Directors and Auditors thereon.
2. To elect Shri S.K.Lohani (DIN 06912948) as a Director of the Company
3. To fix the remuneration of Statutory Auditors and Branch Auditors for the Financial Year 2015-2016.

Special Business

4. To fix remuneration of Cost Auditors of the Company for the financial year 2015-16
5. To approve Borrowing Limit

Signed this day of 2015.

Signature of Shareholder(s) :

Signature of Proxy holder(s) :

Affix
Revenue
Stamp

Note:

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

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED
Regd. Office : Eloor, Udyogamandal-683501, Kochi, Kerala, CIN: L24129KL1943GOI000371
Ph. 0484-2546486 : Fax No.0484-2546637 Website: www.fact.co.in E-mail Id: kybnair@factltd.com

Attendance Slip

**71st Annual General Meeting, Monday, 28th September 2015 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 71st Annual General Meeting being held on 28th September 2015 and / or at any adjournment thereof.

Signature of the Shareholder or Proxy :



दि फर्टिलाइजर्स एण्ड केमिकल्स ट्रावनकोर लिमिटेड
(भारत सरकार का उद्यम)

पंजीकृत कार्यालय: एलूर, उद्योगमंडल-683 501, कोची, केरल, भारत. वेबसाइट <http://www.fact.co.in>

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

(A Government of India Enterprise)

Regd. Office: Eloor, Udyogamandal-683 501, Cochin, Kerala, India. Website: <http://www.fact.co.in>

CIN: L24129KL1943GOI000371