

# 2011-2012 22<sup>nd</sup> ANNUAL REPORT



*Basant Agro Tech (India) Limited*

We feed the land which feeds people  
Growth is our life

# Basant Agro Tech (India) Limited

## 22nd Annual Report

### DIRECTORS

**Chairman & Managing Director**

Shri. S. C. Bhartia

**Executive Director**

Shri. A. N. Bhartia

**Director**

Dr. B. G. Bathkal

**Director**

Shri. S. W. Sawant

**Managing Director**

Shri. D. C. Bhartia

**Director**

Dr. R. D. Tainwala

**Director**

Shri. R. S. Tayade



**Late Shri Chimanlal Bhartiya – Founder & Our inspiration**  
*“You live on in team Basant Agro,  
we are only torch bearers of your mission, your vision”*

### PRESIDENT

Shri. A. D. Bhartia

### COMPANY SECRETARY

Shri. U. D. Soman

### AUDITORS

**M/s. P. C. Baradiya & Co.,**

Chartered Accountants,  
208, Rewa Chambers,  
31, New Marine Lines,  
Mumbai - 400 020.

**M/s. P. C. Bhandari & Co.,**

Chartered Accountants,  
Kanchan, Bhandari Bhawan,  
Ramdas Peth, Akola.

### LEGAL ADVISOR

Shri. R. B. Agrawal,  
Akot, Dist. Akola.

### BANKERS

State Bank of India,  
Old city SME Branch, Akola - 444 001.

### REGISTERED OFFICE & NPK FERTILIZER UNIT I

Plot No.13/2, Kaulkhed, Near S.T. Workshop,  
Akola - 444 001 (Maharashtra).

### NPK FERTILIZER UNIT II

Gate No. 76, Bhilwadi Station, Near Chitale Dairy,  
Tal. Palus, Sangli (Maharashtra).

### NPK FERTILIZER UNIT III

Sy.No.66 - A/4, Hanumanhalli Village, Danapur  
Panchayat, Tal. Hospet, Dist. Bellary, (Karnataka).

### SSP FERTILIZER UNIT I

Survey No. 62, Kanheri Aranda Road,  
Kanheri-Sarap, Taluka-Barshi Takli,  
Akola - 444 401 (Maharashtra).

### SSP FERTILIZER UNIT II

Mhow Nasirabad Rd., Nagayagon,  
Neemuch - 458 468 (Madhya Pradesh).

### CORPORATE OFFICE

A-1/3, Sea Lord, Cuffe Parade,  
Mumbai - 400 005.

### REGISTRARS & SHARE TRANSFER AGENTS SHAREX DYNAMIC (INDIA) PVT. LTD.

Unit No 1, Luthra Industrial Premises,  
Andheri Kurla Road, Safed Pool,  
Andheri (E), Mumbai - 400 072.  
Tel.No.: 28515606/5644/6338, Fax: 2851 2885,  
E-mail: sharexindia@vsnl.com.

22nd Annual General Meeting of the Company to be held on Friday 28th September, 2012  
at 4.00 p.m. at Krishi Sanjivani Office, Opp. Nagar Parishad, Akola - 444 001, Maharashtra

# BASANT AGRO TECH (INDIA) LIMITED

## NOTICE

NOTICE is hereby given that Twenty Second Annual General Meeting of Members of BASANT AGRO TECH (INDIA) LIMITED, will be held at Krishi Sanjivani Office, Opp. Nagar Parishad, Akola - 444001, Maharashtra on Friday, 28th September, 2012, at 4:00 P.M. to transact the following business :

### ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2012 and the Profit and Loss Account of the Company for the year ended as on that date and the Reports of Board of Directors and Auditors thereon.
2. To declare Dividend on equity shares.
3. To appoint a Director in place of Shri. A. N. Bhartia who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Dr. B. G. Bathkal who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Dr. R. D. Tainwala who retires by rotation and being eligible, offers himself for reappointment.
6. To appoint Auditors who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS:

7. **TO CONSIDER AND IF THOUGH FIT TO PASS WITH OR WITHOUT MODIFICATION(S) THE FOLLOWING RESOLUTION AS SPECIAL RESOLUTION :**

**RESOLVED THAT** pursuant to section 314(1) and all other applicable provisions, if any of the Companies Act, 1956, consent of the Company be and is hereby accorded for increase in the remuneration w.e.f. 1st July, 2011 payable to Shri. Akshay D. Bhartia, President of the Company upto Rs. 150,000/- (Rs. One Lac Fifty Thousand only) per month and upon terms and conditions set forth in the Agreement to be entered into between the Company and Shri. Akshay D. Bhartia"

8. **TO CONSIDER AND IF THOUGH FIT TO PASS WITH OR WITHOUT MODIFICATION(S) THE FOLLOWING RESOLUTION AS SPECIAL RESOLUTION :**

**RESOLVED THAT,** Pursuant to Section 314(1) and other applicable provisions if any of the Companies Act, 1956, consent of the Company be and is hereby accorded for the appointment of Shri. Ankush D. Bhartia as Vice-President of the Company w.e.f. 1st June, 2012 at the remuneration of upto Rs.100,000/- (Rs. One Lac only) per month and upon terms and conditions set forth in the Agreement to be entered into between the Company and Shri. Ankush D. Bhartia".

By Order of the Board of Directors  
Basant Agro Tech (I) Ltd.

Place : Mumbai  
Dated : 9th July, 2012  
**Registered Office :** Plot No. 13/2, Kaulkhed,  
Nr. S.T. Workshop, Akola - 444001. Maharashtra.

**Upendra Somani**  
Company Secretary

## NOTES :

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- (b) Proxy form duly completed should be deposited at the Registered Office of the Company not less than forty eight hours before the time fixed for the commencement of Meeting.
- (c) The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday 26th September, 2012 to Friday 28th September, 2012 (both days inclusive).
- (d) The Dividend if declared, will be paid to those Shareholders whose names stand on the Register of Members on 28th September, 2012.
- (e) Annual Report and AGM Notice is available on the website of the Company at [www.basantagro.com](http://www.basantagro.com).

## EXPLANATORY STATEMENTS PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT 1956.

### Item No. 7:

Pursuant to the special resolution passed by the shareholders at the Annual General Meeting held on 13th September, 2008, Shri. Akshay Bhartia was appointed as the President of the Company and was paid the Remuneration of Rs. 40,000/- per month. Now, on recommendation of the remuneration committee it was proposed to increase the remuneration payable to Shri. Akshay Bhartia upto Rs. 150,000/- (Rs. One Lac fifty Thousand only) per month w.e.f. 1st July, 2011. Pursuant to provisions of Section 314(1) of the Companies Act, 1956, the approval of shareholders by way of Special Resolution is required for making the payment of the remuneration to the relative of the Directors.

The Board recommends the Resolution at item No.7 of the Notice for the approval of the shareholders.

None of the Directors other than Shri. Shashikant Bhartia, Shri. Deepak Bhartia and Shri. Ashwin Bhartia shall be deemed to be concerned or interested in the said Resolution.

### Item No. 8:

Shri. Ankush D. Bhartia has been appointed as the Vice President of the Company by the Board of Directors w.e.f. 1st June 2012 and on recommendation of the remuneration committee it was proposed to pay the remuneration to Shri. Ankush Bhartia upto Rs.100,000/- per month. Pursuant to provisions of Section 314(1) of the Companies Act, 1956, the approval of shareholders by way of Special Resolution is required for making the payment of the remuneration to the relative of the Directors.

The Board recommends the Resolution at item No.8 of the Notice for the approval of the shareholders.

None of the Directors other than Shri. Shashikant Bhartia, Shri. Deepak Bhartia and Shri. Ashwin Bhartia shall be deemed to be concerned or interested in the said Resolution.

By Order of the Board of Directors  
Basant Agro Tech (I) Ltd.

Place : Mumbai

Dated : 9th July, 2012

**Registered Office :** Plot No. 13/2, Kaulkhed,  
Nr. S.T. Workshop, Akola - 444001. Maharashtra.

**Upendra Somani**  
Company Secretary

### Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies by allowing the Companies to send the Notices including Annual Reports by e-mail to its members. Accordingly all members who have not registered their e-mail addresses so far, are requested to register their e-mail addresses in respect of electronic holding with the depository through their concerned depository participant. Members who hold shares in physical form are requested to register their e-mail addresses with the Company.

## REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS

Your Directors have pleasure in presenting the 22nd Annual Report together with the audited statement of accounts of the Company for the year ended 31st March, 2012.

	(Rs. in Thousands)	
	<u>2011-12</u>	<u>2010-11</u>
<b>1. FINANCIAL RESULTS :</b>		
Revenue from operations	<b>2764531</b>	1687144
Profit before interest, depreciation and tax	<b>244697</b>	163742
Less : Financial expenses	<b>83129</b>	63268
Less : Depreciation	<b>43929</b>	29534
<b>Profit before tax</b>	<b>117639</b>	70940
Provision for taxation	<b>15000</b>	8700
Provision for deferred tax	<b>26818</b>	1480
Profit after tax	<b>75821</b>	60760
Provision for taxation of earlier years	<b>966</b>	(1637)
Surplus brought forward from previous year	<b>255575</b>	206778
Amount available for appropriations	<b>332362</b>	265901
<b>Appropriations :</b>		
(a) Proposed dividend	<b>7250</b>	5854
(b) Corporate dividend tax	<b>1176</b>	972
(c) Transferred to general reserve	<b>3500</b>	3500
Surplus carried to Balance Sheet	<b>320436</b>	255575

### 2. DIVIDEND :

The Board of Directors are pleased to recommend the Dividend of Rs. 0.08 per share (8%) for the year 2011-12 on expanded share capital, subject to the approval of the shareholders at the Annual General Meeting (Previous year 7%) which shall absorb Rs. 72.50 lacs (Previous year Rs. 58.54 lacs)

### 3. OPERATING RESULTS AND PROFITS :

FY 2011-12 was the land mark year for the Company with the Company achieving new milestone by registering the robust growth in the sales turnover as well as profitability. The Revenue from operations has jumped by 63.85% and achieved new height of Rs. 276.45 Crores whereas Profit before tax has increased from Rs. 709.40 lacs to Rs. 1176.39 lacs the jump by over 65%. During the FY 2011-12, your Company has achieved the ever highest Fertilizer production of 2.27 lacs MT overtaking the previous record production of 1.84 Lacs MTs. The sale of Fertilizer for the FY 2011-12 was 2.49 Lacs MT as compared to 1.71 Lacs MTs during the FY 2010-11 thus registering 45% growth. Strong volume growth, operational efficiencies and improved price realisation were the key factors behind the record performance of the company.

The operational performance of the seeds division of the Company has significantly improved compared to previous year showing a positive financial growth. The year's sales turnover of seeds division was Rs. 61.15 Crores registering a growth rate of 30%. The accomplished financial growth sustains the Company's business and help attaining market leadership in seed and agribusiness. The R&D focus centers round combined use of conventional breeding and biotechnology to advance the yield frontier and stabilize it through incorporation of genetic modifications. The on-field demonstration and kisan melas helped in increasing the awareness amongst the farmers about the new advanced methods of the cultivation alongwith the use of the hybrid seeds for increasing the productivity of the land.

The Construction of new SSP fertilisers plant at Jalgaon in Maharashtra with installed capacity of 1,00,000 TPA is in the final stages of Completion. With the commencement of production from that plant during FY 2012-13 the market share of the Company in SSP fertilisers in Maharashtra will improve further and largely the farming community of the state will be benefited.

The Company is leveraging its operational efficiencies and experience in fertilizer industry by achieving sustainable growth and consolidate its market share in long run.

### 4. DIRECTORS :

Shri A.N. Bhartia, Dr B.G. Bathkal and Dr. R.D. Tainwala retire by rotation and being eligible offer themselves for reappointment at the ensuing Annual General Meeting.



**5. CONVERSION OF THE WARRANTS INTO EQUITY SHARES WHICH WERE ALLOTTED TO PROMOTERS :**

70,00,000 equity shares were allotted during the year to the promoters of the Company on conversion of the warrants allotted to them on preferential basis.

**6. AUDITORS :**

M/s. P. C. Baradiya & Co., Chartered Accountants, Mumbai and M/s. P. C. Bhandari & Co., Chartered Accountants, Akola, the joint statutory auditors of the company hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. They have furnished certificate to the effect that their appointment as statutory auditors if made, would be within prescribed limits under Section 224(1) of the Companies Act, 1956.

**7. AUDITORS' REPORT :**

The observations of the auditors in their report, read with notes annexed to the accounts are self explanatory, which does not contain any reservation, qualification or adverse remarks and therefore do not call for any further clarification.

**8. PUBLIC DEPOSIT :**

As on 31st March, 2012 the company has neither accepted nor invited any public fixed deposits. No amount of principal or Interest was outstanding as on 31st March, 2012.

**9. DIRECTORS' RESPONSIBILITY STATEMENT :**

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed :

- i. That in the preparation of the accounts for the financial year ended 31st March, 2012, the applicable accounting standards have been followed alongwith proper explanation relating to material departures,
- ii. That the directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the year under review,
- iii. That 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,
- iv. That the directors have prepared the annual accounts for the financial year ended 31st March, 2012 on a going concern basis.

**10. CORPORATE GOVERNANCE :**

Pursuant to Clause 49 of the Listing Agreement with the Bombay Stock Exchange Ltd a separate section titled "Report on Corporate Governance" is being published as a part of this Annual Report.

**11. MANAGEMENT DISCUSSION AND ANALYSIS REPORT :**

The Management Discussion & Analysis Report has been separately furnished in Annual Report and forms part of it.

**12. INDUSTRIAL RELATIONS :**

Relations between the Employees and the Management continued to be cordial.

**13. PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A) OF THE COMPANIES ACT 1956 :**

There were no employees whose remuneration was in excess of the limits prescribed under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975.

**14. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO :**

Information pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in Report of Board of Directors) Rules 1988 are set out in the annexure forming part of this Report.

**15. ACKNOWLEDGEMENTS :**

Your Directors place on records their gratitude to the Shareholders, Financial Institutions and Company's Bankers for the assistance and co-operation given during the year under review. The Company wishes to place on record their sincere thanks for the devoted services of the staff and workers of the Company in ensuring an excellent all round operational performance.

For and on behalf of the Board

Place : Mumbai  
Date : 30th May, 2012

**SHASHIKANT C. BHARTIA**  
CHAIRMAN & MANAGING DIRECTOR

## ANNEXURE TO THE DIRECTORS' REPORT

Particulars required under Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2012.

### A. CONSERVATION OF ENERGY :

As in the past, the company continues its efforts to improve method of energy conservation and utilisation.

#### FORM 'A'

#### FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

Although the Company's operations are not energy intensive, efforts were made to ensure optimum consumption of fuel and electricity at all the plants of the Company. Installation of energy efficient appliances, energy audits & corrective measures and training programs for employees helped us in keeping the energy and fuel cost under control.

	2011-12	2010-11
<b>A. POWER &amp; FUEL CONSUMPTION</b>		
1. Electricity		
a) Purchased from Electricity Board (No of Units)	4521449	3437696
Total Amount (Rs.)	29334466	20451237
Rate / Unit (Rs.)	6.49	5.95
b) Own Generation	Nil	Nil
2. Briquettes (Kgs)	4111298	3203765
Total Amount (Rs.)	17827608	12272178
Average Rate per Kg (Rs.)	4.34	3.83
<b>B. CONSUMPTION PER UNIT OF PRODUCTION (MT)</b>		
NPK Granulated Mixture Fertilizer		
Electricity (No. of Units)	8.99	8.92
Briquettes (in Kgs)	23.95	23.84
SSP Fertilizer		
Electricity (No. of Units)	17.11	17.05
G.S.S.P. Fertilizer		
Electricity (No. of Units)	12.75	12.98
Briquettes (in Kgs)	24.16	24.10

#### FORM 'B'

### A. ABSORPTION OF TECHNOLOGY : — Not Applicable —

### B. RESEARCH AND DEVELOPMENT (R & D) :

- i. Specific areas in which R & D carried out by the Company :  
The engineering expertise of the Company focuses on quality improvement and cost reduction of fertilisers by way of energy conservation, environment protection, safety of workers thereby ensuring optimisation of plant operations. The Company's R & D work mainly concentrates on Development of new high yielding varieties of seeds. Use of Bio technology in research on seeds has been extensively used to enhance the speed and precision of plant breeding.
- ii. Benefits derived as a result of above R & D :  
Improvement achieved in areas of production performance, effluent treatment, environment protection, better working conditions, improvement in competitiveness and workers safety helped in uninterrupted production. Development of hybrid seeds considering the scientific technological advances, locational adaptability, soil and climatic conditions as well as giving high yield per acre.
- iii. Future plans of action:  
The Company plans to continue its efforts on inhouse R & D to improve cost efficiency & achieving Competitive edge. Research on seeds has the focus on to develop the Hybrid seeds having water use efficiency trait, insect tolerant trait and herbicide tolerant trait by using bio technology. It intends to develop technology capabilities to enhance technical services and customer value.
- iv. Expenditure of R & D : Rs. 46.08 lacs (Previous year Rs. 32.47 lacs)

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

(Rs. in Thousands)

	2011-12	2010-11
Total Foreign Exchange used : (Raw materials)	266250	100762
Total Foreign Exchange Earned :	NIL	NIL

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. **Organisation profile :**  
Basant Agro Tech (I) Ltd ( BATL) is one of India's leading manufacturer of various farm inputs comprising of NPK mixture granulated fertilisers, phosphatic fertilizers as well as various hybrid seeds. The production facilities are located in the states of Maharashtra, Karnataka and Madhya Pradesh. The Company is also engaged in Wind Turbine Power Generation.
2. **Operations review :**  
The Financial statement of your Company as Contained in the Annual report has following highlights :
  - Revenue from operations increased by 63.85% to Rs. 27645.31 lacs.
  - The Profit before tax has gone up by 65.83% to Rs. 1176.39 lacs.
  - Production of fertilizers has increased by 23.37% to 227517 TPA.
  - Sales of fertilisers has increased by 45.03% to 248465 TPA.
3. **Business over view :**  
The Global economy a year after recession witnessed lower economic growth resulting mainly from the Euro Zone debt crisis and high oil prices. Rising unrest in some of the middle east countries resulted into unprecedented levels of crude oil price volatility. The European economies has stagnated whereas the US has witnessed a downgrade in its credit rating forced RBI to tighten liquidity to control the rising inflation. India is one among the few countries in the world where the seed sector is well positioned with the potential to become global seed production hub, if nurtured carefully. With the food crisis looming large world over, it is evident that the future rests with countries wielding grain power and those in agri business realize quality seed is the key to such empowerment. Thrust on increasing area under irrigation, favorable terms of trade to farmers, better and cheaper access to credit, more investment in agriculture, use of latest technology including the use of new and specialty fertilizers for application based on soil report would certainly help in giving momentum to the agricultural growth. The pressing need is for quality seed of varieties and hybrids that are not only high yielding but resilient to less input- water, fertilizers etc. Thus food security is interwoven with the seed security. Fertiliser Industry, Plant Nutrients and Plant Protection solutions have consistently played a significant role in the development of the agricultural sector. In India, increase in the per hectare consumption of fertilizers in nutrient terms as well as improvement in seeds replacement ratio over the years are the positive signs for the growth in Agricultural output. There have been major policy initiatives from Government for the growth of the fertilizer sector. Under the nutrient-based subsidy scheme for Fertilisers the rate of subsidy has been determined considering the nutrients contents in fertilizers as well as the international prices, local demand and soil requirements. Whereas Maximum retail prices (MRPs) of the decontrolled fertilizers have been kept open and companies are free to announce their MRPs. This brings the greater stability and reliability to the fertilizer subsidy policy which helped a the Indian fertiliser industry to grow and increase the production of fertilisers.
4. **Current and future outlook :**  
Various measures like improving the productivity of land and crop improvement have been used to make adequate food available. Biotechnology can play a major role in bridging the supply-demand gap in food by raising input efficiencies. India's Seed Program has a strong seed production base in terms of diverse and ideal agro-climates spread through out the country for producing high quality seeds of several tropical, temperate and sub-tropical plant varieties in enough quantities at competitive prices. The Indian Seed Program is now occupying a pivotal place in Indian agriculture and is well poised for continued growth in the years to come. The Company is continuously and gradually expanding all its activities especially in terms of its product range, volume and value of seed handled, level of seed distribution and have developed adequate level of specialization and competence in handling and managing various segments of seed improvement on scientifically sound and commercially viable terms. With the food crisis looming large world over, it is evident that the future rests with countries wielding grain power and those in agri business realize quality seed is the key to such empowerment. The pressing need is for quality seed of varieties and hybrids that are not only high yielding but resilient to less input- water, fertilizers etc. Strong R & D, with established brand and well-entrenched distribution system are the key factors for the success of the company. Due to soil nutrient depletion the need for Balanced fertilisation has gained importance. The NBS regime is expected to promote balanced fertilization and consequently increase agriculture productivity in the country through higher usage of secondary and micro nutrients. The finance minister in the budget speech has categorically mentioned that SSP fertiliser should be promoted. Your Company remains committed to growth in the agri-business. Its emerging business environment clearly identifies growth potentials at each level of the agri-value chain where value can be maximised from farm nutrient inputs. This will also help considerably to enhance soil and crop productivity and improve overall soil health and farm yield. The growth of SSP division indicates positive signs for better yield in oil seed crops as well cereals like soyabean. We strongly believe in using the advanced technology in research units of the Company, providing better hybrid seeds and implementing efficient agronomic practices in order to have sustainable agricultural growth. Our efforts are focused towards launching technologically superior seeds with less disease vulnerability, hardiness in case of rainfall variations. Crop protections and crop solutions are some of the issues that has been taken care of by adopting bio technology in the R & D activities.
5. **Opportunities and threats :**  
With the growing population there is need to increase the crop productivity and there is immense pressure for increasing the farm land under cultivation thereby reducing the size of the protected forests and affecting the Bio-diversity. By using the high yielding biotech seeds and modern agricultural technologies, the encroachment on forest land can be avoided and indirectly save our Bio-diversity. With the introduction of NBS the production of fertilisers has increased during the year and will have positive impact on employment generation and encouragement to indigenous industry resulting in less import which means less foreign exchange outflow. Indirectly the Government's overall subsidy bill will be reduced as subsidy bill on DAP was much higher due to its high cost of manufacture and import. The inflation on account of rising crude prices as well food grains remain the major concern for the fertiliser Industry. The rising inflation forced Reserve Bank of India to go for monetary tightening resulted in increase in the interest rates by the Banks. The demand for agri inputs may be affected due to the erratic monsoon. The key risks associated with the business of the Company, its likely impact and the mitigation mechanism evolved are reviewed by the management periodically. The assets of the Company including its plant and machineries, inventory of raw material as well as finished goods are adequately insured against the loss by fire and allied perils.
6. **Internal control system :**  
The Company has adequate internal controls consistent with size and nature of its business which provides safety to its assets and ensure reliability of financial transactions with adequate checks, compliances with applicable company policies, various statutes, accounting policies and approval procedures. These systems are regularly reviewed and improved by the management. The Company's Budgetary Control System monitors the revenue and expenditures against the approved budget on continuous basis. Deviations and key audit observations alongwith recommendations of the Internal and external auditors and their implementations are reviewed by the Audit Committee periodically.
7. **Health & safety Management system :**  
Health & safety Management system in the Company aims to reduce, eliminate or control workplace hazards and associated risks of accidents or injuries to the workers. Your Company is committed to ensure healthy and safe working environment for all concerned and to make continual improvement in its health and safety performance. We provide sufficient information, instructions, training and supervision to enable all workers to identify, minimise and manage hazards and contribute positively to safety at works.
8. **Cautionary statement :**  
The statement in the Management Discussion and Analysis describing the Company's future plans, projections, estimates, expectations may be forward looking statements within the meaning of applicable laws and regulations. Actual results could however differ materially from those expressed or implied in this statement may be due to economic conditions affecting demand and supply, monsoon condition, change in Government regulations etc.