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## CORPORATE INFORMATION

**BOARD OF DIRECTORS** :      **Mr. M. K. Tandon**                      *Chairman*  
   **Mr. V. Ravichandran**                      *Director*  
   **Mr. M. M. Venkatachalam**                      *Director*  
   **Mr. Jayesh Gandhi**                      *Director*  
   **Mr. Sujal Shah**                      *Director*  
   **Mr. Kapil Mehan**                      *Director*  
   **Mr. G. Veera Bhadrani**                      *President & Whole-time Director*

**COMPANY SECRETARY** :      **Ms. Pritam Vartak**

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

**BANKERS** :      Union Bank of India  
   Bank of India  
   State Bank of India  
   Oriental Bank of Commerce  
   IDBI Bank Limited  
   Dena Bank  
   ICICI Bank Limited  
   The Ratnakar Bank Limited  
   Axis Bank Limited  
   Export-Import Bank of India  
   HDFC Bank Limited  
   The Federal Bank Limited

**REGISTERED OFFICE** :      Plot No. 2102, GIDC  
   Sarigam 396 155  
   Dist. Bulsar  
   State: Gujarat  
   Tele fax. : 0260 3918500

**CORPORATE OFFICE** :      Bezzola Commercial Complex,  
   A Wing, 3<sup>rd</sup> Floor, Suman Nagar,  
   Sion Trombay Road, Chembur,  
   Mumbai-400071  
   Tel No.: 022 - 61132400 • Fax : 022 - 61132405

**REGISTRARS & 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 25946979



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**NOTICE**

NOTICE is hereby given that the 21<sup>st</sup> Annual General Meeting of the Members of Sabero Organics Gujarat Limited will be held on Friday, 13<sup>th</sup> July, 2012 at 12.30 P.M. at Plot No. 2102, GIDC, Sarigam - 396 155, Dist. - Bulsar, Gujarat to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2012 and the Profit & Loss Account for the financial year ended on that date together with the Report of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. M. K. Tandon, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. V. Ravichandran, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting. The retiring Auditors M/s. SMNP & Co., Chartered Accountants, have informed the Company that they do not wish to seek re-appointment as Statutory Auditors of the Company. The Company has received a special notice from a member proposing the appointment of M/s Deloitte Haskins & Sells, Chartered Accountants as Statutory Auditors of the Company in the place of M/s. SMNP & Co., Chartered Accountants.

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

**"RESOLVED THAT** M/s Deloitte Haskins & Sells, Chartered Accountants, bearing Registration No.008072S with the Institute of Chartered Accountants of India, be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on a remuneration of ₹6 lakhs (Rupees Six Lakhs only) plus reimbursement of out of pocket expenses and service tax."

**SPECIAL BUSINESS:**

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

**"RESOLVED THAT** Mr. Jayesh Gandhi, who was appointed as an Additional Director pursuant to Section 260 of the Companies Act, 1956 and Article

74 of the Articles of Association of the Company to hold office up to the date of this Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing pursuant to the provisions of Section 257 of the Companies Act, 1956, proposing his candidature as a Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

**"RESOLVED THAT** Mr. Sujal Shah, who was appointed as an Additional Director pursuant to Section 260 of the Companies Act, 1956 and Article 74 of the Articles of Association of the Company to hold office up to the date of this Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing pursuant to the provisions of Section 257 of the Companies Act, 1956, proposing his candidature as a Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

**"RESOLVED THAT** Mr. M. M. Venkatachalam, who was appointed as an Additional Director pursuant to Section 260 of the Companies Act, 1956 and Article 74 of the Articles of Association of the Company to hold office up to the date of this Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing pursuant to the provisions of Section 257 of the Companies Act, 1956, proposing his candidature as a 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 deemed fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

**"RESOLVED THAT** Mr. Kapil Mehan, who was appointed as an Additional Director pursuant to Section 260 of the Companies Act, 1956 and Article 74 of the Articles of Association of the Company to hold office up to the date of this Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing pursuant to the provisions of Section 257 of the Companies Act, 1956, proposing his candidature as a 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** Mr. G. Veera Bhadram, who was appointed as an Additional Director pursuant to Section 260 of the Companies Act, 1956 and Article 74 of the Articles of Association of the Company to hold office up to the date of this Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing pursuant to

the provisions of Section 257 of the Companies Act, 1956, proposing his candidature as a Director of the Company, be and is hereby appointed as a Director of the Company.”

By Order of the Board of Directors  
For **Sabero Organics Gujarat Limited**  
Sd/-

Place: Mumbai  
Date: 18.04.2012

Pritam Vartak  
Company Secretary

#### NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- Proxies in order to be effective, should be duly completed, stamped and signed must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- Members desirous of obtaining any information as regards accounts and operations of the Company are requested to send their queries in writing so as to reach at the Corporate Office of the Company at Mumbai at least 10 (ten) days before the date of the meeting, to enable the Company to keep the information ready.
- Explanatory Statement relating to the Special Business under Item Nos. 5 to 9 as required under Section 173 (2) of the Companies Act, 1956 is annexed hereto.
- The Register of Members of the Company will remain close from 6<sup>th</sup> July, 2012 to 13<sup>th</sup> July, 2012 (both days inclusive).
- Members are requested to notify immediately any change in their address to their Depository Participants (DPs) in respect of their electronic share accounts quoting Client ID No. and in case of shares are held in physical form, to Link Intime India Private Limited, Registrar and Transfer Agents in respect of their physical shares, quoting Folio No.
- The Company's shares are traded in electronic form. The investors are requested to hold their securities in the electronic form.
- The relevant details of Directors seeking appointment / re-appointment, under the item nos. 2, 3, 5, 6, 7, 8 & 9 above, are as follows:

Name	<b>Mr. M. K. Tandon</b>	<b>Mr. V. Ravichandran</b>
Age	70 years	56 years
Date of Appointment	11 <sup>th</sup> July, 2011	11 <sup>th</sup> July, 2011
Qualification	Masters Degree in Commerce, Degree in Law	Engineering Graduate, Post Graduate Diploma in Management, qualified as Cost Accountant and Company Secretary.
Nature of Expertise	Finance, Insurance and General Management	Finance, Marketing and General Management
Experience	More than 45 years	More than 30 years
Names of other companies in which holds Directorship (excluding foreign and private companies)	1. Coromandel International Limited 2. Welspun Syntex Ltd. 3. GIC Housing Finance Limited 4. Welspun Projects Limited	1. Coromandel International Limited 2. E I D Parry (India) Limited 3. Parrys Sugar Industries Limited 4. Murugappa Holdings Ltd.
Names of other public companies in which holds Committee membership / Chairmanship*	<b>Coromandel International Limited</b> - Chairman of Audit Committee and Share Transfer and Investor Grievance Committee <b>GIC Housing Finance Limited</b> - Chairman of Audit Committee & Investor grievance Committee <b>Welspun Syntex Limited</b> - Member of Audit Committee <b>Welspun Projects Limited</b> - Member Audit Committee	<b>EID Parry (India) Limited</b> – Member of Audit Committee & Investors Grievance Committee <b>Coromandel International Limited</b> – Member of Share Transfer and Investor Grievance Committee <b>Parrys Sugar Industries Limited</b> - Member of Audit Committee
Shareholding in the Company	Nil	Nil



Name	<b>Mr. Jayesh Gandhi</b>	<b>Mr. Sujal Shah</b>
Age	50 years	43 years
Date of Appointment	2 <sup>nd</sup> December, 2011	2 <sup>nd</sup> December, 2011
Qualification	B.Com, F.C.A	B. Com, F.C.A
Nature of Expertise	Finance, Accounting and Auditing	Finance, Mergers & Acquisition and Corporate Advisory
Experience	28 years	20 years
Names of other companies in which holds Directorship (excluding foreign and private companies)	1. Aventis Pharma Limited 2. ICICI Home Finance Company Ltd	1. Gitanjali Gems Limited 2. Reliance Assets Reconstruction Company Limited 3. Reliance MediaWorks limited 4. Keynote Corporate Services Limited 5. Amal Limited 6. Hindoostan Technical Fabric Limited 7. Amrit Banasapati Co. Ltd. 8. Hindoostan Mills Limited 9. Rudolf Atul Chemicals Limited
Names of other public companies in which holds Committee membership / Chairmanship*	<b><u>Aventis Pharma Limited</u></b> - Member of Audit Committee  <b><u>ICICI Home Finance Company Limited</u></b> - Chairman of Audit Committee	<b><u>Gitanjali Gems Limited</u></b> -Chairman of Audit Committee <b><u>Reliance Assets Reconstruction Company Limited</u></b> -Chairman of Audit Committee <b><u>Reliance MediaWorks limited</u></b> -Chairman of Audit Committee <b><u>Keynote Corporate Services Limited</u></b> -Chairman of Audit Committee <b><u>Amal Limited</u></b> -Member of Audit Committee <b><u>Amrit Banasapati Co. Ltd.</u></b> -Member of Audit Committee <b><u>Hindoostan Mills Limited</u></b> – Chairman of Audit Committee <b><u>Rudolf Atul Chemicals Limited</u></b> - Member of Audit Committee
Shareholding in the Company	Nil	Nil

  

Name	<b>Mr. M. M. Venkatachalam</b>	<b>Mr. Kapil Mehan</b>
Age	53 years	54 years
Date of Appointment	19 <sup>th</sup> December, 2011	19 <sup>th</sup> December, 2011
Qualification	Graduated from the University of Agricultural Sciences, Masters Degree in Business Administration from George Washington University, USA,	Graduate in Veterinary Science and Animal Health, PG Diploma in Management from IIM, Ahmedabad
Nature of Expertise	General Management and Administration	General Management and Marketing
Experience	29 years	32 years
Names of other companies in which holds directorship (excluding foreign and private companies)	1. Parry Enterprises India Ltd 2. Chola mandalam Factoring Ltd 3. Ramco Systems Ltd. 4. Polutech Ltd 5. Ambadi Enterprises Ltd. 6. USV Limited 7. Coromandel International Ltd. 8. Coromandel Engineering Company Ltd. 9. Parry Agro Industries Ltd. 10. New Ambadi Estates Private Limited 11. Parry Murray and Company Furnishings & Floor Coverings (India) Private Limited.	1. Coromandel International Limited 2. Parry Chemicals Limited
Names of other public companies in which holds Committee membership / Chairmanship*	<b><u>Ramco Systems Ltd.</u></b> - Chairman of Audit Committee- <b><u>Coromandel International Ltd.</u></b> - Member of Audit Committee	Nil
Shareholding in the Company	Nil	Nil

Name	<b>Mr. G. Veera Bhadram</b>
Age	54 years
Date of Appointment	19 <sup>th</sup> December, 2011
Qualification	Graduation in Agriculture from AP Agricultural University, and Post Graduation in Agricultural Economics from G B Pant University of Agriculture and Technology, PG Diploma in Management
Nature of Expertise	Sales & Marketing, Exports and General Management
Experience	28 years
Names of other companies in which holds directorship (excluding foreign and private companies)	1) Parry Chemicals Limited
Names of other public companies in which holds Committee membership / Chairmanship*	NIL
Shareholding in the Company	Nil

\*Note : Represents Directorship / Membership of Audit & Investors Grievance Committee of Public Ltd. Companies governed by Companies Act, 1956

9. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company during office hours on all working days except Saturday between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting and the same will be available for inspection at the Annual General Meeting.

By Order of the Board of Directors  
For **Sabero Organics Gujarat Limited**

Place: Mumbai  
Date: 18.04.2012

Sd/-  
Pritam Vartak  
Company Secretary

## **ANNEXURE TO THE NOTICE**

### **Explanatory Statement as required by Section 173 (2) of the Companies Act, 1956 ('the Act')**

#### **ITEM NO. 5**

The Board of Directors of the Company had appointed Mr. Jayesh Gandhi as an Additional Director of the Company with effect from 2<sup>nd</sup> December, 2011 to hold office upto the date of ensuing Annual General Meeting and being eligible to offers himself for re-appointment. The Company has received notice under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director of the Company.

Mr. Jayesh Gandhi has done Graduation in Commerce and is also a Member of the Institute of Chartered Accountants of India. He Joined M/s. N. M. Raiji & Co. Chartered Accountants in the year 1985 and became a partner in 1989. He has got wide experience in the field of Finance, Accounts, Taxation and Audit. Presently member of the Managing Committee of Bombay Chartered Accountants Society (BCAS). Also, member of The Accounting and Auditing Committee (since last 6 years).

None of the directors of the Company except Mr.

Jayesh Gandhi is interested or concerned in this resolution.

#### **ITEM NO 6**

The Board of Directors of the Company had appointed Mr. Sujal Shah as an Additional Director of the Company with effect from 2<sup>nd</sup> December, 2011 to hold office upto the date of ensuing Annual General Meeting and being eligible to offers himself for re-appointment. The Company has received notice under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director of the Company.

Mr. Sujal Shah is a Graduate in Commerce and a member of the Institute of Chartered Accountants of India having an overall post qualification experience of about 20 years. He is founder partner of M/s. SSPA & Co., Chartered Accountants, Mumbai. He was also associated with M/s. N. M. Raiji & Co. for a period of 12 years (8 years as partner) and with M/s. Dalal & Shah for a period of 2 years as partner.



He has wide experience in the areas of Valuation for Mergers & Acquisitions, advising on restructuring of business, conducting financial due-diligence and general corporate advisory. He has been a team member in several large Corporate Mergers. He has been a regular faculty on the subject of "Valuation", "Financial Due Diligence" etc. at seminars and conferences organized by the Institute of Chartered Accountants of India and other reputed organizations.

None of the directors of the Company except Mr. Sujal Shah is interested or concerned in this resolution.

**ITEM NO. 7**

The Board of Directors of the Company had appointed Mr. M. M. Venkatachalam as an Additional Director of the Company with effect from 19<sup>th</sup> December, 2011 to hold office upto the date of ensuing Annual General Meeting and being eligible to offers himself for re-appointment. The Company has received notice under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director of the Company.

Mr. M M Venkatachalam is Graduate from the University of Agricultural Sciences in Bangalore and holds a Masters Degree in Business Administration from George Washington University, USA. He has held senior positions in the Murugappa Group of Companies spanning over period of two and a half decades and has wide administrative and managerial experience.

None of the directors of the Company except Mr. M. M. Venkatachalam is interested or concerned in this resolution.

**ITEM NO.8**

The Board of Directors of the Company had appointed Mr. Kapil Mehan as an Additional Director of the Company with effect from 19<sup>th</sup> December, 2011 to hold office upto the date of ensuing Annual General Meeting and being eligible to offer himself for re-appointment. The Company has received notices under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director of the Company.

Mr. Kapil Mehan is a Graduate in Veterinary Science and Animal Health. He also holds a PG Diploma in Management from IIM, Ahmedabad with specialization

in Agriculture He started his career with Rallis India and later moved on to Tata Chemicals Limited. He has held various positions in Sales and Marketing function in Rallis and Tata Chemicals Limited before moving into the position of Chief Operating Officer for its fertilizers business in 2003. In 2008, he was appointed as the Executive Director of Coromandel International Limited (Holding Company). Presently he is occupying the office of the Managing Director of Coromandel International Limited (Holding Company).

None of the directors of the Company except Mr. Kapil Mehan is interested or concerned in this resolution.

**ITEM NO.9**

The Board of Directors of the Company had appointed Mr. G. Veera Bhadrani as an Additional Director of the Company with effect from 19<sup>th</sup> December, 2011 to hold office upto the date of ensuing Annual General Meeting and being eligible offers himself for re-appointment. The Company has received notice under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director of the Company.

Mr. G Veera Bhadrani has done his Graduation in Agriculture from AP Agricultural University, and Post Graduation in Agricultural Economics from G B Pant University of Agriculture and Technology. He has done his Post Graduate Diploma in Management (Agriculture) from Indian Institute of Management, Ahmedabad (IIMA). In a career spanning close to three decades, he worked with Alembic group, Nagarjuna Group and IFFCO. In 2002, he joined EID Parry India Limited, part of the Murugappa Group. He has vast experience in the field of Marketing and Exports of Agro Chemicals.

None of the directors of the Company except Mr. G. Veera Bhadrani is interested or concerned in this resolution.

By Order of the Board of Directors  
For **Sabero Organics Gujarat Limited**

Place: Mumbai  
Date: 18.04.2012

Sd/-  
Pritam Vartak  
Company Secretary

## DIRECTORS' REPORT

**Dear Members,**

Your Directors have pleasure in presenting the 21<sup>st</sup> Annual Report and the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2012.

### SUMMARY OF FINANCIAL RESULTS:

(₹ In lacs)

	Year Ended 31.03.2012	Year Ended 31.3.2011
<b>Net Sales</b>		
Domestics	17068.67	18590.44
Exports	18774.00	22489.33
<b>Total</b>	<b>35842.67</b>	41079.77
<b>Profit / (Loss) before Interest, Depreciation, Tax</b>	<b>(3548.42)</b>	4154.88
Less: Finance Costs	2812.60	1547.48
Depreciation	1103.93	860.09
Less: Provision for Tax (incl. deferred tax)	(1340.58)	684.42
<b>Net Profit / (Loss) after Tax</b>	<b>(6124.37)</b>	1062.89

### CHANGE IN MANAGEMENT AND CONTROL

The most significant happening during the course of the year under review has been the acquisition of the entire block of the existing Promoters shareholding of 42.22% in your Company by Coromandel International Ltd ("Coromandel"). Coromandel further acquired 31% of the Equity Shares of the Company through an open Offer pursuant to SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, from the shareholders of the Company. Besides, Coromandel Subsidiary Parry Chemicals Ltd. also holds 1.35% Shares in the Company; thus together, with its Subsidiary Coromandel now holds 74.57% of the equity in the Company and effective 17<sup>th</sup> December, 2011, your Company has become a Subsidiary of Coromandel.

Your Company sees tremendous value in this relationship with Coromandel by leveraging synergies in operations, back up support in production, marketing and other areas, and in drawing upon the technical expertise and resources of Coromandel, the holding Company.

As a corollary to the change in management and control, the Board of Directors of the Company was reconstituted on the 19<sup>th</sup> December, 2011 as under:

- |                           |                                 |
|---------------------------|---------------------------------|
| 1. Mr. M. K. Tandon       | Chairman*                       |
| 2. Mr. V. Ravichandran    | Director*                       |
| 3. Mr. M.M. Venkatachalam | Director                        |
| 4. Mr. Jayesh Gandhi      | Director**                      |
| 5. Mr. Sujal Shah         | Director**                      |
| 6. Mr. Kapil Mehan        | Director                        |
| 7. Mr. G. Veera Bhadrani  | President & Whole time Director |

\* Mr. M. K. Tandon and Mr. V. Ravichandran were appointed as Additional Directors on 11<sup>th</sup> July, 2011.

\*\* Mr. Jayesh Gandhi & Mr. Sujal Shah were appointed as Additional Director on 2nd December, 2011.

### OPERATIONS

The year under review has been a difficult period in terms of sustaining production plans. The Company had to contend with production capacity restraints all through the year under a continuing judicial ruling arising from a Public Interest Litigation (PIL). These constraints have been overcome significantly by ensuring strict compliance with environment related regulatory norms and the Company managed to secure permission for capacity utilization from zero level in April, 2011 to upto 75%, as from December, 2011. Indeed, these entailed considerable investments in re-vamping Environmental Management Systems (EMS) for treatment of effluents, which are nearing completion; once fully implemented, the augmented EMS would help achieve compliance with the environmental regulations at higher production levels with volume efficiencies.

The restrictions placed on the capacity utilisation resulted in lower volumes in production and had a direct bearing on not being able to drive growth; this was a major factor in net Sales for the year under review at ₹ 35842.67 Lacs being of lower order as compared to ₹ 41079.77 Lacs for the previous year.

The operations during the year under review were also adversely impacted owing to increase in power & fuel costs; tight cash flows induced higher interest costs; margins were also impacted due to loss incurred under unusually volatile foreign exchange scenario.

### DAHEJ PROJECT

Your Company has a plot of land acquired in the Special Economic Zone in Dahej, in State of Gujarat. The Dahej project was conceived to ramp up production facilities for the manufacturing of Technical active Ingredients and formulations. Now that the Company has become a Subsidiary of Coromandel International Limited, which has a sizeable presence in the Agro chemicals space, it made sense to revisit the focus area for the Dahej Project. The project Plan has been reviewed in terms of its complementary role in the changed scenario. The project is being recast such as to maximize its potential. The Project is scheduled to be completed during the current financial year 2012-13; meanwhile, manufacture of formulations has already commenced at Dahej facility in March, 2012.

### OVERSEAS SUBSIDIARIES/ ASSOCIATE COMPANIES

The Company has Subsidiary Companies in Australia, Latin America, Argentina, Europe and one Associate Company





in Philippines, primarily to pursue grant of licenses and product registrations in conformity with the local laws of the respective countries/regions.

**Sabero Australia Pty Ltd :**

The Company (a wholly owned subsidiary) incurred net profit / loss of Australian Dollar Nil (equivalent to ₹ Nil) during the year ended March 31, 2012.

**Sabero Europe B. V :**

The Company (a wholly owned subsidiary) incurred net loss of Euro 1,447 (equivalent to ₹0.95 lacs) during the year ended March 31, 2012.

**Sabero Argentina S. A. :**

The Company (a subsidiary) generated a net profit of Argentina Pesos 20610 (equivalent to ₹2.32 lacs) during the year ended March 31, 2012.

**Sabero Organics America S. A. :**

The Company (a subsidiary) incurred net loss of Brazilian Real 8,69,142 (equivalent to ₹ 241.99 Lacs, during the year ended March 31, 2012, mainly on account of settlement with Embrasil, Brazil and Markan Agroquimica Ltd, Brazil. Consequent to this, the Company is no longer a co-venturer in Markan.

**DIRECTORS**

In accordance with the requirements of the Companies Act, 1956, and Article 70 of the Articles of Association of the Company, Mr. M. K. Tandon and Mr. V. Ravichandran, Directors of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment. During the year under review, Mr. Jayesh Gandhi, Mr. Kapil Mehan, Mr. Sujal Shah, Mr. M. M. Venkatachalam and Mr. G. Veera Bhadram were appointed as Additional Directors and notices have been received from shareholders proposing their appointment as Directors of the Company. The details of Directors seeking appointment or re-appointment as required by Clause 49 of the Listing Agreement are provided in the Note-8 to the Notice convening the ensuing Annual General Meeting of the Company.

During the year under review, Mr. Hero Chuganee, Mr. Mohit Chuganee, Mr. Sumit Chuganee, Mr. Rajesh Sharma, Mr. C. M. Ashok Muni, Mr. Raj Tandon, Mr. John R. English, Mr. Kishore Dudani and Mr. Mahendra Kothari, Directors of the Company have resigned from the office of Director. The Board of Directors wish to place on record their appreciation for the contribution made by these Directors during their tenure.

**PUBLIC DEPOSITS**

During the financial year 2011-12, the Company did not accept any deposits from the public under Section 58A of the Companies Act, 1956 and rules made thereunder.

**AUDITORS**

The term of appointment of M/s. SMNP & Co. Chartered Accountants, Statutory Auditors expires at the conclusion of the ensuing Annual General Meeting of the Company.

M/s. SMNP & Co. have informed the Company that they do not wish to seek re-appointment as Statutory Auditors at the ensuing Annual General Meeting.

A Special Notice has been received from a Member proposing the appointment of M/s Deloitte Haskins & Sells, Chartered Accountants, as Statutory Auditors of the Company.

**COST AUDITORS**

In pursuance of Section 233B of the Companies Act, 1956 the Central Government has ordered Cost Audit for Insecticides products. Accordingly Mr. Narottam Tola, Cost Accountant was appointed as a Cost Auditor to render reports to the Central Government. The Report for the year financial 2010-11 was submitted on 30<sup>th</sup> March, 2012 and for the financial year 2011-12 will be filed on or before due date.

**CONSOLIDATED FINANCIAL STATEMENTS**

Consolidated Financial Statements incorporating the operations of the Company and its Subsidiaries is appended. The Ministry of Corporate Affairs, has given a general exemption to Companies from publishing the Annual Report of its Subsidiary Companies wherever a Consolidated Statement has been appended. In view of this, the Annual Report of the Subsidiary Companies, i.e. Sabero Australia Pty Ltd, Sabero Europe B. V., Sabero Argentina S.A. and Sabero Organics America S. A. has not been annexed. However, the Accounts of the Subsidiary Companies and the related information will be made available to the Members of the Company and its Subsidiary Companies on request and will also be kept for inspection in the Registered Office.

A Statement under Section 212(8) of the Companies Act, 1956 is attached after Audited Financial Statements of the Company and forms part of this Annual Report.

**DISCLOSURES**

Information relating to the Conservation of Energy, Technology Absorption, Adaptation & 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.

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

Pursuant to Clause 49 of the Listing Agreement, a Report on Corporate Governance along with a certificate from M/s. Rathi & Associates, Company Secretaries in practice, regarding compliance of the requirements of

Corporate Governance is annexed hereto and Management Discussion & Analysis Report which highlight the industry structure and developments, opportunities and threats, future outlook, risks and concerns etc is annexed hereto.

#### DIRECTORS' RESPONSIBILITY STATEMENT

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

- That in the preparation of the accounts for the financial year ended 31<sup>st</sup> March 2012, the applicable Accounting Standards have been followed;
- That the Directors have selected such accounting policies, applied them consistently and made judgment & 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 loss of the Company for the year under review;
- 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;
- That the Accounts for the financial year ended 31<sup>st</sup> March, 2012 have been prepared on a 'going concern' basis.

#### ACKNOWLEDGEMENTS

The Directors wish to place on record their deep sense of appreciation of the Cooperation and assistance received by the Company from suppliers and vendors, Customers and Business Associates, its Bankers and the Financial Institutions and from the agencies /bodies of the Central Government and the Government of Gujarat and for the continued confidence placed in it by the esteemed body of investors and Stakeholders. The Directors also wish to acknowledge and place on record the significant contribution made by the employees at all levels in the sustained performance of the Company.

On behalf of the Board of Directors

Sd/-  
**M. K. Tandon**  
Chairman

Place: Mumbai  
Date:18.04.2012

#### 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.

#### FORM - A

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

	CURRENT YEAR 2011-12	PREVIOUS YEAR 2010-11
<b>A. POWER &amp; FUEL CONSUMPTION</b>		
<b>1) Electricity</b>		
a) Purchased Units (kwh)	19,839,250	21,142,000
Total Amount (₹)	134,239,341	130,010,642
Average Rate / Unit (₹)	6.77	6.15
b) Own Generation		
- Through Diesel generator		
Unit (kwh)	298,153	266,820
Diesel used in D. G.	122,829	109,921
Unit per liter of Diesel Oil	2.43	2.61
Cost per unit (₹)	18.13	16.33
- Through gas engine		
Unit (kwh)	4,115,184	Nil
Total amount (₹)	13,345,882	Nil
Unit per Scm of gas	24.11	Nil
Cost per unit (₹)	3.24	Nil
<b>2) Fuel for Steam Generation</b>		
i. Furnace Oil		
Quantity (KL)	125	69.92
Total Amount (₹)	5,789,230	2,487,184
Average Rate (₹/KL)	46,240	35,572
ii. HSD (KL)		
Total Amount ₹	Nil	Nil
Average Rate (₹/KL)	Nil	Nil
iii. Natural Gas, cubic meters	13,536,492	8,552,695
Total amount	326,395,541	149,005,363
Average rate, (₹ cu. Mtr)	24.11	17.42

#### CONSERVATION OF ENERGY:

Following are steps undertaken for conservation of energy:

- Installed 20 MT capacity of boiler with 91% efficiency and all boilers are operating on natural gas.
- Boiler efficiency improvements achieved by effective recycling of the condensate.
- The efficient multiple effective evaporation systems are installed for savings in power and steam.
- The current low efficient chilled water systems are replaced by more efficient chilled water system with energy efficient compressors.
- Energy saving Automation systems implemented on cooling tower, chilled water, and chilled brine.