

**IMPORTANT**  
Shareholders of  
Erstwhile Khaitan Soya Ltd. &  
Shriniwas Fertilizers Ltd.,  
Please see Page No. 3

# ANNUAL REPORT

2002 - 2003

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**KHAITAN CHEMICALS & FERTILIZERS LIMITED**



## KHAITAN CHEMICALS & FERTILIZERS LIMITED

### ANNUAL GENERAL MEETING :

Date : 16th July, 2003  
 Day : Wednesday  
 Time : 1.00 P.M.  
 Place : Registered Office

### REGISTERED OFFICE :

A.B. Road, Village Nimrani,  
 Tehsil Kasrawad,  
 District Khargone - 451 569 (M.P.)

### INDORE OFFICE :

301-308, Apollo Arcade  
 1/2, Old Palasia,  
 Indore - 452 018 (M.P.)

### DELHI OFFICE :

201, Skipper House,  
 62-63, Nehru Place,  
 New Delhi - 110 019

### KOLKATA OFFICE :

46-C, Rafi Ahmed Kidwai Road,  
 3rd Floor,  
 Kolkata - 700 016

### WORKS :

#### Fertilizer Division

1. A.B. Road, Village - Nimrani  
 Tehsil Kasrawad,  
 District Khargone - 451 569 (M.P.)
2. Village Goramachia,  
 Jhansi - Kanpur Road,  
 Jhansi - 248 001 (U.P.)

#### Soya Division

Dosigaon, Industrial Area,  
 Ratlam - 457 001 (M.P.)

### BOARD OF DIRECTORS :

**Shailesh Khaitan** - Chairman & Managing Director  
**Anil Agrawal** - Director  
**O.P. Bagla** - Director  
**J.L. Jajoo** - Director  
**Dr. P. Goyal** - Director

### PRESIDENT & SECRETARY :

**R.S. Vijayvargiya**

### AUDITORS :

**S.S. Kothari & Company**  
 9-A, Atma Ram House  
 1, Tolstoy Marg, New Delhi

### SOLICITORS :

**Khaitan & Partners**  
 Himalaya House, 23, Kasturba Gandhi Marg,  
 New Delhi - 110 001

### BANKERS :

State Bank of India  
 State Bank of Indore

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**KHAITAN CHEMICALS & FERTILIZERS LIMITED**
**FORM FOR EXCHANGE OF SHARES OF KHAITAN SOYA LIMITED & SHRINIWAS FERTILIZERS LTD. WITH SHARES OF KHAITAN CHEMICALS & FERTILIZERS LTD.**

(To be sent by shareholders of erstwhile Khaitan Soya Ltd. & Shrinivas Fertilizers Ltd., if not sent already due to its amalgamation)

To,  
 Khaitan Chemicals & Fertilizers Ltd.  
 301-308, Apollo Arcade,  
 1/2, Old Palasia,  
 INDORE - 452 018

**Ref.: Regd. Folio No. .... of Khaitan Soya Ltd. / Shrinivas Fertilizers Ltd.**

I/We give my/our particulars as under:-

1. No. of Shares held in KSL / SFL : .....
2. Particulars of the Sole/1st Shareholder:
  - Name (in full) : .....
  - Father's/Husband's Name : .....
  - Occupation : .....
  - Full Address : .....

PIN Code .....

**Bank Account Particulars:**

- Name of Bank : .....
- Address : .....
- Account No. : .....
- Type of A/c Saving/Current : .....

3. Name of 1st Joint Holder : .....

4. Name of 2nd Joint Holder : .....

5. No. of Certificates enclosed : .....

**Signature of the Sole/first Shareholder**

	Name(s) of the Holder	Specimen Signature(s)
1.		
2.		
3.		



# KHAITAN CHEMICALS & FERTILIZERS LIMITED

## NOTICE

NOTICE is hereby given that the "TWENTIFIRST ANNUAL GENERAL MEETING OF KHAITAN CHEMICALS & FERTILIZERS LTD." will be held at the Registered Office of the Company at A. B. Road, Village Nimrani, Tehsil Kasrawad, Dist. Khargone, Madhya Pradesh on Wednesday, the 16<sup>th</sup> day of July, 2003 at 1.00 P.M. to transact there at the following business :

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Accounts for the year ended 31st March, 2003 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri O.P. Bagla, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Dr. P. Goyal, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

### SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT the Company be and are hereby accord its consent to the Board of directors to delist its Shares from the Madhya Pradesh Stock Exchange, (Regional Stock Exchange) Indore, The Delhi Stock Exchange Association Ltd., New Delhi and The Calcutta Stock Exchange Association Ltd., Kolkata, after getting necessary approvals from SEBI, Stock Exchanges and other regulatory authorities."

"RESOLVED FURTHER that the Board of directors of the Company be and are hereby authorised to take all such steps which the Board may deem fit necessary to give effect to the above resolution."

**Registered Office:**  
A. B. Road, Village-Nimrani,  
Dist. Khargone (M.P.)

**Date:** 28th April, 2003  
**Place :** New Delhi

By Order of the Board  
S/d

**(R. S. Vijayvargiya)**  
President & Secretary

### NOTES :

1. **A member entitled to attend and vote is entitled to appoint a proxy and vote instead of himself and such proxy need not be a member of the Company. Proxy Form must reach the Company's Registered Office at least 48 hours prior to the time of holding the meeting.**
2. Member(s)/Proxies should bring the attendance slip annexed herewith duly filled in for attending the meeting..
3. The Register of Members and Transfer Book of the Company will remain closed from 10<sup>th</sup> July, 2003 to 16<sup>th</sup> July, 2003 (both days inclusive).
4. Members are requested to notify to the Company immediately, quoting Registered Folio No., Change in their Address, if any, with the pin code number.
5. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to send their queries to the President & Secretary at least seven days before the date of the meeting so that the required information can be made available at the meeting.
6. **EXCHANGE OF SHARES OF KHAITAN SOYA LIMITED (KSL) AND SHRINIWAS FERTILIZERS LIMITED (SFL) WITH SHARES OF KHAITAN CHEMICALS & FERTILIZERS LTD. (KCFL) DUE TO AMALGAMATION OF KSL AND SFL WITH THE COMPANY:**  
Members who have not yet exchanged their Share Certificates of KSL and SFL, are required to send the Share Certificate of KSL And SFL at our Indore Office at 301-308, Apollo Arcade, 1/2, Old Palasia, Indore (M.P.)-452018 or Registrar & Share Transfer Agent - M/s. Ankit Consultancy Pvt. Limited having its Office at 2<sup>nd</sup> Floor, Alankar Point, Geeta Bhawan Chouraha, Indore-452 018.
7. Explanatory Statement pursuant to the provisions of Section 173(2) of the Companies Act, 1956 is annexed.

**KHAITAN CHEMICALS & FERTILIZERS LIMITED**

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING (IN PURSUANCE OF CLAUSE 49 OF THE LISTING AGREEMENT)

<b>Name of Director</b>	<b>Shri O.P. Bagla</b>	<b>Dr. P. Goyal</b>
<b>Age</b>	60 years	59 years
<b>Qualification</b>	C.A.	BSc Tech. (Chemicals Engineering and Ph.D in Chemical Engineering)
<b>Date of Appointment</b>	7 <sup>th</sup> March, 1989	16 <sup>th</sup> July, 1999
<b>Expertise</b>	Rich and vast experience in the field of Taxation and Finance.	Excellent General Management Skills & Vast Project Consulting Experience.
<b>Other Directorships (excluding Pvt. Companies) as on 31<sup>st</sup> March, 2003</b>	Nil	Nil
<b>Chairman / Member of the Committees as on 31<sup>st</sup> March, 2003</b>	<p>1. <u>Khaitan Chemicals &amp; Fertilizers Ltd.:</u>  <b>Member:</b></p> <ol style="list-style-type: none"> <li>1. Audit Committee</li> <li>2. Shareholder's/Investor's Grievances Committee</li> </ol> <p><b>Chairman:</b></p> <ol style="list-style-type: none"> <li>1. Audit Committee</li> <li>2. Shareholder's/Investor's Grievances Committee.</li> </ol>	<p>1. <u>Khaitan Chemicals &amp; Fertilizers Ltd.:</u>  <b>Member:</b></p> <ol style="list-style-type: none"> <li>1. Audit Committee</li> <li>2. Shareholder's/Investor's Grievances Committee</li> </ol>

**Explanatory Statement: Pursuant to Sec 173 (2) of the Companies Act 1956.**

**ITEM NO. 5**

The Shares of the Company are presently listed at Madhya Pradesh Stock Exchange, Indore, (MPSE) i.e. Regional Stock Exchange, The Bombay Stock Exchange, Mumbai (BSE), The Delhi Stock Exchange Association Ltd., New Delhi (DSE) and The Calcutta Stock Exchange Association Ltd., Kolkata (CSE).

In view of Nil or Negligible trading at the Madhya Pradesh Stock Exchange, Indore, The Delhi Stock Exchange Association Ltd., New Delhi and The Calcutta Stock Exchange Association Ltd., Kolkata, the Directors are of the opinion, that the shares at these stock exchanges may be delisted.

There would not be any difficulty to the shareholders in trading in shares of the company at nationwide terminals of the Bombay Stock Exchange (BSE).

None of the directors is concerned or interested in the said resolution.

The Board recommends the proposed resolution for your approval.

**Registered Office:**

A. B. Road, Village-Nimrani,  
Dist. Khargone (M.P.)

**Date:** 28th April, 2003

**Place :** New Delhi

**By Order of the Board**  
S/d

**(R. S. Vijayvargiya)**  
President & Secretary



# KHAITAN CHEMICALS & FERTILIZERS LIMITED

## DIRECTORS' REPORT

To the members,

Your Directors have pleasure in presenting the Twenty-first Annual Report of the Company together with Audited Accounts for the year ended 31<sup>st</sup> March, 2003.

<b>FINANCIAL RESULTS</b>	<b>2002-2003</b>	<b>2001-2002</b>
Surplus before interest and depreciation	1084.91	800.79
Less: Interest	625.36	717.90
Cash Profit before tax	459.55	82.89
Less: Depreciation	393.75	417.45
Misc. Expenses Written off	4.48	3.66
Surplus before tax	61.32	(338.22)
Prior Period adjustments	10.67	13.70
Add: Excess Depreciation of earlier year written back	-	10.51
Less: Fixed cost compensation no longer receivable written off	-	113.87
Profit /(Loss) before taxation	52.65	(455.28)
Deferred Tax	(143.76)	167.12
Profit /(Loss) after taxation	(93.11)	(288.16)
Income Tax of earlier year	(1.35)	4.86
Add: Transfer from Capital Subsidy	0.79	0.79
Add: Profit/(Loss) B/F from previous year	(245.60)	673.85
Less: Accumulated Deferred Tax Liability of earlier years	-	636.94
Loss Carried to Balance Sheet	(339.27)	(245.60)

### DIVIDEND

Due to inadequacy of Profits, the Directors are unable to recommend any dividend.

### AMALGAMATION/MERGER

The Hon'ble High Court of Madhya Pradesh, bench at Indore has sanctioned the scheme of Amalgamation of Shrinivas Fertilizers Ltd. with the Company with effect from 1<sup>st</sup> April, 2001.

The Accounts of the Company, has therefore been redressed for the year ended 31<sup>st</sup> March, 2002 so as to include transaction related to Shrinivas Fertilizers Ltd. for the year ended 31.03.2002.

### PROJECT & FINANCE

After acquiring land at Nimbahera, Rajasthan for fertilizer- plant, it has applied for necessary approval from various department of Government of Rajasthan.

The Company has got rescheduled some of its outstanding term loan to strengthen the Working Capital Margin.

### PERFORMANCE & FUTURE PLAN

Despite of 4 consecutive droughts years in Madhya Pradesh resulting in low capacity utilization at Nimrani (M.P) Plant, considerable shortfall of rains in Uttar Pradesh resulting in overall poor off take of fertilizer and continuous disparity in soy seed crushing in peak season resulting in lowest ever crushing, your company had shown improved performance with better financial and inventory management alongwith all round measures for cost reduction.

The Company is successful in penetrating the market of Single Super Phosphate in the State of Uttar Pradesh and is hopeful of enhancing its capacity utilization further.

Your directors are of the opinion that barring exceptional circumstances beyond Company's control, the performance of the company shall be better in the coming year considering its basic strength.

### DIRECTORS

Shri O. P. Bagla & Dr. P. Goyal retire by rotation and being eligible offer themselves for re-appointment. Particulars of the retiring Directors are given in the notes forming part of the notice for the ensuing Annual General Meeting.

**KHAITAN CHEMICALS & FERTILIZERS LIMITED****FIXED DEPOSITS**

During the year under review Company has not accepted any deposits from the public, pursuant to the provisions of Section 58A of the Companies Act, 1956 and the Deposit Rules.

**AUDITORS & AUDIT REPORT**

M/s.- S. S. Kothari & Co., Chartered Accountants, New Delhi, Auditors of the Company hold office till the conclusion of ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

The notes on accounts referred to and the Auditors' Report are self-explanatory and therefore do not call for any explanatory note.

M/s. M. P. Turakhia & Associates, Cost Accountants were appointed as Cost Auditors to conduct cost audit of the accounts maintained by the Company in respect of its Fertilizers and Sulphuric Acid products for the financial year 2003-2004.

**GENERATION OF ENERGY AND TECHNOLOGY ABSORPTION**

Information as specified U/S 217 (1) (e) of the Companies Act, 1956 is given in Annexure A in **Form-A**.

Your Directors are of the opinion that the Company has already opted for latest technology for producing Single Super Phosphate, Sulphuric Acid, Seed Processing & Oil Refinery. Hence, information specified to be given in **Form-B** is not applicable.

**FOREIGN EXCHANGE EARNING AND OUTGO**

The Company has earned Rs. NIL lacs on export of goods (Previous year Rs. 651.25 lacs) and incurred Rs. 397.61 lacs (Previous year Rs. 217.44 lacs) on import of Raw Materials, Capital Goods for edible Oil refinery project, Fees & Subscription, Interest on Foreign Currency Loan and Foreign Travelling Expenses.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Section 217 (2AA) of the Companies (Amendment) Act, 2000, your Directors confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the statement of affairs of the Company at the end of the Financial year ended 31.03.2003 and of the Profit or Loss of the Company for that period;
3. 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;
4. the Directors have prepared the annual accounts on a going concern basis.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

In accordance with the listing agreement, the management discussion and analysis report is given in **Annexure - B**.

**CORPORATE GOVERNANCE**

Your Company attaches considerable significance to good Corporate Governance as an important step towards building investors' confidence, improve investors' protection and maximizing long-term shareholder's value. Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a Compliance Report on Corporate Governance and Auditors' Certificate regarding compliance of conditions of Corporate Governance is given in **Annexure - C**.

**PARTICULARS OF EMPLOYMENT**

Information as per the requirement of Section 217(2A) of the Companies Act, 1956 is given in **Annexure-A**.

**ACKNOWLEDGEMENT**

Your Directors would like to thank the IFCI, IDBI, the State Bank of India, State Bank of Indore, various Departments/ Agencies of Central/State Govt., Shareholders, Employees and Business Associates of the Company for their continued cooperation received during the year.

**FOR AND ON BEHALF OF THE BOARD**

Place : New Delhi

Date : 28.04.2003

**(SHAILESH KHAITAN)**

**CHAIRMAN & MANAGING DIRECTOR**



## KHAITAN CHEMICALS & FERTILIZERS LIMITED

### Annexure 'A'

Form 'A' for disclosure of particulars with respect to conservation of energy and forming part of Directors' Report :

A) POWER & FUEL CONSUMPTION :	<u>CURRENT</u> <u>YEAR</u>	<u>PREVIOUS</u> <u>YEAR</u>
<b>1. Electricity :</b>		
a) Purchased Units	3001868	4829696
Total amount (Rs. in Lacs)	176.89	238.06
Rate/Unit (Rs.)	5.89	4.93
b) Own generation:		
i. Through diesel generator Units	1444315	994062
Total amount (Rs. in Lacs)	81.94	51.30
Rate/Unit (Rs.)	5.67	5.16
ii. Through steam turbine Units *	10603434	10035936
Total amount	-	-
(* Net of Self Consumption in TG)		
<b>2. Coal:</b>		
Quantity (In MT)	2071	5994
Total Cost (Rs. in Lacs)	46.35	120.52
Rate/Unit (MT) (Rs.)	2238	2011
<b>3. Furnace oil:</b>		
Quantity (K. Lts.)	781.60	629.13
Total Amount (Rs. in lacs)	99.36	66.74
Average Rate /Lt.	12.71	10.61

### B. Consumption per unit of Production :

Item	Product	Current Year	Previous Year
Electricity (KWH/MT)	S.S.P./G.S.S.P	27	29
	S.A./Oleum/Liquid So3	65	65
	Soya Oil/Doc	45	49
Coal (KG/MT)	Soya Oil/Doc	64	82
	Furnace Oil (Ltr.)	11	13

Statement Under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rule 1975 & Forming part of Directors' Report:

S. No.	Name of Employees/ his qualification/ Designation.	Age/No. of years experience	Date of commencement of Employment	Remuneration (Rs. in Lacs)	Last Employment
A.	Employed through out the year. Shri Shailesh Khaitan B.Com (Hons.)/ Chairman & Managing Director	47/23	01-09-84	18.00	Managing Director, M/s. Majestic Packaging (P) LTD. Calcutta.

1. Remuneration includes salary, Commission, leave travel assistance and expenditure incurred by the Company on other perquisites valued in accordance with the Income Tax Rules, 1962
2. Shri Shailesh Khaitan is having 398276 Nos. of Shares. No other employee is having any shares in the Company.



**KHAITAN CHEMICALS & FERTILIZERS LIMITED**

Annexure 'B'

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Management of Khaitan Chemicals & Fertilizers Limited is pleased to present its analysis report covering segment-wise performance and outlook. The report contains expectations of the Company's businesses based on the current environment. Many unforeseen and uncontrollable external factors could alter these expectations.

**BUSINESS ORGANISATION**

The Company is mainly engaged in the manufacturing of Single Super Phosphate (Fertilizer) and Edible Oil. It has two plants of Single Super Phosphate, one at Nimrani (Madhya Pradesh) and other at Jhansi (Uttar Pradesh). It also has a plant of Soya Solvent Extraction Plant/Refinery at Ratlam (Madhya Pradesh). The Company has an extensive marketing network to support its business activities.

**1. INDUSTRY STRUCTURE AND DEVELOPMENTS****Fertilizer Division:**

India is the third largest producer and consumer of fertilizer in the world, as it is predominantly an agricultural country.

The Government of India has already decontrolled the phosphatic & potashic fertilizers (including SSP) except allowing some adhoc subsidy.

The Govt. is well aware that the higher subsidy to Urea has led to imbalanced use of fertilizers, which need to be corrected. Thus the further reduction in subsidy to fertilizer industry, which should inter-alia aims to encourage balanced use of fertilizers, shall increase the consumption of phosphatic fertilizers including SSP. However, Govt. indecision to hike MRP of Urea and DAP is a matter of concern and hurdle in implementing the fertilizer policy.

SSP fertilizer is the cheapest source of phosphatic fertilizer with other inputs i.e. Sulphur, Calcium etc. and is poor man's fertilizer. The management feels that due to its lower economical value with high distribution cost, there should be no impact of "WTO" as well as "No Subsidy Era".

The gradual reduction of subsidy shall not affect the demand of SSP provided, there is simultaneous reduction of subsidy in other segment of fertilizer. The total subsidy outgo on SSP sector is marginal.

**Soya Division**

The edible oil industry is one of the important industries in our country as there has been a huge import of edible oil because of its shortage.

**2. OPPORTUNITIES AND THREATS****Fertilizer Division**

Marketing environment in fertilizer sector has become highly competitive in recent years more particularly due to low capacity utilization because of draughts. To survive, the industry has to cut down the cost of production, transportation and marketing. The bottom line of fertilizer companies can be protected only through excellence in production and marketing efforts.

SSP belongs to partial decontrolled segment and low cost fertilizer with other additional nutrients (i.e. Sulphur and Calcium) and present imbalanced use of fertilizers in favour of highly subsidized urea should lead to growth in SSP in coming years.

The mushroom growth of manufacturing capacity in this sector with a shortsighted approach had damaged the goodwill of SSP amongst farmers as well as with the authorities. However, now the Central Government has taken lot of actions to curb such unscrupulous activities, which will ultimately benefit the quality manufacturers.

**Soya Division**

The country is spending huge foreign currency on import of edible oil and has realized to divested Indian Agriculture to Oil seed from cereal. The better irrigation facilities and river linkage along with contract farming may change the scope of Indian Agriculture and the oil segment shall be most beneficiating of these infrastructure development.

Being a product of mass consumption and import substitute we see bright future of the Industry.

**3. SEGMENT-WISE BUSINESS REVEIW**

The Company has two business segments viz. Fertilizer and Soya. Segment-wise details of the business are given in the foregoing paragraphs:

**Fertilizer Division**

The Company has largest SSP manufacturing facilities at one location in India with installed capacity of 400000 MT (Total installed capacity 532000) and having manufacturing facility of Sulphuric Acid, Oleum and Liquid So<sub>3</sub>.



## KHAITAN CHEMICALS & FERTILIZERS LIMITED

The summarized performance of Fertilizer Division is as under:

	<u>2002-03</u>	<u>2001-02</u>
Sales	8155.96	6790.05
PBIDT	926.39	557.58

**Soya division :**

The summarized performance of Soya Division is as under:

	<u>2002-03</u>	<u>2001-02</u>
Sales	4588.32	9548.59
PBIDT	158.52	243.21

#### 4. FUTURE OUTLOOK:

Future outlook for Fertilizer Industry is linked with Government's strategic approach to self-sufficiency in Agro products. Present estimates indicate foodgrain requirement at about 337 million tonnes by 2011-12 compared to current production of about 200 million tonnes. Additional production of foodgrain will have to come from increased productivity in the farming sector, resulting in higher demand for fertilizers and other agri-inputs. While the management of water resources to tackle the drought and flood situation shall be biggest challenge before the Central/State governments, the manufacture and marketing of fertilizers and other agri inputs at globally competitive prices will be the biggest challenge before the industry.

The Company is successful to penetrate its market of Single Super Phosphate in the State of Uttar Pradesh and hopeful to enhance its capacity utilization further. The Company has expanded its marketing network in the states of Uttar Pradesh, Maharashtra and Rajasthan.

The performance of the company shall be better in coming year considering its basic strength.

#### 5. RISKS AND CONCERNS

The Industry is Agro based and therefore its performance shall always be dependent on vagaries of monsoon. The performances of last four years were adversely affected by low rainfall. We hope to have normal monsoon in the current year and onwards.

We are continuously repositioning our selves according to changing market scenario and strengthen our competitive position.

#### 6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has well-establish internal control systems at all levels. Boards take major decisions in all aspects of business. There is an elaborate internal audit system, which is catered to by Krishan Rakesh & Co. They are employing highly qualified and experienced professionals in all fields. The management is reasonably satisfied about the adequacy of these internal control systems.

The Board of Directors has an Audit Committee, whose Chairman is an Independent Director. The Committee meets periodically to review internal controls, Audit Programmes and Results and Recommendations of the Auditors and Management's Replies to those recommendations.

#### 7. OPERATIONAL AND FINANCIAL PERFORMANCE:

##### Fertilizer Division

##### Production and Sales

The Production and Sales figures of SSP and Sulphuric Acid of the Company, therefore redressed for the years ended 31<sup>st</sup> March, 2002 and 2003, so as to include transaction related to Shrinivas Fertilizers Ltd. for the years ended 31.03.2002 and 31.03.2003 due to amalgamation of Shrinivas Fertilizers Limited with the Company.

The summarized production performance of Fertilizer Division is as under:

		<u>2002-03</u>	<u>2001-02</u>
SSP	MT	221751	180310
Sulphuric Acid	MT	112557	102589
Oleum/Liquid So <sub>3</sub>	MT	9369	5939