

**BHARAT FERTILISER INDUSTRIES LTD.**

**MUMBAI**



**24th. ANNUAL REPORT  
(2008 - 2009)**

# **BHARAT FERTILISER INDUSTRIES LTD.**

## **BOARD OF DIRECTORS**

Shri Yogendra D. Patel  
Chairman & Managing Director

Smt. Anjni Y. Patel  
Joint Managing Director

Ms. Chandni Y. Patel  
Director

Shri Kantilal N. Jethwa  
Director

Shri Suresh M. Bhadrecha  
Director

Shri G. V. Dandile  
Director

## **COMPANY SECRETARY**

A. J. Chakote

## **AUDITORS**

Desai Saksena & Associates  
Chartered Accountants  
Laxmi Building, 1<sup>st</sup> Floor,  
Fort, Mumbai 400 001.

## **PLANT**

Village : Kharivali  
Taluka : Wada  
Dist : Thane

## **REGISTERED OFFICE**

Bharat Fertiliser House  
12, Nanabhai Lane, Fort,  
Mumbai : 400 023

## **REGISTRARS FOR SHARE TRANSFERS AND DEMATERIALISATION**

M/S. Link Intime India Pvt. Ltd.  
C-13, Pannalal Silk Mills  
Compound, L.B.. Marg, Bhandup  
(West), Mumbai : 400 078

Annual General Meeting on Tuesday 15th September, 2009 at 3.30 p.m.  
at Sardar Patel Baug, Shri Vile Parle Patidar Mandal, Parleshwar Road,  
Vile Parle (East), Mumbai - 400 057.

**BHARAT FERTILISER INDUSTRIES LIMITED**

**24TH ANNUAL REPORT 2008-2009**

**NOTICE**

Notice is hereby given that the Twenty Fourth Annual General Meeting of the Company will be held as detailed below :

Day	Tuesday
Date	15th September, 2009
Venue	Sardar Patel Baug Shri Vile Parle Patidar Mandal Parleshwar Road Vile Parle (East) Mumbai 400 057
Time	3.30 P.M.

The Agenda will be as under

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2009, Profit and Loss Account for the Accounting year from 1<sup>st</sup> April, 2008 to 31<sup>st</sup> March, 2009, Directors' Report and the Auditors' Report thereon.
2. To appoint a Director in place of Shri Suresh M. Bhdrecha who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By order of the Board

A. J. Chakote  
Company Secretary

Place : Mumbai  
Dated : 30/07/2009

Registered Office:  
Bharat Fertiliser House  
12 Nanabhai Lane, Fort  
Mumbai 400 023.

NOTES

- 1) A member entitled to attend and vote at the meeting is entitled to appoint proxy to attend and vote instead of himself and the proxy need not be a member of the Company.
- 2) The register of Member and Share Transfer Books of the Company will remain closed from Tuesday the 8th September 2009 to Tuesday the 15th September 2009 (both days inclusive),
- 3) Members are requested to bring copy of the Annual Report along with their registered address, if any.
- 4) Members are requested to immediately notify the Company. Change in their registered address, if any.
- 5) In terms of the directive from Stock Exchange, Mumbai, the company has appointed common agent for share registry work and dematerialisation work. The name and address of the Registrars are as under :

LINK INTIME INDIA PRIVATE LIMITED  
Registrars for share transfers and Dematerialisation  
C-13 Pannalal Silk Mills Compound  
LBS Marg, Bhandup West  
Mumbai 400078.

The shareholders are requested to contact the Registrars for necessary assistance in the matter of share transfers and dematerialisation.

- 6) Shareholders are requested to send their queries in respect of Financial Accounts of the Company for the year ended 31<sup>st</sup> March, 2009 at least a week in advance so as to enable the management to keep the information ready at the time of Annual General Meeting.

Details of Director seeking reappointment at ensuing Annual General Meeting.

Name of Director	:	Shri Suresh M. Bhadrecha
Date of Birth	:	30/08/1958
Date of Appointment	:	09/12/2002
Nature of expertise in specific Functional Area	:	General Administration
Directorships in other Companies	:	NIL
Names of committees of other Companies in which the director is A Member	:	NIL

By order of the Board

A. J. Chakote  
Company Secretary

Place : Mumbai  
Dated : 30/07/2009

**DIRECTOR'S REPORT TO MEMBERS**

Your Directors submit herewith their Report along with the Audited Statement of Accounts for the year ended 31st March 2009.

**FINANCIAL RESULTS**

	<b>2008-2009</b> <b>(Rs .in lacs)</b>	<b>2007-2008</b> <b>(Rs .in lacs)</b>
Turnover	<u>373.19</u>	<u>131.41</u>
Profit/Loss before interest and depreciation	27.88	(349.08)
Less : Interest	<u>51.71</u>	<u>78.02</u>
Gross Profit/Loss before depreciation	(23.83)	(427.10)
Less : Depreciation	90.62	26.97
Amortization of Goodwill on Amalgamation	-	62.79
	<u>(114.45)</u>	<u>(516.86)</u>
Operating Profit/Loss	(114.45)	(516.86)
Less : Provision for Tax	<u>26.53</u>	<u>1.52</u>
Surplus/Deficit during the year	<u>(140.98)</u>	<u>(518.38)</u>
Add : Loss brought Forward	(978.44)	(460.06)
Balance Carried to Balance Sheet	<u>(1119.42)</u>	<u>(978.44)</u>

The Accounting Year 2008-2009 has ended in a Profit of Rs. 27.88 Lacs as compared to loss of Rs. 349.08 Lacs during the corresponding period last year. After providing for interest amounting to Rs. 51.71 Lacs and depreciation of Rs. 90.62 Lacs, the Company has made a Loss of Rs. 114.45 Lacs as against the loss of Rs. 516.86 Lacs during the last year. After taking into account the provision for Taxation, Fringe Benefit Tax, Short Provision for FBT (2005-06) and for deferred Tax Provision total amounting to Rs. 26.53 Lacs and the deficit brought forward during last year amounting to Rs. 978.44 Lacs, the total loss of Rs. 1119.42 Lacs is carried to Balance Sheet.

**DIVIDEND**

In view of the carried forward losses, the Directors are unable to recommend any dividend for the year.

**Review of Operations**

Due to inadequate and insufficient Working Capital Limits from existing bankers namely Indian Overseas bank, the company could not undertake any manufacturing activity at desired capacity utilization. However the Company had produced 3087 M.Ts. quantity of SSP from available Raw Material during the year under report.

**CURRENT YEAR WORKING**

Your company intends to continue production of Single Super Phosphate in Granulated and Powder form along with Alum in Liquid and Solid Form for the current year 2009-2010 from available Surplus Funds of Real Estate Business and existing stocks of Raw Materials.

New Fertiliser Policy is under final stage of announcement which hopefully gives additional boost to Farmers and Fertilizer Industry like SSP, so as to have more Production / Sales during Current Year.

Due to good monsoon in State of Maharashtra the Company will be able to sell more Fertiliser in Khariff / Rabi Season subject to fixation of Subsidy under the new guidelines favorable to SSP Units.

Your Company had also received offers from reputed large scale Fertiliser Units such as M/s. Rashtriya Chemicals & Fertilisers Limited., and M/s. Indian Potash Limited for manufacturing SSP / GSSP on conversion basis for 50,000 M.T. / 60,000 M.T. per year against our installed capacity of 132000 TPY SSP and 99000 TPY GSSP but the decision in the matter will be taken only after announcement of new Fertiliser Policy by Government of India.

The Management has decided to utilize entire Surplus Funds from Real Estate Division to Chemical and Fertilizer manufacturing divisions in the near future for achieving higher capacity utilization of all manufacturing plants in a phase manner to concentrate in our Core sector business activity once funds are available for working capital requirements.

After earmarking the funds required for Construction activities at Majiwada, Thane in a phased manner along with renovation and redevelopment construction Cost of Company's Head Office Building, if there is any Surplus amount remaining in the Cash Flow System, the same will be exclusively utilized for Meeting Working Capital requirements to achieve higher capacity utilization of all manufacturing plants.

Similarly, Surplus Funds will be also utilized for Repairs and Maintenance, replacement of parts and equipments, modernization and installation of balancing equipments wherever required and other infra structural development activities like Storage Tank, Electricity Supply, Water Treatment Plants, Effluent Treatment Plant etc. including construction item wherever required.

**DIRECTORS :**

During the year under report, Shri Suresh M. Bhadrecha, Director, retires by rotation and being eligible offers himself for re-appointment. Necessary item has been included in the Notice convening the 24<sup>th</sup> Annual General Meeting and the re-appointment of Shri Suresh M. Bhadrecha, is recommended for approval of members.

**CORPORATE GOVERNANCE :**

A Report on the Corporate Governance for the period commencing 01.04.2008 is annexed hereto.

**AUDITORS REPORT :**

Report Auditors is self-explanatory and replies to observations of the Auditors have been sufficiently covered in the notes forming part of accounts.

**FIXED DEPOSITS :**

There were no Fixed Deposits accepted by the Company during the year under report and the Company has paid Fixed Deposits amounting to Rs 1,44,000/- to the deposit holders during the year under Report.

**ANNEXURE TO DIRECTORS' REPORT :**

Pursuant to Section 217(1) (C) of the Companies Act, 1956 read with the companies (Disclosures of particulars in Directors Report) Rules 1988 the relevant information is given in the Annexure to "A" forming part of this report.

**PARTICULARS OF EMPLOYEES UNDER SECTION 217 (2A) OF THE COMPANIES ACT 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975.**

There are no employees of the company who are in receipt of remuneration in excess of the limits prescribed under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 as amended to date.

**DIRECTORS' RESPONSIBILITY STATEMENT.**

The Directors confirm that :

(a) In the preparation of the annual accounts, the applicable accounting standards have been followed; except accounting of Gratuity on Cash basis and not providing liability on actuarial valuation.

(b) Appropriate accounting policies have been selected and applied consistently and judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the company for the year ended 31<sup>st</sup> March, 2009.

(c) Proper and sufficient care has been taken 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.

(d) The annual accounts have been prepared on a going concern basis.

**Auditors :**

M/s. Desai Saksena & Associates, Chartered Accountants are retiring at the ensuing Annual General Meeting of the Company. They have informed that they agree to continue as Auditors of Company for 2009-2010. Necessary resolution will be moved at ensuing Annual General Meeting for their appointment as Auditors of the company from conclusion of the ensuing Annual General Meeting till the date of next Annual General Meeting.

**ACKNOWLEDGMENT :**

Your Directors wish to place on record their sincere thanks to the Central Government, State Government, Agricultural Department, Company's Banker, Shareholders, Customers and business consultants for their valued co-operation and support at all times.

Your Directors also place on record the untiring efforts of the employees at all levels during the difficult periods faced by the company.

Place : Mumbai  
Date : 30/07/2009

For and on behalf of the Board

(YOGENDRA D. PATEL)  
CHAIRMAN & MG. DIRECTOR

**Registered Office :**

Bharat Fertiliser House,  
12, Nanabhai Lane, Fort,  
Mumbai 400 023.



**ANNEXURE TO THE DIRECTORS' REPORT**
**ANNEXURE "A"**

Information under Section 217(1) (e) of the Companies Act, 1956

**A. CONSERVATION OF ENERGY**

Your company has taken effective steps to achieve maximum conservation of Energy. Some measures taken by your company for energy conservation are :

- (a) Installation of imported STEAM DRIVEN TURBO BLOWER, Utilizes surplus steam for generating electricity. Resulting in saving of Power.
- (b) Installation of specially designed burner nozzles and furnaces to reduce oil consumption in granulating process.

**FORM 'A'**
**DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY.**

<b>A. POWER &amp; FUEL CONSUMPTION</b>	<b>April-2008 to March-2009</b>	<b>April-2007 to March-2008</b>
(a) Purchased Units rate unit	5.60	5.60
(b) Own generation through Diesel, Company has installed two nos. of imported 860 KVA SKODA Diesel Generating Sets.		
Units per Liter of Diesel Oil	-	-
Furnace Oil KL	-	-
Average cost per liter	-	-

**B. CONSUMPTION PER UNIT OF PRODUCTION**

	<b>Units</b>	<b>Units</b>
(a) Sulphuric Acid per ton	-	-
(b) Super Phosphate per ton	26	26
(c) Granulated super phosphate per ton	-	-

**FORM B****A. ABSORPTION OF TECHNOLOGY**

Absorption of technology does not arise

**B Research and development (R. & D.)**

Company has no separate R & D Department. The company has well Equipped laboratory for testing raw materials & finished goods

**Annexure 'B'****MANAGEMENT DISCUSSION AND OPPORTUNITIES & THREATS**

The Company is mainly engaged in manufacture of Fertilisers viz. SSP Powder and SSP Granulated, Sulphuric Acid and Alum (Solid & Liquid Form) at Village Kharivali, Taluka : Wada, Dist : Thane. And the Company may continue SSP, GSSP & Alum production from Surplus Funds of Construction Division.

As per FAI Survey, all India SSP Production, Capacity utilisation was 34% for the year 2008-2009 due to various constraints faced by all the SSP Units who do not have any other integrated business activities or diversified into other products.

It is serious problem for SSP Manufacturers that unless and until they have their own financial arrangements / Cash Flow to sustain delay in receipt of Fertiliser Subsidy, It will be very difficult to operate unit at rated capacity.

Similarly, the Company has to produce minimum 60% of its installed capacity for which sufficient Working Capital or support from any other product range is available viz. Nirma Ltd., Tata Fertilisers, Aarti Industries Ltd., Jubilant Organics Ltd., Coromandel Fertilisers Ltd., etc to overcome difficulties in arranging Imported Raw Material namely Rock Phosphate and Sulphur.

The Management is of the opinion that final decision of conversion business of SSP / GSSP from reputed Fertiliser Companies or Self Manufacturing and Marketing of SSP / GSSP will be taken depending on the profitability under the given circumstances and announcement of new Fertiliser Policy by Government of India from 01/07/2009.

The demand of SSP Fertilisers will be better subject to good rain and availability of raw material at affordable price as well as in time. The Company Fertilisers business prospects will depend on this policy.

Company's old outstanding subsidy is causing alarming concern and creating cash flow problem with Bankers for availing additional working capital limits

The Company has started the work of Construction Division of the Company to diversify its business activities at Majiwada, Thane. The work is progressing satisfactorily.

All the above measures shall enable the company to wipe out its past Losses and come out with improved restructuring shortly in a phased manner in 3/4 years.

**REPORT ON CORPORATE GOVERNANCE****1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :**

The company's Philosophy on Corporate Governance envisages the attainment of the high level of transparency and accountability in the functioning of the Company and the conduct of its business internally and externally, including its interaction with employees, shareholders, creditors, consumers, institutional and other term lenders and places due emphasis on regulatory compliance.

**2. BOARD OF DIRECTORS :**

The present strength of Board of Directors is Six Mr. Yogendra D. Patel, is Chairman & Mg. Director, Mrs. Anjni Y. Patel, Jt. Mg. Director. Out of 6 Directors, 3 Directors are non Executive and Independent. The position of the Board of Directors thus meets with the stipulated requirements.

During the financial year ended on 31/3/2009, 4 Board Meetings were held on 30/04/2008, 30/07/2008, 20/10/2008, 19/01/2009.

The Company's last Annual General Meeting was held on 26/09/2008 and Extra Ordinary General Meeting on 10/04/2008. The Board composition and categories as on 31/03/2009 and the attendance of each Director at Board Meeting and last Annual General Meeting are as under:-

Name of Director	Category	No. Of Directorship in other Cos.	No of Board, Committee For which Chairperson	Nos.of Board Meetings Attended	Whether Attended Last A.G.M.
Shri. Yogendra D. Patel	Chairman & Mg. Director	7	7	4	Yes
Smt. Anjni Y. Patel	Joint Mg. Director	7	Nil	4	Yes
Ms. Chandni Y. Patel	Non Executive Director	Nil	Nil	4	Yes
Shri. Kantilal N. Jethwa	Non Executive Director	1	Nil	4	Yes
Shri. Suresh M. Bhadrecha	Non Executive Director	Nil	Nil	4	Yes
Shri. G.V. Dandile	Non Executive Director	Nil	Nil	4	Yes

**3. COMMITTEES OF THE BOARD :-****A. AUDIT COMMITTEE ;****BROAD TERMS OF REFERENCE.**

The Audit Committee of the Board was constituted in the meeting of the Board of Directors held on 02/01/2003 in conformity with the requirements of Clause 49 of the Listing Agreement, as well as Section 292A of the Companies Act, 1956. The terms of reference and the role of Audit Committee are set out in the Listing Agreement and Section 292A of the Companies Act, 1956. The Company has taken this step to ensure transparent financial management even though the provision of constitution of Audit Committee is applicable to companies having paid up capital of Rs. 5 Crores and above.

The Audit Committee consisted of following members:

1. Shri S.M. Bhadrecha
2. Shri G.V. Dandile
3. Shri Kantilal N. Jethwa

The Audit Committee meetings were held on 30/04/2008, 30/07/2008, 20/10/2008, and 19/01/2009 and all the member Directors of Audit Committee, Shri Suresh M. Bhadrecha, Chairman of the Audit Committee, Shri G.V. Dandile and Shri Kantilal N. Jethwa were present.

Quorum: Two Independent Directors.

Chairman of the Committee: Shri S.M. Bhadrecha, Director acts as Secretary of the Committee.

**The terms of the reference of the Audit Committee are as under :-**

1. To review quarterly, half-yearly and annual financial results of the company before submission to the Board.
2. Appointment of Cost Auditor and payment of his remuneration/out of pocket expenses.
3. To hold periodic discussions with the Statutory Auditors concerning the accounts of the company, internal control systems, scope of audit and observations of the auditors.
4. To make recommendations to the Board on any other matters relating to financial management of the company including Audit Report.

**Remuneration Committee.**

Since appointments of Shri Yogendra D. Patel, Chairman & Mg. Director and Smt. Anjni Y. Patel, Joint Mg. Director were due from renewal with effect from 01/10/2006. The Board has appointed a Remuneration Committee of the following Directors for considering Managerial remuneration.

S.No.	Name	Chairman / Members
1.	Shri K. N. Jethwa	Chairman - Non-Executive
2.	Shri S.. M.Bhadrecha	Member - Non-Executive
3.	Shri G. V. Dandile	Member - Non-Executive

The sitting fees for attending each Board Meeting /Committee Meeting is Rs.1000/- per meeting. However the directors have voluntarily decided to forego the sitting fees till the financial position of the company improves.

## **B. SHAREHOLDERS/INVESTOR GRIEVANCE COMMITTEE: FUNCTION**

The Board of BHARAT FERTILISER INDUSTRIES LTD has constituted a Shareholders/Investor Grievance Committee consisting of three members, Chaired by an independent Non-Executive Director. The Committee meets at frequent intervals to approve inter-alia, transfer/transmission of shares, issue of duplicate share certificates, non receipt of declared dividend and to review of the status of investors' grievances and redressal mechanism and recommends measures to improve the level of investor services. Details of Share Transfer/transmissions approved by the committee are placed at the Board Meetings from time to time.

## **COMPOSITION**

The composition of the Shareholders/Investor's Grievance Committee is as under :-

<u>S.No.</u>	<u>Name</u>	<u>Chairman/Member</u>	<u>No of meeting attended.</u>
1.	Shri K. N. Jethwa	Chairman - Non-Executive	4
2.	Shri S.. M.Bhsdrecha	Member - Non-Executive	4
3.	Shri G. V. Dandile	Member - Non-Executive	4

## **NAME AND DESIGNATION OF COMPLIANCE OFFICER :**

Shri K. N. Jethwa,

Director,

Bharat Fertiliser Industries Limited,

Bharat Fertiliser House, 12 Nanabhai Lane, Fort,

Mumbai-400 023.

## **DETAILS OF SHAREHOLDERS COMPLAINTS RECEIVED, NOT SOLVED AND PENDING TRANSFERS.**

The total number of complaints received during the year 1.4.2008 to 31.3.2009: 59

These complaints were attended promptly to the satisfaction of the complainants.

**ANNUAL GENERAL MEETINGS HELD :**

Location and time, where the last three Annual General Meetings were held as given below :-

<u>Financial year</u>	<u>Date</u>	<u>Location</u>	<u>Time</u>
2005-2006	29/09/2006	Sardar Patel Baug, Shri Vile Parle Patidar Mandal, Parleshwar Road, Vile Parel (E) Mumbai-400 057.	3.30 P.M.
2006-2007	28/09/2007	-do-	3.30 P.M.
2007-2008	26/09/2008	-do-	3.30 P.M.

**Postal Ballot:**

No Special Resolution was put through postal ballot during the previous year.

**COMPLIANCE CERTIFICATE :**

The Certificate/Comments regarding compliance of conditions of Clause 49 of the List Agreement is annexed hereto.

**SHAREHOLDERS INFORMATION**

**Regd.Office :** Bharat Fertiliser House, 12 Nanabhai Lane, Fort, Mumbai - 400023.

**Annual General Meeting :** Date & Time: Tuesday, 15/09/2009 3.30 P.M.

**Venue :** Sardar Patel Baug, Vile Parle Patidar Mandal, Parleshwar Road, Vile Parel (E) Mumbai-57.

**Financial Calender :**

Financial Reporting for the quarter ending June 2008 : On or before July 2008.

Financial Reporting for the half year ending Sept. 2008 : On or before Oct. 2008.

Financial Reporting for the quarter ending Dec.2008 : On or before Jan. 2009.

Financial Reporting for the year ending Mar. 2009 : On or before April 2009.

Dates of Book Closure: 08/09/2009 TO 15/09/2009  
(both days inclusive)

Listing on Stock Exchange: Mumbai Stock Exchange  
Code No. 531862

**Registrar for Share Registry work and De-materialisation work :**

M/s. Link Intime India Private Limited,  
C-13 Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (West),  
Mumbai-400 0078.

### Share Transfer System

Share transfer requests received in physical form are registered within 15 days from the date of receipt and Demat requests are normally confirmed within an average of 7 days from the date of receipt.

#### Share Transfer Record :

Year	2008 - 2009	2007 - 2008	2006 - 2007
Share Transferred	12876	32101	63445
No. of Transfers	56	159	404

#### SHAREHOLDERS SERVICES, ENQUIRIES, COMPLAINTS.

It has been our endeavor to provide prompt, efficient and satisfactory :-

Sr.No	Nature of Query	No.of days for disposal
1	Share Transfers	15 days
2	Demat of Share	7 days
3	Dividend Retaliation	7 days
4	Issue of New Shares on Surrender of old	7 days
5	Change of Address/Bank Mandate	7 days
6	General Queries	7 days

#### Categories of Shareholders as on March 31, 2009.

Category	No. of shares held	% of shareholding
Promoters	3543374	67.04
Other Directors	10420	00.20
Financial Institutions, Mutual Funds and Banks.	100	-
Private Bodies Corporate	143189	2.71
Non Residents, OCBs	219924	4.16
Indian Public	1367750	25.88
Clearing Member/Market Maker	754	0.01
<b>TOTAL</b>	<b>5285511</b>	<b>100.00</b>
Demat. 1 N.S.D.L.	4322959	81.79
2 C.D.S.L.	285745	5.41

**Correspondence :**

1. Share Department,  
BHARAT FERTILISER INDUSTRIES  
LIMITED,  
12 Nanabhai Lane, Fort,  
Mumbai-400023.

2. Link Intime India Private Ltd.  
Registrars for Share Transfers &  
Dematerialisation,  
C-13 Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (W),  
Mumbai-400078.

**DISTRIBUTION OF SHARE HOLDING AS ON 31<sup>ST</sup> MARCH 2009.**

Shareholding of Nominal value of (Rs).		Share holders Number		Physical Form Rs.
			%	
Upto	5000	4599	93.48	5681840
5,001	10,000	166	3.37	1340450
10,001	20,000	61	1.24	901950
20,001	30,000	20	0.41	532680
30,001	40,000	8	0.16	287910
40,001	50,000	7	0.14	323750
50,001	1,00,000	28	0.57	1953930
1,00,001	ABOVE	31	0.63	41832600
TOTAL:-		4920	100.00	52855110

Note : Out of total Capital of 5285511, equity shares, 4608704 equity shares are held in dematerialized form.

**Dematerialisation of Shares and Liquidity:**

Trading the shares of the company is permitted in the dematerialized form also.  
The Equity Shares of the Company are actively traded on Mumbai Stock Exchange.

ISIN CODE NO. OF THE COMPANY: INE842D01011.

PLANT LOCATION: Kharivali Village, Taluka : Wada, Dist : Thane

**DECLARATION**

The Board of Directors of the Company has adopted the Code of Conduct for Directors and Senior Management of the Company.

All the Board Members and the Senior Management Personnel affirmed their Compliance with the respective Codes.

Bharat Fertiliser Industries Ltd.

Place: Mumbai  
Date : 30/07/2009.

Yogendra D. Patel  
Chairman & Mg. Director



**AUDITOR S' CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members,  
M/s. BHARAT FERTILISER INDUSTRIES LIMITED,  
MUMBAI-400023.

Dear Sirs,

We have examined the compliance of conditions of Corporate Governance by M/S. BHARAT FERTILISER INDUSTRIES LIMITED, for the year ended 31<sup>st</sup> March 2009, as stipulated in Clause 49 of the Listing Agreement of the said company with stock exchange, Mumbai.

The compliance of conditions of Corporate Governance is the responsibility of management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended March 31, 2009, no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by 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 DESAI SAKSENA & ASSOCIATES,  
Chartered Accountants,

Date: 30/07/2009  
Place: Mumbai.

Dr. S. N. Desai  
Partner  
Membership No.32546

**AUDITORS' REPORT**

TO  
The Members,  
**Bharat Fertiliser Industries Limited.**  
Mumbai

1. We have audited the attached Balance Sheet of **BHARAT FERTILISER INDUSTRIES LIMITED**, as at 31<sup>st</sup> March, 2009, the Profit and Loss Account of the Company and the Cash Flow Statement of the Company 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 statements presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") (as amended) issued by the Central Government of India in terms of subsection (4A) of section 227 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 to the extent applicable.

4. *a) The accumulated losses of the Company have exceeded fifty percent of net worth of the Company. In spite of substantial accumulated losses, accounts has been prepared on "Going Concern" basis.*

*b) The Balances of sundry debtors, creditors, loans & advances are subject to reconciliation and confirmation.*

*c) The Company has not accounted for Gratuity liability as at 31<sup>st</sup> March 2009, as required by Accounting Standard, Accounting for Retirement benefits AS 15 (Revised).*

*d) The impact of remark of Para 4 (a), (b)& (c) on the Profit & Loss Account and Balance Sheet cannot be ascertained.*

5. Further to our comments in *Para 4 above* and our comments in the Annexure, referred to in paragraph 3, we report that:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) 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;
- c) The Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet and the Profit and Loss Account and Cash Flow Statement dealt with by this report comply with Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e) On the basis of written representations received from the directors as on March 31, 2009 and taken on record by the Board of Directors, we report that, none of the directors is disqualified as on 31<sup>st</sup> March 2009 from being appointed as directors in terms of Clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- f) 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 & Notes to the Accounts thereon and ***subject to para 4 above*** give the information required by the Companies Act, 1956, in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2009;
  - ii) In the case of the Profit and Loss Account, of the Loss of the Company for the year ended on that date; and
  - iii) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For **DESAI SAKSENA & ASSOCIATES**  
Chartered Accountants

Place: Mumbai  
Date: 30<sup>th</sup> July 2009

**Dr. S.N. Desai**  
Partner  
M.No.32546

**ANNEXURE TO THE AUDITORS' REPORT**

Referred to in paragraph 3 of the Auditors' Report of even date.

- i. In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
  - (b) As per the explanation given to us, the Company has designed a phased programme for the physical verification of its fixed assets and accordingly a portion of the fixed assets are verified every year to cover all the items in reasonable time frame. Pursuant to said programme, during the year also a portion of fixed assets of the Company has been physically verified by the management. As explained to us, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
  - (c) In our opinion, during the year the Company has not disposed off a substantial part of fixed assets and in our opinion the going concern status of the Company is not affected.
- ii. In respect of its inventories:
  - (a) As explained to us, inventories, raw materials, semi-finished goods and finished goods were physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable.
  - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
  - (c) The company has maintained proper records of inventories. As explained to us there were no material discrepancies noticed on the physical verification of inventory as compared to the book records.
- iii. In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956:
  - (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the Register maintained under section 301 of the Companies Act 1956. As the Company has not granted any loans, secured or unsecured to the parties listed in the Register maintained under section 301 of the Companies Act 1956, paragraphs (iii) (b), (c) and (d) of the Order are not applicable.
  - b) According to the information and explanation given to us, the Company has not taken any loans, secured or unsecured, from Companies, firms or other parties listed in the Register maintained under section 301 of Companies Act 1956. As the Company has not taken any loans, secured or unsecured from parties listed in the Register mentioned under section 301 of Companies Act 1956, paragraphs (iii) (f) and (g) of the order are not applicable.
- iv. In our opinion, and according to the information and explanation given to us, having regard to the

explanation, except that some of the items purchased are of a special nature and suitable alternative sources do not exist for obtaining comparable quotations, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and sale of goods. During the course of our audit, we have not observed any major weaknesses in such internal control systems.

- v. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956;
  - a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
  - b) In our opinion and according to the information and explanations given to us, and having regard to our comments in item (iv) above, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public. Therefore, the provisions of clause (vi) of paragraph 4 of the Order are not applicable.
- vii. The Company does not have an internal audit system.
- viii. As per the information and explanation given to us, the Company is required to maintain cost accounting records. However the Company has not maintained the same due to inconsistent production.
- ix. (a) According to the information, explanations and records of the Company, in respect of statutory and other dues, the Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Custom Duty, Excise Duty, Cess, Service Tax and any other statutory dues, applicable to it, with the appropriate authorities during the year. The Company has not paid various undisputed statutory liabilities viz. Sales tax, Central sales tax and VAT dues. Details of the same are as under.

Sr.No.	Particulars	Financial Year to which matter pertains	Amount (Rs.)
1	Sales Tax (including and Surcharge and TOT)	2001-2002 to 2005	38,61,015
2	Central Sales tax	2001-02 to 2003-2004	6,08,614
3	Value Added Tax	2005-06 to 2007-2008	16,70,368
4	Value Added Tax	2008-2009	6,38,464

- (b) According to the explanation given to us, there are no statutory dues, which have not been deposited on account of dispute.
- x. The Company has accumulated losses as at 31<sup>st</sup> March 2009. The accumulated loss of the Company is exceeding fifty percent of its networth. The Company has not incurred cash losses during the financial year covered by the audit. The Company has incurred cash losses in the immediately preceding financial year.
- xi. Based on our audit procedure and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of restructured dues to banks.
- xii. To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, the company has not granted any loans and advances on the basis security by way of pledge of shares, debentures and any other securities.
- xiii. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore the provisions of clause 4(xiii) of Companies (Auditor's Report) Order 2003, are not applicable to the Company.
- xiv. According to information and explanations given to us, we are of the opinion that the Company is not trading in shares, debentures and other investments. Therefore the provision of clause 4(xiv) of Companies (Auditor's Report) Order 2003, are not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, the Company has not given guarantees, for loans taken by others from banks or financial institutions.
- xvi. The Company has not raised new term loan during the year.
- xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that no funds raised on short-term basis have prima facie, have been used during the year for long-term investments.
- xviii. According to the information and explanations given to us, the Company has not made any allotment of shares. Hence clause 4(xviii) of Companies (Auditor's Report) Order 2003, are not applicable to the Company.
- xix. According to the information and explanations given to us, the Company has not issued any debentures; hence question of creation of securities do not arise.
- xx. The Company has not raised any money by way of public issue during the year.
- xxi. In our opinion and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

For **DESAI SAKSENA & ASSOCIATES**  
Chartered Accountants

Place: Mumbai  
Date: 30<sup>th</sup> July, 2009

**Dr. S.N. Desai**  
Partner  
M.No.32546

**BALANCE SHEET AS AT 31ST March 2008**

SCHEDULE		As at 31.03.09 Rupees	As at 31.03.08 Rupees
<b>I</b>	<b>SOURCES OF FUND</b>		
	<b>1 Shareholder's Funds</b>		
	(A) Share Capital	A 5,28,55,110	5,28,55,110
	(B) Reserves & Surplus	B <u>7,21,50,479</u> <u>12,50,05,589</u>	<u>6,92,16,810</u> <u>12,20,71,920</u>
	<b>2 Loans Funds</b>		
	(A) Secured Loans	C 4,20,06,997	2,59,59,069
	(B) Unsecured Loans	D <u>1,84,78,306</u> <u>6,04,85,303</u>	<u>2,03,22,901</u> <u>4,62,81,970</u>
	3 Deferred Tax Liability	<u>65,31,905</u> <u>19,20,22,797</u>	<u>-</u> <u>16,83,53,890</u>
<b>II</b>	<b>APPLICATION OF FUNDS</b>		
	<b>1 Fixed Assets</b>		
	(A) Gross Block	E 25,39,66,876	28,72,54,022
	Less : Depreciation	<u>20,87,42,220</u> <u>4,52,24,656</u>	<u>21,68,80,820</u> <u>7,03,73,202</u>
	<b>2 Investments</b>	F 1,71,000	1,80,500
	<b>3 Current Assets, Loans &amp; Advances</b>	G	
	(a) Inventories	16,02,88,832	5,99,75,419
	(b) Sundry Debtors	-	34,86,983
	(c) Cash & Bank Balances	19,59,489	40,73,508
	(d) Loans & Advances	<u>1,00,95,390</u> <u>17,23,43,711</u>	<u>1,71,19,065</u> <u>8,46,54,975</u>
	<b>4 Less : Current Liabilities &amp; Provisions</b>	H	
	(a) Liabilities	14,13,98,819	8,31,98,137
	(b) Provisions	<u>20,67,391</u> <u>14,34,66,210</u>	<u>15,00,562</u> <u>8,46,98,699</u>
	Net Current Assets (3-4)	2,88,77,501	(43,724)
	<b>5 Profit and Loss Accounts</b>	11,77,49,639	9,78,43,912
	<b>TOTAL</b>	<u>19,20,22,797</u>	<u>16,83,53,890</u>

Significant Accounting Policies and Notes to Accounts Q

Schedules referred to above form an Integral part of the Balance Sheet

As per our report of even date

For DESAI SKASENA & ASSOCIATES  
Chartered Accountants

For BHARAT FERTILISER INDUSTRIES LTD.

Dr. S.N. Desai (Partner)  
Membership No. 32546

Y. D. PATEL  
Chairman & Mg. Director

K. N. JETHWA  
Director  
G V. DANDILE  
Director

Place : Mumbai  
Dated : 30/07/2009

A. Y. PATEL  
Joint Mg. Director

S. M. BHADRECHA  
Director

A. J. Chakote  
Company Secretary

CHANDNI Y. PATEL  
Director

Place : Mumbai  
Date : 30/07/2008

# BHARAT FERTILISER INDUSTRIES LTD.

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st March 2008

<u>INCOME</u>	<u>SCHEDULE NO</u>	<u>2008-2009 Rupees</u>	<u>2007-2008 Rupees</u>
Sales (Net)	I	3,73,19,154	1,31,40,984
Other Income	J	3,25,395	9,00,274
Increase/Decrease in stock	K	<u>93,80,878</u>	<u>(6,43,989)</u>
		<u>4,70,25,427</u>	<u>1,33,97,269</u>
 <u>EXPENDITURE</u>			
Raw Materials & Manufacturing Exp.	L	1,12,70,331	92,94,395
Personnel Expenses	M	11,57,430	59,57,160
Real Estate Development Cost		80,47,586	-
Administrative, Mktg. & Other Exp.	N	17,92,658	1,41,61,675
Interest	O	51,71,204	78,01,564
Bad debt Written off		60,48,603	1,60,66,058
Depreciation & Assets Write off	E	1,17,85,518	1,20,01,889
Less : Transfer from Revaluation Reserve		(27,23,355)	(30,25,949)
Net Depreciation		<u>90,62,163</u>	<u>89,75,940</u>
		<u>4,25,49,975</u>	<u>6,22,56,792</u>
 Profit/Loss before Prior Period Exp.		 44,75,453	 (4,88,59,523)
Exceptional Item			
Less : Prior Period Exp.	P	2,23,267	28,26,442
Less : Exceptional Item			
Good will written off		<u>1,56,97,409</u>	<u>-</u>
Profit/Loss before Tax		<u>(1,14,45,223)</u>	<u>(5,16,85,965)</u>
 Provision for Taxation			
Less : Provision for Income Tax		17,00,601	-
Less : Fringe Benefit Tax		2,15,872	1,43,884
Less : Short Provision for Fringe Benefit TAX F.Y. 05-06		12,125	8,062
Less : Deferred Tax Provision		7,24,384	-
Loss/Profit after Tax		(1,40,98,206)	(5,18,37,911)
Loss brought forward		(9,78,43,912)	4,60,06,001
 <b>BALANCE CARRIED TO BALANCE SHEET</b>		 <b><u>(11,19,42,118)</u></b>	 <b><u>9,78,43,912</u></b>

Significant Accounting Policies and Notes to Accounts Q

Earnings per Share Basic & Diluted before exceptional items

0.76

(9.81)

Earnings per Share Basic & Diluted after exceptional items

(2.67)

(9.81)

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

As per our report of even date

For DESAI SKASENA & ASSOCITES

Chartered Accountants

For BHARAT FERTILISER INDUSTRIES LTD.

Dr. S.N. Desai (Partner)

Membership No. 32546

Y. D. PATEL

Chairman & Mg. Director

K. N. JETHWA

Director

G V. DANDILE

Director

Place : Mumbai

Dated : 30/07/2009

A. Y. PATEL

Joint Mg. Director

S. M. BHADRECHA

Director

A. J. Chakote

Company Secretary

CHANDNI Y. PATEL

Director

Place : Mumbai

Date : 30/07/2008



**BHARAT FERTILISER INDUSTRIES LTD.**
**SCHEDULES TO THE BALANCE SHEET**

	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
<b>SCHEDULE - A</b>		
<b>SHARE CAPITAL</b>		
Authorised: 1,00,00,000 (Prev.year 1,00,00,000)		
Equity Shares of Rs.10/- each	10,00,00,000	10,00,00,000
<b>ISSUED SUBSCRIBED &amp; PAID-UP</b>		
52,85,511 (prev.year 52,85,511)	5,28,55,110	5,28,55,110
Equity shares of Rs.10/- each fully paid-up	<u>5,28,55,110</u>	<u>5,28,55,110</u>

**SCHEDULE - B**
**RESERVES & SURPLUS**

Capital Reserve	70,01,320	70,01,320
General Reserve	16,91,725	16,91,725
Share Premium Opening Balance	3,18,90,220	2,13,90,220
Add : Premium against warrant issued	-	1,05,00,000
	<u>3,18,90,220</u>	<u>3,18,90,220</u>
Revaluation Reserve		
Opening Balance	2,72,33,545	3,02,59,494
Less: Transferred to Profit & Loss A/c	27,23,355	30,25,949
	<u>2,45,10,190</u>	<u>2,72,33,545</u>
Capital Receipt Reserve		
Opening Balance	-	-
Add : Capital portion of land transferred on sales	56,57,024	-
	<u>56,57,024</u>	<u>-</u>
Capital Subsidy	7,50,000	7,50,000
Investment Allowance Reserve	6,50,000	6,50,000
	<u>7,21,50,479</u>	<u>6,92,16,810</u>

**SCHEDULE - C**
**SECURED LOANS**

Cash Credit	3,22,50,092	2,59,59,069
Car Loan	24,98,672	-
Keyman Insurance Loan	72,58,233	-
	<u>4,20,06,997</u>	<u>2,59,59,069</u>

\*Note : Cash Credit from Schedule Bank is secured by hypothecation of Raw Material, stock-in-trade, Finished Goods, Stores & Spares, Book Debts of the company and also by way of first mort gage of factory Land & Building.

**SCHEDULE - D**
**UNSECURED LOANS**

Fixed Deposits	-	1,44,000
From Directors	1,03,73,306	1,20,73,901
Sales Tax Deferrals Loan	81,05,000	81,05,000
	<u>1,84,78,306</u>	<u>2,03,22,901</u>

**BHARAT FERTILISER INDUSTRIES LIMITED**  
Schedule forming the part of Balance Sheet and Profit & Loss Account

**SCHEDULE-E**  
**FIXED ASSETS**

S.No	Particulars	Gross Block				Depreciation				Net Block	
		Original Cost 1/04/2008	Additions	Deduction/ Write off	Original Cost as at 31/03/2009	Total Dep. upto 31/03/2008	Dep./Amort for the year	Deletion during the year	Total Dep./Amort. As at 31/03/2009	As on 31/03/2009	As on 31/03/2008
<b>a)</b>	<b>Intangible Assets</b>										
1	Goodwill	31397819	-	31397819	-	12557928	3139482	15697410	-	-	18839891
2	Software	-	35000		35000	-	4155		4155	30845	-
<b>b)</b>	<b>Tangible assets</b>										
1	Land	6803098	-	259652	6543446	-	-		-	6543446	6803098
2	Road	2565548	-	-	2565548	1767272	39914		1807186	758362	798276
3	Buildings	97403772	-		97403772	65098225	3155925		68254150	29149622	32305547
4	Plant & Machinery	114499900	-	3534579	110965321	107656201	1022856		108679057	2286264	6843699
5	Technical Know-how	1000000	-	-	1000000	1000000			1000000	-	-
6	Vehicles	5532441	2313937	955468	6890910	3598698	367313	692121	3273890	3617020	1933743
7	Furniture & Fixture	3426359	137700	-	3564059	2863563	112775		2976338	587721	562796
8	Laboratory Equipment	220216	-	-	220216	196857	4185		201042	19174	23359
9	Office Equipment	4291908	373730	-	4665638	3176066	234846		3410912	1254726	1115842
10	Electrical Installation	6803610	-	-	6803610	6732108	19892		6752000	51610	71502
11	Pollution Control Equip.	13309356	-	-	13309356	12233893	149597		12383490	925866	1075463
	<b>Total</b>	<b>287254027</b>	<b>2860367</b>	<b>36147518</b>	<b>253966876</b>	<b>216880811</b>	<b>8250939</b>	<b>16389531</b>	<b>208742220</b>	<b>45224657</b>	<b>70373216</b>
	<b>Previous Year</b>	<b>286322799</b>	<b>931223</b>	<b>-</b>	<b>287254022</b>	<b>204878931</b>	<b>12001889</b>		<b>216880820</b>	<b>70373202</b>	<b>814443868</b>

# 24th ANNUAL REPORT 2008-2009

	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
<b>SCHEDULE - F</b>		
<b>INVESTMENTS</b>		
<b>Long Term Unquoted Investment (at cost)</b>		
34200* (Prev. Year 17100) Shares of Rs.10/- each fully paid-up of Indian Potash Limited	1,71,000	1,71,000
*Including bonus shares	1,71,000	1,71,000
<b>Other Investments</b>		
12 year National Saving Certificates	-	9,500
	<u>1,71,000</u>	<u>1,80,500</u>
<b>SCHEDULE - G</b>		
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
<b>A) Inventories (As certified &amp; verified by Management)</b>		
Stores, Spares & Packing Material	22,40,735	23,58,735
Raw Materials	1,86,11,718	2,73,16,411
Finished Goods	96,61,241	2,80,363
(a)	<u>3,05,13,694</u>	<u>2,99,55,509</u>
Construction Activities		
Real estate under development	12,82,44,073	3,00,19,910
Construction material Inventory	15,31,065	-
(b)	<u>12,97,75,138</u>	<u>3,00,19,910</u>
(a+b)	<u>16,02,88,832</u>	<u>5,99,75,419</u>
<b>B) Sundry Debtors</b>		
Unsecured Considered good		
Others	-	5,80,320
Unsecured Considered doubtful	-	29,06,663
More than Six Month	-	34,86,983
<b>C) Cash and Bank Balance</b>		
Cash on hand	5,284	70,247
Balance with Scheduled Bank	19,54,206	40,03,261
	<u>19,59,489</u>	<u>40,73,508</u>
<b>D) Loans and Advances</b>		
Advance receivable in cash or in kind or for value to be received	11,38,144	37,95,157
Other Advances	3,60,335	47,26,997
Subsidy Receivables	85,96,911	85,96,911
	<u>1,00,95,390</u>	<u>1,71,19,065</u>
	<u>17,23,43,711</u>	<u>8,46,54,975</u>
<b>SCHEDULE - H</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>Current Liabilities</b>		
Sundry Creditors	1,25,29,634	59,00,667
Advance against Real Estate Sales	11,62,84,182	5,25,00,047
Other Liabilities	1,25,85,002	2,47,97,423
	<u>14,13,98,818</u>	<u>8,31,98,137</u>
<b>Provisions</b>		
Provision for Taxation	20,67,391	15,00,562
	<u>20,67,391</u>	<u>15,00,562</u>
	<u>14,34,66,209</u>	<u>8,46,98,699</u>

# BHARAT FERTILISER INDUSTRIES LTD.

	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
<b>SCHEDULE-I</b>		
<u>SALES</u>		
Sales Single Super Phosphate Powder	-	79,22,120
Sales Ferric Alum	-	52,18,864
Sales Rock-Phosphate	1,59,61,590	-
Real Estate Sales	2,70,14,587	-
Less : Transferred to Proportionate Capital receipts	56,57,024	-
	<u>3,73,19,154</u>	<u>1,31,40,984</u>
<b>SCHEDULE - J</b>		
<u>OTHER INCOME</u>		
Office Rent	18,000	21,456
Dividend	61,560	61,560
Sundry credit Balance W/Off	-	8,17,258
Profit on Sale of Car	44,853	-
Interest on FD (TDS deducted Rs.41,402/- (Prev. Year Rs. Nil)	2,00,982	-
	<u>3,25,395</u>	<u>9,00,274</u>
<b>SCHEDULE - K</b>		
<u>INCREASE/DECREASE IN STOCK</u>		
Opening Stock as on : 01/04/2008	2,80,363	9,24,352
Closing Stock as on : 31/03/2009	<u>96,61,241</u>	<u>2,80,363</u>
	<u>93,80,878</u>	<u>(6,43,989)</u>
<b>SCHEDULE - L</b>		
<u>REW MATERIALS &amp; MANUFACTURING EXPENSES</u>		
Raw Material Consumption		
Opening Stock	2,73,16,411	2,38,83,891
Add : Purchases	17,84,505	86,38,232
	<u>2,91,00,916</u>	<u>3,25,22,123</u>
Less : Closing Stock	1,86,11,718	2,73,16,411
	<u>1,04,89,198</u>	<u>52,05,712</u>
Power & Fuel	6,36,907	14,32,644
Water Charges	26,226	1,00,389
	<u>6,63,133</u>	<u>15,33,033</u>
Other Manufacturing Expenses	1,18,000	25,55,650
	<u>1,12,70,331</u>	<u>92,94,395</u>
<b>SCHEDULE - M</b>		
<u>PERSONNEL EXPENSES</u>		
Wages, Salaries & Bonus	11,10,521	51,73,808
Other Staff welfare Expenses	46,909	7,83,351
	<u>11,57,430</u>	<u>59,57,159</u>

	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
<b>SCHEDULE - N</b>		
<b><u>ADMINISTRATIVE EXPENSES</u></b>		
Rent, Rates & Taxes	1,11,184	31,74,188
Postage & Telegrams & fax	43,407	1,22,237
Traveling Expenses	91,810	5,39,923
Vehicle Expenses	1,32,384	5,47,712
Legal & Other Professional Fees	51,477	6,20,089
Insurance Charges	2,09,509	10,96,104
Repairs & Maintenance	22,162	16,74,430
Other Administrative Expenses	2,77,537	33,74,659
	<b>9,39,470</b>	<b>1,11,49,342</b>
<b><u>SELLING AND DISTRIBUTING EXPENSES</u></b>		
Carriage Outward	-	11,45,028
Marketing Expenses & Sales Promotion	-	12,96,480
Loading & Unloading	8,29,043	1,30,610
Other Miscellaneous Expenses	24,145	4,40,215
	<b>8,53,188</b>	<b>30,12,333</b>
	<b>17,92,658</b>	<b>1,41,61,675</b>
<b>SCHEDULE - O</b>		
<b><u>INTEREST :</u></b>		
Interest to Bank	49,72,350	38,47,372
Others	1,98,854	39,54,192
	<b>51,71,204</b>	<b>78,01,564</b>
<b>SCHEDULE - P</b>		
Rent, Rates & Taxes	2,23,267	15,50,400
Wages, Salaries & Bonus	-	12,76,042
	<b>2,23,267</b>	<b>28,26,442</b>

**BHARAT FERTILISER INDUSTRIES LIMITED  
SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS FOR THE  
YEAR ENDED 31ST MARCH 2009**

**SCHEDULE "Q"****OVERVIEW:**

The Company is into manufacturing of Single Super Phosphate (Powder and Granulated), Sulphuric acid and Alum (liquid & Solid) at its plant situated at Kharvalli Village, Tal. Wada .Dist Thane. Earlier the Company had a fertilizer plant at Majiwada, Thane. Subsequently the Government of Maharashtra, has directed the Company to shift the unit from Majiwada. The Company has undertaken Real Estate Development activity at Majiwada.

**1) SIGNIFICANT ACCOUNTING POLICIES****(A) Basis of Preparation of Financial Statements :**

The financial statements have been prepared under the historical cost convention on an accrual basis of accounting in accordance with generally accepted accounting principles; accounting standards issued by the Institute of Chartered Accountants of India, as applicable and relevant to the provisions of Companies Act, 1956.

**(B) Use of Estimates :**

The preparation of financial statement requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

**(C) Fixed Assets and Depreciation :**

- i) Fixed Assets are stated at cost except SSP and sulphuric acid plant buildings which were revalued on 31<sup>st</sup> march 2000, net of Cenvat and Value added tax less accumulated depreciation including impairment loss. The assets, which cannot be used for production, are written off.
- ii) Software is capitalised where it is expected to provide future enduring economic benefits. Capitalisation cost includes license fees, cost of implementation/system, integration services & incidental expenses related to its acquisition.
- iii) Accounting for Goodwill is on the basis of Accounting for Fixed Assets (AS-10).
- iv) Depreciation on Fixed Assets has been provided on Written Down Value Method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.

**(D) Investments :**

Long Term Investments are carried at cost less provision, if any, for permanent diminution in value of such investments. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management.

**(E) Inventories :**

- i) Raw Materials are valued at cost. Cost is generally arrived at on weighted average cost. Stores and spares are valued at cost.
- ii) Finished stock are valued at cost or net realisable value whichever is lower.
- iii) The valuation of inventories includes taxes, duties of non refundable nature and direct expenses, and other direct cost attributable to the cost of inventory, net of excise duty/counter veiling duty/education cess and value added tax.

**iv) Conversion of Land :**

Real estate under development comprises undivided interest in the freehold land at book value and expenditure relating to construction. Cost of land development is charged to Profit and Loss account proportionate to area sold and at the time when corresponding revenue is recognised.

**(F) Provision for Current tax and Deferred tax :**

- i) Tax on Income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act 1961, and based on expected outcome of earlier year assessments/appeals.
- ii) Deferred Tax resulting from "timing differences" between book and taxable profit is accounted for using the tax rates and laws that have been enacted and substantively enacted as on the Balance Sheet date.
- iii) Deferred tax assets are recognized and carried forward to the extent that there is virtual certainty as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

**(G) Provisions, Contingent Liabilities and Contingent Assets :**

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of the obligation can be made. Contingent Liability is disclosed for :

- (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or ;
- (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

**(H) Revenue Recognition :**

- i) Sales of goods of Manufacturing Division are recognised on dispatches to the customers & adjusted for discounts.
- ii) Dividends are recognised when the right to receive them is established.
- iii) The Company has recognised the revenue on the basis of Percentage of Completion Method of accounting. Proportionate revenue is recognised in relation to sold area only.

**I) Turnover :**

Turnover includes sale of goods, net of sales tax, adjusted for discounts.

**J) Retirement Benefits :**

- i) Company's contribution to provident fund and family pension fund are charged to the Profit and Loss Account.

**2) NOTES TO ACCOUNTS :**

- A) The details in respect of Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) are not available with the Company. Hence the details of the principal amounts and interest, if any, payable to the suppliers as on 31<sup>st</sup> March 2009 have not been furnished.

**B) Contingent Liabilities:**

Claims against the Company not acknowledged as a debt:

(Amt. Rs. In lacs)

Sr. No	Particulars	2008-2009	2007-2008
1	Letter of Credits	0.00	99.99
2	Bank Guarantee	0.00	50.57
3	MSEB Claim	16.04	57.21

- C) The values of Current Assets and loans & Advances are stated at realizable in ordinary course of the business, as stated in balance sheet as per the opinion of the Management of the Company.



D) Disclosure of Segment Reporting :

The Company has two reportable segments namely Fertilizer & Chemicals and Construction. Details of segment disclosure are as follows.

Sr.	Particulars	Fertilizers		Construction		Unallocable		Total	
		2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
1	Segment Revenue	160.68	124.97	213.58	0.00	0.00	0.00	374.26	124.97
Less :	Inter Segment Revenue	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total Revenue							374.26	124.97
2	Segment results before interest, taxes prior period & exceptional items	(38.82)	(497.60)	133.10	0.00	0.00	0.00	94.28	(497.60)
	Interest expense					51.71		51.71	
	Interest income	0.00				2.19	9.00	2.19	9.00
	Profit/(Loss) before and Exceptional items							44.75	(488.60)
Less :	Good will written off	156.97				0.00	0.00	156.97	
Less :	Prior Period expenses	2.23				0.00	0.00	2.23	(28.26)
	Profit/(Loss) before tax							(114.45)	(516.86)
Less :	Provision for income tax							17.01	
Less :	Provision for Fringe Benefit Tax							2.16	(1.52)
Less :	Provision for deferred tax							7.24	
Less :	Short provision of Income Tax							0.12	
	Profit/(Loss) after tax							(140.98)	(518.38)
3	Other Information								
a)	Segment Assets	1984.63	604.05	1362.74	300.20	7.52	647.84	3354.89	1552.09
b)	Segment Liabilities	1829.42	769.80	1439.48	525.00	85.99	15.01	3354.89	1309.81
	Capital Expenditure	0.00	0.00	28.60					
	Depreciation	142.02	89.76	3.06					
	Non cash expenses other than cash	217.58	160.66	0.00					

**E) Disclosure of Related Party:**
**a. List of Related Parties:**

Subsidiary Companies	None
Associate Concerns	1. Yogi Investments Pvt. Ltd. 2. Vijal Shipping Pvt. Ltd. 3. Wada Agro Chemicals Pvt. Ltd. 4. Wada Bottling Industries Pvt. Ltd. 5. Patel Combi-Therm (India) Pvt. Ltd. 6. Chavi Impex Pvt. Ltd. 7. Wada Alums and Acids Pvt Ltd.
Key Management Personnel	Shri.Y.D.Patel - Managing Director
Relatives of Key Management Personnel	Smt. Anjni Y. Patel, Jt. Mg. Director Miss. Chandni Y Patel, Director

**b. Transactions with Related Parties :**

Relation	Transaction	Current Year (Rupees)	Previous Year (Rupees)
Associate Concerns	Rent Received	18,000	18,000
Key Management Personnel	Remuneration	19,26,000	24,00,000
Relatives of Key Management Personnel	Salary	7,92,000	6,00,000

**F) Disclosure of Earning Per Share :**

	Current Year (Rupees)	Previous Year (Rupees)
Net Profit / (Loss) for the year before Exceptional Items and after Tax.	40,24,188	(5,18,37,811)
Net Profit / (Loss) for the year after Exceptional Items and after Tax.	(1,40,98,205)	(5,18,37,811)
Net Profit for the year		
No. Of weighted Average Equity Shares of Rs. 10/- each	52,85,511	52,85,511
No. Of Diluted Equity Shares	-	-
Earning Per Share Before Exceptional Items		
- Basic	0.76	(9.81)
- Diluted	0.76	(9.81)
Earning Per Share After Exceptional Items		
- Basic	(2.67)	(9.81)
- Diluted	(2.67)	(9.81)

**G) Deferred Tax :**

	As At 31 st March, 2009 Rupees	As At 31 st March, 2008 Rupees
Deferred Tax Liability (DTL) On account of difference in depreciation	7,24,384	-
Deferred Tax Asset (DTA) On Account of Section 43B, 40(ia) of Income Tax Act, 1961, B/F Losses *	-	-
Balance DTL (DTA)	7,24,384	
Net Deferred Tax Liability / (Asset) **	65, 31,905	-

\* In view of substantial brought forward losses, the deferred tax asset has not been recognized in view of virtual uncertainty of profit in the immediate future.

\*\* During the previous year, initial recognition of deferred tax liability amounting to Rs. 58, 07,521/- has been added to balance in Profit and Loss account.

H) The Company has written off goodwill amounting to Rs. 1,56,97,409/- as per AS-10, Accounting for Fixed Assets as said goodwill had been arrived on amalgamation of manufacturing division of Wada Alums and Acids Private Limited with Bharat Fertilizers Limited and no consideration has been received for the same.

I) Disclosure of additional information pursuant of the provisions of paragraph 3,4C and 4D of part II Schedule VI to the Companies Act, 1956, to the extent applicable.

# SHARAT FERTILISER INDUSTRIES LTD.

PARTICULARS	Current Year		Previous Year	
	Unit	Quantity Value (Rs.)	Quantity Value (Rs.)	
<b>1 Installed Capacity:</b> (As certified by management)				
Sulphuric Acid 98% Single Super	MT	33,000	33,000	
Phosphate Powder Granulated Single Super Phosphate	MT	1,32,000	1,32,000	
Sodium Silico Fluoride	MT	99,000	99,000	
Ferric Alums (Solid)	MT	660	660	
	MT	26,400	26,400	
<b>2 Actual; Production (Qty):</b>				
Single Super Phosphate Powder	MT	3,087	1,661	
Ferric Alums (solid)	MT	Nil	72	
Ferric Alums (liquid)	MT	Nil	2,872	
<b>Total:</b>		<u>3,087</u>	<u>4,605</u>	

PARTICULARS	Unit	Current Year		Previous Year	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)
<b>3 Turnover : (Manufactured)</b>					
Single Super Phosphate Powder	MT	-	-	1,817	79,22,120
Ferric Alums (solid)	MT	-	-	98	2,89,100
Ferric Alums (Liquid)	MT	-	-	2,916.54	49,29,763
Rock-Phosphate	MT	1,761.75	1,59,61,590	-	-
<b>Total :</b>			<u>1,59,61,590</u>		<u>1,31,40,983</u>

PARTICULARS	Unit	Current Year		Previous Year	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)
<b>4. Closing Stock of Finished Goods :</b>					
Sulphuric Acid 98% Single Super	MT	11	28,473	11	28,473
Phosphate Powder Granulated Single Super Phosphate	MT	3,115.864	94,75,130	29.135	94,252
Ferric Alums (Solid)	MT	29.8	113,240	30	1,13,240
Ferric Alums (Solid)	MT	2	5,900	2	5,900
Ferric Alums (Liquid)	MT	22.78	38,498	22.78	38,498
<b>Total:</b>			<u>96,61,241</u>		<u>2,80,363</u>
<b>5. Opening Stock of Finished Goods :</b>					
Sulphuric Acid 98% Single Super	MT	11	28,473	11	28,473
Phosphate Powder Granulated Single Super Phosphate	MT	29.135	94,252	185	5,99,591
Ferric Alums (Solid)	MT	30	1,13,240	30	1,13,240
Ferric Alums (Solid)	MT	2	5,900	28	82,600
Ferric Alums (Liquid)	MT	22.78	38,498	59.44	1,00,454
<b>Total :</b>			<u>2,80,363</u>		<u>9,24,352</u>

PARTICULARS	Unit	Current Year		Previous Year	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)
<b>6. Consumption of Raw Materials :</b>					
Rock Phosphate	MT	1,666.835	84,92,309	896.680	16,17,179
Dilute Sulphuric Acid	MT	1,574.232	19,96,889	1,618.895	22,60,210
HDPE Bags & Others					
Raw materials (Nos.)		Nil	Nil	36,340	2,36,984
Bauxite	MT	Nil	Nil	815.75	10,04,397
Sulphuric Acid	MT	Nil	Nil	Nil	Nil
Others	MT	Nil	Nil		86,942
<b>Total:</b>			<b>1,04,89,198</b>		<b>52,05,712</b>

7. During the previous year the Company did not import any raw material and stores & spares.

	As At 31 <sup>st</sup> March, 2009	As At 31 <sup>st</sup> March, 2008
	Rupees	Rupees

<b>8.</b>	<b>Auditors Remuneration</b>		
	Audit fees	66,144	33,708
	Tax Audit Fees	44,096	52,809
	Others Matters	-	33,708
	<b>Total</b>	<b>1,10,240</b>	<b>1,20,225</b>

<b>9.</b>	<b>Directors Remuneration</b>		
	Salaries and		
	Company's Contribution to PF	27,90,000	24,00,000
	<b>Total</b>	<b>27,90,000</b>	<b>24,00,000</b>

<b>10.</b>	<b>Expenditure incurred in foreign currency</b>	<b>4,95,011</b>	<b>1,24,847</b>
	(Traveling)		

J) The Company is in process to revamp the production facility. The Company is in process to submit a detailed proposal to BIFR. In view of above estimated value of contracts remaining to be executed on capital account and not provided for in the accounts as at 31<sup>st</sup> March 2009 can not be determined with reasonable accuracy.

K) The figures of the previous year have been re-grouped and rearranged wherever necessary so as to make them comparable with those of the current financial year.

Signature to Schedule 'A' to 'Q'

**For Desai Saksena & Associates**  
Chartered Accountants

**Dr. S.N. Desai**  
Partner  
M.N.32546  
Place: Mumbai  
Dated: 30/07/2009

**A. J. Chakote**  
Company Secretary

**For Bharat Fertiliser Industries Limited**

<b>Y.D.Patel</b> Chairman & Mg. Director	<b>K.N.Jethwa</b> Director	<b>A.Y. Patel</b> Jt.Mg. Director
<b>Chandni Y. Patel</b> Director	<b>G.V.Dandile</b> Director	<b>S.M.Bhadrecha</b> Director
<b>Place: Mumbai</b> Dated:30/07/2009		

# BHARAT FERTILISER INDUSTRIES LTD.

## CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st March, 2009

PARTICULARS	<u>2008-09</u> <u>Rupees</u>	<u>2007-08</u> <u>Rupees</u>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Tax as per Profit & Loss A/c	(1,14,45,223)	(5,16,85,965)
Add: Depreciation & write off	90,62,163	89,75,940
Interest	51,71,204	78,01,564
Exceptional Items-Goodwill Written off	1,56,97,409	-
Short provision for IT Written Off	12,125	(8,062)
Capital Receipt Reserve	56,57,024	-
Transfer of Capital Asset into Stock in Trade	2,59,652	-
	<u>2,44,14,353</u>	<u>(3,49,16,522)</u>
Less: Dividend Income	61,560	61,560
Profit on sales	44,853	-
Operating Profit before Working Capital Changes	<u>2,43,07,940</u>	<u>(3,49,78,082)</u>
Add: Decrease in Debtors	(34,86,983)	1,78,25,388
Decrease in Loans and Advances	( 70,23,675)	54,59,870
Increase in Liabilities & Provision	<u>(5,87,67,511)</u>	<u>4,72,07,268</u>
	9,35,86,109	3,55,14,443
Less: Increase in Inventories	10,03,13,413	2,66,24,724
Less: Provision for Income Tax and Fringe Benefit Tax	19,16,473	1,43,885
<b>Net Cash Flow from Operating Activities (A)</b>	<u>(86,43,777)</u>	<u>87,45,835</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(25,54,430)	(9,31,223)
Add: Dividend Income	61,560	61,560
Decrease in Investment	(9,500)	-
<b>Net Cash Flow from Investing Activities (B)</b>	<u>(25,02,370)</u>	<u>(8,69,663)</u>
<b>C. CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
Increase in Secured Loans	1,60,47,928	1,44,26,245
Decrease in Unsecured Loans	(18,44,595)	(2,59,82,664)
Issue of Share capital	-	25,00,000
Premium on Share capital Issued	-	1,05,00,000
Interest Paid	<u>(51,71,204)</u>	<u>(78,01,564)</u>
<b>Net Cash Flow from Financial Activities (C)</b>	<u>90,32,129</u>	<u>(63,57,983)</u>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents(A+B+C)</b>	<u>(21,14,018)</u>	<u>15,18,189</u>
Cash & Cash equivalents(Closing Balance) 31.03.09	19,59,489	40,73,508
Cash & Cash equivalents(Opening Balance) 31.03.08	40,73,508	25,55,319
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<u>(21,14,018)</u>	<u>15,18,189</u>

**For Desai Saksena & Associates**  
Chartered Accountants

Dr. S.N. Desai  
Partner  
M.N.32546

Place: Mumbai  
Dated: 30/07/2009

A. J. Chakote  
Company Secretary

Y.D.Patel

Chairman & Mg. Director

Chandni Y.Patel

Director  
Place: Mumbai  
Dated:30/07/2009

**For Bharat Fertiliser Industries Limited**

K.N.Jethwa

Director

G.V.Dandile

Director

A.Y. Patel

Jt.Mg. Director

S.M.Bhadrecha

Director

## 24th ANNUAL REPORT 2008-2009

Registered office : Bharat Fertiliser House, 12, Nanabhai Lane, Fort, Mumbai - 400 023.

### ATTENDANCE SLIP

PLEASE FILL IN ATTENDANCE SLIP AND HAND OVER IT AT THE ENTRANCE OF THE MEETING HALL

Joint Shareholders may obtain additional attendance slip on request.

NAME OF THE SHAREHOLDER	NO. OF SHARES HELD	REG. FOLIO NO.
<input type="text"/>	<input type="text"/>	<input type="text"/>

I hereby record my presence at the 24th ANNUAL GENERAL MEETING of the company being held on Tuesday, 15th September, 2009 at 3.30 p.m. at Sardar Patel Baug, Shri Vile Parle Patidar Mandal, Parleshwar Road, Vile Parle (E), Mumbai - 400 057.

\* Strike out whichever is not applicable

Signature of the Shareholder or Proxy \*

----- (TEAR HEAR) -----

### BHARAT FERTILISER INDUSTRIES LTD.

Registered office : Bharat Fertiliser House, 12, Nanabhai Lane, Fort, Mumbai - 400 023.

### PROXY FORM

REGD. FOLIO NO. \_\_\_\_\_

No. of Shares \_\_\_\_\_

I/WE \_\_\_\_\_

of \_\_\_\_\_ being a member / members

BHARAT FERTILISER INDUSTRIES LTD hereby appoint :

Mr. \_\_\_\_\_ of \_\_\_\_\_

or failing him, Mr. \_\_\_\_\_ of \_\_\_\_\_

or failing him, Mr. \_\_\_\_\_ of \_\_\_\_\_

as my / our Proxy to vote for me / us and on my / our behalf at the 24th. Annual General Meeting of the Company to be held on Tuesday, 15th September, 2009, and at any adjournment thereof.

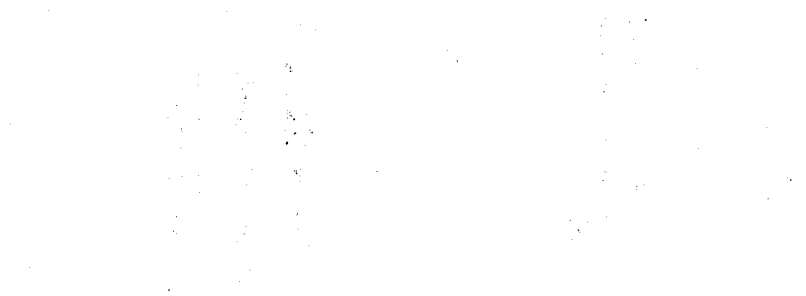
Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2009

Affix a  
Re. 1/-  
Revenue  
Stamp

NOTE : The Proxy must be deposited at the registered Office at the Company not less than 48 hours before the aforesaid meeting. The Proxy need not be a member of the Company.

## BOOK POST

BOOK POST



If undelivered Please return to:

**Bharat Fertiliser Industries Limited**

Bharat Fertiliser House, 12, Nanabhai Lane,  
Fort, Mumbai - 400 023.