

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the 72nd Annual Report and Audited Financial Statements of the Company and the report of the Auditors for the financial year 2015-16.

Your Directors are happy to inform you that despite the severe constraints on working capital, your Company could continue the production of Fertilisers and other operations during the financial year 2015-16.

Your Directors are pleased to inform you that Government of India has allocated ₹1000 crore as plan loan through second supplementary to continue the operation of FACT during the financial year 2015-16. The sanction of plan loan has enabled the company to liquidate outstanding liabilities to suppliers and excess borrowings and to restart its operations. The sanction of plan loan is a stepping stone towards the turnaround of the company and the sustained operations in the long run.

Highlights/Achievements

- Release of ₹1000 crore as plan loan by Government of India
- Number 1 Brand award in Fertiliser sector from International Brand Consulting Ltd. New Jersey, USA
- All time high turnover of FEDO.
- Profitable operation of FEDO and FEW
- All time high production and sale of Bio-fertilisers
- Certificate of appreciation in very large Industry category from Kerala State Pollution Control Board for Udyogamandal Division
- Runner up award for Outstanding Safety Performance for the year 2015 from National Safety Council, Kerala Chapter.
- The Outstanding Achievement of the year – Inland Water Transport award at the India Sea Trade awards
- Cargo owner of the year- Inland water transport award at the India Sea Trade awards
- BT -CSR Excellence Awards 2016- "Bureaucracy Today"

PERFORMANCE - FINANCIAL, PRODUCTION AND SALES

The Company's performance for the year ended March 31, 2016 is summarized below.

A. FINANCIAL

₹ in Lakh

	2015-2016	2014-2015
Turnover	178008.00	203236.00
Revenue from operations	173599.00	197879.00
Other Income	2898.00	1855.00
Total Revenue	176497.00	199734.00
Total Expenses	222951.00	237318.00
Profit / Loss (-) Before Tax & Exceptional items	(-) 46454.00	(-) 37585.00
Exceptional items	1235.00	(-) 2406.00
Profit / Loss (-) After tax	(-) 45219.00	(-) 39991.00

B. PRODUCTION

in Tonnes

	2015-2016	2014-2015
Factamfos 20 : 20	527445	614004
Ammonium Sulphate	79567	120360
Caprolactam	0	0

C. SALES

in Tonnes

	2015-2016	2014-2015
Fertilisers	704962	776858
Caprolactam	0	0

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Financial Results

The financial year 2015-16 was a challenging year to FACT. The cascading effect of accumulated losses resulting in high interest and finance charges, non operation of Caprolactam Plant for the 3rd year in succession and the working capital crunch and production loss of fertilizers for three months have severely affected the financial performance of the company. However, your Directors are happy to inform you that your company could manage the financials in a reasonable way to continue the operations.

The financial results for the year 2015-16 shows a loss of ₹ 45219 lakh as against a loss of ₹ 39991 lakh during the year 2014-15.

The heavy loss for the year 2015-16 is mainly due to high interest and finance charges, lower production level due to working capital constraints and the unabsorbed fixed costs due to non operation of Caprolactam and intermittent operation of Ammonia Plant.

Due to accumulated loss, your directors are not recommending any dividend for the financial year 2015-16. The Company has not transferred any amount to Reserve during the financial year 2015-16.

Operations

The year 2015-16 was a year of mixed performance by the Company in the operation scenario. Company could achieve very good level of production and sales performance during the first half of the financial year 2015-16. During the second half of the year, the financial crunch faced by the Company affected procurement of essential raw materials causing significant impact on physical performance. However, with our efforts, Company could achieve production of 5.27 lakh MT of Factamfos and 0.79 lakh MT of Ammonium Sulphate. The Company could market 7.04 lakh MT of Fertilisers during the year 2015-16. The company could achieve all time high production and sale of Bio-fertilisers.

Your Directors have pleasure to inform you that during the financial year 2015-16 FEDO has achieved all time high turnover and both FEDO and FEW have earned profit .

Performance - 2016-17

The support and assistance from Government of India by way of plan loan of ₹ 1000 crore has enabled the company to plan high production targets in line with the revival projections for the financial year 2016-17. The company is having an ambitious target of producing one million tonnes of fertilisers during the current year. FACT is targeting to market one lakh tonnes of traded products in addition to its production of one million tonnes of fertilisers. The plan was to optimize production from the beginning of the year utilizing RLNG available from M/S PLL, Kochi. However due to certain technical issues of leakage in GAIL Gas pipeline , the gas supply was started only in May 2016. All the fertilizer production units could reach their capacity operation by 16th May, 2016. All these fertilizer units are planned to continue the current full load operation in the coming months of the financial year 2016-17. Availability of the supporting raw-materials and intermediates are being ensured for this. Stabilization of the prices of raw-material and RLNG are positive signals leading to the profitability of FACT. FACT is hopeful of making operational profit during the financial year 2016-17.

Management Discussion and Analysis Report

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

Directors and Key Managerial Personnel

Appointments

Government of India, Ministry of Chemicals & 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

Governments of India, Ministry of Chemicals & Fertilisers, Department of Fertilisers vide Order No. 130/8/2003-HR-1 dated 14th January 2016 notified the appointment of Shri Vinod Kumar Thakral, Special Secretary and Financial 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 Shri Sham Lal Goyal.

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

The Board at its meeting held on 27-04-2016 appointed Shri Sreenath V Kamath, Chief General Manager (Corporate Finance) as the Chief Financial Officer of the Company.

Shri Jaiveer Srivastava, C&MD, Shri Sreenath V Kamath , Chief Financial Officer and Shri K.V. Balakrishnan, Company Secretary are the 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 Sham Lal Goyal, Director ceased to be Director of FACT with effect from 14-01-2016.

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.

Government of India, Ministry of Chemicals & Fertilizers, Department of Fertilizers, vide Order No. 86/4/2009-HR-1 dated 23rd March, 2016 conveyed the decision not to extend the tenure of Shri. P Muthusamy, Director Finance beyond 17-03-2016 and Shri P. Muthusamy, Director (Finance) is relieved from the post of Director (Finance), FACT.

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

The Board place on record its appreciation of the valuable services rendered by Shri K M Gupta, Director, Shri Sham Lal Goyal, Director, Shri P. Muthusamy, Director (Finance), Shri V Subramanian, Director (Marketing) and Shri V.K. Anil, Director (Technical).

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

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 2015-16, eight meetings of the Board were convened and held. The details of the meetings of the Board of Directors are given in the report on Corporate Governance, which is part of this report. The intervening gap between the meetings was within the period prescribed under the Companies Act 2013.

Director's Responsibility Statement

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

- (a) in the preparation of annual accounts for the year ended March 31, 2016, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of profit and loss of the Company for the year ended March 31, 2016.
- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) the directors have prepared the annual accounts on a going concern basis.
- (e) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Corporate Governance

The Company is committed to maintain the highest standard of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The Board lays emphasis on transparency and accountability for the benefit of all stake-holders of the Company. The Report on Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 annexed to this report forms an integral part of this report.

AUDITORS

(1) Statutory Auditors.

M/s. K.Varghese & Co., Chartered Accountants, Kochi, was re appointed as Statutory Auditors of the Company for the year 2015-2016 by the Comptroller and Auditor General of India. M/s Narotham Madhav & Ramesh, Chartered Accountants, Hyderabad, and M/s Sarathy & Balu, Chartered Accountants, Chennai, were appointed as Branch Auditors for the year 2015-2016, by the Comptroller and Auditor General of India.

The report of the statutory Auditors on the financial statements of the company for the year ended 31st March, 2016 is an unmodified one. However, the Statutory Auditors in their report has emphasized certain issues which are being addressed by the Company.

(2) Cost Auditors

M/s. BBS & Associates, Cost Accountants, Kochi has been re-appointed as Cost Auditors of the Company for the year 2015-2016.

(3) Secretarial Auditors

M/s.SVJS & Associates, Company Secretaries, Kochi, have been appointed as Secretarial Auditors of the Company for the year 2015-16. The report of the Secretarial Auditor is annexed to this report as **Annexure-I**. Clarification/reply to the remarks of Secretarial Auditor is annexed as **Annexure.II**.

Audit Committee

In line with the provisions of Section 177 of the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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. The Board has accepted all recommendations of Audit Committee.

Joint Venture / Associate Company

FACT-RCF Building Products Limited (FRBL), Ambalamedu, Kochi is a 50:50 Joint Venture Company of FACT. Kerala Enviro Infrastructure Limited (KEIL), Ambalamedu, Kochi is the associate company of FACT. During the financial year, no Company has become/ ceased to become subsidiaries/Joint Ventures and Associate Company of FACT.

Public Deposit

During the financial year 2015-16, the company has not accepted any deposit from public. However, as on 31.3.2016, ₹ 0.49 lakh is lying in unclaimed matured fixed deposit account.

Contract or arrangement with related parties

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

Corporate Social Responsibility

FACT continues to give priority on various Social Responsibility measures during the financial year 2015-16. The Company has constituted a Board level Committee as per the provisions of Companies (Corporate Social Responsibility Policy) Rules 2014.

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Annual Report on CSR as per the provisions of Companies (Corporate Social Responsibility Policy) Rules 2014 is annexed to this report as Annexure.IV

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 2016) and the date of the report - 12th August 2016.

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 General Manager/ Dy. General Manager monitors and evaluate the efficacy and adequacy of Internal Control System in the Company. The observation of internal audit and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board. Based on the recommendation of Internal Audit, the functional heads take necessary corrective actions in their functional area thereby strengthen internal control.

Vigil Mechanism

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

Code of Conduct

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

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, www.fact.co.in

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

Particulars of Investment made and guarantees given along with the purpose for which the guarantee is given are provided in the financial statement for the year 2015-16 (Note No11.2&29(b))

During the financial year 2015-16, FACT has not provided any loan/ guarantee or made any investment within the purview of Section 186 of the Companies Act 2013.

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. Disclosure as per Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014. FACT is a Government Company and none of the employee was in receipt of remuneration in excess of the limit specified in Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.
5. Neither the Managing Director nor the whole time Directors of the Company receive any remuneration or commission from its Associate Companies.
6. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

Your Directors further state that during the year under review, there were no complaints 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.V** to this report

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

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

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: 12.08.2016

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

ANNEXURE TO DIRECTORS' REPORT

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

A. Conservation of Energy

(i) Steps taken or impact on conservation of energy

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

a. The Amophos plant was started production in the year 1966 during the 3rd stage expansion in Udyogamandal division. The electrical drives then installed were of old frame type with larger dimensions, installed before the active implementation of standardization process. Smaller size motors with improved material of construction for winding, insulation and other parts were developed which resulted in considerable improvement in efficiency and there by lesser energy consumption. Nine motors of capacity varying from 18.5 KW to 300 KW were replaced with new frame standard size motors in 3rd stage Amophos plant.

b. The power distribution system followed for the Amophos plants and other utilities were matching to the requirements when all plants in the division were productive. Subsequent to the stoppage of many of the plants, continuous efforts were being explored to eliminate the unutilized/under-utilized feeders to have a safe and energy efficient scheme. During the effort, two transformers of 1250 KVA & 750 KVA ratings could be isolated permanently which resulted savings in energy.

c. In the area of lighting, in Udyogamandal complex, a good number of conventional fluorescent lamp fixtures were replaced with LED and T-5 type fixtures which resulted savings in energy. With the above conservation activities, an annual Energy savings of 1.55 Lakh units is achieved.

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

One 10 KW roof top solar project is proposed for Udyogamandal complex for FY 2016-17. Two numbers roof top photo voltaic solar plants and two numbers large size solar heaters are already in operation. Field survey is proposed to identify feasible additional solar projects.

(iii) The capital investment of energy conservation equipment

– No capital investment is made during FY 2015-16.

B. Technology Absorption

(I) Efforts made towards technology absorption

No new installations were made in the year 2015-16 for technology absorption.

(II) Benefit derived

Not applicable in view of (I) above.

(III) Imported Technology – No technology has been imported during the financial year.

(IV) The expenditure incurred for Research & Development

The Research and Development (R&D) Centre function with the aim of carrying out in-depth research in new fertilizer formulations, innovation in the fertilizer production for cost control and value addition of by-products, existing product lines

and waste utilization in the Organisation. R&D Centre is carrying out the specialized services such as, the monitoring and controlling the quality of the finished products before dispatch to the market and periodical collection of product samples from the field godowns, Agro Service Centre, distributors, dealers and the evaluation of post-dispatch quality as part of three tier quality control systems practiced in the company. Three types of Biofertiliser produced in R&D Centre is dispatched to marketing area of the company in all the five southern states. Apart from the above activities, R&D Centre is focusing on developing organic fertilizer from farm yard waste and cost reduction in Biofertilizer production.

Details of expenditure on R&D are given below.

EXPENDITURE ON R & D				
₹ in Lakh				
Year	Capital	Revenue	Total	As % of total Turnover
2013-2014	0.00	71.65	71.65	0.032
2014-2015	0.00	94.01	94.01	0.046
2015-2016	0.00	145.14	145.14	0.081

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	85645.14	113543.01
(b) Traded Products	-	6395.23
(c) Spares and Other Materials	118.79	272.47
(d) Capital Goods	1.63	181.24
	85765.56	120391.95
(ii) Expenditure in Foreign Currency (Cash Basis)		
(a) Consultancy Service	-	37.68
(b) Others	34.77	21.66
	34.77	59.34
Total (i) + (ii)	85800.33	120451.29

Sd/-

JAIVEER SRIVASTAVA

CHAIRMAN AND MANAGING DIRECTOR

DIN: 01858412

Udyogamandal
Date:12-08-2016

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Development

The Fertilisers And Chemicals Travancore Limited (FACT) was incorporated in 1943. In 1947 FACT started production of Ammonium Sulphate with an installed capacity of 10,000 MT per annum at Udyogamandal, near Cochin. In the year 1960, FACT became a Kerala State PSU and on 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 2015-2016

UDYOGAMANDAL COMPLEX

During the year 2015-2016 Udyogamandal Complex produced 120145 MT of Factamfos, (NP 20:20:0:13) and 79567 MT of Ammonium Sulphate. During the financial year 2014-2015 production of Factamfos and Ammonium Sulphate were 134514 MT and 120360 MT respectively.

Nutrient wise the production during 2015-2016 was 40420 MT of N and 24029 MT of P₂O₅ as against 51697 MT of N and 26903 MT of P₂O₅ during the previous year. Due to economic reasons, the Caprolactam Plant remained in shut down condition during the financial year 2015-2016.

Cochin Division: During the financial year 2015-2016, Cochin Division produced 407300 MT of Factamfos 20:20 as against 468445 MT during the year 2014-2015.

The production of Nutrient nitrogen and Nutrient P₂O₅ during the year was 81460 MT each as against 93689 MT each during the last year.

During the year 2015-2016, the division produced 202010 MT of Sulphuric acid and 27305 MT of phosphoric acid as compared to 315340 MT of Sulphuric acid and 67840 MT of phosphoric acid in the year 2014-2015.

Marketing Division: During the financial year 2015-2016 the Fertiliser sales was 7.04 Lakh MT as against 7.76 lakh MT during the previous year. Sale of Factamfos during the year was 563267 MT as compared to 622396 MT during the year 2014-2015. The sale of Ammonium Sulphate during the year was 99474 MT as compared to 110794 MT during the previous year.

The sale of Zincated Factamfos, Bio-fertilisers, Organic Fertilisers and bagged gypsum have increased during the year 2015-16 as compared to the previous year.

FEDO: FEDO completed its second year of working as a Profit Centre in an excellent way. The turnover of FEDO increased from ₹18.48 crore in 2014-15 to ₹59.87 crore in 2015-16. The profit of FEDO in 2015-16 was ₹3.41 crore as against a loss of ₹36.55 lakhs for the year 2014-15.

During the financial year 2015-16, FEDO has bagged a couple of orders from infrastructure as well as petroleum sectors. The value of jobs in hand as on 31.03.2016 is ₹252.52 crore.

FEDO is presently executing major jobs of campus development of NIT, Nagaland, Project Management Consultancy (PMC) for setting up facilities for residential township for Bharath Petroleum Corporation Kochi-Refinery (BPCL-KR), PMC for LPG import terminal at Kochi for Indian Oil Corporation Limited (IOCL), PMC services for the Additional Crude Tank at Puthuvype for BPCL Kochi Refinery, Supply and installation of Electrical Power distribution for ST radar facility for CUSAT etc.

The major infrastructure job entrusted on FEDO this year is the construction of school and allied facilities for M/s Kendriya Vidyalaya Sangathan at three locations namely, Kaduthuruthy in Kerala, Haveri in Karnataka and Harda in Madhya Pradesh.

FEW : The turnover of FEW for the year 2015- 16 was ₹1000 lakh as against ₹1064 lakh during the year 2014- 15. During the year 2015- 16, FEW has bagged orders worth ₹424.83 lakh compared to ₹222.95 lakh during the year 2014-15.

FEW expect to increase the turnover during 2016-17 and also generate profit. The steady demand from the process industry for pressure vessels and Heat Exchangers for replacement as well as for capacity expansion is expected to bring orders to FEW. The shipping sector and aerospace sector are also expected to bring in several orders.

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

FEW is already in the field of fabrication of barges for inland cargo transportation, which is a new area for FEW development. Other opportunities to build small crafts are also being explored.

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) Availability of land resources for generating additional revenue
- e) Availability of RLNG at Kochi

Threats

- a) High interest and finance charges.
- b) Volatility in the prices of raw materials and feedstock.
- c) Exchange rate variations

Strength and Weakness

Strength

- a) Operational efficiency and high capacity utilisation of plants.
- b) Scope for expansion and diversification

Weakness

- a) Non-availability of Natural Gas.
- b) Over dependence on import of raw materials and the logistics

Segment-wise or Product-wise Performance

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

Risk and Concern

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

Internal Control System

Details of Internal Control Systems are elaborated in the Director's Report.

Corporate Social Responsibility

Details of CSR Activities are explained in the Director's Report.

HUMAN RESOURCES DEVELOPMENT

1. Industrial Relations

The Industrial relations situation was generally peaceful during the year 2015-2016. There was no stoppage of work affecting the normal operations of the Company due to Industrial Relation problems in the Company. A section of employees took part in the All India strike called by the political parties on 02/09/2015 which had affected the normal functioning of the plants due to low attendance.

2. Human Resources

Human resources functions in the Company were effective during the year. Due to the retirement / separation, Company is facing shortage of technically and professionally qualified manpower. However the recruitment was kept on hold till approval of Plan loan by the Government of India. During the year, 17 Process Technicians on contract basis have been absorbed in to regular rolls as per terms of appointment. Promotions were kept pending

during the year 2015-16 due to poor financial condition faced by the Company.

3. Development of SC&ST.

Employment of Reserved categories as on 31.03.2016 is given below:

	Total	SC	ST	OBC	PWD	EX-SER	TOTAL
No of Employees	2400	294	73	793	56	11	1227
% of total employees		12.2	3.04	33.04	2.33	0.45	51.20

Steps taken for the welfare of SCs/STs:

Fresh recruitment /Employment

Two SC employees were recruited during the year 2015-16. Details of employment of SCs/STs as on 31.03.2016 are provided above.

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. 104 SC employees and 28 ST employees had undergone training during the year 2015-16.

For engagement of Apprentices under the Apprentices Act, representation as per rules is provided. The representation for SC/ST in Apprentices as on 31.03.2016 is as follows:

Total No of Apprentices	SC	ST
171	20	2

SC/ST Grievance Cell

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

4. Allotment of Residential Quarters

Due consideration is given for allotment of Residential Quarters to SC/ST employees. Details of quarter allotted to SC/ST employees as on 31.03.2016 is furnished below:

Total Number of Employees Occupying Quarters	SC	ST
386	88	19

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

5. Reservation of Dealership

FACT is having 6831 dealers for distribution of fertilizers. During the financial year 2015-16, 11 SC and 6 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 31.3.2016 is given below.

Sl.No	State	Total Dealers	SC	ST
1	Kerala	2919	192	11
2	Tamil Nadu	1379	100	31
3	Karnataka	1532	117	57
4	Telungana	383	13	5
5	Andhra Pradesh	618	31	6
	Total	6831	453	110

Official Language

FACT is giving top priority for the implementation of the Official Language Act & Rules issued by the Ministry of Home Affairs, Government of India from time to time to achieve the targets prescribed in the Annual Programme. Official Language Implementation Committee Meetings and Official Language Compliance Officers' 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 continues to implement the Cash Incentive Scheme for the employees, to motivate them to do more official work in Official Language. FACT won First prize for the Excellent Performance in Hindi competitions during Joint Hindi Fortnight Celebrations-2015 organized by Kochi Town Official Language Implementation Committee. FACT also secured prizes for official language implementation and Hindi magazine "Rashtravani".

Pollution Control Activities

All fertilizer plants of FACT are certified for ISO:14001:2004 which always gives top most priority to ensure clean air and better living environment to the inhabitants in and around the factory. The Effluent Treatment Plants and emission control facilities are kept in operation along with production plants 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.

During the year, 50 saplings were planted at Udyogamandal Complex as a measure of green belt development.

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.

In FACT Cochin Division construction of a Guard Pond for improvement of the existing effluent treatment system was completed and it will be commissioned shortly.

Awards and recognitions

FACT Udyogamandal Complex has won the 'Certificate of Merit' in Kerala State Pollution Control Award – 2015 among very large industries in Kerala.

FACT has won India Sea-Trade Award-2015 in two categories for 'Excellence in Coastal Shipping and Inland Water Transport Corporation – 2015' and 'Outstanding Performance in Inland Water Transport Corporation – 2015'.

FACT Cochin Division received the SKOCH Award in the category of 'Smart Technology for Solid Waste Management' during the year 2015.

FACT Installation at Willington Island received the runner-up award for outstanding safety performance in the category of medium scale chemical industries for the year constituted by National Safety Council – Kerala Chapter.

FACT received the BT-CSR Excellence award for Emission Reduction during the year 2015-16.

Roadmap for sustainability

FACT has drawn up a road map for the revival and sustainable growth of the company in the long run. On receipt of plan loan of ₹ 1000 crore from Government of India, Company could restart its fertiliser plants in full swing. The company is expected to make operational profit during the financial year 2016-17.

FACT intends to leverage and monetize a portion of its land in the possession and enjoyment to raise funds for implementation of various expansion projects and to repay a portion of government of India loan.

Updated DPR for 1000 TPD NP Plant at Cochin Division has been finalised and submitted for SFC clearance of Government of India.

DPR has been prepared for new 2200 MTPD Ammonia Plant, 3850 MTPD Urea Plant and 2000 MTPD Sulphuric Acid Plant in Cochin division. Capacity enhancement of Phosphoric Acid Plant from 360 MTPD P2O5 to 500 MTPD P2O5 is also under consideration of the Company.

Outlook for the future

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

Udyogamandal
Date:12-08-2016

Sd/-
JAIVEER SRIVASTAVA
CHAIRMAN AND MANAGING DIRECTOR
DIN: 01858412

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

REPORT ON CORPORATE GOVERNANCE

I Philosophy on Code of Governance

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

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

II Board of Directors

(a) Composition and Category

Sl. No	Name of Director	Period	Nature of Directorship/ Category
1	Shri Jaiveer Srivastava	01.04.2015 / 31.03.2016 *	Chairman and Managing Director - Whole time Functional (Executive) Director
2	Shri P.Muthusamy	01.04.2015 / 23.03.2016	Director (Finance) - Whole time functional (Executive) Director
3	Shri V.K.Anil	01.04.2015 / 31.03.2016	Director (Technical) - Whole time functional (Executive) Director
4	Shri S.K.Lohani	01.04.2015 / 31.03.2015 *	Part-time Official (Non Executive) Director
5	Shri Vinod Kumar Thakral	01.01.2016 / 31.03.2016	Part-time Official (Non Executive) Director
6	Shri V.Subramanian	01.04.2015 / 09.06.2015	Director (Marketing) - Whole time functional (Executive) Director
7	Shri K.M.Gupta	01.04.2015 / 06.05.2015	Part-time Official (Non Executive) Director
8	Shri Sham Lal Goyal	06.05.2015 / 28-09-2015	Part-time Official (Non Executive) Director

* Still continue in the Board.

(b) Details of Board meetings & Attendance of Directors

Sl. No	Board Meeting Number and Date	Venue	Filled Strength	Directors Present
1	470 dated 24.04.2015	Kochi	6	5
2	471 dated 29.05.2015	Kochi	6	4
3	472 dated 12.08.2015	New Delhi	5	4
4	473 dated 13.11.2015	Kochi	4	4
5	474 dated 03.12.2015	New Delhi	4	4
6	475 dated 19.01.2016	New Delhi	5	5
7	476 dated 11.02.2016	New Delhi	5	5
8	477 dated 02.03.2016	New Delhi	5	5

(c) Attendance in Board meetings

Sl.No	Name of Director	Period	No.of Meetings held	No.of Meetings Attended	No.of Directorship in other Boards
1	Shri Jaiveer Srivastava	01.04.2015 / 31.03.2016	8	8	3*
2	Shri P.Muthusamy	01.04.2015 / 23.03.2016	8	8	2
3	Shri V.K.Anil	01.04.2015 / 31.03.2016	8	8	2
4	Shri V.Subramanian	01.04.2015 / 09.06.2015	2	2	1
5	Shri S.K.Lohani	01.04.2015 / 31.03.2016	8	7	3
6	Shri Sham Lal Goyal	06.05.2015 / 28.09.2015	0	0	2
7	Shri Vinod Kumar Thakral	14.01.2016 /31.03.2016	3	3	2

* Chairman FRBL

Shri Jaiveer Srivastava, Chairman and Managing Director, Shri P.Muthusamy, Director (Finance), Shri V.K.Anil, Director (Technical), and Shri V.Subramanian, Director (Marketing) attended the 71st Annual General Meeting.

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

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 Vinod Kumar Thakral	59	14.01.2016	Co-opted as Director on 14-01-2016 [Due to retirement from Department of Fertilizers, Not proposing for election as a Director at the 72nd AGM.]
2	Shri S.K.Lohani	44	24.06.2014	Elected as a Director at the 71 st Annual General Meeting
3	Shri KPS Nair	60	29.06.2016	Co opted as Additional Director on 29.06.2016
4	Dr. S Murali	45	29.06.2016	Co opted as Additional Director on 29.06.2016

IV. Particulars of Directors under III above as follows:

Shri Vinod Kumar Thakral

Shri Vinod Kumar Thakral, Govt. of India nominee Director (Part-time Official Director), belongs to 1982 batch of Indian Administrative Services. He held number of key positions in various government departments and has rich and varied administrative experience. He was the Special Secretary and Financial Advisor in the Department of Fertilizers, Ministry of Chemicals & Fertilizers, Govt. of India. He was also holding additional charge of Member (Finance), Atomic Energy/Space/ Earth Commissions. Shri Vinod Kumar Thakral is a Member on the Board of National Fertilisers Limited and Hindustan Organic Chemicals Ltd.

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. Shri S.K. Lohani is a Member on the Board of Rashtriya Chemicals & Fertilisers Limited, Hindustan Fertiliser Corporation Limited and Fertilizer Corporation of India Limited. He is a member of Audit Committee of the Board.

Shri KPS Nair

Shri KPS Nair is a retired professor & principal and head of Department of Mechanical Engineering, School of Engineering, Cochin University of Science and Technology. He is having rich experience in Educational, Industrial, and Management field and closely associated with various professional bodies like, National Safety Council, National Productivity Council etc.

Dr. S Murali

Dr. S. Murali is a doctor by profession and is practicing at Bangalore. He is actively engaged in various social activities. He is Assistant commissioner in St. Johns Ambulance Brigade, Bangalore. He has published and presented papers in various Conferences /Seminars.

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

V. Audit Committee

Sl.No	Name of Director	Nature of Directorship
1	Shri Vinod Kumar Thakral (From 14.01.2016) Chairman	GOI Nominee Director
2	Shri S.K.Lohani	GOI Nominee Director
3	Shri V.K.Anil	Functional Director
4	Shri K.M. Gupta (Upto 06.05.2015)	GOI Nominee Director
5	Shri Sham Lal Goyal (From 06.05.2015 / 14.01.2016)	GOI Nominee Director

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

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

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Number and Date of Audit Committee Meeting	Number of Members	Number of Members Attended
52 dated 29.05.2015	3	1
52 dated 12.08.2015	3	2
53 dated 13.11.2015	3	2
54 dated 11.02.2016	3	3

VI. Nomination and Remuneration Committee

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

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

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

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

Composition of the Nomination and Remuneration Committee is given below:

Sl.No.	Name of Director	Nature of Directorship
1	Shri S.K. Lohani	GOI Nominee Director
2	Shri P. Muthusamy	Director (Finance)
3	Shri V.K. Anil	Director (Technical)

On completion of the five year term, Shri P. Muthusamy, Director (Finance) ceased to be a Director of FACT with effect from 23.03.2016 and the Board at its 478th meeting held on 30th April, 2016 nominated Shri Jaiveer Srivastava to the Nomination and Remuneration Committee in place of Shri P. Muthusamy, Director (Finance). Shri V K Anil Director (Technical) relinquished the post with effect from 12.07.2016.

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

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

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

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 31.03.2016 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 one complaint of Shareholders / Investors to his satisfaction. As on date no shareholder / investor complaint is pending for redressal.

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

VIII. Committee on Corporate Social Responsibility

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

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

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

IX. General Body Meetings

Year	Date	Time	Venue	Details of Special Resolution
2012-2013	27.12.2013	11.00 AM	Udyogamandal	NIL
2013-2014	26.09.2014	11.00 AM	Udyogamandal	NIL
2014-2015	28.09.2015	11.00 AM	Udyogamandal	Resolution u/s 180(a) & 180(c) of the Companies Act, 2013.

During the financial year 2015-16, the company has passed special resolution through Postal ballot for enhancement of borrowing limit from ₹ 2000crore to ₹ 3500 crore and for creation of charges/mortgage on company's properties to secure the borrowing. The Company has followed all the procedure as prescribed in the Companies Act, 2013 and Company (Management & Administration) Rule, 2014. Shri P.D. Vincent, Practising Company Secretary, Partner, M/s SVJS & Associates, Company Secretaries, Kochi was appointed as the Scrutinizer for conducting postal ballot process in a fair and transparent manner. The voting results of the resolution passed through postal ballot is given below.

SPECIAL BUSINESS – SPECIAL RESOLUTION		Mode of Voting	No. of Vote in Favour	% of Votes in Favour on votes Polled	No. of Votes Against	% of Votes Against on Votes Polled	No. of Votes Polled	Total Percentage
1	Consent of the Company under Section 180(1)(c) of the Companies Act 2013 to the Board of Directors to borrow upto Rs.3500 crore	E Voting	616957	99.996	20	0.003	616977	100
		Postal Ballot	40268	93.891	2620	6.108	42888	100
Total			657225	99.599	2640	0.400	659865	100
2	Consent of the Company under Section 180(1) (a) of the Companies Act, 2013 to the Board of Directors to create Mortgage/ charges on the movable and immovable properties of the Company, both present and future, in respect of borrowings	E Voting	616906	99.996	20	0.003	616926	100
		Postal Ballot	37928	92.358	3138	7.641	41066	100
Total			654834	99.520	3158	0.479	657992	100

As on date, the Company is not proposing to conduct any resolution through postal ballot

X. Disclosure

During the year 2015-16, 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 have advised FACT to remit fine 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. Vigil Mechanisam and Whistle Blower Policy are posted in the website of the Company www.fact.co.in. No person has been denied access to the Audit Committee of the Board on matters relating to Vigil Mechanisam and Whistle Blower Policy.

XI. Means of Communications

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

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

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

XII. General Shareholders Information

Information relating to the Annual General Meeting & Financial Calendar for 2016-2017 are given below:

72nd Annual General Meeting	
Day	Tuesday
Date	27-9-2016
Time	11.00 AM
Venue	Udyogamandal Club, Udyogamandal

Financial Calendar 2016-2017	
Ist Quarter Financial Results	Published on 12 th August 2016
II nd Quarter Financial Results	Will be published on II nd week of November 2016
III rd Quarter Financial Results	Will be published on II nd week of February 2017
IV th Quarter Financial Results	Will be published on II nd week of May 2017

Dates of Book Closure	From 23 rd September 2016 to 28 th September 2016 (both days inclusive)
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 2016-2017	
Stock code	
Name of Stock Exchange	Stock Code
National Stock Exchange of India Ltd, Mumbai	FACT

XIII Market Price

The high, low market price of Shares during each month in last financial year 2015-2016 as available from the National Stock Exchange of India Limited are given below:-

Month	High (₹)	Low (₹)
April 2015	35.40	27.35
May 2015	29.45	25.00
June 2015	26.50	21.00
July 2015	25.35	21.35
August 2015	24.80	15.75
September 2015	20.95	17.30
October 2015	22.35	19.35
November 2015	22.35	18.60
December 2015	27.90	21.05
January 2016	26.25	19.85
February 2016	24.50	18.60
March 2016	22.35	19.70

XIV Share Transfer / Depository Agent

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

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

XV Share Transfer System

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

XVI Distribution of Shareholding as on 31.03.2016

Share holding of Nominal value of Rs. 10/-	Share holders		Amount (Rs.)
	Number	% to Total	
Up to 500	14265	88.15	17455280.00
501 — 1000	1040	6.43	8625880.00
1001 — 2000	439	2.71	6919360.00
2001 — 3000	137	0.85	3575950.00
3001 — 4000	69	0.43	2472150.00
4001 — 5000	80	0.49	3863020.00
5001 — 10000	92	0.57	6863540.00
10001 — 50000	52	0.32	8971240.00
50001 and above	8	0.05	6411973320.00
Total	16182	100.00	6470719740.00

XVII De-materialisation of shares and liquidity

In accordance with the direction of SEBI, trading of FACT shares have been brought under compulsory De-mat segment for all categories of investors with effect from 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 31.03.2016, 644054044 Equity shares have been dematerialized.

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

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

XIX Plant Locations

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

XX Address for correspondence by Shareholders:

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

XXI Demat Suspense Account and Unclaimed Suspense Account

No shares of FACT is lying in Demat suspense Account and Unclaimed Suspense Account. No transfer of shares from Demat suspense Account / Unclaimed Suspense Account was made during the year 2015 -16.

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 has received fresh notification from Government of India on appointment of Non-official Part-time Directors on the Board of Directors of FACT only on 10.06.2016

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

CFO / CEO's CERTIFICATION

We Certify that:

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

Sd/-

Jaiveer Srivastava
Chairman & Managing Director
DIN: 01858412

Sd/-

Sreenath V. Kamath
Chief Financial Officer

DECLARATION OF COMPLIANCE OF CODE OF BUSINESS CONDUCT AND ETHICS

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

The information relating to FACT has been documented in the website of the Company www.fact.co.in

Sd/-

Jaiveer Srivastava
CHAIRMAN AND MANAGING DIRECTOR
DIN: 01858412

Udyogamandal
Date:12-08-2016

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

SVJS & Associates
Company Secretaries

39/3519B, FIRST FLOOR, PADMAM APARTMENTS,
MANIKKATH ROAD, RAVIPURAM

Annexure I

Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2016

[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., Udyogamandal
Alwaye, Ernakulam
Kerala - 683501

- (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (v) As informed to us, the following other laws are specifically applicable to the Company.
1. Fertiliser (Control) Order, 1985;
 2. The Manufacture, Storage and Import of Hazardous Chemical Rules, 1989;
 3. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008;
 4. Batteries (Management and Handling) Rules, 2001;
 5. The Industries (Development and Regulation) Act, 1951 and the Regulations and Bye-laws framed thereunder;
 6. The Water (Prevention and Control of Pollution) Act 1974;
 7. The Air (Prevention and Control of Pollution) Act, 1981;
 8. The Environment (Protection) Act, 1986;
 9. The Factories Act, 1948;
 10. The Boilers Act, 1923 and the Regulations and Bye-laws framed thereunder;
 11. Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010;
 12. The Central Vigilance Commission Act, 2003 and the Regulations and Bye-laws framed thereunder;
 13. The Sick Industrial Companies (Special Provisions) Act, 1985;
 14. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (to the extent applicable);
 - (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;

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

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

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

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

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; hence the composition of Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee lacks Independent Directors.*
2. *The Company has not filed Form 5 INV with respect to intimation of outstanding amounts of the unclaimed matured fixed deposit and interest thereon as per Rule 3 of the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012.*

'Annexure A'

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

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

1. Maintenance of the Secretarial records is the responsibility of the management of the Company. Our responsibility as Secretarial Auditors is to express an opinion on these records, based on our audit.
2. During the audit, we have followed the practices and process as were appropriate, to obtain reasonable assurance about the correctness of the contents of the Secretarial records. We believe that the process and practices we followed provide a reasonable basis for our report.
3. The correctness and appropriateness of financial records and Books of Accounts of the Company have not been verified.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards etc. is the responsibility of management. Our examination was limited to the verification of the procedures and compliances on test basis.
6. While forming an opinion on compliance and issuing the Secretarial Audit Report, we have also taken into consideration the compliance related actions taken by the Company after 31st March 2016 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.

We report that

The Board of Directors of the Company is not duly constituted as it lacks Independent Directors and women director as contemplated under Clause 49 of the Listing Agreement and Regulation 17 of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 the Company has passed a Special Resolution under Section 180 (1) (c) by way of postal ballots, with effect from 16th March 2016, to increase the borrowing limits from Rs. 2000 Crore to Rs. 3500 Crore. Company also passed a Special Resolution under Section 180 (1) (a) for creation of mortgage/ charge on the Company's movable and immovable properties in respect of the borrowing.

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

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

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

For SVJS & Associates
Company Secretaries

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

Kochi
29.07.2016

For SVJS & Associates
Company Secretaries

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

Kochi
29.07.2016

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Annexure-II

ANNEXURE TO DIRECTOR'S REPORT

Comments/Reply on observation/comments of Secretarial Auditor

Comments / Observations	Reply
<p>1. The company has not appointed Woman Director and Independent Directors pursuant to Section 149 of the Companies Act, 213 and Clause 49 of the Listing Agreement; hence the composition of Audit committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee lacks Independent Directors.</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>Government of India vide Order No. 87/08/2016-HR-1 dated 10th June, 2016 appointed Shri K.P.S. Nair, Nazareth Lane, Aluva and Dr. S. Murali, 2, Lakshmi Nivas, Bangalore-85 as non-official part time Directors on the Board of FACT. The Company has inducted Shri K.P.S. Nair, and Dr. S. Murali to the Audit Committee/ Nomination and Remuneration Committee and Corporate Social Responsibility committee.</p>
<p>2. The Company has not filed Form 5 INV with respect to intimation of outstanding amounts of the unclaimed matured fixed deposit and interest thereon as per Rule 3 of the Investor Education and Protection fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012.</p>	<p>The Company is not accepting any deposit from the public. However, as on 31.03.2016, Rs. 49,000/- is lying in unclaimed matured fixed deposit account. The Form 5 INV is not available on the website of Ministry of Corporate Affairs for filing intimation of outstanding amounts of the unclaimed matured fixed deposit and interest thereon as per Rule 3 of the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies)Rules, 2012. Once the form is available in the website of the Ministry, FACT shall file the Form 5 INV.</p>
<p>3. The Board of Directors of the Company is not duly constituted as it lacks Independent Directors and women director as contemplated under Clause 49 of the Listing Agreement and Regulation 17 of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.</p>	<p>Government of India vide Order No. 87/08/2016-HR-1 dated 10th June, 2016 appointed Shri K.P.S. Nair, Nazareth Lane, Aluva and Dr. S. Murali, 2, Lakshmi Nivas, Bangalore-85 as non-official part time Directors on the Board of FACT.</p> <p>The Board at its 480th meeting held on 29/06/2016 appointed Shri K.P.S. Nair and Dr. S. Murali as additional Directors on the Board of FACT.</p> <p style="text-align: right;">Sd/- JAIVEER SRIVASTAVA CHAIRMAN AND MANAGING DIRECTOR DIN: 01858412</p> <p>Udyogamandal Date:12-08-2016</p>

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Annexure – III

FORM NO. AOC – 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

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

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

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

Sl.No.	Particulars	Details
a)	Name (s) of the related party	FACT RCF Building Products Limited
	Nature of relationship	Joint Venture
b)	Nature of contracts/ arrangements/ transaction	Supply of Gypsum and deputation of personnel
c)	Duration of the contracts/ arrangements/ transaction	NA
d)	Salient terms of the contracts or arrangements or transaction	Transactions on Arms length basis
e)	Date of approval by the board	12-08-2015
f)	Amount paid as advances, if any	NIL
g)	Amount incurred during the year	Rs. 129.92 lakhs

Udyogamandal
Date:12-08-2016

Sd/-
Jaiveer Srivastava
CHAIRMAN AND MANAGING DIRECTOR
DIN: 01858412

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Annexure-IV

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

1. A brief outline on Companies CSR policy:

FACT gives priority on various social responsibility measures for the benefit of weaker section of the Society and to improve the standard of living of the inhabitant near the factory area. FACT is a 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 2015-16

Total amount spent for the financial year

: Not applicable

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

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

Udyogamandal
Date:12-08-2016

Sd/-
Jaiveer Srivastava
Chairman & Managing Director
DIN: 01858412

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Form No. MGT-9

Annexure-V

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2016

[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 PRICIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the company
1	Complex Fertilisers	31052000	85
2	Ammonium Sulphate	31022100	10

III PARTICULARS OF HOLDING, SUBCIDIARY AND ASSOCIATE COMPANIES

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

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

IV SHAREHOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF									
b) Central Government	582364076	700	582364776	90	582364076	700	582364776	90	0
c) State Government (s)									
d) Bodies Corp.									
e) Banks / FI									
f) Any Other									
Sub-total (A) (1):-	582364076	700	582364776	90	582364076	700	582364776	90	0
(2) Foreign									
a) NRIs - Individuals									
b) Other Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other									
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total Shareholding of									
Promoter (A) = (A) (1) + (A) (2)	582364076	700	582364776	90	582364076	700	582364776	90	0
B. Public 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 Government(s)	0	2585000	2585000	0	0	2585000	2585000	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	913940	1450	915390	0.14	0	1250	1250	0	-99.86
g) FIs	0	0	0.0	0.00			0	0	0
h) Foreign Venture Capital Funds	0	0	0	0.00			0	0	0
i) Others									
Special Investment Fund	55400424	0	55400424	8.56	55400424	0	55400424	8.56	0
Sub-total (B) (1):-	56314914	2590740	58905654	9.10	55400974	2590540	57991514	8.56	0
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	475831	4513	480344	0.07	483419	4713	488132	0.08	1.62
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0			0	0	0		
i) Individual shareholders holding nominal sharecapital upto Rs. 1 lakh	3191801	428813	3620614	0.56	3919100	421977	4341077	0.67	19.9
ii) Individual shareholders holding nominal sharecapital in excess of Rs. 1 lakh	619105	0	619105	0.1	676951	0	676951	0	9.34
c) Others (Specify)			0	0			0	0	0
Clearing Members	78502	0	78502	0.01	83277	0	83277	0.01	6.08
Hindu Undivided Families	205256	0	205256	0	232882	0	232882	0.04	13.45
FN's	0	0	0		3310	0	3310	0.00	0.0
Non-Resident Indians	797723	0	797723	0.12	890055	0	890055	0.14	11.57
Sub-total (B) (2):-	5368218	433326	5801544	0.9	6288994	426690	6715684	1	15.76
Total Public Shareholding (B) = (B) (1) + (B) (2)	61683132	3024066	64707198	10	61689968	3017230	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)	644047208	3024766	647071974	100	644054044	3017930	647071974	100	0

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

ii) Shareholding of Promoters

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

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No.of Shares	% of total shares of the Company	No.of Shares	% of 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) ENCLOSURE Shareholding pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For each of the top 10 Shareholders	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
01	Special National Investment Fund				
	At the beginning of the year	55400424	8.56	55400424	8.56
	Increase/Decrease	Nil	Nil	Nil	Nil
	At the end of the year	55400424	8.56	55400424	8.56
02	The Governor of Kerala				
	At the beginning of the year	2175000	0.34	2175000	0.34
	Increase/Decrease	Nil	Nil	Nil	Nil
	At the end of the year	2175000	0.34	2175000	0.34

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

SN	For each of the top 10 Shareholders	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
03	Ravikumar Kowtha				
	At the beginning of the year	577421	0.09	577421	0.09
	Increase/Decrease			35579	0.00
	At the end of the year			613000	0.09

SN	For each of the top 10 Shareholders	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
04	The Governor of Tamilnadu				
	At the beginning of the year	256933	0.04	256933	0.04
	Increase/Decrease	Nil	Nil	Nil	Nil
	At the end of the year	256933	0.04	256933	0.04

SN	For each of the top 10 Shareholders	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
05	Governor of Andhra Pradesh				
	At the beginning of the year	147600	0.02	147600	0.02
	Increase/Decrease	Nil	Nil	Nil	Nil
	At the end of the year	147600	0.02	147600	0.02

SN	For each of the top 10 Shareholders	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
06	Saji Varghese				
	At the beginning of the year	138348	0.02	138348	0.02
	Increase/Decrease	Nil	Nil	Nil	Nil
	At the end of the year	138348	0.02	138348	0.02

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

SN	For each of the top 10 Shareholders	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
07	Karvi Stock Brocking Ltd.				
	At the beginning of the year	57691	0.01	57691	0.02
	Increase/Decrease			44260	0.01
	At the end of the year			101951	0.02

SN	For each of the top 10 Shareholders	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
08	Dheeraj Lal S. Menthra				
	At the beginning of the year	50000	0.01	50000	0.01
	Increase/Decrease	Nil	Nil	Nil	Nil
	At the end of the year	50000	0.01	50000	0.01

SN	For each of the top 10 Shareholders	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
09	Udayakumar N. Kothari				
	At the beginning of the year	42050	0.01	42050	0.01
	Increase/Decrease	Nil	Nil	Nil	Nil
	At the end of the year	42050	0.01	42050	0.01

SN	For each of the top 10 Shareholders	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
10	Pawankumar Agarwal				
	At the beginning of the year	10381	0.00	10381	0.01
	Increase/Decrease			23298	0.00
	At the end of the year			33679	0.01

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

SN	For each of the top 10 Shareholders	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
11	United India Insurance Co. Ltd.				
	At the beginning of the year	913940	0.14	300	0.00
	Increase/Decrease	913640	0.14		
	At the end of the year			300	0.00

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year	0	0	0	0
	Date-wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	0	0	0	0
	At the end of the year (or on the date of sepeation, if seperated 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	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
Change in Indebtedness during the financial year				
Addition	10190184036		0	10190184036
Reduction		-5514309841	0	-5514309841
Net Change	10190184036	-5514309841	0	4675874195
Indebtedness at the end of the Financial year				
i) Principal amount	18105870986	0	0	18105870986
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	11095890	0	11095890
Total (i+ii+iii)	18105870986	11095890	0	18116966876

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

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		2098472.76
	(b) Value of perquisites u/s 17 (2) of Income-Tax Act, 1961		188346.00
	© Profit in lieu of salary u/s 17 (3) of Income-Tax Act, 1961		251604.69
2	Stock Option		0
3	Sweat Equity		0
4	Commission		
	- as % of Profit		0
	- others, specify.....		0
5	Others, please specify		0
	Total (A)		2538423.45
	Ceiling as per the Act		NA*

Sl.No	Particulars of Remuneration	Name of MD / WTD / Manager	Total amount
		Shri P.MUTHUSAMY, DIRECTOR (FINANCE)(UP to 23.03.2016)	
1	Gross Salary		
	(a) Salary as per provisions contained in Section 17 (1) of the Income-Tax Act, 1961		2009822.52
	(b) Value of perquisites u/s 17 (2) of Income-Tax Act, 1961		128744.00
	© Profit in lieu of salary u/s 17 (3) of Income-Tax Act, 1961		240878.82
2	Stock Option		0
3	Sweat Equity		0
4	Commission		
	- as % of Profit		0
	- others, specify.....		0
5	Others, please specify		0
	Total (A)		2379445.34
	Ceiling as per the Act		NA*

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

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		2185950.24
	(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		262017.39
2	Stock Option		0
3	Sweat Equity		0
4	Commission		
	- as % of Profit		0
	- others, specify.....		0
5	Others, please specify		0
	Total (A)		2447967.63
	Ceiling as per the Act		NA*

Sl.No	Particulars of Remuneration	Name of MD / WTD / Manager	Total amount
		Shri V.SUBRAMANIAN, (DIRECTOR (MARKETING) (Up to 09.06.2015)	
1	Gross Salary		
	(a) Salary as per provisions contained in Section 17 (1) of the Income-Tax Act, 1961		368367.47
	(b) Value of perquisites u/s 17 (2) of Income-Tax Act, 1961		15538.00
	©Profit in lieu of salary u/s 17 (3) of Income-Tax Act, 1961		44148.66
2	Stock Option		0
3	Sweat Equity		0
4	Commission		
	- as % of Profit		0
	- others, specify.....		0
5	Others, please specify		0
	Total (A)		428054.13
	Ceiling as per the Act		NA*

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

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

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/WTD

Sl.No	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17 (1) of the Income-Tax Act, 1961		1222400.86		1222400.86
	(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		146388.22		146388.22
2	Stock Option				0
3	Sweat Equity				0
4	Commission				0
	- as % of Profit				0
	- others, specify.....				0
5	Others, please specify				0
	Total		1368789.08		1368789.08

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				

Udyogamandal
Date:12-08-2016

Sd/-
JAIVEER SRIVASTAVA
CHAIRMAN AND MANAGING DIRECTOR
DIN: 01858412

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

SATISH.V

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

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

Phone:0484-6002101; 9961333309 E-mail: vsathish.cs@gmail.com

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

{ Pursuant to Regulation 34(3) and schedule V(E) of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015}

Registration No.of the Company : L24129KL1943GOI000371

Nominal Capital : Rs. 10,000,000,000/-

To the Members of

THE FERTILISERS AND CHEMICALS 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 as stipulated in the relevant Clauses of the Listing Agreement of the said Company with National Stock Exchange of India Limited for the financial year ended March 31, 2016. I have obtained all the information and explanations which to the best of my knowledge and belief where necessary for the purposes of certification.

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

On the basis of my examination of the records produced, explanations and information furnished, I certify that the Company has complied with all the conditions of Listing Agreement/conditions of Corporate Governance as stipulated in the above mentioned SEBI (Listing Obligations & Disclosure Requirements) regulations 2015 except Clause 49(1A) of Listing agreement/Regulation 17(1) of SEBI (LODR) regulations 2015 relating to appointment of independent/women director prescribed for the 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 – 682 019

14.07.2016

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

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

Telephone: 0484-2398398,9847046200,9287270400/ Fax0474-2746083/E mail-kochi@kvco.in

Chennai, Mumbai, Kollam, Adoor, Calicut Coimbatore

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

INDEPENDENT AUDITOR'S REPORT

To The Members of The Fertilisers And Chemicals Travancore Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **The Fertilisers And Chemicals Travancore Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

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

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit

to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31st, 2016, and its loss and its cash flows for the year ended on that date.

Emphasis of Matter

- a) We draw attention to Note No. 33 to the standalone financial statement. The Company has accumulated loss amounting to ₹ 1,95,660.28 Lakhs and its net worth has been fully eroded, the Company has incurred a net loss during the current and previous years. This condition indicates the existence of material uncertainty which may cast significant doubt as to the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said note.

Our opinion is not modified in respect of this matter

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Other Matter

We did not audit the financial statements of 5 area/regional offices of marketing division included in the standalone financial statements of the company whose financial information reflect total asset of ₹ 932.64 Lakhs as at 31st March, 2016 and total revenue of ₹ 1,15,882.20 Lakhs for the year ended on that date, as considered in the standalone financial statements. The financial information of these branches have been audited by the branch auditors whose report have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143 (5) of the Act, we give in Annexure C, on the basis of such checks of the books and the records of the Company as we considered appropriate and according to the informations and explanations given to us, in the annexure on the directions issued by the Comptroller and Auditor-General of India.
3. As required by section 143(3) of the Companies Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representation received from the Directors as on 31st March, 2016, and taken on

record by the Board of Directors, We report that none of the Directors is disqualified as on 31st March, 2016, from being appointed as director in terms of Section 164(2) of the Act;

- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B", our report express an unmodified opinion on the adequacy and the operating effectiveness of the Company's internal financial control over financial reporting; and
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- refer Note 29 to the financial statements.
 - ii. The Company has made provision as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

New Delhi
30th May, 2016

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

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph (1) under the heading of "Report on Other Legal and Regulatory Requirements" of our report to the members of The Fertilisers And Chemicals Travancore Limited on the accounts for the year ended 31st March, 2016

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

According to the information and explanation given to us, no material undisputed amounts payable in respect of Provident Fund, Employees State Insurance Fund, Income Tax, Wealth Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other material statutory dues were in arrears as at 31st March, 2016 for a period of more than six months from the date they became payable.
 - b) According to the information and explanation given to us, the following disputed dues of Sales Tax, Income Tax, Customs Duty, Excise Duty, Service Tax, Cess etc. which have not been deposited as on 31st March, 2016 are given below.

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Nature of Statute	Nature of Dues	Forum where Dispute pending	Financial Year	Amount involved (₹ in lakhs)	Amount unpaid (₹ in lakhs)
Central Excise Act, 1944	Duty, penalty with interest demand disputed by company. Cenvat utilised for fertilizer clearances	Customs, Excise and Service Tax Appellate Tribunal, Bangalore	2010-11 to 2013-14	8381.06	6151.28
Central Excise Act, 1944	Duty with interest and penalty on shortages written off	Commissioner of Central Excise, Kochi	2003-04	83.49	83.49
Central Excise Act, 1944	Duty with interest and penalty on Cenvat availment	Customs, Excise and Service Tax Appellate Tribunal, Bangalore	2006-07 to 2010-11	5.44	5.22
Finance Act, 1994	Tax Penalty and interest demand on service tax	Customs, Excise and Service Tax Appellate Tribunal, Bangalore	2003-04 to 2009-10	274.37	262.00
Finance Act, 1994	Tax Penalty and interest demand on service tax	Commissioner of Central Excise, Kochi	2006-07 to 2012-13	95.52	95.52
Madhya Pradesh Entry Tax	Entry tax demand	Board of Revenue (Commercial Tax Tribunal) Gwalior, Madhya Pradesh	1980-84	3.67	3.67
Sales Tax Act Punjab	Sales tax demand	High Court of Haryana and Punjab	1985-92	43.76	43.76
Sales Tax Act, Orissa	Sales tax demand	High Court of Orissa	2000-01	63.00	63.00
Income Tax Act, 1961	Tax demand due to disallowances	High Court of Kerala	1987-88	11.77	-
Income Tax Act, 1961	Tax demand due to disallowances	High Court of Kerala	1989-90	32.40	-
Income Tax Act, 1961	Interest demand u/s 234B (3)	CIT (Appeals), Kochi	2001-02	2.94	-
Income Tax Act, 1961	Tax demand due to disallowance	CIT (Appeals), Kochi	2005-06	1.32	-
Income Tax Act, 1961	Additional Tax and Interest demanded on payments to foreign technicians	High Court of Kerala	1994-95 to 1997-98	103.05	78.21
Income Tax Act, 1961	Tax demand due to disallowances	High Court of Kerala	1997-98	10.49	10.49

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

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

For K. VARGHESE & Co.

Chartered Accountants
(Firm Registration No. 004525S)

Sd/-

Sam Varghese

Partner

(Membership No. 216979)

New Delhi

30th May, 2016

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph (f) under the heading of "Report on Other Legal and Regulatory Requirements" of our report to the members of The Fertilisers And Chemicals Travancore Limited on the accounts for the year ended 31st March, 2016

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

We have audited the internal financial controls over financial reporting of **The Fertilisers And Chemicals Travancore Limited** ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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

Sd/-
Sam Varghese
Partner

New Delhi
30th May, 2016

(Membership No. 216979)

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

ANNEXURE 'C' TO THE INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph 2 under the heading of "Report on Other Legal and Regulatory Requirements" of our report to the members of The Fertilisers And Chemicals Travancore Limited on the accounts for the year ended 31st March, 2016

AUDIT REPORT ON THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2016 AS PER DIRECTIONS OF C&AG UNDER SECTION 143(5) OF THE COMPANIES ACT , 2013

Sl.No.	C&AG Directions	Comments of Statutory Auditor						
1.	Whether the company has clear title/ lease deeds for freehold and leasehold land respectively? If not, please state the area of freehold and leasehold land for which title/lease deeds are not available.	FACT is having title deed in respect of freehold/leasehold land. However, Govt of Kerala is yet to issue Title deed/patta in respect of 48.49 Acres of land amounting to ₹ 510.77 Lacs.						
2.	Please report whether there are any cases of waiver/write off of debts/ loans/interest etc. if yes, the reasons therefore and the amount involved".	<p>M/s. Tamilnadu Tea Plantation Limited (TANTEA), Coonoor is our dealer in fertilisers for quite a longtime until 2007. TANTEA is the Tamilnadu State Government undertaking providing service to the Tea Plantation growers of Nilgiri district. Whenever the Company supply the material TANTEA used to weigh and deduct the value for the shortage in the subsequent payment. Such short payments were accumulated and subsequently the Company also charged interest on such short payments.</p> <p>After reconciliation, TANTEA have disallowed the Company's claim on certain short payments and interest. Finally the Company have adjusted their dues against EMD and after that the following amounts were pending recovery/payment from them.</p> <table border="0"> <tr> <td>1. Short payment</td> <td style="text-align: right;">₹ 854.60</td> </tr> <tr> <td>2. Overdue Interest</td> <td style="text-align: right;">₹ 6492.00</td> </tr> <tr> <td style="text-align: center;">Total</td> <td style="text-align: right;"><u>₹ 7346.60</u></td> </tr> </table> <p>Since M/s. TANTEA has stopped doing business with the Company since 2007, The Company's attempt to recover the above amounts become futile. The above amount is lying in their account as Overdue and M/s. TANTEA being a State Government apex body, the Company may not be able to collect the above amount. Hence after approval from management the above amount has been written off during 2015-16.</p>	1. Short payment	₹ 854.60	2. Overdue Interest	₹ 6492.00	Total	<u>₹ 7346.60</u>
1. Short payment	₹ 854.60							
2. Overdue Interest	₹ 6492.00							
Total	<u>₹ 7346.60</u>							
3.	Whether proper records are maintained for inventories lying with third parties and assets received as gift from Government or other authorities	<p>As a policy company does not part with the inventory of the Company with others except in specific cases required under extreme exigencies, though such cases are few and far between. However, there could be cases in which some machinery or part thereof, though under "Plant and Machinery" and not under "Inventory", may have to be sent to third parties for repair, retrofitting etc. These cases are monitored by the respective department which causes such transaction. Normally company is insisting security for the material by way of DD, Bank Guarantee etc. However, in cases were the other party refuses to provide such securities and company necessarily has to get the work done through such parties, the equipment is sent to such third parties without such formalities. However such cases are strictly monitored by the respective user department, which shall be responsible for making timely return of such inventory. Registers/Records/files are maintained in Stores as per Board approved Stores Management Manual for such transaction done by Stores Department.</p> <p>During 2015-16 company has renewed the agreement until 30th November 2015 for hiring tanks from IOC Ltd for storage of imported furnace oil. Proper records of the Furnace Oil imported, transported and balances in the tanks have been maintained.</p> <p>During the year 2015-16, no gift of assets was received from Government of other agencies.</p>						

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

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

New Delhi
30th May, 2016

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

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

CONFIDENTIAL

Dated: July 22, 2016

No. PDCA/CA-I/FACT/4-170/2016-17/108

To
The 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, Kochi for the year ended 31 March 2016.

I am to forward herewith the Comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the financial statements of The Fertilisers and Chemicals Travancore Limited, Kochi for the year ended 31 March 2016.

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: As enclosed

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED FOR THE YEAR ENDED 31 MARCH 2016

The preparation of financial statements of The Fertilisers and Chemicals Travancore Limited for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act, are responsible for expressing opinion on these financial statements under Section 143 of the Act based on independent audit in accordance with the Standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 30.05.2016.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of **The Fertilisers and Chemicals Travancore Limited** for the year ended 31 March 2016. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditor and is limited primarily to inquiries of the Statutory Auditor and company personnel and a selective examination of some of the accounting records. On the basis of my audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report.

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

Sd/-
(G.SUDHARMINI)

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

Place: Chennai
Date: 22.07.2016

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Balance Sheet as at 31.03.2016

₹ in Lakh

	Particulars	Note No.	Figures as at 31.03.2016	Figures as at 31.03.2015
	1	2	3	4
I.	EQUITY AND LIABILITIES			
(1)	Shareholders' funds			
	(a) Share capital	1	64707.20	64707.20
	(b) Reserves and Surplus	2	(195595.75)	(150374.40)
(2)	Non-current liabilities			
	(a) Long-term borrowings	3	162713.36	16148.50
	(b) Long- term provisions	4	13155.46	21221.33
(3)	Current liabilities			
	(a) Short-term borrowings	5	18345.36	79156.87
	(b) Trade payables	6	57246.75	72338.44
	(c) Other current liabilities	7	38524.14	55311.92
	(d) Short- term provisions	8	4053.72	4588.15
	TOTAL		163150.24	163098.01
II.	ASSETS			
(1)	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	9	26972.78	28180.31
	(ii) Intangible assets	9	-	-
	(iii) Capital work-in-progress	10	2186.40	2486.20
	(b) Non-current investments	11	366.55	366.55
	(c) Deferred tax assets (net)	12	-	-
	(d) Long-term loans and advances	13	845.48	786.93
	(e) Other non-current assets	14	0.45	0.43
(2)	Current assets			
	(a) Inventories	15	38862.03	55132.75
	(b) Trade receivables	16	710.24	1021.41
	(c) Cash and Bank balances	17	5757.03	8838.71
	(d) Short-term loans and advances	18	16122.01	14269.67
	(e) Other current assets	19	71327.27	52015.05
	TOTAL		163150.24	163098.01
	Significant Accounting Policies Notes forming part of the Financial Statements	A 1 to 39		

In terms of our report attached.

On behalf of the Board

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

 Sd/-
 Sreenath V Kamath
 CGM(CF) & CFO

 Sd/-
 Jaiveer Srivastava
 Chairman & Managing
 Director

 Sd/-
 Sam Varghese
 Partner
 Membership No.216979

 Sd/-
 K.V. Balakrishnan Nair
 Secretary

 Place: New Delhi
 Date : 30.05.2016

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Statement of Profit and Loss for the year ended 31.03.2016

₹ in Lakh

Particulars	Note No.	Figures for the year ended 31.03.2016	Figures for the year ended 31.03.2015
I. Revenue from operations	20	173599.13	197878.70
II. Other income	21	2898.01	1854.66
III. Total revenue (I+II)		176497.14	199733.36
IV. Expenses			
(a) Cost of materials consumed	22	107980.40	139440.49
(b) Purchases of stock-in-trade	23	271.75	6928.04
(c) Changes in inventories of finished goods , work-in-progress and stock-in-trade.	24	17904.48	(58.96)
(d) Employee benefits expense	25	24965.47	26277.84
(e) Finance costs	26	25213.61	19628.69
(f) Depreciation and amortization expense	9	1812.47	2020.65
(g) Other expenses	27	44803.27	43081.11
Total expenses		222951.45	237317.86
V. Profit / (Loss) before exceptional and extraordinary items and tax (III-IV)		(46454.31)	(37584.50)
VI. Exceptional items	28	(1234.85)	2406.29
VII. Profit/(Loss) before extraordinary items and tax (V-VI)		(45219.46)	(39990.79)
VIII. Extraordinary items		-	-
IX. Profit /(Loss) before tax (VII-VIII)		(45219.46)	(39990.79)
X. Tax expense			
(1) Current tax		-	-
(2) Deferred tax		-	-
XI Profit /(Loss) for the year (IX-X)		(45219.46)	(39990.79)
XII Earnings per equity share of ₹10 each			
(1) Basic - ₹		(6.99)	(6.18)
(2) Diluted - ₹		(6.99)	(6.18)
Significant Accounting Policies	A		
Notes forming part of Financial Statements	1 to 39		

In terms of our report attached.

On behalf of the Board

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

Sd/-
Sreenath V Kamath
CGM(CF) & CFO

Sd/-
Jaiveer Srivastava
Chairman & Managing
Director

Sd/-
Sam Varghese
Partner
Membership No.216979

Sd/-
K.V. Balakrishnan Nair
Secretary

Place: New Delhi
Date : 30.05.2016

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2016

Particulars	For the year ended 31.03.2016 (₹ in Lakh)	For the year ended 31.03.2015 (₹ in lakh)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (Loss) before exceptional & extraordinary Items and Tax	(46454.31)	(37584.50)
Adjustments for:		
Depreciation	1966.51	1948.37
Provision for impairment of fixed assets	(154.04)	72.28
Amount written back from deferred Government Grants	(1.89)	(2.65)
Provision for obsolescence/Bad and doubtful receivables(Net)	1730.12	2393.49
Provision for employee benefits	(7758.22)	2340.33
Income from Investments	(8.11)	(8.10)
Other non-cash Expenses/(Income)	3.60	(1696.51)
(Profit)/Loss on sale of assets (Net)	(801.87)	64.55
Finance cost	25213.61	19628.69
Operating Profit/ (Loss) before Working Capital changes	(26264.60)	(12844.05)
Changes on Working Capital		
Adjustments for (increase)/decrease in operating assets		
Inventories	16187.71	6694.69
Trade receivables	240.55	(89.44)
Short-term loans and advances	(3345.75)	(1615.21)
Other current assets	7228.43	7932.56
Long-term loans and advances	(61.25)	(17.07)
Other non current assets	(0.02)	(0.01)
Adjustments for increase/(decrease) in operating liabilities		
Trade payables	(15091.69)	19380.69
Other current liabilities & provisions	(2307.26)	(1119.04)
Cash generated from Operations	(23413.88)	18323.12
Direct Taxes	-	-
Cash Flow before Exceptional / Extraordinary items	(23413.88)	18323.12
Exceptional Items- income/ (expense)	1234.85	880.71
(Other than 'provision for diminution in value', being non-cash expense)		
Extraordinary Items	-	-
Net Cash from Operating Activities - A	(22179.03)	19203.83
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on Fixed Assets including capital advances	(324.51)	(940.17)
Proceeds from sale of Fixed Assets	0.38	10.63
Dividend received	8.10	8.10
Purchase/proceeds from sale of Investments(Net)	-	-
Net cash from/(used in) Investing Activities - B	(316.03)	(921.44)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings (Net)	100,000.00	-
Proceeds from Short Term Borrowings (Net)	(60811.51)	(3655.95)
Interest paid	(17643.35)	(13841.61)
Forward exchange contracts with Banks (Net)	838.07	(511.21)
Net cash from/ (used in) Financing Activities - C	22383.21	(18008.77)
NET INCREASE /DECREASE (-)IN CASH AND CASH EQUIVALENTS (A+B+C)	(111.85)	273.62
CASH AND CASH EQUIVALENTS		
AS AT 01.04.2015 (Opening Balance)	479.09	205.47
AS AT 31.03.2016 (Closing Balance)	367.24	479.09
CASH AND CASH EQUIVALENTS	As at 31.03.2016	As at 31.03.2015
Cash on hand	2.31	4.59
Balances with banks	353.12	460.27
Cheques , drafts on hand	0.27	3.03
Current Account with banks for unpaid interest warrants*	0.69	0.69
With Post Office/Treasury Savings Account	10.85	10.51
TOTAL	367.24	479.09

* 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.

On behalf of the Board

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

Sd/-
Sreenath V Kamath
CGM(CF) & CFO

Sd/-
Jaiveer Srivastava
Chairman & Managing Director

Sd/-
Sam Varghese
Partner
Membership No.216979

Sd/-
K.V.Balakrishnan Nair
Secretary

Place: New Delhi
Date : 30.05.2016

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 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.

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

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

VI Inventory Valuation:

- a) Raw materials and stores and spares are valued at or below cost. Cost being ascertained on moving weighted average method. In cases where there has been a decline in the price of imported and indigenous raw material and it is estimated the cost of finished product will exceed the net realizable value, the materials are written down to net realizable value.
- b) Materials in process are not valued, consistently.
- c) Finished/Trading products are valued at lower of cost or net realizable value in the aggregate, product-wise. Intermediate products are valued at lower of cost or net realizable value derived from finished products and saleable by-product at realizable value. Cost of Finished / semi-finished / intermediate products are determined based on annual average cost excluding interest and head office and administrative overheads. Cost of finished goods in warehouse includes freight and handling charges.
- d) Materials in transit / under inspection are valued at cost.

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 in principle recognition / approval/ settlement of claims by the Government of India as per the policy in force.
- d) Other income is recognized on an accrual basis.
- e) Dividend income is recognized when right to receive dividend is established.
- f) Interest income is recognized when no significant uncertainty as to its realization exists.
- g) Scrap, salvaged / waste materials and sweepings are accounted for on realization.
- h) Claims on underwriters, carriers and on Customs and Central Excise Departments are taken into account on acceptance. Insurance and other miscellaneous claims are recognized on receipt/ acceptance of claim. Contractual pass through incentives, benefits, etc. are recognized on receipt basis.

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

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

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 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 Research and Development Expenses:

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

XXI Provisions, Contingent Liabilities and Contingent Assets:

- 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 recognized nor disclosed in the financial statements.

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ in Lakh

No.	Particulars	As at 31.03.2016		As at 31.03.2015	
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 preceding the dates as at which the Balance sheet is prepared-				
	I. Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash		Nil		Nil
	II. Aggregate number and class of shares allotted as fully paid up by way of Bonus shares		Nil		Nil
	III. Aggregate number and class of shares bought back		Nil		Nil
i.	Terms of any securities convertible into equity / preferential shares issued along with the earliest date of conversion		Nil		Nil
j.	Calls unpaid		Nil		Nil
k.	Forfeited shares		Nil		Nil
l.	As there is no change in the equity share capital during the year, the Company has not prepared "Statement of Change in Equity" as required under the provisions of Companies Act 2013.				

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ in Lakh

No.	Particulars		As at 31.03.2016		As at 31.03.2015
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	58.27		59.97	
	Less: Amount written off during current year	0.94		1.70	
	Closing balance		57.33		58.27
	Bio-Fertiliser Project				
	Opening balance	5.51		6.46	
	Less: Amount written off during current year	0.95		0.95	
	Closing balance		4.56		5.51
c.	Surplus/ (Deficit) in statement of Profit & Loss:				
	Opening balance	(150440.82)		(110450.03)	
	Add :Profit/ (Loss) during the year	(45219.46)		(39990.79)	
	Closing balance		(195660.28)		(150440.82)
			(195595.75)		(150374.40)
3	Long-term borrowings (Secured)				
	Term loans				
	From Government of India (Refer Note 3.1)		162713.36		16148.50
			162713.36		16148.50
3.1	<p>A plan loan of ₹1000cr bearing interest @13.50% p.a subject to revision on annual basis was released by the Government of India on 29th March 2016 to maintain the operations of the company. As per the terms of sanction of the loan, the amount of ₹ 1000 cr along with the earlier loan and interest outstanding of ₹ 552.54 cr as on 31.03.2015,has been converted to a single loan carrying interest @13.50% p.a (effective from 1.4.2015 on the portion of old loan and interest). The loan is repayable after one year moratorium starting 31.3.2017 when the progressive amount of the loan becomes ₹1836.72 cr in three or more equal instalments in a period of 5 years ending by 2022. The loan amount outstanding as at 31.03.2016 shown under Long Term Liabilities is as follows:-</p>				
			₹ in Crore		
	New Loan Received on 29 March 2016		1000.00		
	Old Loan amount outstanding as at 31 March 2015		282.73		
	Interest till 31 March 2015 on old Loans		269.81		
	Interest @13.5% on old loans and interest, for 2015-16		74.59		
	Total Amount Outstanding as at 31 March 2016		1627.13		
	The interest accrued on the new loan of ₹ 1000 crore till 31 March 2016 shown under current liabilities is		1.11		
	Total		1628.24		
	<p>An agreement has been signed between FACT and Department of Fertilizers on 3rd March 2016 by which FACT has agreed to mortgage 408 acres of land belonging to FACT vide patta 7030 in Survey No. 205, Puthencruz village, against the total loan and interest outstanding by the end of Moratorium on 31 March 2017 of ₹ 1836.72 crore.</p>				
4	Long-term provisions				
	Provision for employee benefits (Refer Note 25.4)				
	(i) Provision for gratuity		2505.38		10982.65
	(ii) Provision for leave encashment		10650.08		10238.68
			13155.46		21221.33
5	Short-term borrowings				
	Secured:-				
	Loans repayable on demand				
	From Banks (Refer Note 5.1)				
	Cash credit		5694.47		79156.87
	Libor Linked Buyers Credit		11,850.89		-
	Borrowing against Fixed Deposit		800.00		-
			18345.36		79156.87

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ in Lakh

No.	Particulars	As at 31.03.2016	As at 31.03.2015
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 13.30% to 15 % p. a (Previous year from 13.90 % to 15 % p a). Cash credit is repayable on Demand (Previous year- On demand) and buyers credit three to six months (Previous year- three to six months).Rate of interest for Borrowing against Fixed Deposit is 5% p.a.		
6	Trade payables		
	(i) Acceptances	13993.88	37136.98
	(ii) Other than Acceptances	43252.87	35201.46
		57246.75	72338.44
6.1	Trade payables include ₹15.55 lakh (Previous year ₹43.68 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 ₹ NIL (Previous year ₹ 13.23 lakh)		
6.2	The amount unpaid towards vendors under the Micro, Small and Medium Enterprises Development Act 2006 is ₹ 17.16 lakh (Previous year ₹ 62.56 lakh) and interest thereon works out to ₹ 0.77 lakh (Previous year ₹1.36 lakh)		
7	Other current liabilities		
	Current maturities of long-term debt		
	Term loan from the Government of India	-	12124.50
	Interest accrued but not due on borrowings		
	Term loan from the Government of India (Refer Note no.3.1)	110.96	1708.74
	Interest accrued and due on borrowings		
	Term loan from the Government of India	-	25272.32
	Unclaimed matured fixed deposit and interest thereon	0.49	0.49
	Income received in advance	33.58	124.22
	Other payables		
	Dues to banks on Forward Exchange contracts	26581.28	2909.30
	Dues to employees	41.83	52.51
	Dues to customers	4821.01	6851.24
	Statutory dues	1084.22	1125.20
	Other liabilities	5850.77	5143.40
		38524.14	55311.92
7.1	Other Liabilities include ₹ 143.15 lakh (Previous year ₹ 82.38 lakh) towards amount retained from retired employees towards 25% increase in HRA and LTE paid pending approval from Government of India.		
8	Short-term provisions		
	Provision for employee benefits (Refer Note 25.4)		
	(i) Provision for gratuity	-	597.85
	(ii) Provision for leave encashment	1466.03	1158.38
	Others		
	Excise duty on closing stock	2587.69	2831.92
		4053.72	4588.15

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Floor, Udyogamandal, Kochi, Kerala

NOTES FORMING PART OF FINANCIAL STATEMENTS

9. FIXED ASSETS - TANGIBLE ASSETS & INTANGIBLE ASSETS:

	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK					
	As at 01.04.2015	Additions during the year	Disposals/ Deductions during the year	Adjustments during the year	As at 31.03.2016	For the year	On Disposals/ Deductions during the year	On adjustments during the year	Upto 31.03.2016	Upto 31.03.2015	(Withdrawal) Provision during the year	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
Tangible assets														
Land	1729.46	-	-	0.19	1729.65	-	-	-	-	-	-	-	1729.65	1729.46
Buildings	6677.81	-	(0.36)	5339.24	6677.45	43.73	(0.32)	-	5382.65	7.95	(1.20)	6.75	1288.06	1330.62
Plant and Equipment	132451.72	619.01	(297.76)	10747.69	132715.56	1794.12	(282.50)	3.60	109262.91	514.29	(152.84)	361.45	23151.21	24189.74
Furniture and Fixtures	476.64	1.02	(1.63)	442.25	476.03	1.56	(1.55)	-	442.26	-	-	-	33.77	34.39
Vehicles	417.05	-	-	338.12	417.05	12.49	-	-	350.61	-	-	-	66.44	78.93
Office equipment	1216.21	4.15	(12.58)	1049.50	1207.78	54.98	(11.50)	-	1092.98	-	-	-	114.80	166.71
Others:-														
Roads & Culverts	1425.07	-	(0.03)	-	1425.04	35.46	(0.02)	-	1086.89	-	-	-	338.15	373.62
Railway Sidings	312.32	-	-	-	312.32	296.71	-	-	296.71	-	-	-	15.61	15.61
Misc. Assets	795.51	0.00	(36.97)	718.54	718.54	556.72	(34.96)	-	544.94	-	-	-	173.60	198.79
Minor Assets	173.01	0.05	-	173.06	173.06	0.05	-	3.60	173.06	-	-	-	-	-
Total (A)	145634.80	624.23	(949.33)	2.78	145912.48	1965.57	(330.85)	3.60	118633.01	522.24	(154.04)	368.20	26911.29	28117.87
Indo EEC project:-														
Land	20.91	-	-	-	20.91	0.94	-	-	93.36	-	-	-	20.91	20.91
Buildings	133.27	-	-	92.42	133.27	92.42	-	-	93.36	-	-	-	39.91	40.85
Plant & Equipment	10.74	-	-	10.74	10.74	10.20	-	-	10.20	-	-	-	0.54	0.54
Furniture & Fixtures	1.00	-	(0.17)	0.83	0.83	0.95	-	-	0.79	-	-	-	0.04	0.05
Office equipment	1.64	-	-	1.64	1.64	1.55	-	-	1.55	-	-	-	0.09	0.09
Total (B)	167.56	(0.17)	(0.17)	2.78	167.39	105.12	(0.16)	3.60	105.90	522.24	(154.04)	368.20	61.49	62.44
Tangible assets Total (A+B)	145802.36	624.23	(949.50)	2.78	146079.87	1966.51	(331.01)	3.60	119738.91	522.24	(154.04)	368.20	26972.78	28180.31
Intangible Asset:-														
Computer Software	1054.01	-	-	-	1054.01	0.00	-	-	1054.01	-	-	-	-	-
Total (C)	1054.01	-	-	-	1054.01	0.00	-	-	1054.01	-	-	-	-	-
Grand Total (A+B+C)	146856.37	624.23	(949.50)	2.78	147133.88	1966.51	(331.01)	3.60	119792.92	522.24	(154.04)	368.20	26972.78	28180.31
Previous year	145923.37	936.24	(1485.64)	1482.40	146856.37	1948.37	(1390.64)	(270.96)	118153.82	449.96	72.28	522.24	28180.31	27606.36
Depreciation for the year: (D)		2015-16	2014-15										2015-16	2014-15
Impairment loss provided/(withdrawn) during the year (Net): (E)		1966.51	1948.37										119792.92	118153.82
Amount charged to Profit & Loss Statement: (D)+ (E)		(154.04)	72.28										368.20	52.24
		1812.47	2020.65										120161.12	118676.06

- 9.1) FACT has agreed to mortgage to the Government of India 408 acres of land vide patla no 7030 in survey no.205 in puthencuzh, Ennakulam District, Kerala state against the plan loan of ₹1836.72 cr sanctioned by Government of India during the year. (Refer Note no 3.1)
- 9.2) The current year depreciation of ₹1966.51 lakhs includes ₹311.06 lakhs, towards the accounting of component approach in the fixed assets of the company in compliance with the provisions of schedule II of Companies Act 2013 which is mandatory from FY 2015-16.
- 9.3) 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 14.26 acres (Previous year 14.26 acres) of leasehold land belonging to Cochint Port Trust is pending execution.
- 9.4) Land for ₹510.77 lakh (Previous year ₹510.38 lakh) in respect of which the title deeds are yet to be registered/ received. Certain land owners have since preferred extra compensation claims which are pending before Courts. The liability on this account is not ascertainable. Interest and legal expenses incurred on land acquisition cases are charged to Statement of Profit and Loss of the year.
- 9.5) As per the Joint Venture agreement with M/s Rashtriya Chemicals and Fertilisers Limited (RCF) the company, during 2008-09, has made available 11 acres of land at Cochint 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 acre.
- 9.6) 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 Udyogamandal / Cochint 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 '1000'. 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) During 2012-13, the Company has by way of leave and license basis, made available JMM hospital building (15300 sq ft) and no.5 dormitory (25035 sq ft) to M/s. Central Institute of Plastics Engineering & Technology for 15 years for conducting academic classes /training /research and for providing hostel facilities.
- 9.9) During the year 2013-14, Company has given 4.0558 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 which has been extended upto 21.10.2016 for a consideration of ₹4.85 cr for the entire period.
- 9.10) During the year 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 which has been extended for a further period of six months upto 03.05.2016 for a consideration of ₹4.52 cr for the entire period.
- 9.11) Plant and Equipment includes value of 6 nos of Ammonia bulles fixed on the barges of contractor of the company for transportation of Ammonia, of original cost ₹53.30 lakh and accumulated depreciation ₹50.64 lakh, with net value of ₹2.66 lakh.
- 9.12) ₹154.04 lakh has been withdrawn, shown as reduction from depreciation expenses in the Statement of Profit and Loss towards impairment loss during the FY 2015-16 and cumulative impairment loss is Rs.368.20 lakhs.
- 9.13) The disposals/ deductions for the year includes adjustments made, as per the physical verification of Fixed assets carried out in the Financial year 2015-16

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ in Lakh

No.	Particulars	As at 31.03.2016	As at 31.03.2015
10	A.Capital work-in-progress Work-in-progress Goods in transit/ Material pending inspection	1855.83 330.57 2186.40	2222.02 264.18 2486.20
11	Non-Current investments Investments in Equity instruments Trade Investments (At cost)-Unquoted In joint venture		
(i)	3,28,70,000 (Previous year 3,28,70,000) Equity Shares of ₹ 10/- each in FACT-RCF Building Products Ltd Less: Provision for dimunition in the value of investment	3287.00 (3287.00)	3287.00 (3287.00)
	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)	15 (Previous year 15) Equity Shares of ₹1000/- each fully paid-up in Capexil Agencies Ltd.	0.15	0.15
(iv)	3,24,000 (Previous year 3,24,000) Equity Shares of ₹10/- each fully paid-up in Indian Potash Ltd., including 1,35,000 Bonus Shares	18.90	18.90
(v)	10,001 (Previous year 10,001) shares of ₹10/- each fully paid-up in FACT Co-operative Society Ltd	1.00	1.00
(vi)	7 (Previous year 7) shares of ₹100/- each fully paid-up in Meherabad Co-operative Housing Society Ltd and 10 (Previous year 10) shares of ₹50/- each fully paid-up in Good Earth Housing Society Ltd. ₹ 500 (Previous year ₹ 500)	0.01	0.01
(vii)	31,24,000 (Previous year 31,24,000) equity shares of ₹10/- each fully paid-up in Kerala Enviro Infrastructure Ltd	312.40	312.40
	Aggregate of unquoted non-current investments	366.55	366.55
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. Other details are:- Name : FACT-RCF Building Products Ltd. Country of incorporation : India Ownership interest : 50% (31.03.2016) The Company's share in assets, liabilities, income, expenses , contingent liabilities and capital commitments of Joint venture		
		Un-Audited figure As at 31.03.2016	Audited figure As at 31.03.2015
	1. Assets		
	Non-current assets	4442.36	4851.56
	Current assets	749.71	280.71
	2. Liabilities		
	Non-current liabilities	4095.04	4019.76
	Current Liabilities & Provisions	1232.97	611.33
	3. Income	1003.25	226.11
	4. Expenses	1825.40	1311.00
	5. Contingent Liability	709.83	707.69
	6. Capital commitments	232.76	232.76

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ in Lakh

No.	Particulars	As at 31.03.2016	As at 31.03.2015
11.2	<p>Related party disclosure on Joint Ventures (Accounting Standard 18)</p> <p>List of related party FACT-RCF Building Products Ltd. (Joint Venture)</p> <p>Transactions with related parties: Sale of goods and stores during the year : ₹32.25 lakh (Previous year ₹24.17 lakh) Supply of services and others during the year : ₹11.56 lakh (Previous year ₹Nil) Guarantees given to Joint Venture as on 31.03.2016: ₹3766.50 lakh(Previous year ₹3546.50 lakh) Receivables as on 31st March 2016 is ₹922.67 lakh (Previous year ₹797.44 lakh). Out of this FACT has decided to convert ₹ 752.33 lakh as equity of FRBL subject to the approval of the Department of Fertilisers, Govt of India. The approval of Government of India is yet to be received.</p>		
11.3	During the year 2009-10, the Company has along with Department of Factories and Boilers, Government of Kerala, formed a society under the Travancore Literary, Scientific and Charitable Societies Act 1955 with the objective of conducting courses relating to welding technologies with a grant of ₹ 1 Cr from government of Kerala, under the name Kerala institute of Welding and Research. The contribution from FACT is only provision of its existing facilities of Training School. The accounts of the society are not consolidated as per Accounting Standards 21 and 27 as society is formed with an objective of not obtaining any economic benefits from its activities and it is individually not considered to be material to the group activity.		
12	<p>Deferred tax assets (net) The Company has deferred tax asset of ₹187268 lakh (Previous year ₹143111 lakh) as on 31.03.2016 because of unabsorbed depreciation and accumulated losses. The deferred tax liability as on 31.03.2016 is ₹14581 lakh (Previous year ₹15874 lakh). Since there is net deferred tax asset as on 31.03.2016, 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 ₹53360 lakh.(Previous year ₹39316 lakh)</p>		
13	Long-term loans and advances (Unsecured considered good)		
a.	Capital advances	5.00	7.70
b.	Advance to employees	11.60	13.13
c.	Advance Income tax (net of Provision for Income tax)	219.17	211.64
d.	Deposit	609.71	554.46
		845.48	786.93
13.1	Capital advance to vendors include amount paid for items supplied but rejected by the Company pending settlement ₹4.74 lakh (Previous year ₹ 7.44 lakh)		
13.2	Advance to employees include ₹11.60 lakh (Previous year ₹14.43 lakh) towards festival advance paid during 1996-97, and is being recovered at the time of separation from company's service.		
13.3	Deposits includes ₹ 518.17 lakh (Previous year ₹ 462.34 lakh) towards security deposit with Kerala State Electricity Board.		
14	Other non-current assets		
	Others	0.45	0.43
		0.45	0.43
15	Inventories (As taken , valued and certified by the Management. Mode of valuation explained in Note No. A (VI)-Significant Accounting Policies)		
	Raw Materials	10269.03	7243.43
	Work-in-progress (Refer Note No.15.5)	2541.53	5451.97
	Finished Goods	14759.93	29574.12
	Stock-in-trade (in respect of goods acquired for trading)	54.76	234.61
	Stores and Spares		
	Machinery Spares	11365.07	11751.34
	General Stores	2741.04	3869.07
	Retired Spares	453.50	453.50
		14559.61	16073.91
	Less: Provision towards obsolescence and storage losses (Refer Note No.15.2 & 15.3)	3674.55	3591.54
		10885.06	12482.37
	Stores & Spares-in -transit	351.72	146.25
		38862.03	55132.75
15.1	Finished Goods includes 34.45 lakh MT (Previous year 37.51 lakh MT) of Gypsum (out of 35.37 lakh MT stock on hand as on 31.03.2016) (Previous year 38.43 lakh MT) amounting to ₹11506.82 lakh (Previous year ₹13917.98 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 ₹83.01 Lakh (Previous year ₹260.51 lakh)		

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ in Lakh

No.	Particulars	As at 31.03.2016	As at 31.03.2015
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	3591.54	3331.03
	Provisions made during the year	83.01	415.77
	Utilisations during the year	-	-
	Released during the year	-	155.26
	Provision at the end of the year	3674.55	3591.54
15.4	Stores & Spares in transit includes Stores & Spares at site pending inspection ₹269.71 lakh (Previous year ₹118.20 lakh)		
15.5	Details of Work-in-progress		
	Particulars		
	Intermediaries (Fertilisers)	1195.41	4105.85
	Intermediaries (Non Fertilisers)	1346.12	1346.12
		2541.53	5451.97
16	Trade receivables		
a	Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
	Secured , considered good	0.19	0.22
	Unsecured , considered good	480.76	749.89
	Doubtful	1276.42	1205.80
	Less: Provision for doubtful trade receivables	(1276.42)	(1205.80)
b	Other Trade receivables		
	Secured , considered good	-	-
	Unsecured , considered good	229.29	271.30
		710.24	1021.41
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	1205.80	990.35
	Provisions made during the year	70.62	222.28
	Written off during the year	-	-
	Released during the year	-	6.83
	Provision at the end of the year	1276.42	1205.80
16.2	Trade receivables includes ₹167.97 lakh (Previous year: ₹124.16 lakh) 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	2.31	4.59
b.	Cheques , Drafts on hand	0.27	3.03
c.	Balances with Banks	353.12	460.27
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)	10.85	10.51
	Other Bank balances		
	(i) Balances with Banks held as Margin money/ Security	3737.34	5089.32
	(ii) Deposits (with less than 3 months maturity)	1652.45	3270.30
		5757.03	8838.71

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ in Lakh

No.	Particulars	As at 31.03.2016	As at 31.03.2015
17.1	Balance with banks include ₹ 0.17 lakh (Previous Year ₹0.24 lakh) being the balance of amount received from clients for execution of jobs on Total Responsibility basis and ₹ 52.23 lakh (Previous year ₹2777.97 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:		
	a) Deposits	85.69	85.75
	b) Advance to employees	112.80	208.59
	c) Prepaid expenses	246.25	300.14
	d) Balance with Government Authorities:		
	i) Central Excise / Service Tax Department	6865.21	7100.72
	ii) VAT input credit receivable	5452.16	4220.32
	e) Advance to/ Dues from vendors	3021.20	2151.36
	f) Other Loans and Advances	338.71	202.79
	Considered Doubtful	7691.28	6197.87
	Less : Provision for bad and doubtful loans and advances	(7691.28)	(6197.87)
		16122.01	14269.67
18.1	Other loans and advances include unutilised certificates worth ₹ Nil (Previous year ₹ 6.07 lakh) under Duty Entitlement Passbook Scheme (DEPB) .		
18.2	Deposits includes ₹78.59 lakh (Previous Year ₹78.59 lakh) towards the amount paid against disputed demands pending appeal.		
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 ₹22.52 lakh (Previous year ₹ 5.56 lakh)		
18.5	Advance to employees include ₹1.46 lakh (Previous year ₹1.31 lakh) towards a portion of festival advance paid during 1996-97 and recoverable at the time of separation from company's service during the year 2016-17.		
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	6197.87	4953.62
	Provisions made during the year	1493.41	1244.25
	Written off during the year	-	-
	Provision at the end of the year	7691.28	6197.87
18.7	Allowance for bad and doubtful loans and advances include ₹7566.41 lakh (Previous year ₹6073 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	39848.95	44823.00
	Other accrued income	1645.62	1011.58
	Retired assets held for sale	4090.73	3272.41
	Other receivables		
	Amount receivable from banks on forward exchange contracts	25741.97	2908.06
	Others	756.36	673.28
	Less: Provision towards doubtful receivables	(756.36)	(673.28)
		71327.27	52015.05
19.1	In 2009-10, company has decided to scrap Ammonia and Urea plants at Cochin division having written down value of ₹4065.02 lakh. During the year, company got a favourable order from court. Hence the company is in the process of retendering. Accordingly, Ammonia and Urea plants were restated at book value. The price expected to realise is more than the book value.		

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ in Lakh

No.	Particulars	Figures for the year ended 31.03.2016	Figures for the year ended 31.03.2015
20	Revenue from operations		
	a) Sale of products:		
	Own Products	118844.13	131543.11
	Traded Products	574.76	5199.74
		119418.89	136742.85
	Less : Sales discount/Dealer margin	3029.56	3762.14
		116389.33	132980.71
	Subsidy/Concession on Fertilisers	52996.84	65280.45
	b) Sale of Services:		
	Gross income from contracts and other services (Refer Note No. 20.4)	5591.90	1212.87
		174978.07	199474.03
	c) Less Excise duty	1378.94	1595.33
	Total Revenue from operations	173599.13	197878.70
20.1	Sale of own products comprises of:		
	Ammonium Sulphate	12913.70	13899.05
	Factamfos 20-20-0-13	102499.85	112876.70
	Mixed Manures	509.16	1073.56
	Gypsum	2322.91	2923.12
	Others	598.51	770.68
	Total	118844.13	131543.11
20.2	Sale of traded products:		
	Muriate of Potash	129.45	4826.93
	Organic Manures	424.82	372.81
	Others	20.49	-
		574.76	5199.74
20.3	Subsidy/Concession on Fertilisers		
	Factamfos 20-20-0-13	47921.56	55423.59
	Ammonium Sulphate	5075.28	6603.39
	Muriate of Potash	-	3253.47
		52996.84	65280.45

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ in Lakh

No.	Particulars	Figures for the year ended 31.03.2016	Figures for the year ended 31.03.2015
20.4	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, 35.10 % (previous year 34.53%) of work related to consultancy services by FEDO to NIT, has been completed as on 31.3.2016 and pro-rata credit of ₹439.16 lakh (previous year ₹446.53 lakh) has been taken, after providing for ₹119.97 lakh (previous year ₹20.25 lakh) towards unearned income. The value of construction work done and certified during the FY 2015-16 is taken as ₹4404.79 lakh, (previous year ₹510.54 lakh) and equivalent amount has been considered for direct charges on contract. Similar deposit work on cost plus basis done for Cochin University of Science And Technology (CUSAT) by FEDO, percentage of completion as per technical evaluation as on 31.3.2016 is 97% (Previous year Nil) and pro-rata credit of ₹21.78 lakh (previous year ₹2.68 lakh) has been taken, after providing for ₹0.21 lakh (previous year Nil) towards unearned income. The value of construction work done and certified during the FY 2015-16 is taken as ₹253.13 lakh, (previous year Nil) and equivalent amount has been considered for direct charges on contract.		
21	Other income		
	Interest income:		
	(a) On deposits with banks	411.93	569.07
	(b) On loans, advances, claims, overdues etc. ₹1691.81 lakh		
	Less: Provision for interest on advance (Note 21.1) ₹1493.41 lakh	198.40	30.64
	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
	(b) Profit on Fixed assets sold/written off/revalued (net)	801.87	(64.55)
	(c) Transfer from deferred Government grants:		
	(i) On EEC project	0.94	1.70
	(ii) On Bio-Fertiliser project	0.95	0.95
	(d) Miscellaneous income	1475.82	1303.42
	Total Other income	2898.01	1854.66
21.1	Interest of ₹1493.41 lakh (Previous year ₹1243.37 lakh) for the year 2015-16 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	7243.43	11669.88
	Add: Purchases	111011.00	135017.93
		118254.43	146687.81
	Less: Closing stock	10269.03	7243.43
		107985.40	139444.38
	Less: Adjustments	5.00	3.89
	Cost of materials consumed	107980.40	139440.49
22.1	The physical verification of raw materials has been carried out on or around 31st March 2016. The differences over book figures in the case of raw material has been adjusted in consumption (Excess(-) / Shortage). Current year ₹14.61 lakh (Previous year ₹ -396.49 lakh).		
23	Purchases of Stock-in-trade		
	Muriate of Potash	-	6641.36
	Others	271.75	286.68
	Total purchases of Stock-in-trade	271.75	6928.04

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ in Lakh

No.	Particulars	Figures for the year ended 31.03.2016	Figures for the year ended 31.03.2015
24	Changes in inventories of finished goods , work-in-progress and stock-in-trade		
	Opening 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
	Closing stock		
	Finished Goods- Includes excise duty ₹2587.69 lakh (Previous year ₹2831.92 lakh)	14759.93	29574.12
	Stock-in-trade	54.76	234.61
	Work-in- progress	2541.53	5451.97
		17356.22	35260.70
	Changes in inventories: (Increase)/ Decrease	17904.48	(58.96)
25	Employee benefits expense		
	Salaries and Wages	17283.84	17481.97
	Contribution to Provident Fund	1879.89	1907.99
	Leave encashment	2482.02	3611.30
	Gratuity	1442.00	1370.85
	Staff welfare expenses	1877.72	1905.73
	Total Employee benefit expense	24965.47	26277.84
25.1	Remuneration to Directors		
	Sri Jaiveer Srivastava, Chairman and Managing Director	25.38	23.27
	Sri P.Muthusamy, Director (Finance) (upto 17.3.2016)	23.80	22.74
	Sri V.K.Anil, Director (Technical)	24.48	24.04
	Sri V.Subramanian, Director (Marketing) (upto 09.06.2015)	4.28	21.50
		77.94	91.55
25.2	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. Related party disclosure (Accounting Standard 18) List of related party Key Management Personnel Sri Jaiveer Srivastava, Chairman and Managing Director. Sri P.Muthusamy, Director (Finance) (upto 17.3.2016) Sri V.K.Anil, Director (Technical) Sri V.Subramanian, Director (Marketing) (upto 09.06.2015) Sri K.V.Balakrishnan Nair (Secretary) Transactions with related parties: Remuneration to key management personnel : ₹91.63 lakh (Previous year ₹91.55 lakh)		
25.3	In view of the conditions in the directives of the Government of India ,while implementing the wage revision for the period 1997 to 2006, the company is not liable to provide for arrears of salary and wages (net of interim relief paid) for the period from 01.01.1997 to 30.06.2001 and perquisites and other allowances for the period from 20.10.2000 to 30.06.2001, in respect of managerial and non managerial employees.Certain retired managerial employees of FACT have moved the Hon.High Court of Kerala and obtained a directive dt 31.3.2016, by which the company has to frame a scheme towards disbursement of the arrears.The company has appealed against the decision and the same is pending before the Hon.High Court of Kerala.The amount involved is not ascertained at this stage		

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

NOTES FORMING PART OF FINANCIAL STATEMENTS

- 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 ₹1879.88 lakh (Previous Year ₹1907.99 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)	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
a. Changes in the present value of obligations				
Present value of obligations at the beginning of the year	11397.06	9397.28	12388.15	13024.71
Interest cost	995.16	829.26	989.13	1060.79
Past service cost	-	-	-	-
Current service cost	2034.43	1936.96	455.22	470.37
Benefits paid	(1590.62)	(1627.44)	(1660.63)	(1999.20)
Actuarial loss/(gain) on obligation	(719.93)	861.00	0.59	(168.52)
Present value of obligations at the end of the year	12116.10	11397.06	12172.46	12388.15
b. Changes in the fair value of plan assets				
Fair value of plan assets at the beginning of the year	-	-	807.65	290.58
Expected return on investment	-	-	64.61	23.25
Employer's contribution	1590.62	1627.44	10500.09	2497.73
Benefits paid	1590.62	1627.44	(1660.63)	(1999.20)
Actuarial loss/(gain) on plan assets	-	-	(44.64)	(4.71)
Fair value of plan assets at the end of the year	-	-	9667.08	807.65
Actual return on investment	-	-	64.61	23.25
c. Amount recognised in Balance sheet				
Present value of obligations at the end of the year	12116.10	11397.06	12172.46	12388.15
Fair value of plan assets at the end of the year	-	-	9667.08	807.65
Unfunded net liability recognised in Balance sheet	12116.10	11397.06	2505.38	11580.50
d. Expenses recognised in the Statement of Profit and Loss during the year				
Current service cost	2034.43	1936.96	455.22	470.37
Past service cost	-	-	-	-
Interest cost	995.16	829.26	989.13	1060.79
Expected return on investment	-	-	(64.61)	(23.25)
Net actuarial (gain) /loss recognised during the year	(719.93)	861.00	45.23	(163.81)
Total Expenses recognised in the Statement of Profit and Loss during the year	2309.66	3627.22	1424.97	1344.10
e. Investment details	% invested as at 31st March		% invested as at 31st March	
LIC Group Gratuity (Cash Accumulation) policy	-	-	79.42	6.52
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	-	-	-	-

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

NOTES FORMING PART OF FINANCIAL STATEMENTS

	₹ in Lakh		₹ in Lakh			
	Trust managed Provident Fund-Udyogamandal		Trust managed Provident Fund-Cochin Division			
	31.03.2016	31.03.2015	31.03.2016	31.03.2015		
a. Changes in the present value of obligations						
Present value of obligations at the beginning of the year	22063.12	21179.04	2451.96	2507.19		
Interest cost	1924.22	1855.51	216.40	223.09		
Past service cost	-	-	-	-		
Current service cost	3979.19	4029.71	506.18	562.86		
Benefits paid	(4336.78)	(3983.20)	(412.58)	(612.89)		
Actuarial loss/(gain) on obligation	(873.75)	(1017.94)	(216.41)	(228.29)		
Present value of obligations at the end of the year	22756.00	22063.12	2545.55	2451.96		
b. Changes in the fair value of plan assets						
Fair value of plan assets at the beginning of the year	22748.37	22370.20	2777.03	2995.99		
Expected return on investment	1819.87	1789.62	222.16	239.68		
Employer's contribution	-	-	-	-		
Benefits paid	(4336.78)	(3983.20)	(412.58)	(612.89)		
Actuarial loss/(gain) on plan assets	3389.99	2571.75	328.80	154.25		
Fair value of plan assets at the end of the year	23621.45	22748.37	2915.41	2777.03		
Actual return on investment	1819.87	1789.62	222.16	239.68		
c. Amount recognised in Balance sheet						
Present value of obligations at the end of the year	22756.00	22063.12	2545.55	2451.96		
Fair value of plan assets at the end of the year	23621.45	22748.37	2915.41	2777.03		
Unfunded net liability	(865.45)	(685.25)	(369.86)	(325.07)		
d. Expenses recognised in the Statement of Profit and Loss during the year						
Current service cost	3979.19	4029.71	506.18	562.86		
Past service cost	-	-	-	-		
Interest cost	1924.22	1855.51	216.40	223.09		
Expected return on investment	(1819.87)	(1789.62)	(222.16)	(239.68)		
Net actuarial (gain) / loss recognised during the year	(4263.74)	(3589.70)	(545.20)	(382.54)		
Total Expenses	(180.20)	505.90	(44.78)	163.73		
e. Investment details	Investment as at 31st March		Investment as at 31st March			
GOI / PSU Securities	19413.73	15576.84	2264.95	2015.97		
Mutual Funds	640.00	53.28	-	-		
Bank Deposits	2776.00	6406.06	423.88	549.69		
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	Present value of Obligations			Fair value of Plan assets		
Financial Year	₹ in lakh			₹ in Lakh		
	Gratuity	Leave Encashment	Provident Fund	Gratuity	Leave Encashment	Provident Fund
2011-12	12356.50	7802.90	20641.94	1835.51	-	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
2015-16	12172.46	12116.10	25301.55	9667.08	-	26536.86
	Experience adjustments on Plan Liabilities			Experience adjustments on Plan Assets		
Financial Year	₹ in lakh			₹ in lakh		
	Gratuity	Leave Encashment	Provident Fund	Gratuity	Leave Encashment	Provident Fund
2014-15	(636.56)	1387.59	828.83	495.10	-	-
2015-16	(215.69)	(427.09)	786.47	8859.42	-	1011.46

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ in Lakh

No.	Particulars	Figures for the year ended 31.03.2016	Figures for the year ended 31.03.2015
26	Finance costs		
(a)	Interest expense		
	Interest on loans from the Government of India	7570.26	5787.08
	Interest on Cash credit from banks	10786.20	10221.03
	Interest -others	6060.17	2945.96
(b)	Other borrowing costs	889.72	748.55
(c)	Net loss on foreign currency transactions and translations		
	Exchange rate variation & premium on forward exchange contract on buyer's credit	(92.74)	(73.93)
		25213.61	19628.69
27	Other expenses		
	Consumption of stores and spare parts	3472.54	4570.31
	Consumption of packing materials	2003.04	2615.86
	Power and Fuel	11997.87	14876.33
	Rent	532.51	605.69
	Repairs and maintenance to buildings	54.72	248.67
	Repairs and maintenance to machinery	4014.39	3002.33
	Insurance	54.05	126.76
	Rates and Taxes	79.09	123.78
	(Gain) / Loss on exchange rate variation (net)	2102.26	1353.02
	Material and other direct charges on contracts	4821.96	593.42
	Auditors' Fees and Expenses (Refer Note no.27.3)	19.05	25.93
	Freight, Handling and other charges	10093.90	11708.02
	Increase/(Decrease) in provision for excise duty on stock of Finished goods	(244.23)	(215.44)
	Bad debts written off	0.07	-
	Provision for doubtful receivables & advances	153.79	896.45
	Damages/Shortages of Stores , Spares & Products (Net)	7.85	9.86
	Provision for obsolescence of stores (Net)	83.01	260.51
	Research and Development Expenditure	145.14	94.01
	Prior period Expenses/(Income) (Refer Note No.27.6)	8.92	(1696.51)
	CISF Expenses (including salaries)	2254.17	1914.42
	Miscellaneous Expenses	4144.79	3118.96
		45798.89	44232.38
	Less :Allocated Expenses [net of income from inter-divisional jobs of ₹1374.63 lakh] (Previous year ₹1732.80 lakh)	995.62	1151.27
		44803.27	43081.11
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 ₹ 7.85 lakh (Previous year ₹9.86 lakh)		
27.2	Miscellaneous Expenses includes Directors travel amounting to ₹28.78 lakh (Previous year ₹31.63 lakh) and Directors sitting fee ₹ Nil (Previous year ₹Nil).		

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ in Lakh

No.	Particulars	Figures for the year ended 31.03.2016	Figures for the year ended 31.03.2015
27.3	Auditors' Fees and Expenses Statutory Auditors' Fees and Expenses (including for Branch Auditors) For Statutory Audit For Branch Audit For Other Services For Expenses Total	6.87 1.60 5.47 5.11 19.05	6.74 1.57 9.38 8.24 25.93
27.4	Provision for excise duty on stock of Finished goods Provision on closing stock Less provision on opening stock Net provision	2587.69 2831.92 (244.23)	2831.92 3047.36 (215.44)
27.5	Research and Development Expenditure of ₹145.14 lakh (Previous Year ₹94.01 lakh) includes expenditure towards salary ₹144.02 lakh (Previous year ₹92.33lakh) and depreciation ₹0.20 lakh (Previous year ₹0. 98 lakh).		
27.6	Prior period Expenses/(Income) Royalty licence fees Prior year depreciation 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 Cost of a capital item wrongly debited to Profit & loss Account during the FY 2013-14, capitalised during the current year Closing stock adjustment of Gypsum in the FY 2012-13 (Refer Note No.27.7) Less:Opening stock adjustment in the FY 2013-14 (Refer Note No.27.7)	5.32 3.60 - - - - 8.92	- 43.61 (1724.40) (15.72) 5364.00 (5364.00) (1696.51)
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. During 2014-15, on a Writ Petition filed by FACT, the Hon'ble High Court of Kerala set aside the order issued by SEBI. FACT has subsequently received a letter from SEBI stating that the matter is disposed of.		
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	Exceptional items- (Income)/Expense Provision for diminution in the value of investments Refund of KVAT paid on LNG purchased from 4.2.2015 to 31.3.2015 due to retrospective exemption Difference on account of finalisation of transmission charges on LNG supplied by GAIL in FY:2013-14 Net Exceptional items	- (1234.85) - (1234.85)	3287.00 - (880.71) 2406.29
28.1	The Govt of Kerala vide Finance Act 2015 published on 29th July 2015,exempted Natural Gas from Value Added Tax with effect from 4.2.2015 retrospectively.Accordingly the company had claimed refund of Value Added Tax paid ₹1234.85 lakh towards purchases during the period 4.2.2015 to 31.3.2015.		
	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 ₹3377.52 lakh (Previous year ₹4136.82 lakh.)		
	During the year ,the captive ammonia plant could be operated for a limited period from 1.4.2015 to 7.4.2015 and from 3.6.2015 to 11.8.2015 mainly due to operation with imported ammonia as against LNG ,due to working capital constraints. The unabsorbed costs due to non-operation of ammonia plant is ₹6426.17 lakh (Previous year ₹5379.65 lakh)		

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ in Lakh

	As at 31.03.2016	As at 31.03.2015
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)	8469.99	7541.33
	Central Excise Act, 1944 *	
ii)	369.89	334.25
	Finance Act, 1994 (Service Tax)	
iii)	110.43	108.17
	Sales Tax / Entry tax	
iv)	151.48	151.48
	Income Tax Act, 1961	
v)	127.83	127.83
	ESI Act	
vi)	20025.90	19279.59
	Suppliers and contractors #	
vii)	1506.10	1333.34
	Others	
*	Excise duty demand of ₹2.38 lakh on purchase of Raw material, pending appeal, has not been considered since the liability rests with supplier as per order terms. (Previous Year ₹36.92 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 31.03.2016, amounting to ₹19594.04 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)	3766.50	3546.50
	for the term loan of M/s FACT-RCF Building Products Ltd. However the share of term loan exposure as on 31.03.2016 is ₹4095.04 lakh (50% of total loan exposure of ₹ 8190.08 lakh).	
(ii)	58.50	72.03
	To M/s.Cochin Shipyard Ltd to release balance payments against work done by the Company	
(c)	-	-
	The contingent liability in respect of bills discounted with banks fully covered by buyers' letter of credit	
30	Commitments:	
(a)	207.72	502.39
	Estimated amount of contracts remaining to be executed on capital account and not provided for.	
31	5590.53	1212.87
a)	92.35	466.78
	Contract revenue recognised in the period.	
b)	11.05	10.72
	Advance received against contract in progress.	
c)	3274.29	2120.40
	Retention by customers against contract in progress.	
d)	1227.25	1089.73
	Aggregate amount of cost incurred and recognised profit (less recognised loss) on contracts in progress upto the reporting date.	
e)	153.91	111.60
	Gross amount due from customers for contract work as an asset.	
f)		
	Gross amount due to customers for contract work as a liability.	
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 ₹1016.45 lakh (Previous year ₹1072.39 lakh), and capital ₹382.17 lakh (Previous year ₹627.74 lakh).	
h)		
	Excise duty on own division jobs is ascertained based on Cost Accounting Standard 4.	

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ in Lakh

		As at 31.03.2016	As at 31.03.2015																								
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. A comprehensive proposal for revival of the company is already under consideration of Ministry. During 2015-16, with the objective of carrying on the operations of the company without hindrance, the Government of India has disbursed a loan of ₹1000 crores on 29/3/2016. This will help company to overcome its working capital constraints and is hopeful of continuous production in the coming years. In view of the above, company doesnot 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)	₹ (45219.46 lakh) (Previous year (₹ 39990.79 lakh))																									
	ii) Number of Shares -Issued, Subscribed and Paid up	647071974 (Previous year 647071974)																									
	iii) Earning Per Share (Basic and Diluted)	₹(6.99) (Previous year ₹ (6.18))																									
35	Foreign Currency Exposure																										
	The details of foreign currency balances which are not hedged as at the Balance Sheet date are as below:-																										
		<table border="1"> <thead> <tr> <th rowspan="2">Particulars</th> <th colspan="2">Balance as at 31.03.2016</th> <th colspan="2">Balance as at 31.03.2015</th> </tr> <tr> <th>Foreign Currency</th> <th>Indian Rupee</th> <th>Foreign Currency</th> <th>Indian Rupee</th> </tr> </thead> <tbody> <tr> <td></td> <td colspan="2" style="text-align: center;">(In lakh)</td> <td colspan="2" style="text-align: center;">(In lakh)</td> </tr> <tr> <td>Trade Payable</td> <td>-</td> <td>-</td> <td>USD 207.01</td> <td>12998.08</td> </tr> <tr> <td>Buyers Credit</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table>		Particulars	Balance as at 31.03.2016		Balance as at 31.03.2015		Foreign Currency	Indian Rupee	Foreign Currency	Indian Rupee		(In lakh)		(In lakh)		Trade Payable	-	-	USD 207.01	12998.08	Buyers Credit	-	-	-	-
Particulars	Balance as at 31.03.2016		Balance as at 31.03.2015																								
	Foreign Currency	Indian Rupee	Foreign Currency	Indian Rupee																							
	(In lakh)		(In lakh)																								
Trade Payable	-	-	USD 207.01	12998.08																							
Buyers Credit	-	-	-	-																							
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

₹ in Lakh

37.SEGMENTAL REPORTING (ACCOUNTING STANDARD 17)

Segment Information for the year ended 31st March 2016 Information about Primary Business Segments				
	₹ in Lakh.	₹ in Lakh.	₹ in Lakh.	₹ in Lakh.
	Fertiliser	Petrochemical	Others (Unallocated)	Total
REVENUE				
External Revenue	170271.12 (197736.87)	23.43 (23.25)	5592.26 (1373.54)	175886.81 (199133.66)
TOTAL REVENUE	170271.12 (197736.87)	23.43 (23.25)	5592.26 (1373.54)	175886.81 (199133.66)
SEGMENT RESULTS				
Profit before Interest and Taxation	(13574.52) (-8897.07)	(3354.09) (-4136.82)	309.90 (-1315.88)	(16618.71) (-14349.76)
Unallocated Corporate Expense			4887.21 (7360.60)	4887.21 (7360.60)
Operating Profit	(13574.52) (-8897.07)	(3354.09) (-4136.82)	(4577.31) (-8676.48)	(21505.92) (-21710.36)
Interest Expense	-	-	24323.88 (18880.14)	24323.88 (18880.14)
Interest Income	-	-	610.33 (599.7)	610.33 (599.7)
Income Tax	-	-	-	-
Profit after Interest and Taxation	(13574.52) (-8897.07)	(3354.09) (-4136.82)	(28290.86) (-26956.91)	(45219.46) (-39990.79)
OTHER INFORMATION				
Segment Assets	133574.72 (148313.85)	10721.36 (10674.30)	18854.15 (4109.86)	163150.24 (163098.01)
Segment Liabilities	123179.09 (142032.38)	5609.82 (6511.60)	34361.33 (14554.03)	163150.24 (163098.01)
Depreciation	1717.87 (1559.31)	203.26 (171.47)	45.38 (217.59)	1966.51 (1948.37)
Capital Expenditure	622.32 (824.07)	0.00 (71.01)	1.91 (41.16)	624.23 (936.24)

The business segments are:-

 Segment
 Fertiliser
 Petrochemical

Products

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

Segments have been identified taking into account the organisation structure.

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

Figures given in brackets pertains to previous year.

RECONCILIATION OF REVENUE

	2015-16	2014-15
Segment Revenue as above	175886.81	199133.66
Add Interest Income	610.33	599.70
Revenue as per Profit and Loss Statement	176497.14	199733.36

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

NOTES FORMING PART OF FINANCIAL STATEMENTS

38 COST OF MATERIALS CONSUMED		2015-16					2014-15					
		Opening Stock	Purchases	Closing Stock	Consumption	Opening Stock	Purchases	Closing Stock	Consumption			
SI No.	Particulars											
1	Regassified Liquid natural Gas	-	13018.70	-	13018.70	-	7508.88	-	7508.88	-	7508.88	
2	Naphtha	588.11	-	358.87	229.24	1035.88	-	588.11	-	588.11	447.77	
3	Sulphur - Imported	3073.10	11733.57	2306.17	12500.50	2489.16	20376.56	3073.10	19792.62			
4	Sulphur	228.57	163.20		391.77	-	228.57	228.57	-	228.57	-	
5	Rock Phosphate-Imported	206.78	12387.21	3291.14	9302.85	3029.79	18354.14	206.78	21177.15			
6	Phosphoric Acid-Imported	18.91	39418.21	1479.17	37957.95	1408.00	21390.56	18.91	22779.65			
7	Phosphoric Acid	26.14	6410.71	1.36	6435.49	64.96	5231.60	26.14	5270.42			
8	Ammonia - Imported	2669.93	26345.47	2161.11	26854.29	2781.72	60753.20	2669.93	60864.99			
9	Benzene - Imported	10.89	-	10.89	-	36.26	-	10.89	25.37			
10	Benzene	188.36	-	188.36	-	654.29	-	188.36	465.93			
11	Caustic Soda**	58.99	-	53.99	-	62.88	-	58.99	-			
12	Rock Phosphate-18% for mixing	6.19	51.66	11.43	46.42	2.36	72.28	6.19	68.45			
13	Sulphuric Acid	167.46	1482.27	406.53	1243.20	104.58	1102.14	167.46	1039.26			
	TOTAL	7243.43	111011.00	10269.02	107980.40	11669.88	135017.93	7243.43	139440.49			

** Closing stock after adjustments for consumption as chemicals of ₹5 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 31.03.2016

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	86615.58	80.21	124639.78	89.39
Indigenous	21364.82	19.79	14800.71	10.61
	107980.40	100.00	139440.49	100.00
B Spare Parts & Components				
Imported	150.80	4.34	219.14	4.79
Indigenous	3321.74	95.66	4351.17	95.21
	<u>3472.54</u>	<u>100.00</u>	<u>4570.31</u>	<u>100.00</u>

2 CIF Value of Imports

	Current year	Previous year
	₹ in lakh	₹ in lakh
(i) Raw Materials	85645.14	113543.01
(i) Traded products	-	6395.23
(ii) Spares and other materials	118.79	272.47
(iii) Capital Goods	1.63	181.24
	<u>85765.56</u>	<u>120391.95</u>

3 A Expenditure in foreign currency (Cash Basis) *

(i) Consultancy service	-	37.68
(ii) Others	34.77	21.66
	<u>34.77</u>	<u>59.34</u>

B Earnings in foreign currency

(i) Export of goods (FOB Basis)	-	-
(ii) Others	-	-
	<u>-</u>	<u>-</u>

* 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 2016

₹ / lakhs

	Gross Block as at 31-3-2015	Written down value as at 31-3-2015	Additions/ adjustments 2015-16	Depreciation for the year 2015-16	Depreciated value as at 31-3-2016
Land (Estimated)	186.18	186.18	0.00	0.00	186.18
Staff Quarters etc. in Township	1379.96	404.02	0.00	22.03	381.99
Sewers & Drains	280.85	62.91	0.00	10.64	52.27
Hospitals	64.37	14.69	0.00	0.36	14.33
Schools	93.43	25.72	0.00	0.58	25.14
Shops	12.08	2.12	0.00	0.05	2.07
	2016.87	695.64	0.00	33.65	661.99

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 2016

₹ / lakhs

Particulars	Expenditure	Income	Net Expenditure
Staff Quarters & Estate Establishment	497.46	412.23	85.23
Schools	0.58	4.24	-3.66
Medical facilities	1157.08	23.15	1133.93
Other Welfare Expenses	767.71	28.37	739.34
Notional interest at 6 % p.a. on	121.01	0.00	121.01
Capital outlay on Township and overheads	2543.83	467.99	2075.84

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 2016

Particulars	₹ / lakh
Salaries and Wages including Provident Fund	25.01
Advertisement Charges	35.72
Propoganda and Publicity	10.94
Exhibition	0.15
Demonstration, Sign Boards, Cost of Fertilisers, Village adoption, Soil Testing and Agronomy Services	0.30
Audio-visual film, Slides production, Projection charges and equipment	0.00
Running and Maintenance Expenses of Publicity vehicles and Travel Expenses	0.00
	72.13

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

SUMMARISED ACCOUNTS

₹ in lakh

	2015-16	2014-15	2013-14
RESOURCES			
Net Worth	(130953)	(85734)	(45743)
Borrowings And Deferred Credits	175868	37370	38506
Capital Reserve	65	66	69
	44980	(48298)	(7168)
UTILISATION OF RESOURCES			
Fixed Assets	147134	146856	145924
Less: Depreciation & Impairment loss	120161	118676	118317
	26973	28180	27607
Capital -work- in progress	2186	2486	2383
Other non-current assets	846	788	1871
Investments	367	367	2136
Net Current Assets	14609	(80119)	(41165)
	44981	(48298)	(7168)
EARNINGS			
Sale of products and services (net)	173599	197879	220938
Accretion/(decretion) to work in progress and finished goods	(17904)	59	3368
Other Income	2898	1855	1401
	158593	199793	225707
OUT GOINGS			
Direct Materials & inputs	130708	169109	193322
Employees' remuneration and benefits	24965	26278	25754
Other expenses	22348	20341	19825
Depreciation / Impairment loss	1812	2021	4526
Finance Cost	25214	19629	19183
	205047	237378	262610
Profit/(Loss) for the year	(46454)	(37585)	(36903)
Extraordinary items / Exceptional items: Income/ (Expense)	1235	(2406)	10407
Profit/ (Loss) before tax	(45219)	(39991)	(26496)
Provision for Taxation	-	-	-
Profit/ (Loss) after tax	(45219)	(39991)	(26496)

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

CHANGES IN FINANCIAL POSITION FOR THE YEAR ENDED 31ST MARCH 2016

₹ Lakh

	2015-16	2014-15	2013-14
SOURCES OF FUNDS			
Funds generated from operations:			
Profit after tax	-	-	-
Depreciation and Impairment loss	1484	2021	4523
Long term borrowings & liabilities	-	-	-
Short-term borrowings	-	-	-
Fertilizer Bonds	-	-	-
Decrease in Working Capital	(94727)	38954	28889
	(93243)	40975	33412
APPLICATION OF FUNDS			
Loss for the year	45219	39991	26496
Decrease in short term borrowings	-	-	-
Decrease in Long term borrowings & liabilities	(138498)	1136	2032
Capital expenditure (net)	(22)	931	4866
Investment in shares/bonds	-	-	-
Non current assets	58	(1083)	18
Increase in Working Capital	-	-	-
	(93243)	40975	33412
	0	0	0

STATEMENT OF CHANGES IN WORKING CAPITAL

	2015-16	2014-15	2013-14
Cash and bank balance	(3082)	1102	4500
Inventories	(16269)	(6956)	(5355)
Sundry debtors	(311)	(126)	321
Other current assets	19312	(16765)	19378
Loans and advances	1852	(183)	(950)
	1502	(22928)	17894
Creditors and other liabilities	(93225)	16026	46783
Increase/(decrease) in Working capital	94727	(38954)	(28889)
	1502	(22928)	17894

VALUE ADDED STATEMENT

PARTICULARS	2015-16	2014-15	2013-14
Value of production * (Including other income)	158593	199793	225707
Less: Cost of Direct materials & inputs	130708	169109	0
	27885	30684	225707
Add: Exceptional Items :Income/ (Expense)	1235	-2406	10407
Value Added	29120	28278	236114
Applied in the following way :			
Employee remuneration and benefits	24965	26278	0
Other operating expenses	22348	20341	238901
Depreciation	1812	2021	4526
Finance Cost	25214	19629	19183
Provision for Income Tax	-	-	-
Retained profit/(loss)	(45219)	(39991)	(26496)
	29120	28278	236114

* Net of sales discount/dealer Margin

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

10 YEARS FINANCIAL HIGHLIGHTS

	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
	As per Schedule III of the Companies Act 2013									
	As per revised Schedule VI of the Companies Act 1956									
1	119419	136743	143993	152776	174535	139348	115357	73832	60133	112520
2	52997	65280	83141	90669	126596	115927	100517	141047	29236	40216
3	5592	1213	488	742	975	1045	1110	1130	784	1222
4	178008	203236	227622	244187	302106	256320	216984	216009	90153	153958
5	4409	5357	6684	12610	14501	10247	6391	3143	2757	7019
6	173599	197879	220938	231577	287605	246073	210593	212866	87396	146939
7	2898	1855	1401	1979	3670	3060	5361	4543	2150	2049
8	176497	199734	222339	233556	291275	249133	215954	217409	89546	148988
9	107980	139440	152490	142464	174918	142879	129037	167825	49931	104343
10	272	6928	6730	8722	13485	9257	21952	8723	3330	5664
11	17904	(59)	(3368)	11044	(4859)	(179)	(9693)	(3563)	16154	(7350)
12	24965	26278	25754	23871	22473	26805	19486	12563	10951	10157
13	4069	3251	3237	3348	3127	1837	3508	2825	3248	2791
14	11998	14876	25925	33382	40312	35496	30068	20806	9018	22435
15	28737	24955	24765	26068	21903	18547	17943	15016	6229	12001
16	195925	215669	235533	248899	271359	234642	212301	224195	98861	150041
17	(19428)	(15935)	(13194)	(15343)	19916	14491	3653	(6786)	(9315)	(1053)
18	(1235)	2406	(10407)	(39)	-	821	-	-	1	105
19	-	-	-	-	-	-	-	22116	20000	614
20	25214	19629	19183	15538	13677	14340	11597	6396	6221	5340
21	1812	2021	4526	4554	4259	4263	2427	4623	3545	6381
22	(45219)	(39991)	(26496)	(35396)	1980	(4933)	(10371)	4311	918	(12265)
23	-	-	-	-	-	-	13	16	21	208
24	(45219)	(39991)	(26496)	(35396)	1980	(4933)	(10384)	4295	897	(12473)
25	-	-	-	-	-	-	-	-	-	-
26	-	-	-	-	-	-	-	-	-	-
27	26973	28180	27606	24336	27754	31591	36350	38606	42420	44763
28	2186	2486	2383	5313	2510	881	1642	687	908	1268
29	846	788	1871	1853	767	581	-	-	-	-
30	132779	131277	154205	136312	157753	130435	128048	82352	57746	72030
31	118170	211395	195369	148586	132620	124157	70621	41615	30386	41927
32	367	367	2136	2136	1823	13840	28130	28131	55	55
33	-	-	-	-	-	-	-	-	10	15
34	195660	150441	110450	83954	48558	50538	45605	35222	39517	39535
35	240641	102144	103282	105318	106545	103709	169154	143383	110270	115739
36	14609	(80118)	(41164)	(12274)	25133	6278	57427	40737	27360	30103
37	162713	16149	18976	21803	24023	22023	12643	9243	8500	7000
38	13155	21221	19530	18735	17739	16900	-	-	-	-
39	-	-	-	-	-	-	91721	69346	36972	43937
										(1)

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

10 YEARS FINANCIAL HIGHLIGHTS

	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
	As per Schedule III of the Companies Act 2013						As per revised Schedule VI of the Companies Act 1956			
40 Share Capital (Incl. Pending allotment)	64707	64707	64707	64707	64707	64707	64707	64707	64707	64707
41 Reserves & Surplus	-	-	-	-	-	-	-	-	-	-
42 Capital Reserve	65	66	69	73	76	79	83	87	91	95
43 Total Sources	240640	102143	103282	105318	106545	103709	169154	143383	110270	115739
44 Networth (40+41-33-34)	(130953)	(85734)	(45743)	(19247)	16149	14169	19102	29485	25180	25157
45 Capital employed (27+29+36-38)	29273	(72371)	(31217)	(4820)	35915	21550	93777	79343	69780	74866
46 Finished Goods	14815	29809	31246	27188	38127	32798	37743	28050	4537	20691
47 Work in progress	2542	5452	3956	4645	4751	5221	-	-	-	-
48 Raw Materials	10269	7243	11670	20066	11158	13648	7681	4390	15569	6711
49 Stores, Spares & Loose tools	10885	12482	14289	14556	11604	9307	8055	8608	9280	6928
50 Materials in transit	352	146	927	989	10115	400	4105	212	2459	286
51 Sundry debtors	710	1021	1147	826	1125	4846	6125	27137	7585	19234
52 Cash & bank balance	5757	8839	7737	3237	7017	5523	2818	2305	6746	7782
53 Loans & advances	16122	14270	14453	15403	18436	17721	15841	10579	11068	9668
54 Other Current Assets	71327	52015	68780	49402	55420	40971	45680	1071	502	730
55 Total (46 to 54)	132779	131277	154205	136312	157753	130435	128048	82352	57746	72030
56 Current Liabilities	114116	206807	189720	142905	127841	120225	60427	32870	26789	39644
57 Provisions	4054	4588	5649	5681	4779	3932	10194	8745	3597	2283
58 Total (56+57)	118170	211395	195369	148586	132620	124157	70621	41615	30386	41927
59 Net Working Capital (55-58)	14609	(80118)	(41164)	(12274)	25133	6278	57427	40737	27360	30103
60 Gross Internal resources (21+24-19)	(43407)	(37970)	(21970)	(30842)	6239	(670)	(7957)	(13198)	(15558)	(6706)
61 Installed Capacity (MT) cost	225000	225000	225000	225000	225000	225000	225000	225000	225000	225000
Factamphos 20:20	633500	633500	633500	633500	633500	633500	633500	633500	633500	633500
DAP										
Urea								330000	330000	330000
Caprolactam	50000	50000	50000	50000	50000	50000	50000	50000	50000	50000
N	173050	173050	173050	173050	173050	173050	173050	324450	324450	324450
P205	131900	131900	131900	131900	131900	131900	131900	131900	131900	131900
62 Production (MT)										
Ammonium Sulphate	79567	120360	178792	126286	163468	200311	179546	128845	30478	183490
Factamphos 20:20	527445	614004	663787	537081	622256	644454	753744	605047	425530	721202
DAP										
Urea										
Caprolactam				15544	37854	44345	42006	13548	6759	41327
N	121880	147595	169589	133431	158126	170155	187735	147551	91384	182039
P205	105489	122801	132757	107416	124451	128891	150749	121009	85106	144240
63 Capacity utilisation (%)										
N	70.43	85.29	98.00	77.11	91.38	98.33	108.49	45.48	28.17	56.11
P205	79.98	93.10	100.65	81.44	94.35	97.72	114.29	91.74	64.52	109.36

(1) Short term borrowings are included under current liabilities, as per revised Schedule VI.

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

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

CONSOLIDATED FINANCIAL STATEMENT

K.VARGHESE & CO.

CHARTERED ACCOUNTANTS

Sageti Business Centre, 11nd Floor, Choolackal Building, Opp Metro Plaza, North Market Road, Ernakulam 682014

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

Chennai, Mumbai, Kollam, Adoor, Calicut Coimbatore

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

INDEPENDENT AUDITOR'S REPORT

To The Members of The Fertilisers And Chemicals Travancore Limited

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated financial statements of **The Fertilisers And Chemicals Travancore Limited** (hereinafter referred to as "the Venturer Company"), and its jointly controlled entity (the Venturer Company and jointly controlled entity together referred to as "the Group"), comprising the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements")

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31st, 2016, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

- a) We draw attention to Note No. 29(11) to the consolidated financial statement which indicates that the Group has

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

accumulated Loss amounting to ₹ 1,95,796.26 Lakhs and its net worth has been fully eroded, the Group has incurred a net loss during the current and previous years. This condition indicates the existence of material uncertainty which may cast significant doubt as to the Group's ability to continue as a going concern. However, the financial statements of the Group have been prepared on a going concern basis for the reasons stated in the said note.

Our opinion is not modified in respect of this matter

Other Matter

(a) We did not audit the financial statements of Joint Venture Company, whose financial statements reflect total assets (net) of ₹ 5,510.56 Lakhs as at 31st March, 2016, total revenue of ₹ 981.34 Lakhs and net cash outflow amounting to ₹ 449.69 Lakhs for the year ended on that date, as considered in the consolidated financial statements. In respect of Joint Ventures, whose financial informations are unaudited and have been furnished to us by the Management.

In our Opinion and according to the information and explanation given to us by the Management, these financial informations are not material to the Group.

(b) We did not audit the financial statements of 5 area/regional offices of marketing division included in the financial statements of the Venturer Company whose financial information reflect total asset of ₹ 932.64 Lakhs as at 31st March, 2016 and total revenue of ₹ 1,15,882.20 Lakhs for the year ended on that date, and the as considered in the consolidated financial statements. The financial information of these branches have been audited by the branch auditors whose report have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors.

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

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Companies Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors and certified by the management;

- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of written representation received from the Directors of the Venturer Company as on 31st March, 2016, taken on record by the Board of Directors of the Venturer Company, none of the Directors of the Venturer Company is disqualified as on 31st March, 2016, from being appointed as a director in terms of Section 164(2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our report in "Annexure A", our report express an unmodified opinion on the adequacy and operating effectiveness of the Venturer Company's internal financial controls over financial reporting only; and
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Venturer Company.

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

New Delhi
30th May, 2016

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

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph (f) under the heading of "Report on Other Legal and Regulatory Requirements" of our report to the members of The Fertilisers And Chemicals Travancore Limited on the accounts for the year ended 31st March, 2016

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2016, we have audited the internal financial controls over financial reporting of **The Fertilisers And Chemicals Travancore Limited** (herein after referred to as "the Venturer Company").

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Venturer Company has, in all material respect, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For K. VARGHESE & Co.

Chartered Accountants
(Firm Registration No. 004525S)

Sd/-
Sam Varghese

Partner
(Membership No. 216979)

New Delhi
30th May, 2016

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Consolidated Balance Sheet as at 31.03.2016

₹ in Lakh

	Particulars	Note No.	Figures as at 31.03.2016	Figures as at 31.03.2015
	1	2	3	4
I.	EQUITY AND LIABILITIES			
(1)	Shareholders' funds			
	(a) Share capital	1	64707.20	64707.20
	(b) Reserves and Surplus	2	(195731.74)	(149873.22)
(2)	Non-current liabilities			
	(a) Long-term borrowings	3	166808.41	20168.26
	(b) Long- term provisions	4	13155.47	21221.32
(3)	Current liabilities			
	(a) Short-term borrowings	5	18345.37	79156.88
	(b) Trade payables	6	57709.40	72406.03
	(c) Other current liabilities	7	39294.47	55855.65
	(d) Short- term provisions	8	4053.72	4588.15
	TOTAL		168342.30	168230.27
II.	ASSETS			
(1)	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	9	31408.33	32993.91
	(ii) Intangible assets	9	1.25	-
	(iii) Capital work-in-progress	10	2186.40	2520.20
	(b) Non-current investments	11	366.55	366.55
	(c) Deferred tax assets (net)	12	-	-
	(d) Long-term loans and advances	13	845.48	786.93
	(e) Other non-current assets	14	6.01	4.39
(2)	Current assets			
	(a) Inventories	15	39123.98	55304.76
	(b) Trade receivables	16	1114.37	1036.86
	(c) Cash and Bank balances	17	5821.87	8864.65
	(d) Short-term loans and advances	18	16130.99	14334.66
	(e) Other current assets	19	71337.07	52017.36
	TOTAL		168342.30	168230.27
	Significant Accounting Policies Notes forming part of the Financial Statements	1 to 29		

In terms of our report attached.

On behalf of the Board

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

 Sd/-
 Sreenath V Kamath
 CGM(CF) & CFO

 Sd/-
 Jaiveer Srivastava
 Chairman & Managing
 Director

 Sd/-
 Sam Varghese
 Partner
 Membership No.216979

 Sd/-
 K.V. Balakrishnan Nair
 Secretary

 Place: New Delhi
 Date : 30.05.2016

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

Consolidated Statement of Profit and Loss for the year ended 31.03.2016

₹ in Lakh

	Particulars	Note No.	Figures for the year ended 31.03.2016	Figures for the year ended 31.03.2015
I.	Revenue from operations	20	174578.91	198079.92
II.	Other income	21	2899.56	1867.45
III.	Total revenue (I+II)		177478.47	199947.37
IV.	Expenses			
	(a) Cost of materials consumed	22	108025.38	139485.69
	(b) Purchases of stock-in-trade	23	271.75	6928.04
	(c) Changes in inventories of finished goods , work-in-progress and stock-in-trade.	24	17841.68	(108.99)
	(d) Employee benefits expense	25	25091.20	26405.00
	(e) Finance costs	26	25655.17	20092.23
	(f) Depreciation and amortization expense	9	2298.16	2515.58
	(g) Other expenses	27	45386.61	42799.83
	Total expenses		224569.95	238117.38
V.	Profit / (Loss) before exceptional and extraordinary items and tax (III-IV)		(47091.48)	(38170.01)
VI.	Exceptional items	28	(1234.85)	(880.71)
VII.	Profit/(Loss) before extraordinary items and tax (V-VI)		(45856.63)	(37289.30)
VIII.	Extraordinary items		-	-
IX.	Profit /(Loss) before tax (VII-VIII)		(45856.63)	(37289.30)
X.	Tax expense			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
XI.	Profit /(Loss) for the year (IX-X)		(45856.63)	(37289.30)
XII.	Earnings per equity share of ₹10 each			
	(1) Basic -₹		(7.09)	(5.76)
	(2) Diluted -₹		(7.09)	(5.76)
	Significant Accounting Policies Notes forming part of Financial Statements	1 to 29		

In terms of our report attached.

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

 Sd/-
 Sam Varghese
 Partner
 Membership No.216979

 Place: New Delhi
 Date : 30.05.2016

On behalf of the Board

 Sd/-
 Sreenath V Kamath
 CGM(CF) & 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

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2016

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
A. CASH FLOW FROM OPERATING ACTIVITIES	(₹ in Lakh)	(₹ in lakh)
Profit/ (Loss) before exceptional & extraordinary Items and Tax	(47091.48)	(38170.01)
Adjustments for:		
Depreciation	2452.20	2443.30
Provision for impairment of fixed assets	(154.04)	72.28
Amount written back from deferred Government Grants	(1.89)	(2.65)
Provision for obsolescence/Bad and doubtful receivables(Net)	1548.02	1907.49
Provision for employee benefits	(7758.20)	2340.33
Income from Investments	(8.10)	(11.44)
Other non-cash Expenses/(Income)	3.60	(1696.51)
(Profit)/Loss on sale of assets (Net)	(801.87)	64.55
Finance cost	25213.60	19628.69
Operating Profit/ (Loss) before Working Capital changes	(26598.16)	(13423.97)
Changes on Working Capital		
Adjustments for (increase)/decrease in operating assets		
Inventories	16097.77	6658.78
Trade receivables	(126.22)	(100.12)
Short-term loans and advances	(3289.73)	(1615.21)
Other current assets	7318.61	7932.56
Long-term loans and advances	(61.25)	(17.07)
Other non current assets	(1.62)	(0.01)
Adjustments for increase/(decrease) in operating liabilities		
Trade payables	(14696.63)	20001.87
Other current liabilities & provisions	(2005.37)	(1119.04)
Cash generated from Operations	(23362.58)	18317.79
Direct Taxes	-	-
Cash Flow before Exceptional / Extraordinary items	(23362.58)	18317.79
Exceptional Items- income/ (expense)	1234.85	880.72
(Other than 'provision for diminution in value', being non-cash expense)		
Extraordinary Items	-	-
Net Cash from Operating Activities - A	(22127.74)	19198.51
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on Fixed Assets including capital advances	(399.41)	(965.61)
Proceeds from sale of Fixed Assets	0.38	10.85
Dividend received	8.10	10.96
Purchase/proceeds from sale of Investments(Net)	-	-
Net cash from/(used in) Investing Activities - B	(390.93)	(943.80)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings (Net)	100,000.00	-
Proceeds from Short Term Borrowings (Net)	(60811.51)	(3707.90)
Interest paid	(17643.34)	(13841.61)
Forward exchange contracts with Banks (Net)	838.07	(511.21)
Net cash from/ (used in) Financing Activities - C	22383.22	(18060.72)
NET INCREASE /DECREASE (-)IN CASH AND CASH EQUIVALENTS (A+B+C)	(135.45)	193.99
CASH AND CASH EQUIVALENTS		
AS AT 01.04.2015 (Opening Balance)	505.03	311.04
AS AT 31.03.2016 (Closing Balance)	369.58	505.03
CASH AND CASH EQUIVALENTS	As at 31.03.2016	As at 31.03.2015
Cash on hand	2.31	4.59
Balances with banks	355.46	486.21
Cheques , drafts on hand	0.27	3.03
Current Account with banks for unpaid interest warrants*	0.69	0.69
With Post Office/Treasury Savings Account	10.85	10.51
TOTAL	369.58	505.03

* 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.

On behalf of the Board

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

 Sd/-
 Sreenath V Kamath
 CGM(CF) & CFO

 Sd/-
 Jaiveer Srivastava
 Chairman & Managing Director

 Sd/-
 Sam Varghese
 Partner
 Membership No.216979

 Sd/-
 K.V.Balakrishnan Nair
 Secretary

 Place: New Delhi
 Date : 30.05.2016

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ in Lakh

No.	Particulars	As at 31.03.2016		As at 31.03.2015	
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
l.	As there is no change in the equity share capital during the year, the Company has not prepared "Statement of Change in Equity" as required under the provisions of Companies Act 2013.				

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ in Lakh

No.	Particulars		As at 31.03.2016		As at 31.03.2015
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	58.27		59.97	
	Less: Amount written off during current year	0.94		1.70	
	Closing balance		57.33		58.27
	Bio-Fertiliser Project				
	Opening balance	5.51		6.46	
	Less: Amount written off during current year	0.95		0.95	
	Closing balance		4.56		5.51
c.	Surplus/ (Deficit) in statement of Profit & Loss:				
	Opening balance	(149939.64)		(112650.34)	
	Add :Profit/ (Loss) during the year	(45856.63)		(37289.30)	
	Closing balance		(195796.27)		(149939.64)
			(195731.74)		(149873.22)
3	Long-term borrowings (Secured)				
	Term loans				
	From Government of India (Refer Note 3.1)		162713.36		16148.50
	Term Loan From banks		3320.77		3437.02
	Funded Interest Term Loan From banks		774.27		582.74
			166808.41		20168.26
3.1	<p>A plan loan of ₹1000cr bearing interest @13.50% p.a subject to revision on annual basis was released by the Government of India on 29th March 2016 to maintain the operations of the company. As per the terms of sanction of the loan, the amount of ₹1000 cr along with the earlier loan and interest outstanding of ₹552.54 cr as on 31.03.2015, has been converted to a single loan carrying interest @13.50% p.a (effective from 1.4.2015 on the portion of old loan and interest). The loan is repayable after one year moratorium starting 31.3.2017 when the progressive amount of the loan becomes ₹1836.72 cr in three or more equal instalments in a period of five years ending by 2022. The loan amount outstanding as at 31.03.2016 shown under Long Term Liabilities is as follows:-</p>				
			₹ in Crore		
	New Loan Received on 29 March 2016		1000.00		
	Old Loan amount outstanding as at 31 March 2015		282.73		
	Interest till 31 March 2015 on old Loans		269.81		
	Interest @13.5% on old loans and interest, for 2015-16		74.59		
	Total Amount Outstanding as at 31 March 2016		1627.13		
	The interest accrued on the new loan of ₹1000 crore till 31 March 2016 shown under current liabilities is		1.11		
	Total		1628.24		
	<p>An agreement has been signed between FACT and Department of Fertilizers on 3rd March 2016 by which FACT has agreed to mortgage 408 acres of land belonging to FACT vide patta 7030 in Survey No. 205, Puthencruz village, against the total loan and interest outstanding by the end of Moratorium on 31 March 2017 of ₹1836.72 crore.</p>				

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ in Lakh

No.	Particulars	As at 31.03.2016	As at 31.03.2015
3.2	<p>(a) The above term loans from Banks (FRBL) are secured by 1st charge on all the movable and immovable assets present and future of the project ranking pari passu with other term lenders.</p> <p>b) Based on the company's (FRBL) request, our term loan account was restructured by the Corporate Debt Restructuring (C D R) cell during 2013-14 with interest at 11% p.a. with re-set option annually after three years, repayable in twenty quarterly installments.</p> <p>c) Corporate Guarantee for a total amount of ₹ 7533 lakhs has been given to State Bank of India and Dena Bank by MIS FACT and MIS RCF (₹ 3766.50 lakh each) (previous year ₹ 3546.50 lakh each)</p>		
4	Long-term provisions Provision for employee benefits <ul style="list-style-type: none"> (i) Provision for gratuity (ii) Provision for leave encashment 	2505.38 10650.08 13155.47	10982.65 10238.68 21221.32
5	Short-term borrowings Secured:- Loans repayable on demand From Banks (Refer Note 5.1) <ul style="list-style-type: none"> Cash credit Libor Linked Buyers Credit Borrowing against Fixed Deposit 	5694.47 11850.89 800.00 18345.37	79156.87 0.00 0.00 79156.88
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 13.30% to 15% p. a (Previous year from 13.90% to 15% p a). Cash credit is repayable on Demand (Previous year- On demand) and buyers credit three to six months (Previous year- three to six months). Rate of interest for Borrowing against Fixed Deposit is 5% p.a.		
6	Trade payables <ul style="list-style-type: none"> (i) Acceptances (ii) Other than Acceptances 	13993.88 43715.51 57709.40	37136.98 35269.05 72406.03
6.1	Trade payables include ₹15.55 lakh (Previous year ₹43.68 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 ₹NIL (Previous year ₹13.23 lakh)		
6.2	The amount unpaid towards vendors under the Micro, Small and Medium Enterprises Development Act 2006 is ₹17.16 lakh (Previous year ₹62.56 lakh) and interest thereon works out to ₹0.77 lakh (Previous year ₹1.36 lakh)		
7	Other current liabilities Current maturities of long-term debt Term loan from the Government of India Terms Loan from Banks Interest accrued but not due on borrowings Term loan from the Government of India (Refer Note no.3.1) Interest accrued and due on borrowings Term loan from the Government of India Terms Loan from Banks Unclaimed matured fixed deposit and interest thereon Income received in advance	- 447.22 110.96 - 41.38 0.49 33.58	12124.50 447.22 1708.74 25272.32 41.38 0.49 124.22

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ in Lakh

No.	Particulars		As at 31.03.2016		As at 31.03.2015
	Other payables				
	Dues to banks on Forward Exchange contracts		26581.28		2909.30
	Dues to employees		41.83		52.51
	Dues to customers		4821.01		6851.24
	Statutory dues		1134.59		1131.35
	Amount Due under Contractual Obligation		61.25		28.44
	Other liabilities		6020.87		5163.95
			39294.46		55855.65
7.1	Other Liabilities include ₹143.15 lakh (Previous year ₹82.38 lakh) towards amount retained from retired employees towards 25% increase in HRA and LTE paid pending approval from Government of India.				
8	Short-term provisions				
	Provision for employee benefits				
	(i) Provision for gratuity		-		597.85
	(ii) Provision for leave encashment		1466.03		1158.38
	Others				
	Excise duty on closing stock		2587.69		2831.92
			4053.72		4588.15

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

9. FIXED ASSETS - TANGIBLE ASSETS & INTANGIBLE ASSETS:

	GROSS BLOCK (AT COST)				DEPRECIATION				IMPAIRMENT LOSS				NET BLOCK		
	As at 01.04.2015	Additions during the year	Disposals/ Deductions during the year	Adjustments during the year	As at 31.03.2016	Up to 31.03.2015	For the year	On Disposals/ Deductions during the year	On adjustments during the year	Up to 31.03.2016	Up to 31.03.2015	(Withdrawal)/Provision during the year	Up to 31.03.2016	As at 31.03.2016	As at 31.03.2015
Tangible assets															
Land	1833.65	-	-	0.19	1833.84	27.91	5.20	-	-	33.11	-	-	-	1800.74	1805.75
Buildings	7455.99	24.46	(0.36)	-	7480.09	5435.58	112.22	(0.32)	-	5547.48	7.95	(1.20)	6.75	1925.85	2012.46
Plant and Equipment	137352.81	701.86	(297.76)	2.59	137759.50	108610.51	2204.37	(282.50)	3.60	110535.98	514.29	(152.84)	361.45	26882.06	28228.01
Furniture and Fixtures	480.16	1.36	(1.63)	-	479.89	443.29	1.81	(1.55)	-	443.55	-	-	-	36.34	36.87
Vehicles	417.05	-	-	-	417.05	338.12	12.49	-	-	350.61	-	-	-	66.44	78.93
Office equipment	1216.21	4.15	(12.58)	-	1207.78	1049.50	54.98	(11.49)	-	1092.99	-	-	-	114.79	166.71
Others:-															
Roads & Culverts	1425.07	-	(0.03)	-	1425.04	1051.45	35.46	(0.02)	-	1086.89	-	-	-	338.15	373.62
Railway Sidings	312.32	-	-	-	312.32	296.71	-	-	-	296.71	-	-	-	15.61	15.61
Misc. Assets	778.48	0.00	(36.97)	-	741.51	564.96	24.66	(34.96)	-	554.66	-	-	-	186.85	213.52
Minor Assets	173.01	0.05	-	-	173.06	173.01	0.05	-	-	173.06	-	-	-	0.00	0.00
Total (A)	151444.75	731.88	(349.33)	2.78	151830.08	117991.04	2451.24	(330.84)	3.60	120115.04	522.24	(154.04)	368.20	31346.83	32937.48
Indo EEC project:-															
Land	20.91	-	-	-	20.91	-	-	-	-	-	-	-	-	20.91	20.91
Buildings	133.27	-	-	-	133.27	92.42	0.94	-	-	93.36	-	-	-	39.91	40.85
Plant & Equipment	10.74	-	-	-	10.74	10.20	-	-	-	10.20	-	-	-	0.54	0.54
Furniture & Fixtures	1.00	-	(0.17)	-	0.83	0.95	-	(0.16)	-	0.79	-	-	-	0.04	0.05
Office equipment	1.64	-	-	-	1.64	1.55	-	-	-	1.55	-	-	-	0.09	0.09
Total (B)	167.56	-	(0.17)	-	167.39	105.12	0.94	(0.16)	3.60	105.90	-	-	-	61.49	62.44
Tangible assets Total (A+B)	151612.31	731.88	(349.50)	2.78	151997.47	118096.16	2452.20	(331.00)	3.60	120220.94	522.24	(154.04)	368.20	31408.32	32993.92
Intangible Asset:-															
Computer Software	1054.01	1.25	-	-	1055.26	1054.01	-	-	-	1054.01	-	-	-	1.25	0.00
Total (C)	1054.01	1.25	-	-	1055.26	1054.01	0.00	-	-	1054.01	-	-	-	1.25	0.00
Grand Total (A+B+C)	152666.32	733.13	(349.50)	2.78	153052.73	119150.17	2452.20	(331.00)	3.60	121274.95	522.24	(154.04)	368.20	31409.57	32993.91
Previous year	151722.61	946.95	(1485.64)	1482.40	152666.32	118368.46	2443.30	(1390.63)	(270.96)	119150.17	449.96	72.28	522.24	32993.91	32904.30
Depreciation for the year : (D)	2014-15	2014-15	2014-15	2014-15	2014-15	2014-15	2014-15	2014-15	2014-15	2014-15	2014-15	2014-15	2014-15	2014-15	2014-15
	2452.20	2443.30	2443.30	2443.30	2452.20	2443.30	2443.30	2443.30	2443.30	2452.20	2443.30	2443.30	2443.30	2452.20	2443.30
Impairment loss provided/(withdrawn) during the year(Net) : (E)	(₹154.04)	72.28	72.28	72.28	(₹154.04)	72.28	72.28	72.28	72.28	(₹154.04)	72.28	72.28	72.28	72.28	72.28
Amount charged to Profit & Loss Statement: (D)+ (E)	2298.16	2515.58	2515.58	2515.58	2298.16	2515.58	2515.58	2515.58	2515.58	2298.16	2515.58	2515.58	2515.58	2298.16	2515.58

- 9.1) FACT has agreed to mortgage to the Government of India 408 acres of land vide patna no.7030 in survey no.205 in puthenzar,Ernakulam District, Kerala state against the plan loan of ₹1836.72 cr. sanctioned by Government of India during the year.(Refer Note no 3.1)
- 9.2) The current year depreciation of ₹2452.20 lakhs includes ₹311.06 lakhs towards the accounting of component approach in the fixed assets of the company in compliance with the provisions of schedule II of Companies Act 2013 which is mandatory from FY 2015-16.
- 9.3) Out of the total 2150.50 acres (Previous year 2150.50 acres) of land held by the Company 158.82 acres, value ₹111 acres (Previous year 158.82 acres value ₹111) are held under lease hold right. Out of this, lease agreement in respect of 14.26 acres (Previous year 14.26 acres) of leasehold land belonging to Cochin Port Trust is pending execution.
- 9.4) Land for ₹510.77 lakh (Previous year ₹510.58 lakh) in respect of which the title deeds are yet to be registered/ received. Certain land owners have since preferred extra compensation claims which are pending before Courts. The liability on this account is not ascertainable. Interest and legal expenses incurred on land acquisition cases are charged to Statement of Profit and Loss of the year.
- 9.5) Land includes ₹104.19 Lakh relating to the 50% Development cost incurred by FRBL which will be written on over a period of 20 Years
- 9.6) During the year 2015-12, the Company by way of leave and license basis, has made available to M/s Gas Authority of India Ltd. at Udyogamandal / Cochin Division, 2.40 acres of land and Right of Use of 0.33 acres for laying pipe-lines for a period of 35 years for an upfront premium of ₹ 479 lakh and an yearly 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) 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 (26035 sq ft) to M/s. Central Institute of Plastics Engineering & Technology for 15 years for conducting academic classes /training /research and for providing hostel facilities.
- 9.9) During the year 2013-14, Company has given 4.0558 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 which has been extended upto 21.10.2016 for a consideration of ₹ 4.85 cr for the entire period.
- 9.10) During the year 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 which has been extended for a further period of six months upto 03.05.2016 for a consideration of ₹ 4.52 cr for the entire period.
- 9.11) Plant and Equipment includes value of 6 nos of ammonia bulks fixed on the barges of contractor of the company for transportation of Ammonia, of original cost ₹53.30 lakh and accumulated depreciation ₹50.64 lakh, with net value of ₹2.66 lakh.
- 9.12) ₹154.04 lakh has been withdrawn, shown as reduction from depreciation expenses in the Statement of Profit and Loss towards impairment loss during the FY 2015-16 and cumulative impairment loss is ₹368.20 lakh.
- 9.13) The disposals/ deductions for the year includes adjustments made, as per the physical verification of Fixed assets carried out in the Financial year 2015-16

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ in Lakh

No.	Particulars		As at 31.03.2016		As at 31.03.2015
10	A.Capital work-in-progress				
	Work-in-progress		1855.83		2256.02
	Goods in transit/ Material pending inspection		330.57		264.18
			2186.40		2520.20
11	Non-Current investments				
	In Others				
(i)	6,81,820 (Previous year 6,81,820) Equity Shares of ₹10/- each in Travancore Cochin Chemicals Ltd., including 3,40,910 Bonus shares.		34.09		34.09
(ii)	15 (Previous year 15) Equity Shares of ₹1000/- each fully paid-up in Capexil Agencies Ltd.		0.15		0.15
(iii)	3,24,000 (Previous year 3,24,000) Equity Shares of ₹10/- each fully paid-up in Indian Potash Ltd., including 1,35,000 Bonus Shares		18.90		18.90
(iv)	10,001 (Previous year 10,001) shares of ₹10/- each fully paid-up in FACT Co-operative Society Ltd		1.00		1.00
(v)	7 (Previous year 7) shares of ₹100/- each fully paid-up in Meherabad Co-operative Housing Society Ltd and 10 (Previous year 10) shares of ₹50/- each fully paid-up in Good Earth Housing Society Ltd. ₹500 (Previous year ₹500)		0.01		0.01
(vi)	31,24,000 (Previous year 31,24,000) equity shares of ₹10/- each fully paid-up in Kerala Enviro Infrastructure Ltd		312.40		312.40
	Aggregate of unquoted non-current investments		366.55		366.55
11.1	During the year 2009-10, the Company has along with Department of Factories and Boilers, Government of Kerala, formed a society under the Travancore Literary, Scientific and Charitable Societies Act 1955 with the objective of conducting courses relating to welding technologies with a grant of Rs 1 Cr from government of Kerala, under the name Kerala institute of Welding and Research. The contribution from FACT is only provision of its existing facilities of Training School. The accounts of the society are not consolidated as per Accounting Standards 21 and 27 as society is formed with an objective of not making any profits and it is individually not considered to be material to the group activity.				
12	Deferred tax assets (net) The Company has deferred tax asset of ₹187268 lakh (Previous year ₹143111 lakh) as on 31.03.2016 because of unabsorbed depreciation and accumulated losses. The deferred tax liability as on 31.03.2016 is ₹14581lakh (Previous year ₹15874 lakh). Since there is net deferred tax asset as on 31.03.2016, 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 ₹53360 lakh.(Previous year ₹39316 lakh)				
13	Long-term loans and advances (Unsecured considered good)				
a.	Capital advances		5.00		7.70
b.	Advance to employees		11.60		13.13
c.	Advance Income tax (net of Provision for Income tax)		219.17		211.64
d.	Deposits		609.71		554.46
			845.48		786.93
13.1	Capital advance to vendors include amount paid for items supplied but rejected by the Company pending settlement ₹4.74 lakh (Previous year ₹7.44 lakh)				
13.2	Advance to employees include ₹11.60 lakh (Previous year ₹14.43 lakh) towards festival advance paid during 1996-97 , and is being recovered at the time of seperation from company's service.				
13.3	Deposits includes ₹518.17 lakh (Previous year ₹462.34 lakh) towards security deposit with Kerala State Electricity Board.				
14	Other non-current assets				
	Others		6.01		4.39
			6.01		4.39

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ in Lakh

No.	Particulars	As at 31.03.2016	As at 31.03.2015
15	Inventories (As taken , valued and certified by the Management)		
	Raw Materials	10338.58	7299.84
	Work-in-progress (Refer Note No.15.5)	2541.53	5451.97
	Finished Goods	14905.28	29656.67
	Stock-in-trade (in respect of goods acquired for trading)	54.76	234.61
	Stores and Spares		
	Machinery Spares	11374.97	11775.51
	General Stores	2778.19	3877.95
	Retired Spares	453.50	453.50
		14606.66	16106.96
	Less: Provision towards obsolescence and storage losses (Refer Note No.15.2 & 15.3)	3674.55	3591.54
		10932.11	12515.42
	Stores & Spares-in -transit	351.72	146.25
		39123.98	55304.76
15.1	Finished Goods includes 34.45 lakh MT (Previous year 37.51 lakh MT) of Gypsum (out of 35.37 lakh MT stock on hand as on 31.03.2016) (Previous year 38.43lakh MT) amounting to ₹11506.82 lakh (Previous year ₹13917.98 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 ₹83.01 Lakh (Previous year ₹260.51 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	3591.54	3331.03
	Provisions made during the year	83.01	415.77
	Utilisations during the year	-	-
	Less Released during the year		155.26
	Provision at the end of the year	3674.55	3591.54
15.4	Stores & Spares in transit includes Stores & Spares at site pending inspection ₹269.71 lakh (Previous year ₹118.20 lakh)		
15.5	Details of Work-in-progress		
	Particulars		
	Intermediaries (Fertilisers)	1195.41	4105.85
	Intermediaries (Non Fertilisers)	1346.12	1346.12
		2541.53	5451.97
16	Trade receivables		
a	Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
	Secured , considered good	0.19	0.22
	Unsecured , considered good	884.89	765.34
	Doubtful	1192.43	1143.72
	Less: Provision for doubtful trade receivables	(1192.43)	(1143.72)
b	Other Trade receivables		
	Secured , considered good	-	-
	Unsecured , considered good	229.29	271.30
		1114.37	1036.86

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ in Lakh

No.	Particulars	As at 31.03.2016	As at 31.03.2015
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	1126.69	990.35
	Provisions made during the year	65.74	143.17
	Written off during the year	-	-
	Released during the year	-	6.83
	Provision at the end of the year	1192.43	1126.69
17	Cash and Bank balances		
	Cash and cash equivalents		
a.	Cash on hand	2.31	4.59
b.	Cheques , Drafts on hand	0.27	3.03
c.	Balances with Banks	355.46	486.21
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)	10.85	10.51
	Other Bank balances		
	(i) Balances with Banks held as Margin money/ Security	3737.34	5089.32
	(ii) Deposits (with less than 3 months maturity)	1714.95	3270.30
		5821.87	8864.65
17.1	Balance with banks include ₹0.17 lakh (Previous Year ₹0.24 lakh) being the balance of amount received from clients for execution of jobs on Total Responsibility basis and ₹ 52.23 lakh(Previous year ₹2777.97 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:		
	a) Deposits	85.69	85.75
	b) Advance to employees	112.80	209.28
	c) Prepaid expenses	246.34	303.06
	d) Balance with Government Authorities:		0.00
	i) Central Excise/Service Tax Department	6865.32	7160.23
	ii) VAT input credit receivable	5455.67	4220.32
	e) Advance to/ Dues from vendors	3022.70	2152.69
	f) Other Loans and Advances	342.47	203.34
	Considered Doubtful	7691.27	6197.87
	Less:Provision for bad and doubtful loans and advances	(7691.27)	(6197.87)
		16130.99	14334.66
18.1	Other loans and advances include unutilised certificates worth ₹Nil (Previous year ₹6.07 lakh) under Duty Entitlement Passbook Scheme (DEPB) .		
18.2	Deposits includes ₹78.59 lakh (Previous Year ₹78.59 lakh) towards the amount paid against disputed demands pending appeal.		
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))		

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ in Lakh

No.	Particulars	As at 31.03.2016	As at 31.03.2015
18.4	Advance to vendors include amount paid for materials supplied but rejected by the Company pending settlement ₹25.79 lakh (Previous year ₹5.56 lakh)		
18.5	Advance to employees include ₹1.46 lakh (Previous year ₹1.31 lakh) towards a portion of festival advance paid during 1996-97 and recoverable at the time of separation from company's service during the year 2016-17.		
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	6197.87	4953.62
	Provisions made during the year	1493.40	1244.25
	Written off during the year	-	-
	Provision at the end of the year	7691.27	6197.87
18.7	Allowance for bad and doubtful loans and advances include ₹7566.41 lakh (Previous year ₹6073 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	39848.94	44823.00
	Other accrued income	1645.62	1011.58
	Retired assets held for sale	4090.73	3272.41
	Other receivables		
	Amount receivable from banks on forward exchange contracts	25741.97	2908.06
	Others	179.92	251.18
	Less: Provision towards doubtful receivables	(-170.11)	(-248.87)
		71337.07	52017.36
19.1	In 2009-10, company has decided to scrap Ammonia and Urea plants at Cochin division having written down value of ₹4065.02 lakh. During the year , company got a favourable order from court. Hence the company is in the process of retendering. Accordingly , Ammonia and Urea plants were restated at book value. The price expected to realise is more than the book value.		

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ in Lakh

No.	Particulars	Figures for the year ended 31.03.2016	Figures for the year ended 31.03.2015
20	Revenue from operations		
	a) Sale of products:		
	Own Products	119117.36	131666.35
	Traded Products	574.93	5199.74
		119692.29	136866.09
	Less : Sales discount/Dealer margin	3041.69	3765.65
		116650.60	133100.44
	Subsidy/Concession on Fertilisers	52996.84	65280.45
	b) Sale of Services:		
	Gross income from contracts and other services (Refer Note No. 20.4)	6310.41	1294.36
		175957.85	199675.25
	c) Less Excise duty	1378.94	1595.33
	Total Revenue from operations	174578.91	198079.92
20.1	Sale of own products comprises of:		
	Ammonium Sulphate	12913.70	13899.05
	Factamfos 20-20-0-13	102499.85	112876.70
	Mixed Manures	509.16	1073.56
	Gypsum	2306.78	2911.03
	Others	887.87	906.01
	Total	119117.36	131666.35
20.2	Sale of traded products:		
	Muriate of Potash	129.45	4826.93
	Organic Manures	424.82	372.81
	Others	20.66	-
		574.93	5199.74
20.3	Subsidy/Concession on Fertilisers		
	Factamfos 20-20-0-13	47917.60	55423.59
	Ammonium Sulphate	5079.24	6603.39
	Muriate of Potash		3253.47
	Others	-	-
		52996.84	65280.45
20.4	<p>In the case of work being carried out by FACT Engineering and Design Organisation (FEDO), for National Institute of Technology (NIT), Nagaland, as an executing agency, on a cost plus basis, as a deposit work, FEDO is eligible for certain percentage of fees of total project cost. As per technical evaluation, 35.10 % (previous year 34.53%) of work related to consultancy services by FEDO to NIT, has been completed as on 31.3.2016 and pro-rata credit of ₹439.16 lakh (previous year 446.53 lakh) has been taken, after providing for ₹119.97 lakh (previous year ₹ 20.25 lakh) towards unearned income. The value of construction work done and certified during the FY 2015-16 is taken as ₹4404.79 lakh, (previous year ₹ 510.54 lakh) and equivalent amount has been considered for direct charges on contract. Similar deposit work on cost plus basis done for Cochin University of Science And Technology (CUSAT) by FEDO, percentage of completion as per technical evaluation as on 31.3.2016 is 97% (Previous year Nil) and pro-rata credit of ₹21.78 lakh (previous year 2.68 lakh) has been taken, after providing for ₹0.21 lakh (previous year Nil) towards unearned income. The value of construction work done and certified during the FY 2015-16 is taken as ₹253.13 lakh, (previous year Nil) and equivalent amount has been considered for direct charges on contract.</p>		

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ in Lakh

No.	Particulars	Figures for the year ended 31.03.2016	Figures for the year ended 31.03.2015
21	Other income Interest income: (a) On deposits with banks (b) On loans , advances , claims , overdues etc. ₹1692.12 lakh Less:Provision for interest on advance (Note 21.1) 1493.41 lakh Dividend income from Long-term investment -Other than joint venture Other non-operating income (a) Excess provisions written back (b) Profit on Fixed assets sold/written off (net) (c) Transfer from deferred Government grants: (i) On EEC project (ii) On Bio-Fertiliser project (d) Miscellaneous income Total Other income	 412.53 198.71 8.10 801.87 0.94 0.95 1476.47 2899.56	 572.01 31.05 8.10 (64.55) 1.70 0.95 1312.87 1867.45
21.1	Interest of ₹1493.41 lakh (Previous year ₹1243.37 lakh) for the year 2015-16 receivable from the contractor on the interest bearing mobilisation advance still retained by the party, has been considered in the accounts. However a corresponding provision for doubtful interest has been made during the current year. (Also Refer Note No. 18.3 and 18.7)		
22	Cost of raw materials consumed Opening stock Add: Purchases Less: Closing stock Less: Adjustments Cost of materials consumed	 7299.85 111069.11 118368.95 10338.58 108030.38 5.00 108025.38	 11749.03 135041.23 146790.25 7299.85 139490.41 4.72 139485.69
22.1	The physical verification of raw materials has been carried out on or around 31st March 2016. The differences over book figures in the case of raw material has been adjusted in consumption (Excess(-) / Shortage). Current year ₹14.61 lakh (Previous year ₹-396.49 lakh).		
23	Purchases of Stock-in-trade Muriate of Potash Others Total purchases of Stock-in-trade	 - 271.75 271.75	 6,641.36 286.68 6928.04
24	Changes in inventories of finished goods , work-in-progress and stock-in-trade Opening stock Finished Goods- Includes excise duty ₹2831.92 lakh (Previous year ₹3047.36 lakh) Stock-in-trade Work-in progress Closing stock Finished Goods- Includes excise duty ₹2587.69 lakh (Previous year ₹2831.92 lakh) Stock-in-trade Work-in- progress Changes in inventories: (Increase)/ Decrease	 29656.67 234.61 5451.97 35343.25 14905.28 54.76 2541.53 17501.57 17841.68	 31147.48 131.09 3955.69 35234.26 29656.67 234.61 5451.97 35343.25 (108.99)

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ in Lakh

No.	Particulars	Figures for the year ended 31.03.2016	Figures for the year ended 31.03.2015
25	Employee benefits expense		
	Salaries and Wages	17409.30	17593.76
	Contribution to Provident Fund	1879.89	1913.74
	Leave encashment	2482.02	3611.30
	Gratuity	1442.00	1370.85
	Staff welfare expenses	1877.97	1915.35
	Total Employee benefit expense	25091.20	26405.00
25.1	Remuneration to Directors		
	Sri Jaiveer Srivastava, Chairman and Managing Director	25.38	23.27
	Sri P.Muthusamy, Director (Finance) (upto 17.3.2016)	23.80	22.74
	Sri V.K.Anil, Director (Technical)	24.48	24.04
	Sri V.Subramanian, Director (Marketing) (upto 09.06.2015)	4.28	21.50
	Sri C P Dinesh, (Managing Director - FRBL) (50%)	7.39	5.46
		85.33	97.01
	<p>The whole time Directors have been allowed the use of company car and for private journey upto a ceiling of 9000 kms. per year, on payment as prescribed by the Government.</p> <p>Gratuity payable to the Directors has not been disclosed as the contribution payable has been provided in the accounts and separate figures are not ascertainable.</p>		
25.2	Related party disclosure (Accounting Standard 18)		
	List of related party		
	Key Management Personnel		
	Sri Jaiveer Srivastava, Chairman and Managing Director.		
	Sri P.Muthusamy, Director (Finance) (upto 17.3.2016)		
	Sri V.K.Anil, Director (Technical)		
	Sri V.Subramanian, Director (Marketing) (upto 09.06.2015)		
	Sri K.V.Balakrishnan Nair (Secretary)		
	Sri C P Dinesh (Managing Director - FRBL)		
	Transactions with related parties:		
	Remuneration to key management personnel : ₹ 99.02 lakh (Previous year ₹97.01 lakh)		
25.3	<p>In view of the conditions in the directives of the Government of India ,while implementing the wage revision for the period 1997 to 2006, the company is not liable to provide for arrears of salary and wages (net of interim relief paid) for the period from 01.01.1997 to 30.06.2001 and perquisites and other allowances for the period from 20.10.2000 to 30.06.2001, in respect of managerial and non managerial employees. Certain retired managerial employees of FACT have moved the Hon. High Court of Kerala and obtained a directive dt 31.3.2016, by which the company has to frame a scheme towards disbursement of the arrears. The company has appealed against the decision and the same is pending before the Hon. High Court of Kerala. The amount involved is not ascertained at this stage.</p>		
26	Finance costs		
(a)	Interest expense		
	Interest on loans from the Government of India	7570.26	5787.08
	Interest on Cash credit from banks	11227.76	10684.57
	Interest -others	6060.16	2945.96
(b)	Other borrowing costs	1236.12	748.55
(c)	Net loss on foreign currency transactions and translations		
	Exchange rate variation & premium on forward exchange contract on buyer's credit	(439.14)	(73.93)
		25655.17	20092.23

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ in Lakh

No.	Particulars	Figures for the year ended 31.03.2016	Figures for the year ended 31.03.2015
27	Other expenses		
	Consumption of stores and spare parts	3472.65	4572.28
	Consumption of packing materials	2003.04	2615.97
	Power and Fuel	12031.65	14949.29
	Rent	532.51	605.69
	Repairs and maintenance to buildings	54.72	248.67
	Repairs and maintenance to machinery	4024.86	3013.96
	Insurance	54.91	126.94
	Rates and Taxes	81.04	129.09
	(Gain)/Loss on exchange rate variation (net)	2102.26	1353.02
	Material and other direct charges on contracts	5506.04	674.36
	Auditors' Fees and Expenses (Refer Note no.27.3)	19.28	26.13
	Freight , Handling and other charges	10095.79	11709.42
	Increase/(Decrease) in provision for excise duty on stock of Finished goods	(244.23)	(215.44)
	Bad debts written off	0.07	-
	Provision for doubtful receivables & advances	(29.96)	409.96
	Damages/Shortages of Stores , Spares & Products (Net)	7.85	9.87
	Provision for obsolescence of stores (Net)	83.01	260.51
	Research and Development Expenditure	145.14	94.01
	Prior period Expenses/(Income) (Refer Note No.27.6)	8.92	(1696.51)
	CISF Expenses (Including Salaries)	2254.17	1914.42
	Miscellaneous Expenses	4178.50	3149.49
		46382.23	43951.10
	Less :Allocated Expenses [net of income from inter-divisional jobs of ₹1374.63 lakh] (Previous year ₹1732.80 lakh)	995.62	1151.27
		45386.61	42799.83
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 ₹7.85 lakh (Previous year ₹9.86 lakh)		
27.2	Miscellaneous Expenses includes Directors travel amounting to ₹30.53 lakh (Previous year ₹34.21 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	7.05	6.92
	For Branch Audit	1.60	1.57
	For Other Services	5.47	9.38
	For Expenses	5.16	8.26
	Total	19.28	26.13

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ in Lakh

No.	Particulars	Figures for the year ended 31.03.2016	Figures for the year ended 31.03.2015
27.4	Provision for excise duty on stock of Finished goods		
	Provision on closing stock	2587.69	2831.92
	Less provision on opening stock	2831.92	3047.36
	Net provision	(244.23)	(215.44)
27.5	Research and Development Expenditure of ₹145.14 lakh (Previous Year ₹94.01 lakh) includes expenditure towards salary ₹144.02 lakh (Previous year ₹92.33lakh) and depreciation ₹0.20 lakh (Previous year ₹0.98 lakh).		
27.6	Prior period Expenses/(Income)		
	Royalty Licence fees	5.32	-
	Prior year depreciation	3.60	43.61
	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)
		8.92	(1696.51)
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. During 2014-15, on a Writ Petition filed by FACT, the Hon'ble High Court of Kerala set aside the order issued by SEBI. FACT has subsequently received a letter from SEBI stating that the matter is disposed off.		
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	Exceptional items- (Income)/Expense		
	Refund of KVAT paid on LNG purchased from 4.2.2015 to 31.3.2015 due to retrospective exemption	(1234.85)	-
	Difference on account of finalisation of transmission charges on LNG supplied by GAIL in FY:2013-14	-	(880.71)
	Net Exceptional items	(1234.85)	(880.71)
28.1	The Govt of Kerala vide Finance Act 2015 published on 29th July 2015,exempted Natural Gas from Value Added Tax with effect from 4.2.2015 retrospectively. Accordingly the company had claimed refund of Value Added Tax paid ₹1234.85 lakh towards purchases during the period 4.2.2015 to 31.3.2015.		
	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 ₹3377.52 lakh (Previous year ₹ 4136.82 lakh.)		
	During the year ,the captive ammonia plant could be operated for a limited period from 1.4.2015 to 7.4.2015 and from 3.6.2015 to 11.8.2015 mainly due to operation with imported ammonia as against LNG ,due to working capital constraints. The unabsorbed costs due to non-operation of ammonia plant is ₹6426.17 lakh (Previous year ₹5379.65 lakh)		

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

29. Statement of Significant Accounting Policies and Explanatory Information on consolidated Financial Statements for the year ended 31st March 2016

1. Basis of Consolidation:

1.1 The consolidated Financial Statements relates to the Company (The Fertilisers and Chemicals Travancore Limited) and Joint Venture entities (hereinafter referred as the "Group"), other than the Joint Venture referred in 1.3 below.

1.2 Joint Venture:

a) List of Joint ventures included in the Consolidated Financial Statements

Name of the Company	Country of Incorporation	Proportion of Ownership interest as on 31 st March 2016	Date of the entity becoming Joint Venture
FACT- RCF Building Products Limited	India	50%	2 nd May 2008

1.3 Kerala Institute of Welding and Research

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

2. Basis of Accounting

2.1 The financial statement of the Group have been prepared in conformity with generally accepted accounting principles to comply in all material respects with the notified Accounting Standards (AS) under Companies Act 2013 and the relevant provisions and of the Companies Act 2013 (the Act). The Financial statements of the Group have been prepared under the historical cost convention, on an accrual basis. The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year.

2.2 The Financial Statements of the Joint Venture entity used in the Consolidation are drawn up to the same reporting date as of the Company i.e., for the year ended 31st March 2016.

3 Principles of Consolidation

3.1 The Financial statements of joint venture entity are combined by applying proportionate consolidation method on a line by line basis on items of assets, liabilities, income and expenses after eliminating proportionate share of unrealized profit or losses in accordance with Accounting Standards (AS) 27 – "Financial Reporting of Interest in Joint Ventures".

3.2 The Consolidated Financial statements are prepared using uniform accounting policies like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as Company's separate Financial Statements.

3.3 The following Joint Venture entity is considered in the Consolidated Financial Statements.

Name of the Company	Country of Incorporation	Relation	Proportion of Ownership interest as on 31 st March 2016	Date of the entity becoming Joint Venture	Audited / Unaudited
FACT- RCF Building Products Limited	India	Joint Venture	50%	2 nd May 2008	Unaudited

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

4 Accounting Policies:

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

5 Estimated Amount of Contracts remaining to be executed on Capital Account and not provided for aggregates to ₹440.48 Lac (previous year ₹735.15).

6 Contingent Liabilities

6.1 Claims against the Company not acknowledged as a Debts to the extent ascertainable (interest cannot be estimated reliably) aggregates to ₹31471.45 Lac (Previous Year ₹29583.69 Lac)

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

7 Earnings per Share – Basic and Diluted:

	31.03.2016	31.03.2015
Net Profit / (Loss) after Tax as per Statement of Profit and Loss (₹ in Lac) (A)	(45856.62)	(37291.12)
Weighted Average Numbers of Equity shares for calculating basic EPS (B)	647071974	647071974
Basic / Diluted Earnings per Share (in ₹) (face value of ₹10 per share) (A)/(B)	(7.09)	(5.76)

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

Joint Controlled Entities:

Name of the Company	Country of Incorporation	Percentage of Ownership interest as on	
		31.03.2016	31.03.2015
FACT RCF BUILDING PRODUCTS LTD	INDIA	50.00	50.00

FACT RCF BUILDING PRODUCTS LTD:

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

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

Sl No.	Particulars	31.03.2016 (Unaudited) ₹ Lac	31.03.2015 (Audited) ₹ Lac
1	Non Current Assets	4442.36	4851.56
2	Current Assets	749.71	280.71
3	Non Current Liabilities	4095.04	4019.76
4	Current Liabilities	1232.97	611.33
5	Income	1003.25	226.11
6	Expenditure	1825.40	1311.00
7	Contingent Liability	709.83	707.69
8	Capital Commitments	232.76	232.76

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Registered Office : Eloor, Udyogamandal, Kochi, Kerala

- 9 Consolidated Employee Benefits disclosures, Segment disclosures, related Party Transactions and lease disclosure are not materially different from those disclosed in the standalone Financial Statements of the Company.
- 10 The Notes to these consolidated Financial Statements are disclosed to the extent necessary for presenting a true and fair view of the Consolidated Financial Statements. The Company has given disclosures in the Notes to the extent it is relevant for Consolidated Financial statements in line with the General Circular No. 39/2014 dated 14th October 2014.
- 11 As the accumulated loss has exceeded the net worth as on 31.3.2013, the Venturer 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 Venturer 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. A comprehensive proposal for revival of the Venturer Company is already under consideration of Ministry. During 2015-16, with the objective of carrying on the operations of the Venturer Company without hindrance, the Government of India has disbursed a loan of ₹1000 crores on 29/3/2016. This will help Venturer Company to overcome its working capital constraints and is hopeful of continuous production in the coming years .In view of the above, Venturer Company does not foresee impairment of its operations as a going concern and hence the accounts are prepared on Going Concern basis. In terms of our report attached.
- Accumulated loss of FRBL has fully eroded the net worth and has become a sick company as per the provisions of Sick Industrial Companies (Special Provisions) Act , 1985.
- 12 Previous year figures have been rearranged and re-grouped wherever necessary and / or practicable to make them comparable with those of the current year.

On behalf of the Board

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

Sd/-
Sreenath V Kamath
CGM(CF) & CFO

Sd/-
Jaiveer Srivastava
Chairman & Managing Director

Sd/-
Sam Varghese
Partner
Membership No.216979

Sd/-
K.V.Balakrishnan Nair
Secretary

Place: New Delhi
Date : 30.05.2016