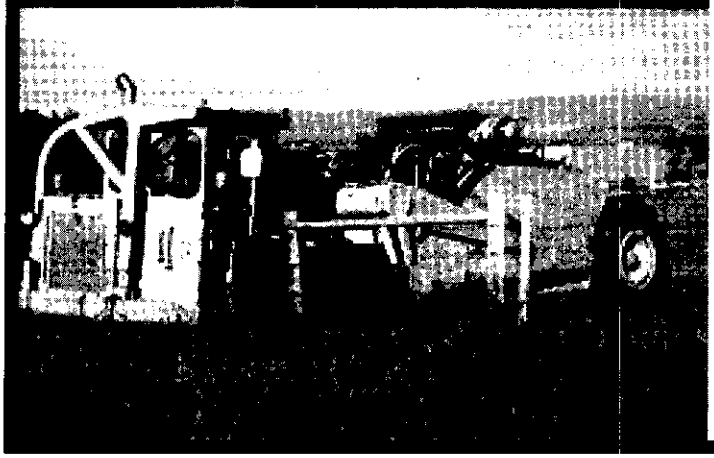
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BHARAT FERTILISER INDUSTRIES LIMITED

BHARAT FERTILISER INDUSTRIES LIMITED
BHARAT
MUMBAI - 400 023

15th ANNUAL REPORT
1999-2000

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BHARAT FERTILISER INDUSTRIES LIMITED

BOARD OF DIRECTORS

Shri Yogendra D. Patel
Chairman & Managing Director

Smt. Anjni. Y. Patel
Joint Managing Director

Shri Ghelubhai V. Patel
Director

Shri Ghanashyamdas A. Bhimnathwala
Director

Shri Kantilal N. Jethwa
Executive Director (Operations)

Shri Ashwin 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.

Bankers
Oriental Bank of Commerce

Plant
Village:Kharivali ,
Taluka:Wada,
Dist.:Thane.

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

ANNUAL GENERAL MEETING
on Friday, the 29th September, 2000
at 3.30.p.m. at Sardar Patel Baug,
Shri Vile Parle Patidar Mandal,
Parleshwar Road, Vile Parle (East),
Mumbai 400 057.

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15TH ANNUAL REPORT 1999-2000

NOTICE

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

Day	:	Friday
Date	:	29th September, 2000
Venue	:	Sardar Patel Bau Shri Vile Parle Pa dar Mandal, Parleshwar Roa , Vile Parle (East), Mumbai - 400 057
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 s at 31st March, 2000, Profit and Loss Account for the Accounting year from 1st April, 1999 to 31st March, 2000, Directors' Report and the Auditors' Report thereon.

(2) To appoint a Director in place of Shri G. V. Patel, who reti s by rotation and being eligible, offers himself for reappointment.

(3) To appoint a Director in place of Shri A. M. Patel, who reti s by rotation and being eligible, offers himself for reappointment.

(4) 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.

By Order of the Board

A.J.Chakote
Company Secretary

Place : Mumbai
Dated : 22nd August, 2000.

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

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BHARAT FERTILISER INDUSTRIES LIMITED

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 11th September 2000 to Thursday 21st September 2000 (both days inclusive).

(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.

(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) Shareholders are requested to send their queries in respect of Financial Accounts of the Company for the year ended 31st March, 2000 atleast a week in advance so as to enable the Management to keep the information ready at the time of the Annual General Meeting.

By Order of the Board

Place : Mumbai
Dated : 22nd August, 2000.

A. J. Chakote
Company Secretary

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

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15TH ANNUAL REPORT 1999-2000

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 2000 :

FINANCIAL RESULTS:

	1999-2000 (Rs. in lacs)	1998-99 (Rs. in lacs)
Turnover	**2498.77**	1,987.91
Profit before interest and depreciation	**136.62**	139.79
Less : Interest	**81.62**	77.21
Gross Profit before depreciation	**55.00**	62.58
Less : Depreciation	**70.06**	100.31
Operating Profit / Loss	**(-)15.06**	(-)37.73
Add / Less : Provision for Taxation	**1.25**	1.60
Less : Short provision of Income-tax for earlier Year	**0.82**	-
(a) Surplus / Deficit during the year	**(-)17.13**	(-)39.33
(b) Surplus brought forward from last year	-	170.09
Balance carried to Balance Sheet	**(-)17.13**	130.76

The profit before interest and depreciation amounted to Rs.136.62 acs as compared to Rs.139.79 Lacs during the last year. After providing for interest of Rs. 81.62 Lacs a d depreciation of Rs.70.06 Lacs, the company has made an operating loss of Rs.15.06 Lacs as against l ss of Rs. 37.73 Lacs during last year. After providing for Taxation of Rs. 1. 25 Lacs and short provision of in ome tax of Rs. 0.82 Lacs, the deficit of Rs. 17.13 Lacs is carried to Balance Sheet.

DIVIDEND

In view of operating loss sustained during the year under report, your irectors are unable to recommend any dividend for the year.

REVIEW OF OPERATIONS

During the year under report, your company has achieved a turnove of Rs. 2498.77 Lacs as compared to Rs.1987.91 Lacs during the previous year.

The year under report has resulted in to operating loss of Rs. 15.06 l acs mainly due to allround increase in input cost coupled with higher marketing expenses under stiff compe ion prevailing in the market for sale of fertilisers. The increase in input cost is not adequately reimbursed by t e Government while fixing the fertiliser sale prices and subsidy. Similarly the margins were also under pressure or the Company's Plastic and Chemical

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BHARAT FERTILISER INDUSTRIES LIMITED

Divisions during the year under review.

CURRENT YEAR'S WORKING

The working of the fertiliser Division is adversely affected during the current year on account of various notifications issued by the Government for control and monitoring of production, inspection, and despatches of fertilisers which comes in the way of smooth production and despatches of fertilisers. The Government of India has also reduced the fertiliser subsidy from Rs. 900 to Rs. 700 per metric tonne with retrospective effect from 01.04.2000 by notification issued on 31.07.2000.

The despatches of Fertilisers also declined during the first quarter of the current year on account of delayed monsoon and scanty rains in Fertiliser marketing zones of the company in the state of Maharashtra.

The price of 98% sulphuric acid has also been drastically reduced on account of very lower prices offered by some of the manufacturers who are selling 98% sulphuric acid as their bye product. The prevailing market prices of 98% sulphuric acid can not cover the cost of production thereby restricting the sales of 98% sulphuric acid and mainly reserving the same for captive consumption.

The company has obtained repeat orders from M/s. Rashtriya Chemicals & Fertilisers Ltd. for supply of HDPE Bags for packing their Fertilisers at very competitive rates due to excess supply position in the market.

There is all-round increase in the manufacturing cost mainly in cost of power and fuel, transport charges and other marketing expenses due to heavy competition resulting into lower margin on the Company's products.

However, the company is taking all steps to cut the expenses at all levels and implement the cost reduction measures to cope-up with increased cost of production.

In view of the foregoing difficulties faced by the company, it is too early to make any prediction regarding the working results during the current year.

DIRECTORS

Shri G. V. Patel and Shri A. M. Patel, Directors retire by rotation as per the Articles of Association of the Company and being eligible offer themselves for reappointment. The necessary items have been included in the Notice convening the Annual General Meeting and reappointment of Shri G. V. Patel and Shri A. M. Patel is recommended for adoption by the members.

AUDITORS' REPORT

Report of Auditors is self-explanatory and replies to observations 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 31-03-2000 works out to Rs. 40,96,185/-.

DONATIONS

During the year under report, donations amounting to Rs.84,002/- were granted to 5 social / educational institutions.

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FIXED DEPOSITS

As on 31st March 2000, the Fixed Deposits amounted to Rs. 6,69 000/-. 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 re d with the Companies (Disclosures of particulars in Directors' Report) Rules 1988 the relevant inform ion is given in the annexure 'A' forming part of this Report.

II) Details of remuneration paid to employees as required under ection 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rul s 1975 as amended are given in the annexure 'B' forming part of this Report.

AUDITORS

M/s. Chandulal M. Shah & Company, Chartered Accountants are tiring at the ensuing Annual General Meeting of the Company and being eligible offer themselves for reap ointment for the year 2000-2001. The appointment of M/s. Chandulal M. Shah & Co. is recommended.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their sincere thanks to the C ntral Government, State Government, Agricultural Departments, Company's Bankers, Oriental Bank of Co merce, Shareholders, Customers and Business Constultants for their valued co-operation and support at ll times. Your Directors also place on record the untiring efforts of the employees at all levels during the di icult periods faced by the Company.

For and on behalf of the Board

Place : Mumbai
Dated : 22nd August, 2000

YOGENDRA D. PATEL
Chairman & Managing Director

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

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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 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 oil consumption in granulating process.

FORM A
DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. POWER & FUEL CONSUMPTION	APRIL 99 TO MARCH 2000	APRIL 98 TO MARCH 99
(a) Purchased Units rate per unit	**4. 51**	5. 04
(b) Own generation through Diesel Diesel Generation	Company has installed two nos. of imported 860 KVA SKODA Diesel Generating Sets	
Units per litre of Diesel Oil	**2.78**	2. 78
Furnace Oil - KL	**370**	320
Average cost per litre	**Rs. 10. 07**	Rs. 6.22

B. CONSUMPTION PER UNIT OF PRODUCTION	Units	Units
(a) Sulphuric Acid per ton	**59**	57
(b) Superphosphate per ton	**25**	23
(c) Granulated Superphosphate per ton	**18**	17

(After taking into account the steam generated by the 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.

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ANNEXURE - "B"

STATEMENT PURSUANT TO SECTION 217 (2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2000.

Name of the Employee	Age (Yrs.)	Designation	Gross Remuneration (Rs.)	Qualifications	Experience (in years)	Date of Commencement	Previous Employment & Position held
MR. YOGENDRA D.PATEL	42	Chairman & Managing Director	6, 12, 000	Chem. Engineer.	16	1 - 4 - 1990	Self Employed

NOTES :

1) Remuneration includes salary and other perquisites valued in accordance with the Income Tax Rules,1962.

2) The appointment for Mr. Yogendra D. Patel is contractual.

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