

2011





Gujarat
Narmada Valley
Fertilizers
Company Limited

FOR MEMBERS' ATTENTION

1. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, the 2nd September, 1997 to Thursday, the 25th September, 1997 (both days inclusive).
2. Members are requested to notify immediately change in their address to the Company, specifying the Registered Folio No., full address in Block Capitals with Pin Code Number of the Post Office.
3. Members are requested to send their queries atleast ten days before the date of the meeting so that the information can be made available at the meeting.
4. Members are requested to bring their copy of the Annual Report alongwith them to the Annual General Meeting, as extra copy will not be supplied.
5. Members are requested to detach Entrance pass from this Report and bring with them the same and handover at the Entrance duly signed by them.
6. The dividend, upon its declaration at the Annual General Meeting, will be paid on and from 20-10-1997 to those Members whose names appear on the Register of Members of the Company on 25th September, 1997.
7. With a view to ensuring that future dividend warrants reach our Shareholders safely and promptly, the Company proposes to issue dividend warrants with the details of name of the bank, short address of the branch and his/her account number therein. Those shareholders who have not furnished such particulars in pursuance of our earlier request are requested to furnish to the Company with the said details alongwith their Folio Number.
8. Necessary arrangements for Buses from S. T. Depot, Bharuch to the place of meeting will be made by the Company on the day of the meeting.

UNCLAIMED DIVIDENDS

Those members who have not encashed their dividend warrants for the past years are requested to see the notes No. 4 & 5 printed immediately after the Notice of Annual General Meeting.



GUJARAT NARMADA VALLEY FERTILIZERS COMPANY LIMITED

21ST ANNUAL GENERAL MEETING

Date : 25th September, 1997
 Day : Thursday
 Time : 2.00 P. M.
 Place : Near Jan Vikas Temple,
 Narmadanagar-392 015.
 District : Bharuch.

MD	✓		BKC	✓
CS	✓		DPY	✓
RO	✓		DIV	✓
TRA	2/3		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		

BOARD OF DIRECTORS

Prof. Kishorsinh H. Solanki, *Chairman*
 Shri H. K. Khan
 Shri S. K. Duggal
 Shri Manu Shroff
 Shri K. J. M. Shetty
 Shri B. Krishnamoorthy
 Shri Mahendra G. Vyas
 Shri A. Prasad
 Dr. V. V. Rama Subba Rao
 Shri K. C. Mahapatra, *Managing Director*

Executive Directors

Shri C. Raghava Rao
 Shri B. M. Sharma
 Shri A. L. Vidyasagar
 Shri J. K. Shah
 Shri S. Karupiah
 Shri R. C. Desai

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Senior Manager (Secretarial and Legal)

Shri R. B. Panchal

Auditors

M/s. C. C. Chokshi & Company, Ahmedabad

Solicitors & Legal Advisors

M/s. Little & Company, Mumbai

Registered Office :

P. C. Narmadanagar,
 Pin : 392 015,
 District : Bharuch, Gujarat
 INDIA.



Gujarat
Narmada Valley
Fertilizers
Company Limited

NOTICE

NOTICE IS HEREBY given that the **21st Annual General Meeting** of the Members of Gujarat Narmada Valley Fertilizers Company Limited will be held at the Registered Office of the Company on Thursday, the 25th September, 1997 at 2.00 P.M. to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1997 and Profit & Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Shri Manu Shroff who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and to fix their remuneration 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 224A(1) and other applicable provisions, if any, of the Companies Act, 1956, the retiring Auditors M/s. C.C. Chokshi & Company, Chartered Accountants be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be determined by the Board of Directors and reasonable out-of-pocket expenses actually incurred by them in connection with the audit."

SPECIAL BUSINESS:

To consider and, if thought fit, to pass with or without modifications, the following Resolutions :

5. As an Ordinary Resolution :

"RESOLVED that Shri Mahendra G. Vyas be and is hereby appointed as a Director of the Company liable to retire by rotation."

6. As an Ordinary Resolution :

"RESOLVED that Shri A. Prasad be and is hereby appointed as a Director of the Company liable to retire by rotation."

7. As an Ordinary Resolution :

"RESOLVED that Dr. V. V. Rama Subba Rao be and is hereby appointed as a Director of the Company liable to retire by rotation."

8. As an Ordinary Resolution :

"RESOLVED that in addition to the mortgages and charges created and to be created by the Company pursuant to the consents given at the General Meetings of the Company held from time to time, the consent of the Company be and is hereby accorded pursuant to the provisions of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, to the mortgaging and/or charging by the Board of Directors of the Company of all the immovable and movable properties of the Company wheresoever situate, present and future, and the whole of the undertaking of the Company together with power to take over the management of the business and undertaking of the Company in certain events, to secure a loan or loans and/or deposits and/or credit facilities and/or deferred payment facilities and/or guarantees for securing any loans or deferred payment facilities and/or debentures or bonds and/or any other form of borrowing, in any currency or currencies, for amounts not exceeding in the aggregate Rs. 1,200 Crores remaining outstanding at any time and interest and all other moneys payable in connection therewith, to be obtained from or to be issued to financial institutions and/or banks and/or other parties by the Company."

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to finalise and execute all such documents for creating the aforesaid mortgages and/or charges and on such terms and conditions as they may deem fit, proper or appropriate in their absolute discretion and to do all such acts, things and matters as may be necessary for giving effect to the above Resolution."

9. As an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, the Company hereby accords its approval and consent to the appointment of Shri KC Mahapatra, IAS, as the Managing Director of the Company from 9th January, 1997 to 8th January, 1999 or until his services are withdrawn from the Company by the State Government, whichever is earlier, on the terms and conditions of his remuneration as set out in the explanatory statement annexed hereto."

"FURTHER RESOLVED that the remuneration, benefits and perquisites set out in the explanatory statement shall be paid and allowed to him as minimum remuneration notwithstanding the absence or inadequacy of profits in any year."

10. As a Special Resolution :

"RESOLVED that in supersession of the resolution passed by the Shareholders at the Annual General Meeting held on 24th September, 1996, in pursuance of the provisions under Section 17 and other applicable provisions of the Companies Act, 1956, the provisions of the Company's Memorandum of Association with respect to the Objects of the Company be and they are hereby altered by adding and inserting five new sub-clauses hereunder numbered and marked Sub-clauses (21), (22), (23), (24) and (25) in Clause III(C) of the Company's Memorandum of Association :

- (21) To promote, develop, generate, distribute, accumulate, transmit, supply, sell electricity and/or power by installing power plant/s, whether based on thermal, hydel, gas, solar, wind energy, tidal energy, co-generation or any other source, whether conventional or non-conventional and to lay down, establish power stations, cables, transmission lines or towers, sub-stations, terminals and any other activities for the aforesaid purposes and to acquire, run or manage any Company or undertaking engaged in similar activities, within the policies, if any, laid down by the Central Government from time to time and for any or all of the aforesaid purposes, to do all the ancillary activities as may be considered necessary or beneficial or desirable.
- (22) To manufacture, assemble, purchase, sell, export, import, alter, repair, transfer, lease, hire, license, use, dispose of, operate, fabricate, construct, distribute, design, charter, acquire, market, recondition, work upon, or otherwise deal in, whether as manufacturers, dealers, distributors, agents of other manufacturers or otherwise of any products pertaining to the Computer Hardware Industry such as general computer systems, Computer Aided Designing/ Computer Aided Manufacturing work stations, scanners, scanner plotters, servers, digitizers, dot matrix, line, laser and near letter quality printers, tapes and tape units, disks and disk drives, computerised numerical control systems, programmable controllers, optical scanning

machines, optical readers, sorters and encoders, magnetic ink character recognition systems, software procedures and other machines for data preparations, recording, registering, processing, perforating, tabulating, sorting products which possess an internal intelligence for recognizing and correlating any type of data and information to be processed.

- (23) To provide consultancy, advisory and marketing services relating to the Computer Software Industry such as preparation and maintenance of accounts, statistical, scientific, mathematical information and reports, data processing, programming, collecting, storing, processing and transmittating data of every kind and description, systems analysis and machine services for solving or aiding commercial, technical, engineering, industrial, scientific, research and any kind of problems relating to all fields.
- (24) To develop, supply, improve, design, market, provide, sell, purchase, license, maintain and operate engineering consultancy software services and programme products of any and all descriptions.
- (25) To manufacture, produce, buy, sell, dispose of and deal in gas, coke, tar and all other residual products resulting from the manufacture of gas, and to carry on all the businesses that are usually or may be conveniently carried on by gas companies and to supply gas for lighting, heating, motive power, or any other purpose whatsoever and to acquire, construct, create, lay down, maintain, enlarge, alter, work and use all such lands, buildings, easements, gas and other works, machinery, plant, stock, pipes, lamps, motors, fittings, meters, apparatus, materials and things, and to supply all such materials, products and things as may be necessary, incidental, or convenient in connection with the production, use, storage, regulation, measurement, supply and distribution of any of the products of the Company."

11. As a Special Resolution :

"RESOLVED that in supersession of the resolution passed by the Shareholders at the Annual General Meeting held on 24th September, 1996, in pursuance of the provisions under Section 149(2A) and other applicable provisions of the Companies Act, 1956,



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the Company in General Meeting hereby approves of the commencement and carrying on of all or any of the businesses and activities covered under Sub-clauses (21) to (25) in Clause III(C) of the Company's Memorandum of Association after the insertion of the said sub-clauses therein becoming effective and at such time and in such manner as may be deemed fit by the Board of Directors of the Company."

By Order of the Board of Directors,

Registered Office :

Narmadanagar-392 015,
District : Bharuch.

R. B. PANCHAL

Dated : 31st July, 1997. *Sr. Manager (Secretarial & Legal)*

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. THE INSTRUMENT APPOINTING PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. An Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of Item Nos. 4 to 11 set out above is annexed hereto.
4. Members who have not claimed the unclaimed dividends for and upto the financial year ended 31st March, 1993 may now submit their claims of dividend to the Registrar of Companies (Gujarat), Jivabhai Chambers, Ashram Road, Ahmedabad : 380 009 as the same have been transferred to the General Revenue Account of the Central Government pursuant to Section 205 A of the Companies Act, 1956.
5. **Members are requested to claim from the Company their unclaimed dividends, if any, in respect of financial years 1993-94, 1994-95 & 1995-96 at the earliest, as the dividends remaining unclaimed will have to be transferred to the General Revenue Account of the Central Government as required under Section 205A of the Companies Act, 1956. Those who have not encashed their dividend warrants for the aforesaid financial years may approach the Company immediately for revalidation of Dividend Warrants or for issuance of duplicate dividend warrants if they have lost or misplaced the same.**

ANNEXURE TO THE NOTICE

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

Item No. 4

Section 224A (1) of the Companies Act, 1956, provides for the appointment or re-appointment of an Auditor of a Company at each Annual General Meeting by a Special Resolution, if the Company is one in which not less than 25% of the subscribed share capital is held, whether singly or in any combination, by a Public Financial Institution or a Government Company or Central or State Government or any Financial or other Institution in which a State Government holds not less than 51% of the subscribed share capital or a Nationalised Bank or an Insurance Company carrying on general insurance business.

The holding of Gujarat State Investments Ltd, a Government of Gujarat undertaking as also of the Public Financial Institutions, Nationalised Banks and Insurance Companies as contemplated under Section 224A of the Companies Act, 1956 is more than 25% of the subscribed share capital of the Company in aggregate and hence, the re-appointment of M/s C. C. Chokshi & Company, as Auditors of the Company, is required to be made by a Special Resolution.

Your Directors commend this resolution for your approval.

None of the Directors of the Company is in any way regarded as concerned or interested in the said resolution.

Item Nos. 5 to 7

S/Shri Mahendra G Vyas, A Prasad and Dr. VV Rama Subba Rao have been appointed as Additional Directors on the Board of the Company, in accordance with Article 142 of the Articles of Association of the Company. Pursuant to Section 260 of the Companies Act, 1956, they hold office only upto this Annual General Meeting. As required by Section 257 of the Companies Act, 1956, notices together with deposit of Rs.500/- each have been received from Gujarat State Investments Limited signifying its intention to propose S/Shri Mahendra G Vyas, A Prasad and Dr. VV Rama Subba Rao for the office of Directors of the Company. Shri Mahendra G Vyas is a Legal Practitioner. He has rich experience in the legal field. Shri A Prasad, IAS is the Principal Secretary to Government of Gujarat and Dr. V V Rama Subba Rao, IAS is an Additional Chief Secretary to Government of Gujarat. They have rich experience in the field of administration. The

Board considers that it would be in the interest of the Company to appoint them as Directors and therefore, commends the resolutions for their appointment.

S/Shri Mahendra G Vyas, A Prasad and Dr VV Rama Subba Rao may be regarded as concerned or interested in the respective resolutions for their appointment as Rotational Directors on the Board of the Company. None of the Directors of the Company except S/Shri Mahendra G Vyas, A Prasad and Dr. VV Rama Subba Rao is in any way regarded as concerned or interested in the said resolutions:

Item No. 8

The Company has approached various financial institutions/banks for financial assistance in the form of term loans/subscription to privately placed debentures to part finance its Synthesis Gas Generation Unit as also to part-finance the modernisation/revamping of Ammonia, Urea and Methanol Plants of the Company and long term working capital requirements of the Company. Further, the Company proposes to diversify its activities in the fields of power generation, computer software & hardware manufacturing and manufacturing of syngas, etc.

The consortium of the commercial banks have sanctioned the working capital facilities (fund and non-fund based) from time to time for the short term/long term working capital requirements of the Company. Depending upon the need, these credit facilities may be required to be enhanced by the said commercial banks from time to time. At present, the Company has been sanctioned the working capital facilities to the tune of Rs. 355 Crores by the consortium of banks.

With a view to meet the financial requirements for the projects under implementation as also the projects as may be taken up for implementation in future, further borrowings will be made by the Company within the over all limit of Rs. 1,200 Crores as approved by the shareholders at their Extraordinary General Meeting held on 26th February, 1994.

The said loans/debentures/working capital facilities and the further borrowings as may be made by the Company from time to time will have to be secured by mortgage and/or charge of all the immovable and movable properties of the Company, both present and future.

Section 293(1)(a) of the Companies Act, 1956, provides inter alia, that the Board of Directors of a public limited company shall not, without the consent of such public

company in General Meeting, sell, lease or otherwise dispose of the whole, or substantially the whole of the undertaking of the Company.

Since the mortgaging by the Company of its immovable and movable properties as aforesaid in favour of the financial institutions and/or banks may be regarded as disposal of the Company's properties/undertakings, it is necessary for the members to pass a resolution under Section 293(1)(a) of the Companies Act, 1956.

Your Directors commend this resolution for your approval.

None of the Directors of the Company except Shri B. Krishnamoorthy who is the nominee of IDBI is in any way regarded as concerned or interested in the said resolution.

Item No. 9

As required under Article 173 of the Articles of Association of the Company, the Board of Directors has, in consultation with Government of Gujarat appointed Shri KC Mahapatra, IAS as a Managing Director of the Company for a period of 2 years from 9th January, 1997 to 8th January, 1999 or until his services are withdrawn from the Company by the State Government, whichever is earlier, on the terms and conditions mentioned hereunder. In terms of the provisions of Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, the appointment of Shri KC Mahapatra as Managing Director and payment of remuneration to him are subject to the approval of the Shareholders in General Meeting. The proposed resolution is for according your approval to the appointment of Shri K C Mahapatra as the Managing Director and payment of remuneration to him. The particulars of remuneration paid/payable to Shri KC Mahapatra are as follows :

1. Pay :

He shall draw the pay and allowances, in the Scale of Addl. Chief Secretary to Govt. (Rs.7300-7600) by virtue of the equation of the post of Managing Director, Gujarat Narmada Valley Fertilizers Company Limited with the IAS Cadre post of Addl. Chief Secretary to Government.

2. Travelling Allowance while on foreign service :

For journeys in connection with duties in the Company, Shri KC Mahapatra shall be paid T.A. and D.A. according to the Rules framed by the Company in this regard, or as per Bombay Civil Service Rules at his option.



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3. Leave and Leave Salary :

He shall be entitled to leave and leave salary as per the All India Service (Leave) Rules, 1955. Leave Salary contribution for the period of his foreign service in the Company shall be borne by the Company.

4. Medical Attendance :

He shall be entitled to the medical facilities admissible under All India Service (Medical) Attendance Rules, 1954, or under the Rules framed by the Company at his option.

5. Leave and Pension Contribution :

Contribution on account of leave and pension shall be paid by the Company to the State Government in accordance with the provisions of Bombay Civil Service Rules and in consultation with the Accountant General, Gujarat.

6. Disability Leave :

The Company shall be liable to pay leave salary in respect of disability leave granted to him on account of any disability occurred in or through his foreign service even if such injury/disability manifests itself after the expiry of foreign service.

7. Compensatory Allowance including H.R.A. :

He shall be entitled to receive the compensatory local allowance and the House Rent Allowance at the place of duty while on foreign service, in accordance with the rules of the State Government or as per the rules, if any, of the Company, at his option.

8. Compensatory Allowance including H.R.A. during leave :

The whole expenditure in respect of any compensatory allowance for the period of leave taken by Shri KC Mahapatra on foreign service while in or at the end of his foreign service, shall be borne by the Company.

Leave Travel Concession :

For the purpose of LTC, he will continue to be governed by the rules applicable to the State Civil Service Class - I Officers or at his option, by the rules applicable to the corresponding employees of the Company, in case he opts for the State L.T.C. Rules. If he has opted for the "Central Rules" and the benefit of LTC is available in the Company, he will be governed by the LTC Rules applicable to the corresponding employees of the Company. If he has opted for the

"Central Rules", and benefit of LTC is not available in the Company, he will be eligible for the LTC benefit as in the case of the Officers of "Central Civil Service Group-A" in accordance with Government circular GAD No.AIS-2083-GOI-II.G. dated 11.10.1984.

10. Dearness Allowance :

He shall be entitled to draw dearness allowance as admissible under All India Service (DA) Rules, 1972.

11. Provident Fund :

He shall be entitled to continue to subscribe to the provident fund maintained by Govt. in accordance with All India Service (PF) Rules, 1955 and be subject to the same rules as would be applicable to him, had he not been deputed to the Company.

12. Leave Encashment :

He will be entitled to the leave encashment benefits as admissible under Govt Resolution GAD No. AIS-4291-3761-G dated 7.8.1991.

13. Joining time, Joining time pay and allowances and Transfer T.A. :

He shall be entitled to transfer travelling allowance and joining time pay on joining the post on foreign service as well as on reversion to State service under the rules of State Government. The expenditure on this account shall be borne by the Company.

14. Pension/Gratuity in the event of injury or death while on foreign service :

The Company shall be responsible for the payment of any gratuity or pension that may be admissible under the rules, if any injury is sustained by Shri KC Mahapatra or his death occurs during the foreign service.

15. Conveyance :

Shri KC Mahapatra, IAS will be eligible for the use of official car, as available to the Addl. Chief Secretary to Govt. as provided under Govt. Resolution GAD No.AIS-3185-1468-G dated 11.9.85, as amended from time to time, during his deputation with the Company:

16. Death-cum-Retirement Benefits :

During the period of foreign service, Shri KC Mahapatra shall continue to be governed by the All India Service (Death-cum- Retirement Benefits) Rules, 1958 as applicable to him from time to time.

17. Residential Accommodation :

If unfurnished residential accommodation is provided by the Company, he shall have to pay the rent to the Company at the flat rate prescribed under Finance Department Resolution No.ECR/1084/59/M dated 3.9.87. In case Government accommodation is allotted to him, the difference between flat rate prescribed under FD.GR. No.ECR/1087/59/M dated 3.9.87 and the economic rent, be borne by the Company.

18. Group Insurance :

During the period of deputation, he will continue to be governed by All India Service (Group Insurance) Rules, 1981.

The proposed resolution is for the aforesaid purpose and is commended to the Shareholders for their approval.

The above shall also be regarded as abstract of the terms and memorandum of concern or interest under Section 302 of the Act.

None of the Directors of the Company except Shri KC Mahapatra is in any way regarded as concerned or interested in the said resolution.

Item Nos. 10 & 11

It may be recalled that the shareholders of the company had at the last Annual General Meeting of the Company held on 24th September, 1996 passed a Special Resolution subject to the confirmation of the Company Law Board (CLB) enabling the Company to undertake the business of power generation, syn gas manufacturing and computer hardware/software manufacturing.

After the above Special Resolution was passed, the Companies (Amendment) Bill, 1996 was introduced in the Parliament, inter alia, amending the provisions of Section 17 and 18 of the Companies Act, 1956 for the dispensation of obtaining the confirmation of the CLB in respect of alteration in the Objects Clause of the Memorandum of Association (M&A) of a Company. Subsequently, the

provisions under the Companies (Amendment) Act, 1996 have come into force on and from 1st March, 1997.

By then, the Company had not initiated any action for taking up the business as contained in the altered Objects Clause of M&A. So, also, the procedure for obtaining confirmation of CLB is very time consuming and costly, and therefore, the Company did not proceed with the application to the CLB for its confirmation to the alteration in the Objects Clause of the M&A.

Now, in terms of the amended provisions of the Companies Act, 1996, the companies are no longer required to apply to the CLB for its confirmation to the alteration in the Objects Clause of the M & A. As the earlier alteration was conditional and subject to the confirmation of the CLB, fresh resolution under Section 17 and consequential resolution under Section 149(2A) of the Companies Act, 1956 for commencement of the business thereunder have been placed for consideration and approval.

Diversifying into the new proposed areas would enable the Company to carry on its business more economically and efficiently and also to enlarge its area of operations.

The Directors commend the resolutions for your approval.

None of the Directors of the Company is in any way regarded as concerned or interested in the said resolutions.

Inspection of Documents :

All documents referred to in this Notice and the Explanatory statement are open for inspection at the Registered Office of the Company between 9:30 AM and 11:30 AM during working days of the Company.

By Order of the Board of Directors,

Registered Office :

Narnadanagar-392 015,

District : Bharuch.

Dated : 31st July, 1997. *Sr. Manager (Secretarial & Legal)*

R. B. PANCHAL



Gujarat
Narmada Valley
Fertilizers
Company Limited

DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure in presenting the 21st Annual Report and Audited Statements of Accounts of the Company for the financial year ended 31st March, 1997. The year under review has witnessed all-round satisfactory performance.

1.0 FINANCIAL HIGHLIGHTS

The Company has achieved a sales turnover of Rs.1,223 Crores for the year under review against the turnover of Rs.805 Crores for the previous year, thus registering 51.9% increase in the turnover. The rise in turnover is mainly on account of trading activities of imported fertilizers undertaken by the Company in a big way. The profitability of the Company is under pressure mainly on account of increase in the price of petroleum products, railway freight and power tariff. In spite of this situation, the Gross Profit of the Company has increased by Rs.11.82 Crores. The Net Profit of the Company for the year is Rs.64.83 Crores.

Following are the financial highlights :

	(Rupees in Crores)	
	1996-97	1995-96
Gross profit for the year after meeting with all expenses but before providing for interest, depreciation and taxes	214.27	202.45
Interest (Net)	77.58	65.59
Depreciation	49.86	41.51
Profit before tax	86.83	95.35
Provision for taxation	22.00	0.02
Net Profit	64.83	95.33
Less : Transferred to Investment Allowance Reserve Account	0.00	2.11
Less : Transferred to Debenture Redemption Reserve Account	18.47	21.26
Add : Transferred from Investment Allowance (Utilised) Reserve Account	0.19	0.58
Add : Balance brought forward from previous year	38.45	8.14
Amount available for appropriation	85.00	80.68
Out of which, the Directors have decided to provide for and transfer to -		
a) General Reserve	7.00	10.00
b) Proposed Dividend	32.23	32.23
c) Tax on proposed Dividend	3.22	0.00
Amount carried to Profit & Loss Account	42.55	38.45

2.0 DIVIDEND

Your Directors recommend payment of dividend @ 22%. The dividend when declared will be payable to the Members whose names will appear in the Register of Members of the Company as on Thursday, the 25th September, 1997.

3.0 PRODUCTION

Despite there being a planned and unplanned shutdowns, your Company has recorded the highest ever production in Methanol-I, Concentrated Nitric Acid, Acetic Acid and Printed Circuit Board Plants during the year. Your Company has been able to sustain the level of performance and over all productivity on account of various reliability improvement measures, avoiding unnecessary trippings by proper analysis and improved maintenance practices.

The following are the highlights of the production achieved by various plants of the Company:

3.1 Ammonia-Urea

The production of both Ammonia and Urea Plants has been impressive by producing 4,76,665 MTs of Ammonia registering a capacity utilisation of 107% and 6,51,425 MTs of Urea by registering the capacity utilisation of 110%. The corresponding figures for the last year were 5,20,810 tonnes of Ammonia and 6,91,461 tonnes of Urea registering the capacity utilisation of 117% and 116% respectively.

3.2 Methanol

There has been a significant rise in the production of Methanol as both Methanol-I and II Plants of the Company operated over 100% capacity utilisation by producing 1,32,798 MTs of Methanol. The figure of Methanol production of the last year was 1,19,857 tonnes. In fact the Methanol-I Plant of the Company achieved the highest ever yearly production by producing 25,318 MTs of Methanol with a capacity utilisation of 127%.

3.3 Formic Acid

The performance of Formic Acid Plant of the Company remained satisfactory with the production of 8,067 MTs of Formic Acid achieving a capacity utilisation of 161%. The corresponding figure for the previous year was 8,822 tonnes of Formic Acid with the capacity utilisation of 176%.

3.4 Acetic Acid

In the first full year of its commercial production, Acetic Acid Plant of the Company achieved impressive performance by producing 50,550 MTs of Acetic Acid with a capacity utilisation of 101%.