

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**

CONTENTS

BOARD OF DIRECTORS	2
MANAGEMENT TEAM	3
CORPORATE OBJECTIVES	4-5
GROWTH AT A GLANCE	7
COMPANY PROFILE	8-10
DIRECTORS' REPORT	11-13
MANAGEMENT DISCUSSION & ANALYSIS REPORT	14-18
CORPORATE GOVERNANCE REPORT	19-21
INFORMATION AS PER SECTION 217 (1) (e) OF COMPANIES ACT, 1956, READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988	22
DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY	23
COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA AND THE MANAGEMENT REPLIES THERETO	24
REVIEW OF COMPTROLLER & AUDITOR GENERAL OF INDIA	25-29
COMMENTS IN THE AUDITORS' REPORT AND MANAGEMENT REPLIES THERETO	30
AUDITORS' REPORT	32
ANNEXURE TO AUDITORS' REPORT	33-34
ANNUAL ACCOUNTS	
SIGNIFICANT ACCOUNTING POLICIES	37-38
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE	39-65
CASH FLOW STATEMENT	66
PERFORMANCE AT A GLANCE	67-68



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*



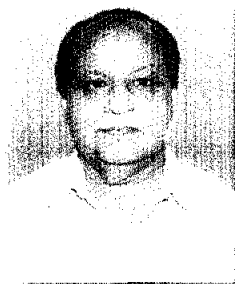
A.V. Singh
*Agriculture Production
Commissioner
Govt. of Madhya Pradesh*



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

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

CORPORATE HEADS

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

UNITS HEADS

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

- increasing plant availability
- saving use of energy in different forms,
- better recovery of saleable by-products,
- process improvement/ development, and
- 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

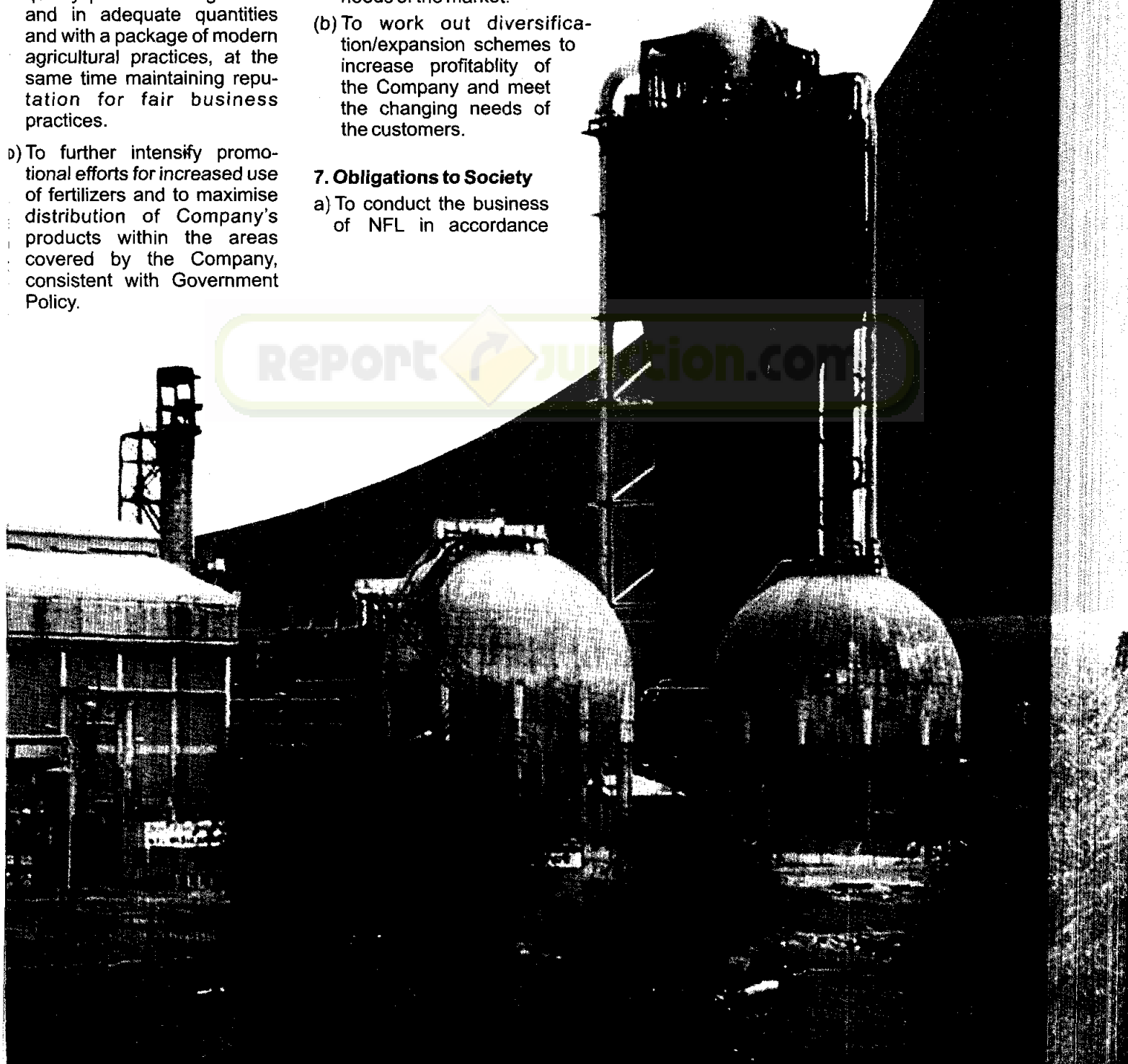
- (a) To achieve reasonable and consistent growth in the business of manufacture and marketing of fertilizers and chemicals compatible with needs of the market.
- (b) To work out diversification/expansion schemes to increase profitability of the Company and meet the changing needs of the customers.

7. Obligations to Society

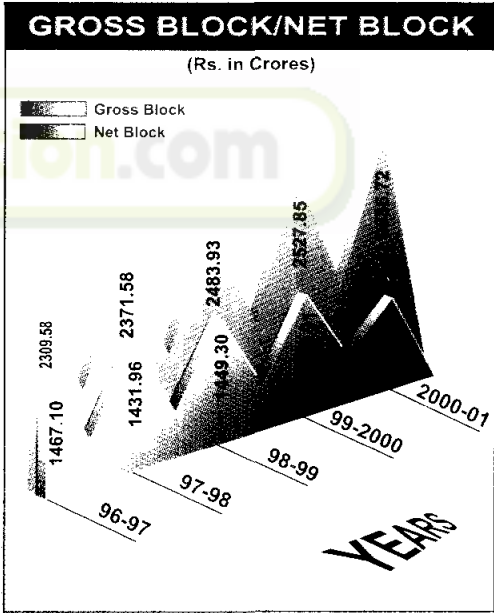
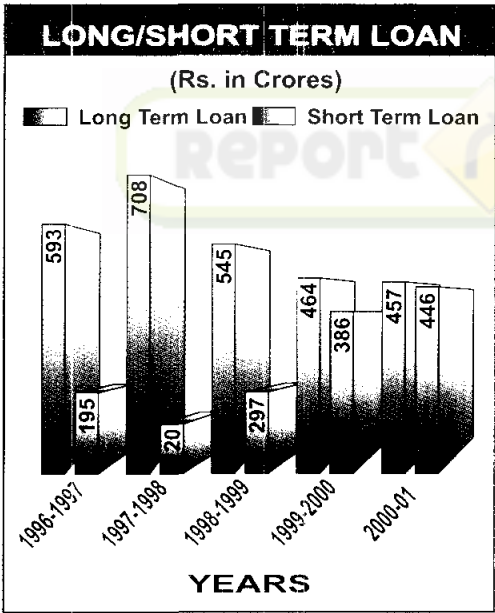
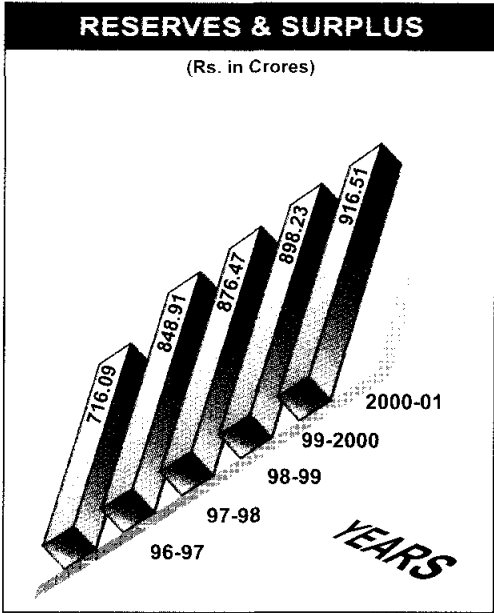
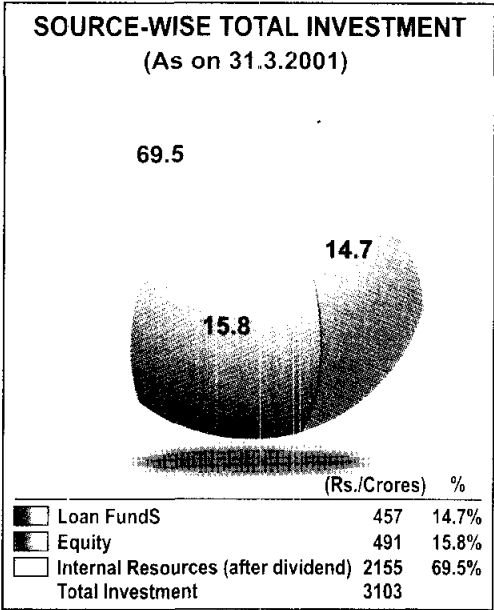
- a) To conduct the business of NFL in accordance

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
COMPANY OWED						
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
Total	2310.42	2238.71	2208.75	2167.83	1994.84	1897.68

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)
Net Block	1447.73	1391.91	1449.30	1431.96	1467.10	658.69
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)
Total	2310.42	2238.71	2208.75	2167.83	1994.84	1897.68

OPERATING RESULTS

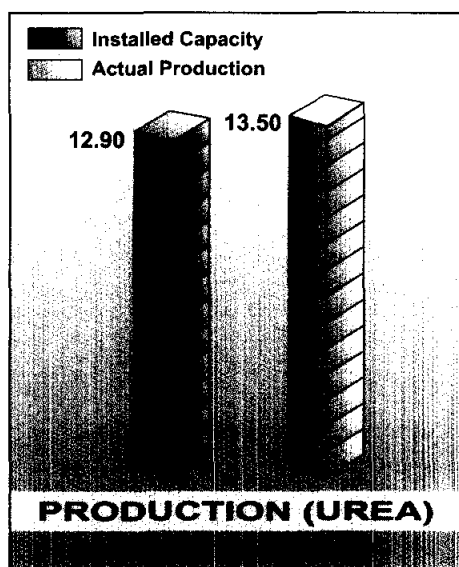
(Rs. in Crores)

	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

37th Annual Report 2000-2001

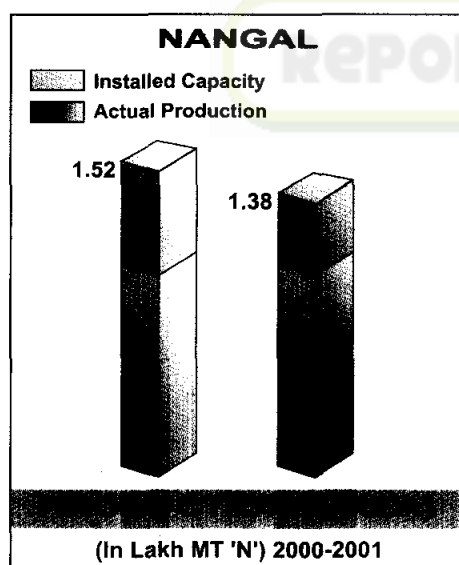


COMPANY PROFILE

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.