



79th वार्षिक रिपोर्ट Annual Report 2022-2023



FACT

प्रगति के पथप्रदर्शक
PIONEERS IN PROGRESS

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

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED
(A Government of India Enterprise)

BOARD OF DIRECTORS



Shri. Kishor Rungta
Chairman & Managing Director



Shri. Anupam Misra
Director (Marketing)



Shri S. Sakthimani
Director (Finance)



Dr. Jayachandran K.
Director (Technical)



Ms. Aparna S. Sharma
Director



Shri Taranjit Singh
Director



Prof. Anjula Murmu
Director



Shri. M. Chandran
Director



Shri. Keda Tanaji Aher
Director

CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri. Kishor Rungta

Chairman & Managing Director

Shri. Anupam Misra

Director (Marketing)

Shri. S. Sakthimani

Director (Finance)

Dr. Jayachandran K

Director (Technical)

Ms. Aparna S. Sharma

Govt. Nominee Director

Shri. Taranjit Singh

Govt. Nominee Director

Prof. Anjula Murmu

Independent Director

Shri. M. Chandran

Independent Director

Shri. Keda Tanaji Aher

Independent Director

Shri. A.S. Kesavan Nampoothiri

Director (Technical)(Upto 30-09-2022)

Ms. Deepika Jain

Govt. Nominee Director (Upto 17-02-2023)

Shri. Rabinarayan Patra

Independent Director (Upto 06-05-2023)

Shri. Avtar Singh Sandhu

Govt. Nominee Director (Upto 04-08-2023)

CHIEF VIGILANCE OFFICER

Dr. Soorya Thankappan, IPS

EXECUTIVE DIRECTOR

Shri Manikkuttan R

Production Co-ordination

CHIEF GENERAL MANAGERS

Shri Mohanchandran M

Cochin Division

Shri Jayaraj K B

FEDO & FEW

Shri Dileep R

Udyogamandal Complex

COMPANY SECRETARY

Ms Susan Abraham

AUDITORS

Statutory Auditors

M/s. K Venkatachalam Aiyer & Co
Chartered Accountants, Kochi

Secretarial Auditors

SVJS & Associates,
Company Secretaries, Kochi

Cost Auditors

M/s Rajendran Mani & Varier
Cost Accountants, Kochi

Branch Auditors

M/s Raja & Kumar
Chartered Accountants, Chennai

M/s CKS Associates
Chartered Accountants, Hyderabad

Registrar & Share Transfer Agents

Purva Sharegistry India Pvt Ltd,
9 Shiv Shakti Ind. Estt, J R Boricha Marg,
Lower Parel (East),
Mumbai, Maharashtra - 400 011
Tel: 2301 2518 /2301 6761
Email: support@purvashare.com

Registered Office :

Eloor, Udyogamandal - 683 501
Kochi, Kerala, India
Ph.: 0484 - 2546486
Fax : 0484 - 2546637
Website : www.fact.co.in
E-mail : investors@factltd.com

ISIN:

INE188A01015

CIN:

L24129KL1943GO1000371

Stock Exchange :

National Stock Exchange of India Ltd.

BANKERS

State Bank of India | Bank of Baroda | Bank of India | Canara Bank



CHAIRMAN'S MESSAGE

Dear Shareholders,

It is my pleasure to present the 79th Annual Report of FACT for the financial year 2022-23 highlighting the Company's Physical and Financial performance.

The financial year 2022-23 was a remarkable year for FACT in many respects. I am delighted to inform you that the Financial year 2022-23 has witnessed complete turnaround of your Company from a sick and loss making Company to a profit making, Net worth positive and Dividend paying Company. Your Company registered a strong and resilient performance during the financial year 2022-23 achieving the highest ever turnover and profit from operation. Your Board has recommended a Final Dividend of Re.1 per equity share after a gap of 26 years.

Performance of FACT

The year 2022-23 was a year of uncertainties in terms of volatility in the prices of fertiliser inputs, geopolitical issues and supply chain constraints. Amidst these challenges and uncertainties, FACT achieved a turnover of ₹ 6198 Crore and profit of ₹ 613 Crore. On year to year basis the turnover has been increased by 40% and profit by 77%. The consolidated income of your Company for the year 2022-23 was ₹ 6334 Crore. These demonstrate the strong growth and commitment to provide the essential plant nutrients to farmers at the right time, and at an affordable price, thereby serving the nation to achieve food security.

The Company has produced 216054 MT of nutrient Nitrogen and 165639 MT of Nutrient P_2O_5 . The total production of Fertilisers was 1072927 MT. The Company also produced 44610 MT of

Caprolactam. The Financial year 2022-23 witnessed the full year production of Caprolactam, after the re-start of the plant in the year 2021-22. During the financial year 2022-23, the production of all products has increased as compared to the previous year. While the production of Ammonium Sulphate has been increased by 79% percent, the production of Factamfos has been increased marginally.

The Company has marketed more than One Million Tonnes of fertilisers for three years in succession. During the year 2022-23, the sales of Ammonium Sulphate has been increased by 52% as compared to the previous year. The sale of Caprolactam was increased by 11.5%. However, the sale of Factamfos was decreased by 10%. The year 2022-23 witnessed the expansion of fertiliser marketing activities in the States of Maharashtra, Gujarat, West Bengal, Odisha and Bihar.

Economic Scenario

Indian Economy is one of the fastest growing economies representing a GDP growth of 6.8% in the financial year 2022-23 and is expected to continue to be the fastest growing economy in the year 2023-24 also. The Economy is likely to grow 7.8 % in the first quarter of the Financial Year 2023-24.

Fertiliser Sector

Since India is heavily dependent on imported fertilisers and raw materials, the global economic scenario would affect the Indian fertiliser industry. The impact of economic growth and growth in GDP will reflect in fertiliser sector also.

Indian Agriculture and the support of the Government of India continue to create remarkable opportunities for the fertiliser sector. To tap the opportunities, FACT is increasing the production capacity by almost 50% by the year 2024-25

Market Capitalisation

Backed by efficient allocation of funds and prudent financial management, FACT has strengthened investor confidence. The commitment of the Company to generate return on investment to shareholders is being fulfilled

With a focus on serving the farming community, FACT is committed to increasing shareholder value and long term sustainability. I am happy to inform you that the trust and expectation of investors in FACT have resulted in achieving a market capitalisation of more than ₹ 30,000 Crore highest among all fertiliser PSUs.

75th Year of Fertiliser production

FACT is celebrating its 75th year of fertiliser production and service to the nation. Since its inception, FACT has catered to the fertiliser needs of the farming community. Over the decades FACT has witnessed ups and downs and is now progressing to sustainable growth by adopting best industrial practices. Over the years, FACT had played a pivotal role in increasing farm productivity, leading to food security of the nation.

Way Forward

FACT is well positioned for continued success in delivering consistent and sustainable growth. Towards this FACT is implementing various CAPEX projects.

During the last twelve month period, FACT has commissioned CAPEX projects like Sulphuric Acid Storage Tanks, Reconstruction of Berth for import, Ammonia Barge for transportation of Ammonia to various production divisions etc. Other major projects like capacity enhancement of NP 20:20:0:13, Ammonia Storage tank, Phosphoric Acid Storage Tank etc, are at various stages of completion. Capital projects for enhancement of production capacity is expected to be commissioned during the year 2024-25. On implementation of these projects, the production capacity of the Company will be increased from 10 lakh MT per annum to 15 lakh MT per annum and turn over will be increased to 9000 Crore.

For capacity enhancement and energy savings for sustained operation of the company in the long run, FACT also envisages certain CAPEX projects like the Capacity expansion of the Ammonia Plant, Capacity

expansion of the Phosphoric Acid Plant, and Sulphuric Acid Plant. The total financial commitment estimated for these projects is ₹ 1040 Crore. The Company is planning to implement these projects from its internal resources.

Corporate Governance

The governance system in FACT is setting highest standard of ethical and responsible conduct of business to safe guard the interest of all stakeholders. FACT is committed to comply with the conditions of corporate governance as stipulated in the guidelines issued by the Department of Public Enterprises, Government of India and SEBI(Listing Obligations and Disclosure Requirements) Regulations 2015.

Corporate Social Responsibility

Your Company gives priority to various social responsibility measures for the benefit of the weaker sections of the society and to improve the standard of living of the inhabitants near the factory area. FACT lays focus primarily on CSR activities in local communities in and around the area of its operations. Total amount earmarked for CSR activities for the year 2022-23 was ₹ 4.71 Crore

Your Company has earmarked an amount of Rs. 8.73 Crore for CSR activities for the Financial year 2023-24.

Challenges & Opportunities

Volatility in the prices of fertiliser inputs, logistic constraints changes in climatic conditions and the geopolitical situation are the major challenges being faced by FACT. Your company is trying to convert these challenges into opportunities.

The Company is addressing the challenges by entering into long-term contract for the supply of RLNG and other fertiliser inputs. FACT is also planning to import fertiliser for trading to optimise the profit and turnover. Two shipments of fertilisers have already arrived in the marketing territory of the Company. The marketing territory of the company has already been expanded PAN INDIA.

Acknowledgement

Before I conclude, on behalf of the Board of Directors I wish to convey my sincere regards and deep gratitude to the valued stakeholders for their continued support and trust. You have always been the motivational force and have facilitated us to move ahead and achieve excellent results despite numerous challenges.

I hereby place on record my sincere thanks to my colleagues on the Board of Directors for their advice and support, the Officers' Forums, the Trade Unions and all employees of the Company for their dedicated efforts and unstinted support in overcoming various challenges faced by the Company and for their contribution towards the sustainable growth of FACT. I also thank the various departments of the Government of India, in particular, the Department of Fertilisers, Ministry of Chemicals and Fertilisers and the Government of Kerala for their support and co-operation.

Udyogamandal
Date: 23.08.2023

(Kishor Rungta)
Chairman & Managing Director



Shri Kishor Rungta, CMD, receiving the prestigious Dhanam Business Professional of the year award 2023.



Shri Kishor Rungta, CMD, paying floral tribute to the statue of late Shri M K K Nair on his 102nd Birth Anniversary at Udyogamandal.



Shri Kishor Rungta, CMD, inspecting the Republic Day Parade.



Shri Kishor Rungta, CMD, delivering the Republic Day Message

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THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

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

CIN: **L24129KL1943GOI000371**

Ph. 0484-2546486

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

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 79th Annual General Meeting of the members of The Fertilisers And Chemicals Travancore Limited will be held on Friday the 29th September 2023, at 11.00A.M., through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

Ordinary Business

1. To receive, consider and adopt (a) the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2023, and Reports of the Board of Directors and Auditors thereon; and (b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2023 and Report of Auditors thereon and in this regard pass the following resolutions, as ordinary resolutions.
 - (a) RESOLVED THAT the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2023 and the reports of the Board of Directors and Auditors thereon be and are hereby considered, approved and adopted.
 - (b) FURTHER RESOLVED THAT the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2023 and the report of the Auditors thereon be and are hereby considered, approved and adopted.
2. To declare the Final Dividend of ₹1 per equity share for the Financial Year 2022-23 and in this regard pass the following resolution, as ordinary resolution.
 RESOLVED THAT a final dividend of ₹1 (Rupee One) per share aggregating to ₹ 64,70,71,974 (Rupees Sixty Four Crore Seventy Lakh Seventy One Thousand Nine Hundred Seventy Four only) on equity share capital of the Company for the year ended on 31 March 2023, as recommended by the Board, be and is hereby declared.
3. To fix the remuneration of Statutory Auditors and Branch Auditors for the Financial Year 2023-24 and in this regard, pass the following resolution as an ordinary resolution.
 RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to fix remuneration of the Statutory Auditors and Branch Auditors appointed by the Comptroller and Auditor General of India for the Financial Year 2023-24.
4. To appoint Ms. Aparna S Sharma, Director (DIN: 07798544) who retires by rotation at this Annual General Meeting and being eligible offers herself for re-appointment and in this regard, pass the following resolution as an ordinary resolution.
 RESOLVED THAT pursuant to the provisions of section 152 (6) (e) of the Companies Act, 2013, Ms. Aparna S Sharma, Director (DIN: 07798544), Joint Secretary, Department of Fertilizers, Ministry of Chemicals and Fertilizers, New Delhi, be and is hereby reappointed as a Director of the Company.

Special Business

5. **To appoint Shri. Taranjit Singh (DIN: 10278060), as a Director on the Board of Directors of the Company.**

The Company has received notice in terms of Section 160 (1) of the Companies Act, 2013 proposing to