



**तराई बीज**

**Continental Seeds and Chemical Limited**

**35th ANNUAL REPORT**

**2018-19**



## BOARD OF DIRECTORS

Mr. Praveen Rastogi	(Managing Director)
Mrs. Jaishree Rastogi	(Executive & Women Director)
Mr. Sachin Rastogi	(Non Executive Director)
Mr. Gopal Krishan Sharma	(Independent Director)
Mr. Prashant Rastogi	(Independent Director)

Mr. Utpal Tandon	CFO
Ms. Megha Jain	Company Secretary

## STATUTORY AUDITORS

M/s PMAS & Associates LLP (Chartered Accountants)

Delhi, Firm Registration No.024726N

## REGISTERED OFFICE

A-33, Upper Ground Floor, F.I.E.E. Complex Okhla Industrial Estate, Phase II New Delhi, South Delhi, 110020

Email: [cs@continentalseeds.co.in](mailto:cs@continentalseeds.co.in).

Website: [www.continentalseeds.co.in](http://www.continentalseeds.co.in)

## REGISTRAR AND TRANSFER AGENT

Mas Services Limited

T-34, 2<sup>nd</sup> Floor, Okhla Industrial Area, Phase-II, New Delhi- 110020

Phone Number:- 011-26387281-83, Fax: 011-26387384; Email: [info@masserv.com](mailto:info@masserv.com)

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

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## NOTICE

Notice is hereby given that the **35<sup>th</sup>** Annual General Meeting of the Members of Continental Seeds and Chemical Limited will be held on **Friday, 27<sup>th</sup> September, 2019 at 11:00 a.m.** at A-33, Upper Ground Floor, F.I.E.E. Complex Okhla Industrial Estate, Phase II New Delhi South Delhi 110020 to transact the following business:

### **Ordinary Business:**

#### **Item No. 1 – Adoption of Audited Financial Statements**

To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2019 together with the Reports of the Board of Directors and the Auditors thereon.

#### **Item No. 2 – Re-appointment of a Director**

To appoint a Director in place of Mr. Pravin Rastogi (DIN: 01414608), who retires by rotation at this Annual General Meeting and being eligible has offered herself for re-appointment and in this regard, pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT**, pursuant to the provisions of the Section 152 of the Companies Act, 2013, Mr. Pravin Rastogi (DIN: 01414608), who retires by rotation at this meeting and being eligible has offered herself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

By order of the Board  
For **Continental Seeds and Chemicals Limited**

Sd/-

**Pravin Rastogi**

Managing Director

DIN: 01414608

Address: - M-73 B, 1st Floor, Malviya Nagar,  
New Delhi 110017

**Date: 29/08/2019**

**Place: New Delhi**

**NOTES:**

1. A Member of the company entitled to attend and vote at the annual general meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy need not be a member of the company. A blank form of the proxy is enclosed. The instrument appointing the proxy should, however, be deposited at the registered office of the company duly completed not later than forty eight hours before the commencement of the meeting. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. a member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the company a certified copy of the board resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 20th September, 2019 to Friday, 27th September, 2019 (both days inclusive).
4. Members are requested:
  - i) to kindly notify the change of address, if any, to the Company/ their Depository Participant.
  - ii) to bring their attendance slip along with their copy of the Annual Report in the Meeting.
  - iii) to deposit the duly completed attendance slip at the Meeting.
5. Members may use the facility of Nomination. A Nomination Form will be supplied to them on request.
6. Relevant documents referred to in the accompanying Notice and Statement are open for inspection by the members at the Registered Office of the Company on all working days except Saturdays during business hours upto the date of the Annual General Meeting.
7. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
8. The Register of Contracts or Arrangement in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
9. The copies of the Annual Reports will not be distributed at the Annual General Meeting (AGM). Members are requested to bring their copies to the meeting. The Annual Report of the Company is also available on the Company's website [www.continentalseeds.co.in](http://www.continentalseeds.co.in)

**ANNEXURE TO NOTICE OF AGM**

**A. Details of the Directors seeking appointment/ re-appointment in forthcoming Annual General Meeting [In pursuance to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Statement as per Schedule V (third proviso of Section II of Part II) and Secretarial Standard 2 issued by the Institute of Company Secretaries of India]**

<b>Serial No.</b>	<b>Name of the Director</b>	<b>Mr. Pravin Rastogi</b>
1.	DIN	01414608
2.	Date of Birth and Age	28/08/1979 40 Years
3.	Nationality	Indian
4.	Date of appointment on Board	01/12/2011
5.	Qualification & Expertise in specific functional area / Background details /Job profile and his suitability	Bachelor degree in Commerce (Bcom) He is having 15 years of Experience in in the field of agro-farming, seeds processing and related filed.
6.	No. of shares held in the Company	1665475
7.	Expertise in Specific Functional Area	Agro-farming, seeds processing and related filed
8.	List of other listed Companies in which Directorships held as on 31st March, 2019	Nil
9.	Disclosure of relationship between Directors interse/Managerial Personnel	Ms Jaishree Rastogi (Mother)

## DIRECTORS' REPORT

To the Members,

### **CONTINENTAL SEEDS AND CHEMICAL LIMITED**

The Directors of the Company have pleasure in presenting the 35<sup>th</sup> Annual Report and Audited Statement of Accounts for the financial year ended 31<sup>st</sup> March, 2019.

#### **1. FINANCIAL HIGHLIGHTS**

Financial results of your Company for the year ended 31st March, 2019 are summarized below.

<b>PARTICULARS</b>	<b>2018-19</b>	<b>2017-18</b>
Sales and Services	82,10,02,458	81,62,24,788
Other Income	12,99,724	9,21,529
<b>Total Revenue</b>	<b>82,23,02,182</b>	<b>81,71,46,317</b>
Total Expenditure	81,34,78,729	80,65,10,386
Profit before Tax	85,72,895	1,06,17,072
Less: Tax Expenses		
Current Tax	36,19,124	42,31,000
MAT credit utilized	-	25,68,249
Net current tax	36,19,124	16,62,751
Earlier year Tax adjustment	4,05,385	-
Deferred Tax Assets	1,01,280	8,26,562
<b>Profit/Loss After Tax</b>	<b>46,49,667</b>	<b>72,12,634</b>
Add: Balance B/F from Previous year	1,94,95,335	1,88,30,452
Less: Issue of Bonus shares	-	65,47,750
Other adjustments	(2,77,189)	-
<b>Balance Profit/(Loss) C/F to the next year</b>	<b>2,38,67,813</b>	<b>1,94,95,335</b>

#### **2. DIVIDEND**

The Board of Directors do not recommend any dividend on Equity Share Capital for the year under review with a view to conserve resources and to plough back the profits for the Financial Year ended 31st March, 2019 and to strengthen the net working capital.

#### **3. SHARE CAPITAL**

During the financial year 2018-2019 there was no change in the capital structure of the company.

Equity Shares of the company are listed and admitted on exchange on the SME Platform of NSE ('NSE EMERGE') w.e.f. 03.04.2018.

#### **4. MANAGEMENT DISCUSSIONS & ANALYSIS (MDA)**

##### **Financial Review**

The operating income during the financial year ended 31st March, 2019 stood at Rs. 85,72,895/- as against the total operating income of Rs. 1,06,17,072/- in the previous financial year ended 31st March, 2018. During the Year the Company has earned a net profit of 46,49,667/- as compared to the net profit of Rs. 72,12,633/- in the previous year.

##### **Industry Overview for the Company**

Agriculture is the most important sector of Indian Economy and continues to be one of biggest employers. The Gross Value Add (GVA) for agriculture sector was INR 17.67 trillion (USD 274 billion) in 2018, over a production base of 285 Million tons. The sector is likely to grow at an approximate rate of 2% on a year on year basis. Also India is among the 15 leading exporters of agricultural products in the world. Agricultural exports from India reached US\$ 38.21 billion in FY18 and US\$ 38.54 billion in FY19. India was the ninth largest exporter of agricultural products in 2017.

The Agriculture Export Policy, 2018 was approved by Government of India in December 2018. The new policy aims to increase India's agricultural exports to US\$ 60 billion by 2022. Also the Government of India has introduced several projects to assist the agriculture sector like Pradhanmantri Gram Sinchai Yojana, Paramparagat Krishi Vikas Yojana and many more.

##### **Opportunities and Outlook**

India has made impressive strides on the agricultural front during the last three decades. Much of the credit for this success should go to the several million small farming families that form the backbone of Indian agriculture and economy. India has high population pressure on land and other resources to meet its food and development needs. The agriculture sector recorded satisfactory growth due to improved technology, irrigation, inputs and pricing policies.

Vast uncommon opportunities to harness agricultural potential still remain, which can be tapped to achieve future targets. There are serious gaps both in yield potential and technology transfer as the national average yields of most of the commodities are low, which if addressed properly could be harnessed.

The public investment in agriculture has been declining and is one of the main reasons behind the declining productivity and low capital formation in the agriculture sector. With the burden on productivity - driven growth in the future, this worrisome trend must be reversed. Private investment in agriculture has also been slow and must be stimulated through appropriate policies.

The Company is ensuring a wide product portfolio, extensive geographical reach and improved internal processes and supply chains to leverage the growing opportunity landscape.

##### **Threat, Risks & Concern**

In recent years, indebtedness, crop failures, non-remunerative prices and poor returns have led to agrarian distress in many parts of the country. The government has come up with various mechanisms to address these issues: insurance, direct transfers and loan waivers, among them. However, these mechanisms are ad hoc, poorly implemented and hobbled by political dissension.





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As for profitability of crops, 2018 saw a decline, while things have improved in the 2019 rabi season. But there have been concerns of late around consumption demand.

Pointing out that declining productivity, diminishing and degrading natural resources, rapidly growing demand for food, stagnating farm incomes, fragmented land holdings and unprecedented climate change were some of the major challenges confronting Indian agriculture, he said traditional farming would not be beneficial and the farmer needs to diversify into allied activities to ensure sustained income.

### **Adequacy of Internal Control**

The Company has a well laid out internal control system. The internal control system is so designed to ensure that there is adequate safeguard, maintenance and usage of assets of the Company.

### **Human Resources**

The Company currently has a strong team of more than 10 employees with experience in stock broking and finance and we would like to thank each and every member of the company for their role and continuous contribution towards the Company's performance.

#### **5. CHANGE IN REGISTERED OFFICE WITHIN STATE:**

During the year Registered Office of the Company be shifted from “**Lower Ground Floor, Plot No. 38, Okhla Phase 3, New Delhi-110020**” to “**A-33, G/F, F.I.E.E. Okhla Industrial Estate, Phase II New Delhi-110048**” with effect from 14.11.2018.

#### **6. DETAILS OF SUBSIDIARIES JOINT VENTURE OR ASSOCIATES**

The Company has no Subsidiaries, Joint Venture or Associates.

#### **7. DEPOSITS**

During the financial year 2018-19, your Company has not accepted any deposit within the meaning of Sections 73 and 74 the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

#### **8. AUDIT COMMITTEE:**

The Audit Committee comprises of Mr. Sachin Rastogi Director of the Company, Mr. Gopal Krishan Sharma & Mr. Prashant Rastogi Independent Directors of the Company. All the recommendations made by the Audit Committee were accepted by the Board. The Committee duly met five times during the year and was attended by all the Committee Members. The details of Audit Committee have been outlined in the Corporate Governance Report which forms part of this Report.

#### **9. NOMINATION & REMUNERATION POLICY AND PARTICULARS OF EMPLOYEES**

The Nomination and remuneration Committee comprises of, Mr. Sachin Rastogi Director of the Company, Mr. Gopal Krishan Sharma & Mr. Prashant Rastogi Independent Directors of the Company. The Committee duly met two times during the year and was attended by all the Committee Members. The salient features covered in the Remuneration Policy have been outlined in the Corporate Governance Report which forms part of this Report.

## **10. DIRECTOR'S & KEY MANAGERIAL PERSONNEL**

Pursuant to Section 152 of the Companies Act, 2013, Mr. Pravin Rastogi, Director of the Company, retires by rotation at ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

### **Change in Directors and Key Managerial Personnel**

There are some changes in composition of Directors or Key Managerial Personnel during the financial year 2018-2019 as follows:

1. Mr. Gopal Krishan Sharma was appointed as independent Director w.e.f. 18/09/2018.
2. Mr. Mujuffar Khan was resigned from the office w.e.f. 03.09.2018.

Further Mrs. Anitaben Digbijay Paul was appointed as Company secretary on his place w.e.f. 25/05/2018 and was resigned from the post of Company Secretary on 01/11/2018 and Ms. Megha Jain was appointed as Company secretary on her place w.e.f. 14/11/2018.

Currently, Ms. Megha Jain is the Company Secretary of your Company.

## **11. DECLARATION BY AN INDEPENDENT DIRECTOR(S) AND RE-APPOINTMENT, IF ANY**

The Company has received necessary declarations from Mr. Gopal Krishan Sharma and Mr. Prashant Rastogi, Independent Directors of the Company, under section 149(7) of the Companies Act, 2013 that they meet the criteria of Independence laid down in section 149(6) of the Companies Act, 2013 and regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

## **12. EVALUATION OF BOARD PERFORMANCE**

In terms of the provisions of the Companies Act, 2013 read with Rules issued there under and LODR, the Board of Director on recommendation of Nominations & Remuneration Committee have evaluated the effectiveness of the Board/Director(s) for financial year 2018-19.

## **13. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

The information required under Section 197 of the Companies Act, 2013 read with Rule 5(2) & (3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 requiring the names of top ten employees in terms of remuneration drawn and the name of every employee, who if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and Twenty lakh rupees is set out in **Annexure I** to this Report and is available on the website of the Company.

The details about the employees are marked as Annexure-I.

## **14. NUMBER OF MEETINGS OF THE BOARD**

The board met **7 times** during the year. The Board meetings details of the Company are set out in the Corporate Governance Report which forms part of this Report. The Maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013.

## **15. SECRETARIAL STANDARDS**

The company complies with all the applicable mandatory secretarial standards issued by the Institute of Company Secretaries of India.

## **16. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirements under Section 134(3)(c) of the Companies Act, 2013, the Directors confirm that:

- (a) in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2019, the applicable accounting standards and Schedule III of the Companies Act, 2013, have been followed and there are no material departures from the same;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2019 and of the profit of the Company for the financial year ended 31<sup>st</sup> March, 2019;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts on a 'going concern' basis;
- (e) the Directors have laid down proper internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## **17. AUDITORS AND AUDITORS' REPORT**

### **Auditor**

M/s PMAS & Associates LLP, Chartered Accountants, having Firm Registration No. 024726N, is appointed as the Statutory Auditors of the Company, to hold office from the conclusion of 33<sup>rd</sup> Annual General Meeting till the conclusion of the 38<sup>th</sup> Annual General Meeting of the Company held for the FY 2021-22 who have given their eligibility certificates u/s 141 of the Companies Act, 2013. The committee took note that the Companies Act, 2013 has exempted the requirements of ratification of appointment of auditors on an annual basis at the AGM.

### **Internal Auditor**

Re- appointment of M/s AMGK & Associates, Chartered Accountant, as an Internal Auditors of the Company for the year ended 31st March, 2020, to review various operation of the company.

## **18. RELATED PARTY TRANSACTIONS**

The details of the related party transactions as required under Accounting Standard – 18 are set out in Note 2.10 to the financial statements forming part of this Annual Report. The particulars of every contract or arrangements entered into by the company with related parties referred to in sub-section (1) of section



188 of the Companies Act, 2013 including certain on arm length transactions under third proviso thereto are annexed in form AOC-2 under **Annexure II**. The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website.

#### **19. SECRETARIAL AUDIT REPORT**

Pursuant to the provisions of section 204 of the Companies Act 2013 and Rules made there under, the Company has appointed M/s Laur & Associate, Company Secretaries to undertake the Secretarial Audit of the Company. The Company has annexed to this Board Report as **Annexure III**, a Secretarial Audit Report given by the Secretarial Auditor

#### **20. EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in Form MGT – 9 in accordance with Section 92(3) of the Companies Act, 2013 read with the Rule 12 of Companies (Management and Administration) Rules, 2014 are set out herewith as **Annexure – IV** to this Report.

#### **21. LOANS, GUARANTEES AND INVESTMENTS**

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

The company has provided continuing corporate guarantee in violation of provisions of section 185 & 186 to a related partnership firm to the tune of Rs. 21.00 crore

Details of loan and advances, guarantee and investments has been given in the Note no. 13 & 16 of balance sheet note to accounts.

#### **22. VIGIL MECHANISM**

The Board of Directors of the Company have formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177(10) of the Companies Act, 2013 and Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015. The Company, through this policy envisages to encourage the Directors and Employees of the Company to report to the appropriate authorities any unethical behaviour, improper, illegal or questionable acts, deeds, actual or suspected frauds or violation of the Company's Code of Conduct for Directors and Senior Management Personnel. The Policy on Vigil Mechanism / Whistle blower policy may be accessed on the Company's website.

#### **23. RISK MANAGEMENT POLICY**

Risk Management policy is formulated in compliance with Regulation 21 of the SEBI (listing obligation and disclosure requirement) regulation 2015 and section 134 (3) (n) of the companies act 2013, which requires the company to lay down procedure for risk assessment and risk minimization. The board of directors, Audit committee and the senior management of the company should periodically review the policy and monitor its implementation to ensure the optimization of business performance, to promote the confidence amongst stake holders in the process, plan and meet strategic objectives and evaluate, tackle and resolve various risks associated with the company. The business of the company is exposed to various risks, arising out of internal and external factors i.e. industry, competition, input, geography, financial, regulatory, other operational, information technology related other risks.



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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is as under:

Part A and Part B relating to conservation of energy and technology absorption are not applicable to the Company as your Company is not a manufacturing company.

### **FOREIGN EXCHANGE EARNINGS AND OUTGO:**

(in Rs.)

<b>Total foreign exchange earnings and outgo</b>	<b>2018-19</b>	<b>2017-18</b>
FOB Value of Exports	Nil	Nil
CIF Value of Imports	Nil	Nil
Expenditure in foreign currency	Nil	Nil

## **25. SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS**

There are no significant/material orders passed by any of the Regulators or Courts or Tribunals impacting the going concern status of your Company and its operations in future.

## **26. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

In order to prevent sexual harassment of women at work place a new act The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified on 9th December, 2013. Under the said Act every company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee.

Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up Committee for implementation of said policy. During the year Company has not received any complaint of harassment.

## **27. DEMATERIALIZATION OF SHARES**

Trading in the Equity Shares of the Company is only permitted in the dematerialized form as per the Securities and Exchange Board of India (SEBI) circular dated May 29, 2000.

The Company has established connectivity with both the Depositories viz. National Security Depository Ltd. (NSDL) as well as Central Depository Services (India) Ltd. (CDSL) to facilitate the demat trading. As on 31<sup>st</sup> March, 2019, 100% of the Company's Share Capital is in dematerialized form.

The Company's shares are regularly traded on Emerge-the SME Growth Platform of National Stock Exchange at Delhi.

## **28. CORPORATE GOVERNANCE**

Pursuant to Regulation 27 of the LODR, the Corporate Governance report together with a certificate issued from Laur & Associates, Company Secretaries on its compliance is made part of the Annual Report.

## **29. CAUTIONARY STATEMENT**

Statement in the management's discussions and analysis describing the Company's projections, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that would make a difference to the Company's operations include demand-supply conditions, changes in government regulations, tax regimes and economic developments within the country and abroad and such other factors.

## **30. ACKNOWLEDGEMENT**

The Directors of the Company are grateful to all the stakeholders including the customers, bankers, suppliers and employees of the Company for their co-operation and assistance.

By order of the Board  
For **Continental Seeds and Chemicals Limited**

**Sd/-**  
**PRAVEEN RASTOGI**  
Managing Director  
DIN: 01414608  
Address: M-73 B, 1st Floor,  
Malviya Nagar, New Delhi 110017

**Sd/-**  
**JAISHREE RASTOGI**  
Director  
DIN: 01414622  
Address: H. No. 760 KOT SHARKI D  
Ashink Sambhal UP 244302

**Date: 29/08/2019**  
**Place: New Delhi**



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### **ANNEXURE I TO DIRECTOR'S REPORT:**

Information required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Ratio of Remuneration of each Director to the median remuneration of all the employees of Your Company for the Financial Year 2018-2019:

<b>Name of the Director</b>	<b>Total Remuneration</b>	<b>Ratio of Remuneration of Director to the Median Employee</b>
Mr. Praveen Rastogi	1275000	250:21
Mr. Sachin Rastogi	288000	50:21

Notes:

Median remuneration of the Company for all its employees is Rs 10,500/- for the financial year 2018-19.

### **Details of percentage increase in the remuneration of each Director and CFO and Company Secretary in the Financial Year 2018-2019**

<b>Name</b>	<b>Remuneration</b>		<b>Increase %</b>
	<b>2018-19</b>	<b>2017-18</b>	
Mr. Praveen Rastogi	50000 PM to 125000 PM w.e.f. July	50000 PM	150
Mrs. Jaishree Rastogi	Nil	nil	Nil
Mr. Sachin Rastogi	19000 PM to 25000 PM w.e.f. June	19000 PM	31.57
Mr. Prashant Rastogi	Nil	Nil	Nil
Mr. Mujuffar Khan	Nil	Nil	Nil
Mrs. Utpal Tandon	28000	28000	Nil
Mrs. Megha Jain	15000	Nil	100

Notes:

During the year, your Company not pay the sitting fees of for attending the board and committee meeting. Therefore there is no such remuneration for the non-executive independent director.

The remuneration to Directors is within the overall limits approved by the shareholders.

### **Percentage increase in the median remuneration of all employees in the financial year 2018-2019**

	2018-19	2017-18	Increase %
<b>Median remuneration of all the employees per annum</b>	10500	10500	Nil

### **Number of permanent employees on the rolls of the Company as on March 31<sup>st</sup>, 2019**

Executive/Manager	2
Other employees	15



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A. Explanation on the relationship between average no increase in remuneration and Company performance:

There is no increase in average remuneration of all employees in the financial year 2018-19 as compared to the financial year 2017-18, salary of employees was not increased because there is no adequate profit in the company.

**Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:**

There is increase in the salary of Mr. Praveen Rastogi and Mr. Sachin Rastogi during the Financial Year 2018-19 due to their dedication, hard work and extra hours that both the directors have put in during the past 2-3 years.

**Details of share price and market capitalization etc: Applicable**

B. Comparison of average percentage increase in salary of employee other than the key managerial personnel and the percentage increase in the key managerial remuneration:

	2018-19	2017-18	Increase (%)
Average salary of all employees (other than key managerial personnel)	79,875	79,875	NIL
Salary of Whole Time Director	NIL	NIL	NIL
Salary of Company Secretary	15,000	15000	NIL

The increase in remuneration of employees other than the managerial personnel is in line with the increase in remuneration of managerial personnel.

- A. Key parameters for the variable component of remuneration No variable compensation is paid by the Company to its Directors.
- B. The ratio of the remuneration of the highest paid Director to that of the Employees who are not Directors but receive remuneration in excess of the highest paid Director during the year: Not Applicable
- C. Affirmation: It is hereby affirmed that the remuneration paid during the year under review is as per the Remuneration Policy of the Company.



**ANNEXURE (II) TO DIRECTOR'S REPORT**

**FORM NO. AOC -2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length : **NIL**
2. Details of contracts or arrangements or transactions at Arm's length basis:

a)	Particulars					
b)	Name (s) of the related party & nature of relationship	Shree Balaji Enterprises (Entity where wife of director is a Gurantor)		Praveen Aroma Pvt. Ltd. (Entity where KMP have significant influence)		Natural Herbal (Entity where KMP have significant influence)
c)	Nature contracts/arrangements/transaction	Purchase	Sale	Purchase	Purchase	Rent Received
d)	Duration of the contracts/arrangements/transaction	Ongoing basis	Ongoing basis	Ongoing basis	Ongoing Basis	Ongoing basis
e)	Salient terms of the contracts or arrangements or transaction including the value, if any	23,94,82,323	13,50,62,910	1,04,23,868	2,35,87,200	1,20,000
f)	Date of approval by the Board	-	-	-	-	-
g)	Amount paid as advances, if any	-	-	-	-	-



**ANNEXURE (III) TO DIRECTOR'S REPORT**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2019**

**[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]**

To,  
The Members,  
**Continental Seeds and Chemicals Limited**  
**(CIN- L01111DL1983PLC015969)**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices of **Continental Seeds and Chemicals Limited** (hereinafter called the company) bearing CIN No.: L01111DL1983PLC015969. The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the year ended on **31<sup>st</sup> March 2019** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Continental Seeds and Chemicals Limited** ("the Company") for the year ended on **31<sup>st</sup> March, 2019**.

According to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;



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- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- (i) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation 2015;

I have also examined compliance with the applicable clauses of the following:

- (a) Secretarial Standards issued by The Institute of Company Secretaries of India
- (b) The Listing Agreements entered into by the Company with Stock Exchange(s);

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

#### **COMPANIES ACT, 2013**

- i. The company has provided continuing corporate guarantee in violation of provisions of section 185 & 186 to a related partnership firm to the tune of Rs. 21.00 crore.

We further report that subject to our observations:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried out unanimously. As per the records available in the said minutes there were no dissenting views expressed by any director in the meetings.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.



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We further report that during the audit period the Company has no reportable specific events, actions having a major bearing on the Company's affairs in pursuance of the laws, regulations, guidelines, standards, etc. referred to above.

**For Laur & Associates  
Company Secretaries**

**Sd/-  
CS Manju Laur  
Membership No: FCS 9254  
CP No 12247**

**Place: New Delhi  
Date: 29/08/2019**

**ANNEXURE (IV) TO DIRECTOR'S REPORT**

<b>FORM NO. MGT 9</b>			
<b>EXTRACT OF ANNUAL RETURN</b>			
<b>as on financial year ended on 31.03.2019</b>			
<b>Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management &amp; Administration ) Rules, 2014.</b>			
<b>I</b>	<b>REGISTRATION &amp; OTHER DETAILS:</b>		
i	CIN	U01111DL1983PLC015969	
ii	Registration Date	22-06-1983	
iii	Name of the Company	Continental Seeds And Chemicals Limited	
iv	Category/Sub-category of the Company	Company Limited by Shares Non- Govt Company	
v	Address of the Registered office & contact details	A-33, Upper Ground Floor, F.I.E.E. Complex Okhla Industrial Estate, Phase II New Delhi South Delhi DL 110020 9690001132 cs@continentalseeds.co.in	
vi	Whether listed company	Yes	
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Mas Services Limited T-34, 2nd Floor Okhla Industrial Area Phase-II, New Delhi-110020 Phone Number:- 011-26387281-83, Fax: 011- 26387384 Email: info@masserv.com	
<b>II</b>	<b>PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>		
	All the business activities contributing 10% or more of the total turnover of the company shall be stated		
<b>SL No</b>	<b>Name &amp; Description of main products/services</b>	<b>NIC Code of the Product /service</b>	<b>% to total turnover of the Company</b>
1	Trading Activity	46102	100
<b>III</b>	<b>PARTICULARS OF HOLDING , SUBSIDIARY &amp; ASSOCIATE COMPANIES</b>	NA	



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**I. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year (As on 1 <sup>st</sup> April, 2018)				No. of Shares held at the end of the year (As on 31 <sup>st</sup> March, 2019)				% Change during the year#
	Demat	Physical	Total	% of Total Shares#	Demat	Physical	Total	% of Total Shares#	
<b>A. Promoter</b>									
<b>1) Indian</b>									
a) Individual/HUF	4381685	0	4381685	73.01	4381685	0	4381685	73.01	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(1):-</b>	<b>4381685</b>	<b>0</b>	<b>4381685</b>	<b>73.01</b>	<b>4381685</b>	<b>0</b>	<b>4381685</b>	<b>73.01</b>	<b>-</b>
<b>2) Foreign</b>									
g) NRIs- Individuals	-	-	-	-	-	-	-	-	-
h) Other- Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	-	-	-	-	-	-	-	-	-
j) Banks / FI	-	-	-	-	-	-	-	-	-
k) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(2):-</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Promoter Shareholding (A)=(A)(1)+</b>	<b>4381685</b>	<b>0</b>	<b>4381685</b>	<b>73.01</b>	<b>4381685</b>	<b>0</b>	<b>4381685</b>	<b>73.01</b>	<b>0.00</b>



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(A)(2)									
<b>B. Public Shareholding</b>									
<b>1) Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	-	-	-	-	-	-	-	-	-
a) Non Institutions	-	-	-	-	-	-	-	-	-
b) Bodies Corp. (i) Indian (ii) Overseas	-	-	-	-	-	-	-	-	-
c) Individuals (i) Individual shareholders holding nominal share capital upto Rs. 2lakh	1512000	-	-	25.19	164000	-	-	2.73	22.46



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(ii) Individual shareholder s holding nominal share capital in excess of Rs 2 lakh	24000	-	-	0.40	656000	-	-	10.93	10.53
<b>d) Others (Specify)</b>	84000	-	-	1.40	800000	-	-	13.33	11.93
(c-i) Non Residents	-	-	-	-	-	-	-	-	-
(c-ii) Clearing Members	-	-	-	-	-	-	-	-	-
(c-iii) HUF	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2)</b>	<b>1620000</b>	-	-	<b>26.99</b>	<b>1620000</b>	-	-	<b>26.99</b>	<b>26.99</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>1620000</b>	-	-	<b>26.99</b>	<b>1620000</b>	-	-	<b>26.99</b>	<b>26.99</b>
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>6001685</b>	-	-	<b>100</b>	<b>6001685</b>	-	-	<b>100</b>	

**ii) Shareholding of Promoters:-**

S. No	Shareholder's Name	Shareholding at the beginning of the year (As on 1 <sup>st</sup> April, 2018)			Shareholding at the end of the year (As on 31 <sup>st</sup> March, 2019)			% change in shareholding during the year#
		No. of shares	% of total Shares of the compa ny#	% of Shares Pledged / encumbe red to total shares#	No. of shares	% of total Shares of the compa ny#	% of Shares Pledged / encumbe red to total shares#	
1	Sachin Rastogi	10850	0.18	-	10850	0.18	-	-
2	Nishi Agarwal	175000	2.92	-	175000	2.92	-	-
3	Vivek Kumar Varshney	210000	3.50	-	210000	3.50	-	-
4	Nidhi Gupta	210000	3.50	-	210000	3.50	-	-





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5	Anju Devi	175000	2.91	-	175000	2.91	-	-
6	Purnima Varshney	210000	3.50	-	210000	3.50	-	-
7	Pravin Rastogi	1665475	27.75	-	1665475	27.75	-	-
8	Jaishree Rastogi	1725360	28.75	-	1725360	28.75	-	-

# rounded off to nearest two decimals.

**iii) Change in Promoters' Shareholding**

Sl. No.		Shareholding at the beginning of the year		Changes during the year		Cumulative Shareholding during the year		Shareholding at the end of the year
		No. of shares	% of total shares of the company#	Date of change in shareholding *	Changes during the year	No. of shares	% of total shares of the company#	
1	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

# rounded off to nearest two decimals.

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): NIL**

Sr.no	Shareholder Name	Shareholding at the beginning of the year (as on 01.04.2018)		No of shares before change	Change in holding(+) (-)	Shareholding at the end of the year (as on 31.03.2019)		Reason
		No. of Shares	% of total Shares of the company			No. of Shares	% of total Shares of the company	
1	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

# rounded off to nearest two decimals.

v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Name of the Directors and KMP	Shareholding at the beginning of the year		Changes during the year		Cumulative Shareholding during the year		Shareholding at the end of the year
		No. of shares	% of total shares of the company#	Date of change in shareholding	Changes during the year	No. of shares	% of total shares of the company#	
1.	Praveen Rastogi	1665475	27.75	-	-	1665475	27.75	1665475
2.	Jaishree Rastogi	1725360	28.75	-	-	1725360	28.75	1725360
3.	Sachin Rastogi	10850	0.18	-	-	10850	0.18	10850
4.	Prashant Rastogi	-	-	-	-	-	-	-
5.	Gopal Krishan Sharma	-	-	-	-	-	-	-
6.	Utpal Tandon	-	-	-	-	-	-	-
7.	Megha Jain	-	-	-	-	-	-	-

# rounded off to nearest two decimals.

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	3,34,11,510	52,386	0.00	3,34,63,896.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>3,34,11,510</b>	<b>52,386</b>	<b>0.00</b>	<b>3,34,63,896.00</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	18,84,542	14,00,000	-	32,84,542.00
* Reduction	23,08,081	52,386	-	23,60,467.00
<b>Net Change</b>	<b>41,92,623</b>	<b>14,52,386</b>	<b>0.00</b>	
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	3,29,87,971	14,00,000	<b>0.00</b>	3,43,87,971.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>3,29,87,971</b>	<b>14,00,000</b>	<b>0.00</b>	<b>3,43,87,971.00</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### i. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in Rupees)

S N.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
1	Gross salary	Praveen Rastogi (Managing Director)	Sachin Rastogi (Non Executive & Non Independent Director)	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12,75,000	2,88,000	<b>15,63,000</b>
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil	
2	Stock Option	Nil	Nil	
3	Sweat Equity	Nil	Nil	
4	Commission - as % of profit - others, specify...	Nil	Nil	
5	Others, please specify	Nil	Nil	
	Total (A)	12,75,000	2,88,000	<b>15,63,000</b>
	Ceiling as per the Act as per Schedule V			

ii) Remuneration to other directors:

S. No.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors				
	Fee for attending board committee meetings	Nil	Nil	Nil	
	Commission	Nil	Nil	Nil	
	Others, please specify	Nil	Nil	Nil	
	Total (1)	Nil	Nil	Nil	
2	Other Non-Executive Directors	N.A.	N.A.	N.A.	
	Fee for attending board committee meetings	Nil	Nil	Nil	
	Commission	Nil	Nil	Nil	
	Others, please specify	Nil	Nil	Nil	
	Total (2)	Nil	Nil	Nil	
	Total (B)=(1+2)	Nil	Nil	Nil	
	Total Managerial Remuneration	Nil	Nil	Nil	
	Overall Ceiling as per the Act				

**iii) Remuneration to key managerial personnel other than MD/Manager/WTD**

S. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO Utpal Tandon	Total
1.	Gross salary (a)Salary as per provisions contained in section17(1)of the Income-tax Act,1961 (b)Value of perquisites u/s 17(2)Income-tax Act,1961 (c)Profits in lieu of salary under section 17(3)Income-tax Act,1961	NIL	1,80,000	3,36,000	NIL
2.	Stock Option	Nil	Nil	Nil	
3.	Sweat Equity	Nil	Nil	Nil	
4.	Commission - as % of profit -others, specify...	Nil	Nil	Nil	
5.	Others, please specify				
6.	Total	Nil	1,80,000	3,36,000	

**VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					



## **REPORT ON CORPORATE GOVERNANCE**

### **1. Corporate Governance from Continental seeds & chemical Limited**

Corporate Governance is about commitment to values and ethical business conduct and improves public understanding of the structure, activities and policies of the organization.

Your Company believes that the implementation of good corporate practices bring positive strength among all the stakeholders of the Company, which is key to success for any corporate.

### **2. Board of Directors**

#### **2.1 Board Diversity and Structure**

The Board composition is in compliance with the Regulation 17 of the Listing Regulations 2015 as well as the Companies Act, 2013. As on 31st March, 2019, the Company had five Directors on the Board. Presently more than fifty percent of the Board comprises of Non-Executive Directors. Out of the 5 (five) Directors, 1 (One) is Non-Executive- Non Independent Director, 1 (One) is Executive & Women Director, 2 (two) are Non-Executive -Independent Director and 1 (one) Managing Director.

The members on the Board possesses adequate experience, expertise and skills necessary for managing the affairs of the Company in the most effective and efficient manner.

#### **2.2 Independent Directors**

Mr. Gopal Krishan Sharma and Mr. Prashant Rastogi Independent Director of the Company continue to be the Independent Directors of the Company. The Independent Directors have submitted the declaration that they meet the criteria of Independence as per the provisions of Companies Act, 2013 and the Listing Agreement entered into with the Stock Exchanges. None of the Independent Directors is holding directorship in more than 7 listed Companies. The Company has also issued the formal letter of appointments to all the Independent Directors in the manner provided under the Companies Act, 2013 and under the LODR Regulations.

#### **2.3 Familiarisation Programme**

In terms of Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered with the stock exchanges, mandates the Company to familiarize the Independent Directors with the Company, their roles, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. through various programmes.

The Company conduct programmes/ presentations periodically to familiarize the Independent Directors with the strategy, business and operations of the Company.

The above programme also includes the familiarization on statutory compliances as a Board member including their roles, rights and responsibilities. The Company also circulates news and articles related to the industry from time to time and provide specific regulatory updates.

The details of such Familiarization programme for Independent Directors in terms of Regulation 25(7) of the Listing Regulations, 2015 are posted on the website of the Company and can be accessed on the website of the company [www.continentalseeds.co.in](http://www.continentalseeds.co.in).



## 2.4 Board Meetings

During the financial year ended 31st March, 2019, the Board met 7 (seven) times i.e.

Sr. No.	Date of Board Meeting	Directors Present	Designation
1.	02 <sup>nd</sup> April, 2018	Mr. Praveen Rastogi	Managing Director
		Mrs. Jaishree Rastogi	Executive & Non Independent Director & Women Director
		Mr. Sachin Rastogi	Non Executive & Non Independent Director
		Mr. Mujuffar Khan	Independent Director
		Mr. Prashant Rastogi	Independent Director
2	25 <sup>th</sup> May, 2018	Mr. Praveen Rastogi	Managing Director
		Mrs. Jaishree Rastogi	Executive & Non Independent Director & Women Director
		Mr. Sachin Rastogi	Non Executive & Non Independent Director
		Mr. Mujuffar Khan	Independent Director
		Mr. Prashant Rastogi	Independent Director
3.	02 <sup>nd</sup> July, 2018	Mr. Praveen Rastogi	Managing Director
		Mrs. Jaishree Rastogi	Executive & Non Independent Director & Women Director
		Mr. Sachin Rastogi	Non Executive & Non Independent Director
		Mr. Mujuffar Khan	Independent Director
		Mr. Prashant Rastogi	Independent Director
4.	23 <sup>rd</sup> August, 2018	Mr. Praveen Rastogi	Managing Director
		Mrs. Jaishree Rastogi	Executive & Non Independent Director & Women Director
		Mr. Sachin Rastogi	Non Executive & Non Independent Director
		Mr. Mujuffar Khan	Independent Director
		Mr. Prashant Rastogi	Independent Director



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5.	03 <sup>rd</sup> September, 2018	Mr. Praveen Rastogi	Managing Director
		Mrs. Jaishree Rastogi	Executive & Non Independent Director & Women Director
		Mr. Sachin Rastogi	Non Executive & Non Independent Director
		Mr. Mujuffar Khan	Independent Director
		Mr. Prashant Rastogi	Independent Director
6.	14 <sup>th</sup> November, 2018	Mr. Praveen Rastogi	Managing Director
		Mrs. Jaishree Rastogi	Executive & Non Independent Director & Women Director
		Mr. Sachin Rastogi	Non Executive & Non Independent Director
		Mr. Gopal Krishan Sharma	Independent Director
		Mr. Prashant Rastogi	Independent Director
7.	06 <sup>th</sup> March, 2019	Mr. Praveen Rastogi	Managing Director
		Mrs. Jaishree Rastogi	Executive & Non Independent Director & Women Director
		Mr. Sachin Rastogi	Non Executive & Non Independent Director
		Mr. Gopal Krishan Sharma	Independent Director
		Mr. Prashant Rastogi	Independent Director

The Annual General Meeting was held on 18<sup>th</sup> September, 2018.

The attendance of Directors at the Board Meetings held during the financial year ended 31<sup>st</sup> March, 2019 under review as well as in the last Annual General Meeting and the number of the other Directorships/Committee positions presently held by them are as under:-

Name of Directors	Date of Appointment	Category	No of Board Meetings	No. of Board meeting attended	Attendance at the last AGM	No of Directorship in other Public Companies	Shareholding in the Company
Mr. Praveen Rastogi	01/12/2011	MD	7	7	Present	NIL	27.75
Mrs. Jaishree Rastogi	01/12/2011	ENID	7	7	Present	NIL	28.75
Mr. Sachin Rastogi	01/12/2011	NENID	7	7	Present	NIL	0.18
Mr. Prashant Rastogi	30/09/2017	NEID	7	7	Present	NIL	NIL
Mr. Gopal Krishan Sharma	18/09/2018	NEID	7	2	Present	NIL	NIL

NEID- Non Executive Independent Director, ENID- Executive Non Independent Director MD- Managing Director, NENID- Non Executive Non Independent Director MD- Managing Director

**Present Directorships in other Companies/Committee Positions (including Continental Seeds and Chemical Limited)**

S. No.	Name of Director	Directorships (Name of Companies)*	Committee(s) Position		
			Name of the Company	Committee	Position
1.	Mr. Praveen Rastogi	1) PRAVEEN AROMA PRIVATE LIMITED	NIL	NIL	NIL
			NIL	NIL	NIL
2.	Mrs. Jaishree Rastogi	1) PRAVEEN AROMA PRIVATE LIMITED	NIL	NIL	NIL
3.	Mr. Sachin Rastogi	1) PRAVEEN AROMA PRIVATE LIMITED 2) ALCAN LIFE SCIENCES PRIVATE LIMITED	NIL	NIL	NIL
4.	Mr. Prashant Rastogi	-	NIL	NIL	NIL
5.	Mr. Gopal Krishan Sharma	-	NIL	NIL	NIL

\* The directorship held by directors as mentioned above does not include directorship of foreign companies, Section 8 Companies and Private Limited Companies, if any.

\*\* Subsidiary of a Limited Public Company

None of the Directors on the Board hold directorships in more than ten public companies and memberships in more than ten Committees and they do not act as Chairman of more than five Committees across all companies in which they are directors.

## 2.5 Meeting of Independent Directors

The Independent Directors of the Company meet at least once in every financial year without the presence of Executive Directors or representatives of management. All the Independent Directors strive to be present at such meetings.

## 2.6 Evaluation of Board/Independent Directors Effectiveness

In terms of provision of Companies Act, 2013 read with Rules issued there under and as per SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 the Board of Directors, on recommendation of Nomination and Remuneration Committee, have evaluated the effectiveness of the Board. Accordingly performance evaluation of the Board, each Director and Committees was carried out for the financial year ended 31<sup>st</sup> March, 2019. The evaluation of the Directors was based on various aspects which, inter alia,



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included the level of participation in the Board Meeting, understanding their roles and responsibilities, business of the Company and also effectiveness of their contribution.

## **2.7 Information Placed before the Board**

In addition to the matters which statutorily require Board's approval, the following matters as required under code on Corporate Governance are also regularly placed before the Board:-

- Annual operating plans and budgets and any updates.
- Capital budgets and any updates.
- Quarterly results for the listed entity and its operating divisions or business segments.
- Minutes of meetings of audit committee and other committees of the board of directors.
- The information on recruitment and remuneration of senior officers just below the level of board of directors, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the listed entity, or substantial non-payment for goods sold by the listed entity.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the listed entity or taken an adverse view regarding another enterprise that may have negative implications on the listed entity.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

## **3. Committees of the Board**

In terms of the SEBI code on the Corporate Governance, the Board of the Company has constituted the following Committees: -

- Audit Committee
- Nomination & Remuneration Committee
- Stakeholders Relationship Committee

### 3.1 Audit Committee

The Composition of the Audit Committee is in line with the provision of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The members of the Audit Committee are financially literate and have requisite experience in accounting and financial management.

The Company Secretary acts as Secretary to the Committee. Statutory Auditors is the permanent Invitee.

The followings are the members at the Committee and there was **4 (Four)** meetings held in the company during the FY 2018-19.

Name of Directors	Designation
Mr. Prashant Rastogi	Chairman
Mr. Gopal Krishan Rastogi	Member
Mr. Praveen Rastogi	Member

- Mr. Mujuffar Khan ceased to be a member of the Audit Committee..w.e.f. 03<sup>rd</sup> September, 2018.
- Mr. Gopal Krishan Sharma was appointed as a member of the committee w.e.f. 18<sup>th</sup> September, 2018.

The terms of reference of the Audit Committee are given below:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.
5. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
6. 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.
7. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
8. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub section (3) of section 134 of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same

- c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report.
9. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
  10. 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 utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
  10. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
  11. 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.
  12. Discussion with internal auditors any significant findings and follow up there on.
  13. Reviewing 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.
  14. 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.
  15. 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.
  16. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
  18. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
  19. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
  20. Mandatorily reviews the following information:



- a. Management discussion and analysis of financial condition and results of operations;
- b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee

21. Review the Financial Statements of its subsidiary company, if any.

22. Review the composition of the Board of Directors of its Subsidiary Company, if any.

23. Review the Vigil mechanism (whistle blowing) policy.

24. Review the use/application of funds raised through an issue (public issues, right issues, preferential issues etc) on a quarterly basis as a part of the quarterly declaration of financial results. Further, review on annual basis statements prepared by the Company for funds utilized for purposes other than those stated in the offer document.

In addition, to carry out such other functions/powers as may be delegated by the Board to the Committee from time to time.

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending the appointment / re-appointment of external and internal auditors, tax auditors, cost auditors, fixation of statutory audit fees, internal audit fees and tax audit fees and also approval for payment of any other services.
- Review with management, the annual financial statements before submission to the Board.
- Review half yearly un-audited/audited financial results/ review reports.
- Review the financial statements in particular of the investments made by the unlisted subsidiary companies.
- Review with management, performance of external and internal auditors, and adequacy of internal control system.
- 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;
- Discussions with statutory auditors before the audit commence about nature and scope of audit as well as have post audit discussions to ascertain any area of concern.
- Approve the appointment of Chief Financial Officer.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders and creditors, if any.
- Review of the use/application of money raised through Public/Rights/Preferential Issue, if any.



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- Approval or any subsequent modification(s) of transactions of the Company with related parties, if any.
- Review and monitor auditors independence and performance and effectiveness of audit process.
- Scrutiny of inter corporate loans and investments.
- Review the Company's financial and Risk Management Policy
- Discussions with internal auditors of any significant findings and follow up thereon.
- Reviewing 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.
- Valuation of Undertakings or assets of the Company where it is necessary.
- To review the functioning of the Whistle Blower / Vigil mechanism.
- Evaluation of Internal Financial control and risk management system.

The Audit Committee during the year has approved the overall framework for RPTs, the Policy on dealing with the RPTs, the policy on materiality of RPTs and the criteria for granting ominous approval in line with the policy of dealing with RPTs in accordance with provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 .

### 3.2 Nomination & Remuneration Committee

The Board of Directors of the Company has constituted a Nomination & Remuneration Committee which is responsible for determining the Company's policy on specific remuneration package for Executive Directors including any compensation payment.

The present composition of Nomination and Remuneration Committee is as under:

Name of Directors	Designation
Mr. Prashant Rastogi	Chairman
Mr. Gopal Krishan Sharma	Member
Mr. Sachin Rastogi	Member

- Mr. Mujuffar Khan ceased to be a member of the Committee w.e.f. 03<sup>rd</sup> September, 2018.
- Mr. Gopal Krishan Sharma was appointed as a member of the committee w.e.f. 18<sup>th</sup> September, 2018.

**The terms of reference of Nomination and Remuneration Committee are given below:**

- The Nomination and Remuneration committee recommends to the board the compensation terms of the executive Directors.
- The committee to carry out evolution of every director's performance and recommend to the board his/her appointment and removal based on the performance.





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- The committee to identify persons who may be appointed in senior management in accordance with the criteria laid down.
- Framing and implementing on behalf of the Board and on behalf of the shareholders, a credible and transparent policy on remuneration of executive directors including ESOP, Pension Rights and any compensation payment.
- Considering approving and recommending to the Board the changes in designation and increase in salary of the executive directors.
- Ensuring the remuneration policy is good enough to attract, retain and motivate directors.
- Bringing about objectivity in deeming the remuneration package while striking a balance between the interest of the Company and the shareholders.

In compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI ((Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors at their meeting formulated the Nomination and Remuneration Policy and the policy on Board Diversity of the Company on the recommendation of Nomination & Remuneration Committee.



**Nomination & Remuneration Policy of the Company**  
**Continental Seeds and Chemical Limited**  
**Remuneration Policy**

**Preamble**

Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI listing Regulations, 2015 provides that the Nomination and Remuneration Committee (“NRC”) shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel (“KMP”) and other employees.

**Objective**

The Remuneration Policy of Continental Seeds and Chemical Limited (the “Company”) is designed to attract, motivate, improve productivity and retain manpower, by creating a congenial work environment, encouraging initiatives, personal growth and team work, and inculcating a sense of belonging and involvement, besides offering appropriate remuneration packages and superannuation benefits. The Policy emphasize on promoting talent and to ensure long term sustainability of talented managerial persons and create competitive advantage. The policy reflects the Company’s objectives for good corporate governance as well as sustained long term value creation for shareholders.

The guiding principle is that the remuneration and the other terms of employment should effectively help in attracting and retaining committed and competent personnel. While designing remuneration packages, industry practices and cost of living are also taken into consideration.

**Applicability**

This Remuneration Policy applies to directors, senior management including its Key Managerial Personnel (KMP) and other employees of the Company.

**Appointment criteria and qualifications**

The NRC shall identify and ascertain the integrity, qualifications, expertise and experience of the person for appointment as Director, KMP or at senior management personnel and recommend to the Board his/her appointment. A person should possess adequate qualifications, expertise and experience for the position he/she is considered for appointment.

**Directors**

As per the Policy followed by the Company the non-executive directors are paid remuneration in the form of sitting fees for attending Board and Committee meetings as fixed by the Board of Directors from time to time subject to statutory provisions.

Remuneration of Whole Time Directors including Managing Director reflects the overall remuneration philosophy and guiding principle of the Company. When considering the Appointment and remuneration of Whole Time Directors, the NRC considers pay and employment conditions in the industry, merit and seniority of the person and the paying capacity of the Company.

The NRC while designing the remuneration package considers the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the Company successfully.

The NRC while considering a remuneration package must ensure a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.



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The term of office and remuneration of Whole Time Directors are subject to the approval of the Board of Directors, shareholders and the limits laid down under the Companies Act, 2013. Remuneration packages for Whole Time Directors are designed to remunerate them fairly and responsibly. The Whole Time Directors' remuneration comprises of salary, perquisites, allowances apart from retirement benefits like P.F., Superannuation, Gratuity, etc as per Rules of the Company.

The Whole Time Directors are entitled to customary non-monetary benefits such as company cars, furnished accommodation, health care benefits, leave travel, communication facilities, etc. Their terms of appointment also provide for severance payments.

### **Evaluation**

The NRC shall carry out evaluation of performance of all directors in every year. The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

Further the Independent directors of the Company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management. The meeting shall:

- a) Review the performance of non-independent directors and the Board as a whole
- b) Review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors.

### **Key Managerial Personnel and Senior Management**

Remuneration of KMP and other senior management personnel is decided by the Managing Director.

Total remuneration comprises of:

1. A fixed base salary - set at a level aimed at attracting and retaining executives with professional and personal competence, showing good performance towards achieving Company goals.
2. Perquisites – in the form of house rent allowance/ accommodation, furnishing allowance, reimbursement of medical expenses, conveyance, telephone, leave travel, etc.
3. Retirement benefits - contribution to PF, superannuation, gratuity, etc as per Company Rules.
4. Variable payments - performance linked variable pay reflecting short and long term performance
5. Motivation /Reward - A performance appraisal is carried out annually and promotions/ increments/ rewards are decided by the Managing Director based on their annual performance.
6. Severance payments - in accordance with terms of employment, if any.

### **Other employees**

The remuneration of other employees is fixed from time to time as per the guiding principles outlined above and considering industry standards and cost of living. In addition to basic salary they are also provided perquisites, allowances and retirement benefits as per schemes of the Company and statutory requirements, where applicable. Policy of motivation/ reward/ severance payments is applicable to this category of personnel as in the case of those in the management cadre.

## Disclosure of information

Information on the total remuneration of members of the Company's Board of Directors, Whole Time Directors and KMP/ senior management personnel may be disclosed in the Company's annual financial statements as per statutory requirements.

## Amendments

The Board of Directors of the Company may subject to applicable laws is entitled to amend, suspend or rescind this Policy at any time. Any difficulties or ambiguities in the Policy will be resolved by the Board of Directors in line with the broad intent of the Policy.

### 3.3 Stakeholders Relationship Committee

Pursuant to provisions of Section 178(5) of the Companies Act, 2013, "Stakeholders Relationship Committee" was formed by the Board at their meeting held on 1<sup>st</sup> November, 2017. The scope of the Stakeholders Relationship Committee shall be to consider and resolve the grievances of security holders of company. This Committee looks into transfer and transmission of shares/debentures/bonds etc., issue of duplicate share certificates, issue of shares on rematerialisation, consolidation and sub-division of shares and investors' grievances. This Committee particularly looks into the investors grievances and oversees the performance of the Share Department /Share Transfer Agent and to ensure prompt and efficient investors' services.

The present composition of Stakeholders Relationship Committee is as under:

Sr. No.	Name	Designation	Nature of Directorship
1.	Mr. Prashant Rastogi	Chairman	Independent Director
2.	Mr. Gopal Krishan Sharma	Member	Independent Director
3.	Mr. Sachin Rastogi	Member	Non Executive and Non Independent Director

- Mr. Mujuffar Khan ceased to be a chairperson and member of the Committee effective 03<sup>rd</sup> September, 2018.
- Mr. Gopal Krishan Sharma was appointed as a member of the committee w.e.f. 18<sup>th</sup> September, 2018.

#### Role of stakeholder Relationship committee

The Stakeholder Relationship Committee of our Board looks into:

- The redressal of investors complaints viz. non-receipt of annual report, dividend payments etc.
- Matters related to share transfer, issue of duplicate share certificate, dematerializations.
- Also delegates powers to the executives of our Company to process transfers etc.

The status on various complaints received / replied is reported to the Board of Directors as an Agenda item. More details on share transfers, investors' complaints, etc. are given in the shareholder information section of this report.

Company Secretary & Compliance Officer, acts as the Secretary of the aforesaid Committee

### 1.4 Details of pecuniary relationship/transactions of the Non – Whole Time Directors/their Firms & Companies vis-a-vis the Company during the financial year 2018-2019

Nil

#### 4. General Body Meetings

Location and time where General Meetings held in the last 3 years is given below:

Year	AGM	Location	Date	Time
2017-18	AGM	Delhi	18.09.2018	11:00 A.M.
2016-17	AGM	Delhi	30.09.2017	11:00 A.M.
2015-16	AGM	Delhi	19.09.2016	11:00 A.M.

#### 1. Disclosures on materially significant related party transactions that may have potential conflict with the interest of the Company at large.

None of the materially significant transactions with any of the related parties were in conflict with the interest of the Company. Attention of the members is drawn to the disclosures of transactions with related parties set out in note no. 2.10 of the Financial Statements forming part of the Annual Report.

#### 2. Details of non-compliance by the Company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

During the year 2018-19, there were no penalties imposed upon the company by Stock exchanges or SEBI or any Statutory Authority on any matter related to capital markets during the last three years.

#### 3. Vigil Mechanism and Whistle Blower Policy of the Company

The Board of Directors of the Company has adopted Whistle Blower Policy. The management of the Company, through this policy envisages to encourage the employees of the Company to report to the higher authorities any unethical, improper, illegal or questionable acts, deeds and things which the management or any superior may indulge in. This Policy has been circulated to employees of the Company and is also available on Company's Website.

No employee of the Company is denied access to the Audit Committee.

#### 4. Details of compliance with mandatory requirements and adoption of the non mandatory requirements of this clause

Company has complied with mandatory requirement of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

#### 5. Secretarial Auditor

During the Financial year 2018-2019 the Company fall within the requirements of the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. However, the Board has appointed M/s Laur & Associate, Company Secretaries as Secretarial Auditors of the Company for the period of three Financial Years from **01<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2022.**

#### 6. Secretarial Certificates

Applicable on the company as on 31.03.2018

## **7. Reconciliation And Share Capital Audit**

- (i) Pursuant to SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and [(regulation 55A of the SEBI (Depositories and Participants) Regulations, 1996]. with the Stock Exchanges, certificates, on quarterly basis, have been issued by a Company Secretary in-Practice for due compliance of share transfer formalities by the Company.
- (ii) A Company Secretary in-Practice carried out a reconciliation of Share Capital Audit to reconcile the total admitted share capital with National Securities Depository Limited and Central Depository Service (India) Limited (“Depositories”) and the total issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with the aggregate of the total number of shares in physical form and total number of shares in dematerialised form (held with Depositories).

## **8. CEO & CFO certification**

The Director (Finance) and Chief Financial Officer (CFO) of the Company gives annual certifications on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

## **9. Means of Communications**

The Company’s website [www.continentalseeds.co.in](http://www.continentalseeds.co.in) contains Annual Reports, Financial Results, Shareholding Pattern, etc. Management Discussions and Analysis forms part of the Directors’ Report, which is posted to the shareholders of the Company.

## **10. Code of conduct for Board Members and Senior Management Personnel**

The Company has adopted a Code of Conduct for Directors and Senior Management Personnel and the same has been posted on the Company’s website. The Directors and the Senior Management Personnel affirm the Compliance of the Code annually. A certificate to this effect is attached to this Report duly signed by the as Director (Finance).

## **15 Shares/Convertible Instruments held by Non-Executive Directors**

Nil

## CORPORATE POLICIES

We seek to promote and follow the highest level of ethical standards in all our business transactions guided by our value system. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 mandate the formulation of certain policies for all listed companies. The corporate governance policies are available on the Company's website, at [www.continentalseeds.co.in](http://www.continentalseeds.co.in). The policies are reviewed periodically by the Board and updated as needed.

Key policies that have been adopted are as follows:

<b>Name of Policy</b>	<b>Brief Description</b>	<b>Weblink</b>
Whistleblower Policy (Policy on vigil mechanism)	The Company has adopted a whistleblower mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's code of conduct and ethics.	<a href="http://www.continentalseeds.co.in/invetor_folder/Policies/vigil%20machanism%20policy.pdf">http://www.continentalseeds.co.in/invetor_folder/Policies/vigil%20machanism%20policy.pdf</a>
Code of Conduct and Ethics	The Company has adopted the Code of Conduct and Ethics which forms the foundation of its ethics and compliance program.	<a href="http://www.continentalseeds.co.in/invetor_folder/Policies/CODE%20OF%20CONDUCT%20FOR%20DIRECTORS%20AND%20SENIOR%20MANAGEMENT%20PERSONNEL.pdf">http://www.continentalseeds.co.in/invetor_folder/Policies/CODE%20OF%20CONDUCT%20FOR%20DIRECTORS%20AND%20SENIOR%20MANAGEMENT%20PERSONNEL.pdf</a>
Insider Trading Policy	The policy provides the framework in dealing with securities of the Company	<a href="http://www.continentalseeds.co.in/invetor_folder/Policies/Insider-Trading-Policy.pdf">http://www.continentalseeds.co.in/invetor_folder/Policies/Insider-Trading-Policy.pdf</a>
Policy for Determining Materiality for Disclosures	This policy applies to disclosures of material events affecting Infosys and its subsidiaries. This policy is in addition to the Corporate Policy Statement on Investor Relations, which deals with the dissemination of UPSI.	<a href="http://www.continentalseeds.co.in/invetor_folder/Policies/Policy%20for%20determining%20material%20subsidiaries.pdf">http://www.continentalseeds.co.in/invetor_folder/Policies/Policy%20for%20determining%20material%20subsidiaries.pdf</a>
Remuneration Policy	This policy formulates the criteria for determining the remuneration of the directors, key managerial personnel, senior management and other employees.	<a href="http://www.continentalseeds.co.in/invetor_folder/Policies/Remuneration%20Policy.pdf">http://www.continentalseeds.co.in/invetor_folder/Policies/Remuneration%20Policy.pdf</a>
Policy on Material Subsidiaries	The policy is used to determine the material subsidiaries and material unlisted Indian subsidiaries of the Company and to provide the governance framework for them.	<a href="http://www.continentalseeds.co.in/invetor_folder/Policies/Policy%20on%20Materiality.pdf">http://www.continentalseeds.co.in/invetor_folder/Policies/Policy%20on%20Materiality.pdf</a>
Related Party Transaction Policy	The policy regulates all transactions between the Company and its related parties.	<a href="http://www.continentalseeds.co.in/invetor_folder/Policies/POLICY%20ON%20RELATED%20PARTY%20TRANSACTIONS.pdf">http://www.continentalseeds.co.in/invetor_folder/Policies/POLICY%20ON%20RELATED%20PARTY%20TRANSACTIONS.pdf</a>
Document Retention and Archival Policy	The policy deals with the retention and archival of corporate records of Continental Seeds and Chemical Limited.	<a href="http://www.continentalseeds.co.in/invetor_folder/Policies/ARCHIVAL%20POLICY.pdf">http://www.continentalseeds.co.in/invetor_folder/Policies/ARCHIVAL%20POLICY.pdf</a>
Policy on Board Diversity	The policy is used to recognizes and embraces the benefits of having a diverse Board that possesses a balance of skills, experience, expertise and diversity	<a href="http://www.continentalseeds.co.in/invetor_folder/Policies/POLICY%20ON%20BOARD%20DIVERSITY.pdf">http://www.continentalseeds.co.in/invetor_folder/Policies/POLICY%20ON%20BOARD%20DIVERSITY.pdf</a>



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	of perspectives appropriate to the requirements of the business of the Company.	
Risk Management And Internal Control Policy	This policy applies to all team members, whether full time, part time or casual at any level of seniority within the business. The policy also applies to contractors and consultants working on behalf of the Company.	<a href="http://www.continentalseeds.co.in/invetor_folder/Policies/Risk_Management_and_Internal_Control_Policy.pdf">http://www.continentalseeds.co.in/invetor_folder/Policies/Risk_Management_and_Internal_Control_Policy.pdf</a>
Policy on Materiality	The purpose of this policy is to ascertain the requirement of disclosure of events or information to stock exchange(s) and defining criteria for determining materiality of events and information specified under clause (i) of sub-regulation (4) of Regulation 30 of the Listing Regulations, 2015	<a href="http://www.continentalseeds.co.in/invetor_folder/Policies/Policy%20on%20Materiality.pdf">http://www.continentalseeds.co.in/invetor_folder/Policies/Policy%20on%20Materiality.pdf</a>





## **GENERAL SHAREHOLDER'S INFORMATION**

- 1. AGM date , time and venue** : 27<sup>th</sup> September, 2019 , at 11:00 A.M  
A-33, Upper Ground Floor, F.I.E.E. Complex Okhla Industrial Eastate, Phase II New Delhi South Delhi DL 110020
- 2. Financial Year** : 01<sup>st</sup> April 2018 to 31<sup>st</sup> March, 2019
- 3. Date of Book Closing** : 20<sup>th</sup> September, 2019 to 27<sup>th</sup> September, 2019  
(both days inclusive)
- 4. Dividend Payment Date** : NA
- 5. Listing on Stock Exchanges** : National Stock Exchange of India Limited  
Listing Department  
Exchange Plaza BandraKurla Complex,  
Bandra (East), Mumbai 400001
- 6. Status of Listing Fees** : Paid for FY 2019-2020
- 7. Registered Office** : A-33, Upper Ground Floor, F.I.E.E. Complex Okhla  
Industrial Eastate, Phase II, New Delhi, South Delhi 110020
- 8. CIN** : L01111DL1983PLC015969
- 9. Website/Email** : [www.continentalseeds.co.in](http://www.continentalseeds.co.in)
- 10. Depositories** : **National Securities Depository Ltd.(NSDL)**  
4th Floor, 'A' Wing, Trade World  
Kamla Mills Compound  
Senapati Bapat Marg, Lower Parel  
Mumbai - 400 013  
Tel: +91-22-24994200, Fax: +91-22-24972993  
  
**Central Depository Services (India) Ltd.(CDSL)**  
Phiroze Jeejeebhoy Towers  
28th Floor, Dalal Street  
Mumbai - 400 023  
Tel: +91-22-22723333, Fax: +91-22-22723199
- 11. ISIN** : INE340Z01019
- 12. Registrar and Transfer Agents** : Mas Services Limited  
T-34, 2nd Floor Okhla Industrial Area Phase-II  
New Delhi- 110020  
Phone Number:- 011-26387281-83, Fax: 011-26387384;  
Email: [info@masserv.com](mailto:info@masserv.com),



**13.** Members are requested to correspond with the Company's Registrar & Transfer Agents- Mas Services Limited quoting their folio no./DP ID/Client ID No at the following address:

Mas Services Limited

T-34, 2nd Floor Okhla Industrial Area Phase-II

New Delhi- 110020

Phone Number:- 011-26387281-83, Fax: 011-26387384; Email: info@masserv.com,

#### **14. Share Transfer System**

Share Transfer in physical form can be lodged with Mas Services Limited at the above mentioned address. Such Transfer are normally completed within 15 days from the date of receipt. The Company Secretary is duly empowered to approve transfer of shares.

**The Total Number of shares transferred in physical form during the financial year 2018-2019**

Number of Transfer Deeds	Nil
Number of Shares	Nil

#### **15. Investor's complaints received during the financial year 2018-2019:**

No complaints received during the financial Year 2018-2019.

#### **16. Distribution of Shareholding as on 31<sup>st</sup> March, 2019**

No. of ordinary Shares	No. of Shareholders	Percentage of total Shareholders	Shares Amount (Rs)	Percentage of total Shareholdings
Up To 5,000	35	70	1400000	2.33
5001 To 10,000	0	0	0	0
10001 To 20,000	03	6	348500	0.58
20001 To 30,000	0	0	0	0
30001 To 40,000	0	0	0	0
40001 To 50,000	0	0	0	0
50001 To 1,00,000	01	2	880000	1.46
1,00,000 and Above	11	22	57388350	95.63
<b>Total</b>	<b>50</b>	<b>100</b>	<b>60016850</b>	<b>100</b>

### 17. Categories of Shareholdings as on 31<sup>st</sup> March, 2019:

S. No.	Category	Shares	%
<b>A</b>	<b>Promoters Holding</b>		
1	Indian Promoters	4381685	73.01
2	Foreign Promoters	-	-
<b>Sub Total (A)</b>		4381685	73.01
<b>B</b>	<b>Public Shareholding</b>		
1	<b>Institutional Investors</b>	-	-
a)	Mutual Funds & UTI	-	-
b)	Banks, Financial Institutions, Insurance Companies(Central/State Government Institutions/Non-Government Institutions)	-	-
c)	Foreign Institutional Investors	-	-
<b>Sub Total (B1)</b>		<b>0.00</b>	<b>0.00</b>
2	<b>Non Institutional Investors</b>		
a)	Private Corporate Bodies		
b)	Indian Public	1620000	26.99
c)	NRI's		
d)	Any other		
i)	Foreign Banks	-	-
ii)	Trusts	-	-
iii)	OCBs		
<b>Sub Total (B2)</b>		1620000	26.99
<b>Total public Shareholding (B=B1+B2)</b>		1620000	26.99
<b>C</b>	<b>Shares held by Custodian and against which depository receipts have been issued</b>	-	-
<b>GRAND TOTAL (A+B+C)</b>		6001685	<b>100</b>

### 19. Dematerialization of Shares

Trading in the Equity Shares of the Company is only permitted in the dematerialized form as per the Securities and Exchange Board of India (SEBI) circular dated May 29, 2000.

The Company has established connectivity with both the Depositories viz. National Security Depository Ltd. (NSDL) as well as Central Depository Services (India) Ltd. (CDSL) to facilitate the demat trading. As on 31<sup>st</sup> March, 2019, the 100 % of the Company Share's Capital is in dematerialized form.



## 20. Market Price Information:

Month	NSE (in Rs)	
	Highest	Lowest
01st April, 2018 – 31st March, 2019	27.30	12.20

## 21. Scrip Codes: NSE (Emerge): CONTI

### DECLARATION REGARDING COMPLIANCE OF CODE OF CONDUCT

I, **Praveen Rastogi**, Managing Director of Continental Seeds and Chemicals Limited, hereby declare that all Board Members and Senior Management Personnel have affirmed compliance of the Code of Conduct as on 31<sup>st</sup> March, 2019.

Place: New Delhi

Date: 29/08/2019

Sd/-  
**Praveen Rastogi**  
Managing Director



## CERTIFICATE ON CORPORATE GOVERNANCE

### To the Members of Continental Seeds and Chemicals Limited

1. We have examined the compliance of conditions of Corporate Governance by **Continental Seeds and Chemicals Limited** (“the Company”) for the period ended on 31st March, 2019, as stipulated Regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said with various Stock Exchanges (hereinafter referred to as “the agreement”).
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and based on our review and to the best of our information and according to the explanations given to us, we certify that the conditions of the Corporate Governance as stipulated in Regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been complied with in all material aspects by the Company.
4. 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 Laur & Associates**  
**Company Secretaries**

**Sd/-**  
**CS Manju Laur**  
**Membership No: FCS 9254**  
**CP No. 12247**

**Place: New Delhi**  
**Date: 29/08/2019**



# **PMA & ASSOCIATES LLP**

## **Chartered Accountants**

### **INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF  
CONTINENTAL SEEDS AND CHEMICALS LIMITED  
CIN: L01111DL1983PLC015969**

### **Report on the Audit of the Standalone Financial Statements**

#### **Opinion**

We have audited the standalone financial statements of **CONTINENTAL SEEDS AND CHEMICALS LIMITED ('the Company')**, which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit/loss, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

- 1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our

opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For PMAS And Associates LLP**  
**Chartered Accountants**  
Firm's Regn. No. 024726N/N500068

**Sd/-**  
**CA Mohit Rastogi**  
**Partner**  
Membership No. - 514835  
New Delhi: 30.05.2019

## “ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT

With reference to the Annexure A referred to in the Independent Auditor’s Report to the members of the Company on the standalone financial statements for the year ended 31 March 2019, we report the following:

- (i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, fixed assets have been physically verified by the Management during the year in accordance with the phased programme of verification adopted by the management which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.
- (ii) The Management physically verified the inventories of finished goods, semi-finished goods, and raw materials at regular intervals. No Material discrepancies were reported during such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013; and therefore paragraph 3(iii) of the Order is not applicable,
- (iv) The Company has provided continuing corporate guarantee in violation of provisions of section 185 & 186 on behalf of related partnership firm to the tune of Rs.21.00 Crore to obtain the credit facilities.
- (v) The company has not accepted deposits in term of provisions of sections 73 to 76 of the companies Act, 2013. Further, we are informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal
- (vi) As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the Company.

- (vii) (a) According to the records of the company and information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues, including Income-tax, Tax deducted at sources, Tax collected at source, Professional Tax, Sales Tax, value added tax, Goods and Service Tax Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it, with the appropriate authorities;
- (b) According to the information and explanations given to us, there were no disputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, sales tax, VAT, GST, Cess and other material statutory dues in arrears /were outstanding as at 31 March, 2018 for a period of more than six months from the date they became payable.
- (viii) According to the information and explanations given to us there was no default in repayment of dues to the financial institutions or bank. Further the company has not issued any Debentures.
- (ix) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) According to the information & explanations given to us, no fraud on or by the company has been noticed or reported during the year under report.
- (xi) According to the information and explanations given to us the provisions of section 197 of the Companies Act, are not applicable upon the company.
- (xii) Since the company is not a Nidhi Company, this clause is not applicable upon it.
- (xiii) All the transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and their details have been disclosed in the financial statements, as per the applicable accounting standards.
- (xiv) According to the information and explanations given to us the Company has not issued any shares or convertible debentures during the year under audit. Hence, this clause is not applicable.

- (xv) According to the information and explanations given to us, company has not entered into any non-cash transactions with the persons connected with director details of which are annexed in note. Therefore, the provisions of section 192 of Companies Act, 2013 is not required to be complied
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For PMAS And Associates LLP**  
**Chartered Accountants**  
Firm's Regn. No. 024726N/N500068

**Sd/-**  
**CA Mohit Rastogi**  
**Partner**  
Membership No. - 514835  
New Delhi: 30.05.2019

## **“ANNEXURE B” TO THE INDEPENDENT AUDITORS’ REPORT**

### **Report on the Internal Financial Controls under Clause ( i ) of Sub-section 3 of Section 143 of the Companies Act,2013(“ the Act “ )**

We have audited the internal financial controls over financial reporting of **Continental Seeds & Chemicals Limited** (“the Company”) as of March 31, 2019 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India .These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act,2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over the financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorities of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of the internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of the changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For PMAS And Associates LLP**

**Chartered Accountants**

Firm's Regn. No. 024726N/N500068

**Sd/-**

**CA Mohit Rastogi**

**Partner**

Membership No. - 514835

New Delhi: 30.05.2019

CONTINENTAL SEEDS AND CHEMICALS LIMITED  
A-33, UPPER GROUND FLOOR, FIEE COMPLEX OKHLA INDUSTRIAL ESTATE, PHASE II, New Delhi 110020  
CIN No.L01111DL1983PLC015969  
**Balance Sheet as at 31st March, 2019**

Amount In Rs.

Particulars	Note No.	31.03.2019	31.03.2018
<b>I. ASSETS</b>			
<b>1 Non-Current Assets</b>			
<b>1.1 Fixed Assets</b>			
Property, Plant & Equipment	3	1,66,82,517	1,30,51,908
Investment Property		-	-
Capital Work in Progress		1,41,43,851	-
<b>1.2 Financial Assets</b>			
(i) Investments		-	-
(ii) Trade Receivables	4	5,18,17,974	62,47,395
(iii) Loans		-	-
(iv) Other Financial Assets	5	10,15,316	6,06,316
<b>1.3 Deferred Tax Assets (Net)</b>	6	8,34,001	7,32,721
<b>1.4 Other Non-Current Assets</b>	7	62,66,696	3,46,696
<b>Total Non- Current Assets</b>		<b>9,07,60,355</b>	<b>2,09,85,036</b>
<b>2 Current Assets</b>			
<b>2.1 Inventories</b>	8	3,58,03,044	3,53,50,393
<b>2.2 Financial Assets</b>			
(i) Investments		-	-
(ii) Trade Receivables	4	12,88,11,883	25,00,39,489
(iii) Cash and Cash Equivalents	9	4,65,189	4,27,66,978
(iv) Bank Balances (Deposites with maturity upto 12 months)		-	-
(v) Loans		-	-
(vi) Other Financial Assets		-	-
<b>2.3 Other Current Assets</b>	10	3,21,80,085	1,54,06,468
<b>Total Current Assets</b>		<b>19,72,60,201</b>	<b>34,35,63,327</b>
<b>Total Assets</b>		<b>28,80,20,556</b>	<b>36,45,48,363</b>
<b>II. EQUITY &amp; LIABILITIES</b>			
<b>3 Equity</b>			
3.1 Equity Share Capital	11	6,00,16,850	6,00,16,850
3.2 Other Equity	12	5,03,18,114	4,59,45,636
<b>Total Equity</b>		<b>11,03,34,964</b>	<b>10,59,62,486</b>
<b>4 Liabilities</b>			
<b>4.1 Non-Current Liabilities</b>			
<b>4.2 Financial Liabilities</b>			
(i) Borrowings	13	44,09,164	53,69,631
(ii) Trade Payables		-	-
(iii) Other Financial Liabilities		-	-
<b>4.3 Deferred Tax Liabilities (Net)</b>	6	-	-
<b>4.4 Provisions</b>	14	1,24,992	1,09,327
<b>4.5 Other Non- Current Liabilities</b>	15	9,45,290	18,06,810
<b>Total Non-Current Liabilities</b>		<b>54,79,446</b>	<b>72,85,768</b>
<b>5 Current Liabilites</b>			
<b>5.1 Financial Liabilites</b>			
(i) Borrowings	16	2,99,78,807	2,80,94,265
(ii) Trade Payables	17	12,89,79,810	20,58,17,897
(iii) Other Financial Liabilities	18	39,32,714	50,77,001
<b>5.2 Other Current Liabilities</b>	19	56,04,235	59,71,489
<b>5.3 Provisions</b>	20	91,456	46,76,705
<b>5.4 Current tax liabilities (Net)</b>		36,19,124	16,62,751
<b>Total Current Liabilities</b>		<b>17,22,06,146</b>	<b>25,13,00,109</b>
<b>Total Equity &amp; Liabilities</b>		<b>28,80,20,556</b>	<b>36,45,48,363</b>

The accompanying notes 1 & 2 form an integral part of the financial statements

As per our Audit Report of even date attached

For PMAS & Associates LLP  
Chartered Accountants  
FRN No.- 024726N/N500068

For and On Behalf of the Board of Directors

Sd/-  
CA Mohit Rastogi  
Partner  
M.No.514835  
Delhi: 30.05.2019

Sd/-  
Pravin Rastogi  
Managing Director  
DIN NO: 01414608

Sd/-  
Jai Shree Rastogi  
Director  
DIN NO: 01414622

Sd/-  
Megha Jain  
Company Secretary  
M.No. A28660



**CONTINENTAL SEEDS AND CHEMICALS LIMITED**  
**A-33, UPPER GROUND FLOOR, FIEE COMPLEX OKHLA INDUSTRIAL ESTATE, PHASE II, New Delhi 110020**  
**CIN No.L01111DL1983PLC015969**

**Statement of Profit & Loss for the year ended 31 March, 2019**

*Amount In Rs.*

Sr.No.	Particulars		31.03.2019	31.03.2018
I	Revenue from Operations	21	82,10,02,458	81,62,24,788
II	Other Income	22	12,99,724	9,21,529
III	<b>Total Income from Operations</b>		<b>82,23,02,182</b>	<b>81,71,46,317</b>
IV	<b>EXPENSES</b>			
	Cost of Material Consumed		-	-
	Purchase of Stock-In-Trade		79,21,52,012	78,76,23,769
	Changes in Inventories	23	(4,52,651)	(23,18,515)
	Employee Benefit Expenses	24	40,91,838	28,73,393
	Finance Cost	25	51,99,306	61,58,676
	Depreciation and Amortization Expenses	3	26,99,641	25,61,303
	Other Expenses	26	97,88,583	96,11,759
	<b>Total Expenses</b>		<b>81,34,78,729</b>	<b>80,65,10,386</b>
V	Profit before Exceptional and Extraordinary Items and Tax (III-IV)		<b>88,23,453</b>	<b>1,06,35,931</b>
X	Exceptional Items	27	2,50,558	18,859
	Profit before Tax		85,72,895	1,06,17,072
XI	Tax Expense			
	Current Tax		36,19,124	42,31,000
	MAT Credit utilised		-	25,68,249
	Net current tax		36,19,124	16,62,751
	Earlier Year Tax Adjustment		4,05,385	-
	Deferred Tax Assets		1,01,280	8,26,562
XI	Profit(Loss) for the Period		46,49,667	72,12,634
XVI	Other Comprehensive Income		-	-
XVIII	Total Comprehensive Income for the Period		<b>46,49,667</b>	<b>72,12,634</b>
	Paid-up Equity Share Capital ( Face value of Rs.10 per share)			
XIX	Earnings per Equity Share			
	-Basic		0.77	1.88
	-Diluted		0.77	1.88
	Weighted average equity shares used in computing earnings per share			
	Basic		60,01,685	38,33,506
	Diluted		60,01,685	38,33,506

*The accompanying notes 1 & 2 form an integral part of the financial statements*

As per our Audit Report of even date attached

For PMAS & Associates LLP  
Chartered Accountants  
FRN No.- 024726N/N500068

For and On Behalf of the Board of Directors

Sd/-  
CA Mohit Rastogi  
Partner  
M.No.514835  
Delhi: 30.05.2019

Sd/-  
Pravin Rastogi  
Managing Director  
DIN NO: 01414608

Sd/-  
Jai Shree Rastogi  
Director  
DIN NO: 01414622

Sd/-  
Megha Jain  
Company Secretary  
M.No. A28660

Continental Seeds & Chemicals Ltd.  
Statement of Changes in Equity

Amount in Rs.

Particulars	Equity Share Capital	Other Equity							Total Equity Attributable to Equityholders of the Company
		Reserves & Surplus				Other Comprehensive Income			
		Securities Premium Reserve	Retained Earnings	Capital Reserve	General Reserve	Equity Instruments through other comprehensive income	Cash Flow Hedge Reserve	Other Items of other Comprehensive Income	
<b>Balance as of 01 April, 2018</b>	6,00,16,850	2,59,20,000	1,94,95,335	5,30,301	-	-	-	-	10,59,62,486
Increase in share capital on account of bonus issue	-	-	-	-	-	-	-	-	-
Increase in share capital on account of fresh issue	-	-	-	-	-	-	-	-	-
Amount utilized for bonus issue	-	-	-	-	-	-	-	-	-
Profit for the Period	-	-	46,49,667	-	-	-	-	-	46,49,667
Equity Instruments through Other Comprehensive Income	-	-	-	-	-	-	-	-	-
Income Tax Short Provisions made for earlier years	-	-	(2,77,189)	-	-	-	-	-	(2,77,189)
<b>Balance as of 31 March, 2019</b>	6,00,16,850	2,59,20,000	2,38,67,813	5,30,301	-	-	-	-	11,03,34,964

Statement of Changes in Equity

Amount in Rs.

Particulars	Equity Share Capital	Other Equity							Total Equity Attributable to Equityholders of the Company
		Reserves & Surplus				Other Comprehensive Income			
		Securities Premium Reserve	Retained Earnings	Capital Reserve	General Reserve	Equity Instruments through other comprehensive income	Cash Flow Hedge Reserve	Other Items of other Comprehensive Income	
<b>Balance as of 01 April, 2017</b>	1,25,19,100	2,47,50,000	1,88,30,452	5,30,301	-	-	-	-	5,66,29,853
Increase in share capital on account of bonus issue	3,12,97,750	-	-	-	-	-	-	-	3,12,97,750
Increase in share capital on account of fresh issue	1,62,00,000	2,59,20,000	-	-	-	-	-	-	4,21,20,000
Amount utilized for bonus issue	-	(2,47,50,000)	(65,47,750)	-	-	-	-	-	(3,12,97,750)
Profit for the Period	-	-	72,12,633	-	-	-	-	-	72,12,633
Equity Instruments through Other Comprehensive Income	-	-	-	-	-	-	-	-	-
<b>Balance as of 31 March, 2018</b>	6,00,16,850	2,59,20,000	1,94,95,335	5,30,301	-	-	-	-	10,59,62,486

**CONTINENTAL SEEDS AND CHEMICALS LIMITED**

A-33, UPPER GROUND FLOOR, FIEE COMPLEX OKHLA INDUSTRIAL ESTATE, PHASE II, New Delhi  
110020 CIN No.L01111DL1983PLC015969

**Cash Flow Statement for the Year ended 31.03.2019**

<b>Particulars</b>	<b>31.03.2019</b>	<b>31.03.2018</b>
<b>Profit before tax</b>	85,72,895	1,06,17,072
<b><u>Non Cash Adjustment</u></b>		
Depreciation and amortisation	26,99,641	25,61,303
Profit after adjustment of all non cash items	1,12,72,536	1,31,78,375
Provision for employees Benefit	15,665	(12,145)
MAT Credit Adjustment	-	(25,68,251)
Securities deposits written back	(8,61,520)	-
Income Tax Short Provisions made for earlier years	(2,77,189)	
<b><u>Adjustment for income and expenditure other than operation</u></b>		
Interest income		-
Finance cost	51,99,306	61,58,676
cashflow from operation before change in working capital	1,53,48,798	1,67,56,655
<b><u>Cash from Operations before Working Capital Changes</u></b>		
Increase in Current Assets	(6,91,25,847)	(19,87,72,522)
Decrease in Current Assets	12,12,27,606	13,95,666
Increase in Current Liabilities	15,17,288	20,60,19,207
Decrease in Current Liabilities	(8,25,67,623)	(1,04,88,399)
Cashflow from operation after working capital change	<b>(1,35,99,779)</b>	<b>1,49,10,607</b>
Less: Income tax Paid	20,68,137	14,60,368
Net cashflow from operating Activities (A)	<b>(1,56,67,916)</b>	<b>1,34,50,239</b>
<b><u>Cash Flow from Investing Activities</u></b>		
Purchase of Fixed Assets	(2,04,74,101)	-
Interest income		-
Cash flow from Investing Activities (B)	<b>(2,04,74,101)</b>	-
<b><u>Cash Flow from Financing Activities</u></b>		
Proceeds from Issue of Share Capital	-	4,21,20,000
Proceeds from Long Term Borrowings	(9,60,467)	(70,55,950)
Borrowing Cost	(51,99,306)	(61,58,676)
Cash flow from Financial Activities	<b>(61,59,773)</b>	<b>2,89,05,374</b>
Net increase/Decrease in cash or cash equivalent (A+B+C)	(4,23,01,789)	4,23,55,613
<b><u>Opening Cash and Cash Equivalents</u></b>		
Cash in Hand	2,19,236	2,85,360
Balance with Bank	4,25,47,742	1,26,005
<b>Cash and cash equivalents at the end of the year</b>	<b>4,65,189</b>	<b>4,27,66,978</b>
<b><u>Closing Cash and Cash Equivalents</u></b>		
Cash in Hand	3,29,075	2,19,236
Balance with Bank	1,36,115	4,25,47,742
<b>Cash and cash equivalents at the end of the year</b>	<b>4,65,189</b>	<b>4,27,66,978</b>

As per our Audit Report of even date attached

For PMAS & Associates LLP  
Chartered Accountants  
FRN No.- 024726N/N500068

For and On Behalf of the Board of Directors

Sd/-  
CA Mohit Rastogi  
Partner  
M.No.514835  
Delhi: 30.05.2019

Sd/-  
Pravin Rastogi  
Managing Director  
DIN NO: 01414608

Sd/-  
Jai Shree Rastogi  
Director  
DIN NO: 01414622

Sd/-  
Megha Jain  
Company Secretary  
M.No. A28660

**COMPANY OVERVIEW**

Continental Seeds And Chemicals Limited (hereinafter refers to “The Company”) is a company limited by shares, having CIN L01111DL1983PLC015969 was incorporated in June 1983. The Company is basically engaged in the sale, purchase and cultivate of wheat, paddy, cereals, mentha oil and seeds of all kind. Equity shares of the company are listed and admitted on exchange on the SME Platform of NSE (‘NSE EMERGE’) w.e.f 03.04.2018.

**NOTE NO.1: SIGNIFICANT ACCOUNTING POLICIES AS AT 31<sup>ST</sup> MARCH, 2019:****1.1(a) Basis of Preparation of Financial Statements**

These financial statements are prepared in accordance with Indian Accounting Standards (IndAS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act , 2013 (‘Act’) (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

**(b) Use of Estimates**

In preparing the financial statements in conformity with Ind AS, management is required to make judgements, estimates and assumptions that may affect the reported amounts of assets and liabilities and the disclosure of contingent assets & liabilities as at the date of financial statements and the amounts of revenue and expenses during the reported period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of facts and circumstances as at the date of the financial statement. Actual results could differ from those estimates. Estimates and underlying assumption are reviewed on an ongoing basis. Any revision to such estimates is recognised in the period the same is determined.

**Useful lives of property, plant and equipment**

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

**Provisions and contingent liabilities**

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of

which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are not recognised in the financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

## **1.2 Valuation of Inventories**

### **(i) Inventory**

Inventory is measured at the lower of cost or net realizable value.

Cost of inventory consumed is arrived at using the *FIRST IN FIRST OUT (FIFO)* method. The cost comprises the cost of obtaining the raw material after net of refundable duty (if any), but inclusive of freight and other direct expenses incurred to bringing such raw material to the place of processing or present location.

### **(ii) Finished Goods**

Finished Goods are measured at the lower of cost or net realizable value.

Finished goods are valued on the full absorption cost basis and the cost comprises the cost of raw material consumed, Direct Expenses and appropriate overhead expenses incurred in bringing such finished goods to their present condition.

## **1.3 Cash Flow Statements**

Cash flow are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

## **1.4 Revenue Recognition**

Revenue is recognized when the significant risks and rewards of ownership of goods have been passed to the buyer and seller retains no effective control of goods transferred and also no significant uncertainty exist regarding consideration amount & its ultimate collection. Revenue from operation includes sale of services, service tax and sales during trial run period adjusted for discounts (net) and gain/ loss on corresponding hedge contracts.

When goods or services are exchanged or swapped for goods or services which are of a similar nature and value, the exchange is not regarded as a transaction which generates revenue.

**i. Other Income**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

**1.5 Property, Plant and Equipment**

Fixed Assets are stated at their original cost less accumulated depreciation and impairment loss, if any. Cost comprises the acquisition price, Taxes, Duties, Freight, insurance and any other incidental costs of bringing the assets to their working condition for their intended use. In respect of projects involving construction, related pre-operational expenses form part of the value of assets capitalized.

Costs/expenses incurred on or in relation to Tangible & Intangible Assets, which are not put to use or are not ready for their intended use or which are under construction are classified under Capital Work-in-Progress & Intangible assets under development.

Subsequent expenditures related to an item of fixed asset are 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.

**Depreciation methods, estimated useful lives and residual value**

Depreciation on property, plant and equipment is provided on 'Straight Line Method' based on useful life as prescribed under Schedule II of the Companies Act 2013. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. The estimated useful lives of assets are as follows:

Building	60 years
Plant and Machinery	15 years

Office Equipment	5 years
Computer Equipment	3 years
Furniture and Fixture	10 years
Vehicles	8-10 years

**Derecognition**

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

**1.6 Leases**

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease under which the risks and rewards incidental to ownership are not transferred to lessee is classified as operating lease. Lease payments under operating leases are recognized as an expense in net profit in the statement of profit and loss.

**1.7 FINANCIAL INSTRUMENTS****(i) Initial recognition and measurement:**

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition nor issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

**(i) Subsequent measurement****a. Non-derivative financial instruments****(i) Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**(ii) Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

**(iii) Financial assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

**(iv) Financial liabilities**

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**a. Share capital****Ordinary Shares**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

**1.8 Derecognition of financial instruments**



The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

### **1.9 Fair value of financial instruments**

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

For financial assets and liabilities maturing within one year from the balance sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

### **1.10 Impairment**

#### **a. Financial assets**

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

#### **b. Non-financial assets**

##### **(i) Intangible assets and property, plant and equipment**

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For

the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

### **1.11 Employee Benefits**

The company has various schemes of retirement benefits such as Gratuity, leave encashment.

(i) **Short Term :-** Short term employee benefits are recognized in the year during which the services have been rendered.

(ii) **Long Term :-**

**Leave Encashment** -The Company has provided for the liability at year end on account of accumulated earned leave as per policy of the company.

**Gratuity** - The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan'), covering eligible employees. Gratuity liability is determined by the management.

### **1.12 Earning Per Share**

Basic earning per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value which is the average market value of the outstanding shares. Dilutive potential equity shares are deemed to be converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

### **1.13 Taxation**

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The income tax provision for the interim period is made based on the best estimate of the annual average tax rate expected to be applicable for the full financial year. Tax benefits of deductions earned on exercise of

employee share options in excess of compensation charged to income are credited to share premium.

**1.14 Provisions, Contingent Liabilities and Contingent Assets****a. Provisions:**

A provision is recognized when the company has a present obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions are not discounted to their present value and are recognized based on best estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best efforts.

**b. Contingent Liability**

Contingent liability is disclosed for

- (i) Possible obligation which will be confirmed only by future events not wholly within the control of the company or
- (ii) Present obligation arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

**Note 2: ADDITIONAL NOTES TO BALANCE SHEET AND STATEMENT OF PROFIT & LOSS AS AT 31<sup>ST</sup> MARCH, 2019:**

- 2.1** Note 3 to 27 are annexed to and form integral part of balance sheet, statement of profit & loss & cash flow statement.
- 2.2** Previous year figures have been regrouped, reclassified and rearranged wherever necessary to make them comparable with the current year figures.
- 2.3** In the opinion of the management current assets, loans and advances have a value on realization in the ordinary course of business; however the balances of sundry debtors, creditors and loans & advances are subject to confirmation.

**2.4 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006-**

Particulars	March 31, 2019	March 31, 2018
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	2,77,33,106	Nil
Principal amount due to micro and small enterprises	2,59,67,970	Nil
Interest due on above	17,65,137	Nil
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	17,65,137	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year	17,65,137	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	Nil	Nil

**2.5 Leases**

The Company has taken on lease property under an operating lease arrangement having lease term for 5 Years with the lock-in-period of 3 years. Lease agreement includes escalation clauses. Operating lease rent expenses were Rs.6.80 Lacs year ended March 31, 2019. The future minimum lease payments are given below:

**Operating Leases**

	Year ended on	
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Due within one year	16,89,120	Nil
Due in a period between one year and five years	68,80,086	Nil
<b>Total</b>	<b>85,69,206</b>	<b>Nil</b>

**2.6 Repayment schedule of Non Current Long-Term Borrowings**

(Amount in Rs.)

Year	Business Loan	Term Loan
2019-2020	60,294	21,21,105
2020-2021	Nil	23,54,865
2021-2022	Nil	8,41,271

**2.7 Auditors' remuneration**

(Amount in Rs.)

Particulars	Year ended on	
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Statutory Audit	2,00,000	2,00,000
Tax Audit	1,00,000	1,00,000
<b>Total</b>	<b>3,00,000</b>	<b>3,00,000</b>

**2.8 Revenue Recognition**

(Amount in Rs.)

Particulars	Year ended on	
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Revenue Generating Transactions	68,25,41,893	70,36,24,948
Non Revenue Generating Transactions	13,84,60,565	11,53,72,800
<b>Total</b>	<b>82,10,02,458</b>	<b>81,89,97,748</b>

**2.9 Financial Instruments by Category**

(Amount in Rs.)

Particulars	Year ended on	
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Trade Receivables	18,06,29,857	25,62,86,884
Cash and Cash Equivalents	4,65,189	4,27,66,978
Other Financial Assets-Non Current	10,15,316	6,06,316
Trade Payables	12,72,14,674	20,58,17,897
Non- Current Borrowings	44,09,164	53,69,631
Borrowings	2,99,78,807	2,80,94,265
Other Financial Liabilities	39,32,714	50,77,001

**2.10 Related Party Transactions**
**A. List of Related Parties & Relationships**

S. No	Particulars	Status	Relationship
1	Praveen Aroma Pvt Ltd	Company	Enterprises where KMP having significant influence
2	Natural Herbals & Seeds	Partnership Concern	Enterprises where KMP having significant influence
3	Shree Balaji Enterprises	Proprietorship	Enterprises where Wife of Director is a Guarantor.
4	Shri Praveen Rastogi	Managing Director	Key Management Person
5	Smt Jaishree Rastogi	Director	Key Management Person
6	Shri Sachin Rastogi	Director	Key Management Person
7	G.K Sharma	Director	Key Management Person
8	Prashant Rastogi	Director	Key Management Person
9	Utpal Tandon	Chief Financial Officer	Key Management Person

**B. Transactions**

(Amount in Rs.)

Transactions	Enterprises where KMP having significant influence		Key Management Persons	
	Remuneration	Nil (Nil)	Nil (Nil)	18,99,000 (7,16,000)
Rent Paid	Natural Herbals & Seeds	20,000 (Nil)	Nil (Nil)	
Rent Received	Natural Herbals & Seeds	1,20,000 (1,20,000)	Nil (Nil)	
Loan Received	Nil (Nil)	Nil (Nil)	Praveen Rastogi	14,00,000 (Nil)
Loan Repaid	Nil (Nil)	Nil (Nil)	Praveen Rastogi	Nil (29,38,765)
Purchases	Shree Balaji Enterprises	23,94,82,323 (21,98,15,224)	Nil (Nil)	
	Praveen Aroma Pvt Ltd	1,04,23,868 (Nil)	Nil (Nil)	
	Natural Herbals & Seeds	2,35,87,200 (Nil)	Nil (Nil)	
Sale	Shree Balaji Enterprises	13,50,62,910 (Nil)	Nil (Nil)	
Transfer of Plant & Machinery from	Natural Herbals & Seeds	1,03,80,770 (Nil)	Nil (Nil)	
Balance outstanding as at year end in the form of Trade Payables	Natural Herbals & Seeds	2,59,67,970 (Nil)	Nil (Nil)	
	Shree Balaji Enterprises	4,52,97,413 (Nil)	Nil (Nil)	
Guarantee Given	Natural Herbals	21.00 Crores	Nil	

Transactions	Enterprises where KMP having significant influence		Key Management Persons
	& Seeds	(19.50 Crores)	
			(Nil)

**2.11 Details of sale and purchase of goods**

**Finished Goods/Traded Goods (Net of Return)**

**(Amount in Rs.)**

Particulars	Purchases	Sales
Cereals	13,86,54,658 (97,17,779)	14,91,44,687 (1,08,60,465)
Basmati Rice	34,37,67,606 (53,23,71,809)	35,75,57,111 (54,79,30,923)
D.M.O. & Menthol	6,23,75,800	6,54,54,620
Mentha Oil	25,07,50,294 (19,82,34,730)	21,59,97,210 (20,41,93,800)
Wheat Certified Seeds	4,13,800 (2,50,50,670)	3,28,48,830 (3,37,00,200)
Sugar	Nil (46,87,360)	Nil (47,24,480)
Wheat Flour	Nil (1,75,61,420)	Nil (1,75,87,860)
<b>Total</b>	<b>79,59,62,158</b> <b>(78,76,23,769)</b>	<b>82,10,02,458</b> <b>(81,89,97,728)</b>

**2.12 Earning per Share (EPS)**

**(Amount in Rs.)**

S. No	Particulars	As on	
		31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
1	Profit after tax attributable to Ordinary Shareholders (Amount in Rs.)	46,49,667	72,12,633
2	Weighted Average No. of Equity Shares Outstanding during the year	60,01,685	38,33,506
3	Nominal value of Ordinary Shares (Rs.)	10	10
4	Basic/Diluted Earning per Share (Rs.)	0.77	1.88





**CONTINENTAL SEEDS AND CHEMICALS LIMITED**

**A-33, UPPER GROUND FLOOR, FIEE COMPLEX OKHLA INDUSTRIAL ESTATE, PHASE II, New Delhi 110020**

Property, Plant & Equipment

**Note 3**

**DEPRECIATION CHART AS PER COMPANIES ACT, 2013  
FOR THE PERIOD FROM 01.04.2018 TO 31.03.2019**

PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION			NET BLOCK	
	Deemed Cost as on 01.04.2018	ADDITIONS during the yr	SALE/Adjustment	AS AT 31.03.2019	Upto 01.04.2018	DEPRECIATION FOR THE PERIOD	Total Upto 31.03.2019	AS AT 31.03.2019	AS AT 31.03.2018
LAND	13,90,864	37,83,500	-	51,74,364	-	-	-	51,74,364	13,90,864
BUILDING	1,20,40,192	-	-	1,20,40,192	98,53,904	1,36,629	99,90,533	20,49,659	21,86,288
PLANT & MACHINERY	1,79,00,069	9,72,750	-	1,88,72,819	89,92,982	19,65,280	1,09,58,262	79,14,557	89,07,087
FURNITURE & FIXTURE	4,77,532	-	-	4,77,532	4,77,532	-	4,77,532	-	-
ELECTRICAL FITTINGS & EQUIPMENTS	3,32,858	-	-	3,32,858	3,32,858	-	3,32,858	-	-
VEHICLES	23,20,502	13,90,000	-	37,10,502	23,17,429	4,16,622	27,34,051	9,76,451	3,073
OFFICE EQUIPMENT	4,66,305	1,84,000	-	6,50,305	4,66,305	46,806	5,13,111	1,37,194	-
AIR CONDITIONER	3,23,320	-	-	3,23,320	3,22,933	301	3,23,234	86	387
COMPUTER	4,41,559	-	-	4,41,559	4,41,559	-	4,41,559	-	-
LAB. TESTING EQUIPMENTS	2,87,388	-	-	2,87,388	1,86,276	33,987	2,20,263	67,125	1,01,112
PAGER	8,600	-	-	8,600	8,600	-	8,600	-	-
D.G. SET 45 KVA	6,00,000	-	-	6,00,000	2,11,387	83,930	2,95,317	3,04,683	3,88,613
WEIGHING MACHINE 100 KG.	50,000	-	-	50,000	17,616	6,994	24,610	25,390	32,384
WEIGHING MACHINE 300 KG.	65,000	-	-	65,000	22,900	9,092	31,992	33,008	42,100
<b>TOTAL TANGIBLE FIXED ASSETS</b>	<b>3,67,04,189</b>	<b>63,30,250</b>	<b>-</b>	<b>4,30,34,439</b>	<b>2,36,52,281</b>	<b>26,99,641</b>	<b>2,63,51,922</b>	<b>1,66,82,517</b>	<b>1,30,51,908</b>
<b>CAPITAL WORK IN PROGRESS PLANT &amp; MACHINERY UNDER CONSTRUCTION*</b>	<b>-</b>	<b>1,41,43,851</b>	<b>-</b>	<b>1,41,43,851</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,41,43,851</b>	<b>-</b>
<b>Total Fixed Assets</b>	<b>3,67,04,189</b>	<b>2,04,74,101</b>	<b>-</b>	<b>5,71,78,289</b>	<b>2,36,52,281</b>	<b>26,99,641</b>	<b>2,63,51,922</b>	<b>3,08,26,368</b>	<b>1,30,51,908</b>
<b>Previous Year</b>	<b>3,67,04,189</b>	<b>-</b>	<b>-</b>	<b>3,67,04,189</b>	<b>2,10,90,977</b>	<b>25,61,303</b>	<b>2,36,52,281</b>	<b>1,30,51,908</b>	<b>1,56,13,212</b>

\*Capital WIP consists machinery of Rs.75,02,770/- transferred from Natural Herbal and Seeds (related party)

Note No: 4

Particulars	31.03.2019	31.03.2018
<b>Trade Receivables</b>		
<b>(A) Non Current</b>		
Considered Good*	5,18,17,974	62,47,395
Considered Doubtful	-	-
<b>Sub-total(A)</b>	5,18,17,974	62,47,395
<b>(B) Current</b>		
<b>Unsecured</b>		
Considered Good	12,88,11,883	25,00,39,489
Considered Doubtful	-	-
	12,88,11,883	25,00,39,489
<b>Less: Allowance for credit losses</b>	-	-
<b>Sub-total(B)</b>	12,88,11,883	25,00,39,489
<b>Total (A+B)</b>	<b>18,06,29,857</b>	<b>25,62,86,884</b>

\* Management has certificated that payment will be realised shortly and there is no need to make provisions.

Note No: 5

Particulars	31.03.2019	31.03.2018
<b>Other Financial Assets- Non Current</b>		
Security Deposit	10,14,316	6,05,316
FDR	1,000	1,000
<b>Total</b>	<b>10,15,316</b>	<b>6,06,316</b>

Note No: 6

Particulars	31.03.2019	31.03.2018
<b>Deferred Tax Assets</b>		
Opening Balance	7,32,721	(93,841)
Add: Provision made during the year	1,01,280	8,26,562
<b>Total</b>	<b>8,34,001</b>	<b>7,32,721</b>

Note No:7

Particulars	31.03.2019	31.03.2018
<b>Other Non Current Assets</b>		
Advances to Suppliers	59,20,000	-
Advance for Land*	3,46,696	3,46,696
<b>Total</b>	<b>62,66,696</b>	<b>3,46,696</b>

\* Company has given Advances for land to swadeshi poly dated 18/08/2012 but possession has not been transferred.

Note No:8

**Inventories**

Particulars	31.03.2019	31.03.2018
<i>(As taken, valued &amp; certified by the management)</i>		
Finished Goods	3,58,03,044	3,53,50,393
<b>Total</b>	<b>3,58,03,044</b>	<b>3,53,50,393</b>

**Note No:9**

<b>Particulars</b>	<b>31.03.2019</b>	<b>31.03.2018</b>
<b>Cash &amp; Cash Equivalents</b>		
(i) Cash in Hand	3,29,075	2,19,236
<b>Sub Total (i)</b>	<b>3,29,075</b>	<b>2,19,236</b>
<b>(ii)Balance with Banks</b>		
<b>Current A/c with:</b>		
-HDFC Akbarpur	82,081	1,30,949
-HDFC Bahraich	5,000	0
-ICICI Bank -Amd Nagar	40,000	40,000
-Indusind Bank (Escrow A/c)	-	4,21,20,000
-PNB Current A/c	-	2,47,760
-PNB Begu Sarai	9,034	9,034
<b>Sub Total (ii)</b>	<b>1,36,115</b>	<b>4,25,47,742</b>
<b>Total (i+ii)</b>	<b>4,65,189</b>	<b>4,27,66,978</b>

**Note No:10****Other Current Asstes**

<b>Particulars</b>	<b>31.03.2019</b>	<b>31.03.2018</b>
<b>Other Loans &amp; Advances</b>		
<b>Unsecured, Considered Goods</b>		
Advance to Supplier for Purchase*	2,86,92,249	94,20,000
Rent Receivable	2,32,555	-
Advance for Expenses	25,975	25,975
Rent Receivable	-	31,158
Prepaid Insurance	33,092	1,24,594
NSDL	40,710	40,710
Central Depository Securities India Ltd.	-	590
Balance with Government Department	31,55,504	57,63,441
<b>Total</b>	<b>3,21,80,085</b>	<b>1,54,06,468</b>

\* The management has certified that the said advance is in relation to trade.

**CONTINENTAL SEEDS AND CHEMICALS LIMITED**

**A-33, UPPER GROUND FLOOR, FIEE COMPLEX OKHLA INDUSTRIAL ESTATE, PHASE II, New Delhi  
110020**

Notes Forming Integral Part of Balance Sheet

Amounts in Rs

Note No: 11

Equity Share Capital

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	Number	Amount	Number	Amount
<b>a. Authorised Share Capital:</b>				
Equity Shares of Rs 10 each	65,00,000	6,50,00,000	65,00,000	6,50,00,000
Preference shares of Rs 10 each	-	-	-	-
<b>b. Issued, Subscribed &amp; Paid up Capital:</b>				
Equity Shares of Rs 10 each fully paid**	60,01,685	6,00,16,850	60,01,685	6,00,16,850
<b>Total</b>	<b>60,01,685</b>	<b>6,00,16,850</b>	<b>60,01,685</b>	<b>6,00,16,850</b>

\*\*Of Above, 31,29,775 Equity shares are issued by way of Bonus Shares by capitalisation of Securities Premium A/c and Reserves and Surplus) in the FY 2017-18.

**c. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period**

Particulars	Equity Shares		Preference Shares	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	60,01,685	6,00,16,850	-	-
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>60,01,685</b>	<b>6,00,16,850</b>	<b>-</b>	<b>-</b>

**d. Right of Equity Shareholders**

The Company has only one type of Equity Shares having par value of Rs.10. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amount.

**e. Shares in the Company held by each shareholders holding more than 5 percent shares specifying the numbers of shares held**

Name of Shareholder	As at 31 March, 2019		As at 31 March, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Equity Shares :</b>				
Jai Shree Rastogi	17,25,360	28.75%	17,25,360	28.75%
Praveen Rastogi	16,65,475	27.75%	16,65,475	27.75%

Shareholding Pattern	As at 31 March, 2019		As at 31 March, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Public	16,20,000	26.99%	16,20,000	26.99%
Promoter	33,90,835	56.50%	33,90,835	56.50%
Other	9,90,850	16.51%	9,90,850	16.51%

**CONTINENTAL SEEDS AND CHEMICALS LIMITED**

A-33, UPPER GROUND FLOOR, FIEE COMPLEX OKHLA INDUSTRIAL ESTATE, PHASE II, New Delhi 110020

Note No: 12

Amounts in Rs

PARTICULARS	As at	
	31.03.2019	31.03.2018
<b>Other Equity</b>		
<b>a. Capital Reserves</b>		
Opening Balance	5,30,301	5,30,301
(+) Current Year Transfer	-	-
Written Back in Current Year	-	-
<b>Closing Balance</b>	<b>5,30,301</b>	<b>5,30,301</b>
<b>b. Securities Premium Account</b>		
Opening Balance	2,59,20,000	2,47,50,000
(+) Securities premium credited on share issue	-	2,59,20,000
<u>(-) Premium utilised for various reasons</u>		
Premium on redemption of Debentures	-	-
Issue of Bonus Shares	-	2,47,50,000
<b>Closing Balance</b>	<b>2,59,20,000</b>	<b>2,59,20,000</b>
<b>c. Surplus</b>		
Opening Balance	1,94,95,335	1,88,30,452
(+) Profit for the current year	46,49,667	72,12,633
(+) Transfer from Reserves	-	-
(-) Issue of Bonus Shares	-	65,47,750
(-) Proposed Dividends	-	-
(-) Interim Dividends	-	-
(+) MAT Credit Adjustment	-	-
(-) Income Tax Short Provisions made for earlier years	(2,77,189)	-
	<b>2,38,67,813</b>	<b>1,94,95,335</b>
<b>Total</b>	<b>5,03,18,114</b>	<b>4,59,45,636</b>

Note No: 13

**Non Current Liabilities**

Particulars	31.03.2019	31.03.2018
<b>Financial Liabilities</b>		
<b>Borrowings</b>		
<b>i) Secured</b>		
<b>From Banks</b>		
<b>Term Loan</b>		
<i>(Secured by hypothecation of Plant &amp; Machinery and the personal guarantee of directors of the Company)</i>		
With HDFC Bank	30,09,164	53,17,245
<i>Sub-total(i)</i>	<b>30,09,164</b>	<b>53,17,245</b>

<b>ii) Unsecured</b>		
<b>(a) With Bank/NBFC's</b>		
<i>(Secured by the personal guarantee of directors of the Company)</i>		
-With HDFC Bank	-	52,386
<i>(Repayment term 36 Monthly installments)</i>		
<b>Sub-total(a)</b>	-	<b>52,386</b>
<b>(b) Loan from Directors/Shareholders*</b>	14,00,000	-
<b>Sub-total(b)</b>	<b>14,00,000</b>	<b>-</b>
<b>Subtotal(ii)</b>	<b>14,00,000</b>	<b>52,386</b>
<b>Total</b>	<b>44,09,164</b>	<b>53,69,631</b>
*Loan from directors/shareholders is interest free		

**Note No: 14**

Particulars	31.03.2019	31.03.2018
<b>Non Current Provisions</b>		
Provision for Gratuity*	1,24,992	1,09,327
<b>Total</b>	<b>1,24,992</b>	<b>1,09,327</b>

\* Valuation of Provision for Gratuity is done by the Management. Liability with regard to the Gratuity Plan is not determined by actuarial valuation.

**Note No: 15**

Particulars	31.03.2019	31.03.2018
<b>Other Non- Current Liabilities</b>		
Security received from dealers*	9,45,290	18,06,810
<b>Total</b>	<b>9,45,290</b>	<b>18,06,810</b>

\*One Time Refundable Security is received from dealer on account of sale of goods.

**Note No: 16**

**Current Liabilities**

Particulars	31.03.2019	31.03.2018
<b>Financial Liabilities</b>		
<b>Borrowings</b>		
<b>Loans Repayable on Demand</b>		
<b>-Secured Borrowings</b>		
Cash Credit Limit from HDFC Bank	2,99,78,807	2,80,94,265
<b>Total</b>	<b>2,99,78,807</b>	<b>2,80,94,265</b>

The company has been sanctioned working capital limits for Rs. 300.00 lacs comprising of Fund based limits (Cash Credit). The CC limits are secured against hypothecation of present and future stocks and book debts and plant & machinery. The said limits are also secured by way of collateral security of immovable properties & personal guarantee of shareholders and corporate guarantee as under :-

- (a) Free Hold Land, Mauja Sher Khan, Sarai, Sambhal, 244302, Owned by Smt. Jai Shree Rastogi
- (b) Free Hold Land, Kukrawali, Pargana Sambhal, Tehsil Sambhal, 244302
- (c) Free Hold Land, Hallu Sarai, Sambhal, Backside Canara Bank, 24430, Owned by Neha Rastogi
- (d) Personal Guarantee of all director, minimum 51% Shareholders, collateral owners

**Note No: 17**

Particulars	31.03.2019	31.03.2018
<b>Trade Payables</b>		
Creditors for Goods		
(A) total outstanding dues of micro enterprises and small enterprises	1,55,87,200	-
Add: Interest due	13,27,586	
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	10,08,36,821	20,56,93,956
Creditors for Capital Goods		
(A) total outstanding dues of micro enterprises and small enterprises	1,03,80,770	-
Add: Interest due	4,37,551	
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	-	
Creditors for Expenses	4,09,883	1,23,941
<b>Total</b>	<b>12,89,79,810</b>	<b>20,58,17,897</b>

**Note No: 18**

Particulars	31.03.2019	31.03.2018
<b>Other Current Financial liabilities</b>		
Current Maturity of Unsecured Loan (Refer Note 2.6)	60,294	5,83,190
Current Maturity of Term Loan (Refer Note 2.6)	23,08,081	35,06,498
<b>Expenses Payable</b>		
Audit Fee Payable	2,70,000	2,70,000
Salary & Remuneration	12,67,339	6,40,750
Legal & Professional Fees	27,000	76,563
<b>Total</b>	<b>39,32,714</b>	<b>50,77,001</b>

**Note No: 19**

Particulars	31.03.2019	31.03.2018
<b>Other Current Liabilities</b>		
Advance from Buyers	49,12,884	57,06,650
Cheque issued but not presented	5,44,800	-
Others	43,588	2,07,978
<b>Statutory Dues Payable</b>		
TDS Payable	1,02,963	56,861
<b>Total</b>	<b>56,04,235</b>	<b>59,71,489</b>

**Note No: 20****Current Provisions**

Particulars	31.03.2019	31.03.2018
Provision for Income Tax (F.Y. 2011-2012)	-	40,24,605
Provision for Income Tax (F.Y. 2013-14)	-	5,64,784
Provision For Bonus	79,719	80,835
Provision for Leave encashment	11,737	6,481
<b>Total</b>	<b>91,456</b>	<b>46,76,705</b>



**CONTINENTAL SEEDS AND CHEMICALS LIMITED**

**A-33, UPPER GROUND FLOOR, FIEE COMPLEX OKHLA INDUSTRIAL ESTATE, PHASE II, New**

**Delhi 110020**

CIN No.L01111DL1983PLC015969

**Notes Forming Integral Part of Statement of Profit & Loss Account**

Amounts in Rs

**Note No:21**

<b>Particulars</b>	<b>31.03.2019</b>	<b>31.03.2018</b>
<b><u>Revenue from Operations</u></b>		
Sale of Goods	82,19,55,168	81,89,97,748
Less: Cash Discount	9,52,710	27,72,960
<b>Total</b>	<b>82,10,02,458</b>	<b>81,62,24,788</b>

**Note No:22**

<b>Particulars</b>	<b>31.03.2019</b>	<b>31.03.2018</b>
<b><u>Other Income</u></b>		
Security deposit written off	8,61,520	-
Rent Income	4,38,204	9,21,529
<b>Total</b>	<b>12,99,724</b>	<b>9,21,529</b>

**Note No:23**

<b>Particulars</b>	<b>31.03.2019</b>	<b>31.03.2018</b>
<b><u>Change in Inventories</u></b>		
Opening Stock of FG and Stock in trade	3,53,50,393	3,30,31,878
Closing Stock of FG and Stock in trade	3,58,03,044	3,53,50,393
<b>Changes during the Year</b>	<b>(4,52,651)</b>	<b>(23,18,515)</b>

**CONTINENTAL SEEDS AND CHEMICALS LIMITED**

**A-33, UPPER GROUND FLOOR, FIEE COMPLEX OKHLA INDUSTRIAL ESTATE, PHASE II, New**

**Delhi 110020**

CIN No.L01111DL1983PLC015969

**Notes Forming Integral Part of Statement of Profit & Loss Account**

**Amounts in Rs**

**Note No:24**

<b>Particulars</b>	<b>31.03.2019</b>	<b>31.03.2018</b>
<b><u>Employees Benefit Expenses</u></b>		
Director Remuneration	15,63,000	5,20,000
Salaries & Wages	23,50,342	22,26,919
Staff Welfare Expenses	71,375	22,860
Provision for Gratuity	15,665	16,298
Provision for Leave encashment	11,737	6,481
Provision for Bonus	79,719	80,835
<b>Total</b>	<b>40,91,838</b>	<b>28,73,393</b>

**Note No:25**

<b>Particulars</b>	<b>31.03.2019</b>	<b>31.03.2018</b>
<b><u>Finance cost</u></b>		
(i) Interest Cost	51,25,725	60,44,030
(ii) Bank Charges	23,581	1,14,646
(iii) Loan Processing Fee	50,000	-
<b>Total</b>	<b>51,99,306</b>	<b>61,58,676</b>

**Note No:3**

<b>Particulars</b>	<b>31.03.2019</b>	<b>31.03.2018</b>
<b><u>Depreciation &amp; Amortization Expenses</u></b>		
(i) Depreciation	26,99,641	25,61,303
<b>Total</b>	<b>26,99,641</b>	<b>25,61,303</b>

**CONTINENTAL SEEDS AND CHEMICALS LIMITED**  
**A-33, UPPER GROUND FLOOR, FIEE COMPLEX OKHLA INDUSTRIAL ESTATE, PHASE II, New**  
**Delhi 110020**  
CIN No.L01111DL1983PLC015969

**Notes Forming Integral Part of Statement of Profit & Loss Account**

Amounts in Rs

**Note No:26**

Particulars	31.03.2019	31.03.2018
<b><u>Other Expenses</u></b>		
Advertisement Expenses	32,500	15,564
Sales Promotion	-	21,93,780
Payment to Statutory & Tax Auditor	3,00,000	3,07,500
Legal and Professional Expenses	21,38,212	67,000
Communication Expenses	26,373	63,922
Travelling & Conveyance Expenses	2,49,115	1,93,453
Power & Fuel Expenses	3,73,533	5,27,414
Interest to MSME Supplier	17,65,137	-
Freight Expenses	6,53,705	-
Loading & Unloading Expenses	2,18,150	3,21,402
Rates & Taxes	4,90,291	6,55,580
Rent & Storage Charges	12,34,622	3,29,492
Brokerage Expenses	24,421	-
Balances written off	406	5,621
Insurance Expense	2,16,772	2,13,473
Underwriter Expenses	-	18,13,400
Increase in Authorised Capital Expenses	-	4,81,418
Bardana & Packaging	7,53,355	9,27,532
Foreign Sponsorship Fees	5,36,822	6,51,000
Repair & Maintenance Expenses	86,026	6,13,188
Security Expenses	5,10,339	1,37,254
Office Expenses	1,60,500	50,606
Printing & Stationery	18,304	43,160
<b>Total</b>	<b>97,88,583</b>	<b>96,11,759</b>

**CONTINENTAL SEEDS AND CHEMICALS LIMITED**  
**A-33, UPPER GROUND FLOOR, FIEE COMPLEX OKHLA INDUSTRIAL ESTATE, PHASE II, New**  
**Delhi 110020**  
CIN No.L01111DL1983PLC015969

**Notes Forming Integral Part of Statement of Profit & Loss Account**

Amounts in Rs

Note No:27

<b>Particulars</b>	<b>31.03.2019</b>	<b>31.03.2018</b>
<b><u>Exceptional Items</u></b>		
Interest on TDS	22,034	5,717
Interest on Income Tax	2,28,524	13,142
<b>Total</b>	<b>2,50,558</b>	<b>18,859</b>

**CONTINENTAL SEEDS AND CHEMICALS LIMITED**

**A-33, UPPER GROUND FLOOR, FIEE COMPLEX OKHLA INDUSTRIAL ESTATE, PHASE II, New Delhi 110020**

**Note**

**Calculation of Deffered Tax Assets/Laibilities**

**Amounts(Rs)**

<b>Opening Deffered Tax Assets (01.04.2018)</b>	732721
Depreciation as per Company Act	2699641
	<hr/>
	2699641
Less: 1/5th of Expense Capitalised claimed this year	458964
Less: Depreciation as per Income Tax Act	1878588
	<hr/>
Timing Difference	362089
Tax on Timing Difference @27.82% (DTA)	100733
Tax on Timing Difference of Employee Benefits	546.98
<b>Total Rs</b>	<hr/> <b>834001</b> <hr/>

## ATTENDANCE SLIP

Please fill Attendance Slip and hand it over at the entrance of the venue.

DP-Id*		Folio No.	
Client-Id*		No. of shares	

Name and address of the Shareholder

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Name and address of the Proxy holder

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I/We hereby record my/our presence at the 35<sup>th</sup> Annual General Meeting of the Company held on **Friday, 27<sup>th</sup> September, 2019 at 11:00 a.m.** at 11:00 a.m. at the Registered Office of the company at A-33, Upper Ground Floor, F.I.E.E. Complex Okhla Industrial Estate, Phase II New Delhi South Delhi 110020.

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Signature of Shareholder

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Signature of Proxyholder

\*Applicable for investors holding shares in electronic form.

## PROXY FORM

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

Name of the Member's:
Registered Address:
Email-Id:
Folio No.:
DP-ID/Client-ID*:

\*Applicable for shareholders holding shares in electronic form.

I/We, being the member(s) holding \_\_\_\_\_ shares of Continental Seeds and Chemical Limited, of Re. 10/- each hereby appoint

(1)Name: \_\_\_\_\_ of \_\_\_\_\_  
 \_\_\_\_\_ having e-mail id \_\_\_\_\_ or  
 failing him

(2)Name: \_\_\_\_\_ of \_\_\_\_\_  
 \_\_\_\_\_ having e-mail id \_\_\_\_\_ or  
 failing him

(3)Name: \_\_\_\_\_ of \_\_\_\_\_  
 \_\_\_\_\_ having e-mail id \_\_\_\_\_ or  
 failing him

and whose signature(s) are appended in Proxy Form as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 35<sup>TH</sup> Annual General Meeting of the Company, to be held on **Friday, 27<sup>th</sup> September, 2019 at 11:00 a.m.** at A-33, Upper Ground Floor, F.I.E.E. Complex Okhla Industrial Estate, Phase II New Delhi South Delhi 110020 and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

I wish my above Proxy to vote in the manner as indicated in the Box below:

S.No.	Resolutions	For	Against
1.	To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March, 2019, the reports of the Board of Directors and Auditors thereon; and		
2.	Re-Appointment of Mr. Pravin Rastogi (DIN: 01414608), who retires by rotation.		

Signed this.....day of.....2019

\_\_\_\_\_  
Signature of Shareholder

\_\_\_\_\_  
Signature of first Proxy holder

\_\_\_\_\_  
Signature of second Proxy holder

\_\_\_\_\_  
Signature of third Proxy holder

## NOTES:

1. This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. A Proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- \*4. This is only optional. Please put a 'X' in the appropriate column against the resolution indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
6. In the case of joint holders, the signature of any one holder will be sufficient, but names of all joint holders should be stated

## MAP TO REACH VENUE FOR AGM OF CONTINENTAL SEEDS AND CHEMICAL LIMITED

