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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

**Mr. Hero J. Chuganee**, *Chairman*  
**Mr. Mohit H. Chuganee**, *Vice Chairman & Managing Director*  
**Mr. Sumit H. Chuganee**, *Executive Vice Chairman & Whole-time Director*  
**Mr. S.R.B. Nair**, *Whole-time Director & Chief Operating Officer*  
*(Upto 31/07/2010)*  
**Mr. Rajesh Sharma**, *Whole-time Director & Chief Operating Officer*  
*(W.e.f. 31/07/2010)*  
**Mr. Kishore Dudani**, *Director (W.e.f. 30/07/2010)*  
**Mr. John R. English**, *Director*  
**Mr. Raj Tandon**, *Director*  
**Mr. Anand Swaminathan**, *Director (upto 26<sup>th</sup> May, 2010)*  
**Dr. Mahendra S. Kothari**, *Director*

### COMPANY SECRETARY

**Ms. Pritam P. Vartak**

### AUDITORS

**M/s. S M N P & Co.,**  
*Chartered Accountants*

### COMPANY SECRETARIAL CONSULTANTS

**M/s. Rathi & Associates**  
*Company Secretaries*

### BANKERS

Union Bank of India  
 Bank of India  
 Federal Bank  
 IDBI Bank Limited  
 Dena Bank  
 State Bank of India  
 Ratnakar Bank  
 Oriental Bank of Commerce  
 Axis Bank Limited  
 ICICI Bank Limited

### SOLICITORS

M/s. Rajani Associates

### REGISTERED OFFICE & FACTORY

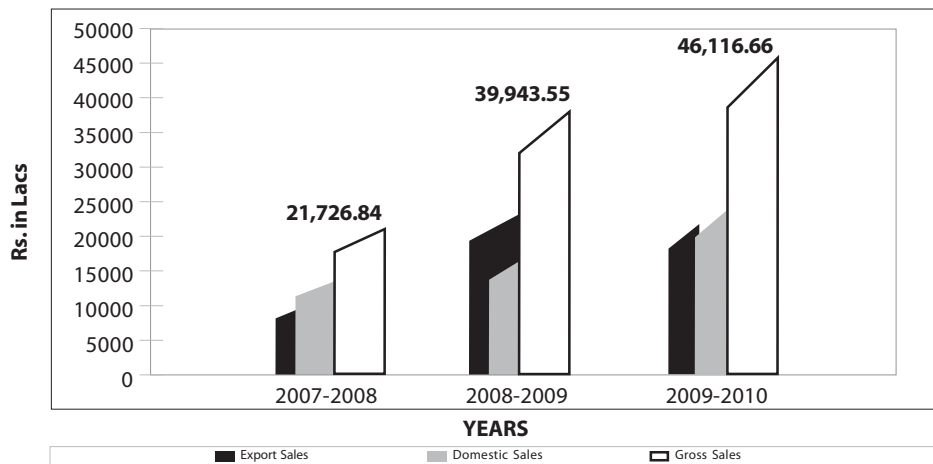
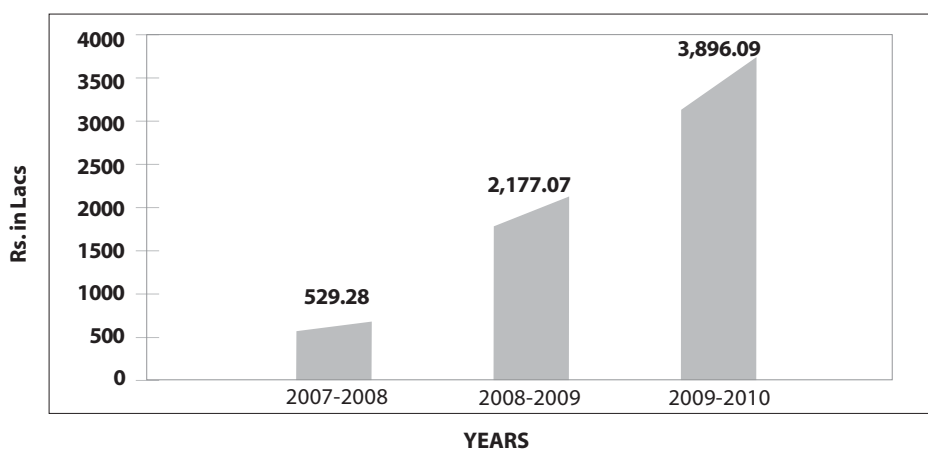
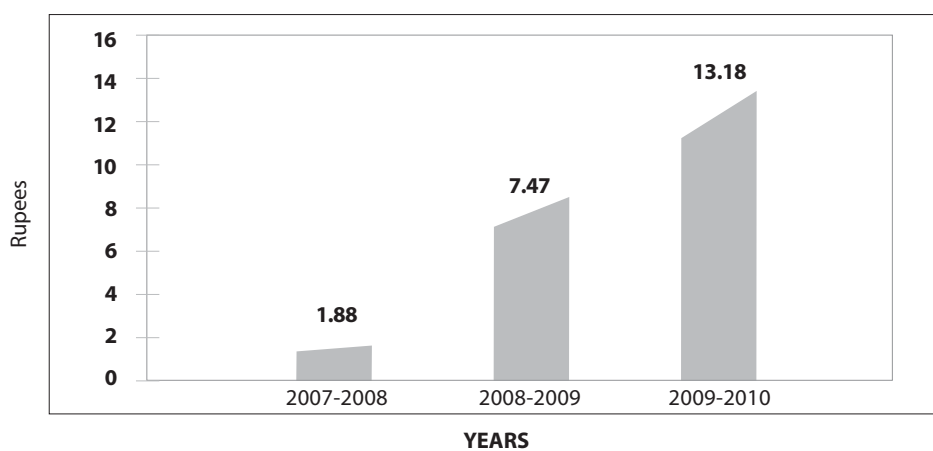
Plot No. 2102, GIDC  
 Sarigam-396 155  
 Dist. Bulsar, Gujarat  
 Telefax : 0260 3918500

### CORPORATE OFFICE

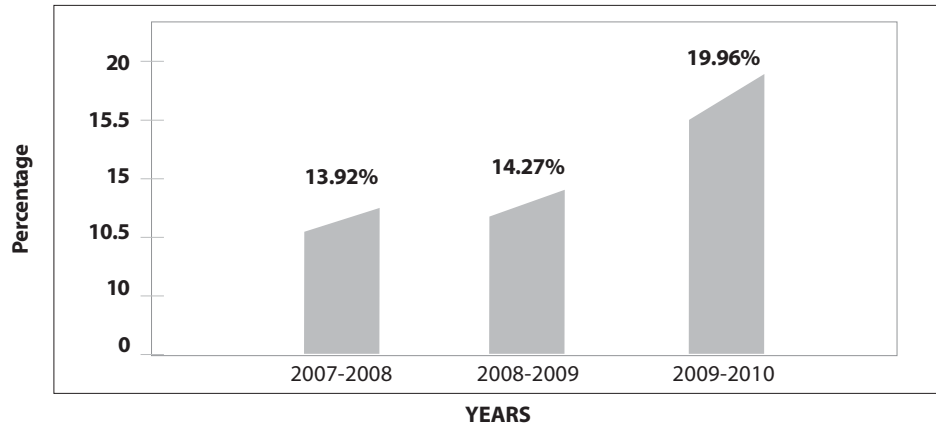
A-302, Phoenix House  
 3<sup>rd</sup> Floor, 462, Senapati Bapat Marg  
 Worli (East) Mumbai 400 013  
 Tel. 022 61132400 • Fax 022 24953727

### REGISTRAR & SHARE TRANSFER AGENTS

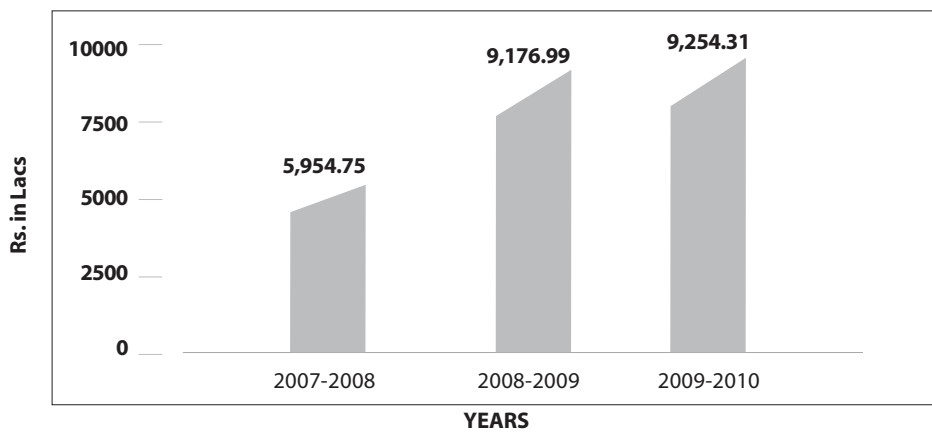
Link Intime India Private Limited  
 C-13, Pannalal Silk Mills Compound  
 LBS Marg, Bhandup (West)  
 Mumbai 400 078  
 Tel.: 022 25963838 • Fax : 022 2594 6979

**GROSS SALES****PAT****EPS**

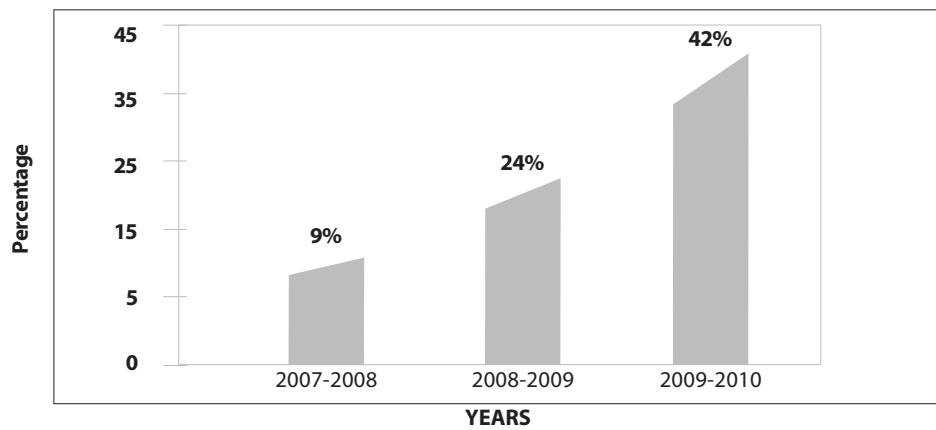
### EBIDTA %



### NET FIXED ASSETS



### RETURN ON ASSETS %



**DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting the 19<sup>th</sup> Annual Report and Audited Accounts of your Company for the year ended 31<sup>st</sup> March, 2010.

**FINANCIAL HIGHLIGHTS:**

The Financial Results of the Company, for the year ended 31<sup>st</sup> March 2010 is summarised below:

	<b>(Rs. in lacs)</b>	
	<b>Year Ended 31.03.2010</b>	<b>Year Ended 31.03.2009</b>
<b>Gross Sales :</b>		
Domestic	<b>21,125.12</b>	16,046.08
Export	<b>24,991.54</b>	23,897.47
<b>Total Gross Sales</b>	<b>46,116.66</b>	39,943.55
<b>Net Sales</b>	<b>43,031.93</b>	36,666.08
<b>Profit before Interest, Depreciation, Taxation &amp; Extra Ordinary Items</b>	<b>8,587.93</b>	5,233.84
<b>Less:</b> Interest & Finance Charges	<b>1,704.95</b>	1,666.25
Depreciation	<b>749.48</b>	566.73
<b>Profit before Extra-Ordinary items and Tax</b>	<b>6,133.50</b>	3,000.86
Less: Provision for Tax (including deferred Tax & FBT)	<b>2,237.41</b>	823.79
<b>Profit before prior period adjustments</b>	<b>3,896.09</b>	2,177.07
<b>Less:</b> Prior period adjustments	<b>24.78</b>	(1.96)
<b>Net Profit after tax</b>	<b>3,871.31</b>	2,179.03
Balance brought forward from Previous Year	<b>3,343.99</b>	1,164.96
<b>Profit available for appropriation</b>	<b>7,215.30</b>	3,343.99
<b>APPROPRIATIONS:</b>		
Proposed Dividend	<b>406.25</b>	-
Corporate Tax on proposed Dividend	<b>69.05</b>	-
Balance carried forward	<b>6,740.00</b>	3,343.99

**OPERATIONS:**

The Company's net sales increased to Rs.43,031.93 lacs in 2009-10 from Rs.36,666.08 lacs in 2008-09, registering a growth of more than 17% compared to Previous Financial Year. The Company's net domestic sales increased by 41% and it constitute more than 41% of overall sales in 2009-10. The Company has reported a better margin with net profit before taxes at Rs.6,133.5 lacs in 2009-2010 as against Rs.3,000.86 lacs in 2008-09. The profit after taxes also increased and was Rs.3,871.31 lacs in 2009-10 as compared to Rs.2,179.03 lacs in 2008-09.

**EXPANSION PROGRAM:**

The Company is currently in the process of setting up an export-oriented unit for technical active ingredients, their formulations at Dahej SEZ in Gujarat with an estimated capacity of 2650 tonnes per annum to be commissioned by November, 2011. The capital cost of the said scheme of Rs.55 Crores will be financed by combination of external commercial borrowings of USD 9 million and internal accruals. The

Company also has plans to increase the capacity of its Chloropyriphos plant by 50% by September 2010. Moreover, in the Current Financial Year it is set to launch four new products i.e. two each of fungicides and herbicides segment.

**DIVIDEND:**

Your Directors are pleased to recommend dividend of Rs.1.20 per Equity share on the Paid up Share Capital of the Company for the financial year under review, which if approved will absorb Rs.475.30 lacs including Rs.69.05 lacs as tax of dividend. (previous year Rs. Nil)

**ALLOTMENT OF SHARES:**

The Company had after obtaining necessary approval from the Shareholders of the Company, allotted 46,72,077 Optionally Fully Convertible Warrants (OFCW), of which 28,79,659 to Promoter Group including persons acting in concert with them and 17,92,418 to Persons other than promoter group. As per the terms of the issue the said Warrants were convertible into One Equity Share at a premium of Rs. 7.75 per share for every Warrant held within 18 months from the date of allotment. During the year under review, the Company had converted 46,15,105 Warrants into Equity Shares. The balance 56,972 Warrants were also subsequently converted into Equity Shares on 26<sup>th</sup> April, 2010.

**AUDITORS' REPORT:**

With respect to the observation of Auditors for maintenance of records pertaining to the Fixed Assets of the Company the Directors state that as it was the first year of SAP implementation some capitalisation of assets entries are identified off late which are capitalised on the basis of asset put to use date and hence due to paucity of time updation of Fixed Assets register to the tune of Rs.258 Lacs was incomplete upto the date of finalization of Accounts. But now due care has been taken to update the same in the current year.

With respect to the other observations/comments in the Auditors' Report & its Annexure, your attention is invited to para II.6.2.f, II.26, I.3 & II.17 of Schedule 18 forming part of the Accounts & Notes, which is self-explanatory and do not call for any further comments pursuant to Section 217(3) of the Companies Act, 1956.

**PUBLIC DEPOSITS:**

The Company has not accepted any Deposits from Public within the meaning of Section 58A of the Companies' Act, 1956 during the financial year under review.

**INSURANCE:**

All the properties of the Company have been adequately insured.

**BANK & FINANCIAL INSTITUTIONS:**

The consortium of bankers of the Company has extended and increased the working capital facilities considering additional growth in operations. Axis Bank Limited has sanctioned credit facilities of USD 9 million for the new project.

**DIRECTORS:**

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Raj Tandon and Mr. Hero Chuganee, Directors of the Company retire by rotation and being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting.

Mr. Hero Chuganee, one of the Promoters and Executive Chairman since last two decades, under whose guidance and supervision the Company has achieved number of milestones and the present position in the Agro Chemical Industry of India, has considering his age and to make way for the young blood, has stepped down from the Executive Directorship of the Company with effect from 17<sup>th</sup> April 2010. However, at the request of the Board he has agreed to remain associated with the Company as a Non Executive Chairman to provide his expert services to the Company for its further growth.

Mr. Anand Swaminathan, resigned as a Director of the Company with effect from 26<sup>th</sup> May 2010. Mr. S.R.B. Nair also resigned as a Whole time Director and Chief Operating Officer (COO) of the Company w.e.f. 31<sup>st</sup> July, 2010. The Board places on record its appreciation for the benefits and contribution received by the Company from their rich and vast knowledge in various areas.

Mr. Rajesh Sharma and Mr. Kishore Dudani who were appointed as Additional Directors w.e.f. 30<sup>th</sup> July, 2010 pursuant to the provisions of Section 260 of the Companies Act, 1956 and in accordance with the Articles of Association of the Company, will vacate their respective offices on the date of the ensuing Annual General Meeting of the Company.

The Company has received Notices pursuant to Section 257 of the Act from Shareholders of the Company along with requisite Deposit, proposing the candidature of Mr. Rajesh Sharma and Mr. Kishore Dudani for the offices of the Director of the Company, liable to retire by rotation. Requisite resolutions have been proposed in the Notice of the ensuing Annual General Meeting for appointment of Mr. Rajesh Sharma and Mr. Kishore Dudani as the Directors of the Company.

#### **DIRECTOR'S 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 annual accounts for the financial year ended 31<sup>st</sup> March 2010, the applicable Accounting Standards have been followed along with 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 are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2010 and of the profit of the Company for the year ended on that date;
- (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; and
- (iv) that the Directors have prepared the annual accounts for the financial year ended 31<sup>st</sup> March, 2010 on a 'going concern' basis.

#### **CORPORATE GOVERNANCE:**

A Report on Corporate Governance along with a Certificate from M/s. Rathi & Associates, Company Secretaries in Whole-Time practice, regarding compliance of the requirements of Corporate Governance and Management Discussion & Analysis Report pursuant to Clause 49

of the Listing Agreement with the Stock Exchanges are annexed hereto.

#### **AUDITORS:**

The term of M/s. S M N P & Co, Chartered Accountants, as Statutory Auditors of the Company expires at the conclusion of the ensuing Annual General Meeting and they are eligible for re-appointment. The retiring Auditors have furnished a certificate of their eligibility for re-appointment, as per prescribed limits specified under Section 224 (1B) of the Companies Act, 1956 and have indicated their willingness to continue in the said office. Members are requested to appoint auditors for the Current Financial Year and to authorise the Board to fix their remuneration.

#### **SUBSIDIARIES:**

A statement relating to subsidiary Companies (1) Sabero Australia Pty Ltd (2) Sabero Europe B.V. (3) Sabero Argentina S.A. (4) Sabero Organics America Ltda as per the provision of Section 212 of the Companies Act, 1956 is annexed.

The Audited Balance Sheet and Profit and Loss Accounts of the Subsidiary Companies, as on their respective year ended on various dates as per the laws of the countries wherein these companies are incorporated, are also annexed.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, ADOPTION & INNOVATION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Information relating to the Conservation of Energy, Technology Absorption, Adoption & Innovation and Foreign Exchange Earnings and Outgo required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are annexed hereto and forms part of this report.

#### **PARTICULARS OF EMPLOYEES:**

Information as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is attached and forms part of this Report.

#### **ACKNOWLEDGEMENTS:**

Your Directors take this opportunity to express their sincere appreciation for the excellent support and co-operation extended by the investors, suppliers, vendors, customers, bankers, financial institutions and other business associates. Your Directors gratefully acknowledge the ongoing co-operation and support provided by the Central and State Government of Gujarat and all regulatory bodies.

Your Directors also place on record their deep appreciation for the co-operation extended by the employees at all levels and for their significant contribution in the growth of the Company.

On behalf of the Board of Directors

Sd/-

**Hero J. Chuganee**  
Chairman

Place: Mumbai  
Date: 30<sup>th</sup> July, 2010



## ANNEXURE "A" TO THE DIRECTORS' REPORT

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

## FORM - A

## DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

	CURRENT YEAR 2009-10	PREVIOUS YEAR 2008-09
<b>A. POWER &amp; FUEL CONSUMPTION</b>		
<b>1) Electricity</b>		
a) Purchased Units (kwh)	<b>22072280</b>	17031840
Total Amount (Rs.)	<b>138371261</b>	107514994
Average Rate / Unit (Rs.)	<b>6.27</b>	6.31
b) Own Generation		
Through Diesel generator		
Unit (kwh)	<b>180704</b>	73648
Diesel used in D.G.	<b>59970</b>	23601
Unit per litre of Diesel Oil	<b>3.01</b>	3.12
Cost per unit (Rs.)	<b>26.85</b>	12.30
<b>2) Fuel for Steam Generation</b>		
i. Furnace Oil		
Quantity (KL)	<b>581</b>	629
Total Amount (Rs.)	<b>11274407</b>	8982393
Average Rate (Rs./KL)	<b>19400</b>	14275
ii. HSD (kl)		
Total Amount( Rs.)	<b>Nil</b>	Nil
Average Rate (Rs./kl)	<b>Nil</b>	Nil
iii. Natural Gas, cubic meters	<b>9565560</b>	5169434
Total amount(Rs.)	<b>155270730</b>	77796718
Average rate( Rs/ cu. Mtr)	<b>16.23</b>	15.05

## CONSERVATION OF ENERGY:

## Points on conservation of energy:

1. Increased Boiler efficiency by installing economizer and air pre heater
2. Replaced 270 HP motor with 150 HP Motor to improve motor loading and capacity utilization in Booster B chilled brine system.
3. Revamping of one incinerator with conversion from Liquid fuel to Natural Gas.
4. FRP roofing sheets with roof ventilation installed at Stores and Utility area, thereby reducing energy consumption.

5. Chilled Brine System insulation revamped resulting in energy saving.

## Disclosure of particular with respect to:

## a) Research &amp; Development: (R &amp; D)

The Company is in the process and working towards the objective of achieving GLP accreditation of its analytical laboratory in 2010-11. R&D has developed Acephate 97%, 90% & 75% Prills and Pretilachlor Technical, Tricyclazole Technical, Triclopyr Technical, Propineb Technical, Zineb Technical and its formulations. The Company is further working on new products like Cartap Hydrochloride, Azoxystrobin, Thiamethoxam and various Synthetic Pyrethroids and expected to commence the commercial production of some of the products during the current and next financial year, based on market conditions. The Company has several products (insecticides, herbicides and fungicides) that are off patent products, at different stages of development and the said product will be introduced in the market in near future.

R&D of the Company is recognized by Department of Science & Industrial Research (DSIR), Government of India and is fully equipped with modern sophisticated instruments like Gas Chromatograph, High Pressure Liquid Chromatograph, UV – Visible Spectrophotometer, Potentiometer Titrator etc.

## b) Technology absorption, adoption and innovation:

During the Financial Year 2009-10, R&D has developed Acephate 97%, 90% & 75% Prills, Pretilachlor Technical, Tricyclazole Technical, Triclopyr Technical, Propineb Technical, Zineb Technical and its formulations, and the said products are under commercialization.

## c) Foreign Exchange Earnings and Outgo:

	CURRENT FINANCIAL YEAR 2009-10	PREVIOUS FINANCIAL YEAR 2008-09
<b>1. Foreign Exchange Earned</b>		
Export of goods on FOB basis	<b>21658.15</b>	22091.51
<b>2. Foreign Exchange Expenses</b>		
- Raw materials on CIF basis Traveling	<b>12586.98</b>	14256.02
- Selling Expenses & Commission	<b>30.24</b>	40.22
- Product Registration Expenses	<b>735.26</b>	62.66
- Others	<b>24.88</b>	32.54
- Others	<b>20.20</b>	9.39
<b>Total of (2)</b>	<b>13397.56</b>	14400.83

## ANNEXURE “B” TO THE DIRECTORS’ REPORT

Information as per Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, and forms part of the Directors’ Report for the year ended 31<sup>st</sup> March, 2010.

Name	Designation	Gross Remuneration (Rs. in Lacs)	Qualification	Experience (Yrs)	Date of commencement of employment	Age	Particulars of last employment
Mr. Hero J. Chuganee	Chairman	87.12	B.Sc., MII CHE, D.Chem E-London, AMP, Harvard University, USA.	43 Years	29 <sup>th</sup> November, 1991	76 Years	Indofil Chemical Company- Chief Executive
Mr. Mohit H. Chuganee	Vice Chairman & Managing Director	86.86	B.Sc. in Electrical Engineering, Virginia Tech, USA, M.B.A. in International Management Thunderbird University, USA.	22 Years	29 <sup>th</sup> November, 1991	44 Years	Echostar Corporation, USA / Europe
Mr. Sumit H. Chuganee	Executive Vice Chairman and Whole time Director	85.23	B.S. in Electrical Engineering Virginia Tech, M.B.A. in Finance, Duke University, USA	20 Years	7 <sup>th</sup> May, 1992	43 Years	Rohm & Haas, USA





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## MANAGEMENT DISCUSSION AND ANALYSIS

### MANAGEMENT DISCUSSION AND ANALYSIS

Statements in this Report, particularly those which relate to the Company's objectives, projections, estimates and expectations may constitute forward looking statements within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

### BUSINESS ENVIRONMENT & INDUSTRY OVERVIEW

#### Global Agrochemical Industry:

There is great potential in the global agrochemical industry, which has grown from USD 25.8 billion in the year 2001 to USD 41.7 billion in 2008. The industry is expected to be worth USD 196 billion by 2014, with Asian markets accounting for nearly 43% of the total revenues.

#### Indian Agrochemical industry:

As the Company directly depends on Agriculture Industry, the Agrochemical Industry's performance is based on the success and performance of the Agriculture Industry. The Indian Agriculture Industry provides significant support for economic growth and social transformation of the country. As one of the world's largest agrarian economies, the agriculture sector (including allied activities) in India accounted for more than 15% of the GDP and contributed approximately more than 10% of total exports. Notwithstanding the fact that the share of this sector in the GDP has been declining over the years, its role remains critical as it provides employment to around 60% of the workforce. Agriculture Growth Rate had grown earlier but in the last few years it is constantly declining. Still, the Growth Rate of Agriculture in India in the share of the country's GDP remains the biggest economic sector in the country.

In spite of its decline in the share of the country's GDP Agriculture Growth Rate plays a very important role in the all round economic and social development of the country. Agriculture Growth Rate in India's GDP has slowed down as the production in this sector has reduced over the years. The agricultural sector had low production due to a number of factors such as illiteracy, insufficient finance, inadequate marketing of agricultural products and the average size of the farms being very small. Secondly, growth in production of agricultural crops depends upon acreage and yield. Further, multiple cropping can be used as a means to increase the gross cropped area. It is clear that the main source of long-term output growth can only be improvement in yields. Improvement in yield, which is a key to long-term growth, depends on a host of factors including technology, use of quality seeds, fertilizers pesticides, micronutrients and irrigation. Each of these plays an important role in determining yield level and in turn augmentation in the level of production.

The Indian Agrochemical Industry which is estimated at USD 1 billion ranks 2<sup>nd</sup> in Asia and 12<sup>th</sup> globally. It is estimated that India loses approximately 18% of its crop yield, valued at Rs.90,000 Crores, due to pest attacks each year. In value terms, the size of the Indian pesticide industry was estimated at Rs.7,400 Crores in 2007. Agrochemicals are classified as Insecticides, Herbicides and Fungicides. In India, insecticides contribute the largest share at 62% compared to global consumption of 28%. Globally herbicides constitute the largest consuming Agrochemical with a share of 48%.

Demand for Agrochemicals is expected to be very strong in the coming years due to the following reasons:

- International comparisons reveal that the average yield in India is only 30% to 50% of the highest average yield in the world. Shortage of food across the world has already pushed the demand for agrochemicals to a huge extent.
- The World's population is currently 6.7 billion and 750 million people are born every year. The population is expected to reach 9 billion by 2050. To keep pace with the growing population, food production, especially in developing countries will have to double by 2050.
- The farmers will have to boost their yields. This will encourage the demand for agrochemicals, being one of the key inputs to increase in yields.
- Crop prices remain stable and are on an uptrend for the last one year, improving the profitability of the farmer.

### COMPANY'S PERFORMANCE

The Company has a diversified product portfolio for Insecticides, Herbicides, Fungicides and Specialty chemicals.

In the current financial year, the company has plans to introduce new products in the market viz. Pretilachlor (rice herbicide), Tricyclazole (rice fungicide), Triclopyr (Herbicide) and Propineb (broad spectrum fungicide). With these new products, the company hopes to grow these businesses to a respectable size in the coming years. In propineb, which is a broad spectrum fungicide and is a product with global sales of USD 150 million, the Company hopes to be a viable alternative to the only other supplier of this product in the world, namely Bayer. Hence, the Company will be the second manufacturer of this product in the world. The Company already has a registration package for propineb and the product is under registration in various countries in Asia and Latin America. The Company has registered the product in India and is expected to introduce this product in India shortly. In FY 2009-10, the Company introduced Methamidaphos, an insecticide used across several fruit and vegetable produce and is sold in South America and Africa. The Company is now one of the main suppliers of Methamidaphos in the world.

In the Current Financial Year 2010, the Company was accorded Trading House status by Ministry of Commerce and Industry, Government of India.

The Company has taken up the expansion program for setting up an export –oriented unit of technical active ingredients at Dahej SEZ, Gujarat with an estimated capacity of 2650 t.p.a. The Company has achieved financial closure for this project, and civil work is expected to start soon. Further, engineering for the project is at an advanced stage and project is likely to be commissioned in November, 2011. The Company expects to generate additional sales revenue of 2-3 times of the investment after commissioning of this new project in Dahej SEZ.

The Company has exposure in all three segments of the crop protection industry i.e. Fungicides, Insecticides and Herbicides. In order to have diversified portfolio, the Company has strategically concentrated on one or two key products in each of the segment. The Company has also made its presence in these segments in such a way that the products have different selling seasons which ensures fairly stable and uniform sales throughout the year to overcome historical seasonality of the business.

The Company's net sales increased to Rs.43031.93 lacs in 2009-10 compared to Rs.36666.08 lacs in 2008-09. The domestic sales have shown a good growth of over 41% in 2009-2010, contributing to 41% of the overall sales of the Company in 2009-10. The Company has reported a better margin with net Profit of Rs.3896.09 lacs in 2009-10 as compared to Rs.2177.07 lacs in 2008-09. The debt equity ratio is 0.71 as of 31<sup>st</sup> March, which reveals healthy financial position of the Company.

After successful completion of the expansion program which was taken up in 2008-09, resulted in significant increase in the capacity of Herbicide segment. To achieve the benefit of increased capacity of Herbicide segment, the Company has decided to focus on the European market with more efforts. As a first step it has obtained registration of Glyphosate, an environmental friendly formulation in U.K and Germany, Ireland with France expected shortly. In addition, the Company is generating registration packages for Europe for four formulations in the segment of herbicides and fungicides including an environmental friendly green glyphosate formulation at a total cost of US\$2 million. The benefits of the registrations and penetration in the said market are expected to be accrued to the Company in coming years. The Company has also been invited to join the glyphosate task force in Europe which will ensure it to remain an important and serious player in glyphosate in Europe.

In Fungicides Segment, the Company's key product Mancozeb has been performing very well as per expectations. The global market for the said product is estimated at US \$ 600 million. Further, the Company manufactures entire range of formulations of Mancozeb viz. granules, oil suspension, wettable powder, suspension concentrate. Hence the Company has an edge over the other manufacturers who offer only

specific range of product. Additionally, the Company being the second largest producer of the said product and having 240 registrations world wide will definitely help to boost its share in the global market and in India. The Company expects to obtain registrations for Mancozeb in a number of countries where it is not currently present such as Brazil, France, UK, Spain, Italy, Cameroon etc. and to thereby increase its market share in the global mancozeb business. The Company also plans to enter new segments such as the fruit and banana plantation segments and its product is under testing and approval from all the main global plantation companies.

In Insecticides Segment, the Company manufactures and has a strong presence in the local and international market for its main product, Monocrotophos. It is currently one of the largest manufacturers of Monocrotophos and has completely backward integrated products such as Acephate, Chlorpyrifos, Dichlorovos and Methamidophos. The Company has obtained registration for chlorpyrifos in Brazil in the year 2009 and during the first year of operations, 50% of the sales of the said product were accounted by the Brazil market only. It was sold under the brand name "Sabero". The Company is in the process of debottlenecking the capacity of its chlorpyrifos plant and this is expected to start by October, 2010. After completion of debottleneck programme, the increased capacity will help the Company increase its market share in countries such as Argentina, Brazil and in domestic market where there is a good opportunity for the Company to increase its business. The Company is also a major player in acephate, one of the largest selling insecticides in the world, majorly in India, Brazil, USA, Argentina, Pakistan, Paraguay, and Japan. The Company recently registered and started selling Acephate 90% prills, an environmentally friendly formulation in USA. The Company's other insecticide products viz. monocrotophos and dichlorovos where the Company is completely backward integrated from yellow phosphorous continues to give the Company a very competitive cost position and control over quality at every stage of manufacture. The said debottlenecking programme will be completed in second quarter of 2010-11 wherein the capacity of monocrotophos will stand increased at 4400 t.p.a.

As regards marketing, the Company had wide a spectrum of customers in over 50 countries. It is a supplier to many multinationals having their own registrations and also market through distribution network in domestic market as well as other countries viz. Europe, Brazil, Uganda, Argentina, Morocco, etc. The Company also has four subsidiaries in Australia, Europe, Brazil and Argentina. These companies were formed with an object to obtain registrations in the respective countries and these will be used as vehicles for building a strong distribution network in the relevant regions. Further, considering the market segment to which it is catering, it would be interesting to note that 30% business of the Company is attributed to Multinational Companies, 40% to strong domestic and international companies (B2B) and balance 30% through Dealers Distribution Network under its own brand. Hence, with presence in all three segments, strong marketing strategies, 240 registrations in 50 countries and a wide spread market would definitely