

ANNUAL REPORT

MD	✓		BKC	✓
CS	✓		D?Y	NA
RO	✓		DIV	NA
TRA	NA		AC	
AGM		✓	SHI	
YE	✓	✓		

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**DEEPAK
FERTILISERS
AND
PETROCHEMICALS
CORPORATION
LIMITED**



Board of Directors

C.K. Mehta *Chairman & Managing Director*
S.C. Mehta *Deputy Managing Director*
S.S. Marathe
F.J. Heredia
R.A. Shah
P.J. Fernandes
R.S. Agarwal (*Nominee of IDBI*)
S.A. Beyabani (*Nominee of GIC*)
N.C. Singhal
D.C. Mehta
O.P. Khungar

Management Team

C.K. Mehta *Chairman & Managing Director*
S.C. Mehta *Deputy Managing Director*
G.G. Gogate *President (Corporate Affairs)*
T. Balaraman *President (Agro-Business)*
R.K. Jain *Sr. Vice-President (Commercial)*
N.D. Joshi *Sr. Vice-President (Finance & Accounts)*
S.S. Alam *Vice-President (Personnel & HRD)*
T.D. Mathwani *Vice-President (Operations)*
R.P. Karnik *Vice-President (International Trade)*
R. Sriraman *Company Secretary & Chief (Law)*

Bankers

State Bank of India
Dena Bank
Central Bank of India
Bank of Baroda

Solicitors

Crawford Bayley & Co.
Udwadia, Udeshi, Desai, Berjis & Chinoy

Auditors

B.K. Khare & Co.

Registered Office

Opp. Golf Course, Shastri Nagar, Yerawada, Pune - 411 006
Phone: (0212) - 684155, 684342, 684235, 684597 — Telex: 145-7794 — Fax: (0212)-687499

Plant

Plot No. K-1, MIDC Industrial Area, Taloja, A.V. 410 208, Dist. Raigad, Maharashtra.
Phone: (022) — 7412411, 7412412 — Gram: DEEPAMMON — Telex: 0133-217 — Fax: (022) 7412413

NOTICE

NOTICE is hereby given that the Seventeenth Annual General Meeting of DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED will be held on Tuesday, the 30th day of September, 1997 at 11.00 A.M. at Bal Gandharva Rang Mandir, Jangli Maharaj Road, Shivaji Nagar, Pune - 411 005 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at, and the Profit & Loss Account for the financial year ended on, 31st March, 1997, together with the Directors' Report and the Auditors' Report thereon.
2. To appoint a Director in place of Shri S. S. Marathe, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri P. J. Fernandes, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS

5. To consider, and if thought fit, to pass, with or without modifications, the following resolution as an ORDINARY RESOLUTION :
 "RESOLVED THAT pursuant to Section 257 and other relevant provisions of the Companies Act, 1956, Shri O.P. Khungar be and is hereby appointed as a Director of the Company."
6. To consider, and if thought fit, to pass, with or without modifications, the following resolution as an ORDINARY RESOLUTION :
 "RESOLVED THAT pursuant to Section 257 and other relevant provisions of the Companies Act, 1956, Shri N.C. Singhal be and is hereby appointed as a Director of the Company."
7. To consider, and if thought fit, to pass, with or without modifications, the following resolution as a SPECIAL RESOLUTION :
 "RESOLVED THAT pursuant to the provisions of Section 17 and other applicable provisions, if any, of the Companies Act, 1956, Clause III (C) of the Memorandum of Association of the Company be and is hereby altered by adding the following new sub-clauses 82 to 91 immediately after the existing sub-clause 81 :
 '82. To produce, procure, process, store, distribute and sell agricultural planting materials like seeds, seedlings, cuttings, grafts of various crops, bio-technology and tissue culture products, animal feed, poultry feed, fish feed, veterinary medicines and to engage in research and development activities relating to them and to establish and manage facilities like farms and laboratories for the purpose.
 83. To manufacture, procure, lease, store, distribute, hire out and sell agricultural equipment, implements and machinery including irrigation and micro-irrigation systems like drips and sprinklers.
 84. To produce, procure, process, store, distribute and sell grains, oilseeds, fruits, vegetables, flowers, plants, shrubs, and by-products, extracts and residues thereof and to establish, own, hire and manage farms, processing plants, for any such purpose.
 85. To engage in activities like dairying, sericulture, apiculture, floriculture, and mushroom cultivation.
 86. To engage in activities to provide crop insurance services and agricultural consultancy services.
 87. To carry on the business of buying, selling, exporting, importing, as well as to act as stockists, agents, consultants, representatives, distributors and dealers of all kinds of goods and services in India and abroad.
 88. To carry on the business of generation, transmission and distribution of electrical power and in particular to construct, laydown, establish, operate, fix and carry out thermal, hydraulic and nuclear power plants and stations, gas turbines, steam turbines and turbines of all other types, cables, optic fibre, wires, lines, accumulators, and to generate, acquire by purchase in bulk, accumulate, distribute and supply electricity and to manufacture and deal in all kinds of plants, machinery and equipment required for or capable of being used in connection with the generation, distribution, supply, storage and use of electricity.



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89. To construct, build, equip, own, maintain and to carry on business as keepers of, or to let out on hire, pipelines, liquid storage terminals, cold chain facilities like cold storage and refrigerated vans, storage chambers, godowns, warehouses for storing goods of any nature.
90. To set up, conduct, operate and maintain software and technology parks with satellite relay stations, digital communication facilities, power system terminals and all other facilities and infrastructure, whether on time sharing or other basis and to carry on the business of developing, improving, designing, marketing, selling and licensing software program packages of all descriptions.
91. To carry on the business of hotel, restaurant, cafe, tavern, refreshment room, lodging, housekeeping, hospitality services, caterers, food processors, importers and exporters of food, recreation, sports, amusement park, entertainment and any other business which can be conveniently carried on in connection therewith.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for giving effect to this resolution."

8. To consider, and if thought fit, to pass, with or without modifications, the following resolution as a SPECIAL RESOLUTION :

"RESOLVED THAT pursuant to the provisions of Section 149 (2-A) and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves of the commencement of the proposed businesses of the Company and/or activities referred to in the new sub-clauses 82 to 91 of Clause III (C) of the Memorandum of Association of the Company and authorises the Board of Directors to undertake the same as and when it thinks fit or necessary.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for giving effect to this resolution."

9. To consider, and if thought fit, to pass, with or without modifications, 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 all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), to the mortgages / charges / hypothecations / encumbrances created / to be created by the Company, in such form and manner and with such ranking and at such time and on such terms and conditions as the Board may determine, on all or any of the movable and / or immovable assets and properties of the Company wheresoever situate, present and future and / or the whole or any part of the undertaking(s) of the Company together with the power to take over the management of the business and concern of the Company in certain events of default in favour of the Lender(s), Agent(s) and Trustee(s), for securing the borrowings of the Company availed by way of loan (in foreign currency / rupee currency) and Securities (comprising of fully / partly paid Convertible Debentures and / or Non-Convertible Debentures with or without detachable or non-detachable warrants or any other instrument(s) of whatsoever nature) issued / to be issued by the Company, from time to time, subject to the limits approved under Section 293 (1) (d) of the Companies Act, 1956 from time to time, as also the working capital availed / to be availed by the Company in the ordinary course of business together with interest at the respective agreed rates, additional interest / compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on pre-payment, remuneration of the Agent(s) / Trustee(s), premium, if any, on redemption, all other costs, charges and expenses, including any increase as a result of devaluation / revaluation / fluctuation in the rates of exchange and all other monies payable by the Company in terms of the Loan / Hypothecation / Pledge Agreement(s), Debenture Trust Deed(s) or any other documents, entered into / to be entered into between the Company and the Lender(s), Agent(s), and Trustee(s), in respect of the said loans / borrowings / debentures / instruments and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to by and between the Board of Directors or Committee thereof and the Lender(s) / Agent(s) / Trustee(s).

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise, settle and execute such documents / deeds / writings / papers / agreements as may be required and accept or make alterations, changes, variations to or in the terms and conditions and to do all such acts, deeds, matters and things, as it may deem necessary, in regard to creating mortgages / charges / hypothecations / encumbrances as aforesaid, for the purpose of giving effect to this resolution."

10. To consider, and if thought fit, to pass, with or without modifications, the following resolution as a SPECIAL RESOLUTION :

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force), the existing Article 24 of the Articles of Association of the Company be substituted by the following new Article 24:

'24. The Company shall have power, subject to and in accordance with all applicable provisions of the Companies Act, 1956, if and when any statutory amendment thereto or any re-enactment thereof empowers the Company so to do, to buy-back any of its own shares whether fully paid-up or partly paid-up.'

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for giving effect to this resolution."

11. 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 to the Board of Directors to buy-back equity shares of the Company, whether fully paid or partly paid, on such terms and conditions as it may deem fit, as and when the Companies Act, 1956 is amended to enable companies to buy-back their own shares, subject to such conditions as may be prescribed from time to time, and as set out in further detail in the Explanatory Statement annexed hereto, so that the aggregate amount to be utilised by the Company for such buy-back shall not exceed Rs. 50 crores.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary to carry out the aforesaid intention in due compliance of law."

12. To consider, and if thought fit, to pass, with or without modifications, the following resolution as an ORDINARY RESOLUTION :

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications or re-enactment thereof, for the time being in force) and subject to the approval of the financial institutions, the Company hereby approves the re-appointment of and the remuneration payable to Shri C K Mehta as the Managing Director of the Company as approved by the Board of Directors, for a period of 3 years with effect from 1st October, 1997 as set out in the Explanatory Statement and the draft letter of re-appointment to be issued by the Company to Shri C K Mehta and placed before this meeting and initialled by the Chairman for the purpose of identification.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to revise such remuneration from time to time so long as it does not exceed the limits specified in Schedule XIII of the Companies Act, 1956 and also to do all such acts, deeds, matters and things as may be necessary, requisite, desirable or expedient for giving effect to this resolution."

Dated 6th August, 1997
Registered Office:
Opp. Golf Course,
Shastri Nagar,
Yerawada,
Pune 411 006.

By Order of the Board of Directors,
R. SRIRAMAN
Company Secretary & Chief (Law)



DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED

NOTES

- (1) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
- (2) Proxies, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- (3) An Explanatory Statement, as required by Section 173 (2) of the Companies Act, 1956, in respect of Items No. 5 to 12 set out above is annexed hereto.
- (4) The Register of Members and the Share Transfer Books of the Company shall remain closed from 17th September, 1997 to 30th September, 1997 (both days inclusive).
- (5) Members who did not respond to the Company's earlier advice to claim the unclaimed dividends for the financial years prior to 31.3.91 may submit their claims of dividends to the Registrar of Companies, Maharashtra, Mumbai, as all unclaimed dividends upto the financial years ended 31.3.1991 have been transferred to the General Revenue Account of the Central Government pursuant to the provisions of Section 205 A of the Companies Act, 1956.
- (6) Members who have not so far sent the Nomination Form in respect of the Personal Accident Policy under Investors' Welfare Scheme of the Company are, in their own interest, requested to do so at the earliest. This should be sent to the Registered office of the Company.
- (7) Members holding shares in the same name(s) and in the same order under different ledger folios are requested to apply for consolidation of such folios enclosing the relevant share certificates.
- (8) Members are requested to intimate immediately any change in their address to the Company, with the Pin Code number.
- (9) Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to send their queries to the Company Secretary atleast seven days before the date of the meeting, so that the information required by the members may be made available at the meeting.
- (10) Members attending the meeting are requested to bring with them the Attendance Slip attached to the Annual Report and handover the same at the entrance of the hall, duly filled in and signed.

Annexure to the Notice

Explanatory Statement as required by Section 173(2) of the Companies Act, 1956

Item No.5

Shri O. P. Khungar has been appointed by the Board of Directors as an Additional Director of the Company and thereafter designated as Occupier - Director of the Company. Shri O.P. Khungar holds office upto the date of the Annual General Meeting. As required by Section 257 of the said Act, notices have been received from members signifying their intention to propose Shri O. P. Khungar as a candidate for the office of Director liable to retire by rotation. Shri O.P. Khungar, a Mechanical Engineer, has more than three decades of vast industrial experience and his services will be of immense value to the Company.

Your Directors recommend his appointment as a Director.

None of the Directors except Shri O. P. Khungar, is in any way concerned or interested in the resolution.

Item No.6

Shri N. C. Singhal has been appointed by the Board of Directors as an Additional Director of the Company. Shri N. C. Singhal holds office upto the date of the Annual General Meeting. As required by Section 257 of the said Act, notices have been received from members signifying their intention to propose Shri N. C. Singhal as a candidate for the office of Director liable to retire by rotation. Shri N. C. Singhal recently retired as the Managing Director of SCICI and his vast experience will be of immense value to the Company.

Your Directors recommend his appointment as a Director.

None of the Directors except Shri N. C. Singhal, is in any way concerned or interested in the resolution.

Items No. 7 and 8

The Company is planning to diversify into new business areas relating to agriculture, trading, power, storage terminals, software park, and hospitality services in order to build on the strength of the existing business of the Company. It is proposed to alter the Objects Clause of the Memorandum of Association of the Company by adding new sub-clauses therein, as set out in the accompanying resolution.

Section 149 (2-A) of the Companies Act, 1956 provides that a Company shall not at any time commence any business unless the Company has approved of the commencement of any such business by a special resolution passed in that behalf in a general meeting and a declaration of compliance duly verified has been filed with the Registrar of Companies.

Your Directors, therefore, recommend passing of the Special Resolutions at Items No.7 and 8 of the accompanying Notice.

None of the Directors is in any way concerned or interested in the resolution.

Item No.9

As the members may be aware, the borrowings of the Company are in general required to be secured by mortgages/ charges/ hypothecations or encumbrances on all or any of the movable or immovable properties of the Company in such form, manner and ranking as may be stipulated by the Lender(s) and accepted by the Board of Directors of the Company from time to time.

The mortgages and/ or charges by the Company of its movable and immovable properties and/ or the whole or any part of the undertaking(s) of the Company in favour of the Lender(s)/ Agent(s)/ Trustee(s) with a power to take over the management of the business and concern of the Company in certain events of default by the Company, may be regarded as disposal of the Company's undertaking(s) within the meaning of Section 293 (1) (a) of the Companies Act, 1956.

In view of the above, your Directors recommend to the members to pass a resolution under this Section so as to enable the Board of Directors of the Company to create a mortgage and/ or charge for securing the borrowings of the Company, as and when necessary.

Shri R S Agarwal and Shri S A Beyabani, Nominee Directors of IDBI and GIC respectively, may be deemed to be concerned or interested in the resolution.

Items No. 10 and 11

The Companies Act, 1956 presently restricts the purchase of its own shares by a company unless the same is done with a view to reduce its capital. As the members may be aware, the Companies Act, 1956, is proposed to be amended shortly by incorporating a provision enabling companies to buy-back their own shares subject to certain conditions as may be prescribed under the proposed amendment. As mentioned in the resolution, the aggregate amount to be utilised by the Company for such buy-back shall not exceed Rs.50 crores. The Company proposes to complete the buy-back within 15 months from the date of passing of the resolution or from the date on which the amended Companies Act comes into force, whichever is later. Such buy-back shall be either for reduction of capital or for re-issue of shares, as the Board of Directors may decide from time to time, provided that such re-issue shall not be made before the expiry of a period of 24 months from the date of the last buy-back of the shares.

As your Directors are of the opinion that the buy-back of shares has advantages including improvement in the intrinsic worth of the equity shares and is considered beneficial to the shareholders, the proposed resolution is placed before you for your approval.

In order to enable the Company to buy-back its own shares, whether fully paid or partly paid, it is necessary to amend the existing Article 24 of the Articles of Association and substitute a new article therefor, as set out at Item No.10 of the accompanying Notice.

None of the Directors of the Company is in any way concerned or interested in either of the above resolutions, save and except to the extent of their shareholdings in the Company.

Item No.12

At its meeting held on 26th June, 1997, the Board of Directors of the Company has approved, subject to the approval of members, the re-appointment of Shri C K Mehta as the Managing Director of the Company with effect from 1st October, 1997 for a period of 3 years on the following terms :



DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED

1. The remuneration comprising of salary, commission, perquisites, other benefits and allowances payable to Shri C K Mehta, as the Managing Director shall be Rs.87,500/- p.m. or Rs.10,50,000/- p.a. In the absence or inadequacy of profits, the aforesaid remuneration shall be the maximum remuneration payable to him.

Perquisites and allowances shall include accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings and repairs, medical reimbursement, leave travel concession for himself and his family, club fees, medical insurance and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors.

2. The aforesaid remuneration shall be reviewed by the Board after the close of the financial year, if the Company has made profits in that year and Shri C K Mehta may be paid such enhanced remuneration as the Board may then decide, subject to the ceiling limits laid down in Section 198 and 309 of the Companies Act, 1956, or any modifications or re-enactment thereof.
3. The Company's contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961, gratuity payable at a rate not exceeding half a month's salary for each completed year of service and encashment of leave at the end of the tenure shall not be included in the computation of the remuneration as set out in paragraph (1) above.

Shri C K Mehta shall not be liable to retire by rotation as a Director of the Company.

The approval of the members is, therefore, sought to the re-appointment of and remuneration payable to Shri C K Mehta, with the authority to the Board of Directors to alter and vary the said terms of appointment and remuneration and perquisites within the limits specified in Schedule XIII of the Companies Act, 1956 or any amendments made hereafter in that regard.

A draft of the letter of re-appointment proposed to be issued to Shri C K Mehta is open for inspection to the members at the Registered Office of the Company between 10.30 a.m. and 1.00 p.m. on all working days of the Company, upto and including the day of the Meeting.

The above may be treated also as an Abstract as required under Section 302 of the Companies Act, 1956.

Shri C K Mehta himself is interested in the resolution, and Shri S C Mehta and Shri D C Mehta being the sons of Shri C K Mehta may be deemed to be interested in the resolution.

Dated 6th August, 1997

Registered Office:

Opp. Golf Course,

Shastri Nagar,

Yerawada,

Pune 411 006.

By Order of the Board of Directors,

R. SRIRAMAN

Company Secretary & Chief (Law)

Directors' Report

To the Members,

Your Directors have pleasure in presenting herewith the Seventeenth Annual Report together with the Audited Accounts of the Company for the Financial Year ended March 31, 1997.

FINANCIAL RESULTS

The summarised financial results for the year are as under :

	(Rs. in lacs)	
	1996-97	1995-96
Sales (including other income)	29,827.14	28,091.61
Profit before depreciation and prior years' adjustments.....	6,538.61	5,655.03
Less:		
a) Depreciation	2,455.09	2,314.12
b) Prior years' adjustments (net)	765.65	(7.79)
Net Profit before tax	3,317.87	3,348.70
Less:		
a) Provision for Income Tax (net)	399.42	-
b) Provision for Wealth Tax (net)	2.79	1.00
Profit after tax	2,915.66	3,347.70
Add :		
a) Investment Allowance Utilised Reserve, transferred	1,200.00	-
b) Balance brought forward	704.72	(1,542.98)
	4,820.38	1,804.72
Appropriation :		
a) Transferred to Debenture Redemption Reserve	1,100.00	1,100.00
b) Transferred to Capital Redemption Reserve	150.00	-
c) Dividend paid on Cumulative Redeemable Preference Shares	135.00	-
Surplus carried to the Balance Sheet	3,435.38	704.72

During the year, all the plants of your Company worked at high capacity utilisation and several production milestones were crossed. Sales also increased to Rs.293 crores as against Rs.275 crores for the previous year. Despite difficult conditions, the Company made a net profit of Rs.33.18 crores before taxes as against Rs.33.49 crores for the previous year.

DIVIDEND

Although the good results achieved by the Company for the year under review would have made recommendation of a dividend possible, the impending steep increase in the administered price of gas, the vital raw material, has prompted your Directors to opt for not recommending any dividend till the policy decision by the Government is announced. The policy is expected to be announced shortly.



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OPERATIONS

A) Production

The product-wise output during the year and the preceding year was as follows:

	1996-97		1995-96	
	Production (MT)	Capacity Utilisation(%)	Production (MT)	Capacity Utilisation (%)
Ammonia	99,800	111	91,300	101
Methanol	92,500	92	86,700	87
DNA	1,71,400	86	1,55,300	78
CNA	32,100	97	27,900	85
AN	55,900	155	50,000	139
ANP	1,61,500	70	1,45,300	63

The production of Ammonia was the highest ever achieved by the Company in any financial year so far.

The Methanol plant had to run on the limited load mainly on account of the persisting problems with the catalyst supplied by ICI, UK.

As the Company has now established a brand preference for its ANP fertiliser, namely MAHADHAN, the production of ANP was also higher during the year. The production could have been still better had Ammonia availability not been a constraint. In fact, the Company had to procure Ammonia from outside sources.

The production of Dilute Nitric Acid also improved along with the increased production of ANP, but was still below the rated capacity. The capacity utilisation of this plant is expected to improve steadily.

With the modifications carried out in the Ammonium Nitrate (AN) plant, the production of AN has shown marked improvement and surpassed the previous annual record.

B) Marketing

Methanol was singled out by the Government among other chemicals for 10% lower customs duty tariff despite strong representations from the Methanol industry, pointing out that :

- gas prices in India are much higher than in the competing Middle-East / South-East Asian countries;
- plants in India have been set up at 85% customs duty on project imports and at high interest costs.

The Company continues to plead that while liberalisation is welcome, the Government must ensure a level playing field. In the meantime, the Methanol prices continued to be under pressure to ensure import-parity. Despatches matched with the production levels as the consumer industries demand registered a small growth.

The Company's market segmentation strategies for AN continued to help in improving overall sales of this product line.

As regards the ANP fertiliser, your Directors regret to note that continued partial de-control policy, coupled with ad-hoc subsidisation is resulting in ANP price realisation continuing to be below full cost coverage.