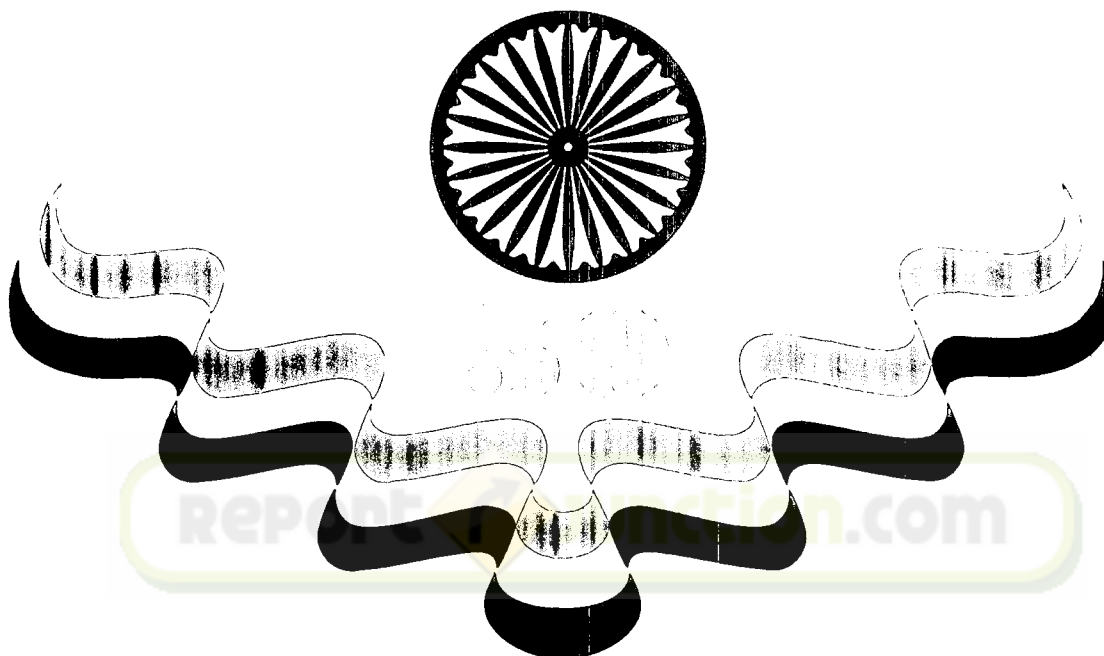


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ANNUAL REPORT





MD	✓		BKC	✓
CS	✓		DPV	✓
RC	✓		DEV	✓
CRA	✓		AC	✓
ICM	✓	✓	SE	✓
YE	✓	✓		



**THE FERTILISERS AND CHEMICALS  
TRAVANCORE LIMITED****REGISTERED OFFICE:**

Eloor, Udyogamandal, Kochi, Kerala

**PRODUCTION UNITS :**

Fertilisers - Udyogamandal &amp; Ambalamedu

Caprolactam - Udyogamandal

**CONSULTANCY DIVISION**

FACT Engineering &amp; Design Organisation, Udyogamandal

**ENGINEERING DIVISION**

FACT Engineering Works, Palluruthy, Kochi.

**MARKETING DIVISION**

Head Quarters - Udyogamandal

**JOINT STATUTORY AUDITORS**

M/s. Balan &amp; Company, Kochi.

M/s. Ayyar &amp; Cherian, Kochi.

**BRANCH AUDITORS**

M/s. Shanthamurthy &amp; Company, Bangalore.

M/s. Srinivasan &amp; Company, Hyderabad.

M/s. Joseph &amp; Rajaram, Chennai.

M/s. Ananthan &amp; Sundaram, Trivandrum.

**COST AUDITORS**

M/s. N.P. Gopalakrishnan &amp; Co., Kochi.

**BANKERS**

State Bank of India

State Bank of Travancore

State Bank of Hyderabad

Bank of India

Canara Bank

Bank of Baroda

Dena Bank

**LEGAL ADVISORS**

M/s. Menon &amp; Pai, Advocates, Kochi.

M/s. T.P.M. Ibrahim Khan, Advocate, Kochi.



**BOARD  
OF DIRECTORS**



**Shri Abraham Thomas**  
Chairman &  
Managing Director



**Shri P K Ramdas**  
Director (Finance)



**Shri P Jayaraman**  
Director (Technical)



**Shri D K Sikri**  
Director



**Shri Saurabh Chandra**  
Director



**Shri Kuruvilla John**  
Director



**Shri G Mohanakumar**  
ED (Vigilance)



**Shri R V S Mony**  
ED (Consultancy &  
Engg. Works)



**Shri T T Thomas**  
ED (Marketing)



**Shri K J Titus**  
ED (Human Resources  
Development)

**EXECUTIVE  
DIRECTORS,  
GENERAL  
MANAGERS**



**Shri P Radhakrishnan**  
GM (Ammonia Project)



**Shri J Narayanamurthy**  
GM (Petrochemical Division)



**Shri P N Narayana Pillai**  
GM (FEDO)



**Shri N Krishnan**  
GM (Corporate Finance)



**Shri C Ramakrishnan**  
GM (Udyogamandal Division)



**Shri S Ramadoss**  
GM (Internal Audit)



## THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

Regd. Office : Eloor, Udyogamandal, Kochi

### NOTICE TO SHAREHOLDERS

Notice is hereby given that the 53rd Annual General Meeting of the Company will be held on Monday, the 29th day of September 1997 at 9.30 A.M. at the M.K.K.Nayar Memorial Hall at Eloor, Udyogamandal, Kochi to transact the following business:

#### Ordinary Business

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 1997 and the Profit and Loss Account for the year ended on that date and Reports of the Directors and Auditors thereon.
2. To declare a dividend
3. To elect a Director in place of Shri Saurabh Chandra, who retires at this Annual General Meeting and being eligible offers himself for re-election.

#### Special Business

4. To elect Shri P. Jayaraman as a Director of the Company.  
The Company has received notice in terms of Section 257 of the Companies Act, 1956 proposing Shri. P. Jayaraman for election as Director of the Company at this Annual General Meeting.
5. To elect Shri Kuruvilla John as a Director of the Company.  
The Company has received notice in terms of Section 257 of the Companies Act, 1956 proposing Shri Kuruvilla John for election as Director of the Company at this Annual General Meeting.

By order of the  
Board of Directors

Sd/-  
K. Padmasan  
Company Secretary

Eloor, Udyogamandal,  
Date: 26-08-1997

#### Note:

1. The Register of Members will be closed from 18th September 1997 to 29th September 1997 both days inclusive.
2. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.
3. The dividend, if declared, will be paid on or after 15th October 1997 to those members whose names are on the Register of Members of the Company on 29th September 1997.
4. The relative explanatory statement required under Section 173 of the Companies Act, 1956 is given below.

#### EXPLANATORY STATEMENT UNDER SECTION 173 OF THE COMPANIES ACT, 1956 IN RESPECT OF THE SPECIAL BUSINESS TO BE TRANSACTED AT THE MEETING.

##### Item No. 4

Shri P. Jayaraman was appointed as the Director (Technical) of the Company with effect from 17th September 1996 by the Government of India in pursuance of Article 80 (c) of the Articles of Association of the Company. For a fresh term from the close of the AGM, to meet the requirements under the Companies Act, he needs to be elected as a Director.

No Director other than Shri P. Jayaraman is interested in the Resolution.

##### Item No. 5

Shri Kuruvilla John was appointed as the Director of the Company with effect from 16th November 1996 by the Board, consequent to the advice received from the Government of Kerala in pursuance of Article 80 (a) of the Articles of Association of the Company. For a fresh term from the close of the AGM, to meet the requirements under the Companies Act, he needs to be elected as a Director.

No Director other than Shri Kuruvilla John is interested in the Resolution.





## DIRECTORS' REPORT

To

The Members,

Your Directors are happy to present the 53rd Annual Report of the Company with the audited accounts for the year ended 31st March, 1997. The Company has recorded a turnover of Rs. 1081 crores and Profit before Tax of Rs. 71 crores.

During the year under review, the Company had to cope with serious difficulties on the production front and face tough challenges in the marketing efforts.

Throughout the financial year, power restrictions continued with cuts ranging from 30% to 100%. Plant performance was also affected by frequent power interruptions and peak hour load shedding and low voltage. The price of Naphtha,

Furnace Oil and LSHS was increased by 26% in July 1996 and this appreciably increased the cost of production of fertilisers and cost of captive power generation. Even though there had been an increase in the selling price of fertilisers, the price increase, especially in the case of complex fertilisers was not commensurate with the increase in input and other costs. This, added with all-round cost increases including that of bulk raw materials affected the profitability of the Company.

It is a testimony to the inbuilt strength of your company that a good performance could be achieved despite the above adverse circumstances.

### ◀ HIGHLIGHTS ▶

	1996-97	1995-96
Turnover (Rs. in lakhs)	108050	120995
Profit before Tax (Rs. in lakhs)	7115	8554
Production :		
P <sub>2</sub> O <sub>5</sub> (in '000 tonnes)	131.69	149.44
N ( " )	280.46	312.41
Caprolactam (in '000 tonnes)	41.06	47.10
Sales :		
Fertilisers ( " )	1104.33	1329.81
Caprolactam ( " )	40.83	46.76



THE FERTILISERS  
AND CHEMICALS  
TRAVANCORE LTD



## Income Tax

Consequent to the introduction of Minimum Alternate Tax under Section 115 JA of the Income Tax Act the Company has made a provision for Income Tax of Rs. 937 lakhs in the accounts for the year 1996-97.

## Dividend

Though the profit has come down as compared to the previous year your Directors have decided to maintain the same level of dividend as last year and are pleased to recommend a dividend of Re. 0.50 per share (5%) for the financial year under review and propose appropriation of profits as under:

	Rs. in lakhs
Profit after tax	6178.27
Less: Provision for dividend at the rate of 5% of the equity capital of Rs. 35477.20 lakhs	1773.86
Tax on proposed Dividend	177.39
	<hr/> 1951.25
Transfer to General Reserve	<hr/> 4227.02

## Udyogamandal Division

Despite the critical power situation, the performance of the Division was satisfactory during the year under review. The production of Ammonium Sulphate during the year 1996-97 was 188088 MT. Capacity utilisation achieved was 83.6%.

A quantity of 139735 tonnes of Factamfos 20:20 was produced during 1996-97. The capacity utilisation achieved in production of Factamfos 20:20 was 94.11%.

Nutrient-wise, the production of N and  $P_2O_5$  during the year was 66693 tonnes and 27947 tonnes respectively.

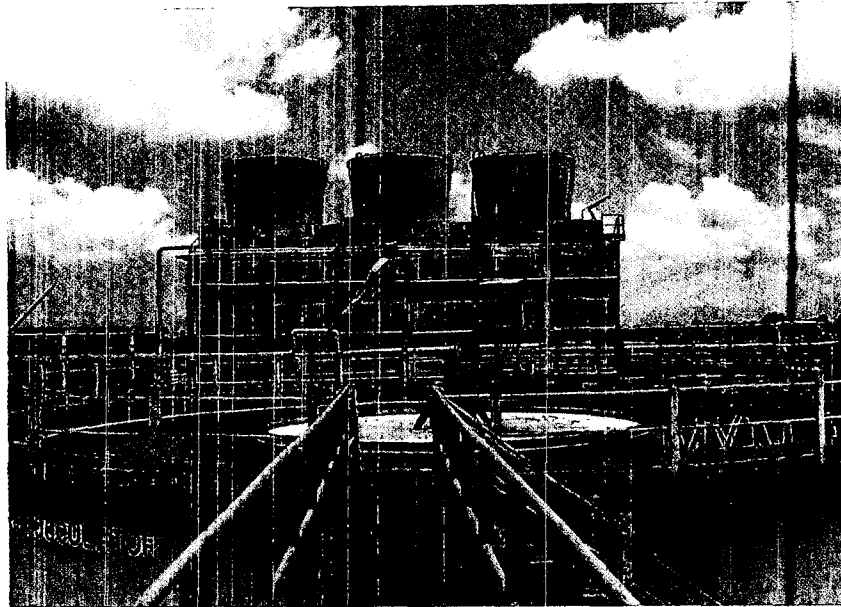
## Cochin Division

During the financial year 1996-97, Cochin Division produced 239183 MT of Urea and 518700 MT of Complex fertilisers equivalent to 213764 MT of Nutrient Nitrogen and 103740 MT of Nutrient  $P_2O_5$  with capacity utilisation of 86% and 102% respectively.

The retrofit of the Ammonia Plant, replacement of converter internals and revamp of primary reformer enabled consistent operation of the Ammonia plant at 100% load which was not possible earlier because of the constraints in these areas.



However, the Captive Power Generation capacity was not adequate to keep all the plants productive. During the period of severe power cut, one stream of Complex/Urea Plant had to be shut down and Phosphoric acid plant had to be kept idle, necessitating dependence entirely on Phosphoric acid imports at a higher cost to the Company.



*Water Treatment Plant at Cochin Division*

### **Petrochemical Division**

The Caprolactam production was 41,058 MT as against 47,098 MT in 1995-96. This corresponds to 82% of capacity utilisation. The production was affected mainly due to power restriction imposed by KSEB on EHT consumers and Rescheduled Annual Turnaround due to impending power cut. The power cut also disrupted supply of raw materials from Udyogamandal Division.

The total sale of Caprolactam was 40,825 MT as against 46,758 MT in 1995-96. The total sales turn-

over was Rs. 279 crores this year as against Rs. 335 crores last year.

### **Marketing Division**

The sales volume during the current year was 11.04 lakh tonnes, with a value of Rs. 780.5 crores. This was below the record level achieved during the previous year due to reduction in product availability, caused by power cut. The overall demand for the Company's products this year also was good; but availability was a constraint.

The Company continued its import handling

operations of MOP. Likewise, sale of Bio-Fertilisers and Bio-Pesticides was also continued. Sale of Bio-Fertilisers almost trebled in Tamil Nadu and Karnataka. The volume of sales this year was 46.27 tonnes compared to 18.2 tonnes during the previous year. Pesticides sales also showed considerable growth. The turnover of Pesticides during the current year was Rs. 4.77 crores compared to 2.48 crores during the year 1995-96.



*Paddy Demonstration Plot-Kuttanadu*