

15th ANNUAL REPORT 1999-2000



ASIAN
fertilizers ltd.

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BOARD OF DIRECTORS

Shri G. N. GUPTA, Chairman
 Shri B. L. MATANHELIA, Managing Director
 Shri A. K. MATANHELIA
 Shri K. C. MADAN
 Shri A. K. SHARMA, Nominee (IFCI)
 Shri N. K. MATANHELIA
 Shri D. P. MATANHELIA
 Shri P. K. MATANHELIA
 Shri H. C. PANDE

AUDITORS

M/s KAPOOR TANDON & CO.

Chartered Accountants
 KANPUR

BANKERS

PUNJAB NATIONAL BANK,
 GORAKHPUR

REGISTERED OFFICE

47/81, HATIA, KANPUR-208 001

ADMINISTRATIVE OFFICE

43/C PATTHAR KOTHI,
 KASIA ROAD, BETIA HATA
 GORAKHPUR - 273 001

PLANT

SARDARNAGAR
 GORAKHPUR (U. P.)

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**15th Annual General Meeting
 on Monday, the 30th Oct. 2000
 at the
 Geet Hotel, The Mall,
 Kanpur at 11.00 a.m.**



NOTICE

NOTICE is hereby given that 15th Annual General Meeting of M/s. ASIAN FERTILIZERS LIMITED will be held on 30th October 2000 at Geet Hotel, The Mall, Kanpur, U. P.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March 2000 and the Balance Sheet as at that date, the Auditor's Report thereon and the Director's Report.
2. To appoint a Director in place of Shri D. P. Matanhelia who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri K. C. Madan who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration. M/s. Kapoor Tandon & Co. Chartered Accountants, the retiring Auditors are eligible for re-appointment.

NOTES

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and on poll to vote instead of himself. Such a proxy need not be a member of the company. Proxies in order to be effective must be received by the company not less than 48 hours before the meeting. A Proxy so appointed shall not have any right to speak at the meeting.
2. The register of members and transfer books of the company will remain closed from 26th October 2000 to 29th October 2000 both days inclusive.
3. Members are requested to send their queries in advance to the corporate office of the company to facilitate clarification during the meeting.
4. Members are requested to quote their folio number in all correspondence with the company and to notify immediately any change in their address.
5. Members/Proxy Holders are requested to bring their copy of Annual Report alongwith them at the meeting.
6. Members are requested to inform the company about their Permanent Account Number (PAN) / General Index Register (GIR No.) allotted to them by Income Tax Authorities.

Gorakhpur
25th September, 2000

(B. L. MATANHELIA)
Managing Director

(A. K. MATANHELIA)
Director



DIRECTOR'S REPORT

To,
The Members,

Your Directors have the pleasure in presenting the 15th Annual Report, Audited Profit & Loss Account and Audited Balance Sheet for the financial year ending 31st March 2000 of your Company.

1. THE FINANCIAL RESULTS :

Profitability	1999-2000	1998-1999
	Rs.	Rs.
Net Profit before interest and Non Cash Items	90,81,587	2,39,87,970
Less : Interest	1,32,97,654	1,28,76,855
Net Profit/(Loss) before Non Cash Items	(42,16,067)	1,11,11,115
Less Depreciation	97,89,380	1,01,77,909
Deferred Revenue Expenditure W/Off	3,27,740	3,27,740
Income Tax Relating to Earlier Year	3,984	—
Net Profit/(Loss) before Tax	(1,43,37,171)	6,05,466

2. THE DIVIDEND :

From the financial results of the year under review, it is evident that your Company has incurred net Loss of Rs. 143.37 Lacs including depreciation of Rs. 97.89 Lacs and in view of carry forward losses, no dividend is proposed.

3. PLANT OPERATIONS :

The company achieved production of 47279 MT of SSP with capacity utilization of 72% as against the capacity utilization of 92% of the previous year despite unfavourable law and order situation and farmers agitation around the plant resulting termination of production for more than three months.

4. EXPORT / MARKETING :

During the year the Company could not export SSP to Bangladesh because of unremunerative prices. On domestic front, the Company faced stiff competition of price with other suppliers like Hindustan Lever etc. in the State of U.P. & Bihar. Despite this fact, the Company got sufficient orders for supply of SSP and to meet out the above demand and the shortfall in our targetted production, the company purchased 6642 MT of SSP from Sadhna Phosphate & Chemicals Ltd. This has resulted in maintaining our committed supply in the market.

5. SUBSIDY :

The Company faced unfavourable situation due to withholding of the subsidy claims by the Govt. of India since Nov. 1999 because of certain enquiries through Income Tax & Agriculture Department against some manufacturers including Asian Fertilizers Ltd. The Company has successfully satisfied the enquiry agencies but the enquiry is still in progress. The subsidy amounting Rs. 164.52 Lacs has still not been released causing financial strain to the Company.

6. FINANCE :

After a long gap, the Company has been able to get the working capital facility enhanced from Rs. 102 Lacs to Rs. 260 Lacs and L.C. Limit from Rs. 134 Lacs to Rs. 200 Lacs from Punjab National Bank and this has enabled to procure sufficient stocks of raw material for achieving targetted production in the year 2000-01.

7. THE FUTURE PROSPECTS :

- The Company is marketing its product in the brand name of 'SULPHUR RICH PASHUPATI SINGLE SUPER PHOSPHATE' and with the passage of time, have established wide acceptance amongst the dealers, retailers and farmers. The Company is having its marketing network in U.P. In addition, the arrangements have been made with the Fertilizer Corporation of India Ltd. (A Govt. of India Undertaking) for marketing our product in the state of West Bengal and Bihar. The arrangement is working satisfactorily as FCI Ltd. is having its strong dealers network in the above states and the company has the advantages of making available the "Product Mix" to the farmers through above arrangements.



- b The rate of subsidy of Rs. 900 per MT. on SSP has been reduced to Rs. 800 per MT. with effect from 29.02.2000 and to Rs. 700 per MT. with effect from 01.04.2000 by Govt. of India. This reduction is going to have major impact on the profitability of the Company because there is no proportionate increase in the maximum retail price fixed by the respective State Govts.
- 8. INDUSTRIAL RELATIONS :**
During the year, the company has generally maintained cordial relations with the employees except some stray incidence of agitative action by the employees on the instance of outsiders.
- 9. PUBLIC DEPOSITS :**
During the year, your company has not invited any deposits from the public in terms of provisions of Section 58-A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975.
- 10. PARTICULARS OF EMPLOYEES :**
There was no employee in the company whose particulars are required to be given pursuant to Section 217 (2A) of Companies Act, 1956.
- 11. TOTAL QUALITY MANAGEMENT :**
The emphasis on quality management followed by your company have yielded harmonious relationship at all levels. The management philosophy to have a strong marketing focus with excellent customer's service in wide ranging marketing area is apparent from the excellent achievement on this score.
- 12. CONSERVATION OF ENERGY :**
Your company has been making continuous efforts to reduce energy consumption and achieve high plant operating efficiencies. However there is marginal increase in consumption of power unit, on per MT production of SSP due to shortfall in production. The company has engaged the service of one leading technical consultant to improve the plant efficiency including power generation & consumption. The requisite information with regard to conservation technology absorption and foreign exchange earning and outgo in terms of the companies Act, 1956 (Disclosure of particulars in the report of Board of Directors) Rules, 1988 is setout in a seperate statement attached here to (Annexure-I).
- 13. ENVIRONMENT :**
The focus of your company is "Environment" friendly and quality production by adopting stringent controls for pollution free plant running coupled with regular monitoring arrangements for air, water and effluent zero level pollution.
- 14. YEAR 2000 ISSUE :**
All precautions were taken to ensure Y2K complaints and the Company has smoothly rolled over to year 2000. All systems/equipments are functioning in normal manner.
- 15. AUDITORS :**
M/s. Kapoor Tandon & Co., Chartered Accountants, Kanpur retire at the conclusion of ensuing "ANNUAL GENERAL MEETING" and being eligible have offered themselves for re-appointment. The company has received a certificate from the auditors that the re-appointment, if made, will be in accordance with the provisions of Section 224 (1B) of the Companies Act, 1956.
- 16. COMMENTS ON AUDITOR'S REPORT :**
The comments of the auditors in their report and reference to "Notes on Accounts" forming part of the financial statements are self explanatory and need no further elucidation.
- 17. ACKNOWLEDGEMENT :**
Your directors would like to express their sincere thanks and appreciation for the co-operation, assistance and guidance extended by the Central Govt., State Governments, the Financial Institutions, the Bankers, the Investors and the Customers.

For & on Behalf of the Board

Gorakhpur
25th September, 2000

(B. L. MATANHELIA)
Managing Director

(A. K. MATANHELIA)
Director



ANNEXURE - I
FORM-A
(See Rule-2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY.

A. Power and fuel Consumption

	Current Year	Previous Year
1. Electricity		
a. Purchased Unit	1916452 Units	2616921 Units
Total Amount	Rs. 92,21,541	Rs. 1,26,87,724
Rate/Unit	Rs. 4.81	Rs. 4.85
b. Own Generation		
(i) Through Diesel Generator	4,86,559 Units (1,53,032 Ltrs.)	4,79,836 Units (1,48,348 Ltrs.)
Unit per ltr of Diesel Oil	3.18 ltr	3.23 per ltr
Cost/Unit	Rs. 4.19 (approx.)	Rs. 3.25 (approx.)
(ii) Through steam turbine generator	5,08,219 Unit	5,04,478 Unit
Unit per ltr. of fuel Oil/Gas	Nil	Nil
Cost/Unit	not ascertainable	not ascertainable
2. Coal (Specify Quality and where used)		
Quantity (Tonnes)	Nil	Nil
Total Cost		
Average Rate		
3. Furnace Oil		
Quantity (k. Ltrs.)	194	213
Total Amount	Rs. 18,64,613/-	Rs. 16,02,559/-
Rate/K. Ltr.	Rs. 9,618/-	Rs. 7,524/-
4. Other/Internal generation (Please give details)		
Quantity	Nil	Nil
Total Amount		
Rate/Unit		

B. Consumption per unit of production

Standards (if any)	Current Year	Previous Year
1	2	3
Not fixed by the Company	61.57 Units per MT SSP	59.32 Units per MT SSP


ASIAN fertilizers ltd.

FORM-B
(See Rule-2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION

Research and Development (R & D)

- | | | |
|----|---|-----|
| 1. | Specific areas in which R & D carried out by the company | Nil |
| 2. | Benefits derived as result of the above R & D | Nil |
| 3. | Future Plan of Action | Nil |
| 4. | Expenditure on R & D | |
| | (a) Capital | Nil |
| | (b) Recurring | Nil |
| | (c) Total | Nil |
| | (d) Total R & D expenditure as a percentage of total turnover | Nil |

Technology absorption, adoption and innovation

- | | | |
|----|--|-----|
| 1. | Efforts, in brief, made towards technology absorption, adoption and innovation | Nil |
| 2. | Benefits derived as a result of the above efforts, e.g. product development, import substitution etc. | Nil |
| 3. | Incase of imported technology (imported during the last 5 year reckoned from the beginning of financial year), following information may be furnished. | |
| | (a) Technology imported | Nil |
| | (b) Year of import | Nil |
| | (c) Has technology been fully absorbed | Nil |
| | (d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action. | Nil |

Foreign Exchange earning and outgo

		Nil	
		1999-2000	1998-1999
(i)	Foreign exchange earnings on account of export sales (FOB value)	Rs. Nil	Rs. 62,35,392
(ii)	Foreign exchange outgo	Rs. Nil	Rs. 1,41,25,248