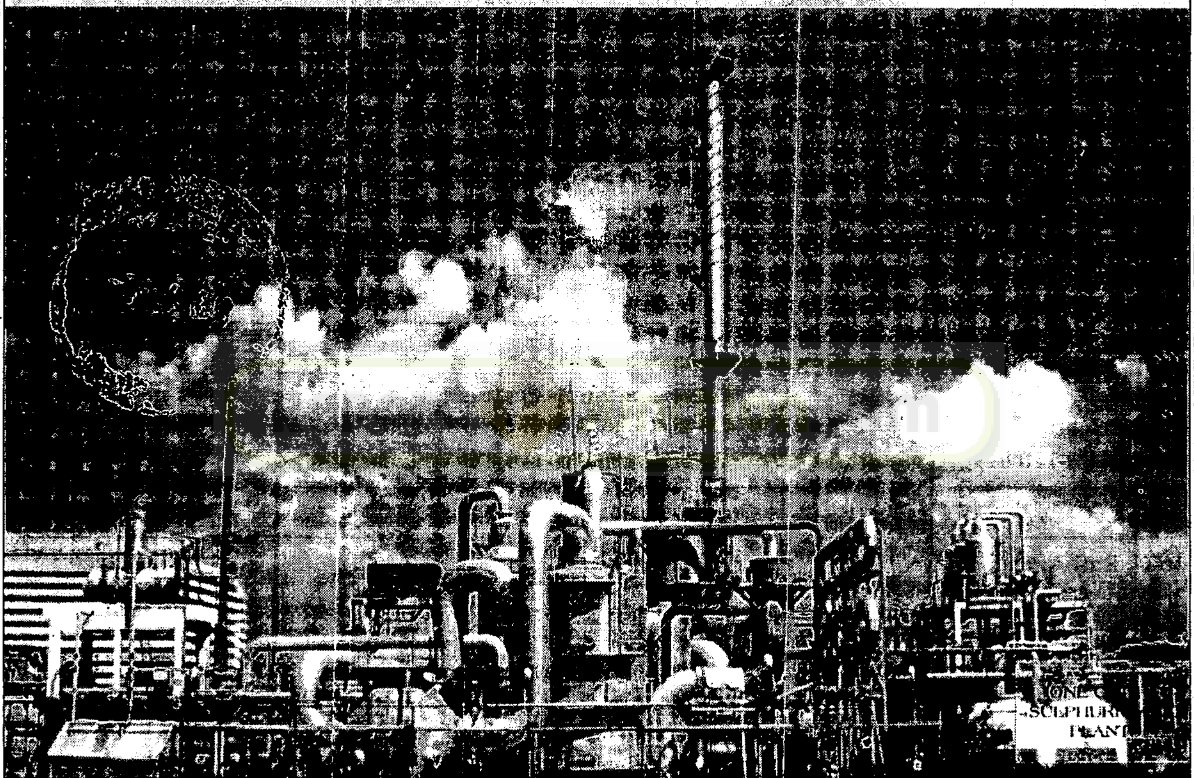
26th ANNUAL REPORT

2007 - 2008



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KHAITAN CHEMICALS & FERTILIZERS LIMITED

KHAITAN CHEMICALS & FERTILIZERS LIMITED

ANNUAL GENERAL MEETING :

Date	:	26th July, 2008
Day	:	Saturday
Time	:	1.00 P.M.
Place	:	Registered Office

BOARD OF DIRECTORS :

Shailash Khaitan	:	Chairman & Managing Director
J.L. Jajoo	:	Director
O.P. Bagla	:	Director
Dr. P. Goyal	:	Director

REGISTERED OFFICE :

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

PRESIDENT & SECRETARY:

R. S. Vijayvargiya

INDORE OFFICE :

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

AUDITORS:

S. S. Kothari Mehta & Co.
146-149, Tribhuvan Complex, Ishwar Nagar, Mathura Road,
New Delhi-110 065

DELHI OFFICE :

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

SOLICITORS:

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

KOLKATA OFFICE :

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

BANKERS:

State Bank of India
State Bank of Indore
IDBI Bank Ltd.

WORKS :

Fertilizer & Chemicals Division:

1. A.B. Road,
   Village Nimrani, Tehsil Kasrawad,
   Dist. Khargone-451 569 (M.P.)
2. Village Goramachia,
   Kanpur Road,
   Jhansi-248 001 (U.P.)
3. Village Dhinva, Tehsil Nimbahera
   Dist. Chittorgarh-312 601 (Rajasthan)
4. A-1, UPSIDC Industrial Area,
   Village Malwan,
   Dist. Fatehpur-212 664 (U.P.)

Soya Division (Khaitan Agro):

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

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Listing of Shares:

The Mumbai Stock Exchange **(B.S.E.)**
Stock Code: 507794
ISIN No.: INE745B01010 **(NSDL & CDSL)**

खेतान केमिकल्स एण्ड फर्टिलाईजर्स लि. की निमरानी स्थित इकाई को लगातार तीसरे वर्ष ''पर्यावरण सुरक्षा अवार्ड'' फर्टिलाईजर एसोसिएशन ऑफ इण्डिया द्वारा वर्ष 2006-07 के लिये केन्द्रीय मंत्री श्री रामविलास पासवान द्वारा दिया गया। दृष्टव्य : कम्पनी के प्रेसिडेन्ट श्री आर.एस. विजयवर्गीय पुरस्कार प्राप्त करते हुए एवं मध्य में एफ.ए.आई. अध्यक्ष श्री यू.एस. झा।

NOTICE

NOTICE is hereby given that the **TWENTYSIXTH 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 Saturday, the 26th day of July, 2008 at 1.00 P.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Accounts for the year ended 31st March, 2008 and the Reports of the Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri J.L. Jajoo, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

By Order of the Board
S/d
(R. S. Vijayvargiya)
President & Secretary

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

Date: 29.04.2008

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 21st July, 2008 to 26th July, 2008 (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. Non-resident members are requested to immediately notify: - (i) change in their residential status on return to India for permanent settlement; and (ii) particulars of NRE account, if not furnished earlier.
6. Members who are holding shares in identical names in more than one folios, are requested to write to the Company/ Ankit Consultancy Pvt. Ltd. the Registrar and share transfer agent, to consolidate their holding in one folio.
7. Shareholders who are still holding physical share certificate are advised to dematerialised their shareholding to avail benefit of dematerialisation.
8. The Company has transferred all unpaid/unclaimed equity dividends up to the financial year 1999-2000 to the Investor Education & Protection Fund (IEPF) established by the Central Government pursuant to section 205C of the Companies Act, 1956.
9. 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.

By Order of the Board
S/d
(R. S. Vijayvargiya)
President & Secretary

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

Date: 29.04.2008

Details of Director seeking re-appointment at the Annual General Meeting (In pursuance of Clause 49 of the Listing Agreement)

Name of Director	**Shri J.L. Jajoo**
Age	65 years
Qualification	Chartered Accountant
Date of Appointment	1st January, 1991
Expertise	Rich and vast experience in the field of Management and finance.
Other Directorships (excluding Pvt. Companies) as on 31st March, 2008	Nil
Chairman / Member of the Committees as on 31st March, 2008	**Audit Committee -** Khaitan Chemicals & Fertilizers Ltd.

DIRECTORS' REPORT

To the members,

Your Directors have pleasure in presenting the 26th Annual Report of the Company together with Audited Accounts for the year ended 31st March, 2008.

FINANCIAL RESULTS

(Rs. in lacs)

	2007-2008	2006-2007
Surplus before interest and depreciation	**2944.17**	2922.12
Less: Interest & Financial Expenses	**946.86**	1002.85
Cash Profit before tax	**1997.31**	1919.27
Less: Depreciation	**668.01**	643.38
Misc. Expenses Written off	**2.06**	2.88
Surplus before tax	**1327.24**	1273.01
Prior Period adjustments	**(16.49)**	(13.63)
Profit /(Loss) before taxation	**1310.75**	1259.38
Provision for current tax	**(315.59)**	(156.22)
Deferred Tax	**(99.65)**	(167.56)
Fringe Benefit Tax	**(14.95)**	(11.23)
Profit /(Loss) after taxation	**880.56**	924.37
Income Tax of earlier year	**21.38**	(0.07)
Add: Transfer from Capital Subsidy	**1.42**	0.79
Net Profit/(Loss)	**903.36**	925.09
Add: Profit/(Loss) B/F from previous year	**985.61**	364.77
Less: Transfer to -		
- General Reserve	**100.00**	100.00
- Proposed Dividend	**174.58**	174.58
- Corporate Dividend Tax	**29.67**	29.67
Balance carried to Balance Sheet	**1584.72**	985.61

DIVIDEND

Your Directors are pleased to recommend 18% Dividend on Equity Shares.

PROJECT & FINANCE

During the year the Company has constructed balancing infrastructures to match enhanced capacity of Soybean processing.

The Company has also upgraded the turbo generator at Jhansi & Malwan plant. To part finance the above capital Expenditure the Company availed Rs. 525 lacs as Term Loan.

PERFORMANCE & FUTURE PLAN

The good crop of Soybean in consecutive third year with record price of soybean prima-facie indicates good season but due to un-precedent higher prices along with logistics problem has restrained the crushing as well as margin due to hedging. Further, the Company has suffered due to open position at the end of bull market due to withdrawal of custom duties on edible oil to curb inflation.

The production of Single Super Phosphate has been restrained due to mis-match between cost and realisation. The SSP industry has faced un-precedented price hike of Sulphur and Rock Phosphate in International market. The problems of the industry further aggravated due to delay in release of subsidy. Only at the end of March, 2008 the subsidy has been released for the period of October, 2007 onwards.

The Government has announced new rational policy for SSP fertilizer in view of abnormal hike in price of phosphatic fertilizers, raw material, in April, 2008, which shall encourage the production during the current year. However, the huge subsidy dues shall always be a concern for the industry.

Your directors, reiterate that considering the basic strength of its manufacturing facilities, the performance of the Company shall be comparable and better than industry average.

KHAITAN CHEMICALS & FERTILIZERS LIMITED

AMALGAMATION

During the year, the Company has filed application to Hon'ble High Court of Madhya Pradesh, Bench at Indore, for seeking to amalgamate the Shobhan Enterprises Private Ltd. with the Company w.e.f. April 1, 2007 (the transfer date).

The Company is awaiting direction from the Hon'ble High Court for convening the Extra Ordinary General Meeting of Shareholders & Creditors.

The Directors are of the firm belief that both the Companies shall benefit from the proposed amalgamation.

DIRECTORS

Shri J.L. Jajoo retires by rotation and being eligible offers himself for re-appointment. Particulars of the retiring Director are given in the notes forming part of the notice for the ensuing Annual General Meeting.

FIXED DEPOSITS

During the year under review the 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 Mehta & 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 Company has received a certificate from them to the effect that their re-appointment, if made, would be within the limit prescribed u/s 224 (1) of the Companies Act, 1956.

Regarding qualification remark under para vi of the Auditors reports the management is of the views that there is no material liability in case of leave pay whereas there is no dues and receiveable on account of land revenue and capital subsidy respectively. All other 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 2008-2009.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The Company has installed and upgraded the turbo-generation at Jhansi & Malwan plants. The Company has also taken steps to reduce consumption of furnace oil for granulation and diesel for power generation

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. 2320.96 lacs by export of goods (Previous year Rs. 250.58 lacs) and incurred Rs. 1866.04 lacs (Previous year Rs. 879.02 lacs) on import of Raw Materials, Capital Goods, Traded Goods, Fees & Subscription and Interest on Foreign Currency Loan.

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 judgments 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 31.03.2008 and of the Profit and 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 Exchange, a Compliance Report on Corporate Governance and Auditors' Certificate regarding compliance of conditions of Corporate Governance is given in **Annexure - C**.

LISTING OF SHARES

The shares of the Company are listed at The Stock Exchange Mumbai (BSE), which provides wider access to the investor nationwide.

The Company has made all the compliances of Listing Agreement including payment of annual listing fees to the Stock Exchange BSE.

KHAITAN CHEMICALS & FERTILIZERS LIMITED

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 State Bank of India, State Bank of Indore, IDBI Bank Ltd., 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: 29.04.2008

(SHAILESH KHAITAN)
CHAIRMAN & MANAGING DIRECTOR

Annexure - `A'

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

A) POWER & FUEL CONSUMPTION:

	Current Year	Previous Year
1. Electricity:		
a) Purchased Units	**9300739**	12555588
Total amount (Rs. in Lacs)	**482.36**	617.82
Rate/Unit (Rs.)	**5.19**	4.92
b) Own generation:		
i. Through diesel generator Units	**133866**	522783
Total amount (Rs. in Lacs)	**15.21**	57.48
Rate/Unit (Rs.)	**11.36**	11.00
ii. Through steam turbine Units *	**6911050**	12418465
Total amount (excluding co-generation)	**-**	-
(* Net of Self Consumption in TG)		
2. Coal:		
Quantity (In MT)	**9794**	14421
Total Cost (Rs. in Lacs)	**362.43**	485.49
Rate/Unit (MT) (Rs.)	**3700**	3367
3. Furnace oil:		
Quantity (K. Lts.)	**187**	626
Total Amount (Rs. in lacs)	**42.83**	130.97
Average Rate /Lt.	**22.95**	20.91

B. CONSUMPTION PER UNIT OF PRODUCTION:

Item	Product	Current Year	Previous Year
Electricity (KWH/MT)	S.S.P./G.S.S.P	**31**	24
	S.A./Oleum/Liquid So3	**63**	61
	Soya Oil/Doc	**42**	44
Coal (KG/MT)	Soya Oil/Doc/Power	**86**	83

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

Name of Employees/his Qualification/designation	Age/No. of years Experience	Date of Commencement of Employment	Remuneration (Rs. in Lacs)	Last Employment
Employed through out the year. Shri Shailesh Khaitan B.Com (Hons.)/ Chairman & Managing Director	52/28	01-09-84	64.07 lacs	Managing Director, M/s. Majestic Packaging (P) Ltd. Calcutta.

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.

Annexure - 'B'

MANAGEMENT DISCUSSON AND ANALYSIS REPORT

CAUTIONARY STATMENT

Some of the statements in the report may be forward looking and are stated as required by applicable laws & regulations. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of future performance and outlook.

BUSINESS OVERVIEW:

The Company is mainly engaged in the manufacturing of Single Super Phosphate (Fertilizer) and Edible Oil. Both the segments are related to Agriculture and dependent on monsoon.

In April 2008, the Government of India has announced much awaited policy for SSP industry, which shall certainly encourage production and consumption of SSP. However, the Government of India has so far not been able to take decision on how to deal with mounting subsidy on fertilizer. In the Union Budget 2008-09, The Hon'ble Finance Minister has only mentioned that the government is examining a proposal to move to a nutrient based subsidy regime and alternative methods of delivering the subsidy.

Our Country is deficient in oil seeds and the Government of India has shown concern to encourage the production of oil seed crop, so as to reduce its dependence on large import, which is becoming dearer day by day due to increased use of Edible Oil as bio-fuel.

1. INDUSTRY STRUCTURE AND OPPORTUNITIES & THREATS

Fertilizer & Chemicals Division:

Agriculture sector still occupies a predominant position in the economy by contributing about 22% to the national income of the country providing employment to the extent of 56.7% of the country's workforce. The role of agriculture in India is not only restricted to its contribution to national income but also extends to food security of nation because it has to feed her mammoth population at present and in future too.

The fertilizer consumption in India has increased manifold from 65.6 thousand tonnes in 1951-52 to 20.34 millions tonnes in the year 2005-06. Balanced and stable use of fertilizers is essential to stabilize crop yields and sustain high crop productivity. Fertilizers is an important input which has played a key role in increasing agricultural production during the green revolution period. In future too, there is scope to sustain our agricultural growth through improving the fertilizers use efficiency, removing regional disparity in fertilizers consumption and bridging the gap in fertilizer use. India is the third largest producer and consumer of fertilizer in the world, as it is predominantly an agricultural country.

For the last few years, carrying forward a large amount of unpaid subsidy from one year to the next has become a regular practice. The increasing backlog year after year has seriously affected the health and growth of the fertilizers industry. Large amount of outstanding subsidy not only increases the industry's requirement of working capital and interest thereon which is not recognized under pricing, but it also affects the creditworthiness of the fertilizer units which are finding it difficult to arrange additional working capital from the market.

The Government is well aware that the higher subsidy to Urea has led to imbalanced use of fertilizers, which need to be corrected. However, rising cost and non-availability of phosphatic and potasic fertilizer may further enhance the ongoing imbalanced use of fertilizer in favour of Urea in the current year.

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

last year, the Fertilizer sector has not got its due share either in terms of a clear cut policy direction or in terms of allocation of funds towards fertilizers subsidy.

There has been an unprecedented hike in the prices of all raw materials/intermediates used in fertilizer production and also in the prices of all the finished products in the international market. However government's indecisiveness towards mounting cost of fertilizer viz a viz price charged from the farmer, leading to heavy subsidy burden or un-recovered cost is cause of concern for the Government and industry.

To get higher yields of our Agriculture produce, maintaining the idle N.P.K.S. ratio is must. Out of the N.P.K.S., the P & S. are supplied by SSP. SSP supplies three nutrients i.e. Phosphate, Sulphur and Calcium. The Single Super Phosphate fertilizer is the only efficient means of supply of Sulphur nutrient. The deficiencies of Sulphur across India are another area, which is endorsed by the eminent organisation and thus sulphur carrying fertilizers has to be encouraged.

The production of Single Super Phosphate has been restrained due to mis-match between cost and realisation. The SSP industry has faced un-precedent price hike of Sulphur and Rock Phosphate in International market, for example CIF prices of US$ 70/Ton in April 2007 to US$ 700/Ton in April, 2008 in case of Sulphur.

Now the government has announced the rational policy for SSP fertilizer, in view of abnormal hike in price of raw material of other phosphatic fertilizers. However, the huge subsidy dues shall always be a concern for the industry.

In view of ex-orbitant prices of sulphur the Govt. of India and Fertilizer Industry must re-look the rational for importing and manufacturing DAP which consumes huge quantity of sulphur in process without any benefit to farmers and rather creates pollution hazards at huge outgo of foreign exchange. The SSP could very well substitute DAP industry at very nominal capital cost.

Soya Division

Your Company is engaged in the business of edible oil mainly Soya oil. Different crude edible oils are imported like palm oil etc every year for blending and refining with other edible oil based products. Soya oil shall remain to be an import substitute commodity for many years to come.

Soybean is the world's most cultivated oilseed. The soybean is often called the miracle crop. It is the world's foremost provider of protein and oil. More soybeans are grown in the U.S. than anywhere else in the world. Soybeans contain around 18% oil and 36-40% of proteins.

The primary use of whole soybeans and protein from the soybean meal is to provide a low-cost, high protein feed ingredient for fish, poultry, swine, cattle, and other animals. Other uses range from tofu and soy sauce, to soy flour used in baked goods and high fiber breads. In addition, the protein is used in industrial products such as plastics, wood adhesives, and textile fibers.

Soybean products find consumption in both human feed and animal feed. It is animal feed which mainly drives soy demand, because soy is the most cost-effective vegetable source of protein. Crude soy has protein contents of 36-40 percent, which is significantly superior to pulses and other prevalent vegetable oil sources.

Animal feed is highly industrialized and as income levels have climbed, so is meat consumption. Soy is the preferred protein source in feed for poultry, hogs, beef, dairy and fish. Over the last 20 years, demand from Asia has been powering the growth of this sector.

Brazil, Argentina and US are today the top three soy exporters in the world, accounting for nearly 85 percent of the world's soybean production. Vast farmlands in Brazil have been dedicated to soybean production. Both Brazil and Argentina have overtaken the US in volumes, whereas just 15 years ago, their export were barely half that of the US. Together, these three countries export more than 100 million TPA, which is almost half the world production. Their combined exports have trebled over the last 15years.

In India, there is a gap between demand and supply. We need 120 to 130 lacs tons of vegetable oil against which we hardly produce 75-80 lacs tons. India is currently importing above 50 lacs tons of vegetable oil.

The prime need of Indian Edible Oils economy is to increase oilseed production in the country to atleast of 40 million tons from the current level of around 25 million tones. In view of increasing per capita consumption of edible oil in the country, it is imperative to create a more stable agriculture base and bring down dependence in imports from 40% to 20%.

Local demand of Soymeal is growing day by day, with increasing shift from Non-veg to Veg cattle feed etc. It is expected that local demands of Soymeal, shall increase to a considerable extent, which shall de-link the pricing with USA/South American countries.

Better quality (Non GMO) and high protein contents makes the Indian Soymeal preferred buy and thus have a ready market for Soymeal, in countries like Indonesia, China, Japan, Korea, Pakistan, Nepal, Bangladesh and Middle East. But increasing local demand alongwith higher cost of production and appreciation of rupees may be detrains to export of Soymeal.

KHAITAN CHEMICALS & FERTILIZERS LIMITED

With all time high prices, the acreage and production of soybean is expected to increase in ensuing kharif season as the Soybean still remains profitable as well the most liquid crop for the farmers. Soya growing is also equally preferred crop in states like Maharashtra and Rajasthan besides Madhya Pradesh.

For last five years, NCDEX, NBOT and MCX (the future commodity & derivatives exchanges) have appeared as a major market force in the edible oil sector. Your company also deals in the same to hedge counter the high volatility and takes position in the oilseeds to overcome the slow arrival of the soyseed in the market.

2. SEGMENT-WISE BUSINESS REVIEW AND OPERATIONAL AND FINANCIAL PERFORMANCE:

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

The summarized performance in terms of production and Sales for last 5 years is as under:

Particular	Unit	2007-08	2006-07	2005-06	2004-05	2003-04
Production:						
SSP	MT	175450	327308	299739	262571	267926
Sulphuric Acid	MT	82678	137056	167971	125061	120804
Oleum/Liquid So3	MT	5511	4945	5938	4722	6170
Seed Crushing	MT	133575	149493	70501	44529	59731
Refined Oil	MT	19637	23478	12778	6464	10027
Sales:						
SSP	MT	222065	307776	294834	262081	256956
Sulphuric Acid	MT	49374	53143	89648	54451	39139
Soya Oil	MT	*25361	24479	13141	8254	10046
De-Oiled Cake	MT	111539	125365	58467	36840	48398

*Including Solvent Extraction Oil.

The summarized financial performance for last 5 years is as under:

(Rs. In Lacs)

Particular	2007-08	2006-07	2005-06	2004-05	2003-04
Sales:					
Fertilizer & Chemicals	13228.85	14493.64	13883.26	10708.84	9512.08
Soya	26665.84	23023.51	10579.25	7708.87	9828.85
PBIDT:					
Fertilizer & Chemicals	1820.46	994.56	1603.53	989.67	1045.76
Soya	986.52	1801.12	592.71	650.46	1049.53

The performance of Fertilizer division largely depends upon availability of Rock Phosphate, clubbed with rational policy of subsidy by Government of India. At present the Company does not envisage problems in marketing due to its existing strong marketing network.

The performance of Soya division shall depend upon timely monsoon as well as international price of edible oil and Soymeal.

Soya division comprises two products i.e. De-Oiled cake (DOC) and Edible Oil (Oil). DOC is mostly exported either directly or through merchant Exporter and being sent to port on Rake Load basis. No distributor is involved in this process and it is sold directly to the bulk purchaser. Edible oil is mass consumption item and is sold directly to the re-packers/ vanaspati manufacturers and other retailers on ex factory basis in tanker load in bulk. Hence no distributor/dealer is involved in this process as well.