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### **15<sup>TH</sup> ANNUAL GENERAL MEETING**

**Date :** Monday 22<sup>nd</sup> June, 2009

**Time :** 11.30 a.m.

**Place:** Quoram Hall, Hotel Minerva Grand,  
Sarojini Devi Road, Secunderabad 500 003,  
Andhra Pradesh, India

### **BOOK CLOSURE**

Monday, 15<sup>th</sup> June, 2009

to

Monday, 22<sup>nd</sup> June, 2009  
(both days inclusive).

**BOARD OF DIRECTORS**

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

**COMPANY SECRETARY & COMPLIANCE OFFICER**

Mr. H. K. Agarwal

**AUDITORS**

S. V. Ghatalia & Associates  
Chartered Accountants  
Meadows House, 2<sup>nd</sup> Floor,  
Nagindas Master Road,  
Fort, Mumbai-400 023

**BANKERS**

ICICI Bank Ltd.  
HDFC Bank Ltd.  
Axis Bank Ltd.  
HSBC Bank Ltd.  
ING Vysya Bank Ltd.

**REGISTERED OFFICE**

104-105, 1st Floor, Bhuvana Towers  
Sarojini Devi Road, Secunderabad-500 003  
Andhra Pradesh, India

**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.  
Samhita Complex, Gala No. 52 to 56,  
Building No. 13 A-B, Near Sakinaka Telephone Exchange,  
Andheri-Kurla Road, Sakinaka, Mumbai - 400 072. India

## NOTICE

Notice is hereby given that the 15th Annual General Meeting of **Advanta India Limited** will be held on Monday 22<sup>nd</sup> June 2009 at 11.30 a.m. at Quoram Hall, Hotel Minerva Grand, Sarojini Devi Road, Secunderabad 500 003, Andhra Pradesh, India to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at December 31, 2008, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare Dividend on equity shares .
3. To appoint a Director in place of Mr. Hardeep Singh, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr. Vasant P. Gandhi who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint auditors and fix their remuneration.

### SPECIAL BUSINESS

6. **To consider and if thought fit to pass with or without modification(s) the following remuneration as a special resolution**

**“RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to approval of the Central Government, consent of the Company be and is hereby accorded to re-appoint Mr. V. R. Kaundinya, Managing Director of the Company with effect from 10<sup>th</sup> July, 2009 for such period not exceeding Three (3) years and on the following terms and conditions, as may be determined by the Board of Directors from time to time:

- (i) Mr. V. R. Kaundinya, Managing Director will be entitled for a maximum remuneration of **Rs. Two crores per annum** with effect from July 10, 2009 comprising Salary, discretionary performance linked incentive and / or Commission, Perquisites, Allowances and stock options.
- (ii) The limits stipulated above are the maximum limits and the Board may in its absolute discretion revise the terms / limits of his remuneration from time to time within the maximum limits stipulated above and such revision shall be in the interest of the Company and the appointee.
- (iii) Subject to superintendence, control and directions of the Board of Directors, he shall perform such duties and functions as would be commensurate with his position as the Managing Director of the Company and as may be delegated to him by the Board from time to time.

**RESOLVED FURTHER THAT** where in any financial year during the tenure of office of Mr. V. R. Kaundinya, Managing Director, the Company has no profits or its profits are inadequate, the Company shall pay him the remuneration fixed by the Board / revised by the Board from time to time, as the minimum remuneration within the above maximum ceiling and subject to the approval of Central Government.

**RESOLVED FURTHER THAT** the Board of Directors (hereinafter referred to as the “Board” which term shall be deemed to include the Remuneration Committee constituted by the Board) of the Company be and is hereby authorized to decide break up of his remuneration as to salary, perquisites, allowances and stock options etc and to take such steps as may be necessary and expedient in their entire discretion to give effect to this resolution and / or to alter and vary the terms and conditions of the said reappointment and / or remuneration and / or agreement without being required to seek the further approval of members within the limits as prescribed above and any action taken by the Board in this regard be and is hereby ratified and approved.”

**By Order of the Board  
For Advanta India Limited**

**Date:** 30<sup>th</sup> April, 2009  
**Place:** Mumbai

**V. R. Kaundinya  
Managing Director**



### Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY AND VOTE INSTEAD OF HIMSELF OR HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. **THE INSTRUMENT OF PROXY FORM DULY COMPLETED SHOULD BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE AT LEAST 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING**
3. The relevant Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the business under Special Business are set out below annexed hereto and form part of this notice.
4. The Register of Members and Transfer Books of the Company will remain closed from 15<sup>th</sup> June to 22<sup>nd</sup> June, 2009, both days inclusive.
5. The Dividend, after declaration, will be paid to those shareholders whose name stand on the Register of Members as on 15<sup>th</sup> June, 2009. 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 15<sup>th</sup> June, 2009.
6. The Securities and Exchange Board of India had 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.
7. You are advised to encash your dividend warrants immediately as the dividend amount remaining unclaimed / unpaid at the expiry of seven years from the date that becomes due for payment are required to be transferred by the Company to the Investor Education and Protection Fund under Section 205C in terms of Section 205A of the Companies Act, 1956.
8. **Payment of Dividend through Electronic Clearing Services (ECS).**  
 The Securities and Exchange Board of India (SEBI) has advised the Companies to mandatory use ECS facility, wherever available, for distributing dividends or other cash benefits etc, to the investors. This facility provides instant credit of dividend amount to your Bank account electronically at no extra cost. ECS also eliminates the delay in postal transit and fraudulent encashment of warrants.  
  
 Under this facility the amount of dividend payable to you would be directly credited to your bank account. Your bank's branch will credit your account and indicate the credit entry as 'ECS' in your pass book / statement account. We would be issuing an advice to you directly after the transaction is effected.  
  
 In case you wish to have your dividends paid through ECS, and are holding the Company's shares in electronic form, you may kindly fill in the enclosed ECS mandate form and submit it to your Depository Participant. However, in case you are holding the Company's Share in physical form and wish to have your future dividends paid through ECS, you may kindly return the said ECS mandate form duly completed and signed by you at our registered office mentioned elsewhere in this report.  
  
 If you do not wish to opt for ECS facility, we strongly recommend that provide the details of your Bank's Name, Branch, type of Account and Account Number to your depository participant, in cases where shares are held in physical form for printing the same on the dividend warrants which will be dispatched to you. In the event of any change or correction in the details they might have been provided by earlier , kindly send revised particulars to your Depository Participants or to us as the case may be, at an early date.
9. It may be noted that no claim will be entertained against the Company or Investor Education Protection Fund in respect of the said unclaimed dividend amount transferred to the fund.
10. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the AGM.
11. Members who hold shares in dematerialized form are requested to write their client ID and DP ID. Those who hold shares in physical form are required to write their Folio Number in the Attendance slip for attending the meeting.

12. Members holding shares in physical form are requested to notify/send any change in their address to the Company's share transfer agents, or to the Company at its Registered Office. Members holding shares in dematerialisation form are requested to notify/send any changes in their address to the concerned depository participant (s).
13. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
14. Section 109A of the Companies Act, 1956 extends the nomination facility to individual shareholders of the Company. Therefore, the shareholders willing to avail this facility may make nomination in Form 2B.
15. Members / Proxies should bring the attendance slip duly filled in for attending the Meeting.
16. Members seeking any information with regard to Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.
17. The members are requested to kindly send their correspondence relating to the change of address, transfer shares etc. directly to the Company's Registrar & Transfer Agents – Sharepro Services (India) Private Limited, Unit : Advanta India Limited, Samhita Complex, Gala No. 52 to 56, Building No. 13 A-B, Near Sakinaka Telephone Exchange, Andheri-Kurla Road, Sakinaka, Mumbai - 400 072, quoting their folio number and in case their shares are held in dematerialized form, the intimation of change of address should be passed on to their respective Depository Participants.
18. Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, the following information is furnished about the Directors proposed to be appointed / reappointed;

In the ensuing Annual General Meeting Dr. Vasant P. Gandhi and Mr. Hardeep Singh, will retire by rotation and being eligible offered themselves for re-appointment. Mr. V. R. Kaundinya, Managing Director is being proposed for re-appointment with effect from 10<sup>th</sup> July, 2009. In pursuance of the Clause 49 of the Listing Agreement, the information about the above Directors are provided below:

**a) Mr. V. R. Kaundinya**

- **Mr. V. R. Kaundinya**, graduated in agriculture from the AP Agricultural University and obtained masters in Business Management with specialization in agriculture from Indian Institute of Management, Ahmedabad. Prior to this appointment he held various senior positions in Hoechst India, Cyanamid India and as Managing Director, Cyanamid Agro Ltd., and Emergent Genetics India Limited. He was actively associated with the industry organizations like CropLife India, All India Crop Biotechnology Association and Association of Seed Industry.

**b) Dr. Vasant P Gandhi**

- **Dr. Vasant P. Gandhi**, was appointed on the Board on 22<sup>nd</sup> January, 2007 as Independent Director of the Company. He holds Doctorate in Development Economics from Stanford University. He has done Post Graduation in Management from IIM, Ahmedabad. He is having 23 years of Professional Experience and has worked with National Dairy Development Board (NDDB), Stanford University, World Bank and International Food Policy Research Institute.
- He holds directorships in Gujarat State Fertilizers and Chemicals Limited and Nuvo Fertilizers Private Limited.
- He is member of Audit Committee of Advanta India Limited.
- Currently he is a Professor at the Indian Institute of Management, Ahmedabad.
- His presence in the Board will immensely benefit the Company

**c) Mr. Hardeep Singh**

- **Mr. Hardeep Singh**, was inducted into the Board on 22<sup>nd</sup> January, 2007 as an Independent Director of the Company. He graduated in Economics from Pune University and has also done Advance Management Programme from Kellogg School of Management. He is Chairman of Amalgamated Plantations Pvt. Ltd., and Director in Swaraj Engines Ltd., Punjab Tractors Ltd., IL & FS Investment Ltd., IL & FS Investment Securities Ltd., and Investmart Financial Services Ltd.



- He was the Director of Rallis India Limited, a TATA Group Company. He was responsible for Rallis predominant Agricultural businesses including Agrochemicals, Fertilizers and Seeds. During his stewardship Rallis became India's largest Agrochemicals company. He also set up the marketing system for TATA Fertilizers and pioneered the TATA Kisan Kendras.
- He is an invited member on the National Council of CII, and Chairs the CII committee on rural markets and infrastructure.
- He has been Chairman of the Agribusiness committee of AMCHAM.
- He is a past Chairman of the Committee on Rural Infrastructure at CII and a member of the National Committee for Agriculture of FICCI.
- He has been an advisor to the Chief Minister of Punjab on Agriculture Policy.



## Explanatory Statement

[Pursuant to Section 173(2) of the Companies Act, 1956]

### Reappointment of Mr. V. R. Kaundinya, as the Managing Director of the Company :

The present term of Mr. V. R. Kaundinya, Managing Director of the Company expires on 9<sup>th</sup> July, 2009. Mr. V. R. Kaundinya, since his appointment as the Managing Director, has steered the Company with total dedication, hard work and effective leadership into diversified activities, resulting in the profitable growth of the Company's operations. He is instrumental in acquiring various Companies in India and abroad to expand its operations and product profile.

The Board of Directors has reviewed the performance achieved by the Company under his leadership and appreciated the same. Further in order to avail his uninterrupted services for the growth of the Company, Board has proposed to re-appoint him for such period not exceeding 3 Years with effect from 10<sup>th</sup> July, 2009 on the terms and conditions contained in the resolution. The Remuneration Committee has approved the maximum remuneration per annum proposed to Mr. V. R. Kaundinya, Managing Director.

The re-appointment of Mr. V. R. Kaundinya as the Managing Director requires the approval of members in General Meeting pursuant to Sections 269, 311 read with Schedule XIII of the Companies Act, 1956. Further as the remuneration proposed exceeds the limits prescribed under Schedule XIII, approval of Central Government i.e. Ministry of Corporate Affairs is required.

Statement required as per Section II of Part II of Schedule XIII to the Companies Act, 1956 is as follows:

#### I. General Information :

##### (1) Nature of industry

Advanta India Limited, is one of the leading international agronomic seed company with principal operations in India, Australia, Thailand, U.S.A. and Argentina. The Company is into technical plant breeding and the application of biotechnology to develop new hybrids and varieties of field crops and broad acre vegetable seed products, including sorghum, canola, sunflower, corn, hybrid rice and hybrid mustard. Our research and development efforts are in the areas of superior breeding programs and bioscience techniques that have driven the development of a portfolio of elite, proprietary and highly differentiated germ plasm.

##### (2) Date of commencement of commercial production

The Company is an existing Company and the date of Commencement of operations ways back in the year 1994.

##### (3) Financial performance

Consolidated Performance of the Company for the last three years is as follows:

Item	2008	2007	(Rs. in Lacs)
			2006 (Nine Months)
Income from Operations (Gross)	62,336.08	45,488.14	30,479.97
Profit Before Interest, Depreciation & tax	11,931.73	11,241.00	9,247.21
Profit after Tax	5,137.20	4,446.46	4,839.69

##### (4) Export performance and net foreign exchange earnings : On standalone basis

Export performance of the Company for the last three years is as follows:

Item	2008	2007	( Rs. in Lacs)
			2006
Foreign Exchange Inflow	392.65	1,453.08	343.70

##### (5) Foreign investments or collaborators, if any : Nil





## II. Information About The Appointee :

### (1) Background details

Mr. V. R. Kaundinya, graduated in agriculture from the AP Agricultural university and obtained masters in Business Management with specialization in agriculture from Indian Institute of Management, Ahmedabad. Prior to this appointment he held various senior positions in Hoechst India, Cyanamid India and as Managing Director, Cyanamid Agro Ltd., and Emergent Genetics India Limited. He was actively associated with the industry organizations like CropLife India, All India Crop Biotechnology Association and Association of Seed Industry.

### (2) Past remuneration

Presently he is entitled for a remuneration of Rs. **14,146,000** per annum and stock options as per company policy

### (3) Recognition or awards

Nil

### (4) Job profile and his suitability

Mr. V. R. Kaundinya, Managing Director has been taking care of overall operations and affairs of the Company. Since his appointment as Managing Director, he has steered the Company with total dedication, hard work and effective leadership into diversified activities, resulting in the profitable growth of the Company's operations. During the period of slowdown of the industry, he always kept his spirit high both in words and in action. He is instrumental in acquiring the various Companies in India and abroad to expand the Company's operations and its product profile.

### (5) Remuneration proposed

It is proposed to pay a maximum remuneration of Rs. two crores per annum on the terms and conditions detailed in the resolution referred above with a power to the Board of Directors to determine the limits from time to time within the above overall limits.

### (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)

Compared to the remuneration profile of position and person with respect to this Industry and size, he is entitled to the proposed remuneration.

### (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any

Except the remuneration drawn by him from the Company as the Managing Director, he doesn't have any pecuniary relationship, directly or indirectly with the Company.

## III. Other information :

### (1) Reasons for inadequate profits

The promoters of the Company acquired Advanta India Limited during the year 2006. Soon after acquisition, in the month of March, 2007, the Company came out with an Initial Public Offering involving issue of 3,380,000 Equity Shares to part finance its funding requirement for expansion of its operations.

Further the Company is spending heavily on Research & Development. R & D is the corner stone of the Company's Global business and the inherent nature of the seed business demands a lot of research from time to time. So, the Company has heavily invested in the Research and Development of vegetable breeding, healthy oil research programs and Biotech Labs. Investment was stepped up considerably during 2008 as significant amounts have been allocated for strengthening the biotechnology based research programs. While most of the research expenditure is charged to the current Profit and Loss statement, the results of these expenses will accrue in the coming years. Also, the Company spent considerably on modernising and expanding the processing and storage facilities in different countries.



However due to these expenses, the Company could not achieve sufficient profits. However based on the business plans, Board of Directors is confident that the Company will generate sufficient profits in the coming years.

**(2) Steps taken or proposed to be taken for improvement**

In tune with the changing trend, the Company has already taken the various expansion projects. It has acquired the Companies in India and abroad to expand its operations and product profile. The Company's aim is to create an umbrella of its brand name across the Globe. The vision will see its way forward through mergers, acquisitions and takeovers. With the brand value attached to the Advanta, the Company feels that the days to come are very encouraging.

**(3) Expected increase in productivity and profits in measurable terms**

Company is poised to maintain its turnover over the years to come. Also, with increased expenditure and investment on the Research and Development of the business, the Company is expecting a good return in the coming year. Also the strength of the Company has increased as acquisitions were carried out by the Company, last year, in order to explore new areas of business and technologies. The Company is in advance stage of its research of Nutrisun. Company expects that it will be able to start supplies in financial year 2009 and in full swing with effect from year 2012.

The explanatory statement together with the accompanying notice may be treated as an abstract of the terms of appointment and remuneration payable to Mr. V. R. Kaundinya, Managing Director as required under Section 302 of the Companies Act, 1956.

Except Mr. V. R. Kaundinya, none of the Directors are interested in the above resolution. Board of Directors recommends the above resolution to the members.



## DIRECTORS' REPORT

TO,  
THE MEMBERS OF  
**ADVANTA INDIA LIMITED.**

### STATE OF COMPANY'S AFFAIRS – SECTION 217(1)(A) OF THE COMPANIES ACT, 1956

We are pleased to present the 15<sup>th</sup> Annual Report on the business and operations of your Company together with the audited financial statements and the Auditor's Report of your company for the financial year ended 31<sup>st</sup> December, 2008.

The Financial highlights for the year under review are given below:

Description	Consolidated (Rs. in Lacs)		Stand-Alone (Rs. in Lacs)	
	Current Year	Previous Year	Current Year	Previous Year
Sales Including other Income	<b>62,336.08</b>	45,488.14	<b>16,230.68</b>	12,123.18
Profit before Interest , Depreciation & Tax	<b>11,931.73</b>	11,241.00	<b>4,097.81</b>	3,699.73
Less : Interest & Financial Charges	<b>4,254.45</b>	4,081.83	<b>2,167.90</b>	1,132.58
Less : Depreciation	<b>1,875.95</b>	1,230.28	<b>870.39</b>	634.77
Profit Before Tax and Exceptional Items	<b>5,801.33</b>	5,928.89	<b>1,059.52</b>	1,932.38
Profit Before Tax <b>(PBT)</b>	<b>5,801.33</b>	5,928.89	<b>1,059.52</b>	1,932.38
Profit After Tax <b>(PAT)</b>	<b>5,137.20</b>	4,446.46	<b>984.96</b>	1,302.38
Profit After Tax (Net of Minority interest & prior period adjustment)	<b>5,049.75</b>	4,446.46	<b>856.94</b>	1,219.25
Add: Balance brought forward from previous year	<b>9,163.77</b>	5,040.48	<b>4,000.67</b>	3,103.38
<b>Surplus Available for Appropriations</b>	<b>14,213.52</b>	9,485.73	<b>4,857.61</b>	4,322.63
<b>Appropriations</b>				
Proposed Final Dividend	<b>168.39</b>	168.35	<b>168.39</b>	168.35
Tax on Dividend	<b>28.62</b>	28.61	<b>28.62</b>	28.61
Transfer to General Reserve	<b>125.00</b>	125.00	<b>125.00</b>	125.00
Balance Transferred to Balance Sheet	<b>13,891.51</b>	9,163.77	<b>4,535.60</b>	4,000.67
<b>TOTAL</b>	<b>14,213.52</b>	9,485.73	<b>4,857.61</b>	4,322.63

### Conversion rates as on 31st December, 08

For Balance Sheet items (Closing Rate)

1 USD = Rs. 48.7200

1 AUD = Rs. 33.5949

1 EURO = Rs. 68.1763

1 THB = Rs. 1.4046

For Profit & Loss Account (Average Rate)

Rs. 44.0800

Rs. 34.0820

Rs. 63.1280

Rs. 1.3620

### RESULTS OF OPERATIONS

Your Company for the year under review has recorded a consolidated total income of Rs. 62,336.08 Lacs as against Rs. 45,488.14 Lacs for the previous year, which is 37.04% higher than the previous year. The Profit after Tax stood at Rs 5,137.20 Lacs as against Rs. 4,446.46 Lacs for the previous year which is 15.53 % higher than the previous year.

As stipulated in the Listing Agreement with the stock exchanges, the consolidated financial statements have been prepared by the Company in accordance with the relevant accounting standards issued by the Institute of Chartered Accountants of India. The audited consolidated financial statements together with Auditors' Report thereon form part of the Annual Report.