



33rd Annual Report 2006 - 2007

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नेशनल फर्टिलाइजर्स लिमिटेड
एन.एफ.एल.
NATIONAL FERTILIZERS LIMITED
(A Govt. of India Undertaking)

नेशनल फर्टिलाइजर्स लिमिटेड

NATIONAL FERTILIZERS LIMITED



Shri G. S. Mangat, C&MD, NFL receiving "MoU Excellence Certificate" for the year 2004-05 and 2005-06 from Shri Jairam Ramesh, Hon'ble Union Minister of State for Commerce on 8th March, 2007.

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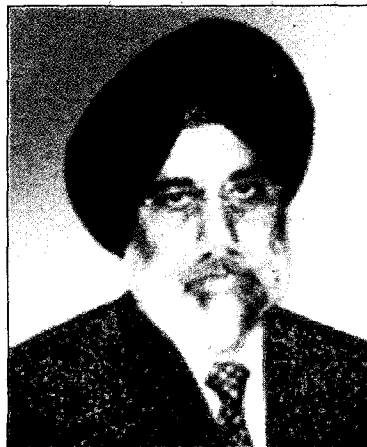
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Board of Directors



G.S. Mangat
Chairman & Managing Director



G. Natesan
Director (Finance)



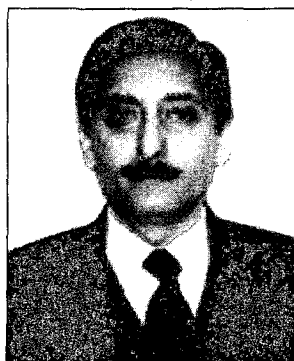
V.K. Sharma
Director (Technical)



K.B. Sachdev
Director (Marketing)



Dr. J. S. Maini
Addl. Secy. & Financial Advisor
Deptt. of Fertilizers



Vijay Chhibber
Joint Secy. (A&M)
Deptt. of Fertilizers



Kanwal Malhotra
Director



NATIONAL FERTILIZERS LIMITED

(A Government of India Undertaking)

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

MANAGEMENT TEAM

Board Level

G. S. Mangat

Chairman & Managing Director

G. Natesan

Director (Finance)

V. K. Sharma

Director (Technical)

K.B. Sachdev

Director (Marketing)

Corporate Heads

Vigilance
Finance & Accounts
Human Resource & Public Relations
Technical
Corporate Planning
Materials Management
Safety, Environment & Pollution Control and R&D
Company Sectt. & Legal
Marketing
Management Services
Internal Audit

Ajay Mankotia
Rakesh Sahai
K. B. Verma
O. P. Gupta
R. K. Bhatia
Rajiv Johri
S. N. Mahey
A. K. Maitra
Anil K. Sharma
N.R. Satyapalan
Tek Chand

Chief Vigilance Officer
Chief General Manager
Chief General Manager
Chief General Manager
Chief General Manager
General Manager
General Manager
Company Secretary
General Manager (Incharge)
Dy. General Manager
Dy. General Manager

Unit Heads

Nangal
Panipat
Bathinda
Vijaipur I & II

V. K. Bansal
Binay Kumar
K. S. Gill
S. M. H. Rizvi

General Manager (Incharge)
Chief General Manager
Chief General Manager
Chief General Manager

Bankers

State Bank of India
State Bank of Hyderabad
State Bank of Patiala
Bank of India
Punjab National Bank
Union Bank of India
Oriental Bank of Commerce

AUDITORS

Faruqui & Co.
New Delhi

Shiromany Tyagi & Co.
New Delhi

REGISTRAR & TRANSFER AGENTS

MAS Services Pvt. Ltd.
AB-4, Safdarjung Enclave
New Delhi - 110029

NATIONAL FERTILIZERS LIMITED

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

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 33rd Annual General Meeting of the Members of National Fertilizers Limited will be held on Thursday, the 27th September, 2007 at 3.00 P.M. at SCOPE Auditorium, SCOPE Complex, Core-VIII, 7, Institutional Area, Lodhi Road, New Delhi - 110 003 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2007 and the Profit & Loss Account for the year ended on that date together with the Reports of the Directors and the Auditors thereon.
2. To consider declaration of dividend for the financial year ended 31st March, 2007.
3. To appoint a director in place of Shri Vijay Chhibber, who retires by rotation and being eligible, offers himself for reappointment.
4. To fix remuneration of the Statutory Auditors for the financial year 2007-08.

SPECIAL BUSINESS

5. To appoint Shri Kanwal Malhotra, Chartered Accountant, A-20, August Kranti Marg, Gulmohar Park, New Delhi, as a Director of the Company and to consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:-

"RESOLVED THAT Shri Kanwal Malhotra who was appointed as an Additional Director of the Company by the Board of Directors under Article 76(5) of the Articles of Association of the Company and Section 260 of the Companies Act, 1956 and who holds Office upto the date of this Annual General Meeting and in respect of whom the Company has received a Notice in writing, proposing his candidature for the office of Director, under Section 257 of the Companies Act, 1956 and who is eligible for appointment to the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation."

6. To pass with or without modification the following resolution as a **Special Resolution**:

"RESOLVED THAT to bring harmony between the Govt. of India Guidelines providing financial and operational autonomy for profit making public sector enterprises Mini Ratna Category I and the Companies Act, 1956 and Articles of Association of the Company subject to the prior approval of Administrative Ministry, the following amendments/substitutions to the Articles of Association of the Company be and are hereby approved:-

ARTICLE NO. (CL.)	EXISTING ARTICLES	ARTICLES AFTER AMENDMENT/MODIFICATION
50	Business of General Meeting: The business of an Annual General Meeting shall be to receive and consider the Profit and Loss Account, the Balance Sheet, and the Reports of the Directors and of the Auditors, and the comments of the Comptroller and Auditor General of India and to declare dividends. All other business transacted at such meeting and all business transacted at an extraordinary meeting shall be deemed special.	Business of General Meeting: The business of an Annual General Meeting shall be to receive and consider the Profit and Loss Account, the Balance Sheet, and the Reports of the Directors and of the Auditors, and the comments of the Comptroller and Auditor General of India, to declare dividend, to appoint Directors in the place of those retiring, and to fix the remuneration of the Statutory Auditors appointed by the Comptroller & Auditor General of India. All other business transacted at such a meeting and all business transacted at an extraordinary meeting shall be deemed special.
62A	No provision	Postal Ballot: Notwithstanding anything contained in the Articles of the Company, the Company do adopt the mode of passing resolutions by the members of the Company by means of Postal Ballot (which includes voting by electronic mode) and/or other ways as may be prescribed in the Companies (Passing of Resolution by Postal Ballot) Rules, 2001 in respect of the matters specified in said Rules as modified from time to time instead of transacting such business in a general meeting of the Company subject to compliances with the procedure for such postal ballot and/or other requirements prescribed in the rules in this regard.



68	<p>Instrument appointing proxy to be in writing: The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney or if such appointer is a Corporation, under its common seal or other authority. Subject to the provisions of Article 52(5), no person shall be appointed a proxy who is not a member of the Company and qualified to vote, save that a Corporation being a member of the Company may appoint as its proxy one of its officers though not a member of the Company.</p>	<p>Instrument appointing proxy to be in writing: The instrument appointing a proxy shall be in writing and be signed by the appointer or his attorney duly authorized in writing or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorized by it. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself, and that a proxy need not be a member of the Company.</p>
69	<p>Instrument appointing proxy to be deposited at office: The instruments appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of that power or authority, shall be deposited at the Registered Office of the Company not less than seventy two hours before the time for holding the meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.</p>	<p>Instrument appointing proxy to be deposited at office: The instruments appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of that power or authority, shall be deposited at the Registered Office of the Company not less than forty eight hours before the scheduled time of the commencement of the meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.</p>
78.	Without prejudice to the general powers conferred by the last preceding Article and the other power conferred by these Articles and subject to the provisions of Section 292-294 and 297 of the Act, Directors shall have the following powers, that is to say, power:	Without prejudice to the general powers conferred by the last preceding Article and the other powers conferred by these Articles and subject to the provisions of Section 292-294 and 297 of the Act, the Directors shall have the following powers that is to say, power:-
78(1)	To purchase take on lease or otherwise acquire for the Company, property, rights or privileges which the Company is authorized to acquire at such price and generally on such terms and conditions as they think fit with the approval of the President;	To purchase, take on lease or otherwise acquire for the Company, property, rights or privileges which the Company is authorized to acquire at such price and generally on such terms and conditions as they think fit.
78 (1A)	<p>To sanction capital expenditure in cases where detailed Project Reports have been prepared with estimates of different component parts of the Project and whether such Project Reports have been approved by Govt. In such cases, it will not ordinarily be necessary for the Board to obtain Govt.'s sanction in the incurring of Capital Expenditure;</p> <p>Notes:-</p> <ol style="list-style-type: none"> 1. In case of variations in approved estimates which are not more than 10% for any particular component part, the Board of Directors will be competent to proceed with the work without further reference to Govt. provided there is no substantial variation in the scope of the Project. 2. This power also covers invitation to an acceptance of tenders relating to all works included in the Detailed Project Report. 	<p>To approve all capital projects and to incur capital expenditure on new projects estimated not exceeding Rs.500 crores and to modernize, purchase equipment, issue contracts without obtaining the approval of President.</p> <p>However, approval of President of India would be required to incur capital expenditure if the estimated cost of the individual project exceeds Rs.500 crores.</p> <p>Deleted</p>

78 (1B)	To authorize the undertaking of works of a capital nature in advance of the preparation and approval of a detailed Project Report with estimates or otherwise as individual works, subject to the condition that all cases involving a capital expenditure exceeding Rs.10 crores (Rupees Ten crores) shall be referred to the President for his approval before authorization.	To authorize the undertaking of works of Capital nature in advance of the preparation and approval of a detailed Project Report with estimates or otherwise as individual works or for replacement and renewal of assets due to normal wear and tear subject to the condition that all cases involving a Capital Expenditure exceeding Rs.500 Crores shall be referred to the President for his approval.
78 (4)	To appoint and at their discretion, remove or suspend such Managers, Secretaries, Officers, Clerks, Agents and servants, for permanent, temporary or special services, as they may, from time to time think fit and to determine their powers and duties and fix their salaries or emoluments and to require security, in such instances and to such amount as they think fit. However, the power of creation of post of Chairman, Managing Director, Functional Directors and/or any other members of the Board of Directors will vest with the President. In the case of persons who have attained the age of 58 years whether they may be from Public or private sector, no appointment in the higher categories of posts in the scale of Rs.2500 and above shall be made without the prior approval of the President, other than foreign technical personnel.	To appoint and at their discretion, remove or suspend such Managers, Secretaries, Officers, Clerks, Agents and servants, for permanent, temporary or special services, as they may, from time to time think fit and to determine their powers and duties and fix their salaries or emoluments and to require security, in such instances and to such amount as they think fit. However, the power of creation of post of Chairman & Managing Director, Functional Directors and/or any other members of the Board of Directors will vest with the President.
78 (20)	Subject to the prior approval of the President of India: a) to sell, lease or otherwise dispose of whole or substantially the whole of the undertaking of the Company; b) to promote a Company; c) to divide capital into different classes of shares; d) entering into partnership and/or arrangement for sharing profits; e) winding up of the Company; f) To make rules of the Company governing general conditions of service of the employees, Employees Provident Funds and rules connected thereto, and to create reserves and special funds.	Subject to the prior approval of the President of India: a) to sell, lease or otherwise dispose of whole or substantially the whole of the undertaking of the Company; b) to divide capital into different classes of shares; c) winding up of the Company; d) Any other matter, which in the opinion of the Chairman and Managing Director be of such importance as to be reserved for the approval of the President.
78 (20A)	No provision	To establish joint ventures and subsidiary companies in India or abroad subject to compliance of Government Guidelines issued from time to time.
78 (20B)	No Provision	The business of the Company shall be managed by the Board of Directors subject to the compliance of conditions stipulated in Department of Public Enterprises Office Memorandum No.18(24)/2003-GM-GL.65 dated 5 th August, 2005 as modified from time to time.
105	Debts may be deducted: The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists. No unclaimed dividend shall be forfeited by the Board and the Company shall comply with the provisions of Section 205(A) of the Companies Act.	Debts may be deducted: The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.



111	<p>Payment of Dividend: Unless otherwise directed, any dividend may be paid by cheque or warrant sent through the post to the registered address of member or person entitled or in the case of joint holders to the registered address of that one whose name stands first on the register in respect of the joint holding and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent.</p> <p>No unclaimed dividend shall be forfeited by the Board unless the claim thereto becomes barred by law and the Company shall comply with all provisions of Section 205 (A) of the Act in respect of unclaimed or unpaid dividend.</p>	<p>Payment of Dividend: Unless otherwise directed, any dividend may be paid by cheque or warrant sent through the post to the registered address of member or person entitled or in the case of joint holders to the registered address of that one whose name stands first on the register in respect of the joint holding and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent.</p> <p>There shall not be any forfeiture of unclaimed dividends and the Company shall comply with the applicable provisions of the Act relating to transfer of unclaimed and unpaid dividend to the Investor Education and Protection Fund or to any such other fund as may be required under applicable laws.</p>
112	<p>Notice of Dividend: Notice of the declaration of any dividend whether interim or otherwise, shall be given to the holders of registered shares in the manner hereinafter provided.</p>	<p>Notice of Dividend: Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner provided under the Act.</p>
123	<p>Appointment of Auditors: The Auditors shall be appointed or re-appointed by the Company Law Board on the advice of the Comptroller and Auditor General of India and his remuneration shall be fixed by the Company Law Board.</p>	<p>Appointment of Auditors: The Auditors shall be appointed or re-appointed by the Comptroller and Auditor General of India under Section 619 of the Act and his/their remuneration under Section 224(8) (aa) shall be fixed by the Company in general meeting or in such manner as the company in general meeting may determine.</p>

"FURTHER RESOLVED THAT the Company Secretary be and is hereby authorized to incorporate the proposed amendments/modifications in the Articles of Association and to take further necessary action to comply with the relevant laws and provisions of the Companies Act, 1956 as well as Listing Agreement."

By Order of the Board of Directors

A.K. Maitra
Company Secretary

Place: New Delhi
Date : 27.08.2007

NOTES:**1. APPOINTMENT OF PROXY**

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on poll to vote instead of himself. The proxy need not be a member of the Company. A blank form of proxy is enclosed herewith and, if intended to be used, it should be returned duly completed at the registered office of the Company not less than forty-eight hours before the scheduled time of the commencement of 33rd Annual General Meeting.

2. APPOINTMENT OF AUTHORISED REPRESENTATIVES

No person shall be entitled to attend or vote at the meeting as a duly authorized representative of any body corporate which is a shareholder of the Company, unless a copy of the resolution appointing him/her as a duly authorized representative, certified to be a true copy by the Chairman of the meeting at which it was passed, shall have been deposited at the Registered Office of the Company not less than forty eight hours before the scheduled time of the commencement of the meeting.

3. The relevant Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of business items 5 & 6 above is annexed hereto.

4. Brief resume of the Directors proposed for re-appointment is given as Annexure to the Directors' Report.

5. CLOSURE OF REGISTER OF SHAREHOLDERS

The Register of Members and Share Transfer Books of the Company will remain closed from 13th September, 2007 to 27th September, 2007 (both days inclusive) for the purpose of payment of dividend, if any, approved by the Members.

6. PAYMENT OF DIVIDEND

Dividend as declared in the Annual General Meeting will be paid to those shareholders whose names appear:

- a. As Member in the Register of Members of the Company after giving effect to all valid share transfers in physical form which are lodged with the Company/Registrar & Share Transfer Agent on or before 12th September, 2007; and
- b. In respect of the shares in electronic form on the basis of beneficial ownership furnished by National Securities Depositories Ltd. (NSDL) and Central Depositories Services (India) Limited (CDSL) for this purpose as at the end of 12th September, 2007.

Members are requested to notify immediately any **change of address** to their Depository Participants (DPs) in respect of their electronic share accounts and to the Company Secretary or Registrar & Share Transfer Agents M/s. MAS Services Pvt. Ltd., AB-4, Safdarjung Enclave, New Delhi - 110 029 in respect of their physical shares quoting their folio number.

7. BANK MANDATE FOR DIVIDEND OR ELECTRONIC CLEARING SERVICES (ECS)

- a. In order to protect the investors from fraudulent encashment of warrants, the members are requested to furnish their Bank Account Number (Current/Savings), the name of the Bank and Branch where they would like to deposit the dividend warrants for encashment, whenever dividend is declared by the Company.

These particulars will be printed on the Dividend Warrant besides the name of the shareholders, so that these warrants cannot be encashed by anyone other than the shareholder.

The above mentioned details should be furnished by the first/sole holder, directly to their respective Depositories in respect of shares held in electronic form and in case of shares held in physical form to the Company Secretary or Registrar & Share Transfer Agent M/s. MAS Services Pvt. Ltd., AB-4, Safdarjung Enclave, New Delhi-110 029.