



27th  
**ANNUAL  
REPORT**  
2000-2001

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नेशनल फर्टिलाइजर्स लिमिटेड  
एन. एफ. एल.  
NATIONAL FERTILIZERS LIMITED

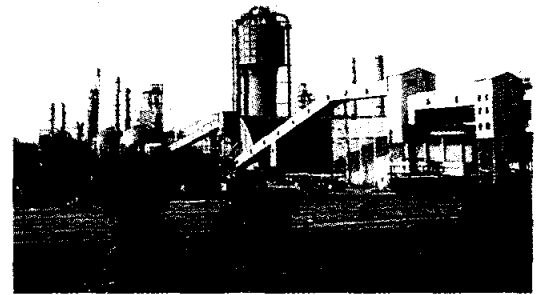
**NATIONAL FERTILIZERS LIMITED**



**Hon'ble Union Minister (Chemicals & Fertilizers) Shri S. S. Dhindsa  
inaugurating 27th Annual Day of NFL**

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A general view of NFL Bathinda Unit

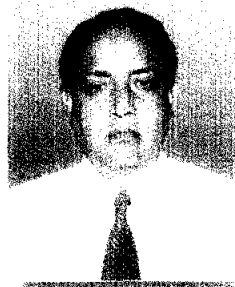
# B O A R D O F D I R E C T O R S



**P.S. Grewal**  
*Chairman & Managing Director*



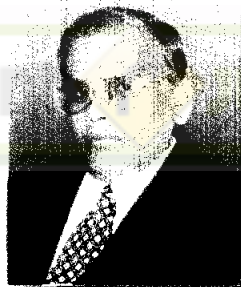
**A.C. Saini**  
*Director (Technical)*



**S.C. Chhatwal**  
*Director (Finance)*



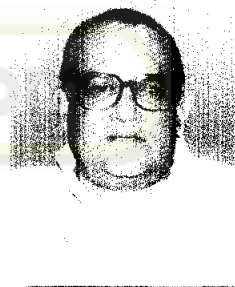
**Suresh Chandra**  
*Joint Secretary &  
Financial Advisor  
Deptt. of Fertilizers*



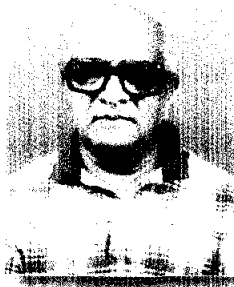
**H.S. Kamath**  
*Chairman &  
Chief Executive  
Heavy Water Board*



**Balvinder Kumar**  
*Jt. Secretary (A&M)  
Deptt. of Fertilizers*



**A.V. Singh**  
*Agriculture Production  
Commissioner  
Govt. of Madhya Pradesh*



**S. Gopalan**  
*Director*



**K.S. Subbiah**  
*Director*



**Dr. O.P. Sahni**  
*Director*



**K. Muthukumar**  
*Director  
(Nominee of IDBI)*

## MANAGEMENT TEAM

### REGISTERED OFFICE:

Scope Complex, Core-III  
7, Institutional Area, Lodhi Road,  
New Delhi-110003

### CORPORATE OFFICE:

A-11, Sector-24  
District Gautam Budh Nagar  
NOIDA (U. P.) 201301

### BOARD LEVEL

<b>P.S. Grewal</b>	<i>Chairman &amp; Managing Director</i>
<b>A.C. Saini</b>	<i>Director (Technical)</i>
<b>S.C. Chhatwal</b>	<i>Director (Finance)</i>

### CORPORATE HEADS

Vigilance	<b>Sukhcharan Singh</b>	<i>Chief Vigilance Officer</i>
Personnel, Industrial Relations, Administration & Public Relations	<b>N.K. Gupta</b>	<i>Executive Director</i>
Marketing	<b>O.P. Kaviraj</b>	<i>Executive Director</i>
Finance & Accounts	<b>A.K. Singhal</b>	<i>Executive Director</i>
Corporate Planning	<b>Y.K. Mattoo</b>	<i>Chief General Manager</i>
Project & SEPC	<b>L.K. Sharma</b>	<i>Chief General Manager</i>
Company Sectt. and Legal	<b>A.K. Maitra</b>	<i>Company Secretary</i>

### UNITS HEADS

NANGAL UNIT	<b>S.K. Mehta</b>	<i>Executive Director</i>
VIJAI PUR UNIT - I & II	<b>B.M. Ritolia</b>	<i>Executive Director</i>
BATHINDA UNIT	<b>M.K. Varshney</b>	<i>Chief General Manager</i>
PANIPAT UNIT	<b>S.S. Dandona</b>	<i>General Manager</i>

### BANKERS

State Bank of India  
Punjab National Bank  
Union Bank of India  
HDFC Bank  
Bank of India  
State Bank of Patiala  
State Bank of Hyderabad

### AUDITORS

H.S. RUSTAGI & CO  
New Delhi  
  
V.C. GAUTAM & CO  
New Delhi

## CORPORATE OBJECTIVES

NFL is an instrument of society. It has to service the needs of people within the scope of its basic objectives. To achieve this, NFL must:

- Select capable people and improve their knowledge and skills on organised basis.
- Motivate and enthuse the employees to achieve higher productivity with team spirit.

- Lay down integrated objectives, define individual goals and maintain an atmosphere conducive to achievements of these goals.

The Corporate Objectives of NFL are:

### BASIC CORPORATE OBJECTIVES

In terms of Memorandum of Association, NFL was set up to manufacture and market chemical fertilizers, other chemicals and by-products as well as to provide the allied services. In order to achieve and maintain a leading position in the production and marketing of fertilizers, the following Micro Objectives have been identified:-

## MICRO OBJECTIVES

### 1. Productivity

To achieve the best possible levels of production and economy in the use of inputs while ensuring safety and proper maintenance of plant and machinery and pollution control. More specifically (a) to strive to raise capacity utilisation and (b) to improve upon consumption norms consistently.

### 2. Research & Development

To carry out R&D activities for-

- a) increasing plant availability
- b) saving use of energy in different forms,
- c) better recovery of saleable by-products,
- d) process improvement/ development, and
- e) increasing utilisation efficiency on a sustainable basis in the application of chemical fertilizers in combination with other agricultural inputs.



### Profitability

To manage the assets, men and materials in most effective and efficient manner ensuring (a) reasonable return on investment commensurate with the principles laid down by the Government from time to time, and (b) generation of increasing internal resources.

### Marketing & Consumer services

- a) To provide to the farmers high quality products in right time and in adequate quantities and with a package of modern agricultural practices, at the same time maintaining reputation for fair business practices.
- b) To further intensify promotional efforts for increased use of fertilizers and to maximise distribution of Company's products within the areas covered by the Company, consistent with Government Policy.

### 5. Organisation

To develop and maintain an organisational environment for encouraging individual and group initiative, innovation and productivity and also sustain fair deal and humane approach.

### 6. Growth

- (a) To achieve reasonable and consistent growth in the business of manufacture and marketing of fertilizers and chemicals compatible with needs of the market.
- (b) To work out diversification/expansion schemes to increase profitability of the Company and meet the changing needs of the customers.

### 7. Obligations to Society

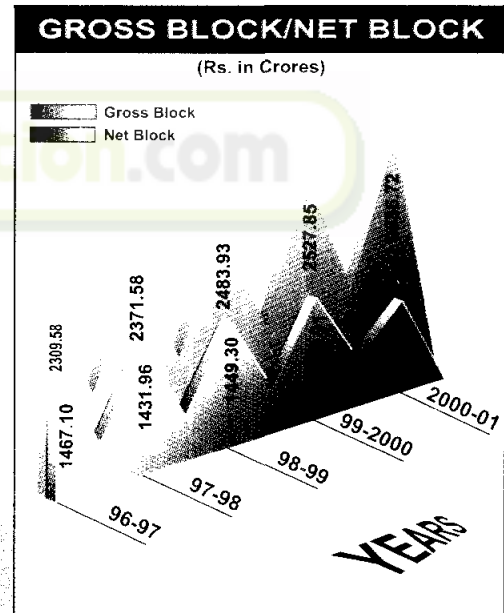
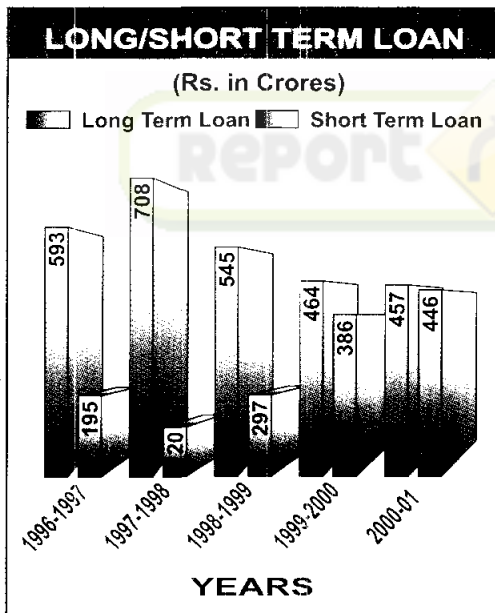
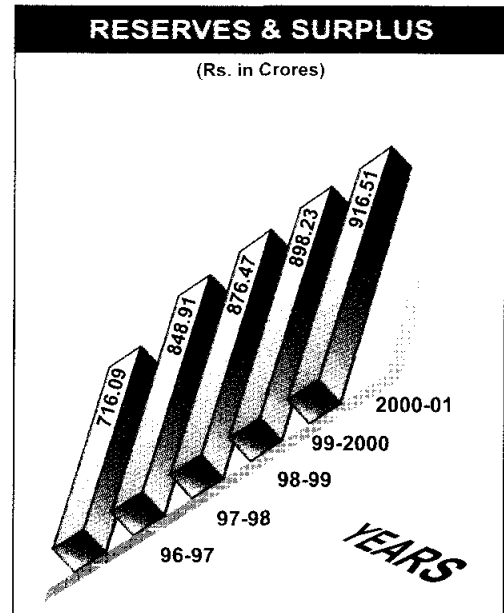
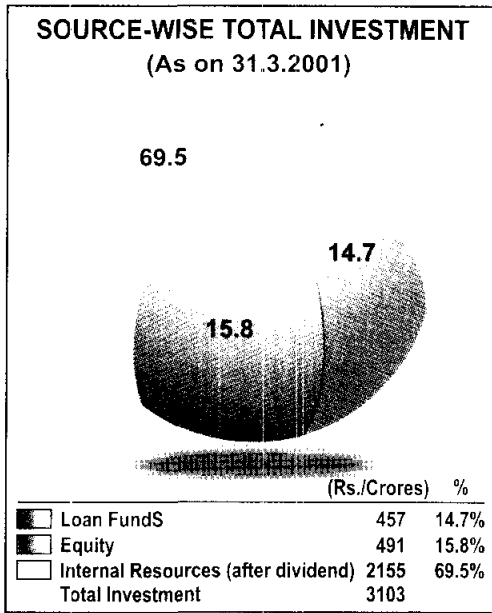
- a) To conduct the business of NFL in accordance

with ethical and legal standards and to undertake socio-economic activities, consistent with Government policies, in order to generate good environment, in which the Company operates.

- b) To promote development of ancillary industries.



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## GROWTH AT A GLANCE

(Rs. in Crores)

	2000-2001	1999-2000	1998-99	1997-98	1996-97	1995-96
<b>COMPANY OWED</b>						
Equity	490.58	490.58	490.58	490.58	490.58	490.58
Reserves & surplus	916.51	898.23	876.47	848.91	716.09	835.59
Loans	903.33	849.90	841.70	828.34	788.17	571.51
<b>Total</b>	<b>2310.42</b>	<b>2238.71</b>	<b>2208.75</b>	<b>2167.83</b>	<b>1994.84</b>	<b>1897.68</b>

### COMPANY OWNED

Gross Block	2686.72	2527.85	2483.93	2371.58	2309.58	1434.92
Provision for depreciation	1238.99	(1135.94)	(1034.63)	(939.62)	(842.48)	(776.23)
<b>Net Block</b>	<b>1447.73</b>	<b>1391.91</b>	<b>1449.30</b>	<b>1431.96</b>	<b>1467.10</b>	<b>658.69</b>
Capital work in progress, etc	2.33	28.85	35.39	97.01	82.94	616.19
Current Assets, Loans & Advances	1617.90	1588.82	1455.09	1200.12	883.21	1100.17
Current liabilities & provisions	(757.54)	(770.87)	(731.03)	(561.26)	(438.41)	(477.37)
<b>Total</b>	<b>2310.42</b>	<b>2238.71</b>	<b>2208.75</b>	<b>2167.83</b>	<b>1994.84</b>	<b>1897.68</b>

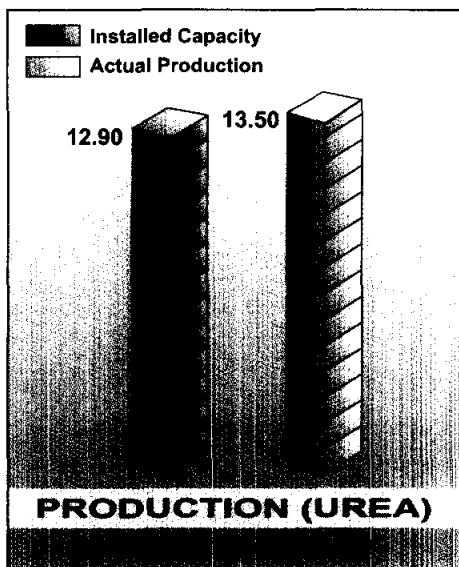
### OPERATING RESULTS

(Rs. in Crores)

	2000-2001	1999-2000	1998-99	1997-98	1996-97	1995-96
Gross profit	244.78	260.37	306.58	490.07	132.34	221.65
Interest	123.76	124.98	150.74	158.28	53.43	36.84
Profit after interest	121.02	135.39	155.84	331.79	78.91	184.81
Depreciation	104.62	101.90	97.78	102.12	68.19	69.79
Net operating profit	16.40	33.49	58.06	229.67	10.72	115.02
Past period adjustments	3.27	(2.56)	0.30	6.50	(0.48)	2.10
Net profit	19.67	30.93	58.36	236.17	10.24	117.12

### SIGNIFICANT RATIOS

	2000-2001	1999-2000	1998-99	1997-98	1996-97	1995-96
1. Debt/Equity	0.35:1	0.36:1	0.43:1	0.56:1	0.53:1	0.25:1
2. Current Assets to Net Assets	0.53:1	0.53:1	0.49:1	0.44:1	0.36:1	0.46:1
3. Current Ratio	2.14:1	2.06:1	1.99:1	2.14:1	2.01:1	2.30:1
4. Acid Test Ratio	0.98:1	0.72:1	0.80:1	0.75:1	0.63:1	1.12:1
5. Return on Capital Employed(%)	1.18	1.58	1.89	9.13	0.59	4.22
6. Return on Equity (%)	5.57	7.11	8.39	38.53	2.28	11.02
7. Value Added per employee (Rs. Lakhs)	12.02	11.64	12.16	13.78	6.76	11.10

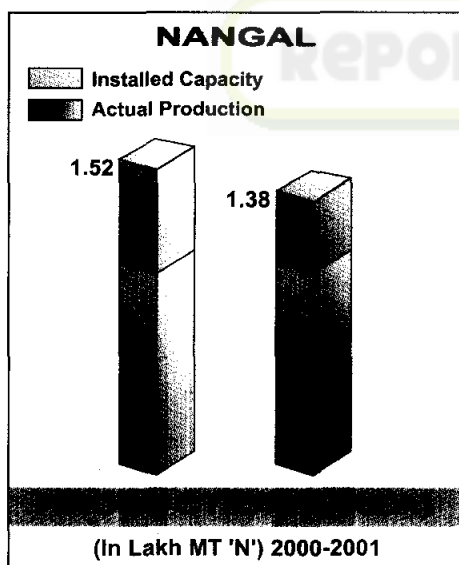


## COMPANY PROFILE

### THE COMPANY

Registered on	23.08.1974
Authorised Capital	Rs. 500.00 Crores
Paid up Capital	Rs. 490.58 Crores
Capacity*	13.70 Lakhs MT Nitrogen

\*The capacity has increased from 13.70 lakh MT Nitrogen to 14.38 lakh MT Nitrogen consequent upon commissioning of Nangal Urea Revamp Scheme w.e.f. 1.2.2001. Further, with effect from 1.4.2000, the capacity of Vijaipur-I & II Units has increased from 14.38 lakh MT 'N' to 15.55 lakh MT Nitrogen on account of adhoc re-assessment of capacity by Government.



### NANGAL UNIT INSTALLED CAPACITY

- Calcium Ammonium Nitrate 318160 MT
- Urea 3,30,000 MT
- Project Cost (Nangal-II) Rs. 132.50 Crores
- Foreign Component Rs. 40.14 Crores
- Methanol 16500 MT
- Commissioned 01.09.1984

\*The capacity has increased from 3,30,000 MT to 4,78,500 MT consequent upon commissioning of Nangal Urea Revamp Scheme w.e.f. 1.2.2001.