



Chambal Fertilisers and Chemicals Limited

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Fifteenth Annual Report
1999-2000

DIRECTORS

Dr. K. K. Birla
Chairman

H. S. Bawa
Vice Chairman

H. C. Grover
Managing Director

Mohd. Y. A. Al-Roomi
(Alternate : P. J. Batavia)

Dr. Padmakar Asthana
UTI/LIC/GIC Nominee

R. N. Bansal

Dipankar Basu

Shyam S. Bhartia

D. B. Engineer

Marco Wadia

P. K. Kaul

M. D. Locke
(Alternate : C. S. Nopany)

T. M. Nagarajan
IDBI Nominee

S. K. Poddar

A. J. A. Tauro

SENIOR EXECUTIVES

S. M. Bhalla
Director (Strategic Planning)

P. R. Shankarkumar
President (ISG)

R. M. Malik
Vice President (H.R.)

R. D. Mall
Vice President (Operations)

S. M. Nadgir
Vice President (Marketing)

Sunil Sethy
Vice President (Finance)

COMPANY SECRETARY

M. S. Rathore

REGISTERED OFFICE

Gadepan,
Distt. Kota, Rajasthan,
PIN - 325 208

CORPORATE OFFICE

Devika Tower,
Ground Floor,
6, Nehru Place,
New Delhi - 110 019

LEGAL ADVISORS

Crawford Bayley & Co.,
Mumbai
Khaitan & Co.,
New Delhi

AUDITORS

S. R. Batliboi & Co.
Chartered Accountants

BANKERS

Bank of Baroda
Punjab National Bank
State Bank of India
Allahabad Bank
State Bank of Indore
State Bank of Patiala
State Bank of Hyderabad
State Bank of Bikaner & Jaipur

NOTICE

NOTICE is hereby given that the fifteenth Annual General Meeting of the members of the Company will be held at Gadepan, Distt. Kota, Rajasthan, at 1030 hours on Friday, August 11, 2000 to transact the following business:

ORDINARY BUSINESS :

1. to receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2000, Profit & Loss Account for the year ended on that date and reports of Directors and Auditors thereon;
2. to appoint a director in place of Mr. Mohd. Y. A. Al-Roomi, who retires by rotation and is eligible for re-appointment;
3. to appoint a director in place of Mr. D. Basu, who retires by rotation and is eligible for re-appointment;
4. to appoint a director in place of Mr. P. K. Kaul, who retires by rotation and is eligible for re-appointment;
5. to appoint a director in place of Mr. A. J. A. Tauro, who retires by rotation and is eligible for re-appointment;
6. to consider and if thought fit, pass with or without modification(s), the following resolution as a special resolution:

"RESOLVED THAT pursuant to the provisions of section 224A and other applicable provisions, if any, of the Companies Act, 1956, M/s. S. R. Batliboi & Co., Chartered Accountants be and are hereby re-appointed as auditors of the Company, to hold the office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company, at such remuneration as may be fixed by the Board of Directors, from time to time and reimbursement of out-of-pocket expenses incurred by them for carrying out the audit."

SPECIAL BUSINESS :

7. to consider and if thought fit, pass with or without modification(s), the following resolution as an ordinary resolution:

"RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956, for mortgaging and/or charging by the Board of Directors, of all the immovable and movable properties of the Company, wheresoever situate, present and future and / or conferring power

to enter upon and to take possession of the assets of the Company in certain events to or in favour of all or any of the following namely :

- a. Industrial Development Bank of India (IDBI)
- b. ICICI Limited (ICICI)
- c. Industrial Investment Bank of India Limited (IIBI)
- d. State Bank of India (SBI)
- e. State Bank of Indore (SBIND)
- f. Bank of Baroda (BOB)
- g. Allahabad Bank (AB)
- h. State Bank of Bikaner & Jaipur (SBBJ)
- i. State Bank of Hyderabad (SBH)
- j. State Bank of Patiala (SBP)
- k. Punjab National Bank (PNB)

to secure the following loans, advances and / or working capital facilities given by the aforesaid Financial Institutions and Banks:

On First Charge Basis :

- (a) SBI - Corporate Loan not exceeding Rs. 50 crores (Rupees fifty crores only)
- (b) IDBI - Term Loan not exceeding Rs. 59 crores (Rupees fifty nine crores only)

On Second Charge Basis :

- (a) ICICI - Corporate Loan not exceeding Rs. 25 crores (Rupees twenty five crores only)
- (b) IIBI - Corporate Loan not exceeding Rs. 50 crores (Rupees fifty crores only)
- (c) SBIND - Corporate Loan not exceeding Rs. 25 crores (Rupees twenty five crores only)
- (d) SBI - Working Capital facilities not exceeding Rs. 48.60 crores (Rupees forty eight point six zero crores only) both fund-based and non-fund based
- (e) SBIND - Working Capital facilities not exceeding Rs. 18.90 crores (Rupees eighteen point nine zero crores only) both fund-based and non-fund based
- (f) BOB - Working Capital facilities not

- exceeding Rs. 74.25 crores (Rupees seventy four point two five crores only) both fund-based and non-fund based
- (g) AB - Working Capital facilities not exceeding Rs. 25.65 crores (Rupees twenty five point six five crores only) both fund-based and non-fund based
- (h) SBBJ - Working Capital facilities not exceeding Rs. 13.50 crores (Rupees thirteen point five zero crores only) both fund-based and non-fund based
- (i) SBH - Working Capital facilities not exceeding Rs. 17.55 crores (Rupees seventeen point five five crores only) both fund-based and non-fund based
- (j) SBP - Working Capital facilities not exceeding Rs. 17.55 crores (Rupees seventeen point five five crores only) both fund-based and non-fund based and
- (k) PNB - Working Capital facilities not exceeding Rs. 54.00 crores (Rupees fifty four crores only) both fund-based and non-fund based

together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment, costs, charges, expenses and other moneys payable by the Company to the aforesaid lenders under their respective heads of agreements/ memorandum of terms and conditions entered into by the Company in respect of the said term loans and working capital facilities.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise with IDBI, ICICI, IIBI, SBI, SBIND, BOB, AB, SBBJ, SBH, SBP and PNB the documents for creation of aforesaid mortgages and / or charges and to do all such acts, deeds and things as may be necessary for giving effect to the above resolution."

By order of the Board

Gadepan
June 30, 2000

M. S. Rathore
Company Secretary

Notes :

1. Proxy

A member entitled to attend and vote is entitled to appoint proxy to attend and vote in his/ her stead and 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 scheduled time of the meeting. A blank proxy form is annexed to the annual report.

2. Book Closure

The Register of Members and Share Transfer Books of the Company shall remain closed on Tuesday, 1st August and Wednesday, 2nd August, 2000.

3. Explanatory Statement

The Explanatory Statement pursuant to section 173 of the Companies Act, 1956, in respect of item Nos. 6 and 7 of the Notice is given below and forms part thereof.

4. Payment of Dividend

An interim dividend @ 14% was paid to equity shareholders of the Company for the financial year 1999-2000. No final dividend was recommended by the Board of Directors.

5. Transfer cum Demat facility

As per the directives of the SEBI, your Company has recently started offering the services of transfer cum demat of shares. Under this facility, the shares received for transfer are dematerialised after taking confirmation from the investors through their Depository Participant.

6. Company on the Net

Your Company has launched a website www.zuari-chambal.com/isc where you can visit and find more information about the Company's subsidiaries and its joint ventures. The details of various services being provided to the investors, guidance and procedures to be followed by the investors in respect of transfer, transmission and transposition of shares and debentures, dematerialisation and rematerialisation of shares etc. will be available in near future.

7. Shifting of Location of "Investor Service Centre"

The "Investor Service Centre" of the Company presently located at Devika Tower, 5th Floor, 6, Nehru Place, New Delhi - 110 019 is being shifted to 6th Floor in the same building w.e.f. 3rd July, 2000. Members are advised to send all correspondence to

"Investor Service Centre" of the Company situated at Devika Tower (6th floor), 6, Nehru Place, New Delhi - 110 019. Phone: 91 (11) 646 2162, 646 2163, Fax: 91 (11) 646 5218, 648 0639. E-mail address : isc@cfert.com

8. Investors are advised to forward the particulars of their bank account, branch name and address of the bank immediately, if not sent already.
9. Members are requested to :
 - a) send their queries, if any, to reach the Company's Head Office at New Delhi atleast 10 days before the date of the meeting so that information can be made available at the meeting and
 - b) bring their copy of the Annual Report at the meeting.
10. Members may consider availing the facility of electronic shares through dematerialisation of physical scrips by opening an account with any of

the recognised Depository Participants. Investors can seek guidance / assistance of Investor Service Centre in this regard. Zuari Investments Limited, an associate company, is also providing Depository Participant's service at Devika Tower (Mezzanine Floor), 6, Nehru Place, New Delhi - 110 019. For more information, kindly visit at <http://www.zuari.net>

11. Pick-up coach facility

For the convenience of members desirous of attending the Company's Annual General Meeting, the Company will provide transport from Kota to Gadepan and back. The pick-up coach will leave from "Sahyog Bhavan", No. 1, Aerodrome Circle, Kota, at 9.00 a.m. on the date of AGM to reach Gadepan (venue of the AGM) in time for the meeting and leave for Kota after the meeting.

Members wishing to avail of this facility may kindly be present in time at the pick-up point at Kota.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

Item No. 6

Section 224 A of the Companies Act, 1956, provides for appointment / re-appointment of auditors at an annual general meeting by a special resolution in case 25% or more of the subscribed share capital of a company is held by the public financial institutions / Government companies / Central Government/ State Governments / nationalised banks / insurance companies.

The aforesaid institutions/ banks hold more than 25% of the subscribed share capital of your Company. It is, therefore, necessary to re-appoint the auditors by passing a special resolution.

None of the Directors of the Company is concerned or interested in the resolution.

The Board commends the resolution for your approval.

Item No. 7

The Company has availed of / tied up rupee term loans / corporate loans and other facilities in connection with setting up its spinning project and for normal / long term working capital requirement. The financial assistance so availed of / tied up has to be secured by mortgage of all the immovable and movable properties of the Company,

both present and future. The mortgaging of the immovable and movable properties is regarded as disposal of the Company's properties / undertakings under section 293 (1) (a) of the Companies Act, 1956, hence your approval is being sought.

Copies of the aforesaid agreements are kept for inspection at the Registered Office of the Company between 1000 hours and 1200 hours on any working day prior to the date of the meeting.

None of the directors of the Company is interested in the resolution except Mr. T. M. Nagarajan who is the nominee director of IDBI.

The Board commends the resolution for your approval.

By order of the Board

Gadepan
June 30, 2000

M. S. Rathore
Company Secretary

Directors' Report

To

The Members

Your Directors have pleasure in presenting the 15th Annual Report together with audited accounts for the financial year ended March 31, 2000.

1. Financial Results and Appropriations

(Rs. in crores)

Particulars	1999-2000	1998-99
Turnover*	1362.65	793.44
Gross Profit after interest but before depreciation and tax	236.33	228.49
Depreciation	96.64	65.29
Profit before tax	139.69	163.20
Provision for taxation (MAT)	15.95	17.73
Profit after tax	123.74	145.47
Balance of Profit brought forward	184.43	153.54
Profit available for appropriation	308.17	299.01
Debenture Redemption Reserve	18.00	18.00
Debt Redemption Reserve	14.21	14.54
General Reserve	25.00	25.00
Dividend on Equity Shares	56.68	51.38
Tax on dividend	6.23	5.65
Balance carried forward to Balance Sheet	188.05	184.43

* Turnover includes sale of traded products of Rs. 239.53 crores (previous year Rs. 26.93 crores).

During the year 1999 - 2000, two major milestones were achieved. Your Company doubled the capacity of fertiliser plant at Gadepan (Rajasthan) at the project cost of about Rs. 1300 crores. The expansion project was commissioned well ahead of the schedule. With the expansion, your Company has become the largest Urea manufacturer in the private sector in India with a capacity of over 1.5 million tonnes per annum. The Phosphoric Acid plant of Indo Maroc Phosphore SA, the JVC set up in Morocco to manufacture 330,000 MT of Phosphoric Acid per annum, went into commercial production on November 1, 1999.

2. Dividend

The Board of Directors at its meeting held on April 11, 2000 had declared an interim dividend of Rs. 1.40 per share on pro-rata basis on 40,60,00,000 equity shares of Rs. 10 each for the financial year 1999 - 2000. The total outgo on this account was Rs. 62.91 crores. In view of the foregoing, the Board of Directors do not recommend any final dividend.

3. Plant Operation

The production of urea during the year 1999-2000 for Gadepan - I plant was 9.46 lac MT as against 9.57 lac MT in the previous year. Gadepan - II plant produced 3.21 lac MT of Urea from commencement of commercial production on October 20, 1999 to March 31, 2000.

The production would have been higher but for the restricted allocation of Urea under Essential Commodities Act by the Government of India in the months of February/ March, 2000, due to oversupply situation in the Country. The plants also took a turnaround during March/ April, 2000.

4. Retention Price

Gadepan-I

The members are aware that urea price is regulated by the Government of India through fixation of uniform Consumer Price and Ex-Factory Price for individual manufacturing unit under the Retention Price Scheme. Your Company had applied to the Fertiliser Industry Co-ordination Committee (FICC) of the Government of India for fixation of Final Retention Price for urea manufactured at Gadepan-I Plant. The Government of India, Ministry of Chemicals and Fertilisers has on January 28, 1999, notified a Revised Provisional Retention Price of urea produced by the Company effective the date of commercial production i.e. January 1, 1994. Accordingly, the Company has accounted for the Retention Price Support during the current year on the basis of this Revised Provisional Retention Price and further claims worked out based on FICC norms. The matter is being pursued with the Government for early fixation of Final Retention Price.

Gadepan-II

The expansion programme (Gadepan-II) to double the capacity of the fertiliser plant at Gadepan, went into commercial production on October 20, 1999. The Company approached FICC to notify Ad-hoc Retention Price under existing FICC norms. The Government of India notified on December 29, 1999 an Ad-hoc Retention Price for Gadepan-II effective October 20, 1999. The Retention Price so notified is substantially lower than what was expected at the ad-hoc stage. The Company has accounted for the Retention Price Support during the current year on the basis of estimated Revised Ad-hoc Retention Price. The Company is pursuing the matter with the Government of India.

5. Marketing

During the year 1999 - 2000, your Company sold 14.90 lac MT of fertilisers comprising of 12.38 lac MT of urea, 1.98 lac MT of DAP and 54000 MT of SSP and MOP besides sale of pesticides worth Rs. 10.45 crores. The

marketing of imported DAP and MOP by your Company under its brand name 'UTTAM' is part of its long-term strategy to make all nutrients available to the farmer from a 'Single Window.' This will enable the Company to promote the much-needed balanced use of fertilisers and provide support to dealers with other grades of fertilisers.

The Company reaches out to the farmers through a strong marketing network of 865 dealers and 15,774 village outlets to ensure timely supply of agri-inputs and technical assistance. The Agricultural Development Laboratory at Sri Ganganagar established in 1995 continues to provide free service to our farmers through analysis of soil samples, micro-nutrient deficiencies, water, etc.

6. Capital Projects

a) Birla Textile Mills

Your Company is setting up a Spinning Unit namely Birla Textile Mills with an installed capacity of 26,400 spindles at Baddi, Distt. Solan, Himachal Pradesh at an estimated project cost of Rs. 105.5 crores. Out of 26,400 spindles, 18,432 spindles went into commercial production w.e.f. May 1, 2000. The Company plans to replace 8,960 existing old spindles by 12,672 new spindles during the current financial year thus enhancing the installed capacity to 31,104 spindles within the approved project cost.

b) Housing Finance

The members are aware that your Company had taken over ITC Classic Home Finance Limited which was re-christened as Birla Home Finance Limited (BHFL), a 100% subsidiary of your Company. The housing finance business has a high growth potential in view of incentives announced by the Government of India from time to time. Since inception, BHFL has been targeting the retail end of the market. It has opened branches at Noida, Faridabad and Bhopal besides its Registered Office at New Delhi. During its initial phase of operation of 5 months as on March 31, 2000, BHFL has sanctioned loans of Rs. 427.35 lacs and disbursed loans of Rs. 253.88 lacs for housing finance.

The Annual Report for the year 1999-2000 of BHFL is attached.

c) Software Division

'India Software Group' (ISG), the software division of your Company at Chennai, has started its activities to cater to domestic and international software development business. ISG has implemented ERP in Gautier India Limited and Zuari Industries Limited. ISG has also successfully implemented software development packages of various companies in India and abroad. ISG has opened a branch office in London, U.K., to cater to the business needs of the European Countries.

d) Joint Ventures

The Phosphoric Acid plant of Indo Maroc Phosphore S.A., Morocco went into production during the year to manufacture of 3,30,000 MT per annum of merchant grade Phosphoric Acid.

Chambal Agritech Limited, a 50:50 Joint Venture with Technico Pty. Limited of Australia, is setting up a project in Himachal Pradesh, India to manufacture annually 20.52 million miniature potato seeds known as TECHNITUBER™. The technology is a scientifically advanced method of producing large volumes of miniature potato seeds in fewer generations. The estimated cost of the project is Rs. 50.30 crores with a debt equity ratio of 1.5:1. The first stage of the project is expected to be implemented by August 1, 2000.

7. Environmental Protection and Safety

Your Company is deeply committed to environmental protection, pollution control and maintenance of ecological balance. Care has been taken to provide the finest facilities to safeguard the environment in and around the units and to ensure that all statutory requirements of pollution control are complied with. The Company continues to have very strict in-house pollution control monitoring system and safety measures, and have blended these into its management system to ensure ongoing pollution control and safety. The Company is equally aware of its responsibilities towards not only protecting the environment but also taking steps to improve the environment. The Company is maintaining 80 acres of sprawling forest around the plants at Gadepan.

8. Conservation of Energy

Your Company strives to make the plants energy efficient to the extent possible and continually reviews various schemes to conserve energy.

The requisite information with regard to conservation of energy, technology absorption and foreign exchange outgo and earnings in terms of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is set out in separate statements attached hereto (Annexures A & B) and forms part hereof.

9. Investor Service Centre

Your Company strives to provide the best possible services to all investors through a high level of professionalism and a fully computerised system. The In-house Service Centre of your Company located at New Delhi continues to provide prompt investor service in this direction through 'Over the Counter' transfer of shares up to 1000 shares and quick resolution of investor grievances. The Company has entered into separate agreements with both the depositories i.e. National Securities Depository Ltd. and Central Depository Services India Ltd. for dematerialisation of physical scrips of your Company in accordance with Depositories Act, 1996. With this, the members can hold their demat shares in any of these

depositories. Currently, about 56% of the Company's capital has been dematerialised.

The securities of your Company are listed at National Stock Exchange and other stock exchanges situated at Calcutta, Delhi, Hyderabad, Jaipur and Mumbai. The Company has paid the annual listing fee to these stock exchanges for the year 2000-2001.

10. Fixed Deposit

As on March 31, 2000, your Company had 2941 deposit holders with fixed deposits of Rs. 472.86 lacs. 32 deposit holders did not claim FD amount of Rs. 4.53 lacs as of that date. These deposit holders have been advised to claim their deposits.

11. Personnel

Your Company believes that the employees are its biggest asset and it is committed to the development of this vital resource. The Board wishes to place on record its appreciation of the contribution made by all employees in ensuring the high levels of performance and growth that your Company has achieved during the year.

During the year, numerous training programmes were designed to sharpen and develop human skills with the objective to achieve corporate goals and to provide an opportunity for the professional development of the employees to keep them abreast with the changing scenario in the current environment of globalisation and liberalisation. A climate of harmonious employees' relations prevailed throughout the year.

12. Social Work and Rural Development

Evolved out of the Company's corporate values is its commitment of care for the society and the Nation. In this direction, to meet rising social expectations of the local people and its concern for the neighbourhood, your Company has undertaken various social activities like building and repairs of roads, sinking tube wells, providing free medical checkups, immunisation, provision of facilities like ambulance, fire tenders, etc. The Company is also actively associated with local administration in family welfare schemes and organisation of sports and cultural activities.

As a good corporate citizen, your Company believes that it has a duty towards the country at the time when it faces a crisis. During this period when the country faced more than one crisis, your Company contributed Rs. 60 lacs mainly towards the national causes through P.M. National Relief Fund and National Defence Fund. Your Company shared its deep concern for the families of the martyrs and disabled soldiers who successfully defended our frontiers in the Kargil area. The Company also extended a helping hand to the cyclone affected populace of Orissa and for cause of drought affected states of Rajasthan, Gujarat, M.P. and Andhra Pradesh.

The employees of the Company too shared the pain of those who suffered, and made a suitable contribution so

as to help the families of our brave soldiers and the victims of natural disaster and calamities.

13. Year 2000 compliance

Your Company has successfully managed Y2K transition without any disruption and rollover to the new millennium in a smooth manner.

14. Directors

During the year, Mr. Michael R. Hobson has ceased to be a Director on the Board of the Company w.e.f. February 28, 2000. Your Board wishes to place on record its appreciation for the valuable services and guidance rendered by Mr. Hobson during his tenure as a Director of the Company. Mr. Marco P. A. Wadia, who has a rich corporate experience, has been appointed as a Director in place of Mr. Hobson w.e.f. April 11, 2000, and will continue for the remaining tenure of Mr. Hobson.

In accordance with the requirement of the Companies Act, 1956, and Articles of association of the Company, M/s. Mohd. Y. A. Al-Roomi, Dipankar Basu, P. K. Kaul and A. J. A. Tauro, Directors, shall retire by rotation and are eligible for re-appointment.

15. Particulars of Employees

Information in accordance with section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, forms part of the Directors' Report for the year ended March 31, 2000, as given in Annexure "C" to this report.

16. Auditors

The Notes on Accounts appearing in Schedule 19 and referred to in the Auditors' Report are self-explanatory and therefore, do not call for any further comments or explanations.

The Auditors M/s. S.R. Batliboi & Co., Chartered Accountants, retire at the conclusion of this Annual General Meeting and being eligible, offer themselves for re-appointment. Re-appointment, if made, will be in accordance with the provisions of section 224 (1B) of the Companies Act, 1956.

17. Acknowledgements

Your Directors wish to place on record their appreciation of the assistance and co-operation that your Company received from the Department of Fertilisers, Government of India, Government of Rajasthan, Financial Institutions, Commercial Banks, Shareholders and all others whose continued support has been a source of strength to the Company. Your Directors also wish to place on record their sincere appreciation of the devotion and dedicated efforts put in by the employees at all levels.

By Order of the Board

New Delhi
May 13, 2000

K. K. Birla
Chairman

Annexure "A" to Directors' Report

FORM "A"**Disclosure of particulars with respect to Conservation of Energy**

Particulars	Unit	Current Year	Previous Year
A. POWER & FUEL CONSUMPTION			
1. Electricity			
a) Purchased			
Quantity	MWH	6974.29	6459.95
Total Amount	Rs. Lacs	278.54	217.24
[Incl. minimum demand (MD) charges]			
Rate/Unit (Excl. MD charges)	Rs.	3.99	3.36
b) Own Generation			
i) Through diesel generator			
Quantity	MWH	3173.38	NIL
Unit per KL of Furnace Oil	KWH/FO	4.15	NIL
Unit per KL of HSD	KWH/HSD	3.28	NIL
Cost/Unit	Rs./KWH	3.43	NIL
ii) Through steam turbine/generator			
Quantity	MWH	122925.55	109246.70
Unit per SM ³ of Gas	KWH/SM ³	2.21	2.06
Unit per Kg of Naphtha	KWH/KG	2.44	2.33
Cost/Unit	Rs./KWH	1.78	2.01
2. Other Internal Generation			
a) Natural Gas (Ammonia-Fuel, Power & Steam)			
Quantity	1000 SM ³	226191.92	211338.26
Total Cost	Rs. Lacs	8333.64	7055.66
Average Rate/Unit	Rs./1000 SM ³	3684.32	3338.07
b) Naphtha (Ammonia-Fuel, Power & Steam)			
Quantity	MT	153430.48	77902.89
Total Cost	Rs. Lacs	18834.93	6110.94
Average Rate/Unit	Rs./MT	12275.87	7844.30
B. CONSUMPTION PER MT OF UREA PRODUCTION :			
1. Electricity			
[Incl. Internal consumption]	KWH/MT	102.50	120.93
2. Others			
a) Natural Gas (Ammonia - Fuel, Power & Steam)	SM ³ /MT	178.48	220.87
b) Naphtha (Ammonia - Fuel, Power & Steam)	KG/MT	121.07	81.42
C. CONSUMPTION PER MT OF YARN PRODUCTION :			
Electricity			
[Incl. Internal consumption]	KWH/MT	5.00	NIL

Annexure "B" to Directors' Report

FORM "B"**Disclosure of particulars with respect to Technology Absorption****Research and Development (R&D) :**

The Company is manufacturing organisation and is not engaged in any Research and Development activity.

Technology Absorption, Adaptation and Innovation :

- i) Efforts in brief, made towards technology absorption, adaptation and Innovation.
- ii) Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc.
 - i and ii: Based on our continuous efforts made towards technology absorption and innovation, we could achieve smooth plant operation and high stream efficiency during the financial year 1999-2000 as compared to the previous year.
- iii) In case of imported technology (Imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished :
 - a) Technology Imported :

Phase-II Plants based on Low Energy Ammonia process from M/s Kellogg of USA based on Naphtha and/or Gas as feedstock and ACES process for manufacture of Urea from M/s Toyo Engineering Corporation, Japan have been commissioned and commercial production has started from October 20, 1999.
 - b) Year of Import: 1996.
 - c) Whether technology fully absorbed : Yes, Technology has been fully absorbed.
 - d) If not fully absorbed, areas where this has not taken place, reasons therefor and future plans of action: NIL

Foreign Exchange Earnings and Outgo

Foreign Exchange used : Rs. 156.73 crores

Foreign Exchange earned : Rs. 0.79 crore