

Basant Agro - Tech (India) Ltd.

We feed the land which feeds the people



17th

Annual Report 2006 - 2007

Manufacturers of Single Super Phosphate, NPK Mixture Fertilizers
and Producers of New American Sweet Corn & Hybrid Seeds

Basant Agro Tech (India) Limited

17th Annual Report

DIRECTORS

Shri Chimanlal R. Bhartia	Chairman
Shri Chhanulal Jhunjhnuwala	Vice Chairman
Dr. B. G. Bathkal	Director
Shri Sharad W. Sawant	Director
Shri Deepak C. Bhartia	Managing Director
Shri Shashikant C. Bhartia	Whole Time Director
Dr. Ramesh Tainwala	Director
Shri R. S. Tayade	Director

COMPANY SECRETARY

Upendra Somani

AUDITORS

M/s. P.C. Baradiya & Co., Chartered Accountants, 208, Rewa Chambers, 31, New Marine Lines, Mumbai - 400 020.	M/s. P. C. Bhandari & Co., Chartered Accountants, Ramdas Peth, Akola.
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LEGAL ADVISOR

Shri R. K. Thakur,
Krishna Mohan Building,
1st Floor, 71, Banganga Road,
Walkeshwar,
Mumbai - 400 003.

BANKERS

State Bank of India,
Old city SME Branch,
Akola - 444 001.

REGISTERED OFFICE

& NPK FERTILIZER UNIT I

Plot No.13/2, Kaulkhed, Near S.T. Workshop, Akola - 444 001 (Maharashtra).

SSP FERTILIZER UNIT II

Survey No.62, Kanheri Aranda Road, Kanheri-Sarap,
Taluka-Barshi Takli, Akola - 444 401 (Maharashtra).

NPK FERTILIZER UNIT II

Gat No. 76, Bhiwadi Station, Nr Chitale Dairy, Tal. Palus, Sangli ((Maharashtra).

CORPORATE OFFICE

A-1/3, Sea Lord, Cuffe Parade, Mumbai - 400 005.

REGISTRARS & SHARE TRANSFER AGENTS

SHAREX (INDIA) PVT. LTD.

17/B, Dena Bank Building,
2nd Floor, Horniman Circle,
Fort, Mumbai - 400 001.

Tel. No. : 2270 2485, Fax : 2264 1349.

BASANT AGRO TECH (INDIA) LIMITED**NOTICE**

NOTICE is hereby given that **Seventeenth Annual General Meeting** of Members of **BASANT AGRO TECH (INDIA) LIMITED**, will be held at Krishi Sanjivani Office, Opp. Nagar Parishad, Akola- 444001, Maharashtra on Saturday, 25th August, 2007, at 4:00 P.M. to transact the following business :-

ORDINARY BUSINESS :

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2007 and the Profit and Loss Account of the Company for the year ended as on that date and the Reports of Board of Directors and Auditors thereon.
2. To declare Dividend on equity shares.
3. To appoint a Director in place of Shri C.R. Bhartia who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri S W Sawant who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :**6. TO CONSIDER AND IF THOUGH FIT TO PASS WITH OR WITHOUT MODIFICATION(S) THE FOLLOWING RESOLUTION AS SPECIAL RESOLUTION :**

"RESOLVED THAT, pursuant to provisions of Section 257 and other applicable provisions of the Companies Act, 1956, Shri R. S. Tayade be and is hereby appointed as a Director of the Company liable to retire by rotation."

7. TO CONSIDER AND IF THOUGH FIT TO PASS WITH OR WITHOUT MODIFICATION(S) THE FOLLOWING RESOLUTION AS SPECIAL RESOLUTION :

"RESOLVED THAT, in accordance with the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications or re-enactment thereof, for the time being in force) the present authorized share capital of the Company be and is hereby increased from Rs 10,00,00,000/- divided into 1,00,00,000 equity shares of Rs 10/- each to Rs 25,00,00,000/- divided into 2,50,00,000 equity shares of Rs 10/- each."

8. TO CONSIDER AND IF THOUGH FIT TO PASS WITH OR WITHOUT MODIFICATION(S) THE FOLLOWING RESOLUTION AS SPECIAL RESOLUTION :

"RESOLVED THAT, pursuant to provisions of Section 16 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications or re-enactment thereof, for the time being in force) the Clause V of the Memorandum of Association of the company be and is hereby altered and substituted as follows:

" V. The Authorized Share Capital of the Company is Rs 25,00,00,000/- (Rs Twenty five Crores Only) divided into 2,50,00,000 (Two Crores Fifty Lacs) Equity Shares of Rs 10/- (Rs Ten Only) each. The Company has power, from time to time to increase or reduce its capital and to divide the shares in the capital for the time being into other classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions, or restrictions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such right, privilege or condition restrictions in such manner as may for the time being be permitted by the Articles of Association of the Company or the legislative provision for the time being in force in that behalf"

9. TO CONSIDER AND IF THOUGH FIT TO PASS WITH OR WITHOUT MODIFICATION(S) THE FOLLOWING RESOLUTION AS SPECIAL RESOLUTION :

"RESOLVED THAT, pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications or re-enactment thereof, for the time being in force) the Articles of Association of the Company be altered in following manner:

Substitute the following Article for the existing Article 5 (a)

"5(a): The Authorized Share Capital of the Company is Rs 25,00,00,000/- (Rs Twenty five Crores Only) divided into 2,50,00,000 (Two Crores Fifty Lacs) Equity Shares of Rs 10/- (Rs Ten Only) each."

10. TO CONSIDER AND IF THOUGH FIT TO PASS WITH OR WITHOUT MODIFICATION(S) THE FOLLOWING RESOLUTION AS SPECIAL RESOLUTION :

"RESOLVED THAT in accordance with the provisions of Section 81, 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment to or re-enactment thereof) and the enabling provisions of the Memorandum and Articles of Association of the Company and subject to the approval of the Government of India (GOI), Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI) and subject also to the consents, permissions and sanctions of such other appropriate authorities, Institutions or Bodies as may be necessary, consent, authority and approval of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called "the Board" which term shall be deemed to include any Committee which the Board may have constituted or hereafter constitute to exercise its powers including the powers conferred by this Resolution and with power to delegate such authority to such persons(s) as the Board may deem fit and substitute such authority) to issue and allot through Prospectus and/or Letter of Offer and/or Circular and/or any other document to Indian Financial Institutions, Banks, Indian Mutual Funds, India Funds, Foreign Institutional Investors (FIIs), Overseas Corporate Bodies (OCBs) Non-Resident Indians (NRIs), Members of the Company with or without right of renunciation or to the public or otherwise to any person or persons of the promoter or management group, their friends, relatives, associates and associate companies as the Board may, in its absolute discretion decide, to be subscribed in Indian currency or in the course of the international offering in one or more foreign markets to foreign investors whether institutions and/or banks and/or trusts and/or partnerships (whether limited or unlimited) and/or individual or otherwise, whether or not such investors are Members of the Company, to be subscribed in foreign currency(ies), to all or any of them, jointly or severally, Equity Shares with or without warrants and/or securities convertible into Equity Shares at the option of the Company or to the holders thereof and/or Securities linked to Equity Shares and/or Non-Convertible Securities and/or securities with

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or without detachable warrants, loyalty coupons and/or only warrants without any securities with a right exercisable by the warrant holders to convert or subscribe to and be allotted Equity Shares and/or instruments or securities, at such price with or without premium, as the Board may decide in the interest of the Company, for an aggregate nominal / face value of the securities / instruments so offered not exceeding Rs.75 Crores (Rupees Seventy Five Crores Only) in consultation with the lead managers and/or other authorities as may be required in one tranche or more tranches.

RESOLVED FURTHER THAT the new Equity Shares shall be subject to the provisions of the Companies Act, 1956 and the Memorandum and Articles of Association of the Company and shall rank *pari passu* in all other aspects with the existing fully paid Equity Shares of the Company in all respects except that these equity shares will only be entitled to *pro-rata* dividend, if declared or paid thereon from the date of allotment for the financial year for which the allotment of these equity shares is made.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of or exercise of option under any securities or as may be necessary in accordance with the terms of above offering and/or issue any other securities convertible into Equity Shares whether initially or otherwise and which upon conversion may or may not carry voting or other rights or which may, subject to the provisions of applicable laws, carry any rights which are disproportionate or different from the rights attached to any other security issued/ to be issued by the Company and with such rights as may be decided by the Board and provided under the terms of the issue and the offering documents and that the new Equity Shares shall be subject to the provisions of the Companies Act, 1956 and the Memorandum and Articles of Association of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorised to agree to and make and accept all such conditions, modifications and alterations stipulated by any relevant authorities while according approvals or consents to the issues as may be considered necessary, proper or expedient and to take all actions as may be necessary, desirable or expedient to effect such modifications and to resolve and settle all questions and difficulties that may arise in the proposed issues and allotment or allotments of the new securities and to do all acts, deeds, matters and things as it may at its discretion deem necessary or desirable."

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or Chairman or Managing Director or any other Director(s) or officer(s) of the Company to give effect to the aforesaid resolutions. "

11. TO CONSIDER AND IF THOUGH FIT TO PASS WITH AND WITHOUT MODIFICATION(S) THE FOLLOWING RESOLUTION AS SPECIAL RESOLUTION :

"RESOLVED THAT pursuant to Section 81 (1A) and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) and enabling provisions of the Memorandum and Articles of Association of the Company and Listing Agreements entered into by the Company with the Stock Exchanges where the Shares of the Company are listed and subject to any approval, consent, permission and / or sanction of appropriate authorities, (hereinafter collectively referred to as "the appropriate authorities"), and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission, and / or sanction (hereinafter referred to as " the requisite approvals"), and which may be agreed to by the Board of Directors of the Company (hereinafter called 'the Board' which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its power including the power conferred by this resolution), the Board be and is hereby authorised to create, offer, issue and allot, from time to time 5,00,000 warrants to the promoter of the company convertible into Equity shares or entitling the warrant holder to apply for, equity shares under a preferential issue through offer letter and / or circular and / or information memorandum and / or such other documents / writings, in such a manner and on such terms and conditions as may be determined by the Board in its absolute discretion, at the price of equity shares so issued shall not be less than Rs. 55/- (including a premium of Rs. 45/-) per equity share of Rs 10/- per equity share being the price with respect to the Relevant Date i.e. 26th July 2007, as prescribed under the Guidelines for Preferential Issues contained in Chapter XIII of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000.

RESOLVED FURTHER THAT the equity shares allotted in terms of this resolution shall rank *pari passu* in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorised on behalf of the Company to take all actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient to the issue or allotment of aforesaid Securities and listing thereof with the Stock Exchange (s) as appropriate and to resolve and settle all questions and difficulties that may arise in the proposed issue, offer and allotment of any of the said securities, utilisation of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion deem fit, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or Chairman or Managing Director or any other Director (s) or officers (s) of the Company to give effect to the aforesaid resolution.

12. TO CONSIDER AND IF THOUGH FIT TO PASS WITH OR WITHOUT MODIFICATION(S) THE FOLLOWING RESOLUTION AS SPECIAL RESOLUTION :

"RESOLVED THAT, approval be and is hereby accorded, pursuant to the provisions of Section 149(2A) of the Companies Act, 1956 to the commencement of all or any business as specified in Clause 92 of the Object Clause of the Memorandum of Association of the Company."

By Order of the Board of Directors
Basant Agro Tech (I) Ltd.

Place: Mumbai
Dated: 26th July, 2007

Registered Office :
Plot No. 13/2, Kaulkhed,
Nr. S.T. Workshop, Akola - 444001. Maharashtra.

Upendra Somani
Company Secretary

BASANT AGRO TECH (INDIA) LIMITED**NOTES :**

- (a) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- (b) Proxy form duly completed should be deposited at the Registered Office of the Company not less than forty eight hours before the time fixed for the commencement of Meeting.
- (c) The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, 22th August, 2007 to Saturday, 25th August, 2007 (both days inclusive).
- (d) The Dividend if declared, will be paid to those Shareholders whose names stand on the Register of Members on 25th August, 2007.
- (e) An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of business to be transacted at the Meeting is annexed hereto.

Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956.**Item No 6 :**

Shri R. S. Tayade was appointed as an Additional Director on the Board w.e.f.29.6.2007, pursuant to the provisions of Section 260 of the Companies Act, 1956. He holds office upto the date of the forthcoming Annual General Meeting but is eligible for appointment. The notice in writing under Section 257 of the Companies Act, 1956 has been received from the members proposing his candidature for the office of the Director of the company liable to retire by rotation. Mr Tayade has got thorough knowledge of various Industrial and labour laws. His public relations and knowledge about demand and supply of fertilizer market will be beneficial in the interest of the company in the light of recent acquisitions of fertilizer plants and also ongoing major expansion plans of the company.

The Board considers it desirable that the company should continue to avail the services of the above Director in the best interest of the company and accordingly recommends the resolution for the approval of the members. Except Shri Tayade no other Director of the company is, in any way, concerned or interested in the said Resolution.

Item No 7, 8, 9 and 10 :

The Company is contemplating various growth opportunities in the near future by way of expanding its plant capacities as well as strategic acquisition of fertilizer plants. The company has recently acquired the NPK mixture fertilizer plant at Hospet in Karnataka. The Company has installed the Wind Turbine Generator (WTG) plant under technical support from Suzlon Energy Ltd. Moreover the company has major plans to expand its share in the seeds market. To mobilise the financial resources the company for those activities as well to augment resources to meet its long term working capital requirements, the Board felt that it would be in the overall interest of the Company to explore the option of issue of securities by the company in the manner mentioned in the Resolution at item No 10. In order to facilitate the said issue of securities, it was proposed to increase the Authorized Share Capital of the Company from Rs 10,00,00,000/- divided into 1,00,00,000 equity shares of Rs 10/- each to Rs 25,00,00,000/- divided into 2,50,00,000 equity shares of Rs 10/- each. The Resolution at Item No 7 is for obtaining approval of the shareholders in terms of the Section 94 of the Act. Consequent to the increase in the Authorised Share Capital of the Company as above it is necessary to amend Clause V of the Memorandum of Association of the Company and Article 5 (a) of the Article of Association of the Company. Resolutions at Item No 8 & 9 of the Notice are for obtaining approval of the Shareholders in accordance with Section 16 and 31 of the Act respectively.

Pursuant to the provisions of Section 81(1A) of the Act any offer or issue of shares in the company to persons other than members of the company requires prior approval of the Members vide Special Resolution.

The Board recommends the Resolutions at item No 7,8, 9 and 10 of the Notice for approval by the Members.

A copy of the existing Memorandum and Articles of Association as well as the form of the amended Memorandum and Articles of Association of the Company is available for inspection at the registered office of the Company during the usual business hours of the Company on any working day.

No Director is in any way concerned or interested in the Resolutions at item No 7,8, 9 and 10 of the Notice, except to the extent of his participating in the proposed issue of equity shares of the Company.

Item No 11:

The Company proposes to issue warrants to the promoter of the company convertible into equity shares or entitling the warrant holder to apply for equity shares of the company, as per details given below under the Preferential Issue in terms of the guidelines for preferential issues contained in Chapter XIII of the Securities and Exchange Board of India (Disclosure and Investor protection) Guidelines, 2000 (hereinafter referred to as the, "Preferential Issues Guidelines") including any statutory modification or re-enactment thereof for the time being in force.

The details of the issue and other particulars as required in terms of the Preferential Issue Guidelines are given as under:

- (I) **Objects of the Issue:** The main object of the issue of warrants pursuant to the Resolution set out in the accompanying notice shall be to augment financial resources for making strategic acquisitions and other corporate activities including the working capital for the proposed acquisitions.
- (II) **Securities to be Issued:** The resolution set out in the accompanying notice is an enabling Resolution, entitling the Board to issue warrants, convertible into equity shares or entitling holder to apply for equity shares as may be deemed appropriate in the best interest of the company.
- (III) **The allotment of warrant pursuant to the Resolution set out in the accompanying notice will be completed within 15 days from the date of passing the said Resolution or from the date of the approval by the regulatory authority or Central Government.**
- (IV) **Pricing of Warrants:** The equity shares arising out on conversion of the warrant or on getting the subscription for equity shares from the warrant holders shall be of a face value of Rs 10/- and shall be issued at a price not being less than Rs. 55/- (including a premium of Rs. 45/-) per equity shares. Such price has been arrived at with respect to the relevant date i.e.26th July 2007, as prescribed under the said preferential issue guidelines.
- (V) **Terms of Warrants:** The Board may allot warrants at a Price not being less than Rs. 55/- per warrants which will be converted into equity shares or the warrant holder will become entitled to subscribe for one equity share, of the face value of Rs. 10/-, at a price not being less than Rs. 55/- (including a premium of Rs. 45/-) per equity share, of the company against each warrant. An amount, as may be decided by the Board of Directors, not being less than 10% of issue price (i.e.Rs.5.50 per warrant) shall be payable upon subscription of the warrants. The company will give an advance notice of at least ten days calling upon the warrant holder to make the balance payment against the said warrant on or before the expiry of 18 months from the date of allotment. The warrant holders will be liable to make the payment of the balance sum per warrant for such number of warrants within 10 days of the service of the notice. The warrants would be allotted on the following terms:

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* Each warrant will be converted into 1 (one) equity share or the holder is entitled to apply for and be allotted 1 (one) equity share of the face value of Rs. 10/-, at a price not being less than Rs. 55/- (including a premium of Rs. 45/-) per equity share of the company per warrant any time after date of allotment but on or before the expiry of 18 months from the date of allotment, in one or more tranches.

* Upon receipt of the payment as above, the Board (or a Committee thereof) shall allot one equity share per warrant by appropriating Rs. 10/- to towards equity share capital and the balance amount of Rs. 45/- paid against each warrant, towards the securities premium.

* If the entitlement against the warrants to apply for the equity shares is not exercised within the period specified in the notice referred hereinabove, the entitlement of warrant holders to apply for equity shares of the company alongwith the rights attached thereto shall expire and any amount paid on such warrants shall stand forfeited.

* The warrant holders shall also be entitled to any future bonus / rights issue (s) of equity shares or other securities convertible into equity shares by the company, in the same proportion and manner as any other shareholders of the Company for the time being.

* The warrants by itself do not give to the holder(s) thereof any rights of the shareholders of the Company.

* The equity shares issued as above shall rank pari passu in all respects with the then existing equity shares of the Company. The warrants and equity shares shall be subject to the Memorandum and Articles of Association of the Company.

(VI) Lock-in: The equity shares to be issued under the above Preferential Issue shall be locked-in for a period of three years from the date of allotment. The lock-in on the equity shares allotted on exercise of option attached to warrants, if any, shall be reduced to the extent the warrants have already been locked-in.

(VII) Particulars of Subscribers: The Promoters of the Company have agreed to subscribe to the warrants under the said Preferential Issue, as per the details given below:

Sr. No.	Name of the Proposed subscribers	Category	Number of Warrants	Percentage of post Preferential issue capital
1.	Mr. Chimanlal R. Bhartia	Promoters	1,00,000	5.26%
2.	Mr. Ashwin N. Bhartia	Promoters	1,00,000	3.47%
3.	Mrs. Snehlata Bhartia	Promoters	1,00,000	3.26%
4.	Mrs. Neeta Bhartia	Promoters	1,00,000	4.45%
5.	Mrs. Taradevi Bhartia	Promoters	1,00,000	2.53%
	Total		5,00,000	

Any of the equity shares issued as above, that may remain unsubscribed for any reason whatsoever, may be offered and allotted by the Board in its absolute discretion to any other person /entity/ investor within the same category/class, on the same terms and conditions.

VIII. Shareholding pattern:

Shareholding pattern giving present position and also post issue position considering the full allotment of equity shares arising out of the warrants to be issued as above is given below:

Category	Pre-issue shareholding	Percentage	Post-issue shareholding	Percentage
Promoters	3848860	48.34	4358860	51.39
Mutual fund	1600	0.02	1600	0.02
Banks & fin inst& FI	300	0.01	300	0.01
Bodies Corporate	412898	5.18	412898	4.80
Clearing house	59805	0.75	59805	0.70
Independent directors	3000	0.04	3000	0.03
NRI	137982	1.73	137982	1.63
Individuals—public	3498305	43.93	3498305	41.34
	7962750	100.00	8462750	100.00

Shri C.R. Bhartia, Shri S.C. Bhartia and Shri D.C. Bhartia, being related to the Proposed subscribers to whom the warrants are proposed to be allotted and accordingly may be deemed to be concerned or interested in the said resolution.

The Board recommends this Special Resolution for approval of shareholders.

Item No 12 :

The Company is contemplating the proposal to deal in the business of wine manufacturing as well as its marketing. The discussion are in progress with the concerned parties and the decision can be taken only after the passing of the Special Resolution mentioned in item No 12. Under Section 149 (2A) of the Companies Act, 1956 the members are required to accord their approval to the company by way of passing the Special Resolution, for commencing and undertaking the new businesses set out in Clause 92 of the object clause of the Memorandum of Association of the Company

None of the Directors of the Company are concerned or interested in the proposed Resolution.

The Board recommends this Special Resolution for approval of the shareholders.

The Memorandum of Association of the company is open for inspection by the members at the Registered office of the company during the usual business hours of the Company on any working day.

By Order of the Board of Directors
Basant Agro Tech (I) Ltd.

Upendra Somani
Company Secretary

Place : Mumbai
Dated : 26th July, 2007

Registered Office :
Plot No. 13/2, Kaulkhed,
Nr. S.T. Workshop, Akola - 444001. Maharashtra.

BASANT AGRO TECH (INDIA) LIMITED**REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS**

Your Directors have pleasure in presenting the 17th Annual Report together with the audited statement of accounts of the Company for the year ended 31st March, 2007.

1. FINANCIAL RESULTS :

	<u>2006-07</u>	<u>2005-06</u>
Turnover	924089	681043
Profit before interest, depreciation and tax	70077	50293
Less : Financial expenses	14695	10724
Profit before depreciation	55382	39569
Less : Depreciation	15219	9368
Profit before tax	40163	30201
Provision for taxations	3238	2200
Provision for deferred tax	766	511
Provision for fringe benefit tax	566	580
Profit after tax	35593	26910
Provision for taxation of earlier years	--	(4)
Surplus brought forward from previous year	55016	35968
Amount available for appropriations	90609	62874
Appropriations :		
(a) Interim dividend paid	--	1911
(b) Proposed dividend	7166	1911
(c) Corporate dividend Tax	1218	536
(d) Transferred to general reserve	3500	3500
Surplus carried to Balance Sheet	78725	55016

2. DIVIDEND :

The Board of Directors are pleased to recommend the Dividend of 9 % for the year 2006-07 on expanded share capital, subject to the approval of the shareholders at the Annual General Meeting (previous year 12%) which shall absorb Rs 71.66 lacs (previous year Rs.38.22 lacs).

3. OPERATING RESULTS AND PROFITS :

The Company has achieved the highest ever Turnover as well as Production of fertilizer during the year. The total sales for the year was Rs 9240.89 lacs as compared to Rs.6810.43 lacs recording the growth of 35.69% The Profit before tax has gone up by 32.99% to Rs. 401.63 lacs. The Profit after tax was for the year was Rs 355.93 lacs against Rs.269.10 lacs in the previous year. The total dividend payout for the year will be Rs 71.66 lacs which is higher by over 87% over previous year. The seed division has shown the remarkable performance during the year. The turnover of seed division grew by over 141% to Rs 1165.04 lacs whereas the gross profit has jumped by 184% and touched a new high of Rs 119.06 lacs. The Seed division is poised for major growth and its share in the total turnover and profitability of the company will improve in the years to come.

During the year under review the expansion of SSP fertiliser plant has been completed increasing the plant capacity to 120000 TPA. The revamping of NPK fertiliser plant at Sangli has finished and it has started contributing to the profitability of the company. The green house project of the seed division is under progress. The company has installed the Wind Turbine Generator (WTG) plant under technical support from M/s Suzlon Energy Ltd. in Maharashtra during the year. The Company has acquired the NPK Mixture fertilizer plant at Hospet, Karnataka and the production of the fertilizer has started since April 2007. With this acquisition the production capacity of the Company has gone up to 150000 TPA of NPK fertiliser and also it can expand its area of operations by tapping the new fertilisers market of northern Karnataka.

4. RIGHTS ISSUE OF THE COMPANY :

The Rights issue of 47,77,650 equity shares of the company at the price of Rs 25/- (including the premium of Rs 15/- per share) was oversubscribed and the allotment of equity shares was completed in consultation with the Bombay Stock Exchange Ltd and the said shares were listed on BSE from 27.09.2006. The Board place on record its happiness for the whole hearted support of the shareholders for the said rights issue of equity shares of the company

5. INCREASE IN THE AUTHORISED SHARE CAPITAL:

Your company has the major growth plans by way of strategic acquisition of fertilisers plant and major expansion of its plant capacities. During the year under review the company has acquired the NPK Mixture Granulated Fertilizers plant at Hospet in Karnataka. The Company has also set up the Wind Turbine Generator (WTG) plant under technical support from M/s Suzlon Energy Ltd. in Maharashtra. The company is considering the proposal to deal in the business of wine manufacturing as well its marketing. Your directors felt that it would be in the best interest of the company to

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explore the option of mobilization of long term financial resources by way of issue of securities in the appropriate manner as specified in the resolutions of the notice of this Annual General Meeting. The shareholders' approval has been sought to facilitate the issue of the said securities in due course. It was proposed to increase the Authorized share capital of the company to Rs 25,00,00,000/- divided into 2,50,00,000 equity shares of Rs 10/- each to accommodate the fresh issue of equity shares. Consequent to the increase in the Authorised share capital of the company as above it is necessary to amend clause V of the memorandum of association of the company and article 5 (a) of the article of association of the Company.

6. DIRECTORS :

Shri C.R. Bhartia, director retires by rotation at this Annual General Meeting and he being eligible, has offered himself for reappointment.

Shri S.W. Sawant, director retires by rotation at this Annual General Meeting and he being eligible, has offered himself for reappointment.

Shri R. S. Tayade who was appointed as additional director of the company w.e.f. 29.06.2007. The company has received the notices in writing from members under Section 257 of the Companies Act 1956, proposing his appointment as a director of the company liable to retire by rotation. His knowledge about the industrial and labour laws as well as his public relations and expertise in fertiliser market will be of immense benefit to the company in view of its future growth plans.

7. AUDITORS :

M/s. P.C.Baradiya & Co., Chartered Accountants, Mumbai and M/s P.C. Bhandari & Co., Chartered Accountants Akola, the joint statutory auditors of the company hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. They have furnished certificate to the effect that their appointment as statutory auditors if made, would be within prescribed limits under Section 224(1) of the Companies Act, 1956.

8. AUDITORS' REPORT :

The observations of the auditors in their report, read with notes annexed to the accounts are self explanatory and therefore do not call for any further clarification.

9. PUBLIC DEPOSIT :

As on 31st March, 2007 the company has neither accepted nor invited any public fixed deposits.

10. DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed :

- i. That in the preparation of the accounts for the financial year ended 31st March, 2007, the applicable accounting standards have been followed alongwith proper explanation relating to material departures,
- ii. That the directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 the year under review,
- iii. That the directors have taken proper and sufficient care 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 directors have prepared the annual accounts for the financial year ended 31st March, 2007 on a going concern basis.

11. CORPORATE GOVERNANCE :

Pursuant to Clause 49 of the Listing Agreement with the Bombay Stock Exchange Ltd. a separate section titled " Report on Corporate Governance" is being published as a part of this Annual Report.

12. INDUSTRIAL RELATIONS :

Relations between the Employees and the Management continued to be cordial.

13. PARTICULARS of EMPLOYEES UNDER SECTION 217(2A) of THE COMPANIES ACT 1956 :

There were no employees whose remuneration was in excess of the limits prescribed under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975.

14. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :

Information pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in Report of Board of Directors) Rules 1988 are set out in the annexure forming part of this Report.

15. ACKNOWLEDGEMENTS :

Your Directors would like to express their appreciation for the assistance and co-operation received during the year under review from the Shareholders, Financial Institutions and Bankers. Your directors wish to place on record their sincere thanks for the devoted services of the staff and workers of the Company.

For and on behalf of the Board

Place : Mumbai
Date : 29th June, 2007

CHIMANLAL R. BHARTIA
Chairman