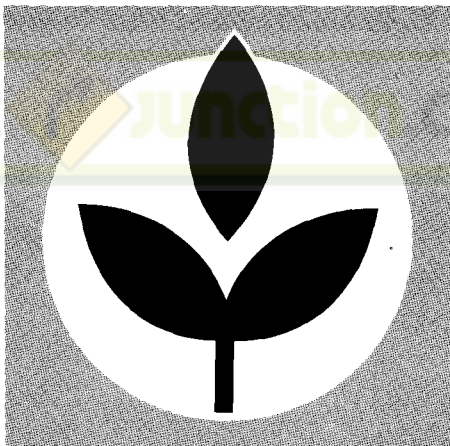


13th Annual Report

Report Junction .com



Advanta India Limited

Growing for a Better Future

Advanta India Limited

CONTENTS

	Page No(s).
Company General Information	2
Notice	3-4
Director's Report	5-10
Corporate Governance	11-20
Management Discussion and Analysis	21-22
Auditor's Report	23-26
Balance Sheet	27
Profit & Loss Account	28
Cash Flow Statement	29
Schedule forming part of the Balance Sheet 'A' to 'M'	30-35
Schedule forming part of the Profit & Loss Account 'N' to 'Q'	35-36
Notes on Accounts- Schedule-R	37-47

CONSOLIDATED FINANCIAL STATEMENTS

Auditor's Report	48-49
Balance Sheet	50
Profit & Loss Account	51
Cash Flow Statement	52
Schedule forming part of the Balance Sheet '1' to '13'	53-58
Schedule forming part of the Profit & Loss Account '14' to '17'	58-59
Notes on Accounts-'18'	60-71

SUBSIDIARY COMPANIES

Advanta Holdings B.V., Netherlands	72-75
Advanta Netherlands Holdings B.V., Netherlands	76-80
Advanta Finance B.V., Netherlands	81-84
Advanta International B.V., Netherlands	85-83
Pacific Seeds Holdings (Thailand) Limited, Thailand	89-93
Pacific Seeds Pty. Limited, Australia	94-101
Advanta Semillas S.A.I.C., Argentina	102-110
Pacific Seeds (Thai) Limited, Thailand	111-117

ATTENDANCE SLIP & PROXY FORM

118

13th ANNUAL GENERAL MEETING

Date : 28th June, 2007
 Date : Thursday
 Time : 11.00 A.M.
 Place : St. Mark's Hotel, 4/1,
 St. Mark's Road,
 Bangalore - 560 001.

BOOK CLOSURE

Friday, 22nd June, 2007,
 to
 Thursday, 28th June, 2007

BOARD OF DIRECTORS

Mr. Jai Shroff	- Chairman
Mr. V R Kaundinya	- Managing Director
Mr. Vikram Shroff	
Mr. Vinod Sethi	
Mr. Hardeep Singh	
Dr. Vasant Gandhi	

GENERAL MANAGER (FINANCE) & COMPANY SECRETARY

Mr. Madan Vaishnawa

AUDITORS

S.V. Ghatalia and Associates, Mumbai

BANKERS

ICICI Bank
HDFC Bank

REGISTERED OFFICE

ARS, Koppa Road
Begur Post,
Bangalore - 560068

CORPORATE OFFICE

203, Bhuvana Towers, S.D. Road
Secunderabad (A.P.)

PLANTS

1. B Camp Post, Krishna Nagar, Kurnool, Andhra Pradesh
2. Kalakkal Village, Toopran Mandal, Medak Dist, Andhra Pradesh
3. Gundla Pochampally, Ranga Reddy Dist., Andhra Pradesh

SHARE TRANSFER AGENTS

SHAREPRO SERVICES INDIA PVT. LTD.
Satam Estate, 3rd Floor, Cardinal Gracious Road,
Chakala, Andheri (East), Mumbai - 400 099. India
Phone : +91-22-28215168 Fax : +91-22-28375646
E-mail : ipoadvanta@shareproservice.com

NOTICE

Notice is hereby given that the 13th Annual General Meeting of Advanta India Limited will be held at St. Mark's Hotel, 4/1, St. Mark's Road, Bangalore - 560 001. on Thursday, June 28, 2007 at 11.00 a.m. to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Profit and Loss Account for the period ended December 31, 2006, the Audited Balance Sheet as at that date and the Reports of the Board of Directors and Auditors.
2. To declare Dividend for the period ended December 31, 2006.
3. To appoint a Director in place of Mr. Jai Shroff, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Vikram Shroff, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Messrs. S.V. Ghatalia and Associates, Chartered Accountants, as Auditor of the Company on such remuneration as agreed upon by the Board of Directors and the Auditor, in addition to reimbursement of service tax and all out of pocket expenses in connection with the audit of the Accounts of the Company for the year ending December 31, 2007.

SPECIAL BUSINESS

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

"RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Dr. Vasant P. Gandhi who was appointed by the Board of Directors, as an Additional Director of the Company and who holds office up to the date of the ensuing Annual General Meeting of the Company under Section 260 of the Companies Act 1956, and in respect of whom the Company has received a notice in writing from some members proposing the candidature of Dr. Vasant P. Gandhi for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation."

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

"RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. Hardeep Singh who was appointed by the Board of Directors, as an Additional Director of the Company and who holds office up to the date of the ensuing Annual General Meeting of the Company under Section 260 of the Companies Act 1956, and in respect of whom the Company has received a notice in writing from some members proposing the candidature of Mr. Hardeep Singh for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation."

Notes :

- (a) A member entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of himself and a Proxy need not be a member.
- (b) The Register of Members and Transfer Books of the Company will be closed from June 22, 2007 to June 28, 2007, both days inclusive.
- (c) The Dividend, after declaration, will be paid to those shareholders whose names stand on the Register of Members on June 28, 2007. The dividend in respect of shares held in the electronic form will be paid to the beneficial owners of shares whose names appear in the list furnished by the Depositories for this purpose as on June 21, 2007.
- (d) The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividend through Electronic Clearing Service (ECS) to investors wherever ECS and bank details are available. In the absence of ECS facilities, the Company will print the bank account details, if available, on the payment instrument for distribution of dividend.
- (e) The relative Explanatory Statements pursuant to Section 173 of the Companies Act, 1956, in respect of the business under Items 6 and 7 as set out above are annexed hereto.
- (f) As per the provisions of the Companies Act, 1956, facility for making nominations is available for shareholders, in respect of the shares held by them. Nomination forms can be obtained from the Share Department of the Company.

Mumbai, April 30, 2007

Registered Office :

ARS, Koppa Road, Begur Post,
Bangalore - 560068

By Order of the Board of Directors

Madan Vaishnawa

General Manager (Finance) & Company Secretary

EXPLANATORY STATEMENTS

The following Explanatory Statements, as required by Section 173 of the Companies Act, 1956, set out all material facts relating to the business under Items 6 and 7 mentioned in the accompanying Notice dated April 30, 2007.

Item No. 6 :

The Board has appointed Dr. Vasant Gandhi as an Additional Director with effect from January 22, 2007. He is an Independent Director on the Board in terms of Clause 49 of the Listing Agreement.

Dr. Gandhi holds a doctorate in development economics from the Stanford University. He is also an alumnus of the Indian Institute of Management, Ahmedabad, where he completed the post graduate programme. He has worked with NDDB, Stanford University, the World Bank and the International Food Policy Research Institute. He is currently Professor at the Indian Institute of Management, Ahmedabad. Dr. Vasant P. Gandhi currently sits on the Board of Directors of Gujarat State Fertilizers and Chemicals Limited and Nuvo Fertilizers Limited, and has been on the Board of Directors of the State Bank of Saurashtra.

Item No. 7 :

The Board has appointed Mr. Hardeep Singh as an Additional Director with effect from January 22, 2007. He is an Independent Director on the Board in terms of Clause 49 of the Listing Agreement.

Hardeep Singh holds a bachelor's degree in economics from Pune University. He is also an alumnus of the Kellogg School of Management, where he completed the advanced management programme. He has 30 years experience in agri-business. He has been involved in the business of commodity trading and agri inputs and outputs. He has been the director (agrochemicals) at Rallis India Limited and the chairman of Cargill Seeds Private Limited. Since 1998 he has been the chairman of Cargill India, responsible for all Cargill companies and businesses in India and Pakistan. Hardeep Singh also currently sits on the Board of Directors of Punjab Tractors Limited and Cargill India Private Limited.

Mumbai, April 30, 2007

Registered Office :

ARS, Koppa Road, Begur Post,
Bangalore - 560068

By Order of the Board of Directors

Madan Vaishnawa

General Manager (Finance) & Company Secretary

DIRECTORS' REPORT

TO THE MEMBERS OF ADVANTA INDIA LIMITED

The Directors hereby present their Thirteenth Annual Report on the business and operation of the Company together with the audited Financial Accounts for the period ended 31st December, 2006.

FINANCIAL RESULTS

(Rs. in lakhs)

	Consolidated April- December 2006	Standalone April- December 2006	Standalone 2005-06
Sales including other Income	30,479.97	6,897.04	4,354.43
Profit Before Tax and Exceptional Items	3,759.18	1,405.00	555.14
Profit Before Tax	6,090.03	3,735.86	555.14
Profit After Tax	4,839.69	2,997.95	445.25
Add: Balance brought forward from previous year	602.39	602.39	34.48
Surplus available for Appropriations	5,537.44	3,600.34	479.73
Appropriations			
Proposed Final Dividend	168.34	168.35	252.00
Tax on Dividend	28.60	28.60	35.34
Transfer to General Reserve	300.00	300.00	50.00
Transfer to Contingency Reserve	Nil	Nil	(460.00)
Balance transferred to Balance Sheet	5,040.50	3,103.39	602.39
TOTAL	5,537.44	3,600.34	479.73

TRANSFER TO RESERVES

Your Company proposes to transfer Rs. 300.00 Lacs to General Reserve. An amount of Rs.3103.38 Lacs is proposed to be retained in the profit and loss account.

OPERATIONAL PERFORMANCE

During the year under review, the monsoon was erratic particularly in the Sunflower growing areas of Andhra Pradesh and Karnataka. The performance of your company was impacted due to the erratic monsoon.

Your Company was able to maintain profitable operations during the year. The Company looks forward to a normal business year in 2007 on expectations of a normal monsoon.

SCHEME OF AMALGAMATION

In December, 2006, A Scheme of Arrangement between the Company and Uniphos Seeds and Biogenetics Private Limited (USBPL) and their respective shareholders was sanctioned by the Hon'ble High Court of Karnataka vide their Order dated 15th December, 2006 and by the Hon'ble High Court of Gujarat vide their Order dated 11th December, 2006. As per the said Scheme, the entire business and undertaking of the USBPL including all the assets and liabilities were transferred to and vested in the Company with effect from the appointed date viz. 1st April, 2006.

Pursuant to the Scheme, 33,77,500 fully paid up equity shares of Rs. 10 each have been allotted by the Company to the Shareholders of USBPL in the ratio of 4 Shares of the Company for every 7 Equity Shares of Rs. 10 each fully paid up held in USBPL.

DIVIDEND

The Directors recommend for consideration of the shareholder at the ensuing annual general meeting, payment of a dividend of Rs. 1 per share (10 percent) for the period ended 31st December, 2006. Shareholders whose names stand registered on the register of members at the close of market hours on 28th June, 2007 would be entitled for the dividend.

RESEARCH & DEVELOPMENT

With the merger of USBPL, the company has now got Cotton breeding activities added to its portfolio. Based on a license to access BT technologies of Chinese origin, we have introduced Bt Cotton successfully during khariff season of 2006.

During the year we have strengthened our Hybrid Rice research considerably. We have now got active collaboration and networking with various research institutions and R&D programs of Advanta world wide. This will facilitate to bring out high quality new products in future. We are also using Marker Technology for the world class research programs of Advanta worldwide.

CAPITAL STRUCTURE

The Company has allotted 1,677,000 Equity Shares to the Pre-Issue Investors at a price of Rs. 625 per Equity Share under the Pre-Issue Placement according to the resolution of the Board dated February 23, 2007.

During the year, your company made a maiden public offering of 33,80,000 equity shares with a price band of Rs.600/- to Rs.650/- for which the subscription was open from 26th March to 30th March 2007. The investors' response was good and the company allotted the shares at Rs.640/- per equity share of Rs.10/- each. With the allotment of 33,80,000 equity shares to the public on 13th April 2007, the paid up capital of the Company has gone up to Rs.16,83,45,000/-. As per the SEBI (Disclosure & Investor Protection) Guidelines, 2000, all fresh issue of shares to the public shall be in the dematerialized form only. Accordingly, to facilitate the public to hold the shares in the demat form, the Company entered into a tripartite agreement with National Securities Depository Limited (NSDL) Central Depository Services India Limited (CDSL) and Sharepro Services (India) Private Limited.

UTILISATION OF PRE IPO AND IPO PROCEEDS

Out of the proceeds of Pre IPO of Rs. 104,81 lakhs, the entire proceeds have been invested in our subsidiary, Advanta Holdings B V.

Out of Rs. 216,32 lakhs raised through Initial Public Offer (IPO), Rs. 40,00 lakhs have been utilised for the purpose of Investment in subsidiary, Advanta Holdings B V. The balance amount is invested in Fixed Deposit with Banks which would be utilised during the current financial year.

SUBSIDIARY COMPANIES

As required under section 212 of the Companies Act 1956, the audited statement of accounts along with the respective Auditors' Report thereon for the period ended December 31, 2006 relating to the Company's subsidiaries are annexed.

1. Advanta Holdings B.V., Netherlands;
2. Advanta Netherlands Holdings B.V., Netherlands;
3. Advanta Finance B.V., Netherlands;
4. Advanta International B.V., Netherlands;
5. Pacific Seeds Holdings (Thailand) Limited, Thailand;
6. Pacific Seeds Pty Limited, Australia;
7. Pacific Seeds (Thai) Limited, Thailand; and
8. Advanta Semillas SAIC, Argentina.

AUDITORS AND AUDITORS REPORT

M/s. S.V. Ghatalia and Associates, Chartered Accountants, Statutory Auditors of your Company, hold office until the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received a certificate from them to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224(1) of the Companies Act, 1956.

The notes to the accounts referred to in the Auditor's Report are self-explanatory and do not call for any further comments.

The auditors have qualified their report with regard to some of the subsidiary companies in the consolidated accounts. In this regard, your attention is invited to Note No. 2, 14, 15 and 21 of Schedule 18 of the consolidated accounts which are self-explanatory.

DIRECTORS AND COMPANY SECRETARY

As per Article No. 105 of Articles of Association of the Company, Mr. Jai Shroff and Mr. Vikram Shroff retire by rotation at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment. Appropriate resolutions for their re-appointment are being placed before you for approval at the ensuing Annual General Meeting. The Brief resume of the aforesaid Directors, their Directorship in other companies and other information have been detailed in the Corporate Governance Section of this report.

During the year the Board of Directors has appointed Mr. Hardeep Singh and Dr. Vasant P. Gandhi as an Additional Director on the Board of the Company. Mr. Hardeep Singh and Dr. Vasant P. Gandhi have rich and varied experience in various fields and your Company is proud to have their guidance. As per Section 260 of the Companies Act, 1956, they hold office as Directors up to the date of ensuing Annual General Meeting. Notices in writing as required by under section 257 of the Companies Act, 1956 have been received from members proposing their appointment as Directors of the Company at the ensuing Annual General Meeting. Your Directors recommend their appointment.

Dr. Ganesh Kishore and Mr. Jonathan Malkin has resigned as Director from the Board w.e.f. January 22, 2007.

Mr. K Suresh has resigned as CFO and Company Secretary during the year and Mr. Madan Vaishnawa is appointed as General Manager (Finance) and Company Secretary during the year.

The Board places on records its sincere appreciation of the valuable services rendered by them during their tenure.

CONSERVATION OF ENERGY, TECHNICAL ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as required under sub-section (1) (e) of section 217 of the Companies Act, 1956, read with the Companies (Disclosures of particulars in the report of Board of Directors) Rules, 1988, are set out in the Annexure "A" included in this report.

PARTICULARS OF EMPLOYEES

The particulars as required under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 are set out in Annexure "B" of this report.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i. that in the preparation of accounts for the period ended December 31, 2006, the applicable accounting standards have been followed and that no material departures have been made from the same.
- ii. that the selected accounting policies have been applied consistently and the judgments and estimates are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. that the annual accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE:

As per Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on Corporate Governance practices followed by the Company together with a certificate from the Company's Auditors confirming compliance is set out in the Annexure forming part of this report.

ACKNOWLEDGEMENTS

Your Directors thank the Company's business associates/customers, vendors and bankers for their continued support. Your Directors place on record their sincere appreciation of the contributions made by the employees of the Company and its subsidiaries at all levels through their hard work, dedication, solidarity and support.

On behalf of the Board of Directors

Dated this 30th April, 2007
Mumbai

Jai Shroff

Chairman

Advanta India Limited**ANNEXURE 'A' TO THE DIRECTORS' REPORT**

Information in accordance with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, and forming part of the Directors' Report for the period ended 31st December, 2006

A. CONSERVATION OF ENERGY

1. Energy conservation measures taken : The Seeds Operations of the Company do not involve substantial energy consumption and hence no significant energy conservation measures were undertaken during the year. However on an ongoing basis, identification of any energy saving possibilities is carried out.
2. Additional investments and proposals, if any, being implemented for reduction of consumption of energy : Presently there are no additional investments/proposals being implemented for reduction of energy consumption.
3. Impact of the measures at (1) and (2) above : Not applicable
for reduction of energy consumption and consequent impact on the cost of production of goods

B. TECHNOLOGY ABSORPTION

Research and Development (R & D)

1. Specific areas in which R & D carried out by the Company : Identification and development of superior, high yielding pest and disease resistant proprietary hybrids.
 2. Benefits derived as a result of the above R & D : Higher productivity and economic returns to the farming community consequent to development high yielding hybrids
 3. Future Plan of Action : To continue and extend research in the above areas.
 4. Expenditure on R & D : Rs. in Lakhs
 - a. Capital : 2.63
 - b. Recurring : 76.07
 - c. Total : 78.70
 - d. Total R & D expenditure as a percentage of
Gross Sales : 1.11
Net Sales : 1.23
- Technology absorption, adaptation and innovation :
5. Efforts, in brief, made towards technology absorption, adaptation and innovation : Utilisation of technical know-how towards development of high yielding proprietary hybrids suitable for Indian agro-ecological environment.

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

6. Benefits derived as a result of the above efforts, eg. product improvement, cost reduction, product development, import substitution, etc. : Product improvement and development leading to cost reduction by introduction of high yielding superior quality disease and pest resistant hybrids.
7. i) Details of technology imported : Technical know-how relating to seeds.
ii) Year of import : Technology upgradation takes place on a continuous basis during the year.
iii) Whether the technology has been fully absorbed : Yes
iv) Future plans of action : To continue on going research.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Activities relating to exports : Export of 100 Tonnes of various Hybrids were made during the period
2. Initiatives taken to increase exports and development of new export markets for products & services and export plans : Ongoing

Rs.in Lakhs

3. Total Foreign Exchange used	
Consumables	4.26
Royalty	-
Overseas Travel, Advertisements	3.81
Subscriptions, etc.	5.79
Others	68.51
	<u>82.37</u>

Earned	
FOB Value of Exports	28.35
Others	315.35
	<u>343.70</u>

On behalf of the Board

Chairman

Jai Shroff

Mumbai
Dated this 30th April, 2007