

BHARAT FERTILISER INDUSTRIES LIMITED

BOARD OF DIRECTORS

Shri C. B. Patel	Chairman & Managing Director
Shri Y. D. Patel	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)

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

REGISTERED OFFICE

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

WORKS

Majiwada & Wada, Dist. Thane.

ANNUAL GENERAL MEETING

on Monday, the 29th September, 1997 at 3.30 p.m.
at Juhu Jagruti Hall, 2nd Floor, (Bhaidas Hall)
North South Road No. 1
Vile Parle (West), Mumbai 400 056.

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NOTICE

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

Day	: Monday
Date	: 29th September, 1997
Venue	: Juhu Jagruti Hall, 2nd Floor, (Bhaidas Hall) North South Road No. 1 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 1997, Profit and Loss Account for the Accounting year from 1st April, 1996 to 31st March, 1997, Directors' Report and the Auditors' Report thereon.
- (2) To appoint a Director in place of Shri G.A. Bhimnathwala, 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 an ordinary resolution:

"RESOLVED THAT Shri Kantilal N. Jethwa who was appointed as an Additional Director of the company pursuant to Section 260 of the Companies Act, 1956, and who holds office until the conclusion of this Annual General Meeting, be and is hereby appointed a Director of the company liable to retirement by rotation".

- (5) To consider and if thought fit, to pass, with or without modifications, the following resolution as an ordinary resolution:

"RESOLVED THAT Shri Ashwin M. Patel who was appointed as an additional director of the company pursuant to Section 260 of the Companies Act, 1956 and who holds office until the conclusion of this Annual General Meeting be and is hereby appointed a Director of the Company liable to retirement by rotation".

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- (6) To consider and if thought fit, to pass, with or without modifications, the following resolution as a special resolution".

Subject to the approval of the Central Government pursuant to Section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 RESOLVED THAT sanction and consent of the Company be and is hereby accorded to the appointment of Shri Kantilal N. Jethwa as Executive Director (Operations) of the Company for a period of five years with effect from 03.07.1997 on the following remuneration:

Salary	:	Rs. 15000/- per month
Perquisites	:	Subject to a ceiling of 20% of Annual Salary per annum.
i) Provident Fund	:	Company's contribution-subject to ceiling of 10% of the salary.
ii) Gratuity	:	Not to exceed half month's salary for each completed year of service subject to a ceiling of Rs.1,00,000/- or such other maximum amount as may be permissible under the Income-tax Act, 1961 or the Rules framed there under as may be in force from time to time.
iii) Medical Benefit	:	For self and family reimbursement of expenses actually incurred the total cost of which to the company shall not exceed one month's salary in a year or three month's salary in a block of three years.
iv) Leave	:	One month's leave with pay for every eleven month's service.
v) Leave Travel	:	For self, wife and dependent children to and from any place in India, once in a year, subject to the condition that only actual fares will be paid and no hotel expenses etc. will be allowed.
vi) Conveyance	:	Free use of Company's car with Driver. The monetary value of the perquisites will be evaluated as per the Income-Tax Rules, 1962.
vii) Personal accident	:	Personal Accident insurance of an amount the premium of which does not exceed Rs. 4,000/- per annum.
viii) Telephone	:	Free telephone facility at residence.
ix) Club	:	Fees of clubs subject to maximum of two clubs, provided that no life membership or admission fees is payable. (Items i, ii, vi & viii above will not form part of the perquisites.)

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"RESOVLED FURTHER THAT the remuneration as above shall be paid as minimum remuneration in the event of absence or inadequacy of profits during any financial year of the currency of tenure of the managerial person."

"RESOLVED FURTHER THAT the Draft of the agreement incorporating the terms of appointment as placed before the Meeting be and is hereby approved and after obtaining necessary approvals, the engrossment of the said Draft be executed in terms of provisions of Articles of Association of the company under the common Seal of the Company".

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

Subject to the approval of the Central Government pursuant to Sections 198, 269, 309 and other applicable provisions of any of the companies Act, 1956, RESOLVED THAT sanction and consent of the company be and is hereby accorded to the appointment of Shri Ashwin M Patel as Executive Director (Marketing) of the company for a period of five years with effect from 03.07.1997 on the following remuneration :-

Salary	: Rs. 15000/- per month
Perquisites	: Subject to a ceiling of 20% of Annual Salary per annum.
i) Provident Fund	: Company's contribution-subject to ceiling of 10% of the salary.
ii) Gratuity	: Not to exceed half month's salary for each completed year of service subject to a ceiling of Rs. 1,00,000/- or such other maximum amount as may be permissible under the Income-tax Act, 1961 or the Rules framed there under as may be in force from time to time.
iii) Medical Benefit	: For self and family reimbursement of expenses actually incurred the total cost of which to the company shall not exceed one month's salary in a year or three month's salary in a block of three years.
iv) Leave	: One month's leave with pay for every eleven month's service.
v) Leave Travel	: For self, wife and dependent children to and from any place in India, once in a year, subject to the condition that only actual fares will be paid and no hotel expenses etc. will be allowed.
vi) Conveyance	: Free use of Company's car with Driver. The monetary value of the perquisites will be evaluated as per the Income-Tax Rules, 1962.

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- vii) Personal accident : Personal Accident insurance of an amount the premium of which does not exceed Rs. 4,000/- per annum.
- viii) Telephone : Free telephone facility at residence.
- ix) Club : Fees of clubs subject to maximum of two clubs, provided that no life membership or admission fees is payable.

(Items i, ii, vi & viii above will not form part of the perquisites.)

"RESOVLED FURTHER THAT the remuneration as above shall be paid as minimum remuneration in the event of absence or inadequacy of profits during any financial year of the currency of tenure of the managerial person."

"RESOLVED FURTHER THAT the Draft of the agreement incorporating the terms of appointment as placed before the Meeting be and is hereby approved and after obtaining necessary approvals, the engrossment of the said Draft be executed in terms of provisions of Articles of Association of the company under the common Seal of the Company".

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Place : Mumbai
Dated : 14th August, 1997.

By Order of the Board

A.J. CHAKOTE
Company Secretary

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) Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.
- (3) Members are requested to bring copy of the Annual Report along with them while attending the meeting.
- (4) Members are requested to immediately notify the Company change in their registered address, if any.

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- (5) Members are requested to note that they should deal or correspond with the Registered office of the Company for all matters relating to shares.
- (6) Those members who have so far not encashed their Dividend Warrants for the financial year ended 31st March 1994 may approach the Company for the payment as the same will be transferred to the General Revenue Account of the Central Government on or before 7th November, 1997.

EXPLANATORY STATEMENT

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

Item 4.5

Shri Kantilal N Jethwa and Shri Ashwin M Patel were appointed as additional directors by the Board on 3.7.1997 as per section 260 of Companies Act, 1956 and Articles of Association of the Company.

Shri Kantilal N Jethwa and Shri Ashwin M Patel hold the office till the conclusion of this meeting. Notices Pursuant to Section 257 of the Companies Act, 1956 have been received from the members of their intention to propose the resolutions as contained in Item 4 & 5 of the Notice.

Shri Kantilal N Jethwa has been working in the Company for the last 29 years and similarly, Shri Ashwin M Patel has given a good account of himself in the excellent marketing performance. As such they have been elevated as Directors with a view to recognise their meritorious services.

The Board considers it to be in the Interest of the Company to appoint Shri Kantilal N Jethwa and Shri Ashwin M Patel as Directors of the Company. Hence, the resolutions as included in item 4 & 5 of the Notice are commended for adoption by the members.

None of the other Directors are interested in the appointment.

Item No. 6

Shri Kantilal N Jethwa has been working with the Company for the last 29 years and has been In-charge of Operations. The Board of Directors has elevated him to the position of Executive Director (Operations) with effect from 3.7.1997, subject to approval of the Shareholders & Central Government under Section 269, 198, 309 and other applicable provisions of the Companies Act, 1956, on the terms and conditions set out in the Resolution under Item 6 of the Notice. The Board considers it to be in the interest of the Company to appoint Shri Kantilal N Jethwa, as Executive Director (Operations), hence the resolution as contained in Notice is commended for adoption by the members.

None of the Directors is interested in the resolution except Shri Kantilal N Jethwa.

BHARAT FERTILISER INDUSTRIES LIMITEDItem No. 7

Shri Ashwin M Patel has been working with the Company for the last 10 years and has been in-charge of Marketing activities of the Company.

The Board of Directors has elevated him to the position of Executive Director (Marketing) with effect from 3.7.1997, subject to approval of the Shareholders & Central Government under Section 269,198,309 and other applicable provisions of the Companies Act, 1956, on the terms and conditions set out in the Resolution under Item 8 of the Notice.

The Board considers it to be in the interest of the Company to appoint Shri Ashwin M Patel as Executive Director (Marketing), hence the resolution as contained in Notice is commended for adoption by the members.

None of the Directors is interested in the resolution except Shri Ashwin M Patel.

By Order of the Board

Place : Mumbai

Dated : 14th August, 1997.

A.J. CHAKOTE
Company Secretary

Registered Office :

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

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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 1997.

FINANCIAL RESULTS:

	1996-97 (Rs. in Lacs)	1995-96 (Rs. in Lacs)
Turnover	1,489.72	2,147.24
Profit before interest and depreciation	243.19	373.57
Less: Interest	123.93	173.70
Gross Profit before depreciation	119.26	199.87
Less: Depreciation	94.12	101.75
Operating Profit	25.14	98.12
Less: Provision for Taxation	5.25	—
(a) Surplus/Deficit Brought Forward	119.79	21.67
(b) Surplus/Deficit	19.89	98.12
	<u>139.68</u>	<u>119.79</u>

The profit before interest and depreciation amounted to Rs.243.19 Lacs as compared to Rs.373.57 Lacs during the last year. After providing for interest of Rs. 123.93 Lacs and depreciation of Rs.94.12 Lacs, the company has made an operating profit of Rs.25.14 Lacs as against Rs.98.12 Lacs during the last year. After providing for Taxation of Rs.5.25 Lacs, the net profit for the year amount to Rs.19.89 Lacs. After adding carried forward surplus amounting to Rs.119.79 Lacs, your company has earned a net surplus of Rs.139.68 Lacs which is carried to Balance Sheet.

DIVIDEND

In order to conserve resources for increasing capacity utilisation and also be to consolidate the working capital position 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. 1489.72 Lacs as compared to Rs.2147.24 Lacs during the previous year. Similarly, there has been a decrease in the operating profit from Rs.98.12 Lacs to Rs.25.14 Lacs during the year under report. The production of single super phosphate fertiliser has come down from 63961 Mts to 37167 Mts. The lower level of production was due to non-availability of adequate working capital for the operations of the