



Basant Agro Tech (India) Limited

23rd Annual Report
2012-2013

We feed the land
which feeds the people.



Basant Agro Tech (India) Limited

..... 23rd Annual Report - 2012-2013

DIRECTOR

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"

Registered Office & Npk Fertilizer Unit I
Plot No. 13/2, Kaulkhed, Near S. T. Workshop,
Akola - 444 001 (Maharashtra).

NPK Fertilizer Unit II
Gat No. 76, Bhilwadi Station, Nr 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., Nayagaon, Neemuch - 458 468 (Madhya Pradesh).

PRESIDENT

Shri. Akshay D. Bhartia

VICE-PRESIDENT

Shri. Ankush D. Bhartia

COMPANY SECRETARY

Shri. Upendra Somani

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.

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. : 2851 5606 / 5644 / 6338, Fax : 2851 2885,
E-mail : sharexindia@vsnl.com.

BASANT AGRO TECH (INDIA) LIMITED

NOTICE

NOTICE is hereby given that Twenty Third Annual General Meeting of Members of BASANT AGRO TECH (INDIA) LIMITED, will be held at Krishi Sanjivani Office, Opp. Nagar Parishad, Akola - 444 001, Maharashtra on Saturday, 7th September, 2013, 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, 2013 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. S.W. Sawant who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri. R.S. Tayade who retires by rotation and being eligible, offers himself for reappointment.
5. 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:

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

"RESOLVED THAT, in accordance with the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded to the appointment of Shri. Shashikant Bhartia as the Jt. Managing Director of the Company for a period of 5 (five) years with effect from 28th January 2013, with the remuneration including Bonus & allowances in the scale of Rs. 1,75,000/- to Rs. 3,40,000/- per month, perquisites and benefits and with the powers and authority as set out in the agreement to be entered into between the Company and Shri. Shashikant C. Bhartia, a draft whereof is placed before this meeting, which agreement is hereby specifically sanctioned with liberty to Board of Directors (hereinafter referred to as "Board" which term shall be deemed to include Remuneration Committee) to alter and vary the terms and conditions of the said appointment and / or remuneration and / or agreement so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 including any statutory modification or re-enactment thereof, for the time being in force or any amendments and / or modifications that may hereafter be made thereto by the Central Government in that behalf from time to time, or any amendment thereto as may be agreed to between the Board and Shri. Shashikant C. Bhartia".

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

"RESOLVED THAT, in accordance with the provisions of Sections 198, 269, 309, and 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded to the re-appointment of Shri. Deepak C. Bhartia as the Managing Director of the Company for a period of 5 (five) years with effect from 28th January 2013, with the remuneration including Bonus & allowances in the scale of Rs. 1,75,000/- to Rs. 3,40,000/- per month, perquisites and benefits and with the powers and authority as set out in the agreement to be entered into between the Company and Shri. Deepak C. Bhartia, a draft whereof is placed before this meeting, which agreement is hereby specifically sanctioned with liberty to Board of Directors (hereinafter referred to as "Board" which term shall be deemed to include Remuneration Committee) to alter and vary the terms and conditions of the said appointment and / or remuneration and / or agreement so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 including any statutory modification or re-enactment thereof, for the time being in force or any amendments and / or modifications that may hereafter be made thereto by the Central Government in that behalf from time to time, or any amendment thereto as may be agreed to between the Board and Shri. Deepak C. Bhartia".

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

"RESOLVED FURTHER THAT, in accordance with the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded to the re-appointment of Shri. Ashwin N. Bhartia as the Executive Director of the Company for a period of 5 (five) years with effect from 28th January 2013, with the remuneration including Bonus & allowances in the scale of 1,20,000/- to Rs. 200,000/- per month, perquisites and benefits and with the powers and authority as set out in the draft agreement to be entered into between the Company and Shri. Ashwin N. Bhartia, a draft whereof is placed before this meeting, which agreement is hereby specifically sanctioned with liberty to Board of Directors (hereinafter referred to as "Board" which term shall be deemed to include Remuneration Committee) to alter and vary the terms and conditions of the said appointment and / or remuneration and / or agreement so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 including any statutory modification or re-enactment thereof, for the time being in force or any amendments and / or modifications that may hereafter be made thereto by the Central Government in that behalf from time to time, or any amendment thereto as may be agreed to between the Board and Shri. Ashwin N. Bhartia".

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

Place : Mumbai
Dated : 30th May, 2013
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 4th September, 2013 to Saturday 7th September, 2013 (both days inclusive).
- (d) The Dividend if declared, will be paid to those Shareholders whose names stand on the Register of Members on 7th September, 2013.
- (e) Annual Report and AGM Notice is available on the website of the Company at www.basantagro.com.

Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956.

Item No. 6, 7 & 8 :

The present terms of the office of Shri. Ashwin Bhartia, Executive Director, Shri. Deepak Bhartia, Managing Director and Shri. Shashikant Bhartia, Jt. Managing Director expired on 28th January, 2013. The Board of Directors has re appointed the aforesaid Directors for a further period of Five years from 28th January, 2013 on revised terms of appointment. Shri. Deepak Bhartia, Managing Director and Shri. Shashikant Bhartia, Joint Managing Director of the Company shall each be entitled to remuneration including Bonus & allowances in the scale of Rs. 1,75,000/- to Rs. 3,40,000/- per month whereas Shri. Ashwin Bhartia, Executive Director of the Company shall be entitled to remuneration including Bonus & allowances in the scale of Rs. 1,20,000/- to Rs. 2,00,000/- per month and the perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance together with reimbursement of expenses / or allowances for utilisation of gas, electricity, water, furnishing and repairs, medical reimbursement, leave travel concession for self and their family including dependents, club fees, medical insurance, and such other perquisites and / or allowances subject to overall ceiling of remuneration stipulated in the Sections 198 and 309 of the Companies Act, 1956. The said perquisites and allowances shall be evaluated, wherever applicable, as per the Income Tax Act, 1961 or any other rules there under (including any statutory modification(s) or re-enactment thereof, for the time being in force).

Company's contribution to Provident fund and Superannuation or Annuity Fund, to the extent these singly or together are not taxable under the Income Tax Act, gratuity payable as per the rules of the Company and encashment of leave at the end of the ten year, shall not be included in the computation of the limits of the remuneration or perquisites aforesaid. In addition to the salary, perquisites and allowances as above, the Executive Director, Managing Director and Joint Managing Director shall also be entitled to receive commission. With effect from 28th January, 2013 the overall remuneration payable by way of salary, perquisites, allowances and commission to all the aforesaid Directors shall not exceed the maximum permissible remuneration under the Companies Act, 1956.

The terms and conditions set out for re-appointment and payment of remuneration herein and / or in the respective Agreements may be altered and varied from time to time by the Board of Directors of the Company as it may at its discretion deem fit so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) or any amendment made thereto. The Board is entitled to revise the salary, perquisites and allowances and commission payable to all or any of the said Directors of the Company at any time, provided that the overall remuneration payable to all the aforesaid Directors shall not exceed the maximum permissible remuneration under the Companies Act, 1956.

The respective agreements may be terminated by the either party (Company or the concerned Directors) by giving the other three months prior notice of termination in writing. The draft agreement to be entered into between the Company and each of Shri. Ashwin Bhartia, Shri. Deepak Bhartia and Shri. Shashikant Bhartia are available for the inspection at the registered office of the company on any working day up to the date of the 23rd Annual General Meeting between 3.00 PM and 4.00 PM. The above may also be treated as an abstract of the terms of contract / agreement between the Company and Shri. Ashwin Bhartia, Shri. Deepak Bhartia and Shri. Shashikant Bhartia respectively pursuant to Section 302 of the Companies Act, 1956 which has been already despatched to shareholders by post. Shri. Ashwin Bhartia, Shri. Deepak Bhartia and Shri. Shashikant Bhartia are interested in the resolution which pertains to their respective reappointment and / or remuneration payable to each of them. Further Shri. Ashwin Bhartia, Shri. Deepak Bhartia and Shri. Shashikant Bhartia may be also deemed to be interested in the resolutions pertaining to the re-appointment of and / or remuneration payable to each other, as they are related to one another. Save and except the above, none of the other Directors of the company is, in any way, concerned or interested in the said resolutions.

The Board recommends the special Resolutions for the approval of the shareholders.

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

Place : Mumbai
Dated : 30th May, 2013
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 holds 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 23rd Annual Report together with the audited statement of accounts of the Company for the year ended 31st March, 2013.

	(₹ in Thousands)	
	2012-13	2011-12
1. FINANCIAL RESULTS :		
Revenue from operations	2910186	2764531
Profit before interest, depreciation and tax	281462	244697
Less : Financial expenses	102713	83129
Less : Depreciation	48160	43929
Profit before tax	130589	117639
Provision for taxations	17500	15000
Provision for deferred tax	12018	26818
Profit after tax	101071	75821
Provision for taxation of earlier years	3079	966
Surplus brought forward from previous year	320436	255575
Amount available for appropriations	424586	332362
Appropriations :		
(a) Proposed dividend	7250	7250
(b) Tax on dividend	1232	1176
(c) Transferred to general reserve	3500	3500
Surplus carried to Balance Sheet	412604	320436

2. DIVIDEND :

The Board of Directors are pleased to recommend the Dividend of Rs. 0.08 per share (8%) for the year 2012-13 on equity share capital, subject to the approval of the shareholders at the Annual General Meeting (Previous year 8%) which shall absorb Rs. 72.50 lacs (Previous year Rs. 72.50 lacs).

3. OPERATING RESULTS :

FY 2012-13 was eventful year as Company had shown impressive performance in adverse conditions. The year was not good year for fertiliser industry as due to erratic monsoon and severe drought conditions prevailed in the Country, the demand for the agri inputs was adversely affected. The Directors are pleased to announce that in spite of the adverse market conditions and pressure on the market prices of fertilisers due to severe competition, the Company could register the sales turnover of Rs. 29101.86 lacs, which was marginally higher as compared to previous year. The profit before tax of the Company jumped by 11.01% mainly due to continuous efforts of management of the Company not only to control the cost of production by upgrading the manufacturing process but also by way of bulk procurement of the raw materials at the most competitive prices and also hard work of the marketing department. The cost cutting measures adopted by the Company and operational efficiencies alongwith timely supply of quality agro inputs by the company are the main factors which enabled the Company to perform better in the adverse market conditions.

The wide spread expansion of the operations by the seeds division of the Company has resulted in increase in the sales turnover of seeds division by over 45% during the year under review. The growth of Seeds division is remarkable which can be observed from the performance of the seeds division. This was the result of increased popularity of the trade mark "Krishi sanjiwani" alongwith the success of 'on field demonstration' of the crops and kisan melas at various locations during the year. The main focus of the Seeds division is to develop the new and improved hybrid varieties of the seeds which can give higher yeild, in different types of soil and climatic conditions.

The commercial production at the new SSP fertilisers plant at Jalgaon in Maharashtra with installed capacity of 1,32,000 TPA is likely to commence in August 2013. The said unit is located at very prime location thereby reducing the logistic cost for its raw materials and finished goods.

4. DIRECTORS :

Shri. S.W. Sawant and Shri. R.S. Tayade Directors retire by rotation at this Annual General Meeting and being eligible, offer themselves for reappointment.

5. 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. The Company has appointed Mr. T.M. Rathi the Cost Auditor for conducting cost audit for the financial year 2012-13.

6. 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.

7. PUBLIC DEPOSIT :

As on 31st March, 2013 the company has neither accepted nor invited any public fixed deposits. No amount of principal or interest was outstanding as on 31st March, 2013.

8. 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, 2013, 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, 2013 on a going concern basis.

9. 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.

10. MANAGEMENT DISCUSSION AND ANALYSIS REPORT :

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

11. INDUSTRIAL RELATIONS :

Relations between the employees and the management continued to be cordial.

12. CORPORATE SOCIAL RESPONSIBILITY:

The Company is committed to provide safe work place to its Workmen and contractors and adequate safety precautions has been taken at the workplace. Towards its responsibility towards the society, the free Medical check ups, Cataract Eye operations, Donation of ventilators to Government hospitals etc. were undertaken during the year. The other charitable activities includes supporting and aiding of schools for deaf and dumb, Vrudhashram, Free Bhakta Niwas, Gorakshan, Annachatra etc.

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 would like to acknowledge the contribution and place on records their appreciation for the continued support for 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 appreciation to all employees for their commitment and continued contribution to the Company.

For and on behalf of the Board

Place : Mumbai
Date : 30th May, 2013

SHASHIKANT C. BHARTIA
CHAIRMAN & MANAGING DIRECTOR

BASANT AGRO TECH (INDIA) LIMITED

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, 2013.

A. CONSERVATION OF ENERGY:

As in the past, the company continues its efforts towards energy conservation and improved 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.

	2012-13	2011-12
A. POWER & FUEL CONSUMPTION		
1. Electricity		
a) Purchased from Electricity Board (No of units)	3609367	4521449
Total Amount (Rs.)	25085098	29334466
Rate / Unit (Rs.)	6.95	6.49
b) Own Generation	Nil	Nil
2. Briquettes (Kgs)	3340305	4111298
Total Amount (Rs.)	15355364	17827608
Average Rate per Kg (Rs.)	4.60	4.34
B. CONSUMPTION PER UNIT OF PRODUCTION (MT)		
NPK Granulated Mixture Fertilizer		
Electricity (No. of units)	9.09	8.99
Briquettes (in Kgs)	24.03	23.95
SSP Fertilizer		
Electricity (No. of units)	17.13	17.11
G.S.S.P. Fertilizer		
Electricity (No. of units)	12.87	12.75
Briquettes (in Kgs)	23.90	24.16

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 main focus of the R & D Department was on process excellence where existing processes are optimised and yields are improved. The optimum plant operation is ensured by quality improvement and cost reduction of fertilisers by way of energy conservation, environment protection, safety of workers. The Company's R & D work of seeds division mainly concentrate on development of new high yielding varieties of seeds. Use of Bio-technology alongwith other scientific tools 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:

Uninterrupted production is the result of improvement achieved in production performance, effluent treatment, environment protection, better working conditions and workers safety. Development of hybrid seeds with better yield were developed considering the scientific-technological advances, locational adaptability, soil and climatic conditions in general. The soyabean seeds developed by R & D team have more yield capacity, pest resistance and an early maturing factor in particular. Similarly gram, cotton and vegetable seeds have quality of boldness and pest resistance.

iii. Future plans of action:

The Company plans to continue its efforts on inhouse R & D to improve cost efficiency & achieving competitive edge. It intends to develop technology capabilities to enhance technical services and customer value. R & D activities focus on developing high yielding hybrid varieties of seeds, in pulses & cereals.

iv. Revenue expenditure on R & D : Rs. 55.75 lacs (Previous year Rs. 46.08 lacs).

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

	2012-13	2011-12
Total foreign exchange outgo : (Raw materials)	392326	266250
Total foreign exchange earned :	NIL	NIL

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Organisation Profile :

The Company is one of the India's leading manufacturers of various farm inputs in India comprising of NPK mixture granulated fertilisers, phosphatic fertilizers as well as various hybrid seeds. The production facilities are located in different states like Maharashtra, Karnataka and Madhya Pradesh. The Company is also engaged in Wind Turbine Power Generation.

2. Economic Overview :

The global economy witnessed marginal growth as several European countries experienced recession due to high unemployment, fiscal tightening and sluggish growth. The European and American countries continued to reel under Global financial stress. Rising unrest in some of the middle east countries resulted into unprecedented levels of crude oil price volatility. Even developing economy of China felt the pressure of global slowdown as the exports for most of the Industries were adversely affected. Indian economy also showed slowing economic growth during 2012-13. Accordingly the RBI has adopted tight monetary policies to keep the inflation under control. The Government of India has initiated several measures not only for containing inflation and facilitating industrial growth but also to reduce fiscal deficits. The pro growth initiatives of Government with complimentary financial policies of the RBI have successfully maintained the Indian economy stable in spite of struggling Global economy. The Agriculture sector faced great challenge as it has to feed the large and growing population with limited cultivable land and sustaining to the climatic changes. Accelerating the growth of agricultural production by using balanced fertilizers by ensuring adequate availability of nutrients in soil to meet the requirement of plants at different stages of their growth and good quality hybrid seeds to the farmers is therefore necessary not only to meet the rising demand for food for the increasing population but also to increase incomes of those dependent on agriculture. With a view to encourage balanced use of fertilizers, government introduced Nutrient Based Subsidy (NBS) policy from April 2010 whereunder a fixed rate of subsidy is announced on nutrients, namely, nitrogen (N), phosphate (P), potash (K) and sulphur (S). Emphasis has been given on increasing area under irrigation, assuring favorable terms of trade to farmers, arranging better and cheaper access to credit, attracting more investment in agriculture, use of latest technology including the use of new and speciality fertilizers would certainly help in giving momentum to the agricultural growth.

3. Current and future outlook :

The Plants of the Company are located at the Consumption center thereby the Company is in the advantageous position over its competitors as agricultural produce can be made available to the farmers without delay at reasonable prices. 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. Emphasis has been given by the Company to develop GM seeds (Genetically Modified seeds) having traits such as insect / pest resistance, herbicide tolerance, disease resistance, etc. so that crop yields can be increased, farm costs can be reduced. The consistent, stable, and sustainable growth, improving its operational efficiencies and achieving better profitability alongwith the highest standard of quality, safety and productivity are the prime objectives of the Company. With a view to educate the farmers about the improved and modern techniques of cultivations, the Company arranges the 'krishi melas' at different locations wherein on field demonstrations has been given to the farmers about the output per acre of land by using the Hybrid seeds and appropriate fertilizers. The advantages of seeds replacement, soil improvements, efficient use of water and fertilizers, beneficial cropping pattern etc. are explained to the farmers in the said melas. By launching technologically superior seeds with less disease vulnerability, at reasonable prices, the Company has gained the confidence of the farming communities over the years. Your Company has developed hybrid seeds for high yielding and pest resistant varieties of crops suitable for different agro-climatic zones. Land and water resources being limited, increased agricultural production by using advanced agronomical practices like use of Micro-irrigation technologies and also by using Balanced Chemical fertilizers and hybrid seeds is of immense importance to meet the requirement of the increasing population. Hence timely availability of quality seeds at affordable prices to farmers is necessary for achieving higher agricultural productivity.

4. Opportunities and threats :

With about 2.5% of global land resources, 4% of water resources and 17% of global population living in India, achieving food security by increasing agricultural production is the main agricultural development strategy of India taking into account the increasing population and their growing economic prosperity. There have been major policy initiatives from Government for the growth of the fertilizer sector. Balanced fertilization aims at ensuring adequate availability of nutrients in soil to meet the requirement of plants at critical stages of growth and thus ensuring adequate soil humus to improve physio-chemical and biological properties of the soil. GM crops (Genetically Modified crop) have been developed by the Company to incorporate various traits such as insect pest resistance, herbicide tolerance, disease resistance, altered nutritional profile, enhanced storage life etc. The benefits of their use include increased crop yields, reduction in farm costs and thereby increase in farm profit as well as protection of the environment. Micro-irrigation technologies like drip and trickle systems, surface and subsurface drip tapes, micro-sprinklers, sprayers, micro-jets, spinners, rotors, bubblers, etc. have great potential in improving water use efficiency. In order to ensure self-sufficiency in foodgrains production in the country, availability of fertilisers at affordable prices to the producers is of utmost importance. The only way to improve food production is to increase crop yields through the scientific use of fertilisers along with other inputs like high yielding variety seeds, irrigation, etc. Increasing demand for industrialization, urbanization, housing and infrastructure has resulted into conversion of agricultural land to non-agricultural uses. Due to increasing demand of water for domestic, industrial and energy uses, there is a severe constraint in the availability of water for agriculture. 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 thereby safeguarding the Company from various risks and perils through adequate and timely actions.

5. Internal Control System :

Company is continuously endeavoring to maintain high standard of internal control designed to provide adequate assurance on the efficiency of operations and security of its assets. The Company has adequate internal controls which can effectively provide for reliability of financial transactions, with adequate checks and controls, compliances with applicable statutes and accounting policies. 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.

6. Human Resources / Safety Management System :

During the year industrial relations across all the plants continued to remain cordial. Health & safety Management system in the Company aims at to reduce, eliminate or control workplace hazards and associated risks of accidents or injuries to the workers. 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.

7. Corporate Social Responsibilities :

The Company continued its efforts to help the poor and downtrodden people by providing them free medical facilities, proper education and bringing them into the main stream of life. The Annachatra, Vrudhashram, Free Bhakta Niwas are some of the charitable activities undertaken by the Company to meet its responsibilities towards the general public.

8. Cautionary Statement :

This document contains statement about 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 due to factors beyond control of the Company like, economic conditions affecting demand and supply, monsoon condition, change in Government regulations etc.