

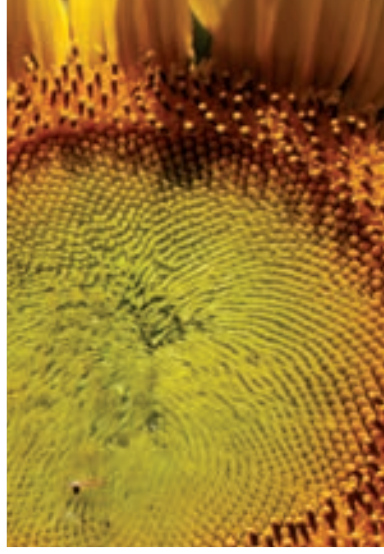
**Advanta Limited**  
(formerly Advanta India Limited)

**20<sup>th</sup> Annual Report**



Expanding Globally... Regional Focus





## Index

### **CORPORATE INFORMATION**

Company Profile	04
Global Presence	06
Performance Highlights	08
CEO's Message	10
Research & Development	12
Brand Advanta	14
Seed Production	16
Vegetable Seeds Business	20
A Look at Asia-Africa Business	25
HR	28
CSR Activities	29
GM Activities	33
Board of Directors & Management	34
Notice	36
Directors' Report	44
Management Discussion and Analysis Report	52
Report on Corporate Governance	61

### **STANDALONE FINANCIAL STATEMENTS**

Auditors' Report	89
Balance Sheet	94
Statement of Profit & Loss	95
Cash Flow Statement	96
Notes to Financial Statements	98
Statement pursuant to Section 212 of the Companies Act, 1956	134
Abridged Financial Information of Subsidiaries	135

### **CONSOLIDATED FINANCIAL STATEMENTS**

Auditors' Report	137
Balance Sheet	140
Statement of Profit & Loss	141
Cash Flow Statement	142
Notes to Financial Statements	144

Form of Proxy and Attendance Slip





# About Advanta

Advanta is an Indian Plant Genetics company with a global presence. We are present in Asia, Africa, Australia, South America, North America and Europe. We export high quality seeds to about 25 other countries. Advanta is a world leader in sorghum (grain, forages and sweet) and has a strong position in tropical corn, sunflower, canola, sweet corn and vegetables. Advanta is currently embarking upon a very aggressive growth strategy in the emerging markets of Africa, Asia and Latin America.

## Our Values

Our Values are our unstinted commitment to our stakeholders

- Innovation
- Agility
- Respect
- Excellence

Trust, integrity and transparency are imbibed in our conduct.

## Purpose

Our superior germplasm combined with technology and bioscience capability gives us a robust platform for growth. While continuing with traditional breeding principles, we have adopted technological advancements for our crop research. At the core of our heart, we believe that it is our purpose to deliver value to the farmers and help them in increasing their yields.

## Our Vision

Driving Sustained Growth through World-Class Plant Genetics & Innovative Technology.

While our purpose statement indicates why we exist, our vision statement conveys our strategy, intent, objective and the driving force to accomplish our vision.

## Strategy

Create / Acquire breakthrough products

Focus on high quality production

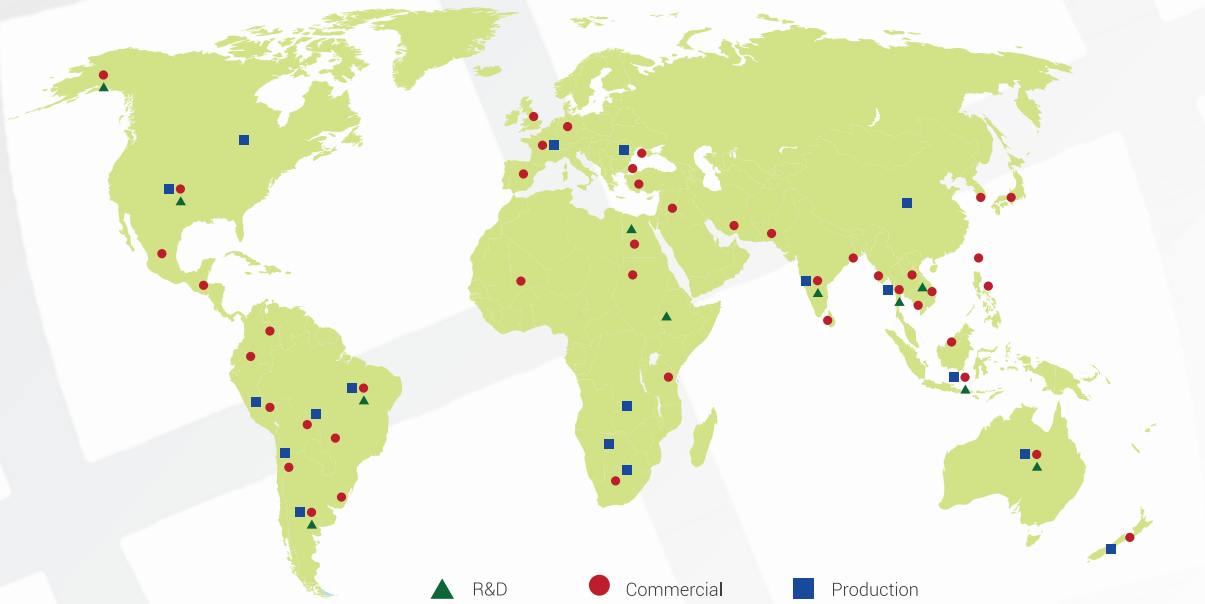
Market aggressively aimed at customer satisfaction

Maintain high level of operational efficiency and

Retain talent through a transparent Performance Management System

- Resulting in a profitable & cash rich business

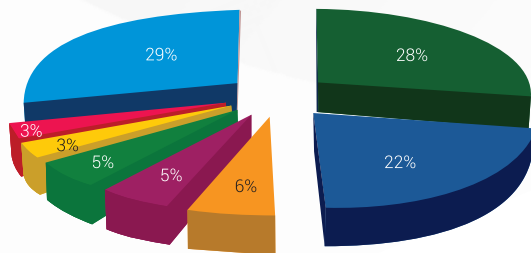
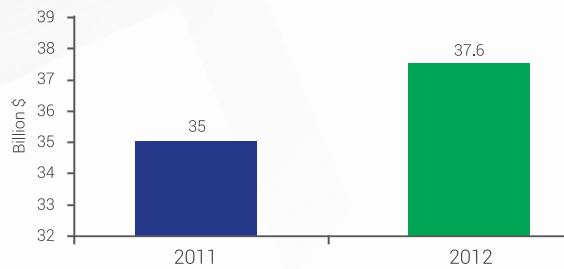
# A Global Presence



## Global Commercial Seed Market Size

### Global Seed Market Value

Total seed market size - 37.6 Billion \$  
Global annual growth rate - 8.8%



## Global Commercial Seed Market - Breakdown by Country



Source: Global Seed Market Report 2013- Philipps McDougal

## Acquisitions

Strategic acquisitions have given an edge to Advanta in terms of market access and portfolio expansion. We have successfully completed six acquisitions.

### ACQUISITIONS FROM 2007 - 2010

COMPANY	COUNTRY	CROP	FROM
Longreach	Australia	Wheat	Syngenta
Golden and Unicorn	India	Vegetables	Promoter
Garrison Townsend	USA	Sorghum	Promoter
Advanta Pacific	USA	Sunflower	Limagrain
Crosbyton Seed	USA	Sorghum	Promoters

ADVANTA IS A UNIQUE PLACE WHERE MODERN SCIENCE CO-EXISTS WITH TRADITIONAL VALUES

## Global Manpower Strength

R&D	Admin & HR	Finance	IT	Production	Processing	Quality Control	Marketing/Sales	Product Development	Others	Total Manpower
164	60	37	11	95	85	15	106	26	41	640

## Five-year consolidated financial summary

(₹ in Lacs)

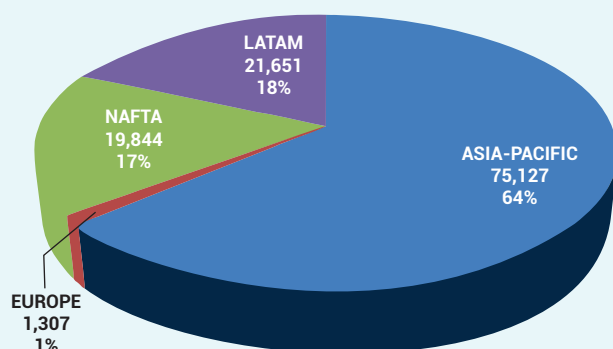
Accounting Year	2009	2010	2011	2012	2013
Total Sales	65,058.68	65,357.45	91,181.14	1,02,772.81	1,17,928.25
Total Income	69,834.04	70,652.07	95,214.92	1,07,299.46	1,26,256.24
Earnings before Depreciation, Interest, Amortisation and Tax (EBIDTA)	10,102.03	7,135.96	13,330.17	16,408.83	18,698.29
Profit after tax & minority interest	2,705.03	(2,745.29)	1,229.05	5,936.27	4,448.71
Gross fixed assets	78,963.04	85,989.27	93,796.36	95,033.91	1,02,463.20
Net fixed assets	66,489.05	71,062.86	74,563.75	72,903.51	76,293.43
Gross Debt	47,104.70	60,825.44	67,504.95	57,997.34	83,936.42
Net worth	51,091.01	50,220.92	54,138.13	56,571.99	62,151.47
Cash & cash equivalents	3,356.43	6,093.60	15,108.95	14,860.17	17,572.97
Earning per share ₹ *	16.06	(16.30)	7.29	35.21	5.28
Book value per share ₹ *	303.36	298.01	321.21	335.48	73.69
Debt equity ratio (on Gross Debt)	0.92 : 1	1.21 : 1	1.25 : 1	1.03 : 1	1.35 : 1
Debt equity ratio (on Net Debt)	0.86 : 1	1.09 : 1	0.97 : 1	0.76 : 1	1.07 : 1
Net profit/sales (%)	4.16	(4.20)	1.35	5.78	3.77
Dividend on equity shares (%)	10.00	-	-	-	-
Return on net worth (%)	5.29	(5.47)	2.27	10.49	7.16

\* Shares of ₹10/- each stands sub-divided into five equity shares of the face value of ₹2/- each in 2013.

## Crop Sales

	Value (INR Lacs)	Contribution to Total Sales
Conventional Seed Sales	110,216	93%
Genetically Modified Seed Sales	7,712	7%
All Crop Sales	117,928	100%

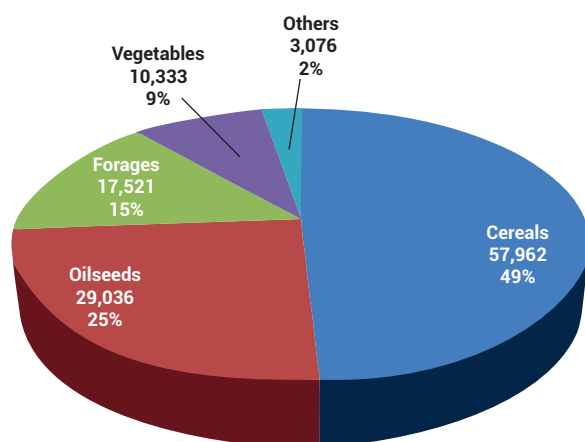
## Segment Sales



Geography	Amount (₹ Lacs)
Asia-Pacific	75,127
Europe	1,307
NAFTA	19,844
LATAM	21,651
<b>TOTAL</b>	<b>1,17,928</b>



## Cropwise Sales



Crop	Amount (₹ Lacs)
Cereals	57,962
Oilseeds	29,036
Forages	17,521
Vegetables	10,333
Others	3,076
<b>TOTAL</b>	<b>1,17,928</b>

## Five-year financial summary-acquired business

(₹ in Lacs)

### Advanta US Inc

Accounting Year	2009	2010	2011	2012	2013
Total Sales	9,757.10	12,140.84	14,395.83	15,580.02	21,597.79
Total Income	9,783.05	12,226.40	14,424.99	15,843.13	22,124.70
Earnings before Depreciation, Interest, Amortisation and Tax (EBIDTA)	774.66	1,384.10	2,207.83	3,058.71	5,268.54

### Longreach\*

Accounting Year	2009	2010	2011	2012	2013
Total Sales	1.89	-	-	168.38	157.46
Total Income	288.57	564.18	1,467.65	1,671.21	3,042.09
Earnings before Depreciation, Interest, Amortisation and Tax (EBIDTA)	(631.77)	(855.27)	(512.71)	(280.70)	657.60

\* Advanta Limited having 70% share

## CEO Message

### Dear shareholders,

At Advanta, we strive to bring technological solutions to our farmers (customers) around the globe through our enhanced seeds focusing in our global core growth crops: canola, corn, sorghum and sunflower. We deliver innovative products developed through our own research engine as well as through key partnerships around the world.

Over the years, we were able to deliver important milestones, financially as well as strategically.

In the last quarter of the year, we marked a very important milestone in Advanta's growth strategy as we took strong steps to consolidate as a truly international company targeting growth importantly in North and South America, Eastern Europe, Africa, South East Asia and India.

Today, our international market represents the largest portion of our business. Our most important geographies in terms of EBITDA are South East Asia (including Thailand), North and South America, Australia and India. From crop point of view, Sorghum is our major contributor in terms of gross margins, followed by corn, canola and sunflower. **We are the largest sorghum seed suppliers in the world.**



In spite of adverse weather conditions and production challenges in Australia and Argentina two of our major geographical areas, we were able to deliver a net revenue growth of 5% and 14%, in US dollars and Indian Rupees respectively; with a high end single digit growth in our net margins. This speaks very high of Advanta's growth strategy around the world that enables us to manage risk and keep focus on delivering net growth in spite of factors beyond our control.

This position comes with extra challenges to manage the increased complexity of a global business; which we are going to focus during our exercise in 2014. We do need to capture operational opportunities and efficiencies in our seed supply strategy as well as our strategic focus in our core crops; investing wisely our R&D engine resources to deliver a consistent and sustainable growth over the next years.

We do believe that seed industry will continue to be facing healthier tail winds, with a continuous demand for high quality and high yielding products.

Demand for food continues to be strong and is growing steadily as projected.

As a general trend, high temperature and challenges on water availability makes it imperative for the industry to develop solutions, either by conventional breeding or new technologies. Some of the crops and areas will suffer the most as higher water requirements for specific crops will limit the development in certain geographies. Also, crops like sorghum whose water requirements are relatively lower responds better to a certain level of water restrictions which provides an additional advantage.

We see a continuous adoption of GM technology in actual crops and geographies and see some signs of optimism in new geographies. Still GM rice raises a notable question mark.

Finally, as I take over the responsibility, it's a challenge as well as an honor to lead Advanta on a growth path. I would like to share my optimism on the quality of our product portfolio; current and upcoming and also appreciate the quality of people Advanta has, which is the perfect combination to deliver value to each of you. I am committed to drive the company on its value growth and seek your continuous support during the journey. Dear Shareholders, this is a long term endeavor.

Looking forward to a successful year in 2014 and the opportunity to share during the year our strategic plans and objectives.

**Claudio Torres**

## Research & Development

R&D continues to be the cornerstone of Advanta's global business. We believe that the results of R&D lead a company to increase revenues, growth and market value. R&D is essential to meet the competitive future of the seed industry. We continue to invest 10-12% of our revenues in research activities. Major variables to take into consideration is the genetic gain per year and per dollar invested. This variable can be increased by increasing the genetic variability, better testing or increasing the speed to market the new hybrid releases.

In the last year, we have strengthened our R&D efforts in tropical corn. We have increased investments in the Brazilian breeding program in relation to testing and setting up a Trait Introgression (TI) program to speed up the GMO conversions of Advanta elite material around the globe. Brazil and Argentina are on track for launching new hybrids by 2015-2016. Tropical corn in Thailand has expanded facilities and continues to release good hybrids to the Thai and Asian markets.

The other major R&D investments were in Advanta core crops i.e. Sorghum and Sunflower. Current commercial sorghum hybrids in Australia and Argentina are performing very well. New hybrid Scorpio in Australia promises to be the top new hybrid in the market. In Ethiopia, a new sorghum breeding program has been established which will work in parallel with the Indian program to develop sorghum for food consumption for the African and Asian markets. First GMO proprietary events in sorghum (for drought tolerance) were planted in the greenhouse for testing. No GMO sorghum commercial hybrids have been released in the world yet. A patent application (PCT) for proprietary novel herbicide tolerance technology has been filed in EU and some other non PCT countries. The plan is that commercial launching will happen between 2015 and 2017 depending upon the countries.

More investments will take place mainly in sunflower hybrids in the young EU program. Some hybrids are already in the market but new ones which are better adaptable to the local conditions will be released in the next 2-3 years. Pipeline for Argentina hybrids is progressing well.

In order to increase the genetic gain per dollar invested, new molecular marker SNP technology has been implemented for sunflower, corn and sorghum. In the IT area we have implemented the electronic field data collection with Handhelds and will start implementing new breeding software which is expected to speed up the decision taken time and accuracy of information.







## Breeding Programs

Research Location	Breeding Program
Thailand	Corn, Vegetables
Brazil	Corn
Argentina	Corn, Sorghum, Sunflower
USA	Sorghum
Australia	Sorghum, Canola
India	Sorghum, Vegetables, Rice, Mustard, Cotton
France	Sunflower
Egypt	Vegetables
Vietnam	Rice

# Brand Advanta

We have made significant progress in our journey towards creating a corporate brand strategy for the five brands of Advanta Limited.



Our core brand philosophy is as below –



Advanta is a unique place where Modern Science co-exists with the Traditional Values.



We have also leveraged social and electronic media in promoting brand Advanta through campaigns like the "I Love Sorghum" Campaign in Argentina.



Our strategy of creating a standard unique pack design has been implemented across markets. Most of the new products launched in 2013 have the identity of the new standard brand design.



The core brand colours have been adapted even in the marketing communication elements to reinforce Brand Advanta.





# Seed Production

Advanta continues to develop and expand Supply Chain activities across the globe to ensure timely and reliable supply of high quality seeds for Advanta to cater to its valued customers. We produce seeds in 15 countries in order to supply seed across the globe. In order to have a Supply Chain to meet these needs, we have a strong risk management program to balance weather and currency risks along with a program to investigate and expand production locations to mitigate these risks.





### Global Production Information

No of Production locations / countries	15
Total area under seed production	31,755 Hectares
Total quantity produced	77,101 MT
No of growers	16,906
No of hybrids produced	306

Globally, we have our own facilities in Argentina, Australia, India, Thailand and USA. These facilities combined with partnerships in Bolivia, Brazil, Canada, Chile, China, Indonesia, France, New Zealand, Romania and Zambia in order to enable us to access to high quality and experienced seed production growers, processing facilities and quality management systems. We are continuously investing in new capacities, technology and systems to improve the quality and timeliness of our products to market.

Working in conjunction with production and processing facilities we have fully equipped quality labs alongside our own facilities. These labs are complemented with outsourced services to provide additional testing methods and capacity. In addition to standard testing, we devote resources to establish and conduct additional tests using new testing technology or methods to ensure that the product is of the highest quality.

We have appointed and continue to invest in skilled and experienced staff in our Supply Chain across the globe. We are adopting best of class agronomic packages in order to increase productivity and reliability and look to invest in training and technology to continue to improve.

It is a continuous process of refinement and improvement which we embrace and adopt in order to meet our objective of providing the best quality seeds to farmers around the world.





We are working towards a roll out of an online quality assured field monitoring program for field operations. Mobile enabled software is being used for on site and timely recording of field operations, area surveys and automatic updation of supply chain master files.

In India, the Company produces nearly 5,000 MT of hybrid seeds in 6 field crops and 24 vegetable crops. A total of 90-100 hybrids are produced with utmost quality and timely supplies not only to India but across the world predominantly to Asia, Africa and Europe.

To produce the best quality of hybrid seeds, Advanta has established a strong and loyal grower base of more than 7,500 farmers across India which include farmers from Andhra Pradesh, Karnataka, Maharashtra, Rajasthan, Gujarat, Haryana, Uttar Pradesh, West Bengal and Chattisgarh.

The majority of the hybrid seed production is in the states of Andhra Pradesh and Karnataka not only due to suitable agro climatic conditions prevailing for hybrid seed multiplication but also due to expertise of the growers in adopting and improvising the seed production technology in order to meet international standards.

A total of 2,400 hectares is under seed production out of the total grower base in India. The Advanta production areas increase the income levels of the farmers thus directly contributing to agrarian economy. It also supports in generating work for the labourers and technical seasonal field staff (who are involved in field production technology activities like rouging, detassling (corn), pollination, transporting the seed from field to seed conditioning factories as well). Advanta, thus generates and supports approximately 3,000-4,000 families either directly or indirectly in providing employment and work.

Advanta, in India, has adopted '**Seed Village Concept**', a unique approach to build grower base as well as establishing a long term relationship with the farmers. This concept encourages and ensures that all the farmers in a particular village goes for seed production programme with one company, thereby ensuring good quality and quantity of production.

Apart from the seed production technology learnings, other improved agronomic and pest disease management methods are also being implemented to achieve best productivity and impart latest know how of cultivation technology such as implementation of Drip and Mulch technology in vegetable crops.

As a part of implementing '**PRECISION AGRICULTURE**' in India which is more adoptable in Vegetable crops, latest practices like drip, mulch, mist technology and polyhouse cultivation under seed production are practiced. This technology is introduced in solanaceas, cucurbits and melons. Also this system is extended to cold crops like cauliflower, carrot and radish. Using this technology we can produce seeds in any season. Thus precision agriculture brings high quality and quantity production which controls the biotic and abiotic factors.



The strong and vibrant field force of nearly 24+ and production staff are deployed in 9 states across India with experience in multiple crop production technology.



# Vegetable Seeds Business

Advanta, with the flagship brand Golden Seeds, is one of the major players in the Indian Vegetable Seed industry.

Golden seed is a farmer oriented unit with excellent product portfolio catering round the year high quality vegetable seeds according to the needs of the growers. It dominates market share in tropical cauliflower, beet root, peas and other crops and is geared up to explore and access the high value markets of Solanaceous and Okra crops with the introduction of distinct novel hybrids in next two to three years. The track record shows the consistent improvement in the quality of the offered products. Testimonials from happy farmers across the length and breadth of the country shows how Advanta products has improved the farm income of thousands of farmers.

The Indian vegetable seeds market is fragmented and is stretched across the whole geography of India. The major contributing crops are tomato, chilli, okra, cauliflower, cabbage and cucurbits (gourds, melons and squashes). With the advent of processing industry, institutional retail chains and changing food habits, the market for fresh corn which includes sweet corn and baby corn is also increasing at rapid pace. It brings us the opportunity for testing





the strength of our germplasm in the Indian market. Early results have shown a good potential for growth.

Dealing in 25 crops with more than 175 SKUs, our portfolio is well diversified. In order to bring about focus and future direction, the whole portfolio has been divided into strategic crops and opportunity crops based on market potential of the crops and germplasm strength having it roots in our research capabilities which are in function since 2009.

The major crops that we deal in are:

- Tomato
- Hot Pepper
- Egg Plant
- Okra
- Cauliflower
- Fresh Corn – Sweet Corn and Baby Corn
- Bitter Gourd
- Green Peas
- Cabbage
- Cucumber
- Water Melon
- Beet Root
- Others



Some of the popular products crop-wise:

Crop	Popular Varieties
Cauliflower	Shigra, Basanti 956, Rimzhim, GS 75 Imp, Mahima 80, GS 385, GS 277
Cabbage	Goody Ball 65, Kirti, Pramukh, Euro 2, Bhima, Super Ball 50
Chilly	Divyajyoti, Prajwala, Saina, Shama, Nirali 92, Alankar, Madhurima
Water Melon	Maharaja, Sultan, Emerald, Cool King 12, GS 285, Red Sweet
Tomato	Vaishnavi 2082, Abhimanyu, Suruchi, Varsha 17
Beet Root	Lalima, Lalima Gold
Peas	GS 10, Early Moti
Coriander	Super Green, Suhashini
Radish	Chinese Pink, Snow White 61, Pusa Chetki long
Carrot	Golden Rossy, Super New Kuroda (Imp)
Spinach	Harit Sobha
Others	Sweet Corn – Hibrix 51, Hibrix 39, Hibrix 53

Crops are further divided into various segments based upon plant characteristics, fruit characteristics, sowing window, market potential, etc. In the next few years we will be present in almost all the major segments.

There is increasing demand and value for traits like high yield, disease resistance, sowing window expansion, longer shelf, better transportability, improved field holding capacity, etc. We are working towards adding value and adding traits through our R & D programme.

Some of the core crop based focus areas of R&D are:

Crop	Advanta Research Focus
Okra	High yield, Easy picking quality, YVMV & OLCV resistance, Cold tolerance
Tomato	High yield, Uniform produce, TY tolerance, Water use efficiency
Chilly	High yield, Virus and wilt resistance, Improved dry and fresh quality
Brinjal	High yield, More shelf life
Cauliflower	High yield, Photoperiod and Temperature insensitivity
Bitter Gourd	High yield, Mildew resistance

In order to draw more focus to our developmental activities, we have launched Project VIBE (Vegetable crop initiative for Brand and Extension Excellence) which emphasizes on

- Consumer-level demand generation.
- Improved quality of products and services.
- From “Features” based selling to “Benefits” based marketing.
- Improved brand image.

Also to improve on operational front, we have introduced a programme named RISE (Regional Involvement for Sales Excellence). It emphasises on

- Inclusion of Territory In charge in budget / growth discussions for the year 2014-15
- Product and crop training to all field staff
- Improvement in quality of business

With well-structured professional teams in place, we are all set to capture high market share and are striving to have our place in top three vegetable seed companies in India.

Our Screening/Trailing station in Egypt is screening varied tropical products developed at our Centre of Excellence in Bangalore (India). The Screening station spread over 7acres screens products for its' adaptability to Egypt and the other high value markets of Middle East. We have qualified breeders and technology development teams who work on this project.

We are also testing our products in Indonesia for BW Tomato and the results are encouraging. Our other trialling program are currently in progress are in South East Asia, Maghreb region, Turkey and East Africa.

Our progress has been better than expected and we see acceleration in both revenues and margins, once our products in trailing get the registrations in the market place, tomato, egg plant and pepper are the key focus crops for these geographies.



Our pipeline for International markets is summarized below:

**Number of Products Ready for Commercial Launch**

Crop	Pakistan	ME	Egypt	Bangladesh	Kenya
Tomato	2		1	1	2
Eggplant			3		
Hot Pepper	1				
Okra		2			
Watermelon			1		
Cucumber	1				

**No of Crops at R2/MLT and Registration**

Crop	No. of Hybrids
Tomato	11
Eggplant	5
Hot Pepper	3
Okra	4
Watermelon	4
Cauliflower	2
Gourds	1
Cucumber	1
Sweet Pepper	1

**Vegetable Research & Development**

Advanta is committed to sustainable agriculture through innovative research and technology with strong presence in the domestic & International market. Vegetable R&D contributes unique, superior & proprietary germplasm and intellectual properties which give us a robust platform for the business growth. Advanta has leadership position in crops like tomato, pepper, eggplant, okra, gourd, cauliflower etc.

Our researchers focus their efforts on creating new hybrids with greater productivity, better tolerance to pests, diseases and environmental stresses and quality traits such as nutrition, high lycopene, color, consumer appeal and long shelf life.

Our breeding programmes were well knitted with an objective to develop resistant to biotic and abiotic stresses suitable to the farmers of India, Middle East and South East Asia. Advanta is taking utmost care in developing improved hybrids having high yield with less water and fertilizer requirement and inherent resistance to biotic stresses which ensure that the farmers face minimal expenditure of input cost and maximum returns on their investment. Our main focus of research is to develop resistant varieties/hybrids, high yield embedded with quality

traits such as drought resistance and adoptable to varied environment conditions in crops like tomato, pepper, eggplant, okra, cauliflower and gourd in vegetables.

The Vegetable R&D is focusing to produce new plant hybrids with valuable properties through marker-assisted breeding and genetic modification, utilizing cutting-edge technology combined with centuries old traditional techniques. Advanta is creating new crop traits that benefit the entire food and feed production system. Utilizing the available technologies, Advanta is harnessing to combine beneficial traits that previously have been very difficult to bring together in one variety.

Advanta presently carries out R&D activities in nearly 100 acres farms situated at Bangalore, Hyderabad, Pune and Sonipat. Our hybrids in vegetables are widely grown all over the country. Recently, Advanta vegetable R&D launched two hybrids in okra, three in pepper and two each in bitter gourd and cauliflower and one in watermelon in domestic market and few hybrids in tomato, pepper and egg plant in international markets. The response from the farming community is quite good and encouraging.



# A Look at Asia-Africa Business

## Asia

Advanta continues to expand its footprints aggressively in South and South East Asia with increasing investments in market development and branding. The focus crops of Advanta in Asia are Corn (Field and Fresh), Oilseeds (Sunflower, Canola and Mustard) and Forages.

### Corn

Our centre of excellence for Field and Fresh Corn is Thailand.

#### Field Corn

We are happy to inform that within a few years of our business inception our Corn business is growing at an exponential rate in the South East Asian countries- Indonesia, Vietnam. PAC 999 S, PAC 339 and ADV 313 are our leading hybrids offering higher shelling, better grain colour and better yields over other competing hybrids. We continue to have leadership positions in Bangladesh, Sri Lanka and Taiwan. We also entered the GM Corn segment in Philippines with the launch of ADV Primera.

#### Fresh Corns

**Sweet Corn:** We follow a two pronged market approach for the sweet corn business. The first approach is selling through our own brand and the second approach is selling it to other private companies who market it under their brands. We have a leadership in the sweet corn market of South East Asia. Our sweet corn hybrids are the most preferred ones because of higher brix content, better keeping quality and adaptability.

**Waxy Corn:** We have introduced the unique variant of Waxy Corn – Purple waxy corn in Vietnam. Consequent to this introduction we received a good response from the market on the basis of the nutritional and health benefits offered by the product. This product currently caters to the niche segment of the health conscious customers.

#### Oilseeds – Sunflower, Mustard and Canola

We continue to dominate the sunflower market of Pakistan with our cutting edge hybrids. We continue to give better value hybrids and are trialling out new hybrids developed from our research programs in Argentina / Europe.



#### Mustard and Canola Seeding Program

We are developing the mustard and canola crops in Pakistan by introducing hybrids from India, Australia and Argentina research programmes.

#### Forage Crops

We are investing in training and market development activities to transition the market from single cut low value forages to high value multi cut hybrids which have higher metabolizable energy; high protein and lower lignin content. Our specialty forages help in improving the productivity of quality milk in cattle. We aim to grow the forage business in Bangladesh, Pakistan, Vietnam and Sri Lanka.

## ... A Look at Asia-Africa Business

# Africa

We are committed to deliver growth and establish business in the focus countries of Africa. Currently our business in Africa is driven by Sorghum, Oilseeds (Canola and Sunflower) and Forages.

### Grain Sorghum

Our grain sorghum hybrids PAC 501, PAC 537, MR Buster have given a significantly higher yield advantage over the local checks across different African countries including Tanzania, Ethiopia, Kenya, Sudan, South Sudan, Niger, Botswana, Nigeria and Zambia. We have three variants of grain sorghum – Red, White and Brewery segment hybrids. The response to Grain Sorghum as a brewery crop has been very good, since it is an affordable and cost-effective option to Barley.



### Oilseeds

We are working with commercial farms and small and marginal farmers for promoting use of new generation of Sunflower and Canola seeds in Africa. The response has been very encouraging, giving us leadership position in Canola in South Africa. We are also working in a closed-loop system in Zambia, Tanzania and DRC in Sunflower.

### Forages

With Zero Input feeding, dairy sector in Africa is quite low in productivity. This is another area where Advanta can make a huge difference in the economics of dairy farming in Africa. With dedicated research stations working on specialty forage sorghums in Australia, Argentina, US and a new station being set up in Ethiopia; we offer a wide range of forage hybrids that improve milk yield of dairy animals significantly. We are market leaders in Forage Sorghums in South Africa. Our specialty forages have also made headway in Zambia. Our Forage Hybrids like Sugargraze, Nutrifeed, Speedfeed 2 have already been tested, registered and approved for cultivation in South Africa, Zambia and Sudan. Large scale trialling and registration process is underway in East African nations like Kenya, Uganda, Tanzania and in West Africa. Advanta is running a project in Zambia in collaboration with the Department of Livestock and Animal Husbandry, Zambia. We are also partnering with large private dairy industries in Eastern Africa.



### Hybrid Rice

Advanta is one of the leading companies offering high yielding rice hybrids for Africa. Our hybrids tested through WASA have been outperforming local check varieties in Niger, Mali and Mozambique.

### Collaborations in Africa

Appreciating the value other stakeholders can bring in and understanding that we alone cannot make a difference, we have active collaborations with leading developmental organizations like IFDC, AGRA, DAPP and 'Grow Africa'.

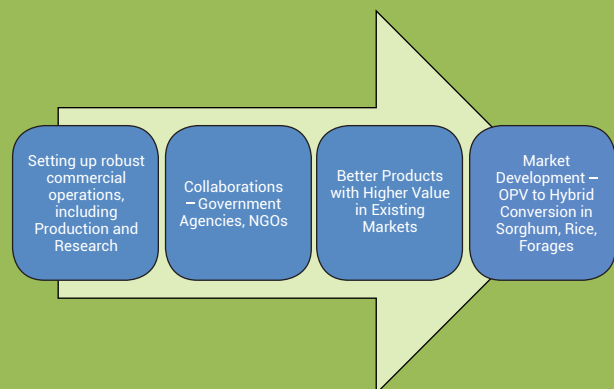
### 'Grow Africa' Project

We are one of the active partners in 'Grow Africa' (initiative by USAID, African Union and the respective countries). 'Grow Africa' is a partnership platform that seeks to accelerate investments and transformative change in African agriculture based on national agricultural priorities and in support of the Comprehensive African Agricultural Development Program (CAADP), a Program of the New Partnership for Africa's Development (NEPAD), established by the African Union in 2003.

The crops covered under this project include:

- Rice
- Maize
- Cowpea
- Horticulture
- Cotton
- Livestock
- Fish farming

### Our Business Model in Africa



We are implementing a unique go-to-market initiative 'Unimart' in Africa, in collaboration with UPL Group companies.

### Unimart (Unified Mission for Agriculture and Rural Development) – Farm Advisory and Solutions Centre

Unimart, our one-stop shop, allow us to provide farmers with a range of agri-inputs they need in order to be successful. As the foremost supplier of crop protection in Zambia, we have always been farm-centric in our approach and objectives. We are proud of this initiative, which has created a silent revolution in the villages around Choma, Kabwe, Lusaka, Mazabuka, Mukushi, Mpongwe and Mumbwa. We plan to expand our presence over the coming years to further support the farming community in Zambia.

We are committed to catalyzing the growth of agriculture in Africa by providing efficient, innovative and value-added products and services to the African farmers.

We are a unique place where modern science co-exists with traditional values.

## Building a Strong Leadership

While our values continue to drive the organization to achieve the stated purpose, 2013 was the year we focused on building a strong leadership talent to meet the challenges in the journey to achieve extraordinary results and aggressive business growth. To do so, the primary task of leadership is to drive and direct teams to perform in spite of many challenges in this business. Leadership has the challenge to develop the internal talent not only to focus on continuously improving the operational efficiencies to get the competitive advantage but also taken on new challenges. People get opportunities to work on live projects which are multifunctional, multicultural and global.

Our policy of providing cross-border exposure on secondment for star performers to handle higher challenges has helped many to develop leadership skills. In many instances people get enough opportunities to manage crisis and other challenging situations locally as well as globally, which would enable them to sharpen their leadership skills and make them ready to take on higher positions. This coupled with focused training and development initiatives on Leadership through in-house as well as external specialized programs with processes to track the implementation and sustenance of the learning, have been implemented in all the businesses.

To bring more focus to this initiative of leadership development the 'Daniel Goleman' model, which talks about focusing on oneself, others and the business to be effective to direct their own and the organizations objectives, was implemented. Coaching and mentoring initiative was started by involving experts to work with the teams and individuals on a continuous basis in some of the business units. It is customized to develop both behavioral as well as functional competencies based on the need.

Apart from developing internal talent globally, the company has been able to consistently attract talent into the organization, be it from universities, business schools or large corporations. Recent lateral hiring of talent from the industry has enhanced the leadership bandwidth in the organization. This is possible only because of the work environment, career opportunities and strong advocacy from within.

Our 'Reward and Recognition' program has been strengthened to retain talent by aiming to keep remuneration at a competitive level compared to the industry benchmark, and yet maintain internal relativities for consistency and equity. The Performance and compensation management process is being improved in the organization with the implementation of more scientific and current processes and systems. Maintaining an appropriate level of remuneration costs for the business to achieve budgeted financial performance targets is also one of the factors in-built into this process.

These initiatives are supporting us in sustaining our organizational objective of providing a good work culture and environment to retain the talent and brand-building to showcase Advanta as an 'Employer of Choice'.



## Looking Beyond Business

Advanta has always believed that it should have a positive impact on the communities it serves and on the environment. Advanta is committed to not just profits, but also towards leaving a deeper imprint on the society as a whole. With the motto of being 'dedicated to the health and well-being of every household', the company believes that current performance and sustainability go hand in hand and continue to place a strong emphasis on societal needs, while addressing environmental and climate change issues with increased significance. During the year, we made considerable progress in meeting our social commitments for the betterment of the society. A number of charitable projects have been undertaken in the fields of health, education, training, community development and environment.

Constantly identifying key societal needs, Advanta took up several community outreach and environment conservation programs across the globe during the year under review.



## Advanta Limited - India

### Education

With a view to sustain long-term relationship with farmers in the existing seed production centres in Karimnagar and Nandyal regions of Andhra Pradesh, school development projects were taken up in 2013. This project focused on improving the infrastructure in two Government schools where a large number of children from the seed producing villages were getting educated. In addition, books and teaching aids were provided by the company with a commitment to continue their association with these schools on an ongoing basis.

Advanta also took up another project in this year at Masur Village (Hirekerur Taluk, Karnataka), which is surrounded by many seed producing centres of the company for field and vegetable crops. This school was one of the best education centre set up by the Government in the local area attracting children from all the neighbouring villages. The company provided classroom furniture, teaching aids, books and also improved the infrastructure.

These two projects were led by VR Kaundinya, MD & CEO and managed by a team consisting of PM Nanjappa, Global HR Lead, G Kumara Swamy Reddy, CSR Consultant, GV Raghuram, India Production

lead, Smita Jayadevan, Manager, and all the members of the production team in all these centres. These projects had active participation from the seed production organizers, farmers, school authorities and local authorities in the respective regions.



### Bringing Music to Deaf Children's Ears

In September 2013, VR Kaundinya (MD & CEO), PM Nanjappa Global HR Lead donated an Oto Acoustic Emission equipment to Shravana, a Hyderabad-based NGO that rehabilitates deaf children by providing speech / language therapy to enable them to continue their education in normal schools. The equipment helps in screening and early identification of congenital deafness.





## Advanta Semillas SAIC - Argentina

### Promoting Education and Environment Care

To promote these two principal goals, the company implemented 'Advanta Ayuda' (Advanta Helps), a contest in which teachers and students of rural high schools presented projects on environmental care. Three best projects were chosen and are being supported with special assistance and scholarships from the company.

In collaboration with specialized companies and local governments, we collect waste paper and plastic bottles at our offices and plants, under our 'Recycle Helping in Advanta' campaign.

To assist last-year students of rural high schools, our HR department organized conferences on 'In Search of Your First Job' and 'Labour Insertion'.

To help our employees' children in their higher education, we also offer a special scholarship program for university-level students.

### Assisting in Genetic Research

A special subsidy is provided by our Nutrisun Division to the Association of Human Genetics, to assist them in obtaining inputs and qualified personnel to operate the equipment donated in the previous year. We also collaborated with other institutions at various locations.

### Providing Shelter to the Needy

Several volunteers of Advanta Semillas travelled to Rosario City in September 2013, to build emergency houses in the Los Pumitas neighbourhood, in association with Techo, an NGO. Of the 13 houses that were built, two were by the Advanta-Techo team. The volunteers found the experience very fulfilling.

## Pacific Seeds (Thai) Ltd - Thailand

### Reaching out to Orphaned Girls

In October 2013, Pachok Pongpanich (Managing Director), together with the entire Pac Club staff, visited an orphanage called 'Saraburi Home for Girls' and donated water purifiers, coolers, books and pens to the children. They also had lunch with the children, and gave them plenty of snacks.



### Promoting Tourism with Sunflower

In October 2013 Pachok Pongpanich (Managing Director) and Yongyut Pansung (Marketing Manager) donated sunflower seeds to the Governor and Chief of Saraburi Provincial Agricultural Department. The donation was in support of a tourism project initiated by the Governor of Saraburi Province.





### Strengthening a Charitable Cause

In April 2013, Yongyut Pansung (Marketing Manager) and the Pac Thai Marketing Team donated seeds of Fancy Purple 111 to a Charity Fund being raised by Her Royal Highness Princess Maha Chakri Sirindhorn. Fancy Purple 111 is an innovative, newly launched hybrid from PacThai's fresh corn breeding program.



## Pacific Seeds Pty. Ltd., Australia

### Promoting Competitive Agricultural Growth

We sponsor Agricultural Show societies in Queensland and NSW, which combine social and industry elements for communities in cropping areas, and culminate in the Royal Toowoomba Agricultural and Pastoral Show, where Pacific Seeds sponsors the cropping competition across Queensland. In the winter cropping areas as well, we support several agricultural grower groups that run trial and extension programs for their local farmers. We were 'Gold Sponsors' of the triennial Australian Summer Grains Conference, at which globally renowned experts spoke on future development trends in summer cropping fields.



Chris Bazley, Maree Crawford (acting in her role of ASGC Chair) and William Smith at the 2013 Australian Summer Grains Conference

### Showcasing Agriculture as a Career to Young Minds

To encourage young people to enter agriculture, we sponsor the annual UQ Sunflower Growing competition for high school students, where they learn teamwork skills and are introduced to scientific horticulture and agronomy principles. To encourage teachers to incorporate the competition into their curriculum, a special 'starter kit' is given to them. The students grow their sunflowers for 12 weeks and bring their entries to a 'Weigh-In', at which great prizes are on offer. The students also participate in round-robin science activities, meet UQ plant and soil science experts, and hear from industry representatives. In addition to sponsoring this event, Pacific Seeds also provides seeds and growing guides.

### Donating Blood

Our dedicated team at Pacific Seeds also supports the local Red Cross Blood Service by regularly donating blood to those in need.

## GM Activities in Advanta

Advanta continues to progress in the development of biotech crops. We are continuing to introgress Monsanto-licensed technologies over the breadth of our cotton and tropical corn germplasm bases. These technologies include herbicide and insect resistance for cotton and tropical corn. We are also in the initial stages of introgressing Monsanto's Roundup Ready® trait into canola and mustard brassica crops.

Regarding Advanta's internal research effort for transgenic crops, we are developing genetically modified rice and sorghum crops with stacked trait combinations. For rice, our stacked trait combination portfolio will contain herbicide and insect resistance, as well as drought tolerance. Currently we have positive developmental phenotypes for herbicide and insect resistance in our glasshouses and have an initial positive phenotype for drought tolerance. Eventually these stacked GM traits will be coupled with our marker-assisted breeding efforts to develop disease / pathogen resistance rice varieties.

Our sorghum transformation effort has now yielded plants containing traits for nitrogen and water use efficiencies (NUE and WUE) as well as drought and salt tolerance, both as individual traits and in stacked trait combinations. Testing regimens for these nutrient / abiotic traits are now in place and our focus will be testing our current catalogue of sorghum transgenic events to elucidate positive phenotypes for these traits, singly and in combination. We are also in the initial planning stages for field trail evaluation for NUE and drought traits in sorghum in South America.

## Board of Directors



**Jaidev R. Shroff**  
Chairman



**Vikam R. Shroff**  
Non-Executive Director



**V.R. Kaundinya**  
Director



**Hardeep Singh**  
Independent Director



**Vinod Sethi**  
Independent Director



**Dr. Vasant P. Gandhi**  
Independent Director

## Advanta Leadership Team Members



**Claudio Torres**  
CEO



**Alberto Leon**  
Global Research Director



**Barry Croker**  
Global Supply Chain Director



**Jorge Moutous**  
Business Lead  
Latin America



**Manoj Gupta**  
Global Chief Financial Officer



**P M Nanjappa**  
Global HR Lead



**Pacholk Pongpanich**  
Business Lead Thailand,  
Cambodia, Laos & Myanmar



**Philippe Gall**  
Business Lead Europe & CIS and  
Global Crop Lead – Oil Seeds



**Nick Gardner**  
Business Lead –  
Australia & New Zealand



**Steve Ligon**  
Business Lead NAFTA and  
Crop Manager - Sorghum



**Mutalik Desai**  
Technology Development Lead  
– International



**Venkatram Vasantavada**  
Business Lead Asia & Africa, Intl.  
VC and Global Crop Lead - Rice



**Manoj Gupta**

Global Chief Financial Officer

**Pushpalatha K**

Company Secretary &amp; Compliance Officer

**Auditors**

S.R. Batliboi & Associates LLP  
Chartered Accountants, 14<sup>th</sup> Floor, The Ruby  
29, Senapati Bapat Marg, Dadar (West)  
Mumbai – 400 028, India

**Bankers**

Axis Bank Limited  
Bank of Baroda  
Barclays Plc  
HSBC Bank  
Kotak Mahindra Bank Limited  
RABO Bank  
Yes Bank Limited

**Registrar and Share Transfer Agents**

Sharepro Services (India) Private Limited  
Samhita Complex, Gala No. 52 to 56  
Building No. 13A-B, Near Sakinaka  
Telephone Exchange, Andheri-Kurla Road  
Sakinaka, Mumbai – 400 072

**Registered Office**

Krishnama House, #8-2-418, 4th Floor,  
Road No. 7, Banjara Hills, Hyderabad – 500 034  
Ph: 040-6628 4000

**Corporate Office**

# 6-5-249/5, 5<sup>th</sup> Floor, 501 & 502, ANR Center,  
Road No. 1, Banjara Hills, Hyderabad – 500 034.  
Ph: 040-6674 6651

**Investor Contact**

Phone No: +91-40-2335 0907  
E-mail id: investor@advantaindia.com  
website: www.advantaseeds.com

**Committees****Audit Committee**

Mr. Vinod Sethi - Chairman  
Mr. Vikram R. Shroff  
Dr. Vasant P. Gandhi  
Mr. Hardeep Singh

**Remuneration Committee**

Mr. Hardeep Singh - Chairman  
Mr. Jaidev R. Shroff  
Mr. Vikram R. Shroff  
Mr. Vinod Sethi  
Dr. Vasant P. Gandhi

**Investors' Grievance Committee**

Mr. Vinod Sethi - Chairman  
Mr. Jaidev R. Shroff  
Mr. Vikram R. Shroff

**Risk Management Committee**

Mr. Manoj Gupta - Chairman  
Mr. Vikram R. Shroff  
Mr. V. R. Kaundinya  
Mr. Ameya Salatry  
Ms. Pushpalatha K

**Plants**

- B Camp Post, Krishna Nagar, Kurnool, Andhra Pradesh
- Kalakkal Village, Toopran Mandal, Medak District, Andhra Pradesh
- Bharati Brahma Seeds, Nutankal Village, Medchal Mandal, Gundla Pochampally, R.R. District, Andhra Pradesh

**20<sup>th</sup> Annual General Meeting**

Date : 29<sup>th</sup> April 2014  
Time : 11:30 A.M.  
Venue : Hotel Fortune Park Vallabha  
Road No 12, Banjara Hills,  
Hyderabad, AP, India.

**Book Closure**

Saturday, 19<sup>th</sup> April, 2014  
to  
Tuesday, 29<sup>th</sup> April, 2014  
(both days inclusive)

## Notice

**NOTICE** is hereby given that the **20<sup>TH</sup> ANNUAL GENERAL MEETING** of the members of **ADVANTA LIMITED (formerly ADVANTA INDIA LIMITED)** will be held on Tuesday, 29<sup>th</sup> April, 2014 at 11:30 A.M. at Hotel Fortune Park Vallabha, Road No.12, Banjara Hills, Hyderabad – 500 034 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> December, 2013, Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Hardeep Singh who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Dr. Vasant Prakash Gandhi who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s. S.R. Batliboi & Associates LLP, Chartered Accountants (ICAI Registration No. 101049W) as Statutory Auditors of the Company to hold office as such from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting and to authorise the Board of Directors to fix the remuneration.

### SPECIAL BUSINESS:

5. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.**

**"RESOLVED THAT** in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 (the Act) and applicable provisions of the Companies Act, 2013, Mr. Arun C. Ashar, in respect of whom the Company has received a notice in writing from a member of the Company proposing the candidature of Mr. Arun C. Ashar for the office of Director, be and is hereby appointed as a Director of the Company, who shall be liable to retire by rotation."

6. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.**

**"RESOLVED THAT** in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 (the Act) and applicable provisions of the Companies Act, 2013, Mr. Deepak Vohra, in respect of whom the Company has received a notice in writing from a member of the Company proposing the candidature of Mr. Deepak Vohra for the office of Director, be and is hereby appointed as a Director of the Company, in Independent capacity, who shall be liable to retire by rotation."

7. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.**

**"RESOLVED THAT** pursuant to the provisions of Sections 269 read with Schedule XIII (as amended from time to time) of the Companies Act, 1956 and any other applicable provisions of the said Act or that of Companies Act, 2013, consent of the members be and is hereby accorded to the appointment of Mr. Arun C. Ashar as Whole-Time Director of the Company for a period of 3 (Three) years with effect from 22<sup>nd</sup> March, 2014.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to take all such steps as may be necessary and proper or expedient to give effect to this resolution."

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

**"RESOLVED THAT** in supersession to the resolution passed in the Extra-ordinary General Meeting of the Company held on 6<sup>th</sup> November 2009, but without prejudice to the validity of the transactions entered into by the Company and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), and applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution) to borrow any sum or sums of money for the business of the Company, from time to time, in Indian or Foreign currency or both, whether by way of cash credit, advance or deposit, loans or bill discounting or otherwise or by way of issue of debentures/bonds or any other security(ies), from time to time from any Bank(s)/Financial Institutions(s) or any other Institution(s), firms, body corporate(s) or other person(s), in India or abroad from any one or more of the Company's Bankers and / or from any one or more other persons, firms, bodies corporate or financial institutions and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's assets and properties whether movable, immovable including intangibles, or stock-in-trade (including raw materials, stores, spare parts and components in stock or in transit) and work-in-progress and all or any of the undertakings of the Company notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose but, so however, that the total amount upto which the moneys may be borrowed by the Board of Directors and outstanding at any time shall not exceed ₹2000 Crores (Rupees Two Thousand Crores only).

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to execute such deeds or debentures and debenture trust deed or mortgage, charge, hypothecation, lien, promissory notes, deposit receipts and other deeds and instruments or writings as they may think fit and containing such conditions and covenants as the Board of Directors may think fit and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this Resolution."

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

**"RESOLVED THAT** in supersession to the resolution passed in the Extra-ordinary General Meeting of the Company held on 6<sup>th</sup> November 2009 but without prejudice to the validity of the transactions entered into by the Company and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), and applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board", which expression shall also include a Committee thereof) to mortgage and / or charge all or any of Company's assets and properties whether movable or immovable including intangibles, stock-in-trade (including raw materials, stores, spare parts and components in stock or in transit) and work-in-progress and all or any of the undertakings of the Company by way of mortgage/charge for securing the repayment of any loan obtained or to be obtained from any Banks, Financial Institutions or person or persons together with interest, costs, charges, expenses and any other money payable by the company for an amount not exceeding ₹2000 Crores (Rupees Two Thousand Crores only).



**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to execute such deeds or debentures and debenture trust deeds or mortgage, charge, hypothecation, lien, promissory notes, deposit receipts and other deeds and instruments or writings as they may think fit and containing such conditions and covenants as the Board of Directors may think fit and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this Resolution."

By Order of the Board of Directors  
for **Advanta Limited**

Place: Hyderabad  
Date : 22.03.2014

**Pushpalatha K**  
Company Secretary

#### NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument appointing proxy in order to be effective should be duly stamped, completed and signed and should be deposited at the Registered Office of the Company not later than 48 hours before the time fixed for the meeting.
2. Members / proxies should bring the Attendance Slip duly filled in for attending the meeting. The form of attendance slip and proxy form is given at the end of the Annual Report.
3. Corporate members intending to send their authorized representative(s) to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the Meeting.
4. The Register of Directors shareholding maintained under Section 307 of the Companies Act, 1956 will be available for inspection by the members at the AGM.
5. The Register of Contracts, maintained under Section 301 of the Companies Act, 1956, will be available for inspection by the members at the registered office of the Company.
6. The Register of Members and the Share Transfer Books of the Company will remain closed from 19<sup>th</sup> April 2014 to 29<sup>th</sup> April 2014 (both days inclusive).
7. The certificate from the Auditors of the Company certifying that the Company's Employees Stock Option and Shares Plan – 2006 and Advanta Employee Stock Option Plan – 2013 are being implemented in accordance with SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 will be available for inspection by the members at the AGM.
8. Members desiring to claim previous years' dividends, which remained unclaimed, are requested to correspond with the Company Secretary at the Company's registered office. Members are also requested to note that dividends not encashed or not claimed within 7 years from the date of transfer to the Company's Unpaid Dividend Account, shall as per Section 205A and 205C of the Companies Act, 1956, be transferred to the Investor Education and Protection Fund.
9. Members are requested to send all their correspondence relating to the transfer of shares, dividend matters etc., to the Company's Registrars and Share Transfer Agents - Sharepro Services (India) Pvt. Ltd., Unit: Advanta Limited, 13AB Samhita Warehousing Complex, 2<sup>nd</sup> Floor, Near Sakinaka Telephone Exchange, Andheri-Kurla Road, Sakinaka, Andheri(E), Mumbai - 400 072, India.

10. Members holding shares in physical form are requested to notify/send any change in their address to the Company's share transfer agents or to the Company at its Registered Office. Members holding shares in dematerialized form are requested to notify/send any change in their address to the concerned depository participant (s).
11. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
12. Section 109A of the Companies Act, 1956 extends the nomination facility to individual shareholders of the Company. Therefore, the shareholders willing to avail this facility may make nomination in Form 2B.
13. Members desirous of seeking any information as regards the accounts are requested to write to the Company Secretary at least 7 days prior to the Annual General Meeting, so as to enable the Company to keep the information ready.
14. The brief profile of the Directors who are retiring by rotation and recommended for re-appointment are provided under the head **"Additional Information"**.
15. Explanatory Statement as required under Section 102 of the Companies Act, 2013 is provided herewith.
16. Advanta is concerned about the environment and utilizes natural resources in a sustainable way. The Ministry of Corporate Affairs (MCA), Government of India, has by its Circular Nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively, permitted Companies to send official documents to their shareholders electronically as part of its green initiative in corporate governance.
17. Recognizing the spirit of the circulars issued by the MCA, we are sending the documents like Notice convening the general meetings, Financial Statements, Directors' Report, Auditors' Report etc, to the e-mail address registered with the depository participants.
18. We request you to update your e-mail address with your depository participant to ensure that the annual report and other documents reach you on your preferred e-mail address.

### **Explanatory Statement**

#### **(Under Section 102 of the Companies Act, 2013)**

##### **Item No. 5**

In order to broad base the Board of Directors of the Company, Mr. Arun C. Ashar was appointed as an Additional Director pursuant to the provisions of Section 161 of the Companies Act, 2013 read with Article 96 of the Articles of Association of the Company. The tenure of office of Mr. Arun C. Ashar as Additional Director would expire on the date of ensuing Annual General Meeting.

The Company has received a notice in writing from a member along with a deposit of ₹500/- under Section 257 of the Companies Act, 1956 proposing the candidature of Mr. Arun C. Ashar for the office of Director whose period of office is determinable by retirement of Directors by rotation.

Pursuant to the provisions of Section 257 of the Companies Act, 1956, any such proposal needs to be approved by the members by passing an Ordinary Resolution in their General Meeting.

Hence the corresponding resolution is recommended for your consideration and approval.

Mr. Arun C. Ashar shall be deemed to be interested in the said resolution.

Apart from Mr. Arun C. Ashar, none of the directors, key managerial personnel and their relatives is interested in the said resolution except to the extent of their shareholding in the Company.

#### **Item No. 6**

In order to broad base the Board of Directors of the Company and also in order to comply with the provisions of Listing Agreement, Mr. Deepak Vohra was appointed as an Additional Director in Independent capacity, pursuant to the provisions of Section 161 of the Companies Act, 2013 read with Article 96 of the Articles of Association of the Company. The tenure of office of Mr. Deepak Vohra as Additional Director would expire on the date of ensuing Annual General Meeting.

The Company has received a notice in writing from a member along with a deposit of ₹500/- under Section 257 of the Companies Act, 1956 proposing the candidature of Mr. Deepak Vohra for the office of Director whose period of office is determinable by retirement of Directors by rotation.

Pursuant to the provisions of Section 257 of the Companies Act, 1956, any such proposal needs to be approved by the members by passing an Ordinary Resolution in their General Meeting.

Hence the corresponding resolution is recommended for your consideration and approval.

Mr. Deepak Vohra shall be deemed to be interested in the said resolution.

Apart from Mr. Deepak Vohra, none of the directors, key managerial personnel and their relatives is interested in the said resolution except to the extent of their shareholding in the Company.

#### **Item No. 7**

Mr. Arun C. Ashar is an experienced Chartered Accountant. He is known for his cost - effective fund raising expertise and financial acumen. Besides, he has been associated with UPL, a group Company of Advanta, as its Board member since 1993. He has been instrumental in raising finance for various projects of the said Company.

Keeping in view his knowledge, expertise, long term association with the Group, the Board of Directors appointed Mr. Arun C. Ashar as a Whole Time Director of the Company for a period of 3 (Three) years with effect from 22<sup>nd</sup> March, 2014.

Pursuant to the provisions of Section 269 read with Schedule XIII of the Companies Act, 1956, any such appointment shall be subject to the approval of members in their General Meeting.

In view of the aforesaid, the Board recommends the resolution for your consideration and approval.

Mr. Arun C. Ashar shall be deemed to be interested in the said resolution.

Apart from Mr. Arun C. Ashar, none of the directors, key managerial personnel and their relatives is interested in the said resolution except to the extent of their shareholding in the Company.

The above may be treated as an abstract of the terms of appointment of Mr. Arun C. Ashar pursuant to Section 302 of the Companies Act, 1956.

#### **Item Nos. 8 & 9**

As the members are aware, the Company in its EGM held on 6<sup>th</sup> November 2009 had authorised the Board of Directors to borrow an amount not exceeding ₹2000 Crores and to create charge / mortgage etc., in the said regard for a corresponding amount.



The said resolutions were passed pursuant to the provisions of Section 293 (1) (a) and Section 293 (1) (d) of the Companies Act, 1956. However, in view of the notification of certain Sections under the Companies Act, 2013, Sections 180 (1) (a) and 180 (1) (c) of the said Act stand to have replaced the corresponding provisions of Section 293 (1) (a) and Section 293 (1) (d) of the Companies Act, 1956.

Despite the aforesaid, the resolutions already passed by the Company holds good and the validity of transactions entered into by the Company and all the acts done by it pursuant to the said provisions also remains unaffected.

However, as a matter of utmost care and in order to ensure compliance under the new enactment, the Board of Directors of your Company is of the opinion that requisite resolutions be passed accordingly.

In view of the aforesaid, the corresponding resolutions under Sections 180 (1) (a) and 180 (1) (c) of the Companies Act, 2013 are proposed for your consideration and approval.

None of the directors and key managerial personnel and their relatives is interested in this resolution except to the extent of their shareholding in the Company.

By Order of the Board of Directors  
for **Advanta Limited**

Place : Hyderabad  
Date : 22.03.2014

**Pushpalatha K**  
Company Secretary

### **Additional Information on Directors recommended for appointment / re-appointment:**

#### **MR. HARDEEP SINGH**

Mr. Hardeep Singh is an Independent and Non-Executive Director. He is associated with Advanta in the capacity of its Board Member since 2007. Aged about 59 years, Mr. Hardeep Singh holds a bachelor's degree in economics from Pune University and has also completed advanced management programme from Kellogg School of Management.

He is an Indian National with over 30 years of appreciable experience in agri-business. He has been on the Board of various investment, financial and agro based Companies.

He was the Director of Rallis India Limited, a TATA Group Company. He was responsible for Rallis predominant Agricultural businesses including Agrochemicals, Fertilizers and Seeds. During his stewardship Rallis became India's largest Agrochemicals Company.

He has set up the marketing system for TATA Fertilizers and pioneered the TATA Kisan Kendras.

He is the Chairman of Remuneration Committee and a Member of the Audit Committee of Advanta.

He holds 32000 (0.0379%) equity shares of ₹2/- each of the Company.

#### **Other Directorships:**

- Agresource Management Private Limited
- Swaraj Automotives Limited
- Escorts Limited
- Brattle Foods Private Limited

He does not hold any chairmanship or membership of any committee in any other Company.

**DR. VASANT PRAKASH GANDHI**

Dr. Vasant Prakash Gandhi is an Independent and Non-Executive Director. He is associated with Advanta in the capacity of its Board Member since 2007. Aged about 59 years, Dr. Gandhi holds Doctorate in Development Economics from Stanford University and has done Post Graduation in Management from IIM, Ahmedabad.

He has also been on the Board of State Bank of Saurashtra. Presently, he is associated with Indian Institute of Management, Ahmedabad as Professor. He has to his credit over 25 years of rich professional experience.

He has also worked with National Dairy Development Board (NDDB), Stanford University, the World Bank and International Food Policy Research Institute.

He is the member of Audit Committee and Remuneration Committee of Advanta.

He also serves on the Board of Gujarat State Fertilizers and Chemicals Limited as an Independent Director.

**Membership in Committees:**

He is the member of following committees of Gujarat State Fertilizers and Chemicals Limited:

- Audit Committee
- Shares-cum-Debentures Transfer and Investors' Grievance Committee
- Project Committee
- Personnel Committee
- Advisory Committee

Chairmanship of Board Committees: Nil

Shareholding in the Company : Nil

**MR. ARUN C. ASHAR**

Mr. Arun C. Ashar is an experienced Chartered Accountant. He is known for his cost - effective fund raising expertise and financial acumen. Mr. Arun has been associated with UPL, a group Company, as its Board member since 1993. He has been instrumental in raising finance for various projects of the Company.

**Other Directorships:**

- R Shroff Consultants Private Limited
- Equator Holdings Private Limited
- Uniphos Enterprises Limited
- Sanguine Holdings Private Limited
- UPL Limited
- Vyom Finvest Private Limited
- Daman Ganga Pulp and Papers Private Limited
- Agrinet Solutions Limited
- Alkali Manufacturers Association of India
- Bharuch Enviro Infrastructure Limited
- Enviro Technology Limited

- Tatva Global Environment Limited
- Shivalik Solid Waste Management Limited
- Kerala Enviro Infrastructure Limited
- Latur Water Supply Management Co. Limited
- Sharvak Environment Limited
- Entrust Environment Limited
- Gharpure Engineering and Constructions Private Limited
- Tatva Global Environment (Deonar) Limited

Membership/Chairmanship of Board Committees: Nil

Shareholding in the Company: Nil

### **MR. DEEPAK VOHRA**

Ambassador Deepak Vohra is currently an Advisor to the Government of South Sudan and Special Advisor to the Prime Minister of the Republic of Guinea-Bissau.

During his long service as an Indian Diplomat, he has served in several countries including France, Vietnam, Tunisia, United States, Nigeria, Cameroon, Benin, Chad, Malaysia, Papua New Guinea, Spain, Armenia, Georgia, Sudan, Poland and Lithuania and has also been part of Indian delegation to several International Conferences.

Prior to his role in Diplomacy, he was an officer on special duty to the Technology Advisor to the Prime Minister of India.

Mr Vohra is on the advisory boards of Universities in India and lectures regularly to national and international audiences. He has been part of United Nations assignments in Africa.

He has specialized in developmental issues for emerging nations. Helping nations overcome poverty is his passion. In October 2005, Armenia awarded him a gold medal for his contribution to Armenian agriculture and named a school after him. Sudan gave him its highest civilian honour.

Ambassador Vohra brings extensive insight and expertise on matters of development in developing countries and an understanding of political mechanics in Africa.

He is an Alumnus of St Stephens College - India, National Defense College - India and Sorbonne University - France.

Other Directorships: Swami Rama Institute of Education Pvt. Ltd.

Membership/Chairmanship of Board Committees: Nil

Shareholding in the Company: Nil

## Directors' Report

Dear members,

Your Directors take pleasure in presenting the 20<sup>th</sup> Annual Report on the business and operations of the Company together with the audited Financial Statements and the Report of the Auditors for the financial year ended December 31, 2013.

### FINANCIAL PERFORMANCE

The financial highlights for the year under review are presented below:

(₹ in Lacs)

Description	Consolidated		Stand Alone	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Sales including other Income	126,256.24	107,299.46	11,172.01	12,753.84
Earnings before Interest, Tax & Depreciation and Amortization	19,446.70	17,287.77	4,769.89	5,013.54
Profit before exceptional item, prior period adjustments and Tax	6,468.49	7,250.63	512.77	589.59
Exceptional Item	(1,668.96)	(470.42)	-	(470.42)
Prior period adjustments	-	-	-	-
Profit Before Tax	4,799.53	6,780.21	512.77	119.17
Profit / (Loss) After Tax (PAT)	4,448.71	5,936.27	464.79	294.17
Add: Balance brought forward from previous year	19,250.17	13,464.60	(2,959.59)	(2,780.57)
Adjustment on account of amalgamation of subsidiary company	-	143.47	-	(179.02)
<b>Surplus Available for Appropriations</b>	<b>23,698.88</b>	<b>19,544.34</b>	<b>(2,494.80)</b>	<b>(2,665.42)</b>
<b>Appropriations:</b>				
Proposed Final Dividend	Nil	Nil	Nil	Nil
Tax on Dividend	Nil	Nil	Nil	Nil
Transfer to General Reserve	Nil	Nil	Nil	Nil
Transfer to Debenture Redemption Reserve	464.79	294.17	464.79	294.17
Balance Transferred to Balance Sheet	23,234.09	19,250.17	(2,959.59)	(2,959.59)

### Conversion Rates as on 31<sup>st</sup> December 2013:

For Balance Sheet items (Closing Rate)	For Profit & Loss Account (Average Rate)
1USD = ₹ 61.8150	₹ 58.4050
1AUD = ₹ 55.0957	₹ 56.0710
1EURO = ₹ 85.1223	₹ 78.8263
1THB = ₹ 1.8858	₹ 1.8418
1IDR = ₹ 0.00508	₹ 0.00539
1BRL = ₹ 26.1695	₹ 26.5146

### BUSINESS OVERVIEW / OPERATIONS

The business in the International Markets has shown a very impressive growth. South East Asia and North Latin America have provided the base for this growth. During the year, we got our products registered and have started the commercial operations in Europe. Thailand has been an outstanding success this year, backed by very good supply position of our corn production. USA again produced excellent results which is backed by focus, value capture and development of branded business in USA and Mexico.



Corn and Sweet Corn have produced excellent growth of 70% and 55% respectively. Sorghum (22% growth) and Sunflower (27% growth) also had a very good year.

Longreach program has produced high quality wheat varieties which has increased our market share. This project looks very promising now and is likely to breakeven in 2014. Our forages like Nutrifeed and Sugargraze have got excellent response in the Indian market.

Canola which was the most successful crop for us in 2012, had a poor year particularly in Australia, due to reduction in planting acreages. This resulted in a reduction of 32% in our canola business in Australia. In addition to this, we faced certain seed performance related issues with one hybrid of canola in certain parts of Australia which highlighted the need for improving the seed quality assurance processes in canola. We have paid highest attention to this area and corrected the situation. We have also recruited a global quality lead who is entrusted with the job of improving quality processes in all our units. We are sure to see few big changes in the immediate future.

During the year, the first Nutrisun order was executed. However, we still need to progress the research activity to improve the seed and crop production economics.

## **FUTURE OUTLOOK / PROSPECTS**

Advanta endeavours to breed improved hybrid varieties of field (rice, cotton, mustard, forage & grain sorghums, corn, sunflower and pearl millet) and vegetable (okra, hot pepper, brinjal, gourds) crops which will have the capacity to increase the productivity and profitability of farmers and help his crops to fight various pests and diseases and adverse weather conditions.

Investment in Agriculture R&D is the most effective way of ensuring food security and economic growth. The pressing need is for quality seed of varieties and hybrids that are not only high yielding but resilient to less input-water, fertilizers etc. Thus food security is interwoven with the seed security. Advanta's R & D targeted its research for developing hybrids that excel in the market with quality assurance.

Your company with vast experience in seed production of major agricultural crops backed by a very strong in-house R&D program for crops sorghum, sunflower, rice and several vegetable crops nurtured a competitive edge in seed and agribusiness.

Advanta has a great opportunity to develop its growth strategy through a combination of internally driven factors and external dynamics that have taken place in the industry today.

From an internal perspective, the company has the inherent capacity to continue improving its efficiencies. From supply chain perspective, the company can leverage on its worldwide capacity and footprint to achieve a better cost position and from risk management perspective several strategies are being implemented to encash this important opportunity.

From R&D perspective, we will be developing even greater focus on our programs, to be able to gather resources in the most profitable projects that will bring a larger return.

We will continue to focus and develop collaboration to capture wider set of resources and leverage on a particular market expertise. Also, in our specialty projects we will focus on developing those commercial partnerships, synergizing the Advanta's and its partners capabilities throughout the integrated value chain.

We are going to put in place a team of specialists to focus on the definition of the next round of strategic investment allocations to develop next generation products in the markets and geographies that will have the larger capacity to return value to our stakeholders.

We will focus on our growth in our core crops and the geographies with higher adaptability and acceptance to our products. Important growth areas will come from South America and Eastern Europe.

We do see a great potential for Sorghum penetrating as a clear solution for growers facing water availability constraints in other crops.

During the last several months we have undertaken various activities to improve our efficiencies in logistics and production capabilities to be able to benefit from a better cost position without jeopardizing our commitment to quality. Some of these events have resulted in higher cost impact in the current season, however the benefit will be felt over the next production cycles.

Finally it is important to highlight the excitement in our management team when we see the prospect of the new product that will be coming from our R&D engine in our actual core growth crops as well as some new business segments that we will be entering to compete.

### **MODERNIZATION / EXPANSION PROJECTS**

We continue to evaluate the capacity and plant requirements as the business continues to develop. We have taken up numerous negotiations to find suitable partners to assist in capacity expansion.

We are evaluating IT systems to assist in development of supply chain management system to improve planning, production and inventory management. We have implemented a handheld production recording system in Thailand with a view to expand it's adoption across the geographies.

### **RESEARCH & DEVELOPMENT**

We continue to invest 10-12% of our revenues in research activity. This is essential to ensure a competitive future for the company.

Current commercial sorghum hybrids in Australia and Argentina are performing very well. New hybrid Scorpio in Australia promises to be the top new hybrid in the market. Commercial corn hybrids are doing well in Thai and Asian region. Programs in Brazil and Argentina are on track for launching new hybrids by 2015-2016. Sunflower hybrids in Argentina are performing very well. Released hybrids in EU are doing reasonably well. Next hybrid generation will include Orobanche resistance. Canola materials in Australia are also doing reasonably well. LongReach has broken even in 2013. Varieties have started gaining market share and are promising to make it a profitable business very soon.

A new sorghum breeding program has been settled in Ethiopia which will work in parallel with the Indian program to develop sorghum for food consumption for the African and Asian markets.

First GMO events in sorghum (drought tolerance), rice (RR, drought T. and Bt) and tomato (virus tolerance) have been planted in the greenhouses for screening. GMO introgression team and facilities have been settled down in Brazil and backcrosses were started in Brazil for all Advanta tropical corn hybrids.

New SNP technology is running for sunflower, corn and sorghum. We have trained the breeders to enable them to apply MAS in their breeding programs in order to get a better genetic gain and speed up the process to market.

In the IT area we have implemented the electronic field data collection with Handhelds and start implementing a new breeding software (PRISM) which are expected to speed up the decision taken time and accuracy of information.

### **DIVIDEND AND TRANSFER TO RESERVES**

The Board of Directors do not recommend any Dividend for the Financial Year ended 31<sup>st</sup> December, 2013 in view of the inadequate profits during the said year. Owing to the said reason, it is not proposed to transfer any amount to General Reserve.

Pursuant to the provisions of the Companies Act, 1956, the Company shall create a Debenture Redemption Reserve Account for redemption of its debentures and adequate amounts shall be transferred to the said Account, out of its profits every year, until such debentures are redeemed fully.

In compliance with the aforesaid provisions, the Company has transferred an amount of ₹464.79 lacs to the Debenture Redemption Reserve, being the available surplus profit for the year ended 31<sup>st</sup> December, 2013.

## SUBSIDIARIES

As on date, your Company has three direct subsidiaries: Advanta Holdings BV – Netherlands; Advanta Seed International – Mauritius; PT Advanta Seeds Indonesia - Indonesia and ten step-down subsidiaries: Advanta US Inc. – USA; Advanta Netherlands Holdings BV – Netherlands; Advanta Comercio De Sementas LTDA – Brazil; Pacific Seeds Pty. Ltd. – Australia; Advanta Semillas SAIC – Argentina; Advanta (BVI) Ltd. - British Virgin Islands; Long Reach Plant Breeders Management Pty. Ltd. – Australia; Pacific Seeds (Thai) Ltd. – Thailand; Pacific Seeds Holding (Thailand) Ltd – Thailand; Advanta Seeds JLT – Dubai.

During the year under review, Advanta Seed International, Mauritius, has incorporated a subsidiary in Dubai under the name of 'Advanta Seeds JLT'.

Due to nil operations in Advanta Seeds Limited since its incorporation, the Board of Directors of the said Company resolved to close the Company and made an application under the Fast Track Exit Scheme, to the Registrar of Companies, Mumbai for striking off the name of the Company from the Register of Companies maintained by the Registrar of Companies. Accordingly, the name of the Company has been struck off from the Register of Companies.

During the year under review, Advanta Finance BV Netherlands and Advanta International BV Netherlands have been merged with Advanta Holdings BV, Netherlands.

Pursuant to the provisions of Section 212 of the Companies Act, 1956, your Company, being the Holding Company is required to attach the Directors' Report, Balance Sheet and Statement of Profit and Loss and other documents of its subsidiaries along with its Balance Sheet.

In this regard, it may be noted that pursuant to the directions issued by the MCA, vide General Circular No.2/ 2011, Dt.8th February, 2011, general exemption has been granted to the Companies from complying with the provisions of Section 212 of the Companies Act, 1956 in respect of their subsidiaries. This implies that your Company, being the Holding Company need not attach the Balance Sheet, Statement of Profit and Loss, etc., of its subsidiaries subject to compliance of certain conditions attached with the said exemption.

In view of the compliance of said conditions, audited consolidated financial statements for the year ended 31<sup>st</sup> December, 2013, prepared in compliance with applicable Accounting Standards are attached herewith.

Further, your Company undertakes that the Annual Accounts of the Subsidiary companies and the related detailed information will be made available to its shareholders and to the shareholders of its subsidiary companies seeking such information at any point of time. Further, the Annual Accounts of the Subsidiary companies shall also be kept for inspection by any shareholder at its head office and that of the concerned subsidiary companies.

Further, Statement as required under Section 212 in respect of Subsidiaries is annexed to this Report.

## CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements read with Accounting Standard AS-23 on Accounting for Investment in Associates and with reference to Clause 32 of the Listing Agreement, your Directors present the Audited Consolidated Financial Statements in the Annual Report.

## CASH FLOW ANALYSIS

The Cash Flow Statement for the year under reference in terms of Clause 32 of the Listing Agreement entered into by the Company with the Stock Exchanges is annexed hereto.

## NON-CONVERTIBLE DEBENTURES

The outstanding amount of Non-Convertible Debentures as on 31<sup>st</sup> December 2013 is ₹162 crores comprising 1620 Unsecured Non-Convertible Debentures of ₹10,00,000 each.

## CHANGE OF NAME

As proposed and approved in the previous AGM held on 5<sup>th</sup> June 2013, the name of your Company has been changed from Advanta India Limited to Advanta Limited. The fresh Certificate of Incorporation consequent upon change of name of the Company has been issued by the Registrar of Companies, A.P. on 28<sup>th</sup> June 2013.

## SUB-DIVISION OF SHARES

As the members are aware, the nominal value of shares of the Company has been subdivided from ₹10 per share to ₹2 per share. The same has been intimated to ROC and the change has been affected in the Advanta scrip listed at BSE and NSE also. The equity shares of the Company are traded based on paid up value of ₹2 per share.

## ISSUE OF SHARES – ESOP

Consequent to the issue of 26,610 equity shares of ₹2 each to employees upon exercise of options under Employee Stock Option and Shares Plan – 2006 of the Company, during the year under review, the paid-up share capital of the Company increased from ₹1686.31 lacs divided into 84,315,715 equity shares of ₹2 each to ₹1686.85 lacs divided into 84,342,325 equity shares of ₹2 each.

The particulars of shares allotted during the FY ended 31<sup>st</sup> December, 2013 are as follows:

Date of Allotment	Name of the Allottee	No. of Shares	Date of Listing	
			BSE	NSE
26.04.2013	Pachok Pongpanich	6,470	03.06.2013	05.06.2013
15.07.2013	Jorge Moutous	20,140	13.08.2013	14.08.2013

Note: Number of shares has been adjusted in view of the subdivision of nominal value of equity shares from ₹10 per share to ₹2 per share.

## FOREIGN CURRENCY CONVERTIBLE BONDS

In July 2011, the Company had issued USD 50,000,000 Floating Rate Guaranteed Convertible Bonds due 2016 Convertible into Ordinary Shares or Global Depository Shares representing Ordinary Shares of the Company.

The said bonds are listed at Singapore Exchange Limited. If the bondholder(s) opt for conversion, the equity capital of the Company will increase by an amount of ₹79,444,210 comprising of 39,722,105 equity shares of ₹2 each.

During the year under review, the Company has not received any conversion notice from the FCCB holders.

Additional information, such as the total bonds issued, bonds converted, expected number of shares to be allotted in respect of outstanding FCCBs is given in detail in Corporate Governance Report.

## PUBLIC DEPOSITS

The Company has neither accepted nor renewed any deposits from public within the meaning of Section 58A and 58AA of the Companies Act, 1956, and the Companies (Acceptance of Deposits) Rules, 1975, during the year under review.



## DIRECTORS / MANAGER

Mr. V.R. Kaundinya resigned from the office of Managing Director w.e.f. 31<sup>st</sup> December 2013, however he continues to hold the office of Non-Executive Director on the Board of the Company.

Pursuant to the provisions of Section 256 of the Companies Act, 1956 and the Articles of Association of the Company Mr. Hardeep Singh and Dr. Vasant Prakash Gandhi, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

A brief profile of the said Directors as required under Clause 49(IV)(G) of the Listing Agreement is provided in the Notice, attached hereto. The Board of Directors recommends the same for your approval in the ensuing AGM.

## AUDITORS AND AUDITORS REPORT

M/s. S.R. Batliboi and Associates LLP, Chartered Accountants, Statutory Auditors of the Company retire at the conclusion of the ensuing AGM. However, being eligible for re-appointment, they have offered themselves for re-appointment. As recommended by the Audit Committee, the Board of Directors propose the appointment of M/s. S.R. Batliboi & Associates LLP, Chartered Accountants as Statutory Auditors for the financial year 2014.

The Statutory Auditors have confirmed that their appointment, if made, will be in accordance with the provisions of Section 224(1B) of the Companies Act, 1956.

Statutory Auditors of the Company, vide their Report on Consolidated Financial Statements, have qualified their Report about "recognition of deferred tax assets" with respect to the subsidiary companies i.e. Pacific Seeds Holdings (Thailand) Ltd., Longreach Plant Breeders Management Pty. Ltd., PT Advanta Seeds Indonesia, Advanta Comercio De Sementes Ltda., Advanta Holdings BV and Advanta Semillas SAIC, stating that there is no virtual certainty as required by Accounting Standard (AS) 22, 'Accounting for Taxes on Income' to indicate that it is probable that the said companies will have sufficient taxable profits against which such deferred tax assets can be utilized.

In this regard, your attention is invited to Note No. 37 of Notes to Consolidated Accounts on recognition of deferred taxes containing management's opinion that the said unused losses can be utilized.

Auditors of the Company, vide their Report on Consolidated Financial Statements have qualified their Report about the "recognition of MAT Credit entitlement" in respect of Advanta Semillas SAIC, Argentina, subsidiary company. Your attention is invited to Note No. 37 wherein the management explained its view that the said MAT credit can be utilized.

## COST AUDIT

The members may note that by virtue of Order No. F.No. 52/26/CAB-2010, dated 6<sup>th</sup> November, 2012, issued by the Ministry of Corporate Affairs, your Company has been generally directed to get its cost accounting records in respect of FY commencing on 1<sup>st</sup> day of January 2013, audited by a practicing Cost Accountant.

In view of the aforesaid, the Board of Directors has re-appointed M/s. MPR & Associates, Cost Accountants, as Cost Auditor of the Company to conduct the audit of cost records maintained by the Company for the Financial Year ending 31<sup>st</sup> December, 2014.

## DIRECTORS' RESPONSIBILITY STATEMENT

To the best of knowledge and belief and according to the information and explanations obtained by the Directors, they make the following statement in terms of Section 217 (2AA) of the Companies Act, 1956:

- i. That in the preparation of accounts for the year ended December 31, 2013, the applicable accounting standards have been followed and that no material departures have been made from the same.

- ii. That the directors had selected such accounting policies and applied them consistently and made the judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- iii. That proper and sufficient care has been taken for the maintenance of the 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 had prepared annual accounts for the year ended 31<sup>st</sup> December, 2013 on a going concern basis.

## QUALITY

Quality first! True progress lies in enhancing the quality of life of farmers and making their future better. In line with this thought, we have reinforced our focus on quality – what it means to us and how we can achieve higher quality in our processes, product development and people management.

Advanta has striven for and successfully created a participatory approach in its regional / country / location specific farming practices by partnering with farmers / local communities and leveraging on growing awareness levels of farmers on access to better inputs, infrastructure and emerging agronomic / management practices for better yields.

In Research, Marketing and Sales, we have been moving from strength to strength in line with the strategies laid out on New Product Development, Go to Market and Customer Satisfaction.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to the provisions of Clause 49 of the Listing Agreement, a report on Management Discussion and Analysis is furnished as Annexure - A to this Report.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosures of particulars in the report of Board of Directors) Rules, 1988 are provided in Annexure – B which forms part of this report.

## PERSONNEL

The relationship with all employees and workers at all levels of the Company remained very cordial throughout the year. Your Directors place their appreciation for the contribution made by all the employees of the Company.

## PARTICULARS OF EMPLOYEES

Particulars of employees, as required under section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975 as amended, forms part of this report. However in pursuance of section 219(1)(b)(iv) of the Companies Act, 1956, this report is being sent to all the shareholders of the company excluding the aforesaid information and the said particulars are made available at the registered office of the Company. Any shareholder interested in obtaining copy of the same may write to the Company Secretary at the registered office of the Company. None of the employees listed in the said Annexure is related to any Director of the Company and all the employments are contractual in nature.

## EMPLOYEES STOCK OPTION SCHEMES

### (i) Advanta India Limited Employees Stock Option and Shares Plan - 2006

The Advanta India Limited Employees Stock Option and Shares Plan - 2006 ('ESOPs) approved by the shareholders on 20<sup>th</sup> September, 2006 is in force. In accordance with the said Plan, the Company reserved 840,000 Equity Shares of ₹2/- each (originally 168,000 shares of ₹10/- each) to be issued to its employees and to the employees of its

subsidiaries on one to one basis at an exercise price of ₹57/- being the market price as per the valuation report from a Chartered Accountant on the date of grant. The options were granted with a vesting period spread over 4 years and 6 months. Out of the total options granted, vesting of such options is conditional upon the employee's tenor and upon the Company meeting annual performance benchmarks based on parameters set by the Remuneration Committee.

The disclosures as required under Clause 12 & 19 of SEBI (Employees Stock Option Scheme & Employees Stock Purchase Scheme) Guidelines, 1999 are enclosed as Annexure – C to this Report.

**(ii) Advanta Employee Stock Option Plan – 2013**

During the Financial Year 2013, the Company introduced another Employee Stock Option Plan under the captioned title, upon obtaining approval by the shareholders through Postal Ballot process.

Under the said Plan, a maximum of 1,300,000 options have been reserved to be issued to such eligible employees of the Company and also to that of its subsidiaries as may be decided by the Remuneration Committee from time to time, which if exercised would give rise to equal number of shares of ₹2 each.

## CORPORATE GOVERNANCE

The Company is committed to achieve the highest standards of corporate governance and it aspires to benchmark itself with best international practices in this regard.

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on Corporate Governance practices followed by the Company together with a certificate from a Company Secretary in practice confirming compliance is annexed as part of the Annual Report.

## INSIDER TRADING REGULATIONS

Based on the requirements under SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, the Company has adopted Code of Conduct for prevention of Insider Trading and the same is in force.

## LISTING

The Equity Shares of your Company continue to be listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). There is no default in payment of Annual listing fees.

## DEMATERIALISATION OF SHARES

The entire paid up equity share capital of the Company (except 10 shares) is held in dematerialized form as on 31<sup>st</sup> December 2013.

## ACKNOWLEDGEMENTS

Your Directors wish to express their grateful appreciation for the valuable support and co-operation received from customers, investors, lenders, business associates, banks, financial institutions, various statutory authorities and society at large.

Your Directors also place on record their appreciation for the contribution, commitment and dedication of the employees of the Company and its subsidiaries at all levels.

For and on behalf of the Board of  
**Advanta Limited**

Place : Dubai  
Date : 30.01.2014

**Jaidev R. Shroff**  
Chairman

## ANNEXURE - A

### MANAGEMENT DISCUSSION AND ANALYSIS

#### INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian seed industry had a good year in crops like Corn, Rice and Vegetables. Timely monsoon in adequate quantities increased acreages under these crops. Soybean acreages also went up based on good commodity prices at the International level. However, this had an impact on cotton acreages as both soybean and corn took away some of the acreages from cotton particularly in the West.

The subsidy program in hybrid rice seems to have helped the market to show a 25% increase in consumption. The cotton market was under pressure due to excessive supply of Bt cotton seed and reduction in the market size. The demand for good forages is growing and this market is getting better attention with the Government announcing forage development program.

Increasing need for higher yields and pest tolerance is leading to an increase in the hybridization of planting acres in crops like mustard, rice, corn and vegetables. Farmers understand the benefits delivered by hybrids as they have already experienced in cotton, sorghum, corn, sunflower and other crops.

The development of GM traits in the country continues to be stuck due to the uncertain regulatory situation. Apprehensions that overlook scientific facts and are based on the false propaganda of vested interests have led to derailment of the regulatory process. This is likely to delay the introduction of more GM traits in the country by another few years.

The Government of India announced the food security bill which is expected to assure certain minimum quantity of food being made available to certain sections of the society. The long term impact of this new legislation is expected to increase the demand for food. The pressure on the agriculture system to produce more food from the same acreages and under emerging scenario of reducing water table, will increase in the future. The importance of the seed and biotech industry is bound to increase in these conditions.

#### BUSINESS OVERVIEW

Advanta had a difficult year in 2013. Adverse seasonal conditions and crop plantings in certain parts of the world have put pressure on the Company. However certain outstanding performances in other parts of the world have helped the company in putting up a reasonable growth in revenue and profits.

The business in the International Markets has shown a very impressive growth. South East Asia and North Latin America have provided the base for this growth. During the year, we got our products registered and have started the commercial operations in Europe. Thailand has been an outstanding success this year, backed by very good supply position of our corn production. USA again produced excellent results which is backed by focus, value capture and development of branded business in USA and Mexico.

Corn and Sweet Corn have produced excellent growth of 70% and 55% respectively. Sorghum (22% growth) and Sunflower (27% growth) also had a very good year.

Longreach program has produced high quality wheat varieties which has increased our market share. This project looks very promising now and is likely to break even in 2014. Our forages like Nutrifeed and Sugargraze have got excellent response in the Indian market.

Canola which was the most successful crop for us in 2012, had a poor year particularly in Australia, due to reduction in planting acreages. This resulted in a reduction of 32% in our canola business in Australia. In addition to this, we faced certain seed performance related issues with one hybrid of canola in certain parts of Australia which highlighted the need for improving the seed quality assurance processes in canola. We have paid highest attention to this area and corrected the situation. We have also now recruited a global quality lead who is entrusted with the job of improving quality processes in all our units. We are sure to see few big changes in the immediate future.



During the year the first Nutrisun order was executed. However, we still need to progress the research activity to improve the seed and crop production economics.

Cost of Seed production continues to rise due to the increasing demand on the growers and the increasing commodity prices. Seed companies have to find innovative methods of producing seed, otherwise production would become a great obstacle to the growth of the industry. Advanta is investing continuously in increasing its production capacity in terms of grower relationships and training.

Advanta endeavours to breed improved hybrid varieties of field (rice, cotton, mustard, forage & grain sorghums, corn, sunflower and pearl millet) and vegetable (okra, hot pepper, brinjal, gourd) crops which will have the capacity to increase the productivity and profitability of farmers and help his crops to fight various pests and diseases and adverse weather conditions.

Investment in Agriculture R & D is the most effective way of ensuring food security and economic growth. The pressing need is for quality seed of varieties and hybrids that are not only high yielding but resilient to less input-water, fertilizers etc. Thus food security is interwoven with the seed security. Advanta's R&D targeted its research for developing hybrids that excel in the market with quality assurance.

Your company with vast experience in seed production of major agricultural crops backed by a very strong in-house R&D program for crops sorghum, sunflower, rice and several vegetable crops nurtured a competitive edge in seed and agribusiness.

Seed industry will continue to face relatively healthier tail winds, with growers continuous demand for high quality and high yielding products.

Demand for food continues to be strong and is growing steadily as projected.

We will continue to focus on developing markets like South America, Africa and Eastern Europe.

As a general trend, high temperature and challenges on water availability makes it imperative for the industry to develop solutions, either by conventional breeding or new technologies. Some of the crops and areas will suffer the most as higher water requirements for specific crops will limit the development in certain geographies. Also, crops like sorghum whose water requirements are relatively lower responds better to a certain level of water restrictions which provides an additional advantage.

We see a continuous adoption of GM technology in actual crops and geographies and see some signs of optimism in new geographies. Still GM rice raises a notable question mark.

We do see a trend on stacking or adding up different traits on a single product in order to provide a more comprehensive solution to growers. In addition to this we see an increased leverage between the so called genetic / GM solutions coupled with chemical solutions integrated in a single offer and value proposition. Companies that can integrate this capacity would benefit from a better solution propositions to growers.

## **OPPORTUNITIES AND OUTLOOK**

The outlook for the Indian seed industry continues to be very bright. The compulsions of food security and the need for increasing yields will keep pushing up the demand for good quality seeds. The increasing shortage of food and cost of labour is bound to increase the need for more mechanization of various farm operations and also for herbicide tolerant crops. Cotton is the crop that is likely to see the first impact of mechanization of harvesting (picking) and use of herbicide resistant technology for better weed management.

The need for higher production in pulses and oil seeds is an acute one for the country. The seed industry and various research institutions are taking this up and we will see an increased emphasis on these crops.

As far as 2014 is concerned we will continue to see pressure on Bt cotton due to high supply position compared to the demand. We will see increased hybridization of rice, corn, mustard and vegetable crops. The demand for good forages is picking up and we will see very encouraging growth in this market, backed by the Government programs and private sector programs.

Cost of production of seed is expected to be higher in 2014 due to higher commodity prices and increased competition for hybrid seed production. This will benefit the seed growers.

The seed industry has to come to terms in dealing with the National Biodiversity Act and its implications. This will be a major challenge and some progress on this front is expected to be seen in 2014.

Advanta has a great opportunity to develop its growth strategy through a combination of internally driven factors and external dynamics that have taken place in the industry today.

From an internal perspective, the company has the inherent capacity to continue improving its efficiencies. From supply chain perspective, the company can leverage on its worldwide capacity and footprint to achieve a better cost position and from risk management perspective, several strategies are being implemented to encash this important opportunity.

From R&D perspective, we will be developing even greater focus on our programs, to be able to gather resources in the most profitable projects that will bring a larger return.

We will continue to focus and develop collaboration to capture wider set of resources and leverage on a particular market expertise. Also, in our specialty projects we will focus on developing those commercial partnerships, synergizing the Advanta's and its partners capabilities throughout the integrated value chain.

We are going to put in place a team of specialists to focus on the definition of the next round of strategic investment allocations to develop next generation products in the markets and geographies that will have the larger capacity to return value to our stakeholders.

We will focus on our growth in our core crops and the geographies with higher adaptability and acceptance to our products. Important growth areas will come from South America and Eastern Europe.

We do see a great potential for Sorghum penetrating as a clear solution for growers facing water availability constraints in other crops.

During the last several months we have undertaken various activities to improve our efficiencies in logistics and production capabilities to be able to benefit from a better cost position without jeopardizing our commitment to quality. Some of these events have resulted in higher cost impact in the current season, however the benefit will be felt over the next production cycles.

Finally it is important to highlight the excitement in our management team when we see the prospect of the new product that will be coming from our R&D engine in our actual core growth crops as well as some new business segments that we will be entering to compete.

## SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

### Business Segment

The Group has considered business segment as the primary segment for disclosure. The Group is engaged in research, production and distribution of hybrid seeds, which in the context of Accounting Standard 17 is considered the only Business Segment.

## Geographical Segment

Secondary segmental information is based on the operations of the Group that are managed from independent locations, which are located in different geographies. However each of these operating locations are further aggregated based on the following factors: (a) similarity of economic and political conditions; (b) relationships between operations in different geographical areas; (c) proximity of operations; (d) special risks associated with operations in a particular area; (e) exchange control regulations; and (f) the underlying currency risk. Accordingly, the following have been identified as operating and reportable segments: (a) 'Asia Pacific', (b) 'NAFTA' (c) 'LATAM' and (d) 'Europe'.

## RISKS, CONCERNS AND THREATS

### Key Risk Factors

- Increased competition may result in decreased demand or lower prices for the products. Failure to effectively compete could adversely affect the Company's business, prospects, results of operations and financial condition.
- The Company's business is subject to risks related to weather, disease and pests.
- The Company's business prospects, results of operations and financial condition may be materially and adversely affected by the seasonality and cyclical nature of its business.
- Any failure to make accurate forecasts and manage the inventory could result in unexpected shortfalls or a surplus of seeds.
- The Company is heavily dependent on the success of its research and development programme to develop new and improved products.
- Regulatory framework governing the Indian seed industry – the Indian seed industry is presently regulated inter alia by the Seeds Act, 1966; the Seeds Rules, 1968, the Seeds (Control) Order, 1983; The Bio-diversity Act, 2002 and the National Seeds Policy, 2002.
- Inability to obtain various statutory and/or regulatory approvals, licenses, permits, certifications and registrations in a timely manner or at all could adversely affect the business, prospects, results of operations and financial condition.
- The Company's contingent liabilities could materially and adversely affect its financial condition.
- Non-availability of adequate irrigation facilities in most parts of the country may restrict the acreage and possibility of 2<sup>nd</sup> crop in the year.
- Macro economic factors like subdued demand, farm credit, political uncertainty and social upheavals and acts of God may also affect the business of our Company and the Industry at large.
- The Company's business, prospects, results of operations and financial condition are dependent upon the availability of transportation and other logistic facilities in a timely manner.
- The Company's success depends to a large extent on its ability to attract and retain key personnel.
- A decline in prices of the Company's products may materially reduce profit margins.
- Major fluctuations in total rainfall and its distribution affect the crop acreages, pest incidence and overall productivity and have a direct co-relation with sales.
- Exchange rate fluctuations between Dollar and Rupee could also impact revenues as well as costs in the foreseeable future. The rising crude prices could have an impact on the costs and prices of various products.
- Apart from the quantum, timing and even distribution of rainfall are critical for the domestic business. Farmers' willingness and ability to spend will be an important driver to generate demand. Strong support prices and better availability of credit will ease the pressure on the farming community.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Advanta has a robust internal audit and control system which is overviewed by the Board of Directors and Management and provides reasonable assurance regarding the effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations.

The Company's internal audit function is staffed with qualified and experienced personnel. It appraises periodically its activities and audit findings to the audit committee, statutory auditors and the management. The observations and suggestions of the internal audit are reviewed by the Audit Committee periodically. Adequate follow up measures are taken to overcome the reported weaknesses, if any. The Standard Operating Procedures (SOPs) put in place by the company are in tune with the best global practices and have been laid down across the process flows along with authority controls for each activity.

## DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Company has recorded a consolidated total income of ₹126,256.24 Lacs as against ₹107,299.46 Lacs for the previous year, which is 17.67% higher than that of the previous year.

The consolidated profit after tax stood at ₹4,448.70 Lacs as against profit after tax of ₹5,936.27 Lacs for the previous year.

## MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT INCLUDING NUMBER OF PEOPLE EMPLOYED

The Company believes that the quality of the employees is the key to its success in the long run and is committed to provide necessary human resource development and training opportunities to equip them with skills, enabling them to adopt the contemporary technology advancements.

An atmosphere of cordial relations with the employees has prevailed in the organization all over the world.

During the year, the Company has organized training programmes for all the categories of employees in different areas such as technical/skill development, behavioral skills, business excellence, general management, advanced management, leadership skills, customer orientation, safety, company values & code of conduct and product training.

As on 31st December 2013, the employee strength stands at 640.

## CAUTIONARY STATEMENT

*Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results could differ substantially or materially from those expressed or implied. Important factors that could affect the company's operations include a downward trend in the domestic industry, monsoon, rise in input cost, exchange rate fluctuations and significant change in political & economic environment in India, environment standards, litigations, changes in the Government regulations, tax laws, statutes and other incidental factors.*



## ANNEXURE - B

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information in accordance with the Companies (Disclosures of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the period ended 31<sup>st</sup> December, 2013:

#### A. CONSERVATION OF ENERGY

##### 1. Energy Conservation Measures Taken:

Pursuant to our constant endeavor to save energy in our operations in all possible means we have been able to successfully adopt the existing energy saving technologies and equipments in our operations within the plant activities. As committed, it has also been our mission to focus on reducing the consumption of natural depletes like LPG and move more towards renewable and waste biomass resources.

With this mission in our plant operations we have been able to successfully sustain the energy conservative drive and also have taken steps in implementing latest energy saving technologies available. To achieve this, we have initiated the process of technology identification and capital investment allocation.

- i) **Drying and Shelling operation:** During the financial year 2013, even though our volumes were muted, we were able to sustain and increase the volume of wet cob dried through energy efficient systems compared to last year. This operation is an outsourced one which involves drying of seed either by LPG or through boiler system. We successfully concluded the operations by adopting drying of wet cobs through boiler system which consumes waste biomass like baggasse and shanks to produce hot air to dry the wet cobs. This year we dried 80% of our wet cobs with this technology compared to 70% last year. Appended below is the cost saving and saving in LPG gas achieved through this initiative.

Total Wet Cob Shelled	5500 MT
Raw Seed Generated	3000 MT
Gas required to dry one ton of seed	85 kgs
Gas required to dry 3000 MT of seed	250 MT

Since 80% volume of wet cob was dried through boiler system technology there was a saving of around 200 MT of LPG which was indeed conserved.

- ii) We have identified state of the art energy efficient seed processing machines from "Seed Processing Holland" which will not only deliver world class quality of processed seed but will also save energy to the extent of 30%, as it works on VFDs (Variable Frequency Drives). The capital investment plan for the same has been approved and the process is in advance state of procurement. The machines will be delivered in March 2014 and will be commissioned and made operational tentatively by April 2014. On successful implementation of the same, it will save energy consumption to the extent of 250 units of electricity per day.
- iii) At our Kalakal plant we use diesel based dryer to dry vegetable seeds and every year we dry approximately 1200MT of seed using these dryers. This year we dried almost 75% of the total volume by sun drying, thus saving on diesel. Below appended table shows the savings in drying cost and savings in diesel fuel.

Total Volume of seed to be dried	1200 MT
Tons per cycle	1MT
No of Cycles	1200 Nos
No of hours per cycle	3 hours

Total No. of hours run	3600 hours
Diesel consumption per hour	2.5 litres
Total diesel consumption	9000 litres

Hence, a saving of more than 6750 litres of diesel as we had dried 75% of total volume of 1200MT through sun drying.

2. **Additional investments and proposals, if any, being implemented for reduction of consumption of energy:**  
Identification of new energy saving means and measures are carried out on an ongoing basis.
3. **Impact of the measures at (1) and (2) above for reduction of energy consumption and consequent impact on the cost of production of goods:**  
As mentioned above.
4. **Total Energy consumption and energy consumption per unit of production:**  
Not Applicable

## B. TECHNOLOGY ABSORPTION

### RESEARCH AND DEVELOPMENT (R&D)

#### 1. Specific areas in which R & D carried out by the Company:

Identification and development of superior, high yielding, pest and disease resistant proprietary hybrids. Utilisation of the Molecular Breeding Technology to increase the speed and precision in the Breeding Programs.

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

- a) Cost reduction, import substitution and strategic resource management.
- b) Quality evaluation of seeds.
- c) Higher productivity and economic returns to the farming community consequent to development of high yielding Hybrids.
- d) Entering new market segments.
- e) Increased speed in introduction of new products.

#### 3. Future Plan of Action:

To continue and extend research in the above areas.

#### 4. Expenditure on R&D:

₹ in Lacs

Description	Standalone		Consolidated	
	FY 2013	FY 2012	FY 2013	FY 2012
A. Capital Expenditure	130.96	123.44	286.39	347.22
B. Revenue Expenditure-Gross	1,763.27	1,445.40	11,370.96	10,080.94
Less: Revenue expenses recharged	1,049.03	1,305.38	709.10	1,115.00
Sub-total	714.24	140.02	10,661.86	8,965.94
<b>Total (A+B)</b>	<b>845.20</b>	<b>263.46</b>	<b>10,948.25</b>	<b>9,313.16</b>
R&D Expenditure as a% of Net Sales	11.81	3.13	9.28	9.06

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION****1. Efforts, in brief, made towards technology absorption, adaptation and innovation:**

Utilizing plant breeding and biotechnological tools for the development of high yielding proprietary hybrids suitable for Indian agro climatic environment.

**2. Benefits derived as a result of the above efforts:**

Product improvement and development leading to cost reduction by introduction of high yielding superior quality disease and pest resistant hybrids for the benefit of the Indian farmer.

**3. Information regarding Imported Technology:**

a. Technology imported	:	Plant breeding and biotechnology know-how relating to seeds.
b. Year of Import	:	Technology up gradation takes place on a continuous basis
c. Has Technology been fully absorbed	:	Yes
d. Future plans of action	:	To continue ongoing research

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

<b>1. (a) Activities relating to exports</b>	:	Export of various hybrid seeds in field crops and vegetable crops
<b>(b) Initiatives taken to increase</b>	:	Started producing seeds for our subsidiaries and for export markets taking the advantage of the low cost of production in India.
<b>(c) Export plans</b>	:	Company is having ambitious export plans for the year 2014 by exploring the possibilities of taking production of hybrid seeds in India on behalf of overseas subsidiaries and other third party buyers.

<b>2. Foreign Exchange used</b> (on stand-alone basis)		<b>Current year</b> (₹ in Lacs)	<b>Previous year</b> (₹ in Lacs)
Consumables	:	-	-
Capital Expenditure	:	9.84	34.54
Import of Seeds	:	1,640.76	633.21
Travel	:	72.00	62.68
Legal and Professional Charges	:	62.58	89.63
Other Expenses	:	56.70	102.61
Interest	:	1,350.47	1,263.89
Reimbursement of expenses	:	8.42	30.39
<b>Total</b>		<b>3,200.17</b>	<b>2,216.95</b>
<b>Foreign Exchange Earned</b> (on stand-alone basis)			
FOB Value of Exports	:	5,796.66	1,830.54
Interest Income	:	2,487.83	2,420.25
Reimbursement of Expenses	:	1,847.56	1,511.64
Commission Income	:	163.26	-
Others	:	22.58	-
<b>Total</b>		<b>10,317.89</b>	<b>5,762.43</b>

For Advanta Limited

Place : Dubai  
Date : 30.01.2014

**Jaidev R. Shroff**  
Chairman

## ANNEXURE - C

Disclosure pursuant to Clause 12 & 19 of SEBI (Employees Stock Option Scheme & Employees Stock Purchase Scheme) Guidelines, 1999

Particulars	
Granted during the year	Nil
Pricing Formula	Black Scholes Formula
Vested during the year	69,800
Exercised during the year	26,610
Forfeited during the year	58,445
Lapsed during the year	Nil
Outstanding unvested at the end of the year	205,650
Exercisable vested options at the end of the year	255,975
Total number of options in force	461,625
Total No of Shares arising as a result of exercise of option (cumulative)	169,825
Variation of Terms of options	Nil
Money Realised by Exercise of options during the year	₹15,16,770
Employee wise details of options granted during the year to:	
(a) Senior managerial personnel-	Nil
(b) Any other employee who received a grant in any one year, of options amounting to 5% or more of options granted during the year	Nil
(c) Identified employees who were granted options, during the year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of the grant.	Nil
Diluted Earnings Per Share (EPS) pursuant to issue of Shares on exercise of options calculated in accordance with Accounting Standard 20.	₹ 0.55
The Difference between the employee compensation cost using the intrinsic value of the stock options, and the employee compensation cost that shall have been recognized if it had used the fair value of the options.	₹18.52 Lacs
The impact of this difference:	
on profit-	If the company had recognized fair value of options profits would have reduced by ₹18.52 Lacs
EPS-	If the company had recognized fair value of options EPS would have been lower by ₹ 0.02
- Weighted average exercise price of options where exercise price is less than market price	₹285/-
- Weighted average exercise price of options where exercise price is equal to or exceeds market price	-
- Weighted average fair value of options where exercise price is less than market price	₹180.36
- Weighted average fair value of options where exercise price is equal to or exceeds market price	-
Description of the method and significant assumptions used to estimate the fair values of options, including the following weighted average information:	
a) Risk free interest rate	8.04% p.a.
b) Expected life	vesting period + 18 months
c) Expected volatility	64.49%
d) Expected dividends and	0.30% p.a.
e) The price of the underlying share in market at the time of option grant.	₹343.75 (closing price at NSE on the date of grant)



## REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY

Corporate Governance is based on the principles of equity, fairness, integrity, transparency, accountability and commitment to values. Good governance practices stem from the culture and mindset of the organization. As stakeholders across the globe evince keen interest in the practices and performance of Companies, Corporate Governance has emerged on the centre stage.

Advanta believes that as we move closer towards our aspirations of becoming a global leader in seed business, our Corporate Governance Standards must be globally acclaimed and recognized.

The Company's products are marketed not only in India but across the globe. The Company is therefore conscious of the fact that to achieve success, high level of ethical values is to be maintained by the Management Team and all other Personnel.

Advanta adopts a business process which is aimed at enhancing the organization's wealth while being committed to high ethical values and conduct.

At Advanta, we believe in complying with the spirit of the law and not just the letter of the law. We conduct our business in a fair and transparent manner in India as well as abroad.

We follow the policy of continual disclosure of accurate financial and corporate information on our website to ensure investors' awareness and protection.

Our Board consists of experienced and participative independent directors which ensures independent and unbiased decision making process.

Independent Directors play a critical role in imparting balance to the Board processes by bringing independent opinions and a fresh point of view on strategic and tactical issues and comparative performance / standing of the Company vis-à-vis the others. The system supports them by disseminating high quality information, well structured agendas and a professional and well resourced secretarial team.

At Advanta, we ensure:

- application of best governance practices
- adherence to high ethical values
- fair and transparent accounting policies
- informed and responsible management
- consideration of inalienable rights of shareowners
- healthy stakeholders' relations
- accountability for our business decisions
- achievement of our objectives while meeting the stakeholders needs
- protection of long term interest of all the stakeholders.

### 2. BOARD OF DIRECTORS

#### a. Composition of the Board

At Advanta, we believe that an active and independent Board is necessary to ensure highest standards of corporate governance. It is well-recognized that an efficient Board is essential for strong and effective corporate governance.

Our Board consists of 6 members, all of them being non-executive directors, out of which three are independent directors. This indicates an independent Board which is pre-requisite to ensure good corporate governance. Keeping in view the size and operations of the Company, the Board evaluates the need for change in its size and composition.

Composition of the Board as on 31<sup>st</sup> December, 2013:

Category	No. of Directors	Percentage to the total number of directors
Non Executive Independent Directors	3	50%
Other Non Executive Directors**	3	50%

\*\* Out of which 2 are Promoter Directors

Name of the Director	Category	Designation	Shares held in the Company as on 31.12.2013	
			No.	%
Mr. Jaidev R. Shroff	Promoter & Non Executive Director	Chairman	5,076,750	6.02
Mr. Vikram R. Shroff	Promoter & Non Executive Director	Director	4,233,250	5.02
Mr. V. R. Kaundinya*	Non Executive Director	Director	47,965	0.06
Mr. Vinod Sethi	Independent Director	Director	NIL	NIL
Dr. Vasant P. Gandhi	Independent Director	Director	NIL	NIL
Mr. Hardeep Singh	Independent Director	Director	32,000	0.04

\*Resigned as Managing Director of the Company w.e.f. 31<sup>st</sup> December, 2013.

#### b. Board Meetings

- At Advanta, Board meetings are held every quarter to review the quarterly results, business operations and to transact other items on agenda. Further, Board meets as and when required. However, as the Board consists of non-executive and independent directors from different parts of the country it may not be possible for them to be physically present for all the meetings and in certain cases conducting the meeting physically may not be feasible. In such cases, need based resolutions are passed by way of circulation and are noted and taken on record in the immediately subsequent meeting of the Board.
- The Company Secretary drafts the agenda for each meeting, along with explanatory notes, in consultation with the Managing Director and CFO and circulates the same in advance to the Directors.
- Every Board member is free to suggest additional items for inclusion in the agenda.
- Presentations are made on business operations and performance of the Company by the CEO / CFO and other Functional Heads.
- The draft minutes are circulated to the members of the Board for their perusal and feedback. Comments, if any, received from the Directors are recorded in the minutes, in consultation with the Chairman of the meeting. The minutes are confirmed by the Board members at its subsequent meeting.
- Senior management personnel are invited to provide additional inputs for the items being discussed by the Board as and when necessary.

**No. of Board Meetings:** During the financial year ended 31<sup>st</sup> December 2013, four Board meetings were held on the following dates:

- 8<sup>th</sup> February, 2013
- 26<sup>th</sup> April, 2013

- 15<sup>th</sup> July, 2013
- 15<sup>th</sup> October, 2013

The maximum time gap between any two Board Meetings did not exceed four months. The necessary quorum was present in all the meetings.

**c. Attendance at the Board meetings / AGM during the FY ended December 31, 2013 and number of directorships / committee membership held by the Directors in other Companies:**

Name of the Director	No. of meetings during the year		No. of memberships in other companies			Attendance at previous AGM
	Held	Attended	Board	Membership of Committees	Chairmanship of Committees	
Mr. Jaidev R. Shroff	4	4	7	NIL	NIL	Absent
Mr. Vikram R. Shroff	4	4	8	NIL	NIL	Present
Mr. V. R. Kaundinya	4	4	1	1	NIL	Present
Mr. Vinod Sethi	4	3	8	4	1	Present
Dr. Vasant P. Gandhi	4	4	1	2	NIL	Absent
Mr. Hardeep Singh	4	4	2	NIL	NIL	Present

- The Directorships held by Directors in other Companies, as mentioned above does not include Directorship(s) in Foreign Companies, Companies Registered under Section 25 of the Companies Act, 1956 and Private Limited Companies.
- None of the Directors of the Company holds office as Director, at the same time in more than fifteen (15) companies. No Director of the Company is a Member in more than ten (10) Committees or is a Chairman of more than five (5) Committees across all companies in which he is a Director.
- For the purpose of reckoning number of Committees in which a Director is a Member / Chairman, the Memberships / Chairmanships in Audit Committee and Shareholders Grievance Committee alone are considered.
- None of the Independent Directors has any pecuniary relationship or transaction with the Company except the sitting fee paid for each meeting of the Board of Directors attended by them.
- None of the Directors has any relationship with other directors of the Company except Mr. Jaidev R. Shroff and Mr. Vikram R. Shroff who are related to each other as brothers.
- The Directors of the Company also hold positions as Directors, Chairperson/Members of mandatory Committees in other Companies as per the details given below:

**i. MR JAIDEV R SHROFF**

Sr. No.	Name of the Company	Nature of Interest
1	Demuric Holdings Pvt. Ltd.	Director
2	Shroff Envirotral Pvt. Ltd.	Director
3	Isar Builders & Developers Pvt. Ltd.	Director
4	Asia Society India Centre (Section 25 Company)	Director
5	Force Aviation Pvt. Ltd.	Director
6	JRF Research Private Limited	Director
7	NIVI Trading Ltd.	Director
8	UPL Limited	Director

9	Ventura Guaranty Ltd.	Director
10	Uniphos Enterprises Ltd.	Director
11	Tatva Global Environment Ltd.	Director
12	Tatva Global Environment (Deonar) Ltd	Director
13	Pradeep Metals Limited	Director

**ii. MR VIKRAM R SHROFF**

Sr. No.	Name of the Company	Nature of Interest
1	Shroff Envirotral Private Limited	Director
2	Isar Builders and Developers Private Limited	Director
3	Force Aviation Private Limited	Director
4	Uniphos Envirotronic Private Limited	Director
5	Demuric Holdings Private Limited	Director
6	JRF Research Private Limited	Director
7	Agri Net Solutions Limited	Director
8	UPL Limited	Director
9	Shroffs United Chemicals Limited	Additional Director
10	Swal Corporation Limited	Additional Director
11	Agraja Properties Limited	Director
12	Mrugal Properties Limited	Director
13	Tatva Global Environment (Deonar) Limited	Director

**iii. MR VR KAUNDINYA**

Sr. No.	Name of the Company	Nature of Interest
1	Warrantify Oy	Director
2	Axis Bank Limited	Director & Member – Audit Committee

**iv. MR VINOD SETHI**

Sr. No.	Name of the Company	Nature of Interest
1	Sethi Funds Management Pvt Ltd.	Director
2	Durgamba Investment Private Limited	Director
3	Amethyst Café Private Limited	Director
4	UPL Limited	Director
5	ITZ Cash Card Ltd	Director
6	Axsys Health Tech Limited	Director & Member – Audit Committee
7	KCP Sugars Agricultural Research Farms Ltd.	Director & Member – Audit Committee
8	K.C.P. Sugar and Industries Corporation Limited	Whole-time Director & Member – Audit Committee
9	ISMT Ltd.	Director, Chairperson – Audit Committee & Member – Shareholders and Investor's Grievance Committee
10	IG3 Infra Ltd.	Director
11	IRB Infrastructure Developers Limited	Director



**v. DR VASANT P GANDHI**

Sr. No.	Name of the Company	Nature of Interest
1	Gujarat State Fertilizers and Chemicals Limited	Director, Member – Audit Committee & Member – Share-cum- Debentures Transfer and Investor's Grievance Committee

**vi. MR HARDEEP SINGH**

Sr. No.	Name of the Company	Nature of Interest
1	Agresource Management Pvt. Ltd.	Director
2	Brattle Foods Private Limited	Director
3	Swaraj Automotives Limited	Director
4	Escorts Limited	Director

**d. Availability of information to Board members**

The Board of Directors of the Company is apprised of all the relevant information and developments pertaining to the Company's business and this facilitates them to take timely corporate decisions.

The Board has complete access to all the information that is within the Company. At the meetings of the Board, the senior executives and if required, even functional heads, who can provide in-depth insight into the agenda items, are being invited.

Apart from the matters that require mandatory Board approval, following matters are also put up for information to the Board, as and when the occasion arises.

- Annual operating plans and budgets, capital budgets and updates.
- Quarterly results (standalone and consolidated).
- Minutes of meetings of audit, remuneration, risk management and shareholders'/investors' grievance committee as well as abstract of circular resolutions passed.
- Information about foreign currency risks and the risks pertaining to derivatives and swap transactions.
- The Board minutes of the Indian subsidiary companies.
- Dividend.
- Information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of the CFO and Company Secretary.
- Materially important litigations, show cause, demand, prosecution and penalty notices.
- Fatal or serious accidents, dangerous occurrences and issues related to material effluent or pollution.
- Any material defaults in financial obligations to and by the Company or substantial non-payment for goods sold by the Company.
- Any issue that involves possible public or product liability claims of a substantial nature, including any judgment or order which, may have passed strictures on the conduct of the Company
- Details of joint ventures, acquisitions of companies or collaboration agreements
- Transactions that involve substantial payments toward goodwill, brand equity and intellectual property.
- Significant labour problems and their proposed solutions, any significant development in human resources or Industrial relations front.

- Sale of material nature, of investments in subsidiaries and assets which are not in the normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by the management to limit the risk of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements, as well as shareholder services such as non-payment of dividend and delays in share transfer etc.

A Report on compliance with all the laws applicable to the Company is being put up before the Board in its every meeting.

**e. Post-meeting follow-up system**

The Governance process in the Company include an effective post-meeting follow-up, review and reporting process for action taken / pending on decisions of the Board and the Board Committees.

**f. Code of Conduct**

As per the requirements of Clause 49 of the Listing Agreement entered into with the Stock Exchanges, the Company has laid down a code of conduct for all its Board Members, Senior Management Personnel and Designated Employees of the Company. The confirmation to the adherence of the Code of Conduct for the Financial Year 2013 in the form of declaration is received from all the Directors, Members in the Senior Management and Designated Employees of the Company, to whom such code is applicable.

The Board of Directors has noted the adherence to the Code of Conduct and the declaration to this effect signed by Mr. Manoj Gupta, Manager & CFO is attached to this report. The Code of Conduct of the Company is available on the Company's website viz [www.advantaseeds.com](http://www.advantaseeds.com).

**g. Subsidiary Companies**

As per the requirements of Clause 49 of the Listing Agreement entered into with the Stock Exchanges, the Company monitors the performance of its Indian subsidiary companies, inter alia, by the following means:

- The financial statements, in particular the investments made by subsidiary companies, are reviewed by the Audit Committee periodically.
- The minutes of the Board meetings of the subsidiary companies are noted at the Board meetings of the Company.
- The details of significant transactions and arrangements entered into by the subsidiary companies are placed periodically before the Board.

The Company does not have any Indian subsidiary company as on date. During the year under review, Advanta Seeds Limited, an Indian Subsidiary Company had made an application to the Registrar of Companies, Maharashtra, Mumbai for striking off its name from the Register of Companies. Accordingly, the name of the Company has been struck off from the Register of Companies. The aforesaid matter was also brought to the notice of Board members of the Company.

**h. Committees**

The Board has constituted various committees and delegated them powers to deal with specific matters in order to ensure efficient functioning of the Board and Committees.

The Board Committees play a crucial role in the governance structure of the Company and have been assigned specific areas/activities which need closer review. They are set up pursuant to the formal approval of the

Board to carry out their clearly defined roles. The Board delegates them the necessary powers and supervises their functioning.

Hence, each committee focuses on specific functional area, thereby ensuring excellence in each activity. The Company has the following Committees:

- Audit Committee
- Remuneration Committee
- Shareholders' / Investors' Grievance Committee
- Risk Management Committee

The terms of reference of the Committees are reviewed and modified by the Board from time to time. Meetings of each Committee are convened by the respective Committee Chairman. The Company Secretary drafts the agenda and explanatory notes in consultation with the Chairman of the respective Committees and Chief Financial Officer and circulates the same in advance to all the members. Every member is free to suggest inclusion of item(s) on the agenda. Minutes of the Committee meetings are approved by the respective Committee and thereafter placed for noting and confirmation by the Board. Matters requiring the Board's attention /approval are generally placed in the form of note before the Board by the respective Committee Chairman. The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance are provided below.

### 3. AUDIT COMMITTEE

The main objective of the Committee is to supervise the Management's financial reporting process to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting.

#### a. Constitution of Audit Committee

- i. In terms of Clause 49 of the Listing Agreement which requires a Qualified and Independent Audit Committee, our Audit Committee comprises of three Independent Directors and one Non- Executive Director:
  - Mr. Vinod Sethi - Chairman
  - Mr. Vikram R Shroff - Member
  - Dr. Vasant P. Gandhi - Member
  - Mr. Hardeep Singh – Member
- ii. The constitution of Audit Committee is also in accordance with Section 292A of the Companies Act, 1956.
- iii. Mr Vinod Sethi, Chairman of the Committee has attended previous Annual General Meeting which was held on 5<sup>th</sup> June, 2013.
- iv. Ms. Pushpalatha K, Company Secretary acts as Secretary to the Committee.

#### b. Meetings and attendance during the year

The Audit Committee meets quarterly to review the Financial Results of the Company and to transact other items on agenda. Additional meetings are also conducted as and when required.

During the financial year ended December 31, 2013, four audit committee meetings were respectively held on 8<sup>th</sup> February, 2013; 26<sup>th</sup> April, 2013; 15<sup>th</sup> July, 2013 and 15<sup>th</sup> October, 2013. The meetings of the Audit Committee were generally attended by the Head of Finance, Internal Auditors and Statutory Auditors as invitees. The attendance of each member of the Committee is given below:

Name of the Member	Category	No. of meetings	
		held	attended
Mr. Vinod Sethi	Independent Director	4	3
Mr. Vikram R. Shroff	Non-executive Director	4	4
Dr. Vasant P. Gandhi	Independent Director	4	4
Mr. Hardeep Singh	Independent Director	4	4

**c. Terms of reference**

The terms of reference of our Audit Committee are as per the guidelines set out in the listing Agreement entered into with Stock Exchanges read with Section 292A of the Companies Act, 1956 and includes such other functions as may be assigned to it by the Board from time to time.

**i) Powers of the Audit Committee include:**

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

**ii) Role of the Audit Committee includes:**

- Oversight of the company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the financial statements before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
  - Changes, if any, in accounting policies and practices and reasons for the same
  - Major accounting entries involving estimates based on the exercise of judgment by management
  - Significant adjustments made in the financial statements arising out of audit findings
  - Compliance with listing and other legal requirements relating to financial statements
  - Disclosure of any related party transactions
  - Review of draft Auditors Report, in particular qualifications / remarks / observations made by the Auditors on the financial statements
  - Management Discussion and Analysis of financial conditions and results of operations
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval
- Review of the financial statements of subsidiary Companies
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for



purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter

- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
- Discussion with internal auditors of any significant findings and follow up there on
- Reviewing the Risk Management policies, practices and the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern
- To review the functioning of the Whistle Blower Mechanism, in case the same is existing.
- Approval of appointment / reappointment / remuneration of CFO (or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate
- Carrying out any other function as may be mentioned in the terms of reference of the Audit Committee

The Audit Committee discharges its functions and obligations on regular basis and on the occurrence of the events.

#### 4. REMUNERATION COMMITTEE

##### a. Constitution of Remuneration Committee

Our Remuneration Committee comprises 5 Non-Executive Directors, out of which 3 Directors are Independent:

- Mr. Hardeep Singh – Chairman
- Mr. Jaidev R. Shroff – Member
- Mr. Vikram R. Shroff - Member
- Mr. Vinod Sethi - Member
- Dr. Vasant P. Gandhi – Member

Ms. Pushpalatha K, the Company Secretary acts as Secretary of the Committee.

##### b. Meetings and attendance during the year

During the financial year ended December 31, 2013 three remuneration committee meetings were held respectively on – 26<sup>th</sup> April, 2013; 15<sup>th</sup> July, 2013 and 15<sup>th</sup> October, 2013. The attendance of each member of the Committee is given below:

Name of the Member	Category	No. of meetings	
		held	attended
Mr. Hardeep Singh	Independent Director	3	3
Mr. Jaidev R. Shroff	Promoter & Non-executive Director	3	3
Mr. Vikram R. Shroff	Promoter & Non-executive Director	3	3
Mr. Vinod Sethi	Independent Director	3	3
Dr. Vasant P. Gandhi	Independent Director	3	3

**c. Terms of reference**

The terms of reference of the Remuneration Committee are as under:

- The Remuneration Committee has been constituted to recommend/review remuneration of Managerial personnel based on their performance and defined assessment criteria.
- To decide on the elements of remuneration package of all the Managerial personnel i.e. salary, benefits, bonus, stock options, pensions, etc.
- To administer the Advanta India Limited Employees Stock Option and Shares Plan – 2006 and Advanta Employee Stock Option Plan - 2013 (ESOP 2013)
- Recommendation of fee /compensation/ stock options, if any, to be paid / granted to Non Executive Directors, including independent directors, of the Board.
- Payment / revision of remuneration payable to Managerial Personnel.
- While approving the remuneration, the committee shall take into account financial position of the Company, trend in the industry, qualification, experience and past performance of the appointee.
- The Committee shall be in a position to bring about objectivity in determining the remuneration package while striking the balance between the interest of the Company and shareholders.
- Any other functions / powers / duties as may be entrusted by the Board from time to time

**d. Remuneration Policy**

Remuneration of the Executive Director is determined by the Remuneration Committee within the permissible limits under the applicable provisions of law and as approved by Board of Directors and shareholders.

The Company's remuneration policy is driven by the success and performance of the managerial personnel. While reviewing the remuneration of managerial personnel, the Committee takes into account the following:

- Financial position of the Company
- Scales prevailing in the industry
- Appointee's qualification and expertise
- Past performance
- Past remuneration, etc.

Non-executive and Independent Directors are paid sitting fees of ₹20,000/- for each meeting of the Board attended by them. The total amount of sitting fees for the year was ₹2,20,000.

**e. Details of remuneration paid to the Directors during the financial year ended December 31, 2013**

(₹In Lacs)

Name	Salary*	Commission	Perks/Contribution to Retirement Benefits	Sitting fee	Total
Mr.V.R. Kaundinya**	149.33	Nil	60.27	N.A	209.60
Mr.Vinod Sethi	Nil	Nil	Nil	0.60	0.60
Mr.Hardeep Singh	Nil	Nil	Nil	0.80	0.80
Dr.Vasant P. Gandhi	Nil	Nil	Nil	0.80	0.80

\* Salary includes HRA, Special Allowance and incentives.

\*\* Resigned as Managing Director of the Company w.e.f. 31<sup>st</sup> December, 2013.

- Mr. V.R. Kaundinya has been granted 43,450 Stock Options in the Company till 31<sup>st</sup> December, 2013 out of which – 20,140 options have been exercised and allotted to him till date. No other Director of the Company has been granted any Stock Options in the Company.
- Severance fee of Mr. V.R. Kaundinya shall be accrued benefits and 6 months basic salary.
- Other terms as per Employment Agreement.

Note: Options granted / vested / exercised have been adjusted in view of the subdivision of nominal value of equity share from ₹10 per share to ₹2 per share.

#### f. Employee Stock Option Schemes:

##### (i) Advanta India Limited Employees Stock Option and Shares Plan – 2006

The Company has not granted any options during the year pursuant to the aforesaid Plan.

Under the said Plan each Option entitles the holder thereof to apply for and be allotted 1 Equity share of the Company of ₹2/- each upon payment of the exercise price during the exercise period.

The vesting period is as follows:

Stage	Period of vesting	Vesting (as a % of options granted) subject to participants continued employment	Vesting (as a % of options granted) subject to Company meeting annual performance benchmarks
1	On completion of 1 year and 6 months from the grant date	12.5%	12.5%
2	On completion of 2 years and 6 months from the grant date	12.5%	12.5%
3	On completion of 3 years and 6 months from the grant date	12.5%	12.5%
4	On completion of 4 years and 6 months from the grant date	12.5%	12.5%

##### Options granted to/exercised by Directors

Name of the Director	No. of options granted during the financial year	Total number of options granted till 31 <sup>st</sup> December, 2013	No. of options exercised till 31 <sup>st</sup> December, 2013
Mr. Jaidev R. Shroff	Nil	Nil	Nil
Mr. V. R. Kaundinya	Nil	43,450	20,140
Mr. Vikram R. Shroff	Nil	Nil	Nil
Mr. Vinod Sethi	Nil	Nil	Nil
Dr. Vasant P. Gandhi	Nil	Nil	Nil
Mr. Hardeep Singh	Nil	Nil	Nil

Note: Options granted/exercised have been adjusted in view of the subdivision of nominal value of share from ₹10 per share to ₹2 per share.

**(ii) Advanta Employee Stock Option Plan – 2013**

During the Financial Year ended 31<sup>st</sup> December, 2013, the Company introduced another Employee Stock Option Plan under the captioned title, upon obtaining approval by the shareholders through Postal Ballot process.

Under the said Plan, a maximum of 1,300,000 options have been reserved to be issued to such eligible employees of the Company and to that of its subsidiaries as may be decided by the Remuneration Committee from time to time, which if exercised would give rise to equal number of shares of ₹2 each.

The vesting period is as follows:

Stage	Period of vesting	Vesting (as a % of options granted) subject to the Participant's continued employment
1	On completion of 18 months from the date of Grant	25%
2	On completion of 24 months from the date of Grant	25%
3	On completion of 36 months from the date of Grant	25%
4	On completion of 48 months from the date of Grant	25%

**5. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE****a. Constitution of the Committee**

The Committee comprises three Non-Executive Directors of whom one is Independent Director:

- Mr. Vinod Sethi - Chairman
- Mr. Jaidev R. Shroff - Member
- Mr. Vikram R. Shroff - Member

Ms. Pushpalatha K, Company Secretary acts as Secretary to the Committee and is the Compliance Officer.

**b. Terms of reference**

The terms of reference of the **Shareholders' / Investors' Grievance Committee** are as under:

- i) Investigate into investors' complaints and take necessary steps for redressal thereof
- ii) Transfer and transmission of securities
- iii) Dealing with complaints about non-receipt of declared dividend, non-receipt of Annual Report etc.
- iv) Issuance of duplicate shares certificates
- v) Review of dematerialization of shares and related matters
- vi) To perform various functions relating to the interests of shareholders/ investors of the Company as may be required under the provisions of the Companies Act, 1956, Listing Agreement with the Stock Exchanges and regulations/guidelines issued by the SEBI or any other regulatory authority

In order to expedite the process and for effective resolution of grievances/complaints, the Committee has delegated powers to the Registrar and Transfer Agents i.e. M/s Sharepro Services (India) Pvt. Ltd., to redress all complaints/grievances/inquiries of the shareholders/investors. It redresses the grievances/complaints of shareholders/investors under the supervision of Company Secretary & Compliance Officer of the Company.

During the year under review, the Company received the following communication from one of its shareholders and this was replied/resolved to his satisfaction. There is no complaint pending unresolved at the year end.



Nature of request/complaint	Received	Resolved
Non-receipt of Annual Report	1	1

The Committee, along with the Registrars and Share Transfer Agents of the Company follows the policy of attending to the complaints, if any, within seven days from the date of its receipt.

As mandated by SEBI, the Quarterly Reconciliation of Share Capital Audit, highlighting the reconciliation of total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) vis-à-vis the total issued and listed capital is being carried out by a Practicing Company Secretary. This Audit confirms that the total issued and paid up capital is in agreement with the total number of shares held in physical and dematerialized form with NSDL and CDSL.

As on 31<sup>st</sup> December, 2013 total 84,342,315 Equity Shares of ₹2 each representing 99.99% of the total no. of Shares are in dematerialized form.

## 6. RISK MANAGEMENT COMMITTEE

The primary function of the Risk Management Committee is to assist the Board to manage the risk appetite of the Company in order to promote a balanced business model and growth. The Committee oversees the identification of major areas of risk being faced by the Company, the development of strategies to manage those risks and reviews the risk management policies and their implementation.

### a. Constitution of Risk Management Committee

The Committee comprises the following members:

Name of the Member	Designation
Mr. Manoj Gupta	Chairman
Mr. Vikram R. Shroff	Member
Mr. V. R. Kaundinya	Member
Mr. Ameya Salatry	Member
Ms. Pushpalatha K	Member

The Company Secretary acts as the Secretary of the Committee

### b. Functions, Roles and Responsibilities of the Committee

- To approve structures, analyze risks and benefits, seek independent opinion with regard to structure or views
- Assisting the Board in fulfilling its oversight responsibilities with regard to Enterprise Risk Management.
- Reviewing and approving risk related disclosures.
- Responsible for day to day oversight of risk management including identification, impact assessment, monitoring, mitigation and reporting.
- Formulation and implementation of risk management policies and procedures.
- Providing updates to the Board on enterprise risks and action taken.
- Ensure compliance with policies and procedures laid down by the Company for specific business units.
- Maintenance and development of a supportive culture, in relation to the management of risk appropriately embedded through procedures, training and leadership actions so that all employees are alert to the wider impact on the whole organisation of their actions and decisions.
- Advising Board on all high level risk matters.

- To review the effectiveness of the internal control system and risk management framework in relation to the achievement of business objectives.
- Reporting risk events and incidents in a timely manner.

## 7. GENERAL BODY MEETINGS

### a. Annual General Meetings

The venue, date and time of the Annual General Meetings held during the preceding three years and the Special Resolutions passed thereat are as under:

Venue	Date and Time	Special resolution passed
"Earthen Oven" Hotel Fortune Park Vallabha, Road No. 12, Banjara Hills, Hyderabad – 500034	June 05, 2013, 11.30 A.M	Change of name of the Company from Advanta India Limited to Advanta Limited.
"Earthen Oven" Fortune Park Vallabha, Road No. 12, Banjara Hills, Hyderabad – 500034	June 20, 2012 11:30 A.M.	Re-appointment of Mr. V.R.Kaundinya as Managing Director of the Company for a period of three (3) years with effect from 10 <sup>th</sup> July 2012.
"Earthen Oven" Fortune Park Vallabha, Road No. 12, Banjara Hills, Hyderabad – 500034	April 29, 2011 11:30 A.M.	None

### b. Extra-ordinary General Meetings

Particulars with regard to venue, date and time of the Extraordinary General Meetings held during the preceding three years and the Special Resolutions passed thereat are as under:

Year	Venue	Date and Time	Special resolution passed
2013	-----No Extra-ordinary General Meeting -----		
2012	Court convened meetings of the shareholders and trade creditors of the Company were held to seek their approval of the Scheme of Amalgamation and Arrangement between Advanta India Limited and its wholly owned subsidiary, Unicorn Seeds Private Limited and their respective shareholders and creditors on 2 <sup>nd</sup> June 2012, at 11:30 A.M. and 2:00 P.M. respectively.		
2011	Hotel Fortune Park Vallabha, Road No. 12, Banjara Hills, Hyderabad – 500034	March 17, 2011 11:00 A.M.	Issue of further Equity shares and / or other convertible financial instruments through Public Issue, Rights Issue, Preferential Issue and / or Preferential Allotment for an aggregate amount not exceeding ₹750 Crores.

### c. Postal Ballot

During the year, the Company has successfully completed a Postal Ballot process in order to seek the consent of its members for the purpose of approval of Advanta Employee Stock Option Plan-2013 (ESOP 2013) for issuing options to its employees and to that of its subsidiaries. Mr.Y.Suryanarayana, Advocate, High Court of A.P. was appointed as scrutinizer to conduct the said Postal Ballot process in a fair and transparent manner. The said process was completed on 3<sup>rd</sup> December, 2013, wherein both the resolutions were proposed and passed as Special Resolutions. The result was announced on 3<sup>rd</sup> December, 2013. The summary of voting Pattern as extracted from the Report of the Scrutinizer is hereunder:

Details of voting in respect of **Resolution No. 1 through Physical and electronic mode** is given as under:

<b>Description of Resolution No. 1</b>		<b>Special resolution pursuant to Section 81(1A) of the Companies Act, 1956 for issue of shares to employees of the Company under Advanta Employee Stock Option Plan - 2013.</b>		
<b>S. No</b>	<b>Particulars</b>	<b>Physical</b>	<b>Electronic (E-voting)</b>	<b>Total</b>
1.	Total Postal Ballot Forms received	48	14	62
2.	<b>Less:</b> Invalid Postal Ballot Forms*	1	Nil	1
3.	<b>Valid Postal Ballot Forms</b>	<b>47</b>	<b>14</b>	<b>61</b>
4.	Total No. of valid votes casted	46509658	67455	46577113
5.	Total No. of votes assented to the resolution	46509093	55355	46564448
6.	Total No. of votes dissented to the resolution	565	12100	12665
7.	Percentage of valid votes casted in favour of the resolution	<b>99.97%</b>		
8.	Percentage of valid votes casted against the resolution	<b>0.03%</b>		
9.	Result	<b>Passed with requisite majority</b>		

\*Rejected for reasons such as, no mention of Assent / Dissent or voted for both Assent and Dissent or for any other valid reason.

Details of voting in respect of **Resolution No. 2 through Physical and electronic mode** is given as under:

<b>Description of Resolution No. 2</b>		<b>Special resolution pursuant to Section 81(1A) of the Companies Act, 1956 for issue of shares to employees of subsidiary Companies under Advanta Employee Stock Option Plan - 2013.</b>		
<b>S. No</b>	<b>Particulars</b>	<b>Physical</b>	<b>Electronic (E-voting)</b>	<b>Total</b>
1.	Total Postal Ballot Forms received	48	14	62
2.	<b>Less:</b> Invalid Postal Ballot Forms*	2	Nil	2
3.	<b>Valid Postal Ballot Forms</b>	<b>46</b>	<b>14</b>	<b>60</b>
4.	Total No. of valid votes casted	46509258	67455	46576713
5.	Total No. of votes assented to the resolution	46508043	55291	46563334
6.	Total No. of votes dissented to the resolution	1215	12164	13379
7.	Percentage of valid votes casted in favour of the resolution	<b>99.97%</b>		
8.	Percentage of valid votes casted against the resolution	<b>0.03%</b>		
9.	Result	<b>Passed with requisite majority</b>		

\*Rejected for reasons such as, no mention of Assent / Dissent or voted for both Assent and Dissent or for any other valid reason.

**d. Special Resolutions proposed to be conducted through Postal Ballot**

As of now there is no proposal to pass any Special resolution through Postal Ballot process. Special resolutions by way of Postal Ballot, if required to be passed in the future, will be decided at the relevant time.

**e. Procedure for Postal Ballot**

The procedure for Postal Ballot shall be as per the provisions contained in this behalf in the Companies Act, 1956 and rules made there under, viz., Companies (Passing of the resolution by Postal Ballot) Rules, 2011 and any amendments thereof.

## 8. DISCLOSURES

**i) Disclosure on materially significant related party transactions that may have potential conflict with the interest of the Company at large.**

- None of the transactions with the related parties is in conflict with the interest of the Company. The Company's significant related party transactions are generally with its Subsidiaries and Associates. All related party transactions are negotiated on arms length basis and are intended to further the interests of the Company.
- The particulars of transactions between the Company and its related parties are as per the Accounting Standard AS 18 "Related Party Disclosure" issued by the Central Government under Companies (Accounting Standards) Rules, 2006 and are set out under Note No. 34 of Notes to financial statements forming part of the Annual Accounts. Members may refer to the said Notes to Accounts for the details of related party transactions.

**ii) Details of non-compliance by the company, penalties and strictures imposed on the company by the Stock Exchange or SEBI or any other statutory authority, on any matter related to capital markets, during the last three years.**

The Company has complied with the requirements of regulatory / statutory authorities on capital market and no penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority, on any matter relating to the capital markets during the last three years.

**iii) Details of compliance with mandatory requirements and adoption of non-mandatory requirements of this clause**

The Company has complied with all the mandatory requirements and has adopted the following non-mandatory requirement of Clause 49.

- **Remuneration Committee**

The Company has constituted Remuneration Committee to inter alia recommend/review remuneration to Managerial Personnel based on their performance and defined assessment criteria.

- iv) Material financial and commercial transactions of senior management, where they may have had personal interest, and which had potential conflict with the interests of the Company at large: **None**
- v) The Independent Directors have confirmed that they meet the criteria of 'Independence' as stipulated under Clause 49 of the Listing Agreement with Stock Exchanges.

## 9. MEANS OF COMMUNICATION

- Quarterly/Half-yearly financial results are communicated through newspaper advertisements. The results are generally published in The Economic Times, Financial Express and Andhra Prabha. The results are also posted on the Company's website [www.advantaseeds.com](http://www.advantaseeds.com).
- Official news releases made to media are displayed on the Company's website [www.advantaseeds.com](http://www.advantaseeds.com). Official media releases are also sent to the Stock Exchanges.

- The Company's website, www.advantaseeds.com contains a separate section 'Investor Relations' where shareholders information is available. The Annual Report of the Company is also available on the Company's website in a user-friendly and downloadable form.
- The Company has designated an e-mail id exclusively for investor servicing i.e. investor@advantaindia.com. Investor may raise any queries, complaints or provide suggestions through the said e-mail id or through investors' toll number provided therein.
- Annual Report, containing, inter alia, Audited Annual Accounts, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management Discussion & Analysis (MD &A) Report forms part of the Annual Report and is displayed on the Company's website www.advantaseeds.com.

## 10. GENERAL SHAREHOLDER INFORMATION

- a. Date, Time & Venue of AGM** : **Tuesday, 29<sup>th</sup> April 2014**  
**11:30 A.M.**  
**Hotel Fortune Park Vallabha**  
**Road No. 12, Banjara Hills**  
**Hyderabad – 500 034**

**b. Financial Calendar**

The Financial Year is 1<sup>st</sup> January to 31<sup>st</sup> December 2014 and the financial results are proposed to be declared as per the following tentative schedule:

Particulars	Tentative Schedule
Financial reporting for the quarter ending March 31, 2014	Fourth week of April, 2014
Financial reporting for the quarter ending June 30, 2014	Third week of July 2014
Financial reporting for the quarter ending September 30, 2014	Third week of October 2014
Financial reporting for the quarter ending December 31, 2014	First week of February 2015

**c. Book Closure**

The Register of Members and Share Transfer Books of the Company shall remain closed from 19<sup>th</sup> April, 2014 to 29<sup>th</sup> April, 2014 (both days inclusive) in connection with the 20<sup>th</sup> Annual General Meeting of the Company.

**d. Listing Details**

i. Equity Shares

The Company's shares are listed on the following Stock Exchanges w.e.f. 19th April 2007.

Name of the Stock Exchange	Address	Stock Code
BSE Ltd. (BSE)	Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001	532840
National Stock Exchange of India Ltd. (NSE)	Exchange Plaza, 5 <sup>th</sup> Floor Plot No. C/1, G Block Bandra-Kurla Complex Bandra (E), Mumbai – 400051	ADVANTA EQ

ISIN : INE517H01028

Annual listing fees for the FY 2013-14 has been paid by the Company to both the Stock Exchanges.



ii. Privately placed Debt instruments

The Company's privately placed Non-Convertible debentures are listed on the Wholesale Debt Market (WDM) Segment of BSE.

Scrip Code : 946596

ISIN : INE517H08015

Annual listing fees for the NCDs for the FY 2013-14 has been paid by the Company.

iii. Foreign Currency Convertible Bonds (FCCBs)

The Bonds are listed at Singapore Exchange Securities Trading Limited.

Stock Code : ADVFCB16

e. **Market Price Data**

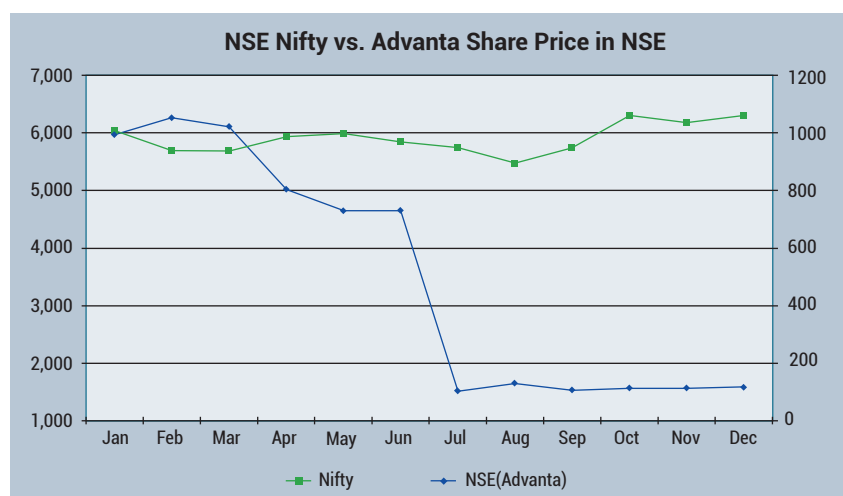
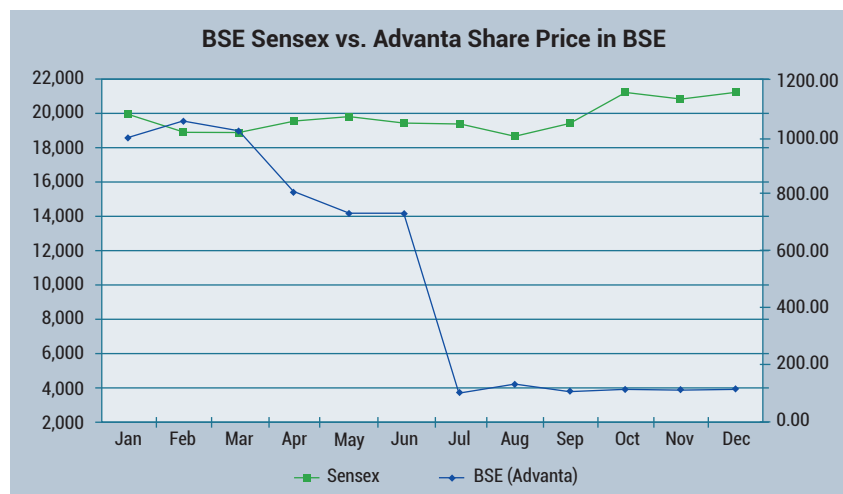
Month	BSE Limited (BSE) (In ₹ per share)		National Stock Exchange of India Limited (NSE) (In ₹ per share)	
	High	Low	High	Low
January 2013	1065.80	928.00	1074.70	950.05
February 2013	1176.95	830.00	1060.00	865.00
March 2013	1108.80	939.25	1249.90	975.00
April 2013	1043.00	695.20	1060.00	692.10
May 2013	848.00	712.00	848.00	708.00
June 2013	860.00	722.00	861.00	712.00
July 2013*	812.40	99.35	811.00	100.00
August 2013	138.20	79.50	138.85	78.30
September 2013	139.00	103.85	133.95	103.25
October 2013	129.80	100.00	130.00	103.30
November 2013	135.35	109.00	134.00	105.25
December 2013	121.20	99.70	120.85	102.00

\* Pursuant to the resolution passed by the members in their AGM held on 5<sup>th</sup> June, 2013, each existing equity share of face value of ₹10/- (Rupees Ten) each was sub-divided into Five equity shares of face value of ₹2/- (Rupees Two) each and the Trading price on the Stock Exchanges was adjusted accordingly w.e.f. 09<sup>th</sup> July, 2013.

**Performance in comparison to broad based indices for FY ended 31<sup>st</sup> December 2013 - BSE Sensex Vs Advanta (Closing Share prices in BSE) and Nifty vs. Advanta (Closing Share prices in NSE)**

Month	Sensex	BSE (Advanta)	Nifty	NSE (Advanta)
January 2013	19,894.98	991.50	6034.75	993.20
February 2013	18,861.54	1049.85	5693.05	1051.90
March 2013	18,835.77	1014.90	5682.55	1022.25
April 2013	19,504.18	801.55	5930.20	804.00
May 2013	19,760.30	727.45	5985.95	728.95
June 2013	19,395.81	727.10	5842.20	729.20
July 2013*	19,345.70	102.20	5742.00	102.20
August 2013	18,619.72	132.55	5471.80	129.20
September 2013	19,379.77	107.30	5735.30	106.05
October 2013	21,164.52	113.25	6299.15	113.05
November 2013	20,791.93	112.95	6176.10	112.45
December 2013	21,170.68	115.90	6304.00	115.75

\* Pursuant to the resolution passed by the members in their AGM held on 5<sup>th</sup> June, 2013, each existing equity share of face value of ₹10/- (Rupees Ten) each was sub-divided into Five equity shares of face value of ₹2/- (Rupees Two) each and the Trading price on the Stock Exchanges was adjusted accordingly w.e.f. 09<sup>th</sup> July, 2013.



**f. Registrar and Share Transfer Agents**

M/s. Sharepro Services (India) Pvt. Ltd.  
 Samhita Complex, Gala No. 52 to 56, Building No. 13A-B, Near Sakinaka  
 Telephone Exchange, Andheri - Kurla Road, Sakinaka, Mumbai – 400072  
 Ph: (91-22) 6772 0300 Fax: (91-22) 2859 1568  
 E-mail: [sharepro@shareproservices.com](mailto:sharepro@shareproservices.com)

**g. Share Transfer System**

The shares of the Company being in compulsory dematerialized form are transferable through the depository system. Shares in physical form should be lodged for transfer with the office of Sharepro Services at Mumbai or at the Registered Office of the Company. Share transfer requests which are received in physical form are

processed and the share certificates are returned within a period of 15 days from the date of receipt, subject to the documents being in order and complete in all respects.

The Company obtains from a Company Secretary in practice Half-Yearly Certificate of compliances with the share transfer formalities as required under Clause 47 (c) of the Listing Agreement entered into with the Stock Exchanges and files a copy of the Certificate with the Stock Exchange(s).

#### Investor's Relations

Advanta seeks to serve the Company's investors promptly and efficiently. Any query from any shareholder is promptly attended to by the Company and its RTA.

Advanta assists the investor community in understanding better the Company's strategy, vision and long term growth plans in order to enable them to take informed decisions on their investment.

The website of the Company [www.advantaseeds.com](http://www.advantaseeds.com) provides information on financial results, corporate announcements in addition to other relevant information for investors.

### h. Employee Stock Option Schemes

#### (i) Advanta India Limited Employee Stock Option and Shares Plan-2006

The Company has earmarked 840,000 equity shares of ₹2/- each (*originally 168,000 equity shares of ₹10 each*) under the Employee Stock Option and Shares Plan - 2006. Each option is convertible into an equity share of ₹2/- each. As on December 31, 2013, 92,325 options were in force, comprising of 41,130 options which remained unvested & outstanding and 51,195 vested options remained to be exercised. The vesting period and the exercise period of the stock options shall be determined by the Remuneration Committee subject to the minimum vesting period being 18 months from the grant date.

#### (ii) Advanta Employee Stock Option Plan-2013

During the Financial Year ended 31<sup>st</sup> December, 2013, the Company introduced another Employee Stock Option Plan under the captioned title, upon obtaining approval by the shareholders through Postal Ballot process.

Under the said Plan, a maximum of 1,300,000 options have been reserved to be issued to such eligible employees of the Company and also to that of its subsidiaries as may be decided by the Remuneration Committee from time to time, which if exercised would give rise to equal number of shares of ₹2 each.

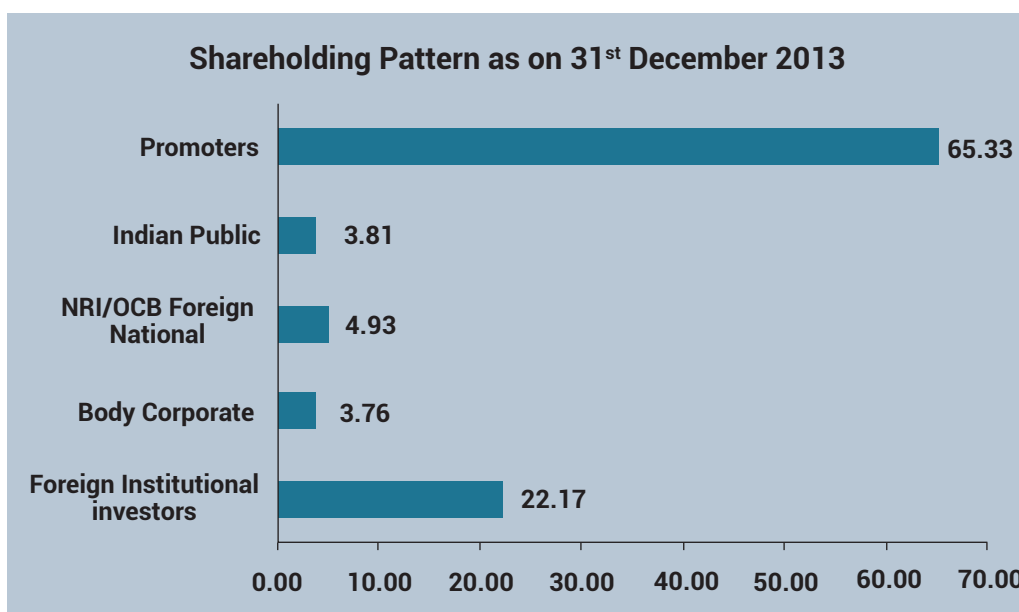
### i. Distribution of Shareholding as on 31.12.2013

No. of equity shares held	No. of shareholders	%	No. of shares	%
Up to 500	5038	87.65	614819	0.73
501 - 1000	345	6.00	269948	0.32
1001 - 2000	151	2.63	225757	0.27
2001 - 3000	61	1.06	155095	0.18
3001 - 4000	21	0.36	73970	0.09
4001 - 5000	32	0.56	149798	0.18
5001 - 10000	39	0.68	277375	0.33
10001 - And Above	61	1.06	82575563	97.90
<b>Total</b>	<b>5748</b>	<b>100.00</b>	<b>84342325</b>	<b>100.00</b>

## j. Shareholding Pattern as on December 31, 2013

Category Code	Category of Shareholders	No of Shareholders	Total No. of shares	Number of shares held in demated form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					(A+B)	(A+B+C)	No of Shares	As a %
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)= (VIII) / (IV)*100
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>							
<b>(1)</b>	<b>Indian</b>							
(a)	Individuals/H.U.F	3	4255135	4255135	5.04	5.04	0	0.00
(b)	Central/State Government(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	5	45772430	45772430	54.27	54.27	0	0.00
(d)	Financial Institutions/Banks	0	0	0	0.00	0.00	0	0.00
(e)	Any Other (specify)	0	0	0	0.00	0.00	0	0.00
	<b>Sub-Total (A)(1)</b>	<b>8</b>	<b>50027565</b>	<b>50027565</b>	<b>59.31</b>	<b>59.31</b>	<b>0</b>	<b>0.00</b>
<b>(2)</b>	<b>Foreign</b>							
(a)	Non Resident Individuals/Foreign Nationals	1	5076750	5076750	6.02	6.02	0	0.00
(b)	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
(c)	Institutions	0	0	0	0.00	0.00	0	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0.00	0	0.00
(e)	Any Other (specify)	0	0	0	0.00	0.00	0	0.00
	<b>Sub-Total (A)(2)</b>	<b>1</b>	<b>5076750</b>	<b>5076750</b>	<b>6.02</b>	<b>6.02</b>	<b>0</b>	<b>0.00</b>
	<b>Total holding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>	<b>9</b>	<b>55104315</b>	<b>55104315</b>	<b>65.33</b>	<b>65.33</b>	<b>0</b>	<b>0.00</b>
<b>(B)</b>	<b>Public Shareholding</b>							
<b>(1)</b>	<b>Institutions</b>							
(a)	Mutual Fund/UTI	1	605	605	0.00	0.00	0	0.00
(b)	Financial Institutions/Banks	0	0	0	0.00	0.00	0	0.00
(c)	Central/State Government(s)	0	0	0	0.00	0.00	0	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0.00	0	0.00
(e)	Insurance Companies	0	0	0	0.00	0.00	0	0.00
(f)	Foreign Institutional Investors	15	18702438	18702438	22.17	22.17	0	0.00
(g)	Foreign Venture Cap. Inv	0	0	0	0.00	0.00	0	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0.00	0	0.00
(i)	Any Other (specify)	0	0	0	0.00	0.00	0	0.00
	<b>Sub-Total (B)(1)</b>	<b>16</b>	<b>18703043</b>	<b>18703043</b>	<b>22.17</b>	<b>22.17</b>	<b>0</b>	<b>0.00</b>
<b>(2)</b>	<b>Non Institutions</b>							
(a)	Bodies Corporate	457	3171051	3171051	3.76	3.76	0	0.00
(b)	Individuals						0	0.00
	i) Holding nominal share capital upto ₹1 lakh	5194	1893743	1893733	2.26	2.26		
	ii) Holding nominal share capital in excess of ₹1 lakh	2	1307855	1307855	1.55	1.55		
(c)	Qualified Foreign Investor	0	0	0	0.00	0.00	0	0.00
(d)	Any Other(specify)							
(d-i)	Overseas Corporate Bodies	0	0	0	0.00	0.00	0	0.00

(d-ii)	Non Resident Individuals						0	0.00
	NRI - Repatriable	53	4123326	4123326	4.89	4.89		
	NRI - Non-repatriable	14	10382	10382	0.01	0.01		
(d-iii)	Foreign National	3	28610	28610	0.03	0.03	0	0.00
	<b>Sub-Total (B)(2)</b>	<b>5723</b>	<b>10534967</b>	<b>10534957</b>	<b>12.50</b>	<b>12.50</b>	<b>0</b>	<b>0.00</b>
	<b>Total Public shareholding (B)= (B)(1)+(B)(2)</b>	<b>5739</b>	<b>29238010</b>	<b>29238000</b>	<b>34.67</b>	<b>34.67</b>	<b>0</b>	<b>0.00</b>
	<b>TOTAL (A)+(B)</b>	<b>5748</b>	<b>84342325</b>	<b>84342315</b>	<b>100.00</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>
(C)	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>							
1	Promoter and Promoter Group	0	0	0	0.00	0.00	0	0.00
2	Public	0	0	0	0.00	0.00	0	0.00
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>5748</b>	<b>84342325</b>	<b>84342315</b>	<b>100.00</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>



**k. Dematerialization of shares and liquidity**

The Company's shares are available for dematerialization in both the Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Except 10 equity shares of ₹2 each, the entire equity share capital comprising of 84,342,315 equity shares of ₹2 each (almost 100%) has been dematerialized as on December 31, 2013.

Electronic/Physical	Number of shares held	Percentage(%) of Issued Capital
NSDL	79218351	93.93
CDSL	5123964	6.07
Physical	10	0.00
<b>TOTAL</b>	<b>84342325</b>	<b>100.00</b>



**I. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity**

The Company has issued USD 50 Million Floating Rate Guaranteed Foreign Currency Convertible Bonds due 2016 as per the details given below:

Identification No.	FCB160713
ISIN	XS0633235782
Initial Conversion Price	INR 56.57
Initial Conversion Ratio	Convertible into 158,890 shares per Bond of USD 200,000 each from July 15, 2011 to July 2, 2016
Number of Bonds Converted as on December 31, 2013	NIL
Number of Bonds outstanding as on December 31, 2013	250
Amount Outstanding as on December 31, 2013	USD 50 Million
Expected number of shares to be issued	39,722,105

Note: Conversion price/number of shares have been adjusted in view of the subdivision of nominal value of equity shares from ₹10 per share to ₹2 per share.

Apart from aforesaid Bonds and the stock options issued under the Employees Stock Option and Shares Plan - 2006 / Advanta Employee Stock Option Plan-2013, there are no other instruments, whether GDRs/ADRs/Warrants or any other convertible instruments which are outstanding as on date.

**m. Plant locations**

- (i) **Kurnool** : B Camp Post, Krishna Nagar,  
Kurnool – 518 002, A.P.
- (ii) **Medak** : Kalakkal Village,  
Toopran Mandal, Medak District, A.P.
- (iii) **Ranga Reddy District** : Bharati Brahma Seeds,  
Nutankal Village, Medchal Mandal,  
Ranga Reddy District - 501082, A.P.

**n. Address for Investor correspondence**

The shareholders may send their communications at the following address:

**Ms. Pushpalatha K**

**Company Secretary and Compliance Officer**

Advanta Limited

Krishnama House, #8-2-418, 4<sup>th</sup> Floor, Road No. 7, Banjara Hills,

Hyderabad – 500034 Ph: (91-40) 6628 4000 – 15

Fax: (91-40) 2335 0856/6628 4040

Website: [www.advantaseeds.com](http://www.advantaseeds.com)

**Registrars & Share Transfer Agents of the Company**

M/s. Sharepro Services (India) Pvt. Ltd.  
 Samhita Complex, Gala No. 52 to 56, Building No. 13A-B,  
 Near Sakinaka Telephone Exchange, Andheri - Kurla Road, Sakinaka, Mumbai – 400072  
 Ph: (91-22) 6772 0300 Fax: (91-22) 2859 1568  
 E-mail: [sharepro@shareproservices.com](mailto:sharepro@shareproservices.com)

**Address for correspondence with Depositories**

National Securities Depository Limited	Central Depository Services (India) Limited
Trade World, 'A' Wing, 4th & 5th Floors	Phiroze Jeejeebhoy Towers, 17th Floor
Kamala Mills Compound	Dalal Street
Senapati Bapat Marg,	Lower Parel Fort
Mumbai - 400013	Mumbai - 400001
Ph: 022-2499 4200	Ph: 022-2272 3333
Fax: 022-2497 6351	Fax: 022-2272 3199
e-mail : <a href="mailto:info@nsdl.co.in">info@nsdl.co.in</a>	e-mail : <a href="mailto:investors@cdslindia.com">investors@cdslindia.com</a>
website : <a href="http://www.nsdl.co.in">www.nsdl.co.in</a>	website : <a href="http://www.cdslindia.com">www.cdslindia.com</a>

**o. Prevention of Insider Trading**

In accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992, the Company has instituted a comprehensive code of conduct for prohibition of insider trading in the Company's shares.

Advanta's Code of Conduct for prevention of Insider Trading, as approved by the Board of Directors, inter alia, prohibits purchase/sale of securities of the Company by Directors and employees while in possession of unpublished price sensitive information in relation to the Company.

**p. Compliance Certificate**

Certificate from M/s. P. S. Rao & Associates, Company Secretaries in Practice, Hyderabad confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 is annexed hereto.

This Certificate is forwarded to the Stock Exchanges along with the Annual Report of the Company.

**q. CEO and CFO Certification**

The CEO and CFO of the Company give annual certification on financial reporting and internal controls to the Board in terms of Clause 49. The CEO and CFO also give quarterly certification on financial results while placing the financial results before the Board in terms of Clause 41.

- r. Any query on Annual Report : Ms. Pushpalatha K**  
 Company Secretary  
 Krishnama House, #8-2-418,  
 4<sup>th</sup> Floor, Road No.7,  
 Banjara Hills,  
 Hyderabad-500 034.  
 A.P, India  
 website: [www.advantaseeds.com](http://www.advantaseeds.com)

#### s. Other useful information to Shareholders

- i. Pursuant to the provisions of Section 205C of the Companies Act, 1956 the dividend declared by the Company which remains unclaimed for a period of seven years, shall be transferred to Investor Education & Protection Fund (IEPF) established by the Central Government under Section 205 C of the said Act.
- ii. The unclaimed dividend amount lying in the unpaid dividend account of the respective financial year is as follows. Investors are requested to encash the unclaimed dividend amount before it is transferred to IEPF account.

Financial Year	Unclaimed Dividend as on 31 <sup>st</sup> December, 2013	Estimated date for Transfer to IEPF
2006	HDFC Bank- ₹13881	29.07.2014
2007	HDFC Bank ₹4176	25.07.2015
2008	Axis Bank- ₹5814	23.07.2016
2009	Yes Bank- ₹6517	03.06.2017

- iii. Members holding shares in physical form are requested to notify to the Company, any change in their registered address and bank account details promptly by written request under the signature of sole/ first joint holder. Members holding shares in electronic form are requested to send their instructions regarding change of name, change of address, bank details, nomination, power of attorney etc. directly to their Depository Participant (DP) as the same are maintained by them.  
The Non-resident members are advised to immediately notify the Company or to the DPs as the case may be (i) change in their residential status on return to India for permanent settlement (ii) particulars of their NRE bank account with a bank in India, if not furnished earlier.
- iv. Members are requested to quote their folio/DP and Client ID nos., as the case may be, in all correspondence with the Company and the Registrar and Transfer Agent of the Company.
- v. Nomination facility: Section 109A of the Companies Act, 1956 facilitates the nomination to share / debenture holders. This facility is mainly useful for all those holding the shares / debentures in single name. In cases where the securities are held in joint names, the nomination will be effective only in the event of death of all the joint holders.  
Investors are advised to avail this facility, especially investors holding securities in single name.  
The nomination form may be obtained on request from the Company's Registrar and Share Transfer Agents for the shares held in physical form. For the shares held in dematerialized form, the nomination has to be conveyed by the shareholders to their respective Depository Participant directly, as per the format prescribed by them.
- vi. Members are welcome to give us their valuable suggestions for improvement of investor services.

## Declaration on Code of Conduct

I, Manoj Gupta, Manager & CFO of M/s. Advanta Limited, to the best of my knowledge and belief, declare that all the members of the Board and senior management personnel have affirmed compliance with the code of conduct of the Company for the year ended December 31, 2013.

**Place : Dubai**  
**Date : January 30, 2014**

**Manoj Gupta**  
**Manager & CFO**

---

## CEO / CFO Certification

To  
**The Board of Directors**  
**Advanta Limited**

We hereby certify that:

We have reviewed the financial statements and the cash flow statement of the Company for the year ended December 31, 2013 and to the best of our knowledge and belief:

- i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- ii. These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.

There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting, evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or the operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify the identified deficiencies.

We have indicated to the auditors and the Audit Committee

- i. significant changes in the internal control over financial reporting during the year;
- ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, wherever applicable; and
- iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Place : Dubai**  
**Date : January 30, 2014**

**Manoj Gupta**  
**Manager & CFO**

## Compliance Certificate on Corporate Governance

**To**

**The Members of Advanta Limited**

We have examined the compliance of conditions of Corporate Governance by M/s Advanta Limited, for the year ended December 31, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of the conditions of the Corporate Governance is the responsibility of the management of the Company. Our examination was limited to the procedures and implementation thereof, adopted by the Company and ensuring the compliance of the conditions of corporate governance.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with conditions of Corporate Governance as stipulated in the above mentioned listing Agreement.

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.S.Rao & Associates**  
**Company Secretaries**

**Place : Hyderabad**  
**Date : 30.01.2014**

**P.S Rao**  
**Partner**  
**Membership No: 9769**  
**C.P. No.: 3829**



# Standalone Financial Statements

## Independent Auditor's Report

To

**The Members of Advanta Limited**

(Formerly Advanta India Limited)

### Report on the Financial Statements

We have audited the accompanying financial statements of Advanta Limited ("the Company"), which comprise the Balance Sheet as at December 31, 2013, and 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.

### Management's Responsibility for the Financial Statements

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 accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956 read with General Circular 15/2013 dated September 13, 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013. 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. 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 financial statements give the information required by the Companies Act, 1956 ("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 December 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Emphasis of Matter

We draw attention to note 51 to the financial statements regarding remuneration paid to the Managing Director in excess of the limits prescribed under Schedule XIII of the Companies Act, 1956 by ₹51.76 lacs (Previous year: ₹152.14 lacs) for which steps are being taken by the Company to obtain Central Government approval. Pending, final outcome of the company's application, no adjustments have been made to the financial statements. Our opinion is not qualified in respect of this matter.

### 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 sub-section (4A) of section 227 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with General Circular 15/2013 dated 13 September 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013; and
  - (e) On the basis of written representations received from the directors as on December 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

#### For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W

#### per Jayanta Mukhopadhyay

Partner

Membership No.: 055757

Place of Signature : Dubai

Date : January 30, 2014

## Annexure referred to in paragraph 1 of our report of even date Re: Advanta Limited (Formerly Advanta India Limited) ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) There was no disposal of substantial part of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(a) to (d) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company and hence not commented upon.
- (b) The Company had taken loan from two companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹2,857 lacs and the year-end balance of loans taken from such parties was ₹1,728 lacs.
- (c) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.
- (d) In respect of loans taken, repayment of the principal amount is as stipulated and payment of interest has been regular.
- (iv) In our opinion and according to the information and explanations given to us and having regard to the explanation that certain sales transactions are of proprietary nature for which alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.

- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (ix) (a) Undisputed statutory dues including investor education and protection fund, employees' state insurance, income-tax, wealth tax, customs duty and other material statutory dues have generally been regularly deposited with the appropriate authorities *except for service tax where there has been a slight delay in a few cases*. The provisions of sales-tax, excise duty and cess are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, service tax, customs duty and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, there are no dues of sales-tax and customs duty which have not been deposited on account of any dispute except for income tax and service tax as follows:

Name of the Statute	Nature of dues	Amount (₹ in lacs)*	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	118.68	A.Y 2000-01	Income Tax Appellate Tribunal, Hyderabad
		4.84	A.Y 2005-06	
		80.73	A.Y 2006-07	
		103.91	A.Y 2007-08	
		161.03	A.Y 2008-09	
		415.13	A.Y 2009-10	Commissioner of Income Tax, Bangalore
The Finance Act, 1994	Service tax including penalty	490.13	F.Y 2006-07	The Customs, Excise and Service Tax Appellate Tribunal

\*Net of amount deposited under protest.

- (x) The Company's accumulated losses at the end of the financial year are less than fifty per cent of its net worth and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a bank or debenture holders. The Company has no outstanding dues in respect of a financial institution.
- (xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.



- (xv) According to the information and explanations given to us, the Company has given guarantee for loans taken by others from banks and financial institutions, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Company.
- (xvi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company has unsecured debentures outstanding during the year, on which no security or charge is required to be created.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

**For S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W

**per Jayanta Mukhopadhyay**

Partner

Membership No.: 055757

Place of Signature : Dubai

Date : January 30, 2014

## Balance Sheet as at December 31, 2013

	Notes	As at December 31, 2013 ₹ Lacs	As at December 31, 2012 ₹ Lacs
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	1,686.85	1,686.31
Reserves and surplus	4	31,620.43	31,133.87
		<b>33,307.28</b>	<b>32,820.17</b>
<b>Non- current liabilities</b>			
Long - term borrowings	5	45,712.22	44,961.43
Deferred tax liability, net	6	47.98	-
Other long term liabilities	7	64.65	46.07
Long - term provisions	8	101.91	151.56
		<b>45,926.76</b>	<b>45,159.06</b>
<b>Current liabilities</b>			
Short - term borrowings	9	4,096.56	3,450.00
Trade payables	10	1,163.05	1,743.01
Other current liabilities	10	7,222.59	5,581.79
Short - term provisions	8	116.25	74.11
		<b>12,598.45</b>	<b>10,848.91</b>
	<b>TOTAL</b>	<b>91,832.49</b>	<b>88,828.14</b>
<b>Assets</b>			
<b>Non current assets</b>			
Fixed assets			
-Tangible assets	11	1,777.27	1,768.69
-Intangible assets	12	3,338.36	4,072.00
-Capital work in progress		-	25.00
Non-current Investments	13	37,863.10	37,868.10
Long-term loans and advances	14	40,009.56	37,279.38
		<b>82,988.29</b>	<b>81,013.17</b>
<b>Current assets</b>			
Inventories	15	661.23	1,301.91
Trade receivables	16	1,058.76	1,355.32
Cash and bank balances	18	3,006.27	757.73
Short-term loans and advances	14	266.40	226.50
Other current assets	17	3,851.54	4,173.51
		<b>8,844.20</b>	<b>7,814.97</b>
	<b>TOTAL</b>	<b>91,832.49</b>	<b>88,828.14</b>
<b>Summary of significant accounting policies</b>	<b>2.1</b>		

The accompanying notes are an integral part of the financial statements.

As per our Report of even date

For and on behalf of the Board of Directors of  
**Advanta Limited**

**For S. R. Batliboi & Associates LLP**  
Firm Registration Number : 101049W  
Chartered Accountants

**per Jayanta Mukhopadhyay**  
Partner  
Membership No. 055757

Place : Dubai  
Date : January 30, 2014

**Vikram R. Shroff**  
Director

**Manoj Gupta**  
Chief Financial Officer

Place : Dubai  
Date : January 30, 2014

**V. R. Kaundinya**  
Director

**Pushpalatha K**  
Company Secretary

## Statement of profit and loss for the year ended December 31, 2013

	Notes	For the year ended December 31, 2013 ₹ Lacs	For the year ended December 31, 2012 ₹ Lacs
<b>Income</b>			
Revenue from operations	19	8,314.86	10,074.40
Other income	20	2,857.15	2,679.44
<b>Total Revenue (i)</b>		<b>11,172.01</b>	<b>12,753.84</b>
<b>Expenses</b>			
Cost of raw material consumed	21	2,835.56	2,044.82
Decrease in inventories	22	777.64	4,179.73
Employee benefits expenses	23	542.12	445.97
Other expenses	24	2,246.80	1,069.78
<b>Total (ii)</b>		<b>6,402.12</b>	<b>7,740.30</b>
<b>Profit before interest, tax, depreciation and amortisation (i)-(ii)</b>		<b>4,769.89</b>	<b>5,013.54</b>
Depreciation and amortisation expense	25	929.87	864.60
Finance costs	26	3,327.25	3,559.35
<b>Profit before exceptional item and tax</b>		<b>512.77</b>	<b>589.59</b>
Exceptional item	48	-	470.42
<b>Profit before tax</b>		<b>512.77</b>	<b>119.17</b>
<b>Tax expenses</b>			
Current tax		-	(175.00)
Deferred tax charge		47.98	-
<b>Total tax expense</b>		<b>47.98</b>	<b>(175.00)</b>
<b>Net profit</b>		<b>464.79</b>	<b>294.17</b>
<b>Earnings per share</b>			
<b>Basic (₹)</b>	39		
After exceptional item		0.55	0.35
Before exceptional item		0.55	0.91
<b>Diluted (₹)</b>			
After exceptional item		0.55	0.35
Before exceptional item		0.55	0.35
Nominal value of equity shares (₹)		2.00	2.00
<b>Summary of significant accounting policies</b>	<b>2.1</b>		

The accompanying notes are an integral part of the financial statements.

As per our Report of even date

**For S. R. Batliboi & Associates LLP**  
Firm Registration Number : 101049W  
Chartered Accountants

**per Jayanta Mukhopadhyay**  
Partner  
Membership No. 055757

Place : Dubai  
Date : January 30, 2014

For and on behalf of the Board of Directors of  
**Advanta Limited**

**Vikram R. Shroff**  
Director

**Manoj Gupta**  
Chief Financial Officer

Place : Dubai  
Date : January 30, 2014

**V. R. Kaundinya**  
Director

**Pushpalatha K**  
Company Secretary

## Cash flow statement for the year ended December 31, 2013

		For the year ended December 31, 2013 ₹ Lacs	For the year ended December 31, 2012 ₹ Lacs
<b>Cash flow from operating activities</b>			
<b>Profit before exceptional item and taxation</b>		<b>512.77</b>	<b>589.59</b>
<b>Non-cash adjustment to reconcile profit before tax to net cash flows</b>			
Exceptional items		-	(470.42)
Depreciation and amortisation expense		929.87	864.60
Provision for bad and doubtful advances		120.90	174.71
Advances written off		37.03	1.55
Share issue expenses written off		84.41	-
Interest expenses		3,228.80	3,470.25
Unrealised exchange loss/(gain), net		864.60	(854.48)
Investment written off		5.00	-
Interest income		(2,592.22)	(2,500.53)
Employee stock option compensation		7.13	5.94
Dividend income		-	(0.75)
Gain on buyback of debentures		(0.84)	(60.50)
Profit on sale of fixed assets, net		(8.89)	(2.31)
Provisions written back		(45.20)	(22.50)
<b>Operating profit before working capital changes</b>		<b>3,143.36</b>	<b>1,195.15</b>
<b>Movement in working capital:</b>			
Decrease in inventories		640.68	4,423.31
Decrease in trade receivable		350.56	1,233.92
Decrease/(increase) in other current assets		1,164.60	(532.96)
Decrease/(increase) in loans and advances		(184.72)	265.47
Decrease in trade payables and other current liabilities		(1,345.32)	(1,123.78)
Decrease in provisions		(7.51)	(47.09)
<b>Cash generated from operations</b>		<b>3,761.65</b>	<b>5,414.02</b>
Direct taxes paid (net of refunds)		(347.95)	(193.78)
<b>Net cash from operating activities</b>	<b>(A)</b>	<b>3,413.70</b>	<b>5,220.24</b>
<b>Cash flow from investing activities</b>			
Purchase of fixed assets including capital work in progress and capital advances		(165.20)	(166.48)
Loans/advances to subsidiaries received back		2,172.72	3,884.87
Proceeds from sale of fixed assets		10.22	3.24
Investments/redemption in bank deposits (having original maturity of more than three months)		(540.60)	18.95
Interest received		1,880.18	678.42
Dividend received		-	80.41
<b>Net cash flow used in investing activities</b>	<b>(B)</b>	<b>3,357.32</b>	<b>4,499.41</b>
<b>Cash flow from financing activities</b>			
Repayment of long-term borrowings		(2,500.00)	-
Proceeds from short-term borrowings		5,350.00	2,800.00
Repayment of short term borrowings		(4,703.44)	(8,828.90)

		For the year ended December 31, 2013 ₹ Lacs	For the year ended December 31, 2012 ₹ Lacs
Proceeds from issue of equity share capital		15.18	25.45
Proceeds from re-issue of debentures		1,300.00	2,500.00
Repayment on buy back of debentures		(1,499.16)	(3,739.50)
Proceeds from government grants		81.57	-
Utilisation of government grants		(22.20)	(12.41)
Right issue expenses		-	(36.01)
Interest paid		(3,085.04)	(3,398.41)
<b>Net cash used in financing activities</b>	<b>(C)</b>	<b>(5,063.09)</b>	<b>(10,689.78)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(A+B+C)</b>	<b>1,707.93</b>	<b>(970.13)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>330.27</b>	<b>1,286.24</b>
<b>Cash and cash equivalents acquired on merger of USPL (refer note c below)</b>		<b>-</b>	<b>14.16</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>2,038.20</b>	<b>330.27</b>
<b>Components of cash and cash equivalents</b>			
Cash on hand		0.50	0.37
Balances with scheduled banks on current accounts		2,037.59	329.79
Unpaid dividend accounts (refer note a below)		0.11	0.11
<b>Total cash and cash equivalents (refer note 18)</b>		<b>2,038.20</b>	<b>330.27</b>
<b>Summary of significant accounting policies</b>	<b>2.1</b>		

**Notes:**

- a) These balances are not available for use by the Company as they represent corresponding unpaid dividend liabilities.
- b) The figures of the previous year includes changes in the cash flow of the erstwhile Unicorn Seeds Private Limited (USPL) (refer note no 28), which was amalgamated with the Company w.e.f. April 1, 2011 and are therefore to that extent not comparable with current year's figures.
- c) The amalgamation of erstwhile Unicorn Seeds Private Limited (refer note no. 28) with the Company was a non cash transaction and hence, no impact on the Company's cash flow for the previous year.

As per our report of even date.

**For S. R. Batliboi & Associates LLP**  
Firm Registration Number : 101049W  
Chartered Accountants

**per Jayanta Mukhopadhyay**  
Partner  
Membership No. 055757

Place : Dubai  
Date : January 30, 2014

For and on behalf of the Board of Directors of  
**Advanta Limited**

**Vikram R. Shroff**  
Director

**Manoj Gupta**  
Chief Financial Officer

Place : Dubai  
Date : January 30, 2014

**V. R. Kaundinya**  
Director

**Pushpalatha K**  
Company Secretary

# Notes to financial statements for the year ended December 31, 2013

## 1 Corporate information

Advanta Limited (Formerly Advanta India Limited) ('the Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on National Stock Exchange and Bombay Stock Exchange. The Company is engaged in the business of research, production and sale of field crop and vegetable seeds through distributors to farmers.

## 2 Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention except for derivative financial instruments which have been measured at fair value. The accounting policies have been consistently applied and are consistent with those used in the previous year.

### 2.1 Summary of significant accounting policies

#### (a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although, these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

#### (b) Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and impairment losses if any. The cost comprises the purchase price and directly attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which take substantial period of time to get ready for intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

#### (c) Depreciation on tangible fixed assets

Depreciation on building and plant and machinery is provided for in the accounts on straight line method in accordance with the rates prescribed in Schedule XIV of the Companies Act, 1956 which coincides with the useful life of the assets estimated by the Management.



## Notes to Financial statements (Continued)

Depreciation on other assets is provided using the Straight Line Method as per the useful life of the assets estimated by the management, or at the rates prescribed under Schedule XIV of the Companies Act, 1956 whichever is higher.

	Rate (SLM)	Rate as per Schedule XIV (SLM)
Furniture and fixtures	10%	6.33%
Computer and computer equipments	20%	16.21%
Motor vehicles	20%	9.50%
Office equipments	10%	4.75%

Individual fixed assets costing less than ₹5,000 are fully depreciated in the year of purchase.

Lease hold improvements are depreciated over the period of lease which is generally ten years.

### (d) Impairment of tangible and intangible assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

Goodwill is tested for impairment at the end of each balance sheet date and any impairment loss arises is recognized in the statement of profit and loss.

### (e) Intangible assets

Costs relating to intangible assets, which are acquired, are capitalised and amortised on a straight-line basis over their useful lives.

	Useful life
Technical Knowhow	10 years
Technology license fees	5 years
Germ plasm	10 years
Software	10 years
Trade marks/brands	10 years

Goodwill arising on acquisition of business is not amortised.

### (f) Research and development

Research expenditure is charged to revenue in the year in which it is incurred. Development expenditure is carried forward when its future recoverability can reasonably be regarded as assured and is amortised over the period of expected future benefit.

### (g) Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

## Notes to Financial statements (Continued)

### (h) Government grants

Grants from the government are recognized when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to revenue, it is recognized as income on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

Government grants received in the nature of investment subsidy are treated as capital reserve.

### (i) Investments

Investments which are readily realisable and intended to be held for not more than a year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

### (j) Inventories

Inventories are valued as follows:

#### **Raw materials, Packing Materials:**

Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a moving weighted average basis.

#### **Work-in-progress and finished goods:**

Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on weighted average basis.

#### **Traded goods:**

Lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

### (k) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

## Notes to Financial statements (Continued)

- i) Revenue from sale of goods is recognized when significant risks and rewards of ownership of the goods have passed to the buyer which generally coincides with dispatch of goods (including sale of remnants) to the customer. The sales are net of sales return.
- ii) Income from services are recognized as and when the services are rendered.
- iii) Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is included under the head "Other income" in the Statement of Profit and Loss.
- iv) Dividend is recognized when the shareholders' right to receive payment is established by the balance sheet date.
- v) Royalty is recognised on an accrual basis in accordance with the terms of the relevant agreement.

### (l) Foreign exchange translation

#### Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

#### Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

#### Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise except those arising from investments in non-integral operations.

Exchange differences arising on a monetary item that, in substance, form part of the company's net investment in a non-integral foreign operation is accumulated in a foreign currency translation reserve in the financial statements until the disposal of the net investment, at which time they are recognized as income or as expenses. Exchange differences arising on the settlement of monetary items not covered above, or on reporting such monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

Exchange difference arising on financing activities are reflected under finance cost.

### (m) Derivative instruments

As per the ICAI announcement, accounting for derivative contracts, other than those covered under AS 11, are marked to market on a portfolio basis, and the net loss is charged to the statement of profit and loss. Net gains are ignored.

### (n) Retirement and other employee benefits

- i) Retirement benefit in the form of provident fund and superannuation are defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund and superannuation fund. The Company recognizes contribution payable to the provident fund

## Notes to Financial statements (Continued)

scheme and super annuation scheme as an expenditure, when an employee renders the related service. If the contribution payable to the schemes for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

- ii) Gratuity liability is defined benefit obligations and are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
- iii) Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where the Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

- iv) Actuarial gains / losses are immediately taken to the Statement of Profit and Loss and are not deferred.

### (o) Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

## Notes to Financial statements (Continued)

Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year, in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as **"MAT Credit Entitlement"**. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

### (p) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### (q) Provisions

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

### (r) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

### (s) Borrowing costs

All borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### (t) Employee stock compensation cost

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortised over the vesting period of the option on a straight line basis.

### (u) Segment reporting

#### Identification of segments:

Segments are identified in line with AS 17 "Segment Reporting", taking into consideration the internal organization and management structure as well as the differential risk and returns of the segment.

## Notes to Financial statements (Continued)

Based on the Company's business model, research, production and distribution of Hybrid seeds have been considered as the only reportable segment and hence no separate financial disclosure is provided in respect of its single business segment.

### Segment policies:

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

### (v) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

## 3. Share capital

	As at December 31, 2013 ₹Lacs	As at December 31, 2012 ₹Lacs
<b>Authorised shares</b>		
*303,100,000 equity shares of ₹2/- each (Previous year : 60,620,000 equity shares of ₹10 /- each)	6,062.00	6,062.00
16,380,000 (Previous year: 16,380,000) preference shares of ₹10/- each	1,638.00	1,638.00
<b>Issued,subscribed and fully paid up shares</b>		
*84,342,325 equity shares of ₹2/- each fully paid-up (Previous year: 16,863,143 equity shares of ₹10/- each fully paid up)	1,686.85	1,686.31
<b>Total issued,subscribed and fully paid up share capital</b>	<b>1,686.85</b>	<b>1,686.31</b>

\* Pursuant to the resolution by the members in their annual general meeting held on June 5, 2013 existing equity share of the face value of ₹10/- each stands sub-divided into five equity shares of the face value of ₹2/- each.

### (a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares

	As at December 31, 2013		As at December 31, 2012	
	No in Lacs	₹ Lacs	No in Lacs	₹ Lacs
*At the beginning of the year	843.15	1,686.31	168.54	1,685.42
*Issued during the year -ESOP	0.27	0.54	0.09	0.89
*Outstanding at the end of the year	<b>843.42</b>	<b>1,686.85</b>	<b>168.63</b>	<b>1,686.31</b>

\* Pursuant to the resolution by the members in their annual general meeting held on June 5, 2013 existing equity share of the face value of ₹10/- each stands sub-divided into five equity shares of the face value of ₹2/- each.



## Notes to Financial statements (Continued)

### (b) Terms/rights attached to equity shares

The Company has one class of equity shares having par value of ₹2/- per share (Previous year: ₹10/- per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### (c) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

	As at December 31, 2013 No's in Lacs	As at December 31, 2012 No's in Lacs
Equity shares of ₹10/- each issued on 22nd January 2007 for consideration other than cash to share holders of Uniphos Seeds and Biogenetics Private Limited pursuant to the scheme of amalgamation with the Company.	-	33.775
Equity share of ₹2/- each issued during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP) wherein part consideration was received in form of employee services.	1.70	1.43

### (d) Details of shareholding more than 5% shares in the Company

Name of the shareholder	As at December 31, 2013		As at December 31, 2012	
	No Lacs	% holding	No Lacs	% holding
UPL Limited (Formerly United Phosphorus Limited)*	420.00	49.80	84.00	49.81
Jaidev R Shroff*	50.77	6.02	10.15	6.02
Vikram R Shroff*	42.33	5.02	8.47	5.02

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

\*Shareholding appearing as at December 31, 2013 stands adjusted consequent upon sub-division of existing equity share of face value of ₹10/- each into five equity shares of face value of ₹2/- each.

### (e) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, refer note 33.

## Notes to Financial statements (Continued)

## 4. Reserves and surplus

	As at December 31, 2013 ₹ Lacs	As at December 31, 2012 ₹ Lacs
<b>Capital reserve</b>		
Balance as per last financial statements	873.31	737.21
Add: Adjustment on account of amalgamation of the subsidiary company (refer note 28)	-	136.10
	<b>873.31</b>	<b>873.31</b>
<b>Capital redemption reserve</b>		
Balance as per last financial statements	25.00	-
Add: Adjustment on account of amalgamation of the subsidiary company (refer note 28)	-	25.00
	<b>25.00</b>	<b>25.00</b>
<b>General reserve</b>		
Balance as per last financial statements	1,852.14	1,816.11
Add: Adjustment on account of amalgamation of the subsidiary company (refer note 28)	-	36.03
	<b>1,852.14</b>	<b>1,852.14</b>
<b>Securities premium account</b>		
Balance as per last financial statements	29,624.23	34,566.00
Add : Additions on ESOPs exercised	14.65	24.56
Less: Adjustment on account of amalgamation of the subsidiary company (refer note 28)	-	(4,966.33)
	<b>29,638.88</b>	<b>29,624.23</b>
<b>Debenture redemption reserve</b>		
Balance as per last financial statements	1,712.83	1,418.66
Add: Transfer from surplus profit and loss	464.79	294.17
	<b>2,177.62</b>	<b>1,712.83</b>
<b>Employee stock options outstanding</b>		
Gross employee stock compensation for options granted in earlier years	5.94	-
Add: Gross compensation for options granted during the year	7.13	5.94
	<b>13.07</b>	<b>5.94</b>
<b>Surplus / (Deficit) in the statement of profit and loss</b>		
Balance as per last financial statements	(2,959.59)	(2,780.57)
Add: Adjustment on account of amalgamation of subsidiary company (refer note 28)	-	(179.02)
Add: Profit for the year	464.79	294.17
	<b>(2,494.80)</b>	<b>(2,665.42)</b>
<b>Less: Appropriations</b>		
Transfer to debenture redemption reserve	464.79	294.17
<b>Total Appropriations</b>	<b>464.79</b>	<b>294.17</b>
<b>Net deficit in the statement of profit and loss</b>	<b>(2,959.59)</b>	<b>(2,959.59)</b>
<b>Total reserves and surplus</b>	<b>31,620.43</b>	<b>31,133.87</b>

## Notes to Financial statements (Continued)

## 5. Long - term borrowings

	Non-current portion		Current maturities	
	As at December 31, 2013 ₹Lacs	As at December 31, 2012 ₹Lacs	As at December 31, 2013 ₹Lacs	As at December 31, 2012 ₹Lacs
<b>(a) Bonds / debentures</b>				
Unsecured redeemable non convertible debentures (Refer note a below)	14,700.00	14,900.00	-	-
Foreign currency floating rate guaranteed convertible bonds (Unsecured) (FCCB's) (refer note b below)	30,907.50	27,497.50	-	-
<b>(b) Term loans</b>				
From banks				
Indian rupee loan (Unsecured) (Refer note c below)	-	2,500.00	2,500.00	2,500.00
<b>(c) Other loans and advances</b>				
Loan from Biotechnology Industry Research Assisitance (BIRAC) (Secured) (refer note d below)	104.72	63.93	-	-
	<b>45,712.22</b>	<b>44,961.43</b>	<b>2,500.00</b>	<b>2,500.00</b>
<b>The above amount includes:</b>				
Secured borrowings	104.72	63.93	-	-
Unsecured borrowings	45,607.50	44,897.50	2,500.00	2,500.00
Amount disclosed under the head "other current liabilities" (note 10)	-	-	(2,500.00)	(2,500.00)
<b>Net amount</b>	<b>45,712.22</b>	<b>44,961.43</b>	<b>-</b>	<b>-</b>

**Notes:**

- a) Unsecured redeemable non convertible debentures
- 1) ₹14,700 lacs (Previous year: ₹14,900 lacs) non convertible debentures (NCDs) consisting of 1,470 (Previous year: 1,490) unsecured redeemable non convertible debentures of ₹10 lacs each redeemable at par at the end of five years from the date of allotment viz March 13, 2010 or at every interest payment date, which is on quarterly basis at the option of the Company.
  - 2) NCD's carry a coupon rate of Indian Benchmark rate (INBMK) +2% with a minimum floor price of 10% per annum.
  - 3) As per the Information Memorandum for Non-convertible Debentures issued by the Company, the Company is authorised to purchase its own NCDs from time to time from the open market in accordance with the applicable laws. Pursuant to the said Information Memorandum, the Company during the current year, has purchased 150 NCD's and issued 130 NCDs. Outstanding NCDs referred in Note 1 excludes the debentures held in the name of the Company as on 31st December 2013, in respect of which the Company shall have the right to re-issue the debentures as and when the Company may deem fit.
- b) Foreign currency floating rate guaranteed convertible bonds are due in 2016.  
250 Floating rate guaranteed convertible bonds of USD 200,000 each:
- 1) FCCB's are convertible by the bondholders into ordinary equity or Global Depository Shares (GDSs) at any time on and after July 15, 2011 up to the close of business on July 2, 2016. The FCCB's will be convertible at an initial conversion price of ₹56.57 per share of ₹2/- each (Previous year: ₹282.84 per share of ₹10/- each) and are listed on Singapore Stock Exchange.

## Notes to Financial statements (Continued)

- 2) FCCB's are redeemable, in whole but not in part, at the option of the Company on or at any time after July 9, 2014, subject to the fulfillment of certain terms and obtaining requisite approvals.
- 3) FCCB's are redeemable on maturity date of July 9, 2016 at par, if not redeemed or converted earlier.
- 4) FCCB's carry an interest rate of LIBOR+3.5%.
- (c) Term loans of ₹2,500 lacs (Previous year: ₹5,000 lacs) from bank carries interest rate 12% to 13.25% per annum and repayable in 8 quarterly installments of ₹625 lacs starting from January 2013.
- (d) The Company has entered into an agreement with the BIRAC, Ministry of Science and Technology, Government of India ('DBT') for seeking assistance in the form of Grant/loan under the DBT scheme, viz. Biotechnology Industry Partnership Program ('BIPP scheme') in relation to project of "Multi stacking genes to develop engineered rice with enhanced drought and multiple disease and pest tolerance ("Rice Project")" and "RNAi and other cutting edge technological interventions to develop insect-pest, diseases and viruses tolerant tomato hybrids for Indian and International markets ("Tomato Project")" ("the projects"), in connection with the same the Company has received assistance in the form of loan at interest rate of 2%/3% for ₹104.72 lacs (Previous year: ₹63.93 lacs) and in the form of grant for ₹104.72 lacs (Previous year: ₹63.93lacs). The unutilised grant of ₹64.65 lacs (Previous year: ₹46.07 lacs) is considered as "other long term liabilities".

Loan amounting to ₹72.17 lacs pertaining to rice project is repayable in 10 equal half yearly installments starting from August 2015 and loan amounting to ₹32.55 lacs pertaining to tomato project is repayable in 10 equal half yearly installments starting from April 2015.

The loan is secured by way of hypothecation of all equipment, apparatus, machineries, machinery spares and other accessories, goods and/or other movable property, and/or immovable property of the Company acquired for the project through contribution by the Company and/or by the DBT to a value equivalent to loan amount and interest thereon. In view of the transfer of BIPP scheme from DBT to BIRAC, the Company has executed the Agreements and will shortly execute the Deed of hypothecation in favour of BIRAC.

### 6. Deferred tax liability, net

	As at December 31, 2013 ₹ Lacs	As at December 31, 2012 ₹ Lacs
<b>Deferred tax liability</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	810.32	-
<b>Gross deferred tax liability</b>	<b>810.32</b>	<b>-</b>
<b>Deferred tax asset</b>		
Provision for doubtful debts and advances	39.23	-
Provision for gratuity	41.22	-
Provision for leave encashment	29.56	-
Provision for incentives	22.53	-
Carry forward business losses	238.69	-
Unabsorbed depreciation	391.11	-
<b>Gross deferred tax asset</b>	<b>762.34</b>	<b>-</b>
<b>Deferred tax liability, net</b>	<b>47.98</b>	<b>-</b>

## Notes to Financial statements (Continued)

## 7. Other long term liabilities

	As at December 31, 2013 ₹ Lacs	As at December 31, 2012 ₹ Lacs
<b>Others</b>		
Deferred government grant (refer sub note d of note 5)	64.65	46.07
	<b>64.65</b>	<b>46.07</b>

## 8. Provisions

	Long term		Short term	
	As at December 31, 2013 ₹ Lacs	As at December 31, 2012 ₹ Lacs	As at December 31, 2013 ₹ Lacs	As at December 31, 2012 ₹ Lacs
<b>Provisions for employee benefits</b>				
Provision for leave benefits	26.70	92.89	64.41	25.92
Provision for gratuity (refer note 37)	75.21	58.67	51.84	48.19
	<b>101.91</b>	<b>151.56</b>	<b>116.25</b>	<b>74.11</b>

## 9. Short term borrowings

	As at December 31, 2013 ₹ Lacs	As at December 31, 2012 ₹ Lacs
<b>(a) On cash credit and working capital demand loan from banks</b>		
(i) Secured (refer note a and b below)	96.56	650.00
(ii) Unsecured (refer note a below)	2,500.00	-
<b>(b) Loans from related parties (Unsecured)</b> (refer note c below)	1,500.00	1,300.00
<b>(c) Commercial papers (Unsecured)</b> (refer note d below)	-	1,500.00
	<b>4,096.56</b>	<b>3,450.00</b>
<b>The above amount includes:</b>		
Secured borrowings	96.56	650.00
Unsecured borrowings	4,000.00	2,800.00
	<b>4,096.56</b>	<b>3,450.00</b>

## Notes:

- Cash credit and working capital demand loans carry an interest rate ranging from 10% to 14.5% per annum.
- Cash credit and working capital demand loans are secured by pari passu first charge by way of hypothecation of entire stocks of raw materials, finished goods, work-in-process, consumable stores and spares and such other movable including book-debts, outstanding monies, receivables, both present and future.
- Unsecured loan from related parties are repayable on demand and carry interest rate of 13% per annum.
- Commercial papers carried average interest rate of 10% per annum. These are repaid in January 2013.

## Notes to Financial statements (Continued)

**10. Trade payables and Other current liabilities**

	As at December 31, 2013 ₹ Lacs	As at December 31, 2012 ₹ Lacs
Trade payables (refer note 32 for details of dues to micro and small enterprises)	<b>1,163.05</b>	<b>1,743.01</b>
<b>Other current liabilities</b>		
<b>Other liabilities</b>		
Current maturities of long term borrowings (refer note 5)	2,500.00	2,500.00
Interest accrued but not due on borrowings	779.85	728.05
Interest accrued and due on borrowings	227.73	135.78
Investor education and protection fund will be credited by following amounts (as and when due)		
Unpaid dividend	0.11	0.11
Provision for mark to market losses on derivatives (net)	2,313.78	690.53
<b>Other payables</b>		
Advance from customers	138.64	153.21
Advance from subsidiaries/due to subsidiaries	1,026.88	1,000.86
Trade deposits	151.34	153.65
Capital goods creditors	6.37	3.77
Others		
Withholding taxes	35.62	19.14
Service taxes	28.76	184.18
Provident fund payable	13.06	11.93
Others	0.45	0.58
	<b>7,222.59</b>	<b>5,581.79</b>



## Notes to Financial statements (Continued)

₹ Lacs

	Land - Freehold	Buildings	Plant and machinery #	Furniture and fixtures	Motor vehicles	Leasehold improvements	Total
<b>Cost</b>							
<b>As at January 1, 2012</b>	129.92	510.96	1,607.95	261.71	120.24	59.22	2,690.00
Additions on account of amalgamation (refer note 28)	-	5.99	257.93	30.53	40.65	-	335.10
Additions	-	2.58	123.57	9.84	-	-	135.99
Disposals	-	-	0.62	-	17.78	-	18.40
<b>As at December 31, 2012</b>	<b>129.92</b>	<b>519.53</b>	<b>1,988.83</b>	<b>302.08</b>	<b>143.11</b>	<b>59.22</b>	<b>3,142.69</b>
Additions	-	3.00	125.87	21.35	2.83	-	153.05
Disposals	-	-	-	-	24.65	-	24.65
<b>As at December 31, 2013</b>	<b>129.92</b>	<b>522.53</b>	<b>2,114.70</b>	<b>323.43</b>	<b>121.29</b>	<b>59.22</b>	<b>3,271.09</b>
<b>Depreciation</b>							
<b>As at January 1, 2012</b>	-	157.27	751.69	104.01	110.47	7.97	1,131.41
Additions on account of amalgamation (refer note 28)	-	1.20	61.54	10.67	37.26	-	110.67
Charge for the year *	-	15.51	94.72	26.20	7.33	5.63	149.39
Disposals	-	-	0.04	-	17.43	-	17.47
<b>As at December 31, 2012</b>	<b>-</b>	<b>173.98</b>	<b>907.91</b>	<b>140.88</b>	<b>137.63</b>	<b>13.60</b>	<b>1,374.00</b>
Charge for the year *	-	15.59	94.06	27.44	0.13	5.92	143.14
Disposals	-	-	-	-	23.32	-	23.32
<b>As at December 31, 2013</b>	<b>-</b>	<b>189.57</b>	<b>1,001.97</b>	<b>168.32</b>	<b>114.44</b>	<b>19.52</b>	<b>1,493.82</b>
<b>Net block</b>							
<b>As at December 31, 2012</b>	<b>129.92</b>	<b>345.55</b>	<b>1,080.92</b>	<b>161.20</b>	<b>5.48</b>	<b>45.62</b>	<b>1,768.69</b>
<b>As at December 31, 2013</b>	<b>129.92</b>	<b>332.96</b>	<b>1,112.73</b>	<b>155.11</b>	<b>6.85</b>	<b>39.70</b>	<b>1,777.27</b>

**Notes:**

\* Includes ₹Nil (Previous year: ₹68.42 lacs) due to change in depreciation policy (from WDV to SLM) of its subsidiary company on account of amalgamation.

# Includes assets given on operating lease.

Notes to Financial statements (Continued)

₹ Lacs

	Goodwill	Technical Knowhow	Technology Licence Fees	Germplasm	Software	Brands/Trade Marks *	Total
<b>Cost</b>							
<b>As at January 1, 2012</b>	155.00	1,095.35	32.00	815.49	136.10	5,804.71	8,038.65
Additions on account of amalgamation (refer note 28)	541.43	-	-	-	-	500.00	1,041.43
<b>As at December 31, 2012</b>	<b>696.43</b>	<b>1,095.35</b>	<b>32.00</b>	<b>815.49</b>	<b>136.10</b>	<b>6,304.71</b>	<b>9,080.08</b>
Additions	-	-	-	53.09	-	-	53.09
<b>As at December 31, 2013</b>	<b>696.43</b>	<b>1,095.35</b>	<b>32.00</b>	<b>868.58</b>	<b>136.10</b>	<b>6,304.71</b>	<b>9,133.17</b>
<b>Amortisation</b>							
<b>As at January 1, 2012</b>	-	848.85	32.00	337.59	48.77	2,757.23	4,024.44
Additions on account of amalgamation (refer note 28)	-	-	-	-	-	200.00	200.00
Charge for the year	-	58.00	-	81.55	13.61	630.48	783.64
<b>As at December 31, 2012</b>	<b>-</b>	<b>906.85</b>	<b>32.00</b>	<b>419.14</b>	<b>62.38</b>	<b>3,587.71</b>	<b>5,008.08</b>
Charge for the year	-	58.00	-	84.65	13.61	630.47	786.73
<b>As at December 31, 2013</b>	<b>-</b>	<b>964.85</b>	<b>32.00</b>	<b>503.79</b>	<b>75.99</b>	<b>4,218.18</b>	<b>5,794.81</b>
<b>Net block</b>							
<b>As at December 31, 2012</b>	<b>696.43</b>	<b>188.50</b>	<b>-</b>	<b>396.35</b>	<b>73.72</b>	<b>2,717.00</b>	<b>4,072.00</b>
<b>As at December 31, 2013</b>	<b>696.43</b>	<b>130.50</b>	<b>-</b>	<b>364.79</b>	<b>60.11</b>	<b>2,086.53</b>	<b>3,338.36</b>

\* The Company is in the process of transferring the same in its own name.

## Notes to Financial statements (Continued)

## 13. Non current investments

	As at December 31, 2013 ₹ Lacs	As at December 31, 2012 ₹ Lacs
<b>A. Trade investments (Valued at cost unless stated otherwise)</b>		
<b>I. Investment in equity instruments</b>		
<b>(i) Investment in subsidiaries (Unquoted)</b>		
a) 3,053 (Previous year: 3,053) equity shares of Euro 100 each, fully paid-up in Advanta Holdings B.V., Netherlands	16,816.43	16,816.43
b) 99,000 (Previous year: 99,000) equity shares of \$ 1 each, fully paid-up in PT Advanta Indonesia	52.00	52.00
c) 49,994 (Previous year: 49,994) equity shares of ₹10 each, fully paid-up in Advanta Seeds Limited	-	5.00
d) 2 (Previous year: 2) ordinary shares of \$ 1 each, fully paid-up in Advanta Seed International, Mauritius	0.00	0.00
<b>Total I</b>	<b>16,868.43</b>	<b>16,873.43</b>
<b>II. Investments in preference shares (Unquoted)</b>		
<b>Investment in subsidiaries</b>		
6,393 (Previous year: 6,393) Preference shares of Euro 5,000 each, fully paid-up in Advanta Holdings B.V., Netherlands	20,994.14	20,994.14
<b>Total II</b>	<b>20,994.14</b>	<b>20,994.14</b>
<b>Total A (I+II)</b>	<b>37,862.57</b>	<b>37,867.57</b>
<b>B. Non Trade investment (valued at cost unless stated otherwise)</b>		
<b>Investment in government or trust securities (Unquoted)</b>		
National savings certificate	0.42	0.42
Indira Vikas Patra	0.11	0.11
<b>Total B</b>	<b>0.53</b>	<b>0.53</b>
<b>Total (A+B)</b>	<b>37,863.10</b>	<b>37,868.10</b>
<b>Aggregate amount of unquoted investments</b>	<b>37,863.10</b>	<b>37,868.10</b>

## Notes to Financial statements (Continued)

## 14. Loans and advances

	Non-current		Current	
	As at December 31, 2013 ₹ Lacs	As at December 31, 2012 ₹ Lacs	As at December 31, 2013 ₹ Lacs	As at December 31, 2012 ₹ Lacs
<b>Advances and loans to subsidiary</b>				
Unsecured, considered good	37,379.54	34,968.26	-	-
<b>A</b>	<b>37,379.54</b>	<b>34,968.26</b>	-	-
<b>Capital advance</b>				
Unsecured, considered good	40.02	53.29	-	-
<b>B</b>	<b>40.02</b>	<b>53.29</b>	-	-
<b>Sundry deposits</b>				
Unsecured, considered good	92.49	144.95	-	-
Doubtful	45.84	34.95	-	-
	<b>138.33</b>	<b>179.90</b>	-	-
Provision for doubtful sundry deposits	45.84	34.95	-	-
<b>C</b>	<b>92.49</b>	<b>144.95</b>	-	-
<b>Advances recoverable in cash or kind</b>				
Unsecured, considered good	142.93	103.59	228.21	205.25
Doubtful	440.53	307.24	-	-
	<b>583.46</b>	<b>410.83</b>	<b>228.21</b>	<b>205.25</b>
Provision for doubtful advances	440.53	307.24	-	-
<b>D</b>	<b>142.93</b>	<b>103.59</b>	<b>228.21</b>	<b>205.25</b>
<b>Other loans and advances (Unsecured)</b>				
Advance income tax (net of provision for taxation)	2,354.58	2,009.29	-	-
Prepaid expenses	-	-	38.19	21.25
<b>E</b>	<b>2,354.58</b>	<b>2,009.29</b>	<b>38.19</b>	<b>21.25</b>
<b>Total (A+B+C+D+E)</b>	<b>40,009.56</b>	<b>37,279.38</b>	<b>266.40</b>	<b>226.50</b>

## Notes to Financial statements (Continued)

**15. Inventories (at lower of cost and net realisable value)**

	As at December 31, 2013 ₹ Lacs	As at December 31, 2012 ₹ Lacs
Packing materials	30.57	26.25
Work in progress - Seeds	13.51	1,039.41
Raw seeds	133.08	0.44
Finished goods		
Basic seeds	11.32	1.87
Hybrid seeds (including in transit ₹Nil [Previous year ₹114.12 lacs])	472.75	233.94
	<b>661.23</b>	<b>1,301.91</b>

**16. Trade receivables**

	Current	
	As at December 31, 2013 ₹ Lacs	As at December 31, 2012 ₹ Lacs
<b>Unsecured, considered good unless stated otherwise</b>		
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>		
Secured, considered good	79.33	107.36
Doubtful	798.45	798.45
	<b>877.78</b>	<b>905.81</b>
Provision for doubtful receivables	798.45	798.45
	<b>79.33</b>	<b>107.36</b>
<b>Other receivables</b>		
Unsecured and considered good	979.43	1,247.96
	<b>1,058.76</b>	<b>1,355.32</b>

**17. Other current assets**

	As at December 31, 2013 ₹ Lacs	As at December 31, 2012 ₹ Lacs
<b>Unsecured considered good unless stated otherwise</b>		
<b>Unamortized expenditure</b>		
Share issue expenses (refer note 50)	-	84.41
<b>A</b>	<b>-</b>	<b>84.41</b>
<b>Others</b>		
Interest accrued on loans and advances to subsidiaries	2,927.57	2,038.96
Reimbursement receivable from group companies	881.03	2,045.63
Interest accrued on fixed deposits	42.94	4.51
<b>B</b>	<b>3,851.54</b>	<b>4,089.10</b>
<b>Total (A+B)</b>	<b>3,851.54</b>	<b>4,173.51</b>

## Notes to Financial statements (Continued)

**18. Cash and Bank balances**

	Current	
	As at December 31, 2013 ₹ Lacs	As at December 31, 2012 ₹ Lacs
<b>Cash and cash equivalents</b>		
Balance with banks		
On current accounts	2,037.59	329.79
On unpaid dividend accounts	0.11	0.11
Cash on hand	0.50	0.37
	<b>2,038.20</b>	<b>330.27</b>
<b>Other bank balances</b>		
Deposits with original maturity for more than twelve months	0.11	2.46
Margin money deposit (Under lien with bank)	967.96	425.00
	<b>968.07</b>	<b>427.46</b>
	<b>3,006.27</b>	<b>757.73</b>

**19. Revenue from operations**

	For the year ended December 31, 2013 ₹ Lacs	For the year ended December 31, 2012 ₹ Lacs
<b>Revenue from operations</b>		
Sale of products *	7,159.66	8,411.27
	<b>7,159.66</b>	<b>8,411.27</b>
<b>Other operating revenue</b>		
Sale of remnants	28.12	31.96
Royalty income	930.95	640.51
Price variance/adjustment for previous year	-	361.87
Government grant [refer note 5 (d)]	22.20	12.41
Market study fees	-	489.80
Lease rent income	150.00	112.50
Miscellaneous income	23.93	14.08
	<b>1,155.20</b>	<b>1,663.13</b>
	<b>8,314.86</b>	<b>10,074.40</b>

\* Includes sale of traded goods of ₹1,823.65 lacs (Previous year: ₹538.60 lacs).

Details of product sold	For the year ended December 31, 2013 ₹ Lacs	For the year ended December 31, 2012 ₹ Lacs
Seeds	7,159.66	8,411.27



## Notes to Financial statements (Continued)

## 20. Other income

	For the year ended December 31, 2013 ₹ Lacs	For the year ended December 31, 2012 ₹ Lacs
<b>Interest income on</b>		
Bank deposits	104.39	80.28
Loans to subsidiaries	2,487.83	2,420.25
Dividend income on investment in subsidiary	-	0.75
Gain on buy back of debentures	0.84	60.50
Exchange difference (net)	24.16	92.85
Provisions written back	45.20	22.50
Profit on sale of fixed assets (net)	8.89	2.31
Commission income	163.26	-
Miscellaneous income	22.58	-
	<b>2,857.15</b>	<b>2,679.44</b>

## 21. Cost of raw material consumed

	For the year ended December 31, 2013 ₹ Lacs	For the year ended December 31, 2012 ₹ Lacs
Inventories at the beginning of the year	0.44	47.80
Add: Produced	883.72	754.48
Less: Inventories at the end of the year	133.08	0.44
Consumption of raw seed	<b>751.08</b>	<b>801.84</b>
Purchase of seeds *	1,931.12	1,171.20
Chemical and fertilizer consumed	51.97	57.31
Freight inwards	101.39	14.47
	<b>2,835.56</b>	<b>2,044.82</b>

\* Includes purchase of traded goods of ₹1,640.76 lacs (Previous year ₹519.12 lacs).

Details of raw material consumed	For the year ended December 31, 2013 ₹ Lacs	For the year ended December 31, 2012 ₹ Lacs
Seeds	2,835.56	2,044.82

## 22. Decrease in inventories

	For the year ended December 31, 2013 ₹ Lacs	For the year ended December 31, 2012 ₹ Lacs
Inventories at the end of the year		
Work-in-process	13.51	1,039.41
Finished goods	484.07	235.81
	<b>497.58</b>	<b>1,275.22</b>
Inventories at the beginning of the year		
Work-in-process	1,039.41	385.51
Finished goods	235.81	4,422.19
Add: Adjustment on account of amalgamation of the subsidiary company (refer note 28)	-	647.25
	<b>1,275.22</b>	<b>5,454.95</b>
	<b>777.64</b>	<b>4,179.73</b>

## Notes to Financial statements (Continued)

### 23. Employee benefits expense\*

	For the year ended December 31, 2013 ₹ Lacs	For the year ended December 31, 2012 ₹ Lacs
Salaries, wages and bonus	457.49	338.20
Contribution to provident and other funds (refer note 37)	41.32	28.07
Gratuity expenses (refer note 37)	33.69	32.97
Staff welfare expenses	9.62	46.73
	<b>542.12</b>	<b>445.97</b>

\*Refer to note 36 on expenditure reimbursement.

### 24. Other expenses\*

	For the year ended December 31, 2013 ₹ Lacs	For the year ended December 31, 2012 ₹ Lacs
Power and fuel	55.60	24.87
Seed processing and other charges	424.40	89.23
Repairs		
- Buildings	0.01	-
- Machinery	4.21	2.62
- Others	12.32	13.86
Rent	298.95	98.82
Rates and taxes	195.86	8.43
Insurance	2.33	8.93
Packing material consumed	88.23	235.02
Clearing and forwarding charges	397.36	-
Travelling and conveyance	106.63	99.69
Communication expenses	15.12	15.35
Printing and stationery	9.96	5.79
Advertisement and sales promotion	-	0.79
Production and farm expenses	219.53	87.62
Provision for bad and doubtful advances	120.90	174.71
Legal and consultancy charges (refer note below)	126.13	128.08
Investment written off	5.00	-
Advances written off	37.03	1.55
Share issue expenses written off	84.41	-
Miscellaneous expenses	42.82	74.42
	<b>2,246.80</b>	<b>1,069.78</b>

\* Refer to note 36 on expenditure reimbursement.

<b>Payment to Auditor</b>	For the year ended December 31, 2013 ₹ Lacs	For the year ended December 31, 2012 ₹ Lacs
Audit fees	19.00	19.00
Fee for certification	1.35	2.19
Taxation matters	-	0.75
Others	4.00	7.72
	<b>24.35</b>	<b>29.66</b>

## Notes to Financial statements (Continued)

**25. Depreciation and amortisation**

	For the year ended December 31, 2013 ₹ Lacs	For the year ended December 31, 2012 ₹ Lacs
Depreciation on tangible assets (refer note 11)*	143.14	80.96
Amortisation of intangible assets (refer note 12)	786.73	783.64
	<b>929.87</b>	<b>864.60</b>

\* Excluding ₹Nil (Previous year: ₹68.43 lacs) due to change in depreciation policy (from WDV to SLM) of its subsidiary company on account of amalgamation.

**26. Finance costs**

	For the year ended December 31, 2013 ₹ Lacs	For the year ended December 31, 2012 ₹ Lacs
Interest	3,228.80	3,470.25
Exchange difference, net	64.76	74.04
Other financials charges	33.69	15.06
	<b>3,327.25</b>	<b>3,559.35</b>

**27. Arrangement with UPL Limited**

In previous year, the Company had entered into a License Agreement effective from April 2, 2012 with United Phosphorous Limited (UPL) to grant technical know-how for commercial exploitation, development, use and sale of its Licensed Products and use of brands. In consideration thereof, the Company has received a royalty at the rate of 7 % of net sales revenue of its Licensed Products amounting to ₹930.95 (Previous year: ₹640.51 lacs). Further, the Company carries out research and development activities, as agreed, in connection with the Licensed Products and accordingly, the Company has received an amount of ₹709.01 lacs (Previous year: ₹1,115.00 lacs) as per the agreement entered between both the parties.

**28. Amalgamation of Unicorn Seeds Private Limited**

Pursuant to the Scheme of Amalgamation ('the Scheme') under Sections 391 to 394 of the Companies Act, 1956, the Honorable High Court of Andhra Pradesh had pronounced an order on October 9, 2012 sanctioning the Scheme of amalgamation of Unicorn Seeds Private Limited ('Unicorn'), a wholly owned subsidiary of the Company with the Company from the appointed date i.e. April 1, 2011. The Scheme became effective on November 23, 2012 upon filing of the said order with the Registrar of Companies, Hyderabad. Consequently, all the assets and liabilities of the Unicorn were transferred to and vested in the Company with effect from April 1, 2011.

The assets and liabilities of Unicorn as on the appointed date are set out below:

Particulars	Amount ₹ in Lacs
<b>Sources of funds</b>	
Share capital	136.10
Reserves and surplus	158.78
Loan funds	1,527.20
Deferred tax liability, net	4.82
<b>Total</b>	<b>1,826.90</b>
<b>Application of funds</b>	
Fixed assets	1,021.25
Investments	0.01
Net current assets	805.64
<b>Total</b>	<b>1,826.90</b>

## Notes to Financial statements (Continued)

The amalgamation was accounted for under the "pooling of interest" method referred to in the Accounting Standard 14 – Accounting for Amalgamation, as prescribed by the Scheme. Accordingly, all the assets, liabilities and other reserves of Unicorn as on April 1, 2011 had been aggregated at their respective book values.

The Company was holding the entire paid-up capital of Unicorn and hence no consideration had been issued for the aforesaid amalgamation. Further the share capital of Unicorn had been cancelled and the corresponding amount of ₹136.10 lacs had been credited to the Capital Reserve account.

In accordance with the scheme, the cost of investment in the equity share capital and preference share capital of Unicorn aggregating to ₹4,966.32 had been debited to the Securities Premium of the Company.

The accounts of Unicorn for the year ended December 31, 2011 were finalised as a separate entity. The net loss amounting to ₹160.36 lacs of Unicorn for the period April 1, 2011 to December 31, 2011 had been adjusted in the statement of profit and loss of the Company for previous year ended December 31, 2012.

### Contingent liabilities

- a) Income tax matters under dispute: Pending with authorities at various levels. ₹2,856.88 lacs (Previous year: ₹2,347.14 lacs).
- b) Service tax matters under dispute: Pending with CESTAT, Bangalore ₹490.13 Lacs (Previous year: 490.13) exclusive of penal interest.
- c) Claims against the Company not acknowledged as debts ₹73.75 lacs (Previous year: ₹151.00 lacs).  
In respect of items above, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgments/decisions pending at various forums/authorities. The management believes that the ultimate outcome of above proceeding will not have a material adverse effect on the Company's financial position and results of operations.
- d) In January, 2013, the Company has received a show cause notice from the Directorate of Enforcement, alleging that the Company has contravened certain provisions of the Foreign Exchange Management Act, 1999 with regard to foreign direct investment made/received and its utilisation. The Management has replied to the show cause notice and had personal hearings to represent their matter and the same is pending before the authority and believes that there is a fair chance of defending the case based on internal assessment/legal opinion.
- e) Guarantee given by the Company on behalf of subsidiary companies ₹17,279.03 lacs (Previous year: ₹6,010.03 lacs).

### 30. Capital and other commitments

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance) ₹44.15 lacs (Previous year: ₹23.55 lacs).
- b) For commitments relating to lease arrangements, please refer note 38.

### 31. Government grants / subsidy

Capital reserve represents State Investment subsidy sanctioned by the Government of Andhra Pradesh, for setting up of a unit at Toopran Mandal, Andhra Pradesh under Target 2000 Scheme of the State Government.

### 32. Details of dues to Micro and Small Enterprises as defined under the MSMED Act, 2012

Based on the information available with the Company, there are no suppliers who are registered as micro, small or medium enterprises under "The Micro, Small and Medium Enterprises Development Act, 2006", to whom the Company has paid interest or any interest payable on balances outstanding as at December 31, 2013 and December 31, 2012.

## Notes to Financial statements (Continued)

**33(i) Employees stock option plan (ESOP)**

- a The Company instituted an Employees Stock Option Scheme ("ESOP") for certain employees as approved by the shareholders on September 20, 2006. During the year ended December 31, 2013, the following scheme is under operation:

**Employees stock option and share plan 2006**

Particulars	December 31, 2013	December 31, 2012
Dates of grant	27-Feb-12	27-Sep-06
Dates of board approval	27-Feb-12	13-Sep-06
Date of shareholders approval	20-Sep-06	20-Sep-06
Number of options granted	703,280 *	1,40,656
Method of settlement (Cash / Equity)	Equity	Equity
Vesting period	Spread over 4 years and 6 months	Spread over 4 years and 6 months
Exercise period	10 years	10 years
Vesting conditions	50% of the options granted is conditional upon the Company meeting annual performance benchmarks based on parameters set by the Remuneration Committee	50% of the options granted is conditional upon the Company meeting annual performance benchmarks based on parameters set by the Remuneration Committee

\*Adjusted number of options and equity shares consequent to sub -division of the nominal value of equity shares of the Company from ₹10/-each fully paid up to ₹2/- each fully paid up [refer note number 3(a)].

**b The details of the activity have been summarized below**

Particulars	As at December 31, 2013 (No. of equity shares)*	As at December 31, 2012 (No. of equity shares)
Outstanding at the beginning of the year	3,33,895	5,446
Exercisable at the beginning of the year	2,26,170	54,170
Granted during the year	Nil	64,005
Forfeited during the year	58,445	Nil
Exercised during the year	26,610	8,931
Options lapsed during the year	Nil	Nil
Vested during the year	69,800	2,672
Expired during the year	13,385	2,677
Outstanding at the end of the year	2,05,650	66,779
Exercisable at the end of the year	2,55,975	45,234
Weighted average remaining contractual life (in years)	6.23	7.62

\*Adjusted number of options and equity shares consequent upon sub -division of the nominal value of equity shares of the Company from ₹10/-each fully paid up to ₹2/- each fully paid up [refer note number 3(a)].

The weighted average share price at the date of exercise for stock options was ₹154.89 (Previous year: ₹118.31).

## Notes to Financial statements (Continued)

### c Stock options granted

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	As at December 31, 2013	As at December 31, 2012
Weighted average share price/market price (₹per share)*	68.75	343.75
Exercise price (₹per share)*	57.00	285.00
Expected volatility	64.49%	64.49%
Life of the options granted (vesting and exercise period) in years	Vesting period + 18 months i.e. 3 years, 4 years, 5 years, and 6 years, for each Vesting tranche of 25%	Vesting period + 18 months i.e. 3 years, 4 years, 5 years, and 6 years, for each Vesting tranche of 25%
Expected dividends	0.30% per annum	0.30% per annum
Average risk-free interest rate	8.04% per annum	8.04% per annum

\*Adjusted price per share consequent upon sub -division of nominal value of equity shares of the Company from ₹10/-each fully paid up to ₹2/- each fully paid up.(ref note number 3(a))

### d Effect of the employee option plan on the Statement of Profit and Loss and on its financial position

Particulars	As at December 31, 2013 ₹ In lacs	As at December 31, 2012 ₹ In lacs
Total employee compensation cost pertaining to stock option plan	7.13	5.94
Liability for employee stock option plan outstanding as at the year end	13.07	5.94

### e Since, the Company used the intrinsic value method the impact on the reported net profit and earnings per share by applying the fair value method is as under:

Particulars	As at December 31, 2013 ₹ In lacs	As at December 31, 2012 ₹ In lacs
Net profit as reported	464.79	294.17
Add : Employee stock compensation under intrinsic value method	7.13	5.94
Less : Employee stock compensation under fair value method	25.65	21.38
Proforma profit	446.27	278.73
<b>Earning per share (₹)</b>		
Basic		
- as reported	0.55	0.35
- Proforma	0.53	0.33
Diluted		
- as reported	0.55	0.35
- Proforma	0.53	0.33

\* The Company has sub-divided the equity shares of face value of ₹10/- each into five shares of ₹2/- each. Consequently, basic and diluted earnings per share as at December 31, 2012 has been recomputed.



## Notes to Financial statements (Continued)

### 33(ii) Advanta Employee Stock Option Plan 2013

During the financial year ended December 31, 2013, the Company introduced a new employee stock option plan under the captioned name, upon obtaining approval by the shareholders through Postal Ballot process.

Under the said plan, a maximum of 13,00,000 options have been reserved to be issued to such eligible employees of the Company and also to that of its subsidiaries as may be decided by the Remuneration Committee from time to time, which if exercised would give rise to equal number of shares of ₹2/- each.

The vesting period for conversion of options is as follows:

Period of vesting	Stage	Vesting (as a % of options granted)
On completion of 18 months from the date of grant	1	25%
On completion of 24 months from the date of grant	2	25%
On completion of 36 months from the date of grant	3	25%
On completion of 48 months from the date of grant	4	25%

### 34. Segment information

In accordance with accounting standard 17- Segment Reporting, segment information has been given in the consolidated financial statements of the Company and therefore no separate disclosure on segment information is given in the financial statements.

### 35. Related party disclosures

#### a Names of related parties where control exist irrespective of whether transactions have occurred or not

**Subsidiaries**

Name of the Company	Country of incorporation
Advanta Holdings B.V.	Netherlands
Advanta Netherlands Holding B.V.	Netherlands
Advanta Finance B.V.	Netherlands
Advanta International B.V.	Netherlands
Pacific Seeds (Thai) Limited	Thailand
Pacific Seeds Holdings (Thai) Limited	Thailand
Pacific Seeds Pty Ltd	Australia
Advanta Semillas SAIC	Argentina
Advanta Seeds International	Mauritius
Longreach Plant Breeders Management Pty Limited	Australia
PT Advanta Seeds Indonesia	Indonesia
Advanta US Inc	USA
Unicorn Seeds Private Limited -Merged with the Company (refer note 28)	India
Advanta Seeds Limited (wound up w.e.f October 22, 2013)	India
Advanta Comercio De Sementas LTDA	Brazil
Advanta B V I Limited	British Virgin Islands

## Notes to Financial statements (Continued)

### b Names of other related parties with whom transactions have taken place during the year:

Enterprises having significant influence  
 UPL Limited (Formerly United Phosphorus Limited)  
 Jai Research Foundation  
 Demuric Holdings Private Limited  
 Swal Corporation Limited

#### Key managerial person

Mr. V. R. Kaundinya – Managing Director (resigned w.e.f. January 1, 2014)

### c Transactions with related parties during the year and balances at year end:

#### A UPL Limited (Formerly United Phosphorus Limited)

Particulars	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
Purchase of goods	272.41	242.08
Sale of goods	1,358.92	6,672.75
Reissue of non convertible debentures	1,300.00	2,500.00
Repurchase of non convertible debentures	1,500.00	3,800.00
Commercial paper issued	-	1,500.00
Commercial Paper redeemed	1,500.00	1,500.00
Lease rent income	150.00	112.50
Royalty	930.95	640.51
Loan received	2,850.00	1,300.00
Loan repaid	2,650.00	940.00
Advance taken	-	274.59
Reimbursement of expenses made	-	49.14
Reimbursement of expenses received -R&D (refer note 36)	709.01	1,115.00
Reimbursement of expenses received-Others (refer note 36)	236.26	263.61
Interest expense	1,261.30	1,266.31
Transfer of employee balances	-	113.54
Transfer of customer balances	4.39	17.58
<b>Balance as on the Balance Sheet date:</b>		
Interest payable	492.59	281.05
Commercial papers outstanding	-	1,500.00
Redeemable non convertible debentures outstanding	9,500.00	9,700.00
Loan payable	1,500.00	1,300.00
Current assets	295.59	1,114.37
Current liabilities	61.18	15.26

#### B Advanta Netherlands Holdings BV

Particulars	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
Reimbursement of expenses received -R&D (refer note 36)	340.02	190.38
Reimbursement of expenses received-Others (refer note 36)	934.11	760.46
<b>Balance as on the Balance Sheet date:</b>		
Current assets	162.94	771.23
Current liabilities	-	84.10

## Notes to Financial statements (Continued)

**C Advanta Semillas SAIC, Argentina**

Particulars	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
Reimbursement of expenses received - others (refer note 36)	67.88	59.42
Commission	54.46	-
<b>Balance as on the Balance Sheet date:</b>		
Current assets	369.05	211.81
Contingent liability (corporate guarantee given (refer note no 29))	5,161.55	3,299.70

**D Pacific Seeds Pty Limited**

Particulars	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
Reimbursement of expenses made	7.70	30.39
Sale of goods	-	1.40
Purchase of goods	76.40	114.09
Commission	53.89	-
<b>Balance as on the Balance Sheet date:</b>		
Current assets	182.44	110.74
Current liabilities	217.85	147.15
Contingent liability (corporate guarantee given (refer note no 29))	9,366.27	-

**E Pacific Seeds (Thai) Limited**

Particulars	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
Sales of goods	1,650.85	259.93
Purchase of goods	763.53	7.48
Reimbursement of expenses received- Others (refer note 36)	2.40	-
Commission income	53.64	-
<b>Balance as on the balance sheet date:</b>		
Current assets	59.57	119.68
Current liabilities	3.87	7.76
Contingent liability (corporate guarantee given (refer note no 29))	2,751.21	2,567.73

**F Pacific Seeds Holdings (Thai) Limited**

Particulars	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
<b>Balance as on the Balance Sheet date:</b>		
Current liabilities	5.66	5.39

**G Advanta Seeds International**

Particulars	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
Sales of goods	-	419.25
Reimbursement of expenses received-Others (refer note 36)	409.42	454.67
Reimbursement of expenses made	0.72	-
Interest income	-	26.41

## Notes to Financial statements (Continued)

Advance given	0.29	-
Advance received	-	1,023.09
Loan given	-	1,014.20
Loan given received back	-	1,017.50
<b>Balance as on the Balance Sheet date:</b>		
Interest receivable	30.18	26.85
Current assets	424.70	361.87
Current liabilities	1,021.22	995.47

**H Jai Research Foundation**

Particulars	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
<b>Balance as on the Balance Sheet date:</b>		
Current assets	4.56	4.56

**I Advanta Comercio De Sementas LTDA Brazil**

Particulars	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
Commission	1.27	-
<b>Balance as on the Balance Sheet date:</b>		
Current assets	1.45	-
Contingent liability (Corporate Guarantee given (refer Note no 29))	-	142.60

**J Advanta Holdings B V**

Particulars	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
Interest income	2,487.83	2,393.85
Loan given	-	1,009.25
Loan repaid	2,136.74	4,894.10
Investment in Preference Shares	-	1,610.38
Advance paid	36.11	-
<b>Balance as on the Balance Sheet date:</b>		
Loan	37,379.54	34,968.26
Interest receivable	2,897.39	2,012.11

**K PT Advanta Seeds Indonesia**

Particulars	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
Reimbursement of expenses received-Others (refer note 36)	26.32	46.71
Sale of goods	902.96	-
<b>Balance as on the Balance Sheet date:</b>		
Current assets	66.16	61.90

**L Demuric Holdings Private Limited**

Particulars	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
Loan received	-	1,000.00
Loan paid	-	3,200.00

## Notes to Financial statements (Continued)

Interest expense	-	87.47
<b>Balance as on the Balance Sheet date:</b>		
Interest payable	-	100.59

**M Swal Corporation Limited**

Particulars	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
Interest expenses	557.19	382.94
<b>Balance as on the Balance Sheet date:</b>		
Interest payable	141.12	131.80
Redeemable non convertible debentures outstanding	5,200.00	5,200.00

**N Key managerial person**

Particulars	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
Remuneration*	209.60	175.61

\*includes ₹ 33.58 lacs (Previous year ₹ Nil) towards leave encashment.

36. In the previous year, the Company has entered into an agreement with its group company for cost sharing of research and development and other expenses. Further, the Company has an arrangements with its subsidiary companies for cost sharing. Pursuant to that, the Company has recovered ₹2,725.42 lacs (Previous year: ₹2,830.85 lacs) and the same has been adjusted against the respective expenses as under:

Particulars	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
Salaries, wages and bonus	1,108.07	1,082.49
Contribution to provident and other funds	75.09	81.19
Gratuity expenses	17.54	40.44
Staff welfare expenses	108.74	73.38
<b>Total A</b>	<b>1,309.44</b>	<b>1,277.50</b>
Power and fuel	37.66	50.79
Repairs	21.45	24.97
Rent	118.90	138.32
Travelling and conveyance	465.24	406.68
Communication costs	45.36	54.64
Printing and stationery	11.61	15.37
Productions and farm expenses	229.40	341.50
Legal and consultancy charges	79.66	103.57
Insurance	0.71	-
Rates and taxes	15.94	-
Miscellaneous expenses	390.05	417.51
<b>Total B</b>	<b>1,415.98</b>	<b>1,553.35</b>
<b>Total (A+B)</b>	<b>2,725.42</b>	<b>2,830.85</b>

**37. Details of employee benefits****(i) Defined benefit plan-gratuity**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn basic salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

## Notes to Financial statements (Continued)

**Statement of profit and loss**

	For the year ended December 31, 2013 (₹ in lacs)	For the year ended December 31, 2012 (₹ in lacs)
<b>Net employee benefit expenses (recognized in employee benefit expenses)</b>		
Current service cost	18.78	23.53
Interest cost on benefit obligation	10.20	11.24
Expected return on plan assets	(1.44)	(0.30)
Net actuarial loss/(gain) recognized during the Year	6.15	(1.50)
Net benefit expense	33.69	32.97
Actual return on plan assets	1.65	0.30

**Balance sheet**

	As at December 31, 2013 (₹ in lacs)	As at December 31, 2012 (₹ in lacs)
Defined benefit obligation	135.47	123.66
Fair value of plan assets	(8.42)	(16.80)
Plan liability	127.05	106.86

**Changes in the present value of the defined benefit obligation**

	December 31, 2013 (₹ in lacs)	December 31, 2012 (₹ in lacs)
Opening defined benefit obligation	123.66	128.18
Interest cost	10.20	11.24
Current service cost	18.78	23.53
Liability transferred in	-	13.89
Liability transferred out	-	(46.96)
Benefits paid	(23.53)	(4.72)
Actuarial (gains)/loss on obligation	6.36	(1.50)
Closing defined benefit obligation	135.47	123.66

**Changes in the fair value of plan assets**

	December 31, 2013 (₹ in lacs)	December 31, 2012 (₹ in lacs)
Opening fair value of plan assets	16.80	3.49
Expected return	1.44	0.30
Contributions made by employer during the year	13.50	1.13
Transferred from other company	-	16.60
Benefits paid	(23.53)	(4.72)
Actuarial gains/ (loss)	0.21	0.00
Closing fair value of plan assets	8.42	16.80



## Notes to Financial statements (Continued)

	Year ended December 31, 2013 (₹ in lacs)	Year ended December 31, 2012 (₹ in lacs)
Expected contribution to defined benefit plan in the next year	51.84	48.17

### The major categories of plan assets as a percentage of fair value of total plan assets are as follows

	December 31, 2013	December 31, 2012
Insurer Managed Funds (LIC)	100%	100%

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in the expected rate of return on assets due to the improved stock market scenario.

### The principal actuarial assumptions at the Balance Sheet date

	As at December 31, 2013	As at December 31, 2012
Discount rate	9.25%	8.25%
Expected rate of return on plan assets	8.70%	8.60%
Expected rate of salary increase	6.00%	6.00%
Employee turnover	2.00%	2.00%
Mortality table	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate

### Amounts for the current and previous four periods are as follows

	For the year ended December 31, 2013 (₹ in lacs)	For the year ended December 31, 2012 (₹ in lacs)	For the year ended December 31, 2011 (₹ in lacs)	For the year ended December 31, 2010 (₹ in lacs)	For the year ended December 31, 2009 (₹ in lacs)
Defined benefit obligation	135.47	123.66	128.18	123.00	112.55
Plan assets	(8.42)	(16.80)	(3.49)	(4.13)	(24.67)
Surplus/(deficit)	127.05	106.86	124.69	118.87	87.88
Experience adjustment on					
Plan liability (Gains)/Losses	10.53	(0.00)	(12.53)	4.21	(2.49)
Plan assets (Gains)/Losses	(0.21)	0.30	0.33	(0.12)	(13.09)

#### Note:

The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

#### (ii) Defined contribution plan

Contribution to provident fund and superannuation fund amounting to ₹41.32 lacs (Previous year: ₹28.07 lacs) has been recognised as an expense and included in note 23 under 'Contribution to provident and other funds' in the Statement of Profit and Loss.

### 38. Operating leases

#### Company as lessee (Lease payments)

Office premises and motor vehicles are taken on operating lease. The lease term is in the range of three years to

## Notes to Financial statements (Continued)

ten years and thereafter renewable. The lease is cancellable at any time and there is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. There are no subleases. Lease rental expense for the year for the agreements entered into is ₹298.95 lacs including land lease charges of ₹242.51 lacs. (Previous year: ₹98.82 lacs including land lease charges of ₹2.71 lacs).

### Company as lessor (Lease receipts)

The Company entered into an agreement for lease of certain assets and ₹150.00 lacs (Previous year: ₹112.50 lacs) have been recognised as rental income in the Statement of Profit and Loss. The lease is cancellable at any time.

### 39. Earnings per share

Particulars	Current year (₹ in lacs)	Previous year* (₹ in lacs)
<b>Basic earnings per share</b>		
Net profit attributable to equity shareholders	464.79	294.17
Net profit before exceptional items	464.79	764.59
Weighted average number of equity shares outstanding	8,43,29,527	8,42,93,985
Basic earnings per share (₹)	0.55	0.35
Basic earnings per share (₹)- Before exceptional item	0.55	0.91
Nominal value of equity shares (₹)	2.00	2.00
<b>Diluted earnings per share</b>		
Net profit for computation of dilutive earnings per share	464.79	294.17
Net profit before exceptional items for computation of dilutive earnings per share	464.79	764.59
Weighted average number of equity shares outstanding	8,43,29,527	8,42,93,985
Dilutive impact of employee stock options	35,147	57,066
Weighted average number of equity shares for computing diluted earnings per share	8,43,64,674	8,43,51,051
Diluted earnings per share (₹)	0.55	0.35
Diluted earnings per share (₹)- Before exceptional item	0.55	0.35
Nominal value of equity shares (₹)	2.00	2.00

\* The Company has sub-divided the equity shares of face value of ₹10/- each into five shares of ₹2/- each w.e.f 9, 2013. Consequently, basic and diluted earnings per share as at December 31, 2012 has been recomputed.

The conversion of foreign currency floating rate guaranteed convertible bonds into equity shares, if made, would have the effect of increasing the profit per share and would therefore be anti- dilutive and hence, are ignored for the purpose of computing diluted earnings per share.

### 40. Research and development expenses

Particulars	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
<b>a) Revenue</b>		
Gross expenditure	1,763.27	1,445.40
Less: Recharged (refer note 35)	1,049.03	1,305.38
Net expenses	714.24	140.02
<b>b) Capital</b>	130.96	123.44

## Notes to Financial statements (Continued)

## 41. Particulars of unhedged foreign currency exposure as at the Balance Sheet date

Particulars	Foreign currency	As at December 31, 2013 (Foreign currency in lacs)	As at December 31, 2012 (Foreign currency in lacs)	As at December 31, 2013 (₹ in lacs)	As at December 31, 2012 (₹ in lacs)
Loans and advances to subsidiary	USD	406.99	407.67	25,158.09	22,418.29
Foreign currency floating rate guaranteed convertible bonds (FCCB)	USD	500.00	500.00	30,907.50	27,497.50
Interest payable	USD	4.32	5.22	266.77	287.17
Trade payables	EURO	0.56	-	47.67	-
	USD	3.60	1.02	222.53	74.14
	AUD	2.39	3.37	131.67	192.16
Advance from subsidiaries/group companies	USD	16.52	18.10	1,021.22	995.47
	Thai Baths	3.00	3.00	5.66	5.39
Advance from customers	USD	0.22	0.18	13.37	10.04
Exports trade receivables	USD	2.72	3.72	168.14	204.53
	EURO	6.39	5.11	543.93	370.92
Interest receivable	USD	21.82	12.38	1,348.55	680.92
	EURO	18.55	18.72	1,579.02	1,358.05
Other receivables	USD	11.09	8.10	685.53	445.50
	EURO	1.91	9.47	162.94	687.12

## 42. Particulars of derivatives contracts entered into for hedging purpose outstanding as at balance sheet date

Particulars	Currency	As at December 31, 2013 (in lacs)	As at December 31, 2012 (in lacs)
Currency and interest rate swap	Euro	143.58	146.86

**Purpose:** Hedge of foreign currency advance given to subsidiary (in EURO) and hedge against exposure to variable interest outflow on loans. As per the full currency swap arrangement, the Company converts underlying INR liability to EURO liability to provide a natural hedge against the EURO loan given. As per the arrangement, the Company will receive 6.51%p.a on INR notional liability (₹10,000 lacs) for the period and pay Nil on EURO Notional. As on the balance sheet date, a mark to market valuation of the outstanding swaps resulting in a notional loss of ₹2,313.78 lacs (Previous year: ₹ 690.53 lacs) is charged to Statement of Profit and Loss. Also, a corresponding unrealized gain on restatement of EURO loan given of Rs. 2,342.83 lacs (Previous year: Rs. 642.14 lacs) and interest on swap arrangement of Rs. 629.58 lacs (Previous year: Rs. 557.98 lacs) has been credited to Statement of Profit and Loss.

## 43. Disclosure in respect of Loans and Advances in the nature of loans pursuant to clause 32 of the Listing Agreement

Description of assets	Current Year		Previous Year	
	Oustanding balance (₹ in lacs)	Maximum balance during the year (₹ in lacs)	Oustanding balance (₹ in lacs)	Maximum balance during the year (₹ in lacs)
<b>Loans to subsidiaries</b>				
Advanta Holdings B V	37,379.54	39,232.30	34,968.26	37,145.45

## Notes to Financial statements (Continued)

**44. In accordance with the Accounting Standard 26 issued by ICAI, the following information relates to intangible assets**

Description of assets	Current Year		Previous Year	
	Carrying amount of assets (₹ in lacs)	Remaining amortisation years	Carrying amount of assets (₹ in lacs)	Remaining amortisation years
Technical Know-how	130.50	2 years	188.50	3 years
Germ Plasm	314.80	4 years	396.35	5 years
Germ Plasm	49.99	9.5years	-	-
Software	60.11	4 years	73.72	5 years
Trade Marks / Brands	2,086.53	4 years	2,717.00	5 years

**45. Value of imports on C.I.F. basis**

Particulars	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
Capital expenditure	9.84	34.54
Purchase of seeds	1,640.76	633.21

**46. Expenditure in foreign currency (on accrual basis)**

Particulars	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
Travelling and conveyance	72.00	62.68
Legal and professional charges	62.58	89.63
Interest expenses	1,350.47	1,263.89
Reimbursement of expenses	8.42	30.39
Others expenses	56.70	102.61

**47. Earnings in foreign currency (on accrual basis)**

Particulars	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
Value of exports of goods on F.O.B. value	5,796.66	1,830.54
Interest income	2,487.83	2,420.25
Reimbursement of expenses	1,847.56	1,511.64
Commission income	163.26	-
Others	22.58	-

**48. Exceptional item**

Exceptional item reflects a charge of ₹Nil (Previous year ₹470.42 lacs) arising out of settlement of litigation with a vendor.

## Notes to Financial statements (Continued)

## 49. Imported and indigenous raw materials and packing material

Particulars	% of total consumption Current Year	Value (₹ in lacs) Previous Year	% of total consumption Current Year	Value (₹ in lacs) Previous Year
<b>Raw materials</b>				
Imported	-	-	-	-
Indigenously obtained	100.00	751.08	100.00	801.84
	<b>100.00</b>	<b>751.08</b>	<b>100.00</b>	<b>801.84</b>
<b>Packing material</b>				
Imported	-	-	-	-
Indigenously obtained	100.00	88.23	100.00	235.02
	<b>100.00</b>	<b>88.23</b>	<b>100.00</b>	<b>235.02</b>

50. The Company had incurred ₹84.41 lacs until December 31, 2012 in connection with the proposed rights issue of its equity shares which was carried forward and disclosed under other current assets. However, the Company did not offer the proposed rights issue within the extended period provided by the SEBI and accordingly, the same has been charged to Statement of Profit and Loss during the current year.
51. In the previous year, the Company had made an application to Central Government seeking its approval to pay remuneration to Mr. V.R.Kaundinya, Managing Director for a period of 3 years, i.e., from July 10, 2012 to July 9, 2015. During the current year vide its Letter dated, October 21, 2013, the Central Government approved the payment of remuneration for one year i.e. July 10, 2012 to July 9, 2013. Hence, the Company has made another application to the Central Government for seeking its approval for payment of remuneration to Mr. V.R.Kaundinya, Managing Director upto ₹200 lacs p.a for the period starting from July 10, 2013 to December 31, 2013. Accordingly, the Company has paid the remuneration for the aforesaid period subject to approval of Central Government.
52. Previous year figures have been regrouped/reclassified, where necessary, to conform to the current year's classification.

As per our Report of even date

**For S. R. Batliboi & Associates LLP**  
Firm Registration Number : 101049W  
Chartered Accountants

**per Jayanta Mukhopadhyay**  
Partner  
Membership No. 055757

Place : Dubai  
Date : January 30, 2014

For and on behalf of the Board of Directors of  
**Advanta Limited**

**Vikram R. Shroff**  
Director

**Manoj Gupta**  
Chief Financial Officer

Place : Dubai  
Date : January 30, 2014

**V. R. Kaundinya**  
Director

**Pushpalatha K**  
Company Secretary

## Statement pursuant to Section 212 of the Companies Act, 1956, related to Subsidiary Companies for the year ended 31<sup>st</sup> December 2013

Sr No	Name of the subsidiary Company	Financial Year	Shareholding		The net aggregate of Profit / (Loss) of the subsidiary for the above financial year so far as they concern the members of the Company and is not dealt within the accounts of the Company		Change in the Holding Companies Interest in the subsidiaries between the end of the financial year of the subsidiary and the end of the holding companies financial year	Material changes which have occurred between the end of the aforesaid financial year of the subsidiaries and the end of the holding companies financial year in respect:
			Number of Shares (Equity)	%	Financial Year ended on 31 <sup>st</sup> December 2013 (₹ In Lacs)	Previous Year (₹ In Lacs)		
1	Advanta Holdings BV	31-12-2013	3,053	100	(1,682.99)	(1,113.35)	Not Applicable as financial year coincides with that of the Holding Company	As the financial year of both holding and subsidiary companies coincides, there are no particulars to furnish
2	Advanta Netherlands Holdings BV	31-12-2013	180	100	(19,915.00)	1,608.02	do	do
3	Advanta International BV *	31-12-2013	-	-	-	(458.82)	do	do
4	Advanta Finance BV *	31-12-2013	-	-	-	3,159.31	do	do
5	Advanta Semillas S A I C	31-12-2013	4,74,69,633	100	(1,989.09)	(796.16)	do	do
6	Longreach Plant Breeders Management P Ltd	31-12-2013	88,223	70	(84.99)	(959.11)	do	do
7	Pacific Seeds Pty Ltd	31-12-2013	50,00,000	100	296.31	(632.46)	do	do
8	Pacific Seeds Holdings (Thai) Ltd	31-12-2013	1,000	100	5,072.74	500.36	do	do
9	Pacific Seeds (Thai) Ltd	31-12-2013	6,00,000	100	4,612.29	628.14	do	do
10	Advanta Seed International	31-12-2013	2	100	2,329.16	3,491.43	do	do
11	Advanta US Inc	31-12-2013	1,000	100	2,462.28	958.20	do	do
12	Advanta Seeds Limited **	31-12-2013	-	-	-	(1.55)	do	do
13	Pt Advanta Seeds Indonesia	31-12-2013	1,00,000	100	(330.80)	53.00	do	do
14	Advanta Comercio De Sementes LTDA	31-12-2013	4,80,443	100	(2,086.94)	(817.36)	do	do
15	Advanta B.V I Ltd	31-12-2013	50,000	100	-	-	do	do

\*Advanta Finance B.V. and Advanta International B.V. got merged with Advanta Holdings B.V. w.e.f. 24th December, 2013

\*\*Advanta Seeds Ltd wound up during the year 2013



## Abridged Financial Information of subsidiaries as at 31.12.2013

Sr. No	Subsidiary	Location / Country	Reporting Currency	Capital	Reserves	Total Assets	Total Liabilities (Net of Reserves and Capital)	Details of Investment (Except in case of Investment in Subsidiaries)	Turnover	Profit / Loss Before Taxation	Provision for Taxation Exp / (Inc)	Profit / Loss After Taxation	Proposed Dividend
1	Advanta Finance BV *	Netherlands	Euro	-	-	-	-	-	-	-	-	-	-
2	Advanta Holdings BV	Netherlands	Euro	27,469.22	33,819.00	1,45,683.05	84,394.83	-	-	(1,655.01)	27.98	(1,682.99)	-
3	Advanta International BV *	Netherlands	Euro	-	-	-	-	-	-	-	-	-	-
4	Advanta Netherlands Holdings BV	Netherlands	Euro	15.32	38,204.04	48,675.00	10,455.64	-	1,364.57	(19,493.74)	421.26	(19,915.00)	-
5	Advanta US Inc	USA	US \$	2,472.60	4,951.77	41,775.97	34,351.60	-	21,597.79	3,571.98	1,109.70	2,462.28	-
6	Pacific Seeds Holdings (Thai) Ltd	Thailand	THB	1.89	2,156.90	14,125.49	11,966.70	-	-	4,835.83	(236.91)	5,072.74	-
7	Pacific Seeds Thai Ltd	Thailand	THB	1,131.48	10,719.06	20,955.91	9,105.38	-	23,034.66	5,722.99	1,110.70	4,612.29	5,470.15
8	Advanta Seed International	Mauritius	US \$	-	19,843.41	37,403.17	17,559.76	-	21,283.80	2,401.22	72.06	2,329.16	-
9	Advanta Semillas SA I C	Argentina	US \$	11,501.13	(7,408.24)	27,641.25	23,548.36	-	25,165.17	(2,467.14)	(478.05)	(1,989.09)	-
10	LongReach Plant Breeders Management Pty Ltd	Australia	AU \$	3,893.83	(5,921.32)	8,159.10	10,186.59	-	157.46	(393.34)	(308.35)	(84.99)	-
11	Pacific Seeds Pty Ltd	Australia	AU \$	2,754.79	16,032.27	47,881.88	29,094.82	-	29,939.78	66.14	(230.17)	296.31	-
12	Advanta Seeds Ltd **	India	INR	-	-	-	-	-	-	-	-	-	-
13	Pt Advanta Seeds Indonesia	Indonesia	IDR	55.49	(613.00)	2,915.81	3,473.31	-	2,783.79	(441.07)	(110.27)	(330.80)	-
14	Advanta Comercio De Sementes LTDA	Brazil	BRL	125.73	(3,184.43)	5,457.60	8,516.30	-	2,938.13	(3,162.03)	(1,075.09)	(2,086.94)	-
15	Advanta B.V.I. Ltd	British Virgin Islands	US \$	30.91	-	32.29	1.38	-	-	-	-	-	-

\* Advanta Finance B.V. and Advanta International B.V. got merged with Advanta Holdings B.V. w.e.f. 24th December, 2013

\*\* Advanta Seeds Ltd wound up during the year 2013

**Note: Exchange Rates considered for above calculation**

Particulars	Euro	US \$	THB	AU \$	IDR	BRL
Closing Rate (For Balance Sheet Items)	85.12	61.82	1.89	55.10	0.01	26.17
Average Rate (For Profit and Loss Items)	78.83	58.41	1.84	26.51	0.01	26.51

# Consolidated Financial Statements

## Independent Auditor's Report

The Board of Directors  
Advanta Limited  
(Formerly Advanta India Limited)

We have audited the accompanying consolidated financial statements of Advanta Limited ('the Company') and its subsidiaries (together referred to as 'the Advanta Group') which comprise the Consolidated Balance Sheet as at December 31, 2013, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Basis of qualified opinion

*As indicated in note no. 37 to the consolidated financial statements, the Advanta Group had, recognized deferred tax asset aggregating ₹5,329.85 lacs on the unused tax losses and other assets in the consolidated financial statements for the year ended December 31, 2012. During the year ended December 31, 2013, the Advanta Group has further recognized deferred tax asset of ₹1,915.65 lacs in the Consolidated Statement of Profit and Loss. In our opinion, there is no virtual certainty as required by Accounting Standard (AS) 22, 'Accounting for Taxes on Income' to indicate that it is probable that the said companies will have sufficient taxable profit against which such deferred tax assets can be utilized. Accordingly, the consolidated profit after taxation for the year ended December 31, 2013 are higher by ₹1,915.65 lacs (Previous year: higher by ₹898.60 lacs) and deferred tax assets and reserves and surplus as at December 31, 2013 are higher by ₹7,245.50 lacs (Previous year: higher by ₹5,329.85 lacs). Our audit report on the consolidated financial statements for the year ended December 31, 2012 was also modified in respect of the above matter.*

As indicated in note no. 37 to the consolidated financial statements, a subsidiary company, Advanta Semillas SAIC had recognized MAT credit entitlement amounting to ₹507.16 lacs in the consolidated financial statements for the year ended December 31, 2012. During the year ended December 31, 2013, the subsidiary has further recognized MAT credit entitlement amounting to ₹85.73 lacs in the Consolidated Statement of Profit and Loss. In our opinion, there is no convincing evidence as required by guidance note on "Accounting for credit available in respect of Minimum alternate Tax under the Income-tax Act, 1961" issued by "The Institute of Chartered Accountants of India" to indicate that it is probable that the said subsidiary will have normal income tax liability within the specified period against which such MAT Credit entitlement can be utilized. Accordingly, the consolidated profit after taxation for the year ended December 31, 2013 are higher by ₹592.89 lacs (Previous year: ₹507.16 lacs) and loans and advances and reserves and surplus as at December 31, 2013 are higher by ₹592.89 lacs (Previous year: ₹507.16 lacs). Our audit report on the consolidated financial statements for the year ended December 31, 2012 was also modified in respect of the above matter.

### Qualified Opinion

Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, *except for the effects of matters described in the basis for qualified opinion paragraph*, we are of the opinion that the attached consolidated financial statements, give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Advanta Group as at December 31, 2013;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

### Emphasis of Matter

We draw attention to note no. 51 to the consolidated financial statements regarding remuneration paid to the Managing Director in excess of the limits prescribed under Schedule XIII of the Companies Act, 1956 by ₹51.76 lacs (Previous year: ₹152.14 lacs) for which steps are being taken by the Company to obtain Central Government approval. Pending, final outcome of the company's application, no adjustments have been made to the financial statements. Our opinion is not qualified in respect of this matter.

We draw attention to note no. 52 to the consolidated financial statements. As at December 31, 2013, the Company's subsidiary, Longreach Plant Breeders Management Pty Ltd accumulated losses of ₹5,921.31 lacs (Previous year: ₹6,044.48 lacs) has exceeded its net worth. The auditor of subsidiary company has drawn attention in their audit report to the Going concern assumption, i.e. the financial statements having been prepared on going concern basis on the basis of representations of financial and operational support from its principal shareholder, a subsidiary of the Company and consequently, no adjustments have been made to the carrying values or classification of balance sheet accounts. Our opinion is not qualified in respect of this matter.

We draw attention to note no. 52 to the consolidated financial statements. As at December 31, 2013, the Company's subsidiary, PT Advanta Seeds Indonesia has accumulated losses of ₹613.00 lacs (Previous year: ₹338.97 lacs) exceed its net worth. The auditor of subsidiary company has drawn attention in their audit report to the Going concern assumption, i.e. the financial statements having been prepared on going concern basis on the basis of representations of financial and operational support from the Company and consequently, no adjustments have been made to the carrying values or classification of balance sheet accounts. Our opinion is not qualified in respect of this matter.

We draw attention to note no. 52 to the consolidated financial statements. As at December 31, 2013, the Company's subsidiary, Advanta Comercio De Sementes Ltda has accumulated losses of ₹3,268.40 lacs (Previous year: ₹1,124.64

lacs) exceed its net worth. The auditor of subsidiary company has drawn attention in their audit report to the Going concern assumption, i.e. the financial statements having been prepared on going concern basis on the basis of representations of financial and operational support from its principal shareholder, a subsidiary of the Company and consequently, no adjustments have been made to the carrying values or classification of balance sheet accounts. Our opinion is not qualified in respect of this matter.

### Other Matter

We did not audit the financial statements of Advanta U.S. Inc., U.S.A, and Advanta Seeds International, Mauritius whose financial statements prepared; under the generally accepted accounting principles ('GAAP') accepted in the United States of America ('US GAAP') and International Financial Reporting Standards ('IFRS') respectively in the aggregate reflect, total assets, revenues, and net cash flows of ₹50,539.39 lacs, ₹40,628.41 lacs, and ₹2,210.69 lacs respectively. The financial statements of these subsidiaries have been prepared in accordance with accounting policies generally accepted as per the US GAAP and IFRS respectively and have been audited by other auditors who have submitted their audit opinions, prepared under generally accepted auditing standards of their respective countries, to the shareholders of the respective companies, copies of which have been provided to us by the Company. The management of the Company has converted these audited financial statements of the Company's subsidiaries to accounting principles generally accepted in India, for the purpose of preparation of the Company's consolidated financial statements under accounting principles generally accepted in India. Our opinion, thus, insofar it relates to amounts included in respect of these subsidiaries, is based solely on the reports of the other auditors under the aforementioned GAAPs in respective countries and the aforesaid conversion undertaken by the management; examined by us on a test basis.

We did not audit the financial statements of subsidiaries, whose financial statements prepared under the generally accepted accounting principles accepted in India, reflect in relation to the amounts considered in the consolidated financial statements; total assets of ₹191,709.05 lacs as at December 31, 2013, the total revenue of ₹113,322.40 lacs, and the cash inflows amounting to ₹464.27 lacs for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of such subsidiaries, read with paragraph above, is based solely on the report of other auditors.

### For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W

### per Jayanta Mukhopadhyay

Partner

Membership Number: 055757

Place of Signature: Dubai

Date: January 30, 2014

## Consolidated Balance Sheet as at December 31, 2013

	Notes	As at December 31, 2013 ₹ Lacs	As at December 31, 2012 ₹ Lacs
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	1,686.85	1,686.31
Reserves and surplus	4	60,464.62	54,970.09
		<b>62,151.47</b>	<b>56,656.40</b>
<b>Non-current liabilities</b>			
Long-term borrowings	5	46,217.79	44,961.43
Deferred tax liability (net)	6	481.80	114.56
Other long-term liabilities	7	64.65	46.07
Long-term provisions	8	1,359.42	1,133.64
		<b>48,123.66</b>	<b>46,255.70</b>
<b>Current liabilities</b>			
Short-term borrowings	9	37,653.98	12,989.84
Trade payables	10	40,669.28	26,631.35
Other current liabilities	10	14,178.72	13,151.01
Short term provisions	8	3,188.92	1,774.99
		<b>95,690.90</b>	<b>54,547.19</b>
	<b>Total</b>	<b>2,05,966.03</b>	<b>1,57,459.29</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	11	13,495.90	12,278.46
Intangible assets	12	60,121.98	57,674.59
Capital work-in-progress		649.11	1,042.00
Intangible assets under development (Refer note no. 39a)		2,026.44	1,908.46
Non - current investments	13	0.53	0.55
Deferred tax assets (net)	14	7,737.54	5,703.85
Long-term loans and advances	15	4,314.00	3,565.57
Other non-current assets	16	782.14	539.34
		<b>89,127.64</b>	<b>82,712.82</b>
<b>Current Assets</b>			
Inventories	17	49,238.39	29,686.47
Trade receivables	18	41,843.61	25,119.05
Cash and bank balances	19	17,572.97	14,860.17
Short term loans and advances	15	4,468.19	3,284.53
Other current assets	16	3,715.23	1,796.25
		<b>1,16,838.39</b>	<b>74,746.47</b>
	<b>Total</b>	<b>2,05,966.03</b>	<b>1,57,459.29</b>
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the consolidated financial statements.

As per our Report of even date

For and on behalf of the Board of Directors of  
**Advanta Limited**

**For S. R. Batliboi & Associates LLP**

Firm Registration Number: 101049W

Chartered Accountants

**per Jayanta Mukhopadhyay**

Partner

Membership No. 055757

**Vikram R. Shroff**

Director

**V. R. Kaundinya**

Director

**Manoj Gupta**

Chief Financial Officer

**Pushpalatha K**

Company Secretary

Place : Dubai

Date : January 30, 2014

Place : Dubai

Date : January 30, 2014



## Consolidated statement of profit and loss for the year ended December 31, 2013

	Notes	For the year ended December 31, 2013 ₹ Lacs	For the year ended December 31, 2012 ₹ Lacs
<b>Income</b>			
Revenue from operations	20	1,25,507.83	1,06,420.52
Other income	21	748.41	878.94
<b>Total (i)</b>		<b>1,26,256.24</b>	<b>1,07,299.46</b>
<b>Expenses</b>			
Cost of raw material consumed	22	51,496.79	36,067.63
(Increase)/decrease in inventories	23	(9,492.40)	586.48
Employee benefit expenses	24	16,869.18	14,703.82
Other expenses	25	47,935.97	38,653.76
<b>Total (ii)</b>		<b>1,06,809.54</b>	<b>90,011.69</b>
<b>Profit before exceptional item, interest, tax, depreciation and amortization (i)-(ii)</b>		<b>19,446.70</b>	<b>17,287.77</b>
Depreciation and amortisation expense	26	3,679.75	3,238.19
Finance costs	27	9,298.46	6,798.95
<b>Profit before exceptional item and tax</b>		<b>6,468.49</b>	<b>7,250.63</b>
Exceptional item	49	1,668.96	470.42
<b>Profit before tax</b>		<b>4,799.53</b>	<b>6,780.21</b>
<b>Tax expenses</b>			
- Current tax		2,611.05	1,821.35
- MAT credit entitlement		-	(207.00)
- Deferred tax income		(2,004.67)	(872.27)
- Taxes for earlier years		(255.56)	101.86
<b>Total tax expense</b>		<b>350.82</b>	<b>843.94</b>
<b>Net profit</b>		<b>4,448.71</b>	<b>5,936.27</b>
<b>Earnings per share</b>	38		
<b>Basic (₹)</b>			
After exceptional items		5.28	7.04
Before exceptional items		7.25	7.60
<b>Diluted (₹)</b>			
After exceptional items		4.67	5.77
Before exceptional items		6.02	6.15
Nominal value of equity shares (in ₹)		2.00	2.00
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the consolidated financial statements.

As per our Report of even date

For and on behalf of the Board of Directors of  
**Advanta Limited**

**For S. R. Batliboi & Associates LLP**  
Firm Registration Number: 101049W  
Chartered Accountants

**per Jayanta Mukhopadhyay**  
Partner  
Membership No. 055757

Place : Dubai  
Date : January 30, 2014

**Vikram R. Shroff**  
Director

**Manoj Gupta**  
Chief Financial Officer

Place : Dubai  
Date : January 30, 2014

**V. R. Kaundinya**  
Director

**Pushpalatha K**  
Company Secretary

## Consolidated cash flow statement for the year ended December 31, 2013

		For the year ended December 31, 2013 ₹ Lacs	For the year ended December 31, 2012 ₹ Lacs
<b>Cash flow from operating activities</b>			
<b>Profit before exceptional item and taxation</b>		<b>6,468.49</b>	<b>7,250.63</b>
<b>Non-cash adjustment to reconcile profit before tax to net cash flows</b>			
Exceptional items		(1,668.96)	(470.42)
Depreciation and amortisation expense		3,679.75	3,238.19
Provision for bad and doubtful advances		176.29	232.26
Share issue expenses written off		84.41	-
Interest expenses		6,592.17	5,860.51
Unrealised exchange loss/(gain), net		1,246.32	(535.80)
Unrealised gain on forward contract		-	(34.83)
Bad debts/advances written off		465.26	65.50
Inventories written off		1,600.37	1,114.60
Provision for litigation		39.24	42.43
Provision for stock damages		1,710.80	899.12
Interest income		(260.71)	(278.82)
Employee stock option compensation		7.13	-
Gain on buyback of debentures		(0.84)	(60.50)
Loss/(profit) on sale of fixed assets, net		1.41	(153.82)
Provisions written back		(284.65)	(374.43)
<b>Operating profit before working capital changes</b>		<b>19,856.48</b>	<b>16,794.62</b>
<b>Movement in working capital:</b>			
Increase in inventories		(22,863.09)	(5,372.15)
Increase in trade receivable		(17,517.54)	(1,355.61)
Increase in other current assets		(2,135.44)	(1,003.71)
Increase/(decrease) in loans and advances		2,755.39	(980.51)
Increase in trade payables and other current liabilities		12,314.54	10,930.97
Increase in provisions		1,600.47	351.18
<b>Cash (used in)/generated from operations</b>		<b>(5,989.19)</b>	<b>19,364.79</b>
Direct taxes paid (net of refunds)		(2,648.54)	(2,722.11)
<b>Net cash (used in)/from operating activities</b>	<b>(A)</b>	<b>(8,637.73)</b>	<b>16,642.68</b>
<b>Cash flow from investing activities</b>			
Purchase of fixed assets including capital work in progress and capital advances		(7,069.77)	(5,002.46)
Proceeds from sale of fixed assets		11.96	296.26
Payment of milestone liability		-	(539.92)
Investments/redemption in bank deposits (having original maturity of more than three months)		(566.99)	(15.69)
Interest received		391.36	278.82
<b>Net cash flow used in investing activities</b>	<b>(B)</b>	<b>(7,233.44)</b>	<b>(4,982.99)</b>
<b>Cash flow from financing activities</b>			
Proceeds from long-term borrowings		(1,741.64)	2,500.00
Proceeds from short-term borrowings		24,664.14	-

		For the year ended December 31, 2013 ₹ Lacs	For the year ended December 31, 2012 ₹ Lacs
Repayment of short term borrowings		-	(6,242.88)
Proceeds from issue of equity share capital		15.19	25.45
Proceeds from re-issue of debentures		1,300.00	-
Repayment on buy back of debentures		(1,499.16)	(2,693.38)
Proceeds from government grants		81.57	-
Utilisation of government grants		(22.20)	(12.40)
Interest paid		(6,116.81)	(5,430.01)
<b>Net cash from/(used in) financing activities</b>	<b>(C)</b>	<b>16,681.09</b>	<b>(11,853.22)</b>
<b>Exchange difference on FCTR</b>		<b>1,362.29</b>	<b>468.40</b>
<b>Net increase in cash and cash equivalents</b>	<b>(A+B+C)</b>	<b>2,172.21</b>	<b>274.87</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>14,432.71</b>	<b>14,157.84</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>16,604.92</b>	<b>14,432.71</b>
<b>Components of cash and cash equivalents</b>			
Cash on hand		4.80	4.96
Balances with scheduled banks			
on current accounts		15,478.40	12,149.94
on deposit accounts		1,121.61	2,277.70
Unpaid dividend accounts (refer note below)		0.11	0.11
<b>Total cash and cash equivalents (refer note 19)</b>		<b>16,604.92</b>	<b>14,432.71</b>
<b>Summary of significant accounting policies</b>	<b>2.1</b>		

Note:

These balances are not available for use by the Company as they represent corresponding unpaid dividend liabilities.

As per our report of even date.

**For S. R. Batliboi & Associates LLP**  
Firm Registration Number: 101049W  
Chartered Accountants

**per Jayanta Mukhopadhyay**  
Partner  
Membership No. 055757

Place : Dubai  
Date : January 30, 2014

For and on behalf of the Board of Directors of  
**Advanta Limited**

**Vikram R. Shroff**  
Director

**Manoj Gupta**  
Chief Financial Officer

Place : Dubai  
Date : January 30, 2014

**V. R. Kaundinya**  
Director

**Pushpalatha K**  
Company Secretary

## Notes to consolidated financial statements for the year ended December 31, 2013

### 1. Corporate information

Advanta Limited (Formerly Advanta India Limited) ('the Company' or 'the holding company') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on National Stock Exchange and Bombay Stock Exchange. Advanta Limited and some of its subsidiaries are principally engaged in research, development, production, distribution and marketing of hybrid agricultural field crop seeds and plant seeds for agricultural use. Certain other subsidiaries are predominantly holding companies with investments in the companies engaged in development of hybrid seeds. Advanta Limited and its subsidiaries are hereinafter collectively referred to as 'the Group'.

### 2 Principles of consolidation

- a) The consolidated financial statements include financial statements of Advanta Limited and its subsidiaries. Subsidiaries are consolidated from the date on which effective control is transferred to the Group to the date such control exists.
- b) The list of subsidiary companies considered for consolidation together with the proportion of shareholding held by the group is as follows:

Sl. No	Name of the Company	Relationship	Country of incorporation	% of holding directly or through subsidiaries	
				2013	2012
1	Advanta Holdings B.V.	Subsidiary	Netherlands	100%	100%
2	Advanta Netherlands Holding B.V.	Subsidiary	Netherlands	100%	100%
3	Advanta Finance B.V. *	Subsidiary	Netherlands	-	100%
4	Advanta International B.V. *	Subsidiary	Netherlands	-	100%
5	Pacific Seeds (Thai) Limited	Subsidiary	Thailand	100%	100%
6	Pacific Seeds Holdings (Thailand) Limited	Subsidiary	Thailand	100%	100%
7	Pacific Seeds Pty Ltd	Subsidiary	Australia	100%	100%
8	Advanta Semillas SAIC	Subsidiary	Argentina	100%	100%
9	Advanta Seeds International	Subsidiary	Mauritius	100%	100%
10	Longreach Plant Breeders Management Pty Ltd.	Subsidiary	Australia	70%	70%
11	Advanta US Inc	Subsidiary	USA	100%	100%
12	Advanta Seeds Limited #	Subsidiary	India	-	100%
13	PT Advanta Seeds Indonesia	Subsidiary	Indonesia	100%	100%
14	Advanta Comercio De Sementes Ltda.	Subsidiary	Brazil	100%	100%
15	Advanta (B.V.I) Ltd	Subsidiary	British Virgin Islands	100%	100%

\* Merged with Advanta Holding B.V. during the current year.

# Wound up w.e.f October 22, 2013.

#### Notes:

- i) The ownership interest as given above has been calculated based on the effective interest of Advanta Limited in various subsidiaries, including the investments made by its subsidiaries.
- ii) Pacific Seeds (Thai) Limited and Pacific Seeds Pty Limited are wholly owned subsidiaries of Pacific Seeds Holdings (Thailand) Limited and Advanta Holdings B.V. respectively as at December 31, 2013.
- iii) Advanta Semillas SAIC is 90% held by Advanta Holdings B.V. and 10% held by Advanta Netherlands Holdings B.V. as at December 31, 2013.

## Notes to Consolidated Financial statements (Continued)

- iv) 70% holding of Longreach Plant Breeders Management Pty Limited is held by Pacific Seeds Pty Ltd as at December 31, 2013.
  - v) Pacific Seeds Holdings (Thai) Limited is wholly owned subsidiary of Advanta Netherlands Holdings B.V. as at December 31, 2013.
  - vi) Advanta Netherlands Holdings B.V., Advanta US Inc. and Advanta B.V.I Ltd are wholly owned subsidiaries of Advanta Holdings B.V. as at December 31, 2013.
  - vii) Advanta Comercio De Sementas Ltda. is wholly owned subsidiary of Advanta Holdings B.V. as at December 31, 2013.
- c) The consolidated financial statements have been prepared on the following basis:

The financial statements of the Group have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The financials statements have been prepared to comply in all material respects with the accounting standards notified by the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provision of the Companies Act, 1956. The financials statements have been prepared on an accrual basis and under the historical cost convention and except for derivative financial instruments which have been measured at fair value. The accounting policies are consistently applied and are consistent with those used in the previous year.

All the subsidiary companies are incorporated outside India. The activities of the subsidiaries are not an integral part of those of the holding company and hence, these have been considered to be non-integral foreign operations in terms of Accounting Standard 11 – 'The Effects of Changes in Foreign Exchange Rates'. Consequently, the assets and liabilities, both monetary and non-monetary, of such subsidiaries have been translated at the closing rates of exchange of the respective currencies as at December 31, 2013.

Changes have been made in the accounting policies followed by each of the subsidiaries to the extent they were material and identifiable from their respective audited financial statements to make them uniform with the accounting policies followed by the holding company. Where it has not been practicable to use uniform accounting policies in preparing the consolidated financial statements, the different accounting policies followed by each of the group company have been followed. (refer note 2.1 below).

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible in the same manner as the Company's separate financial statements. The consolidated financials of the Group have been prepared on a line by line basis by adding together the book value of subsidiary companies like items of assets, liabilities, income and expenses and all material inter-company balances and inter-company transactions and resulting unrealized profits or losses are eliminated on consolidation.

The financial statements of the subsidiaries used for the purpose of consolidation are drawn upto the same reporting date as that of the holding company i.e. December 31, 2013.

### 2.1 Summary of significant accounting policies

The significant accounting policies followed by the Group in the consolidated financials statements are stated hereunder. In case a uniform policy is not followed by each company in the group, the same, as disclosed in the audited financial statements of the said Company, has been reproduced, if material.

## Notes to Consolidated Financial statements (Continued)

### a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although, these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

### b) Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and impairment losses if any. The cost comprises the purchase price and directly attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which take substantial period of time to get ready for intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

### c) Depreciation on tangible fixed assets

#### Holding company

Depreciation on building and plant and machinery is provided for in the accounts on straight line method in accordance with the rates prescribed in Schedule XIV of the Companies Act, 1956 which coincides with the useful life of the assets estimated by the Management.

Depreciation on other assets is provided using the Straight Line Method as per the useful life of the assets estimated by the management, or at the rates prescribed under Schedule XIV of the Companies Act, 1956 whichever is higher.

Name of the block	Rate (SLM)	Rate as per schedule VI (SLM)
Furniture and fixtures	10%	6.33%
Computer and computer equipments	20%	16.21%
Motor vehicles	20%	9.50%
Office equipments	10%	4.75%

Individual fixed assets costing less than ₹5,000 are fully depreciated in the year of purchase.

Leasehold improvements are depreciated over the period of lease which is generally ten years.

#### Foreign subsidiaries

In case of subsidiaries, depreciation is provided on the straight line method as per the useful lives of the assets as determined by the management. These rates are given below:

## Notes to Consolidated Financial statements (Continued)

Name of the block	Estimated useful life in years
Buildings	4 to 50 years
Plant and machinery	4 to 13 years
Office equipments	3 to 5 years
Furniture and fixtures	5 to 10 years
Motor vehicles	4 to 5 years
Computer and computer equipments	3 to 7 years

**(d) Impairment of tangible and intangible assets**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

On such indication, the impairment loss (being the excess of carrying value over the recoverable value of the asset) is charged to the Statement of Profit and Loss in the respective financial year. The impairment loss recognised in the prior years gets reversed where the recoverable value exceeds the carrying value of the asset upon re-assessment in the subsequent years.

**(e) Intangible assets**

An intangible asset is recognised, only where it is probable that future economic benefits attributable to the asset will accrue to the enterprise and the cost can be measured reliably. Intangible assets are stated at cost less accumulated amortization and impairment losses, if any. Goodwill arising on consolidation of acquired subsidiaries is carried at cost.

Costs relating to intangible assets, which are acquired, are capitalised and amortised on a straight-line basis over their useful lives.

**Holding company**

Name of the block	Useful life
Technical knowhow	10 years
Technology license fees	5 years
Germ plasm	10 years
Software	10 years
Trade marks/brands	10 years

**Foreign subsidiaries**

Name of the block	Useful life
Technical knowhow	10 years
Technology license fees	5 to 10 years
Germ plasm	10 years
Software	10 years
Project Sunsat	10 years
Trade marks/brands	10 years

Goodwill arising on acquisition of business is not amortised.



## Notes to Consolidated Financial statements (Continued)

### (f) Goodwill

Goodwill represents excess of the cost to the parent of its investment in a subsidiary over the parent's portion of equity of the subsidiary, at the date on which investment in the subsidiary is made. Goodwill is tested for impairment at the end of each balance sheet date and any impairment loss arises is recognized in the Statement of Profit and Loss.

### (g) Research and development

Research expenditure is charged to revenue in the year in which it is incurred. Development expenditure is carried forward when its future recoverability can reasonably be regarded as assured and is amortised over the period of expected future benefit. Any expenditure carried forward will be amortised over the period of expected future sales from the related project.

### (h) Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

### (i) Government grants

Grants from the government are recognized when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to revenue, it is recognized as income on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

Government grants received in the nature of investment subsidy are treated as capital reserve.

### (j) Investments

Investments which are readily realisable and intended to be held for not more than a year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

### (k) Inventories

The method of valuation of various categories of inventories is as follows:

- i) Raw materials: Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis. In case of Pacific Seeds Pty Ltd., raw materials, components, are valued on a standard cost basis. These standards are reviewed regularly and adjusted for significant variances. In case of Advanta US Inc, cost is determined on first in first out on specific identification basis.

## Notes to Consolidated Financial statements (Continued)

- ii) Stores and spares, Consumables and packing material: Lower of cost and net realisable value. Cost is determined on a weighted average basis. In case of Pacific Seeds Pty Ltd., packing materials are valued on a standard cost basis. These standards are reviewed regularly and adjusted for significant variances.
- iii) Work-in-progress and finished goods: Lower of cost and net realizable value. Work in progress comprises of material cost and applicable overheads. In case of finished goods, the cost comprises of materials, direct labour and production overheads of the related crops. In case of finished goods, the cost is determined on a standard cost basis in the holding company and in respect of other subsidiaries the cost is determined on absorption costing basis.
- iv) Traded goods: Lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

### (l) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

- i) Revenue from sale of goods is recognized when significant risks and rewards of ownership of the goods have passed to the buyer which generally coincides with dispatch of goods to the customer. The sales are net of sales return.
- ii) Income from services are recognized as and when the services are rendered.
- iii) Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is included under the head "Other income" in the Statement of Profit and Loss.
- iv) Dividend is recognized when the shareholders' right to receive payment is established by the balance sheet date.
- v) Royalty is recognised on an accrual basis in accordance with the terms of the relevant agreement.
- vi) Claims recoverable are accrued only to the extent admitted by the parties.

Others

In case of subsidiaries engaged in development of hybrid seeds, revenue earned (net of returns) is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

### (m) Foreign exchange translation

#### Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

## Notes to Consolidated Financial statements (Continued)

### **Conversion**

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

### **Exchange differences**

Exchange differences arising on the settlement of monetary items or on reporting monetary items of the Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise except those arising from investments in non-integral operations.

Exchange differences arising on a monetary item that, in substance, form part of the company's net investment in a non-integral foreign operation is accumulated in a foreign currency translation reserve in the financial statements until the disposal of the net investment, at which time they are recognized as income or as expenses. Exchange differences arising on the settlement of monetary items not covered above, or on reporting such monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

Exchange difference arising on financing activities are reflected under finance cost.

### **Translation of non-integral foreign operations**

In translating the financial statements of a non-integral foreign operation for operation for incorporation in financial statements, the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at the closing exchange rate, income and expense items are translated at average exchange rates. The exchange differences arising on translation are accumulated in the foreign currency translation reserve. On disposal of a non-integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognized in the Statement of Profit and Loss.

When there is a change in the classification of a foreign operation, the translation procedures applicable to the revised classification are applied from the date of the change in the classification.

### **(n) Derivative instruments**

Certain subsidiaries use derivative financial instruments such as forward exchange contracts to hedge their risks associated with foreign currency fluctuations. The premium or discount arising at the inception of forward exchange contracts is amortised as income or expense over the life of the contract. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the year in which the exchange rates change. Any profit/loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year. The derivative contracts not covered under AS-11 are marked to market on portfolio basis and net loss after considering the offsetting effect on the underlying hedge item is charged to the income statement. Net gains are ignored.

### **(o) Retirement and other employee benefits**

i) Retirement benefit in the form of provident fund and superannuation are defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund and superannuation fund. The Company recognizes contribution payable to the provident fund scheme and super annuation scheme as an expenditure, when an employee renders the

## Notes to Consolidated Financial statements (Continued)

related service. If the contribution payable to the schemes for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

- ii) The holding company has a defined benefit gratuity plan. The gratuity liability is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
- iii) Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where the Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

- iv) Actuarial gains / losses are immediately taken to the Statement of Profit and Loss and are not deferred

### **(p) Income taxes**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income

## Notes to Consolidated Financial statements (Continued)

will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax asset and deferred tax liabilities across various countries of operations are not set off against each other as the Company does not have legal right to do so.

Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year, in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

### (q) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### (r) Provisions

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

### (s) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

### (t) Borrowing costs

All borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### (u) Employee stock compensation cost

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating

## Notes to Consolidated Financial statements (Continued)

to employee stock options using the intrinsic value method. Compensation expense is amortised over the vesting period of the option on a straight line basis.

### (v) Segment reporting

#### Identification of segments:

Segments are identified in line with AS 17 "Segment Reporting", taking into consideration the internal organization and management structure as well as the differential risk and returns of the segment.

Based on the group's business model, research, production and distribution of Hybrid seeds have been considered as the only reportable segment and hence no separate financial disclosure is provided in respect of its single business segment. The analysis of geographical segments is based on the location of the business operations.

#### Segment policies:

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

### (w) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

## 3. Share capital

	As at December 31, 2013 ₹ Lacs	As at December 31, 2012 ₹ Lacs
<b>Authorised shares</b>		
*303,100,000 equity shares of ₹2/- each (Previous year : 60,620,000 equity shares of ₹10 /- each)	6,062.00	6,062.00
16,380,000 (Previous year : 16,380,000) preference shares of ₹10 /- each	1,638.00	1,638.00
<b>Issued, subscribed and fully paid up shares</b>		
*84,342,325 equity shares of ₹2/- each fully paid-up (Previous Year :16,863,143 equity shares of ₹10/- each fully paid up)	1,686.85	1,686.31
<b>Total issued, subscribed and fully paid up share capital</b>	<b>1,686.85</b>	<b>1,686.31</b>

\* Pursuant to the resolution by the members in their annual general meeting held on June 5, 2013 existing equity share of the face value of ₹10/- each stands sub-divided into five equity shares of the face value of ₹2/- each.

## Notes to Consolidated Financial statements (Continued)

### (a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares

	As at December 31, 2013		As at December 31, 2012	
	No's in Lacs	₹ Lacs	No's in Lacs	₹ Lacs
At the beginning of the year*	843.15	1,686.31	168.54	1,685.42
Add : Issued during the year -ESOP*	0.27	0.54	0.09	0.89
<b>Outstanding at the end of the year*</b>	<b>843.42</b>	<b>1,686.85</b>	<b>168.63</b>	<b>1,686.31</b>

\* Pursuant to the resolution by the members in their annual general meeting held on June 5, 2013 existing equity share of the face value of ₹10/- each stands sub-divided into five equity shares of the face value of ₹2/- each.

### (b) Terms/rights attached to equity shares

The Company has one class of equity shares having par value of ₹2/- per share (Previous year: ₹10/- per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### (c) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

	As at December 31, 2013 No's in Lacs	As at December 31, 2012 No's in Lacs
Equity shares of ₹10/- each issued on 22nd January 2007 for consideration other than cash to share holders of Uniphos Seeds and Biogenetics Private Limited pursuant to the scheme of amalgamation with the Company	-	33.775
Equity share of ₹2/- each issued during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP) wherein part consideration was received in form of employee services.	1.70	1.43

### (d) Details of shareholding more than 5% shares in the Company

Name of the shareholder	As at December 31, 2013		As at December 31, 2012	
	No's in Lacs	% holding	No's in Lacs	% holding
UPL Limited (Formerly United Phosphorus Limited)*	420.00	49.80	84.00	49.81
Jaidev R Shroff*	50.77	6.02	10.15	6.02
Vikram R Shroff*	42.33	5.02	8.47	5.02

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

\*Shareholding appearing as at December 31, 2013 stands adjusted consequent upon sub-division of existing equity share of face value of ₹10/- each into five equity shares of face value of ₹2/- each.



## Notes to Consolidated Financial statements (Continued)

**(e) Shares reserved for issue under options**

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, refer note 32.

**4. Reserves and surplus**

	As at December 31, 2013 ₹ Lacs	As at December 31, 2012 ₹ Lacs
<b>Capital reserve</b>		
Balance as per last financial statements	873.31	737.21
Add: Adjustment on account of amalgamation of the subsidiary company (refer note 29)	-	136.10
	<b>873.31</b>	<b>873.31</b>
<b>Capital redemption reserve</b>		
Balance as per last financial statements	25.00	-
Add: Adjustment on account of amalgamation of the subsidiary company (refer note 29)	-	25.00
	<b>25.00</b>	<b>25.00</b>
<b>General reserve</b>		
Balance as per last financial statements	1,852.14	1,816.11
Add: Adjustment on account of amalgamation of the subsidiary company (refer note 29)	-	36.03
	<b>1,852.14</b>	<b>1,852.14</b>
<b>Securities premium account</b>		
Balance as per last financial statements	29,624.23	34,566.00
Add : Additions on ESOPs exercised	14.65	24.56
Less: Adjustment on account of amalgamation of the subsidiary company (refer note 29)	-	(4,966.33)
	<b>29,638.88</b>	<b>29,624.23</b>
<b>Revaluation reserve</b>	569.54	569.54
<b>Debenture redemption reserve</b>		
Balance as per last financial statements	1,712.83	1,418.66
Add: Transfer from surplus profit and loss	464.79	294.17
	<b>2,177.62</b>	<b>1,712.83</b>
<b>Employee stock options outstanding</b>		
Gross employee stock compensation for options granted in earlier years	5.94	-
Add: Gross compensation for options granted during the year	7.13	5.94
	<b>13.07</b>	<b>5.94</b>
<b>Foreign currency translation reserve</b>		
Balance as per last financial statements	1,056.93	(70.21)
Add: Arisen during the year	1,024.04	1,127.14
	<b>2,080.97</b>	<b>1,056.93</b>
<b>Surplus in the statement of profit and loss</b>		
Balance as per last financial statements	19,250.17	13,464.60
Add: Adjustment on account of amalgamation of the subsidiary company (refer note 29)	-	143.47

## Notes to Consolidated Financial statements (Continued)

Add: Profit for the year	4,448.71	5,936.27
	<b>23,698.88</b>	<b>19,544.34</b>
<b>Less: Appropriations</b>		
Transfer to debenture redemption reserve	464.79	294.17
<b>Total Appropriations</b>	<b>464.79</b>	<b>294.17</b>
<b>Net surplus in the statement of profit and loss</b>	<b>23,234.09</b>	<b>19,250.17</b>
<b>Total reserves and surplus</b>	<b>60,464.62</b>	<b>54,970.09</b>

## 5. Long-term borrowings

	Non-current portion		Current maturities	
	As at December 31, 2013 ₹ Lacs	As at December 31, 2012 ₹ Lacs	As at 31st December, 2013 ₹ Lacs	As at 31st December, 2012 ₹ Lacs
<b>(a) Bonds/debentures</b>				
Unsecured redeemable non convertible debentures (refer note a below)	14,700.00	14,900.00	-	-
Foreign currency floating rate guaranteed convertible bonds (Unsecured) (FCCB's) (refer note b below)	30,907.50	27,497.50	-	-
<b>(b) Term loans</b>				
From banks (Unsecured) (Refer note c below)	505.57	2,500.00	2,752.79	2,500.00
<b>(c) Other loans and advances</b>				
Loan from Biotechnology Industry Research Assisitance (BIRAC) (Secured) (refer note d below)	104.72	63.93	-	-
	<b>46,217.79</b>	<b>44,961.43</b>	<b>2,752.79</b>	<b>2,500.00</b>
<b>The above amount includes</b>				
Secured borrowings	104.72	63.93	-	-
Unsecured borrowings	46,113.07	44,897.50	2,752.79	2,500.00
Amount disclosed under the head "other current liabilities" (refer note 10)	-	-	(2,752.79)	(2,500.00)
<b>Net amount</b>	<b>46,217.79</b>	<b>44,961.43</b>	<b>-</b>	<b>-</b>

## Notes :

## a) Unsecured redeemable non convertible debentures

- 1) ₹14,700 lacs (Previous year: ₹14,900 lacs) non convertible debentures (NCDs) consisting of 1,470 (Previous year: 1,490) unsecured redeemable non convertible debentures of ₹10,00,000 each redeemable at par at the end of five years from the date of allotment viz 13th March 2010 or at every interest payment date, which is on quarterly basis at the option of the Company.
- 2) NCD's carry a coupon rate of Indian Benchmark rate (INBMK) +2% with a minimum floor price of 10% per annum.
- 3) As per the Information Memorandum for Non-convertible Debentures issued by the Company, the Company is authorised to purchase its own NCDs from time to time from the open market in accordance with the applicable laws. Pursuant to the said Information Memorandum, the Company during the current year, has purchased 150 NCD's and issued 130 NCDs. Outstanding NCDs referred in Note 1 excludes the debentures held in the name of the Company as on 31st December 2013, in respect of which the Company shall have the right to re-issue the debentures as and when the Company may deem fit.

## Notes to Consolidated Financial statements (Continued)

### b) Foreign currency floating rate guaranteed convertible bonds are due in 2016.

250 Floating rate guaranteed convertible bonds of USD 200,000 each:

- 1) FCCB's are convertible by the bondholders into Ordinary equity or Global Depository Shares (GDSs) at any time on and after July 15, 2011 up to the close of business on July 2, 2016. The FCCB's will be convertible at an initial conversion price of ₹56.57 per share of ₹2 each (Previous year ₹282.84 per share of ₹10 each) and are listed on Singapore Stock Exchange.
- 2) FCCB's are redeemable, in whole but not in part, at the option of the Company on or at any time after July 9, 2014, subject to the fulfillment of certain terms and obtaining requisite approvals.
- 3) FCCB's are redeemable on maturity date of July 9, 2016 at par, if not redeemed or converted earlier.
- 4) FCCB's carry an interest rate of LIBOR+3.5%.

### c) Term loans

- 1) The Company has taken term loans of ₹2,500 lacs (Previous year: ₹5,000 lacs) from bank which carries interest rate 12% to 13.25% per annum and is repayable in 8 quarterly installments of ₹625 lacs starting from January 2013.
- 2) Advanta Semillas SAIC, the Subsidiary Company, has taken term loans of ₹758.36 lacs (Previous year: ₹Nil) from bank, repayable in six equal half yearly installments, which carries interest rate 15.75% to 29% per annum and is also secured by mortgages.

### d) Loan from Biotechnology Industry Research Assistance (BIRAC)

The Company has entered into an agreement with the BIRAC, Ministry of Science and Technology, Government of India ('DBT') for seeking assistance in the form of Grant/loan' under the DBT scheme, viz. Biotechnology Industry Partnership Program ('BIPP' scheme) in relation to project of "Multi stacking genes to develop engineered rice with enhanced drought and multiple disease and pest tolerance ("Rice Project")" and "RNAi and other cutting edge technological interventions to develop insect-pest, diseases and viruses tolerant tomato hybrids for Indian and International markets ("Tomato Project")" ("the projects"), in connection with the same the Company has received assistance in the form of loan at interest rate of 2%/3% for ₹104.72 lacs (Previous year: ₹63.93 lacs) and in the form of grant for ₹104.72 lacs (Previous year: ₹63.93lacs). The unutilised grant of ₹64.65 lacs (Previous year: ₹46.07 lacs) is considered as "other long term liabilities".

Loan amounting to ₹72.17 lacs pertaining to rice project is repayable in 10 equal half yearly installments starting from August 2015 and loan amounting to ₹32.55 lacs pertaining to tomato project is repayable in 10 equal half yearly installments starting from April 2015.

The loan is secured by way of hypothecation of all equipment, apparatus, machineries, machinery spares and other accessories, goods and/or other movable property, and/or immovable property of the Company acquired for the project through contribution by the Company and/or by the DBT to a value equivalent to loan amount and interest thereon. In view of the transfer of BIPP scheme from DBT to BIRAC, the Company has executed the Agreements and will shortly execute the Deed of hypothecation in favour of BIRAC.

## Notes to Consolidated Financial statements (Continued)

**6. Deferred tax liability (net)**

	As at December 31, 2013 ₹ Lacs	As at December 31, 2012 ₹ Lacs
<b>Deferred tax liability</b>		
On account of depreciation/amortisation	2,494.35	848.95
Others	412.39	612.46
	<b>2,906.74</b>	<b>1,461.41</b>
<b>Deferred tax assets</b>		
On expenditure that is allowed on payment basis	818.33	301.34
On provision for doubtful debtors and advances	139.99	-
Carry forward losses (refer note 37)	629.80	-
Others	836.82	1,045.51
	<b>2,424.94</b>	<b>1,346.85</b>
	<b>481.80</b>	<b>114.56</b>

**7. Other long-term liabilities**

	As at December 31, 2013 ₹ Lacs	As at December 31, 2012 ₹ Lacs
<b>Others</b>		
Deferred government grant [refer note 5 (d)]	64.65	46.07
	<b>64.65</b>	<b>46.07</b>

**8. Provisions**

	Long term		Short term	
	As at December 31, 2013 ₹ Lacs	As at December 31, 2012 ₹ Lacs	As at December 31, 2013 ₹ Lacs	As at December 31, 2012 ₹ Lacs
<b>Provisions for employee benefits</b>				
Provision for leave benefits	233.80	176.25	1,091.10	1,214.68
Provision for gratuity (refer note 48)	1,125.62	957.39	51.84	86.58
	<b>1,359.42</b>	<b>1,133.64</b>	<b>1,142.94</b>	<b>1,301.26</b>
<b>Other provisions</b>				
Provision for litigations (refer note 42)	-	-	156.90	115.82
Provision for taxes (net of advance tax)	-	-	1,889.08	357.91
	-	-	<b>2,045.98</b>	<b>473.73</b>
	<b>1,359.42</b>	<b>1,133.64</b>	<b>3,188.92</b>	<b>1,774.99</b>

## Notes to Consolidated Financial statements (Continued)

## 9. Short-term borrowings

	As at December 31, 2013 ₹ Lacs	As at December 31, 2012 ₹ Lacs
<b>(a) On cash credit, short term and working capital demand loan from banks</b>		
(i) Secured (refer note a below)	17,410.49	3,570.68
(ii) Unsecured (refer note b below)	14,577.11	6,213.49
<b>(b) Loans from related parties (Unsecured)</b> (refer note c below)	5,208.90	1,300.00
<b>(c) Commercial paper (Unsecured)</b> (refer note d below)	-	1,500.00
(d) Other loans		
From others (refer note e below)	457.48	405.67
	<b>37,653.98</b>	<b>12,989.84</b>
<b>The above amount includes:</b>		
Secured borrowings	17,410.49	3,570.68
Unsecured borrowings	20,243.49	9,419.16
	<b>37,653.98</b>	<b>12,989.84</b>

**Note:****(a) On cash credit and working capital demand loan from banks, Secured**

- The Company has taken cash credit and working capital demand loans aggregating to ₹96.56 lacs (Previous year: ₹650 lacs) which carry an interest rate ranging from 10% to 14.5% per annum. Cash credit and working capital demand loans are secured by pari passu first charge by way of hypothecation of entire stocks of raw materials, finished goods, work-in-process, consumable stores and spares and such other movable including book-debts, outstanding monies, receivables, both present and future.
- Pacific Seeds Pty Limited, the Subsidiary Company, has taken cash credit loan from bank amounting to ₹8,264.35 lacs (Previous year: ₹2,681.18 lacs) which carries an average interest rate of 4.66% per annum. It is a facility loan by which the bank has security over the Company's debtors and inventory.
- Pacific Seeds (Thai) Limited, the Subsidiary Company, has taken a short term loan of ₹3,588.68 lacs (Previous year: ₹Nil) which are secured by the mortgage of the Company's land with structures. The loan carrying interest at Minimum Lending Rate less 2% per annum.
- Advanta U.S. Inc, the Subsidiary Company, has taken cash credit and short term loans aggregating to ₹5,460.90 lacs (Previous year: ₹239.50 lacs) which bears interest at 375 basis points over the one-month LIBOR rate and are secured by substantially all the Subsidiary Company assets and a guarantee of Advanta Holdings, BV.

**(b) On cash credit and working capital demand loan from banks, Unsecured**

- The Company has taken cash credit and working capital demand loans aggregating to ₹2,500 lacs (Previous year: ₹Nil) which carry an interest rate ranging from 10% to 14.5% per annum.
- Advanta Semillas SAIC, the Subsidiary Company, has taken cash credit loans and short term loans aggregating to ₹11,523.94 lacs (Previous year: ₹5,810.60 lacs) from bank which carries interest rate 15.75% to 29% per annum and is also secured partly by stand by letter of credit.
- Advanta Comercio de Sementes, the Subsidiary Company, has taken working capital loan from bank amounting to ₹553.17 lacs (Previous year: ₹402.89 lacs) which carries interest rate of 4.5025% and also the Company has given a guarantee by way of stand by letter of credit.

## Notes to Consolidated Financial statements (Continued)

**(c) Loans from related parties (Unsecured)**

1. The Company has taken an unsecured loan from related party amounting to ₹1,500 lacs (Previous year: ₹1,300 lacs) which is repayable on demand and carries interest rate of 13% per annum.
2. Advanta Seed International, the Subsidiary Company, has taken an unsecured loan from related party amounting to ₹3,708.90 lacs (Previous year: ₹Nil) which bears interest rate of LIBOR plus 4% and is repayable within one year from the date of disbursements.

**(d) Commercial paper (Unsecured)**

The Company had taken commercial papers that carried average interest rate of 10% per annum. These are repaid in January 2013.

**(e) Other loans**

Pacific Seeds Pty Limited, the Subsidiary Company, has taken an unsecured loan of ₹457.48 lacs (Previous year: ₹405.67 lacs) which carries interest rate of 4.1924% and is repayable monthly with a final payment due on October 2014.

**10. Trade payables and Other current liabilities**

	As at December 31, 2013 ₹ Lacs	As at December 31, 2012 ₹ Lacs
<b>Trade payables</b>	<b>40,669.28</b>	<b>26,631.35</b>
<b>Other current liabilities</b>		
Current maturities of long term borrowings (refer note 5)	2,752.79	2,500.00
Interest accrued and due on borrowings	1,035.80	536.23
Interest accrued but not due on borrowings	796.45	820.66
Provision for mark-to-market losses on derivatives (net)	1,795.53	800.53
Investor Education and Protection Fund will be credited by following amounts (as and when due)		
Unpaid dividend	0.11	0.11
<b>Other Payables</b>		
Advances from customers	3,112.06	5,857.00
Trade deposits	151.34	153.65
Capital goods creditors	13.10	8.92
Statutory liabilities	1,941.29	2,363.62
Others (refer note 49)	2,580.25	110.29
	<b>14,178.72</b>	<b>13,151.01</b>

## Notes to Consolidated Financial statements (Continued)

## 11. Tangible assets

	Land - Freehold	Land - Leasehold	Buildings	Plant and equipment *	Furniture and fixtures	Motor vehicles	Leasehold improvements	Total
<b>Cost</b>								
<b>As at January 1, 2012</b>	3,373.91	47.43	4,634.65	12,342.72	1,816.92	949.31	59.22	23,224.16
Additions	8.33	0.19	374.52	1,568.79	162.75	42.93	-	2,157.51
Disposals	-	34.82	6.91	261.96	379.87	138.26	-	821.82
Exchange differences	176.59	1.72	191.65	567.06	77.40	26.05	-	1,040.47
<b>As at December 31, 2012</b>	<b>3,558.83</b>	<b>14.52</b>	<b>5,193.91</b>	<b>14,216.61</b>	<b>1,677.20</b>	<b>880.03</b>	<b>59.22</b>	<b>25,600.32</b>
Additions	-	-	944.34	870.11	192.06	2.83	-	2,009.34
Disposals	-	-	97.49	49.92	11.93	33.25	-	192.59
Exchange differences	(53.59)	(0.49)	424.91	288.91	62.43	25.59	-	747.76
<b>As at December 31, 2013</b>	<b>3,505.24</b>	<b>14.03</b>	<b>6,465.67</b>	<b>15,325.71</b>	<b>1,919.76</b>	<b>875.20</b>	<b>59.22</b>	<b>28,164.83</b>
<b>Depreciation</b>								
<b>As at January 1, 2012</b>	-	19.80	1,513.30	8,528.35	1,466.59	867.86	7.97	12,403.87
Charge for the year *	-	-	154.54	803.98	85.61	37.15	5.63	1,086.91
Disposals	-	7.30	1.09	182.84	378.49	113.33	-	683.05
Exchange difference	-	0.92	74.20	353.75	60.10	25.16	-	514.13
<b>As at December 31, 2012</b>	<b>-</b>	<b>13.42</b>	<b>1,740.95</b>	<b>9,503.24</b>	<b>1,233.81</b>	<b>816.84</b>	<b>13.60</b>	<b>13,321.86</b>
Charge for the year	-	-	186.63	926.14	116.20	24.41	0.13	1,253.51
Disposals	-	-	87.72	47.90	11.68	31.92	-	179.22
Exchange difference	-	(0.45)	65.07	133.13	48.43	20.81	5.79	272.78
<b>As at December 31, 2013</b>	<b>-</b>	<b>12.97</b>	<b>1,904.93</b>	<b>10,514.61</b>	<b>1,386.76</b>	<b>830.14</b>	<b>19.52</b>	<b>14,668.93</b>
<b>Net block</b>								
<b>As at December 31, 2012</b>	<b>3,558.83</b>	<b>1.10</b>	<b>3,452.96</b>	<b>4,713.37</b>	<b>443.39</b>	<b>63.19</b>	<b>45.62</b>	<b>12,278.46</b>
<b>As at December 31, 2013</b>	<b>3,505.24</b>	<b>1.06</b>	<b>4,560.74</b>	<b>4,811.10</b>	<b>533.00</b>	<b>45.06</b>	<b>39.70</b>	<b>13,495.90</b>

\* Includes ₹Nil (Previous year: ₹68.42 lacs) due to change in depreciation policy (from WDV to SLM) of its subsidiary company on account of amalgamation (refer note 29).

# Includes assets given on operating lease.

₹ Lacs



Notes to Consolidated Financial statements (Continued)

12. Intangible assets

	Goodwill *	Technical knowhow	Technology licence fees	Software	Germplasm	Project Sunsat (Development cost) (refer note 39b)	Brands/ Trade marks #	NGSP Research	Total
<b>Cost</b>									
<b>As at January 1, 2012</b>	49,826.35	1,095.35	967.76	296.99	815.50	7,068.27	8,235.01	8.78	68,314.01
Additions	-	-	-	-	-	1,932.77	-	-	1,932.77
Disposals	4,626.28	-	-	-	-	-	-	-	4,626.28
Exchange differences	264.23	-	33.33	9.10	-	446.56	109.13	0.28	862.63
<b>As at December 31, 2012</b>	<b>45,464.30</b>	<b>1,095.35</b>	<b>1,001.09</b>	<b>306.09</b>	<b>815.50</b>	<b>9,447.60</b>	<b>8,344.14</b>	<b>9.06</b>	<b>66,483.13</b>
Additions	-	-	87.61	-	53.09	2,179.88	-	-	2,320.58
Exchange differences	953.47	-	126.16	(5.80)	-	1,814.35	(69.27)	0.21	2,819.12
<b>As at December 31, 2013</b>	<b>46,417.77</b>	<b>1,095.35</b>	<b>1,214.86</b>	<b>300.29</b>	<b>868.59</b>	<b>13,441.83</b>	<b>8,274.87</b>	<b>9.27</b>	<b>71,622.83</b>
<b>Amortisation</b>									
<b>As at January 1, 2012</b>	-	848.85	303.59	209.66	337.59	1,295.17	3,830.75	3.13	6,828.74
Charge for the year	-	58.00	95.32	13.61	81.55	734.02	828.97	0.81	1,812.28
Exchange difference	-	-	11.34	9.10	-	92.13	54.83	0.12	167.52
<b>As at December 31, 2012</b>	<b>-</b>	<b>906.85</b>	<b>410.25</b>	<b>232.37</b>	<b>419.14</b>	<b>2,121.32</b>	<b>4,714.55</b>	<b>4.06</b>	<b>8,808.54</b>
Charge for the year	-	58.00	103.00	13.61	84.65	1,136.28	830.95	0.88	2,227.37
Exchange difference	-	-	52.91	(5.80)	0.01	459.06	(41.79)	0.55	464.94
<b>As at December 31, 2013</b>	<b>-</b>	<b>964.85</b>	<b>566.16</b>	<b>240.18</b>	<b>503.80</b>	<b>3,716.66</b>	<b>5,503.71</b>	<b>5.49</b>	<b>11,500.85</b>
<b>Net block</b>									
<b>At December 31, 2012</b>	<b>45,464.30</b>	<b>188.50</b>	<b>590.84</b>	<b>73.72</b>	<b>396.36</b>	<b>7,326.28</b>	<b>3,629.59</b>	<b>5.00</b>	<b>57,674.59</b>
<b>At December 31, 2013</b>	<b>46,417.77</b>	<b>130.50</b>	<b>648.70</b>	<b>60.11</b>	<b>364.79</b>	<b>9,725.17</b>	<b>2,771.16</b>	<b>3.78</b>	<b>60,121.98</b>

\* Goodwill represents the excess of consideration paid towards acquisition of subsidiaries over the net assets acquired, arising on consolidation of such subsidiaries ₹37,079.20 lacs (Previous Year: ₹37,079.20 lacs).

# Brands amounting to ₹6,304.71 lacs (Previous year: ₹6,304.71 lacs) are still to be transferred in the name of the Company.

## Notes to Consolidated Financial statements (Continued)

## 13. Non-current investments

	As at December 31, 2013 ₹ Lacs	As at December 31, 2012 ₹ Lacs
<b>Non Trade investment (valued at cost unless stated otherwise)</b>		
(i) Investment in government or trust securities (Unquoted)		
National Savings Certificate	0.42	0.44
Indira Vikas Patra	0.11	0.11
	<b>0.53</b>	<b>0.55</b>
(ii) <b>Investment in equity shares</b>		
Equity shares of Old Irrigation Co-operative	0.55	0.57
Equity shares of East Kimberly Co-operative	0.33	0.34
	<b>0.88</b>	<b>0.91</b>
Less: Provision for diminution in value of investments	0.88	0.91
	-	-
	<b>0.53</b>	<b>0.55</b>
Aggregate amount of unquoted investments	<b>0.53</b>	<b>0.55</b>

## 14. Deferred tax assets (net)

	As at December 31, 2013 ₹ Lacs	As at December 31, 2012 ₹ Lacs
<b>Deferred tax liabilities</b>		
On account of depreciation / amortisation	604.81	631.00
	<b>604.81</b>	<b>631.00</b>
<b>Deferred tax assets</b>		
On expenditure that is allowed on payment basis	184.31	601.62
On provision for doubtful debtors and advances	59.79	89.34
Carry forward losses (refer note 37)	7,368.63	4,700.98
Others	729.62	942.91
	<b>8,342.35</b>	<b>6,334.85</b>
	<b>7,737.54</b>	<b>5,703.85</b>

## 15. Loans and advances

	Non-Current		Current	
	As at December 31, 2013 ₹ Lacs	As at December 31, 2012 ₹ Lacs	As at December 31, 2013 ₹ Lacs	As at December 31, 2012 ₹ Lacs
<b>Capital advances</b>				
Unsecured, considered good	40.02	53.29	-	-
<b>A</b>	<b>40.02</b>	<b>53.29</b>	-	-
<b>Sundry deposits</b>				
Unsecured, considered good	104.43	162.76	-	-
Doubtful	45.84	34.95	-	-
	<b>150.27</b>	<b>197.71</b>	-	-
Provision for doubtful sundry deposits	45.84	34.95	-	-
<b>B</b>	<b>104.43</b>	<b>162.76</b>	-	-

## Notes to Consolidated Financial statements (Continued)

<b>Advances recoverable in cash or kind</b>				
Unsecured, considered good	173.84	103.59	1,429.33	1,286.42
Doubtful	528.42	307.24	-	-
	<b>702.26</b>	<b>410.83</b>	<b>1,429.33</b>	<b>1,286.42</b>
Provision for doubtful advances	528.42	307.24	-	-
<b>C</b>	<b>173.84</b>	<b>103.59</b>	<b>1,429.33</b>	<b>1,286.42</b>
<b>Other loans and advances (Unsecured)</b>				
Advance income tax (net of provision for taxation)	2,944.10	2,736.77	-	-
Balance with government authorities	458.72	2.00	1,545.77	957.14
MAT credit entitlement	592.89	507.16	-	-
Prepaid expenses	-	-	1,493.09	1,040.97
<b>D</b>	<b>3,995.71</b>	<b>3,245.93</b>	<b>3,038.86</b>	<b>1,998.11</b>
<b>(A+B+C+D)</b>	<b>4,314.00</b>	<b>3,565.57</b>	<b>4,468.19</b>	<b>3,284.53</b>

## 16. Other assets

	Non-Current		Current	
	As at December 31, 2013 ₹ Lacs	As at December 31, 2012 ₹ Lacs	As at December 31, 2013 ₹ Lacs	As at December 31, 2012 ₹ Lacs
<b>Unsecured considered good unless stated otherwise</b>				
<b>Unamortized expenditure</b>				
Share issue expenses (refer note 43)	-	-	-	84.41
<b>Others</b>				
Non-current bank balances (refer note 19)	565.74	539.34	-	-
Assets held for sale (refer note 50)	-	-	432.66	487.10
Unrealised gain on forward contract	-	-	-	144.51
Reimbursement receivable	216.40	-	300.44	955.05
Interest accrued on deposits	-	-	84.35	-
Others (refer note 49)	-	-	2,897.78	125.18
	<b>782.14</b>	<b>539.34</b>	<b>3,715.23</b>	<b>1,796.25</b>

## 17. Inventories (at lower of cost and net realisable value)

	As at December 31, 2013 ₹ Lacs	As at December 31, 2012 ₹ Lacs
Raw seeds	18,903.26	9,381.65
Stores, spares and consumables	1,328.88	1,516.60
Packing materials	501.37	390.79
Work-in-progress - Seeds	6,709.35	4,115.19
Finished goods (including in transit ₹Nil (Previous year ₹114.12 lacs))	21,795.53	14,282.24
	<b>49,238.39</b>	<b>29,686.47</b>

## Notes to Consolidated Financial statements (Continued)

**18. Trade receivables**

	As at December 31, 2013 ₹ Lacs	As at December 31, 2012 ₹ Lacs
<b>Unsecured, considered good unless stated otherwise</b>		
<b>Debts outstanding for a period exceeding six months</b>		
Secured, considered good	79.33	107.36
Considered good	7,806.99	5,960.46
Considered doubtful	1,208.20	1,156.68
	<b>9,094.52</b>	<b>7,224.50</b>
Provision for doubtful receivables	1,208.20	1,156.68
	<b>7,886.32</b>	<b>6,067.82</b>
<b>Other debts</b>		
Unsecured, considered good	33,957.29	19,051.23
Considered doubtful	222.54	186.64
	<b>34,179.83</b>	<b>19,237.87</b>
Provision for doubtful receivables	222.54	186.64
	<b>33,957.29</b>	<b>19,051.23</b>
	<b>41,843.61</b>	<b>25,119.05</b>

**19. Cash and bank balances**

	Non-Current		Current	
	As at December 31, 2013 ₹ Lacs	As at December 31, 2012 ₹ Lacs	As at December 31, 2013 ₹ Lacs	As at December 31, 2012 ₹ Lacs
<b>Cash and cash equivalents</b>				
Bank balances in India				
On current accounts	-	-	2,037.59	330.36
On unpaid dividend accounts	-	-	0.11	0.11
Bank balances outside India				
On current accounts	-	-	13,440.81	11,819.58
On deposit accounts	-	-	1,121.61	2,277.70
Cash on hand	-	-	4.80	4.96
<b>(A)</b>	<b>-</b>	<b>-</b>	<b>16,604.92</b>	<b>14,432.71</b>
<b>Other bank balances</b>				
Bank balances in India				
On deposit accounts (maturity more than 3 months but less than 12 months)	-	-	0.11	2.46
On margin money deposit (under lien with bank)	-	-	967.94	425.00
Bank balances outside India				
On deposit accounts (maturity more than 3 months but less than 12 months) (Under lien with bank)	565.74	539.34	-	-
<b>(B)</b>	<b>565.74</b>	<b>539.34</b>	<b>968.05</b>	<b>427.46</b>
<b>(A+B)</b>	<b>565.74</b>	<b>539.34</b>	<b>17,572.97</b>	<b>14,860.17</b>
Amount disclosed under non current assets (refer note 16)	(565.74)	(539.34)	-	-
	<b>-</b>	<b>-</b>	<b>17,572.97</b>	<b>14,860.17</b>

## Notes to Consolidated Financial statements (Continued)

**20. Revenue from operations**

	For the year ended December 31, 2013 ₹ Lacs	For the year ended December 31, 2012 ₹ Lacs
<b>Revenue from operations</b>		
Sale of products*	1,17,928.25	1,02,772.81
	<b>1,17,928.25</b>	<b>1,02,772.81</b>
<b>Other operating revenue</b>		
Business development fees	420.74	-
Sale of remnants	159.35	108.42
Royalty income	5,780.14	2,562.71
Price variance/ adjustment for previous year	-	361.87
Government grants [refer note 5(d)]	22.20	12.41
Market study fees	-	489.80
Lease rent income	150.00	112.50
Sale of fertilisers and chemicals	167.55	-
Miscellaneous income	879.60	-
	<b>7,579.58</b>	<b>3,647.71</b>
	<b>1,25,507.83</b>	<b>1,06,420.52</b>

\* Includes sale of traded goods of ₹1,823.65 lacs (Previous year: ₹538.60 lacs).

**21. Other income**

	For the year ended December 31, 2013 ₹ Lacs	For the year ended December 31, 2012 ₹ Lacs
Interest income	260.71	278.82
Gain on buy back of debentures	0.84	60.50
Provisions written back	284.65	374.43
Profit on sale of fixed assets (net)	-	153.82
Miscellaneous Income	202.21	11.37
	<b>748.41</b>	<b>878.94</b>

**22. Cost of raw material consumed**

	For the year ended December 31, 2013 ₹ Lacs	For the year ended December 31, 2012 ₹ Lacs
Inventories at the beginning of the year	9,381.65	6,565.42
Add: Produced	38,831.18	23,322.82
Add: Foreign exchange adjustment	1,349.43	(607.43)
Less: Inventories at the end of the year	18,903.26	9,381.65
Consumption of raw seed	30,659.00	19,899.16
Purchase of seeds	16,439.42	13,195.33
Chemical and fertilizer consumed	1,975.40	1,178.17
Freight inwards	2,422.97	1,794.97
	<b>51,496.79</b>	<b>36,067.63</b>

\* Includes purchase of traded goods of ₹1,640.76 lacs (Previous year ₹519.12 lacs).

## Notes to Consolidated Financial statements (Continued)

**23. (Increase)/decrease in inventories**

	For the year ended December 31, 2013 ₹ Lacs	For the year ended December 31, 2012 ₹ Lacs
Inventories at the beginning of the year		
Work-in-process	4,115.19	3,249.66
Finished goods	14,282.24	14,904.96
	<b>18,397.43</b>	<b>18,154.62</b>
Inventories at the end of the year		
Work-in-process	6,709.35	4,115.19
Finished goods	21,795.53	14,282.24
	<b>28,504.88</b>	<b>18,397.43</b>
Adjustment for fluctuation in exchange rates	<b>615.05</b>	<b>829.29</b>
	<b>(9,492.40)</b>	<b>586.48</b>

**24. Employee benefit expenses \***

	For the year ended December 31, 2013 ₹ Lacs	For the year ended December 31, 2012 ₹ Lacs
Salaries, wages and bonus	15,410.37	13,429.84
Contribution to provident and other funds (refer note 48)	668.82	499.22
Gratuity expense (refer note 48)	105.79	249.70
Workmen and staff welfare expenses	684.20	525.06
	<b>16,869.18</b>	<b>14,703.82</b>

\* Refer note 46 on expenditure reimbursement.

**25. Other expenses \***

	For the year ended December 31, 2013 ₹ Lacs	For the year ended December 31, 2012 ₹ Lacs
Power and fuel	770.56	680.03
Seeds processing charges and other charges	3,513.43	3,955.73
Repairs		
- Buildings	221.92	178.34
- Machinery	386.93	337.55
- Others	77.56	138.14
Rent	9,076.71	7,377.62
Rates and taxes	1,037.06	572.74
Insurance	656.33	592.61
Packing, freight and transport	2,597.69	1,318.69
Travelling and conveyance	2,764.68	2,251.11
Communication expenses	489.90	419.25
Printing and stationery	142.47	145.71
Advertisement and sales promotion	2,556.55	2,302.93
Commission	3,273.72	3,099.78
Royalty	438.04	241.63
Stores and spares consumed	2,625.40	2,912.73

## Notes to Consolidated Financial statements (Continued)

	For the year ended December 31, 2013 ₹ Lacs	For the year ended December 31, 2012 ₹ Lacs
Production and farm expenses	2,263.54	1,471.42
Bad debts written off (net)	427.68	63.95
Advances written off	37.04	1.55
Share issue expenses written off	84.41	-
Provision for doubtful debts and advances	176.29	232.26
Provision for stock damages	1,710.80	899.12
Inventory written off	1,600.37	1,114.60
Provision for litigation	39.24	42.43
Legal and consultancy charges (refer note below)	2,340.37	1,491.09
Loss on sale of fixed assets (net)	1.41	-
Asset written off	0.54	-
Exchange difference (net)	1,331.11	324.39
Miscellaneous expenses	7,294.22	6,488.36
	<b>47,935.97</b>	<b>38,653.76</b>

\* Refer to note 46 on expenditure reimbursement.

### Payments to auditors of the Holding Company

	For the year ended December 31, 2013 ₹ Lacs	For the year ended December 31, 2012 ₹ Lacs
Audit fees	18.98	19.00
Fee for certification	1.35	2.19
Taxation matters	-	0.75
Other	4.00	7.72
	<b>24.33</b>	<b>29.66</b>

## 26. Depreciation and amortisation expense

	For the year ended December 31, 2013 ₹ Lacs	For the year ended December 31, 2012 ₹ Lacs
Depreciation on tangible assets (refer note 11) *	1,253.51	1,018.49
Amoritsation on intangible assets (refer note 12)	2,227.37	1,812.28
Amortisation of capital work-in-progress	198.87	407.42
	<b>3,679.75</b>	<b>3,238.19</b>

\* Excluding ₹Nil (Previous year: ₹68.42 lacs) due to change in depreciation policy (from WDV to SLM) of its subsidiary company on account of amagamtion (refer note 29).

## 27. Finance costs

	For the year ended December 31, 2013 ₹ Lacs	For the year ended December 31, 2012 ₹ Lacs
Interest expenses	6,592.17	4,956.34
Exchange difference (net)	1,357.42	938.44
Other financials charges	1,348.87	904.17
	<b>9,298.46</b>	<b>6,798.95</b>



## Notes to Consolidated Financial statements (Continued)

### 28. Arrangement with United Phosphorus Limited

In previous year, the holding company had entered into a license agreement effective from April 2, 2012 with United Phosphorous Limited (UPL) to grant technical know-how for commercial exploitation, development, use and sale of its Licensed Products and use of brands. In consideration thereof, the holding company has received a royalty at the rate of 7% of net sales revenue of its licensed products amounting to ₹930.95 lacs (Previous year: ₹640.51 lacs). Further, the holding company carries out research and development activities, as agreed, in connection with the Licensed Products and accordingly, the Company has received an amount of ₹709.01 lacs (Previous year: ₹1,115.00 lacs) as per the agreement entered between both the parties.

### 29. Amalgamation of Unicorn Seeds Private Limited

Pursuant to the Scheme of Amalgamation ('the Scheme') under Sections 391 to 394 of the Companies Act, 1956, the Honorable High Court of Andhra Pradesh had pronounced an order on October 9, 2012 sanctioning the Scheme of amalgamation of Unicorn Seeds Private Limited ('Unicorn'), a wholly owned subsidiary of the Company with the Company from the appointed date i.e. April 1, 2011. The Scheme became effective on November 23, 2012 upon filing of the said order with the Registrar of Companies, Hyderabad. Consequently, all the assets and liabilities of the Unicorn were transferred to and vested in the Company with effect from April 1, 2011.

### 30. Amalgamation of Advanta Finance B.V., Netherlands and Advanta International B.V., Netherlands

On August 19, 2013, Advanta Netherlands Holding B.V., has sold 100% of the outstanding shares in Advanta Finance B.V., and Advanta International B.V., to its parent company, Advanta Holding B.V. During the current year, Advanta Finance B.V. and Advanta International B.V. merged with Advanta Holding B.V.

### 31. Incorporation of Advanta Seeds JLT, Dubai

Advanta Seeds International, Mauritius, a subsidiary company, formed a 100% investee company under the name Advanta Seeds JLT on December 23, 2013 in Dubai. As at date no capital has been infused in the said company nor operations have started.

### 32(i) Employees stock option plan (ESOP)

- a The holding company instituted an Employees Stock Option Scheme ("ESOPS") for certain employees as approved by the shareholders on September 20, 2006. During the year ended December 31, 2013, the following scheme is under operation:

#### Employees Stock Option and Share Plan 2006

Particulars		
Dates of grant	27-Feb-12	27-Sep-06
Dates of board approval	27-Feb-12	27-Sep-06
Date of shareholders approval	20-Sep-06	20-Sep-06
Number of options granted	703,280*	140,656
Method of settlement (Cash / Equity)	Equity	Equity
Vesting period	Spread over 4 years and 6 months	Spread over 4 years and 6 months
Exercise period	10 years	10 years

## Notes to Consolidated Financial statements (Continued)

Vesting conditions	50% of the options granted is conditional upon the Company meeting annual performance benchmarks based on parameters set by the Remuneration Committee	50% of the options granted is conditional upon the Company meeting annual performance benchmarks based on parameters set by the Remuneration Committee
--------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------

\*Adjusted number of options and equity shares consequent to sub -division of the nominal value of equity shares of the Company from ₹10/-each fully paid up to ₹2/- each fully paid up [refer note 3(a)].

### b The details of the activity have been summarized below

Particulars	As at December 31, 2013 (No. of equity shares)*	As at December 31, 2012 (No. of equity shares)
Outstanding at the beginning of the year	3,33,895	5,446
Exercisable at the beginning of the year	2,26,170	54,170
Granted during the year	Nil	64,005
Forfeited during the year	58,445	Nil
Exercised during the year	26,610	8,931
Options lapsed during the year	Nil	Nil
Vested during the year	69,800	2,672
Options vested and outstanding during the year	-	-
Expired during the year	13,385	2,677
Outstanding at the end of the year	2,05,650	66,779
Exercisable at the end of the year	2,55,975	45,234
Weighted average remaining contractual life (in years)	6.23	7.62

\*Adjusted number of options and equity shares consequent upon sub -division of the nominal value of equity shares of the Company from ₹10/-each fully paid up to ₹2/- each fully paid up [refer note 3(a)].

The weighted average share price at the date of exercise for stock options was ₹154.89 (Previous year ₹118.31)

### c Stock options granted

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	As at December 31, 2013	As at December 31, 2012
Weighted average share price/market price (₹per share)*	68.75	343.75
Exercise price (₹per share)*	57.00	285.00
Expected volatility	64.49%	64.49%
Life of the options granted (vesting and exercise period) in years	Vesting period + 18 months i.e. 3 years, 4 years, 5 years, and 6 years, for each Vesting tranche of 25%	Vesting period + 18 months i.e. 3 years, 4 years, 5 years, and 6 years, for each Vesting tranche of 25%
Expected dividends	0.30% per annum	0.30% per annum
Average risk-free interest rate	8.04% per annum	8.04% per annum

\*Adjusted price per share consequent upon sub -division of nominal value of equity shares of the Company from ₹10/-each fully paid up to ₹2/- each fully paid up.(ref note number 3(a))

## Notes to Consolidated Financial statements (Continued)

**d Effect of the employee option plan on the Statement of Profit and Loss and on its financial position**

Particulars	As at December 31, 2013 ₹ In lacs	As at December 31, 2012 ₹ In lacs
Total employee compensation cost pertaining to stock option plan	7.13	5.94
Liability for employee stock option plan outstanding as at the year end	13.07	5.94

**e Since, the Company used the intrinsic value method the impact on the reported net profit and earnings per share by applying the fair value method is as under:**

Particulars	As at December 31, 2013 ₹ In lacs	As at December 31, 2012 ₹ In lacs
Net profit as reported	4,448.71	5,936.27
Add : Employee stock compensation under intrinsic value method	7.13	5.94
Less : Employee stock compensation under fair value method	25.65	21.38
Proforma profit	4,430.19	5,920.83
<b>Earning per share (₹)</b>		
Basic		
- as reported	5.28	7.04
- Proforma	5.25	7.02
Diluted		
- as reported	3.59	4.78
- Proforma	3.57	4.77

\* The Company has sub-divided the equity shares of face value of ₹10/- each into five shares of ₹2/- each. Consequently, basic and diluted earnings per share as at December 31, 2012 has been recomputed.

**32(ii) Advanta Employee Stock Option Plan 2013:**

During the financial year ended December 31, 2013, the Company introduced a new Employee Stock Option Plan under the captioned name, upon obtaining approval by the shareholders through Postal Ballot process.

Under the said Plan, a maximum of 13,00,000 options have been reserved to be issued to such eligible employees of the Company and also to that of its subsidiaries as may be decided by the Remuneration Committee from time to time, which if exercised would give rise to equal number of shares of ₹2/- each.

The vesting period for conversion of options is as follows:

Period of Vesting	Stage	Vesting (as a % of options granted)
On completion of 18 months from the date of Grant	1	25%
On completion of 24 months from the date of Grant	2	25%
On completion of 36 months from the date of Grant	3	25%
On completion of 48 months from the date of Grant	4	25%

## Notes to Consolidated Financial statements (Continued)

### 33. Contingent liabilities

- a) Income tax matters of the holding company under dispute: Pending with authorities at various levels ₹2,856.88 lacs (Previous year ₹2,347.14 lacs).
- b) Service tax matters of the holding company under dispute: Pending with CESTAT, Bangalore ₹490.13 lacs (Previous year: ₹490.13 lacs) exclusive of penal interest.
- c) Claims against the holding company not acknowledged as debts ₹73.75 lacs (Previous year: ₹151.00 lacs).
- d) In case of Pacific Seeds Pty Ltd., Australia, the aggregate maximum amount payable to growers providing expected seed quality of ₹827.95 lacs (Previous year: ₹1,709.03 lacs).  
In respect of items above, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgments/decisions pending at various forums/authorities. The management believes that the ultimate outcome of above proceeding will not have a material adverse effect on the company's financial position and results of operations.
- e) In January, 2013, the Company has received a show cause notice from the Directorate of Enforcement, alleging that the Company has contravened certain provisions of the Foreign Exchange Management Act, 1999 with regard to foreign direct investment made/received and its utilisation. The Management has replied to the show cause notice and had personal hearings to represent their matter and the same is pending before the authority and believes that there is a fair chance of defending the case based on internal assessment/legal opinion.

### 34. Capital and other commitments

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance) ₹183.96 lacs (Previous year: ₹209.26 lacs).
- b) For commitments relating to lease arrangements, please refer note 40.

### 35. Government grants / subsidy

Capital reserve represents State Investment subsidy sanctioned by the Government of Andhra Pradesh, for setting up of a unit at Toopran Mandal, Andhra Pradesh under Target 2000 Scheme of the State Government.

### 36. Inventory valuation

#### Raw material, components, stores and spares and packing material

- a) In case of Pacific Seeds Pty Ltd., Australia, the cost is determined on a standard cost basis. These standards are reviewed regularly and adjusted for significant variances.
- b) In case of Advanta US Inc, USA, the cost is determined on a first-in-first out or specific identification basis.
- c) In case of holding company and other subsidiary companies of the group, the cost is determined on weighted average basis.

#### Finished goods and work in progress

- a) In case of Advanta US Inc, USA, cost is determined on a first-in-first out or specific identification basis.
- b) In case of holding company and other subsidiary companies of the group, the cost is determined on weighted average basis.

The management considers it impracticable to use a uniform accounting policy for the valuation and to quantify the impact of the difference between such accounting policies. As at December 31, 2013:

- i) Of the total value of raw materials, components, stores and spares and packing materials of ₹20,733.51\_lacs

## Notes to Consolidated Financial statements (Continued)

(Previous year: ₹11,289.04 lacs), cost of inventories amounting to ₹1,628.60 lacs (Previous year: ₹1,961.21 lacs) have been determined on standard cost basis and ₹17,000.21 lacs (Previous year: ₹7,447.85 lacs) on first in first out or specific identification basis.

- ii) Of the total value of finished goods and work in progress of ₹28,504.88 lacs (Previous year: ₹18,397.43 lacs) cost of inventories amounting to ₹11,685.64 lacs (Previous year: ₹1,040.08 lacs) have been determined on first-in-first out or specific identification basis.

### 37. Recognition of deferred tax assets/MAT credit

- a** In case of Pacific Seeds Holdings (Thailand) Limited, the said subsidiary company has recognised deferred tax assets on the unused tax losses totalling ₹683.43 lacs (Previous year: ₹420.29 lacs) as on December 31, 2013 in the balance sheet and recognised ₹263.14 lacs (Previous year: utilised / reversed ₹133.18 lacs) in the Statement of Profit and Loss for the year ended on December 31, 2013, since the management is of the opinion that the said unused losses can be utilised.
- b** During the year, in case of Long reach Plant Breeders Management Pty Limited, the said subsidiary company has recognised deferred tax assets on the unused tax losses and other assets totalling ₹2,640.28 lacs (Previous year: ₹2,419.82 lacs) as on December 31, 2013 in the balance sheet and recognised ₹220.46 lacs (Previous year: ₹673.01 lacs) in the Statement of Profit and Loss for the year ended on December 31, 2013, since the management is of the opinion that the said unused losses can be utilised.
- c** During the year, in case of PT Advanta Seeds Indonesia, the said subsidiary company has recognised deferred tax assets on the unused tax losses totalling ₹204.35 lacs (Previous year: ₹113.02 lacs) as on December 31, 2013 in the balance sheet and recognized ₹91.33 lacs (Previous year: utilised/ reversed ₹20.65 lacs) in the Statement of Profit and Loss for the year ended on December 31, 2013, since the management is of the opinion that the said unused losses can be utilised.
- d** During the year, in case of Advanta Comercio De Sementes Ltda, the said subsidiary company has recognised deferred tax assets on the unused tax losses totalling ₹1,626.75 lacs (Previous year: ₹580.58 lacs) as on December 31, 2013 in the balance sheet and recognised ₹1046.17 lacs (Previous year: ₹399.00 lacs) in the Statement of Profit and Loss for the year ended on December 31, 2013, since the management is of the opinion that the said unused losses can be utilised.
- e** During the year, in case of Advanta Holdings B.V., Netherlands, the said subsidiary company has recognised deferred tax assets on the unused tax losses and other assets totalling ₹1,178.75 lacs (Previous year: ₹1,105.51 lacs) as on December 31, 2013 in the balance sheet and recognized ₹73.24 Lacs (Previous year utilized / reversed ₹42.77 Lacs) in the Statement of Profit and Loss for the year ended on December 31, 2013, since the management is of the opinion that the said unused losses can be utilised.
- f** During the year, in case of Advanta Semillas SAIC, Argentina, the said subsidiary company has recognised deferred tax assets on the unused tax losses and other assets totalling ₹911.94 lacs (Previous year: ₹690.63 lacs) as on December 31, 2013 in the balance sheet and recognised ₹221.31 lacs (Previous year utilised/ reversed ₹243.17 lacs) in the Statement of Profit and Loss for the year ended on December 31, 2013, since the management is of the opinion that the said unused losses can be utilised.
- g** During the year, in case of Advanta Semillas SAIC, Argentina, the said subsidiary company has recognised MAT credit totalling ₹592.89 lacs (Previous year: ₹507.16 lacs) as on December 31, 2013 in the balance sheet and recognised ₹85.73 (Previous year ₹349.07 lacs) in the Statement of Profit and Loss for the year ended on December 31, 2013, since the management is of the opinion that the said MAT credit can be utilised.

## Notes to Consolidated Financial statements (Continued)

**38 Consolidated earnings per share**

Particulars	Current year (₹ in lacs)	Previous year* (₹ in lacs)
<b>Basic earnings per share</b>		
Net profit attributable to equity shareholders	4,448.71	5,936.27
Net profit before exceptional items	6,117.67	6,406.69
Weighted average number of equity shares outstanding	84,329,527	84,293,985
Basic earnings per share (₹)	5.28	7.04
Basic earnings per share (₹) Before exceptional item	7.25	7.60
<b>Diluted earnings per share</b>		
Net profit attributable to equity shareholders	4,448.71	5,936.27
Add: Interest on FCCB convertible into equity shares	1,350.47	1,223.89
Net profit for computation of dilutive earnings per share	<b>5,799.18</b>	<b>7,160.16</b>
Net profit before exceptional items	6,117.67	6,406.69
Add: Interest on FCCB convertible into equity shares	1,350.47	1,223.89
Net profit before exceptional items for computation of dilutive earnings per share	<b>7,468.14</b>	<b>7,630.58</b>
Weighted average number of equity shares outstanding	84,329,527	84,293,985
Add: Dilutive impact of employee stock options	35,147	57,066
Add: Dilutive impact of convertible FCCB	39,722,104	39,722,104
Weighted average number of equity shares for computing diluted earnings per share	<b>124,086,778</b>	<b>124,073,155</b>
Diluted earnings per share (₹)	4.67	5.77
Diluted earnings per share (₹) Before exceptional item	6.02	6.15
<b>Nominal value of equity shares (Rs.)</b>	<b>2.00</b>	<b>2.00</b>

\* The Company has sub-divided the equity shares of face value of ₹10/- each into five shares of ₹2/- each w.e.f July 9, 2013. Consequently, basic and diluted earnings per share as at December 31, 2012 has been recomputed.

**39. Product development expenditure**

- a Intangible asset under development includes Project wheat development expenditure amounting to ₹2,026.44 lacs (Previous year: ₹1,908.46 lacs) by the subsidiary company, Longreach Plant Breeders Management Pty Ltd, as the project is still under development. The Company expects to complete the development work and commercialize the project in full stream by 2015.
- b Intangible assets includes expenditure incurred on the Project Sunsat amounting to ₹13,441.83 lacs (Previous year ₹9,447.60 lacs) by the subsidiary company, Advanta Holding B.V., so far. The expenditure so capitalized is amortised over the period of expected future sales from the related project i.e. over their estimated useful lives of ten years on a straight line basis.

## Notes to Consolidated Financial statements (Continued)

### 40. Operating leases

#### Group as lessee (Lease payments)

The following assets were taken on operating lease by the group:

- Office building (Global office), Motor vehicle at Pacific Seeds Pty Limited;
- Motor vehicle and Land and building at Longreach Plant Breeders Management Pty Limited;
- Vehicles, computers and fields at Advanta Semillas SAIC, Argentina;
- Vehicle, office building and warehouse at Pacific Seeds (Thai) Limited;
- Office warehouse premises at PT Advanta Seeds Indonesia;
- Office premises and motor vehicles at Advanta Limited;

The lease term is in the range of 1 year to 10 years and thereafter renewable. The lease is cancellable at any time and there is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. There are no subleases. Lease rental expense for the year for the agreements entered into is ₹9,076.71 lacs (Previous year: ₹7,377.62 lacs).

#### Holding company as lessee (Lease receipts)

The Company entered into an agreement for lease of certain assets and ₹150.00 lacs (Previous year: ₹112.50 lacs) have been recognised as rental income in the Statement of Profit and Loss. The lease is cancellable at any time.

### 41. Derivative instruments and un-hedged foreign currency exposure

#### a) Forward contracts outstanding as at Balance Sheet date

Purpose	Nature of contract	As at December 31, 2013	As at December 31, 2012
Hedge of expected future purchase	Buy	-	USD 0.4175
		AUD 0.54	AUD 396.09
Hedge of expected future sales	Sell	AUD 5.05	AUD 8.26
		-	USD 125.27

#### Particulars of derivatives contracts entered into for hedging purpose outstanding as at Balance Sheet date

Purpose	Nature of contract	As at December 31, 2013	As at December 31, 2012
Currency and interest rate swap	Euro	143.58	146.86

Purpose: Hedge of foreign currency advance given to subsidiary (in EURO) and hedge against exposure to variable interest outflow on loans. As per the full currency swap arrangement, the Company converts underlying INR liability to EURO liability to provide a natural hedge against the EURO loan given. As per the arrangement, the Company will receive 6.51%p.a on INR notional liability (₹10,000lacs) for the period and pay Nil on EURO Notional. As on the balance sheet date, a mark to market valuation of the outstanding swaps resulting in a notional loss of ₹2,313.78 lacs (Previous year: ₹690.53 lacs) is charged to Statement of Profit and Loss. Also, a corresponding unrealized gain on restatement of EURO loan given of ₹2,342.83 lacs (Previous year: ₹642.14 lacs) and interest on swap arrangement of ₹629.58 lacs (Previous year: ₹557.98 lacs) has been credited to Statement of Profit and Loss.



## Notes to Consolidated Financial statements (Continued)

### b) Particulars of un-hedged foreign currency exposure

Particulars	Foreign currency	As at December 31, 2013 (Foreign currency in lacs)	As at December 31, 2012 (Foreign currency in lacs)	As at December 31, 2013 (₹ in lacs)	As at December 31, 2012 (₹ in lacs)
Foreign currency floating rate guaranteed convertible bonds (FCCB)	USD	500.00	500.00	30,907.50	27,497.50
Interest payable	USD	4.32	5.22	266.77	287.17
Trade payables	EURO	0.56	-	47.67	-
	USD	3.60	1.02	222.53	74.14
	AUD	2.39	3.37	131.67	192.16
Advance from customers	USD	0.22	0.18	13.37	10.04
Exports trade receivables	USD	2.72	3.72	168.14	204.53
	EURO	6.39	5.11	543.93	370.92
Interest receivable	USD	21.82	12.38	1,348.55	680.92
	EURO	18.55	18.72	1,579.02	1,358.05
Other receivables	USD	11.09	8.10	685.53	445.50
	EURO	1.91	9.47	162.94	687.12

### 42. Provision for litigation

Particulars	As at December 31, 2013 (₹ in lacs)	As at December 31, 2012 (₹ in lacs)
Opening balance	108.62	90.48
Additions during the year	26.72	21.74
Exchange difference on translation	21.56	3.60
Closing balance	<b>156.90</b>	<b>108.62</b>

Provision for litigation relates to provision for labour and commercial claims.

### 43. Share issue expenses

The Company had incurred ₹84.41 lacs until December 31, 2012 in connection with the proposed rights issue of its equity shares which was carried forward and disclosed under other current assets. However, the Company did not offer the proposed rights issue within the extended period provided by the SEBI and accordingly, the same has been charged to Statement of Profit and Loss during the current year.

### 44. Segment Information

#### a. Business Segment

The Group has considered business segment as the primary segment for disclosure. The Group is engaged in research, production and distribution of hybrid seeds, which in the context of Accounting Standard 17 is considered the only Business Segment.

#### b. Geographical Segment

Secondary segmental information is based on the operations of the Group that are managed from independent

## Notes to Consolidated Financial statements (Continued)

locations, which are located in different geographical locations. However each of these operating locations are further aggregated based on the following factors: (a) similarity of economic and political conditions; (b) relationships between operations in different geographical areas; (c) proximity of operations; (d) special risks associated with operations in a particular area; (e) exchange control regulations; and (f) the underlying currency risk. Accordingly, the following have been identified as operating and reportable segments: (a) 'Asia Pacific', (b) NAFTA Countries ('NAFTA') (c) Latin America ('LATAM') and (d) 'Europe'.

### Information about Secondary Geographical Segments

Particulars	Year	Revenue	Segment assets	Capital Expenditure
Asia Pacific	2013	80,143.58	68,655.13	1,230.99
	2012	71,241.61	62,711.55	1,298.99
NAFTA	2013	20,193.94	37,710.25	123.67
	2012	14,991.00	22,063.68	136.93
LATAM	2013	21,650.63	22,759.09	520.47
	2012	20,131.42	18,575.74	1,413.86
Europe	2013	3,519.68	9,563.55	2,179.88
	2012	56.49	30,294.43	1,932.77
Unallocated	2013	-	67,278.02	-
	2012	-	23,813.89	-
<b>Total</b>	<b>2013</b>	<b>1,25,507.83</b>	<b>2,05,966.04</b>	<b>4,055.01</b>
	<b>2012</b>	<b>1,06,420.52</b>	<b>1,57,459.29</b>	<b>4,782.55</b>

## 45 Related party disclosures

Related parties of the Group as identified by the management and relied upon by the auditors

### a List of related parties

- (i) Enterprises over which the Group or key management personnel and their relatives have significant influence:

Name of the Company
UPL Limited (Formerly United Phosphorus Limited)
Bio-win Corporation Limited (BWC), Mauritius
United Phosphorus Limited Gibraltar (UPLG)
United Phosphorus Holdings BV. (UPH)
Nippon UPL KK (Nippon)
Reposo SAIC (Reposo)
Icona SAIC (Icona)
Uniphos Enterprises Limited (UEL)
Jai Research Foundation (JRF)
PT United Phosphorus, Indonesia (UPI)
SWAL Corporation Limited
Demuric Holdings Limited
United Phosphorus Mexico SA De CV
United Phosphorus Columbia SAS
Syngenta Seeds Pty Ltd
Uniphos Ecuador
PT Catur Agrodya Mandiri

## Notes to Consolidated Financial statements (Continued)

**b Key management personnel**

V.R. Kaundinya (Managing Director – Holding Company)
Barry Crocker (Director)
Vikram Shroff (Director)
Manoj Gupta (Director)
Nicholas Gardner(Director)
Matthew Mchoughlin(Director)
Pacholk Pongpanich (Managing Director – Pacific Seeds Thai Limited)
Yongyut Pansung (Director)

**c Transactions with related parties during the year and balances at year end**

Particulars	Current Year ₹ in lacs	Previous Year ₹ in lacs
<b>Sales</b>		
Icona	-	1,584.49
UPL Limited	1,358.92	6,672.75
PT Catur Agrodaya Mandiri	151.35	-
UPL Columbia SAS	2.53	-
Uniphos Ecuacardo	0.18	-
Uniphos Columbia	185.77	-
<b>Sales returns</b>		
Icona	(1,712.31)	-
<b>Misc income</b>		
UPLG	2,212.86	-
<b>Purchase of Services</b>		
Icona	4.80	-
<b>Miscellaneous expenses</b>		
UPLG	-	1,814.83
<b>Purchase of Goods</b>		
UPL Limited	272.41	242.08
<b>Royalty Income</b>		
UPL Limited	930.95	640.51

**c Transactions with related parties during the year and balances at year end**

Particulars	Current Year ₹ in lacs	Previous Year ₹ in lacs
<b>Lease rental income</b>		
UPL Limited	150.00	112.50
<b>Interest expense</b>		
Bio-win Corporation Limited	116.40	38.86
UPL Limited	1,261.30	1,317.76
Demuric Holding Limited	-	87.47
Swal Corporation Limited	557.19	382.94
<b>Other Reimbursement</b>		
UPL Limited - Expenses received -R&D	709.01	1,115.00

## Notes to Consolidated Financial statements (Continued)

UPL Limited - Expenses received -Others	236.26	263.61
UPL Limited - Expenses made	1.37	49.14
UPL Limited -Transfer of employee balances	-	113.54
UPL- Limited -Transfer of customer Balances	4.39	17.58
United Phosphorus Mexico SA De CV - Expenses made	160.61	142.67
United Phosphorus Columbia SAS	71.73	-
<b>Advance booking discounts</b>		
UPL Limited	-	274.59
<b>Remuneration paid</b>		
Key management person	209.60	334.99
<b>Loan paid</b>		
UPL Limited	2,650.00	940.00
Demuric Holdings	-	3,200.00
Bio-win Corporation Limited	4,202.49	2,749.75
<b>Non convertible debentures</b>		
UPL Limited - Repurchase of NCD	1,500.00	3,800.00
UPL Limited- Reissue of NCD	1,300.00	2,500.00
<b>Commercial Paper Redeemed</b>		
UPL Limited	1,500.00	1,500.00
<b>Loan taken</b>		
UPL Limited	2,850.00	1,300.00
Demuric Holding Limited	-	1,000.00
Bio-win Corporation Limited	4,202.49	2,749.75
<b>Balance payable by the Company</b>	<b>Current Year</b>	<b>Previous Year</b>
	<b>₹ in lacs</b>	<b>₹ in lacs</b>
<b>Loans payable</b>		
UPL Limited	5,208.90	1,300.00
<b>Commercial paper issued</b>		
UPL Limited	-	1,500.00
<b>Non convertible debentures</b>		
UPL Limited- Debenture Outstanding	9,500.00	9,700.00
SWAL Corporation Limited - Debenture Outstanding	5,200.00	5,200.00

### c Transactions with related parties during the year and balances at year end

Particulars	Current Year ₹ in lacs	Previous Year ₹ in lacs
<b>Current liabilities</b>		
Bio-win Corporation Limited	154.59	38.86
UPLG	2,348.46	1,814.83
UPL Limited	61.18	15.26
UPL Limited- Interest Payable	492.59	281.05
Demuric Holdings Limited	-	100.59
United Phosphorus Columbia SAS	11.16	-
UPI	-	311.03
Swal Corporation Limited	141.12	131.80

## Notes to Consolidated Financial statements (Continued)

<b>Balance receivable by the Company</b>		
UPI	-	293.70
Icona	-	1,612.20
United Phosphorus Mexico SA De CV	0.94	0.84
UPL Limited	390.15	1,122.58
UPLG	2,294.57	-
United Phosphorus Columbia SAS	199.28	-
Uniphos Ecuador	0.19	-
JRF	4.56	4.56
PT Catur Agrodaya Mandiri	151.35	-

46. In the previous year, the Company has entered into an agreement with its group company for cost sharing of research and development and other expenses. Pursuant to that, the holding company has recovered ₹945.27 lacs (Previous year ₹1,378.62 lacs) and the same has been adjusted against the respective expenses as under:

Particulars		Current year (₹ in lacs)	Previous year (₹ in lacs)
Salaries, wages and bonus		411.51	525.13
Contribution to provident and other funds		22.01	33.11
Gratuity expenses		5.03	13.03
Staff welfare expenses		9.08	17.40
	<b>Total A</b>	<b>447.63</b>	<b>588.67</b>
Power and fuel		27.72	40.54
Repairs		10.19	19.06
Rent		30.73	38.61
Travelling and conveyance		69.26	125.68
Communication costs		8.53	17.69
Printing and stationery		2.70	5.72
Productions and farm expenses		203.11	312.16
Legal and consultancy charges		23.79	60.30
Miscellaneous expenses		121.61	170.19
	<b>Total B</b>	<b>497.64</b>	<b>789.95</b>
	<b>Total (A+B)</b>	<b>945.27</b>	<b>1,378.62</b>

## 47. Research and development expenses

Particulars	Current year (₹ in lacs)	Previous year (₹ in lacs)
Revenue expenditure		
Gross expenditure	11,370.96	10,080.94
Less: Recharged (refer note 45)	709.10	1,115.00
Net expenditure	10,661.86	8,965.94
Capital expenditure	286.39	347.22

## Notes to Consolidated Financial statements (Continued)

## 48. Details of employee benefits

## a) Defined benefit plan-gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn basic salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

## i) Statement of profit and loss

	For the year ended December 31, 2013 (₹ in lacs)	For the year ended December 31, 2012 (₹ in lacs)
<b>Net employee benefit expenses (recognized in employee benefit expenses)</b>		
Current service cost	99.57	63.50
Interest cost on benefit obligation	48.66	37.18
Expected return on plan assets	(1.44)	(0.30)
Net actuarial loss/(gain) recognized during the Year	(41.00)	149.32
<b>Net benefit expense</b>	<b>105.79</b>	<b>249.70</b>

## ii) Balance sheet

	As at December 31, 2013 (₹ in lacs)	As at December 31, 2012 (₹ in lacs)
<b>Details of provision for gratuity</b>		
Defined benefit obligation	1,185.88	1,060.77
Fair value of plan assets	(8.42)	(16.80)
<b>Plan liability</b>	<b>1,177.46</b>	<b>1,043.97</b>

## iii) Changes in the present value of the defined benefit obligation

	December 31, 2013 (₹ in lacs)	December 31, 2012 (₹ in lacs)
Opening defined benefit obligation	1,060.77	720.64
Interest cost	48.66	37.18
Current service cost	99.57	63.50
Liability transferred in	-	13.88
Exchange differences on obligation	41.62	82.68
Benefits paid	(23.53)	(6.43)
Actuarial (gains)/loss on obligation	(41.21)	149.32
<b>Closing defined benefit obligation</b>	<b>1,185.88</b>	<b>1,060.77</b>

## iv) Changes in the fair value of plan assets

	December 31, 2013 (₹ in lacs)	December 31, 2012 (₹ in lacs)
Opening fair value of plan assets	16.80	3.49
Expected return	1.44	0.30
Contributions made by employer during the year	13.50	1.13
Assets transfer in	-	16.60
Benefits paid	(23.53)	(4.72)
Actuarial gains/ (loss)	0.21	-
<b>Closing fair value of plan assets</b>	<b>8.42</b>	<b>16.80</b>

## Notes to Consolidated Financial statements (Continued)

v) **Expected contribution to defined benefit plan in the next year** 51.84 48.17

vi) **The major categories of plan assets as a percentage of fair value of total plan assets are as follows:**

	December 31, 2013 (₹ in lacs)	December 31, 2012 (₹ in lacs)
Insurer managed funds (LIC)	100%	100%

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in the expected rate of return on assets due to the improved stock market scenario.

vii) **The principal actuarial assumptions at the Balance Sheet date**

	As at December 31, 2013 (₹ in lacs)	As at December 31, 2012 (₹ in lacs)
Discount rate	4.01% to 9.25%	3.75% to 8.75%
Expected rate of return on plan assets	8.00% to 8.70%	8.00% to 8.60%
Expected rate of salary increase	5.00% to 6.00%	0.00% to 6.00%
Employee turnover	2.00%- 7.00%	2.00%

**Amounts for the current and previous four periods are as follows**

	For the year ended December 31, 2013 (₹ in lacs)	For the year ended December 31, 2012 (₹ in lacs)	For the year ended December 31, 2011 (₹ in lacs)	For the year ended December 31, 2010 (₹ in lacs)	For the year ended December 31, 2009 (₹ in lacs)
Defined benefit obligation	1,185.88	1,060.77	745.96	680.94	548.10
Plan assets	(8.42)	(16.80)	(20.01)	(19.17)	(38.68)
Net liability	1,177.46	1,043.97	725.95	661.77	509.42
Experience adjustment on Plan liability(gains)/losses	56.62	12.65	12.87	19.46	10.91
Plan assets(gains)/losses	0.21	0.19	(0.84)	0.22	13.84

**Note:**

The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

**b) Defined contribution plan**

Contribution to provident fund and superannuation fund amounting to ₹668.82 lacs (Previous year: ₹499.22 lacs) has been recognised as an expense and included in note 24 under 'Contribution to provident and other funds' in the Statement of Profit and Loss.

### 49. Exceptional items

**Current year**

**Pacific Seeds Pty Ltd**

Particulars	(₹ in lacs)
i) Net (insurance proceeds) payable on canola emergence issue (refer note a).	749.18
ii) Net (insurance proceeds) payable on sorghum off types issue (refer note b).	62.3285
iii) Payments made to growers for sorghum off types issue (refer note b).	857.45
	1668.9585



## Notes to Consolidated Financial statements (Continued)

- a) A single batch of Canola seed was sold that suffered from poor emergence when planted by the growers, Pacific Seeds Pty Ltd, subsidiary company is in the process of negotiating settlement with these growers and is insured for the loss with Vero New Zealand.
- b) Sorghum seed has been sold to growers that was with specifications per labelling included on the product. Despite this growers have suffered offtypes in their crops that have reduced yields and subsequently incurred costs to remove the problem. Pacific Seeds Pty Ltd, subsidiary company has taken the commercial decision to provide remedial action for growers by rouging or spraying. The cost of this is represented by (iii) above. Additionally two growers have registered a legal complaint with the subsidiary company over the same issue and this is represented by (ii) above.

The Company has recognised insurance recovery receivable of ₹2,755.59 lacs (refer note 16) and insurance liability of ₹2,580.25 lacs included in note 10 (net of payments made till the balance sheet date).

### Previous year

Exceptional item reflects a charge of ₹Nil (₹470.42 lacs) arising out of settlement of litigation with a holding company's vendor.

### 50. Assets held for sale - Advanta US Inc, USA

As of December 31, 2013, the Company is actively pursuing the sale of property and equipment located in Crosbyton, TX. The net book value of these assets have been presented as held for resale as of December 31, 2013.

51. In the previous year, the Company had made an application to Central Government seeking its approval to pay remuneration to Mr. V.R.Kaundinya, Managing Director for a period of 3 years, i.e., from July 10, 2012 to July 9, 2015. During the current year vide its Letter dated, October 21, 2013, the Central Government approved the payment of remuneration for one year i.e. July 10, 2012 to July 9, 2013. Hence, the Company has made another application to the Central Government for seeking its approval for payment of remuneration to Mr. V.R.Kaundinya, Managing Director upto ₹200 lacs p.a for the period starting from July 10, 2013 to December 31, 2013. Accordingly, the Company has paid the remuneration for the aforesaid period subject to approval of Central Government.

### 52. Going concern

- a) As at December 31, 2013, the subsidiary company, Longreach Plant Breeders Management Pty Ltd., Australia ('LPBMPL') has accumulated losses of ₹5,921.31 lacs (Previous year: ₹6,044.48 lacs) which has exceeded the paid up capital of LPBMPL. This raises doubt about the LPBMPL's ability to continue as a going concern. Pacific Seeds Pty Ltd, the holding company of the LPBMPL, is committed to infuse the required funds to meet the operational requirements of LPBMPL, as they arise. Accordingly, the financial statements of LPBMPL have been prepared on a going concern basis.
- b) As at December 31, 2013, the subsidiary company, PT Advanta Seeds Indonesia, Indonesia ('PTASI') has accumulated losses of ₹613.00 lacs (Previous year: ₹338.97 lacs) which has exceeded the paid up capital of the PTASI. This raises doubt about the PTASI's ability to continue as a going concern. Advanta Limited, the holding company of PTASI, is committed to infuse the required funds to meet the operational requirements of PTASI, as they arise. Accordingly, the financial statements of PTASI have been prepared on a going concern basis.
- c) As at December 31, 2013, the subsidiary company, Advanta Comercio De Sementes Ltda ('ACDSL') has accumulated losses of ₹3,268.40 lacs (Previous year: ₹1,124.64 lacs) which has exceeded the paid up capital of the ACDSL. This raises doubt about the ACDSL's ability to continue as a going concern. Advanta Holdings B.V., the holding company of ACDSL, is committed to infuse the required funds to meet the operational requirements of ACDSL, as they arise. Accordingly, the financial statements of ACDSL have been prepared on a going concern basis.

## Notes to Consolidated Financial statements (Continued)

- 53.** Previous year figures have been regrouped/reclassified, where necessary, to conform to the current year's classification.

As per our Report of even date

**For S. R. Batliboi & Associates LLP**

Firm Registration Number: 101049W

Chartered Accountants

**per Jayanta Mukhopadhyay**

Partner

Membership No. 055757

Place : Dubai

Date : January 30, 2014

For and on behalf of the Board of Directors of  
**Advanta Limited**

**Vikram R. Shroff**

Director

**V. R. Kaundinya**

Director

**Manoj Gupta**

Chief Financial Officer

**Pushpalatha K**

Company Secretary

Place : Dubai

Date : January 30, 2014

## ATTENDANCE SLIP



**Registered office:** Krishnama House, # 8-2-418, 4th Floor, Road No.7, Banjara Hills, Hyderabad - 500034.

**PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL**

Joint Shareholders may obtain additional Slip at the venue of the meeting

DP ID\*

Master Folio No.

Client ID\*

No. of Shares

Name and Address of the Shareholder:

Name of the Proxy:

I hereby record my presence at the **20th ANNUAL GENERAL MEETING** of the Members of the Company held **on Tuesday, April 29, 2014** at **11.30 a.m.** at **Hotel Fortune Park Vallabha**, Road No. 12, Banjara Hills, Hyderabad – 500034.

\* Applicable for investor holding shares in electronic form

**Member's/Proxy signature**

## PROXY FORM



**Registered office:** Krishnama House, # 8-2-418, 4th Floor, Road No.7, Banjara Hills, Hyderabad - 500034.

DP ID\*

Master Folio No.

Client ID\*

No. of Shares

I/We \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ being a member/members of Advanta Limited hereby appoint \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ as my/our proxy to attend and vote for me/us on my/our behalf at the **20th ANNUAL GENERAL MEETING** of the Members of the Company to be held **on Tuesday, April 29, 2014** at **11.30 a.m.** at **Hotel Fortune Park Vallabha**, Road No. 12, Banjara Hills, Hyderabad – 500034 and at any adjournment thereof.

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

Revenue  
Stamp

Signature

**Note:** (1) This Proxy Form in order to be effective should be duly filled, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting. The Proxy need not be a member of the Company.  
(2) No gifts will be distributed at the meeting.

\* Applicable for investor holding shares in electronic form



**ADVANTA LIMITED**

# 8-2-418, 4th Floor, Krishnama House, Road No. 7, Banjara Hills, Hyderabad - 500 034 AP India.

T: +91 40 6628 4000 F: +91 40 6628 4040

[www.advantaseeds.com](http://www.advantaseeds.com)

**FORM A**

**PURSUANT TO CLAUSE 31 OF THE LISTING AGREEMENT  
COVERING LETTER OF THE ANNUAL AUDIT REPORT TO BE FILED WITH THE  
STOCK EXCHANGES**

1.	Name of the Company:	Advanta Limited (Formerly Advanta India Limited)
2.	Annual financial statements for the year ended	December 31, 2013
3.	Type of Audit observation	Matter of Emphasis - Limit on managerial remuneration exceeded for the period July 10, 2013 to December 31, 2013.*
4.	Frequency of observation	Since Financial Year ending 31 <sup>st</sup> December 2012.**

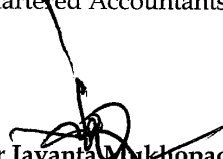
\* The Company has applied to central government for approval and outcome of the application is pending.

\*\* The Company has received approval from Central Government subsequently.

*Note: The Company has taken a view that as there are no qualifications in Auditor's report of listed Indian parent company financial statements, Form A is to be filed with the stock exchanges, even though the auditors' report contains qualifications in the consolidated financial statements.*

For S. R. BATLIBOI & ASSOCIATES LLP  
ICAI Firm Registration No. 101049W  
Chartered Accountants




  
per Jayanta Mukhopadhyay  
Partner  
Membership No. 055757  
Statutory Auditor

For Advanta Limited

  
Vinod Sethi  
Chairman - Audit Committee

For Advanta Limited

  
Manoj Gupta  
Manager & CFO

