



# Basant Agro Tech (India) Limited

24th Annual Report  
2013-2014



We feed the land  
which feeds the people

# Basant Agro Tech (India) Limited

24th Annual Report - 2013-2014

## 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

Shri. R. S. Tayade

Director

Smt. M. M. Khandelwal

## COMPANY SECRETARY

Shri. P. G. Todankar

## 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.



### 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, Bhilwadli 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).

SSP Fertilizer Unit III

Kheddi Kadoli Road, Gut No. 314, Tq. Erandol, Dist. Jalgaon (Maharashtra).

## 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.



Dr. B. G. Bathkal, Director (R & D) &  
Shri. Deepak Bhartia, Managing Director  
having inspection of crops at  
seeds research farm of the Company

# BASANT AGRO TECH (INDIA) LIMITED

## NOTICE

NOTICE is hereby given that Twenty Fourth 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, 27th September, 2014, 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, 2014 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 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 :

5. **TO CONSIDER AND IF THOUGH FIT TO PASS WITH OR WITHOUT MODIFICATION(S) FOLLOWING RESOLUTION AS SPECIAL RESOLUTION :**  
“RESOLVED THAT, pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act 2013 read with the rules made thereunder approval be and is hereby accorded to the appointment of Shri. S.W. Sawant as an Independent Director on the Board of the Company, not liable to retire by rotation, for a consecutive period of five years w.e.f 1st April, 2014 upto 31st March, 2019.”
6. **TO CONSIDER AND IF THOUGH FIT TO PASS WITH OR WITHOUT MODIFICATION(S) FOLLOWING RESOLUTION AS SPECIAL RESOLUTION :**  
“RESOLVED THAT, pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act 2013 read with the rules made thereunder approval be and is hereby accorded to the appointment of Shri. R.S. Tayade as an Independent Director on the Board of the Company, not liable to retire by rotation, for a consecutive period of five years w.e.f 1st April, 2014 upto 31st March, 2019.”
7. **TO CONSIDER AND IF THOUGH FIT TO PASS WITH OR WITHOUT MODIFICATION(S) FOLLOWING RESOLUTION AS SPECIAL RESOLUTION :**  
“RESOLVED THAT, pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act 2013 read with the rules made thereunder, approval be and is hereby accorded to the appointment of Dr. B.G. Bathkal as an Independent Director on the Board of the Company, not liable to retire by rotation, for a consecutive period of five years w.e.f 1st April, 2014 upto 31st March, 2019.”
8. **TO CONSIDER AND IF THOUGH FIT TO PASS WITH OR WITHOUT MODIFICATION(S) FOLLOWING RESOLUTION AS SPECIAL RESOLUTION :**  
“RESOLVED THAT, pursuant to the provisions of Section 149, 152, 161 and other applicable provisions of the Companies Act 2013 read with the rules made thereunder, approval be and is hereby accorded to the appointment of Mrs. M.M. Khandelwal, as an Independent Director on the Board of the Company, not liable to retire by rotation, for a consecutive period of five years w.e.f. 22nd July, 2014 upto 21st July, 2019, who was appointed as an Additional Director of the Company effective from 22nd July, 2014 by the Board of Directors and who holds office until the date of this Annual General Meeting, and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013, proposing her candidature, for the office of Director of the Company.”
9. **TO CONSIDER AND IF THOUGH FIT TO PASS WITH OR WITHOUT MODIFICATION(S) FOLLOWING RESOLUTION AS SPECIAL RESOLUTION :**  
“RESOLVED THAT, pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) Mr. T.M. Rathi, the cost auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015, be paid the remuneration as set out in the statement annexed to the notice convening this meeting.”  
“RESOLVED FURTHER THAT, the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”
10. **TO CONSIDER AND IF THOUGH FIT TO PASS WITH OR WITHOUT MODIFICATION(S) FOLLOWING RESOLUTION AS SPECIAL RESOLUTION :**  
“RESOLVED THAT, pursuant to the provisions of Section 188 and all other applicable provisions of the Companies Act, 2013 and the Companies (Meeting of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the members be and is hereby accorded for the following transaction to be entered with the promoters or their business associates.  

| Nature of transaction   | Annual lease rent           |
|---|-----------------------------|
| Payment of lease rent for Office spaces taken on lease by the Company | Not more than Rs. 1 Crore.” |

“RESOLVED FURTHER THAT, the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things, as may be deemed necessary, proper or expedient to give effect to this resolution and for the matters connected herewith or incidental hereto.”

Place : Mumbai  
Dated : 30th July, 2014  
Registered Office : Plot No. 13 / 2, Kaulkhed,  
Nr. S.T. Workshop, Akola - 444001. Maharashtra.

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

Prasad Todankar  
Company Secretary

### NOTES :

- (a) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE “MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY AS PER THE FORMAT INCLUDED IN THE ANNUAL REPORT SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**  
Proxies on behalf of limited companies, societies, etc. must be submitted along with appropriate resolutions / authority as applicable. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- (b) Explanatory statement relating to the special business to be transacted at the meeting is annexed hereto.
- (c) Corporate members intending to send their authorized representative to attend the meeting are requested to send to the Company, a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
- (d) The register of members and the share transfer books of the Company will remain closed from Thursday 25th September, 2014 to Saturday 27th September, 2014 (both days inclusive).
- (e) The dividend if declared, will be paid to those shareholders whose names stand on the register of members on 27th September, 2014.



# BASANT AGRO TECH (INDIA) LIMITED

**Explanatory statement under Section 102(1) of the Companies Act 2013 :**

**Item No. 5-7**

As on 31st March, 2014 the Board of Directors of the Company comprised of Shri. S.W. Sawant, Dr. B.G. Bathkal and Shri. R.S. Tayade as Independent Directors. According to Section 149 of the Companies Act 2013 every listed company should have one-third of the total number of directors as Independent Directors.

Shri. S.W. Sawant, Dr. B.G. Bathkal and Shri. R.S. Tayade had been appointed as Independent Directors of the Company pursuant to Section 149, Schedule IV and other applicable provisions of the Companies Act 2013 for the consecutive period of five years from 1st April, 2014 to 31st March, 2019, subject to approval of shareholders vide resolution passed at the board meeting held on 27th March, 2014. The notice in writing pursuant to Section 160 of the Companies Act 2013 has been received by the Company in the prescribed manner in respect of appointment of the aforesaid directors. The declaration of independence as required pursuant to Section 149(7) of the Companies Act 2013 stating that they meet the criteria of independence has been received from all Independent Directors. None of the Independent Directors is disqualified from being appointed as a director in terms of the Section 164 of the Act. The terms and conditions of the appointment of the Independent Director shall be open for inspection at the registered office of the Company during the normal business hours.

The Board is of the opinion that, the aforesaid directors possess requisite skills, experience and knowledge relevant to the Company's business and it would be in the best interest of the company to continue to have their association with the company as director. Further in the opinion of the Board the proposed appointment of Independent Directors fulfills the conditions specified in the Act and rules made there under and that proposed appointment of Independent Directors is independent of the management. The brief profiles of the Independent Directors are given here below :

**Shri. S.W. Sawant :**

He is science graduate and is the director of the company since 20.9.1991. He was executive director and head of the agri business of Rallies India Ltd. He has got rich experience of marketing of fertilizers, hybrid seeds as well as maintaining marketing accounts. He has got thorough knowledge about the general management and has expertise in commercial matters. He is backbone behind the growth and success of the company.

Directorships : Rain Dance Resorts Pvt. Ltd., Sai Warehouse Pvt. Ltd., Green Crop International Pvt. Ltd., Green India Export Pvt. Ltd., Annapurna Energy Pvt. Ltd., Aishwarya Green Energy Pvt. Ltd.

Shareholding in the Company : 8000 equity shares of the Company.

**Dr. B.G. Bathkal :**

He is Ph.D. in Agricultural science and is the retired vice chancellor of Dr. Punjabrao Deshmukh Krishi University. He was appointed as Independent Director of the Company on 22.11.1996. With his expert knowledge of agri inputs as well as research & development of various hybrid seeds, the Company could develop various new high yielding varieties of seeds especially cotton, sweet corn, jawar etc. The research activities are being carried out in R & D laboratory of the Company under his supervision and guidance. He is also having wide experience in various fields like accounts, administration and marketing of seeds and fertilizers.

Directorships : NIL

Shareholding in the Company : 10000 equity shares of the Company.

**Shri. R.S. Tayade :**

He is commerce graduate and has got thorough knowledge of various industrial and labour laws. His public relations and knowledge about demand and supply of fertilizer market will be beneficial in the interest of the company in the light of recent acquisitions of fertilizer plants and also ongoing major expansion plans of the company.

Directorships : NIL

Shareholding in the Company : NIL

The Board recommends the said resolutions set out in Item No. 5-7 of the Notice.

None of the directors / key managerial personnel except the concerned Independent Director is concerned or interested in the said resolutions.

**Item No. 8 :**

Mrs. M.M. Khandelwal was appointed as an Additional Director categorized as non-executive, independent, woman director on the Board of the Company w.e.f. July 22, 2014 under provisions of Section 161 of the Companies Act, 2013. Pursuant to the provisions of Section 149, 152 and 161 of the Companies Act, 2013, she holds office upto the date of ensuing Annual General Meeting of the Company.

The Company has received notice under Section 160 of the Companies Act, 2013 proposing the candidature of Mrs. M.M. Khandelwal for the office of the Independent Director. The company has received the declaration from her that she meets the criteria of independence as prescribed under the Act and the listing agreement. The board is of the opinion that, the said director possesses requisite skills, experience and knowledge relevant to the Company's business and it would be in the best interest of the company to appoint her as Independent Director. Further in the opinion of the Board the proposed appointment of Independent Director fulfills the conditions specified in the Act and rules made there under and that proposed appointment of Independent Director is independent of the management.

The Board of Directors recommend the resolution set out in Item No. 8 of the accompanying notice for approval of the members.

None of the directors / key managerial personnel except the concerned Independent Director is concerned or interested in the said resolutions.

**Item No. 9 :**

The board, on the recommendation of the audit committee, has approved the re-appointment and remuneration of Shri. T.M. Rathi as the cost auditors of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the cost auditors has to be ratified by the shareholders of the Company. The remuneration payable to the cost auditor for the financial year 2014-15 shall be Rs. 40,000/- plus service tax. Accordingly, consent of the members has been sought for passing the resolution as set out at Item No.9 of the Notice for ratification of the remuneration payable to the cost auditors for the financial year ending March 31, 2015.

The Board recommends the said resolutions set out in Item No. 9 of the accompanying notice for approval of the members.

None of the directors / key managerial personnel is concerned or interested in the said resolutions.

**Item No. 10 :**

According to the provisions of Section 188 (1) of the Companies Act 2013 following related party transaction require the prior approval of the shareholders by way of Special Resolution.

- payment of lease rent not more than Rs. 1 Crore per annum to the promoters or their business associates for the lease of office spaces to the Company.

The Board of Directors had approved the proposed related party transactions along with annual limit that your company may enter into with the related parties for the year 2014-15 and thereafter. The Board of Directors recommends the resolution set out in Item No. 10 of the accompanying notice for approval of the members. Except Shri. S.C. Bhartia, Shri. D.C. Bhartia and Shri. A.D. Bhartia, no other Director / key managerial personnel is concerned or interested in the said resolution.

Place : Mumbai

Dated : 30th July, 2014

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

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

Prasad Todankar  
Company Secretary

**DIRECTOR'S REPORT**

Dear members,

Your Directors have pleasure in presenting the 24th Annual Report of the Company together with the audited statements of account for the financial year ended March 31, 2014.

|  | ( ₹ in thousands) |                |
|--|-------------------|----------------|
|  | <u>2013-14</u>    | <u>2012-13</u> |
| <b>1. FINANCIAL RESULTS :</b>                |                   |                |
| Revenue from operation                       | <b>3135703</b>    | 2914519        |
| Profit before interest, depreciation and tax | <b>274448</b>     | 281462         |
| Less: Financial expenses                     | <b>96543</b>      | 102713         |
| Less: Depreciation                           | <b>42093</b>      | 48160          |
| <b>Profit before tax</b>                     | <b>135812</b>     | 130589         |
| Tax expense (net)                            | <b>(29607)</b>    | 26439          |
| Profit after tax                             | <b>165419</b>     | 104150         |
| Surplus brought forward from previous year   | <b>412604</b>     | 320436         |
| Amount available for appropriation           | <b>578023</b>     | 424586         |
| <b>Less: Appropriations</b>                  |                   |                |
| Transferred to general reserves              | <b>3500</b>       | 3500           |
| Proposed dividend                            | <b>6344</b>       | 7250           |
| Tax on dividend                              | <b>1078</b>       | 1232           |
| Surplus carried to balance sheet             | <b>567101</b>     | 412604         |

**2. Result of operations :**

The revenue from operations of the Company jumped by 7.59% and touched a new high of Rs. 313.57 Crores. The growth was mainly due to the excellent performance shown by the seeds division as its turnover went up by 22.89% over the previous year. Introduction of the new varieties of high yielding hybrid seeds and its well acceptance by the farming communities had made the performance of the seeds division very impressive.

The consumption of the fertilizers was adversely affected due to prolong and continuous monsoon. The farmer was not able to give scheduled doses of fertilizers to the crops as a result the company was not able to encash season. The new SSP fertilizers plant at Jalgaon started its operations in last quarter of 2013-14 and its positive impact can be observed on the performance of the Company in 2014-15.

In spite of the adverse conditions, heavy competition the company managed to achieve the marginal increase in the profit before tax and trend of consistent positive growth in the performance of the Company has been continued during the year under consideration. Your Company is one of the few companies who registered the positive performance during the year, not only due to the control over its conversion cost and the inputs cost but also because of aggressive marketing strategies.

**3. Dividend :**

The Board of Directors are pleased to recommend the dividend of Rs. 0.07 per share (7%) for the year 2013-14 on equity share capital, subject to the approval of the shareholders at the Annual General Meeting (Previous year 8%) which shall absorb Rs. 63.44 lacs (Previous year Rs. 72.50 lacs).

**4. Directors :**

According to Section 149 (10) of the Companies Act, 2013 the Independent Directors shall hold office for a term of upto five consecutive years on the Board of a company and are not liable to retire by rotation and shall be eligible for re appointment on passing a special resolution by the shareholders of the Company. Board of Directors had appointed Shri. S.W. Sawant, Dr. B.G. Bathkal and Shri. R.S. Tayade as Independent Directors of the Company pursuant to Section 149, Schedule IV and other applicable provisions of the Companies Act 2013 for the consecutive period of five years from 1st April, 2014 to 31st March, 2019, subject to approval of shareholders. The Company has received declaration from all Independent Directors of the Company confirming that they meet with the criteria of Independent Director as prescribed under Section 149(6) of the Companies Act 2013 and under Clause 49 of the listing agreement with the stock exchange. The Board of Directors had altered the terms of appointment of Shri. D.C. Bhartia, Managing Director of the Company by categorizing him as a 'director liable to retire by rotation'. Shri. A.N. Bhartia retires by rotation at this Annual General Meeting and being eligible offers himself for re appointment.

During the year under review, Mrs. M.M. Khandelwal was appointed as an additional director in the category of non-executive, independent, woman director w.e.f. 22.07.2014 and she holds the office till the date of this annual general meeting. The resolution for the appointment of Mrs. M.M. Khandelwal as the independent director for five years is proposed to be passed at this annual general meeting.

During the year under review Dr. R.D. Tainwala the independent director has resigned from the Board w.e.f. 11.12. 2013. The Board places on record valuable contribution made by Dr. R.D. Tainwala during his tenure of office as Director of the company.

## 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 141(3)(g) of the Companies Act, 2013.

The Company had appointed Mr. T.M. Rathi the Cost Auditor for conducting cost audit of the Company for the financial year 2013-14.

## 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, 2014 the company has neither accepted nor invited any public fixed deposits. No amount of principal or interest was outstanding as on 31st March, 2014.

## 8. CORPORATE SOCIAL RESPONSIBILITY :

During the year, your Directors have constituted the Corporate Social Responsibility Committee (CSR Committee) pursuant to the provisions of the Section 135 of the Companies Act 2013. The CSR Committee will decide the focus area of CSR activities, budget and programs to be undertaken and implemented. Your Company continued to initiate many social and charitable activities even before enactment of the provision of CSR in the Companies Act 2013. The main focus areas for CSR of the Company is in the area of education, health care, child nutrition, social development, care for the environment, protection of human rights and woman empowerment.

## 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, 2014, 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 ended on that date,
- 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, 2014 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 :

A stipulated under clause 49 of the listing agreement the Management Discussion & Analysis Report has been separately furnished in Annual Report and forms part of it.

## 12. 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.

## 13. PARTICULARS OF ENERGY CONSERVATION, 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.

## 14. TRANSFER OF UNPAID DIVIDEND TO IEP FUND :

Pursuant to Section 205 A (5) and 205 C of the Companies Act, 1956 the dividend remaining unpaid for a period of seven years here been transferred by the company to investor education and protection fund.

## 15. ACKNOWLEDGEMENTS :

Your Directors would like to express their appreciation for the support and co operation received from financial institutions, company's bankers, government authorities and shareholders 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

**SHASHIKANT C. BHARTIA**  
CHAIRMAN & MANAGING DIRECTOR  
DIN : 00151358

Place : Mumbai  
Date : 30th July, 2014

# BASANT AGRO TECH (INDIA) LIMITED

## ANNEXURE TO THE DIRECTORS' REPORT

Particulars required under 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, 2014.

### 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

The efforts were made to ensure optimum consumption of fuel and electricity at all the plants of the Company. Use of LED/ CFL for shop floor lighting and at offices, replacement of old motors with energy efficient motors at all manufacturing facilities, use of transparent sheets at shop floor ceiling and internal energy audits are some of the major energy conservation measures adopted by the Company.

|  | 2013-14  | 2012-13  |
|--|----------|----------|
| <b>A. POWER &amp; FUEL CONSUMPTION</b>             |          |          |
| 1. Electricity                                     |          |          |
| a) Purchased from Electricity Board (No. of units) | 3442524  | 3609367  |
| Total amount (Rs.)                                 | 26352838 | 25085098 |
| Rate / Unit (Rs.)                                  | 7.66     | 6.95     |
| b) Own generation                                  | Nil      | Nil      |
| 2. Briquettes (Kgs)                                | 3290252  | 3340305  |
| Total amount (Rs.) (for fertilizer units)          | 16112065 | 15355364 |
| Average rate per Kg (Rs.)                          | 4.90     | 4.60     |
| <b>B. CONSUMPTION PER UNIT OF PRODUCTION (MT)</b>  |          |          |
| NPK granulated mixture fertilizer                  |          |          |
| Electricity (No. of units)                         | 9.13     | 9.09     |
| Briquettes (in Kgs)                                | 24.08    | 24.03    |
| <b>SSP fertilizer</b>                              |          |          |
| Electricity (No. of units)                         | 17.17    | 17.13    |
| <b>G.S.S.P. fertilizer</b>                         |          |          |
| Electricity (No. of units)                         | 12.94    | 12.87    |
| Briquettes (in Kgs)                                | 23.99    | 23.90    |

#### 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 R & D activities of the fertilizer division are mainly concentrated at having optimum plant operation thereby reducing the cost of production along with quality improvement keeping in mind safety of workers. The R & D department of seeds division develops the new high yielding varieties of hy-brid seeds. Use of bio-technology proves to be beneficial in development of new seeds.

#### ii. Benefits derived as a result of above R & D :

The main benefit derived of the R & D activities at Fertiliser division is the best quality production of fertilisers at the most economical cost of production. The indirect benefit of R & D was attributed to the protection of the environment by avoiding air & water pollution. The Company could develop new high yielding hybrid seeds as a results of its R & D Activities.

#### iii. Future plans of action :

The Company will continue its efforts on in house R & D for improving the cost effectiveness in the production of fertilizers and seeds. R & D activities focus on developing high yielding hybrid varieties of seeds.

#### iv. Revenue expenditure on R & D :

Rs. 67.20 lacs (Previous year Rs. 55.75 lacs).

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

( ₹ in thousands)

|  | 2013-14 | 2012-13 |
|--|---------|---------|
| Total foreign exchange outgo : (Raw materials) | 292276  | 392326  |
| Total foreign exchange earned :                | NIL     | NIL     |

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Organisation profile :

Basant Agro Tech (I) Ltd is one of the leading manufacturers of SSP fertilizer in the country. The Company is also engaged in the manufacturing of NPK mixture granulated fertilizers, development and marketing of hybrid seeds and wind turbine power generation. The company is also having interests in warehousing and cold storage facilities. The production facilities are located at the consumption centre in the states of Maharashtra, Karnataka and Madhya Pradesh.

### Economic overview :

Industrial growth of the country has been adversely affected mainly due to poor foreign exchange inflow on capital account, intense exchange rate pressures and low capital investment. The weaker growth prospects and new risks raise new challenges to global growth and employment and global rebalancing. The poor domestic demand and slower growth in several key emerging market economies, as well as a more protracted recession in the European countries had affected the economic growth of many countries. The underperformance was mainly due to financial stability concerns, a deeper recession and expansion of global economy at a weaker pace. Despite global growth remain subdued, the Indian economy has shown marginal growth in 2013-14 which has mainly because of the moderate rainfall, numerous reform measures as well as fiscal and monetary initiatives taken by the Indian government over the past few years and complimentary financial policies including strict control over rising inflation by tightening the fund liquidity by the Reserve Bank of India (RBI).

Agricultural marketing is witnessing major changes owing to liberalization and globalisation of markets. In this context agriculture has to be market driven, more cost effective, competitive, and innovative. The agricultural produce sector has been one of the most important components of Indian economy. Monsoon disturbances, increasing frequencies of floods and droughts and water-logging are pressing challenges before the agricultural sector requiring urgent attention. Increasing demand for industrialization, urbanization, housing and infrastructure is forcing conversion of agricultural land to nonagricultural uses. The scope for expansion of the area available for cultivation is limited. The agriculture markets have the potential to act as a powerful tool for improving the economic viability of agricultural sector by reducing rural poverty and for achieving sustainable agriculture development.

### Current and future outlook :

The SSP fertilizers industry is getting necessary encouragement from the Government as it not only helps in providing vital nutrients like phosphates, sulphur, calcium and other micro nutrients to the crops but also in conservation of foreign exchange. NBS policy introduced by the Government has encouraged availability of SSP fertilizers with reduced subsidy outgo. SSP fertiliser is environment friendly as well as agronomically preferred fertilizer by the farmers. The SSP fertilizers have great future on account of Government stability, encouraging fiscal policies and economical fertilizers in comparison with other phosphatic fertilizers.

Agriculture is an important sector of the Indian economy, accounting for 14% of the nation's GDP, about 11% of its exports, about half of the population still relies on agriculture as its principal source of income and it is a source of raw material for a large number of industries. Accelerating the growth of agriculture production is therefore necessary not only to achieve an overall GDP target and meet the rising demand for food, but also to increase incomes of those dependent on agriculture. With growing investments in irrigation, the dependence on monsoon has declined considerably. Marketing research, training and guidance to stake holders to use the advanced technology would aim at creation of an ambience of good marketing practices in the country to protect the interest of farmers as well as consumers.

Industrial growth can get stimulus in a stable political and growing economic environment. This may lead to creation of additional job opportunities in industrial sector. Though considerable progress has since been achieved in scaling new heights in the production of foodgrains, commercial crops like cotton, sugarcane, tea etc., there is great scope for increasing their production by using developed technology for high yielding and pest resistant varieties of crops. The government has been playing a proactive role in promoting greater use of hybrid seeds. It encourages private seed companies to develop new varieties of hybrid seeds suitable for different agro-climatic zones. As the majority of the population of the country is directly dependent on agriculture, their income can be increased by removing the heavy margins of the middlemen if private and cooperative sectors establish and operate agricultural marketing infrastructure and supporting services and also by encouraging direct marketing of agricultural commodities from producing areas. Modern technique such as micro-irrigation, watershed management, rainwater harvesting and groundwater recharging are vital in utilizing the existing resources and expanding the irrigation system in a viable manner.

### Opportunities and threats :

Use of modern technologies in agriculture supported by proper combination of fertilizers considering the soil deficiencies with high yielding hybrid seeds with additional traits like pest resistant and resilient to less input water will give momentum to the agricultural growth. An alternative marketing systems need to be developed in the country to promote direct marketing, smooth and timely raw material supplies to agro-processing industries coupled with prudent use of cold storage warehouse facilities. The main focus of the Government is on promotion of balanced nutrient consumption by the farmers and SSP fertilizer is the best fertilizers in that respect and naturally SSP industry expects robust growth in the coming years.

Overuse of marginal lands, imbalanced fertilization, deteriorating soil health, diversion of agricultural land to nonagricultural uses & irrigation sources, soil erosion, salinization of fertile lands and also increasing demand for industrialization, urbanization, housing and infrastructure could impact agricultural growth adversely. The increasing pressure on the agricultural land alongwith the shrinking natural resources viz. arable land, water, soil, biodiversity due to demographic and socio-economic pressures poised the great challenge before the agricultural sector. The main concerns for SSP industry are higher rates of interest on working capital and delay in release of subsidy on SSP fertilizers by the Government.

### Internal control system :

Regular internal audits at all manufacturing units of the Company are undertaken to ensure that the highest standards of internal control are maintained with a view to enhancing the shareholders' value and safeguarding the Company's assets. The Company has adequate internal controls systems covering financial and other operating functions which can effectively provide for reliability of financial transactions, compliances with applicable statutes, accounting policies. The audit committee regularly reviews not only the internal control systems but also deviations and key audit observations of the internal and external auditors.

### Human resources development :

The Company has a well laid talent development policies which not only ensures attracting of the talent but also retention of the talent in the organisation. During the year industrial relations across all the plants continued to remain cordial. Various initiatives have been taken to ensure high employee motivation to enable the Company to face the current challenges and grab future opportunities.

### Cautionary statement :

Statements in this "Management's Discussion and Analysis" describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include monsoon condition, change in Government regulations etc.



**REPORT ON CORPORATE GOVERNANCE****Introduction**

The Company's policy on maintaining high standard of Corporate Governance is based on the principles of full and fair disclosures, transparency and accountability in the management of the company's affairs. Company believes in continued compliance of laws, application of the best management practices to achieve the objective of enhancing the shareholders' value and discharging of the corporate social responsibilities.

**1. Board of Directors :**

The Board of Directors of the Company has got optimum combination of executive and non executive directors which is in conformity with Clause 49 of the listing agreement which represents appropriate combination of professionalism, knowledge and experience. The Board has executive chairman and accordingly number of Independent Directors is 50% of the total strength of directors. The management of the Company is entrusted in the hands of the key managerial personnel of the Company and is headed by the Managing Directors who function under the supervision and control of the Board of Directors. The Board decides and reviews company's strategies, operational and financial plans acting as a trustee on behalf of the shareholders. The Company believes in maintaining the independence of the Board as the decision making body of the Company.

The composition and category of directors alongwith record of attendance at meetings is as under :

| Name                                | Category    | Designation                  | No. of outside directorship in public ltd cos | No. of meetings attended |     |
|-------------------------------------|-------------|------------------------------|---|--------------------------|-----|
|                                     |             |                              |   | Board                    | AGM |
| Shri. S.C. Bhartia                  | Executive   | Chairman & Managing Director | Nil   | 12                       | 1   |
| Shri. D.C. Bhartia                  | Executive   | Managing Director            | Nil   | 12                       | 1   |
| Shri. S.W. Sawant                   | Independent | Director                     | Nil   | 6                        | —   |
| Dr. B.G. Bathkal                    | Independent | Director                     | Nil   | 6                        | 1   |
| Shri. R.S. Tayade                   | Independent | Director                     | Nil   | 12                       | 1   |
| Shri. A.N. Bhartia                  | Executive   | Executive Director           | Nil   | 12                       | 1   |
| Dr. R.D. Tainwala (upto 11.12.2013) | Independent | Director                     | 2   | 1                        | —   |

These are no pecuniary relationships or transactions of the Independent (non executive) Directors vis-a-vis the Company. Every Independent Director had submitted the declaration that he meets the criteria of independence as provided under the law. Shri. S.W. Sawant has been designated as the lead Independent Director. According to the provision of the Companies Act 2013, the Independent Directors will meet atleast once in every financial year without the presence of the Executive Directors and management personnel and the lead Independent Director will present the views of all Independent Directors to the Chairman and Managing Director of the Company.

**Shri. A.N. Bhartia**

He is commerce graduate. He holds the position of executive director in the Company. He is instrumental in erecting of and acquisition of SSP plants. He looks after production of all fertilizers since 28 January, 2008.

The brief details of other directors proposed to be re-appoint including their directorship in other companies and shareholding are already given in the explanatory statement of the Notice hence the same has not been repeated here. The board of directors is presented in advance with the agenda papers, along with detailed notes about the business of the meeting. The Board reviews the compliance status of all laws applicable to the Company, as certified by all the departmental heads as well as steps taken to rectify instances of non-compliances. The Board also reviews the minutes of the committee meetings of the Company. The draft minutes of the proceedings of the board meetings are circulated to board members for their comments and thereafter the minutes of the board meeting are entered in the minutes book within 30 days of the Board meeting.

**2. Audit Committee :**

The composition of the audit committee of the Company is in conformity with the requirement of Section 177 of the Companies Act, 2013 and Clause 49 of the listing agreement. The scope of the committee is to supervise the Company's internal control, financial audits and financial reporting process and in particular perform following functions :

- Overview the company's financial reporting process and disclosures in financial statements to ensure that the financial statements are correct, sufficient and credible and are in compliance with the accounting standards and policies.
- Recommending to the Board the appointment and removal of internal auditor and statutory auditor including cost auditor & fixation of audit fees.
- Reviewing with management the periodical and annual financial statements, before submission to the Board.
- Reviewing with the management, external auditors and internal auditors, the adequacy of internal audit control system.
- Reviewing scope and adequacy of external and internal audit functions.
- Discussing with internal auditors significant finding regarding any irregularity or failure of internal control system.
- Discussion with the auditors periodically about internal control system, the scope of audit including the observation of the auditors and review all financial statements before submission to the Board and also ensure compliance of internal control system.
- Reviewing the Company's risk management policies and functioning of the Whistle Blower Mechanism.

## BASANT AGRO TECH (INDIA) LIMITED

| Composition of audit committee                       | Number of meetings held and attended by Directors during the year 2013-14 |
|--|---|
| Dr. B.G. Bathkal - (Chairman) / Independent Director | 5   |
| Shri. S.W. Sawant - Independent Director             | 5   |
| Shri. R.S. Tayade - Independent Director             | 5   |

The CFO, the internal and statutory auditors as well as cost auditors are permanent invitees of the audit committee.

### 3. Stakeholders relationship committee :

To look into redressal of grievances of shareholders and investors like transfer of shares, non receipt of dividend etc. and improve the efficiency of investor's services and also to review the performance of registrar and share transfer agent the stakeholders relationship committee has been constituted.

| Composition of stakeholders relationship committee    | Number of meetings held and attended by Directors during the year 2013-14 |
|---|---|
| Shri. R.S. Tayade - (Chairman) / Independent Director | 4   |
| Shri. S.W. Sawant - Independent Director              | 4   |
| Dr. B.G. Bathkal - Independent Director               | 4   |

During the year five complaints were received and redressed and there was no complaint unreplied as on 31st March, 2014. The email exclusively for Investor's Grievances redressal is "basantagro\_investorgrievance@hotmail.com".

### 4. Nomination and remuneration committee :

The existing remuneration committee has been renamed as Nomination and remuneration committee in compliance with the provisions of Companies Act 2013. The term of reference of the committee is to evaluate the performance and accordingly to recommend to the Board the remuneration payable to Managing Directors, Executive Directors and key managerial personnel.

| Composition of nomination and remuneration committee  | Number of meetings held and attended by Directors during the year 2013-14 |
|---|---|
| Shri. S.W. Sawant - (Chairman) / Independent Director | 4   |
| Dr. B.G. Bathkal - Independent Director               | 4   |
| Shri. R.S. Tayade - Independent Director              | 4   |

### 5. Corporate social responsibility committee :

The corporate social responsibility committee was constituted by the Board to formulate and monitor the implementation of the corporate social responsibility policy. The committee also recommend the amount of expenditure to be incurred on CSR activities and suggest the corrective action to be taken.

#### Composition of corporate social responsibility committee

Shri. S.W. Sawant - (Chairman) / Independent Director

Shri. D.C. Bhartia - Executive Director

Dr. B.G. Bathkal - Independent Director

Shri. R.S. Tayade - Independent Director

### 6. Remuneration of Directors :

| Name of Directors  | Salary (Rs.) | Sitting Fees (Rs.) | Total (Rs.) |
|--------------------|--------------|--------------------|-------------|
| Shri. S.C. Bhartia | 2745000      | —                  | 2745000     |
| Shri. D.C. Bhartia | 2685000      | —                  | 2685000     |
| Shri. A.N. Bhartia | 1500000      | —                  | 1500000     |
| Shri. S.W. Sawant  | —            | 9000               | 9000        |
| Dr. B.G. Bathkal   | —            | 9000               | 9000        |
| Dr. R.D. Tainwala  | —            | 6000               | 6000        |
| Shri. R.S. Tayade  | —            | 16500              | 16500       |

The Remuneration paid to the executive directors is within the limits as per the Companies Act, 2013. No director has been paid any commission and perquisites other than referred above.

### 7. Annual General Meetings :

The details of Annual General Meetings held in last 3 years and number of Special Resolutions passed are as under :

| AGM      | Date       | Time    | No. of special resolutions |
|----------|------------|---------|----------------------------|
| 23rd AGM | 07.09.2013 | 4.00 PM | 3                          |
| 22nd AGM | 28.09.2012 | 4.00 PM | 2                          |
| 21st AGM | 30.09.2011 | 4.00 PM | Nil                        |

The shareholders had not passed any resolution by way of postal ballots during 2013-14. The notices and the postal ballot forms have been dispatched in 2014-15 to all shareholders to get the special resolutions passed pursuant to provision of Section 180(1)(c), 180(1)(a) and 14 of the Companies Act 2013 and its result will be announced in September, 2014.

## 8. Disclosures :

- i) There are no materially significant transactions with related parties i.e. promoters, directors or the management, subsidiaries or relatives etc that would have potential conflict with the interests of the company at large. The details about related party transactions has been reported at the Schedule 30 of the annual report.
- ii) No penalties or strictures have been imposed on the Company by the stock exchange or SEBI or any other statutory authority in the matter related to capital market during the last three years.
- iii) The Company has complied with all mandatory requirements of Clause 49 of the listing agreements.
- iv) The Whistle Blower Policy (WBP) has been adopted by the company and has established the necessary mechanism in line with Clause 7 of Annexure ID to Clause 49 of the listing agreement for employees to report concerns about unethical behavior. No personnel have been denied access to the audit committee.

## 9. Implementation of the code of conduct :

The Company had adopted the code of conduct for all board members and senior management of the Company which serves as a guide to the employees of the Company to make good decisions and act on them. The Managing Director has confirmed that all members of the Board and senior management personnel have affirmed compliance with the code for the year under review. The declaration of Managing Director is being given at the end of this report.

## 10. Means of communication :

- i) Three quarterly and one annual financial results of the company have been submitted during this financial year to the stock exchanges immediately after its approval at the Board Meeting and the same was published in Free Press Journal & Navshakti.
- ii) As per the requirements of Clause 52 of the listing agreement, all the data relating to quarterly financial results shareholding pattern etc are being electronically filed on the corporate filing and dissemination system viz "www.corpfiling.co.in" and also displayed on the website of the Company i.e. "www.basantagro.com" within the time frame prescribed in this regard. The annual report of the Company is also displayed on the company's website.
- iii) The Management Discussion and Analysis Report is a part of the annual report.

## 11. General shareholder's information :

The following information would be useful to our shareholders :

### 1. Annual General Meeting

- Date and time : 27th September, 2014, at 4:00 p.m.
- Venue : Krishi Sanjivani Office, Opp. Nagar Parishad, Akola - 444 001.

### 2. Financial Calendar (Tentative Schedule)

Financial reporting for :

- the quarter ended June 30, 2014 : Second fortnight of July 2014
- the quarter ended September 30, 2014 : Second fortnight of October 2014
- the quarter ended December 31, 2014 : Second fortnight of January 2015
- the year ending March 31, 2015 : Second fortnight of May 2015

Annual General Meeting for the year ending March 31, 2015 : September 2015

3. **Book Closure Date** : 25th September 2014 to 27th September, 2014, (both days inclusive)

4. **Dividend Payment Date** : Dividend as recommended by the Board of Directors, if declared at the Annual General Meeting will be payable on or after 27th September, 2014.

5. **Listing on Stock Exchange at** : The BSE Ltd, Phiroz Jeejeebhoy Towers, Dalal Street, Mumbai - 400 023.  
Annual listing fees for the year 2014-2015 has been paid to The Bombay Stock Exchange Ltd.

6. **Stock Code** : The Bombay Stock Exchange Ltd. : 524687

7. **Demat** : **ISIN No. : INE 473 E 01021**

8. **Stock Exchange Data** :

| Month        | Price at Bombay Stock Exchange Ltd |           |
|--------------|------------------------------------|-----------|
|              | High (Rs.)                         | Low (Rs.) |
| April 13     | 4.05                               | 3.31      |
| May 13       | 3.99                               | 3.04      |
| June 13      | 3.85                               | 2.81      |
| July 13      | 3.47                               | 2.81      |
| August 13    | 3.36                               | 2.73      |
| September 13 | 3.36                               | 2.83      |
| October 13   | 4.09                               | 3.01      |
| November 13  | 3.92                               | 3.15      |
| December 13  | 3.82                               | 3.21      |
| January 14   | 4.20                               | 3.22      |
| February 14  | 4.25                               | 3.00      |
| March 14     | 3.74                               | 3.05      |

# BASANT AGRO TECH (INDIA) LIMITED

**9. Registrar & Share Transfer Agent :**

**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.

**10. Distribution Shareholding on 31st March, 2014 :**

| Category     | No. of Shareholders | Percentage    | No. of Shares      | Percentage    |
|--------------|---------------------|---------------|--------------------|---------------|
| 1-500        | 1208                | 24.02         | 3,08,308           | 0.34          |
| 501-1000     | 1668                | 33.17         | 16,30,125          | 1.80          |
| 1001-5000    | 1400                | 27.84         | 39,24,115          | 4.33          |
| 5001-10000   | 343                 | 6.82          | 28,41,776          | 3.14          |
| 10001-100000 | 343                 | 6.82          | 98,52,538          | 10.87         |
| above 100000 | 67                  | 1.33          | 7,20,70,638        | 79.52         |
| <b>Total</b> | <b>5029</b>         | <b>100.00</b> | <b>9,06,27,500</b> | <b>100.00</b> |

**11. Category of shareholding as on 31st March, 2014 :**

| Category                       | No. of Shares held | Percentage    |
|--------------------------------|--------------------|---------------|
| - Promoters and promoter group | 4,95,00,762        | 54.62         |
| - Institutional investors      | 19,000             | 0.02          |
| - Independent director         | 35,000             | 0.04          |
| - Bodies corporate             | 81,78,928          | 9.02          |
| - NRI                          | 8,98,089           | 0.99          |
| - Indian public                | 3,19,95,721        | 35.31         |
| <b>Total</b>                   | <b>9,06,27,500</b> | <b>100.00</b> |

**12. De-materialisation of shares :**

As on 31.03.2014 8,91,66,750 equity shares (98.39% total equity) has been dematerialised.

**13. Transfer of unpaid / unclaimed amounts to Investor Education and Protection Fund (IEPF) :**

Pursuant to the provisions of the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) rules 2012 the Company has uploaded the details of unpaid/unclaimed amounts lying with the Company on the website of Ministry of Corporate Affairs.

**14. CEO / CFO Certification :**

The certificate on financial reporting and internal controls to the Board as required under Clause 49(v) of the listing agreement, as received from Shri. S.C.Bhartia the Chairman & Managing Director of the Company and Mr. N.R. Pathak CFO of the Company were placed before the Board of Directors at their meeting held on 30th May, 2014.

**15. Declaration by the CEO under Clause 49 of the listing agreement regarding adherence to the code of conduct :**

In accordance with Clause 49 sub-clause I(D) of the listing agreement with the stock exchanges I hereby confirm that all the Directors and the senior management personnel of the company have affirmed compliance to their respective code of conduct, as applicable to them for the financial year ended March 31, 2014.

For Basant Agro Tech (I) Ltd

**SHASHIKANT BHARTIA**

Chairman & Managing Director

DIN : 00151358

### Auditors' certificate on corporate governance

We have examined the compliance of conditions of corporate governance by M/s. Basant Agro Tech (I) Limited for the year ended on March 31, 2014, as stipulated in Clause 49 of listing agreement of the Company with the stock exchange. The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has generally complied with the conditions of corporate governance as stipulated in the above mentioned listing agreement. We have been explained that no investor grievances are pending for a period exceeding one month against the company as per the records maintained by the company.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

**FOR P. C. BARADIYA & CO.**

Chartered Accountants  
Firm Reg. No. 101017W

**K. C. Kankariya**

Partner  
M. No. 43951  
Dated : 30th May, 2014  
Place : Mumbai

**FOR P. C. BHANDARI & CO.**

Chartered Accountants  
Firm Reg. No. 114079W

**P. C. Bhandari**

Partner  
M. No. 39710



# INDEPENDENT AUDITOR'S REPORT

To  
**The Members of Basant Agro Tech (India) Limited**  
**Report on the Financial Statements**

We have audited the accompanying financial statements of Basant Agro Tech (I) Ltd (the Company), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information which we have signed under reference to this report.

## Management's Responsibility for the Financial Statements

The Company's management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting standards notified under the Companies Act, 1956 (the Act) read with the general circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the standards on auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2003 (the Order) issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- (2) As required by Section 227(3) of the Act, we report that :
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with Accounting Standards notified under the Act read with the General Circular 15 / 2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
  - (e) On the basis of the written representations received from the directors as on March 31, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of Section 274(1)(g) of the Act.

**FOR P. C. BARADIYA & CO.**

Chartered Accountants  
Firm Reg. No. 101017W

**K. C. Kankariya**

Partner  
M. No. 43951  
Place: Mumbai

**FOR P. C. BHANDARI & CO.**

Chartered Accountants  
Firm Reg. No. 114079W

**P. C. Bhandari**

Partner  
M. No. 39710  
Dated: 30th May, 2014

## Annexure to Independent Auditor's Report

Referred to in Paragraph 1 under the heading of "Report on other legal and regulatory requirements" of our report of even date.

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- (b) As explained to us, all the fixed assets have been physically verified by the management in accordance with the phased programme of verification adopted by the Company. In our opinion, the frequency of verification is

reasonable having regard to the size of the Company and nature of fixed assets. No material discrepancies have been noticed in respect of the assets physically verified during the year.

2. (c) No substantial part of the fixed assets has been disposed off during the year.
- (a) The inventory has been physically verified by the management at reasonable intervals during the year. Inventory lying with third parties and in-transit have been verified with reference to confirmations and subsequent receipt of the goods.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account.
3. (a) The Company has not granted any loans, secured or unsecured, to firms, companies or other parties covered in the register maintained under Section 301 of the Act.
- (b) The Company has taken unsecured loans from 14 parties covered in register maintained under Section 301 of Act. The maximum amount involved during the year and the year end balance of such loans aggregated to Rs. 2130.74 lacs. There were no stipulation as to when the repayment has to be made or when the Interest was payable. In our opinion, the rate of interest and other terms and conditions of such loans are prime facie not prejudicial to the interest of the Company.
4. In our opinion and according to the information and explanations given to us there is adequate internal control system commensurate with size of the Company and the nature of its business for purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control system.
5. (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts and arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that Section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance to contracts or arrangements entered in the register maintained under Section 301 of the Act and aggregating during the year to Rs. 5 lacs or more in respect of each party, have been entered at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from public within the meaning of the Section 58A, 58AA or any other relevant provisions of the Act and rules framed thereunder.
7. In our opinion, the Company has an internal audit system commensurate with the size of the Company and the nature of its business.
8. We have broadly reviewed the cost records of the Company in respect of products maintained pursuant to the Order of the Central Government under Section 209 (1) (d) of the Act and are of the opinion that, prima facie, the prescribed records have been made and maintained. We are, however, not required to make a detailed examination of the records with a view to determine whether they are accurate or complete.
9. (a) The Company is generally regular in depositing the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income tax, Sales tax, Custom Duty, Excise Duty, Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, there are no undisputed statutory dues outstanding as at March 31, 2014 for a period of more than six months from the date they became payable except custom duty demand pending before commissioner customs (Appeals), Mumbai of Rs. 26.46 lacs.
- (b) According to the records of the Company and the information and explanations given to us by the management, there are no dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Wealth Tax, Excise Duty, Cess which have not been deposited on account of any dispute.
10. The Company does not have accumulated losses as at March 31, 2014 and has not incurred cash losses in the financial year ended on that date and in the immediately preceding financial year.
11. The Company has not defaulted in repayment of dues to financial institutions or banks.
12. During the year, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. According to the information & explanation given to us, in our opinion, the term loans were applied for the purpose for which they were obtained.
14. According to the information & explanation given to us, the Company has not given any guarantee for the loan taken by others from banks & financial institutions.
15. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, in our opinion, there are no funds raised on a short term basis which have been used for long term investment.
16. The Company has not raised any money by way of public issue during the year. Therefore the provisions of clause 4(xx) of the order are not applicable to the Company.
17. During the year, no fraud on or by the company has been noticed or reported during the course of our audit.

**FOR P. C. BARADIYA & CO.**

Chartered Accountants  
Firm Reg. No. 101017W

**K. C. Kankariya**

Partner  
M. No. 43951  
Place: Mumbai

**FOR P. C. BHANDARI & CO.**

Chartered Accountants  
Firm Reg. No. 114079W

**P. C. Bhandari**

Partner  
M. No. 39710  
Dated: 30th May, 2014

# BASANT AGRO TECH (INDIA) LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 2014

(₹ in thousands)

|                                   | NOTES | As at<br>31st March, 2014 | As at<br>31st March, 2013 |
|-----------------------------------|-------|---------------------------|---------------------------|
| <b>EQUITY AND LIABILITIES</b>     |       |                           |                           |
| <b>1. Shareholder's funds</b>     |       |                           |                           |
| Share capital                     | 1     | 90628                     | 90628                     |
| Reserves & surplus                | 2     | <u>768416</u>             | <u>610420</u>             |
|                                   |       | <b>859044</b>             | 701048                    |
| <b>2. Non current liabilities</b> |       |                           |                           |
| Long term borrowings              | 3     | 484287                    | 417855                    |
| Deferred tax liability (net)      | 4     | 38507                     | 66585                     |
| Other long term liabilities       | 5     | <u>42324</u>              | <u>35719</u>              |
|                                   |       | <b>565118</b>             | 520159                    |
| <b>3. Current liabilities</b>     |       |                           |                           |
| Short term borrowings             | 6     | 771679                    | 637810                    |
| Trade payables                    | 7     | 458239                    | 584523                    |
| Other current liabilities         | 8     | 183756                    | 156366                    |
| Short term provisions             | 9     | <u>34371</u>              | <u>39032</u>              |
|                                   |       | <b>1448045</b>            | 1417731                   |
| <b>TOTAL</b>                      |       | <b><u>2872207</u></b>     | <b><u>2638938</u></b>     |
| <b>ASSETS</b>                     |       |                           |                           |
| <b>1. Non current assets</b>      |       |                           |                           |
| Fixed assets                      |       |                           |                           |
| Tangible assets                   | 10    | 831962                    | 590246                    |
| Intangible assets                 |       | -                         | -                         |
| Capital work-in-progress          |       | <u>60817</u>              | <u>121282</u>             |
|                                   |       | <b>892779</b>             | 711528                    |
| Non current investment            | 11    | 9                         | 9                         |
| Other non current assets          | 12    | <u>9360</u>               | <u>7456</u>               |
|                                   |       | <b>902148</b>             | 718993                    |
| <b>2. Current assets</b>          |       |                           |                           |
| Inventories                       | 13    | 955776                    | 849003                    |
| Trade receivable                  | 14    | 831122                    | 902245                    |
| Cash and cash equivalents         | 15    | 19647                     | 16631                     |
| Short term loans and advances     | 16    | <u>163514</u>             | <u>152066</u>             |
|                                   |       | <b>1970059</b>            | 1919945                   |
| <b>TOTAL</b>                      |       | <b><u>2872207</u></b>     | <b><u>2638938</u></b>     |

The accompanying notes are forming part of the financial statements  
As per our attached report of even date

For and on behalf of the Board

For **P. C. BARADIYA & CO.**  
*Chartered Accountants*

For **P. C. BHANDARI & CO.**  
*Chartered Accountants*

**S. C. BHARTIA**  
*DIN. : 00151358*

**Chairman &**  
**Managing Director**

**K. C. KANKARIYA**  
*Partner*

**P. C. BHANDARI**  
*Partner*

**D. C. BHARTIA**  
*DIN. : 00151521*

**Managing Director**

Place : Mumbai  
Dated : 30th May, 2014

**P. G. TODANKAR**  
*Company Secretary*

**N. R. PATHAK**  
*Chief Financial Officer*

**S. W. SAWANT**  
*DIN. : 00151604*

**Director**

# BASANT AGRO TECH (INDIA) LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in thousands)

|  | NOTES | 2013-14              | 2012-13              |
|--|-------|----------------------|----------------------|
| <b>INCOME</b>  |       |                      |                      |
| Revenue from operations  | 17    | 3135703              | 2914519              |
| Other income   | 18    | <u>5333</u>          | <u>4966</u>          |
| <b>Total revenue</b>   |       | <b>3141036</b>       | 2919485              |
| <b>EXPENDITURE</b>   |       |                      |                      |
| Cost of raw material consumed                                      | 19    | 2542890              | 2239109              |
| Change in inventories of finished goods, stock in trade            | 20    | (194085)             | (67630)              |
| Employee benefits expenses   | 21    | 56323                | 49327                |
| Finance costs  | 22    | 96542                | 102713               |
| Depreciation & amortisation expenses                               | 23    | 42093                | 48160                |
| Other expenses   | 24    | <u>461461</u>        | <u>417217</u>        |
| <b>Total expenditure</b>   |       | <b>3005224</b>       | 2788896              |
| <b>Profit before tax</b>   |       | <b>135812</b>        | 130589               |
| Less: Tax expenses   |       |                      |                      |
| - Current tax  |       | 20000                | 17500                |
| - Deferred tax   |       | (28078)              | 12018                |
| - Provision for taxation of earlier years & other tax adjustments  | 25    | (21529)              | (3079)               |
| <b>Profit for the year</b>   |       | <u><u>165419</u></u> | <u><u>104150</u></u> |
| <b>Earning per share (Equity share of face value Rs. 1/- each)</b> |       |                      |                      |
| <b>Basic (Rs.)</b>   | 26    | 1.83                 | 1.15                 |
| <b>Diluted (Rs.)</b>   |       | 1.83                 | 1.15                 |

The accompanying notes are forming part of the financial statements  
As per our attached report of even date

For and on behalf of the Board

For **P. C. BARADIYA & CO.**  
*Chartered Accountants*

For **P. C. BHANDARI & CO.**  
*Chartered Accountants*

**S. C. BHARTIA**  
*DIN. : 00151358*

**Chairman &**  
*Managing Director*

**K. C. KANKARIYA**  
*Partner*

**P. C. BHANDARI**  
*Partner*

**D. C. BHARTIA**  
*DIN. : 00151521*

*Managing Director*

Place : Mumbai  
Dated : 30th May, 2014

**P. G. TODANKAR**  
*Company Secretary*

**N. R. PATHAK**  
*Chief Financial Officer*

**S.W. SAWANT**  
*DIN. : 00151604*

*Director*

# BASANT AGRO TECH (INDIA) LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in thousands)

|  | 2013-14  | 2012-13  |
|--|----------|----------|
| <b>A) Cash flow from operating activities :</b>        |          |          |
| <b>Net profit before tax &amp; extraordinary items</b> | 135812   | 130589   |
| Adjusted for :   |          |          |
| Depreciation and amortisation expenses                 | 42093    | 48160    |
| Loss on sale of fixed assets (net)                     | 1201     | 51       |
| Finance costs (net)                                    | 93732    | 100157   |
| <b>Operating profit before working capital changes</b> | 137026   | 148368   |
| Adjusted for :   |          |          |
| Trade and other receivables                            | 71123    | (260292) |
| Inventories  | (106774) | (84578)  |
| Current assets and loans & advances                    | 11591    | (62931)  |
| Trade payables and other liabilities                   | (97746)  | 281629   |
|  | (121806) | (126172) |
| Cash generated from operations                         | 151032   | 152785   |
| Less: Taxes paid (net)                                 | (21558)  | (16500)  |
| <b>Net cash from operating activities</b>              | 129474   | 136285   |
| <b>B) Cash flow from investing activities :</b>        |          |          |
| Purchase of fixed assets & other capital expenditure   | (225991) | (177000) |
| Sale of fixed assets                                   | 1446     | 99       |
| <b>Net cash used in investing activities</b>           | (224545) | (176901) |
| <b>C) Cash flow from financing activities :</b>        |          |          |
| Proceeds from long term and other borrowings           | 200301   | 148273   |
| Dividend paid (including dividend distribution tax)    | (8482)   | (8426)   |
| Interest paid  | (93732)  | (100157) |
| <b>Net cash generated from financing activities</b>    | 98087    | 39690    |
| <b>Net change in cash and cash equivalents (A+B+C)</b> | 3016     | (926)    |
| <b>Cash &amp; cash equivalents - Opening balance</b>   | 16631    | 17557    |
| <b>Cash &amp; cash equivalents - Closing balance</b>   | 19647    | 16631    |

**Notes :**

- The above cash flow statement has been prepared by using the indirect method as per the Accounting Standard 3-Cash flow Statement issued by the Institute of Chartered Accountants of India.
- Previous year's figures have been regrouped / rearranged wherever necessary to conform to the current year's presentation.

The accompanying notes are forming part of the financial statements  
As per our attached report of even date

For and on behalf of the Board

For **P. C. BARADIYA & CO.**  
*Chartered Accountants*

For **P. C. BHANDARI & CO.**  
*Chartered Accountants*

**S. C. BHARTIA**  
*DIN. : 00151358*

**Chairman &**  
*Managing Director*

**K. C. KANKARIYA**  
*Partner*

**P. C. BHANDARI**  
*Partner*

**D. C. BHARTIA**  
*DIN. : 00151521*

*Managing Director*

Place : Mumbai  
Dated : 30th May, 2014

**P. G. TODANKAR**  
*Company Secretary*

**N. R. PATHAK**  
*Chief Financial Officer*

**S. W. SAWANT**  
*DIN. : 00151604*

*Director*



## SIGNIFICANT ACCOUNTING POLICIES

### a. Basis of preparation of financial statements :

- i. The financial statements have been prepared under the historical cost convention in accordance with the applicable accounting principles and comply with notified accounting standards as referred to in Section 211(3C) and other relevant provisions of Companies Act 1956, subject to what is stated herein below, as adopted consistently by Company, according to the circular No. 15/2013 dt. 13/9/2013 read with circular No. 08/2014 dt. 4/4/2014.
- ii. Company generally follows Mercantile System of accounting and recognises significant items of income & expenditure on accrual basis.

### b. Use of estimates :

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year. Actual result could differ from these estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

### c. Fixed assets :

- i. Fixed Assets are stated at cost of acquisition or construction less depreciation. In accordance with the provisions of AS-28, if the carrying amount of fixed assets exceeds the recoverable amount on the reporting date, the carrying amount is reduced to the recoverable amount. The cost of fixed assets includes interest on borrowings attributable to the acquisition of the said fixed assets upto the date of commissioning of that assets.
- ii. The Company assesses at each balance sheet date whether there is any indication that any asset may be impaired. If any such indication exists, the carrying value of such asset is reduced to its estimated recoverable amount and the amount of such impairment loss is charged to profit and loss account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exist, then such loss is reversed and the asset is restated to that effect.

### d. Depreciation and amortisation :

- i. Depreciation on fixed assets is provided on straight line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Leasehold land has not been written off as lease agreement is yet to be executed.
- ii. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the profit & loss account in the year in which an asset is identified as impaired.

### e. Investments :

Investments are classified into current investments and long term investments. Long term investments are valued at cost or below cost whenever there is a diminution in the value thereof (scrip wise) of a permanent nature.

### f. Inventories :

- i. The stock of finished goods, raw materials, stores & spares, packing materials and other consumables are valued at cost or net realisable value whichever is lower. Cost is either average cost or specific identification as applicable.
- ii. Stock in process is valued at estimated cost.

### g. Employee benefits :

- i. Short term employee benefits are recognised as an expense in the profit & loss account of the year in which the related service is tendered.
- ii. Provident fund dues are accounted for on accrual basis.
- iii. In respect of gratuity liability, the company has taken a group policy, premium whereof is paid annually to Life Insurance Corporation of India based on their actuarial valuation. Gratuity liabilities are funded and administered through group gratuity scheme with Life Insurance Corporation of India.

### h. Revenue recognition :

#### Sales :

- 1)
  - i. Sales are inclusive of freight & forwarding charges wherever recoverable from customers.
  - ii. Subsidy on sale of single super phosphate fertilizers receivable from Ministry of Chemicals and Fertilizers credited to subsidy account under the group head sales in the Profit & Loss Account at the time of sale. Subsidy on SSP fertilizers sold in 2013-2014 was Rs. 31.62 Crs. (previous year : 42.51 Crs.)
- 2) Revenue in respect of insurance / other claims, interest etc. is recognised only when it is reasonably certain that the ultimate collection will be made.

### i. Foreign currency transactions :

Transaction denominated in foreign currencies are recorded at the exchange rate prevailing on the date of transaction or that approximates the actual rate, at the date of transaction.

### j. Excise duty / Value Added Tax :

Excise duty is accounted on the basis of payments made in respect of goods cleared. Sales tax / VAT paid is charged to Profit and Loss account.

### k. Research & development expenditure :

- i. Capital expenditure in respect of research & development activity is amortised over the period of three years.
- ii. Revenue expenditure on research and development shown separately in Profit & Loss Account

### l. Taxation :

Provision for the current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961. Income tax expense comprises current tax and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year). The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realized in future and are reviewed for the appropriateness of their respective carrying value at each balance sheet date. Tax credit is recognized in respect of Minimum Alternate Tax (MAT) as per the provisions of Section 115JB of the Income tax Act, 1961 based on convincing evidence that the Company will pay normal income tax within the statutory time frame and is reviewed at each balance sheet date.

### m. Provision for contingent liabilities and contingent assets :

- i. Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be outflow of resources.
- ii. Disclosures for a contingent liability is made, without a provision in books, when there is an obligation that may, but probably will not, require outflow of resources. Contingent assets are neither recognized nor disclosed in the financial statement.

### n. Related party transactions :

All related party transactions are negotiated on arms length basis and are intended to protect the interest of the Company. None of the transaction with any of the related parties was in conflict with the interest of the Company.

# BASANT AGRO TECH (INDIA) LIMITED

## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

( ₹ in thousands)

|  | As at<br>31st March, 2014                    | As at<br>31st March, 2013                    |
|--|--|--|
| <b>NOTE No. 1 : SHARE CAPITAL</b>  |  |  |
| <b>Authorised Share Capital</b>  |  |  |
| 25,00,00,000 Equity shares of Rs. 1/- each<br>(Previous year 25,00,00,000 Equity shares of Rs. 1/- each)   | <u>250000</u>                                | <u>250000</u>                                |
| <b>Issued, Subscribed and Paid up Share Capital</b>  |  |  |
| 9,06,27,500 Equity shares of Rs. 1/- each fully paid up<br>(Previous year 9,06,27,500 equity shares of Rs. 1/- each)   | <u>90628</u>                                 | <u>90628</u>                                 |
| <b>TOTAL</b>   | <u><u>90628</u></u>                          | <u><u>90628</u></u>                          |
|  |  | ( ₹ in thousands)                            |
|  | <b>No. of<br/>Shares    Amount</b>           | <b>No. of<br/>Shares    Amount</b>           |
| <b>- Reconciliation of Shares:</b>   |  |  |
| Opening at the beginning of the year   | 90627500    90628                            | 90627500    90628                            |
| Add: Equity shares issued during the<br>year on conversion of warrants   | —    —                                       | —    —                                       |
| Add: Rights / Bonus shares issued  | —    —                                       | —    —                                       |
| Less: Buy back of shares   | —    —                                       | —    —                                       |
| Less: Reduction in capital   | —    —                                       | —    —                                       |
| Outstanding at the end of the year   | 90627500    90628                            | 90627500    90628                            |
| - List of share holders having 5% or more shares (In Nos)  |  |  |
| <b>Name of Shareholders</b>  | <b>In Nos    In %</b>                        | <b>In Nos    In %</b>                        |
| (i) Arcadia share & Stock Brokers Pvt. Ltd.  | 5178390    5.71                              | 5166100    5.70                              |
| (ii) Shri. S.C. Bhartia  | 8322630    9.18                              | 8322630    9.18                              |
| (iii) Shri. D.C. Bhartia   | 8303830    9.16                              | 8303830    9.16                              |
| (iv) Shri. C.L. Jhunjhnuwala   | 6692170    7.38                              | 6692170    7.38                              |
| <b>Rights attached to equity shares</b>  |  |  |
| The Company has only one class of equity share of face value of Rs. 1/-per share.Each holder of equity share is entitled to 1 vote per share. The company declares and pays dividend on equity shares in Indian Rupee and the dividend proposed by the board is subject to approval of shareholders in the ensuing Annual General Meeting. |  |  |
|  |  | ( ₹ in thousands)                            |
| <b>NOTE No. 2 : RESERVES AND SURPLUS</b>   | <b>As at<br/>31st March, 2014</b>            | <b>As at<br/>31st March, 2013</b>            |
| <b>Capital Reserve</b>   |  |  |
| Balance as per last Balance Sheet  | 3254   | 3254   |
| <b>Securities Premium Account</b>  |  |  |
| Balance as per last Balance Sheet  | 146287                                       | 146287                                       |
| Add : Addition during the year   | <u>—</u>                                     | <u>—</u>                                     |
|  | 146287                                       | 146287                                       |
| <b>General Reserve</b>   |  |  |
| Balance as per last Balance Sheet  | 48275  | 44775  |
| Add : Transferred from the Profit & Loss Account   | <u>3500</u>                                  | <u>3500</u>                                  |
|  | 51775  | 48275  |
| <b>Profit and Loss Account</b>   |  |  |
| Balance as per last Balance Sheet  | 412604                                       | 320436                                       |
| Add : Profit for the year  | 165419                                       | 104150                                       |
| Less : Proposed dividend on equity shares<br>(Rs. 0.70 per share) (Previous year Rs. 0.80 per share)   | <u>6344</u>                                  | <u>7250</u>                                  |
| Less : Tax on dividend   | 1079   | 1232   |
| Less : Transfer to general reserves  | <u>3500</u>                                  | <u>3500</u>                                  |
| <b>TOTAL</b>   | <u><u>567100</u></u><br><u><u>768416</u></u> | <u><u>412604</u></u><br><u><u>610420</u></u> |

# BASANT AGRO TECH (INDIA) LIMITED

## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in thousands)

|   | As at<br>31st March, 2014 | As at<br>31st March, 2013 |                      |                      |
|---|---------------------------|---------------------------|----------------------|----------------------|
| <b>NOTE No. 3 : LONG TERM BORROWINGS</b>  |                           |                           |                      |                      |
| <b>SECURED</b>  |                           |                           |                      |                      |
| - Term Loan from State Bank of India<br>[Secured by way of mortgage of fixed assets of the Company and out of which Rs. NIL (previous year Rs. 1072 lacs) has been converted into FCNR(B) term loan.] | 198743                    | 169384                    |                      |                      |
| - Vehicle Loan<br>(Secured by way of hypothecation of vehicle financed)   | <u>2470</u>               | <u>3666</u>               |                      |                      |
|   | <b>201213</b>             | 173050                    |                      |                      |
| <b>UNSECURED</b>  |                           |                           |                      |                      |
| Intercorporate deposits   | 70000                     | 100000                    |                      |                      |
| From promoter   | <u>213074</u>             | <u>144805</u>             |                      |                      |
|   | <b>283074</b>             | 244805                    |                      |                      |
| <b>TOTAL</b>  | <b><u>484287</u></b>      | <b><u>417855</u></b>      |                      |                      |
| <b>Maturity Profile</b>   |                           |                           |                      |                      |
|   | <b>2015-16</b>            | <b>2016-17</b>            | <b>2017-18</b>       | <b>2018-19</b>       |
| Term loan   | 55072                     | 63076                     | 51081                | 28092                |
| <b>NOTE No. 4 : DEFERRED TAX LIABILITY (NET)</b>  |                           |                           |                      |                      |
| - Deferred tax liabilities  |                           |                           |                      |                      |
| Balance as per last Balance Sheet   | 66585                     |                           |                      | 54567                |
| Add: Addition during the year<br>(Related to fixed assets)  | <u>(28078)</u>            |                           |                      | <u>12018</u>         |
|   |                           |                           | <b>38507</b>         | 66585                |
| - Deferred tax assets   |                           |                           | <u>—</u>             | <u>—</u>             |
| <b>TOTAL</b>  |                           |                           | <b><u>38507</u></b>  | <b><u>66585</u></b>  |
| <b>NOTE No. 5 : OTHER LONG TERM LIABILITY</b>   |                           |                           |                      |                      |
| - Deposits from dealers & customers   |                           |                           | 36020                | 35719                |
| - Creditors for fixed assets  |                           |                           | <u>6304</u>          | <u>—</u>             |
| <b>TOTAL</b>  |                           |                           | <b><u>42324</u></b>  | <b><u>35719</u></b>  |
| <b>NOTE No. 6 : SHORT TERM BORROWINGS</b>   |                           |                           |                      |                      |
| <b>- Secured (Loans repayable on demand)</b>  |                           |                           |                      |                      |
| <b>Cash Credit from banks</b>   |                           |                           |                      |                      |
| - Secured by way of hypothecation of present and future stock & book debts and charge over fixed assets of the Company  |                           |                           | 768778               | 634054               |
| - Out of which Rs. 482 lacs (previous year Rs. 3182 lacs) has been related to FCNR (B) demand loan / buyer's credit   |                           |                           |                      |                      |
| <b>Overdrafts from Banks</b>  |                           |                           |                      |                      |
| - Overdrafts from the Banks are against the fixed deposits pledged with them  |                           |                           | 2901                 | 3756                 |
| <b>TOTAL</b>  |                           |                           | <b><u>771679</u></b> | <b><u>637810</u></b> |
| <b>NOTE No. 7 : TRADE PAYABLES</b>  |                           |                           |                      |                      |
| Total trade payables (*)  |                           |                           | 458239               | 584523               |
| <b>TOTAL</b>  |                           |                           | <b><u>458239</u></b> | <b><u>584523</u></b> |

(\*) The company has not received any intimation from the supplier regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures if any relating to amounts unpaid as at the year end together with the interest paid / payable as required under the said Act have not been given.

# BASANT AGRO TECH (INDIA) LIMITED

## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in thousands)

|   | As at<br>31st March, 2014 | As at<br>31st March, 2013 |
|---|---------------------------|---------------------------|
| <b>NOTE No. 8 : OTHER CURRENT LIABILITIES</b> |                           |                           |
| - Unclaimed dividends                         | 462                       | 363                       |
| - Advances from customers                     | 136821                    | 114249                    |
| - Other liabilities                           |                           |                           |
| Current maturities of long term borrowings    | 46473                     | 41754                     |
| <b>TOTAL</b>                                  | <b><u>183756</u></b>      | <b><u>156366</u></b>      |
| <b>NOTE No. 9 : SHORT TERM PROVISIONS</b>     |                           |                           |
| Provision for expenses                        | 13262                     | 18719                     |
| Provision for taxation (net)                  | 13687                     | 11831                     |
| Proposed dividend                             | 6344                      | 7250                      |
| Tax on dividend                               | 1078                      | 1232                      |
| <b>TOTAL</b>                                  | <b><u>34371</u></b>       | <b><u>39032</u></b>       |

### NOTE No. 10 : FIXED ASSETS

(₹ in thousands)

| PARTICULARS                 | GROSS BLOCK       |          |            | DEPRECIATION / AMORTISATION |                     |                 |                           | NET BLOCK           |                     |                     |
|-----------------------------|-------------------|----------|------------|-----------------------------|---------------------|-----------------|---------------------------|---------------------|---------------------|---------------------|
|                             | As at<br>1.4.2013 | Addition | Deductions | As at<br>31.03.2014         | As at<br>31.03.2013 | For the<br>year | Deductions<br>/adjustment | As at<br>31.03.2014 | As at<br>31.03.2014 | As at<br>31.03.2013 |
| <b>A. Tangible assets</b>   |                   |          |            |                             |                     |                 |                           |                     |                     |                     |
| Freehold land               | 71313             | 3638     | —          | 74951                       | —                   | —               | —                         | —                   | 74951               | 71313               |
| Leasehold land              | 3400              | —        | —          | 3400                        | —                   | —               | —                         | —                   | 3400                | 3400                |
| Buildings                   | 414541            | 193901   | —          | 608442                      | 95985               | 11086           | —                         | 107071              | 501371              | 318556              |
| Plant & machinery           | 329987            | 83646    | 3450       | 410183                      | 157708              | 27138           | 239                       | 184607              | 225576              | 172279              |
| Furniture & fixtures        | 5867              | 39       | —          | 5906                        | 4632                | 338             | —                         | 4970                | 936                 | 1235                |
| Vehicles                    | 35822             | 7733     | 3200       | 40355                       | 12359               | 3531            | 1263                      | 14627               | 25728               | 23463               |
| <b>Total</b>                | 860930            | 288957   | 6650       | 1143237                     | 270684              | 42093           | 1502                      | 311275              | 831962              | 590246              |
| <b>B. Intangible assets</b> | -                 | -        | -          | -                           | -                   | -               | -                         | -                   | -                   | -                   |
| Previous year               | 736873            | 131046   | 6989       | 860930                      | 222598              | 48160           | 74                        | 270684              | 590246              | 514275              |
| Capital work-in progress    |                   |          |            |                             |                     |                 |                           |                     | 60817               | 121282              |

**Note :** Lease hold land has been acquired from M/s Suzlon for the period of 30 years.

(₹ in thousands)

### NOTE No. 11 : NON CURRENT INVESTMENT

|  | Face Value<br>Rs. | As at<br>31.03.2014 |                 | As at<br>31.03.2013 |                 |
|--|-------------------|---------------------|-----------------|---------------------|-----------------|
|  |                   | Nos.                | Amount          | Nos.                | Amount          |
| <b>Long -Term Investments</b>          |                   |                     |                 |                     |                 |
| <b>Trade Investments :</b>             |                   |                     |                 |                     |                 |
| <b>Quoted - fully paid up - Equity</b> |                   |                     |                 |                     |                 |
| Nagarjuna Fertilizers & Chemicals Ltd. | 1                 | 110                 | 2               | 110                 | 2               |
| Nagarjuna Oil Refinery Ltd.            | 1                 | 100                 | 2               | 100                 | 2               |
| Oswal Chemicals & Fertilizers Ltd.     | 10                | 50                  | 1               | 50                  | 1               |
| Rashtriya Chemical & Fertilizers Ltd.  | 10                | 100                 | 4               | 100                 | 4               |
| <b>Total non-current investment</b>    |                   |                     | <b><u>9</u></b> |                     | <b><u>9</u></b> |
| Market Value of Quoted Investments     |                   |                     | 5               |                     | 5               |

### NOTE No. 12 : LONG TERM LOANS AND ADVANCES

|                    |  |                    |                    |
|--------------------|--|--------------------|--------------------|
| Advance income tax |  | 295                | —                  |
| Sundry deposits    |  | 9065               | 7456               |
| <b>TOTAL</b>       |  | <b><u>9360</u></b> | <b><u>7456</u></b> |



# BASANT AGRO TECH (INDIA) LIMITED

## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in thousands)

|   | NOTES        | As at<br>31st March, 2014                      | As at<br>31st March, 2013                      |
|---|--------------|--|--|
| <b>NOTE No. 13 : INVENTORIES</b>  |              |  |  |
| (Valued at lower of cost or net realisable value)                             |              |  |  |
| Raw materials   |              | 380252   | 486797   |
| Packing material  |              | 47203  | 30119  |
| Stock-in-process  |              | 633  | 588  |
| Stock in trade  |              | 521514   | 327625   |
| Stores and spares and other consumables                                       |              | 6174   | 3874   |
|   | <b>TOTAL</b> | <u>955776</u>                                  | <u>849003</u>                                  |
| <b>NOTE No. 14 : TRADE RECEIVABLES</b>  |              |  |  |
| Over six months-considered good   |              | 2171   | 6263   |
| Others-considered good  |              | 828951   | 895982   |
|   | <b>TOTAL</b> | <u>831122</u>                                  | <u>902245</u>                                  |
| <b>NOTE No. 15 : CASH AND BANK BALANCES</b>                                   |              |  |  |
| <b>Cash and Cash Equivalents</b>  |              |  |  |
| Cash on hand  |              | 2345   | 3372   |
| Balance with banks  |              |  |  |
| - In current accounts   |              | 6999   | 3387   |
| - In fixed deposit accounts   |              | 10303  | 9872   |
|   |              | <u>17302</u>                                   | <u>13259</u>                                   |
|   | <b>TOTAL</b> | <u>19647</u>                                   | <u>16631</u>                                   |
| <b>NOTE No. 16 : SHORT TERM LOANS AND ADVANCES &amp; OTHER CURRENT ASSETS</b> |              |  |  |
| (Unsecured and considered good)   |              |  |  |
| Advances to suppliers   |              | 114561   | 113975   |
| Prepaid expenses  |              | 1140   | 1107   |
| Advances - staff and others   |              | 3862   | 7999   |
| Other current assets  |              | 43951  | 28985  |
|   | <b>TOTAL</b> | <u>163514</u>                                  | <u>152066</u>                                  |
|   |              | <b>For the year ended<br/>31st March, 2014</b> | <b>For the year ended<br/>31st March, 2013</b> |
| <b>NOTE No. 17 : REVENUE FROM OPERATIONS</b>                                  |              |  |  |
| <b>Indigenous Sales</b>   |              |  |  |
| Sale of Products  |              | 3166792  | 3005985  |
| Income from windmills   |              | 13771  | 14925  |
| Income from warehouse   |              | 8174   | 4333   |
| less: Excise duty   |              | <u>(17587)</u>                                 | <u>(17630)</u>                                 |
|   |              | 3171150  | 3007613  |
| less: Interdivisional sales   |              | <u>(35447)</u>                                 | <u>(93094)</u>                                 |
|   | <b>TOTAL</b> | <u>3135703</u>                                 | <u>2914519</u>                                 |
| <b>NOTE No. 17.1 : PARTICULARS OF SALE OF PRODUCTS</b>                        |              |  |  |
| Fertiliser  |              | 2028073  | 2005180  |
| Seeds   |              | 1093859  | 890081   |
| Others  |              | 13771  | 19258  |
|   | <b>TOTAL</b> | <u>3135703</u>                                 | <u>2914519</u>                                 |
| <b>NOTE No. 18 : OTHER INCOME</b>   |              |  |  |
| Interest on deposits  |              | 2811   | 2556   |
| Profit on sale of assets  |              | —  | —  |
| Rent received   |              | 746  | —  |
| Insurance claim received  |              | 383  | 598  |
| Misc income   |              | 1393   | 1812   |
|   | <b>TOTAL</b> | <u>5333</u>                                    | <u>4966</u>                                    |

# BASANT AGRO TECH (INDIA) LIMITED

## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in thousands)

|   | For the year ended<br>31st March, 2014 | For the year ended<br>31st March, 2013 |
|---|--|--|
| <b>NOTE No. 19 : COST OF MATERIAL CONSUMED</b>                                |  |  |
| Raw materials consumption (Refer Note No. 19.1)                               | 1588456                                | 1507017                                |
| Traded goods purchased  | 954434                                 | 732092                                 |
| <b>TOTAL</b>  | <b><u>2542890</u></b>                  | <b><u>2239109</u></b>                  |
| <b>NOTE No. 19.1 : RAW MATERIAL CONSUMPTION COMPRISE</b>                      |  |  |
| - Straight fertilisers  | 856132                                 | 642328                                 |
| - Rock phosphate  | 609907                                 | 708978                                 |
| - Spent sulphuric acid  | 102693                                 | 128087                                 |
| - 98% sulphuric acid  | 6528                                   | 15533                                  |
| - Others  | 13196                                  | 12091                                  |
| <b>TOTAL</b>  | <b><u>1588456</u></b>                  | <b><u>1507017</u></b>                  |
| <b>NOTE No. 20 : CHANGE IN INVENTORIES OF FINISHED GOODS STOCK IN PROCESS</b> |  |  |
| <b>Stock at commencement</b>  |  |  |
| Stock-in-process  | 588                                    | 588                                    |
| Finished goods  | <u>327474</u>                          | <u>259844</u>                          |
|   | 328062                                 | 260432                                 |
| <b>Less: Stock at close</b>   |  |  |
| Stock-in-process  | 633                                    | 588                                    |
| Finished goods  | <u>521514</u>                          | <u>327474</u>                          |
| <b>TOTAL</b>  | <b><u>522147</u></b>                   | <b><u>328062</u></b>                   |
| <b>TOTAL</b>  | <b><u>(194085)</u></b>                 | <b><u>(67630)</u></b>                  |
| <b>NOTE No. 21 : EMPLOYEE BENEFITS EXPENSES</b>                               |  |  |
| Salaries, wages, bonus etc.   | 44817                                  | 38068                                  |
| Contribution to P.F, E.S.I.C. and other statutory funds                       | 1457                                   | 1317                                   |
| Workmen and staff welfare expenses  | 10049                                  | 9942                                   |
| <b>TOTAL</b>  | <b><u>56323</u></b>                    | <b><u>49327</u></b>                    |
| <b>NOTE No. 22 : FINANCE COSTS</b>  |  |  |
| <b>Interest Expense</b>   |  |  |
| Interest on term loan   | 20478                                  | 26874                                  |
| Interest on working capital   | 52317                                  | 54057                                  |
| Other borrowing costs   | 23747                                  | 21782                                  |
| <b>TOTAL</b>  | <b><u>96542</u></b>                    | <b><u>102713</u></b>                   |
| <b>NOTE No. 23 : DEPRECIATION AND AMORTISATION EXPENSES</b>                   |  |  |
| Depreciation and amortisation (Refer Note No. 10)                             | 42093                                  | 48160                                  |
| <b>TOTAL</b>  | <b><u>42093</u></b>                    | <b><u>48160</u></b>                    |
| <b>NOTE No. 24 : OTHER EXPENSES</b>   |  |  |
| <b>Manufacturing expenses</b>   |  |  |
| Store, spares and consumables   | 43712                                  | 31076                                  |
| Packing materials   | 65999                                  | 57578                                  |
| Labour and processing charges   | 31706                                  | 30713                                  |
| Power and fuels   | 42731                                  | 40440                                  |
| Repairs to buildings  | 7283                                   | 7847                                   |
| Repairs to machinery  | 8374                                   | 8084                                   |
| Insurance   | 3150                                   | 2896                                   |
| Research and development expenses   | 6720                                   | 5575                                   |
| Seeds processing charges (net)  | 3734                                   | 898                                    |
| Agricultural expenses   | <u>4051</u>                            | <u>5343</u>                            |
|   | 217460                                 | 190450                                 |

# BASANT AGRO TECH (INDIA) LIMITED

## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in thousands)

|   | For the year ended<br>31st March, 2014 | For the year ended<br>31st March, 2013 |
|---|--|--|
| <b>Administrative and other expenses</b>  |  |  |
| Rent  | 4520                                   | 1233                                   |
| Rates and taxes   | —                                      | 1028                                   |
| Payment to statutory auditors   |  |  |
| - Audit fees  | 100                                    | 100                                    |
| - Tax audit fees  | 17                                     | 17                                     |
| - Other matters   | 10                                     | 10                                     |
| Loss on sale of investments   | —                                      | —                                      |
| Loss on sale of assets  | 1201                                   | 51                                     |
| Misc expenses   | 27344                                  | 24103                                  |
| Office expenses   | 6006                                   | 6695                                   |
| Legal expenses  | 5213                                   | 4276                                   |
| Other repairs   | 5206                                   | 6113                                   |
| Printing and stationery   | 2530                                   | 2230                                   |
| Security & other charges  | 8195                                   | 14148                                  |
|   | <b>60342</b>                           | <b>60004</b>                           |
| <b>Selling &amp; distribution expenses</b>  |  |  |
| Freight   | 121832                                 | 108275                                 |
| Travelling  | 17022                                  | 20480                                  |
| Selling and distribution expenses   | 44805                                  | 38008                                  |
|   | <b>183659</b>                          | <b>166763</b>                          |
| <b>TOTAL</b>  | <b>461461</b>                          | <b>417217</b>                          |
| <b>NOTE No. 25 : PROVISION FOR TAXATION FOR EARLIER YEARS AND TAX ADJUSTMENTS</b> |  |  |
| - Provision for taxation of earlier years   | 3118                                   | (3079)                                 |
| - MAT credit for current year   | (7517)                                 | —                                      |
| - MAT credit for earlier years  | (17130)                                | —                                      |
|   | <b>(21529)</b>                         | <b>(3079)</b>                          |
| <b>NOTE No. 26 : EARNING PER SHARE (EPS)</b>                                      |  |  |
| - Profit after tax (in thousand)  | 165419                                 | 104150                                 |
| - Number of equity shares   | 9,06,27,500                            | 9,06,27,500                            |
| - Number of equity shares (weighed average)                                       | 9,06,27,500                            | 9,06,27,500                            |
| - Face value of equity share (Rs.)  | 1                                      | 1                                      |
| - Basic earning per share (Rs.)   | 1.83                                   | 1.15                                   |
| - Diluted earning per share (Rs.)   | 1.83                                   | 1.15                                   |

### NOTE No. 27 : SEGMENT REPORTING

(₹ in thousands)

| Particulars                           | Fertilisers |         | Seeds   |         | Windmill |         | Total          |                |
|---------------------------------------|-------------|---------|---------|---------|----------|---------|----------------|----------------|
|                                       | 2013-14     | 2012-13 | 2013-14 | 2012-13 | 2013-14  | 2012-13 | 2013-14        | 2012-13        |
| <b>Segment Revenue</b>                |             |         |         |         |          |         |                |                |
| Gross sales                           | 2063520     | 2098274 | 1093859 | 890081  | 13771    | 14925   | 3171150        | 3007613        |
| Less: Interdivisional sales           | 35447       | 93094   | —       | —       | —        | —       | 35447          | 93094          |
| Net sales                             | 2028073     | 2005180 | 1093859 | 890081  | 13771    | 14925   | 3135703        | 2914519        |
| Other income                          | 4356        | 8610    | 977     | 689     | —        | —       | 5333           | 4966           |
| <b>Segment Results</b>                |             |         |         |         |          |         |                |                |
| Profit before interest & depreciation | 191117      | 202248  | 72850   | 66486   | 10480    | 12728   | 274447         | 281462         |
| Less: Interest                        | 87521       | 95592   | 8688    | 6076    | 333      | 1045    | 96542          | 102713         |
| Less: Depreciation                    | 23933       | 30569   | 2700    | 2131    | 15460    | 15460   | 42093          | 48160          |
| <b>Profit before tax</b>              | 79663       | 76087   | 61462   | 58279   | (5313)   | (3777)  | 135812         | 130589         |
| <b>Segment assets</b>                 | 2320620     | 2229220 | 471076  | 320602  | 60855    | 78146   | 2852551        | 2627968        |
| Unallocable assets                    |             |         |         |         |          |         | 19656          | 10970          |
| Total assets                          |             |         |         |         |          |         | <b>2872207</b> | <b>2638938</b> |
| <b>Segment liabilities</b>            | 609220      | 674366  | 233576  | 305114  | 5        | 11214   | 842801         | 990694         |
| Unallocable liabilities               |             |         |         |         |          |         | 2029406        | 1648244        |
| Total liabilities                     |             |         |         |         |          |         | <b>2872207</b> | <b>2638938</b> |

# BASANT AGRO TECH (INDIA) LIMITED

## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in thousands)

|  | For the year ended<br>31st March, 2014 | For the year ended<br>31st March, 2013 |
|--|--|--|
| <b>NOTE No. 28 : CONTINGENT LIABILITIES</b>  |  |  |
| Contingent liabilities not provided for Custom duty demand pending before commissioner customs (Appeals), Mumbai | 26.46                                  | Nil                                    |
| <b>NOTE No. 29 : VALUE OF IMPORTS (ON CIF BASIS) &amp; EARNINGS</b>  |  |  |
| (a) - Raw materials:   | 292276                                 | 392326                                 |
| - Stores & spares & capital goods  | Nil                                    | Nil                                    |
| (b) Earning in foreign exchange  | Nil                                    | Nil                                    |

### NOTE No. 30 : RELATED PARTY DISCLOSURE

List of related parties with whom transactions have taken place during the year :

1. **Associate** : M/s. Basant Seeds, M/s. Ashwin & Co.
2. **Key managerial personnel** : Shri. Shashikant C. Bhartia - Chairman & Managing Director  
Shri. Deepak C. Bhartia - Managing Director  
Shri. Ashwin Bhartia - Executive Director.

### 3. Nature of transaction :

(₹ in thousands)

| Transactions                             | Associates |         | Key managerial personnel |         | Others  |         |
|--|------------|---------|--------------------------|---------|---------|---------|
|  | 2013-14    | 2012-13 | 2013-14                  | 2012-13 | 2013-14 | 2012-13 |
| Finance cost                             | —          | —       | 9383                     | 4809    | 4509    | 6432    |
| Rent paid                                | —          | —       | 1804                     | 1034    | 409     | 199     |
| Remuneration to key managerial personnel | —          | —       | 6930                     | 5640    | 1740    | 1600    |
| Seeds processing charges                 | —          | 919     | —                        | —       | —       | —       |
| Trade (payable) / receivable             | —          | 15004   | —                        | —       | —       | —       |
| Revenue from operations                  | 553168     | 245257  | —                        | —       | —       | —       |
| Purchases / material consumed            | 9117       | 301814  | —                        | —       | —       | —       |
| Loans and advances (net)                 | —          | —       | 114389                   | 105883  | 98685   | 38923   |

#### Notes :

- (i) No amounts in respect of related parties have been written off / written back or provided for during the year.
- (ii) Related party relationship have been identified by the management and relied upon by the auditors.

### NOTE No. 31 : FOREIGN CURRENCY EXPOSURE RELATES TO FCNR (B) BORROWING / BUYER'S CREDIT

| Particulars | 2013-14 |                  | 2012-13 |                  |
|-------------|---------|------------------|---------|------------------|
|             | USD     | Rs. in Thousands | USD     | Rs. in Thousands |
| Hedged      | 789637  | 48168            | 7795599 | 425410           |
| Unhedged    | —       | —                | —       | —                |

### NOTE No. 32 : PARTICULARS OF MATERIAL CONSUMED

|                              | 2013-14          |            | 2012-13          |            |
|------------------------------|------------------|------------|------------------|------------|
|                              | Rs. in Thousands | Percentage | Rs. in Thousands | Percentage |
| Raw material (Imported)      | 292276           | 18.40      | 392326           | 26.03      |
| Raw material (Indigenous)    | 1296180          | 81.60      | 1114691          | 73.97      |
| Stores & spares (Indigenous) | 43712            | 100.00     | 31076            | 100.00     |

### NOTE No. 33 :

Previous year's figures / published financial results have been regrouped and reclassified wherever necessary to correspond with the current years' classification / disclosures.



**BASANT AGRO TECH (INDIA) LIMITED**

**CIN: L24120MH1990PLC058560**

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

Tel.: 0724-2426321. Fax: 0724-2426325. www. basantagro.com

**PROXY FORM**

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member (s): \_\_\_\_\_

Registered Address: \_\_\_\_\_

Email Id: \_\_\_\_\_

Folio No./Client Id No.: \_\_\_\_\_ DP ID No. \_\_\_\_\_

I/We, members of Basant Agro Tech ( I ) Ltd holding equity shares of Face value of Re. 1/- each hereby appoint:

1. Name: \_\_\_\_\_ Email Id. \_\_\_\_\_

Registered Address: \_\_\_\_\_

\_\_\_\_\_  
Signature \_\_\_\_\_ or failing him

2. Name: \_\_\_\_\_ Email Id. \_\_\_\_\_

Registered Address: \_\_\_\_\_

\_\_\_\_\_  
Signature \_\_\_\_\_ or failing him

3. Name: \_\_\_\_\_ Email Id. \_\_\_\_\_

Registered Address: \_\_\_\_\_

\_\_\_\_\_  
Signature \_\_\_\_\_

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Twenty fourth Annual General Meeting of the Company to be held on Saturday, 27th September, 2014 at 4.00 A.M. at Krishi Sanjivani Office, Opp. Nagar Parishad, Akola - 444 001, Maharashtra and at any adjournment thereof in respect of such resolutions as are indicated below :

1. Adoption of the audited financial statements of the Company for the year ended March 31, 2014 together with the Reports of the Directors and Auditors thereon.
2. Declaration of dividend on equity shares.
3. Re-appointment of Mr. A.N. Bhartia as a Director of the Company who retires by rotation.
4. Appointment of Statutory Auditors.
5. Re-appointment of Mr. S.W. Sawant as an Independent Director.
6. Re-appointment of Mr. R.S. Tayade as an Independent Director.
7. Re-appointment of Dr. B.G. Bathkal as an Independent Director.
8. Appointment of Mrs. M.M. Khandelwal as an Independent Director.
9. Ratification of the remuneration of the Cost Auditors for the financial year ending March 31, 2015.
10. Approval for related party transactions.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014

Signature of the shareholder \_\_\_\_\_

Signature of proxyholder(s) \_\_\_\_\_

Affix  
1.00 Rupee  
Revenue  
Stamp

**NOTES :**

1. This Form in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

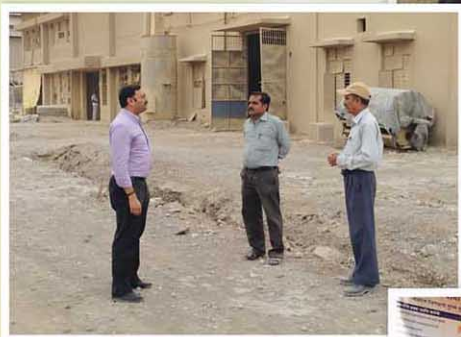
TEAR HERE





Shri. Shashikant Bhartia, Chairman & Managing Director  
Shri. Deepak Bhartia, Managing Director  
on the occasion of Inauguration of Deaf &  
Dumb School at Pandharpur by  
Hon'ble Shri. Paricharak (Ex MLA) (CSR Activity)

Shri. Akshay Bhartia, President  
of Company at meeting  
with delegates at seeds  
research station



Shri. Ashwin Bhartia, Executive Director  
with Shri. S. P. Singh Works Manager  
at SSP plant at Akola

Shri. Deepak Bhartia, Managing Director  
& Shri. Ankush Bhartia, Vice President  
at free Eye check up Camp  
by Company at Akola(CSR Activity)



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