

## 22nd Annual Report 1997 - 98

Mr.	
Mrs.	
Ms.	
Dr.	
Prof.	
Rev.	
Other	
Signature	



Gujarat Narmada Valley Fertilizers Co. Ltd.



**Gujarat  
Narmada Valley  
Fertilizers  
Company Limited**

## **FOR MEMBERS' ATTENTION**

### **I. SOME IMPORTANT NOTES :**

1. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, the 4th August, 1998 to Monday, the 31st August, 1998 (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.
3. Members are requested to bring their copy of the Annual Report along with them to the Annual General Meeting of the Company, as extra copy will not be supplied.
4. Members desiring information as regards the accounts are requested to send their queries atleast fifteen (15) days before the date of the Meeting so as to enable the Company to make the information available at the Meeting.
5. Members are advised to get their multiple folios merged/consolidated which are held in the same names and in the same order.
6. The Company has joined Depository System with National Security Depository Limited to enable the shareholders to deal in the securities in electronic mode. Those desirous may avail of this facility.

### **II. PAYMENT OF DIVIDEND / UNCLAIMED DIVIDEND :**

1. The dividend upon its declaration in the Annual General Meeting, will be paid on and from 12th October, 1998 to those members whose names appear in the Register of Members of the Company on Monday, the 31st August, 1998.
2. In pursuance of Section 205A of the Companies Act, 1956 unclaimed dividends for and up to the financial year 1993-94 have been transferred to the General Revenue Account of the Central Government. Members who have not claimed/encashed their dividends for any of the aforesaid years may now submit their claims of dividends to the Registrar of Companies (Gujarat), CGO Complex, Opposite Rupal Park, Near Ankur Bus-Stop, Naranpura, Ahmedabad-380 013.
3. Members are requested to claim from the Company their unclaimed dividend(s), if any, in respect of financial years 1994-95, 1995-96 and 1996-97 at the earliest by submitting their dividend warrants for revalidation or by applying for issuance of duplicate dividend warrants if they have lost or misplaced the original dividend warrants.

### **III. REGARDING ANNUAL GENERAL MEETING :**

1. Arrangements for buses from ST Depot, Bharuch to the place of meeting will be made by the Company on the day of the Meeting.
2. Members/proxies are requested to detach the Entrance Pass from this report and hand over at the Entrance duly signed by them.
3. Relevancy of question(s) and the order of Speaker at the Meeting will be decided by the Chairman.





## GUJARAT NARMADA VALLEY FERTILIZERS COMPANY LIMITED

### 22ND ANNUAL GENERAL MEETING

Date : 24th September, 1998  
 Day : Thursday  
 Time : 2.00 P.M.  
 Place : Near Jan Vikas Temple,  
 Narmadanagar – 392 015.  
 District : Bharuch.

### BOARD OF DIRECTORS

(as on 30th July, 1998)

Shri Pradipsinh B. Jadeja, *Chairman*  
 Shri G. Subba Rao  
 Shri K.V. Bhanujan  
 Shri Gurcharan Singh  
 Shri K.J.M. Shetty  
 Shri N.R. Ranganathan  
 Shri B. Krishnamoorthy  
 Shri Manu Shroff  
 Shri A.M. Bharadwaj, *Managing Director*

### Executive Directors

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

### Contents

### Page No.

#### GNFC

Notice & Annexure to the Notice	2
Directors' Report and its Annexures	6
Auditors' Report and its Annexure	18
Balance Sheet	20
Profit & Loss Account	21
Schedules to the Balance Sheet (1 to 11)	22
Schedules to the Profit & Loss Account (12 to 18)	26
Accounting Policies & Notes on Accounts	27
Additional Information	30
Cash Flow Statement	33
Statement Relating to Subsidiary Company	34

#### NCPL

Board of Directors	35
Directors' Report and its Annexure	35
Auditors' Report and its Annexure	40
Balance Sheet	42
Profit & Loss Account	43
Schedules to the Accounts (1 to 22)	44
Significant Accounting Policies & Notes on Accounts	47
Cash Flow Statement	52

### Company Secretary

Shri R.B. Panchal

### Auditors

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

### Solicitors & Legal Advisors

M/s. Little & Company, Mumbai

### Registered Office :

P.O. Narmadanagar,  
 PIN : 392 015,  
 District : Bharuch, Gujarat,  
 INDIA.



Gujarat  
Narmada Valley  
Fertilizers  
Company Limited

## NOTICE

NOTICE IS HEREBY given that the **22nd Annual General Meeting** of the Members of Gujarat Narmada Valley Fertilizers Company Limited will be held at the Registered Office of the Company, Near Jan Vikas Temple, Narmadanagar on Thursday, the 24th September, 1998 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, 1998 and the 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 K.J.M. Shetty 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 modification, 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 modification, the following Resolutions :

#### 5. As an Ordinary Resolution :

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

#### 6. As an Ordinary Resolution :

"RESOLVED that pursuant to the provisions of

Sections 198, 269 and 309 read with provisions of Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its approval and consent to the appointment of Shri A.M. Bharadwaj, IAS, as the Managing Director of the Company for a period of 2 years effective from 15th April, 1998 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 Shri A.M. Bharadwaj, Managing Director of the Company be and is hereby authorised to exercise substantial powers of Management and shall be responsible for the day to day Management of the Company subject to the superintendence, direction and control of the Board of Directors and shall carry out such duties as may be entrusted and/or delegated to him by the Board of Directors of the Company from time to time."

"FURTHER RESOLVED that the Board of Directors of the Company be and is hereby authorised to agree to any variation, modification or amendment as may be conveyed by the Government of Gujarat in the terms and conditions of appointment and payment of remuneration and providing of perquisites by the Company to the Managing Director and if necessary, as may be prescribed/ approved by the Central Government or in accordance with Schedule XIII to the Companies Act, 1956."

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

#### 7. As a Special Resolution :

"RESOLVED that pursuant to the provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications and re-enactment thereof, for the time being in force) and the provisions of other statutes as applicable and subject to such approvals, consents, permissions and sanctions as

## Annual Report 1997-98

may be necessary from the appropriate authorities or bodies, the Articles of Association of the Company be and is hereby altered as follows :

(A) In Article 2 of the Articles of Association of the Company under the heading "Interpretation", the following new definitions shall be inserted at their respective places in alphabetical order :

- (i) "**Beneficial Owner**" means the beneficial owner as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996;
- (ii) "**Depositories Act**" means the Depositories Act, 1996 and shall include any statutory modification thereto or re-enactment thereof for the time being in force; and
- (iii) "**Depository**" means a Depository as defined under clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996.

(B) After existing Article 63 of the Articles of Association of the Company, the following new Articles numbered as 63 A and 63 B shall be inserted :

"63 A. Nothing contained in the preceding Articles 61, 62 and 63 shall apply to transfer of security effected by the transferor and the transferee both of whom are entered as Beneficial Owners in the records of a Depository."

"63 B. In the case of transfer of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in an electronic and fungible form, the provisions of the Depositories Act, shall apply."

(C) The following new Clause numbered as (4A) shall be inserted after existing sub-clause (4) of Article 236 of the Articles of Association of the Company :

"(4A) The register and index of beneficial owners maintained by a Depository under Section 11 of the Depositories Act, 1996, shall be deemed to be an index of members and register and index of debentureholders, as the case may be, for the purposes of the Act."

### 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 7 set out above is annexed hereto.

By Order of the Board of Directors,

### Registered Office :

P.O.Narmadanagar - 392 015,

District : Bharuch.

**R.B. PANCHAL**

Dated : 30th July, 1998

*Company Secretary*

### ANNEXURE TO THE NOTICE

AS REQUIRED BY SECTION 173(2) OF THE COMPANIES ACT, 1956, THE FOLLOWING EXPLANATORY STATEMENT SET OUT ALL MATERIAL FACTS RELATING TO THE BUSINESS MENTIONED UNDER ITEM NOS. 4 TO 7 OF THE ACCOMPANYING NOTICE DTD. 30TH JULY, 1998

#### 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.





**Gujarat  
Narmada Valley  
Fertilizers  
Company Limited**

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 No. 5**

Shri Gurcharan Singh was appointed Additional Director by the Board in its meeting held on 25th May, 1998 in accordance with Article 142 of the Company's Articles of Association. Pursuant to Section 260 of the Companies Act, 1956, he holds office only up to this Annual General Meeting. As required by Section 257 of the Companies Act, 1956, a notice has been received from Gujarat State Investments Ltd., a Government of Gujarat undertaking, signifying its intention to propose Shri Gurcharan Singh for the office of Director of the Company. Shri Gurcharan Singh, is a Senior IAS Officer and has very rich experience in the field of Management and Administration. The Board considers that it would be in the interest of the Company to appoint him as Director and therefore, commends the resolution for his appointment.

None of the Directors of the Company except Shri Gurcharan Singh is, in any way, regarded as concerned or interested in the said Resolution.

#### **Item No. 6**

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 A.M. Bharadwaj, IAS, as a Managing Director of the Company for a period of 2 years from 15th April, 1998 or until his services are withdrawn from the Company by the State Government, whichever is earlier. Shri Bharadwaj, IAS is on Foreign Service to the Company and the terms and conditions of his appointment as Managing Director are prescribed by the Govt. of Gujarat.

In terms of the provisions of Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the appointment of Shri Bharadwaj 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 Bharadwaj, as the Managing Director and payment of remuneration to him. The appointment of Shri Bharadwaj and the remuneration payable to him are in accordance with Schedule XIII to the Companies Act, 1956 and hence does not require the approval of the Central Government.

The particulars of remuneration paid/payable to Shri Bharadwaj are as follows :

1. **Pay :** He shall draw the pay and allowances in the scale of Additional Chief Secretary to Government

by virtue of the equation of the post of Managing Director of the Company with the IAS cadre post of Additional Chief Secretary to Government.

2. **Travelling Allowance while on foreign service :** For journeys in connection with duties in the Company, Shri A.M. Bharadwaj shall be paid TA and DA according to the Rules framed by the Company in this regard or as per B.C.S. Rules at his option.

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 B.C.S. 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 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 A.M. Bharadwaj on foreign service while in or at the end of his foreign service, shall be borne by the Company.

9. **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 LTC 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 11.10.1981.

10. **Dearness Allowance** : He shall be entitled to draw dearness allowance as admissible under the AIS (DA) Rules, 1972.
11. **Provident Fund** : He shall be entitled to continue to subscribe to the provident fund maintained by Govt. in accordance with AIS (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. **Joining Time, Joining Time Pay and Allowance and Transfer T.A.** : He will be entitled to transfer travelling allowance and joining time pay on joining the post on deputation as well as on reversion to State Government under the rules of the State Government or as per rules of the other Government/Companies/Corporations etc. The expenditure on this account will be borne by the other Government/Companies/Corporations, etc.
13. **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 A.M. Bharadwaj or his death occurs during the foreign service.
14. **Death-cum-Retirement Benefits** : During the period of foreign service, Shri A.M. Bharadwaj, shall continue to be governed by the AIS (Death-cum-Retirement Benefits) Rules, 1958 as applicable to him from time to time.
15. **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 F.D. G.R. No. ECR-1087-59-M, dated 3.9.87 and the economic rent be borne by the Company.
16. **Group Insurance** : During the period of deputation, he will continue to be governed by AIS (Group Insurance) Rules, 1981.
17. **Conveyance** : Shri A.M. Bharadwaj, IAS will be eligible for the use of official car, as available to the Additional Chief Secretary to Govt. as provided under GAD G.R. No. AIS-3185-1468-G dated

11.9.1985 as amended from time to time during his deputation with the Company.

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

The above shall also be regarded as an abstract of the remuneration, terms and conditions of appointment of Shri A.M. Bharadwaj as Managing Director and Memorandum of Concern or Interest under Section 302 of the Companies Act, 1956.

None of the Directors of the Company, except Shri A.M. Bharadwaj is, in any way, regarded as concerned or interested in the said resolution.

#### Item No. 7

As the Members are aware, the Company has joined the Depository System with National Securities Depository Ltd., Mumbai (NSDL) so as to enable the investors of the Company to deal in the Securities of the Company in electronic mode. Consequent upon the enactment of the Depositories Act, 1996, some of the provisions of the Companies Act, 1956 relating to issue, transfer and other dealings in securities have been amended to bring in line with the provisions of Depositories Act, 1996. It is therefore necessary to alter the Articles of Association of the Company so as to conform to the amended provisions of the Companies Act, 1956. Consequently, addition of new provisions in the Articles of Association of the Company pertaining to issue, holding and dealing in shares and securities, which are to be brought in line with the aforesaid amendment, is proposed.

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.

#### 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 A.M. and 11:30 A.M. during working days of the Company.

**By Order of the Board of Directors,**

#### Registered Office :

P.O. Narmadanagar-392 015,  
District : Bharuch.  
Dated : 30th July, 1998

**R.B. PANCHAL**  
Company Secretary



**Gujarat  
Narmada Valley  
Fertilizers  
Company Limited**

## DIRECTORS' REPORT

To  
The Members,

Your Directors have pleasure in presenting this 22nd Annual Report and Audited Statements of Accounts of the Company for the financial year ended 31st March, 1998. The year 1997-98 was yet another year of very satisfactory performance. As a sequel to GNFC's constant search for excellence, the Company has established many records during the year and has excelled in the production performance.

### 1.0 FINANCIAL HIGHLIGHTS

Despite the fact that during the year under review the trading of imported fertilizers was restricted only to 3,58,689 MTs compared to that of 9,63,809 MTs last year, there has been a marginal increase in the turnover of the Company. The members will be happy to note that the Company has achieved the highest ever turnover of Rs.1,223.48 Crores against the turnover of Rs.1,223.02 Crores last year.

Following are the financial highlights :

	(Rs. in Crores)	
	1997-98	1996-97
Gross profit for the year after meeting with all expenses but before providing for interest, depreciation and taxes	219.54	214.27
Interest (Net)	72.94	77.58
Depreciation	51.63	49.86
Profit before tax	94.97	86.83
Provision for taxation	26.00	22.00
<b>Net Profit</b>	<b>68.97</b>	<b>64.83</b>
Less : Transferred to Investment Allowance Reserve Account	2.11	0.00
Less : Transferred to Debenture Redemption Reserve Account	15.59	18.47
Add : Transferred from Debenture Redemption Reserve Account	10.00	0.00
Add : Transferred from Investment Allowance (Utilised) Reserve Account	2.31	0.19
Add : Balance brought forward from previous year	42.55	38.45
Amount available for appropriation	106.13	85.00
Out of which, the Directors have decided to provide and transfer to -		
a) General Reserve	7.00	7.00
b) Proposed Dividend	32.23	32.23
c) Tax on Proposed Dividend	3.22	3.22
Amount carried to Profit & Loss Account	63.68	42.55

### 2.0 DIVIDEND

Your Directors recommend payment of dividend @ 22%. The dividend, when declared at the shareholders' meeting will be payable to the Shareholders registered in the Register of Members at the close of business hours on Monday, the 31st August, 1998.

### 3.0 PRODUCTION

The year under review witnessed a very satisfying performance. The Company crossed many milestones and achieved several highest ever records in terms of production and capacity utilisation. A few modifications, process improvements and the innovative ideas were implemented which enabled the Company to sustain the level of performance and the overall productivity.

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

#### 3.1 Ammonia-Urea

Despite there being the unplanned and the planned shut-downs for the replacement of the quench ring and Refractory repairs job, the Ammonia Plant of the Company produced 4,69,463 MTs of Ammonia achieving capacity utilisation of 105%. The Urea Plant produced 6,31,279 MTs of Urea achieving capacity utilisation of 106%. The corresponding figures for the previous year of the production of Ammonia were 4,76,665 MTs having capacity utilisation of 107% and 6,51,425 MTs of Urea with a capacity utilisation of 110% respectively. You will be happy to note that the Company has for the 7th successive year achieved the capacity utilisation of more than 100% in both the Ammonia and Urea Plants.

#### 3.2 Methanol

The Methanol I & II Plants of the Company registered all time high production of 1,47,403 MTs of Methanol achieving highest ever capacity utilisation of 123%. Last year, the Methanol Plants had produced 1,32,798 MTs of Methanol registering a capacity utilisation of 111%.

#### 3.3 Formic Acid

The members will be happy to know that the Formic



Acid Plant of the Company once again excelled in the production of Formic Acid by producing 9,314 MTs of Formic Acid achieving highest ever capacity utilisation of 186%. This is another highest ever yearly production recorded during 1997-98. The Company had produced 8,067 MTs of Formic Acid with a capacity utilisation of 161% during last year.

### 3.4. Acetic Acid

The Acetic Acid Plant of the Company continued its onward journey in the second full year of its commercial production by producing 62,186 MTs of Acetic Acid achieving capacity utilisation of 124%. This is yet another highest ever yearly production record achieved during the year under review. The corresponding figures for the previous year of production and capacity utilisation of Acetic Acid Plant were 50,550 MTs and 101% respectively.

### 3.5 Nitrophosphate Group of Plants

The Nitrophosphate Group of Plants did not lag behind and showed an excellent performance by achieving highest ever yearly production and capacity utilisation. The Plants produced 2,32,095 MTs of Weak Nitric Acid (WNA), 32,054 MTs of Concentrated Nitric Acid (CNA), 1,55,704 MTs of Ammonium Nitrophosphate (ANP) and 1,70,738 MTs of Calcium Ammonium Nitrate (CAN), all achieving highest ever capacity utilisation. Corresponding figures of production of WNA, CNA, ANP & CAN for the last year were 2,05,272 MTs, 28,785 MTs, 1,37,461 MTs & 1,44,060 MTs respectively.

### 3.6 Captive Power Plants (CPP)

The generation of Captive Power was adjusted to match captive demand of the Company. The Captive Power Plants generated 3,22,456 MWH power compared to 3,24,493 MWH power generated during the last year. The CPP met 97.27% of the power requirements of the Company. Besides, the Company exported 9,348 MWH power to Gujarat Electricity Board (GEB) during the year.

### 3.7 Electronics Division

#### i) Printed Circuit Board (PCB)

The PCB Plant created yet another record by producing 25,883 Sq. Mtrs. of PCBs as compared to 21,120 Sq. Mtrs. last year. It will be of interest for you to know that the production of PCBs is the highest ever achieved by the PCB Unit.

#### ii) Digital Switching Systems (DSS) Unit

A spectacular performance has been achieved by the DSS Unit as it produced 54,401 Lines of RAX/SBM RAX System, compared to 23,585 Lines last year. This again is the highest ever production achieved by the DSS Unit. In terms of capacity utilisation, the DSS Unit achieved 272% compared to 118% last year.

### 3.8 Synthesis Gas Generation Unit (SGGU)

There was a slight delay in the commissioning of SGGU Plant. The Company, however, commissioned the SGGU Plant on 13th February, 1998 and produced 12,010 KNM<sup>3</sup> Syn. Gas. The Syn. Gas is being utilised by the Company as a feed stock for producing Methanol and additional Ammonia.

### 4.0 MARKETING

The marketing operations of the Company showed very good performance amidst the stiff competition from domestic and international companies. The Company continued the trading activities of the imported fertilizers during the year. Your Company has made efforts for increasing its exports and consequently achieved export turnover of US\$ 1.90 Million by exporting 1,933 MTs of Acetic Acid, 1,510 MTs of Formic Acid and 926 Sq. Mtrs. of PCBs.

The sales of the various products are as follows :

#### 4.1 Fertilizers

During the year under review, the Company sold 6,40,148 MTs of 'NARMADA' Urea, 3,58,689 MTs of Imported Urea and 95,470 MTs of Single Super Phosphate (SSP). The Company set new records in the sale of ANP and CAN by selling 1,89,441 MTs of ANP and 1,68,277 MTs of CAN. The sales of the fertilizers has contributed Rs. 828 Crores to the total sales turnover. As a part of its marketing strategy, the Company handled 3,94,613 MTs of Imported Urea at various ports and also undertook trading in SSP, which helped reducing the distribution and selling cost per tonne of Fertilizer.

#### 4.2 Industrial Products

The recession in the demand for the Industrial Products in the domestic as well as international markets, the steep drop in Import Duty and considerable fall in the prices of these products in the international market, resulted into larger supplies



**Gujarat  
Narmada Valley  
Fertilizers  
Company Limited**

from imports and intensified the competition. Despite this, the Industrial Products Division of the Company showed an impressive performance with an increase in the sales turnover to Rs. 364.84 Crores compared to Rs. 301.74 Crores recorded during the last year. The Company sold 1,10,699 MTs of Methanol, 60,174 MTs of Acetic Acid, 8,911 MTs of Formic Acid, 31,984 MTs of CNA, 24,685 MTs of WNA, 19,031 MTs of AN Melt, 425 MTs of Methyl Formate and 1,707 MTs of Hydrogen. The highest ever sales records were achieved in Acetic Acid, CNA and WNA.

#### **4.3 Electronics Products**

There has been a significant rise of around 64% in the sales of Electronics Products compared to last year. The sales of Electronics Products amounted to Rs. 28.95 Crores as against Rs.18.27 Crores in the last year. The Company exported 926 Sq. Mtrs. PCBs to Israel, UK, USA, Norway and Germany, etc. and efforts are underway for establishing export market for PCBs in other countries.

#### **5.0 PROMOTIONAL ACTIVITIES**

Undertaking need based promotional programmes for educating Customers/Farmers by your Company have strengthened its bond with the Farmer consumers. 'NARMADA' brand fertilizers have continued to remain popular and preferred brand among the farmers. In order to serve the farming community better, the programmes such as Fertilizers' Demonstration, Farmers' meetings, Crop Seminars, Night meetings, Dealers'/Retailers' Training programmes, Mobile publicity Van, Plant Visits, Slide shows, participation in Exhibition and Fairs, T.V., Radio and Press advertisement, Soil and Water Test campaigns, Development and Propagation of High Tech. Agriculture at Demonstration Farm etc. were undertaken.

Your Company's stalls were adjudged the best stalls in the Agriculture fair organised by Chaudhary Charansinh Hariyana Agriculture University, Hissar and College of Agriculture, Jobner, Rajasthan.

#### **6.0 CORPORATE PLAN - NEW PROJECTS**

The status of the various projects on hand are as follows :

##### **6.1 100 TPD Concentrated Nitric Acid (CNA) Plant**

The Company is doubling the capacity of existing CNA Plant by putting up a new 100 MTD plant with

an investment of Rs. 32 Crores. Entire plant will be supplied by M/s. Plinke, GmbH, Germany. Civil Engineering & Utility, Raw Material and Product Piping Engineering will be carried out by Uhde India Limited. Civil work for the project has already commenced at site and engineering work is in progress. The project is slated to be commissioned by January, 1999.

##### **6.2 Weak Nitric Acid (WNA) Plant - Capacity Enhancement**

To meet with the additional requirement of WNA, the Company is enhancing the name plate capacity of existing plant from 630 MTD to 750 MTD at an estimated investment of Rs. 37 Crores. Agreements have been signed for know-how, engineering and supply of imported equipments with M/s. Krupp Uhde GmbH, Germany. Agreement has also been signed with Uhde India Ltd. for engineering, supply of indigenous equipments, civil work and erection of Plant. The engineering work is in progress. The activity of revamping of the Plant is scheduled to be completed by September, 1999.

##### **6.3 Third Gasifier Train**

With a view to improving the reliability of the Ammonia Plant operation and for producing 20,000 MTA additional Ammonia, the Third Gasifier Train is being set up in the Ammonia Plant with an investment of Rs. 50 Crores. Agreements have been signed for the know-how and the engineering with M/s. Texaco Development Corporation, USA and M/s. Krupp Uhde, Germany respectively. The Project is scheduled to be completed by January, 2001.

#### **PROJECTS ON ANVIL**

##### **6.4 Acetic Acid Expansion**

M/s. BP Chemicals, UK, the technology supplier, have agreed to supply the technology for increasing the capacity of existing Acetic Acid Plant from 50,000 MTA to 1,00,000 MTA. The Agreement for supply of technology will be signed after finalising the detailed terms and conditions.

##### **6.5 Ammonia - Urea Complex**

Keeping in view the policy of the new Government at the Centre for doubling the food grain production in next decade and the recommendations of the High Powered Fertilizers Pricing Policy Review Committee headed by Prof.C.H. Hanumantha Rao, for setting up new Fertilizers Plants, your Company