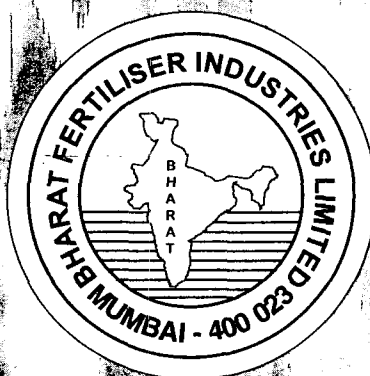


13 TH ANNUAL REPORT 1997-98

Report  Junction.com



BHARAT FERTILISER INDUSTRIES LIMITED



BHARAT FERTILISER INDUSTRIES LIMITED

BOARD OF DIRECTORS

Shri Y. D. Patel
Chairman & Managing Director

Smt. A. Y. Patel
Joint Managing Director

Shri G. V. Patel
Director

Shri G. A. Bhimnathwala
Director

Shri K. N. Jethwa
Executive Director (Operations)

Shri A. M. Patel
Executive Director (Marketing)

MD	<input checked="" type="checkbox"/>		BKC	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>		DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>

Shri A. J. Chakote
Company Secretary

Shri A. M. Shah
Finance Manager

AUDITORS

Chandulal M. Shah & Co.
304, Maker Bhavan No. 3. 21, New
Marine Lines, Mumbai 400 023.

SOLICITORS

Manilal Kher Ambalal & Co.
Mumbai 400 023.

BANKERS

Canara Bank

PLANT

Kharivali Village, Taluka - Wada,
Dist. - Thane.

REGISTERED OFFICE

Bharat Fertiliser House, 12,
Nanabhai Lane, Fort, Mumbai - 400 023.

ANNUAL GENERAL MEETING

on Monday, the 28th September, 1998
at 3.30 p.m. at Shri Gurjar Sutar Vishwakarma Baug, Ground
floor, Plot No. 36/37, Bajaj Road,
Vile Parle (West), Mumbai 400 056.

13 TH ANNUAL REPORT 97 - 98

NOTICE

Notice is hereby given that the Thirteenth Annual General Meeting of the Company will be held as detailed below:

Day : Monday

Date : 28th September, 1998

Venue : Shri Gurjar Sutar Vishwakarma Baug,
Ground floor, Plot No. 36/37, Bajaj Road,
Vile Parle (West), Mumbai - 400 056.

Time : 3.30 P.M.

The Agenda for the meeting will be as under :

ORDINARY BUSINESS

- (1) To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1998, Profit and Loss Account for the Accounting year from 1st April, 1997 to 31st March, 1998, Director's Report and the Auditor's Report thereon.
- (2) To appoint a Director in place of Shri G.V. Patel, who retires by rotation and being eligible, offers himself for reappointment.
- (3) To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

- (4) To consider and if thought fit to pass, with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT the consent of the company be and is hereby accorded pursuant to Section 269 and other applicable provisions read with Schedule XIII of the Companies Act, 1956 to the increase in salary payable to Smt. Anjni Yogendra Patel, Joint Managing Director from Rs. 7500/- plus perquisites as mentioned in Agreement dated 24.12.1996 to Rs. 17500/- plus perquisites with effect from 01.01.1998 till 30.09.2001 being the balance period of the agreement dated 24.12.1996".

"RESOLVED FURTHER THAT all other terms and conditions contained in Agreement dated 24.12.1996 between the Company and Smt. Anjni Yogendra Patel, remain unchanged.

"RESOLVED FURTHER THAT the increased remuneration as above shall be paid to Smt. Anjni Yogendra Patel, as Joint Managing Director as minimum remuneration in the event of absence or inadequacy of profits during any financial year of the currency of tenure of the Joint Managing Director"

BHARAT FERTILISER INDUSTRIES LIMITED

"RESOLVED FURTHER THAT the Draft of the Supplemental Agreement incorporating the terms of modification as placed before the Meeting be and is hereby approved and the engrossment of the said Draft be executed under the common seal of the Company in terms of provisions of Articles of Association of the company".

By Order of the Board

A.J. CHAKOTE
Company Secretary

Place : Mumbai
Dated : 5th August, 1998.

Registered Office :

Bharat Fertilizer House
12, Nanabhai Lane, Fort,
Mumbai 400 023.

NOTES

- (1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- (2) The Register of Members and Share Transfer Books of the Company will remain closed from Monday the 14th September 1998 to Friday the 25th September 1998 (both days inclusive).
- (3) Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.
- (4) Members are requested to bring copy of the Annual Report along with them while attending the meeting.
- (5) Members are requested to immediately notify the Company, change in their registered address, if any.
- (6) Members are requested to note that they should deal or correspond with the Registered office of the Company for all matters relating to shares.

13 TH ANNUAL REPORT 97 - 98

EXPLANATORY STATEMENT

Under Section 173(2) of the Companies Act, 1956 in respect of the Special Business mentioned in the accompanying Notice.

Item 4

Smt. Anjni Yogendra Patel was appointed as joint Managing Director of the Company for a period of 5 years from 01.10.1996 as per the approval of shareholders at an Extra Ordinary General Meeting held on 8-11-1996 on the terms and conditions contained in Agreement dated 24.12.1996.

After the sad demise of Shri Chhotabhai B. Patel, Chairman and Managing Director of the Company, the Board of Directors decided subject to approval of shareholders, to increase the remuneration payable to Smt. Anjni Yogendra Patel, Joint Managing Director from Rs. 7500/-pm. plus perquisites to Rs. 17500/- pm. plus perquisites from 01.01.1998. to 30.09.2001 i.e. the balance period of Agreement as per resolution passed at its Meeting held on 6.01.1998. The salary payable to late Shri Chhotabhai B. Patel has now been added to the salary payable to Smt. Anjni Yogendra Patel. The total Managerial remuneration is well within the Limits prescribed under Schedule XIII of the Companies Act 1956.

In accordance with the provisions of Section 269 and other applicable provisions read with Schedule XIII of the Companies Act 1956, the revised remuneration payable to Smt. Anjni Yogendra Patel is subject to the approval of shareholders of the Company in General Meeting and hence the resolution contained in the Notice is commended for adoption by the members.

None of the Directors is interested in the resolution except Shri Yogendra D. Patel.

By Order of the Board

Place : Mumbai
Dated : 5th August, 1998.

A.J. CHAKOTE
Company Secretary

Registered Office :

Bharat Fertilizer House
12, Nanabhai Lane,
Fort,
Mumbai 400 023.

BHARAT FERTILISER INDUSTRIES LIMITED

DIRECTORS' REPORT TO MEMBERS

Your Directors have pleasure in submitting their Report along with the Audited Statement of Accounts for the year ended 31st March 1998.

FINANCIAL RESULTS:

	<u>1997-98</u> (Rs. in Lacs)	<u>1996-97</u> (Rs. in Lacs)
Turnover	<u>2,211.41</u>	<u>1,489.72</u>
Profit before interest and depreciation	256.05	243.19
Less: Interest	<u>107.53</u>	<u>123.93</u>
Gross Profit before depreciation	148.52	119.26
Less: Depreciation	<u>108.12</u>	<u>94.12</u>
Operating Profit	40.40	25.14
Less: Provision for Taxation	<u>10.00</u>	<u>5.25</u>
(a) Surplus during the year	30.40	119.79
(b) Surplus brought forward	<u>139.69</u>	<u>19.89</u>
	<u>170.09</u>	<u>139.68</u>

The profit before interest and depreciation amounted to Rs.256.05 Lacs as compared to Rs.243.19 Lacs during the last year. After providing for interest of Rs. 107.53 Lacs and depreciation of Rs.108.12 Lacs, the company has made an operating profit of Rs.40.40 Lacs as against Rs.25.14 Lacs during the last year. After providing for Taxation of Rs.10.00 Lacs, the net profit for the year amounted to Rs.30.40 Lacs. After adding carried forward surplus amounting to Rs.139.69 Lacs, a sum of Rs.170.09 Lacs is carried to Balance Sheet.

DIVIDEND

In order to conserve resources for improving the working capital funds in the current year, your Directors are unable to recommend any dividend for the year.

REVIEW OF OPERATIONS

During the year report, your company has achieved a turnover of Rs. 2211.41 Lacs as compared to Rs.1489.72 Lacs during the previous year. Similarly, there has been an increase in the operating profit from Rs.25.14 Lacs to Rs.40.40 Lacs during the year under report. The production of single super phosphate fertiliser has increased from 37,167 Mts to 48,799 Mts. The improvement in the production and turnover has been achieved during the year despite inadequate working capital available to the company from the bank. The Company has taken steps to procure adequate working

13 TH ANNUAL REPORT 97 - 98

capital so as to improve production, sales and profitability in the current year.

CURRENT YEAR'S WORKING

During the Current year, your company has obtained sizeable orders for supply of HDPE Woven sacks, which will improve the working of company's Plastic Division and add Rs. 6 to Rs. 8 Crores in the total turnover of the company. With the favourable monsoon during the current season the performance of Fertiliser Division is expected to improve during the current year.

DIRECTORS

Your Directors regret to inform you with profound grief and sorrow the sad demise of founder Chairman and Managing Director, Shri Chhotabhai B. Patel on 22.12.1997. Your Directors wish to place on record their deep appreciation towards valuable services rendered and guidance provided by Shri C. B. Patel, during the tenure of his office as the Chairman of the Company.

Shri G.V. Patel, Director, retires by rotation as per the Articles of Association of the Company and being eligible offers himself for reappointment. The necessary item has been included in the Notice convening the Annual General Meeting and reappointment of Shri G.V. Patel is recommended for adoption by the members.

AUDITORS' REPORT

Report of Auditors is self-explanatory and replies to queries of the Auditors have been sufficiently covered in the notes forming part of accounts.

GRATUITY

The Gratuity liability is accounted on cash basis as and when it becomes legally payable to the employees. The liability towards the gratuity upto 31-03-1998 works out to Rs. 34,27,436/-

DONATION

During the year under report, donations amounting to Rs. 35,102/- were granted to 9 social/educational institutions.

FIXED DEPOSITS

As on 31st March 1998, the Fixed Deposits amounted to Rs. 15,00,000/-. There was no instance of any unclaimed or overdue deposit during the year.

ANNEXURE TO DIRECTORS' REPORT

- I) Pursuant to Section 217(1) (e) of the Companies Act 1956 read with the Companies (Disclosure of Particulars in Directors' Report) Rules 1988 the relevant information is given in the annexure 'A' forming part of this Report.
- II) Details of remuneration paid to employees as required under section 217(2A) of the Companies Act 1956 read with Companies (Particulars of Employees) Rules 1975 as amended are given in the annexure 'B' forming part of this Report.

BHARAT FERTILISER INDUSTRIES LIMITED**AUDITORS**

M/s. Chandulal M Shah & Company, Chartered Accountants are retiring at the ensuing Annual General Meeting of the Company and being eligible offer themselves for reappointment for the year 1998-99. The appointment of M/s. Chandulal M Shah & Co., is recommended.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their sincere thanks to the Central Government, State Government, Agricultural Departments, Financial Institutions, Company's Bankers viz. Canara Bank, Shareholders, customers and Business Constitutents for their valued co-operation and support at all times. Your Directors also place on record the untiring efforts of the employees at all levels during the difficult period faced by the company.

For and on behalf of the Board

YOGENDRA D. PATEL

Chairman & Managing Director

PLACE : MUMBAI

DATED : 5th AUGUST 1998.

Registered Office:

Bharat Fertiliser House,
12 Nanabhai Lane, Fort,
Mumbai 400 023.

13 TH ANNUAL REPORT 97 - 98

ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE - "A"

INFORMATION UNDER SECTION 217(1) (e) of the Companies Act, 1956.

A. CONSERVATION OF ENERGY

Your Company has taken effective steps to achieve maximum conservation of energy. Some of the measures taken by your company for energy conservation are :-

- a) Installation of imported STEAM DRIVEN TURBO BLOWER, Utilises surplus steam for generating Electricity, resulting in saving of power.
- b) Installation of specially designed burner nozzles and furnace to reduce all consumption in granulating process.

FORM A

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. POWER & FUEL CONSUMPTION

APRIL 97
TO
MARCH 98

APRIL 96
TO
MARCH 97

- | | | | |
|-----|--|--|------|
| (a) | Purchased Units Rate per unit | 4.90 | 4.16 |
| (b) | Own Generation through Diesel Generation | Company has installed two nos. of imported 860 KVA SKODA Diesel Generating Sets. | |

Units per litre of Diesel Oil

2.75

2.85

Furnace oil - KL

690

940

Average cost per litre

Rs. 7.14

Rs. 7.40

B. CONSUMPTION PER UNIT OF PRODUCTION

- | | | | |
|-----|-----------------------------------|----|----------|
| (a) | Sulphuric Acid per ton | 55 | 60 Units |
| (b) | Superphosphate per ton | 22 | 32 Units |
| (c) | Superphosphate granulated per ton | 15 | 20 Units |

(After taking into account the steam generated by steam turbine)

FORM B

A. ABSORPTION OF TECHNOLOGY

Absorption of technology does not arise.

B. RESEARCH AND DEVELOPMENT (R&D)

Company has no separate R & D Department. The company has well equipped laboratory for testing raw materials and finished goods.