



15th Annual Report 2009-2010



Farmax India Limited

Welcome to the New World of



Farmax India Limited



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CORPORATE INFORMATION

Board of Directors:

1. Mr. I. Srinivasa Raju	–	Independent Director
2. Mrs. P. Hymavathi	–	Independent Director
3. Mr. M. V. Rama Sastry	–	Independent Director
4. Mr. A. V. Rama Raju	–	Independent Director
5. Mr. M. Srinivasa Reddy	–	Chairman and Managing Director
6. Mr. M. Malla Reddy	–	Executive Director
7. Mr. K. B. Prasanth Reddy	–	Executive Director
Mr. R.V. Radhakrishna	–	Company Secretary

Registered Office:

Farmax House, 4th Floor, Alluri Trade Centre,
Opp. KPHB, Kukatpally, Hyderabad–500 072

Factory:

Bowrampet Village, Qutubullapur Mandal
(Sub-urban of Hyderabad) Ranga Reddy Dist.
Andhra Pradesh

Auditors:

M/s. K. Prahlada Rao & Co
1-1-401/2/A, Gandhi Nagar
Hyderabad - 500 080

Audit Committee:

- 1) Mr. I. Srinivasa Raju
- 2) Mr. M. V. Rama Sastry
- 3) Mrs. P. Hymavathi

Employee Compensation Committee:

- 1) Mr. M. V. Rama Sastry
- 2) Mrs. P. Hymavathi
- 3) Mr. I. Srinivasa Raju
- 4) Mr. A. V. Rama Raju
- 5) Mr. M. Malla Reddy

Remuneration Committee:

- 1) Mr. M.V. Rama Sastry
- 2) Mrs. P. Hymavathi
- 3) Mr. I. Srinivasa Raju

Investor Grievance Committee:

- 1) Mr. I. Srinivasa Raju
- 2) Mr. K. B. Prasanth Reddy
- 3) Mrs. P. Hymavathi

Bankers:

- 1) State Bank of India
- 2) Union Bank of India
- 3) Axis Bank
- 4) ICICI Bank

Listing:

- 1) National Stock Exchange of India Limited (*with effect from August 17, 2010*)
- 2) Ahmedabad Stock Exchange Limited
- 3) Bombay Stock Exchange Limited (*For trading under Indo Next segment with effect from June 25, 2009*)
- 4) Luxembourg Stock Exchange (*with effect from June 30, 2010*)

Registrars & Share Transfer Agents:

M/s. Venture Capital and Corporate Investments Private Limited





NOTICE

NOTICE is hereby given that the 15th Annual General Meeting of the Shareholders of **FARMAX INDIA LIMITED** will be held on Thursday the 9th day of December 2010 at 10.00 AM at Hotel Taj Banjara, Road No.1, Banjara Hills, Hyderabad-500034, AP to transact the following business:

ORDINARY BUSINESS:

1. To receive and adopt the Directors' Report, the Audited Profit and Loss Account and the Cash Flow statement for the year ended 31st March, 2010, and the Balance Sheet as at that date.
2. To appoint a director in place of Mrs. P. Hymavathi who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint a director in place of Mr. I. Srinivasa Raju who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint statutory auditors and to fix their remuneration.

SPECIAL BUSINESS:

5. To consider and if though fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956 the Articles of Association of the Company be and is hereby altered by inserting Articles 46A, 46B immediately after existing Article 46 and Article 97A immediately after existing Article 97 which shall read as follows:

Article 46A:

A Common form of transfer shall be used. The instrument of transfer of any Share shall be in the prescribed form under the Companies (Central Governments) General Rules and Forms, 1956 and in accordance with the requirements of Section 108 of the Act.

Article 46B:

The registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Issuer on any account whatsoever.

Article 97A:

No unclaimed dividend shall be forfeited by the Board unless the claim becomes barred by law and dividends and unpaid dividend will be dealt with according to the provisions of Sections 205A and 205B of the Companies Act, 1956.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its sole and absolute discretion deem necessary or expedient and to settle any question, difficulty or doubt that may arise in regards thereto.”

BY ORDER OF THE BOARD

Hyderabad
November 08, 2010

SD/-
M. SRINIVASA REDDY
Chairman & Managing Director

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORMS TO BE VALID SHALL BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the special business under Item No.5 set out above is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 7th December 2010 to Thursday, 9th December 2010, both days inclusive.
4. M/s. Venture Capital and Corporate Investments Private Limited, 12-10-167, Bharat Nagar, Hyderabad - 500018, AP is the Registrars and Share Transfer Agent (RTA) of the Company. All communications in respect of the share transfers and change in the address of the members may be communicated to them.
5. Members / Proxies should bring the Attendance slip duly filled in for attending the meeting.
6. The Company has designated an exclusive e-mail ID called cs@farmax.co.in for redressal of shareholders' complaints/grievances. In case, you have any queries/complaints or grievances, then please write to us at cs@farmax.co.in

**EXPLANATORY STATEMENT**

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

ITEM NO. 5:

The Board of Directors of your Company proposes to alter the Articles of Association of the Company as per an Undertaking given by the Company to the National Stock Exchange of India Limited at the time of making Listing Application for listing of equity shares of the Company.

According to Section 31 of the Companies Act, 1956 prior approval of the shareholders is necessary for alteration of Articles of Association by passing a Special Resolution.

The Board of Directors of the company accordingly commends this resolution for your approval.

A Copy of the Memorandum of Association as altered is kept open for inspection by the shareholders at the Registered Office of the Company during the business hours of the Company.

The Board of Directors of the company may be deemed to be concerned or interested in the resolution as set out in the Notice to the extent of shares held by them in the Company.

BY ORDER OF THE BOARD

Hyderabad
November 08, 2010

SD/-
M. SRINIVASA REDDY
Chairman & Managing Director

Details of Directors seeking appointment/retiring by rotation and seeking re-appointment of Directors:
(In pursuance of Clause 49 of the Listing Agreement)

Particulars	Mrs. P. Hymavathi	Mr. I. Srinivasa Raju
Date of Birth	July 09, 1967	June 01, 1965
Date of Appointment	July 03, 2007	September 29, 2006
Expertise in specific functional areas	Over 10 years of experience in Accounts, and Finance	Over 17 years of experience in Accounts, Finance , and Capital Markets
Qualifications	B. Com.,	M. Com.,
No. of Shares held in the Company	NIL	90,800 equity shares
Directorships held in other companies (excluding private limited and foreign companies)	NIL	Remidicherla Infra & Power Ltd.
Positions held in mandatory committees of other companies	NIL	Remidicherla Infra & Power Ltd. Member: a) Audit Committee b) Remuneration Committee c) Investor Grievance Committee

DIRECTORS' REPORT

To
The Members

We have pleasure in presenting the 15th Annual Report with Audited Statements of Accounts for the year ended 31st March 2010.

FINANCIAL RESULTS:

(Rupees in Lakhs)

Particulars	2009-10 (for 12 months)	2008-09 (for 7 months)
Gross Sales	6445.22	1989.97
Earnings before Interest, Depreciation, and Tax (EBIDT)	731.92	205.87
Finance Expenses	243.11	59.92
Depreciation	166.82	78.05
Profit Before Tax (PBT)	321.99	67.90
Provision for taxation including deferred tax and fringe benefit tax	77.77	25.45
Profit After Tax (PAT)	244.23	42.45

PERFORMANCE REVIEW:

During the year under review your Company achieved sales of Rs.64.45 Crores as against Rs.19.89 Crores in the previous year. The Company made a net profit after tax of Rs.2.44 Crores as against Rs.42.45 Lakhs in the previous year.

DIVIDEND:

Keeping the Company's expansion and growth plans in mind, your Directors have decided not to recommend dividend for the year.

EXTENSION OF TIME TO HOLD AGM:

The Board of Directors of your Company inform you that your Company has been granted permission from the Office of the Registrar of Companies, Andhra Pradesh for extension of time of 2 months and 11 days to hold Annual General Meeting for the financial year 2009-10.

For a million dollar smile





CHANGE OF NAME OF THE COMPANY:

During the year the Name of your Company has been changed to Farmax India Limited and the Fresh Certificate of Incorporation in this regard was granted by the Registrar of Companies, Andhra Pradesh on November 09, 2009.

AUTHORIZED CAPITAL:

During the year under review the Authorized Share Capital of your Company was increased to Rs.50 Crores.

TRADING PERMISSION FOR EQUITY SHARES:

During the year the equity shares your Company admitted as permitted securities for trading under Indo Next Segment category of the Bombay Stock Exchange Limited with effect from June 25, 2009.

LISTING OF EQUITY SHARES AT NATIONAL STOCK EXCHANGE OF INDIA:

The Board of Directors of your Company pleasure to inform you that the equity shares of the Company got listed at National Stock Exchange of India Limited (NSE) with effect from August 17, 2010.

SUB DIVISION OF THE FACE VALUE OF EQUITY SHARES:

Members are aware that during the year under review the face value of equity shares of the Company was sub-divided from Rs. 10/- each into two equity shares of Rs.5/- each. Further, the face value of equity shares was again sub-divided from Rs.5/- each into five equity shares of Re.1/- each by passing necessary resolution through postal ballot process conducted on June 24, 2010.

PREFERENTIAL ISSUE OF SHARES:

During the year under review your Company has issued and allotted 1,60,00,000 equity shares of Re.1/- each upon conversion of 16,00,000 equity warrants issued in July 2009 on preferential basis.

ISSUE OF GLOBAL DEPOSITORY RECEIPTS (GDRs):

Your Directors are pleasure to inform you that the Company has successfully concluded placement of 51,00,000 GDRs at USD 14.1 per GDR (Representing 12,75,00,000 underlying equity shares of Re.1/- each) totaling to USD 71.91 Million (INR 318.75 Crores) and the said GDRs have been listed on Euro MTF market of Luxembourg Stock Exchange.