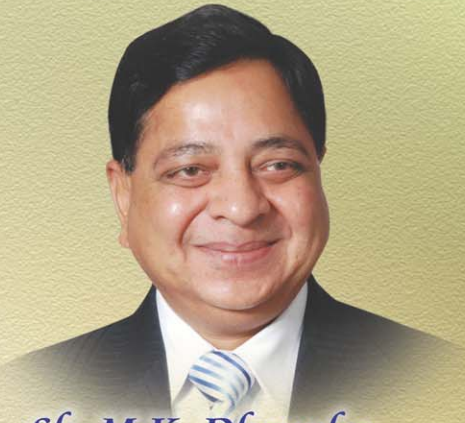


# 26<sup>th</sup> ANNUAL REPORT 2010-11

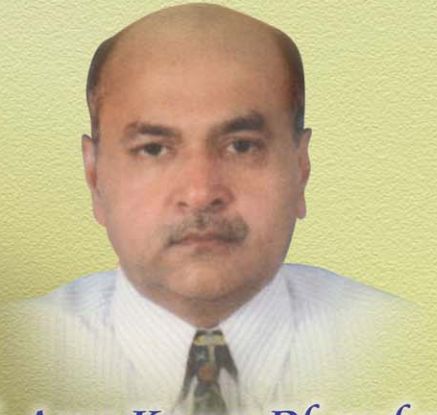
**GROWTH THROUGH  
EXCELLENCE**







*Sh. M.K. Dhanuka*  
Managing Director



*Sh. Arun Kumar Dhanuka*  
Director (Works)



*Sh. R. G. Agarwal*  
Chairman



*Mridul Dhanuka*  
Director (Technical)



*Sh. Rahul Dhanuka*  
Director (Marketing)



# An OVERVIEW



- 30 Branch Offices/ Warehouses
- 6000 Direct Customers
- 65000 Retail Outlets
- 1000 Manpower
- 500 Techno Commercial Personnel
- More than 80 Products
- More than 400 SKUs
- ★ CORPORATE OFFICE
- BRANCH OFFICE / WARE HOUSE
- ▲ PRODUCTION FACILITIES
- 🌿 AGRICULTURAL RESEARCH CENTRE

## Background

- Over INR 500 crores gross revenue agrochemicals (insecticides, fungicides and herbicides) Company in India
- One of the fastest growing Company in the sector; achieved a CAGR of over 20% for last 7 years
- Operates purely as a formulator with a portfolio of over 80 Brands with 100% domestic sales
- Company has three manufacturing facilities in Gurgaon, Sanand and Udhampur. It has one of the largest distribution network in India with over 6000 distributors / dealers selling to over 65,000 retailers. Its products are used by over 10 million farmers in India

## Management and Shareholding

- Managed by a good blend of both experienced and young team. The founding promoters, Shri R.G. Agarwal and Shri M.K. Dhanuka oversee all the operations as the Chairman and Managing Director respectively and have been involved with the Company since inception (for more than 25 years). They are ably supported by young team of professionals including Shri Rahul Dhanuka who heads marketing, Shri Mridul Dhanuka who heads production and Shri VK Bansal who is the CFO.
- Company has one of the largest sales team of more than 500 full-time employees and more than 1,000 'Dhanuka Doctors'. Dhanuka Doctors is an innovative concept of field force to educate farmers about Dhanuka Kheti Ki Nai Takneek.
- Listed on Bombay Stock Exchange having a market capitalization of ~USD 90 million
- Promoter holding at 75%, FII holding at 8.2%, remaining holding with public



## Business Facts

- Enjoys approximately 6% market share of agrochemical formulation sales in India, making it the fifth largest player and second largest Indian player in Branded Sales Business
- Long term manufacturing and marketing agreements with a number of reputed multinational players such as:



Nissan Chemical Industries Ltd., Japan



Sumitomo Chemical Company Ltd., Japan



Chemtura Agrosolutions, USA



Hokko Chemical Ind. Co. Ltd., Japan



FMC Corporation, USA

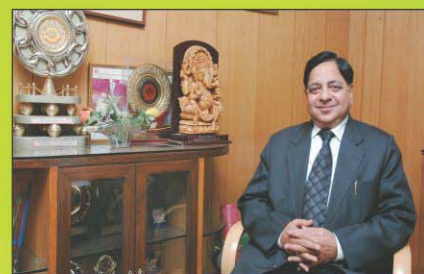


DuPont Crop Protection, USA

- Company enjoys long lasting relationship with its global partners. Most of the relationships have been active for more than a decade

## Awards / Certificates

- The Forbes magazine has rated us as one of the "Best 200 companies under a billion in Asia" (October, 2010)
- Our Chairman Shri R.G. Agarwal has served for two terms as Chairman of "Crop Care Federation of India", the apex body for pesticides manufacturers in India
- Company has tie-ups with Government of India, at both national level and state levels, to promote use of healthy farming practices
- Our MD, Shri M.K. Dhanuka has been re-elected as President of HPMMA (Haryana Pesticides Manufacturer's Association) consecutively for the 4th year.





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## COMPANY PROFILE

### BOARD OF DIRECTORS

**Mr. Ram Gopal Agarwal**  
Chairman

**Mr. Mahendra Kumar Dhanuka**  
Managing Director

**Mr. Arun Kumar Dhanuka**  
Director

**Mr. Mridul Dhanuka**  
Director

**Mr. Rahul Dhanuka**  
Director

**Mr. Priya Brat**  
Director

**Mr. Vinod Jain**  
Director

**Mr. Shrikrishna Khetan**  
Director

**Mr. Indresh Narain**  
Director

**Mr. Subhash Lakhotia**  
Director

**Mr. Sachin Bhartiya**  
Director

**Mr. Subash Chander Gupta**  
Director

**Ms. Shubha Singh**  
Company Secretary

## MANAGEMENT TEAM

**Dr. O. P. Singh**  
President R & D

**Mr. V. K. Bansal**  
Chief Financial Officer

**Mr. G. D. Gupta**  
President - General Administration

**Mr. C. M. Gupta**  
President - Procurement

**Mr. J. K. Agarwal**  
Vice President - Seeds

**Mr. Harsh Dhanuka**  
Senior General Manager - Seeds

**Mr. Rajesh Sahni**  
Senior General Manager - Legal

**Mr. Vijay Kumar**  
Senior General Manager - Quality Control

**Mr. Y. K. Goel**  
Senior General Manager - Production

**Mr. Kamal Kumar**  
Senior General Manager - Recruitment & Training

**Mr. A. M. Mathur**  
General Manager - Coordination

**Dr. P. C. Rai**  
General Manager - Marketing

**Mr. P. K. Mishra**  
General Manager - Business Development

**Mr. H. M. Raval**  
General Manager - Marketing

**Dr. Rajesh Mishra**  
General Manager - R & D Seed Division



## BANKERS

Hongkong & Shanghai Banking Corporation Limited  
State Bank of Patiala  
HDFC Bank Limited  
State Bank of India

## AUDITORS

**M/s Dinesh Mehta & Co.**  
Chartered Accountants  
21, Daya Nand Road,  
Darya Ganj, New Delhi-110002

## COST AUDITORS

**M/s S.Chander & Associates**  
Cost Accountants,  
212, IInd Floor, Sarai Pipal Thala,  
G.T. Karnal Road, Azadpur,  
Delhi-110033

## REGISTERED OFFICE:

**"Dhanuka House"**  
861-862, Joshi Road,  
Karol Bagh, New Delhi-110005  
Phone Nos.: (011)30511500/83/64  
Fax No. : (011) 32907373  
E-mail : [investorgrievance@dhanuka.com](mailto:investorgrievance@dhanuka.com)  
[headoffice@dhanuka.com](mailto:headoffice@dhanuka.com)  
Visit us at : [www.dhanuka.com](http://www.dhanuka.com)

## REGISTRAR AND TRANSFER AGENTS

M/s Abhipra Capital Limited  
Ground Floor, Abhipra Complex,  
Dilkhush Industrial Area,  
A-387, G.T. Karnal Road, Azadpur, Delhi-33  
Phone Nos.: 011-42390909  
E-mail : [info@abhipra.com](mailto:info@abhipra.com)  
[rta@abhipra.com](mailto:rta@abhipra.com)  
Website : [www.abhipra.com](http://www.abhipra.com)

## ANNUAL GENERAL MEETING

**Date** : 29th Day of July, 2011  
**Time** : 11:00 AM  
**Venue** : Shri Purushottam Hindi Bhawan,  
11, Vishnu Digambar Marg  
(Rouse Avenue), New Delhi -110 002

## WORKS

Daulatabad Road,  
Gurgaon - 122001 (Haryana)  
Ph.Nos. : (0124) 2469138 / 139 / 140  
Fax No. : (0124) 2469144  
E-mail : [gurgaonunit@dhanuka.com](mailto:gurgaonunit@dhanuka.com)

D/1/A-D/1/B, Ajanta Indl.Estate,  
Near Sarika Paints, Viramgaon Road,  
at Vasna lyava, Sanand, Dist.  
Ahmedabad-382170 (Gujarat)  
Ph. Nos. : (02717) 284567/68  
Fax Nos. : (02717) 284567 (02717) 284567  
E-mail : [sanand@dhanuka.com](mailto:sanand@dhanuka.com)

Plot No.1, IID Centre,  
SAICOP Industrial Estate,  
Battal Balian, Udhampur (J&K)  
Ph. Nos. : (01992) 250156/57  
Fax Nos. : (01992) 250156  
E-mail : [udhampur@dhanuka.com](mailto:udhampur@dhanuka.com)

## CORPORATE OFFICE:

14th Floor, Building 5A, Cyber City,  
DLF Phase III, Gurgaon-122002, Haryana  
Phone Nos.: (0124) 3838500  
Fax No. : (0124) 3838888  
E-mail : [headoffice@dhanuka.com](mailto:headoffice@dhanuka.com)  
Visit us at : [www.dhanuka.com](http://www.dhanuka.com)

## SALES OFFICES/GODOWNS:

Ahmedabad, Akola, Bangalore, Bellary, Cuttack,  
Ghaziabad, Guwahati, Guntur, Hissar, Hyderabad,  
Indore, Jaipur, Jabalpur, Kichha, Kolkata, Kurnool,  
Lucknow, Ludhiana, Manesar, Nellore, Patna, Pune,  
Ranchi, Raipur, Ravulapalem, Salem, Siliguri,  
Sriganganagar, Thrissur, Vijaywada and Warangal



## NOTICE TO THE MEMBERS

Notice is hereby given that the 26th Annual General Meeting of the Company will be held at Shri Purushottam Hindi Bhawan, 11, Vishnu Digambar Marg (Rouse Avenue), New Delhi- 110002 on Friday, the 29th day of July, 2011 at 11:00 a.m. to transact the following businesses:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2011 and the Profit and Loss Account for the year ended on that date together with the Reports of the Auditors and Directors thereon;
2. To declare a Dividend for the year ended on 31st March, 2011;
3. To appoint a Director in place of Shri Rahul Dhanuka, who retires by rotation and being eligible, offers himself for re-appointment;
4. To appoint a Director in place of Shri Indresh Narain, who retires by rotation and being eligible, offers himself for re-appointment;
5. To appoint a Director in place of Shri Vinod Jain, who retires by rotation and being eligible, offers himself for re-appointment;
6. To appoint Statutory Auditors, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company. The retiring Statutory Auditors, M/s Dinesh Mehta & Co., Chartered Accountants, being eligible, offer themselves for re-appointment.

### SPECIAL BUSINESS

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

"Resolved that Shri Sachin Bhartiya who was appointed by the Board of Directors as an Additional Director of the Company with effect from 13.9.2010 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

8. To consider and if thought fit, to pass with or without modification(s) the following Resolution as an **Ordinary Resolution:**

"Resolved that Shri Subash Chander Gupta who was appointed as an Additional Director of the Company with effect from 22.6.2011 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

"Resolved that Shri Mridul Dhanuka who was appointed by the Board of Directors as an Additional Director of the Company with effect from 23rd May, 2011 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

"Resolved further that pursuant to the provisions of Sections 198, 269, 309, 310 and all other applicable provisions of the Companies Act, 1956 ("the Act"), read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (the Act) including any statutory modification or re-enactment thereof and subject to such other approvals as may be necessary, consent of the members of the Company be and is hereby accorded for the appointment of Shri Mridul Dhanuka as Whole-time Director of the Company for a period of 5 years from 23rd May, 2011 to 22nd May, 2016 (both days inclusive) in accordance with the terms and conditions, as set out in the draft Agreement submitted at this meeting and initialled by the Chairman of the meeting for the purpose of identification, which agreement has been approved by the Board of Directors of the Company in their meeting held on 23rd May, 2011 and





the material terms of which are mentioned in the Explanatory statement which shall be deemed to form part hereof, and subject to such modification(s) or variation thereof (not being a modification or variation more advantageous to Shri Mridul Dhanuka), as may be agreed to by the Board of Directors and Shri Mridul Dhanuka."

"Resolved further that the total remuneration to be paid to Shri Mridul Dhanuka as Whole-time Director shall not exceed the limits specified in Schedule XIII to the Companies Act, 1956."

"Resolved further that the Board of Directors be and is hereby authorized to do all such acts, deeds and things as it deem necessary or expedient to give effect to this resolution."

10. To consider and if thought fit, to pass with or without modification(s) the following Resolution as an **Ordinary Resolution:**

"Resolved that pursuant to the provisions of Section 198, 269, 309, 310 and all other applicable provisions of the Companies Act, 1956 ("the Act"), read with Schedule XIII of the said Act or any statutory modification or re-enactment thereof and in supersession of all earlier resolutions passed in this regard, the approval of the Company be and is hereby accorded for increase of the remuneration payable to Shri Ram Gopal Agarwal, Whole time Director who shall also be re-designated as Chairman of the Company, from Rs. 2,50,000/- p.m. to Rs. 4,00,000/- p.m., with effect from 1.06.2011, for the remaining tenure of his appointment upto 31.10.2012, alongwith perquisites, allowances, commission and other things which shall remain same as mentioned in the main Agreement dated 1st November, 2007."

"Resolved further that the Board of Directors of the Company be and is hereby authorized to vary or increase the salary of Shri R. G. Agarwal by executing a Supplemental Agreement to the Main Agreement dated 1.11.2007 between the Company and Shri R. G. Agarwal as per the above Resolution to give effect to such variation or increase, as the case may be and to do all such acts, deeds and things as it may deem necessary or expedient to give effect to this resolution."

11. To consider and if thought fit, to pass with or without modification(s) the following Resolution as an **Ordinary Resolution:**

"Resolved that pursuant to the provisions of Section 198, 269, 309, 310 and all other applicable provisions of

the Companies Act, 1956 ("the Act"), read with Schedule XIII of the said Act or any statutory modification or re-enactment thereof and in supersession of all earlier resolutions passed in this regard, the approval of the Company be and is hereby accorded to increase the remuneration payable to Shri Mahendra Kumar Dhanuka, Managing Director of the Company, from Rs. 2,25,000/- p.m. to Rs. 3,50,000/- p.m. in the salary range of Rs. 3,50,000 - 1,00,000 - 5,50,000 p.m., with effect from 1.06.2011, for the remaining tenure of his appointment upto 13.08.2014, alongwith perquisites, allowances, commission and other things which shall remain same as mentioned in the main Agreement dated 14th August, 2009."

"Resolved further that the Board of Directors of the Company be and is hereby authorized to vary or increase the salary of Sh. Mahendra Kumar Dhanuka by executing a Supplemental Agreement to the Main Agreement dated 14.08.2009 between the Company and Shri Mahendra Kumar Dhanuka as per the above Resolution to give effect to such variation or increase, as the case may be and to do all such acts, deeds and things as it may deem necessary or expedient to give effect to this resolution."

12. To consider and if thought fit, to pass with or without modification(s) the following Resolution as an **Ordinary Resolution:**

"Resolved that pursuant to the provisions of Section 198, 269, 309, 310 and all other applicable provisions of the Companies Act, 1956 ("the Act"), read with Schedule XIII of the said Act or any statutory modification or re-enactment thereof and in supersession of all earlier resolutions passed in this regard, the approval of the Company be and is hereby accorded to increase the remuneration payable to Shri Arun Kumar Dhanuka, Whole Time Director of the Company, from Rs. 1,50,000/- p.m. to Rs. 2,50,000/- p.m. in the salary range of Rs. 2,50,000 - 75,000 - 4,00,000 p.m. and increase in commission from 1% to 1.5% of the Net profits of the Company computed under Section 349 and 350 of the Companies Act, 1956 with effect from 1.06.2011, for the remaining tenure of his appointment upto 31.07.2013, alongwith perquisites, allowances and other things which shall remain same as mentioned in the main Agreement dated 1st August, 2008."

"Resolved further that the Board of Directors of the Company be and is hereby authorized to vary or increase the salary of Shri Arun Kumar Dhanuka by executing a Supplemental Agreement to the Main





Agreement dated 1st August, 2008 between the Company and Shri Arun Kumar Dhanuka as per the above Resolution to give effect to such variation or increase, as the case may be and to do all such acts, deeds and things as it may deem necessary or expedient to give effect to this resolution."

13. To consider and if thought fit, to pass with or without modification(s) the following Resolution as an **Ordinary Resolution:**

"Resolved that pursuant to the provisions of Section 198, 269, 309, 310 and all other applicable provisions of the Companies Act, 1956 ("the Act"), read with Schedule XIII of the said Act or any statutory modification or re-enactment thereof and in supersession of all earlier resolutions passed in this regard, the approval of the Company be and is hereby accorded to increase the remuneration payable to Shri Rahul Dhanuka, Whole Time Director of the Company, from Rs. 1,50,000/- p.m. to Rs. 2,50,000/- p.m. and increase in commission from 1% to 1.5% of the Net profits of the Company computed under Section 349 and 350 of the Companies Act, 1956 with effect from 1.06.2011, for the remaining tenure of his appointment upto 30.04.2012, alongwith perquisites, allowances, commission and other things which shall remain same as mentioned in the main Agreement dated 1st May, 2007."

"Resolved further that the Board of Directors of the Company be and is hereby authorized to vary or increase the salary of Shri Rahul Dhanuka by executing a Supplemental Agreement to the Main Agreement dated 1st May, 2007 between the Company and Sh. Rahul Dhanuka as per the above Resolution to give effect to such variation or increase, as the case may be and to do all such acts, deeds and things as it may deem necessary or expedient to give effect to this resolution."

BY ORDER OF THE BOARD  
For DHANUKA AGRITECH LIMITED

Place: Gurgaon  
Date: 23rd June, 2011

Sd/-  
Shubha Singh  
Company Secretary

**Regd. Office:**  
'DHANUKA HOUSE',  
861-862, Joshi Road,  
Karol Bagh, New Delhi - 110005

#### NOTES: -

1. A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote on a poll instead of himself and such proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company at its registered office at least 48 hours before the time fixed for the meeting.
2. The Register of Members and the Share Transfer Books will remain closed from 25th July, 2011 to 29th July, 2011 (both days inclusive).
3. Payment of Dividend @100% (Rs.2/- per equity share of Rs. 2/- each) for the Financial Year ended on 31.03.2011, as recommended by the Board, if approved at this Annual General Meeting, will be made only to those members whose names are registered in the Register of Members of the Company as on 29th July, 2011 being the date of book closure or to their mandates, as the case may be. In respect of shares in electronic form, the Dividend will be paid on the basis of beneficial ownership as on 25th July, 2011 as per details furnished by the National Securities Depository Ltd. (NSDL) and Central Depositories Services (India) Ltd. (CDSL) for this purpose.
4. Members are requested to notify any change in their address to their Depository Participants (DPs) in respect of shares held in electronic form and to the Transfer Agents of the Company in respect of shares held in physical form.
5. Members holding shares in electronic form may please note that their Bank details as furnished by the respective Depositories to the Company will be printed on their dividend warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such members for deletion or change in such bank details. Further, instructions if any, already given by them in respect of shares held in physical form will not be automatically applicable to the dividend paid on shares in electronic form. Members may, therefore, give instructions regarding Bank Accounts in which they wish to receive dividend, directly to their Depository Participants.
6. Shareholders/Proxies are requested to produce at the entrance the attached admission slip, duly completed and signed in accordance with the specimen signatures registered with the Company, for admission to the meeting hall.
7. Documents referred in this Notice including the Memorandum and Articles of Association of the Company, will be available for inspection by the



members at the registered office of the Company between 11.00 A.M. to 1.00 P.M. on all working days prior to the date of the Annual General Meeting and will also be available for inspection at the meeting.

8. Corporate members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the meeting.
9. Members are requested to bring their copy of the Annual Report, as no copy will be distributed at the venue of the Annual General Meeting.
10. Members desirous of getting any information about the accounts under reference and operations of the Company are required to address their query to the Company Secretary so that the same may reach her at least seven days before the date of the meeting to enable the management to keep the information ready.
11. In view of the provisions of Section 205A of the Companies Act, 1956, unclaimed / unpaid dividend for the Financial Year 2003-04 shall be transferred to Investor Education and Protection Fund (IEPF) in the month of September, 2011. Members who have not yet encashed their dividend warrant(s) for the Financial Year ended 31st March, 2004 or any subsequent financial year(s), are requested to lodge their claims with the Company. No claims shall lie against the Company or the Fund once the unclaimed dividend is transferred to IEPF.
12. GREEN INITIATIVES IN THE CORPORATE GOVERNANCE: The Ministry of Corporate Affairs has vide its Circular No. 17/2011 clarified that a company would have complied with Section 53 of the Companies Act, if the service of documents has been made through electronic mode provided that the company has obtained e-mail addresses of its members for sending the notice/documents through e-mail by giving an advance opportunity to every shareholder to register their e-mail address and changes therein from time to time with the Company. It also provides that where any member has not registered his e-mail address with the Company, the service of document etc. will be effected by other modes of service as provided under Section 53 of the Companies Act, 1956. Members are requested to update their e-mail ids with their Depository Participant and accord their consent for receiving documents through electronic mode.
13. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item no. 7 to 12 of the Notice (in respect of Special Business to be transacted at the meeting) is annexed hereto.

Brief resume of Directors being recommended for re-appointment in item numbers 3, 4 and 5:

#### ITEM NO. 3:

##### **Shri Rahul Dhanuka, Executive director-**

Shri Rahul Dhanuka, aged 36 years and having an experience of 13 years, is a Graduate in Chemistry from Delhi University and an MBA from S. P. Jain Institute of Management & Research. As Marketing Director, he is responsible for national sales and marketing. Due to his excellent marketing management skills, the Company has been able to penetrate the very interiors of rural India. He has been instrumental in bringing new systems and policies in the organization, implementation of ERP and for strategic business relationships with all the collaborators.

He was appointed as an Executive Director with effect from 01/05/2007 for a period of five years.

He is a Director on the Boards of (1) Dhanuka Laboratories Limited (2) Golden Overseas Limited and member of the Banking and Finance Committee of the Company.

#### ITEM NO. 4:

##### **Shri Indresh Narain, Non-Executive, Independent Director-**

Shri Indresh Narain, aged 67 years, has rich experience in Banking and retired as Head of Compliance and Legal, HSBC Group. He has advised the Board on uncountable occasions on numerous matters including those related to banking, legal and compliances.

He is also a Director on the Board of Cholamandalam DBS Finance Limited, Intex Technologies (India) Limited & Mindteck India Limited.

He is a Chairman of Audit Committee of M/s Intex Technologies (India) Limited and M/s Cholamandalam Investment & Finance Co. Ltd. He is the Chairman of Shareholder/ Investor Grievance and Redressal Committee of M/s Mindteck India Limited and our Company.

#### ITEM NO. 5:

##### **Shri Vinod Jain, Non-Executive, Independent director-**

Shri Vinod Jain, aged 62 years is a Commerce Graduate from Delhi University and having a rich and multi-faceted experience of 40 years. With his innovative ideas and skills, he has taken M/s R J Garments Export (P) Limited, in which he is a Director, to new heights