

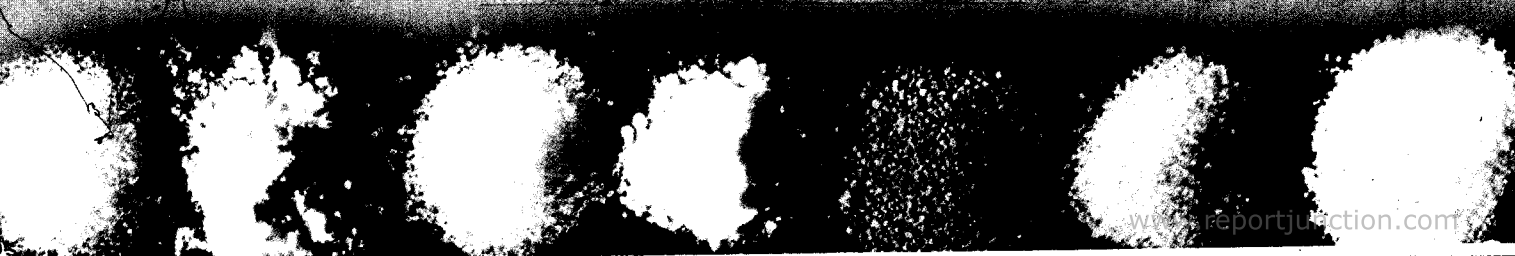
# 41<sup>st</sup>

## Annual Report

### 2002-2003



**Gujarat State  
Fertilizers &  
Chemicals Limited**





## THE YEAR IN BRIEF

PARTICULARS	UNIT	2002-03	2001-02
<b>PRODUCTION</b>			
Fertilizers (loose)	MT	1146668	1360661
Caprolactam	MT	60004	59546
Nylon-6	MT	5424	5487
Argon Gas	'000 NM <sup>3</sup>	2756	2785
Melamine	MT	6643	11521
Monomer	MT	3586	2665
Sheets	MT	469	358
Pellets	MT	2114	2010
Nylon Filament Yarn	MT	5311	4084
Nylon Chips	MT	2283	2073
<b>SALES &amp; EARNINGS</b>			
Sales & Other Income*	Rs.Crs.	1887.00	2001.70
Gross Profit (Before Depreciation & Taxes)@	Rs.Crs.	(85.91)	49.06
Profit/(Loss) before Taxes@	Rs.Crs.	(228.28)	(87.45)
Profit/(Loss) after Taxes@	Rs.Crs.	(228.30)	(66.88)
<b>FUNDS EMPLOYED</b>			
Capital	Rs.Crs.	79.74	79.74
Reserves	Rs.Crs.	437.12	827.96
Total Shareholders' Funds (Net Worth)	Rs.Crs.	516.86	907.70
Borrowings	Rs.Crs.	1470.17	1472.90
Total Funds Employed	Rs.Crs.	1987.03	2380.60
<b>GENERAL</b>			
Book Value per Share	Rs.	63.80	112.87
Earning per Share	Rs.	(49.02)	(6.03)
Equity Dividend per Share	Rs.	-	-
Debt - Equity Ratio		2.89 : 1	1.64 : 1
Market Price per Share :			
	2002-03	2001-02	
High	(on 08/07/02)	(on 27/03/02)	
		Rs.	41.30
Low	(on 31/03/03)	(on 18/09/01)	
		Rs.	13.10
No. of Shareholders	No.	135236	140187
No. of Employees	No.	4906	5275

\* Sales Income does not include Excise duty recovered.

@ Before exceptional items.



# 41st Annual Report 2002-03

## GUJARAT STATE FERTILIZERS & CHEMICALS LIMITED

### BOARD OF DIRECTORS

P K LAHERI	Chairman
DR. MANJULA SUBRAMANIAM	
SUDHA ANCHALIA	
BALWANT SINGH	
N R KRISHNAN	UTI Nominee
S R VENGSAKER	ICICI Bank Nominee
R S AGARWAL	IDBI Nominee
A K LUKE	Managing Director

### EXECUTIVE DIRECTORS

C R RAO  
A K VIJAY KUMAR  
GAUTAM SEN  
M D BUCH

### COMPANY SECRETARY

V D NANAVALY

### BANKERS

Bank of Baroda  
State Bank of India  
Bank of India  
Vijaya Bank  
Central Bank of India  
Dena Bank  
Indian Bank  
Indian Overseas Bank  
HDFC Bank Ltd.  
Punjab National Bank

### STATUTORY AUDITORS

M/s. Ghiya & Co., Jaipur

### BRANCH AUDITORS (Polymers & Fibre Units)

M/s. K C Mehta & Co., Vadodara

### COST AUDITORS

M/s. Diwanji & Associates, Vadodara

### SOLICITORS

M/s. Bhaishanker Kanga & Girdharlal

### REGISTRARS & TRANSFER AGENT

M/s. MCS Limited  
Neelam Apartments, 1st Floor  
88, Sampatrao Colony  
Behind Standard Chartered Bank  
Productivity Road, Vadodara - 390 007

### REGISTERED OFFICE

P. O. Fertilizernagar - 391 750  
District Vadodara, Gujarat

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## FOR MEMBERS' ATTENTION

1. With a view to comply with the provisions of the Listing Agreements with the Stock Exchanges, the Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, the 11th September, 2003 to Friday, the 26th September, 2003 (both days inclusive).
2. Members are requested to quote Folio Number or DP ID and Clients ID No. (in case of shares held in demat forms) in all correspondence and also to bring with them the Attendance Card which may be submitted at the entrance duly signed.
3. Members who are registered under two or more Ledger Folios are requested to write to the Registrars and Transfer Agents of the Company for consolidation, giving particulars of such Folios and send relevant Share Certificates.
4. Those members who have not yet submitted their old shares of Rs.100/- each for exchange of new equity shares of Rs.10/- each are requested to send the said shares to the Registrars & Transfer Agents of the Company.
5. Shareholders of erstwhile Gujarat Nylons Ltd, who have yet not surrendered their GNL equity share certificate/s are advised to surrender the same immediately to the Registrars & Transfer Agents of the Company so as to enable the despatch of converted GSFC shares etc. in exchange thereof at the earliest.
6. Members holding shares in the Dematerialised Form are requested to intimate changes, if any, in respect of their Bank details, Mandate instructions, Nomination, Power of Attorney, Change of Address, Change of Name etc. to their Depository Participant (DP).

## 41st ANNUAL GENERAL MEETING

Date : 26th September, 2003  
 Day : Friday  
 Time : 9.00 a.m.  
 Place : Fertilizernagar - 391 750  
 District Vadodara

7. The Company's Equity Shares are listed on the following seven Stock Exchanges :

1. Vadodara Stock Exchange Ltd.  
 (Regional Stock Exchange)  
 Fortune Tower, 3rd Floor  
 Sayajigunj, Vadodara - 390 005
2. The Stock Exchange, Mumbai  
 Phiroze Jeejeebhoy Tower  
 25th Floor, Dalal Street  
 Mumbai - 400 001
3. The Stock Exchange, Ahmedabad  
 Kamdhenu Complex  
 Opp. Sahajanand College  
 Panjara Pole  
 Ahmedabad - 380 015
4. The Calcutta Stock Exchange Association Ltd.  
 7, Lyons Range  
 Kolkata - 700 001
5. The Delhi Stock Exchange Association Ltd.  
 DSE House  
 3/1 Asaf Ali Road  
 New Delhi - 110 002
6. Madras Stock Exchange Ltd.  
 "Exchange Building"  
 P. B. No. 183  
 11, Second Line Beach  
 Chennai - 600 001
7. National Stock Exchange of India Ltd.  
 Exchange Plaza, 5th Floor, Plot No.C/1,  
 G Block, Bandra Kurla Complex  
 Bandra (East), MUMBAI - 400 051

The Company has paid annual Listing fees to each of the above Stock Exchanges for the financial year 2002-03.

8. Members are requested to send their queries, if any, at least seven days in advance of the meeting so that the information can be made available at the meeting.



## NOTICE

NOTICE is hereby given that the **Forty-first Annual General Meeting** of the Members of the Company will be held at the Registered Office of the Company at 9.00 a.m. on Friday, the 26th September, 2003 to transact the following business :

### Ordinary Business

1. To receive, consider and adopt the Audited Accounts, Balance Sheet as at 31st March, 2003, Profit & Loss Account for the year ended on that date & the reports of Directors and Auditors thereon.
2. To appoint a Director in place of Dr. Manjula Subramaniam, who retires by rotation and being eligible offers herself for re-appointment.
3. To pass the following resolution, with or without modifications, as an **Ordinary Resolution**.

"RESOLVED that the Board of Directors of the Company be and are hereby authorized to fix the remuneration plus TA and out of pocket expenses, to be paid to the Statutory Auditors and Branch Auditors as may be appointed by the Comptroller and Auditor General of India to audit the accounts of the Company for the financial year 2003-04 at Corporate level at Head Quarters including its Sikka Unit and Fertilizernagar Plants and to audit the accounts of Polymers and Fibre Units of the Company for the financial year 2003-04, as the Board may deem fit and appropriate in their absolute discretion."

### Special Business

4. To consider and if thought fit, to pass the following resolution, with or without modifications, as an **Ordinary Resolution**.

"RESOLVED that subject to the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its consent and approval to the appointment of Shri A K Luke, IAS as Managing Director of the Company, on the terms & conditions of remuneration and perquisites as set out in the explanatory statement annexed hereto."

"FURTHER RESOLVED that the remuneration, benefits and perquisites as 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."

"FURTHER RESOLVED that any revision/modification to the remuneration, perquisites or terms & conditions as may be communicated by the Government of Gujarat from time to time shall be applicable."

"FURTHER RESOLVED that so long as Shri A K Luke functions as the Managing Director of the Company, he shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof."

5. To consider and if thought fit, to pass the following resolution, with or without modifications, as a **Special Resolution**.

"RESOLVED THAT pursuant to the provisions of the Clauses 4,5,6 and other applicable provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 (hereinafter referred to as the "Delisting Guidelines") and subject to the provisions of the Companies Act, 1956 and Securities Contracts (Regulation) Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force), and the Rules framed thereunder, Listing Agreements, and all other applicable laws, rules, regulations, and guidelines and subject to such approvals, consents, permissions or sanctions of the Securities and Exchange Board of India, Stock Exchanges where the shares of the Company are listed and any other appropriate authorities, institutions or regulators as may be necessary and subject to such conditions and modifications, as may be prescribed or imposed by any authority while granting such

## 41ST ANNUAL REPORT 2002-03

approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution), the consent of the Company be and is hereby accorded to the Board to delist the Equity Shares of the Company, which shall be voluntary in nature and without giving the exit opportunity to the investors, from all or any of the Stock Exchanges at Ahmedabad, Chennai, Kolkata and Delhi at such time or times as the Board may decide."

"FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to seek voluntary delisting and take all necessary actions in this regard and to do all such acts, deeds, matters and things as may be necessary for the purpose of giving effect to the above resolution."

By Order of the Board

Ahmedabad  
29th July, 2003

V D Nanavaty  
Company Secretary

### 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 THE PROXY NEED NOT BE A MEMBER.
2. The present Statutory Auditors M/s. Ghiya & Co., Chartered Accountants, Branch Auditors for Polymers & Fibre Units, M/s. K C Mehta & Co., Chartered Accountants, appointed by the Comptroller & Auditor General of India will retire at the conclusion of Forty-first Annual General Meeting. The Auditors of the Company for the current financial year will be appointed by the Comptroller & Auditor General of India as the Company continues to attract provisions of Section 619-B read with the provision of Section 619(2) of the Companies Act, 1956.
3. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business is annexed hereto.
4. As required under the Rule 4A of the Companies Unpaid Dividend (Transfer to General Revenue Account of Central Government) Rules, 1978, the Company hereby informs its Members that all unpaid/ unclaimed dividends declared for and upto the Financial Year ended 31st March, 1994 have been transferred to the General Revenue Account of the Central Government. Members who have not encashed the dividend warrants for the said period are requested to claim the amount from the Registrar of Companies (Gujarat), Housing Board Building, Opp. Roopal Park Society, Ankur Char Rasta, Naranpura, Ahmedabad - 380 013. Consequent upon amendment to Section 205A of the Companies Act, 1956 and introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of dividend for the subsequent years remaining unpaid or unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund set up by the Government of India and no payments shall be made in respect of any such claims by the Fund. Accordingly, the unclaimed dividend for the financial year ended 31-03-1995 has been transferred to the said fund. Members who have not yet encashed their dividend warrant(s) for the financial year ended 31-03-1996 onwards, are requested to make their claims to the Company accordingly, without any delay.
5. The terms and conditions of the appointment of Managing Director and other documents referred to in the notice are available for inspection at the Registered Office of the Company on any day (not being the public holiday) from 09.30 A.M. to 11.30 A.M.
6. Relevancy of questions and the order of speakers at the meeting will be decided by the Chairman.

## ANNEXURE TO NOTICE

### EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956

In conformity with the provisions of Section 173 of the Companies Act, 1956, the following Explanatory Statement sets out all the material facts relating to the Special Business mentioned in the accompanying Notice and should be taken as forming part of the Notice.

#### Item No. 4

As per Notification No. AIS/35/2003/16/G dated 5th May, 2003 and followed by Resolution No. GSF-11-2001-3940-E dated 9th May, 2003 Shri A K Luke, IAS was appointed as "Government Director" and Managing Director. He assumed charge on 07-05-2003.

Further the Govt. of Gujarat vide Resolution No. GSF-11-2003-1782-E dated 5th June, 2003 had prescribed the terms & conditions of the remuneration for the above appointment and the same were recommended & approved by the Remuneration Committee & Board of Directors.

In terms of Schedule XIII and other applicable provisions of the Companies Act, 1956, the appointment of Shri A K Luke as Managing Director and payment of remuneration to him requires the consent and approval of the Company in General Meeting.

The terms & conditions of appointment and the particulars of remuneration and perquisites paid/payable to Shri A K Luke are as follows :-

#### (1) Period :

From the date he assumed charge as Managing Director i.e. from 07-05-2003 till further order provided that duration of deputation will not exceed a period of five years.

#### (2) Pay :

During the period of deputation Shri A K Luke will be eligible to draw the pay @ Rs. 22,400/- per mensem in the pay scale of Principal Secretary i.e. Rs. 22,400-525-24,500. He will be given further option in case there is any change in the substantive notional pay in his parent cadre.

#### (3) Deputation Allowance :

While on deputation he will be eligible to draw deputation allowance wherever admissible in case he has given option to draw his grade pay of the cadre however he will not be eligible to draw deputation allowance if he opts, for pay of the post of the Company.

#### (4) Dearness Allowance :

If he has given option to draw his grade pay of the cadre post alongwith deputation allowance, if any, he will be eligible to draw dearness allowance at the Central Government rates. However, in case he has opted for pay of the post in the Company, this allowance would be admissible as per the existing rules of the Company.

#### (5) City Compensatory Allowance :

If he has opted for his grade pay of the cadre post, the city compensatory allowance would be applicable as per the Central Government Rules otherwise this will be regulated in accordance with the existing provisions of the Company.

#### (6) House Rent Allowance :

If he has opted for drawing his grade pay of the cadre, he would be required to pay 10% of the pay plus DA, DP and CCA or the prescribed license fee for similar class of accommodation in the Government, whichever is lower. However, if he has opted to draw pay scale of the post of the Company, this will be regulated as per existing rules of the Company.

#### (7) Transfer T.A./Joining Time :

He will be entitled to T.A. and Joining Time, both on joining the post of deputation and on reversion, under the rules of the Company, which shall not be inferior to the relevant provisions of the AIS Rules. The expenditure on this account will be borne by the Company.



**(8) TA/DA for journey on duty :**

He will be paid Travelling Allowance and Daily Allowance by the Company under its own rule for the journey undertaken by him in connection with the official work whether in India or abroad which shall not be inferior to the relevant provisions of the All India Service Rules.

**(9) Medical facilities :**

The Company shall afford him medical facilities which shall not be inferior to those which are admissible to an All India Service Officer of the same status under the Central Government rules for the same.

**(10) Leave and Pension :**

During the period of deputation, he will continue to be governed by the AIS (Leave) Rules, 1955 and the All India Services (DCRB) Rules, 1958. The entire expenditure in respect of the leave taken during deputation period and at the end of deputation shall be borne by the Company. He shall not be allowed to join any of the pension schemes of the Company.

**(11) Provident Fund :**

During the period of the deputation, he will continue to subscribe to the AIS Provident Fund Scheme to which he was subscribing at the time of proceeding on deputation in accordance with the rules of such fund.

**(12) Conduct Discipline and Appeal Rules :**

He shall continue to be governed by the All India Services (Conduct) Rules, 1968 and All India Services (Discipline and Appeal) Rules, 1969.

**(13) Leave Travel Concession :**

The Company shall allow Leave Travel Concession to him as admissible under its own rules provided these are not inferior to those admissible to him under the AIS (L.T.C.) Rules, 1975. The whole expenditure in this regard shall be met by the Company which is subject to the condition that he before proceeding on deputation had not availed of concession during the particular block years period of his deputation.

**(14) Disability Leave :**

The Company will be liable to pay leave emoluments in respect of disability leave, if any, granted to him on account of any disability incurred in and through foreign service even though such disability manifests itself after termination of deputation. The relevant AIS rules will be applicable in such cases.

**(15) Leave Salary / Pension Contributions :**

The Company will pay to the Government, leave salary and pension contributions at the rates of the parent cadre in force from time to time in accordance with the orders issued by the President under F.R.116. The payment of these contributions must be paid annually within 15 days from the end of each financial year or at the end of deputation if the deputation expires before the end of a financial year. Delayed payment will attract liability of payment of interest in terms of the instructions contained in the Ministry of Finance's Notification No.F.1(1)-E.III/83 dated 10th August, 1983, as amended from time to time. Pending intimation of the rates of leave salary and pension contributions by the concerned Accountant General, the Company shall pay leave salary and Pension contribution provisionally at the prescribed rates.

**(16) Group Insurance :**

If he has not opted out of the Central Govt. Employees Group Insurance Scheme 1980, before 31.12.1981, the said scheme as appended to the schedule to the AIS (Group Insurance) Rules, 1981 shall be applicable to him. In that case, an amount be deducted from his salary as per prescribed rates as subscription towards the Insurance scheme shall be remitted to the concerned Accountant General by the Company. If at any time the recovery of subscription falls in arrears, the same shall be recovered with interest admissible under the scheme on the accretions to the saving fund.

**(17) Residuary Matters :**

In all matters relating to conditions of service and benefits/facilities and perquisites in the Company not covered above, he shall be governed by the existing rules, regulations and orders of the Company.





- (18) The above mentioned terms & conditions would be applicable till Shri A K Luke, IAS remains on deputation with the Company. On reversion from deputation, he will be governed by the relevant rules laid down for All India Service Officers.

The appointment of Shri A K Luke and the remuneration and perquisites payable to him are in accordance with Schedule XIII to the Companies Act, 1956. Shri A K Luke has long experience in Government Services. Accordingly, the Directors commend this resolution for your consent and approval.

The above terms & conditions may be treated as an abstract of the terms & conditions of appointment of Shri A K Luke pursuant to Section 302 of the Companies act, 1956.

None of the Directors except Shri A K Luke is concerned or interested in passing this resolution.

#### Item No. 5

The Securities and Exchange Board of India (SEBI) has issued the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 (hereinafter referred to as the "Delisting Guidelines") incorporating, among others, provisions for delisting of securities of a body corporate voluntarily by a promoter or an acquirer or any person other than the Stock Exchanges.

At present, the Equity Shares of the Company are listed on the following seven Stock Exchanges :

- (i) Vadodara Stock Exchange Ltd. (Regional Stock Exchange) (VSE)
- (ii) The Stock Exchange, Mumbai (BSE)
- (iii) The Stock Exchange, Ahmedabad (ASE)
- (iv) The Calcutta Stock Exchange Association Ltd., Kolkata (CSE)
- (v) The Delhi Stock Exchange Association Ltd., New Delhi (DSE)
- (vi) Madras Stock Exchange Ltd., Chennai (MSE)
- (vii) National Stock Exchange of India Ltd., Mumbai (NSE).

The Company's Equity Shares are one of the scrips which the SEBI has specified for settlement only in dematerialized form by all investors, since January, 2000.

With the extensive networking of BSE and NSE as also the extension of BSE/NSE terminals to other cities as well, investors have access to on-line dealings in Equity Shares of the Company across the country. The bulk of the trading in the Company's equity shares takes place on the BSE and NSE which have nationwide trading terminals and the depth and liquidity of trading in the Company's Equity Shares on all the other Stock Exchanges are not significant.

The Company has proposed this resolution, as part of its cost reduction measures, which will enable it to delist its equity shares at an appropriate time in future, from all or any of the following Stock Exchanges :

The Stock Exchange, Ahmedabad;

The Calcutta Stock Exchange Association Ltd., Kolkata;

The Delhi Stock Exchange Association Ltd., New Delhi; and

Madras Stock Exchange Ltd., Chennai.

As per the Delisting Guidelines, the Company can delist its shares from ASE, CSE, DSE and MSE with the approval of Members by passing a Special Resolution, without providing an exit opportunity, provided that the shares will continue to be listed on a stock exchange having nationwide trading terminals. Accordingly, Member's approval is being sought by a Special Resolution for enabling voluntary delisting of its securities from the said Stock Exchanges.

The proposed delisting of the Company's Equity Shares from the said Stock Exchanges, as and when it takes place, will not affect the investors adversely. The Company's Equity Shares will continue to be listed on BSE, NSE and VSE. The delisting will take effect after all approvals, permissions and sanctions are received. The exact date on which delisting will take effect will be suitably notified at that time.

None of the Directors of the Company are, in any way, concerned or interested in this Resolution.

By Order of the Board

Ahmedabad  
29th July, 2003

V D Nanavaty  
Company Secretary

**DIRECTORS' REPORT**

To  
The Members,

Your Directors hereby present the 41st Annual Report and audited Accounts of the Company for the year ended 31st March, 2003.

**FINANCIAL RESULTS**

(Rs.in Crores)

Particulars	2002-03	2001-02
1. <b>Gross Sales</b>	<b>1935.23</b>	2035.23
Less : Excise Duty Recovered	<b>98.71</b>	80.80
Net Sales	<b>1836.52</b>	1954.43
2. Other Income	<b>50.48</b>	47.27
3. <b>Total Revenue</b>	<b>1887.00</b>	2001.70
4. Less : Operating Expenses	<b>1787.00</b>	1776.09
5. <b>Operating Profit</b>	<b>100.00</b>	225.61
6. Less : Interest	<b>170.76</b>	176.60
7. <b>Gross Profit</b>	<b>(70.76)</b>	49.01
8. Less : Depreciation	<b>142.37</b>	136.51
9. Balance	<b>(213.13)</b>	(87.50)
10. Prior Period Adjustment	<b>(15.15)</b>	0.05
11. <b>Profit/(Loss) Before tax &amp; Exceptional items</b>	<b>(228.28)</b>	(87.45)
12. Taxation - Current Taxation	<b>(0.02)</b>	(0.02)
- Deferred Tax (net)	<b>—</b>	20.59
13. <b>Profit/(Loss) after taxes but before Exceptional items</b>	<b>(228.30)</b>	(66.88)
14. Exceptional items	<b>(162.54)</b>	18.82
15. <b>Profit/(Loss) after Exceptional items</b>	<b>(390.84)</b>	(48.06)
16. Opening Balance of Profit & Loss Account	<b>—</b>	—
17. Excess provision for taxation written back	<b>0.00</b>	0.02
18. Investment Allowance Reserve written back	<b>—</b>	19.10
19. Debenture/Bond Redemption Reserve written back	<b>51.38</b>	—
20. Balance in Profit & Loss Account	<b>(339.46)</b>	(28.94)
21. Transfer from General Reserve	<b>339.46</b>	28.94
22. Balance in Profit & Loss Account	<b>—</b>	—

The operating profit for the year worked out to Rs. 100 crores as against Rs.225.61 crores in the previous year. Higher prices of input materials and lower realisation of finished products specially in fertilizers are the main factors affecting operating profit. The price realisation of Urea was affected due to downward adjustment in retention price on account of 7th & 8th pricing period and coverage of Ammonia-4 plant under retention price scheme.

**DIVIDEND**

In view of the losses, your Directors are unable to recommend any dividend for the year under report.

**CURRENT PERFORMANCE**

During the first quarter of the current financial year 2003-04, production of Caprolactam was higher by 4%. Both the Melamine plants were under operation during the quarter. In case of industrial products, sales turnover of Caprolactam, Melamine and Polymer products increased due to better volumes and higher price realization. The production and sales of fertilizer has been lower for the first three months. The operating profit of the Company improved from Rs. 28.78 crores in April-June 2002 to Rs. 55.79 crores in