

17th ANNUAL REPORT

January - December 2010



Dear Shareholder

I am presenting this fourth annual report of the company since 2007, at the end of a very challenging year for the company.

Adverse weather conditions in Thailand and a drastic reduction in the sunflower acreage across the world were the major factors which contributed to the low financial results of this year. Fortunately both these factors have corrected themselves in 2011 and hence were temporary setbacks.

We acquired the business of a well-known sorghum seed company called Crosbyton Seed Company in Texas, USA at the beginning of this year. We are very happy with this acquisition which has strengthened our position considerably in the sorghum markets of US and Mexico.

As Australia recovered from the unprecedented drought of 2009, our sorghum business got a big boost during this year. We have registered 36% growth in sorghum business during this year. We introduced our sorghum hybrids for the first time in Africa with excellent results. Argentina recorded a good growth in sorghum this year. We have undertaken a new initiative to promote high quality forages in India and we are getting very encouraging results.

In spite of the very poor business we had in Thailand during this year we could record a 13% increase in our global corn business due to an excellent off take of our products in the International markets. We continue to do well in the tropical corn markets as our breeding program in Thailand is bringing out winning products. The latest product PAC 339 is catching the attention of the market in Thailand.

Another crop which did very well in 2010 is Canola. We recorded a whopping 69% growth in this crop due to an excellent performance in Australia. The counterpart of Canola, the Indian Mustard also showed an excellent growth of 70% in India. Between the two of them they have given us a tremendous boost in the Brassica markets.

Our Argentinian business ran on course in spite of adverse weather conditions and reduction in sunflower business. They created some new opportunities and enhanced their business. We integrated the front end of our operations in Argentina with UPL and this has given us some benefit in terms of market penetration.

The sorghum markets in US were flat and our business did have an adverse impact because of this. This situation is not likely to improve in 2011. The loss of revenue in sunflower, compared to 2009, was almost Rs. 100cr which had a major impact on our financials for this year. The commodity prices of sunflower came down and the acreage in the markets we operate reduced by almost 50%. Thankfully the sunflower prices have gone up now and we are already getting a good demand for our products in 2011. So the situation will change in this year.

Thailand had a severe drought followed by floods in many parts of the country in this year. The net result was a loss of almost Rs. 30cr in revenue compared to 2009. Here also the situation has changed completely and 2011 business has looked up.

Nutrisun oil continues to be accepted by more and more customers. We have considerably diversified production and customer base from Argentina to US and Europe. We are expecting to take some major strides in this business in the next two years.

The Longreach wheat program has brought out two high performing wheat varieties into the market which have been very well accepted. These varieties will help us to gain a good penetration of the Australian wheat market.

Our vegetable seed business is bringing out some very interesting products particularly in tomato. These products will help us to gain market share. Our sweet corn business has grown by more than 31% and it has made deep inroads into some of the South East Asian markets.

During the year we carried out a restructuring of our operations in Australia which resulted in a head count reduction of 27 and a major reduction in employee costs. Similarly in India we have cut down on manpower and pruned our fixed costs down significantly. Both these actions will help us in the future with reduced fixed costs.

We continue to invest in research and create intellectual property which will give us benefit in the long run. We are no doubt sacrificing current profits for this purpose but this is a necessary investment for us to stay competitive in the market.

Overall it has been a very challenging year. We are very sure that the setbacks are temporary and the investments we made in creating longer term value for our business will stand us in good stead.

We thank you for your understanding and for your support. We are hopeful of bringing more positive results in future with your continued support.

Your's Sincerely

V.R. Kaundinya
Managing Director & CEO

ADVANTA TROPICAL CORN

Maize or Corn (*Zea Mays*) is a versatile cereal crop, grown in about 100 countries in tropical, sub-tropical and temperate regions of the world. Since 1960, global production has had trouble keeping up with demand. Global maize production stands at 791.285 MT from an area of 147.562 million ha. USA, Brazil, China and Mexico account for 70% of the production.

As the world's population grows, as demographics and food habits change we find ourselves in greater need for corn grain to satisfy the demand. It is projected that there will be an increase in global maize demand. In order to satisfy the growing demand seed supplying companies have been quick to introduce technologies to help the farming communities increase productivity and also to add value to their business. Global cereal demand in 2020 is estimated at 2.1 billion MT and will, for the first time, show a major shift in favour of maize. Demand for Maize is estimated at 852 million MT compared with 760 million MT for wheat and 503 million MT for rice. The greatest areas of growth will be in developing nations which are also mainly tropical maize producing nations. Industrial nations of the world such as the USA and the EU are projected to show the least areas of growth. Corn crops are advancing from low-tech commodities to high-tech, high-value, and high-demand products. Through science, technology and education seed companies are helping growers increase productivity in corn.

ADVANTA CORN BUSINESS



Today Advanta's space within the global corn industry is in the tropical sector. Advanta has what is considered to be "Elite" germplasm that outperforms the competition in many of the markets. With a relatively small R & D budget and number of breeding personnel compared to the large corn companies, Advanta has been able to hold good market share in certain markets.

Corn market value drivers :

- Market Access
- Germplasm Strength or ability to access germplasm in value markets
- Increased Yield
- Competitive trait requirements (Native and GM) – herbicide tolerance, insect and pest resistance, yield, Nitrogen Use Efficiency (NUE), Water Use Efficiency (WUE),
- Speed to market
- Seed and Grain quality
- Rising input costs

Advanta is moving very quickly to become a key player within the global Tropical corn arena. For the company to emerge as a leader it is imperative that the current elite germplasm is matched with new trait technology such as herbicide tolerance, insect resistance and Water Use Efficiency (WUE). There is very little doubt that the corn markets, especially in developing countries within Asia and LATAM, will continue to grow so that the need for self sufficiency within these regions can be met. Advanta currently has an excellent portfolio of products that has a good fit and presence in the regions of East Asia, South East Asia, and South Asia. Areas that offer further opportunities are: Latin America – Argentina (temperate germplasm with traits), Brazil, Colombia, Ecuador, Mexico and Guatemala; West Asia / North Africa and Sub Saharan Africa.

| THAILAND – CENTRE OF EXCELLENCE FOR TROPICAL CORN

Our main research station of tropical corn is located in Lopburi, Thailand. Pacific Seeds, Thailand, one of the subsidiaries of Advanta has been producing high yielding tropical hybrids for more than 15 years. The breeding team has put lot of effort to develop elite corn germplasm. The hybrids with high yield, good stability, high shelling percentage and adaptability to diverse environments make them suitable to be launched successfully in most of the south and south eastern Asian countries.

We are working on development of hybrids that have good adaptation in the high altitude regions (200– 400 m above sea level) and development of hybrids with downy mildew and Northern Corn leaf blight resistance.

| TECHNOLOGY

Transgenic corn (herbicide tolerance, insect resistance) is commercially being sold in Tropical corn countries – Philippines and Brazil. Advanta is collaborating with technology providing companies to develop market driven transgenic tropical corn hybrids in these countries. Research also is focusing on the development of corn hybrids with agronomic traits like Water use efficiency, Nitrogen use efficiency, salt tolerance and yield enhancement. Advanta also has research projects and associations in these areas.



| BOOSTING FIELD CORN BUSINESS IN THAILAND

Advanta's market share in the highly competitive corn market in Thailand has reached to 15% in 2010. The successful application of dihaploid technology has enabled Pacific Seeds Thailand to gain a good position in enhancing its corn market share through winning hybrids being developed and launched on a full scale from 2010 onwards. Presently, PAC 339, PAC 313 and PAC 999 S are emerging as winners. Future research will concentrate on developing hybrids for mountain segment, incorporating improved tolerance to downy mildew and Northern corn leaf blight in the current hybrids. Customer survey of a large number of farmers gave the following feedback about our hybrids -High yield, Good root and stalk system, Attractive grain color, Good germination, Drought tolerance, Good tip fill, Disease resistance, Good husk cover and easy to harvest.



Introduction of Field Corn PAC 339 at Bannaluang,
Phrae Province in April 2010



Introduction of new Field Corn PAC 339 & 313 at
Baanwangnamyen, Petchaboon Province in April 2010



| INCREASING PRESENCE IN INDONESIA

Advanta established its own subsidiary in Indonesia during 2009, after several years of extensive testing of tropical corn and sweet corn hybrids and finding a good level of success in that market. We currently have four tropical corn hybrids - PAC 984, PAC 224, PAC 759 and PAC 105 and two Sweet corn hybrids - Hybrix 3 and Hybrix 10 - registered for commercial sales in Indonesia. As a part of the strategy in making Indonesia the production hub in South - East Asia, we have started the first production of PAC 984 and PAC 105 for commercial sales. Our future plan is to introduce hybrid Paddy and Vegetable seeds in addition to new sweet corn and field corn hybrids.



| CONCLUSION

Advanta plays an important role in the global tropical corn markets. Yield and ability to adapt to diverse climatic conditions are the most important factors in the development and competitive placement of Advanta's tropical corn. Advanta research and product development is actively working on many factors that make up yield and adaptation. Advanta is continuing to enhance its products and technologies to deliver higher value to the farmers.

Today tropical corn is the third largest crop in Advanta's crop portfolio. With great germplasm and right alliances in place combined with the right resources the Advanta tropical corn business is poised to triple by 2015. Advanta is working hard to make the company appreciated by the farmers as a supplier of high quality products supported by elite germplasm and latest technology.

CSR INITIATIVES UNDERTAKEN BY ADVANTA

Pacific Seeds, Australia (Subsidiary of Advanta India)

Supporting the McGrath Foundation

The McGrath Foundation provides funding for McGrath Breast Care Nurses nationally, with particular emphasis on rural and regional areas across the country, as well as increasing breast screening awareness in young Australian women.



The McGrath Foundation is proud to have 54 McGrath Breast Care Nurses working in communities right across Australia, having placed an additional 46 McGrath Breast Care Nurses since June 2008.

Breast care nurses are specially trained registered nurses who act as patient advocates, coordinating care for women with breast cancer, their families and their carers. They provide accurate information, support and referral to services.

It costs approximately \$350,000 to employ each full-time McGrath Breast Care Nurse over a three year period.

In Pacific Seeds region McGrath Breast Care Nurses are located in – Warwick, Dalby, Roma, Kingaroy, Gympie, Bundaberg, Moree, Armidale and Grafton.

This season Pacific Seeds donated \$1 per bag for all summer crop seed sold. This will provide a significant contribution to the funding of additional breast care nurses. Under this program Pacific Seeds handed over a cheque of \$ 50000 on 16th March, 2011 to the Foundation.

This is a very worthy cause and we are very proud to be associated with the McGrath Foundation.

Advanta Argentina

ADVANTA CARES FOR PEOPLE

The government of Balcarce, the city where the Biotech Center of Advanta Semillas Argentina is located, expressed through a letter the need to operate with a breathalyzer to achieve more effective results regarding the car accidents prevention policy implemented. From our internal resources of UPL holding we generated the availability of this equipment and gave a positive answer to the Government's request.

Under the current global economic situation, the government would have found it difficult to rely on this resource. Although Advanta is part of this tough economic reality, it managed to deliver to local authorities two breathalyzers last February.. This shows Advanta's commitment to the communities where its research and business units operate and at the same time, how it cares about the safety of its employees and communities where they live.

In Advanta Semillas, Argentina the CSR program consists of various activities being carried out for the communities:

- Donation of bags of seed to different entities (Agrotechnical College in Venado Tuerto, Murphy Club and Parish)
- Donation of Fuel to Safety patrols (Brigade Addiction Prevention and Control, City Police, Forensic Science and Highway Patrol in Venado Tuerto)
- Donation of money to the Fire Department (Murphy)
- Participation in Cluster Seed (Venado Tuerto) Promote actions to improve the competitive position of the group of actors that make up the value chain of the seed business.
- Financial Support to "Fundación DarseCuenta" driven by AAPRESID Foundation (Argentina Association of Producers), AACREA (Argentine Association of Consortiums for Agricultural Experimentation) and ACTA (Association of Chambers of Agricultural Technology) and supported by companies related to agricultural activity.
- The main objective of this new entity is to integrate different sectors of the community to awake in people the awareness and understanding of issues that help to improve their social and economic status.
- Financial support to "Fundación Loreto" (Santiago del Estero) a nonprofit organization that help people living in extreme poverty. The Civil Partnership Loreto Foundation is self-financed through the efforts of its partners.
- Financial support "Project 10" (Balcarce) a civil nonprofit corporation whose goal is to satisfy the basic needs of children in Balcarce. They practice the solidarity without political or religious involvement tied to the project. They base actions with anonymous donations from neighbors and businesses in the city within a framework of dignity with the voluntary work of parents of children with unmet basic needs.
- Collaboration and participation with the entity of Commerce and Industry (Junin).

Pacific Seeds, Thailand (Subsidiary of Advanta)

For our "35 years Anniversary campaign 2010" for every 1 kg of domestic sales we donate 0.50 baht to support the Charity funds projects of Her Royal Highness Princess Maha Chakri Sirindhorn.



We will present our contribution under this program for 2011, a total of 1,272,072 TBH to Her Royal Highness Princess Maha Chakri Sirindhorn on March 30th, 2011

Our staffs have made blood donation to support the Thai Red Cross Association in August, 2010 on occasion of H.M. the Queen's Birthday and in December, 2010 for H.M. the King's Birthday.



CONTENTS

	Page No(s).
Company General Information	2
Notice	3-5
Directors' Report	6-13
Management Discussion & Analysis	14-16
Annexure B & C to Directors Report	17-20
Report on Corporate Governance	21-40
Auditors' Report	41-44
Balance Sheet	45
Profit & Loss Account	46
Cash Flow Statement	47
Schedules	48-75
Balance Sheet Abstract and Company's General Business Profile	76
Statement pursuant to Section 212 of the Companies Act, 1956	77
Abridged Financial Information of Subsidiaries	78
 CONSOLIDATED FINANCIAL STATEMENTS	
Auditors' Report	79-80
Balance Sheet	81
Profit & Loss Account	82
Cash Flow Statement	83
Schedules	84-114

17th ANNUAL GENERAL MEETING

Date : 29th April, 2011
 Time : 11.30 A.M.
 Venue : "Earthen Oven" Fortune Park Vallabha,
 Road No. 12, Banjara Hills,
 Hyderabad - 500034

BOOK CLOSURE

Tuesday, 19th April, 2011
 To
 Friday, 29th April, 2011
 (both days inclusive)

BOARD OF DIRECTORS

1.	Mr. Jaidev R Shroff	-	Chairman
2.	Mr. V. R. Kaundinya	-	Managing Director
3.	Mr. Vikram R Shroff	-	Non Executive Director
4.	Mr. Vinod Sethi	-	Independent Director
5.	Mr. Vasant P. Gandhi	-	Independent Director
6.	Mr. Hardeep Singh	-	Independent Director

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Pushpalatha K

AUDITORS

SR Batliboi & Co.

Chartered Accountants
Mumbai.

BANKERS

AXIS Bank Ltd.
HDFC Bank Ltd.
HSBC Bank Ltd.
ICICI Bank Ltd.
ING Vysya Bank Ltd.
SYNDICATE Bank Ltd.
YES Bank Ltd.

REGISTERED OFFICE :

Krishnama House,
8-2-418, 4th Floor,
Road No. 7, Banjara Hills, .
Hyderabad – 500034,
Andhra Pradesh, India.

CORPORATE OFFICE :

“Unicorn House”
Plot No. 3-5, # 157/5, Balaji Enclave,
Transport Road, Near Gunrock,
Diamond Point, Secunderabad - 500009
Andhra Pradesh, India.

PLANTS

1. B Camp Post, Krishna Nagar, Kurnool, Andhra Pradesh
2. Kalakkal Village, Toopran Mandal, Medak Dist., Andhra Pradesh
3. Bharati Brahma Seeds, Nutankal Village, Medchal Mandal, Gundla Pochampally, Ranga Reddy District, Andhra Pradesh
4. Plot No. 110, Sec. 57, Phase – IV, Industrial Estate, Kundali, Sonapat, Haryana

REGISTRAR & SHARE TRANSFER AGENTS

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