

36th Annual Report

2009 - 2010



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



NATIONAL FERTILIZERS LIMITED

Farmers' friend, Nation's pride



...we radiate smiles

OUR MISSION

NFL's mission to be a market leader in fertilizers and a significant player in all its other busin
satisfaction, reasonable reward to shareholders, ethics, professionalism and concern for ecc



More than fertilizing crops ...

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ess, reputed for customer
ology & the community

Management Team

BOARD LEVEL

V. K. Sharma

Chairman & Managing Director

Neeru Abrol

Director (Finance)

R. K. Aggarwal

Director (Technical)

CORPORATE HEADS

Vigilance
Finance & Accounts
Corporate Planning & Technical
Human Resource & Public Relations
Materials Management
Internal Audit
Marketing
Management Services
Company Sectt. & Legal

Ajoy Kumar
Rakesh Sahai
R. K. Bhatia
S. N. Mahey
Rajiv Johri
P. K. Kataria
S. K. Ghai
N. R. Satyapalan
Tek Chand

Chief Vigilance Officer
Executive Director
Executive Director
Chief General Manager (HR)
Chief General Manager
General Manager
General Manager (Incharge)
General Manager
Company Secretary

UNIT HEADS

Nangal
Panipat
Bathinda
Vijaipur I & II

B. G. Singh
P. C. Jain
K. B. Verma
S. M. H. Rizvi

General Manager (Incharge)
Chief General Manager
Executive Director
Executive Director

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

S. P. Chopra & Co., New Delhi • KPMC & Associates, Ghaziabad

REGISTRAR & TRANSFER AGENTS

Mas Services Limited : T-34, IIInd Floor, Okhla Industrial Area-II, New Delhi-110020

Board of Directors



Shri V. K. Sharma
Chairman & Managing Director



Ms. Neeru Abrol
Director (Finance)



Shri R. K. Aggarwal
Director (Technical)



Shri Deepak Singhal
Joint Secy., Dept. of Fertilizers



Shri Satish Chandra
Joint Secy., Dept. of Fertilizers



Shri S. A. T. Rizvi
Director



Shri N. K. Goyal
Director



Dr. S. K. Bhattacharya
Director

Highlights



Shri V.K. Sharma, C&MD exchanging MOU : 2010-11 document with Shri S. Krishnan, Secretary (Fertilizer)



Ms. Neeru Abrol, Director (Finance) receiving ICWA for NFL Bathinda Unit from Shri Salman Khurshid, Hon'ble Union Minister of State for Corporate Affairs

Performance at a Glance

Financial Highlights

Particulars	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006	2004-2005	2003-2004	2002-2003	2001-2002	2000-2001
Sales (Net)	1695	1683	1623	1649	1634	1726	1731	1594	1532	1462
Subsidy	3396	3444	2518	2217	1957	1748	1657	2060	1418	1347
TURNOVER (incl.Subsidy)	5091	5127	4141	3866	3591	3474	3388	3654	2950	2809
TOTAL INCOME	5148	5207	4206	3894	3627	3507	3418	3685	2978	2838
Earnings before depreciation, interest and tax (EBDITA)	365	293	262	387	312	357	329	688	270	246
Interest and Finance Charges	11	41	17	17	8	22	34	72	110	122
Depreciation	94	96	89	106	125	120	176	168	112	104
Profit before Taxation	260	156	156	264	179	215	119	448	48	20
Profit after Taxation	172	97	109	176	116	161	85	286	41	27
Gross Fixed assets	2924	2906	2925	2903	2897	2862	2846	2839	2692	2687
Net Fixed Assets	666	734	809	871	963	1050	1153	1322	1342	1448
Current Assets, Loans and Advances	2086	1524	1443	1693	1272	1007	1147	1476	1432	1618
Current Liabilities and Provisions	798	885	816	692	553	601	372	746	614	758
Working Capital	1288	639	627	1001	719	406	775	730	818	860
Borrowings	403	265	525	327	227	60	618	754	818	903
Net Worth	1582	1471	1408	1371	1256	1186	1080	1027	1093	1407
Capital Employed	1954	1373	1436	1872	1682	1456	1928	2052	2160	2308
Production (Urea) (Lakh MT)	33.30	33.44	32.68	33.51	33.44	34.32	32.50	32.12	31.91	29.36
Capacity Utilisation (Urea) (%)	103.1	103.5	101.1	103.7	103.5	106.2	100.6	99.4	99.5	93.6
Sales (Urea) (Lakh MT)	33.78	33.77	32.38	33.54	33.63	34.73	33.87	32.89	32.92	30.50
Employees (Nos.)	4760	4868	4786	4736	4769	4853	4940	5404	5751	6602

Key Indicators

Particulars	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006	2004-2005	2003-2004	2002-2003	2001-2002	2000-2001
Debt/Equity	0.25:1	0.18:1	0.37:1	0.24:1	0.18:1	0.05:1	0.57:1	0.74:1	0.77:1	0.68:1
Current Assets to Net Assets	0.72:1	0.56:1	0.50:1	0.65:1	0.56:1	0.48:1	0.49:1	0.52:1	0.57:1	0.53:1
Current Ratio	2.61:1	1.72:1	1.76:1	2.45:1	2.30:1	1.67:1	3.09:1	1.98:1	2.33:1	2.14:1
Acid Test Ratio	2.15:1	1.30:1	1.27:1	1.90:1	1.69:1	1.06:1	1.97:1	1.22:1	0.90:1	0.98:1
Return on Capital Employed (%)	8.78	7.10	7.56	9.41	6.92	11.06	4.41	13.95	1.88	1.18
Return on Equity (%)	34.96	19.87	22.15	35.90	23.73	32.80	17.33	58.35	8.28	5.57
Return on Net Worth (%)	10.87	6.59	7.74	12.84	9.24	13.58	7.87	27.85	3.75	1.92
Value Added per Employee (Rs. in Crores)	0.23	0.20	0.19	0.19	0.17	0.18	0.17	0.24	0.15	0.12
Earning per Share (EPS) (Rs.)	3.50	1.99	2.21	3.59	2.37	3.28	1.73	5.84	0.83	0.56
EBDITA / Turnover (%)	7.17	5.71	6.33	10.01	8.69	10.28	9.71	18.83	9.15	8.76

DIRECTORS' REPORT (2009-2010)

To,

Dear Members,

The Directors are pleased to present the 36th Annual Report on the business and operations of the company together with the audited accounts for the year ended March 31, 2010.

Financial Performance

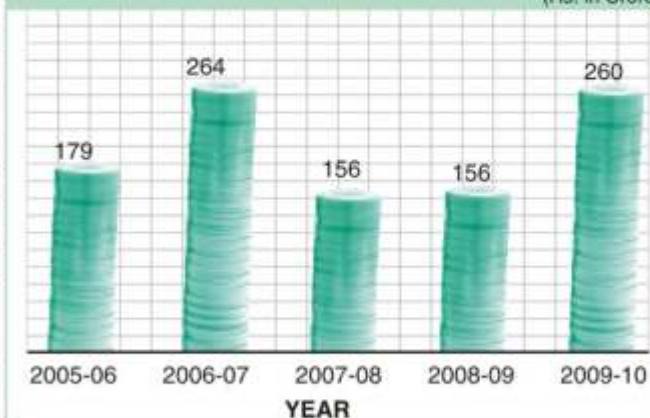
(Rs. In crore)

Particulars	2009-10	2008-09
Turnover (Net)	5091.34	5127.10
EBIDTA	364.66	292.91
Interest	10.96	40.89
Depreciation	93.75	96.41
Profit Before Tax (PBT)	259.95	155.61
Provision for Taxation	88.44	58.15
Profit After Tax	171.51	97.46
Appropriations :		
Proposed Dividend	51.51	29.43
Tax on Proposed Dividend	8.56	5.00
Amount transferred to General Reserve	17.15	9.75
Financial Ratios :		
EBIDTA/Net sales (%)	7.17	5.71
Return (PAT) on Net worth (%)	10.87	6.59
Earning per share (Rupees 10/- each)	3.50	1.99
Debt-Equity ratio	0.25:1	0.18:1
Current ratio	2.16:1	1.72:1

During the year, the Company achieved turnover of Rs.5091.34 crore (previous year Rs. 5127.10 crore). The profit before tax is Rs. 259.95 crore (previous year Rs.155.61 crore) and profit after tax is Rs.171.51 crore (previous year Rs.97.46 crore). The increase in net profit by 76% over previous year is mainly due to improvement in the energy efficiency at Panipat unit and reduction in interest expenses. The total borrowings of the company as at 31st March, 2010, stood at Rs. 403.16 crore (Rs.264.87 crore as at 31st March, 2009). However, it had short term deposits with scheduled banks of Rs.678.28 crore as on 31st March, 2010 (Rs.90 crore as at 31st March, 2009), thus virtually a debt free company. During the year, fertilizer bonds issued in lieu of cash subsidy of face value of Rs.371.19 crore were

PROFIT BEFORE TAX

(Rs. in Crore)



sold at a loss of Rs.33.17 crore. At the year end, bonds of the face value of Rs.125 crore were held.

Dividend

The Directors have recommended a dividend of Rs.1.05 per share (previous year Rs.0.60 per share) subject to approval of the members. The total dividend pay-out is Rs.60.07 crore (including dividend tax of Rs. 8.56 crore) and accounts for 30% of profit after tax. A sum of Rs. 17.15 crore has been transferred to the general reserve during the year (previous year Rs. 9.75 crore)



Shri V.K. Sharma, Chairman & Managing Director and Ms. Neeru Abrol, Director (Finance) presenting dividend cheque to the Hon'ble Minister (Chemicals & Fertilizers).

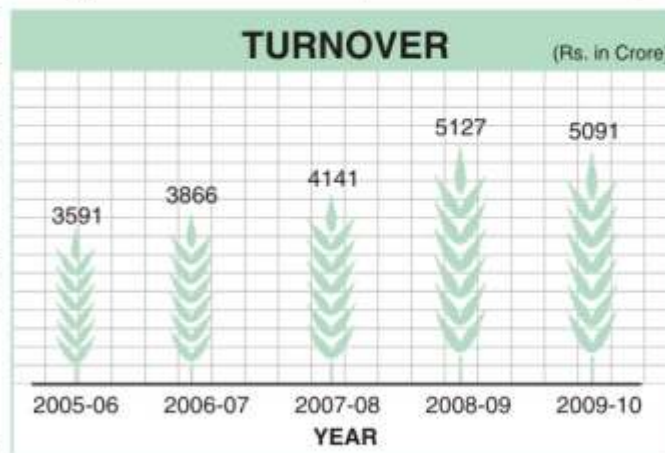
Operations

During the year, your company produced 33.30 lakh tonnes of Urea (103.07% of installed capacity) compared to 33.44 lakh tonnes in the previous year. The marginal reduction in production is due to additional production of 0.39 lakh tonnes at fuel-based Nangal and Bathinda Units in previous year being economically viable considering the prevalent import parity price of urea. The production includes 0.99 lakh tonnes of additional production of urea from Vijaipur unit. Marginal shortfall of 0.04 lakh MT at Nangal unit was made up by producing additional Urea at Panipat and Bathinda. Company achieved ever best production of 226 tonnes of Bio-fertilizers and 37648 tonnes of Neem-coated urea. The percentage share of NFL in urea production in the country has been estimated at 15.8. Company has also started the production of foundation and certified seeds under a pilot project.

During the year, with availability of additional 0.6 mmscmd (million metric standard cubic meter per day), RIL natural gas from 1st May, 2009, naphtha consumption has been substituted at Vijaipur unit with low cost gas.

Sales & Marketing

Company sold 33.78 lakh tonnes of Urea against 33.77 lakh tonnes in the previous year. The sales turnover



including subsidy for the year was Rs. 5091.34 crore against Rs.5127.10 crore in the previous year. The reduction in Sales turnover is due to decrease in the subsidy rate pursuant to decrease in prices of FO/LSHS and substitution of Naphtha with Natural Gas, which has been largely off-set by sale of imported Murate of Potash (MoP) of Rs 146.91 crore. Company achieved ever-best bio-fertilizer sales of 196 tonnes. It also sold 3468 tonnes of seeds during the year (previous year 1632 tonnes).

Company is also dealing in various industrial products including nitric acid, ammonium nitrate, sodium nitrate/nitrite, sulphur, liquid argon, methanol, etc. Company has also started the sale of ammonia from its Vijaipur Unit. During the year sales turnover for industrial products is Rs.98.35 crore. Company also sold Compost, Micorhizza and seeds of the value of Rs.7.31 crore.

Modernization and Expansion Projects

The year 2009-10 was a landmark year for the Company. Consequent upon notification of remunerative investment policies by Government of India in urea sector, the Company has undertaken a number of projects as follows:-

- **Revamp of fuel-oil based plants at Panipat, Bathinda & Nangal**

Company has undertaken revamp of fuel-oil based plants at Panipat, Bathinda & Nangal for change over of feedstock from FO/LSHS to NG/RLNG. Zero date of these projects has been fixed as 29th January 2010. These projects involve a total investment of Rs.4066 crore and gestation period of 36 months from the zero date i.e. 29th January 2010. Contract for revamp of Panipat and Bathinda units has been signed with M/s Larsen & Toubro (L&T) on 10th March 2010 and for Nangal unit with consortium of M/s Tecnimont ICB (TICB) on 12th May 2010. M/s. Project & Development India Limited (PDIL) has been engaged as Project Management Consultant for all the projects.

- **Capacity Augmentation & Energy Saving Project (ESP) at Vijaipur**

Company has undertaken Capacity augmentation of urea plants at Vijaipur-I & II by 16% and 23% respectively including installation of Carbon Dioxide Recovery plant at an investment of around Rs.900 crore. The total urea capacity after completion of Energy Saving project at Vijaipur-I and Capacity Enhancement Project at Vijaipur-II is expected to be 6261 MTPD. Basic engineering for Ammonia-I, Ammonia-II, Urea-I and Urea-II has been completed. Procurement of equipment is in progress. The projects are expected to be commissioned by 2011-2012.

Human Resource Management

To achieve sustainable growth and to foster motivational climate, several initiatives were taken up in Human Resources area during the year. This was accomplished through meeting training needs at various levels, providing opportunities for employees participation in Management and rewarding suitably for innovative ideas. Company achieved 2.98 mandays training per employee.

The total employee strength of the Company stands at 4760 as on 31st March, 2010 against 4868 as on 31st March, 2009. Of the total strength 1902 are executives and 2858 non-executives.

During the year, Company implemented the revised pay scales for employees w.e.f. 1st January, 2007. Keeping in view the welfare of the employees, Company has initiated the process to introduce a Contributory Pension Scheme for all the regular employees.



Employees working on digital control system (DCS) in Vijaipur Plant

Industrial Relations remained congenial, harmonious and peaceful. Regular interactions were made between the Management and employees' representatives on various subjects to improve the mutual trust and implement the decisions effectively. The Company continues to make efforts for improving employees' health, well-being and welfare and has taken steps for providing recreation, education and general welfare of employees.

Implementation of Official Language

Your Company is making continuous and intensive efforts to ensure the implementation of Official Language policy of the Government of India. Necessary steps have been taken to achieve the targets fixed in the Annual Programme issued by the Department of Official Language, Government of India. Several workshops and competitions were organized to encourage employees to work in Hindi. Office orders, formats, circulars were issued in Hindi as well. All important advertisements and house journals were released in bi-lingual form in Hindi and English. Information Technology is being widely used to promote the use of official language.

Awards & Accolades

Your Company excelled in performance in various areas, which got recognition from various quarters during the year. The company has received the ninth consecutive "Excellent" MoU rating for the fiscal year 2008-09.

Vijaipur unit has received "Green Tech Safety Award 2009" in Fertilizer sector from Green Tech Foundation, New Delhi for best safety practices. Vijaipur Unit has also been awarded cash prize of Rs. One lakh & Certificate of Honour during the year by Department of Commercial Tax, Government of Madhya Pradesh for Best Tax Payer for 2007-08. Vijaipur Unit also received Second Award for Bio-Fertilizers in manufacturing sector for the year 2006-07 from National Productivity Council, New Delhi. Vijaipur unit and Panipat unit also received National Safety Awards. Bathinda unit received First prize for achieving largest reduction in Accident Frequency Rate in Chemical Industry for the year 2009 from Punjab Industrial safety Council, Chandigarh.

Environment Management

Your Company has in place a system for controlling and monitoring pollutants at all units complying with environmental standards and legislations. Resource conservation, waste management and pollution prevention are the driving forces for environmental excellence at your Company.

Silo system for collecting fly ash from ESP Hoppers using dense phase pneumatic conveying system has been installed at Panipat and Bathinda units for evacuation of ash from the plants.

All the Units are ISO 9001-2000 certified for Quality Management System, ISO-14001 certified for Environment Management System and have received OHSAS-18001 certification for occupational health and safety management system.

Company has finalized and submitted the project development document for installation of facilities for reducing Nitrous Oxide emissions from Nitric Oxide Plant at Nangal. The project shall enable the Company to earn Carbon Credits under Clean Development Mechanism.

Company is putting up a Carbon Dioxide Recovery Plant of 450 MTPD capacity for recovery of carbon dioxide from Flue Gases of primary reformer at Vijaipur. This will also help in reduction in discharge of green house gases.

Information Technology

The Company is using information technology in all of its business functions and now looking at integration of these functions through implementation of Enterprise Resource Planning (ERP). The Consultant is reviewing all the business processes and formulate the strategy and road map thereon.

On the IT infrastructure front, the Company has replaced its Leased Line based wide area network by setting up MPLS - Virtual Private Network, which is providing a secured & scalable connectivity amongst Corporate Office, Units and Marketing Offices. The Marketing mobile staff have been provided with high-speed data cards. DSLAMs/ ADSL Routers have been provided at the Units for LAN connectivity to remote locations through internal exchanges.

Corporate Social Responsibility

Socio Economic Development of Weaker Sections in rural areas

Your Company is committed towards improving the crop productivity and living standard of socio-economically weaker sections of the society. Keeping with its strong commitment to rural development, your Company continued to facilitate the farming community in improving the crop productivity by educating farmers about the efficient use of fertilizers. In furtherance of this cause, during the year 424 field demonstrations and 161 R&D trials were undertaken on different crops in different areas. Around 60,000 soil samples were collected and tested for nutrient deficiency and analysis report provided to the farmers. Mass awareness campaign was undertaken through intensive farmers' training to apply inputs including micronutrients as per soil test recommendations.

Krishi melas, exhibitions, crop seminars, farmers' & dealers' training programmes and study tours were organized to disseminate information regarding improved farm technology and establish direct communication with the farmers and also to educate the farmers of the balanced use of fertilizers and its timely application besides providing guidance on pesticides & fungicides. More than 2 lakh crop literature in the form of folders, leaflets, pamphlets in local languages were distributed during these programmes. Krishi diary, an annual publication for farmers and Kisan Sandesh, a season-wise crop advisory newsletter was addressed to the farmers. A number of health camps for women and children, animal health camps, vocational training programmes were organized. Water tank, water coolers, solar lights, tricycles, school furniture, books etc. were also distributed.

Vijaipur, Panipat, Bathinda and Nangal Units carried out various activities for the benefit of socially and economically weaker sections of the society in their peripheral areas. Health awareness programmes, medical camps were also organized. Financial aid, blankets, sewing machines, etc. were provided to the poor and needy persons of the nearby villages. Scholarship to meritorious students belonging to SC/ST categories, stationery items, sweaters, furniture items, etc. were also distributed to school children. Community works in the surrounding villages such as construction of boundary wall, flooring work and other civil works at nearby schools were also carried out to provide better environment for the students.

Implementation of Right to Information Act, 2005

Company has created necessary mechanism to provide information to citizens of the country. Public Information Officers/Asstt. Public Information Officers/Appellate Authorities have been appointed at all the Units/Offices of the Company to respond expeditiously to the requests of the applicants under the Act. During the year, 121 requests were received from the public and the information was made available within the prescribed time.

Vigilance

Vigilance Division endeavoured for evolving and effectively implementing preventive techniques including transparency, accountability, fair play, objectivity and timely response in dealing with matters relating to public administration.

All systems and processes for deliverance of services are being synchronized through use of technology like effecting e-payments to vendors, e-receipts, publishing complete details of tenders on website, e-procurement, reverse auction, etc.

To impart proper training to the employees, yearly calendar was prepared for organizing training programmes/workshops. Special emphasis was laid by organizing workshops on leveraging technology and disciplinary matters

through external faculties. Vigilance Awareness Week was also observed at all Units/Offices involving all employees to create an environment of ethical growth in the organization.

Management Discussion & Analysis Report

Management Discussion and Analysis Report covering the operations and future prospects of the company is at Annexure-I.

Statutory Auditors & Statutory Auditors' Report

M/s. S.P. Chopra & Co. and M/s. KPMC & Associates, Chartered Accountants, were appointed as Joint Auditors for the financial year 2009-10 by the Comptroller & Auditor General of India. The Statutory Auditors' Report on the Accounts of the Company for the financial year ended 31st March, 2010 is at Annexure-II.

The Comptroller & Auditor General of India (CAG) has given NIL comments on the Accounts of the Company for the year ended 31st March, 2010. under Section 619(4) of the Companies Act, 1956. A copy of the comments is at Annexure-III.

Cost Audit

As prescribed under the Cost Accounting Records (Report) Rules, 2001, the cost accounting records are being maintained by all the Units of the Company. Cost Audit for 2009-10 has been carried out.

Corporate Governance

Your company has in place a well defined "Corporate Governance Mechanism" which considers the interests of all stakeholders. A separate section on Corporate Governance forming part of this Directors' Report alongwith the Auditors' Certificate conforming the Compliance of Corporate Governance Code as provided in Clause 49 of the Listing Agreement and Management's replies to the observations of Auditors on Corporate Governance Report are at Annexure-IV.

Report on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo

Disclosures in terms of Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, in respect of conservation of Energy and Technology Absorption & Foreign Exchange Earnings and Outgo are at Annexure-V.

Statistical information on employees belonging to Scheduled Castes/Scheduled Tribes categories

The information with regard to the employees belonging to Scheduled Castes/Scheduled Tribes is annexed as Annexure-VI.

Particulars of employees

The particulars of employees u/s 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is at Annexure-VII.

Directors' Responsibility Statement

Pursuant to the requirement of Section 217(2AA) of the Companies Act 1956, your Directors confirm that: -

- i. in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed and no material departure have been made there from by the Company;

- ii. the Directors had selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2009-10 and of the profit of the Company for that period;
- iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv. the Directors have prepared the Annual Accounts on a going concern basis.

Board of Directors

Shri V.K. Sharma, Director (Technical) was appointed as Chairman & Managing Director (C&MD) w.e.f. 27th August, 2009. He held additional charge as C&MD since 1st December, 2008.

Shri K.B. Sachdev, Director (Marketing) retired on 30th September, 2009 consequent upon his superannuation. The Board places on record its deep appreciation for the valuable services rendered by him during association with NFL.

Shri Kanwal Malhotra, Independent Director, ceased to be a Director w.e.f. 21st February, 2010 on completion of his term. The Board places on record its deep appreciation for the valuable services rendered by him during association with NFL.

Shri Sudhir Bhargava, Government Director has ceased to be a Director w.e.f. 3rd May, 2010. The Board places on record its deep appreciation for the valuable services rendered by him during association with NFL.

Shri Deepak Singhal, Joint Secretary, Department of Fertilizers has been appointed as Director on the Board w.e.f. 27th May, 2010.

Shri R.K. Aggarwal has joined as Director (Technical) on 2nd June, 2010.

In accordance with the provisions of Article 76(2) of the Articles of Association of the Company, two directors Shri N.K. Goyal and Dr. S.K. Bhattacharyya shall retire by rotation at the Annual General Meeting of your Company and being eligible, offer themselves for reappointment.

Acknowledgements

Your Directors acknowledge with deep sense of appreciation for continued assistance and cooperation that your Company received from the Government of India, Department of Fertilizers, Fertilizer Industry Coordination Committee (FICC), various State Governments, Financial Institutions, Banks, stakeholders and all others whose continued support has been a source of strength to the Company. The Directors also wish to place on record their sincere appreciation for the untiring efforts and contributions made by the employees at all levels to ensure that the Company continues to grow and excel.

For and on behalf of the Board of Directors

Place: New Delhi
Date: 29th July, 2010

(V. K. Sharma)
Chairman & Managing Director



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

State of Economy & Industry

During the fiscal year 2009-10, economy started recovering from the Global economic slowdown experienced during 2008-09. The economy responded well to the policy measures undertaken in the wake of global financial crisis. It was also a year of reckoning for the policy makers, who had taken a calculated risk in providing substantial fiscal expansion to counter the negative fallout of the global slowdown. A delayed and severely sub-normal monsoon added to the overall uncertainty. Over the span of the year, the economy posted a remarkable recovery in terms of overall growth and certain fundamentals justifying the optimism for the Indian economy in the medium to long run.

The Indian Economy (GDP) grew by 7.4% in 2009-10. This has come about despite a decline of 0.2% in agricultural output, which was a consequence of sub-normal monsoons. The fast pace recovery of the economy underscores the effectiveness of the policy response of the government in the wake of financial crisis.

Chemical Fertilizers have played a significant role in the development of agricultural sector. The per hectare consumption of fertilizers in nutrients terms has increased from 105.5 Kg in 2005-06 to 128.6 Kg in 2008-09. The Government has taken a number of measures to improve the fertilizer application in the country. To encourage balance use of fertilizers, a new concept of customized fertilizers has been introduced. These fertilizers are soil specific and crop specific. Organic fertilizers namely city based compost and vermin compost and bio-fertilizers have been recognized and incorporated in Fertilizers Control Order.

The domestic production of urea during the year 2009-10 was 211 lakh tonnes against the production of 199 lakh tonnes in 2008-09. The consumption of urea was 265 lakh tonnes during the year which was almost at previous year's level. Due to buoyant demand of urea in the country 52 lakh tonnes of urea was imported compared to 57 lakh tonnes in previous year.

The Government implemented the Nutrient Based Subsidy (NBS) Policy on decontrolled Phosphatic & Potassic fertilizer with effect from 1st April, 2010. The policy entails fixation of subsidy on the basis of nutrient contents of Nitrogen, Phosphorous, Potash and Sulphur in fertilizer. The NBS regime is expected to promote balanced fertilization and consequently increase agriculture productivity in the country through higher usage of secondary and micro nutrients. It is also expected that with implementation of NBS, there will be impetus to develop new innovative fertilizers to meet the deficiencies of nutrients in Indian soil. The NBS regime is expected to reflect the actual demand of fertilizers in the country and promote realistic pricing of fertilizer products. Unshackling of fertilizer industry is also expected to attract fresh investments.

Business Organization

Company is mainly in the business of production and marketing of urea. It has five Urea plants, one each at Nangal and Bathinda (Punjab), one at Panipat (Haryana) and two at Vijaipur (Madhya Pradesh). Company deals in various Industrial Products. Urea accounts for major part of the turnover. Company has also a 100 tonnes p.a. bio-fertilizers Plant at Vijaipur, where three strains of bio-fertilizers namely Phosphate Solubilising Bacteria (PSB), Rhizobium and Azotobacter are produced. Company markets seeds, compost, Mycorrhiza, and imported Muriate of Potash (MOP).

Company has an extensive marketing network spread with significant presence in Northern and Central India.

NFL is the second largest producer of urea in the country with a share of 15.8% of total urea production.

Opportunities

Company has undertaken revamp of fuel-oil based plants at Panipat, Bathinda & Nangal for change over of feedstock from FO/LSHS to NG/RLNG. With the commissioning of these projects, cost of production of urea shall become



competitive in the market. Taking the opportunity of New Investment Policy in urea sector, which provides reasonable returns on new investment and priority allocation of gas for fertilizer sector, Company has undertaken capacity augmentation of urea projects at Vijaipur.

NFL is the first fertilizer manufacturer in the country, which has developed the technique for coating of normal prilled Urea with neem oil on large scale. Government has recently notified policy for encouraging production and availability of fortified and coated fertilizers. Due to wider acceptability of Neem Coated Urea in the market, there is an opportunity to augment the production of neem coated urea in terms of above policy.

With the implementation of Nutrient Based Subsidy (NBS) from 01.04.2010 for P&K fertilizers, company has undertaken trading of imported P&K fertilizers and complex fertilizers.

Company has a well knit marketing set-up and dealers network. Marketing of agro-inputs like seeds and compost, on large scale can be undertaken. Company has also been producing and marketing a number of industrial products and is exploring the opportunity to expand further in that sector.

Company has been producing and marketing a number of industrial products and is exploring the opportunity to expand further in view of increase in demand for Industrial Products.

Threats

The Company primarily has a single nutrient product base i.e. Urea. Increasing input costs of feed-stock i.e. Fuel Oil/Naphtha/Natural Gas has raised the cost of production of Urea and Industrial Products. Globalized competitive scenario coupled with reducing trend of import duties and dumping at low price may affect the sale and margins on industrial products being manufactured by the Company. However, with the commissioning of changeover of fuel based projects, cost of production of urea and industrial products shall get reduced considerably.

The acreage under food production is declining because of depletion in water levels. Dependence on Monsoons is increasing. Scanty rains because of Monsoon failures affects the urea off takes in the market area.

Risks & Concerns Management perceives

During the last few years, Company has faced higher employee attrition rate particularly in technical and other professional disciplines. For future projects of the Company, highly qualified technical manpower would be required.

Positioning for the future

(a) Projects : Agriculture sector will continue to remain vital for Indian economy. The contribution of fertilizers in increasing the production and productivity of Indian agriculture especially food-grains is undisputed. Considering the opportunities available, Company has undertaken the following initiatives :

- **Revamp of fuel-oil based plants at Panipat, Bathinda & Nangal**

Company has undertaken revamp of fuel-oil based plants at Panipat, Bathinda & Nangal for change over of feedstock from FO/LSHS to NG/RLNG. These projects involve a total investment of Rs.4066 crore and have been taken up for execution on 29th January, 2010 with gestation period of 36 months. Contract for revamp of Panipat and Bathinda units has been signed with M/s L&T on 10th March, 2010 and for Nangal unit, on 12th May, 2010 with M/s TCM (LSTK vendor). PDIL has been engaged as Project Management Consultant for all the projects. Funds of Rs.3,850 crore for the projects have been tied-up from the market and loan agreements signed on 29th June, 2010.

- **Urea Capacity Augmentation & Energy Saving Project (ESP) at Vijaipur**

Company has undertaken Capacity augmentation of urea plants at Vijaipur-I & II by 16% and 23% respectively alongwith installation of Carbon Dioxide Recovery (CDR) plant. The total urea capacity after completion of Energy Saving project at Vijaipur-I and Capacity Enhancement Project at Vijaipur-II is expected to be 6261 MTPD from

present level of 5240 MTPD. Basic engineering for Ammonia-I, Ammonia-II, Urea-I and Urea-II has been completed. Procurement of equipment is in progress. The estimated project cost would be around Rs.900 crore. These projects are expected to be commissioned by 2011-12.

- **CDM Project for Nitric Acid Plant at Nangal**

Company had finalized and submitted the Project Development Document for approval for putting up facilities for reducing nitrous oxide emissions from Nitric Acid Plant at Nangal. The project will enable the Company to improve environment and earn carbon credits under Clean Development Mechanism.

(b) Marketing :

- **Sale of other fertilizers**

In order to further strengthen its product line with a complete range of chemical fertilizers, company has been importing MOP fertilizer for trading through its distribution network. Contracts are also being lined-up to import other fertilizers like DAP, complex fertilizers. Addition of Single Super Phosphate (SSP) fertilizer in the product range is also in progress.

- **Bio-fertilizers**

Company has also initiated marketing of special fungus based Bio-fertilizer 'Mycorrhiza' under the brand name of "Kisan Mycorrhiza", which increases the root growth and improves soil structures to provide vital nutrition to the plant.



Bio Fertilizers produced by NFL

- **Seeds**

Company has begun the production of foundation and certified seeds in a pilot project at selected farmer's fields in adopted villages which can pave the way for seed production on a commercial scale. Company has also initiated action to set up its own Seed Processing Plant at Indore to provide good quality seed of various High Yielding Variety (HYV) crops under its own brand. Similar seed projects are expected to come-up in near future at Nangal and Panipat Units. Company has also entered into marketing tie-ups with reputed Govt. Seed Agencies viz. NSC, SFCI, US and TDC for supply of certified seed of various HYV crops for trading through Company's vast dealer network spread over various states.

- **Promotion of balanced use of fertilizers**

Company believes in marketing its products and services through extensive field demonstrations coupled with an effort to build relationships with the end users, the farmers. This has helped to make its brand "Kisan Urea" a household name.

In furtherance to that cause, during the year 424 field demonstrations and 161 R&D trials were undertaken on different crops to exhibit the use of balanced fertilization and bio-fertilizers, bio-pesticides/bio-insecticides to improve crop production and soil health. Approximately, 60,000 soil samples were collected and tested for nutrient deficiencies and analysis reports supplied to the farmers.

Company has been organizing Kisan Melas, Crop Seminars, Farmers/Dealers Training Programmes and study tours to disseminate improved farm technology and establish direct communication with the farmers. Illustrated crop literature in the form of folders, leaflets, pamphlets in local languages is distributed at these programmes. Krishi diary, an annual publication for farmers and Kisan Sandesh- a season-wise crop advisory newsletter is made

available to farmers, with the focus to reach farmers to improve their lot and to participate in nation building.

Company continuously organizes Training Programs for its field force and its dealers to boost their knowledge level and upgrading their skills.

- **Customized fertilizers**

In line with the Government of India, initiatives by declaring Nutrient Based Subsidy Policies, Company intends to produce and market customized fertilizers through its distribution network to strengthen the soil health and to boost balanced use of fertilizers to harness productivity.

- **Business alliance with Bharat Sanchar Nigam Limited (BSNL)**

Company has entered into a strategic Business Alliance with Bharat Sanchar Nigam Limited (BSNL) to market their products viz. Recharge Coupons, Mobile connections, Landline connections and Broadband internet facility etc. through company's dealers network.

(c) Joint Venture : Company signed MoU with M/s. KRIBHCO and RCF in January 2008 to form a Joint Venture Company with the name "Urvarak Videsh Limited" to explore investment opportunities abroad and within the country in nitrogenous, phosphatic and potassic sectors and to render consultancy services for setting up projects in India and abroad. Urvarak Videsh Limited has been mandated by Government for the revival of closed Barauni unit of M/s HFCL and has submitted the revival proposal to Government of India.

Review of Performance of the Company

Production Review

Company produced 33.30 lakh tonnes of Urea (103.1% of installed capacity) compared to 33.44 lakh tonnes in the previous year. Shortfall of 4391 tonnes of urea at

Nangal was made up by extra production from Bathinda and Panipat. Combined production of urea from Vijaipur-I and Vijaipur-II during the year was 18.28 lakh tonnes. Total additional production from Vijaipur plants over and above the installed capacity was 0.99 lakh tonnes. All the plants achieved their annual production targets except Nangal due to closure of plant owing to an accident. The shortfall in production at Nangal was made good by additional production from Bathinda and Panipat. The percentage share of NFL in Urea production in the country during the year 2009-2010 is 15.8%.

Company achieved ever-best bio-fertilizers production of 226 tonnes against the earlier best of 160 tonnes during 2008-09.

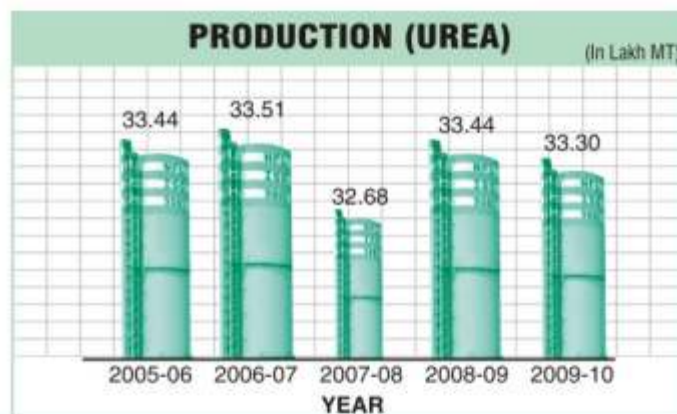
Supply of gas at Vijaipur was adequate because of availability of additional gas from Reliance Industries Limited w.e.f. 1st May, 2009. With the commencement of supply of gas from M/s Reliance Industries Limited (RIL) w.e.f. 1st May 2009, naphtha consumption has been substituted with low cost gas.

Marketing Review

During the financial year 2009-10, Company achieved turnover of Rs.5091.34 crore. In quantitative terms, sales of 33.78 lakh tonnes of Urea were achieved against 33.77 lakh tonnes in corresponding period last year.

Company achieved sales turnover of Industrial Products of Rs.99.15 crore. During the year 61081 MT of MoP was also traded for a value of Rs.146.91 crore. During the year, seeds, micorhizza and compost worth Rs.7.31 crore were traded.

Company has been making continuous efforts to curtail marketing expenses especially warehouse, handling, rake



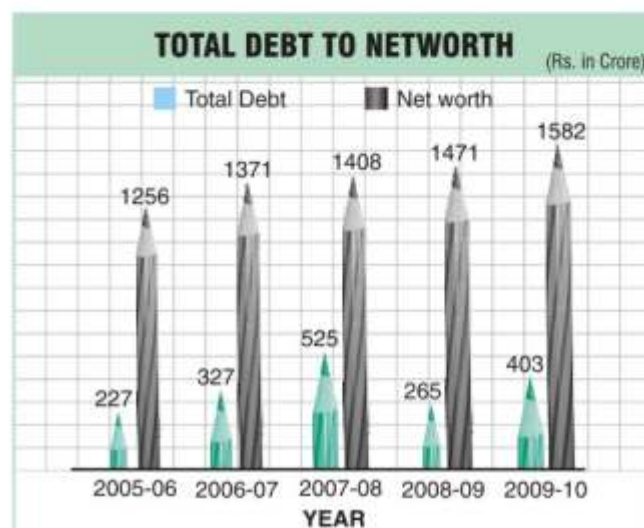
handling, inventory carrying cost. Product movements are continuously monitored to achieve the highest level of efficiency.

Human Resource Management Review

To achieve sustainable growth and to foster motivational climate, several initiatives were taken up in Human Resources area during the year. This was accomplished through meeting training needs at various levels, providing opportunities for employees participation in Management and rewarding suitably for innovative ideas. Company achieved 2.98 man days training per employee. Emphasis is put on to develop multiple skills and multidiscipline exposure amongst the employees to achieve higher level of performance and productivity. The manpower strength as on 31st March 2010 was 4760, as compared to 4868 at the beginning of the year.

Review of Financial Performance

During the year, Company achieved turnover of Rs.5091.34 crore. The profit before tax was Rs.259.95 crore (previous year Rs.155.61 crore) and profit after tax was Rs.171.51 crore (previous year Rs.97.46 crore). The company was able to register increase of 76% in the profit before tax over the previous year. During the year the interest expenses decreased to Rs.10.96 crore (previous year Rs.40.89 crore) due to receipt of subsidy in cash in place of bonds. The total borrowing of the company as on 31st March 2010 stood at Rs.403.16 crore against Rs.264.87 crore as on 31st March, 2009. Debt Equity Ratio as on 31.03.2010 is 0.25 : 1 as compared to 0.18 : 1 as on 31.03.2009.



Analysis of the Financial Performance of the Company :

(a) Turnover

(Rs. in crore)

	FY 2009-10	FY 2008-09	Change (%)
Sales Turnover (Net)	5091.34	5127.10	-0.7

The marginal decrease in sales turnover is on account of decrease in prices of petroleum products i.e. LSHS/FO (4%) at FO based units and substitution of Naphtha with RIL gas at Vijaipur resulting in decrease in subsidy rate which has been largely off-set by sale of imported Muriate of Potash (MoP) of Rs 146.91 crore.

(b) Interest Earned

(Rs. in crore)

	FY 2009-10	FY 2008-09	Change (%)
Interest earned - Bonds	20.43	42.00	-51
- Others (Term deposit etc.)	10.18	8.00	27
TOTAL	30.61	50.00	-39

The decrease in interest income is on account of lower interest income earned on Fertilizer Bonds as the bonds for a face value of Rs.371.19 crore were sold during the year. No new bonds were issued by the Government of India during the year.

(c) Other Income

(Rs. in crore)

	FY 2009-10	FY 2008-09	Change (%)
Other Income (Rent, profit on sale of assets, misc. income etc.)	26.07	30.23	-14

The decrease in the other income is mainly due to inclusion of income on disposal of assets in the previous year.

(d) Consumption of Raw Materials

(Rs. in crore)

	FY 2009-10	FY 2008-09	Change (%)
Raw Materials Consumed	2611.72	2832.32	-8

The decrease in consumption of raw materials is mainly on account of decrease in prices of petroleum products and substitution of naphtha with RIL gas and marginal decrease in production of urea.

(e) Consumption of Stores & spares including Repairs & Maintenance

(Rs. in crore)

	FY 2009-10	FY 2008-09	Change (%)
Stores and Spares Consumed	31.39	19.06	65
Repairs and Maintenance	76.57	65.57	17
Total	107.96	84.63	28

The increase in stores & spares consumption and Repair & Maintenance is mainly due to replacement of catalyst at Vijaipur and increase in the prices of stores and spares.

(f) Employees' Remuneration & Benefits

(Rs. in crore)

	FY 2009-10	FY 2008-09	Change (%)
Employee Remuneration & Benefits	349.52	330.34	6

The increase in employee remuneration and benefits is mainly on account of normal salary escalation and additional provision of Rs.14.02 crore (previous year nil) towards company's defined contribution towards Proposed Pension Scheme for the period 1.1.2007 to 31.03.2010.

(g) Power and Fuel

(Rs. in crore)

	FY 2009-10	FY 2008-09	Change (%)
Power and Fuel	1066.85	1240.39	-14

The decrease in power and fuel expense is mainly on account of decrease in prices of petroleum products and substitution of naphtha with RIL gas.

(h) Freight and Handling

(Rs. in crore)

	FY 2009-10	FY 2008-09	Change (%)
Freight and Handling	228.68	232.66	-2

The decrease in freight and handling expense is mainly due to reduction in secondary freight.

(l) Other Expenses

(Rs. in crore)

	FY 2009-10	FY 2008-09	Change (%)
Other Expenses (including past period adjustments)	109.10	134.38	-19

The decrease in other expenses is mainly on account of lower provision for diminution in value of investment (Fertilizer Bonds) based on mark to market valuation.

Financial Status

(a) Fixed Assets

(Rs. in crore)

	FY 2009-10	FY 2008-09	Change (%)
Gross Block	2924.04	2905.97	1
Less: Depreciation	2258.24	2171.56	4
Net Block	665.80	734.41	-
Capital Work in Progress	29.20	17.49	67

The increase in capital work in progress is due to expenditure incurred on projects of Energy Saving and Urea capacity enhancement at Vijaipur and changeover of feedstock at Nangal, Bathinda and Panipat units.

(b) Investments

(Rs. in crore)

	FY 2009-10	FY 2008-09	Change (%)
Investments	121.80	460.43	-74

Reduction in investment is on account of disposal of Government of India Fertilizer Bonds during the year.

(c) Inventories

(Rs. in crore)

	FY 2009-10	FY 2008-09	Change (%)
Raw Materials	141.16	66.05	114
Stores and Spares (including packing material)	161.51	162.47	-6
Semi finished / finished products	44.45	120.16	-63

The increase in inventory of raw materials is mainly on account of increase in the prices of Raw Materials and higher inventory of coal and LSHS at three LSHS/FO based units. The decrease in finished/semi-finished inventory is mainly due to reduction in inventory of urea.

(d) Sundry Debtors

(Rs. in crore)

	FY 2009-10	FY 2008-09	Change (%)
Gross Debtors - FICC	871.23	825.77	6
- Others	61.48	116.99	-47
Less : Provision for Doubtful Debts	12.16	12.28	-1
Net Debtors	920.55	930.48	-1

The decrease in net debtors is mainly due to realization from others receivables.

(e) Loans and Advances

(Rs. in crore)

	FY 2009-10	FY 2008-09	Change (%)
Loans and Advances	126.08	130.22	-3

The decrease in Loans and Advances is mainly due to decrease in security deposits from railways and claim receivables.

(f) Current Liabilities and Provisions

(Rs. in crore)

	FY 2009-10	FY 2008-09	Change (%)
Current Liabilities	578.53	665.51	-13
Provisions (Gratuity, accrued leave, other Employee Benefit Scheme etc.)	219.12	219.60	-
Total Current Liabilities and Provisions	797.65	885.11	-10

The decrease in current liabilities is mainly on account of decrease in outstanding liability towards sundry creditors for raw materials and reduction in actuarial valuation of employees benefit scheme.

(g) Secured and unsecured Loans

(Rs. in crore)

	FY 2009-10	FY 2008-09	Change (%)
Secured Loans	233.16	64.87	259
Unsecured Loans	170.00	200.00	-15
Total Loans	403.16	264.87	52

The increase in secured loans is due to higher level of cash credit borrowing from banks at the year end due to receipt of subsidy for 4th quarter at the year

Internal Controls

The Company has put in place adequate internal controls measures in all areas. These measures are in the form of various codes, manuals and procedures, issued by the management covering all critical and important activities viz. Budget, Purchase, Material, Stores, Works, Finance, Personnel, etc. These codes, manuals and procedures are updated from time to time and are subject to strict compliance, which is monitored by Internal Audit. Company has an internal audit set up empowered to examine the adequacy and compliance with policies, plans and statutory requirements. Continuous audit and verification of the systems enables to plug any shortcomings. The Internal Audit function of Panipat, Vijaipur, Corporate Office and Marketing Division have been assigned to an external audit firm. Further, Audit Committee and Management periodically review the functioning of internal audit and adequacy of internal control system.

Cautionary Statement

Statements in the Management Discussions and Analysis describing the company focal objectives, expectations or anticipations may be forward looking statements within the meaning of applicable securities, laws and regulations that describe our objectives, plans or goals. All these forward looking statements are subject to certain risks and uncertainties, including but not limited to, Government action, economic development, and risks.



**ANNUAL ACCOUNTS
2009-2010**

BALANCE SHEET AS AT 31ST MARCH, 2010

(Rupees in Crore)

Particulars	Schedule No.	As at 31 st March, 2010		As at 31 st March, 2009	
SOURCES OF FUNDS					
Shareholders' Funds					
Capital	1.1	490.58		490.58	
Reserves and Surplus	1.2	1091.56	1582.14	980.12	1470.70
Loan Funds					
Secured Loans	1.3	233.16		64.87	
Unsecured Loans	1.4	170.00	403.16	200.00	264.87
Deferred Tax Liability			119.60		115.62
TOTAL			2104.90		1851.19
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	1.5	2924.04		2905.97	
Less : Depreciation		2258.24		2171.56	
Net Block		665.80		734.41	
Capital Work-in-Progress	1.6	29.20	695.00	17.49	751.90
Investments	1.7		121.80		460.43
Current Assets, Loans and Advances:					
Current assets					
Interest accrued on Investments		1.19		6.99	
Inventories	1.8	347.12		348.68	
Sundry Debtors	1.9	920.55		930.48	
Cash and Bank Balances	1.10	690.81		107.60	
Loans and Advances	1.11	126.08		130.22	
		2085.75		1523.97	
Less : Current Liabilities and Provisions					
Current Liabilities	1.12	578.53		665.51	
Provisions	1.13	219.12		219.60	
		797.65		885.11	
Net Current Assets			1288.10		638.86
TOTAL			2104.90		1851.19

Significant Accounting Policies and Notes on Accounts

3

Schedules referred to above form integral part of the Balance Sheet

For and on behalf of the Board of Directors

TEK CHAND
COMPANY SECRETARY

NEERU ABROL
DIRECTOR (FINANCE)

V.K. SHARMA
CHAIRMAN & MANAGING DIRECTOR

As per our report of even date attached

For S.P. CHOPRA & CO.
CHARTERED ACCOUNTANTS

For KPMC & ASSOCIATES
CHARTERED ACCOUNTANTS

ANKUR GOYAL
PARTNER
(M. No. 99143)

ANKUR GOEL
PARTNER
(M.No. 512648)

Place : New Delhi
Date : 27th May, 2010

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010 *(Rupees in Crore)*

Particulars	Schedule No.	Year Ended 31st March, 2010		Year Ended 31st March, 2009	
INCOME					
Sales		1703.67		1696.81	
Less : Excise Duty		8.28	1695.39	13.70	1683.11
Subsidy on Urea			3395.95		3443.99
Interest earned	2.1		30.61		50.00
Other Income	2.2		26.07		30.23
			5148.02		5207.33
EXPENDITURE					
Increase()/Decrease in stocks	2.3		75.71		(29.58)
Purchase of Traded Products			153.71		3.38
Materials Consumed	2.4		2723.22		2937.28
Employees' Remuneration and Benefits	2.5		349.52		330.34
Power and Fuel	2.6		1066.85		1240.39
Freight and Handling			228.68		232.66
Repairs and Maintenance	2.7		76.57		65.57
Other Expenses	2.8		109.15		134.96
Interest and Finance Charges	2.9		10.96		40.89
Depreciation			93.75		96.41
			4888.12		5052.30
Profit for the year			259.90		155.03
Adjustments pertaining to prior period	2.10		0.05		0.58
Profit before tax			259.95		155.61
Less : Provision for taxation					
Current tax		84.12		85.86	
Fringe Benefit tax		-		2.37	
Deferred tax		4.53		(32.08)	
Earlier years'		(0.21)	88.44	2.00	58.15
Profit after tax			171.51		97.46
Balance brought forward from previous year			698.49		645.21
Profit available for appropriation			870.00		742.67
Appropriations					
Proposed Dividend			51.51		29.43
Tax on Proposed Dividend			8.56		5.00
Amount transferred to General Reserve			17.15		9.75
Balance carried to Balance Sheet			792.78		698.49
			870.00		742.67
Earning per Share (Face value Rupees 10 each):					
Profit after tax			171.51		97.46
Average Number of Equity shares			490578400		490578400
Basic and Diluted Earnings per share (Rupees)			3.50		1.99

Significant Accounting Policies and Notes on Accounts

3

Schedules referred to above form integral part of the Profit & Loss Account

For and on behalf of the Board of Directors

TEK CHAND
COMPANY SECRETARY

NEERU ABROL
DIRECTOR (FINANCE)

V.K. SHARMA
CHAIRMAN & MANAGING DIRECTOR

As per our report of even date attached

For S.P. CHOPRA & CO.
CHARTERED ACCOUNTANTS

For KPMC & ASSOCIATES
CHARTERED ACCOUNTANTS

ANKUR GOYAL
PARTNER
(M. No. 99143)

ANKUR GOEL
PARTNER
(M.No. 512648)

Place : New Delhi
Date : 27th May, 2010

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rupees in Crore)

	Year Ended 31 st March 2010	Year Ended 31 st March 2009
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit Before Tax	259.95	155.61
Adjustments For :		
Depreciation	93.75	96.41
Interest (Net)	(19.65)	(9.11)
Profit on Sale of Fixed Assets	0.03	(5.01)
Exchange rate variation (Net)	1.72	(0.24)
Provision for Diminution in Value of Investments	3.35	26.21
Loss on Sale of Investment	-	10.22
Provision for Doubtful Debts / Advances	(0.18)	0.96
Provision for Obsolete / Surplus Stores	(0.06)	(0.12)
Liabilities no longer required written back	(2.54)	-
Stores and Spares write offs	4.20	6.98
Assets written off	0.42	1.37
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	340.99	283.28
Adjustments For :		
Trade and Other Receivables	22.22	(160.01)
Inventories	(2.58)	25.49
Trade Payables & Others	(120.54)	74.68
Direct Taxes paid	(80.91)	(101.91)
NET CASH FROM OPERATING ACTIVITIES	159.18	121.53
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (including CWIP)	(37.34)	(28.03)
Purchase of Investments	(0.10)	(545.49)
Sale of Investments	337.92	681.95
Fixed Assets Sold / Discarded	0.04	5.09
Interest Received	30.61	50.00
NET CASH FROM INVESTING ACTIVITIES	331.13	163.52
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Working Capital Borrowings (Net)	168.29	(359.79)
Short Term Loans	(30.00)	100.00
Interest Paid	(10.96)	(40.89)
Dividend/Distribution Tax paid	(34.43)	(38.14)
NET CASH FROM FINANCING ACTIVITIES	92.90	(338.82)
NET INCREASE IN CASH AND CASH EQUIVALENTS	583.21	(53.77)
Cash And Cash Equivalents (Closing Balance)	690.81	107.60
Cash And Cash Equivalents (Opening Balance)	107.60	161.37
NET INCREASE IN CASH AND CASH EQUIVALENTS	583.21	(53.77)
COMPONENTS OF CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR		
Cash in hand	0.10	0.11
Cheques in hand / Remittances-in-transit	7.60	5.74
In Current Accounts with scheduled banks	4.83	11.75
In Term Deposits with scheduled banks	678.28	90.00
	690.81	107.60

For and on behalf of the Board of Directors

TEK CHAND
COMPANY SECRETARY

NEERU ABROL
DIRECTOR (FINANCE)

V.K. SHARMA
CHAIRMAN & MANAGING DIRECTOR

As per our report of even date attached

For **S.P. CHOPRA & CO.**
CHARTERED ACCOUNTANTS

For **KPMC & ASSOCIATES**
CHARTERED ACCOUNTANTS

ANKUR GOYAL
PARTNER
(M. No. 99143)
Place : New Delhi
Date : 27th May, 2010

ANKUR GOEL
PARTNER
(M.No. 512648)

SCHEDULE 1.1 - SHARE CAPITAL

(Rupees in Crore)

	As at 31 st March 2010	As at 31 st March 2009
AUTHORISED		
50,00,00,000 Equity Shares of Rs 10 each	<u>500.00</u>	<u>500.00</u>
ISSUED, SUBSCRIBED AND PAID-UP		
49,05,78,400* Equity Shares of Rs 10 each fully paid	490.58	490.58
	<u>490.58</u>	<u>490.58</u>

* Includes 6,88,07,500 Equity Shares allotted for consideration other than in cash.

SCHEDULE 1.2 - RESERVES AND SURPLUS

(Rupees in Crore)

	As at 31 st March 2010	As at 31 st March 2009
CAPITAL RESERVE	2.51	2.51
GENERAL RESERVE		
As per last Balance Sheet	279.12	269.37
Add : Transferred from Profit & Loss Account	<u>17.15</u>	9.75
	296.27	
SURPLUS IN PROFIT & LOSS ACCOUNT	792.78	698.49
	<u>1091.56</u>	<u>980.12</u>

SCHEDULE 1.3 - SECURED LOANS

(Rupees in Crore)

	As at 31 st March 2010	As at 31 st March 2009
Working Capital Loans from Scheduled Banks	233.16	64.87
(Secured against hypothecation of inventories, book debts and other current assets)		
	<u>233.16</u>	<u>64.87</u>

SCHEDULE 1.4 - UNSECURED LOANS

(Rupees in Crore)

	As at 31 st March 2010	As at 31 st March 2009
Short Term Loans from :		
Banks	170.00*	100.00
Others	-	100.00*
	<u>170.00</u>	<u>200.00</u>

* Includes Rs. 100 crore (Previous year: Rs. 100 crore) against negative lien on 7.95% Fertilizer Companies GoI Special Bonds, 2026 of Rs 125 crore.

SCHEDULE 1.5 - FIXED ASSETS

DESCRIPTION	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at 1 st April, 2009	Additions	Deductions/ Adjustments	Upto 31 st March, 2010	As at 1 st April, 2009	For the year	On Deductions/ Adjustments	Upto 31 st March, 2010	As at 31 st March, 2010	As at 31 st March, 2009
TANGIBLE ASSETS										
<u>Land</u>										
- Freehold	6.78	2.41	-	9.19	-	-	-	-	9.19	6.78
- Leasehold	10.62	-	-	10.62	4.98	0.22	-	5.20	5.42	5.64
<u>Buildings</u>										
- on Freehold Land	67.16	0.59	-	67.75	40.90	1.25	-	42.15	25.60	26.26
- on Leasehold Land	84.46	-	-	84.46	32.14	1.76	-	33.90	50.56	52.32
Leasehold Buildings	1.36	-	-	1.36	0.63	0.05	-	0.68	0.68	0.73
Railway Sidings	12.65	-	-	12.65	11.74	0.12	-	11.86	0.79	0.91
Plant and Machinery	2592.85	18.14	6.55	2604.44	1982.92	85.24	6.16	2062.00	542.44	609.93
EDP Equipments	12.60	1.42	0.34	13.68	9.00	1.21	0.31	9.90	3.78	3.60
Electrical Installations	64.11	0.05	0.06	64.10	46.29	2.03	0.06	48.26	15.84	17.82
Other Equipments	24.23	1.44	0.46	25.21	17.14	0.88	0.41	17.61	7.60	7.09
Furniture and Fixtures	12.36	0.35	0.07	12.64	9.84	0.63	0.05	10.42	2.22	2.52
Vehicles	2.27	0.11	0.08	2.30	1.81	0.08	0.08	1.81	0.49	0.46
INTANGIBLE ASSETS										
Licence and Know-how	14.14	-	-	14.14	14.14	-	-	14.14	-	-
Computer Software	0.38	1.12	-	1.50	0.03	0.28	-	0.31	1.19	0.35
Current Year	2905.97	25.63	7.56	2924.04	2171.56	93.75	7.07	2258.24	665.80	734.41
Previous Year	2924.83	22.92	41.78	2905.97	2115.48	96.41	40.33	2171.56	734.41	

NOTES:

- Title/Lease Deed for land acquired at Nangal (cost Rs 0.93 crore), Vijaipur (cost Rs 4.36 crore), Bathinda (cost Rs 0.15 crore), Building at Scope Complex, New Delhi (cost Rs 2.07 crore) and Land / Building at Bhopal (cost Rs 0.38 crore) are pending execution.
- 325.70 acres of land at Nangal (cost Rs 0.01 crore) had been symbolically possessed by the Punjab Government on 29.10.1998 without determination of consideration. Though the ownership of the entire land including 325.70 acres vests with the Company, however, the physical possession of 325.70 acres of land is with its erstwhile owners.

SCHEDULE 1.6 - CAPITAL WORK-IN-PROGRESS

(Rupees in Crore)

	As at 31 st March 2010	As at 31 st March 2009
TANGIBLE ASSETS		
Buildings	0.47	0.34
Plant and Machinery	26.58	10.58
Capital Stores and Spares	1.71	3.35
INTANGIBLE ASSETS		
Computer Software	-	0.81
ADVANCES		
Unsecured - considered good	0.44	2.41
	<u>29.20</u>	<u>17.49</u>

SCHEDULE 1.7 - INVESTMENTS

(Rupees in Crore)

	Face value per share/bond (Rs.)	As at 31 st March 2010		As at 31 st March 2009	
		Number	Book value	Number	Book value
A. LONG TERM					
- UNQUOTED					
Joint Venture Company:					
Fully Paid up shares					
- Urvarak Videsh Limited	10	150002	0.15	50002	0.05
Co-operative Societies:					
Fully Paid up shares					
- NFL Employees' Consumer Co-operative Stores	10	1250	*	1250	*
- NFL Employees' Consumer Co-operative Stores	50	100	*	100	*
- Bajaj Bhawan Premises Owners' Co-operative Society Limited	50	5	*	5	*
			<u>0.15</u>		<u>0.05</u>
Less: Provision for diminution in value of investments			0.15		-
TOTAL (A)			*		<u>0.05</u>
B. CURRENT					
- UNQUOTED					
Investment in Government Securities:					
Fertilizer Companies GOI Special Bonds **					
- 7.95% Bonds, 2026 #	10,000	125000	125.00	125000	125.00
- 7.00% Bonds, 2022	-	-	-	152750	152.75
- 6.65% Bonds, 2023	-	-	-	218440	218.44
			<u>125.00</u>		<u>496.19</u>
Less: Provision for diminution in value of investments			3.20		35.81
TOTAL (B)			<u>121.80</u>		<u>460.38</u>
TOTAL (A+B)			<u>121.80</u>		<u>460.43</u>

* Being less than Rs 50,000/-, figures not given.

** Received against fertilizer subsidy on Urea.

Under negative lien against unsecured loan of Rs. 100 crore.

SCHEDULE 1.8 - INVENTORIES

(Rupees in Crore)

	As at 31 st March 2010		As at 31 st March 2009	
(As certified by the Management)				
Raw Materials	127.63		57.66	
Add : In-transit	13.53	141.16	8.39	66.05
Packing Materials	8.54		5.06	
Add : In-transit	1.38		0.02	
Less : Provision	0.04	9.88	0.04	5.04
Stores and Spares	144.67		143.36	
Add : In-transit	8.62		15.79	
Less : Provision	1.66	151.63	1.72	157.43
Semi-finished goods	13.48		15.78	
Finished goods	22.05		72.80	
Add : In-transit	8.92	44.45	31.58	120.16
		347.12		348.68

SCHEDULE 1.9 - SUNDRY DEBTORS

(Rupees in Crore)

	As at 31 st March 2010		As at 31 st March 2009	
DEBTS OVER SIX MONTHS				
FICC - Subsidy	12.73		3.57	
Others	12.20	24.93	12.34	15.91
OTHER DEBTS				
FICC - Subsidy	858.50		822.20	
Others	49.28	907.78	104.65	926.85
		932.71		942.76
Less: Provision for doubtful debts		12.16		12.28
		920.55		930.48
Particulars				
Unsecured - considered good (including debts backed by Bank Guarantees Rs 1.03 crores, Previous year: Rs 1.18 crores)		920.55		930.48
Unsecured - considered doubtful		12.16		12.28
		932.71		942.76

SCHEDULE 1.10 - CASH & BANK BALANCES

(Rupees in Crore)

	As at 31 st March 2010		As at 31 st March 2009	
CASH IN HAND		0.10		0.11
CHEQUES IN HAND/REMITTANCES-IN-TRANSIT WITH SCHEDULED BANKS		7.60		5.74
- Current Accounts	4.83		11.75	
- Term Deposits	<u>678.28</u>	683.11	<u>90.00</u>	101.75
		<u>690.81</u>		<u>107.60</u>

SCHEDULE 1.11 - LOANS AND ADVANCES

(Rupees in Crore)

	As at 31 st March 2010		As at 31 st March 2009	
LOANS				
Employees	7.98		8.16	
Interest accrued thereon	<u>13.86</u>	21.84	<u>14.67</u>	22.83
ADVANCES RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED				
Contractors		0.58		0.84
Suppliers		140.12		137.38
Employees		8.02		7.41
Claims Recoverable		5.53		7.14
Balances with Customs and Excise Authorities		1.18		0.40
Income Tax Refunds due		46.17		44.00
Security Deposits		13.70		28.79
Fixed Deposit as 'Case Property' (Refer note no. 3.2 of Schedule 3)		1.32		1.32
Others		19.24		11.81
		<u>257.70</u>		<u>261.92</u>
Less : Provision for doubtful advances		1.98		2.06
Provision for doubtful advances appropriated from Reserves and Surplus (Refer note no. 3.2 of Schedule 3)		129.64		129.64
		<u>126.08</u>		<u>130.22</u>
Particulars				
Secured - considered good		21.84		22.83
Unsecured - considered good		104.24		107.39
Unsecured - considered doubtful		131.62		131.70
		<u>257.70</u>		<u>261.92</u>

Amount due from

Directors : Rs. Nil (Previous year : Rs. 32,400)

Maximum amount due at any time during the year from

Directors : Rs. 34,200 (Previous year : Rs. 57,000)

SCHEDULE 1.12 - CURRENT LIABILITIES

(Rupees in Crore)

	As at 31 st March 2010		As at 31 st March 2009	
Sundry Creditors				
Micro and Small Enterprises	0.51		0.50	
Others	499.21	499.72	603.40	603.90
Security Deposits		51.30		44.91
Advances from Customers		19.14		10.21
Unpaid dividend*		0.04		0.03
Interest accrued but not due on loans		0.20		0.27
Other Liabilities		8.13		6.19
		578.53		665.51

* Includes interest accrued Rs. 24,380 (Previous year : Rs. 20,291). During the year, Rs. 19,079 (Previous year: Rs. 127) was paid to the credit of Investor Education and Protection Fund (IEPF). No amount is due for payment to IEPF at the year end.

SCHEDULE 1.13 - PROVISIONS

(Rupees in Crore)

	As at 31 st March 2010		As at 31 st March 2009	
Employee Defined Benefit Schemes	148.15		179.99	
Taxation (net of advance tax)	4.18		(1.54)	
Proposed Dividend	51.51		29.43	
Dividend Distribution Tax	8.56		5.00	
Local Area Development Tax	6.72		6.72	
		219.12		219.60

SCHEDULE 2.1 - INTEREST EARNED

(Rupees in Crore)

	Year ended 31 st March 2010	Year ended 31 st March 2009
Term Deposits (Gross) (Tax deducted at sources Rs. 1.29 crore, Previous year: Rs. 0.82 crore)	8.06	3.75
Fertilizer Companies GOI Special Bonds	20.43	42.00
Loans to employees	1.03	0.92
Others (Gross) (Tax deducted at sources Rs. 0.05 crore, Previous year: Rs. 0.01 crore)	1.09	3.33
	<u>30.61</u>	<u>50.00</u>

SCHEDULE 2.2 - OTHER INCOME

(Rupees in Crore)

	Year ended 31 st March 2010	Year ended 31 st March 2009
Rent (Gross) (Tax deducted at sources Rs. 1.45 crore, Previous year: Rs. 1.80 crore)	10.93	10.25
Provisions no longer required written back	2.54	-
Profit on sale of Fixed Assets (Net)	-	5.01
Foreign Exchange Gain (Net)	1.72	-
Miscellaneous Income (Gross) (Tax deducted at sources Rs. 0.09 crore, Previous year Rs. 0.45 crore)	10.88	14.97
	<u>26.07</u>	<u>30.23</u>

SCHEDULE 2.3 - (INCREASE / DECREASE IN STOCKS)
(Rupees in Crore)

	Year ended 31 st March 2010	Year ended 31 st March 2009
Opening stock		
Finished Goods	104.38	80.52
Semi Finished Goods	15.78	10.06
	120.16	90.58
Less :		
Closing stock		
Finished Goods	30.97	104.38
Semi Finished Goods	13.48	15.78
	44.45	120.16
Net Increase () / Decrease in stocks	75.71	(29.58)

SCHEDULE 2.4 - MATERIALS CONSUMED
(Rupees in Crore)

	Year ended 31 st March 2010	Year ended 31 st March 2009
Raw Materials*	2611.72	2832.32
Packing Materials	80.11	85.90
Stores & Spares	31.39	19.06
	2723.22	2937.28

*** Itemwise Break-up of Raw Materials Consumed**

	UNIT	Year ended 31 st March 2010		Year ended 31 st March 2009	
		Quantity	Value (Rs in Crore)	Quantity	Value (Rs in Crore)
LSHS	Tonnes	581994	1518.34	607234	1656.47
Fuel Oil	Kilolitre	155256	387.44	149853	398.32
Naphtha	Tonnes	1146	2.70	32613	132.42
Natural Gas	Million/Standard Cubic Metre	1063	703.06	1018	645.00
Others			0.18		0.11
			2611.72		2832.32

SCHEDULE 2.5 - EMPLOYEES' REMUNERATION & BENEFITS

(Rupees in Crore)

	Year ended 31 st March 2010	Year ended 31 st March 2009
Salaries, Wages & Bonus	238.66	220.88
Contribution to Provident Fund	23.93	16.16
Gratuity	(7.50)	38.70
Staff Welfare Expenses	94.43	54.60
	<u>349.52</u>	<u>330.34</u>

SCHEDULE 2.6 - POWER AND FUEL

(Rupees in Crore)

	Year ended 31 st March 2010	Year ended 31 st March 2009
Purchased power	102.89	102.72
Coal	496.33	418.49
Fuel oil	325.54	459.66
Natural Gas	126.40	86.71
Naphtha	6.36	163.68
Others	9.33	9.13
	<u>1066.85</u>	<u>1240.39</u>

SCHEDULE 2.7 - REPAIRS AND MAINTENANCE

(Rupees in Crore)

	Year ended 31 st March 2010	Year ended 31 st March 2009
Plant and Machinery	64.14	55.01
Buildings	5.59	5.67
Others	6.84	4.89
	<u>76.57</u>	<u>65.57</u>

SCHEDULE 2.8 - OTHER EXPENSES

	(Rupees in Crore)			
	Year ended 31 st March 2010		Year ended 31 st March 2009	
Rent		5.33		5.82
Rates and Taxes		2.75		2.85
Insurance		3.66		3.54
Auditors' Remuneration				
Audit Fee	0.09		0.08	
Tax Audit Fee	0.03		0.03	
Certification and other fee	0.04		0.04	
Out of pocket expenses	0.04	0.20	0.02	0.17
Cost Audit Fee		0.02		0.02
Security Expenses		23.58		17.98
Printing and Stationery		1.30		1.17
Advertisement, Publicity and Sales Promotion		2.89		4.37
Directors' Fees		0.03		0.02
Telephone and Postage		1.27		1.41
Travelling		16.24		13.74
Water Charges		8.09		8.03
Provision for :				
Diminution in carrying cost of Investments	3.35		26.21	
Doubtful debts	(0.12)		(0.29)	
Doubtful advances	(0.06)		1.25	
Stores and spares	(0.06)		(0.16)	
Packing materials	-	3.11	0.04	27.05
Loss on Sale of Investments		-		10.22
Write Offs:				
Stores and spares	4.20		6.98	
Others	0.42	4.62	1.37	8.35
Bank Charges		3.40		3.99
Foreign Exchange Loss (Net)		-		0.24
Legal Charges		1.12		1.70
Demurrage and Wharfage		6.55		2.36
Loss on sale of Fixed Assets (Net)		0.03		-
Cash Discounts		5.35		5.90
Others		19.61		16.03
		<u>109.15</u>		<u>134.96</u>

SCHEDULE 2.9 - INTEREST & FINANCING CHARGES

(Rupees in Crore)

	Year ended 31 st March 2010	Year ended 31 st March 2009
Working Capital Loans	2.71	19.39
Short Term Loans	6.24	18.72
Others	2.01	2.78
	<u>10.96</u>	<u>40.89</u>

SCHEDULE 2.10 - ADJUSTMENTS PERTAINING TO PRIOR PERIOD

(Rupees in Crore)

	Year ended 31 st March 2010	Year ended 31 st March 2009
Interest Earned	0.15	0.70
Materials Consumed	(0.06)	-
Other Expenses	(0.04)	0.01
Interest & Finance Charges	-	(0.13)
	<u>0.05</u>	<u>0.58</u>

() indicates debit items

SCHEDULE 3 - SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

1.1 Basis of Preparation of Financial Statements

The financial statements are prepared on accrual basis, as a going concern, under the historical cost convention in accordance with the generally accepted accounting principles in India (GAAP) and the provisions of the Companies Act, 1956.

1.2 Use of Estimates

The preparation of the financial statements in conformity with GAAP in India requires management to make estimates and assumptions, wherever necessary, that affect the reported amount of assets and liabilities and contingent liabilities as at the date of financial statements and the amounts of revenue and expenses during the period. Actual results could differ from those estimates. Any revision to such estimates is recognized in the period in which the results are known/materialized.

1.3 Fixed Assets

Fixed Assets are stated at cost of acquisition or construction (including expenses allocated wherever applicable) less accumulated depreciation and impairment loss, if any.

Fixed Assets acquired out of capital grants are accounted for net of grants received.

Expenditure during construction attributable to the fixed assets incurred upto the date of commercial production are capitalized.

1.4 Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalized. A qualifying asset is one, which necessarily takes a substantial period of time to get ready for intended use. Other borrowing costs are charged to revenue in the period in which these are incurred.

1.5 Depreciation

Depreciation on fixed assets is provided at the rates specified under Schedule XIV of the Companies Act, 1956 on straight line method retaining residual value of five percent in respect of plant and machinery and computer systems and rupee one in respect of capital spares and other fixed assets.

Leasehold land and buildings are amortized over the lease period. Buildings constructed over leasehold land are depreciated at the rates specified under Schedule XIV of the Companies Act, 1956.

License and process know-how fee having future economic benefits is amortized on straight line method over a period of ten years or licence period, whichever is less.

Software which is not integral part of related hardware is treated as intangible asset and amortized on straight line method over a period of five years or its license period, whichever is less.

1.6 Investments

Long term investments are carried at cost, after providing for diminution in value if it is of a permanent nature. Current investments are valued (individually) at lower of cost and quoted/fair value.

1.7 Inventories

Raw Materials, packing materials and stores & spares, are valued at lower of weighted average cost and net realizable value.

In case of stores and spares not moved for more than two years and upto five years, provision is made at five

percent per annum (on straight line basis) and charged to revenue. In case of stores and spares not moved for more than five years/identified as surplus or obsolete, value is taken as certified by Valuers and diminution, if any is charged to revenue.

Finished and semi-finished goods are valued at lower of cost and net realizable value based on the applicable Concession/Sale Price. The plant- wise finished stocks lying at warehouses are determined on first-in-first-out basis.

1.8 Foreign Currency Transactions

Transactions in foreign currency are accounted at the exchange rate prevailing on the date of the transaction.

The value of assets and liabilities in foreign currency are translated at the exchange rate prevailing at the end of the year.

Exchange Gain/Loss on conversion of foreign currency transactions is recognized as income/expense.

1.9 Employees Benefits

Payments to defined contribution schemes are charged as expense as they fall due.

Provision towards defined benefit schemes are made based on the actuarial valuation as at the end of the year and charged to Profit & Loss Account along with actuarial gains/losses.

1.10 Adjustments pertaining to prior period and prepaid expenditure

Income/Expenditure pertaining to prior period and prepaid upto Rupee one lakh in each case is considered as income/expenditure of the current year.

1.11 Revenue Recognition

Sales include excise duty wherever applicable and are net of rebates.

Price and Freight Subsidy is recognized based on notifications received from Fertilizer Industry Coordination Committee (FICC) and taking into account the effect of guidelines, policies, instructions and clarifications given by the Government.

Sale of scrap/ waste materials is recognized on disposal.

1.12 Claims

Pending settlement, claims on underwriters /railways /others as assessed by the Company are recognized at the time of lodgement.

1.13 Leases

Lease arrangements, where the risks and rewards incidental to ownership of the asset substantially vest with the lessor, are recognized as an operating lease. Lease payments/receipts under operating lease are recognized as an expense/income in the Profit and Loss Account on a straight-line method over the lease period.

1.14 Deferred Tax

The deferred tax resulting from timing differences between book profit and taxable profit for the year is accounted for applying the tax rates and laws that have been enacted or substantially enacted as on the Balance Sheet date.

Deferred tax assets are recognized to the extent there is a virtual certainty that the assets can be realized in future and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

NOTES ON ACCOUNTS

2. CONTINGENT LIABILITIES

(Rupees in Crore)

Particulars	As at 31 st March 2010	As at 31 st March 2009
i) Claims against the Company not acknowledged as debts		
(a) Pending Appellate/Judicial decisions:		
- Income Tax	123.33	126.76
- Purchase Tax	59.23	59.23
- Excise & Customs Duty	2.29	2.29
- Sales Tax	-	0.04
- Land Compensation/Development claims	13.33	13.55
- Arbitration and civil cases	25.05	20.85
(b) Other claims	1.17	1.22
(c) Claims in respect of legal cases filed against the company for labour and other matters, extent whereof is not ascertainable.		
TOTAL	224.40	223.94
ii) Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances). The amount as at 31 st March, 2010 includes Project contracts relating to changeover of feedstock from FO/LSHS to natural gas at Nangal, Panipat and Bathinda unit (Rs.3381.11 crore) and energy saving & capacity enhancement at Vijaipur I & II (Rs.118.21 crore).	3515.56	31.05
iii) Unutilized amount of Letter of Credit.	8.33	6.18

3. INVESTMENTS, CURRENT ASSETS, LOANS & ADVANCES, CURRENT LIABILITIES AND PROVISIONS

3.1 Capital work-in-progress includes amount of Rs.0.63 crore incurred during the year relating to feedstock conversion projects from FO/LSHS to natural gas at Panipat, Nangal and Bathinda units. In terms of Government policy notified on 6th March,2009 the Company is entitled to capital subsidy after successful commissioning of the projects over a period of 5 years, which shall be appropriately accounted for in terms of the policy.

3.2 An advance of Rs.130.69 crore (US\$ 37.62 million) was given to a foreign supplier M/s. Karsan in the year 1995-96 against import of Urea, the supplies of which were not received and subsequently the contract was terminated. Pending litigation, revenue reserves have been reduced to the extent of this advance during the year 1996-97. The outstanding advance (net of recovery) of Rs.129.64 crore is shown in the Accounts under "Loans and Advances Recoverable" with corresponding adjustment in revenue reserve. Adjustment, if any, shall be made on settlement of the litigation.

Further, fixed deposit of Rs.1.32 crore (US\$ 380,000) is maintained with a scheduled bank, as case property, in terms of the order dated 16.11.2000 of the Hon'ble Delhi High Court and shown in Schedule 1.11 Loans and Advances. As the matter is subjudice the exchange variation and interest accrued thereon is not being accounted for in the books.

3.3 Based on the information received by the Company from the suppliers, regarding their coverage under the Micro, Small and Medium Enterprises Development Act, 2006, the disclosure as required under the said Act is as under:

(Rupees in Crore)

Sl. No.	Particulars	As at 31 st March 2010	As at 31 st March 2009
1.	The principal amount remaining unpaid to supplier	0.51	0.50
2.	The interest due thereon remaining unpaid	-	-
3.	The amount of interest paid in terms of Section 16 of the Act, along with the amount of the payment made to the supplier beyond the appointed day.	-	-
4.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	-	-
5.	The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-
6.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Act.	-	-

3.4 Debit/Credit balances of some of the parties are in the process of confirmation/ reconciliation.

4. **PROFIT & LOSS ACCOUNT**

4.1 Subsidy on Urea from Government of India includes Concession Price Subsidy for the earlier years of Rs.42.05 crore (Previous year Rs. 89.00 crore) as notified during the year.

4.2 In accordance with Accounting Standard (AS)-28 on "Impairment of Assets", the carrying amount of fixed assets have been reviewed at year-end for indication of impairment loss, if any, by considering assets of entire one plant as Cash Generating Unit. As there is no indication of impairment, no loss has been recognized during the year.

5. **GENERAL**

5.1 **Employee Benefits** : Disclosures as required by Accounting Standard (AS)-15 (Revised 2005) issued by the Institute of Chartered Accountants of India are as under:-

5.1.1 **General description of defined benefit schemes:**

Gratuity	Payable on separation @ 15 days pay for each completed year of service subject to maximum of Rs 10 lakh to eligible employees who render continuous service of 5 years or more.
Leave Encashment (Earned and Half Pay Leave)	Payable on separation to eligible employees who have accumulated earned leave and half pay leave. During the service period encashment of accumulated earned leave is allowed in a financial year leaving minimum balance leave of 30 days.
Post Retirement Medical Benefits (PRMB)	Mediclaime Insurance Policy available to the retiring employee and the spouse (for a cover of Rs.2 lakhs per annum) after rendering 15 years of continuous service.
Post Retirement Settlement Benefits (PRSB)	Travelling and Baggage expenses payable to retiring employees for settlement at their home town.
Long Service Award (LSA)	Payable to employees on completion of specified years of service.
Social Security Benefits (SSB)	Available to employees who die while in service or suffer permanent/total disablement subject to a limit of 60 months salary or Rs.1 lakhs whichever is higher.

5.1.2 Other disclosures/reconciliation, in respect of defined benefit obligations are as under: -

i) Reconciliation of present value of defined benefit obligations and plan assets:

(Rupees in Crore)

Sl. No.	Particulars	Gratuity			Leave Encashment		
		2009-10	2008-09	2007-08	2009-10	2008-09	2007-08
1.	Present value of projected benefit obligations at beginning of the year	167.96	120.98	87.59	53.05	40.35	26.12
2.	Service Cost	7.73	8.26	4.30	2.36	9.02	6.10
3.	Past Service Cost	-	-	-	-	-	-
4.	Interest Cost	11.35	8.47	6.57	2.79	2.82	1.96
5.	Actuarial (Gains) / Losses	(15.89)	31.69	24.49	15.73	15.82	16.28
6.	Benefits Paid	(9.00)	(1.44)	(1.97)	(19.70)	(14.96)	(10.11)
7.	Present value of projected benefit obligations at close of the year [1. to 6.]	162.15	167.96	120.98	54.23	53.05	40.35
8.	Fair Value of Plan assets at close of the year [(5.1.2(ii)), Sl. No. 7]	(166.64)	(114.94)	(100.82)	-	-	-
9.	Net Liability recognized in Balance Sheet at close of the year [7-8]	(4.49)	53.02	20.16	54.23	53.05	40.35

(Rupees in Crore)

Sl. No.	Particulars	Half Pay Leave			Post Retirement Medical Benefit		
		2009-10	2008-09	2007-08	2009-10	2008-09	2007-08
1.	Present value of projected benefit obligations at beginning of the year	32.74	29.54	19.33	30.70	24.70	23.53
2.	Service Cost	1.61	1.63	4.40	1.47	1.25	0.86
3.	Past Service Cost	-	-	-	0.70	-	-
4.	Interest Cost	2.22	2.07	1.45	2.14	1.73	1.76
5.	Actuarial (Gains) / Losses	3.98	(0.21)	4.75	10.00	3.43	(1.07)
6.	Benefits Paid	(1.90)	(0.29)	(0.39)	(0.32)	(0.41)	(0.38)
7.	Present value of projected benefit obligations at close of the year [1. to 6.]	38.65	32.74	29.54	44.69	30.70	24.70
8.	Fair Value of Plan assets at close of the year [(5.1.2(ii)), Sl. No. 7]	-	-	-	-	-	-
9.	Net Liability recognized in Balance Sheet at close of the year [7-8]	38.65	32.74	29.54	44.69	30.70	24.70

(Rupees in Crore)

Sl. No.	Particulars	Post Retirement Settlement Benefit			Long Service Award		
		2009-10	2008-09	2007-08	2009-10	2008-09	2007-08
1.	Present value of projected benefit obligations at beginning of the year	0.95	0.86	0.77	0.58	0.52	0.37
2.	Service Cost	0.04	0.05	0.04	0.03	0.23	0.02
3.	Past Service Cost	-	-	-	-	-	-
4.	Interest Cost	0.07	0.06	0.06	0.04	0.04	0.03
5.	Actuarial (Gains) / Losses	(0.10)	(0.02)	-	0.23	(0.06)	0.25
6.	Benefits Paid	(0.03)	-	(0.01)	(0.10)	(0.15)	(0.15)
7.	Present value of projected benefit obligations at close of the year [1. to 6.]	0.93	0.95	0.86	0.78	0.58	0.52
8.	Fair Value of Plan assets at close of the year [(5.1.2(ii)), Sl. No. 7]	-	-	-	-	-	-
9.	Net Liability recognized in Balance Sheet at close of the year [7-8]	0.93	0.95	0.86	0.78	0.58	0.52

(Rupees in Crore)

Sl. No.	Particulars	Social Security Benefit		
		2009-10	2008-09	2007-08
1.	Present value of projected benefit obligations at beginning of the year	8.95	7.31	6.77
2.	Service Cost	(0.62)	0.56	0.36
3.	Past Service Cost	-	-	-
4.	Interest Cost	0.67	0.51	0.51
5.	Actuarial (Gains) / Losses	1.28	1.55	0.89
6.	Benefits Paid	(1.40)	(0.98)	(1.22)
7.	Present value of projected benefit obligations at close of the year [1. to 6.]	8.88	8.95	7.31
8.	Fair Value of Plan assets at close of the year [(5.1.2(ii)), Sl. No. 7]	-	-	-
9.	Net Liability recognized in Balance Sheet at close of the year [7-8]	8.88	8.95	7.31

- ii) Reconciliation of fair value of assets and obligations: The Company has funded the gratuity liability through a separate Gratuity Fund. The fair value of the plan assets is mainly based on the information given by the Insurance Companies through whom the investment have been made by the Fund. The reconciliation of fair value of assets of the Gratuity Fund and defined benefit gratuity obligations is as under:

(Rupees in Crore)

Sl. No.	Particulars	As at 31 st March, 2010	As at 31 st March, 2009	As at 31 st March, 2008
1.	Fair value of plan assets at beginning of the year	114.94	100.82	87.59
2.	Acquisition adjustment	-	-	-
3.	Expected Return on plan assets	10.70	9.72	8.50
4.	Actual Company's contribution	50.00	5.84	6.73
5.	Actuarial Gains/(Losses)	-	-	-
6.	Benefits Payments	(9.00)	(1.44)	(2.00)
7.	Fair value of plan assets at close of the year	166.64	114.94	100.82
8.	Present value of defined benefit obligation	162.15	167.96	120.98
9.	Net liability recognized in the Balance Sheet at close of the year (Sl.No. 8-7)	(4.49)	53.02	20.16

The defined benefit obligations, other than gratuity are unfunded.

- iii) Expenses recognized in the Statement of Profit & Loss Account are as under:

(Rupees in Crore)

Sl. No.	Particulars	Gratuity			Leave Encashment		
		2009-10	2008-09	2007-08	2009-10	2008-09	2007-08
1.	Service Cost	7.73	8.26	4.30	2.36	9.02	6.10
2.	Past Service Cost	-	-	-	-	-	-
3.	Interest Cost	11.35	8.47	6.57	2.79	2.82	1.96
4.	Actuarial (Gains) / Losses	(15.89)	31.69	24.49	15.73	15.82	16.28
5.	Expected return on Plan Assets	(10.70)	(9.72)	(8.50)	-	-	-
6.	Total charged to P&L Account	(7.51)	38.70	26.86	20.88	27.66	24.34

(Rupees in Crore)

Sl. No.	Particulars	Half Pay Leave			Post Retirement Medical Benefit		
		2009-10	2008-09	2007-08	2009-10	2008-09	2007-08
1.	Service Cost	1.61	1.63	4.40	1.47	1.25	0.86
2.	Past Service Cost	-	-	-	0.70	-	-
3.	Interest Cost	2.22	2.07	1.45	2.14	1.73	1.76
4.	Actuarial (Gains) / Losses	3.98	(0.21)	4.75	10.00	3.43	(1.07)
5.	Expected return on Plan Assets	-	-	-	-	-	-
6.	Total charged to P&L Account	7.81	3.49	10.60	14.31	6.41	1.55

(Rupees in Crore)

Sl. No.	Particulars	Post Retirement Settlement Benefit			Long Service Award		
		2009-10	2008-09	2007-08	2009-10	2008-09	2007-08
1.	Service Cost	0.04	0.05	0.04	0.03	0.23	0.02
2.	Past Service Cost	-	-	-	-	-	-
3.	Interest Cost	0.07	0.06	0.06	0.04	0.04	0.03
4.	Actuarial (Gains) / Losses	(0.10)	(0.02)	-	0.23	(0.06)	0.25
5.	Expected return on Plan Assets	-	-	-	-	-	-
6.	Total charged to P&L Account	0.01	0.09	0.10	0.30	0.21	0.30

(Rupees in Crore)

Sl. No.	Particulars	Social Security Benefit		
		2009-10	2008-09	2007-08
1.	Service Cost	(0.62)	0.56	0.36
2.	Past Service Cost	-	-	-
3.	Interest Cost	0.67	0.51	0.51
4.	Actuarial (Gains) / Losses	1.28	1.55	0.89
5.	Expected return on Plan Assets	-	-	-
6.	Total charged to P&L Account	1.33	2.62	1.76

- iv) Effect of one percentage point change in the assumed inflation rate in case of valuation of benefits under post retirement medical benefit scheme:

(Rupees in Crore)

Sl. No.	Particulars	One percentage point increase in inflation rate		One percentage point decrease in inflation rate	
		2009-10	2008-09	2009-10	2008-09
1.	Increase/(Decrease) on aggregate service and interest cost of post retirement medical benefits	(0.04)	0.47	0.03	(0.75)
2.	Increase/(decrease) in present value of closing defined benefit obligations	(7.28)	4.44	5.96	(5.07)

v) Actuarial assumptions :

Sl. No.	Description	As at 31 st March, 2010	As at 31 st March, 2009
1.	Method used	Projected Unit credit	Projected Unit credit
2.	Discount Rate (per annum)	8.15%	7.00%
3.	Estimated rate of return on plan assets	9.50%	9.40%
4.	Mortality Rate	Indian assured lives mortality (1994-96) modified ultimate	Indian assured lives mortality (1994-96) modified ultimate
5.	Withdrawal Rates (per annum) upto 30 / 44 and above 44 years	Executives and Non Executives 3% / 2% / 1% depending upon age	Executives and Non Executives 3% / 2% / 1% depending upon age
6.	Medical Cost Trend Rates (per annum)	8%	-
7.	Salary escalation taken into account inflation rate, seniority, promotion and other relevant factors	5.50%	5.50%

5.1.3 **Provident Fund:** 12% of Basic Pay plus Dearness allowance contributed to the Provident Trust of the Company. The Company does not anticipate any further obligation in the near foreseeable future having regard to the amount of the fund and return on investment as confirmed by the actuary.

5.1.4 During the year, Rs.14.02 crore has been provided towards defined contribution Pension Scheme for employees for the period 1st January, 2007 to 31st March, 2010.

5.1.5 The disclosure above is in respect of the current year and two preceding years. The disclosure in respect of two immediate preceding annual periods as required by 'AS-15 (Revised 2005)' is not presented as the management considered it impracticable in the absence of requisite information.

5.2 Taxation

5.2.1 In accordance with AS-22 on "Accounting for Taxes on Income", the net deferred tax liability as on 31st March, 2010, has been accounted for as detailed below:

(Rupees in Crore)

Particulars	As at 31 st March, 2010	As at 31 st March, 2009
Deferred Tax Liability		
Depreciation	(163.47)	(184.77)
Deferred Tax Assets		
- Provisions	6.52	17.63
- Accrued expenses deductible on actual payments.	37.35	51.52
Net Deferred Tax Liability	(119.60)	(115.62)

5.2.2. Provision for taxation has been made keeping in view the provisions of the law and various judicial pronouncements.

5.3 Segment Reporting

Business Segments:

Company's primary business segments are 'Urea' & 'Other Products' (which include Industrial Products and Bio Fertilizers, traded goods which have got similar risk and return profiles) and are reportable segments under Accounting Standard-17 on 'Segment Reporting' issued by the Institute of Chartered Accountants of India.

Geographical Segment:

The operations of the company are conducted within India and there is no separate reportable geographical segment.

The disclosure of segment-wise information is given at Annexure-I.

5.4 Related party

A. As per Accounting Standard-18 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India the names of the related parties are given below:

Nature of Relationship	Name of the Related Party
Joint Venture	Urvarak Videsh Limited
Nature of Relationship	Name of the Related Party
Key Management Personnel	<ul style="list-style-type: none"> • Shri V. K. Sharma, Chairman & Managing Director (C&MD) w.e.f. 27th August 2009 and prior to that Director (Technical) holding additional charge as C&MD. • Shri K.B. Sachdev, Director (Marketing) upto 30th September, 2009. • Ms. Neeru Abrol, Director (Finance)

B. Transactions with Related parties:

- i) There is no transaction with related party at A above except investment of Rs.0.10 crore towards its paid-up capital (in respect of total investment of Rs.0.15 crore as on 31.03.2010, full provision has been made in the Accounts).
- ii) Remuneration to key management personnel at A above is Rs. 0.82 crore (Previous year Rs.0.61 crore)

5.5 As per requirements of the listing agreements with the stock exchanges, the requisite details of loans and advances in the nature of loans given by the Company are as under:

- i) There are no loans and advances in the nature of loans to any subsidiary.
- ii) No loans have been given (other than loans to employees), wherein there is no repayment schedule or repayment is beyond seven years; and
- iii) There are no loans and advances in the nature of loans to firms/companies in which Directors are interested.

5.6 Operating Leases

Assets taken on Operating lease:

The Company's leasing arrangements are in respect of operating leases of premises for offices, godowns, residential use of employees and vehicles. These leasing arrangements are usually renewable on mutually agreed terms but are not non-cancellable. Schedule 2.5 - 'Employees remuneration and benefits' include Rs.0.61 crore (Previous year Rs.1.03 crore) towards lease payments, net of recoveries, in respect of premises for residential use of employees. Lease payments in respect of premises for offices, godowns and vehicles, Rs. 3.88 crore (Previous year Rs. 3.64 crore) are shown in Schedule 2.8 - 'Other expenses'.

Assets given on Operating lease:

The Company has given on operating lease its owned office premises. The details of such leased premises as required by AS-19 are as follows:

(Rupees in Crore)

(i) Original Cost	3.52
(ii) Accumulated depreciation upto 31 st March 2010	0.96
(iii) Net Written Down Value as at 31 st March 2010	2.56
(iv) Depreciation recognized in Profit & Loss Account for the year ended 31 st March 2010	0.06
(v) Impairment losses recognized in Profit & Loss Account for the year ended 31 st March 2010	-
(vi) Impairment losses reversed in Profit & Loss Account for the year ended 31 st March 2010	-

5.7 Interest in Joint Venture

The disclosure of Company's interest in Joint Venture entity in terms of Accounting Standard-27 on 'Financial Reporting of Interests in Joint Ventures' issued by the Institute of Chartered Accountants of India is as under: -

- i) Name of the Joint Venture entity: 'Urvarak Videsh Limited'
- ii) Co-Joint Venture companies: Krishak Bharti Co-operative Ltd. and Rashtriya Chemicals & Fertilizers Ltd. as equal partners.
- iii) Company has an investment of Rs.0.15 crore towards paid up equity capital representing one third share.
- iv) The Company's share of ownership interest, assets, liabilities, income, expenses, contingent liabilities and capital commitment in the Joint Venture Company, incorporated in India, are given below:

(Rupees in Lakhs)

Year	% of Company's ownership interest	Assets	Liabilities	Income	Expenditure	Contingent Liabilities	Capital Commitments
2009-10	33%	6.18	5.58	0.13	11.38	-	-
2008-09	33%	2.83	0.98	-	3.15	-	-

Note :

As UVL was incorporated on 18th July 2008, previous year's figures are for the period 18th July 2008 to 31st March 2009.

6 (a) - Licenced Capacity, Installed Capacity and Production

Quantity : Tonnes

Products	Installed Capacity*	Production
AMMONIA	1894200 (1894200)	1944112** (1956215)
UREA	3230700 (3230700)	3329927 (3344027)
SULPHUR	23700 (23700)	7131 (12847)
METHANOL	22110 (22110)	2669 (3453)
BIO-FERTILIZERS	100 (100)	226 (160)
ARGON GAS (in Normal Cubic Metre NM3)	950400 (950400)	419413 (679005)

Notes:

 * 'Licenced capacity' not applicable in terms of Government of India Notification No.S.O. 477 (E) dated 25th July, 1991

** Ammonia is primarily consumed for production of Urea.

6 (b) Opening stock, Purchases, Sales and Closing Stock

 Quantity: Tonnes
 Value : Rupees in Crore

Class of Goods	Opening Stock		Purchases		Sales		Closing Stock	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
UREA	96361 (129427)	102.56 (79.08)			3377500 (3376849)	4837.97 (5006.38)	48525 (96361)	28.45 (102.56)
SULPHUR	1024 (162)	0.28 (0.45)			7725 (11985)	3.32 (16.81)	430 (1024)	0.48 (0.28)
METHANOL	704 (350)	1.45 (0.90)			131 (78)	0.39 (0.25)	616 (704)	1.87 (1.45)
BIO- FERTILIZERS	30 (37)	0.07 (0.06)			196 (167)	0.74 (0.60)	59 (30)	0.16 (0.07)
ARGON GAS (IN NM ³)	- (-)	- (-)			419413 (679005)	1.33 (3.21)	- (-)	- (-)
INDUSTRIAL PRODUCTS-OTHERS		0.02 (0.03)				93.37 (96.44)		0.01 (0.02)
TRADED GOODS								
SEEDS			3468 (1632)	6.41 (3.13)	3468 (1632)	6.47 (3.13)		
COMPOST			630 (936)	0.12 (0.18)	630 (936)	0.14 (0.20)		
MICORHIZZA			99 (13)	0.54 (0.07)	99 (13)	0.70 (0.08)		
MURIATE OF POTASH			61116 (-)	146.64 (-)	61081 (-)	146.91 (-)		
Total		104.38 (80.52)		153.71 (3.38)		5091.34 (5127.10)		30.97 (104.38)

Notes :

- Sales value of urea includes price subsidy received from Government.
- Figures of Closing Stock are after adjustment for of inter-plant transfers, internal consumption, shortage etc.
- Figures in brackets are for previous corresponding year.

	Current Year	Previous Year
	<i>Rs. in Crore</i>	
7. Expenditure incurred in Foreign Currency on account of		
Consultancy & Professional charges	9.25	3.03
Others	0.23	0.05
Total	9.48	3.08
8. Value of Import* (Calculated on CIF basis)		
Capital Goods	5.39	2.84
Components & Spare Parts	10.08	5.10
Total	15.47	7.94

*excludes imports through canalising agency Rs.133.12 crore (Previous year NIL)

	Current Year		Previous Year	
	Value (Rupees in Crore)	%	Value (Rupees in Crore)	
9. Value of Raw Materials consumed				
Indigenous	2611.72	100.00	2832.32	100.00
10. Value of Stores & Spares consumed				
Imported	6.79	15.17	3.65	7.92
Indigenous	37.97	84.83	42.42	92.08
Total	44.76	100.00	46.07	100.00

11 Remittance in foreign currencies for dividends :

The Company has not remitted any amount in foreign currencies on account of dividend during the year and does not have information as to the extent to which remittances, if any, in foreign currencies on account of dividends have been made by/on behalf of non-resident shareholders. The particulars of dividend for the year 2008-09 paid in current year on account of non-resident shareholders are as under :

Dividend (2008-09)	Current Year	Previous Year
a) Number of non-resident shareholders	90	59
b) Number of ordinary shares held by them	138387	570391
c) Amount of Dividend (Rs. in lakhs)	0.83	3.79

12. Remuneration to Directors

	(Rupees in crore)	
	Current Year	Previous Year
Salaries	0.64	0.39
Company's contribution to PF and other funds	0.06	0.06
Encashable Leave	0.09	0.11
Estimated value of perquisites	0.03	0.05
Total	0.82	0.61

Note:

The Chairman & Managing Director and Functional Directors have been allowed the use of company's car for private purposes upto 1000 km. per month and recoveries wherever required are made as per Government guidelines.

13. Figures in brackets pertain to previous year and have been re-arranged / regrouped / re-cast, wherever necessary.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

Registration No. **L74899DL1974GOI007417** State Code **55**
 Balance Sheet Date **31ST MARCH, 2010**

II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousands)

Public Issue	-NIL-
Rights Issue	-NIL-
Bonus Issue	-NIL-
Private Placement	-NIL-

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousand)

Total Liabilities **29025559** **Total Assets** **29025559**

Sources of Funds

a) Paid up Capital	4905784
b) Reserves & Surplus	10915625
c) Secured Loans	2331556
d) Unsecured Loans	1700000
e) Deferred Tax Liability (Net)	1195984
TOTAL	21048949

Application of Funds

a) Net Fixed Assets	6949988
b) Investments	1217992
c) Net Current Assets	12880969
d) Misc. Expenditure	-
e) Accumulated Losses	-
TOTAL	21048949

IV PERFORMANCE OF COMPANY (Amount in Rs.Thousands)

a) Turnover *	51480207
b) Total Expenditure	48880735
c) Profit before Tax	2599472
d) Profit after Tax	1715132
e) Earning per share in Rs.	3.50
f) Dividend (Paidup Capital) (%)	10.50

* includes other Income

V GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/ SERVICES OF COMPANY

a) Item Code No.(ITC Code) **310210**
 b) Product Description **UREA**

For & on behalf of the Board of Directors

TEK CHAND
 COMPANY SECRETARY

NEERU ABROL
 DIRECTOR (FINANCE)

V.K. SHARMA
 CHAIRMAN & MANAGING DIRECTOR

Segment Results for the year ended 31st March, 2010

Annexure-I

(Rupees in Crore)

	Year ended	
	31 st March, 2010	31 st March, 2009
Segment Revenue (Net Sales)		
Urea	4837.97	5006.38
Other Products	257.56	126.59
Less: Inter Segment Revenue	4.19	5.87
Total Segment Revenue	5091.34	5127.10
SEGMENT RESULTS		
Urea	247.61	182.59
Other Products	24.53	32.48
Total Segment Results	272.14	215.07
Less: Unallocable Expenses (Net of Unallocable Income)	1.23	18.57
Less : Interest expenses	10.96	40.89
Profit Before Tax	259.95	155.61
Provision for Tax	88.44	58.15
Profit After Tax	171.51	97.46
Segment Assets		
Urea	1983.00	2086.10
Other Products	41.23	18.87
Unallocable	878.32	631.33
Segment Assets	2902.55	2736.30
Segment Liabilities		
Urea	705.70	815.48
Other Products	11.52	15.43
Unallocable	603.19	434.69
Segment Liabilities	1320.41	1265.60
Capital Expenditure		
Urea	24.80	22.49
Other Products	0.03	
Unallocable	0.80	0.43
Capital Expenditure	25.63	22.92
Depreciation and Amortisation expenses		
Urea	90.60	85.58
Other Products	1.69	9.48
Unallocable	1.46	1.35
Depreciation and Amortisation expenses	93.75	96.41
Non-cash expenses other than Depreciation and Amortisation		
Urea	4.35	8.10
Other Products	0.02	
Unallocable	3.39	37.55
Non-cash expenses other than Depreciation and Amortisation	7.76	45.65

AUDITORS' REPORT

Annexure -II

To the Members of
National Fertilizers Limited

1. We have audited the attached Balance Sheet of National Fertilizers Limited as at 31st March, 2010, the Profit & Loss Account and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit ;
 - ii) in our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - iii) the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv) in our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Sub Section (3C) of section 211 of the Companies Act, 1956, to the extent applicable;
 - v) in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the "Significant Accounting Policies and Notes on Accounts", give the information as required by the Companies Act, 1956, in the manner so required and gives a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - b) in case of the Profit & Loss Account, of the profit for the year ended on that date; and
 - c) in case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For S. P. CHOPRA & CO.
CHARTERED ACCOUNTANTS

(ANKUR GOYAL)
PARTNER
(Membership No. 99143)

Place: New Delhi
Date: 27th May, 2010

For KPMC & ASSOCIATES
CHARTERED ACCOUNTANTS

(ANKUR GOEL)
PARTNER
(Membership. No.512648)

Annexure to the Auditors' Report

(Referred to in paragraph 3 of our report of even date)

- (i)
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of the available information.
 - b) As explained to us, the Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. We are informed that discrepancies noticed on verification were not material and have been properly dealt with in the books of account.
 - c) There was no disposal of a substantial part of fixed assets during the year.
- (ii)
 - a) The physical verification of the inventory has been carried out by the management in accordance with the perpetual inventory programme, at regular intervals during the year. In our opinion, the frequency of such verification is reasonable having regard to the size of the Company and the nature of its business.
 - b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and book records were not material and have been properly dealt with in the books of account.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured, to/or from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, Clauses 4(iii)(b), (c), (d), (f) & (g) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets, sale of goods & services. During the course of audit, we have not observed any continuing failure to correct major weakness in internal controls.
- (v) According to the information and explanations given to us, the Company has no contracts or arrangements that need to be entered into the register maintained in pursuance of Section 301 of the Companies Act, 1956. Therefore, Clause 4 (v) (b) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
- (vi) The Company has not accepted any deposit from the public within the meaning of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956.
- (vii) In our opinion, the Company's internal audit system is generally commensurate with the size and nature of its business, which however further requires more indepth coverage.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records in respect of certain products under Section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records.
- (ix)
 - a) According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company is generally regular in depositing, with the appropriate authorities, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty and other statutory dues. According to the information and explanations given to us, no undisputed amounts remains payable in respect of such statutory liabilities as at 31st March, 2010 for a period of more than six months from the date they became payable.

There were no dues on account of cess under Section 441A of the Companies Act, 1956 since the date from which the aforesaid section comes into force has not yet been notified by the Central Government.
 - b) According to the information and explanations given to us, the particulars of the disputed dues as at 31.03.2010 which have not been deposited on account of matters pending in appeal before appropriate authorities are as under:

Name of Statute	Nature of Dues	Amount involved (Rs. in Lakhs)	Forum/ Period where the dispute is pending
Income Tax Act	Income Tax	257.56	Supreme Court since 2009-10
		5,529.01	High Court since 2008-09 and 2009-10
		1,353.72	ITAT since 2008-09 and 2009-10
		3,103.13	CIT(A) since 2008-09 and 2009-10
Central Excise Act	Excise Duty	104.24	CESTAT since 2008-09
		200.00	Commissioner (Appeals) since 2009-10
Finance Act 1994 Service Tax	Service Tax	29.36	Addl. Commissioner, Central Excise, Indore since 2006-07
M.P. Commercial Act	Purchase Tax	130.07	Commercial Tax Appellate Board, Bhopal Tax since 2006-07
Haryana Local Area Development Tax Act	Entry Tax	671.94	Joint Excise Taxation Commissioner, Rohtak since 2004-05
	TOTAL	11,379.03	

- (x) The Company has no accumulated losses as at the end of the financial year and has not incurred cash losses during the financial year and the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any bank. There were no dues to financial institutions.
- (xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund or a nidhi/mutual benefit fund/society.
- (xiv) The Company is not dealing in or trading in shares, securities, debentures and other investments.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) As per the information and explanations given to us, the Company has taken certain short term loans during the year which have been utilized for the purposes for which they were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet and Cash Flow Statement of the Company, in our opinion, no fund raised on short term basis have been used for long term investment.
- (xviii) The Company has not made any preferential allotment of shares to any parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956, during the year.
- (xix) The Company does not have any outstanding bonds/ debentures at the end of the year.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xxi) According to the information and explanations given by the management, no fraud on or by the Company has been noticed or reported during the year.

For S.P.CHOPRA & CO.,
CHARTERED ACCOUNTANTS

(ANKUR GOYAL)
PARTNER
(Membership No. 99143)

Place: New Delhi
Date: 27th May, 2010

For KPMC & ASSOCIATES
CHARTERED ACCOUNTANTS

(ANKUR GOEL)
PARTNER
(Membership. No.512648)

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF
NATIONAL FERTILIZERS LIMITED FOR THE YEAR ENDED 31ST MARCH 2010.**

The preparation of financial statements of National Fertilizers Limited for the year ended 31 March 2010 in accordance with the financial reporting framework prescribed under Companies Act, 1956 is the responsibility of the management of the company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 27 May 2010.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 619 (3)(b) of the Companies Act, 1956 of the financial statements of National Fertilizers Limited for the year ended 31 March 2010. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under section 619(4) of the Companies Act, 1956.

**For and on behalf of the
Comptroller and Auditor General of India**

**(Naina A. Kumar)
Principal Director of Commercial Audit
& Ex-officio Member Audit Board-II,
New Delhi**

**Place : New Delhi
Date : 9th July, 2010**

CORPORATE GOVERNANCE REPORT

Corporate governance is the set of principles, processes and systems to be followed by the Company for enhancement of shareholders value, keeping in view the interests of other stake-holders. The integrity, transparency and compliance with laws in all dealings with government, customers, suppliers, employees and other stake-holders are the objectives of good Corporate Governance.

Over the years, governance processes and systems have been strengthened at NFL. In addition to complying with the statutory requirements, effective governance systems and practices towards improving transparency, disclosures, internal controls and promotion of ethics have been emphasized.

Company believes that good governance is a continuing exercise and reiterates its commitment to pursue highest standards in that regard. Company continuously reviews its policies and practices of Corporate Governance with a clear goal not merely to comply with the statutory requirements in letter and spirit but also constantly endeavours to implement the best practices of Corporate Governance.

Company's philosophy on Corporate Governance envisages attainment of the highest levels of transparency, accountability and equity in all facets of its operations, and in all its interactions with its stakeholders. Company is committed to achieve and maintain the highest standards in this regard.

Company is committed to the best governance practices that create long term sustainable shareholder value. Governance framework is based on the following principles:-

- Constitution of a Board of Directors having expertise in different fields.
- Timely flow of information to the Board and its Committees.
- A sound system of risk management and internal controls.
- Timely disclosure of all material information to all stakeholders.
- Transparency and accountability.
- Compliance with all the applicable rules and regulations.

2. BOARD OF DIRECTORS

2.1 Size of the Board

We are a Government Company within the meaning of Section 617 of the Companies Act, 1956 as the President of India holds 97.64% of the paid-up share capital. The strength of the Board Members shall not be less than 3 Directors or more than 12 Directors. These Directors may be either Whole-time Functional Directors or Part-time Directors.

2.2 Composition of the Board

The Board of Directors comprised of seven Directors as on 31.03.2010 out of which two are whole time Functional Directors including Chairman & Managing Director two of the Directors are nominees of the Government of India. The Board has three Independent Directors. The Directors bring to the Board wide range of experience and expertise. Brief profile of the Directors is set-out elsewhere in the Annual Report.

The Listing Agreement with Stock Exchanges stipulates half of the Board Members to be independent. During 1st October, 2009 to 20th February, 2010 Board's composition was as per Listing Agreement. During the period 1st April, 2009 to 30th September, 2009, against the requirement of five Independent Directors, Board was having only four Independent Directors. Similarly, during the period from 21st February, 2010 to 31st March, 2010, against the requirement of four Independent Directors, Board was having three Independent Directors. It is being regularly taken up with the Government of India to initiate necessary steps for appointment of adequate number of Independent Directors to ensure compliance with the Listing Agreement.

As required under Clause 49 of the Listing Agreement, none of the Directors is a member of more than ten committees of the Board or Chairman of more than five committees in which he/she is a member.

During the year under review, Independent Directors did not have any other material or pecuniary relationship or transactions with the Company, its promoters or management apart from receiving sitting fees, which may affect

independence of judgement of the Directors.

2.3 Age limit and tenure of Directors

The age limit of Chairman & Managing Director and other whole-time functional Directors is sixty years.

The Chairman & Managing Director and other whole-time Functional Directors are appointed for a period of five years from the date of taking charge or till the date of superannuation or till further instructions from the Government of India, whichever event occurs earlier. Government nominee Directors representing the Department of Fertilizers, Government of India, retire from the Board on ceasing to be officials of the Department of Fertilizers, Government of India.

Independent Directors are appointed on the recommendations of the Government of India usually for a tenure of three years.

2.4 Other details relating to the Board

Details regarding tenure, number of other Directorships/Committee Memberships (viz. Audit Committee and Shareholders Grievance Committee as per SEBI's Corporate Governance Code) held by Directors during the year 2009-10 are tabulated below:-

S.No.	Director (S/Shri)	Tenure		Other Companies		
		From	To	Board Directorship	Committees of the Board Membership	Chairmanship
1.	V.K.Sharma, Chairman & Managing Director	27.08.2009	Continuing	1	-	-
2.	K.B. Sachdev, Director (Marketing)	27.10.2006	30.9.2009	-	-	-
3.	Ms. Neeru Abrol, Director (Finance)	01.10.2007	Continuing	1	-	-
4.	Satish Chandra	27.10.2008	Continuing	2	-	-
5.	N.K. Goyal	30.01.2008	Continuing	3	-	-
6.	Dr. S.K. Bhattacharya	30.01.2008	Continuing	2	-	-
7.	S.A.T. Rizvi	30.01.2008	Continuing	-	-	-
8.	Deepak Singhal	27.05.2010	Continuing	4	-	-
9.	Kanwal Malhotra	21.02.2007	20.2.2010	-	-	-
10.	Sudhir Bhargava	16.03.2009	03.05.2010	3	-	-

Note:

1. Prior to 27.08.2009, Shri V.K. Sharma as Director (Technical) was holding the additional charge of the position of C&MD.
2. Directors' Profile is given separately.

2.5 Responsibilities

Board provides and evaluates the strategic direction of the Company. It has a formal schedule of subjects reserved for its consideration and decision, including review of corporate performance, financial resources, strategy formulation, policy and control, corporate planning, organizational structure and reporting to the shareholders.

2.6 Independent Directors

The independent directors play a vital role in the deliberations at the Board meetings and help with their wide-ranging experience in the fields of finance, audit, marketing, engineering, human resource development and public administration.

2.7 Board Meetings, Agenda & Minutes

The Company holds at least four Board meetings in a year, one in each quarter to review the financial results and other items of importance and the gap between the two meetings does not exceed three calendar months. Apart from the four scheduled Board meetings, additional Board meetings are also convened to address to the specific requirements.

All the departments in the Company communicate to the Company Secretary well in advance with regard to matters requiring approval of the Board. Agenda are generally circulated to the Board Members well in advance before the meeting. All material information is incorporated in the Agenda to facilitate meaningful and focused discussions at the meeting.

The Company Secretary while preparing the agenda and minutes of the Board meeting is required to ensure adherence to the provisions of the Companies Act, 1956 and other applicable law. The Board also takes note of the minutes of the meetings of the various committees of the Board duly approved by their respective Chairman.

2.8 Meetings held

During the year, 13 meetings of the Board were held on: 17th April, 2009, 15th May, 29th May, 13th July, 28th July, 4th August, 24th September, 12th October, 29th October, 12th November, 22nd December, 2009, 29th January, 2010 and 30th March, 2010. The Annual General Meeting was held on 11th September 2009. Details of attendance at the Board Meetings and Annual General Meeting are as follows:-

DIRECTORS	Board Meetings during respective tenure of Directors		Attendance at last Annual General Meeting
	Held	Attended	
Shri V.K.Sharma	13	13	No
Shri K.B.Sachdev	07	07	No
Ms. Neeru Abrol	13	13	Present
Shri Satish Chandra	13	11	No
Shri Sudhir Bhargava	13	12	No
Shri Kanwal Malhotra	12	12	Present
Shri N. K. Goyal	13	12	No
Dr.S. K. Bhattacharyya	13	08	No
Shri S.A.T. Rizvi	13	07	No

Notes: .

1. Shri K.B.Sachdev, Director(Marketing) retired on 30.9.2009.
2. Shri Kanwal Malhotra ceased to be Director on 21.2.2010

The Chairman of the Audit Committee was present in the Annual General Meeting held on 11th September, 2009.

2.9 Information placed before the Board of Directors, inter-alia includes

The Board has complete access to any information within the Company. The information regularly provided to the Board includes:

- Annual operating plans and budgets and any updates
- Capital budgets and any updates
- Quarterly Results of the Company

- Annual Accounts, Management Discussion Analysis, Directors' Report etc.
- Minutes of the Meetings of the Audit Committee and other Committees of the Board
- The information on recruitment and promotion of senior executives to the level of Executive Directors below the Board level
- Major capital investments, formation of Joint Ventures, R&D project or technical collaboration agreement
- Any significant development in the areas of Human Resources/Industrial Relations like signing of wage agreement, Incentive Schemes, Medical facilities, implementation of Voluntary Retirement Scheme etc.
- Disclosure of Interest by Directors about directorships and committee positions occupied by them in other companies
- Report on compliance of various laws and Information relating to major legal disputes
- Short term Investment of surplus funds
- Status of borrowings
- Any contract(s) in which Director(s) is/are deemed to be interested
- Award of large contracts
- Report on performance of various units/functions
- Review of risk factors
- Report on vigilance activities
- Other materially important information

3. Committees of the Board of Directors

The Board has constituted the following Committees:

- i) Audit Committee
- ii) Shareholders'/Investors' Grievance Committee
- iii) Share Transfer Committee
- iv) Remuneration Committee
- v) Investment Committee
- vi) Disciplinary Committee

3.1 Audit Committee

The constitution, quorum, scope etc. of the Audit Committee is in line with Companies Act, 1956, provisions of Listing Agreement and guidelines on Corporate Governance as issued by Department of Public Enterprises. The scope of Audit Committee inter-alia includes the following:-

- Periodical review of the accounting policies and practices, financial statements of the Company and reports of the Auditors.
- Periodical discussions with the Auditors and to deliberate upon their findings, suggestions and review of adequacy of Internal Control System, Scope of Audit, Auditors' observations and other related matters besides compliance with Accounting Standards.

- Approval of Internal Audit Programmes and monitoring of their execution.
- Review of annual financial statements before submission to the Board for approval including matters required to be included in the Directors responsibility statement in terms of Clause 2AA of Section 217 of Companies Act, 1956, accounting policies and changes therein, audit reports & related party transactions disclosures, compliance with listing and other legal requirements relating to financial statements.
- Reviewing with the Management performance of statutory and internal auditors, the adequacy of internal control systems and suggestions for improvement including the structure of the Internal Audit Department, coverage, frequency of internal audit, significant observations, etc.
- Provide an avenue of communication between Internal Auditor, Statutory Auditor and Board of Directors.
- Review of outstandings and risks faced by the Company.
- Review of fee payable to Statutory Auditors.
- Review of appointment/reappointment of Cost Auditors, Internal Auditors, Tax Auditors and their remuneration.

Composition & Attendance at the meetings

The composition and attendance of the Audit Committee during 2009-10 has been as follows:-

Name of the Director (S/Shri)	Status	Meeting Held	Meetings Attended
Kanwal Malhotra	Chairman	5	5
S.A.T Rizvi	Member*	5	4
Dr. S.K Bhattacharya	Member	5	5
Ms. Neeru Abrol	Member	5	5
N.K. Goyal	Member		

Note :

1. Shri Kanwal Malhotra has retired since 21.02.2010.
2. *Shri S.A.T. Rizvi has been appointed as Chairman of the Audit Committee w.e.f. 30.03.2010.
3. Shri N.K. Goyal has been appointed a member on Audit Committee w.e.f. 30.03.2010.

Statutory Auditors, Cost Auditors, Executive Director (F&A), Head of Internal Audit and other Functional Departments are also invited as Special Invitees. The Company Secretary acts as Secretary of the Committee.

Meetings

During the year 2009-10, the Audit Committee met on five times i.e. 29th May, 2009, 28th July 2009, 24th September, 2009, 29th October, 2009 and 28th January, 2010.

3.2 Shareholders'/Investors' Grievance Committee

Scope:

The scope of the Shareholders'/Investors' Grievance Committee inter-alia includes redressal of investors grievances especially transfer/transmission of shares, dividends, dematerialization, replacement of lost/stolen/mutilated share certificates, splitting, conversion and other related issues and strengthening of investor relations. The Company Secretary being the Compliance Officer is specifically entrusted with responsibility for redressal of shareholders and investors complaints and report the same to the Committee.

Composition

The Committee comprised of the following Directors:-

Name of the Director (S/Shri)	Status
Kanwal Malhotra	Independent Director
N.K. Goyal	Independent Director
V.K. Sharma	C&MD

Shri Malhotra has retired w.e.f. 21.02.2010

Summarized information on complaints

There were no complaints pending for redressal as on 31.03.2010. Number of shareholders complaints received and resolved during the period 1st April, 2009 to 31st March, 2010 were 152 as detailed below:-

Quarter ended	Complaints Received	Complaints Resolved	Complaints Pending
30.06.2009	21	21	NIL
30.09.2009	18	18	NIL
31.12.2009	58	58	NIL
31.03.2010	55	55	NIL
Total	152	152	NIL

3.3 Share Transfer Committee

The Share Transfer Committee as on 31st March, 2010 comprised of the following members:

Name of the Director (S/Shri)	Status
V.K. Sharma	Chairman
Ms. Neeru Abrol	Member

Share transfers were affected well within the time prescribed by the Stock Exchanges and a certificate to this effect duly signed by practising Company Secretary has been furnished to the Stock Exchanges.

3.4 Remuneration Committee

Composition & Scope

The Company, being a Central Public Sector Undertaking, the appointment, tenure and remuneration of Directors are decided by the Hon'ble President of India. Independent Directors are paid sitting fees for attending the Board/Committee Meetings within the ceiling fixed under Companies Act 1956.

Remuneration of employees consisting of basic pay, perquisites, performance Incentives, retirement benefits is regulated by Department of Public Enterprise, Government of India guidelines issued from time to time. Within the frame work of guidelines, Remuneration Policy of the Company aims to motivate employees to excel in performance, recognize their contribution, retain talent in the Organization and reward merit.

In terms of the guidelines of the Department of Public Enterprises, Government of India vide OM dated 26.11.2008, every Central Public Sector Undertakings is required to constitute a Remuneration Committee headed by an Independent Director to decide the Annual Bonus/Variable Pay Pool and policy for its distribution across the executives and non-unionized supervisors. Accordingly, Board has constituted a Remuneration Committee. As on 31st March, 2010, the Committee comprised of the following:-

Name of the Director (S/Shri)	Status
Dr. S.K. Bhattacharyya	Chairman
S.A.T. Rizvi	Member
N.K. Goyal	Member

3.5 Investment Committee

Scope

The terms of reference of the Investment Committee of the Board is for deployment of surplus funds in accordance with Investment Policy of the Company/Government Guidelines issued from time to time. The Committee also decides on the disposal of Fertilizer Bonds or to borrow against the bonds under Collateralized Borrowing & Lending Obligation (CBLO)

Composition

As on 31st March, 2010, the Committee comprised of the following:-

Name of the Director (S/Shri)	Status
V.K. Sharma	C&MD, Chairman
Ms. Neeru Abrol	Director (Finance), Member

4. Remuneration and Sitting Fee paid to Directors during 2009-10

4.1 Remuneration paid to Executive Directors

(Amount in crore)

Name	Salary including perks	Retirement Benefits	Total*
Shri V.K.Sharma,	0.26	0.05	0.31
Ms. Neeru Abrol,	0.24	0.05	0.29
Shri K.B.Sachdev,	0.18	0.04	0.22
Total	0.68	0.14	0.82

*includes payment of arrears amounting to Rs.0.30 crore on finalization of wage revision w.e.f. 1st January, 2007.

4.2. Sitting Fee paid to Independent Directors

The Non-executive Independent Directors are paid sitting fee of Rs.5000/- for attending each meeting of the Board and/or Committee thereof. Sitting fee paid to Independent Directors during 2009-10 is as follows:-

(Amount in Lakh)

Name of the Independent Director	Board Meetings	Audit Committee Meetings	Disciplinary Committee Meetings	Sitting Fees
Shri Kanwal Malhotra	0.60	0.25	-	0.85
Shri N.K. Goyal	0.60	-	-	0.60
Dr. Subir Kumar Bhattacharyya	0.40	0.25	0.05	0.70
Shri S.A.T. Rizvi	0.35	0.20	0.05	0.60
Total	1.95	0.70	0.10	2.75

4.3 Stock Options

The Company has not issued any stock options.

5.1 General Body Meetings:

Details of last three Annual General Meetings held are as follows:-

PARTICULARS	FY 2006-2007	FY 2007-2008	FY 2008-2009
DATE AND TIME	27.09.2007,3.30 PM	23.09.2008,3.00 PM	11.09.2009,11.00 AM
VENUE	Scope Auditorium, Scope Complex, Core VIII, 7 Institutional Area, Lodhi Road, New Delhi 110 003	Air Force Auditorium, Subroto Park, New Delhi-110010	Air Force Auditorium, Subroto Park, New Delhi-110010

5.2 Special Resolution through Postal Ballot

Company did not pass any Special Resolutions through Postal Ballot during the year.

6. Compliance Officer

Shri Tek Chand, Company Secretary is the Compliance Officer appointed by the Board.

7. Disclosures:

- No transaction of a material nature has been entered into by the Company with the Directors, senior management personnel and their relatives that may have a potential conflict with the interest of the Company except as disclosed under the related party transactions as per AS-18 "Related Party Disclosures", which are set out in the Annual Report.
- The Company has complied with the requirements of regulatory authorities on matters related to capital markets and no penalties / strictures have been imposed against the Company during the last three years.
- The Company has complied with all the mandatory requirements and adopted part of the non-mandatory requirements.

8. Means of Communication

- Quarterly (unaudited but reviewed) and annual audited financial results of the Company as approved by the Board are conveyed to the Stock Exchanges.
- Quarterly/Annual Financial Results for 2009-10 have been published in prominent daily newspapers on the following dates:-

Quarter ended	Date of publication
30.06.2009	29.07.2009
30.09.2009	30.10.2009
31.12.2009	31.01.2010
31.03.2010	28.05.2010

- Shareholding pattern at the end of each quarter is also conveyed to the Stock Exchanges.
- The quarterly/annual financial results and Shareholding Pattern are also made available at the website of the Company.
- Management Discussion and Analysis Report forms part of this Annual Report.
- Stock Exchanges are kept posted with the changes in composition of Board of Directors.
- All official Press Releases are posted on the Company website.
- Company has designated exclusive email ID investor@nfl.co.in for investors.

9. General Shareholder Information

(i) General Body Meeting

Date : 9th September, 2010 at 11.30 AM

Venue : Air Force Auditorium, Subroto Park, New Delhi 110 010.

(ii) Address for Communication:-

- Scope Complex, Core III, 7, Institutional Area, Lodhi Road, New Delhi 110 003.
- A-11, Sector-24, Noida 201-301.

Web site: www.nationalfertilizers.com

Telephone numbers and E-Mail Reference for communication are given below:-

	Telephone No.	FAX No.
Registered Office	24360066	24361553
Investor Services Cell	91-120-2412322 PBX: 3292201-08	91-0120-2411132 & 2412397
E-Mail ID	investor@nfl.co.in	
Company Secretary Mr. Tek Chand	0120-2412322	0120-2411132
E-Mail ID	tekchand@nfl.co.in	

iii) Financial Calendar for FY 2010-11

Particulars	Date
Accounting Period	April 1, 2010 to March 31, 2011
Un-audited Financial Results for the first three quarters	Within a period of 30 days from the end of each quarter
Fourth Quarter Results	Audited Results on or before 31 st May 2011
AGM (Next Year)	September, 2011 (Tentative)

iv) Book Closure

The Register of Members and Share Transfer Books will remain closed from 1st to 9th September, 2010 (both days inclusive).

v) Payment of Dividend

The Board of Directors of the Company has recommended the payment of Dividend of 10.5% (Rs. 1.05) per share.

The record date for the payment of Dividend is 1st September, 2010.

vi) Listing at Stock Exchanges

Company's equity shares are listed on the following Stock Exchanges:

National Stock Exchange of India Ltd.	Bombay Stock Exchange Limited
Script Code : NFL	Script Code : 523630
Demat ISIN No. in NSDL and CDSL	INE870D0101

vii) Market Price Data

Monthly high and low price of shares of the Company during the financial year ended 31st March, 2010 on the Bombay Stock Exchange (BSE) were as follows:-

Month	Stock Prices of the Company		Corresponding BSE SENSEX share price index	
	High (Rs.)	Low (Rs.)	High	Low
April, 2009	46.85	33.65	11403.25	9901.99
May, 2009	69.50	41.50	14625.25	11682.99
June, 2009	83.80	58.00	15466.81	14265.53
July, 2009	64.55	43.60	15670.31	13400.32
August, 2009	55.65	45.55	15924.23	14784.92
September, 2009	61.00	48.00	17126.84	15398.33
October, 2009	59.90	50.45	17326.01	15896.28
November, 2009	70.80	48.70	17198.95	15404.94
December, 2009	66.10	60.00	17464.81	16601.20
January, 2010	128.45	67.50	17701.13	16289.82
February, 2010	145.20	116.75	16496.05	15790.93
March, 2010	119.85	95.50	17711.35	16772.56

Face Value of NFL Share is Rs.10/-.

viii) Registrar and Share Transfer Agent

M/s. MAS Services Limited,
T-34, 2nd Floor, Okhla Industrial Area,
Phase-II, New Delhi 110 020.
PH: 26387281-83 FAX: 011-26387384
Email: info@masserv.com

ix) Distribution of Shareholding

Shares held by different type of shareholders as on 31.03.2010 are given below:-

(a) According to size:

No. of Equity Shares held	Number of Shareholders	%age of Total	No. of shares held	%age of Total
(1)	(2)	(3)	(4)	(5)
Upto 500	13494	92.56	1307161	0.27
501 to 1000	564	3.87	473009	0.09
1001 to 2000	245	1.68	381127	0.08
2001 to 3000	88	0.60	220856	0.04
3001 to 4000	54	0.37	190566	0.04
4001 to 5000	38	0.26	177509	0.04
5001 to 10000	52	0.36	385990	0.08
10001 & above	44	0.30	487442182	99.36
Total	14579	100.00	490578400	100.00

(b) Shareholding Pattern

	Category	Number of Shares held	% age of shareholding
(A)	Shareholding of Promoter and Promoter Group (Government of India)		
I	Indian	479000500	97.640
II	Foreign	-	-
	Sub Total	479000500	97.640
(B)	Public shareholding Institutions		
I	Institutions	7445525	1.518
II	Non-institutions	4132375	0.842
	Sub Total	11577900	2.360
	GRAND TOTAL	490578400	100.00

(x) Outstanding GDRs, ADRs, Warrants or any convertible instruments, etc. :

Company has not issued any such securities.

(xi) Status of dematerialization of shares as on 31st March, 2010

The shares of the Company are compulsorily traded in dematerialised mode. Company has signed agreements with both the depositories i.e. National Securities Depository Limited and Central Depositories Services (India) Ltd. Company offers simultaneous transfer-cum-demat facility to the investors. As on 31.03.2010, all the shares of the Company were held in dematerialized form except for 47989 shares as per shareholders' request, which form negligible percentage (0.01) of total shares subscribed.

Name and addresses of the Depositories are as under:-

1. National Securities Depository Services (India) Limited,
Trade World, 4th Floor, Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel, Mumbai 400 013.
2. Central Depository Services (India) Limited,
Phiroze Jeejeebhoy Towers,
28th Floor, Dalal Street, Mumbai 400 023.

(xii) Location of Production Units

Company's production facilities for manufacture of Urea fertilizer being the main product, are located at the following locations

S.No.	Location
1.	Nangal : Naya Nangal, District Rup Nagar, Punjab-140126. Tel.No.01887-220570 FAX No.01887-220541
2.	Bathinda : Sibian Road, Bathinda, Punjab-151003 Tel. No.0164-2270261/2760262 FAX No.0164-2270463/ 2760270
3.	Panipat : Gohana Road, Panipat, Haryana-132106 Tel. No.0180-2652481-85, 2681301 FAX No.0180-2652515
4.	Vijaipur I & II : Vijaipur, District Guna, Madhya Pradesh-473111. Tel.No.07544-273101 FAX No.07544-273089/273109

10. Electronic Clearing Service

The Company through its various communications had requested its members to furnish ECS mandate so as to enable the Company to credit the dividend directly to the shareholder's bank account. The Company has been remitting the dividend through ECS to those shareholders, who have registered their mandate with the Company at the centers where the ECS facility is available. In other cases, the dividend is being paid through dividend warrants with the bank account details printed on the warrants. The Company's endeavour is to remit the dividend through ECS whenever the facilities are available. In the meantime, the members holding shares in physical form

desirous of receiving dividend through ECS but who have so far not furnished ECS mandate are requested to submit the mandate form duly filled and signed for registration to the RTA. A format of the form is annexed with this report. Investors holding shares under demat are requested to check their ECS mandate registered with the respective Depository Participants for ensuring correctness for prompt credit of dividend to their account.

11. Code of Conduct & Ethics

The Company has adopted "Code of Conducts and Ethics" for the Directors and senior executives of the Company. The object is to conduct the Company's business ethically and with responsibility, integrity, fairness, transparency and honesty. The Code is available on the Company's website www.nationalfertilizers.com. All directors and senior management personnel have complied with the Code of conduct as on 31st March, 2010.

Declaration as required under Clause 49 of the Listing Agreement

This is to certify that in line with the requirements of Clause 49 of the Listing Agreement, all the Directors of the Board and Senior Management Personnel have solemnly affirmed that to the best of their knowledge and belief, have complied with the provisions of the Code of Conduct for the Directors and Senior Management Personnel during the year 2009-10.

Place: New Delhi
Date: 17th June, 2010

(V.K. Sharma)
Chairman & Managing Director

Code of Insider Trading

In pursuance of the Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, the Board has laid down "Code of Conduct for Prevention of Insider Trading" with the objective of preventing purchase and/or sale of shares of the company by an insider on the basis of unpublished price sensitive information. Under this Code, insiders (Officers and Designated Employees) are prevented to deal in the Company's shares during the closure of Trading Window. To deal in Securities, beyond limits specified permission of the Compliance officer is required. All Directors/Officers/Designated Employees are also required to disclose related information periodically as defined in the Code. Company Secretary has been designated as Compliance Officer for this Code.

Certification by Chief Executive Officer and Chief Financial Officer of the Company

We, V.K. Sharma, Chairman & Managing Director and Neeru Abrol, Director (Finance) of the Company, to the best of our knowledge and belief certify that:-

1. We have reviewed the Balance Sheet and Profit and Loss Account of the Company for the year ended 31st March, 2010 and all its schedules and notes on accounts, as well as the Cash Flow Statement.
2. To the best of our knowledge and information:-
 - a. these statements do not contain any materially untrue statement or omit to state a material fact or contain statement that might be misleading;
 - b. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. We also certify that based on our knowledge and the information provided to us, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violate the Company's code of conduct.
4. The Company's other certifying officers and we are responsible for establishing and maintaining internal controls for financial reporting and procedures for the Company and we have evaluated the effectiveness of the Company's

internal controls and procedures pertaining to financial reporting.

5. The Company's other certifying officers and we have disclosed, based on our most recent evaluation, wherever applicable, to the Company's auditors and through them to the Audit Committee of the Company's Board of Directors.
 - a. All significant deficiencies in the design or operation of internal controls, which we are aware and have taken steps to rectify these deficiencies;
 - b. Significant changes in internal control over financial reporting during the year;
 - c. Any fraud, which we have become aware of and that involves management or other employees who have a significant role in the Company's internal control system over financial reporting.
 - d. Significant changes in accounting policies during the year and the same have been disclosed in the notes to the accounts. We further declare that all Board members and senior management have affirmed compliance with the code of conduct for the current year.

(NEERU ABROL)
DIRECTOR (FINANCE)

(V. K. SHARMA)
CHAIRMAN & MANAGING DIRECTOR

Place: New Delhi
Date: 17th June, 2010

DIRECTORS' PROFILE

Shri V. K. Sharma

Shri Sharma, aged about 58 years, is an Electrical Engineer. Before taking over as Chairman & Managing Director on 27th August, 2009, Shri Sharma was holding the position of Director (Technical) since June, 2006. He also held additional charge as Chairman & Managing Director of the Company during the period 1st December, 2008 to 26th August, 2009. Shri Sharma has been associated with the Company since 1974 and has held different positions at the Units and Corporate Office. He is also a member of Shareholder/Investors Grievance Committee of the Company. Shri Sharma also held additional Charge as Chairman & Managing Director of Brahmaputra Valley Fertilizer Corporation Limited from 27.09.2008 to 28.06.2010. He is also a Member on the Board of Fertilizer Association of India.

Ms. Neeru Abrol

Ms Neeru Abrol aged about 55 years, has joined National Fertilizers Limited as Director (Finance) on 1st October 2007. Prior to this, she had been with Steel Authority of India Limited (SAIL) as General Manager (Finance). A Chartered Accountant by profession Ms Abrol embodies an extensive experience spanning over 29 years in the field of Financial Management. At SAIL, she successfully handled various managerial positions. She was on Board of M/s SAIL Bansal from July 2006 to September 2007. She had been on the Board of Urvarak Videsh Limited (UVL) - A Joint Venture Company of NFL, RCF & KRIBHCO from 30th September, 2008 to 12th May, 2010. She also held the position of Chairperson of UVL from 30th September, 2008 to 30th September, 2009. As Director (Finance) on the Board of NFL, she is responsible for formulating financial strategies and plan. She oversees the entire gamut of Financial Management in the Company including mobilization of financial resource and optimum utilization of funds. Formulation of company's financial budget, undertaking budgetary controls, ensuring compliance of Company Law and other statutory requirements, internal control systems etc. are some of her other vital areas of operation. Ms Abrol has visited USA and UK on a number of key assignments. Besides domestic training programmes, she has also attended Foreign Training Programme on Financial Management organized in USA, UK, France and Germany.

Shri R. K. Aggarwal

Shri R. K. Aggarwal, aged about 57 years, has taken over as Director (Technical) of the Company on 2nd June, 2010. Before joining NFL, he was Executive Director, Rashtriya Chemicals & Fertilizers Limited (RCF), Thal Unit. A Chemical Engineer by profession, Shri Aggarwal had been associated with FCI/RCF since 1975. During these years, Shri Aggarwal served in Trombay/Mumbai and Thal units of RCF in various capacities. He is credited for a number of operational and innovative measures at RCF, Thal, which received the prestigious "Best Technical Innovation Award" from FAI. Shri Aggarwal has vast experience in the operations of fertilizer plants and has been instrumental in successful implementation and execution of various projects at RCF. Besides RCF, Shri Aggarwal has extended his specialised professional services on behalf of Deptt. of Fertilizers to BVFCL, Namrup and MFL, Chennai to successfully tackle operational difficulties.

Shri Deepak Singhal

Shri Deepak Singhal aged about 51 years is a senior IAS Officer. He joined NFL Board on 27th May, 2010. He had worked as Chairman of U.P. Power Corporation and in the Department of Industry, Taxation and Trade. He is presently Joint Secretary to Government of India, Ministry of Chemicals and Fertilizers, Department of Fertilizers. Shri Deepak Singhal has varied and rich experience. He is also on the Board of several companies which include KRIBHCO, RCF, FACT, Fertilizer Corporation of India Limited, Hindustan Fertilizer Corporation Limited and ICS - Senegal.

Shri Satish Chandra

Shri Satish Chandra aged about 48 years is a senior IAS officer of 1986 batch. He has a lot of administrative experience. At present Shri Chandra is Joint Secretary with Ministry of Chemicals & Fertilizers, Department of Fertilizers, Government of India. Shri Chandra joined the Board of Company on 27.10.2008. He is also a Director on the Board of Directors of Madras Fertilizers Limited, Indian Potash Limited, OMIFCO and Fertilizer and Chemicals Travancore Limited.

Shri N.K. Goyal

Shri N.K. Goyal aged about 59 years, is a Senior Consultant and Analyst, joined the Board of the Company on 30th January 2008. He is M.Sc. in Chemistry with professional industrial experience of more than 38 years. He is former Director of National Institute of Entrepreneurship and Small Business Development (NIESBUD) and has served Government of Himachal Pradesh in various PSUs for more than 21 years engaged in Project implementation, infrastructure development, industrial consultancy, strategic operations, etc. Shri Goyal is associated with a number of organizations in different capacities such as Chairman, Emeritus of Telecom Equipments Manufacturers Association of India (TEMA); President, Communications and Manufacturing Association of India (CMAI); Chairman, India Trade Promotion Services, Dubai; Member, Governing Council – Telecom Equipment & Services Export Promotion Council, Government of India. etc. Shri Goyal is also member of Audit Committee, Shareholders/Investors Grievance Committee and Remuneration Committee of the Company.

Dr. S.K. Bhattacharyya

Dr. Subir Kumar Bhattacharyya aged about 64 years, has graduated with Gold Medal from BE College in 1966 in Metallurgy and obtained Doctor of Science in Physical Metallurgy from M.I.T., USA. He joined the Board of NFL on 30th January 2008. He has worked in various capacities with SAIL and also occupied the position of Director, R&D Centre for Iron & Steel for SAIL at Ranchi. He had also been on the Board of SAIL. He took over as Managing Director, Durgapur Steel Plant in 2001. He became Chairman, IISCO in 2004. Dr. Bhattacharyya takes keen interest in the activities of Indian Institute of Metals and became its President in 2003. He has over 50 publications in national and international journals of repute and five Indian and foreign patents to its credit. Presently, he is Member of Board of Directors of Tayo Rolls Limited and Beekay Steels Limited. Dr. Bhattacharyya is also a member of Audit Committee and Chairman of Remuneration Committee of NFL. He is also Chairman of Audit Committee of Tayo Rolls Limited.

Shri S.A.T. Rizvi

Shri S.A.T. Rizvi aged about 69 years, qualified IAS in 1964 where he stood first. He was in the IAS UP Cadre and occupied important positions in Centre and State Governments. He joined NFL Board on 30th January 2008. He occupied the positions like Secretary (Industries), Vigilance, Information, Civil Aviation in the State. In the Government of India, he occupied the positions like Additional Secretary (Industries) & DC SSI, Secretary, Ministry of Agriculture (DAHND), Ministry of Parliamentary Affairs. He also worked as Advisor to the Governor of Bihar. Post retirement, Shri Rizvi has served as a Member of Central Administrative Tribunal (CAT). Presently, he is holding the constitutional post of Chairman, State Finance Commission (Local Bodies), U.P. Shri Rizvi is Chairman of Audit Committee and Member of Remuneration Committee of NFL.

S.P. CHOPRA & CO.
CHARTERED ACCOUNTANTS
31-F, Connaught Place,
Radial Road No. 7,
New Delhi - 110 001.
ICAI Regn. No. 000346N

KPMC & Associates
CHARTERED ACCOUNTANTS
C-1, RDC Raj Nagar,
Ghaziabad - 201 001.
ICAI Regn. No. 005359C

CERTIFICATE

To the Member of
National Fertilizers Limited,
New Delhi.

We have examined the compliance of conditions of 'Corporate Governance' by National Fertilizers Limited for the year ended 31st March, 2010, as stipulated in Clause 49 of the Listing Agreement of the said company with stock exchanges.

The compliance of conditions of 'Corporate Governance' is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the 'Corporate Governance'. It is neither an audit nor an expression of opinion on the financial statement of the company.

In our opinion and to the best of our information and according to the explanations given to us, subject to the following :

- i) Clause 49 (1) (A) of the listing agreement requires that not less than fifty percent of the Board of Directors of the company should comprise of non-executive directors being independent. However, the company did not have an optimum combination of executive and non-executive directors being independent on its Board of Directors for the period 1st April, 2009 to 30th September, 2009 (both days inclusive) and 21st February, 2010 to 31st March, 2010 (both days inclusive) respectively.

We certify that the company has complied with the conditions of 'Corporate Governance' as stipulated in the above mentioned 'Listing Agreement'.

We state that no Investor Grievance is pending for a period exceeding one month against the company as per the records maintained by the 'Shareholders'/Investors' Grievance Committee' and certificate received from the 'Registrar and Share Transfer Agent' of the company.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For S. P. Chopra & Company
Chartered Accountants

KPMC & Associates,
CHARTERED ACCOUNTANTS

(R. N. Das)
Partner
Membership No. 8992

(Ankur Goel)
Partner
Membership No. 512648

Place : Noida
Date : 17.06.2010

FORM-A

Annexure-V

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

(Annexure to Directors' Report)

Particulars		2009-10	2008-09
A. POWER & FUEL CONSUMPTION			
1. ELECTRICITY			
a) Purchased			
Unit	Mwh	221017	216415
Total amount	Rs. in Lakh	10184	9495
Average rate/Unit	Rs./Mwh	4608	4387
b) Own Generation			
i) Through diesel generator Unit			
Unit	Mwh	3.578	3.430
Unit per ltrs. of diesel oil	Mwh/ltrs	0.001	0.001
Cost/Unit	Rs./Mwh	35660	41065
ii) Through Steam Turbine/Gas Turbine			
Unit	Mwh	538557	529506
Coal/unit of Power	MT/Mwh	0.926	0.754
Oil/unit of Power	MT/Mwh	0.042	0.071
Gas/unit of Power	000sm ³ /Mwh	0.190	0.166
Cost per Unit	Rs./Mwh	2848	3292
2. COAL(Specify quality & where used)			
(Slack coal used for operating boilers)			
Quantity	MT	1409507	1341562
Total cost	Rs. in Lakh	40975	35625
Average rate	Rs./MT	2907	2656
3. FURNACE OIL/LSHS			
Quantity	MT	104619	115116
Total cost	Rs. in Lakh	28602	38470
Average rate	Rs./MT	27339	33419
4. OTHER/INTERNAL GENERATION			
Natural Gas			
Quantity	000sm ³	150202	137212
Total cost	Rs. in Lakh	9918	8671
Rate/Unit	Rs./000sm ³	6603	6319
Naphtha			
Quantity	MT	2705	42881
Total cost	Rs. in Lakh	636	16369
Rate/Unit	Rs./MT	23515	38171
B. CONSUMPTION PER UNIT OF PRODUCTION			
i) Electricity	Mwh	0.214	0.219
ii) Fuel Oil	MT	0.056	0.074
iii) Coal	MT	0.939	0.856
iv) Gas	000M ³	0.082	0.076
iv) Naphtha	MT	0.001	0.024

FORM-B

Disclosure of Particulars with respect to Conservation of Energy & Technology Absorption (Annexure to Directors' Report)

A. Technology Absorption

- Revamp of Fuel oil based units at Nangal, Panipat & Bathinda for changeover of feedstock for Ammonia plant from Fuel Oil/LSHS to Natural gas has been taken up at a total investment of Rs.4,066 crores. M/s Tecnimont are LSTK contractors for Nangal Unit while M/s L&T are LSTK contractors for Panipat and Bathinda Units. Zero date of the project has been declared as 29/01/2010 & it is scheduled to be completed & commissioned within 36 months ie. by January 2013. The revamp of these fuel oil plants will improve the process technology, lower effluent discharge due to use of cleaner feed stock and reduce energy consumption from the present level of 9.5-9.6 GCal/MT to 7.1-7.6 GCal/MT of Urea..
- Proposal has been initiated for study & revamp of boilers for use of cleaner Natural Gas as support fuel in place of Fuel oil at the F.O. based plants.

B. R&D efforts

- Benefits of use of bio-pesticides/bio-insecticides are being studied by Pant Nagar Agriculture University, Chandra Shekhar University, Kanpur and Jabalpur Krishi Viswavidyalay on behalf of NFL.
- R&D Trials on use of elemental sulphur in Agriculture are being carried out at our farms at Nangal on crops like wheat.

C. Future Action Plan:

- Proposal for sale of power by utilizing the additional gas turbine infrastructure available for power generation at Vijaipur is being considered. Consultant is being lined up to study the best feasible option.
- Proposal for putting up a cement grinding plant alone or in Joint venture with Cement Manufacturing Companies, utilizing the fly ash generated from the boilers at Nangal, Panipat & Bathinda is under consideration.
- Setting up a Seed Processing plant at Indore is under active consideration for which feasibility report has already been prepared

D. Energy Conservation Measures:

The company is committed to adoption of latest energy conservation measures on every possible front. Few of the major energy conservation measures undertaken are as follows:

- Energy Saving Project (ESP) of Ammonia Plant along with capacity augmentation of Urea plant in Vijaipur I has been undertaken at a cost of Rs. 325 crore. The projects are expected to be commissioned by August 2011. Energy savings to the tune of 0.12 GCal/MT of Urea is foreseen in addition to increase in production by 16%.
- Capacity augmentation project of Vijaipur II unit has been undertaken at a cost of Rs. 438 crore. The project is expected to be commissioned by September 2011. In addition to increase in production by 23%, energy savings to the tune of 0.04 GCal/MT of Urea is foreseen.
- Project for installation of Carbon Dioxide Recovery (CDR) plant in Vijaipur I has been initiated at an estimated cost of Rs. 131 crore. Project is expected to be commissioned by November 2011. This not only will help in the augmentation of production of Urea, but also reduce emission of Green House gases.
- At Vijaipur, scheme is under implementation for utilization of off gases from MP inert washing columns in Urea plant as fuel in CPP boilers. This will save equivalent energy in terms of fuel gas.

E. Foreign Exchange earnings & Outgo

(Rupees in Crore)

Particulars	For the year ended	
	31.03.2010	31.03.2009
(i) Foreign Exchange Earnings	Nil	Nil
(ii) Foreign Exchange used:-		
(a) CIF Value of import	15.47	7.94
(b) Other expenditure in foreign currency	9.48	3.08

F. Industrial Safety, Ecology and Pollution Control:

Company accords highest priority to Industrial Safety, Ecology & Pollution Control. NFL is meeting all the statutory standards in this regard and strives to have zero effluent discharge from its manufacturing units

- All the Units are ISO-9001-2000 certified for Quality Management System and ISO-14001 certified for Environment Management System.
- All the units have received OHSAS18001 certification for Occupational Health & Safety Management System.
- NFL has finalized and submitted the Project Development Document through M/s Clean Technologies for approval for putting up facilities for reducing Nitrous oxide emissions from Nitric Acid plant at Nangal. The project shall enable NFL to earn carbon credits after completion under "Clean Development Mechanism."
- Action for putting up a Carbon Dioxide Recovery plant of 450 MTPD capacity for recovery of Carbon Dioxide from flue gases of Primary Reformer at Vijaipur has been initiated. This will also cause reduction in discharge of Greenhouse gases.
- A consultant has been pre-qualified to evaluate the revamp projects for changeover of feed stock from FO to NG and wind energy project for consideration under Clean Development Mechanism (CDM) in order to enable NFL to trade equivalent Carbon Credits.
- Silo system for collecting fly ash from ESP hoppers using dense phase pneumatic conveying system has been installed by M/s. Shree Cement at Panipat & Bathinda at their own cost for evacuation of ash from the plants. This system has reduced the quantity of ash slurry disposal and the ecological problem associated in its disposal.

Information on persons belonging to Scheduled Castes / Scheduled Tribes category

The guidelines on reservation for Scheduled Castes (SCs) and Scheduled Tribes (STs) were implemented in letter and spirit. Details of representations of SC/ST employees as on 31st March 2010 are as follows :-

Representation of SCs/STs/OBCs as on 31.3.2010

Group	Total No. of employees	SCs	%age	STs	%age
A	1675	359	21.43	79	4.72
B	2014	526	26.12	160	7.94
C	928	233	25.11	43	4.63
D (excluding Safai Sewaks)	54	24	44.44	3	5.56
D (Safai Sewaks)	89	89	100.00	0	0
TOTAL	4760	1231	25.86	285	5.99

Recruitment of SCs/STs during the year

Group	Total No. of employees	SCs	%age	STs	%age
A	4	-	-	-	-
B	-	-	-	-	-
C	22	3	13.64	1	4.55
D (excluding Safai Sewaks)	-	-	-	-	-
D (Safai Sewaks)	-	-	-	-	-
TOTAL	26	3	11.54	1	3.85

Promotion of SCs/STs during the year

Group	Total No. of employees	SCs	%age	STs	%age
A	487	109	22.38	21	4.31
B	150	28	18.67	4	2.67
C	211	51	24.17	4	1.90
D (excluding Safai Sewaks)	2	-	-	1	50.00
D (Safai Sewaks)	31	31	100.00	-	-
TOTAL	881	219	24.86	30	3.41

The overall reservation percentage achieved for SC category employees is 25.86, which is more than the prescribed reservation. In case of STs, the percentage achieved is 5.99. There is a slight shortfall than the prescribed reservation because the reservation in Group 'C' and 'D' posts filled up by Direct Recruitment in the States of Punjab and Haryana where three plants of the Company are located was abolished w.e.f. 1st June, 1985.

Annexure- VII

PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 271 (2A) OF COMPANIES ACT, 1956

1. Employee for the whole of the year

Name	Designation and Nature of duties	Remuneration (Rs.)	Qualification	Date of Commencement of employment	Experience (Yrs.)	Age (Yrs.)	Last Employment held	Remarks
Sh. V. K. Sharma	C&MD	3262860	B.E. (Electrical)	03.12.1974	35	58	-	-
Ms. Neeru Abrol	Director (Finance)	2755407	B.Sc. (Hon.), C.A., Matric & 1st BCC	01.10.2007	29	52	Steel Authority of India Ltd.	-
Sh. Dharam Pal Singh	Sr. Operator SG-III	2815583		27.04.1980	30	55	Northern Railways	-

2. Employee for the part of the year

Name	Designation and Nature of duties	Remuneration (Rs.)	Qualification	Date of Commencement of employment	Experience (Yrs.)	Age (Yrs.)	Last Employment held	Remarks
Sh. K. B. Sachdev	Director (Marketing)	2224368	B.Sc. Engg. (Mech), MBA	20.06.1975	38	60	Dte. General of Supplies & Disposal	Superannuated on 30.09.2009
Sh. S. P. Sharma	Sr. AM (IA)	3023465	M. Com, CA (Inter)	29.09.1979	30	60	Garhwal Jai Nigam	Superannuated on 31.03.2010
Sh. G. Natrajan	Dy. Mgr. (P&A)	808949	B.A. (Eco.)	06.01.1977	32	60	Engineers India Ltd.	Superannuated on 30.06.2009
Sh. C. Z. Vaidya	Sr. Mgr. (Safety)	1341068	B.Sc., LL.B.	30.04.1977	32	60	Ordnance Factory	Superannuated on 31.08.2009

Note :

Remuneration includes salary, allowances, perquisites, leave encashments, leave travel concession, payment for leased accommodation, reimbursement of medical expenses to employees and employer's contribution to provident fund and other funds. However, it does not include monetary value of medical treatment provided in company's hospitals since it cannot be quantified employee wise. In addition to above, the employees are entitled to gratuity/group insurance in accordance with company's rules.



NATIONAL FERTILIZERS LIMITED

(A Government of India Undertaking)

Registered Office: SCOPE Complex, Core-III, 7, Institutional Area, Lodhi Road, New Delhi 110 003

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 36th Annual General Meeting of the Members of National Fertilizers Limited will be held at 11.30 A.M. on Thursday, the 9th September, 2010 at Air Force Auditorium, Subroto Park, New Delhi - 110 010, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2010 and the Profit & Loss Account for the year ended on that date together with the Reports of the Board of Directors and the Auditors' thereon.
2. To declare dividend for the financial year 2009-10.
3. To appoint a director in place of Shri N.K. Goyal, who retires by rotation and is eligible for reappointment.
4. To appoint a director in place of Dr. S.K. Bhattacharyya, who retires by rotation and is eligible for reappointment.
5. To fix remuneration of Auditors appointed by the Comptroller & Auditor General of India for the financial year 2010-11.

By Order of the Board of Directors

Place: New Delhi
Date: 29th July, 2010

(Tek Chand)
Company Secretary

NOTES :

1. APPOINTMENT OF PROXY

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and to vote instead of himself / herself. Such 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 the 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. CLOSURE OF REGISTER OF SHAREHOLDERS

The Register of Members and Share Transfer Books of the Company will remain closed from 1st September, 2010 to 9th September, 2010 (both days inclusive) for the purpose of payment of dividend, if any, approved by the Members.

4. PAYMENT OF DIVIDEND

Dividend, if 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 transfer in physical form which are lodged with the Company/Registrar & Share Transfer Agent on or before

31st August, 2010; 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 31st August, 2010.

5. CHANGE OF ADDRESS

Members holding shares in physical form should notify change in their addresses, if any, to the Registrar & Transfer Agent specifying full address in block letters with PIN CODE of their post offices, which is mandatory. Members holding shares in electronic form (demat), should inform the change of address to their depository participant.

6. CONSOLIDATION OF HOLDINGS

Members holding shares in identical order of names in more than one folio are requested to write to the Registrar & Transfer Agent enclosing their share certificates to enable the Company to consolidate their holdings in one Folio.

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 Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi - 110 020.

- b. The Company is providing the facility of ECS to all shareholders, holding shares in electronic and physical form. The detailed information letter about the ECS facilities is annexed. This facility could also be used by the shareholders instead of bank mandate system for receiving the credit of dividends, whenever dividend is declared by the Company.

8. UNCLAIMED DIVIDEND

Pursuant to Section 205A read with Section 205C of the Companies Act, 1956 as amended, the dividend amounts which remain unclaimed or unpaid for a period of seven years are required to be transferred to the Investors' Education and Protection Fund (IEPF) of the Central Government. After that there remains no claim of the members whatsoever on the said amount. Accordingly, the dividend for the financial year ended 31st March, 2003 and thereafter, which remains unclaimed for a period of 7 years will be transferred to the said account.

Members who have not yet claimed their dividend are requested to make their claims to the Company before the expiry of the stipulated period of 7 years as stated above. For the dividend for 2002-03, the period expires on 25th September, 2010.

9. NOMINATION

Members may avail facility of nomination in terms of Section 109A of the Companies Act, 1956, by nominating in the Form-2B (given elsewhere in the Annual Report) any person to whom their shares in the Company shall vest in the event of death.

10. COMPULSORY TRADING OF SHARES OF THE COMPANY IN DEMATERIALIZED (DEMAT) FORM

The shares of the Company are compulsorily traded in dematerialized mode. The Company has signed agreements with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depositories Service (India) Limited (CDSL).

11. INSPECTION OF REGISTERS AND DOCUMENTS

All the documents referred to in the accompanying notice, explanatory statement and the Register of Directors' shareholding and the Register of Contracts maintained under Sections 307 and 301 of the Companies Act, 1956 respectively are open for inspection at the registered office of the Company upto the date of Annual General

Meeting. Register of Directors' shareholding shall be open for inspection upto 3 days after the Annual General Meeting.

12. Shareholders may kindly note that no gift/coupon will be distributed at the Annual General Meeting.

13. SHAREHOLDER QUERIES

In case Members have any query relating to the Annual Accounts or about the operations of the Company, they may send the same to the Company Secretary at the Registered Office of the Company at least seven days in advance of the Meeting.

14. ATTENDANCE SLIP-CUM ENTRY PASS

For the convenience of the shareholders, attendance slip-cum-entry pass is annexed to the Annual Report, Shareholders/Proxy holders/Authorized Representatives are requested to fill in and affix their signatures at the space provided therein and surrender the same at the venue. Proxy/Authorized Representatives of shareholders should state on their attendance slip-cum-entry pass as 'Proxy' or 'Authorized Representative' as the case may be.

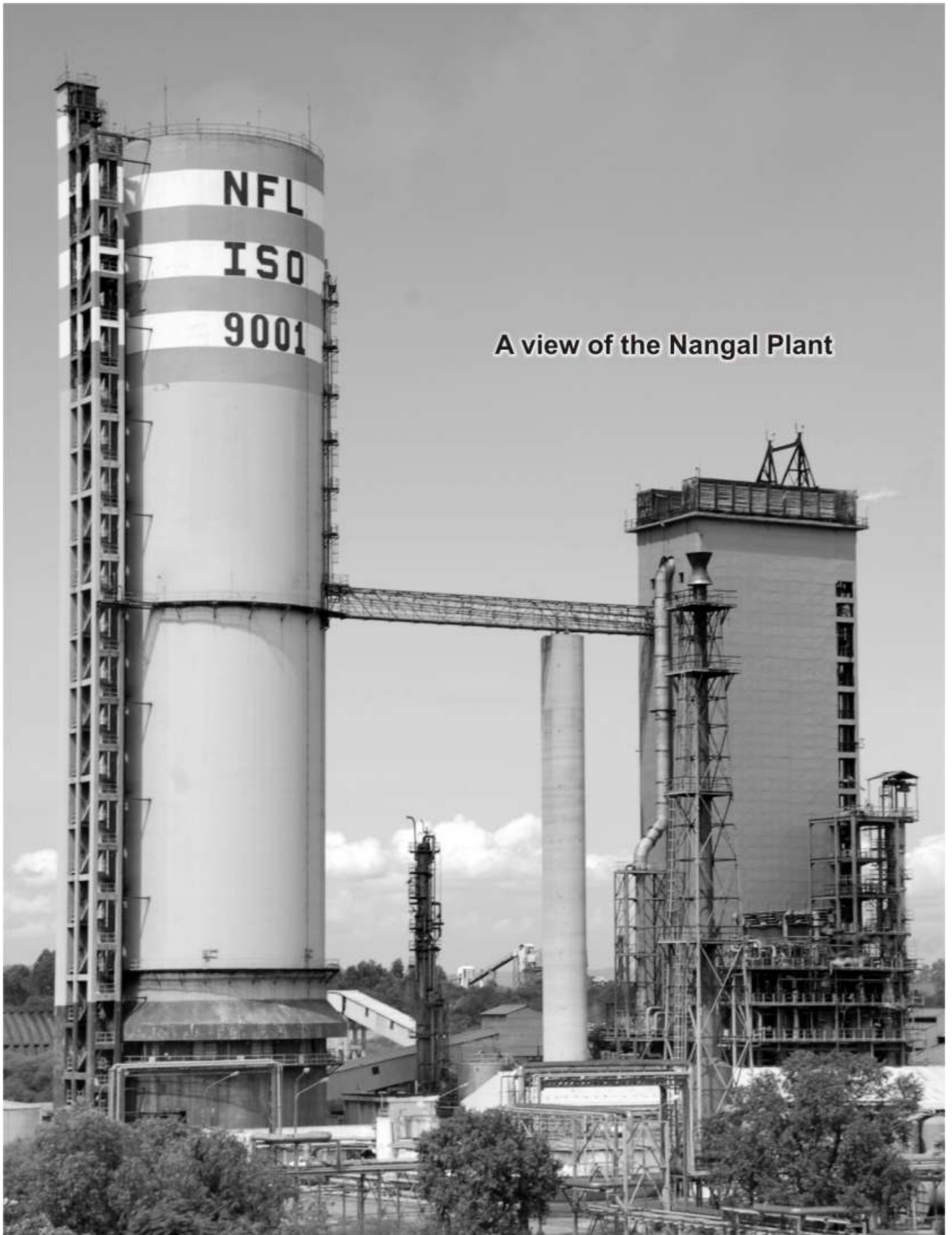
15. Only members carrying the attendance slips or holders of valid proxies registered with the Company will be permitted to attend the meeting. In case of shares held in joint names or shares held under different registered Folios wherein the name of the sole holder/first joint-holder is same, only the first joint-holder/sole holder or any proxy appointed by such holder, as the case may be, will be permitted to attend the meeting.

16. Due to strict security reasons, no eatables, helmet, briefcase or bag, mobile phone, etc are allowed inside the Auditorium. Persons attending the meeting are, therefore, requested to make their own arrangement for safe custody of such articles.

By Order of the Board of Directors

Place: New Delhi
Date: 29th July, 2010

(Tek Chand)
Company Secretary



A view of the Nangal Plant

NATIONAL FERTILIZERS LIMITED

(A Government of India Undertaking)

Registered Office: SCOPE Complex, Core-III, 7, Institutional Area, Lodhi Road, New Delhi 110 003

Dear shareholder(s),

Re: Payment of dividend through Electronic Clearing Services (ECS)

In case you have not already sent the ECS/Bank Account particulars to our Registrars, viz, M/s. MAS Services Ltd. or to your Depository Participant (in case of demat holding), we would request you to provide the said particulars in the format given below to facilitate prompt, safe and correct payment of dividend to be declared in the 36th Annual General Meeting of the Company to be held on 9th September, 2010.

Please ensure that the details submitted by you to the Registrars/Depository Participants are correct as any error therein could result in the dividend amount being credited to wrong account.

Payment of dividend through ECS and / or to be designated Bank Account, which will appear on the dividend warrant, will help to prevent fraudulent encashment of dividend warrants.

Kindly help us in our endeavour to serve you better.

Yours faithfully,

(Tek Chand)
Company Secretary

PS: In case you are holding shares in demat form, kindly advise your Depository Participant to take note of your bank account particulars /ECS mandate.

FORM FOR ECS MANDATE/BANK ACCOUNT PARTICULARS

I/We _____ do hereby authorize National Fertilizers Limited / my Depository Participant to print the following details on my/our dividend warrant

Credit my dividend amount to my Bank Account through ECS.

(strike out whichever is not applicable)

My/Our Folio No. _____ DP Id No. _____ Client Id No. _____

Particular of Bank Account:

- A. Bank Name: _____
- B. Branch Name: _____
(Address for Mandate only)
- C. 9 digit code number of the bank & branch as: _____
appearing on the MICR cheque.
- D. Account Type (Saving/Current): _____
- E. Account No. as appearing on the cheque book: _____
- F. STD Code & Telephone No. of the shareholder: _____

I/We shall not hold the company responsible if the ECS could not be implemented or the Bank discontinue the ECS, for any reason.

Signature of the shareholder

Please attach the photocopy of a cheque or a blank cancelled cheque issued by your bank relating to your above account for verifying the accuracy of the 9 digit code number.

FORM 2B

(See rules 4CCC and 5D of Companies (Central Govt.'s) General Rules & Forms, 1956)

NOMINATION FORM

(TO BE FILLED BY INDIVIDUAL(S) APPLYING SINGLY OR JOINTLY)

I/We _____ and _____ and _____
 _____ the holder of shares bearing number(s) _____ of National Fertilizers Limited, wish to make a nomination and do hereby nominate the following person(s) in whom all rights of transfer and/or amount payable in respect of shares shall vest in the event of my or our death.

Name(s) and Address(es) of Nominee(s)

Name : _____

Address : _____

Date of Birth* _____

(*to be furnished in case nominee is a minor)

**The Nominee is a minor whose guardian is _____

Name and Address _____

(**To be deleted if not applicable)

Signature : _____

Name : _____

Address : _____

Date: : _____

Signature : _____

Name : _____

Address : _____

Date: : _____

Signature : _____

Name : _____

Address : _____

Date: : _____

Address, Name and Signature of two witnesses:-

Name and Address	Signature with date
1.	
2.	

Instructions:-

1. The Nomination can be made by individuals only applying/holding shares on their own behalf singly or jointly, Non-individuals including society, trust, body corporate, partnership firm, Karta or Hindu Undivided Family, holder of power of attorney cannot nominate. If the shares are held jointly, all joint holders will sign the nomination form. Space is provided as a specimen, if there are more joint holders, more sheets can be added for signatures of holders of shares and witness.
2. A minor can be nominated by a holder of shares and in the event the name and address of the Guardian shall be given by the holder.
3. The nominee shall not be a Trust, Society, Body Corporate, Partnership firm, Karta of Hindu Undivided Family or a Power of Attorney holder. A non-resident Indian can be a nominee on repatriable basis.
4. Nomination stands rescinded upon transfer of share.
5. Transfer of share in favour of a nominee shall be valid discharge by a Company against the legal heir.
6. The intimation regarding Nomination/Nomination Form shall be filled in duplicate with Company/Registrar and Share Transfer Agent of the Company who will return one copy thereof to the shareholder.

NATIONAL FERTILIZERS LIMITED

(A Government of India Undertaking)

Registered Office: SCOPE Complex, Core-III, 7, Institutional Area, Lodhi Road, New Delhi 110 003

PROXY FORM

I/We _____ of _____ (address) being a Member(s) of National Fertilizers Limited hereby appoint Mr./Ms. _____ of _____ or failing him/her _____ of _____ as my/our Proxy to attend and vote for me/us on my/our behalf at the 36th Annual General Meeting of the Company to be held on 9th September, 2010 at 11.30 AM at Air Force Auditorium, Subroto Park, New Delhi-110010 or at any adjournment thereof.

Signed this _____ day of _____ 2010.

DP Id. No.		Regd. Folio No.	
Client Id No.		No. of Share(s) held	

नेशनल फर्टिलाइजर्स लिमिटेड
 एन. एफ. एल.

**Affix
 Re.1/- Revenue
 Stamp**

Signature.....

- The Proxy form should be signed by the member across the stamp.
- The Proxy form should be deposited at the Company's Registered Office, 48 hours before the scheduled time of the meeting.
- Those who hold shares in Demat form to quote their DP Id. No. and Client Id. No.

NATIONAL FERTILIZERS LIMITED

(A Government of India Undertaking)

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Name of Shareholder(s) _____

Address _____

DP Id. No.		Regd. Folio No.	
Client Id No.		No. of Share(s) held	

I/We hereby record my/our presence at the 36th Annual General Meeting of the Company held on Thursday, September 9, 2010 at 11.30 AM at Air Force Auditorium, Subroto Park, New Delhi - 110 010.

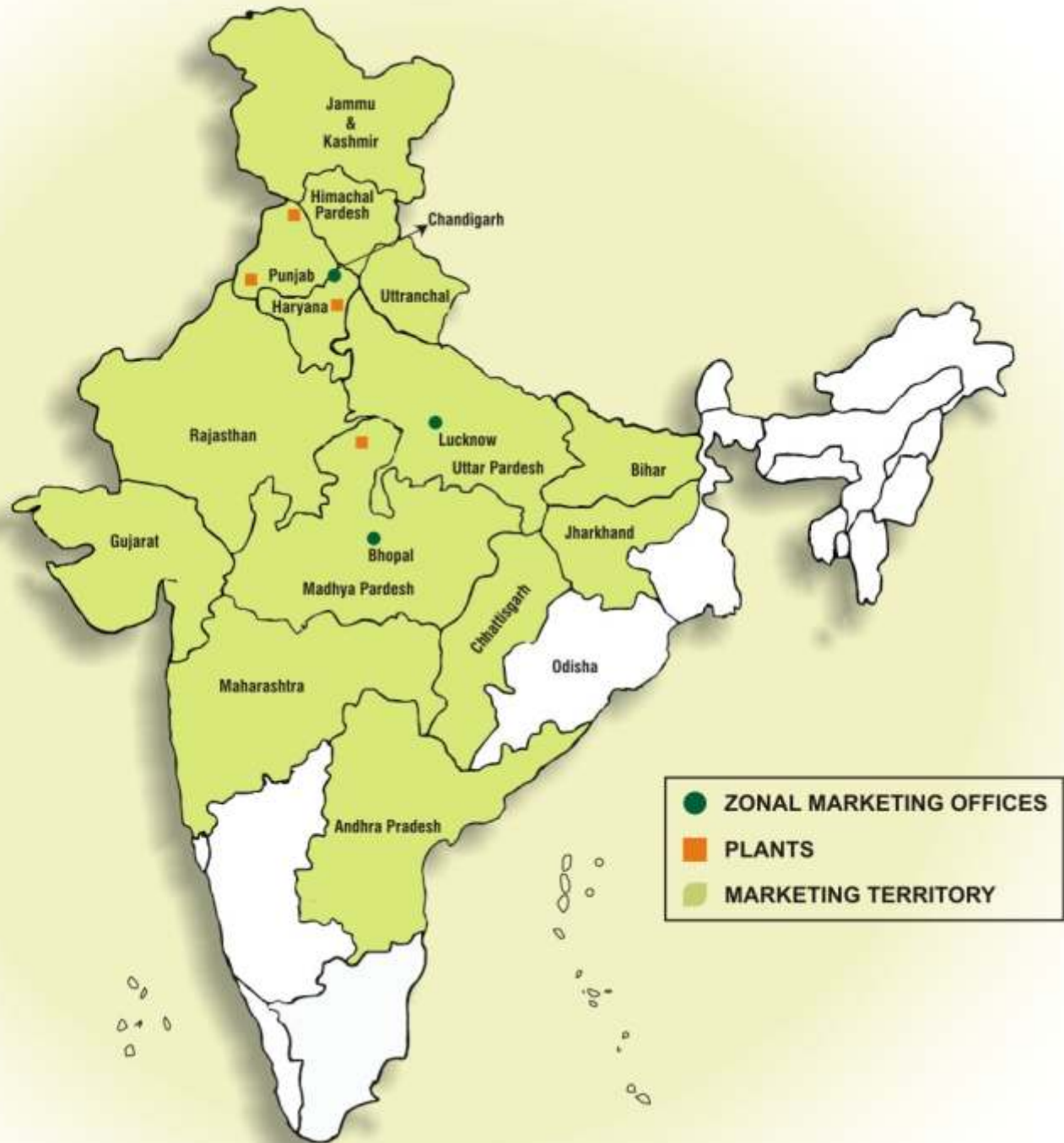
नेशनल फर्टिलाइजर्स लिमिटेड
 एन. एफ. एल.

Signature of Member(s)/Proxy

Note:

1. Please bring your copy of Annual Report to the meeting.
2. Due to strict security reasons, no eatables, helmets, briefcase, etc are allowed inside the Auditorium. Persons attending the meeting are, therefore, requested to make their own arrangement for safe custody of such articles.
3. **No gifts/coupons will be distributed at the meeting.**

Plants & Zonal Marketing Offices



Initiatives in Corporate Social Responsibility



◀ Shri V.K. Sharma, Chairman & Managing Director and Sr. Officials of Marketing Deptt. on the occasion of inauguration of check Dam at Indore in M.P.

▶ Shri V.K. Sharma, Chairman & Managing Director and Sr. Officials of Nangal Unit on the occasion of distribution of sewing machines to needy women around Nangal



◀ NFL officials organizing Women Self Employment Training Programme in district Kota (Rajasthan)

Revamp of fuel-oil based plants at Panipat, Bathinda & Nangal starts



◀ Signing of Agreement with Technimont SpA, Italy for Nangal Unit in the presence of Shri V.K. Sharma, C&MD

▶ Shri B. P. Kumar, General Manager (Tech.), NFL exchanging Agreement Document, in the presence of Shri V. K. Sharma, C&MD, with Official of M/s Larsen & Toubro



◀ Ms. Neeru Abrol, Director (Finance), ED (F&A) & Dy. GM (F&A), NFL on the occasion of Loan Signing Agreement with Consortium of Banks





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

NATIONAL FERTILIZERS LIMITED
(A Government of India Undertaking)

Regd. Office : SCOPE Complex, Core-III, 7 Institutional Area,
Lodhi Road, New Delhi-110003 Website : www.nationalfertilizers.com