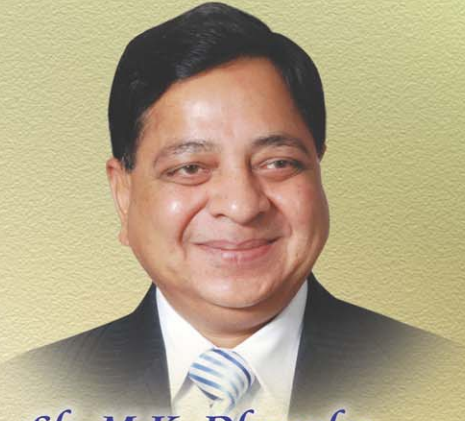


26th ANNUAL REPORT 2010-11

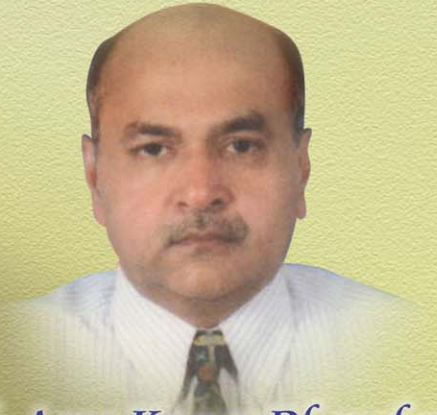


**GROWTH THROUGH
EXCELLENCE**





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 HPMA (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
headoffice@dhanuka.com
Visit us at : 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
rta@abhipra.com
Website : 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

D/1/A-D/1/B, Ajanta Indl.Estate,
Near Sarika Paints, Viramgaon Road,
at Vasna Iyava, Sanand, Dist.
Ahmedabad-382170 (Gujarat)
Ph. Nos. : (02717) 284567/68
Fax Nos. : (02717) 284567 (02717) 284567
E-mail : 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

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
Visit us at : 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

Sd/-

Place: Gurgaon
Date: 23rd June, 2011

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



and is considered to be a visionary in his field. He joined your Board in 2005 and has been continuously adding value through his far-sightedness and understanding of ground-level practicalities. He is also the Member of the Audit Committee of our Company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

The following explanatory statement sets out all the material facts, relevant to the items of the Special Business contained in the notice.

ITEM NO. 7

As per the provisions of Section 260 of the Companies Act, 1956, Shri Sachin Bhartiya who was appointed as Additional Director with effect from 13.9.2010 holds office upto the date of this Annual General Meeting of the Company and is eligible for appointment as the Director of the Company. The Company has received a notice in writing, from a member along with the deposit as prescribed under section 257 of the Companies Act, 1956 signifying his intention to propose Shri Sachin Bhartiya as a candidate for the office of Director.

Except Shri Sachin Bhartiya himself, no other Director is concerned/interested in the resolution. The Board recommends the resolution to be passed as Ordinary Resolution. His brief resume is follows:

Shri Sachin Bhartiya is a qualified Chartered Accountant and has a rich experience in the field of corporate finance and brings with him a blend of lending and advisory background. He has worked professionally with IDBI, GE Capital (India), IL&FS. In a career spanning over a decade, he has originated and executed a number of transactions both as a lender and advisor for debt and equity. He is also a Director on the Boards of M/s Shaily Engineering Plastics Ltd., M/s Radiant Hospitality Services Pvt. Ltd., M/s UNIBIC India Private Ltd., M/s Light House Advisors India Pvt. Ltd.

ITEM NO. 8

As per the provisions of Section 260 of the Companies Act, 1956, Shri Subash Chander Gupta who was appointed as Additional Director with effect from 22.6.2011, holds office upto the date of this Annual General Meeting of the Company, is eligible for appointment as the Director of the Company. The Company has received a notice in writing, from a member along with the deposit as prescribed under section 257 of the Companies Act, 1956 signifying his intention to propose Shri Subash Chander Gupta as a

candidate for the office of Director.

Except Shri Subash Chander Gupta himself, no other Director is concerned/interested in the resolution. The Board recommends the resolution to be passed as Ordinary Resolution. His brief resume is follows:

Shri Subash Chander Gupta, son of Shri Om Prakash Gupta, aged about 58 years is a graduate in Commerce and has a rich and multi-faceted experience of more than 35 years.

He is also a Director on the Boards of M/s Footwear (Klick) India Pvt. Ltd and M/s SCG Industries Pvt. Ltd.

ITEM NO. 9

As per the provisions of Section 260 of the Companies Act, 1956, Shri Mridul Dhanuka who was appointed as Additional Director with effect from 23.5.2011 holds office upto the date of this Annual General Meeting of the Company and is eligible for appointment as the Director of the Company. The Company has received a notice in writing, from a member along with the deposit as prescribed under section 257 of the Companies Act, 1956 signifying his intention to propose Shri Mridul Dhanuka as a candidate for the office of Director.

His brief resume is as follows:

Shri Mridul Dhanuka, son of Shri M. K. Dhanuka, aged about 31 years, is a B.Tech in Chemical Engineering & M.B.A. from NITIE, Mumbai. He has a valuable experience of approximately 6 years in the managerial cadre in Dhanuka in the field of production. He joined the organization in the year 2007 and has been working for the group as Deputy General Manager (Technical). He has served the Company by introducing new product range and production of new molecules with his technical expertise, which resulted in enlarging the product base of Dhanuka. He successfully implemented Cost Control measures in the Company and helped the Company in smoothening the production process and the process of Raw Material procurement. He has been instrumental in bringing about technological and managerial excellence in the Company's operations and technical base. Shri Mridul Dhanuka, in a short duration, streamlined the process, systems and procedures in place and established quality control in the Company.

He is a Director on the Boards of Dhanuka Laboratories Ltd., Dhanuka Infotech P. Ltd., Otsuka Chemical India P. Ltd. & MD Buildtech P. Ltd.

He was appointed as Deputy General Manager (Technical) with the approval of the shareholders u/s 314 of the Companies Act, 1956 w.e.f. 22nd September, 2009 in the 24th Annual General Meeting held on



22nd September, 2009 since he is the son of Shri M.K. Dhanuka, Managing Director of the Company. Further the approval of the Central Government has been taken for the said appointment on increase of his remuneration at the Twenty Fifth Annual General Meeting of the Company vide Ministry of Corporate Affairs letter dated 7th September, 2010, for holding an office or place of profit as Deputy General Manager (Technical) u/s 314 of the Companies Act, 1956 read with Directors Relatives (Office or Place of Profit) Rules, 2003.

In view of his distinguished performance and dedicated efforts towards the achievement of organizational goal of the Company, the Board of Directors on the recommendations of the remuneration committee in their meeting held on 23rd May, 2011 has subject to shareholders approval appointed 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) as per the draft agreement which shall be placed before the shareholders for their approval. Your Board on the recommendations of the Remuneration Committee has, subject to members approval fixed his salary at Rs. 2,00,000/- p.m. and commission at 1% of the Net profits of the Company computed under Section 349 and 350 of the Companies Act, 1956. He shall be in the salary range of Rs.2,00,000 - 50,000 - 4,00,000/- p.m. There shall be annual increase of Rs.50,000/- p.m. with recommendation of Remuneration Committee and approval by Board of Directors. The material terms and conditions proposed in the said Agreement dated 23rd May, 2011 are mentioned hereinbelow for consideration of members:

A. Salary : Rs.2,00,000/- (Rupees Two Lacs only) per month in the salary range of Rs. 2,00,000 - 50,000 - 4,00,000 p.m. with the authority granted to the Board of Directors, at the recommendations of the Remuneration Committee, to revise the salary subject to the ceiling of Rs.4,00,000/- p.m.

B. Commission: 1% of the Net profits of the Company computed under Section 349 and 350 of the Companies Act, 1956.

C. Perquisites:

Category 'A':

- i) Reimbursement of medical expenses for self and family, actually incurred, subject to the limit that the total cost to the Company shall not exceed one month's salary in a year or three months' salary in a block of three years excluding perquisites and subject to the scheme framed by the Company;

- ii) Leave travel concession for self and family not exceeding Rs.75,000/- once in a year. The prerequisite shall be taxed in accordance with the provisions of the Income-Tax Rules;
- iii) Membership fee of not more than two clubs provided no life membership fee or admission fee shall be paid by the Company;
- iv) Personal accident insurance, subject to the condition that the annual premium shall not exceed Rs. 4,000/- per annum.

Category 'B':

- i) Company's contribution towards provident fund subject to the ceiling of 12% of the salary with a maximum of Rs.15,000/- per month as prescribed under the PF Act;
- ii) Company's contribution towards pension/superannuation fund, such contribution together with contribution to the provident fund shall not exceed 27% of the salary as laid down in the Income-Tax Rules, 1962; and
- iii) Gratuity payable in accordance with an approved Gratuity Fund, which shall not exceed one half month's salary for each completed year of service or part thereof in excess of six months, subject to a ceiling of Rs. 10,00,000/- or as laid down in the Income Tax Rules, 1962, whichever is lower.

Category 'C':

- i) Provision of car for use of Company's work subject to the condition that personal use of car shall be billed by the Company to the Whole Time Director as per the Company's Rules; and
- ii) Provision of telephone at residence for use of Company's work, subject to the condition that personal STD calls shall be billed by the Company to the Whole Time Director.

MINIMUM REMUNERATION:

Notwithstanding anything to the contrary contained herein, where in any financial year, during the currency of his tenure as Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as may be approved by the Remuneration Committee of the Board of Directors and subject to the limits prescribed in Schedule XIII to the Companies Act, 1956.

The copy of the draft agreement referred to in the resolution is available for inspection to the members at the Registered Office of the Company on any working day during business hours and shall also be available for



inspection throughout the continuance of the Annual General Meeting.

Except Shri Mridul Dhanuka himself and Shri Mahendra Kumar Dhanuka (Managing Director), no other Director is concerned or interested in the aforesaid resolution.

This shall also be treated as an abstract of the terms of the contract/agreement and the memorandum as to the nature of concern or interest of the Directors pursuant to Section 302 of the said Act.

The aforesaid terms & conditions governing appointment and remuneration of Shri Mridul Dhanuka fall within the parameters as prescribed in Schedule XIII to the Companies Act, 1956 as amended upto date; hence approval of shareholders is only required and no approval of the Central Government is necessary in this case.

Your Board of Directors recommends the resolution for your approval.

ITEM NO.10

Shri Ram Gopal Agarwal, s/o Late Sh. C.L. Dhanuka, aged about 62 years, is a Commerce Graduate. He promoted Dhanuka Group in the year 1980, by acquisition of a sick unit, namely, Northern Minerals (P) Limited (now merged into M/s Dhanuka Agritech Limited). At that time the unit was suffering losses and was at the verge of closure. Under his able leadership, that unit started to earn profits from very first year of acquisition. In 1985, he promoted Dhanuka Agritech Limited (Formerly known as Dhanuka Pesticides Limited). He has a vast experience in Agrochemical Industry. He has been working for the last 41 years and has contributed immensely to the growth of the Company. He looks after the overall supervision of Company's affairs. He has been instrumental to the success of Dhanuka.

Shri Ram Gopal Agarwal, has been an eminent personality in the field of Agrochemicals and is the Chairman on your Board. In view of his ability to manage the affairs of the Company and brilliance to produce high profits for the Company, the Board of Directors on the recommendations of the Remuneration Committee in its meeting dated 23rd May, 2011, subject to members approval decided to increase the salary of Shri R.G. Agarwal, Whole-time Director now to 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. The material terms and conditions proposed in the said Supplemental Agreement are mentioned herein below for consideration of members:

A. Salary : Rs.4,00,000/- (Rupees Four Lacs only) per month

B. Commission: 1.5% of the Net Profits of the Company computed under Section 349 and 350 of the Companies Act, 1956.

C. Perquisites:

Category 'A':

- i) Reimbursement of medical expenses for self and family, actually incurred, subject to the limit that the total cost to the Company shall not exceed one month's salary in a year or three months' salary in a block of three years excluding perquisites and subject to the scheme framed by the Company;
- ii) Leave travel concession for self and family not exceeding Rs.75,000/- once in a year. The perquisite shall be taxed in accordance with the provisions of the Income-Tax Rules;
- iii) Membership fee of not more than two clubs provided no life membership fee or admission fee shall be paid by the Company;
- iv) Personal accident insurance, subject to the condition that the annual premium shall not exceed Rs. 4,000/- per annum.

Category 'B':

- i) Company's contribution towards provident fund subject to the ceiling of 12% of the salary with a maximum of Rs.15,000/- per month as prescribed under the PF Act;
- ii) Company's contribution towards pension/superannuation fund, such contribution together with contribution to the provident fund shall not exceed 27% of the salary as laid down in the Income-Tax Rules, 1962; and
- iii) Gratuity payable in accordance with an approved Gratuity Fund, which shall not exceed one half month's salary for each completed year of service or part thereof in excess of six months, subject to a ceiling of Rs. 10,00,000/- or as laid down in the Income Tax Rules, 1962, whichever is lower.

Category 'C':

- i) Provision of car for use of Company's work subject to the condition that personal use of car shall be billed by the Company to the Chairman as per the Company's Rules; and
- ii) Provision of telephone at residence for use of Company's work, subject to the condition that personal STD calls shall be billed by the Company to the Chairman.



MINIMUM REMUNERATION:

Notwithstanding anything to the contrary contained herein, where in any financial year, during the currency of his tenure, the Company has no profits or its profit are inadequate, the Company will pay remuneration by way of salary and perquisites as may be approved by the Remuneration Committee of the Board of Directors and subject to the limits prescribed in Schedule XIII to the Companies Act, 1956.

The copy of the draft Supplemental Agreement referred to in the resolution is available for inspection to the members at the Registered Office of the Company on any working day during business hours and shall also be available for inspection throughout the continuance of the Annual General Meeting.

Except Shri R.G. Agarwal himself, Shri Rahul Dhanuka and Shri Mahendra Kumar Dhanuka (Managing Director), no other Director is concerned or interested in the aforesaid resolution.

This shall also be treated as an abstract of the terms of the contract/agreement and the memorandum as to the nature of concern or interest of the Directors pursuant to Section 302 of the said Act.

The aforesaid terms & conditions governing remuneration of Shri R. G. Agarwal fall within the parameters as prescribed in Schedule XIII to the Companies Act, 1956 as amended upto date; hence approval of shareholders is only required and no approval of the Central Government is necessary in this case.

Your Board of Directors recommends the resolution for your approval.

ITEM NO.11

Sh. Mahendra Kumar Dhanuka, s/o Late Sh. C. L. Dhanuka, 57 years of age, holds Bachelor's Degree in Commerce from Delhi University. He has been working as Managing Director and has a vast and enriched experience in the agrochemical industry. His vast experience adds much needed expertise in those areas which are necessary for the functioning of the Board and the Committees.

Sh. M. K. Dhanuka was reappointed as the Managing Director of your Company in the Annual General Meeting of the Company held on 22nd September, 2009. He has been managing the overall affairs of the Company and has been a key contributor to the success of Dhanuka. His foresightedness and business acumen facilitated your Company in constantly achieving its goals.

In view of his sheer skills and potential, the Board on the recommendations of the Remuneration Committee in its meeting dated 23rd May, 2011, subject to members approval has decided to increase the salary of Shri M.K. Dhanuka 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. There shall be annual increase of Rs.1,00,000/- p.m. with recommendation of Remuneration Committee and approval by Board of Directors. The material terms and conditions proposed in the said Supplemental agreement are mentioned herein below for consideration of members:

- A. Salary :** Rs.3,50,000/- (Rupees Three Lacs and Fifty Thousand only) per month in the salary range of Rs. 3,50,000 - 1,00,000 - 5,50,000 p.m. with the authority granted to the Board of Directors, on the recommendations of the Remuneration Committee, to revise the salary subject to the ceiling of Rs.5,50,000/- p.m.
- B. Commission:** 1.5% of the Net profits of the Company computed under Section 349 and 350 of the Companies Act, 1956.
- C. Perquisites:**

Category 'A':

- i) Reimbursement of medical expenses for self and family, actually incurred, subject to the limit that the total cost to the Company shall not exceed one month's salary in a year or three months' salary in a block of three years excluding perquisites and subject to the scheme framed by the Company;
- ii) Leave travel concession for self and family not exceeding Rs.75,000/- once in a year. The perquisites shall be taxed in accordance with the provisions of the Income-Tax Rules;
- iii) Membership fee of not more than two clubs provided no life membership fee or admission fee shall be paid by the Company;
- iv) Personal accident insurance, subject to the condition that the annual premium shall not exceed Rs. 4,000/- per annum.

Category 'B':

- i) Company's contribution towards provident fund subject to the ceiling of 12% of the salary with a maximum of Rs.15,000/- per month as prescribed under the PF Act;
- ii) Company's contribution towards pension/superannuation fund, such contribution together with contribution to the provident fund shall not exceed 27% of the salary as laid down in the Income-Tax Rules, 1962; and



- iii) Gratuity payable in accordance with an approved Gratuity Fund, which shall not exceed one half month's salary for each completed year of service or part thereof in excess of six months, subject to a ceiling of Rs. 10,00,000/- or as laid down in the Income Tax Rules, 1962, whichever is lower.

Category 'C':

- i) Provision of car for use of Company's work subject to the condition that personal use of car shall be billed by the Company to the Managing Director as per the Company's Rules; and
- ii) Provision of telephone at residence for use of Company's work, subject to the condition that personal STD calls shall be billed by the Company to the Managing Director.

MINIMUM REMUNERATION:

Notwithstanding anything to the contrary contained herein, where in any financial year, during the currency of tenure as Managing Director, the Company has no profits or its profit are inadequate, the Company will pay remuneration by way of salary and perquisites as may be approved by the Remuneration Committee of the Board of Directors and subject to the limits prescribed in Schedule XIII to the Companies Act, 1956.

The copy of the draft Supplementary Agreement referred to in the resolution is available for inspection to the members at the registered office of the Company on any working day during business hours and shall also be available for inspection throughout the continuance of the Annual General Meeting.

Except Shri Mahendra Kumar Dhanuka himself, Shri Ram Gopal Agarwal (Chairman) and Shri Mridul Dhanuka (Director), no other Director is concerned or interested in the aforesaid resolution.

This shall also be treated as an abstract of the terms of the contract/agreement and the memorandum as to the nature of concern or interest of the Directors pursuant to Section 302 of the said Act.

The aforesaid terms & conditions governing increase in remuneration of Shri Mahendra Kumar Dhanuka fall within the parameters as prescribed in Schedule XIII to the Companies Act, 1956 as amended upto date; hence approval of shareholders is only required and no approval of the Central Government is necessary in this case.

Your Board of Directors recommends the resolution for your approval.

ITEM NO.12

Shri Arun Kumar Dhanuka, aged 54 years, son of late Sh. Govind Lal Dhanuka is a B. Com. Graduate from University of Delhi of 1978 batch. Immediately after completion of his graduation, he started to look after the business with Shri R. G. Agrawal. When Shri R. G. Agarwal, the founder of the Dhanuka Group took over the reins of M/s. Northern Minerals Pvt. Limited, a sick unit, in 1980, Shri Arun Kumar Dhanuka was also one of the founder Directors. From the very beginning of takeover he was entrusted with the responsibility to run the unit under his leadership. Shri Arun Kumar Dhanuka, with his sincere efforts, innovative skills and able leadership took the company to new heights of success.

At present, Shri Arun Kumar Dhanuka supervises the working of two units of the Company, namely, Gurgaon and Udhampur units.

He has been appointed as Whole-time Director for a period of 5 years with the approval of the shareholders in the Twenty Second Annual General meeting of the Company. Recognizing the capabilities, innovative skills and hard work of Sh. Arun Kumar Dhanuka in achievement of the increasing Sales of the Company, the Board of Directors on the recommendations of the Remuneration Committee in its meeting dated 23rd May, 2011, subject to members approval decided to increase the salary of Sh. Arun Kumar Dhanuka 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 also 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. There shall be annual salary increase of Rs.75,000/- p.m. with recommendation of Remuneration Committee and approval by Board of Directors. The material terms and conditions proposed in the said Supplemental agreement are mentioned herein below for consideration of members:

- A. Salary :** Rs.2,50,000/- (Rupees Two Lacs and Fifty Thousand only) per month in the salary range of Rs. 2,50,000 - 75,000 - 4,00,000 p.m. with the authority granted to the Board of Directors, on the recommendations of the Remuneration Committee, to revise the salary subject to the ceiling of Rs.4,00,000/- p.m.
- B. Commission:** 1.5% of the Net profits of the Company computed under Section 349 and 350 of the Companies Act, 1956.



C. Perquisites:

Category 'A':

- i) Reimbursement of medical expenses for self and family, actually incurred, subject to the limit that the total cost to the Company shall not exceed one month's salary in a year or three months' salary in a block of three years excluding perquisites and subject to the scheme framed by the Company;
- ii) Leave travel concession for self and family not exceeding Rs.75,000/- once in a year. The perquisite shall be taxed in accordance with the provisions of the Income-Tax Rules;
- iii) Membership fee of not more than two clubs provided no life membership fee or admission fee shall be paid by the Company;
- iv) Personal accident insurance, subject to the condition that the annual premium shall not exceed Rs. 4,000/- per annum.

Category 'B':

- i) Company's contribution towards provident fund subject to the ceiling of 12% of the salary with a maximum of Rs.15,000/- per month as prescribed under the PF Act;
- ii) Company's contribution towards pension/ superannuation fund, such contribution together with contribution to the provident fund shall not exceed 27% of the salary as laid down in the Income-Tax Rules, 1962; and
- iii) Gratuity payable in accordance with an approved Gratuity Fund, which shall not exceed one half month's salary for each completed year of service or part thereof in excess of six months, subject to a ceiling of Rs. 10,00,000/- or as laid down in the Income Tax Rules, 1962, whichever is lower.

Category 'C':

- i) Provision of car for use of Company's work subject to the condition that personal use of car shall be billed by the Company to the Whole Time Director as per the Company's Rules; and
- ii) Provision of telephone at residence for use of Company's work, subject to the condition that personal STD calls shall be billed by the Company to the Whole Time Director.

MINIMUM REMUNERATION:

Notwithstanding anything to the contrary contained herein, where in any financial year, during the currency of tenure of Sh. Arun Kumar Dhanuka, the Company has no profits or its profit are inadequate, the Company

will pay remuneration by way of salary, and perquisites as may be approved by the Remuneration Committee of the Board of Directors and subject to the limits prescribed in Schedule XIII to the Companies Act, 1956.

The copy of the draft Supplemental Agreement referred to in the resolution is available for inspection to the members at the registered office of the Company on any working day during business hours and shall also be available for inspection throughout the continuance of the Annual General Meeting.

Except Shri Arun Kumar Dhanuka (Whole time Director) himself, no other Director is concerned or interested in the aforesaid resolution.

This shall also be treated as an abstract of the terms of the contract/agreement and the memorandum as to the nature of concern or interest of the Directors pursuant to Section 302 of the said Act.

The aforesaid terms & conditions governing increase in remuneration of Shri Arun Kumar Dhanuka fall within the parameters as prescribed in Schedule XIII to the Companies Act, 1956 as amended upto date; hence approval of shareholders is only required and no approval of the Central Government is necessary in this case.

ITEM NO.13

Shri Rahul Dhanuka, son of Sh. R. G. Agarwal, aged 36 years, is an MBA from S P Jain Institute of Management & Research, Mumbai. He has proven his worth within a short span of time with his dynamic leadership and has been appointed as Whole time Director with effect from 01/05/2007 for a period of five years. He has an experience of 13 years in the industry of Agro-chemicals.

With the help of his tactical skills and soft skills, Dhanuka's marketing network has grown at a massive pace. Today, big Multinationals in the Agribusiness take the assistance of Dhanuka for marketing its products. Its widespread network has helped in reaching the very consumer base i.e. farmers.

In view of the performance of Shri Rahul Dhanuka in marketing the products and introducing the new brands successfully to the farmers which has contributed in crossing the Sales and marketing targets, the Board on the recommendations of the Remuneration Committee of the Board in its meeting dated 23rd May, 2011, decided to increase the salary of Shri Rahul Dhanuka 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. The material terms and conditions proposed in the said Supplemental agreement are mentioned hereinbelow for consideration of members:

- A. Salary:** Rs.2,50,000/- (Rupees Two Lacs Fifty Thousand only) per month.
- B. Commission:** 1.5% of the Net profits of the Company computed under Section 349 and 350 of the Companies Act, 1956.
- C. Perquisites:**

Category 'A':

- i) Reimbursement of medical expenses for self and family, actually incurred, subject to the limit that the total cost to the Company shall not exceed one month's salary in a year or three months' salary in a block of three years excluding perquisites and subject to the scheme framed by the Company;
- ii) Leave travel concession for self and family not exceeding Rs.75,000/- once in a year. The perquisite shall be taxed in accordance with the provisions of the Income-Tax Rules;
- iii) Membership fee of not more than two clubs provided no life membership fee or admission fee shall be paid by the Company;
- iv) Personal accident insurance, subject to the condition that the annual premium shall not exceed Rs. 4,000/- per annum.

Category 'B':

- i) Company's contribution towards provident fund subject to the ceiling of 12% of the salary with a maximum of Rs.15,000/- per month as prescribed under the PF Act;
- ii) Company's contribution towards pension/ superannuation fund, such contribution together with contribution to the provident fund shall not exceed 27% of the salary as laid down in the Income-Tax Rules, 1962; and
- iii) Gratuity payable in accordance with an approved Gratuity Fund, which shall not exceed one half month's salary for each completed year of service or part thereof in excess of six months, subject to a ceiling of Rs. 10,00,000/- or as laid down in the Income Tax Rules, 1962, whichever is lower.

Category 'C':

- i) Provision of car for use of Company's work subject

to the condition that personal use of car shall be billed by the Company to the Whole Time Director as per the Company's Rules; and

- ii) Provision of telephone at residence for use of Company's work, subject to the condition that personal STD calls shall be billed by the Company to the Whole Time Director.

MINIMUM REMUNERATION:

Notwithstanding anything to the contrary contained herein, where in any financial year, during the currency of tenure of Shri Rahul Dhanuka, the Company has no profits or its profit are inadequate, the Company will pay remuneration by way of salary and perquisites as may be approved by the Remuneration Committee of the Board of Directors and subject to the limits prescribed in Schedule XIII to the Companies Act, 1956.

The copy of the draft Supplemental Agreement referred to in the resolution is available for inspection to the members at the registered office of the Company on any working day during business hours and shall also be available for inspection throughout the continuance of the Annual General Meeting.

Except Shri Rahul Dhanuka himself and Shri Ram Gopal Agarwal (Chairman), no other Director is concerned or interested in the aforesaid resolution.

This shall also be treated as an abstract of the terms of the contract/agreement and the memorandum as to the nature of concern or interest of the Directors pursuant to Section 302 of the said Act.

The aforesaid terms & conditions governing increase in remuneration of Shri Rahul Dhanuka fall within the parameters as prescribed in Schedule XIII to the Companies Act, 1956 as amended upto date; hence approval of shareholders is only required and no approval of the Central Government is necessary in this case.

BY ORDER OF THE BOARD
For DHANUKA AGRITECH LIMITED

Sd/-

Shubha Singh
Company Secretary

Place: Gurgaon
Date: 23rd June, 2011

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



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting before you the 26th Annual Report on the business and operations of the Company along with the Audited Accounts of the Company for the Financial Year ended 31st March, 2011.

We are pleased to inform you that, after evaluating the performance of close to 13,000 Public Listed Companies in Asia- Pacific, Internationally acclaimed Forbes Magazine listed your Company in the '200 Best Under a Billion Companies in Asia Pacific'. Further, your Company has been awarded the 16th place in 'India's fastest growing Companies', under the Welterweights category (below Rs.500 crore) in a survey conducted by Business world. The same has been published in the magazine's May, 2011 issue.

DIVIDEND

Your Directors are pleased to recommend a Dividend of Rs.2/- per Equity Share of Rs.2/- each for the year ended 31st March, 2011. Dividend, if approved by the members at ensuing Annual General Meeting, will absorb Rs.10.00 crores and tax on dividend will absorb Rs.1.66 crores.

TRANSFER TO RESERVES

Your Company proposes to transfer Rs.5.50 crores to the General Reserve. An amount of Rs. 110.52 crores is proposed to be carried forward in the Profit & Loss Account.

ISSUED AND PAID-UP SHARE CAPITAL

As on 31st March, 2011, the issued and paid-up Share Capital of the Company was Rs.10,00,39,000/- (previous year: Rs. 9,17,89,000/-) comprising of 5,00,19,500 (previous year: 91,78,900) Equity Shares of Rs. 2/- (previous year Rs. 10/-) each fully paid-up.

PREFERENTIAL ALLOTMENT

As per the approval of the Shareholders accorded in the Extra-ordinary General Meeting of the Company held on 30th August, 2010, in accordance with Section 81(1A) of the Companies Act, 1956 read with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the Regulations") your Company has during the year issued and allotted 41,25,000 Equity Shares of Rs. 2/- each on preferential basis, at a

premium of Rs.80.20/- per Share, constituting post issue 8.25% of the total issued and paid-up Share Capital of the Company to M/s 2020 Equity Investors Limited, a sub account of Muse Capital Advisors Limited, in the Board meeting held on 13th September, 2010.

SPLIT OF EQUITY SHARES

As per the approval of the members accorded by Postal Ballot, Equity Shares of Rs.10/- each of the Company have been split into (Five) Equity Shares of Rs.2/- each and the record date for the same was 4th day of September, 2010.

BUSINESS OPERATIONS

The Financial year 2010-11 experienced normal South West monsoon rainfall (June-September). Due to the wide spread and well distributed rain, there has been substantial expansion in cultivable area and the production of food grains is expected to touch an all time high of 235.8 million tonnes during 2010-11 as against 218.2 million tonnes during 2009-10 (over 8% increase).

Growth in the GDP of Agriculture sector in India was only 0.4% during FY 2009-10, but is expected to take a quantum jump and touch 5.4% in FY 2010-11.

The performance of Pesticide Industry is, to a large extent, dependent on the overall area under cultivation and the cropping pattern adopted by the farming community in India.

Also, sales of agrochemicals in the domestic retail market are highly seasonal due to monsoons, with a majority of sales materializing between June and October every year. Floods, droughts and other extreme seasonal factors create uncertainty of demand. Owing to the experience of Promoters and Directors and their strategic management interventions, your Company has been able to attain a growth of 21.47% in gross turnover and over 40.66% in PAT during the year as compared to last year. The gross turnover of the Company has increased to Rs.541 crores during the fiscal year 2010-11 from Rs. 445 crores of the previous year, while PAT has improved to Rs.51.11 crores from Rs. 36.34 crores of previous year. On the other hand, Agricultural sector as a whole is expected to record an average growth of 4 – 5%. Your Company has achieved an All-time high Topline and Bottomline.



Your Company celebrated two decades of partnership with DuPont on 6th April, 2011 wherein the Chairperson of the Board & Chief Executive Officer of DuPont - Ms Ellen Kullman was felicitated.

Your Company has closed its manufacturing unit at Sohna with effect from 30th April, 2011. The products that were formulated at this unit have been shifted to Gurgaon, Udhampur and Sanand units to increase Operational

efficiencies and thereby bring down fixed costs. There are logistical benefits for the product, Caldan 4G, which is now being made at Sanand.

Your Company has launched new products in Financial Year 2010-11 and the market response was good. Your Company has achieved all - time high sales of 10 lac litres of Targa Super.

FINANCIAL HIGHLIGHTS

(Rs. in crores)

Particulars	For the FY ended 31.03.2011	For the FY ended 31.03.2010
Gross Turnover	541.22	445.55
Profit before depreciation & taxation (PBDT)	72.17	52.13
<u>Deductions:</u>		
• Depreciation	4.85	3.11
• Provision for Taxation	16.21	12.68
Profit after Tax (PAT)	51.11	36.34
<u>Additions:</u>		
• Balance of Profit & Loss Account of previous year	76.57	51.36
Amount available for Appropriations	127.68	87.70
<u>Appropriations:</u>		
• Transfer to General Reserve	5.50	3.63
• Proposed Dividend	10.00	6.43
• Dividend Tax	1.66	1.07
• Surplus carried to Balance Sheet	110.52	76.57
Total	127.68	87.70

FUTURE PROSPECTS

The domestic market size of Agro Chemical Industry in the country is around Rs.9,000 - 10,000 crores p.a. and this Industry is expected to double in the next five-six years.

Increasing awareness has been generated at the farmers' level towards use of quality seeds, nutrients, plant protection chemicals and farm machinery to feed the burgeoning population. The low per hectare consumption of pesticides in India and increased levels of awareness among the farming community about the use of pesticides are expected to augur well for the domestic pesticide industry. On the whole, the pesticide industry appears set to grow both in value and volume terms.

Seed Policy Reforms - In response to the changes that have taken place in the seed sector, the existing Seeds Act, 1966 is proposed to be replaced by a suitable legislation to, inter alia, (i) create a facilitative climate for growth of the seed industry; (ii) enhance seed replacement rates for various crops; (iii) boost the export of seeds and encourage import of useful germplasm; and (iv) create a conducive atmosphere for application of frontier sciences in varietal development and for enhanced investment in research and development. This is expected to have a positive impact on our Seeds Business.

The Company has plans to incur capital expenditure for expansion of production capacity, R&D, introduction of new products and brand building to ensure long term



sustainability and growth. The Company continues its efforts in strengthening the marketing setup, both retail and wholesale.

Your Company is planning a Capital outlay of nearly Rs.40 crores for expanding Sanand factory by acquiring latest new Plant and Machinery of International Standards, which will be highly automated. It is expected to double our present capacity.

MEASURES FOR ENERGY CONSERVATION, R&D AND TECHNOLOGY ABSORPTION AND DETAILS OF FOREIGN EXCHANGE EARNINGS AND OUTGO

Information as required u/s 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is given in Annexure 'A' forming part of this Report.

DIRECTORS:-

Shri Sachin Bhartiya was appointed as an Additional Director on the Board of the Company with effect from 13th September, 2010, to hold office till the date of the Annual General Meeting of the Company. His name has been proposed for appointment as Director in the ensuing Annual General Meeting.

Shri Mridul Dhanuka was appointed as an Additional Director on the Board of the Company with effect from 23rd May, 2011, to hold office till the date of the Annual General Meeting of the Company. His name has been proposed for appointment as Director in the ensuing Annual General Meeting.

Shri K.B.Kejariwal ceased to be the Director of the Company with effect from 13th September, 2010. But he continues to be in service of the Company.

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Shri Rahul Dhanuka, Shri Vinod Jain and Shri Indresh Narain will retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT:-

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

1. that in preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanations relating to material departures;
2. 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 at the end of financial year and of Profit or Loss of the Company for that period.

3. that the Directors have taken proper and sufficient care in the maintenance of adequate accounting records in accordance with provisions of this Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; and
4. that the Directors have prepared the Annual Accounts on Going - Concern basis.

CORPORATE GOVERNANCE

The Company maintains highest level of transparency, accountability and good management practices through the adoption and monitoring of corporate strategies, goals and procedures to comply with its legal and ethical responsibilities.

As required by clause 49 of the listing agreement, a separate Report on corporate governance forms part of the Annual Report. A Report from the statutory auditors of the Company regarding compliance with conditions of corporate governance forms a part of this Report.

MANAGEMENT'S DISCUSSION & ANALYSIS

The Management's Discussion and Analysis is given separately and forms part of this Annual Report.

INSIDER TRADING REGULATIONS

Based on the requirements under SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, the Code of Conduct for prevention of insider Trading and the Code for corporate disclosures are in force.

DISCLOSURES UNDER SECTION 217 OF THE COMPANIES ACT, 1956

Except, as disclosed elsewhere in the Report, there have been no material changes and commitments, which can affect the financial position of the Company between the end of the financial year and the date of this Report.

SHARES UNDER COMPULSORY DEMATERIALIZATION

The Equity Shares of your Company are included in the list of specified scrips where delivery of Shares in dematerialized (demat) form is compulsory if the same are traded on a Stock Exchange, which is linked to a depository. As on 31st March, 2011, 95.27% Equity Shares were held in demat form.



STATUTORY AUDITORS

M/s Dinesh Mehta & Co., Chartered Accountants, New Delhi were appointed Auditors of the Company to hold office until the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends their re-appointment.

COST AUDITORS

The Board of Directors, in pursuance of the order issued by the Central Government under section 233B of the Companies Act, 1956, have appointed M/s S. Chander & Associates, Cost Accountants, Delhi, as Cost Auditors of the Company to conduct audit of the Cost Accounts

maintained by the Company in respect of its Pesticides Business for the year ended 31st March, 2011.

STATUS OF LISTING FEES

The Company has been regularly paying listing fees to the Bombay Stock Exchange Limited, Mumbai where its Shares are listed.

PARTICULARS OF EMPLOYEES

In accordance with the provisions of section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, amended vide MCA Notification dated 31st March, 2011, the following are the details of employees drawing remuneration exceeding Rs.5 lacs per month or Rs.60 lacs p.a.

Name & Age (Years)	Designation/ Nature of Duties	Remuneration (Rs.)	Qualification	Experience (Years)	Date of Joining	Previous Employment & Designation	% Share-holding in Dhanuka Agritech Ltd.	Relation to any Director or Manager
Sh. R.G.Agarwal (62 years)	Chairman	1.35 cr	B.Com (Hons)	41	Since incorporation	Own Business	2.83%	Brother of Sh.M.K.Dhanuka
Sh.M.K.Dhanuka (57 years)	Managing Director	1.33 cr	B.Com (Hons)	35	Since incorporation	Own Business	1.51%	Brother of Sh.R.G.Agarwal
Sh. A. K. Dhanuka (54 years)	Director (Works) Gurgaon unit	0.88 cr	B. Com	32	23.05.2007	Own Business	1.28%	No
Sh. Rahul Dhanuka (36 years)	Director (Marketing)	0.89cr	M.B.A	13	01.02.2002	Own Business	3.48%	Son of Sh.R.G.Agarwal
Sh. K.B. Kejariwal* (60 years)	President (Works) Udhampur unit	0.89cr	B.Tech	38	31.08.1992	Own Business	0.006%	No

* Ceased to be a Director w.e.f. 13.9.2010

ACKNOWLEDGMENT

Your Directors take this opportunity to record their deep sense of gratitude for the valuable support and co-operation extended to the Company by the Central Insecticides Board, Director of Agriculture, Haryana, other Government Agencies, its Bankers, Shareholders, Dealers & Distributors and the farming community who have reposed their trust and confidence in the Company.

Your Directors wish to place on record their appreciation for the continuing support by investors, cordial industrial

relations maintained by the workmen and also for devoted and dedicated efforts put in by the staff of the Company, for its continuous growth and success.

For and on behalf of the Board

R.G. Agarwal
Chairman

Place: Gurgaon
Date: 23rd May, 2011



ANNEXURE 'A'

(A) CONSERVATION OF ENERGY

- a&b) Wherever possible, energy conservation measures have already been implemented. However, efforts to conserve and optimize the use of energy through improved operational methods and other means are being continued on an on-going basis.
- c) The energy consumption and the cost of production are being kept under control.
- d) Wastage of energy has been minimized to a negligible level by closing the electronic equipments when not in use.
- e) Requisite data in respect of energy conservation is given below:

I. Power and Fuel consumption:

Electricity (Kwh)

	2010-11	2009-10
a) Purchased Units	10,31,912	10,34,626
Total Amount (Rs.)	49,12,515	50,13,849
Rate per Unit (Rs.)	4.76	4.85
b) Own Generation through Diesel		
(Generator) Units	3,75,821	4,92,145
Unit/Lit of diesel oil	2.25	2.83
Cost/Unit (Rs.)		
(Incl. overhead)	16.59	12.16

II. Consumption per unit of production:

Focused drives at all units contributed to sustain the energy consumption per unit of production, compared to that of the previous year. However, increase in cost was observed because of steep increase in fuel costs.

(B) RESEARCH & DEVELOPMENT

- i) Specific areas in which Research & Development carried out by the Company:

The Research & Development Department of your Company, after having done extensive research, recommended the use of Targa Super 5 EC + Qurin on Soybean and Targa Super + Zargon on Onion. The low doses of Targa Super with Qurin and Zargon in tank mix combinations were found to be highly effective against both types of weeds in crops due to synergistic effects.

The above research and its recommendations enhanced the sale of Targa Super in different states and also farmers got benefited due to less expenditure on weed management in Soybean and Onion crops.

A new concept "DRAF (Dhanuka Rapid Action Force)" initiated by Dhanuka has helped immensely in propagating and establishing our specialty products like Targa Super, Omite, Vitavax Power, Kasu-B & Sheathmar on different crops across the country, culminating in enhancing the corporate image amongst the distributors, dealers, farmers, scientists etc.

Dhanuka has deputed good number of "DRAF" teams in Rajasthan, Madhya Pradesh, Bihar, Andhra Pradesh, Maharashtra States.

On the basis of data generated on bio-efficacy, residue, persistence etc. on Targa Super, CIB & RC has extended label expansion of Targa Super on Cotton & Groundnut and dossiers are submitted for the label expansion on Onion & Black Gram. On the basis of data generated by Rajasthan Agricultural University, Bikaner & Maharana Pratap University of Agricultural & Technology, Udaipur, Vitavax Power has been recommended for inclusion in Package of Practices of both the Universities of Rajasthan for Seed Treatment in Groundnut. Label expansion of Targa Super and inclusion of Vitavax Power in Package of practices stimulated the sale of both the molecules in different states. Data are also being generated of Kasu-B & Sheathmar on Rice and Vitavax Power on Wheat for inclusion in Package of Practices of Haryana Agricultural University, Hissar and Punjab Agricultural University, Ludhiana.

ii) Benefits derived as a result of R&D Activities:

The Company is celebrating 2011 as 50 years of Agro-Chemicals and has already organized seminars in Punjab Agricultural University, Ludhiana; Haryana Agricultural University, Hissar; Anand Agricultural University, Anand; G.B. Pant University of Agriculture & Technology, Pant Nagar. The Company is organizing an important seminar on 1st of June, 2011 in collaboration with Indian Council of Agricultural Research (ICAR), New Delhi, which will be attended by eminent scientists of different Agricultural Universities of the country, including Vice Chancellors, Director Research, etc. This



Seminar will be inaugurated by Dr. Ayappan, Director General, ICAR & Secretary, DARE.

These kind of seminars enhance the corporate image of Dhanuka. The collaboration with Krishi Vigyan Kendra, Chomu, Rajasthan, under which we are organizing distributors' & farmers' training has also enhanced the corporate image and increased the sale of our products.

The R &D Department is imparting training to marketing and field staff, distributors, dealers & farmers on the scientific use of pesticides. The Technically qualified R &D team having more than 30 members is regularly working with the farmers across the country for imparting the New Technology.

iii) Future Plan of Action:

The department, in close association with different Agricultural Universities of the country, is generating data on existing pesticides for label expansion on new crops/pests and also registration of new pesticides of our existing and new foreign collaborators, for introducing in Indian markets.

Dhanuka is in process of introduction of new Insecticides, Herbicides, Fungicides, PGR etc. shortly.

iv) Expenditure on R&D:

a) Capital	–
b) Recurring (Rs.)	96,54,575/-
c) Total (Rs.)	96,54,575/-
d) Total R&D expenditure as a percentage of total turnover	0.18%

(C) Technology Absorption, Adaptation and Innovation

Through a rich legacy of our partnership with Internationally acclaimed Companies, there has been profound transformation and innovation in Technology and we shall be introducing several new generation molecules soon. Our lab in Gurgaon has been accredited by NABL, which is a matter of pride. Apart from this, our R&D centre is recognized by the Department of Science & Technology, Ministry of Chemicals, Govt. of India. Dhanuka's Factory at Udampur (J&K) has been issued Certificate of Registration by Moody International for adoption of Environmental Management System (ISO 14001:2004).

(D) Foreign Exchange Earnings And Outgo

During the year, Company has imported materials worth Rs.68,81,39,855/- (CIF) and incurred Rs. 10,48,218/- on account of foreign travel. Company has received Rs.61,838/- in foreign currency on account of Insurance claim and Foreign Tours.

For and on behalf of the Board

R.G. Agarwal
Chairman

Place: Gurgaon
Dated: 23rd May, 2011

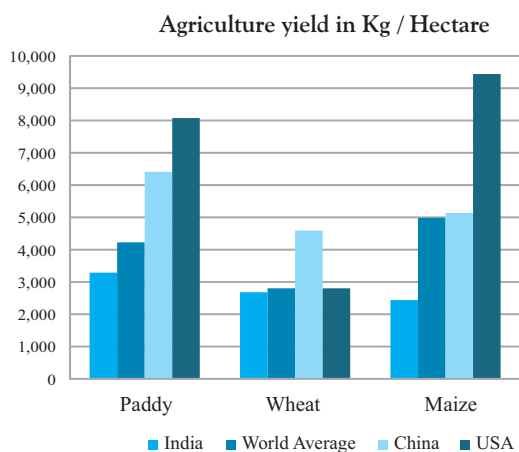


MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Dhanuka Agritech Limited operates in the agro-chemical formulation business and almost the entire sales of the Company come from the rapidly growing agro-chemical market in India. The trend in agro-chemical market in India is the focus of the subsequent paragraphs.

INDUSTRY STRUCTURE & DEVELOPMENT

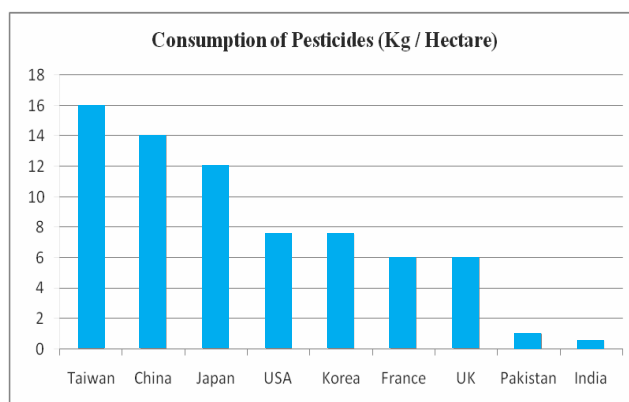
Agriculture sector is vital for the food and nutritional requirement of the nation. The sector remains the principal source of livelihood for more than 55% of the population. Compared to other countries, India faces a greater challenge, since with only 2.3% share in world's total land area, it has to ensure food security of its population which is about 17.5% of world population. India has the largest area under agriculture in the world for major crops such as paddy and wheat. However, India lags behind in terms of 'per hectare' productivity, as can be seen from the following chart:



Source: <http://dacnet.nic.in>

Hence, increase in agricultural productivity is a key thrust of the Government, which intends to herald the second green revolution in the country to meet demands of a large population. There is a need to adopt a two-pronged approach – increase the per-hectare production and reduce the crop losses.

As much as 30% of the potential crop production in India is destroyed due to insects, fungus and weeds. One of the reasons for high crop losses is the low consumption of agrochemicals in India compared to other countries, as can be seen from the following graph:



Source: <http://www.ficci.com>

The main reason of low agrochemical consumption was lack of affordability (due to low farm incomes) and lack of knowledge about potential yield losses caused by insect pests, diseases and weeds. However, the Indian agriculture is witnessing changes in the recent years.

There has been a steep increase in Minimum Support Prices (MSP) over the past four years as shown below:

Crop	FY08 (INR / Qtl)	FY09 (INR / Qtl)	FY10 (INR / Qtl)	FY11 (INR / Qtl)	% Increase from FY08 to FY11
Paddy	645	850	950	1,000	55%
Red Gram	1,550	2,000	2,300	2,800	81%
Green Gram	1,700	2,520	2,760	3,170	86%
Black Gram	1,700	2,520	2,520	2,900	71%
Cotton	1,800	2,500	2,500	2,500	39%
Groundnut	1,550	2,100	2,100	2,300	48%
Soybean	1,050	1,390	1,390	1,440	37%
Wheat	1,000	1,080	1,100	1,120	12%

Source: Commission for agricultural costs and prices, Government of India



Increasing farm incomes due to rising MSP coupled with rising awareness due to effort by players such as Dhanuka Agritech, have led to a robust growth in the agri-inputs sector.

The Economic Survey 2011-12 tabled in Parliament by the Hon'ble Finance Minister indicated an optimistic outlook for the country in the agriculture sector. According to the Central Statistical Organization's (CSO) estimates, the growth of farm sector is pegged at 5.4 per cent. There has been substantial expansion in area and the production of food grains is estimated at an all time high of 235.8 million tonnes during FY 2010-11 against 218.2 million tonnes during FY 2009-10, indicating over 8% increase.

The agrochemical industry constitutes of three sub-segments, viz., insecticides, fungicides and herbicides. Globally, herbicides contribute approximately half of the total agrochemical consumption while insecticides and fungicides contribute a quarter each. However, in India, the ratio is tilted toward insecticides (contributing more than 50%) while fungicides and herbicides account for roughly a quarter each.

With rising farm labour costs, there is a large visible shift from manual weeding to use of herbicides. We expect the Indian market to eventually catch up with the global trend in terms of herbicides usage. Although all the three sub-segments are showing growth, herbicides segment is showing the maximum growth overall. Growth in insecticides is propelled by use of new chemistry insecticides, especially in pulses. Fungicides growth is led by usage of new molecules in grapes, chillies and potato.

Overall, the consumption of crop protection products in India has shown a marked improvement as the Indian farmer has become more 'market savvy' in terms of ensuring both qualitative and quantitative produce. The rising demand for foodgrain has also been a contributing factor.

DHANUKA'S OVERALL PERFORMANCE

The financial year 2010-11 has once again proved to be a very successful year as the Company has achieved Rs.541 crore Gross Turnover. This is yet another milestone in the history of your Company.

The total net revenues of the Company grew by 20.8% from Rs.408.7 crores in FY 2009-10 to Rs.493.6 crores in FY 2010-11.

EBITDA grew by 33.5% from Rs.58.9 crores in FY 2009-10 to Rs.78.6 crores in FY 2010-11. Further, PAT grew by 40.6% from Rs.36.3 crores in FY 2009-10 to Rs.51.1 crores

in FY 2010-11. The Company has also reached the milestone of crossing Rs.50 crores of PAT for the first time in its history. The Company also gained recognition at a global level and was awarded as "Asia's Best 200 Companies under a Billion" by Forbes in October, 2010.

Dhanuka continuously endeavors to assess the customer need to develop new and innovative products which deliver better value to its customers. In pursuance to this, the Company has developed significant in-house R&D capabilities with a range of technical tie-ups to keep its product profile rich and to meet market expectations. We continue to provide our customers with best quality products in order to drive penetration and increase consumption. Moreover, the Company is also expanding its capacity at Sanand with state-of-the-art technology, which will reduce human intervention and will ensure and enhance innovation.

REVIEW OF OPERATIONS:

Your Company has a strong pan-India distribution network in India and Company has made great strides to increase it further. The Company is reaching more than 2,000 distributors and 4,000 dealers directly and ultimately reach over 10 million farmers. The Company's marketing network is one of the best in India and our ability to penetrate even the interiors of villages has given us a distinct edge over competition.

The Company currently has production facilities at Gurgaon, Sanand and Udhampur with cumulative capacity of over 100,000 tons of solids/granules and over 8,000 KL of liquids. The Company is currently under process of doubling the capacity at its Sanand plant with an investment outlay of Rs.40 crores. This would help your Company to achieve its objective of reaching Rs.1,000 crores of gross revenues in the next three years.

The Company, on the occasion of crossing Rs.500 crores of gross revenues, conducted a national meet of the senior marketing team members to reward them for their excellent performance and dedication. More than 400 members had assembled for a three day conference, where they were trained on the technical and marketing skills.

Your Company regularly conducts various awareness programs for the benefit of farming community, viz. providing direct advice and assistance through a trained team of agricultural experts employed by the Company named as 'DHANUKA DOCTORS', giving large number of demonstrations on farmers' fields, establishment of soil and water testing laboratories for the benefits of farmers,



providing seed treatment facilities through seed treatment machines operating in various parts of the country, organising 'Kisan Mela', workshops and farmers' meeting to educate the farmers about the safe and judicious use of pesticides and communicate them about the innovations in the field of agriculture. Direct interaction with the farmers facilitates the Company to assess the actual requirements of the farmers.

Your Company has full fledged in-house R&D department duly recognized by Ministry of Science & Technology, Government of India. A team of a large number of eminent scientists has been engaged by your Company to look after various R&D activities for new product registration, quality improvement in existing products, counseling to the farming community, training of Dhanuka Doctors, live demonstration for safe and judicious use of pesticides, field trials, conducting seminars and training, coordinating with various research institutions and universities and data analysis.

The Company has established soil and water testing laboratory in M.P. through first Public-Private Partnership (PPP) with the Government of M.P. to provide soil and water testing facilities for the benefit of farming community. In association with Rajasthan Government, Company has started running a mobile soil testing van, which provides on the spot test reports to the farmers and agricultural advisories for balanced fertilizer application. Company has also partnered with Indian Council of Agriculture Research (ICAR) to support activities for providing better farm inputs and advice to farmers.

During the first half of the financial year 2010-11, your Company introduced two new products in the market: Ad-Fyre & Dhanzyme Gold. In the second half, it introduced two more products: Zerox and Mykel. The Company has a strong pipeline of over six products which it intends to launch in the current financial year 2011-12.

SEGMENT-WISE PERFORMANCE

Rabi 2011: Good rainfall in 2010, especially during the later part of the monsoon, has resulted in increase in soil moisture. Also, there has been an increase in water availability in reservoirs across the country (113% of average of last 10 years). Together, this augurs well for substantial expansion in area and increase in productivity during the ensuing Kharif.

Your Company, being a pesticide formulating Company, derives a major chunk of its income from the sale of pesticides only. The sale of Seeds and electricity forms

approx. 1% of the total income earned by your Company, as these businesses are still in the process of getting streamlined, being new. The future prospects of Seeds segment seems to be bright and the Company is taking new initiatives to derive more income from Seeds segment. The following are the sales of the key segments of the Company:

Segment	Amount (Rs.)	% Share
Pesticides	536.20 crores	99.07%
Seeds	3.94 crores	0.73%
Wind Mill	1.08 crores	0.20%
Total :	541.22 crores	100.00%

The Company has a portfolio of over 80 products which covers almost the entire range of crops and crop protection requirements. Company is seeing robust growth across the three major categories of agro-chemicals, with herbicides showing a very high growth in FY 2010-11.

OUTLOOK

The year 2010-11 experienced normal South West monsoon rainfall (June- September). At met sub-division level, 31 out of 36 met sub-divisions received excess/normal rainfall and 5 met subdivisions namely, Assam & Meghalaya (-23%), Gangetic West Bengal (-31%), Jharkhand (-41%), Bihar (-22%) and East Uttar Pradesh (-23%) received deficit rainfall during this period. The country as a whole received 912.8 mm of rainfall against the normal rainfall of 893.2 mm. The meteorological department has forecasted slightly above normal monsoon for 2011-12 and this is a good sign for the agriculture industry. This, combined with good farm production in the last year indicates robust agro-chemical industry growth for FY 2011-12.

The Rashtriya Krishi Vikas Yojana (RKVY) launched in 2007-08 which aimed at boosting agricultural growth rate and to incentivize the states to increase public investment in agriculture and allied sectors, has become exceedingly popular. The outlay under RKVY for year 2010-11 was substantially increased to Rs.6,722 crore and Rs.10,350 crore is proposed for 2011-12. The programme for extending green revolution to the eastern states of the Country, envisages adoption of new seed varieties, farm machinery, integrated nutrient & pest management and knowledge based interventions have been developed for different agro-climatic zones.

Also, various schemes and programmes have been launched by the Government like **National Mission on Micro Irrigation (NMMI)** which aims to improve water usage efficiency; **Integrated Scheme of Oilseeds, Pulses, Oil**



Palm and Maize (ISOPOM), Participatory Seed Production Programme for introducing new varieties in Kharif; oil palm development programme and many more, which helps in the development of agricultural sector as a whole. The Government is also supporting the farmers by providing credit to them for agricultural use at a nominal rate of just 4% (for farmers with good track record of payments) against the prevailing rate of more than 10% for the rest of the industry. This will also boost the agriculture sector.

As per the Kharif -2011 Campaign Agenda of the Ministry of Agriculture, Government of India, there is going to be more focus on (i) Expansion of area under rice by increasing cropping intensity specially in States of Assam, Bihar, Chattisgarh, Orissa, Eastern parts of Uttar Pradesh and West Bengal; (ii) Bringing Green Revolution to the Eastern Region by targeting rice based cropping system of Assam, West Bengal, Orissa, Bihar, Jharkhand, Eastern part of Uttar Pradesh and Chhattisgarh; (iii) Integrated Development of 60,000 pulses villages in rain fed areas to achieve self-sufficiency in production of pulses within the next three years. These initiatives would provide further fillip to India's farm production, and there is a far greater scope for us to explore the unreached areas for acreage expansion under assured crop protection umbrella.

KEY OPPORTUNITIES, CHALLENGES & THREATS

The future of the agrochemical industry lies with companies that can provide solutions for the entire gamut of the food supply chain management by integrating crop production with protection. Understanding the end-user needs and working more strongly on the backward and forward integration is the need of the hour. Further, controlling major inputs, setting up efficient distribution services and adopting international practices relating to crop management will enable Indian companies to carve a niche for themselves.

As per the results of an All India level independent study (2005) carried out by the National Sample Survey Organization (NSSO) of the Government of India only 24% of the farmers got information on crop protection at the All India level, though there was a large scale variation between the States, being 41% in Gujarat, 34% in Andhra Pradesh, 25.9% in Haryana, 16.8% in Punjab, and 9.6% in Rajasthan. Thus, there is need for facilitating easy availability of improved technology from multiple sources at the door steps of the farmers.

Since the present day agriculture is highly knowledge driven, there is need for continuous technology backstopping along with availability of quality inputs. As the State Extension Services are not in a position to meet the farmers' demands,

the Ministry of Agriculture has been advocating multi-agency dispensation of agricultural extension services, working in a participatory mode: Public-Private and Private-Private, has thus become a buzz word to accelerate transfer of technology and in turn high adoption of improved technology, for enhanced income per unit of area.

RISKS & CONCERNS

Agrochemical industry has various risk and challenges and its growth depends on good monsoon across the country. Intense competition and cheaper imports from China pose threat to the domestic agrochemical companies. Multinational corporations are also building their presence in India and selling their products to end customers.

Changes in regulations for the agrochemical Industry, adverse crop conditions due to unpredictable weather, slow innovation in the domestic pesticide industry, threat from biotech seeds, and subsistence level of farming are some of the risks facing the agro-chemical industry in India.

Agro-chemical companies have to comply with stricter pollution laws to run the plant. The Company has to ensure minimum generation of waste and by-products and their disposal with due concern to safeguard the environment.

Imports of technicals and raw materials faces the risk of foreign exchange rate fluctuations. This could also impact the revenues in future.

INTERNAL CONTROL SYSTEM

The Company has an adequate internal audit control system commensurate with the size and nature of its business. The Management continuously reviews the internal control system and procedures to ensure orderly and efficient conduct of business, to safeguard properties of the Company and compliance with policies and statutes.

The Company has appointed Manoj Ritu and Associates, Chartered Accountants for conducting the Internal Audit of its various allied activities in order to monitor the performance of the Company on a continuous basis and to suggest not only remedial but improved measures for operating the business. The Company adheres to its written Corporate policies with respect to all transactions, financial reporting and budgeting. The Management regularly reviews Internal Audit Reports to monitor the effectiveness of internal controls in the organization. The Audit Committee of the Board reviews the significant observations of the Internal & Statutory Auditors on financials. The Company's ERP control mechanism has further strengthened the overall control on the business.



HUMAN RESOURCES

Your Company has shifted its Corporate Office to Gurgaon, which has become a hub for various leading Indian and multinational companies. As a result, employees of the Company have been provided with better working atmosphere which would help in building organizational and individual capabilities and improving employees' productivity to drive sustainable business growth.

In order to maintain a high performance work culture, the Company has also set up "Dhanuka Grievance Committee" to amicably redress the employees' issues arising in the course of employment. The Management of your Company understands the importance of effective grievance handling mechanism to cultivate good employee relations and running a fair, successful and productive workplace.

All employees of the Company are covered under various schemes including the Group Insurance Scheme, the premium of which is borne by the Company, to help the family in case of some mis-happening occurring to the employee. The Company also has various incentive schemes for its marketing staff. Chairman's Trophy is being awarded to the best performing branch and employee by the Group Chairman every year. Besides, a *Star Performer Award* is given every month in every branch to the staff member who achieves highest sales volume with highest collection during the month. In addition, Dhanuka organizes a get together of employees on auspicious occasions which creates a congenial atmosphere in the organization and constructs a strong bond among the employees of Dhanuka.

CAUTIONARY STATEMENT

The projections made in this report may be forward-looking statements within the meaning of applicable securities laws and regulations. Actual results may differ from those expressed in this report due to the influence of external and internal factors, beyond the control of the Company. The factors affecting the performance are aberrations in rainfall, upgradation of technologies, Government policies and tariff rates, delay in registrations and availability of spurious products in market.

Source: Annual Report of Ministry of Agriculture; Commission for agricultural costs and prices, Government of India; Ficci



REPORT

ON CORPORATE GOVERNANCE

(1) COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Your Company believes that the management is the trustee of investors' capital and is obligated to maximize shareholders' value over the long term, while preserving the interests of its customers, business partners, vendors, employees, regulators, communities and other stakeholders at large. We strive to ensure that the Company's Directors and Key Managerial Personnel act in the interest of the Company and its various stakeholders, at all times and in all transactions. Your Company strongly believes in maintaining an open and transparent corporate structure driven by business needs and social responsibility and avoiding all conflicts of interest. Transparency is ensured through regular disclosures and consistent focus on adequate control systems. Shareholders' interests are of primary concern and we are vigilant that the Company's funds are channelized in the most profitable avenues.

At Dhanuka, we believe that good Corporate Governance is critical to enhance and retain investors' trust. The Board of Directors exercises its fiduciary duties in the widest sense of the term. The Company always endeavors to enhance shareholder value and respect minority rights in all its business decisions.

The Company's core philosophy on the code of Corporate Governance is to ensure:

- fair and transparent business practices;
- compliance of applicable statutes;
- transparent and timely disclosure of Financial and management information;
- effective management control and monitoring of Executive performance by the Board;
- adequate representation of Promoters, Executive and Independent Directors on the Board.

Our Company is in compliance with the requirements of the revised guidelines on Corporate Governance stipulated under Clause 49 of the Listing Agreements with the Bombay Stock Exchange (BSE). Following disclosures set out the approach of the Company towards Corporate Governance:

Role of various entities:

1. **Board of Directors ("Board")** - The primary role of the Board is that of trusteeship, that is, to protect and enhance shareholders value through strategic supervision and management of the Company's affairs. The Board plays a critical role in overseeing how the management serves the interests of the various stakeholders, both in the short and long term. This is



Corporate Governance is based on the Principles of equity, fairness, integrity, transparency, accountability and commitment to values. Good governance practices stem from the culture and mindset of the organization. As stakeholders across the globe evince keen interest in the practices and performance of Companies, Corporate Governance has emerged on the centre stage.



reflected in our governance practices, under which we strive to maintain an active, informed and Independent Board.

2. **Board Committees-** The Board Committees play a crucial role in the governance structure of the Company and have been assigned specific areas /activities which need closer review. They are set up under the formal approval of the Board, to carry out their clearly defined roles. The Board delegates them the necessary powers and supervises their working.
3. **Executive Directors-** The Executive Directors contribute to the strategic management of the Company's businesses within Board approved directions and framework. Since Directors are accountable to the Board for business/ corporate functions, they assume overall responsibility for Company's performance, including governance processes and internal operations. The superior quality of the Executive team is evidenced by their high levels of understanding and knowledge of the business, consistently delivering Results inspite of the various challenges, attention to corporate culture and alignment with the long-term objectives of the business.
4. **Independent Directors-** Independent Directors play a critical role in imparting balance to the Board processes by bringing independent opinions and a fresh point of view on strategic and tactical issues and comparative performance/ standing of the Company vis-à-vis the others. The system supports them by disseminating high quality information, high levels of engagement, well structured agendas and a professional and well resourced secretariat team.

(2) BOARD OF DIRECTORS:

The Board of Directors is at the core of our Corporate Governance practices. We believe that an active, well-informed and independent Board is necessary to ensure highest standards of Corporate Governance. We have an open, accessible and transparent culture where dialogue and constructive debate are actively encouraged and embraced. We will continue to develop our structured approach to Corporate Governance while being mindful of the complexities of balancing Board size with Board diversity and skills and experience on our Board.

Directors' Responsibilities:

- (a) The principal responsibility of the Board members is to oversee the management of the Company and in doing so, serve the best interests of the Company and its stakeholders. This responsibility shall include:
 - reviewing and approving fundamental operating, Financial and other corporate plans, strategies and objectives;
 - evaluate whether the corporate resources are being used only for appropriate business purposes;
 - establishing a corporate environment that promotes timely and effective action (including robust and appropriate controls and processes), fiscal responsibility, high ethical standards and compliance with all applicable laws and regulations;
 - evaluating the performance of the Company periodically;
 - to attend the Board, Committee and shareholders meetings.
- (b) **Exercise business judgment:** In discharging their fiduciary duties of care and loyalty, the Directors are expected to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its stakeholders and to exercise prudence at all times.
- (c) **Understand the Company and its business:** The Directors have an obligation to remain informed about the Company and its business, including the principal operational and Financial objectives, strategies and plans of the Company, relative standing of the Company vis-a-vis its competitors, factors that determine the Company's success, Results of operations and Financial condition of the Company.
- (d) **To establish effective systems:** The Directors are responsible for determining that effective systems are in place for periodic and timely reporting to the Board on important matters concerning the Company including the following:
 - Current business and Financial performance, degree of achievement of approved objectives and the need to address forward-planning issues.
 - Compliance programs to assure the Company's compliance with laws and corporate policies.
 - Material litigation and governmental and regulatory matters.


Composition and category of Directors:

The Board comprised of Ten Directors, represented by four Executive and Six Non-Executive Directors on 31st March, 2011. The Board had an Executive Chairman and the Five Independent Directors comprised one-half of the Board. The Non-Executive Directors bring an external and wider perspective in Board deliberations and decisions.

The size and composition of the Board conform to the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges.

The composition and the category of Directors as on 31st March, 2011, their attendance at the Board Meetings held during the FY 2010-11 and at the last Annual General Meeting are given as under:

S.No.	Name of Directors	Category	No. of Board Meetings attended during FY 2010-11	Attendance at last AGM 21/8/2010
1.	Shri Ram Gopal Agarwal (Chairman)	Executive (Promoter) Non- Independent	7	Present
2.	Shri Mahendra Kumar Dhanuka (Managing Director)	Executive (Promoter) Non- Independent	7	Present
3.	Shri Arun Kumar Dhanuka	Executive (Promoter) Non- Independent	5	Present
4.	Shri Rahul Dhanuka	Executive (Promoter) Non- Independent	4	Present
5.	Shri K B Kejariwal*	Executive Non- Independent	1	Present
6.	Shri Priya Brat	Non- Executive Independent	7	Present
7.	Shri Vinod Jain	Non- Executive Independent	4	Absent
8.	Shri Shri Krishna Khetan	Non- Executive Independent	4	Absent
9.	Shri Indresh Narain	Non- Executive Independent	5	Absent
10.	Shri Subhash Lakhotia	Non- Executive Independent	5	Present
11.	Shri Sachin Bhartiya**	Non- Executive Independent	2	New Director

* Ceased to be a Director w.e.f. 13.9.2010

**Appointed as Additional Director on 13.9.2010



Directorships:

In compliance with clause 49 of the Listing Agreement with the Stock Exchange, none of the Directors on our Board hold Directorships of more than 15 Public Limited Companies (including Dhanuka Agritech Limited) or is a member of more than 10 Board Committees (Committees being Audit Committee and Shareholders'/ Investors' Grievance Redressal Committee) or Chairman of more than 5 Board Committees as on 31st March, 2011, as can be seen from the following table:

S.No.	Name of the Director	Directorship	Committee Membership (including Chairmanship)	Committee Chairmanship
1.	Shri Ram Gopal Agarwal	1	0	0
2.	Shri Mahendra Kumar Dhanuka	3	1	0
3.	Shri Rahul Dhanuka	3	0	0
4.	Shri Arun Kumar Dhanuka	2	0	0
5.	Shri Priya Brat	4	6	2
6.	Shri Vinod Jain	2	1	0
7.	Shri Shrikrishna Khetan	2	1	0
8.	Shri Indresh Narain	4	5	3
9.	Shri Subhash Lakhotia	2	1	0
10.	Shri Sachin Bhartiya	2	0	0

Board Meetings held from 1st April, 2010 to 31st March, 2011:

During the year, 7 Board meetings were held and the time gap between any two meetings was not more than four months. The dates on which the Board meetings were held are: 14th April 2010, 29th May, 2010, 30th July 2010, 5th August, 2010, 13th September, 2010, 27th October 2010 and 2nd February 2011.

Re-appointment of Directors who are retiring by rotation and are eligible for re-appointment at the forthcoming AGM:

Brief resume of the Directors, nature of their expertise in specific functional areas, their Directorships and their membership of the Board Committees are furnished hereunder:

1) **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 w.e.f. 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.

2) **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 and our Company.



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.

3) 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 the apex and is considered a visionary in his field. He joined our Board in 2005 and has been continuously adding value through his far-sightedness and understanding of ground-level practicalities. He is also the Member of the Audit Committee of your Company.

The Board recommends the members to appoint the following Directors at the forth-coming AGM:

1. Shri Sachin Bhartiya, Non-Executive, Non-Independent Director-

Shri Sachin Bhartiya is a qualified Chartered Accountant and has a rich experience in the field of corporate finance and brings with him a unique blend of lending and advisory background. He has worked professionally with IDBI, GE Capital (India), IL&FS. In a career spanning over a decade, he has originated and executed a number of transactions both as a lender and advisor for debt and equity. The Board has appointed him as additional Director of the Company with effect from 13.09.2010 and on the basis of notice received from a shareholder, recommends to appoint him as a Director on the Board of the Company.

He is also a Director on the Boards of M/s Shaily Engineering Plastics Ltd., M/s Radiant Hospitality Services Pvt. Ltd., M/s UNIBIC India Private Ltd., M/s Light House Advisors India Pvt. Ltd.

He does not hold any equity shares in the Company.

His name is recommended for appointment as Director in the ensuing Annual General Meeting of the Company.

2. Shri Mridul Dhanuka, Executive Director-

Shri Mridul Dhanuka, son of Shri M. K. Dhanuka, aged about 31 years, is a B.Tech in Chemical Engineering & M.B.A. from NITIE, Mumbai. He has

a valuable experience of approximately 6 years in the Managerial cadre in Dhanuka in the field of production. He joined the organization in the year 2007 and has been working for the group as Deputy General Manager (Technical). He has served the Company by introducing new product range and production of new molecules with his technical expertise, which resulted in enlarging the product base of Dhanuka. He successfully implemented Cost Control measures in the Company and helped the Company in smoothening the production process and the process of Raw Material procurement.

The Board has appointed him as Additional Director as well as Whole-time Director with effect from 23.5.2011 to hold office upto the date of this Annual General Meeting. The Board recommends on the basis of notice received from a shareholder to appoint him as the Whole-time Director on Board of the Company.

He is also a Director on the Boards of Dhanuka Laboratories Ltd., Dhanuka Infotech P. Ltd., Otsuka Chemical India P. Ltd. and MD Buildtech P. Ltd.

Best Practices adopted by us:

A. Board meetings functioning and procedure:

The Board meets at least once a quarter to review the quarterly Results and to take decisions on matters pertaining to Company's working. Whenever necessary, additional meetings are held. In case of business exigencies, resolutions are passed by circulation.

The Board is given presentations covering sales of major business segments and operations of the Company and business strategy. Management invites the Company personnel to any Board meeting at which their presence and expertise would help the Board to have a full understanding of matters being considered.

B. All relevant information is regularly provided to the Board including:

- regular updates on Financial Results, Annual operating plans and budgets;
- minutes of meetings of all Board Committees & sub-Committees;
- the information on recruitment and remuneration of senior officers just below the Board level;
- show cause, demand, prosecution notices and penalty notices which are materially important;



- fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
- any material default in the Financial obligations to or by the Company or substantial non-payment for goods sold to or by the Company;
- any issue which involves possible public or product liability claims of substantial nature, including any judgment or order which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company;
- transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
- any significant development in Human Resources / Industrial Relations front;
- sale / purchase of material nature, of investments, assets, etc. which is not in normal course of business;
- quarterly details of foreign exchange exposures and the steps taken by the management to limit the risks of adverse exchange rate movement, if material;
- non-compliance of any regulatory, statutory nature or listing requirements and shareholders service such as non-payment of Dividend, delay in share transfer etc;
- statutory compliance report of all laws applicable to the Company, as well as steps taken by the Company to rectify instances of non-compliances, if any;
- details of the transactions with the related parties;
- general notices of interest of Directors.

C. Discussion with Independent Directors

Independent Directors are regularly updated on performance of each line of business of the Company, business strategy going forward and new initiatives being taken/ proposed to be taken by the Company. There was smooth induction and integration of a new Independent Non-Executive Director on the Board, this year. We created more opportunities for the Board to discuss strategic issues, both formally and informally.

D. Agenda and relevant material distributed in advance to the Board

The agenda for each Board meeting is circulated well in advance to the Board members. All material information is incorporated in the agenda facilitating meaningful and focused discussions in the meeting. Where it is not practicable to attach any document in the agenda, the same is tabled before the meeting.

Every Board member is free to suggest further items for inclusion in the agenda.

E. Code of Conduct

The Board has laid down a code of conduct for all Board members and senior management of the Company. The code of conduct is available on the website of the Company.

(3) Board Committees:

Currently, the Board has Audit Committee, Remuneration Committee, Shareholders'/Investors' Grievance Redressal Committee and Banking and Finance Committee.

During the year, we have enhanced the linkages between the Board and its Committees and made space for deeper and broader discussions on key strategic issues.

Keeping in view the requirements of the Companies Act, 1956 as well as Clause 49 of the Listing Agreement, the Board decides the membership and terms of reference of various Committees. Their recommendations are submitted to the Board for approval.

(A) Audit Committee:

Composition, name of the members and Chairman and attendance during the year:

In Compliance with Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, the Board has an Audit Committee with three Directors. The composition of the Audit Committee and the details of meetings attended by the Directors are given below:

S. No.	Name of the Director	Category	No. of Meetings Attended during 2010-11
1	Shri Priya Brat (Chairman)	Independent Non-Executive	5
2	Shri Vinod Jain	Independent Non-Executive	2
3	Shri Shrikrishna Khetan	Independent Non-Executive	4



The Statutory Auditors, Internal Auditors, Chief Financial Officer are invited to attend the Audit Committee meetings and the Company Secretary acts as the Secretary of the Committee.

During the Financial Year 2010-11, Five Audit Committee Meetings were held on 14th April, 2010, 29th May, 2010, 30th July, 2010, 27th October, 2010, 2nd February, 2011 and gap between two meetings did not exceed four months.

(B) Remuneration Committee:

Composition, name of the Members and Chairman:

Shri Priya Brat	Chairman	Independent (Non Executive)
Shri ShriKrishna Khetan	Member	Independent (Non Executive)
Shri Subhash Lakhota	Member	Independent (Non Executive)

During the year 2010-11, Remuneration Committee Meeting was held on 29th May, 2010.

Terms of Reference:

The Remuneration Committee considers and recommends to the Board the remuneration payable to the Executive Directors and their relatives, if any.

Details of remuneration to all the Directors:

The remuneration of the Executive Directors is determined on the basis of prevailing trend in the industry and the

The Chairman of the Audit Committee, Shri Priya Brat was present at the last Annual General Meeting of the Company.

Terms of Reference:

The terms of reference of the Audit Committee are oversight and review of Financial, audit and internal control processes.

performance of the Company. The remuneration of the Executive Directors is periodically reviewed and suitable revision is recommended to the Board.

Executive Directors are appointed for a period of five years on the terms and conditions contained in the respective agreements approved by the shareholders in the General Meeting. The Executive Directors are not paid any sitting fees for any Board/Committee meetings attended by them.

The bifurcation of the remuneration paid to the Executive Directors of the Company is as follows:

(Amount in Rs.)

S.No	Name of Director	Salary & Allowances	Perks	P.F.	Superannuation	Commission	Total
1	Shri R.G. Agarwal Chairman	2,865,000	39,600	63,600	-	10,530,000	13,498,200
2	Shri M.K. Dhanuka Managing Director	2,565,000	39,600	63,600	115,000	10,530,000	13,313,200
3	Shri K.B. Kejariwal* Director (Works), Designate	5,542,342	39,600	63,600	-	3,192,658	8,838,200
4	Shri A.K. Dhanuka Director (Works)	1,715,000	32,400	63,600	85,000	7,020,000	8,916,000
5	Shri Rahul Dhanuka Director (Marketing)	1,695,000	39,600	63,600	84,000	7,020,000	8,902,200
	Total	14,382,342	190,800	318,000	284,000	38,292,658	53,467,800

* Ceased to be a Director on the Board w.e.f. 13.9.2010

None of the Executive Directors hold any stock options in the Company.



Non-Executive Directors:

The Company is not paying any remuneration to Non- Executive Directors except payment of sitting fees for attending Board/ Committee Meetings. The sitting fees paid to the Non-Executive Directors was Rs.5,000/- per meeting and was increased to Rs.7,500/- w.e.f. 1st June, 2010.

Shareholding of Non-Executive Directors:

None of the Non-Executive Directors were holding any Equity Shares of the Company as on 31st March 2011.

(C) Shareholders/Investors' Grievance Redressal Committee:

Composition, brief terms of reference and details of the meetings attended by the Directors are as follows:

S.No.	Name of Director	Category	No. of meetings attended during the year
1	Shri Indresh Narain, Chairman	Independent (Non-Executive)	3
2	Shri Subhash Lakhota	Independent (Non-Executive)	3
3	Shri Mahendra Kumar Dhanuka	Non-Independent (Executive)	4

The Meetings of abovesaid Committee during the FY 2010-11 were held on 29th May, 2010; 30th July, 2010; 27th October, 2010; 2nd February, 2011.

Terms of Reference:

The Shareholders'/Investors' Grievance Redressal Committee takes note of all the correspondence / complaints received from the shareholders like non-receipt of Annual Reports/Dividends, change in address, issuance of Duplicate Share Certificates etc. The Committee also oversees the performance of M/s Abhipra Capital Limited, the Registrar and Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services.

Name and designation of Compliance Officer:

Ms. Shubha Singh, Company Secretary
E-mail : investor grievance@dhanuka.com; shubhasingh@dhanuka.com

Number of Shareholders complaints received so far:

During the Financial Year 2010-11, the Company has received 161 correspondences from its shareholders and resolved all of them. All the complaints are resolved within 30 days of receipt and there was no complaint pending till 31st March, 2011.

(D) Banking and Finance Committee:

Composition, brief terms of reference and details of the meetings attended by the Directors are as follows:

S.No	Name of Director	Category	No. of meetings attended during the year
1	Shri M.K. Dhanuka, Chairman of Committee	Managing Director	6
2	Shri R.G. Agarwal	Chairman of the Board Executive Director	4
3	Shri Arun Kumar Dhanuka	Non-Independent Executive Director	3
4	Shri Rahul Dhanuka	Non-Independent Executive Director	4

The Meetings of abovesaid Committee during the FY 2010-11 were held on 2nd June, 2010, 2nd July, 2010, 26th August, 2010, 5th October, 2010, 9th December, 2010 and 3rd February, 2011.

Terms of Reference:

The Banking and Finance Committee takes care of the Bank Facilities, Banking operations, funds and credit management.



(4) **GENERAL BODY MEETINGS:**

The details of date, location and time of the last three Annual General Meetings, Extra-ordinary General meetings held and Special Resolutions passed are as under:

AGM No.	Financial Year	Date	Venue	Special Resolutions
EGM	2010-11	30th August, 2010 at 10.30 A.M.	Shri Purushottam Hindi Bhawan, 11, Vishnu Digambar Marg (Rouse Avenue), New Delhi- 110002	Approval in accordance with Section 81(1A) of the Companies Act, 1956 read with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the Regulations") for issuance and allotment of 8,25,000 equity shares of Rs 10/- each or equivalent 41,25,000 Equity Shares of Rs. 2/- each, constituting post issue 8.25% of the total issued and paid-up share capital of the Company.
25th	2009-2010	4th August, 2010 at 10.30 A.M.	Shri Purushottam Hindi Bhawan, 11, Vishnu Digambar Marg (Rouse Avenue), New Delhi- 110002	No special resolutions were passed.
24th	2008-09	22nd September, 2009 at 10.30 A.M.	Shri Purushottam Hindi Bhawan, 11, Vishnu Digambar Marg (Rouse Avenue), New Delhi- 110002	1. To increase the remuneration of Shri Mridul Dhanuka, DGM (Technical) holding office of place of profit. 2. To increase the remuneration of Shri Harsh Dhanuka, SGM (Seeds) holding office of place of profit.
23rd	2007-08	4th September, 2008 at 11.00 A.M.	Shri Purushottam Hindi Bhawan, 11, Vishnu Digambar Marg (Rouse Avenue), New Delhi- 110002	No special resolutions were passed.
EGM	2007-08	7th March, 2008 at 10.30 A.M.	Shri Purushottam Hindi Bhawan, 11 Vishnu Digambar Marg (Rouse Avenue), New Delhi- 110002	Board was authorized for FPO under Section 81(1A).

The following resolutions were passed on 11th June, 2010 by way of Postal Ballot. Mr. V. P. Kapoor, Practicing Company Secretary acted as Scrutinizer.

Special Resolutions:

1. To issue, offer and allot further Equity Share Capital upto the value of Rs.100 crores (Rupees One Hundred crores) (with/without premium as may be decided by the Board of Directors) through Follow-on Public offer, to any person, whether a member of

Company or not in accordance with the provisions of Section 81(1A) of the Companies Act, 1956;

2. To Sub divide the Equity Shares of nominal value of Rs.10/- each of the Company into 5 (Five) Equity Shares of nominal value of Rs.2/- each commonly known as "Stock Split" and make further consequential alterations in the existing Clause V being Capital Clause of the Memorandum of Association and Article 3 of the Articles of Association of the Company.



Ordinary Resolutions:

1. To borrow moneys (apart from temporary loans obtained from Bankers/Financial Institution of the Company in ordinary course of business) in excess of the aggregate paid-up capital and its free reserves, upto an amount not exceeding Rs. 200 crores (Rupees Two Hundred crores) under Section 293(1)(d) of the Companies Act 1956; and
2. To create charge on assets including all or any moveable and/or immovable property of the Company in favour of Bankers/Financial Institution for borrowing money(s) under Section 293(1)(a) of the Companies Act, 1956.

(5) Disclosures:

- a) Disclosures on materially significant related party transactions that may have potential conflict with the interest of the Company at large:

The disclosures with regard to transactions with related parties are given in the Notes on the Accounts of the Audited Financial statements for the Financial Year ended 31st March, 2011. These transactions are not in conflict with the interests of the Company.

- b) Details of non-compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchanges or Securities and Exchange Board of India (SEBI) or any other statutory authority on any matter related to the Capital Markets during the last three years:

The Company has suo moto filed an application for compounding the non-compliance of Regulation 6(2) for the year 1998 and 8(3) for the year 2006, under SEBI (Substantial Acquisition of Shares & Takeovers) Regulations. SEBI has compounded the abovesaid default vide its order dated 3rd Feb, 2010. The Company has been strictly adhering to the applicable Rules and Regulations made by SEBI.

After the merger of Northern Minerals Limited into Dhanuka Agritech Limited, the shareholding of Promoter and Promoter group was at 89.91%. It has now been brought down to 74.99% and is in compliance with clause 40A of the Listing Agreement.

No other penalties or strictures were imposed on the Company by the BSE or SEBI or any statutory authority, on any matter related to the capital markets during last three years.

c) Disclosure of Accounting Treatment:

In the preparation of Financial statements, the Company has followed the accounting standards issued by the Institute of Chartered Accountants of India. The significant accounting policies, which are consistently applied, have been set out in the Notes to the Accounts of the Audited Financial statements for the Financial Year ended 31st March, 2011.

d) CEO/ CFO Certification

The Certificate as stipulated in clause 49(V) of the Listing Agreement was placed before the Board along with the Financial statements for the year ended 31st March, 2011 and Board reviewed the same. The said Certificate is provided elsewhere in the Annual Report.

- e) Details of compliance with mandatory requirements and adoption of the non mandatory requirements of this clause:

The Company has complied with all the mandatory requirements of the Clause 49 of the Listing Agreement.

(6) Means of communication:

- a) The quarterly Results of the Company are approved and taken on record by the Board of Directors of the Company within 45 days (for I, II, III quarter)/60 days (for IV quarter) from the end of quarter. The approved Results are also published within 48 hours in one English language and one Hindi Language newspaper having wide circulation.
- b) The Company publishes the Audited Annual Results within the stipulated period of 60 days from the close of the Financial Year as per requirement of the Listing Agreement.
- c) **Website:** Company's corporate website www.dhanuka.com provides comprehensive information on Company's profile, its business lines, Management, corporate governance, news releases. An exclusive section dedicated to Investors consolidates information on the quarterly, half yearly, Annual Financial statements, Annual Returns and shareholding patterns in downloadable format, as a measure of added convenience to the investors.
- d) **Annual Report:** Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditor's



Report and other important information is circulated to members and others entitled thereto. The Annual Report of the Company is available on the Company's website in a user-friendly and downloadable form.

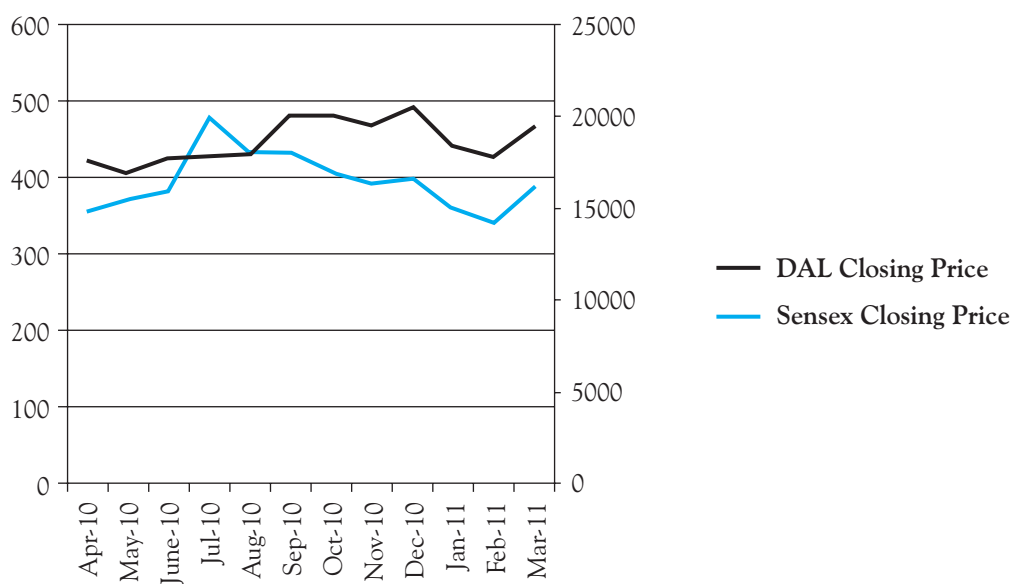
- e) The Quarterly Unaudited Results as well as Annual Audited Financial Results are also communicated to the BSE where the Company's Shares are listed.
- f) **Management Discussion and Analysis (MDA) Report:** The report on MDA forms part of the Annual Report.
- g) **Intimation to the Stock Exchange:** The Company intimates the Stock Exchange all price sensitive information or such other matters which are of relevance to the shareholders.
- h) **Code for Prevention of Insider Trading:** The Company has comprehensive guidelines on prevention of insider trading in line with the SEBI (Prohibition of Insider Trading) Regulations, 1992. The Code for prevention of Insider trading, inter-alia, prohibits purchase/sale of shares of the Company by Employees/Directors while in possession of unpublished price sensitive information in relation to the Company. The Company within two working days of receipt of the information under the Initial and Continual disclosures from Directors/ employees shall disclose the same to Bombay Stock Exchange, where the shares of the Company are listed.

(7) **General Shareholder Information:**

- a) **26th Annual General Meeting:**
Date : 29th July, 2011
Time : 11:00 A.M.
Venue : Shri Purushottam Hindi Bhawan,
11, Vishnu Digamber Marg
(Rouse Avenue), New Delhi -110002
- b) **Date of Book Closure:**
25th July, 2011 to 29th July, 2011
(both days inclusive)
- c) **Dividend Payment Date:** Within 30 days from the date of AGM to be held on 29th July, 2011
- d) **Listing on Stock Exchange:**
Bombay Stock Exchange Limited,
Phiroze Jeejeebhoy Towers,
Dalal street, Mumbai-400001
Scrip Code: 507717
The listing fees for the Financial Year 2011-12 has been paid to the above Stock Exchange.
- e) **Sub-division of Equity Shares**
As per the proposal approved by the shareholders by postal ballot on June 11, 2010 the Equity Shares of nominal value of Rs.10/- each of the Company have been sub-divided into 5 (Five) Equity Shares of nominal value of Rs.2/- each commonly known as "Stock Split". Now the Equity Shares of the Company being traded on the BSE bear face value of Rs.2/-.
- f) **Market Price Data:** High, Low, Number and value of shares traded during each month in the last Financial Year is given hereunder:

Month	High Price ₹	Low Price ₹	Close Price ₹	No. of Shares	No. of Trades	Total Turnover ₹
April, 2010	385	252	355	6,07,167	4,243	19,79,17,677
May, 2010	385	301	372	4,79,248	2,391	17,23,72,976
June, 2010	395	370	384	4,30,145	2,115	16,48,86,761
July, 2010	490	342	480	7,86,123	5,445	32,23,56,014
August, 2010	517	415	435	24,31,251	12,900	1,09,05,68,986
September, 2010	480	375	435	20,70,142	6,447	19,98,76,749
October, 2010	460	345	410	14,50,510	4,300	12,60,20,894
November, 2010	490	360	395	21,00,398	5,464	18,55,97,693
December, 2010	410	315	400	9,45,180	2,484	7,28,61,516
January, 2011	415	345	360	9,33,990	1,830	7,00,16,875
February, 2011	380	330	340	12,89,462	1,972	9,14,28,068
March, 2011	425	335	390	25,04,228	2,804	18,49,16,754

*The Equity Shares of the Company of Rs.10/- each had been sub-divided into Equity Shares of Rs.2/- each and the Record date was 4th day of September, 2010. Share prices from September, 2010 to March, 2011 have been adjusted to a face value of Rs. 10/- to bring uniformity and to enable comparison.



The share price in the above graph has been adjusted for split of face value of shares from Rs. 10/- to Rs. 2/- each.

g) Financial Calendar (tentative and subject to change)

Financial reporting for the first quarter ending 30th June, 2011	10th August, 2011
Financial reporting for the second quarter ending 30th September, 2011	10th November, 2011
Financial reporting for the third quarter ending 31st December, 2011	10th February, 2012
Financial reporting for the year ending 31st March, 2012	30th May, 2012
Annual General Meeting for the year ending 31st March, 2012	30th July, 2012

**(8) SHAREHOLDERS' INFORMATION:**

REGISTERED OFFICE	:	"Dhanuka House", 861-862, Joshi Road, Karol Bagh, New Delhi - 110005, India Phone : (91) (011) 30511500 Website : www.dhanuka.com e-mail : headoffice@dhanuka.com
CORPORATE OFFICE	:	Dhanuka Agritech Limited, 14th Floor, Building No. 5A, DLF Cyber Terrace, Cyber City, DLF Phase III, Gurgaon - 122002, Haryana, India Phone : (91) (124) 3838500 Fax : (91) (0124) 3838888
WORKS	:	Daultabad Road, Gurgaon - 122001, Haryana, India Phone : (91) (0124) 2469138 - 40 e-mail : gurgaonunit@dhanuka.com
	:	D-1/A- B, Ajanta Indl. Estate, Near Sarika Paints, Taluka Sanand - Virangam Road, At: Vasna lyava, Sanand, Dist. Ahmedabad - 382170, Gujarat, India Phone : (91) (02717) 284567/68 Email ID : sanand@dhanuka.com
	:	Plot No.1, I.I.D Centre, SICOP Industrial Estate, Battal Balian, Udhampur - 182101, J&K, India Phone : (91) (01992) 250156/57 Email ID : udhampur@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
REGISTRAR AND TRANSFER AGENTS	:	M/s Abhipra Capital Limited, Ground Floor, Abhipra Complex, Dilkhush Industrial Area, A-387, G.T.Karnal Road, Azadpur, Delhi - 110033, India Phone : (91) (011) 27127362, 27249773/52390708 Website : www.abhipra.com E-mail : info@abhipra.com, rta@abhipra.com

SHARE TRANSFER SYSTEM :

Abhipra Capital Limited is the Registrar and Transfer Agent (RTA) of the Company and carries out the process of share transfer whether in physical form or in dematerialized form. Shares received by the Company in physical form for transfers are registered and sent to the RTA, who carries out the transfer on fortnightly basis. The duly transferred shares are then sent by RTA to the Company. A meeting of the Share Transfer/Transmission Sub-Committee is then held to

approve the transfers as transferred by the RTA. The shares are then sent to the RTA for onward dispatch to the shareholders after proper endorsement and signature. Same procedure is adopted for the shares received directly by the RTA. Share Transfer/Transmission Sub-Committee reports the status of transfers/ transmissions to the Shareholders'/Investors' Grievance Redressal Committee on quarterly basis.



Shares are also received by the RTA for dematerialisation through the Depository Participant of the shareholder. Such shares are dematerialise by RTA within stipulated time & a monthly demat statement is sent to the Company.

INVESTOR'S CORRESPONDENCE :

All enquiries relating to share transfer/transmission, change of address, loss of share Certificate etc., should be addressed to the Registrar and Transfer Agents - M/s Abhipra Capital Limited.

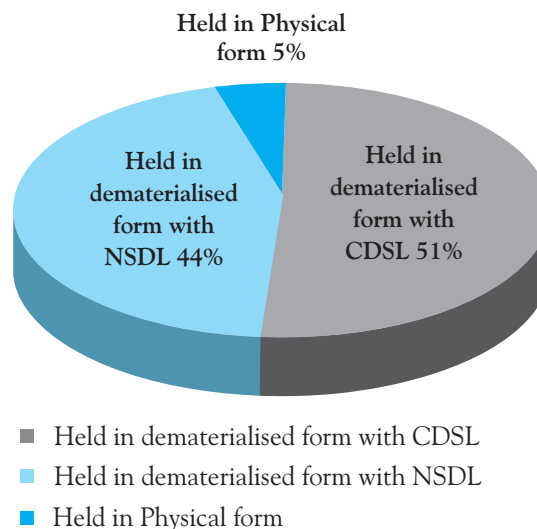
The queries relating to non receipt of Dividend and in respect of Annual Reports etc. should be addressed to the Company Secretary at the Corporate Office of the Company or e-mailed to investorgrievance@dhanuka.com

DEMATERIALIZATION OF SHARES AND LIQUIDITY :

As on 31st March, 2011, 4,76,53,407 Equity Shares of the Company were held in dematerialized form. The Equity Shares of the Company are actively traded on The Bombay Stock Exchange Limited in Demat form only. All the requests for nomination, change of address, change of Bank mandate/Bank particulars and rematerialisation of Share etc. are to be made only to the Depository Participant with whom the Shareholders have opened their Demat Account.

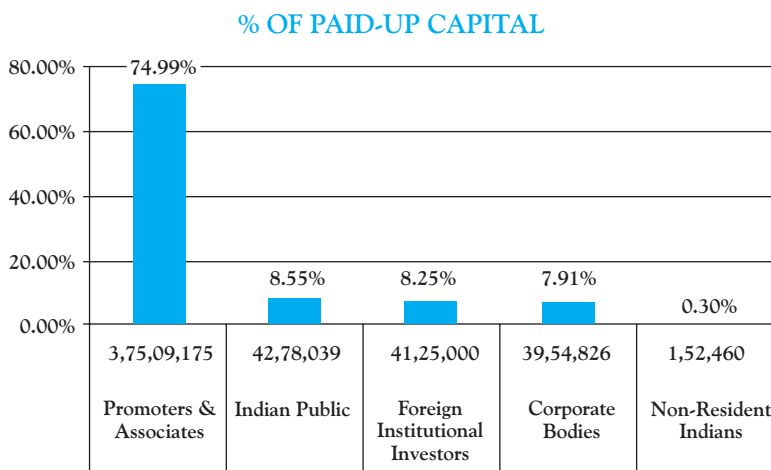
Shares held in Physical and dematerialized form as on 31st March, 2011:

The Total number of Equity shares issued by the Company are 5,00,19,500 having face value of Rs.2/- each.



SHAREHOLDING PATTERN OF THE COMPANY AS ON 31ST MARCH, 2011

CLASS OF INVESTORS	NO. OF SHARES HELD	% OF PAID-UP CAPITAL
Promoters & Associates	3,75,09,175	74.99%
Indian Public	42,78,039	8.55%
Foreign Institutional Investors	41,25,000	8.25%
Corporate Bodies	39,54,826	7.91%
Non-Resident Indians	1,52,460	0.30%
TOTAL	5,00,19,500	100%





DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2011

RANGE	SHAREHOLDERS		VALUE	
	Numbers	%	₹	%
Upto 2,500	3,834	84.49	28,37,814	2.84
2,501 - 5,000	384	8.46	14,85,068	1.48
5,001 - 10,000	149	3.28	11,32,984	1.13
10,001 - 20,000	69	1.52	10,30,514	1.03
20,001 - 30,000	22	0.48	5,36,992	0.54
30,001 - 40,000	12	0.26	4,32,950	0.43
40,001 - 50,000	9	0.20	4,11,730	0.41
50,001 - 1,00,000	19	0.42	15,00,186	1.50
1,00,001 & Above	40	0.88	9,06,70,762	90.64
TOTAL	4,538	100.00	10,00,39,000	100.00

SHAREHOLDERS' INITIATIVE :

The Ministry of Corporate Affairs has launched a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies. MCA has issued Circular Nos. 17/2011 dtd.21-04-2011 & 18/2011 dtd. 29-04-2011 stating that the service of a notice/document by a Company to its shareholders can now be made through electronic mode. In view of the above, Company proposes to henceforth send Annual Report, Notice of the Shareholders' General Meetings and other communications to the email address registered with the Depository Participants. Hence, Members are requested to update their e-mail ids with their Depository Participant and accord their consent for receiving documents through electronic mode to make the Green initiatives in Corporate Governance successful. We at "Dhanuka Agritech Limited" appreciate the "Green Initiative" taken by MCA and trust you would help in implementing the e-governance initiatives of the Government.

DETAILS OF COMPLIANCE WITH THE MANDATORY REQUIREMENTS OF CLAUSE 49 OF THE LISTING AGREEMENT :

All mandatory requirements have been appropriately complied with.

(9) Compliance with non-mandatory requirements of clause 49 of the Listing Agreement

Clause 49 of the Listing Agreement mandates us to

obtain a certificate either from the Auditors or from the Practicing Company Secretary regarding the compliance with corporate governance as stipulated in clause 49 of the listing agreement and annex the certificate with the Directors' Report, which is sent annually to the shareholders. We have obtained a certificate from our Statutory Auditors to this effect and the same is given as annexure to this Report.

The clause further states that the non-mandatory requirements may be implemented as per the discretion of the Company. We comply with the following non-mandatory requirements:

1. **Remuneration Committee :**

Shri Priya Brat, an independent Non-Executive Director of the Company is the Chairperson of the Remuneration Committee. The details of the Remuneration Committee have been covered in an earlier section.

2. **Shareholders' Rights :**

The announcement of quarterly Results is published in English and Hindi daily newspapers and posted on the Company's website.

3. **Audit Qualifications :**

It is always the Company's endeavor to present unqualified financial statements. There is no audit qualification in the Company's financial statements for the year ended 31st March, 2011.



4. Training to Board Members :

The Board has adopted a policy for training of new Non-Executive Directors which covers: (a) orientation and presentations to the Non-Executive Directors to enable them to get familiarized with the operations of the Company; (b) orientation on group structure, subsidiaries, constitution, Board procedures and matters reserved for the Board, major risks and risk management strategies, etc.

5. Whistle Blower mechanism:

Though the Company does not have Whistle Blower policy, no person is denied access to the top management, Board of Directors and the various Committees/sub-Committees.

DECLARATION BY CHIEF EXECUTIVE OFFICER/MANAGING DIRECTOR PURSUANT TO CLAUSE 49(I) (D) (ii) OF THE LISTING AGREEMENT OF THE INDIAN STOCK EXCHANGES

I, M.K. Dhanuka, Managing Director of Dhanuka Agritech Limited ("the Company") confirm that the Company has adopted a Code of Conduct ("Code") for its Board members and Senior Management Personnel and the Code is available on the Company's website.

I, further confirm that the Company has received from its Board members as well as Senior Management Personnel affirmation in respect of the Financial Year ended 31st March, 2011, as to compliance with the Code of Conduct.

Place: Gurgaon
Date: May 23, 2011

M.K. Dhanuka
Managing Director

AUDITORS' CERTIFICATE

To,
The Members,
M/s Dhanuka Agritech Limited

We have examined the Compliance of Corporate Governance conditions for the Financial Year ended 31st March, 2011 as stipulated by Clause 49 of the Listing Agreement of the Company with Bombay Stock Exchange.

The Compliance with Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said Clause.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

For Dinesh Mehta & Co.
Chartered Accountants

Sd/-

(Anup Mehta)

Partner
Membership No. 93133

Place : New Delhi
Dated : 23.05.2011



**CERTIFICATE BY CHIEF EXECUTIVE OFFICER (CEO)
AND CHIEF FINANCIAL OFFICER (CFO)
PURSUANT TO CLAUSE 49(V) OF THE LISTING AGREEMENT OF
THE INDIAN STOCK EXCHANGES**

We, M.K. Dhanuka, Managing Director and V.K. Bansal, Chief Financial Officer of Dhanuka Agritech Limited ("the Company") certify that:

1. We have reviewed the Financial statements and the Cash Flow Statement of the Company for the year ended 31st March, 2011 and that to the best of our knowledge and belief -
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with the existing Accounting Standards, applicable laws and Regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative to the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to Financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee that there are no:
 - (i) significant changes in internal control over Financial reporting during the year.
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the Financial statements; and
 - (iii) instances of significant fraud of which we are aware and the involvement therein of the management or an employee having a significant role in the Company's internal control system over Financial reporting.

V.K. Bansal
Chief Financial Officer

M.K.Dhanuka
Managing Director

Place: Gurgaon
Date: May 23, 2011



AUDITOR'S REPORT TO THE MEMBERS

We have audited the attached Balance Sheet of Dhanuka Agritech Limited as at 31st March, 2011 and also the Profit and Loss Account for the year ended on that date and the Cash Flow Statement for the year ended on that date; both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order 2003, (the Order) issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, and in terms of information and explanations given to us and also on the basis of such checks as we considered appropriate, we state that :-

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified by the management at reasonable interval, no material discrepancies were noticed on such verification.
- (c) No substantial part of the fixed assets has been disposed off during the year affecting the going concern status of the Company.
2. (a) The inventory of the Company (including stocks with third parties) has been physically verified by the management during the year according to a phased programmed normally so designed that each material item is physically verified at least once in a year and at more frequent intervals in appropriate cases.
- (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by management are reasonable and adequate in

relation to size of the Company and nature of its business.

- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. (a) The Company during the year has granted unsecured loan to M/s Dhanuka Laboratories Ltd, Company covered in the register maintained under section 301 of the Act- (Maximum balance outstanding during the year was Rs 10 crores) amount outstanding at the year end NIL.
- (b) In our opinion, the rate of interest and other terms and conditions of unsecured loans given by the Company are not, prima facie prejudicial to the interest of the Company.
- (c & d) There is no overdue amount of the principal repayable at the year end.
- (e) According to the information and explanations given to us, the unsecured loan taken by the Company from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 is by way of:
 - (i) Inter Corporate Deposits received from 17 Companies, firms or other parties of Rs 11.28 Crores outstanding as on 31.03.11 (Maximum 18.97 Crores outstanding during the period).
 - (ii) Fixed deposit outstanding as on 31.03.11 Nil (Maximum 9.42 lacs outstanding during the period).
- (f) In our opinion, the rate of interest and other terms and conditions of unsecured loans taken by the Company are not, prima facie prejudicial to the interest of the Company.
- (g) There is no overdue amount of the principal repayable at the year end.
4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.



5. (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered into register maintained under Section 301 of the Act have been made at prices which are generally reasonable considering the strategic relationship and having regard to the prevailing market prices at the relevant time.

6. In our opinion and according to the information and explanations given to us, during the year the Company has not accepted any new deposits from the public within the purview of Sections 58A, 58AA or any other relevant provisions of the Act read with the Companies (Acceptance of Deposits) Rules, 1975.

7. As per the information and explanations given to us by the management, the Company has appointed external firm of Chartered Accountants to review internal controls procedures together with the internal checks during the year which can be considered as an internal audit commensurate with the size and nature of its business.

8. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of Sub section (1) of Section-209 of the said Act, and are of the opinion that prima facie, the prescribed accounts and records have been made maintained. We have not, however, made detailed examination of the records with a view to determine whether they are accurate or complete.

9. (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Wealth-tax, Sales Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it have generally been regularly deposited with the appropriate authorities.

b) There are no material outstanding undisputed statutory dues as at the last day of the financial year ended on 31-03-2011 for a period of more than six months from the date they become payable.

c) According to the information and explanation given to us, the following dues of Income Tax, Sales Tax, Excise Duty and Cess have not been deposited on account of some dispute :

Name of the Statute	Authority where dispute pending	Amount Involved (Rs. In Lakhs) / Nature of Dues
Central Excise 1944.	Custom Excise & Service Tax Appeal Tribunal, New Delhi	9.41 (Year 1996) (Excise Duty Related To Fire)
	Custom Excise & Service Tax Appeal Tribunal, New Delhi	46.51 (Year 2001-02-03) (Excise Duty on Returned Goods)
	Custom Excise & Service Tax Appeal Tribunal, New Delhi	48.21 (Year 1999-00) (Excise Duty on Returned Goods)
Income Tax Act 1961	Commissioner of Income Tax (Appeals)	0.35 (Year 2005-06)
	Commissioner of Income Tax (Appeals)	5.44 (Year 2007-08)
	Commissioner of Income Tax (Appeals)	4.86 (Year 2008-09)
Central Sales Tax Act, 1956	Dy. Commissioner, Officer, Bhopal	1.88 (year 2000-01)
		0.75 (year 2002-03)

10. There are no accumulated losses of the Company. The Company has neither incurred cash losses during the financial year covered by our audit nor in the immediately preceding financial year.

11. According to the information and explanations given to us, the Company has not defaulted in the repayment of dues to the Financial Institution or Banks. Further, there are no debenture holders.

12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (hereinafter referred to as the said Order) are not applicable to the Company.



14. The Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the said Order are not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from Banks or Financial Institutions.
16. In our opinion, and according to the information and explanations given to us on an overall basis, the term loans taken by the Company for augmenting long term resources of the Company towards general corporate objectives have been applied for the purpose for which they were obtained.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company in our opinion the funds raised on short-term basis have not been used for long-term investments.
18. The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the question of reporting on whether the price at which such shares have been issued is prejudicial to the interest of the Company does not arise.
19. The Company has not issued any debentures. Accordingly, the question of creating a security for debentures does not arise.
20. The Company has not raised any money by public issues during the year. Accordingly, the question of disclosure of end use of such monies does not arise.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.
- amended) have been kept by the Company so far as appears from our examination of these books;
- c) The Balance Sheet, the Profit & Loss Account and the Cash Flow Statement referred to in this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, the Profit & Loss Account and the Cash Flow Statement referred to in this report complied with the Accounting Standards as referred to in Section 211(3C) of the Companies Act, 1956;
- e) On the basis of written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors of the Company is disqualified from being appointed as Director under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956; and
- f) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts, read with other notes thereon, given in the schedule 'T' forming part of the accounts, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
- i) In the case of Balance sheet, of the state of affairs of the Company as at 31st March, 2011;
- ii) In the case of Profit & Loss Account, of the profit of the Company for the year ended on that date; and
- iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Dinesh Mehta & Co.
Chartered Accountants

Sd/-
ANUP MEHTA
Partner
Membership No.93133

Place : New Delhi
Date : 23rd May, 2011

Further to the above, we report that:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion, proper books of account as required by the Companies Act, 1956 (as



Balance Sheet as at 31st March, 2011

Amount (In Rs.)

Particulars	Schedule	As at 31.03.11 Audited	As at 31.03.10 Audited
SOURCES OF FUNDS			
Shareholders' Fund			
Share Capital	A	100,039,000	91,789,000
Reserves & Surplus	B	1,604,730,041	879,438,636
Loan Funds			
Secured Loans	C	454,925,718	269,049,215
Unsecured Loans	D	147,105,142	307,980,556
Deferred Tax Liabilities		27,592,399	16,515,640
		2,334,392,300	1,564,773,047
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	E	629,529,307	590,025,412
Depreciation		246,576,829	207,741,987
Net Block		382,952,477	382,283,425
Capital Work in Progress		7,752,524	4,086,332
		390,705,001	386,369,757
Investments	F	4,000	104,000
Current Assets, Loans & Advances			
Inventories	G	1,418,734,043	1,113,028,823
Sundry Debtors	H	1,377,064,289	955,821,134
Cash & Bank Balances	I	49,533,413	20,327,217
Loans & Advances	J	741,778,502	483,997,671
		3,587,110,247	2,573,174,845
Less: Current Liabilities & Provisions			
Current Liabilities	K	1,144,770,483	988,277,637
Provisions	L	505,950,354	406,704,654
Net Current Assets		1,936,389,409	1,178,192,554
Miscellaneous Expenditure	M	7,293,890	106,736
(To the extent not written off or adjusted)		2,334,392,300	1,564,773,047
NOTES ON ACCOUNTS			
The Schedules referred to herein form an integral part of the Balance Sheet.	T		

As per our report of even date attached.

For DINESH MEHTA & CO.

Chartered Accountants

Firm Registration No:000220-N

Sd/-

ANUP MEHTA

Partner

Sd/-

SHUBHA SINGH

Company Secretary

Sd/-

V.K.BANSAL

C.F.O

Sd/-

M.K.DHANUKA

Managing Director

Sd/-

R.G.AGARWAL

Chairman

For and on behalf of the Board of Directors

Membership No : 093133

Place : Gurgaon

Dated : 23rd May, 2011



Profit & Loss A/c for the year ended 31st March, 2011

Particulars	Schedule	Amount (In Rs.)	
		For the year ended 31.03.11	For the year ended 31.03.10
		Audited	Audited
INCOME			
Sales		5,412,254,974	4,455,490,782
Govt. Subsidy Received		48,111,120	6,095,050
Interest Received		7,194,980	2,207,114
TDS Rs.7,08,428/- (Previous Year Rs.2,92,303/-)			
Miscellaneous Receipts		17,930,878	3,201,602
Profit/(Loss) on sale of Fixed Assets		715,235	445,912
		5,486,207,187	4,467,440,460
EXPENDITURE			
(Increase)/Decrease in Stocks	N	(257,251,440)	(96,164,224)
Purchases of Traded Goods		306,727,589	180,781,732
Raw Material Consumed	O	2,629,558,479	2,278,477,190
Excise Duty & Education Cess		550,336,856	380,224,138
Manufacturing Expenses	P	688,677,581	495,880,273
Interest & Finance Charges	Q	64,633,112	67,760,512
Administrative Expenses	R	456,037,532	345,519,342
Marketing & Selling Expenses	S	326,828,254	293,805,946
Depreciation		48,545,656	31,077,053
Deffered Revenue Expenses Written off		106,734	106,734
		4,814,200,353	3,977,468,696
Profit Before Tax		672,006,835	489,971,764
Add: (Short) / Excess Provision for Income Tax of earlier year		572,451	227,923
Add: Liabilities no longer required written back		594,710	-
		673,173,996	490,199,687
Less: Provision for Current Tax		150,976,604	114,594,567
Add: Deferred Tax Assets/(Liabilities)		(11,076,759)	(12,229,888)
Profit After Tax		511,120,633	363,375,232
Balance Brought Forward from Last Year		765,718,273	513,604,368
Amount Available for Appropriations		1,276,838,906	876,979,600
APPROPRIATIONS			
Transfer to General Reserve		55,000,000	36,337,523
Proposed Dividend		100,039,000	64,252,300
Tax on Dividend		16,615,227	10,671,504
Surplus carried to Balance sheet		1,105,184,678	765,718,273
		1,276,838,906	876,979,600
Basic and Diluted Earnings per share Rs. (Refer note no 7 in schedule 'T')		10.61	39.59
Face Value of Equity share Rs.		2.00	10.00
Basic & diluted EPS Rs. (Restated) at face Value Rs.2/- for previous year		10.61	7.92
NOTES ON ACCOUNTS	T		
The schedules referred to herein form an integral part of the Profit & Loss A/c			

As per our report of even date attached.

For DINESH MEHTA & CO.

Chartered Accountants

Firm Registration No:000220-N

Sd/-

ANUP MEHTA

Partner

Sd/-

SHUBHA SINGH

Company Secretary

For and on behalf of the Board of Directors

Sd/-

V.K.BANSAL

C.F.O

Sd/-

M.K.DHANUKA

Managing Director

Sd/-

R.G.AGARWAL

Chairman

Membership No : 093133

Place : Gurgaon

Dated : 23rd May, 2011



Schedules forming part of the Balance Sheet

Particulars	Amount (In Rs.)	
	As at 31.03.11 Audited	As at 31.03.10 Audited
SCHEDULE 'A'		
SHARE CAPITAL		
Authorised: 7,00,00,000 Equity Shares of Rs.2/- each (Previous year 1,40,00,000 Equity Shares of Rs.10/- each)	140,000,000	140,000,000
Issued, Subscribed & Paid-up:		
5,00,19,500 Equity Share of Rs.2/- each fully paid up for cash at par. (Previous Year 91,78,900 Equity Shares of Rs.10 Fully paid up).	100,039,000	91,789,000
	100,039,000	91,789,000
SCHEDULE 'B'		
RESERVES & SURPLUS		
(A) Capital Reserve :		
i. As per last Balance Sheet	1,990,524	1,990,524
	1,990,524	1,990,524
(B) Share Premium Account :		
i. Share Premium Account	330,825,000	-
	330,825,000	-
(C) General Reserve :		
i. As per last Balance Sheet	111,477,869	75,140,346
ii. Transfer from Profit & Loss Account	55,000,000	36,337,523
	166,477,869	111,477,869
(D) Investment Allowance Reserve :		
i. Investment Allowance (Utilised) Reserve	251,970	251,970
	251,970	251,970
(E) Profit & Loss Account		
Profit & Loss Account	1,105,184,678	765,718,273
	1,105,184,678	765,718,273
	1,604,730,041	879,438,636



Schedules forming part of the Balance Sheet

Particulars	Amount (In Rs.)	
	As at 31.03.11 Audited	As at 31.03.10 Audited
SCHEDULE 'C'		
SECURED LOANS		
<u>Loans & advances from Banks</u>		
1. Working Capital Loans		
A. Cash Credit Limits from Banks	252,043,705	(18,332,647)
B. Demand Loans from Banks	125,000,000	220,000,000
2. Overdraft against pledge of FDRs		
i) The Kalupur Commercial Co-op. Bank Ltd.	350,088	376,750
3. Buyers' Credit availed from Banks	24,651,000	-
4. Term Loan (Vehicle Purchase)	80,924	869,387
[Due within a year Rs.80924/- (Previous Year Rs.788463/-)]		
5. Term Loan from HDFC Bank	52,800,000	66,135,725
[Due within a year Rs.26400000/- (Previous Year Rs.13200000/-)]		
	454,925,718	269,049,215
Notes:		
Working Capital loans are secured by hypothecation of stocks of raw materials, goods in process, finished goods, stores, book debts and other movable assets on pari-passu basis and by joint and several guarantees of the Directors of the Company and also by way of first charges over immovable properties of the Company; as collateral security.		
SCHEDULE 'D'		
UNSECURED LOANS		
a) From Body Corporates	147,105,142	305,169,893
b) Fixed Deposits	-	2,810,663
	147,105,142	307,980,556



Schedules forming part of the Balance Sheet

SCHEDULE 'E'
FIXED ASSETS

S. no.	Particulars	Amount (In Rs.)											
		Cost as at 01/04/10	Additions during the year	Sales / Adj. during the year	Cost as at 31/03/11	Depreciation upto 31/03/10	Depreciation from 01/04/10 to 31/03/11	Sales Adjustment	Total Dep. upto 31/03/11	W.D.V. as at 31/03/11	W.D.V. as at 31/03/10		
1	LAND	59,993,583	5,843,900	-	65,837,483	-	-	-	-	65,837,483	59,993,583		
2	PLANT & MACHINERY	138,748,636	13,691,430	307,357	152,132,710	74,789,915	9,497,593	210,693	84,076,816	68,055,894	63,958,721		
3	BUILDING FACTORY	139,848,524	6,953,468	-	146,801,992	55,111,107	8,475,648	-	63,586,755	83,215,237	84,737,417		
4	BUILDING OTHERS	50,728,641	2,404,400	241,616	52,891,425	8,209,695	2,196,423	65,660	10,340,458	42,550,968	42,518,946		
5	FURNITURE & FIXTURE	10,752,714	3,711,461	236,630	14,227,545	7,763,055	896,738	195,277	8,464,516	5,763,030	2,989,659		
6	LIGHT VEHICLES	53,352,066	7,846,616	7,289,328	53,909,354	31,837,407	6,424,449	6,569,260	31,692,596	22,216,758	21,514,659		
7	HEAVY VEHICLES	2,972,175	795,318	293,593	3,473,900	2,529,392	328,202	292,780	2,564,814	909,086	442,783		
8	OFFICE APPLIANCES	14,496,414	1,912,942	294,204	16,115,152	7,039,621	1,195,082	157,336	8,077,367	8,037,785	7,456,793		
9	COMPUTER	23,716,706	2,709,062	2,277,074	24,148,694	17,320,257	3,177,102	2,171,333	18,326,026	5,822,668	6,396,449		
10	PUBLICITY APPARATUS	6,193,873	2,164,711	86,260	8,272,324	1,967,032	775,771	48,474	2,694,329	5,577,995	4,226,841		
11	WIND MILL	89,222,079	-	-	89,222,079	1,174,505	15,390,544	-	16,565,049	72,657,030	88,047,574		
12	INTANGIBLE ASSETS	-	2,496,648	-	2,496,648	-	188,104	-	188,104	2,308,544	-		
	TOTAL	590,025,412	50,529,956	11,026,061	629,529,307	207,741,987	48,545,656	9,710,813	246,576,829	382,952,477	382,283,425		
	PREVIOUS YEAR	430,130,495	170,597,625	10,702,707	590,025,412	186,250,383	31,077,053	9,585,450	207,741,987	382,283,425	243,880,111		



Schedules forming part of the Balance Sheet

Particulars	Amount (In Rs.)	
	As at 31.03.11 Audited	As at 31.03.10 Audited
SCHEDULE 'F'		
Investments:		
Unquoted Shares		
40 Eq. Shares of Rs.100 each of M/s Maha Shakti Association, Ahmedabad	4,000	4,000
UTI- Treasury Advantage Fund - Mutual Fund	-	100,000
	4,000	104,000
CURRENT ASSETS, LOANS & ADVANCES		
SCHEDULE 'G'		
Inventories: (As taken, valued and certified by the management)		
i) Raw Material incl. Transit	496,403,134	461,179,657
ii) Packing Material incl. Transit	107,843,501	82,886,276
iii) Finished Goods incl. Transit	788,545,931	531,852,157
iv) Finished Goods Unpacked	18,054,390	17,496,724
v) DEPB Licence in stock	7,179,775	19,034,244
vi) Stores & Spares etc.	707,312	579,765
	1,418,734,043	1,113,028,823
SCHEDULE 'H'		
Sundry Debtors (Unsecured and considered good)		
i) Debts outstanding for a period exceeding six months	13,897,712	9,567,066
ii) Other Debts	1,363,166,577	946,254,068
	1,377,064,289	955,821,134
SCHEDULE 'I'		
Cash & Bank Balances:		
i) Cash in hand	1,506,802	1,615,895
ii) DD/Cheques in hand	10,668,306	13,154,804
iii) Balance with Scheduled Banks:		
a) In Current Accounts	4,253,875	2,924,095
b) In Unclaimed Dividend Accounts	2,235,702	1,839,394
iv) Fixed deposits with scheduled banks		
Fixed Deposit with scheduled Banks (Incl Interest Accured But not due on FDR's)	30,868,727	793,029
	49,533,413	20,327,217



Schedules forming part of the Balance Sheet

Amount (In Rs.)

Particulars	As at 31.03.11 Audited	As at 31.03.10 Audited
SCHEDULE 'J'		
Loans & Advances: (Unsecured and considered good unless stated otherwise)		
i) Advance recoverable in cash or in kind or for value to be received	336,685,497	150,738,406
ii) Security Deposits	18,425,154	7,014,821
iii) Advance Payment of Income Tax & Wealth Tax	379,757,184	315,453,924
iv) Advance Payment of Fringe Benefit Tax	6,910,667	10,790,520
	741,778,502	483,997,671
CURRENT LIABILITIES & PROVISIONS		
SCHEDULE 'K'		
Current Liabilities:		
i) Sundry Creditors	476,527,465	409,274,054
ii) Deposit from Customers	114,917,340	89,104,448
iii) Advance from Customers	84,072,967	79,376,318
iv) Other Liabilities	467,022,834	408,693,259
vi) Unclaimed Dividend	2,229,877	1,829,558
	1,144,770,483	988,277,637
SCHEDULE 'L'		
Provisions:		
i) Provision for Income Tax	382,070,345	319,972,470
ii) Provision for Wealth Tax	596,632	386,515
iii) Provision for Fringe Benefit Tax	6,629,150	11,421,865
iv) Proposed Dividend	100,039,000	64,252,300
v) Tax on Proposed Dividend	16,615,227	10,671,504
	505,950,354	406,704,654
SCHEDULE 'M'		
MISCELLANEOUS EXPENDITURE (To the extent not written off)		
Deferred Revenue Expenses	7,293,890	106,736
	7,293,890	106,736



Schedules forming part of the Profit and Loss Account

Particulars	Amount (In Rs.)	
	For the year ended 31.03.11	For the year ended 31.03.10
	Audited	Audited
SCHEDULE 'N'		
INCREASE/(DECREASE)IN STOCK		
Opening Stock:		
Finished Goods incl Transit	531,852,157	425,480,271
Unpacked Finished Goods	17,496,724	27,704,386
	549,348,881	453,184,657
Closing Stock:		
Finished Goods incl Transit	788,545,931	531,852,157
Unpacked Finished Goods	18,054,390	17,496,724
	806,600,321	549,348,881
Increase/(Decrease) in Stock	257,251,440	96,164,224
SCHEDULE 'O'		
RAW MATERIAL CONSUMED		
Opening Stock	461,179,657	394,123,988
Add: Purchases	2,664,781,956	2,345,532,859
	3,125,961,613	2,739,656,847
Less: Closing stock	496,403,134	461,179,657
Raw Material Consumed	2,629,558,479	2,278,477,190
SCHEDULE 'P'		
MANUFACTURING EXPENSES		
Wages, Bonus & Allowances	58,683,741	48,015,484
Contribution to PF & ESI etc.	6,479,686	5,234,214
Power, Fuel, Electricity & Water Charges	12,642,161	12,065,493
Packing Material	580,761,638	409,573,999
Consumable Stores	2,336,783	2,516,169
Manufacturing Exp (Seeds)	1,835,199	1,601,203
Repairs & Maintenance :		
- Plant & Machineries	6,055,212	4,303,710
-Factory Buildings	4,303,675	779,037
-Factory Others	764,768	1,321,942
Security Charges	2,305,205	1,849,920
Laboratory Expenses	2,251,745	2,309,944
ISI Marking Fees	603,194	1,238,708
Laboratory R&D Expenses	9,654,574	5,070,450
	688,677,581	495,880,273
SCHEDULE 'Q'		
INTEREST & FINANCE CHARGES		
Interest on others	32,497,180	30,958,098
Bank Interest & Other Financial Charges	32,135,932	36,802,414
	64,633,112	67,760,512



Schedules forming part of the Profit and Loss Account

Amount (In Rs.)

Particulars	For the year ended 31.03.11	For the year ended 31.03.10
	Audited	Audited
SCHEDULE 'R'		
ADMINISTRATIVE EXPENSES		
Salaries, Allowances & Commission	239,731,331	185,317,439
Contribution to PF & ESI etc.	13,625,960	8,866,272
Gratuity	14,201,427	3,269,559
Staff Welfare & Medical Expenses	19,147,364	16,029,957
Travelling & Conveyance	50,507,169	41,120,187
Communication Expenses	10,530,889	8,146,222
Postage & Telegram	2,806,039	2,341,579
Printing & Stationery	3,950,019	3,337,229
Office & Godown Rent	14,840,318	11,702,236
Rates & Taxes	2,260,857	1,197,114
Insurance Charges	5,472,520	6,122,998
Legal & Professional Charges	12,323,224	4,899,285
Repairs & Maintenance:		
-Buildings	8,723,000	2,548,598
-Others	6,264,347	5,022,948
Electricity & Water Charges	2,940,518	3,163,668
Books & Periodicals	105,578	143,913
Subscription & Membership	759,611	838,592
Charity & Donation	485,050	229,354
Miscellaneous Expenses	1,298,211	990,384
Auditors' Remuneration	350,000	250,000
Meeting Fees	310,000	212,000
Cost Auditors' Remuneration	75,000	60,000
Vehicle Maintenance	45,329,101	39,709,808
	456,037,532	345,519,342
SCHEDULE 'S'		
MARKETING & SELLING EXPENSES		
Education & Seminar	16,096,671	22,958,985
Advertisement & Publicity	64,901,498	48,370,139
Business Promotion Expenses	1,686,748	1,811,664
Bad Debts	8,482,674	23,233,841
Freight & Cartage on STV & Sales	139,159,281	122,904,715
Expenses for Field Assistants	96,501,382	74,526,602
	326,828,254	293,805,946



SCHEDULE 'T' NOTES ON ACCOUNTS

1. Significant Accounting Policies

a) Basis of Accounting:

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting with the accounting principles generally accepted in India ('GAAP') and comply with the mandatory Accounting standards ('AS') issued by the Institute of Chartered Accountants of India to the extent applicable and with the relevant provisions of the Companies Act, 1956.

b) Fixed Assets:

Fixed Assets are stated at cost of acquisition (net of CENVAT, wherever applicable), less accumulated depreciation till the end of financial year. Cost is inclusive of freight, duties, levies, installation expenses and any directly attributable cost of bringing the assets to their working condition for intended use which are capitalized till the assets are ready to be put to use.

c) Depreciation:

Depreciation on fixed assets is provided on written down value method (WDV) at the rate and in the manner prescribed in schedule XIV to the Companies Act, 1956. On the addition of the assets, depreciation has been provided from the day on which the asset was actually put to use. Depreciation in case of disposal/sale of assets is provided up to the date of disposal/sale of assets on pro rata basis.

d) Revenue Recognition:

Revenue from sales of goods is recognized when risk and rewards in respect of ownership of goods are transferred to the customers and no significant uncertainty exists regarding the amount of consideration that is derived from the sale of goods.

Revenue from sales of products is stated exclusive of Returns, Sales Tax/VAT, and applicable rebates & discounts as per policy of the Company.

Insurance claims are booked on the basis of best estimates/loss as surveyed/assessed.

Interest income is accounted for on accrual basis.

e) Inventories:

- Inventories of raw materials, packing materials and work in progress (WIP) are valued at the lower of cost (net of CENVAT) and net realizable value on First in First out basis.

- Finished Goods are valued at the lower of cost (including overheads and excise duty) or net realizable value.

- Costs are generally calculated at standards adjusted to actual in case of raw materials & packing materials & in the case of manufactured inventories & the work in progress (WIP) same is valued at cost. The finished goods cost includes cost of conversion and other cost incurred in bringing the inventories to their present location and condition.

- Excise duty in respect of closing inventory of finished goods is included as a part of inventory.

- CENVAT credits in respect of raw materials consumed and packing materials used for manufacture of goods is deducted from the cost of raw materials and packing materials consumed in the production of finished goods.

f) Foreign Currency Transactions:

(i) Initial Recognition:

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion:

At the year end, monetary items denominated in the foreign currencies are converted into equivalent rupee value by applying prevalent exchange rates at the year end.

(iii) Exchange Differences:

All the exchange differences arising on settlement / reinstatement of foreign currency transactions are adjusted in the Profit and Loss Account, except in cases where they relate to the acquisition of fixed assets acquired from outside India, in that case they are adjusted in the cost of the corresponding assets.

(iv) Forward Exchange Contracts not intended for trading or speculation purposes:

The Company's derivative instruments comprise of forward exchange contracts which are not intended for trade or speculation purposes. In respect of Derivative contracts, provision for losses on restatement and gains/losses on settlement are recognized along with the underlying transaction and charged to Profit and Loss Account.



g) **Investments:**

Unquoted Shares are valued at cost.

h) **Employee Benefits :**

i) **Defined Contribution Plans:**

The Company has Defined Contribution plans for post employment benefits namely Provident Fund and Superannuation Fund which are administered through appropriate authorities.

The Company contributes to a Government administered Provident Fund, Employees' Deposit Linked Insurance Scheme and Family Pension Fund on behalf of its employees and has no further obligation beyond making its contribution.

The Superannuation Fund applicable to certain employees is a defined contribution plan as the Company makes contributions to Officers' Superannuation Scheme which is administered by an insurance Company and has no further obligation beyond making the payment to the insurance Company.

The Company makes contributions to State plans namely Employees' State Insurance Fund and has no further obligation beyond making payment to them.

The Company's contributions to the above funds are charged to revenue every year.

ii) **Defined Benefit Plans:**

The Company has a Defined Benefit Plan namely Gratuity covering its employees. The gratuity scheme is funded through Group Gratuity-cum-Life Assurance Scheme and the liability for the defined benefit plan of Gratuity and Pension is provided based on an actuarial valuation at the year-end.

(iii) Termination benefits are recognized as an expense as and when incurred.

(iv) **Other Employee Benefits:**

The employees of the Company are entitled to leave encashment and long service awards as per the policy of the Company. The liability in respect of the same is provided, based on an actuarial valuation carried out by an independent actuary at the year-end.

(i) **Taxes on Income:**

Provision for Income Tax comprises of current tax,

deferred tax charge or release. Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961.

Deferred Tax is recognized, subject to consideration of prudence, on timing differences, being difference between taxable and accounting income and expenditure that originate in one period and are capable of reversal in one or more subsequent period(s). Deferred tax assets are not recognized unless there is "virtual certainty" that sufficient future taxable income will be available against which such deferred tax assets will be realized.

(j) **Provisions and Contingencies:**

Provision, Contingent Liabilities and Contingent Assets:

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure as specified in Accounting Standard 29 – "Provisions, Contingent Liabilities and Contingent Assets" is made.

Contingent Assets are not recognised in the financial statements.

k) **Earnings Per Share (EPS)**

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

Dilutive potential equity shares are deemed to be converted as of the beginning of the year, unless they have been issued at a later date. The number of shares used for computing the diluted EPS is the weighted average number of shares outstanding during the year after considering the dilutive potential equity shares.

l) **Deferred Revenue Expenditure:**

Revenue expenditure where benefit is expected to accrue over a longer period is amortized equally over a period of 5 years.



2. Contingent Liabilities not provided for:

Particulars	As on 31.03.2011 (Rs.)	As on 31.03.2010 (Rs.)
a) Bank Guarantees	3,40,000	Nil
b) Letter of Credit	37,97,69,695	11,42,27,475
c) Sales Tax pending in appeals	2,63,000	2,63,000
d) Income Tax cases pending in appeals	10,64,244	21,29,460
e) Excise Disputes pending	1,04,13,000	1,04,13,000
f) Claims against the Company not acknowledged as debt	--	77,663

3. Remuneration paid/provided to Directors:

Particulars	As on 31.03.2011 (Rs.)	As on 31.03.2010 (Rs.)
i) Salary	1,43,07,342	73,80,000
ii) Commission	3,82,92,658	2,97,58,236
iii) Provident Fund and Superannuation Fund	6,02,000	1,08,000
iv) Value of perquisites	2,65,800	2,28,300

4. Computation of Net Profit for determination of Managerial Remuneration in accordance with section 349 read with Sec 198 of the Companies Act, 1956:

(Rs. In Lakhs)

Particulars	Year ended 31.03.2011
Profit before Tax and after Extraordinary Item as per Profit and Loss Account	6720.00
Add: Depreciation as per Books of Account	485.46
Add: Remuneration to Directors	157.75
Less : Profit on Sale of Fixed Assets	7.15
Less: Depreciation as per Section 350 of the Companies Act, 1956.	485.46
Net Profit in accordance with Section 349 of Companies Act, 1956.	6864.60
Maximum Managerial Remuneration permissible	686.46
Total Remuneration restricted to	534.68

5. Remuneration paid/provided to Auditors (Excluding Service Tax):

Particulars	As on 31.03.2011 (Rs.)	As on 31.03.2010 (Rs.)
i) Audit Fees & Tax Audit Fees	3,50,000	2,50,000
ii) As advisor or in any other capacity	Nil	Nil
iii) In any other manner	1,69,505	1,75,000
Total:	5,19,505	4,25,000



6. Defined-Benefit Plans (Accounting Standards AS-15):

The Company offers its employees defined-benefit plans in the form of a gratuity scheme. Benefits under the defined-benefit plans are typically based either on years of service and the employee's compensation (generally immediately before retirement). The gratuity scheme covers substantially all regular employees. For the gratuity scheme, the Company contributes funds to Gratuity Trust.

The actuarial valuation is done based on "Projected Unit Credit" method.

(Rs. In Lakhs)

	As on 31.03.2011	As on 31.03.2010
Defined Benefit commitments :		
Present value of obligation at the beginning of the Year	218.35	184.99
Interest Cost	17.47	14.80
Current Service Cost	25.61	20.86
Past Service Benefit-Vested Benefit	17.60	-
Benefit Paid	(33.95)	(17.44)
Actuarial (Gain)/Loss on Obligations	185.53	15.14
Present Value of Obligation at the end of the Year	430.61	218.35
Fair Value of Plan Assets :		
Fair Value of Plan Assets at the beginning of the Year	384.55	146.30
Expected return on Plan Assets	30.76	11.70
Contributions	140.95	172.20
Benefit Paid	(33.95)	(17.44)
Actuarial (Gain)/Loss on Obligations	(3.63)	71.79
Fair value of plan Assets at the end of the year	518.68	384.55
Return on Plan Assets :		
Expected return on plan Assets	30.76	11.70
Actuarial Gain/(Loss) on assets for the period	(3.63)	71.79
Actual return on plan assets	27.13	83.49
Expenses on defined benefit Plan:		
Current service Cost	25.61	20.86
Interest Cost	17.47	14.80
(Expected return on Plan Assets)	(30.76)	(11.70)
Actuarial (Gain)/Loss	189.16	(56.65)
Past Service Cost-Vested Benefit	17.60	-
Expenses charged to the Profit & Loss account	219.08	32.70

The actuarial calculations used to estimate defined commitments and expenses are based on the following assumption which if charged, would affect the defined commitment's size, funding requirements :

	As on 31.03.2011	As on 31.03.2010
Particulars of Assumptions		
Rate of discounting liabilities	8%	8%
Rate of return on plan assets	8%	8%
Expected salary increase rate	5%	5%
Attrition Rate	2%	2%



7 Related Party Disclosure (Accounting Standard AS-18):

a) Key Managerial Personnel & Relatives :

- Mr. Ram Gopal Agarwal, Director
- Mr. Mahendra Kumar Dhanuka, Managing Director
- Mr. Arun Kumar Dhanuka, Director
- Mr. Rahul Dhanuka, Director
- Mr. Krishnakumar Baijnath Kejariwal, Director (upto 13th Sep,2010)

Relatives of Mr. Ram Gopal Agarwal

- Mr. Satya Narain Agarwal, Brother
- Mrs. Urmila Dhanuka, Wife
- Mrs. Reema Khowala, Daughter
- Mrs. Rashmi Gupta, Daughter

Relatives of Mr. Mahendra Kumar Dhanuka

- Mr. Satya Narain Agarwal, Brother
- Mrs. Uma Dhanuka, Wife
- Mr. Mridul Dhanuka, Son
- Mr. Harsh Dhanuka, Son

Relatives of Mr. Arun Kumar Dhanuka

- Mrs. Pushpa Dhanuka, Mother
- Mr. Manish Dhanuka, Brother
- Mrs. Mamta Dhanuka, Wife

Relatives of Mr. Rahul Dhanuka

- Mrs. Madhuri Dhanuka, Wife
- Ms. Shailja Dhanuka, Daughter
- Mst. Shashwat Dhanuka, Son

Relatives of Mr. Krishnakumar Baijnath Kejariwal

- Mr. Shriyas Kejariwal, Son
- Mrs. Aarti Gupta, Daughter
- Mrs. Manju Kejariwal, wife

Companies/Firm in which key management personnel & their relatives have significant influence

- | | |
|--|--|
| ● Cosmo Components Private Limited | ● H.D.Realtors (P) Ltd. |
| ● Duke Impex Private Limited | ● Dhanuka Pvt. Ltd. |
| ● Exclusive Leasing and Finance Limited | ● Madhuri Designs –N- Exports (P) Ltd. |
| ● Golden Overseas Limited | ● Balaji Buliders |
| ● Growth Advertising and Marketing Private Limited | ● S.P. Enterprises |
| ● Hindon Mercantile Limited | ● Investors Associates |
| ● Liberty Sales Private Limited | ● Eight Reit |
| ● Zoom Leasing and Finance Company Limited | ● Shree Ram Enterprises |
| ● Sikkim Agro Industries Limited | ● Passion Alliance |
| ● Dhanuka Laboratories Limited | ● Tempex Enterprises |
| ● Dhanuka Infotech (P) Ltd. | ● Key ideas Infotech PLtd. |
| ● M.D.Buildtech (P) Ltd. | |



b) Nature and Volume of Transactions :

Salary to Mr. Harsh Dhanuka	Rs. 19,23,000/-
Salary to Mr. Mridul Dhanuka	Rs. 17,18,925/-
Lease Rent of Hyderabad Farm Land:	
Mr. Satya Narain Agarwal	Rs. 2,80,000/-

c) Details of FDRs and interest paid thereon during the year to key management personnel and their relatives.
(Amount in Rs.)

S.No.	Name of the Depositor	Opening Balance	Received during the year	Paid during the year	Interest Paid	Balance as on 31.03.11
1	Mr. Mridul Dhanuka	73,465	---	80,374	6,909	---
2	Mrs. Pushpa Dhanuka	94,455	---	94,970	515	---
3	Mrs. Urmila Dhanuka	52,475	---	57,975	5,500	---
4	Mrs. Uma Dhanuka	1,04,950	---	1,06,246	1,296	---
5	Mrs. Madhuri Dhanuka	78,712	---	79,684	972	---
6	Mrs. Aarti Gupta	2,88,612	---	3,03,187	14,575	---
7	Mrs. Rashmi Gupta	1,10,197	---	1,13,610	3,413	---
9	Mrs. Manju Kejariwal	104,950	---	1,05,914	964	---
	Total	9,07,816	---	9,41,960	34,144	---

d) Details of Unsecured Loans received and interest paid there on from Directors and companies in which Directors and their relative are substantially interested :
(Amount in Rs.)

S. No.	Name of Depositor	Opening Balance	Received during the Year	Paid/Debited during the Year	Interest Accrued	Balance as on 31.03.11
1	Cosmo Components Private Limited	548,625	0	600,765	52,140	0
2	Duke Impex Private Limited	804,650	0	881,123	76,473	0
3	Exclusive Leasing & Finance Ltd.	18,113,111	30,206,390	26,587,304	790,174	22,522,371
4	Golden Overseas Limited	4,731,953	2,020,000	7,334,459	582,506	0
5	Growth Advertising & Marketing Private Limited	1,191,300	0	1,304,519	113,219	0
6	Hindon Mercantile Limited	6,999,435	10,170,670	17,704,328	929,968	395,745
7	Liberty Sales Private Limited	1,071,125	0	1,172,923	101,798	0
8	Zoom Leasing & Finance Co. Limited	10,617,478	19,172,740	15,008,846	1,224,114	16,005,486
9	Sikkim Agro Industries Limited	13,823,399	3,200,000	1,373,085	1,517,788	17,168,102
10	Dhanuka Pvt.ltd.	14,000,000	6,000,000	1,810,137	1,810,137	20,000,000
11	Mr. R.G.Agarwal	0	18,500,000	7,233	72,329	18,565,096
12	Mr. M.K.Dhanuka	0	5,000,000	2,055	20,548	5,018,493
13	Mr. Rahul Dhanuka	0	3,500,000	1,438	14,384	3,512,946
14	Keyideas Infotech Pltd.	5,316,493	8,400,000	9,437,694	581,610	4,860,409
15	M.D.Buildtech Pvt. Ltd.	5,746,445	20,046,326	26,113,482	320,711	0
16	Dhanuka Infotech Pvt. Ltd.	0	55,800,000	51,654,669	609,700	4,755,031
	Sub Total	82,964,014	182,016,126	160,994,060	8,817,599	112,803,679

e) Details of Interest Received from Company where Directors and their relatives are substantially interested:

M/s Dhanuka Laboratories Ltd.	Rs15,79,417/-
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f) Details of Rent received from Companies in which Directors and their relatives are substantially interested:

M/s Golden Overseas Ltd.	Rs 6000/-
M/s Zoom Leasing & Finance Co. Ltd.	Rs 6000/-
M/s Sikkim Agro Industries Ltd.	Rs 6000/-
M/s Exclusive Leasing & Finance Co. Ltd.	Rs 6000/-
M/s Hindon Mercantile Ltd.	Rs 6000/-
M/s Dhanuka Laboratories Ltd.	Rs 12000/-

8. Earning per share :

Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
Net Profit / (Loss) for the year (Rs.)	51,11,20,633	36,33,75,232
No. of shares	5,00,19,500	91,78,900
Nominal value of Shares (Rs.)	2	10
Basic & Diluted EPS (Rs.)	10.61	39.59
Basic & Diluted EPS (Rs.) (Restated) at face value Rs. 2/- for the previous year	---	7.92

9. Accounting for Tax on Income:

In accordance with the requirements under the Accounting Standard AS-22 "Accounting for Taxes on income", the Company has provided Rs.110.77 Lakhs during the year as Deferred Tax Liabilities.

Deferred Tax Assets & Liabilities as on 31st March, 2011 are as under:-

Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
Deferred Tax Assets/(Liabilities)	(275.92)	(165.15)
Accumulated Depreciation		
Net Deferred Tax Assets/(Liability)	(275.92)	(165.15)

The Deferred Tax Liability/Assets has arisen on account of the time difference between the depreciation admissible under the Income Tax Act, 1961 and the depreciation adjusted in the Accounts.

10. On 9th July 2010 a fire broke out at Gurgaon plant situated at Daulatabad Road, Gurgaon. The claim for the same was filed with the Insurance Company. The accounting effect for claim has been given on the basis of provisional assessment of the surveyor. The claim has not yet been received by the Company.
11. In terms of Accounting Standard (AS 28) on "impairment of Asset" issued by Institute of Chartered Accountant of India (ICAI), the Company during the year carried out an exercise of identifying the assets that may have been impaired in accordance with the said accounting standard. The Company has identified that no asset of the Company has been impaired during the year.
12. **Segment information :**

The Company is engaged in the business of manufacturing and trading of various types of pesticides. The entire operations are governed by same set of risk and returns. Hence the same has been considered as representing a single primary segment. The said treatment is in accordance with the guiding principles enunciated in the Accounting Standard - 17 on segment reporting.



13. In pursuance to Section 81(1A) of the Companies Act, 1956 read with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the Regulations") The Company has issued and allotted 41,25,000 equity shares of Rs. 2/- each on preferential basis, at a premium of Rs.80.20 per share, constituting post issue 8.25% of the total issued and paid-up share capital of the Company to M/s 2020 Equity Investors Limited, a sub account of Muse Capital Advisors Limited, in the Board meeting held on 13th September, 2010. The approval of the shareholders was accorded in the Extra-Ordinary General Meeting of the Company held on 30th August, 2010.
14. The Company has subdivided its equity shares of face value of Rs.10/- each into 5 equity shares of face value of Rs.2/- each. The record date for this purpose was 4th September, 2010. Due to the aforesaid split up of shares the basic & diluted earning per share has been restated for the previous year.
15. Amount due to Small and Medium Enterprises and outstanding for more than 30 days is Rs.101.78 lakhs. The names of such Small and Medium Enterprises for the period ended 31st March, 2011 is given below:

S. No.	Name of The Suppliers	Amount in Rs.
1	National Print 'N' Pack	46,910
2	Printco	99,858
3	Bharat Extrusion	2,335,815
4	Ankita Plastics	442,497
5	Bullion Flexi Pack Pvt. Ltd.	143,257
6	Decorative Sleeves Pvt. Ltd.	360,887
7	Delhi Extrusion Pvt. Ltd.	3,875,876
8	Ess Kay Enterprises	407,451
9	Ganesh Enterprises	256,224
10	Kumar Packaging	46,709
11	P. S. Packers	115,479
12	R. R. Enterprises	985
13	S. S. Packers	164,126
14	Sharan Enterprises (P) Ltd.	11,475
15	K. A. Enterprises Bhavnagar	896,055
16	Bharat Packaging Industries	681,453
17	Clear Mipak Packaging Solution Ltd	292,593
	Total	10,177,650

16. The information as per Para 3 & 4 of Part II of Schedule VI of the Companies Act, 1956 is an under :

A. Capacity :

Sr No.	Pesticides Formulations	Unit	Year	Licenced Capacity	Installed Capacity	Production
1.	Liquids	K.L	2010-11	9220	9220	7730.01
		K.L	2009-10	8675	8675	7018.79
2.	Powder, Dust & Granules	M.T	2010-11	28240	28240	22177.74
		M.T	2009-10*	28240	28240	23694.96
3.	Seed Production	M.T	2010-11	-	-	994.18
		M.T	2009-10	-	-	4688.18

*Last year Capacity rectified.



B. C.I.F. Value of Imports:	2010-11	2009-10
Raw Materials	68,81,39,855	77,15,07,132
C. Earnings & Expenditure in Foreign Currency :	2010-11	2009-10
Insurance Claim	61,838	8,61,985
Foreign Travelling Expenses	10,48,218	3,50,316
D. Value of Imports & Indigenous Raw Materials ,Stores & Spare Parts consumed and percentage of each to total consumption :		

Sr No.	Year 2010-11 Value (Rs.)	(%)	Year 2009-10 Value (Rs.)	(%)
1. Raw Materials :				
*Imported	90,38,33,576	34.37	97,30,30,928	42.71
*Indigenous	1,72,57,24,903	65.63	1,30,54,46,262	57.29
Total	2,62,95,58,479	100.00	2,27,84,77,190	100.00
2. Packing Materials :				
*Imported	-	-	-	-
*Indigenous	58,07,61,638	100	40,95,73,999	100
Total	58,07,61,638	100	40,95,73,999	100

17. In accordance with notification no S.O.301(E) dated 08th Feb., 2011 issued by Ministry of Corporate Affairs Govt. of India, exempting manufacturing Company from disclosing information required under Para 3(i) (a) and 3(ii) (a) of the Part II of Schedule VI i.e. disclosure of information about sales and raw materials consumed , the Board has approved not to disclose the aforesaid information.
18. Sundry Debtors/Customers are shown net of trade discounts and rate differences.
19. Previous year's figures have been regrouped and rearranged wherever considered necessary.
20. All the figures have been shown to the nearest rupee.

For **DINESH MEHTA & CO.**
Chartered Accountants
Firm Registration No:000220-N

For and on behalf of the Board of Directors

Sd/-
ANUP MEHTA
Partner

Sd/-
SHUBHA SINGH
Company Secretary

Sd/-
V.K.BANSAL
C.F.O

Sd/-
M.K.DHANUKA
Managing Director

Sd/-
R.G.AGARWAL
Chairman

Membership No : 093133
Place : Gurgaon
Dated : 23rd May, 2011



BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE

1. Registration Details

Registration No. : 20126 State Code : 55
Balance Sheet Date : 31.03.2011

2. Capital Raised during the year (Amount in Rs. '000)

Public Issue : 8250
Rights Issue : Nil
Bonus Issue : Nil
Private Placement : Nil

3. Position of Mobilisation and Deployment of Funds (Amount in Rs. '000)

Total Liabilities : 2334392 Total Assets : 2334392

Sources of Funds

Paid-up Capital : 100039 Reserves & Surplus : 1604730
Secured Loans : 454926 Unsecured Loans : 147105

Application of Funds

Net Fixed Assets : 390705 Investments : 4
Net Current Assets : 1936389 Misc.Expenditure : 7294
Accumulated Losses : Nil

4. Performance of Company (Amount in Rs. '000)

Turnover : 5486207 Total Expenditure : 4814200
Profit before Tax : 672007 Profit after Tax : 511121
Earning per share in Rs. : 10.61 Dividend Rate : 100%

5. General Names of three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code) : 380893.90 Product Description : QUIZALOFOP ETHYL
Item Code No. (ITC Code) : 380891.99 Product Description : CARTAP HYDROCHLORIDE
Item Code No. (ITC Code) : 380891.99 Product Description : PROPERGITE

For and on behalf of the Board of Directors

Sd/-
SHUBHA SINGH
Company Secretary

Sd/-
V.K.BANSAL
C.F.O

Sd/-
M.K.DHANUKA
Managing Director

Sd/-
R.G.AGARWAL
Chairman

Place : Gurgaon (Haryana)
Dated : 23rd May, 2011



CASH FLOW STATEMENT PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

Amount (In Rs.)

	2010-2011	2009-2010
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit/(Loss) before tax and extra-ordinary items	672,006,835	489,971,764
Adjustments for:		
Depreciation	48,545,656	31,077,053
(Profit)/Loss on sale of Fixed Assets	(715,235)	(445,912)
Interest	57,438,132	65,553,398
Preliminary Expenses written off	106,734	106,734
Operating Profit before working capital changes	777,382,121	586,263,037
Adjustments for:		
Trade & other receivables		
a) Sundry Debtors	(421,243,155)	(209,011,223)
b) Loans & Advances	(257,780,831)	(70,226,832)
c) Inventories	(305,705,220)	(177,011,594)
d) Trade Payables	157,087,556	152,295,092
Cash generated from operations	(50,259,529)	282,308,480
Interest paid	(57,438,132)	(65,553,398)
Direct taxes paid	(93,461,327)	(60,016,439)
Cash flow before extra-ordinary items	(201,158,988)	156,738,643
Extra-ordinary items:		
Excess Tax Provisions / Liability of last year w.back	572,451	227,923
Increase in Deferred revenue expenditure	(7,293,890)	
Net cash from Operating Activities	(207,880,426)	156,966,566
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchases of Fixed Assets	(54,196,147)	(169,032,698)
Sale of Fixed Assets	2,030,483	1,563,170
Investment in Mutual Fund	100,000	(100,000)
Change in Long Term Fixed Deposit	(30,075,698)	10,906,948
Net cash from Investing Activities	(82,141,362)	(156,662,580)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issue of share capital	339,075,000	-
Proceeds from Short Term Borrowings from Bank	25,001,089	61,591,819
Dividend & Tax on Dividend	(74,923,804)	(64,433,124)
Net Cash used in Financing Activities	289,152,285	(2,841,305)
Net increase in Cash and Cash Equivalent (A+B+C)	(869,503)	(2,537,319)
CASH AND CASH EQUIVALENT - OPENING BALANCE		
Cash/DD in hand & balance in current accounts	19,534,188	22,071,507
	18,664,685	19,534,188
CASH EQUIVALENT - CLOSING BALANCE		
Cash/DD in hand & balance in current accounts	18,664,685	19,534,188
	18,664,685	19,534,188

For and on behalf of the Board of Directors

Sd/-
SHUBHA SINGH
Company Secretary

Sd/-
V.K.BANSAL
C.F.O

Sd/-
M.K.DHANUKA
Managing Director

Sd/-
R.G.AGARWAL
Chairman

AUDITORS' REPORT

We have examined the attached Cash Flow Statement of M/s Dhanuka Agritech Limited for the year ended 31.3.2011. The statement has been prepared by the Company in accordance with the requirements of Listing Agreement Clause-32 with Mumbai Stock Exchange Ltd. and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report on 23rd May,2011 to the members of the Company. The figures have been shown to the nearest rupee.

For **DINESH MEHTA & CO.**
Chartered Accountants
Firm Registration No:000220-N

ANUP MEHTA
Partner
Membership No : 093133
Place : Gurgaon
Dated : 23rd May, 2011

Dhanuka's Corporate Social Responsibility Initiatives



Around 500 techno-commercial staff every day educating farmer on advance farm techniques under 'Dhanuka Kheti Ki Nai Takneek' Programme



Company organized Haryana's Farmer Visit to Gujarat for learning advance cotton growing technique from Gujarat Farmers.



Health Check Up camp in Kota Dashera Mela Where 740 Farmers were given their Health Check Up record



Dhanuka School (Ratangarh, Churu, Rajasthan) Awards, fellowships and scholarships to deserving students



Soil and water testing at farmer's Doorstep under Public-Private Partnership with Govt. of Rajasthan



Dhanuka Ashram Vrindavan Accommodation for devotees at 'No Loss No Profit' basis



Distribution of folder among farmers containing tips on Rain water conservation



Retail outlets Dispensing Right Product At Right Price with Right Technical Information



Dhanuka organised Meets with Universities on "Golden March towards Food & Nutritional Security".

Glimpses of the One-Day Meet Jointly Organized with SAUs

PAU, Ludhiana



Dr. M. S. Kang, VC, PAU, Ludhiana
Inaugurating the Meet on 3 June 2010



Dr. M. S. Kang, VC, PAU, Ludhiana
evincing keen
interest in the exhibition visit



Er. B. S. Sidhu, Director of Agriculture, Punjab ; Dr C.D. Mayee, Chairman,
ASRB, ICAR and Shri R.G. Agarwal, Chairman, Dhanuka Group
addressing the MEET at PAU



GBPUA&T, Pantnagar



Mr R. G. Agarwal, GC welcoming the
Guests & making Corporate Presentation
on 8 June 2010



Dr B. S. Bisht, VC, GBPU&T being
felicitated by the Chairman,
Dhanuka Group



Prof R. B. Singh, Former ADG, FAO
delivering a Key-Note Address



Dr B. S. Bisht, VC, GBPU&T giving
Presidential Remarks

CCSHAU, Hisar



Dr. K.S. Khokhar, VC, CCSHAU, Hisar
after his Chairman's remarks,
being felicitated by the Group Chairman
- Shri R.G. Agarwal on 8 July 2010.



Shri Sukhbir Kataria, Hon'ble Minister of
State for Agriculture & Cooperation,
Haryana, inaugurating the meet
at CCSHAU, Hisar.



A view of the guests on the dais at
PDKV, Akola on 10 July 2010.



VIPs lighting the lamp during the
One Day Meet at PDKV, Akola.

PDKV, Akola

JAU, Junagarh



JAU presenting memento to the
Group Chairman - Shri R.G. Agarwal
for his outstanding contributions



Dr. N. C. Patel, VC, Junagadh Agricultural
University after inauguration of the Meet
being felicitated by the Group Chairman -
Shri R.G. Agarwal on 19 July 2010



Mr R. G. Agarwal, Group Chairman
welcoming the participants and making
a corporate presentation



Dr N. C. Patel, VC, Junagadh
Agricultural University giving
Inaugural Address during the MEET.

ANGRAU, Hyderabad



Mr R. G. Agarwal, GC welcoming the
Guests & making Corporate Presentation



Dr P. Raghava Reddy, VC,
Acharya NG Ranga Agricultural
University, Hyderabad giving
Presidential Remarks during the MEET.



Dr. Ram Kishan Kusmaria, Hon'ble Minister of Farmers Welfare & Agriculture
Development, Govt. of Madhya Pradesh Releasing the publication, 'Public-Private-
Partnership in Agricultural Extension Management: A Case Study of Hoshangabad
Model,' brought out by MANAGE, Hyderabad during the MEET (left) & presenting
Inaugural Address (Right).





Dhanuka Agritech Limited

Regd. Office : 'DHANUKA HOUSE', 861-862, Joshi Road, Karol Bagh, New Delhi-110 005
Corp. Office : 14th Floor, Building 5A, Cyber City, DLF Phase III, Gurgaon-122002, Haryana

ATTENDANCE SLIP

DP ID*
Client ID*
Regd. Folio No.

Name and Address of the Registered Shareholder
--

* Applicable if shares are held in electronic form

I certify that I am a registered shareholder / proxy of the Company, I hereby record my presence at the 26th Annual General Meeting of the Company to be held on **Friday, the 29th July, 2011 at 11.00 a.m.** at **Shri Purshottam Hindi Bhawan, 11, Vishnu Digambar Marg (Rouse Avenue), New Delhi - 110 002**

Member's/Proxy's Signature

Note : Please fill this attendance slip and hand it over at the entrance of the hall



Dhanuka Agritech Limited

Regd. Office : 'DHANUKA HOUSE', 861-862, Joshi Road, Karol Bagh, New Delhi-110 005
Corp. Office : 14th Floor, Building 5A, Cyber City, DLF Phase III, Gurgaon-122002, Haryana

PROXY FORM

I/We _____ S/o, W/o, D/o _____
resident of _____ being a member/members of Dhanuka Agritech Limited, hereby appoint _____ S/o, W/o, D/o _____ in of _____ in the district of _____ or failing him _____ of _____ in the district of _____ as my/our proxy to attend and vote for me/us and on my/our behalf at the 26th Annual General Meeting of the Company to be held on **Friday the 29th July, 2011 at 11.00 a.m.** at **Shri Purshottam Hindi Bhawan, 11, Vishnu Digambar Marg (Rouse Avenue), New Delhi - 110 002** and at any adjournment thereof.

Signed this _____ day of _____ 2011

DP ID*
Client ID*
Regd. Folio No.

Affix a Revenue Stamp Rs. 1/-

* Applicable if shares are held in electronic form

Signature of Proxy

Signature of Registered holder (s)

Note : This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.



DHANUKA KHETI KI NAI TAKNEEK



Dhanuka's Premium Products



**A View of
New Corporate Office
at Gurgaon**



Dhanuka Agritech Limited

AN ISO 9001 : 2008 COMPANY

14th Floor, Building 5A, Cyber City, DLF Phase III Gurgaon- 122002, Haryana, India

Phone +91 124 3838 500 Fax +91 124 3838 888

E-mail : headoffice@dhanuka.com Website : www.dhanuka.com