

*Basant Agro Tech (India) Limited*

**20th Annual Report**

**DIRECTORS**

Shri Shashikant C. Bhartia	Chairman & Jt. Managing Director
Shri Ashwin Bhartia	Executive Director
Dr. B. G. Bathkal	Director
Shri Sharad W. Sawant	Director
Shri Deepak C. Bhartia	Managing Director
Dr. Ramesh Tainwala	Director
Shri R. S. Tayade	Director

**COMPANY SECRETARY**

Shri 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).

**NPK FERTILIZER UNIT II**

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

**NPK FERTILIZER UNIT III**

Sy.No.66-A/4,Hanumanhalli Village, Danapur Panchayat,Tal Hospet, Dist Bellary, (Karnataka).

**SSP FERTILIZER UNIT I**

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

**SSP FERTILIZER UNIT II**

Mhow Nasirabad Rd.,Nayagaon,Neemuch -458 468 (Madhya Pradesh).

**CORPORATE OFFICE**

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

**REGISTRARS & SHARE TRANSFER AGENTS**

**SHAREX DYNAMIC (INDIA) PVT. LTD.**

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

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

### NOTICE

NOTICE is hereby given that Twentieth 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, 28th August, 2010, 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, 2010 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 A.N. Bhartia who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Dr. B.G. Bathkal who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Dr. Ramesh Tainwala who retires by rotation and being eligible, offers himself for reappointment.
6. 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 :

7. **To consider and if thought fit, to pass with or without modification(s) the following resolution as special resolution :**

**"RESOLVED THAT** in accordance with the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory amendments thereto or re-enactment thereof for the time being in force), and in accordance with the provisions of the Memorandum and Articles of Association of the Company and the Listing Agreement entered into with the stock exchanges where the Equity Shares of the Company are listed, applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 (ICDR Regulations), Chapter XIII-A of the SEBI (Disclosure and Investor Protection) Guidelines 2000 (SEBI DIP Guidelines), the Foreign Exchange Management Act, 1999 (FEMA), the regulations/guidelines, if any, prescribed by SEBI, Reserve Bank of India, the Stock Exchanges, the Government of India or any other relevant authority from time to time, to the extent applicable, and subject to such conditions as may be prescribed by any of these Authorities while granting such approvals, consents, permissions and sanctions, which the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee(s) constituted or hereinafter constitute by the Board to exercise its powers including the powers conferred by this Resolution) is hereby authorised to accept, on behalf of the Company to create, issue, offer and allot, in the course of one or more public or private offerings in domestic and/or one or more international market(s) , Equity Shares, fully convertible debentures, partly convertible debentures, non convertible debentures with warrants or any other security (other than warrants) which are convertible into or exchangeable with equity shares on such date as may be determined by the Board but not later than 60 months from the date of allotment (referred to as "QIP Securities") to the Qualified Institutional Buyers (QIBs) and/or, to issue Equity Shares and/or convertible bonds and/or other securities convertible into Equity Shares at the option of the Company and/or the holder(s) of such securities, and/or securities linked to Equity Shares and/or securities including non-convertible debentures with warrants or other securities with or without warrants, which may either be detachable or linked, and which warrant has a right exercisable by the warrant holder to subscribe for the Equity Shares and/or warrants with an option exercisable by the warrant-holder to subscribe for Equity Shares and/or any instruments or securities representing either Equity Shares and/or convertible securities linked to Equity Shares (all of which are hereinafter collectively referred to as "Securities") to eligible investors under applicable laws, regulations and guidelines (whether residents and/or nonresidents and/or institutions/banks and/or incorporated bodies, mutual funds, venture capital funds and Indian and/or multi-lateral financial institutions and/or individuals and/or trustees and/or stabilising agents or otherwise, and whether or not such investors are members of the Company), through prospectus and/or letter of offer or circular and/or on public and/or private/ preferential placement basis, such issue and allotment to be made at such time/times, in one or more tranches, for cash, at such price or prices, in such manner and where necessary, in consultation with the Merchant Bankers and/or other Advisors or otherwise, on such terms and conditions as the Board, may, in its absolute discretion, decide at the time of issue of Securities provided that the total amount raised through the issuance of such Securities shall not exceed Rs.50 Crores (Rs Fifty Crores only), including premium if any as may be decided by the Board."

**"RESOLVED FURTHER THAT** the relevant date for the determination of applicable price for the issue of the QIP Securities shall be the date on which the Board of the Company decide to open the proposed issue, or the date on which the holder of the Securities which are convertible into or exchangeable with Equity Shares at a later date becomes entitled to apply for the said Equity Shares, as the case may be."

**"RESOLVED FURTHER THAT** in the event that non convertible debentures (NCDs) with or without warrants with a rights exercisable by the warrant holder to exchange with Equity Shares of the company are issued, the relevant date for determining the price of the Equity Shares, to be issued upon exchange of the warrants, shall be the date of the meeting in which the Board decides to open the proposed issue of the NCDs in accordance with ICDR."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorised to issue and allot such number of Securities as may be required to be issued and allotted, including issue and allotment of Equity Shares upon conversion of any Securities referred to above or as may be necessary in accordance with the terms of the offer, subject to the provisions of the Memorandum and Articles of Association of the Company all such Equity Shares ranking pari passu with the then existing Equity Shares of the Company in all respects including dividend, as may be provided under the terms of the issue and in the offer documents."

**"RESOLVED FURTHER THAT** such of these securities to be issued as are not subscribed may be disposed off by the Board in such manner and/or on such terms and conditions, including offering or placing them with Qualified Institutional Buyers (QIBs), as the Board may deem fit and proper, in its sole and absolute discretion."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to any offer, issue or allotment of Equity Shares or Securities or instruments representing the same, as described above, the Board, where required in consultation with the Merchant Bankers and/or other Advisors, be and is hereby authorised on behalf of the Company, to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, including but not limited to the selection of QIBs to whom the

Securities are to be offered, issued and allotted, and matters related thereto, and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to such issue(s) or allotment(s) as it may, in its absolute discretion, deem fit.”

**“RESOLVED FURTHER THAT** without prejudice to the generality of the above, the aforesaid Securities may have such features and attributes or any terms or combination of terms in accordance with international practices to provide for the tradability and free transferability thereof as per the prevailing practices and regulations in the capital markets including but not limited to the terms and conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debt service payments whatsoever including terms for issue of additional equity shares or variation of the conversion price of the Securities during the duration of the Securities and the Board be and is hereby authorised in its absolute discretion in such manner as it may deem fit, to dispose off such of the Securities that are not subscribed.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorised to appoint lead managers, underwriters, custodians, registrars, trustees, bankers, lawyers, advisors and all such agencies as may be involved or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees and also to enter into and execute all such arrangements, agreements, memorandum, documents, etc., with such agencies and also to seek the listing of such Securities on one or more national stock exchange(s) and the Equity Shares to be issued on conversion of the Securities as set forth in the aforesaid resolution, if any, on any stock exchange(s), authorising any director(s) or any officer(s) of the Company to sign for and on behalf of the Company, the offer document(s), agreement(s), authority letter(s), or any other related paper(s) / document(s) and give any undertaking(s), affidavit(s), certificate(s), declaration(s) as the Board may in its absolute discretion deem fit including the authority to amend or modify the aforesaid document(s).”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to form a committee and to delegate all or any of its power to said committee of directors or any other officer / authorised representatives of the Company to give effect to the aforesaid resolutions and is authorised to take such steps and to do all such acts, deeds, matters and things and accept any alterations or modifications as they may deem fit and proper and give such directions as may be necessary to settle any question or difficulty that may arise in regard to issue and allotment of these securities.”

**8. To consider and if thought fit, to pass with or 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 70,00,000 warrants convertible into or entitling to apply for equity shares to be subscribed by Promoters of the Company, 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 7.75 (including a premium of Rs 6.75) per equity share of Rs 1/- per equity share being the price with respect to the Relevant Date i.e. 29<sup>th</sup> July, 2010, as prescribed under the Guidelines for Preferential Issues contained in the Securities and Exchange Board of India ( DIP) Guidelines, 2000 as well as applicable provisions of Securities and Exchange Board of India ( Issue of Capital and Disclosure Requirements) Regulations 2009 ( ICDR Regulations).

**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 & Jt. Managing Director or any other Director (s) or officers (s) of the Company to give effect to the aforesaid resolution.

**9. To consider and if thought fit, to pass with or without modification(s) the following resolution as special resolution:**

**“RESOLVED THAT** pursuant to section 314(1) and all other applicable provisions, if any of the Companies Act, 1956, consent of the Company be and is hereby accorded for increase in the remuneration w.e.f. 1st April, 2010 payable to Shri Akshay D. Bhartia, President of the Company to Rs. 40,000/- (Rs forty thousand only) per month and upon terms and conditions set forth in the Agreement to be entered into between the Company and Shri Akshay D. Bhartia”

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

Place : Mumbai  
Date : 29th July, 2010

**Registered Office :**

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

Upendra Somani  
Company Secretary

### 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 25<sup>th</sup> August, 2010 to Saturday 28<sup>th</sup> August, 2010 (both days inclusive).
- (d) The Dividend if declared, will be paid to those Shareholders whose names stand on the Register of Members on 28<sup>th</sup> August, 2010
- (e) An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Business to be transacted at the meeting is annexed hereto.
- (f) All documents referred to in the accompanying Notice and explanatory statement are open for inspection at the Registered office of the Company during the office hours on all working days between 11.00 a.m. to 1.00 p.m. till 28<sup>th</sup> August, 2010.

### Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

#### Item No 7 :

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 plans of the modernization and upgradation of the newly acquired fertiliser plants of the Company. Moreover the Company is keen to diversify into cattle feed business as well as solar power generation. The company has major plans of expanding the seeds business by undertaking research and development of new varieties of seeds and also entering into new areas under the Contract farming arrangements. The Company also plans to mobilise the resources for the long term working capital requirements for all its fertilisers plants as well as growing seeds business. The proposed Special Resolution seeks the enabling authorization of the members of the company to the Board of Directors (Board), without the need of any further approval from the members to undertake the Qualified Institutional Placements ( QIP) with Qualified Institutional Buyers (QIB) and/ or to issue other securities, in accordance with the provisions of Chapter XIII-A of the SEBI (Disclosure and Investor Protection) Guidelines 2000 ( SEBI DIP Guidelines) as well as applicable provisions of SEBI ( Issue of Capital and Disclosure Requirements) Regulations 2009.

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 of the Notice for approval by the Members.

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

#### Item No 8 :

The Company propose to issue warrants convertible into equity shares or entitling to apply for equity shares of the company, to the promoters of the company as per details given below on the preferential allotment basis 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") as well as Chapter VII and other applicable provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 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 resources for making strategic acquisitions and other corporate activities including the working capital for the Company.
- (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 1/- and shall be issued at a price not being less than Rs.7.75 (including a premium of Rs.6.75) per equity shares. Such price has been arrived at with respect to the relevant date i.e.29th July 2010, as prescribed under the said preferential issue guidelines under SEBI (ICDR) Regulations.
- (V) Terms of Warrants: The Board may allot warrants at a Price not being less than Rs. 7.75 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.1/-, at a Price not being less than Rs.7.75 (including a premium of Rs.6.75) per equity share of the company against each warrant. An amount, as may be decided by the Board of Directors, not being less than 25% of issue price (i.e. Rs.2.00 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:
  - \* Each warrants will be converted into 1 (one) equity share or the holder is entitles to apply for and be allotted 1 (one) equity share of the face value of Rs. 1/-, at a Price not being less than Rs. 7.75 (including a premium of Rs.6.75) 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. 1/- onwards equity share capital and the balance amount 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.

**BASANT AGRO TECH (INDIA) LIMITED**

- \* The warrant 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.
- \* The Equity shares will be issued against receipt of the consideration in cash.

(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. Vishal S. Bhartia	Promoters	14,00,000	1.55%
2.	Mr. Ashwin N. Bhartia	Promoters	14,00,000	3.48%
3.	Mr. Akshay D. Bhartia	Promoters	14,00,000	3.81%
4.	Mr. Ankush D. Bhartia	Promoters	14,00,000	1.54%
5.	Smt Taradevi Bhartia	Promoters	14,00,000	2.80%
	Total		70,00,000	

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 as also considering the full allotment of equity shares arising out of the Securities issued as above is given below:

Category	Pre-issue	Percentage shareholding	Post-issue	Percentage shareholding
Promoters	41672671	49.83	48672671	53.71
Mutual fund	16000	0.01	16000	0.01
Banks & fin. inst.	3000	0.01	3000	0.01
Bodies Corporate	4966622	5.94	4966622	5.48
Independent directors	30000	0.04	30000	0.03
NRI	682498	0.82	682498	0.75
Individuals –public	36256709	43.35	36256709	40.01
Total	83627500	100.00	90627500	100.00

IX. Undertaking of the issuer regarding recomputation of the price of the securities to be issued is not applicable since the equity shares of the Company have been listed on recognized Stock Exchange for more than six months.

Shri S.C. Bhartia, Shri D.C. Bhartia and Shri A.N. Bhartia, are the relatives of the persons from the promoters category to whom the warrants convertible into equity shares are proposed to be allotted and accordingly may be deemed to be concerned or interested in the said resolution.

**Item No 9 :**

Pursuant to the special resolution passed by the shareholders at the Annual General Meeting held on 13th September, 2008, Shri Akshay Bhartia was appointed as the President of the Company and was paid the Remuneration of Rs. 25,000/- per month. Now, on recommendation of the remuneration committee it was proposed to increase the remuneration payable to Shri Akshay Bhartia to Rs. 40,000/- (Rs forty Thousand only) per month w.e.f. 1st April, 2010. Pursuant to provisions of Section 314(1) of the Companies Act, 1956, the approval of shareholders by way of Special Resolution is required for making the payment of the remuneration to the relative of the Directors.

The Board recommends the Resolution at item No.9 of the Notice for the approval of the shareholders.

None of the Directors other than Shri Shashikant Bhartia, Shri Deepak Bhartia and Shri Ashwin Bhartia shall be deemed to be concerned or interested in the said Resolution.

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

Place : Mumbai  
Date : 29th July, 2010

**Registered Office :**

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

Upendra Somani  
Company Secretary



## Annual Report 2009 - 2010

### REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS

Your Directors have pleasure in presenting the 20th Annual Report together with the audited statement of accounts of the Company for the year ended 31st March, 2010.

(Rs. in Thousands)

1. FINANCIAL RESULTS :	2009-10	2008-09
Net Turnover	1307421	1285162
Profit before interest, depreciation and tax	141161	118427
Less : Financial expenses	43814	31383
Profit before depreciation	97347	87044
Less : Depreciation	32275	24011
Profit before tax	65072	63033
Provision for taxations	8500	6000
Provision for deferred tax	1201	2092
Provision for fringe benefit tax	--	675
Profit after tax	55371	54266
Provision for taxation of earlier years	(754)	(455)
Surplus brought forward from previous year	161512	119028
Amount available for appropriations	216129	172839
Appropriations :		
(a) Proposed dividend	5018	6690
(b) Corporate dividend tax	833	1137
(c) Transferred to general reserve	3500	3500
Surplus carried to Balance Sheet	206778	161512

### 2. DIVIDEND :

The Board of Directors are pleased to recommend the Dividend of Rs. 0.06 per share (6 %) for the year 2009-10 on equity share capital, subject to the approval of the shareholders at the Annual General Meeting (previous year 8%) which shall absorb Rs 50.18 lacs ( previous year Rs. 66.90 lacs)

### 3. OPERATING RESULTS AND PROFITS :

#### Fertiliser Division:

The growth of Fertilisers division was as per the projections of the management of the Company. But due to delay in the announcement of the new fertiliser policy there was uncertainty about the MRP of the SSP fertilisers and as a result the sales for the last quarter of the year under review was affected. Though the production of the fertilisers was jumped by 7.81% to 152183 TPA the sales was marginally lower as compared to previous year. This has resulted in increase in the inventory of the finished goods. The new NBS policy announced by the Government will provide much needed stimulus to SSP industry. Due to additional subsidy on sulphur the total subsidy on SSP fertilisers has been raised from Rs 2000/- PMT to Rs 4400/- and to your company will be benefited under NBS policy. The successful completion of upgradation and modernisation of the newly acquired SSP fertiliser unit at Neemuch (MP) will contribute considerably to the bottomline of the Company during the current financial year. The production of NPK fertiliser division was as per production plans of the Company and had jumped by 46.25% over previous year. The MET Department has predicted satisfactory monsoon in the current year and it will help the agro based industries to progress.

#### Seeds Division :

The seeds division has reported excellent performance during the year under review. The sales of the division has jumped by 105.76% and touched a new high of Rs 4000.06 lacs. Whereas the profit before tax of the seeds division has gone up by 44.80% as compared to the previous year. Introduction of the new hybrid varieties of the seeds in the market coupled with the expanding the area under the contract farming has resulted in such remarkable performance. The newly developed BT cotton seeds under the collaboration of Mahyco Monsanto Biotech (I) Ltd has been successfully launched in the market.

**4. DIRECTORS :**

Shri A.N.Bhartia, Director retires by rotation at this Annual General Meeting and he being eligible, has offered himself for reappointment.

Dr. B.G.Bathkal, Director retires by rotation at this Annual General Meeting and he being eligible, has offered himself for reappointment.

Dr. Ramesh Tainwala, Director retires by rotation at this Annual General Meeting and he being eligible, has offered himself for reappointment.

**5. ISSUE OF SHARES ON PREFERENTIAL BASIS/ FPO :**

In order to finance the proposed growth plans of the Company it was proposed to get the approval of the shareholders to make the preferential allotment of warrant to be converted into equity shares to the promoters . It was also proposed to pass special resolution under section 81 (1A) of the Companies Act,1956 to issue securities to persons other than shareholders by way of QIP Securities.

**6. 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.

**7. 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.

**8. PUBLIC DEPOSIT :**

As on 31st March,2010 the company has neither accepted nor invited any public fixed deposits.No amount of principal or Interest was outstanding as on 31st March, 2010.

**9. 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, 2010, 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, 2010 on a going concern basis.

**10. 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.

**11. INDUSTRIAL RELATIONS :**

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

**12. 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.

**13. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & 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.

**14. 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 July, 2010

**SHASHIKANT C. BHARTIA**  
CHAIRMAN & JT.MANAGING DIRECTOR

## ANNEXURE TO THE DIRECTORS' REPORT

Particulars required under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2010.

### A. CONSERVATION OF ENERGY

As in the past, the company continues its efforts to improve method of energy conservation and utilisation.

#### FORM 'A'

#### FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

	2009-10	2008-09
<b>A. POWER &amp; FUEL CONSUMPTION</b>		
1. Electricity		
a) Purchased from Electricity Board (No of Units)	2833472	2728705
Total Amount (Rs.)	13942990	12054890
Rate / Unit (Rs.)	4.92	4.42
b) Own Generation	Nil	Nil
2. Coal ( Kgs)	974895	866823
Total Amount (Rs.)	4185021	3601996
Average Rate per Kg (Rs.)	4.29	4.16
3. Briquettes ( Kgs)	1721030	1463760
Total Amount (Rs.)	6324019	4427915
Average Rate per Kg (Rs.)	3.67	3.03
<b>B. CONSUMPTION PER UNIT OF PRODUCTION (MT)</b>		
NPK Granulated Mixture Fertilizer		
Electricity (No. of Units)	8.82	8.77
Coal ( in Kgs.)	17.83	17.55
Briquettes ( in Kgs)	23.40	23.07
SSP Fertilizer		
Electricity (No. of Units)	16.99	16.84
G.S.S.P. Fertilizer		
Electricity (No. of Units)	12.92	12.83
Coal( in Kgs.)	19.96	19.88
Briquettes (in Kgs)	23.98	23.92

#### FORM 'B'

### A. ABSORPTION OF TECHNOLOGY : — Not Applicable —

### B. RESEARCH AND DEVELOPMENT (R & D) :

#### i. Specific areas in which R & D carried out by the Company:

The R & D efforts of the Company are directed towards quality improvement and improvement of in house expertise as well as development of high yielding varieties of seeds. Use of Bio technology in research on seeds will be the key focus of the division. Continuous improvement in processes technology and operational efficiency to maintain the excellent quality of fertiliser with cost effectiveness is the prime endeavor of R & D Department.

#### ii. Benefits derived as a result of above R & D :

Development of hybrid seeds considering the scientific- technological advances, suitability for biotic stresses, locational adaptability, soil and climatic conditions as well as giving high yield per acre. Production of the Best quality fertilisers to enable the company to have edge over its competitors.

#### iii. Future plans of action:

The Company plans to continue its efforts on inhouse R & D to improve cost efficiency & achieving Competitive edge. The Company will be undertaking the new projects for development of new types of BT seeds.

#### iv. Expenditure of R & D : Rs 29.99 lacs ( Previous year Rs 25.15 lacs )

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

(Rs. in Thousands)

	2009-10	2008-09
Total Foreign Exchange used :		
a) CIF value of import of Raw material	102500	-
b) Dividend	623	472
c) Others	43	61
Total Foreign Exchange Earned :	NIL	NIL