

BHARAT FERTILISER INDUSTRIES LTD.



16th. ANNUAL REPORT (2000 - 2001)

BHARAT FERTILISER INDUSTRIES LTD.**BOARD OF DIRECTORS**

Shri Yogendra D. Patel
Chairman & Managing Director

Smt. Anjni Y. Patel
Joint Managing 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

REGISTERED OFFICE

Bharat fertiliser House,
12, Nanabhai Lane, Fort,
Mumbai - 400023

BANKERS

Oriental Bank of Commerce
Sir P. M. Road, Fort,
Mumbai - 400 01

AUDITORS

M/s. Chandulal M. Shah & Co.
304, Maker Bhavan No. 3,
21, New Marine Lines,
Mumbai - 400 020

Plant

Village : Kharivali
Taluka : Wada
Dist. : Thane

Registrars for dematerialisation

M/s Intime Spectrum Registry Pvt. Ltd,
260, A, Shanti Industrial Estate,
Sarojini Naidu Road, Mulund (West),
Mumbai - 400 080.

ANNUAL GENERAL MEETING

On Thursday, the 13th September, 2001 at 3.30 p.m. at Sardar Patel Baug,
Shri Vile Parle Patidar Mandal, Parleshwar Rd., Vile Parle (East), Mumbai - 400 057.

16th ANNUAL REPORT 2000-2001**NOTICE**

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

Day : Thursday
 Date : 13th September, 2001
 Venue : **Sardar Patel Baug,**
 Shri Vile Parle Patidar Mandal,
 Parleshwar Road,
 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 as at 31st March, 2001, Profit and Loss Account for the Accounting year from 1st April, 2000 to 31st March, 2001, Directors' Report and the Auditors' Report thereon.
- 2) To appoint a Director in place of Shri Kantilal N. Jethwa, 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 Ordinary Resolution: -

RESOLVED THAT pursuant to Sections 198, 269, 309 and other applicable provisions if any of the Companies Act, 1956 sanction and consent be and is hereby accorded to the re-appointment of Shri Yogendra D. Patel as Managing Director of the Company for a period of five years with effect from 1.10.2001 on the following remuneration :-

Salary	:	Rs. 50000/- 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 as per payment of Gratuity Act 1972.
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 months' 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 expense 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.4000/- per annum.
viii) Telephone	:	Free telephone facility at residence.
ix) Club	:	Fees of clubs subject to a maximum of two clubs, provided that no life-membership or admission fees is payable.

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

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Remuneration as above put together with remuneration payable to other Directors shall not exceed 10% of net profits. Remuneration as above shall be paid as Minimum remuneration in the event of absence or inadequacy of profits, subject to Provisions of section II of part II of Schedule XIII of the Companies Act, 1956"

"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".

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

RESOLVED THAT pursuant to Sections 198, 269, 309 and other applicable provisions if any of the Companies Act, 1956 sanction and consent be and is hereby accorded to the re-appointment of Smt. Anjni Y. Patel as joint Managing Director of the company for a period of five years with effect from 1.10.2001 on the following remuneration :-

Salary	:	Rs.17500/- 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 as per payment of Gratuity Act, 1972.
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 months salary in a block of three years.
iv) Leave	:	One month's leave with pay for every eleven months' service.
v) Leave Travel	:	For self, husband 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 perquisite 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. 4000/- per annum.
viii) Telephone	:	Free telephone facility at residence.
xi) Club	:	Fees of clubs subject to maximum of two clubs, provided that no life membership or admission fee is payable.

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

Remuneration as above put together with remuneration payable on other Directors shall not exceed 10% of net profits. Remuneration as above shall be paid as minimum remuneration in the event of absence or inadequacy of profits subject to provisions of section II of part II of schedule XIII of the Companies Act, 1956.

"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."

Place : Mumbai

By Order of the Board

Dated : 27th July 2001

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

A. J. Chakote
Company Secretary

16th ANNUAL REPORT 2000-2001**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 3rd September, 2001 to Thursday 13th September, 2001 (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, 2001 atleast a week in advance so as to enable the Management to keep the information ready at the time of the Annual General Meeting.

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956.

The following explanatory statement relating to item Nos. 4 & 5 of the accompanying Notice sets out all material facts as required under section 173 of the Act:

Item No. 4

Shri Yogendra D. Patel has been appointed as Chairman and Managing Director of the company as per resolution passed by the shareholders at the Extra-ordinary General Meeting of the Company held on 8.11.1996 for a period of five years with effect from 1.10.1996 on the terms and conditions contained in the said resolution.

It is Necessary to reappoint Shri Yogendra D. Patel as Chairman & Managing Director of the company for a further period of five years from 1.10.2001.

The Board of Directors at its meeting held on 27.7.2001 have approved the reappointment of Shri Yogendra D. Patel as Chairman & Managing Director of the company on the same terms and conditions as per previous appointment and as set out in the notice.

The remuneration payable to Shri Yogendra D. Patel as Chairman & Managing Director is in consonance with sections 269, 198 and 309 read with Schedule XIII of the companies Act, 1956.

In accordance with provisions of Schedule XIII of the Companies Act, 1956, the appointment of Shri Yogendra D. Patel as Chairman & Managing Director and remuneration payable to Shri Yogendra D. Patel are subject to approval of shareholders and hence the resolution as contained in the notice is commended for adoption by the members.

None of the Directors is interested in the resolution except Smt. Anjni Y. Patel, Director.

Item No. 5

Smt. Anjani Y. Patel has been appointed as joint Managing Director of the company as per resolution passed by the shareholders at the Extra-ordinary General Meeting of the Company held on 8.11.1996 for a period of five years with effect from 1.10.1996 on the terms and conditions contained in the said resolution.

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The Board of Directors of the company at its meeting held on 27.7.2001 have approved reappointment of Smt. Anjni Y. Patel as joint Managing Director on the same terms and conditions as per the previous appointment and as set out in the notice.

The remuneration payable to Smt. Anjni Y. Patel as Joint Managing Director is in consonance with Sections, 269, 198 and 309 read with Schedule XIII of the Companies Act, 1956.

In accordance with provisions of schedule XIII of the companies Act, 1956, the appointment of Smt. Anjni Y. Patel as Joint Managing Director and remuneration payable to Smt. Anjni Y. Patel are subject to approval of shareholders and hence the resolution as 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, Director.

Place : Mumbai

By Order of the Board

Date : 27th July, 2001

A. J. Chakote
Company Secretary



16th ANNUAL REPORT 2000-2001**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, 2001 :

FINANCIAL RESULTS :

	2000-2001 (Rs. in Lacs)	1999-2000 (Rs. in Lacs)
Turnover	1628.88	2498.77
Profit before interest and depreciation	91.45	136.62
Less : Interest	82.50	81.62
Gross Profit before depreciation	8.95	55.00
Less : Depreciation	47.49	70.06
Operating Profit/Loss	(-) 38.54	(-) 15.06
Add/Less : Provision for Taxation	-	1.25
Less : Short provision of Income-tax for Earlier year.	-	0.82
(a) Surplus/Deficit during the year	(-) 38.54	(-) 17.13
(b) Surplus brought forward from Last year	(-) 17.13	-
Balance carried to Balance Sheet	(-) 55.67	(-) 17.13

The profit before interest and depreciation amounted to Rs. 91.45 Lacs as compared to Rs 136.62 Lacs during the last year. After providing for interest of Rs. 82.50 Lacs. and depreciation of Rs. 47.49 Lacs, the company has made an operating loss of Rs. 38.54 Lacs as against loss of Rs. 15.06 Lacs during last year. After taking into account the deficit brought forward from last year of Rs. 17.13 Lacs and loss of Rs. 38.54 Lacs during the year, the total loss of Rs.55.67 Lacs is carried forward to Balance Sheet.

DIVIDEND

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

REVIEW OF OPERATIONS

During the year under report, your company has achieved a turnover of Rs. 1628.88 Lacs as compared to Rs. 2498.77 Lacs during the previous year.

The year under report has resulted in an operating loss of Rs. 38.54 Lacs mainly due to overall slow down in economy and in particular due to the recession in Chemical and Plastic Industries and severe drought conditions prevailed in many districts of State of Maharashtra where the Fertilisers manufactured by your company are being sold.

CURRENT YEAR WORKING

The company has reduced excess workmen at factory during the last year and amicably settled their dues. This has resulted in lower overheads while manufacturing fertilisers during the current year. Similarly, the management has taken major effective steps to reduce the cost of production of all the products in the current year. The monsoon during the current year is expected to be normal which will help the company to boost up fertiliser sales.

BHARAT FERTILISER INDUSTRIES LTD.**DIRECTORS**

During the year under report, Shri G. V. Patel, Director of the company had submitted his resignation from the Directorship on 4.12.2000 on account of health grounds. Your Directors have placed on record the valuable services rendered and guidance provided by Shri G. V. Patel during the tenure of his office as a Director of the company.

Your Directors regret to inform that during the year under report, Shri G. A. Bhimnathwala, Director of the company passed away on 28.3.2001. Your Directors shared the grief and sorrow of bereaved family members of late Shri G. A. Bhimnathwala and prayed the Almighty that the departed soul may rest in eternal peace.

Your Directors further placed on record the valuable services rendered and guidance provided by late Shri G. A. Bhimnathwala during the tenure of his office as a Director of the company.

Shri Kantilal N. Jethwa, Executive Director-Operations retires by rotation at the ensuing Annual General Meeting of the company and he being eligible offers himself of reappointment.

Necessary item has been included in the notice convening the Annual General Meeting and reappointment of Shri Kantilal N. Jethwa is recommended for adoption by the members.

Appointment of Shri Yogendra D. Patel as Chairman and Managing Director and Smt. Anjni Y. Patel as Jt. Managing Director are due for renewal with effect from 1.10.2001. Necessary resolutions have been incorporated in the notice convening the Annual General Meeting for the renewal of their appointments for a further period of five years from 1.10.2001 on the same terms and conditions.

The Board of Directors of the company have approved the reappointments of Shri Yogendra D. Patel as Chairman & Managing Director and Smt. Anjni Y. Patel as Joint Managing Director for a further period of five years from 1.10.2001 on the terms and conditions as set out in the resolution contained in the notice convening the Annual General Meeting. The resolutions as contained in the notice are commended for adoption by the members.

DEMATERIALIZATION OF EQUITY SHARES OF THE COMPANY

As per directive of Mumbai Stock Exchange, and in the larger interest of company's shareholders it was necessary to dematerialise the equity shares of the company, with Central Depository Services (I) Ltd. (CDSL) and National Securities Depository Ltd. (NSDL). The company has appointed M/s. Intime Spectrum Registry P. Ltd., having address at 260-A, Shanti Industrial Estate, Sarojini Naidu Road, Mulund (West), Mumbai - 400 080 and company's shares can be traded in demat form with CDSL and NSDL.

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 up to 31.3.2001 works out to Rs. 41,74,912/-.

DONATIONS

During the year under report, donations amounting to Rs. 9,011/- were granted to social welfare institutions.

FIXED DEPOSITS

As on 31st March 2001, the Fixed Deposits amounted to Rs. 13,67,000/-. There was no instance of any unclaimed or overdue deposit during the year.