

18th Annual Report

January-December 2011





Dear Shareholder

I have great pleasure in presenting our annual report for the year 2011 to you. We are very happy that the performance of your company is heartwarming during this year. Coming on the heels of a difficult 2010, the year 2011 was very good for all of us.

We have seen a 40% growth in revenues and a 88% growth in EBITDA during the year. This is a phenomenal performance even after providing for a bad year in 2010. Our gross margins improved from 44% to 46% which contributed significantly towards higher bottom line.

A few factors contributed to this good performance.

- Sunflower market is back to normal. We recorded a 57% growth in the revenues of this crop. We have run out of stocks in Latin America due to heavy sales. Pakistan had an unexpected good run in the last quarter with sunflower which helped us quite a lot.
- Pac Thai has achieved the status of a top player in the corn markets of Thailand. They have achieved a record sale of corn. Their overall business has grown by 89% during the year.
- Canola business in Australia has hit a purple patch. Our Triazine Tolerant (TT) products have got a very good pull in the market and have produced excellent results. We achieved a 76% growth in our global canola sales.
- We had an excellent year in Argentina. Backed by a successful season in sorghum, sunflower, corn and other crops they have achieved a record sales during the year with a growth of 25% in their revenues.
- Overall corn has done exceedingly well. We could not meet the demand in some of the countries. The corn business has grown by 59%, making it one of the best years for us in corn. We have seen great success with our hybrids PAC 999S and PAC 339 in various Asian countries like Indonesia and some of the North Latin American countries
- The rice business in India has grown substantially, on the back of an active participation in the Government subsidy business
- Our efforts to introduce high quality forage crops in India are yielding good results. Nutirfeed, Sugargraze, Makhani Grass and other forage products are getting excellent response.
- The sweet corn business has produced a record sale with a 88% growth.
- We have seen some initial success with our wheat varieties in Australia. Longreach is a wheat breeding program in which we have been investing continuously since its acquisition in 2007. The program has produced some good varieties like Scout, Spitfire and Cobra which have started gaining market share this year. This augurs well for us.
- The Nutrisun project has started with the commercialization of the products this year with some very good results in the frying oil segment.
- We continue to invest about 11% of our revenues in research. This might bring down current profits but it is an investment being made in the future of the business. We have enhanced our investment considerably in marker assisted breeding.

In addition to this

- We consolidated our US operations by closing down the Crosbyton facility and combining it with the facility in Hereford. This will save costs and bring greater efficiencies.
- We have brought in a more transparent and financial evaluation based model of research investments and appropriate budgeting of these expenses. We are now keeping a better track of our new product pipeline that is coming up for future introductions.
- We negotiated GM corn agreements with Monsanto for Brazil and Philippines which should help us in increasing our GM corn business substantially by 2015. This could be a big jump for us.
- We have arrived at a business model for India which should hopefully help them to improve their performance in future. Focused field teams led by experienced seed managers and linking of back end to Advanta global are positive developments which should help the business. The production and sales both will be done by UPL, thereby bringing a smoother flow of operations. Advanta brand and Advanta research will continue.
- The year started with a difficult inventory situation for us. With diligent production planning and inventory control we could convert a large part of our inventories to cash by the end of the year.

Overall 2011 was a good year for us. We hope to continue this trend into the future too although weather plays an important role in converting our plans into realities.

We thank you for your continued support and the confidence bestowed on us. We are sure we will continue to perform well and take Advanta down the path of excellent growth and prosperity.

Thank you.

V.R. Kaundinya
Managing Director & CEO

SUNFLOWER

Sunflower (*Helianthus annuus*) is an annual plant native to the Americas.

From the Americas, sunflower seeds were brought to Europe in the 16th century, where, along with sunflower oil, they became a widespread cooking ingredient. Nowadays, in addition to those traditional uses sunflower oil can be used for industrial applications, as lubricant, feedstock for biodiesel production, cosmetic adjuvant, paint adjuvant and many other applications. The cake remaining, after the seeds have been processed for oil, is used as a livestock feed.

Sunflower is cultivated with success in all continents, in Americas, Europe, Asia, Australia and its acreage has been constantly growing to cover now more than 25 millions hectares. Its main cultivation area is the basin around the Black Sea, in countries like Russia, Ukraine, Romania, Bulgaria and Turkey. Significant acreage is also grown in Argentina, India, Pakistan, France, Spain, Myanmar.

Sunflower oil represents the fourth source of vegetable and edible oil among 17 crops, after palm oil, soybean oil and oil seed rape oil.

Regular sunflower oil is mainly composed of the following fatty acids:

- Palmitic acid : 4 - 9%
- Stearic acid : 1 - 7%
- Oleic acid : 14 - 40%
- Linoleic acid : 48 - 74%

Several other types of sunflower oils are also produced, such as high oleic and mid oleic. High oleic sunflower oil has at least 82% oleic acid. Variation in unsaturated fatty acids profile is strongly influenced by both genetics and climate. In the last decade, high stearic sunflower lines have been developed in Spain to avoid the use of partially hydrogenated vegetable oils in the food industry.

Sunflower oil also contains tocopherols, carotenoids and waxes and has high vitamin E content. It is a combination of monounsaturated and polyunsaturated fats with low saturated fat levels.

ADVANTA SUNFLOWER BUSINESS

Advanta sunflower germplasm is very rich and very diversified and can be grown in many geographies in the world, from tropical and subtropical, to temperate environments. Starting from various breeding programs established world wide, Advanta breeding strategy is now focusing on developing new cultivars adapted to the main cultivations areas, the Black Sea and Latin America. Current commercial cultivars are among the best performing and most competitive in their maturity groups. Main breeding objectives include yield performance and yield stability, pathogen resistance, herbicide tolerance, oil quality.





Marker assisted selection has been introduced very early in Advanta breeding programs. Advanta is the sunflower company enjoying most knowledge and experience in this area, through its biotechnology laboratory of Balcarce, which is fully dedicated to sunflower. It is still a strong strategic aim to keep up with the most advanced genomic tools and enhance the efficiency of its main breeding programs.

Sunflower Business in Argentina: a renewed and innovative portfolio for a growing market share.

Advanta market share in the Argentinean sunflower market has reached 13% in 2011. In the last 5 years it has experienced significant growth, exceeding 50% in volume, based on the development and introduction of new products, and the mass adoption of CL technology, focusing on improving profitability across the line products.

The current product portfolio (2011) is composed of 11 hybrids of high performance and incorporating the latest technologies in the crop of sunflower, Clearfield, a registered trademark of BASF, High Oleic and the combination of both. The good performance of new products, the extensive research program, the increased brand awareness and recognition and an expanded sales force are the main strengths of the company locally to ensure sustained growth.

The latest innovation to the market by Advanta Argentina is the development of an innovative hybrid line through new crop design that will enable high density cultivation, allowing the use of more production inputs, and enhancing crop performance and yield stability.

Sunflower international business: an historical presence and a strong market share through well adapted germplasm and high performing hybrids.

Advanta sunflower germplasm is particularly adapted to subtropical and tropical environments and its hybrids, like Hysun 33, combined over the last two decades very good performance and high yield stability in many geographies in various continents. Then Advanta is a key player in India, Africa, Latin America, China, Pakistan, US, with significant market shares in each of those geographies.

Sunflower business development in Europe: close to commercial launch of a European portfolio under ALTA seeds brand.

Advanta will soon harvest the first fruits of their investments in Europe. After 4 years of research, development and registration efforts, first sunflower sales are planned in Romania, Bulgaria, Ukraine, and France at the end of 2012. Advanta will launch under the ALTA seeds brand to the farmers of those countries 5 hybrids, of which 2 are Conventional, 2 are Clearfield herbicide tolerant, and one is combining High Oleic and Clearfield herbicide tolerant traits.

A new research and breeding station has been created in 2011 in France, near Toulouse, to serve the needs of a constantly growing European market and to offer innovative hybrids in the future.

A breakthrough in sunflower oil quality - NUTRISUN PROJECT: High Stearic High Oleic Sunflower Oils

Nutrisun is a special program within Advanta in sunflower which aims at developing and implementing traits related to oils quality. Advanta owns intellectual property on high stearic and high oleic traits. Advanta's objective is to capture value out of these special quality traits at industrial level.

The Nutrisun challenge is to deliver premium oils for different food and industrial applications by integrating the whole sunflower oil chain through strategic alliances with oil crushers and manufacturers.

Nutrisun hybrids contain a high level of stearic acid, a solid fatty acid at normal temperature, that can replace tropical fats, palm oil, hydrogenated fats, the last two strongly questioned regarding environmental and health issues. On the other hand, increased oleic acid level, together with very low linoleic content provides high stability and resistance to oxidation to Nutrisun oil. Functionality, stability and regulation compliance are the stronger driving factors for our products positioning. Nutrisun hybrid portfolio is now rich of one High Stearic High Oleic hybrid, HS03, one Mid Stearic, and one Ultra High Oleic.



CANOLA

Canola and Indian Mustard, two oilseeds crops belonging to the Brassica's family.

Canola (*Brassica Napus*) was developed in the 70's through conventional plant breeding from rapeseed, an oilseed plant already used in ancient civilization as a fuel. The name Canola is a recent creation, standing for 'CANadian Oil with Low (erucic) Acid'. This crop profile was developed to improve oil quality, reducing the level of Erucic Acid and Glucosinolates, both compounds having undesired effects in human and animal consumption.

Hundreds of years ago, rapeseed oil was used as a fuel in lamps in Asia and Europe. The Chinese and Indians used a form of rapeseed oil that was unrefined (natural). Then with the development of industry, the demand for this oil rapidly increased as lubricant for steam engines.

The use as edible oil is quite recent and started 50 years ago, but this oil was at this time of low quality. It also contained a high concentration of erucic acid. Feed meal from the rapeseed plant also was not particularly appealing to livestock, due to high levels of glucosinolates. More recently, canola oil was used as feedstock for bio-diesel production, and greatly contributed to GHG emissions reduction.

Nowadays Canola oil offers one of the highest profiles of oil quality. Since the 90's, the crop profile rapidly evolved to offer to farmers herbicide tolerant hybrids (obtained by conventional breeding, genetic modification and mutagenesis) and to consumers new oil profile such as High Oleic Canola.

Spring Canola crop is mainly cultivated in Canada, US, Australia, but some significant acreage is also grown in Russia, Iran, South Africa and Pakistan.



Advanta Canola Business: A leadership position in Australia:

Advanta is a key player in the spring canola business, mainly in Australia. All R&D Operations are located in this country and a focused and efficient breeding program is regularly releasing high performing hybrids, making Advanta portfolio the best and widest across the industry. All herbicide tolerance technologies are available, (Round Up Ready, Triazine Tolerant, Clearfield) as well as all maturities required for the Australian market.

High focus on hybrids is also critical to progressively shift from an OP's and farm saved seeds market to a hybrid dominated market, enabling rapid crop productivity enhancement.

The quality and breadth of the Advanta canola portfolio, combined with high brand equity and strong field presence provides the company a leadership position on this market and a dominant market share.

Advanta International Presence

Many hybrids coming out of this program are well suited for other geographies and are successfully grown in South Africa, Argentina, Brazil, India, Northern Europe, Ukraine, demonstrating again the competitiveness and versatility of Advanta Canola breeding program.





INDIAN MUSTARD

Indian mustard (*Brassica Juncea*) is another brassica used as an oilseed crop, though the oil profile is different from Canola oil: the levels of Erucic acid and glucosinolates are higher than in canola oil, making this oil more pungent and more praised in many parts of India and in the traditional Indian cuisine.

Indian mustard as a crop is more adapted to hot and dry environments than canola. Indian Mustard is a major source of edible oil in India, Bangladesh and Sri Lanka, with more than 8 million hectares harvested. It could also become a good source of feedstock for bio-diesel production and a number of tests are being run in different geographies.

Advanta's Commitment to Indian Mustard Development

Advanta became the first company to commercialize an Indian Mustard Hybrid in 2007, by launching Coral 432 which showed a high yield performance, good cold tolerance, high oil content. This was at this time a major breakthrough, though the crop can be considered at the beginning of its development and showing good potential to develop.

Advanta's first priority is now to improve hybridization system and enlarge its portfolio, so the hybrid penetration on the seeds market can progressively expand in all-India geographies. As well, mid and long term projects are dedicated to oil profile improvements, reducing level of undesired compounds, while maintaining oil taste for instance.

CONCLUSION

Sunflower, Canola, Indian mustard, all three oilseeds crops, take a place of choice in Advanta strategy and crop portfolio. They will for sure drive company's growth in the next decade by developing seeds business in Europe where Advanta was not present yet, in key geographies like Australia, India or Argentina, Africa, Latin America and China and by constantly innovating through new traits, new genomic tools, new crop design, new oil quality and integrated business model enabling more value capture. Those crops also show good synergies in the R&D area, through common market technology platform for instance, and good geographic complementarities. They all contribute to Advanta's establishment as a global player in oilseeds market.



CSR INITIATIVES UNDERTAKEN BY ADVANTA

Advanta is committed to improve the quality of life of the workforce and their families and also the community and society at large. The Company believes in undertaking business in such a way that it leads to overall development of all Stakeholders and Society.

As a part of Advanta's commitment to support efforts to provide quality education to all children, it has provided the basic amenities to Zilla Parishad Government High school and Zilla Parishad Primary School situated in Vavilala village, Andhra Pradesh, for the benefit of students from the underprivileged section of the society. The total contribution made by the Company for the betterment of the schools was more than Rs. 5,00,000/-. Mr. V. R. Kaundinya, Managing Director of the Company has personally visited the schools, addressed the children and dedicated the funded facilities to the School Management.



Ms. Arun Jyothi, Head Mistress of Zilla Parishad Government High School welcoming the Advanta CSR Team.



Visit of Mr. Kaundinya to the Zilla Parishad High Schools.

Mr. V.R. Kaundinya addressing the school children in Vavilala village.



Board of Directors



Jaidev R. Shroff
Chairman



Vikram R. Shroff
Non-Executive
Director



V.R. Kaundinya
Managing Director



Hardeep Singh
Independent Director



Vinod Sethi
Independent Director



Dr. Vasant P. Gandhi
Independent Director

Global Management Committee Members

V R Kaundinya
CEO



Alberto Leon
Business Lead Nutrition &
Research Lead



Anana Rupakula
International Marketing Lead &
Global Crop Lead - Corn



Barry Croker
Business Lead
Australia & New Zealand



Jorge Moutous
Business Lead
Latin America



Manoj Gupta
Global
Chief Financial Officer



P M Nanjappa
Global
HR Lead



Pacholk Pongpanich
Business Lead
Thailand, Cambodia,
Laos & Myanmar



Philippe Gail
Business Lead
Europe & OS and
Global Crop Lead - Oil Seeds



Soumen Sarkar
Supply Chain Lead
India & China



Steve Ligon
Business Lead NAFTA and
Global Crop Lead - Sorghum



Surinder K. Tikoo
International
Technology Development Lead



Venkatram Vasantavada
Business Lead
Asia & Africa, Intl. VC and
Global Crop Lead - Rice

CONTENTS

	Page No(s).
Corporate Information.....	02
Notice.....	3-8
Directors' Report.....	9-15
Management Discussion and Analysis Report.....	16-23
Report on Corporate Governance.....	24-45
Standalone Financial Statements	
Auditors' Report.....	46-49
Balance Sheet	50
Profit and Loss Account	51
Cash Flow Statement	52
Schedules.....	53-83
Balance Sheet Abstract and Company's General Business Profile.....	84
Statement pursuant to section 212 of the Companies Act, 1956.....	85
Abridged Financial Information of subsidiaries.....	86
Consolidated Financial Statements	
Auditors' Report.....	87-88
Balance Sheet	89
Profit and Loss Account	90
Cash Flow Statement	91
Schedules.....	92-122
Form of Proxy and Attendance Slip.....	123

Appeal to Members

The Ministry of Corporate Affairs, has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice / documents including annual report can be sent by e-mail to its members.

To support this green initiative, members who have not registered their e-mail addresses so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail addresses by sending mail to advanta@shreproservices.com.

BOARD OF DIRECTORS

Mr. Jaidev R Shroff	-	<i>Chairman</i>
Mr. V. R. Kaundinya	-	<i>CEO & Managing Director</i>
Mr. Vikram R Shroff	-	<i>Non Executive Director</i>
Mr. Vinod Sethi	-	<i>Independent Director</i>
Dr. Vasant P. Gandhi	-	<i>Independent Director</i>
Mr. Hardeep Singh	-	<i>Independent Director</i>

Manoj Gupta
Chief Financial Officer

Pushpalatha K
Company Secretary and Compliance Officer

Registered Office

Krishnama House, #8-2-418
4th Floor, Road No. 7, Banjara Hills
Hyderabad - 500034

Corporate Office

Unicorn House
Plot No. 3-5, # 157/5, Balaji Enclave
Transport Road, Near Gunrock
Diamond Point, Secunderabad - 500009

Auditors

S. R. Batliboi & Co.
Chartered Accountants, 14th Floor, The Ruby
29 Senapati Bapat Marg, Dadar (West)
Mumbai – 400 028, India

Bankers

Axis Bank Limited
ING Vysya Bank Limited
Syndicate Bank Limited
Yes Bank Limited
State Bank of India

Registrar and Share Transfer Agents

Sharepro Services (India) Private Limited
Samhita Complex, Gala No. 52 to 56
Building No. 13A-B, Near Sakinaka Telephone
Exchange, Andheri-Kurla Road, Sakinaka,
Mumbai – 400072.

Investor Contact

Phone No: +91-40-2335 0907
E-mail id: investor@advantaindia.com
Website: www.advantaseeds.com

Plants

- B Camp Post, Krishna Nagar, Kurnool, Andhra Pradesh
- Kalakkal Village, Toopran Mandal, Medak District, Andhra Pradesh
- Bharati Brahma Seeds, Nutankal Village, Medchal Mandal, Gundla Pochampally, R.R. District, Andhra Pradesh
- Plot No. 110, Sec. 57, Phase – IV, Industrial Estate, Kundali, Sonapat, Haryana

18th ANNUAL GENERAL MEETING

Date : 20th June, 2012
Time : 11.30 A.M.
Venue : Hotel Fortune Park Vallabha,
Road No.12, Banjara Hills,
Hyderabad, Andhra Pradesh, India

BOOK CLOSURE

Monday, 11th June, 2012
To
Wednesday, 20th June, 2012
(both days inclusive)

NOTICE

Notice is hereby given that the 18th Annual General Meeting (AGM) of the members of Advanta India Limited will be held as scheduled below:

Day & Date : Wednesday, 20th June, 2012
Time : 11.30 A.M.
Venue : Hotel Fortune Park Vallabha, Road No.12, Banjara Hills, Hyderabad, Andhra Pradesh, India

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at December 31, 2011, the Profit and Loss Account for the financial year ended on that date and the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Dr. Vasant P Gandhi who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Jaidev R. Shroff who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. S R Batliboi & Associates, Chartered Accountants (ICAI Registration No. 101049W) as Statutory Auditors of the Company to hold office as such from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting and to authorise the Board of Directors to fix the remuneration.

SPECIAL BUSINESS:

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

“**RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of Central Government, the Members do hereby re-appoint Mr. V.R. Kaundinya as Managing Director of the Company for a period not exceeding 3 (Three) years with effect from 10th July 2012 on the following terms and conditions as may be determined by the Board of Directors from time to time:

1. Mr. V. R. Kaundinya, Managing Director of the Company will be entitled for a maximum remuneration of ₹ 2 Crores p.a. with effect from July 10, 2012 comprising salary, discretionary performance linked incentive and/or commission, perquisites allowances and stock options.
2. The limits stipulated above are the maximum limits and the Board may in its absolute discretion revise the terms/limits of his remuneration from time to time within the maximum limits stipulated above and such revision shall be in the interest of the Company and the appointee.
3. Subject to superintendence, control and directions of the Board of Directors, he shall perform such duties and functions as would be commensurate with his position as the Managing Director of the Company as may be delegated to him by the Board from time to time.

RESOLVED FURTHER THAT where in any financial year during the tenure of office of Mr. V. R. Kaundinya, Managing Director, the Company has no profits or its profits are inadequate, the Company shall pay such remuneration as may be fixed by the Board / revised by the Board from time to time, subject to the approval of the Central Government, if required as the minimum remuneration within the above maximum limits.”

By order of the Board of Directors
For Advanta India Limited

Date: 07.05.2012
Place: Hyderabad

V.R. Kaundinya
Managing Director

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO EFFECTIVE MUST BE RECEIVED BY THE COMPANY, NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A form of proxy is given at the end of this Annual Report.**
2. Members / proxies are requested to bring duly filled attendance slips to the meeting. The form of attendance slip is given at the end of this Annual Report.
3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the Meeting.
4. Explanatory statement as required under section 173(2) Companies Act, 1956 is attached herewith.
5. The Register of Directors shareholding maintained under Section 307 of the Companies Act, 1956 will be available for inspection by the members at the AGM.
6. The Register of Members and Share Transfer Books will remain closed from 11th day of June, 2012 to 20th day of June, 2012 (both days inclusive).
7. Members desiring to claim previous years' dividends, which remain unclaimed, are requested to correspond with the Company Secretary, at the Company's registered office. Members are requested to note that dividends not encashed or not claimed within 7 years from the date of transfer to the Company's Unpaid Dividend Account, shall, as per Section 205A and 205C of the Companies Act, 1956, be transferred to the Investor Education and Protection Fund.
8. Members are requested to address all correspondences including dividend matters, to the Registrars and Share Transfer Agents, Sharepro Services (India) Pvt. Ltd., Unit: Advanta India Limited, Samhita Complex, Gala No. 52 to 56, Building No. 13A-B, Near Sakinaka Telephone Exchange, Andheri-Kurla Road, Sakinaka, Mumbai - 400 072, India.
9. Members holding shares in physical form are requested to notify/send any change in their address to the Company's share transfer agents, or to the Company at its Registered Office. Members holding shares in dematerialized form are requested to notify/send any changes in their address to the concerned depository participant (s).
10. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
11. Section 109A of the Companies Act, 1956 extends the nomination facility to individual shareholders of the Company. Therefore, the shareholders willing to avail this facility may make nomination in Form 2B.
12. Members seeking any information with regard to Accounts are requested to write to the Company at an early date so as to enable the management to keep the information readily available.
13. The brief profiles of the Directors who are retiring by rotation and recommended for re-appointment are provided under the head "Additional Information".

Explanatory Statement under section 173(2) Companies Act, 1956

The present term of Mr. V. R. Kaundinya, Managing Director of the Company expires on 9th July, 2012. Mr. V. R. Kaundinya, since his appointment as the Managing Director, has steered the Company with total dedication, hard work and effective leadership into diversified activities, resulting in the profitable growth of the Company's operations. He is instrumental in acquiring various Companies in India and abroad to expand its operations and product profile.

The Board of Directors has reviewed the performance achieved by the Company under his leadership and appreciated the same. Further in order to avail his uninterrupted services for the growth of the Company, Board has proposed to re-appoint him for such period not exceeding 3 Years with effect from 10th July, 2012 on the terms and conditions contained in the resolution. The Remuneration Committee has approved the maximum remuneration per annum proposed to Mr. V. R. Kaundinya, Managing Director.

The resolution seeks the approval of the members in terms of Section 269, read with Schedule XIII and other applicable provisions of the Companies Act, 1956 for the appointment of Mr. V.R. Kaundinya as the Managing Director of the Company for a period of three (3) years commencing July 10, 2012.

I. General Information:

(i) Nature of Industry

Advanta India Limited, is one of the leading international agronomic seed companies with principal operations in India, Australia, Thailand, U.S.A. and Argentina. The Company is into technical plant breeding and the application of biotechnology to develop new hybrids and varieties of field crops and broad acre vegetable seed products, including sorghum, canola, sunflower, corn, hybrid rice and hybrid mustard. Our research and development efforts are in the areas of superior breeding programs and bioscience techniques that have driven the development of a portfolio of elite, proprietary and highly differentiated germ plasm.

(ii) Date of commencement of commercial production

The Company is an existing Company and the date of Commencement of operations dates back to year 1994.

(iii) Financial performance

Consolidated Performance of the Company for the last three years is as follows:

Particulars	(₹ in Lacs)		
	2011	2010	2009
Gross Total Income	95,214.92	70,652.07	69,834.04
Profit before Interest, Depreciation & tax	13,584.90	7,539.66	10,344.05
Profit after tax	1,229.05	(2,745.29)	2,705.03

(iv) Export performance and net foreign exchange earnings: on standalone basis

Export performance of the Company for the last three years is as follows:

Particulars	(₹ in Lacs)		
	2011	2010	2009
Foreign Exchange Inflow	548.32	1,378.03	2,248.29

(v) Foreign investments or collaborators, if any: Nil

II. Information about the Appointee:**(i) Background details**

Mr. V.R. Kaundinya holds a PGDM with specialization in Agriculture from Indian Institute of Management, Ahmedabad and is a graduate in Agriculture from the AP Agricultural University. Prior to joining Advanta India, he was with Monsanto India as FTO Lead. He held many posts of responsibility which include Managing Director of Emergent Genetics India, Managing Director of Cyanamid Agro and Director of the Agricultural Products Division of Cyanamid India. He also served Hoechst India for thirteen years as a senior member of the management team of their agrochemicals division.

Mr. Kaundinya has always been associated with various agricultural institutions. He was the Chairman of the Crop Life India (the then Indian Crop Protection Association) for two years from 1998-2000. He was the Director of the Association of Seed Industry (ASI), Mumbai from 2002 to 2006. He was also the Vice President of All India Crop Biotechnology Association (AICBA), Delhi from 2002-2006. He is currently the Chairman of ABLE –AG (Association of Biotech Lead Enterprises – Agricultural Group).

(ii) Past remuneration

Mr. V.R. Kaundinya has drawn a remuneration of ₹122.11 lacs and stock options as per company's policy during the financial year ended December 31, 2011.

(iii) Recognition or awards

Nil

(iv) Job profile and his suitability

Mr. V. R. Kaundinya, Managing Director has been taking care of overall operations and affairs of the Company. Since his appointment as Managing Director, he has steered the Company with total dedication, hard work and effective leadership into diversified activities, resulting in the profitable growth of the Company's operations.

Mr. V. R. Kaundinya, as Managing Director of the Company not only oversees the Research & Development and day to day management of Advanta India but also oversees financing, research and development, operations and management of the wholly owned subsidiaries of the Company which is an integral part of Seeds & Biotechnology Research & Development business of Advanta India Ltd. He is instrumental in acquiring the various Companies in India and abroad to expand the Company's operations and its product profile.

(v) Remuneration proposed

Central Government had approved the payment of remuneration of ₹ 20,000,000 to Mr. V. R. Kaundinya, Managing Director of the Company for the period from 10/07/2011 to 09/07/2012.

It is proposed to pay a maximum remuneration of ₹20,000,000 (Rupees Two Crores per annum) for the period from 10/07/2012 to 09/07/2015 on the terms and conditions detailed in the resolution referred above with a power to the Board of Directors to determine the limits from time to time within the above overall limits.

(vi) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person

The proposed remuneration is commensurate with the profile of the Managing Director, Mr. V.R. Kaundinya and is in tune with the Industry standards, wherein the Company operates.

(vii) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any

Except the proposed remuneration, the Managing Director, does not have / will not have any pecuniary relationship, directly or indirectly with the Company.

III. Other information

(i) Reasons for inadequate profits

The company is spending heavily on Research & Development. R & D is the corner stone of the company's Global business and the inherent nature of the seed business demands a lot of research from time to time. So, the company has heavily invested in research and development of field crop and vegetable breeding and biotech labs. Investment in research was stepped up considerably during the year as significant amounts have been allocated for strengthening the research programs. While most of the research expenditure is charged to the current profit and loss statement, the results of these expenses will accrue in the coming years. The new products for the newer markets and geographies are expected to take some time to be commercialized. The gestation period for R&D is 5-7 years. Till the time the new products and geographies start to generate revenues the income statement of the company will have to take these expenses as a charge with no matching revenue.

Also, the company has strengthened the supply chain operations and spent considerably on modernizing and expanding the processing and storage facilities. However due to these expenses, the company could not achieve sufficient profits. However based on the business plans, board of directors is confident that the company will generate sufficient profits in the coming years.

(ii) Steps taken or proposed to be taken for improvement

In tune with the changing trend, the company has already taken various expansion projects. It has acquired companies in India and abroad to expand its operations and product profile. The company's aim is to create an umbrella of its brand name across value attached to the Advanta, the company feels that the days to come are very encouraging.

(iii) Expected increase in productivity and profits in measurable terms

Company is poised to maintain its turnover over the years to come. Also, with increased expenditure and investment on the Research and development of the business, the company is expecting a good return in the coming year. Also the strength of the company has increased as acquisitions were carried out by the Company, last year, in order to explore new areas of business and technologies. The company is in advance stage of its research of Nutrisun. Company expects that it will be able to start supplies in financial year 2009 and in full swing with effect from the year 2012.

No director, except Mr. V. R. Kaundinya is interested or concerned in the appointment and remuneration payable to Mr. V.R.Kaundinya as the Managing Director.

The terms of appointment of Mr. V.R.Kaundinya, as stated in this notice, may be treated as the abstract under Section 302 of the Companies Act, 1956.

The Board accordingly recommends the resolution as set out in Item no. 5 for approval of the members.

By order of the Board of Directors
For Advanta India Limited

Date : 07.05.2012
Place : Hyderabad

V.R. Kaundinya
Managing Director

Brief profile of Dr. Vasant P. Gandhi, Director who retires by rotation and is eligible for re-appointment.

- Dr. Vasant P. Gandhi aged 57 years holds Doctorate in Development Economics from Stanford University and has done Post Graduation in Management from IIM, Ahmedabad.
- He is on the Board of the company since January 2007 as an Independent Director. He is currently a Professor at the Indian Institute of Management, Ahmedabad.
- He has over 23 years of professional experience and has worked with National Dairy Development Board (NDDB), Stanford University, the World Bank and International Food Policy Research Institute.
- Dr. Gandhi holds directorship in Gujarat State Fertilizers and Chemicals Limited.
- Dr. Gandhi is a member of the Audit Committee and Remuneration Committee of Advanta India Limited. He does not hold any shares of the Company.

Brief profile of Mr. Jaidev R. Shroff, Director who retires by rotation and is eligible for re-appointment.

Brief profile and expertise in specific functional area Mr. Jaidev R. Shroff aged 46 years is a graduate in Chemistry from Bombay University. He is one of the promoters of the Company and Chief Executive Officer of United Phosphorus Limited and possesses rich experience of over 20 years. He is currently responsible for development of new products, international business & strategic alliances with various parties in different markets.

Other Directorships**Private Limited Companies**

- Shroff Envirotral Pvt. Ltd
- Hardstone Properties (India) Pvt. Ltd
- Isar Builders & Developers Pvt. Ltd
- Khagay Environment Pvt. Ltd
- Khaline Environment Pvt. Ltd
- Praskand Environment Pvt. Ltd
- Heline Environment Pvt. Ltd
- Demuric Holdings Pvt. Ltd
- Force Aviation Pvt. Ltd
- Magnus Properties Pvt. Ltd
- Asia Society India Centre Pvt. Ltd
- Tatva Clean Tech Pvt. Ltd.

Public Limited Companies

- Bharuch Enviro Infrastructure Ltd
- United Phosphorus Ltd
- Entrust Environment Ltd
- Sharvak Environment Ltd
- Uniphos Enterprises Ltd
- Enviro Technology Ltd
- Nivi Trading Ltd
- Ventura Guaranty Ltd
- Tatva Global Environment (Deonar) Ltd
- Nirlon Ltd
- Shivalik Solid Waste Management Ltd
- Tatva Global Environment Ltd.
- Pradeep Metals Ltd

Membership of Committees**Audit Committee**

Nil

**Remuneration Committee/
Compensation Committee**

Advanta India Limited

**Shareholders' / Investors'
Grievance Committee**

Advanta India Limited

Shareholding in the Company

1015350 equity shares of Rs. 10/- each (6.03% of the total paid up share capital of the Company)

DIRECTORS' REPORT

Dear members,

Your Directors are pleased to present the 18th Annual Report together with the audited accounts of your Company for the year ended December 31, 2011.

FINANCIAL HIGHLIGHTS

The financial performance of the Company, for the year ended December 31, 2011 is summarized below: (₹ In Lacs)

Description	Consolidated		Stand Alone	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Sales Including other Income	95,214.92	70,652.07	17,044.22	14,052.22
Earnings Before interest, Tax & Depreciation and Amortization	13,584.90	7,539.66	7,315.10	2,623.93
Exceptional Items	(238.24)	(1,362.50)	Nil	Nil
Profit / (Loss) Before Tax (PBT)	2,441.00	(3,016.84)	1,593.66	(2,923.14)
Profit / (Loss) After Tax (PAT)	1,292.00	(2,822.82)	1,418.66	(2,923.14)
Profit / (Loss) After Tax (Net of Minority Interest & prior period adjustment)	1,229.05	(2,745.29)	1,418.66	(2,976.14)
Add: Balance brought forward from previous Year	13,654.21	16,399.50	(2,780.57)	195.57
Surplus Available for Appropriations	14,883.26	13,654.21	(1,361.91)	(2,780.57)
Appropriations:				
Proposed Final Dividend	Nil	Nil	Nil	Nil
Tax on Dividend	Nil	Nil	Nil	Nil
Transfer to General Reserve	Nil	Nil	Nil	Nil
Transfer to Debenture Redemption Reserve	1,418.66	Nil	1,418.66	Nil
Balance Transferred to Balance Sheet	13,464.60	13,654.21	(2,780.57)	(2,780.57)
TOTAL	14,883.26	13,654.21	(1,361.91)	(2,780.57)

Conversion rates as on 31st December, 2011:

For Balance Sheet items (Closing Rate)		For Profit & Loss Account (Average Rate)	
1USD	= ₹ 53.105		₹ 48.930
1AUD	= ₹ 53.9919		₹ 49.7841
1EURO	= ₹ 68.6993		₹ 64.2695
1THB	= ₹ 1.6827		₹ 1.5862
1IDR	= ₹ 0.00585		₹ 0.00541
1BRL	= ₹ 28.4638		₹ 27.7180

BUSINESS OVERVIEW/OPERATIONS

The global consolidated business of Advanta has grown by an impressive 34.77% in 2011. Sweet Corn crop led the pack with a growth of 88% followed by Canola at 78%, Corn at 59%, Sunflower at 57% and Sorghum at 21%. Sorghum continues to be our largest crop contributing about 35% of our business. Among our subsidiaries we had excellent performances in Argentina, Thailand, USA and some of our International markets. Adverse weather conditions in Australia, Thailand and USA led to production losses which affected our business in the last quarter. Our wheat breeding program in Australia has started releasing good products to the market which are getting increasing acceptance from the farmers. New high quality forages are looking very promising in India.

We continued to invest 11% of our revenues in research. This is an important investment we are making in order to have a secure future. We continue to access GM traits through licensing mechanism and are in the process of introducing GM corn in Brazil and Philippines.

We have improved our inventory management very well in 2011. We are running very low on stocks in most of our crops by the end of the year. This is a result of tight production planning and generation of good sales as per plan. This helped us to improve our working capital management this year.

We improved gross margins of our business from 44% to 46% through improved prices and reduced cost of goods.

Overall, 2011 was a very good year for Advanta.

During the year, the Company has recorded a consolidated total income of ₹ 95,214.92 Lacs as against ₹ 70,652.07 Lacs for the previous year, which is 34.77% higher than that of the previous year. The consolidated Profit after tax stood at ₹1,229.05 Lacs as against loss after tax of (₹ 2,745.29) Lacs for the previous year.

As stipulated in the Listing Agreement with the Stock Exchanges, the consolidated financial statements have been prepared by the Company in accordance with the relevant accounting standards issued by the Central Government under Companies (Accounting Standards) Rules, 2006. The audited consolidated financial statements together with Auditors' Report thereon form part of the Annual Report

FUTURE OUTLOOK

2012 presents exciting prospects for us. The crop economics of corn, sunflower and canola look very good for the farmers which should help them to buy high quality inputs. The weather so far has been holding good.

We expect good growth in all our subsidiaries although some of them will have a tight availability of seed in 2012. We expect very good growth in all our crops but more particularly in Canola, Corn, Sunflower and Sweet Corn.

We are paying special attention to diversification of production and building supply chain capabilities in the organization. With considerable growth projected in some of the International markets like SE Asia, Europe, North Latin America and Africa we are looking at taking up new production sites in some of these countries. Corn is expected to drive most of our future growth and we are paying special attention to building capabilities in this crop. We are also looking at making processing arrangements in some of these countries either by ourselves or through outsourcing. We have reviewed our growth prospects till 2015 and are putting in place plans to plug the gaps in the required strengths and skills. This is a major area of investment for us.

MODERNISATION / EXPANSION PROJECTS

We are modernizing our plants in Thailand and Argentina. These investments will improve the quality of our products, particularly corn. We are increasing processing and storage capacities in many of our subsidiaries so that they can take care of the increasing load of the products.

RESEARCH & DEVELOPMENT

We continue to invest 11% of our revenues in research. We want to increase the speed of creating new products through the use of modern technology. We are increasing the outlay on the use of molecular marker technology in our breeding programs.

We are also building capabilities with a SNP marker platform in our Argentina biotech laboratory. This will help us to use the latest technology to enhance the speed and the power of our breeding programs.

We have set up new breeding programs in France and Brazil which will help us to develop products for Europe and the tropical corn markets. This is a major investment we are making to increase our global reach.

DIVIDEND

The Board of Directors do not recommend any dividend for the financial year ended 31st December, 2011 in view of inadequate profits during the said year. As such, no amount is proposed to be transferred to General Reserve.

SUBSIDIARY COMPANIES

As on date, your Company has five direct subsidiaries: Unicorn Seeds Private Limited – India; Advanta Seeds Limited – India; Advanta Holdings B.V. – Netherlands; Advanta Seed International – Mauritius; PT Advanta Seeds Indonesia - Indonesia. and eleven step-down subsidiaries: Advanta US Inc. – USA; Advanta Netherlands Holdings B.V. – Netherlands; Advanta Finance B.V. – Netherlands; Advanta International B.V. – Netherlands; Pacific Seeds Holding (Thailand) Ltd – Thailand; Advanta Commercio De Sementas LTDA – Brazil; Pacific Seeds Pty. Ltd. – Australia; Advanta Semillas, SAIC – Argentina; Pacific Seeds (Thai) Ltd. – Thailand; Long Reach Plant Breeders Management Pty. Ltd. – Australia; Advanta (B.V.I) Ltd.- British Virgin Islands.

Pursuant to the provisions of Section 212 of the Companies Act, 1956, the Company is required to attach the Directors' Report, Balance Sheet, and Profit and Loss account and other documents of its subsidiaries along with its Balance Sheet.

In this regard, it may be noted that pursuant to the directions issued by the MCA, vide General Circular No.2/ 2011, Dt. 8th February, 2011, general exemption has been granted to the Companies from complying with the provisions of Section 212 of the Act in respect of their subsidiaries. This implies that your Company, being the Holding Company need not attach the Balance Sheet, Profit and Loss account etc., of its subsidiaries subject to compliance of certain conditions attached with the said exemption.

In view of the compliance of said conditions, audited consolidated financial statements for the year ended 31st December, 2011, prepared in compliance with applicable Accounting Standards is attached herewith.

Further, your Company undertakes that the Annual Accounts of the subsidiary Companies and the related detailed information will be made available to its shareholders and to the shareholders of its subsidiary companies seeking such information at any point of time. Further, the Annual Accounts of the subsidiary Companies shall also be kept for inspection by any shareholder in its head office and that of the concerned subsidiary companies.

Further Statement as required under Section 212 in respect of Subsidiaries is annexed to this Report. Abridged Financial Information of Subsidiaries is also given on page No. 86 of the Annual Report.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements read with Accounting Standard AS-23 on Accounting for Investment in Associates and with reference to Clause 32 of the Listing Agreement, your Directors present the Audited Consolidated Financial Statements in the Annual Report.

CASH FLOW ANALYSIS

The Cash Flow Statement for the year under reference in terms of Clause 32 of the Listing Agreement entered by the Company with the Stock Exchanges is annexed hereto.

NON-CONVERTIBLE DEBENTURES

During the year under review the Company has redeemed 2130 Unsecured Non-Convertible Debentures of ₹10,00,000 each aggregating to ₹ 213 Crores out of 3750 Unsecured Non-Convertible Debentures of ₹10,00,000 each aggregating to ₹ 375 Crores. As on date, the Company has 1620 outstanding Unsecured Non-Convertible Debentures of ₹ 10,00,000 each aggregating to ₹ 162 crores.

INCREASE IN SHARE CAPITAL

Consequent to the issue of 2,223 equity shares of ₹ 10 each to employees upon exercise of options under Employee Stock Option Scheme – 2006 of the Company, during the year under review, the paid-up share capital of the Company increased from ₹ 1,685.20 lacs divided into 16,851,989 equity shares of ₹10/- each to ₹ 1,685.42 lacs divided into 16,854,212 equity shares of ₹ 10 each.

The particulars of shares allotted during the FY ended 31st December, 2011 and till the date of this Report are as follows:

Date of Allotment	Name of the Allottees	No. of Shares	Date of Listing	
			BSE	NSE
28.02.2011	David Callachor	2223	05.04.2011	04.04.2011
27.02.2012	H. Sateesh Hegde	4028	26.03.2012	26.03.2012
09.05.2012	Atluri Suresh	504	**	**

** since the corresponding number of shares were allotted on the date of this report itself, the requisite listing application will be made in the due course of time.

FOREIGN CURRENCY CONVERTIBLE BONDS

During the year under review the Company has issued USD 50,000,000 Floating Rate Guaranteed Convertible Bonds due 2016 Convertible into Ordinary Shares or Global Depository Shares representing Ordinary Shares of the Company.

The said bonds are listed at Singapore Exchange Limited. Upon full conversion of these bonds, the equity capital of the Company will increase by an amount of ₹ 7,94,44,210 comprising of 79,44,421 equity shares of ₹10 each.

During the year, the Company has not received any conversion notice from the FCCB holders.

Details such as the total bonds issued, bonds converted, expected number of shares allotted with respect to outstanding FCCBs have been given in detail in Corporate Governance Report.

COMMERCIAL PAPER

In January 2012, the Company has issued 300 units of Commercial Paper (CP) of face value of ₹ 5 lacs each aggregating to ₹ 15 Crores in demat mode, having a tenor of 364 days. M/s. Axis Bank Ltd., Begumpet, Hyderabad has been appointed as Issuing and Paying Agent. The said instruments were rated 'CARE A1+(SO)' [A One Plus (Structured Obligation)] by CARE, the Credit Rating Agency.

Subsequently, the Company redeemed the outstanding Commercial Paper (CP) of ₹ 15 Crores which were issued in January 2011.

RIGHTS ISSUE

As the members are aware, an enabling resolution was passed in their EGM held on 17th March, 2011, authorizing the Board to raise funds upto an amount of ₹ 750 Crores.

In view of the aforesaid, the Company has filed Draft Letter of Offer (DLOF) for issue of equity shares on rights basis aggregating to an amount upto ₹ 200 Crores with SEBI on 30.03.2011.

SEBI approval is awaited in this regard.

PUBLIC DEPOSITS

The Company has neither accepted nor renewed any deposits from public within the meaning of Section 58A and 58AA of the Companies Act, 1956, and the Companies (Acceptance of Deposits) Rules, 1975, during the year under review.

DIRECTORS

Pursuant to the provisions of Section 256 of the Companies Act, 1956 and the Articles of Association of the Company Dr. Vasant P. Gandhi and Mr. Jaidev R. Shroff, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Board of Directors recommends their re-appointment.

SCHEME OF AMALGAMATION AND ARRANGEMENT

The members may note that the Board of Directors of your Company has approved the Scheme of amalgamation and arrangement between Advanta India Limited, the transferee Company and Unicorn Seeds Private Limited, the Wholly owned Subsidiary of your Company, being the transferor company and their respective shareholders and creditors (the Scheme).

In this regard, both the Stock Exchanges, BSE and NSE, where the shares of the Company are listed, have accorded their respective approval to the said Scheme.

Further, the members may note that the Hon'ble High Court of A.P. vide its Order, Dt.26th April, 2012 has directed that the respective Meetings of Equity Shareholders and Trade Creditors of the Company be held on 2nd June, 2012 for the purpose of approving the said Scheme.

AGREEMENT WITH UPL

With the completion of the pilot project on integration of sales and marketing function with United Phosphorus Limited (UPL) in India, as a progression of this process, the Company has entered into a License Agreement subsequent to the end of the year for transfer of technical know-how, manufacture and sale of licensed products in consideration of royalty from UPL. Pursuant to this arrangement the Company has sold its inventories to UPL.

AUDITORS AND AUDITORS REPORT

M/s. SR Batliboi and Associates, Chartered Accountants, Auditors of the Company retires at the ensuing Annual General Meeting. They have expressed their willingness to continue and confirmed that their appointment, if made, shall be in accordance with the provisions of Section 224(1B) of the Companies Act, 1956.

Statutory Auditors of the Company vide Para 8 in their Report on Consolidated Financial Statements read with Note No. 10 of Schedule 21 (Notes to Consolidated Accounts) have qualified the recognition of deferred tax assets with respect to the subsidiary companies i.e. Pacific Seeds Holdings (Thailand) Ltd., Longreach Plant Breeders Management Pty. Ltd., PT Advanta Seeds Indonesia, Advanta Comercio De Sementes LTDA., Pacific Seeds Pty Ltd., Advanta Holdings BV and Advanta Semillas SAIC, stating that there is no virtual certainty to indicate that the said companies will have sufficient taxable profits against which such deferred tax assets can be utilized.

In this regard, your attention is requested to Note No.10 of Schedule 21 (Notes to Consolidated Accounts) on recognition of deferred taxes containing management's opinion that the said unused losses can be utilized.

Auditors of the Company, vide para 9 of their Report on Consolidated Financial Statements have qualified their Report about "consolidated segment information." Your attention is invited to Note No.19 of Schedule 21, wherein the management explained its view that providing the said information would be prejudicial to the interest of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 217 (2AA) of the Companies Act, 1956:

- i. That in the preparation of accounts for the period ended December 31, 2011, the applicable accounting standards have been followed and that no material departures have been made from the same.
- ii. That the selected accounting policies have been applied consistently and the judgments and estimates are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- iii. That proper and sufficient care has been taken for the maintenance of the adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. That the Directors had prepared annual accounts for the year ended 31st December, 2011 on a going concern basis.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to the provisions of Clause 49 of the Listing Agreement, a report on Management Discussion and Analysis is furnished as Annexure - A to this Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosures of particulars in the report of Board of Directors) Rules, 1988 are provided in Annexure – B which forms part of this report.

PARTICULARS OF EMPLOYEES

Particulars of employees as required under section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975 as amended, forms part of this report. However in pursuance of section 219(1)(b)(iv) of the Companies Act, 1956, this report is being sent to all the shareholders of the company excluding the aforesaid information and the said particulars are made available at the registered office of the Company. Any shareholder interested in obtaining copy of the same may write to the Company Secretary at the registered office of the Company. None of the employees listed therein is related to any Director of the Company and all the employments are contractual in nature.

EMPLOYEES STOCK OPTION PLAN (ESOP)

The Advanta India Limited Employees Stock Option and Shares Plan - 2006 (ESOPs) approved by the shareholders on 20th September, 2006 is in force. In accordance with the said scheme, the Company reserved 1,68,000 Equity Shares for its employees and for the employees of its subsidiaries on one to one basis at an exercise price of ₹ 285/- being the market price as per the valuation report from a Chartered Accountant on the date of grant. The options were granted with a vesting period spread over 4 years and 6 months. Out of the total options granted, vesting of options granted is conditional upon the employee's tenor and upon the Company meeting annual performance benchmarks based on parameters set by the Remuneration Committee.

As the intrinsic value (difference between Market price and Excise price) on the date of the grant was nil, no compensation cost has been recognized in the financial statements.

The disclosures as required under Clause 12 & 19 of SEBI (Employees Stock Option Scheme & Employees Stock Purchase Scheme) Guidelines, 1999 are enclosed as Annexure – C to this Report.

CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on Corporate Governance practices followed by the Company together with a certificate from the Company Secretary in practice confirming compliance is annexed as part of the Annual Report.

LISTING

The Equity Shares of your Company continue to be listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). There is no default in payment of Annual listing fees.

DEMATERIALIZATION OF SHARES

It may be noted that the entire paid up equity share capital of the Company (except 102 shares) are held in dematerialized form as on 31st December 2011.

ACKNOWLEDGEMENTS

Your Directors wish to express their grateful appreciation for the valuable support and co-operation received from customers, investors, lenders, business associates, banks, financial institutions, various statutory authorities and society at large.

Your Directors also place on record, their appreciation for the contribution, commitment and dedication of the employees of the Company and its subsidiaries at all levels.

For and on behalf of the Board of
Advanta India Limited

Date: 07.05.2012
Place: Hyderabad

Vikram R Shroff
Director

V.R.Kaundinya
Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

Mankind witnessed the first ray of biotechnology when wine from grapes was made and yeast was discovered. Though not pronounced, biotechnology did get into action centuries ago. With the advent of agriculture in the civilized world, a sort of technology of leavening bread, malting grains and making cheese became a domestic activity, until Levin Hook discovered the cell and Louis Pasteur discovered the process of pasteurization. The biological science went into an upward spiral when the double helix of the DNA was unfolded to the world in the early part of the 20th Century.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Growth in agriculture is twice as effective in reducing poverty as growth in other sectors.

Though the economic growth in the other nations was below average, the Asian economies, particularly India and China, recorded robust growth. The year also faced headwinds, such as European sovereign debt crises, political upheaval in middle-east, spill-over from the Japanese natural disaster and the high oil & other commodities prices as well as monetary tightening in emerging market economies to contain inflationary pressures.

Agriculture in India has a significant history. As of 2011, India has a large and diverse agricultural sector, accounting, on average, for about 16 percent of GDP and 10 percent of export earnings. India's arable land area of 159.7 million hectares (394.6 million acres) is the second largest in the world, after the United States. Its gross irrigated crop area of 82.6 million hectares (215.6 million acres) is the largest in the world. India has grown to become among the top three global producers of a broad range of crops, including wheat, rice, pulses, cotton, peanuts, fruits and vegetables. Worldwide, as of 2011, India has the largest herds of buffalo and cattle, is the largest producer of milk and has one of the largest and fastest growing poultry industries. Agriculture is demographically the broadest economic sector and plays a significant role in the overall socio-economic fabric of India.

In fiscal year ending December 2011, with a normal monsoon season, Indian agriculture accomplished an all time record production of 85.9 million tons of wheat, a 6.3 percent increase from a year earlier. Rice output in India also hit a new record at 95.3 million tons, a 7% increase from the year earlier. Lentils and many other food staples production also increased year over year. Indian farmers, thus produced about 71 kilograms of wheat and 80 kilograms of rice for every member of Indian population in 2011. The per capita supply of rice every year in India is now higher than the per capita consumption of rice every year in Japan.

India exported about 2 billion kilograms each of wheat and rice in 2011 to Africa, Nepal, Bangladesh and other regions of the world.

The magazine released by the World Bank , "India Country Overview 2011" briefed Indian Agriculture as follows-

"With a population of just over 1.2 billion, India is the world's largest democracy. In the past decade, the country has witnessed accelerated economic growth, emerged as a global player with the world's fourth largest economy in purchasing power parity terms, and made progress towards achieving most of the Millennium Development Goals. India's integration into the global economy has been accompanied by impressive economic growth that has brought significant economic and social benefits to the country. Nevertheless, disparities in income and human development are on the rise. Preliminary estimates suggest that in 2009-10 the combined all India poverty rate was 32% compared to 37% in 2004-05. Going forward, it will be essential for India to build a productive, competitive and diversified agricultural sector and facilitate rural, non-farm entrepreneurship and employment. Encouraging policies that promote competition in agricultural marketing will ensure that farmers receive better prices."

The global seed industry had a good year in 2011 with better weather in many parts of the world, except for the drought in Southern parts of US. The GM crops acreage continues to grow rapidly.

The global seed market is currently being driven by the increasing acceptance and adoption of GM crops. The GM crops market size has grown to more than 150m ha in 2011. Corn and soybean still lead this revolution. Advanta's participation

in this segment is still at early stages. We have GM canola in Australia, GM corn in Argentina and GM cotton in India. Our GM business is expected to grow rapidly in the next three years.

The sorghum market is an important component of the global seed market. This market is primarily located in USA, Mexico, Argentina and Australia. Large sorghum acreages in India and Africa provide staple food to large populations. Advanta has a 26% share in the global sorghum market and is a leader in this market.

Some of the significant developments related to the seed industry in India during the last two years have been discussed below.

The Government of India imposed a moratorium on the development of Bt brinjal in February 2010. This moratorium has brought in a certain level of uncertainty in the development and the future of GM food crops in India. The regulatory process for the introduction of GM crops has also now prescribed obtaining a No Objection Certificate (NOC) from each of the state governments before undertaking GM crop trials in those states. This measure has considerably slowed down the regulatory process for GM crops in India as many states have not given the NOCs in 2011. These measures are expected to delay the introduction of more GM traits in India.

The new seed bill has been waiting for introduction in the Parliament for some time now. The introduction has got delayed due to lack of political consensus on certain provisions in the proposed law. The proposed law prescribes a product registration system in India for the first time. This is good for responsible seed companies like Advanta.

Advanta India endeavours to breed improved hybrid varieties of field (rice, cotton, mustard, forage & grain sorghums, corn, sunflower and pearl millet) and vegetable (okra, hot pepper, brinjal, gourds) crops to increase the productivity and profitability of Indian farmers.

Investment in Agriculture R&D is the most effective way of ensuring food security and economic growth. The pressing need is for quality seed of varieties and hybrids that are not only high yielding but resilient to less input- water, fertilizers etc. Thus food security is interwoven with the seed security. Advanta's R&D targeted its research for developing hybrids that excel in the market with quality assurance.

Your Company with vast experience in seed production of major agricultural crops backed by a very strong in-house R&D program for crops sorghum, sunflower, rice and several vegetable crops nurtured a competitive edge in seed and agribusiness.

OPPORTUNITIES AND OUTLOOK

The fundamentals of the Agriculture sector continue to be robust and will drive growth in the years to come. The future of the seed industry in India is expected to be very good, with the demand for branded and quality seeds increasing. Seeds will be an important contributor to the targeted 4% growth in agriculture.

Agriculture is gaining significance the world over with the rising needs from cultivation coupled with limited availability of land under cropping against the backdrop of the growing population. It is given that most of this need will be met by increasing productivity and making efficient use of natural resources which will see more constraints into the future.

In India, the changing demographics and increasing aspirations is leading to a varied set of expectations in the farming sector. The Government too is seized of all these perspectives and is devoting increased attention to the farming needs.

Government Initiative: The Union Government is planning the largest farm-loan relief package in the country's history—totalling at least ₹. 32,000 crore—and proposals to this effect will be unveiled when the Union Budget is presented on 29 February 2011.

The package, which could end up totalling as much as ₹ 90,000 crore depending on the final shape of the proposals, is at the core of efforts by the ruling United Progressive Alliance and its largest constituent, the Congress party, to revive Indian agriculture and hopefully ride back to power in elections due in about a year.

People familiar with the process of creating the package say it will have several components—from a waiver of interest on some loans to the complete writing off of not just stressed assets (or bad loans) but even those loans that have been rescheduled.

Outlook

The Company remains focused on its key objectives of profitable and sustainable growth, maximizing operational efficiencies and striving to attain the highest standards of quality, safety and productivity through - continuous breeding research efforts, new product offerings, aggressive sales and marketing strategies, a strong brand, far-reaching distribution infrastructure and investments in people development, the Company is hopeful of maintaining its performance going forward. Efforts at offering better technologies, that provide better value to the farmer, while mitigating external risks, have been generally well received both by the Government and the farmer. Continued success in these efforts is critical to maintain these growth prospects.

Some of the early indicators for 2012 are very positive.

- The sunflower market and the corn markets continue to be very strong in 2012. There is a tight supply of sorghum seed because of drought in US. We will launch GM corn in Brazil and Philippines with outsourced products this year. We are expecting our canola business to grow substantially compared to 2011 giving a big boost to our Australian business.
- The growth in Latin America is expected to be very strong in many parts like Argentina, Venezuela, Ecuador, etc. We expect a big jump in the corn business in Thailand and Indonesia. This year could be a significant one in the history of corn business in Advanta. We will see a substantial increase in the wheat business of Longreach due to increasing acceptance of our wheat varieties.
- Sweet corn and other vegetables business should see a good growth in this year. We already have good growth oriented indents for our sweet corn from some countries.
- We will launch our sunflower in Europe for the first time. This is a major step forward for our International business. Rice and corn businesses in India should grow well based on our product performance and the Government subsidy programs

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

Business Segment:

The Company has considered hybrid seed business segment as the primary segment for disclosure. The Company is engaged in research, development, production and distribution of Hybrid seeds, which in the context of Accounting Standard 17, India is considered the only Business Segment.

Geographical Segment:

Our sales are predominantly generated from international markets contributing about 85% to total sales and about 15% of the sales are generated from domestic markets. Secondary segmental information is based on the geographical location of the customers. The geographical segment have been disclosed based on revenues within India (sales to customers in India) and revenues outside India (sales to customers located outside India). The relevant information has been given at Para 8 under Schedule T, (Notes to Accounts)

RISKS, CONCERNS AND THREATS

Agricultural activities are still greatly dependent upon the vagaries of the monsoon and upon soil conditions, availability of skilled labour, quality inputs and farm credit. Non-availability of adequate irrigation facilities in most parts of the country restricts the acreage and possibility of a 2nd crop in the year. Macro economic factors like post recession effect, inadequate rainfall, subdued demand, political uncertainty and social upheavals and acts of god may also affect the business of

your Company and also the industry at large. Government of India has been supportive of technology advancement and improvement in agriculture techniques in the country. The business of the Company is dependent on various laws, regulations and policies announced from time to time. Any developments in these areas affecting the freedom of the Company to operate may adversely affect the business and growth of the Company.

Major fluctuations in total rainfall and its distribution affect the crop acreages, pest incidence and overall productivity and have a direct correlation with sales.

Exchange rate fluctuations between Dollar and Rupee could also impact revenues as well as costs in the foreseeable future. The rising crude prices could have an impact on the costs and prices of various products.

Apart from the quantum, timing and even distribution of rainfall are critical for the domestic business. The situation in 2011 was better than what it was in 2010. Farmers' willingness and ability to spend will be an important driver to demand generation. Strong support prices and better availability of credit will ease the pressure on the farming community.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Advanta has a robust internal audit and control system which is a process overseen by the Board of Directors, Management and other personnel and provides reasonable assurance regarding the effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations.

The Company's internal Audit function is staffed with qualified and experienced people. It appraises, periodically, its activities and audit findings to the audit committee, statutory auditors and the management. The observations and suggestions of the internal audit are reviewed by the Audit Committee periodically. Adequate follow up measures are taken to overcome the pointed weaknesses, if any. The standard operating Procedures (SOPs) put in place by the company is in line with the best global practices and has been laid down across the process flows along with authority controls for each activity.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE.

The Company has recorded a consolidated total income of ₹ 95214.92 Lacs as against ₹ 70652.07 Lacs for the previous year, which is 34.77% higher than that of the previous year. The consolidated profit after tax stood at ₹ 1229.05 lacs as against loss after tax of ₹ (2745.29) Lacs for the previous year.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT INCLUDING NUMBER OF PEOPLE EMPLOYED.

The Company believes that the quality of the employees is the key to its success in the long run and is committed to provide necessary human resource development and training opportunities to equip them with skill, enabling them to adopt the contemporary technological advancements.

An atmosphere of cordial relations with the employees has prevailed in the organization all over the world.

During the year, the Company has organized training programmes for all categories of employees in different areas such as technical/skill development, behavioral, Business excellence, customer orientation, safety, company values and code of conduct and product training.

As on 31st December 2011, the employee strength was 876.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results could differ substantially or materially from those expressed or implied. Important factors that could effect the company's operations include a downward trend in the Domestic Industry, Monsoon, rise in input cost, exchange rate fluctuations and significant change in Political & Economic environment in India, environment standards, litigations, changes in the Government regulations, tax laws, statutes and other incidental factors.

ANNEXURE - B

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information in accordance with the Companies (Disclosures of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Director's Report for the period ended 31st December, 2011:

A. CONSERVATION OF ENERGY

1. Energy conservation measures taken:

The Company is not a typical manufacturing unit and hence does not consume substantial energy as such. However, keeping in view the peculiar characteristics of the manufacturing processes involved in the seed industry, wherein the Company is involved, the process of drying of seeds involves fair amount of energy consumption. Hence significant energy conservation measures have been undertaken during the year.

We use convection techniques, where solar cabinets with photovoltaic cells are used to convert solar energy into heating energy upto 40 to 42 degree Celsius, which in turn dries the wet cobs to the desired moisture content. Using this, we replace Liquefied Petroleum Gas (LPG) with renewable solar energy, which is green and cost effective. We are also using conduction, where boilers fired by waste coconut cells, heat water, which in turn is used to dry the wet cobs. The company is also using machines powered by variable frequency drive, which are more energy-efficient than the existing machines.

However, on an ongoing basis, identification of new energy saving means and measures are carried out.

2. Additional Investments and proposals, if any, being implemented for reduction of consumption of energy:

We are planning to install turbo ventilators in our manufacturing plants to exhaust fumes, dust and smoke and ensure good uniform ventilation at premises. Powered by wind, these are noise and pollution free.

3. Impact of the measures at (1) and (2) above for reduction of energy consumption and consequent impact on the cost of production of goods:

Savings in energy consumption results in low cost of production and eventual rise in profitability.

4. Total Energy consumption and energy consumption per unit of production:

Not Applicable

B. TECHNOLOGY ABSORPTION

RESEARCH AND DEVELOPMENT (R & D)

1. Specified areas in which R & D carried out by the Company:

- a) Identification and development of superior, high yielding pest and disease resistant proprietary hybrids. Utilisation of the Molecular Breeding Technology to increase the speed and precision in the Breeding Programs.
- b) Development, testing and specification setting of packaging materials.

2. Benefits derived as a result of the above R & D:

- a) Cost reduction, import substitution and strategic resource management.
- b) Quality evaluation of seeds.
- c) Higher productivity and economic returns to the farming community consequent to development of high yielding Hybrids.
- d) Entering new market segments.
- e) Increased speed of introduction of new products.

3. Future Plan of Action :

To continue and extend research in the above areas.

4. Expenditure on R & D:

Description	Standalone		Consolidated	
	FY 2011	FY 2010	FY 2011	FY 2010
Capital	105.78	32.35	184.46	121.30
Revenue	858.40	790.87	9216.00	6623.20
Total	964.18	823.22	9400.46	6744.50
R&D Expenditure as a % of Net Sales	7.35	8.12	10.31	10.32

*The expenditure given above does not include the amount spent on Nutrisun project.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts, in brief, made towards technology Absorption, adaptation and innovation:

Utilizing plant breeding and biotechnological tools for the development of high yielding proprietary hybrids suitable for Indian agro climatic environment.

2. Benefits derived as a result of the above efforts:

Product improvement and development leading to cost reduction by introduction of high yielding superior quality disease and pest resistant hybrids for the benefit of the Indian farmer.

3. Information regarding Imported Technology:

a. Technology Imported	:	Plant breeding and biotechnology know-how relating to seeds.
b. Year of Import	:	Technology up gradation takes place on a continuous basis during the year
c. Has Technology been fully absorbed	:	Yes
d. Future plans of action	:	To continue ongoing research

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

1. (a) Activities relating to exports	:	Export of various Hybrid Seeds in field crops and vegetable crops	
(b) Initiatives taken to increase	:	Started producing seeds for our other subsidiaries and for export markets taking the advantage of the low cost of production in India.	
(c) Export plans	:	Company is having ambitious export plan of hybrid seeds in the year 2012 by exploring the possibilities of taking production of hybrid seeds in India on behalf of overseas Buyers.	
2. Foreign Exchange used (on stand-alone basis)	:	Current year (₹ in Lacs)	Previous year (₹ in Lacs)
Consumables	:	-	-
Capital Expenditure	:	-	19.75
Import of Seeds	:	407.98	368.51
Travel	:	26.27	13.02
Legal and Professional Charges	:	58.06	55.63
Other Expenses	:	61.57	64.50
Interest	:	553.31	-
Reimbursement of expenses	:	68.20	-
Total		1175.39	521.41
Foreign Exchange Earned (On stand-alone basis)			
FOB Value of Exports	:	548.32	1378.03
Intrest Income	:	2897.13	2574.04
Reimbursement of expenses	:	1201.22	242.86
Others	:	104.47	-
Total		4751.14	4194.93

For and on behalf of the Board of
Advanta India Limited

Date: 07.05.2012
Place: Hyderabad

Vikram R Shroff
Director

V R Kaundinya
Managing Director

Disclosure pursuant to Clause 12 & 19 of SEBI (Employees Stock Option Scheme & Employees Stock Purchase Scheme) Guidelines, 1999

Particulars	As at 31st December, 2011
Granted during the year	Nil
Pricing Formula	Black Scholes Formula
Vested during the year	11,439
Exercised during the year	2,223
Forfeited during the year	7,970
Lapsed during the year	11,432
Outstanding unvested at the end of the year	5,446
Exercisable vested options at the end of the year	54,170
Total number of options in force	59,616
Total No of Shares arising as a result of exercise of option (cumulative)	19,712
Variation of Terms of options	Nil
Money Realised by Exercise of options during the year	₹ 633,555
Employee wise details of options granted during the year :	
(a) Senior managerial personnel-	3028
(b) Any other employee who received a grant in any one year, of options amounting to 5% or more of options granted during the year	Nil
(c) Identified employees who were granted options, during the year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of the grant.	Nil
Diluted Earnings Per Share (EPS) pursuant to issue of Shares on exercise of options calculated in accordance with Accounting Standard 20.	₹ 8.34
The Difference between the employee compensation cost using the intrinsic value of the stock options, and the employee compensation cost that shall have been recognized if it had used the fair value of the options.	₹ 7.66 Lacs
The impact of this difference on profit	Profit reduced by ₹ 7.66 Lacs
Basic EPS of the Company.	₹ 8.42
- Weighted average exercise price of options where exercise price is less than market price	₹ 285/-
- Weighted average exercise price of options where exercise price is equal to or exceeds market price	-
- Weighted average fair value of options where exercise price is less than market price	₹ 285/-
- Weighted average fair value of options where exercise price is equal to or exceeds market price	
Description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted average information:	
a) Risk free interest rate	7.50% per annum
b) Expected life	Vesting period + 18 months
c) Expected volatility	43%
d) Expected dividends and	1.40% per annum
e) The price of the underlying share in market at the time of option grant.	Unlisted Company

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy

Advanta is committed to the highest standards of corporate governance and seeks to follow the business principles and ethics in all its activities and processes.

Advanta believes that as we move closer towards our aspirations of becoming a global leader in seed business, our Corporate Governance Standards must be globally acclaimed and recognized.

The basic Philosophy of Corporate Governance of the Company is to achieve business excellence and enhance the shareholder value, keeping in view the interests of all stakeholders. The Company has been regularly implementing the best practices of Corporate Governance in order to attain transparency, accountability and integrity.

The Company believes that strong Corporate Governance is just to meet the statutory requirements, but also to go beyond that by putting into place the procedures and systems, which are in accordance with the best practices of Corporate Governance.

The Company's products are marketed not only in India but all across the globe. The Company is therefore conscious of the fact that to achieve success, a very high level of ethical values is to be maintained by the Management Team and all other employees.

2. Board of Directors

(a) Size and composition of the Board

Our policy towards the composition of the Board is to have an appropriate mix of executive and independent directors to maintain the independence of the Board and to separate its functions of governance and management. Currently the Board consists of 6 members, one of whom is executive or whole-time director, two are non-executive and three are independent directors.

The Board believes that the current size is appropriate, based on the contemporary circumstances and requirements. The Board periodically evaluates the need for change in its composition and size.

Composition and Category of Directors:

Name of Director	Category	Designation	No.ofshares held in the Company (%)
Mr. Jaidev R Shroff	Promoter & Non Executive Director	Chairman	1015350 (6.02)
Mr. V. R. Kaundinya	Executive Director	Managing Director	7910 (0.05)
Mr. Vikram R. Shroff	Promoter & Non Executive Director	Director	846650 (5.02)
Mr. Vinod Sethi	Independent Director	Director	Nil
Dr. Vasant P. Gandhi	Independent Director	Director	Nil
Mr. Hardeep Singh	Independent Director	Director	6400 (0.04)

(b) Meetings of the Board

- The Board meets atleast once in a quarter to review the quarterly results and to transact the other items on agenda. Additional meetings are held as and when necessary.
- The Company Secretary prepares the agenda for each meeting, along with explanatory notes, in consultation with the Managing Director and CFO and circulates the same in advance to the Directors.
- Every Board member is free to suggest additional items for inclusion in the agenda. Presentations are made on business operations to the Board by the CEO / CFO / other Functional Heads.
- The Minutes of the proceedings of the Meetings are noted and the draft Minutes are circulated amongst the members of the Board for their perusal and feedback. Comments, if any, received from the Directors are recorded in the Minutes, in consultation with the Chairman of the Meeting. The Minutes are approved by the Board members at the next Meeting.
- Senior management personnel are invited to provide additional inputs for the items being discussed by the Board as and when necessary.

Five Board meetings were held during the year ended December 31, 2011.

- ◆ February 18, 2011
- ◆ February 28, 2011
- ◆ April 28, 2011
- ◆ August 10, 2011
- ◆ November 7, 2011

The maximum time gap between any two Board Meetings did not exceed four months.

(c) Attendance at the Board meetings / AGM and directorships / committee membership held by the Directors as at December 31, 2011

Name of the Director	No. of meetings during the year		No. of Memberships in other companies			Attendance at previous AGM
	Held	Attended	Boards	Committees (Including Chairmanship)	Chairmanship of Committees	
Mr. Jaidev R. Shroff	5	2	13	Nil	Nil	Absent
Mr. V. R. Kaundinya	5	5	2	1	Nil	Present
Mr. Vikram R. Shroff	5	5	11	Nil	Nil	Absent
Mr. Vinod Sethi	5	4	10	7	1	Present
Dr. Vasant P. Gandhi	5	4	1	1	Nil	Present
Mr. Hardeep Singh	5	4	3	Nil	Nil	Absent

- The Directorships held by Directors in other Companies, as mentioned above; do not include Directorship(s) in Foreign Companies, Companies Registered under Section 25 of the Companies Act, 1956 and Private Limited Companies.
- None of the Directors of the Company holds office as Director, at the same time in more than (15) companies. No Director of the Company is a member in more than ten (10) Committees or is a Chairman of more than five (5) Committees across all companies in which he is a Director.

- For the purpose of reckoning number of Committees in which a Director is a member /chairman, the memberships / Chairmanships in Audit Committee and Shareholders'/Investors' Grievance Committee alone are considered.
- None of the Independent Directors has any pecuniary relationship or transaction with the Company except that the sitting fee paid for each meeting of the Board of Directors attended by him.
- None of the Directors has any relationship with other directors of the Company except Mr. Jaidev R. Shroff and Mr. Vikram R. Shroff who are related to each other as brothers.

(d) Availability of information to Board members

The Board has complete access to any information within the Company, including regular updates such as:

- Annual operating plans and budgets, capital budgets and updates
- Quarterly results of our operating divisions or business segments
- Minutes of meetings of audit, remuneration, risk management and investor grievance committees as well as abstract of circular resolutions passed
- Information about foreign currency risks and the risks pertaining to derivatives and swap transactions.
- The Board minutes of the subsidiary companies.
- Dividend data
- Information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of the CFO and Company Secretary, if any
- Materially important litigations, show cause, demand, prosecution and penalty notices
- Fatal or serious accidents, dangerous occurrences and issues related to material effluent or pollution
- Any material defaults in financial obligations to and by the Company or substantial non-payment for goods sold
- Any issue that involves possible public or product liability claims of a substantial nature
- Details of joint ventures, acquisitions of companies or collaboration agreements
- Transactions that involve substantial payments toward goodwill, brand equity and intellectual property
- Significant labour problems and their proposed solutions, any significant development in human resources / or Industrial relations front
- Sale of material nature, of investments, subsidiaries and assets which are not in the normal course of business
- Quarterly details of foreign exchange exposures and the steps taken by the management to limits the risk of adverse exchange rate movement, if material
- Details of foreign exchange exposure and the steps taken by the Management to limit risks of adverse exchange rate movement
- Non-compliance of any regulatory, statutory or listing requirements, as well as shareholder services such as non-payment of dividend and delays in share transfer

(e) Code of conduct

As per the requirements of Clause 49 of the Listing Agreement entered with the Stock Exchanges, the Board has laid down a code of conduct for all Board members, Senior Management Personnel and Designated Employees of the Company. The code of conduct is posted on the website of the Company (www.advantaindia.com). All Board members and Senior Management Personnel affirm compliance with the code on an annual basis and the declaration to the effect by Mr. V.R.Kaundinya, Managing Director, is attached to this report.

(f) Subsidiary Companies

As per requirement of Clause 49 of the Listing Agreement entered with the Stock Exchanges, the Company monitors the performance of its Indian subsidiary companies, inter alia, by the following means:

- i. The financial statements, in particular the investments made by subsidiary companies, are reviewed by the Audit Committee of the Company periodically.
- ii. The minutes of the Board meetings of the subsidiary companies are noted at the Board meetings of the Company.
- iii. The details of significant transactions and arrangements entered into by the subsidiary companies are placed periodically before the Board of the Company.

3. AUDIT COMMITTEE:

(a) Constitution of Audit Committee

- i. The Audit Committee comprises three Independent directors and one Non-executive director. There was no change in the composition of the said Committee during the year under review:
 - Mr. Vinod Sethi - Chairman
 - Mr. Vikram R Shroff - Member
 - Dr. Vasant P. Gandhi - Member
 - Mr. Hardeep Singh – Member
- ii. Mr. Vinod Sethi, Chairman of the Committee attended the previous Annual General Meeting of the Company held on April 29, 2011. The composition of the Committee meets the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with the Stock Exchanges.

Company Secretary is the Secretary of the Committee.

(b) Meetings and attendance during the year

During the financial year ended December 31, 2011, four audit committee meetings were respectively held on February 28, 2011; April 28, 2011; August 10, 2011 and November 7, 2011. The attendance of each member of the Committee is given below:

Name of the Member	Category	No. of meetings	
		held	attended
Mr. Vinod Sethi	Independent Director	4	3
Mr. Vikram R. Shroff	Non – Executive Director	4	4
Dr. Vasant P. Gandhi	Independent Director	4	4
Mr. Hardeep Singh	Independent Director	4	4

The meetings of the Audit Committee were generally attended by the head of Finance and Statutory Auditors as invitees.

(c) Terms of reference

The terms of reference of our Audit Committee are in accordance with the listing Agreement entered with Stock Exchanges read with Section 292 A of the Companies Act, 1956 and includes such other functions as may be assigned to it by the Board from time to time.

(a) Powers of the Audit Committee include:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

(b) Role of the Audit Committee includes:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the financial statements before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by management
 - Significant adjustments made in the financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of any related party transactions
 - Review of draft Auditors Report, in particular qualifications / remarks / observations made by the Auditors on the financial statements
 - Management Discussion and Analysis of financial conditions and results of operations
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval
- Review of the financial statements of subsidiary Companies
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems

- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
- Discussion with internal auditors any significant findings and follow up there on.
- Reviewing the Risk Management policies, practices and the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern
- Approval of appointment / reappointment / remuneration of CFO (or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate
- Carrying out any other function as may be mentioned in the terms of reference of the Audit Committee

The Audit Committee discharges its functions and obligations on regular basis and on the occurrence of the events.

4. REMUNERATION COMMITTEE

(a) Constitution of Remuneration Committee

During the year and also as on date, our Remuneration Committee comprises 5 Non –Executive Directors, out of which 3 Directors are Independent:

- Mr. Hardeep Singh – Chairman
- Mr. Jaidev R. Shroff – Member
- Mr. Vikram R. Shroff – Member
- Mr. Vinod Sethi – Member
- Dr. Vasant P. Gandhi – Member

The Company Secretary is the Secretary of the Committee.

(b) Meetings and attendance during the year

During the financial year ended December 31, 2011 four remuneration committee meetings were held respectively on February 28, 2011; April 28, 2011; August 10, 2011 and November 7, 2011. The attendance of each member of the Committee is given below:

Name of the Member	Category	No. of meetings	
		held	attended
Mr. Hardeep Singh	Independent Director	4	4
Mr. Jaidev R. Shroff	Non-Executive Director	4	1
Mr. Vikram R. Shroff	Non-Executive Director	4	4
Mr. Vinod Sethi	Independent Director	4	3
Dr. Vasant P. Gandhi	Independent Director	4	4

(c) Terms of reference

The terms of reference of the Remuneration Committee are as under:

- The Remuneration Committee has been constituted to recommend/review remuneration of the Managing Director and Whole-time Directors, based on their performance and defined assessment criteria.
- To decide on the elements of remuneration package of all the directors i.e. salary, benefits, bonus, stock options, pensions, etc.
- To administer the Employee Stock Option and Shares Plan – 2006
- Recommendation of fees / compensation/ stock options, if any, to be paid / granted, to Non Executive Directors, including independent directors, of the Board.
- Meetings of the Committee shall be held whenever matters pertaining to the remuneration payable, including any revision in remuneration payable to Executive/Non- Executive Directors are to be made.
- While approving the remuneration, the committee shall take into account financial position of the Company, trend in the industry, qualification, experience and past performance of the appointee:
- The Committee shall be in a position to bring about objectivity in determining the remuneration package while striking the balance between the interest of the Company and shareholders.
- Carrying out any other function related to the terms of reference of the Remuneration Committee.
- Any other functions / powers / duties as may be entrusted by the Board from time to time

(d) Remuneration Policy

Remuneration of the Executive Director is determined by the Remuneration Committee within the permissible limits under the applicable provisions of law and as approved by the shareholders.

The Company's remuneration policy is driven by the success and performance of the managerial person. While reviewing the remuneration of management personnel, the Committee takes into account the following:

- Financial position of the Company
- Scales prevailing in the industry
- Appointee's qualification and expertise
- Past performance
- Past remuneration etc.

Non-executive and Independent Directors are paid sitting fees of ₹ 20,000/- for each meeting of the Board attended by them. The total amount of sitting fees for the year was ₹ 2,20,000

(e) Details of remuneration paid during the financial year ended December 31, 2011 to the Directors**(₹ in lacs)**

Name	Salary*	Commission	Perks/Contribution to Retirement Benefits	Sitting fee	Total
V.R. Kaundinya	98.75	Nil	23.36	N.A	122.11
Vinod Sethi	Nil	Nil	Nil	0.60	0.60
Hardeep Singh	Nil	Nil	Nil	0.80	0.80
Vasant P. Gandhi	Nil	Nil	Nil	0.80	0.80

* Salary includes HRA, Special Allowance and incentives.

- Mr. V.R. Kaundinya has been granted 5460 Stock Options in the Company till 31st December, 2011. Till date 4028 options have been vested out of which –3345 options have been exercised and allotted to him. Further 3230 additional Stock Options have been granted on 27.02.2012. No other Director of the Company holds any Stock Options in the Company.
- Employment period of Mr. V.R. Kaundinya shall continue till the executive attains the age of superannuation or retirement.
- Severance fees of Mr.V.R.Kaundinya shall be accrued benefits and 6 months basic salary.
- No performance linked incentives were paid during the previous F.Y.2011.
- As per Employment Agreement.

5. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

(a) Constitution of the Committee

The Committee comprises three Non-executive directors of whom one is Independent director:

- Mr. Vinod Sethi - Chairman
- Mr. Jaidev R. Shroff - Member
- Mr. Vikram R. Shroff - Member

The Company Secretary is the Secretary of the Committee.

Ms. Pushpalatha K, Company Secretary is the Compliance Officer.

(b) Terms of reference

The terms of reference of the Shareholders' / Investors' Grievance Committee are as under:

- i. Investigate into investors complaints and take necessary steps for redressal thereof
- ii. Transfer and transmission of securities
- iii. Dealing with complaints about non-receipt of declared dividend, non-receipt of Annual Report etc.
- iv. Issuance of duplicate shares
- v. Review of shares dematerialization and all other related matters
- vi. To perform all functions relating to the interests of shareholders/investors of the Company as may be required by the provisions of the Companies Act, 1956, Listing Agreement with the Stock Exchanges and guidelines issued by the SEBI or any other regulatory authority

To expedite the process and for effective resolution of grievances/complaints, the Committee has delegated powers to the Registrar and Transfer Agent, M/s Sharepro Services (India) Pvt. Ltd., to redress all complaints/grievances/inquiries of the shareholders/investors. It redresses the grievances/complaints of shareholders/investors under the supervision of Company Secretary and Compliance Officer of the Company.

The Company has received the following communication from the shareholder(s) and this was replied/resolved to the satisfaction of the shareholder(s). There is no complaint pending unresolved at the year end.

Nature of request/complaint	Received	Resolved
Non-receipt of dividend warrant	1	1

The Committee along with the Registrars and Share Transfer Agents of the Company follow the policy of attending to the complaints, if any, within seven days from the date of receipt of any complaint.

6. GENERAL BODY MEETINGS

(a) Annual General Meetings

The venue, date and time of the Annual General Meetings held during the preceding three years and the Special Resolutions passed thereat are as under:

Venue	Date and Time	Special resolution passed
“Earthen Oven” Fortune Park Vallabha, Road No. 12, Banjara Hills, Hyderabad-500034	April 29, 2011 11:30 A.M.	None
Quoram Hall, Hotel Minerva Grand, Sarojini Devi Road, Secunderabad-500003	April 29, 2010 11.30 A.M.	(i) To approve the alteration of Articles of Association of the Company by way of inserting sub-article (5) in Article 7 of the Articles of Association.
Quoram Hall, Hotel Minerva Grand, Sarojini Devi Road, Secunderabad-500003	June 22, 2009 11.30 A.M.	(i) Reappointment of Mr. V.R. Kaundinya as the Managing Director of the company with effect from 10th July, 2009 for a maximum period of three years at a maximum remuneration of Rs. Two Crores per annum with effect from 10th July, 2009. (ii) Waiver of excess remuneration being paid to Mr. V.R. Kaundinya as the Managing Director of the company, over and above the limits prescribed under section 309 read with Schedule XIII of the Companies Act, 1956 for three Financial Years ended on 31st December, 2006, on 31st December, 2007 and on 31st December, 2008.

(b) Extra Ordinary General Meetings

Particulars with regard to venue, date and time of the Extraordinary General Meetings held during the preceding three years and the Special Resolutions passed thereat are as under:

Year	Venue	Date and Time	Details of the Special Resolutions
2011	"Earthen Oven" Fortune Park Vallabha, Road No. 12, Banjara Hills, Hyderabad - 500034	March 17, 2011 11:00 A.M.	(i) Issue of further Equity shares and / or other convertible financial instruments through Public Issue, Rights Issue, Preferential Issue and / or Preferential Allotment for an aggregate amount not exceeding Rs. 750 Crores.
2010	No Extraordinary General Meeting was held during the year		
2009	Quoram Hall, Hotel Minerva Grand, Sarojini Devi Road, Secunderabad-500003	November 6, 2009 11.30 A.M.	(i) Issue of further Equity shares and / or other convertible financial instruments through Public Issue, Rights Issue, Preferential Issue and / or Preferential Allotment for an aggregate amount not exceeding Rs. 750 Crores.

(c) Postal Ballot

During the year, no postal ballot process was taken up and hence no special resolutions were passed through postal ballot. Therefore providing details of person who conducted the Postal Ballot exercise does not arise.

(d) Special Resolutions proposed to be conducted through Postal Ballot

As of now, there is no proposal to pass any Special resolution through Postal Ballot process. Special resolutions, if required to be passed in the future, will be decided at the relevant time.

(e) Procedure for postal Ballot

The procedure for postal Ballot is / shall be as per the provisions contained in this behalf in the Companies Act, 1956 and rules made thereunder, viz., Companies (Passing of the resolutions by Postal Ballot) Rules, 2001 and any amendments thereof.

7. DISCLOSURES

i) Disclosure on materially significant related – party transactions that may have potential conflict with the interest of the Company at large.

- None of the transactions with the related parties is in conflict with the interest of the Company. The Company's major related party transactions are generally with its Subsidiaries and Associates. All related party transactions are negotiated on arms length basis and are intended to further the interests of the Company.
- The particulars of transactions between the Company and its related parties as per the Accounting Standard -18 "Related Party Disclosure" issued by the Central Government under Companies (Accounting Standards) Rules, 2006 are set out at Clause 9 under Schedule T (Notes to Accounts), forming part of the Annual Accounts. Members may refer to the said Notes to Accounts for the details of related party transactions.

ii) **Details of non-compliance by the company, penalties, and strictures imposed on the company by the Stock Exchange or SEBI or any other statutory authority, on any matter related to capital markets, during the last three years.**

The Company has complied with the requirements of regulatory / statutory authorities on capital market and no penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority, on any matter relating to the capital markets during the last three years.

iii) **Details of compliance with mandatory requirements and adoption of non-mandatory requirements of this clause:**

The Company has complied with all the mandatory requirements and has adopted the following non-mandatory requirement of clause 49.

- Remuneration Committee

The Company has constituted Remuneration Committee to inter alia recommend/review remuneration to Managing Director / Wholtime Directors and Non-Executive Directors based on their performance and defined assessment criteria.

8. MEANS OF COMMUNICATION

- Quarterly results are published in The Business Standard and Andhra Prabha. The results are also posted on the Company's website www.advantaindia.com.
- Official news releases made to media are displayed on the Company's website www.advantaindia.com. Official Media Releases are sent to the Stock Exchanges.
- The Company's website, www.advantaindia.com contains a separate section 'Investor Relations' where shareholders information is available. The Annual Report of the Company is also available on the Company's website in a user-friendly and downloadable form.
- The Company has designated the following e-mail id exclusively for investor servicing. For any queries, complaints or suggestions to the Company - investor@advantaindia.com and also communicate through investors' toll number provided therein.
- Annual Report, containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management Discussion & Analysis (MD &A) Report forms part of the Annual Report and is displayed on the Company's website www.advantaindia.com.

9. GENERAL SHAREHOLDER INFORMATION

- (a) **Day, Date, Time & Venue :** Wednesday, 20th June, 2012 at 11.30 A.M. at Hotel Fortune Park Vallabha, Road No.12, Banjara Hills, Hyderabad, Andhra Pradesh, India

(b) Financial Calendar

The Financial Year is 1st January to 31st December and the financial results are proposed to be declared as per the following tentative schedule:

Particulars	Tentative Schedule
Financial reporting for the quarter ending March 31, 2012	First fortnight of May 2012
Financial reporting for the quarter ending June 30, 2012	First fortnight of August 2012
Financial reporting for the quarter ending September 30, 2012	First fortnight of November 2012
Financial reporting for the quarter ending December 31, 2012	Second fortnight of February 2013

(c) Book Closure

The Register of Members and Share Transfer Books of the Company shall remain closed from 11th June 2012 to 20th June 2012 (both days inclusive) in connection with the proposed 18th Annual General Meeting.

(d) Listing Details

i. Equity Shares

The Company's shares are listed on the following Stock Exchanges with effect from 19th April 2007.

Name of the Stock Exchange	Address	Stock Code
Bombay Stock Exchange Ltd. (BSE)	Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001	532840
National Stock Exchange of India Ltd. (NSE)	Exchange Plaza, 5th Floor Plot No. C/1, G Block Bandra-Kurla Complex Bandra (E), Mumbai – 400051	ADVANTA EQ

ISIN : INE517H01010

Annual listing fees for the Financial Years 2011-12 & 2012-13 have been paid by the Company to both the Stock Exchanges.

ii. Privately placed Debt instruments

The Company's privately placed Non-Convertible debentures are listed on The Wholesale Debt Market (WDM) Segment of BSE.

Scrip Code: 946596
ISIN : INE517H08015

Annual listing fees for the NCDs for the Financial Years 2011-12 & 2012-13 have been paid by the Company.

iii. Foreign Currency Convertible Bonds (FCCBs)

The Bonds are listed at Singapore Exchange Securities Trading Limited.

Stock Code : ADVFCB16

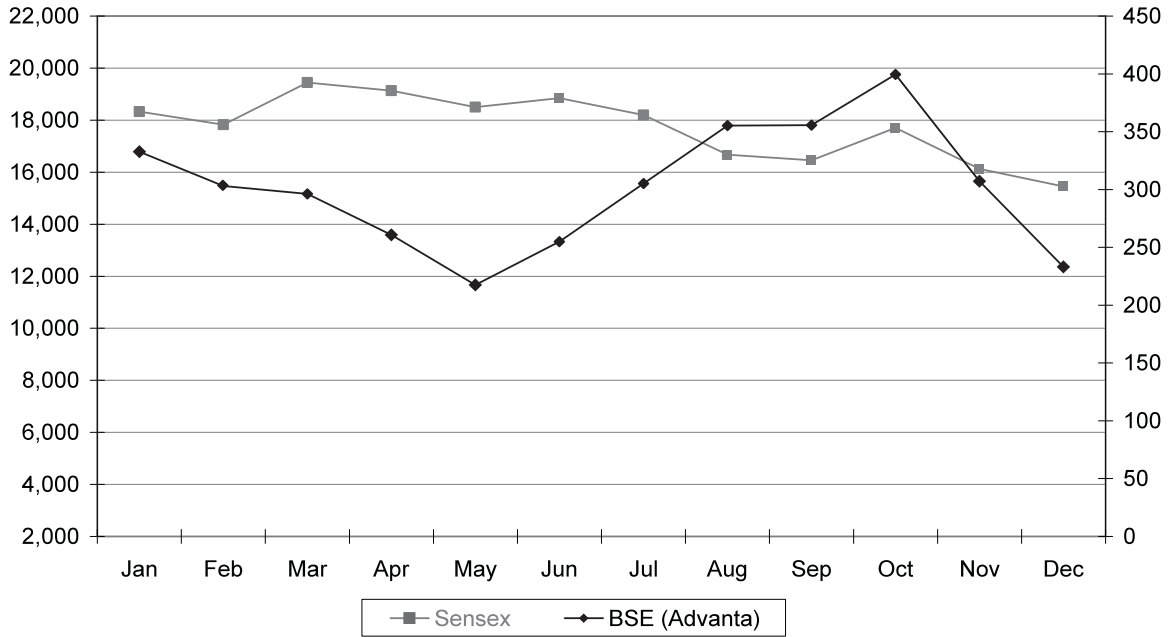
(e) Market Price Data

Month	Bombay Stock Exchange Limited (BSE) (In ₹ per share)		National Stock Exchange of India Limited (NSE) (In ₹ per share)	
	High	Low	High	Low
January 2011	454.80	321.20	454.70	322.10
February 2011	344.95	281.05	339.75	284.15
March 2011	350.40	291.20	350.70	287.70
April 2011	318.10	258.10	318.80	259.10
May 2011	263.80	208.60	269.00	209.00
June 2011	294.40	215.00	292.20	214.00
July 2011	325.85	255.20	325.80	255.50
August 2011	364.50	255.00	364.45	251.20
September 2011	413.50	344.10	414.00	340.70
October 2011	411.90	340.75	413.00	340.00
November 2011	462.05	305.00	462.00	304.60
December 2011	344.90	222.00	347.00	221.25

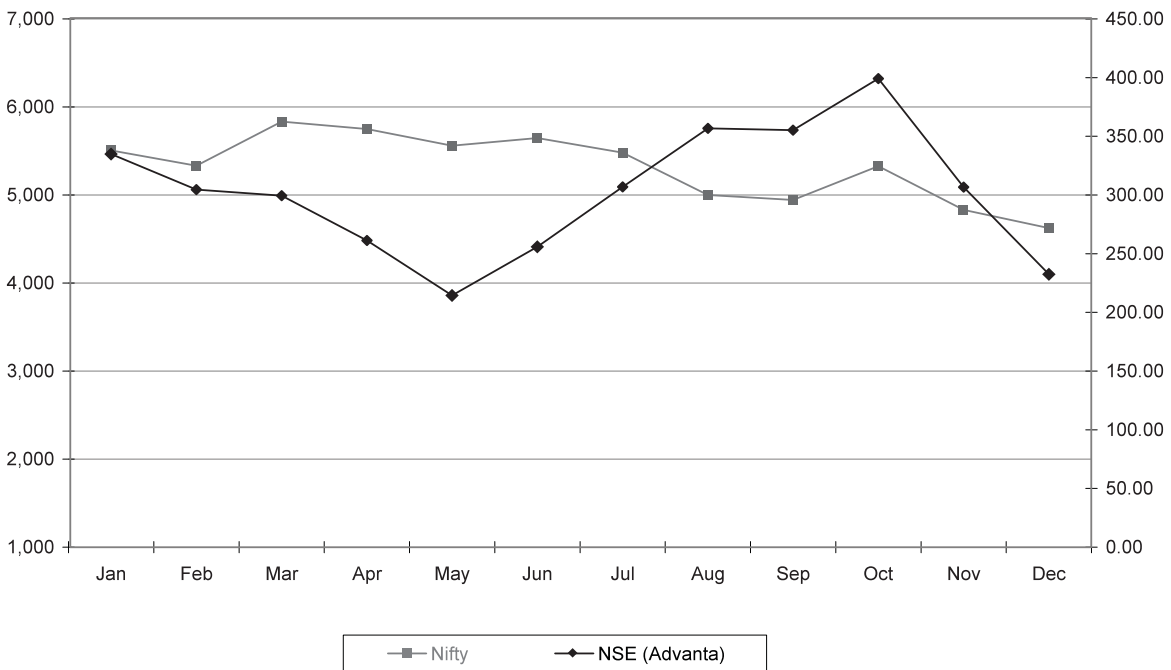
Performance in comparison to broad based indices for FY 31st December 2011 - BSE Sensex Vs Advanta (Closing Share prices in BSE) and Nifty vs. Advanta (Closing Share prices in NSE)

Month	Sensex	BSE(Advanta)	Nifty	NSE(Advanta)
January 2011	18,327.76	332.70	5505.90	335.00
February 2011	17,823.40	303.00	5333.25	304.60
March 2011	19,445.22	296.15	5833.75	299.35
April 2011	19,135.96	260.70	5749.50	261.30
May 2011	18,503.28	217.45	5560.15	214.45
June 2011	18,845.87	255.00	5647.40	255.95
July 2011	18,197.20	305.15	5482.00	307.00
August 2011	16,676.75	355.25	5001.00	356.75
September 2011	16,453.76	355.70	4943.25	355.20
October 2011	17,705.01	399.45	5326.60	399.20
November 2011	16,123.46	307.05	4832.05	306.70
December 2011	15,454.92	233.05	4624.30	232.55

BSE Sensex Vs. Advanta Share Price in BSE



NSE Nifty Vs. Advanta Share Price in NSE



- (f) **Registrar & Share Transfer Agents :** M/s. Sharepro Services (India) Pvt. Ltd.
Samhita Complex, Gala No. 52 to 56,
Building No. 13A – B, Near Sakinaka
Telephone Exchange,
Andheri – Kurla Road,
Sakinaka, Mumbai – 400072.
E-mail: sharepro@shareproservices.com

(g) **Share Transfer System**

All the transfers received are processed and approved by the Shareholders' / Investors' Grievance Committee at its meeting or by way of circular resolution. Share transfer requests which are received in physical form, are processed and the share certificates returned within a period of 15 days in most cases, and in any case within 30 days, from the date of receipt, subject to the documents being in order and complete in all respects.

The Company obtains from a Company Secretary in practice Half-Yearly Certificate of compliances with the share transfer formalities as required under Clause 47 (c) of the Listing Agreement with the Stock Exchanges and files a copy of the Certificate with the Stock Exchange(s).

(h) **Employee Stock Option Scheme**

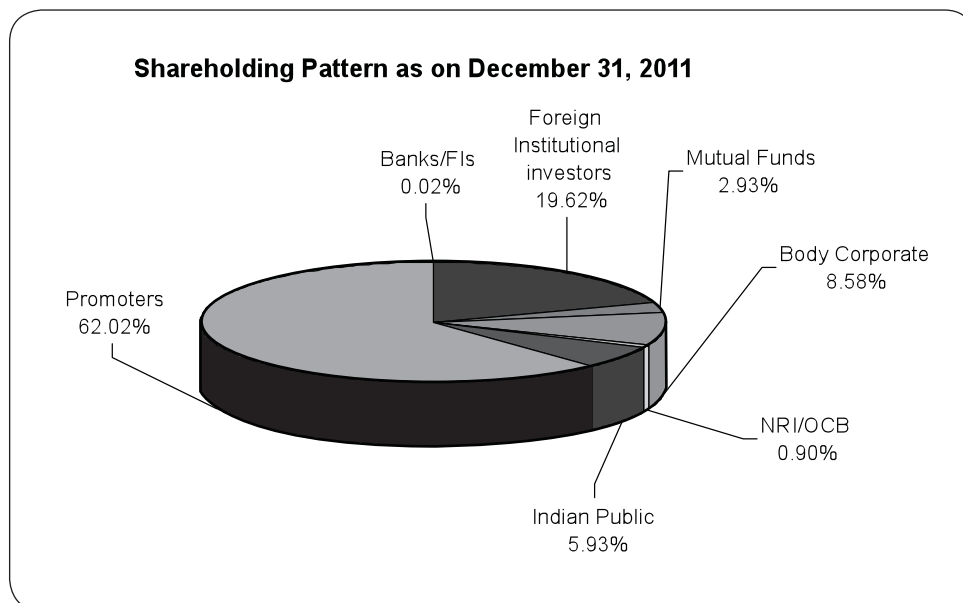
The Company has earmarked 1,68,000 equity shares of ₹10/- each under the Employee Stock Option Scheme 2006. Each option is convertible into an equity share of ₹10/- each. As on December 31, 2011, 59,616 options were in force, comprising of 5446 options which remained unvested & outstanding and 54,170 vested options remained to be exercised. The vesting period and the exercise period of the stock options shall be determined by the Remuneration Committee subject to the minimum vesting period being one year.

(i) **Distribution of Shareholdings as on 31st December, 2011:**

Category (Shares)	Shareholders		Shareholding	
	Folio(s)	%	Shares	%
(1)	(2)	(3)	(4)	(5)
Upto 500	7,397	95.13	486,934	2.89
501 - 1000	191	2.46	152,164	0.90
1001 - 2000	80	1.03	114,445	0.68
2001 - 3000	32	0.41	81,456	0.48
3001 - 4000	10	0.13	35,629	0.21
4001 - 5000	8	0.10	36,856	0.22
5001 - 10000	29	0.37	211,444	1.26
10001 - And Above	29	0.37	15,735,284	93.36
Total	7,776	100.00	16,854,212	100.00

Shareholding Pattern as on December 31, 2011

Category (I)	Category of Shareholders (II)	Number of Share holders (III)	Total No. of Shares (IV)	Number shares held in demat form (V)	Total shareholding as a percentage of total number of shares		Shares pledged otherwise encumbered	
					As a percentage of (A+B) (VI)	(A+B+C) (VII)	No. of Shares (VIII)	As a % of (IX) =(VIII)/(IV) *100
(A)	Shareholding of Promoter and Promoter Group2							
(1)	Indian							
(a)	Individuals/H.U.F	2	847650	847650	5.03	5.03	-	-
(b)	Central/State Government(s)	0	0	0	0.00	0.00	-	-
(c)	Bodies Corporate	3	8589857	8589857	50.97	50.97	5237000	60.97
(d)	Financial Institutions/Banks	0	0	0	0.00	0.00	-	-
(e)	Any Other (specify)	0	0	0	0.00	0.00	-	-
	Sub Total (A)(1)	5	9437507	9437507	55.99	55.99	5237000	55.49
(2)	Foreign							
(a)	Non Resident Individuals/Foreign Nationals	1	1015350	1015350	6.02	6.02	-	-
(b)	Bodies Corporate	0	0	0	0.00	0.00	-	-
(c)	Institutions	0	0	0	0.00	0.00	-	-
(d)	Any Other (specify)	0	0	0	0.00	0.00	-	-
	Sub Total (A)(2)	1	1015350	1015350	6.02	6.02	0	0.00
	Total holding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	6	10452857	10452857	62.02	62.02	5237000	50.10
(B)	Public Shareholding3							
(1)	Institutions							
(a)	Mutual Fund/UTI	1	494476	494476	2.93	2.93		
(b)	Financial Institutions/Banks	1	2700	2700	0.02	0.02		
(c)	Central/State Government(s)	0	0	0	0.00	0.00		
(d)	Venture Capital Funds	0	0	0	0.00	0.00		
(e)	Insurance Companies	0	0	0	0.00	0.00		
(f)	Foreign Institutional Investors	16	3307014	3307014	19.62	19.62		
(g)	Foreign Venture Cap. Inv	0	0	0	0.00	0.00		
	Sub Total (B)(1)	18	3804190	3804190	22.57	22.57		
(2)	Non Institutions							
(a)	Bodies Corporate	575	1444479	1444479	8.57	8.57		
(b)	Individuals							
	i) Holding nominal share capital upto Rs. 1 lakh	7076	760877	760775	4.51	4.51		
	ii) Holding nominal share capital in excess of Rs. 1 lakh	6	238364	238364	1.41	1.41		
(c)	Any Other(specify)							
	Overseas Corporate Bodies	0	0	0	0.00	0.00		
	Non Resident Individuals							
	- Non Repatriable	19	2096	2096	0.01	0.01		
	- Repatriable	74	150597	150597	0.89	0.89		
	Foreign National	2	752	752	0.00	0.00		
	Sub Total (B)(2)	7752	2597165	2597063	15.41	15.41		
	Total Public shareholding (B)=(B)(1)+(B)(2)	7770	6401355	6401253	37.98	37.98		
	TOTAL (A)+(B)	7776	16854212	16854110	100.00	100.00	5237000	31.07
(C)	Shares held by Custodians and against which Depository Receipts have been issued							
1	Promoter and Promoter Group	0	0	0	0.00	0.00		
2	Public	0	0	0	0.00	0.00		
	GRAND TOTAL (A)+(B)+(C)	7776	16854212	16854110	100.00	100.00	5237000	31.07



(j) Dematerialization of shares and liquidity

The Company's shares are available for dematerialization in both the Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Except 102 equity shares of Rs.10 each, the entire equity share capital comprising of 16854212 equity shares of Rs.10 each (almost 100%) has been dematerialized as on December 31, 2011.

Electronic/Physical	Number of shares held	Percentage(%) of Issued Capital
NSDL	1,61,73,088	95.96
CDSL	6,81,022	4.04
Physical	102	0.00
TOTAL	1,68,54,212	100.00

(k) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity

The Company has issued USD 50 Million Floating Rate Guaranteed Foreign Currency Convertible Bonds due 2016 as per the details given below:

Identification No.	FCB160713
ISIN	XS0633235782
Initial Conversion Price	INR 282.84 representing a premium of 10% to INR 257.13, the reference share price (closing price on NSE on June 30, 2011)
Initial Conversion Ratio	Convertible into 31,778 shares per Bond of USD 2,00,000 each from July 15, 2011 to July 2, 2016
Number of Bonds Converted as on December 31, 2011	NIL
Number of Bonds outstanding as on December 31, 2011	250
Amount Outstanding as on December 31, 2011	USD 50 Million
Expected number of shares to be issued	79,44,421

Apart from aforesaid Bonds and the stock options issued under the Employees Stock Option Scheme of the Company, there are no other instruments, whether GDRs/ADRs/Warrants or any other convertible instruments which are outstanding as on date.

(l) Plant Locations

- | | | | |
|-------|----------------------|---|--|
| (i) | Kurnool | : | B Camp Post, Krishna Nagar,
Kurnool - 518 002, A.P |
| (ii) | Medchal | : | Kalakkal Village,
Toopran Mandal, Medak Dist – A.P. |
| (iii) | Ranga Reddy District | : | Bharati Brahma Seeds,
Nutankal Village, Medchal Mandal,
Gundla Pochampally
Ranga Reddy District, 501 082,
Andhra Pradesh, India. |
| (iv) | Haryana | : | Plot No. 110, Sec. 57, Phase – IV,
Industrial Estate, Kundali, Sonapat,
Haryana, India. |

m. Investor Correspondence:

Registered Office address
 Krishnama House, #8-2-418, 4th Floor, Road No. 7, Banjara Hills,
 Hyderabad – 500034 Ph: (91-40) 6628 4000 – 15
 Fax: (91-40) 2335 0856/6628 4040 Website: www.advantaindia.com

n. Prevention of Insider Trading

In accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992, the Company has instituted a comprehensive code of conduct for prohibition of insider trading in the Company's shares.

o. Compliance Certificate

Certificate from M/s. P. S. Rao & Associates, Company Secretaries in Practice, Hyderabad confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 is annexed hereinafter.

This Certificate shall be forwarded to the Stock Exchanges where the securities of the Company are listed.

p. CEO and CFO Certification

The Managing Director and Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Clause 49. The Managing Director and Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Clause 41.

q. Any query on Annual Report : Ms. Pushpalatha K
 Company Secretary
 #8-2-418, 4th Floor,
 Krishnama House,
 Road No.7, Banjara Hills,
 Hyderabad-500034. A.P. India
 website: www.advantaindia.com

r. Other useful information to Shareholders

- i. Pursuant to Section 205A of the Companies Act, 1956 the dividend declared by the Company which remains unclaimed for a period of seven years, shall be transferred to Investor Education & Protection Fund (IEPF) established by the Central Government under Section 205C of the said Act.
- ii. The unclaimed dividend amount lying in the unpaid dividend account of the respective financial year is as follows. Investors are requested to encash the unclaimed dividend amount before the expiry of seven years.

Financial Year	Unclaimed Dividend as on 31st December,2011	Estimated date for Transfer to IEPF
2009	Yes Bank - ₹ 5110	3rd June, 2016
2008	Axis Bank - ₹ 5814	27th July, 2015
2007	HDFC Bank - Nil	29th July, 2014
2006	HDFC Bank - ₹ 3	26th October, 2013

- iii. Members holding in physical form are requested to notify to the Company, any change in their registered address and bank account details promptly by written request under the signature of sole/first joint holder. Members holding shares in electronic form are requested to send their instructions regarding change of name, change of address, bank details, nomination, power of attorney etc. directly to their Depository Participant (DP) as the same are maintained by them.

In case of non-residents members are advised to immediately notify the Company or to the DPs as the case may be (i) change in their residential status on return to India for permanent settlement (ii) particulars of their NRE bank account with a bank in India, if not furnished earlier.

- iv. Members are requested to quote their folio/DP and Client ID Nos. as the case may be, in all correspondence with the Company and the Registrar and Transfer Agent of the Company.
- v. Nomination facility : Section 109A of the Companies Act, 1956 facilitates the nomination to share / debenture holders. This facility is mainly useful for all those holding the shares / debentures in single name. In cases where the securities are held in joint names, the nomination will be effective only in the event of death of all the holders.

Investors are advised to avail of this facility, especially investors holding securities in single name.

The nomination form may be had on request from the Company's Registrar and Transfer Agents for the shares held in physical form. For the shares held in dematerialized form, the nomination has to be conveyed by the shareholders to their respective Depository Participant directly, as per the format prescribed by them.

- vi. Members are welcome to give their valuable suggestions for improvement of investor services.

For and on behalf of the Board of
Advanta India Limited

Date : 07.05.2012
Place : Hyderabad

V.R. Kaundinya
Managing Director

Declaration on Code of Conduct

I, V.R. Kaundinya, Managing Director of M/s. Advanta India Limited, to the best of my knowledge and belief, declare that all the members of the Board and senior management personnel have affirmed compliance with the code of conduct of the Company for the year ended December 31, 2011.

Date : 27.02.2012
Place: Hyderabad

V.R. Kaundinya
Managing Director

CEO / CFO Certification

To
The Board of Directors
Advanta India Limited

We hereby certify that:

- a. We have reviewed the financial statements and the cash flow statement of the Company for the year ended December 31, 2011 and 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.
- b. 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 of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting, evaluated the effectiveness of the 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 the operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify the identified deficiencies.
- d. We have indicated to the auditors and the Audit Committee
 - i. significant changes in the 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, wherever applicable; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date : 27.02.2012
Place: Hyderabad

V. R. Kaundinya
Managing Director

Manoj Gupta
Group Chief Financial Officer

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of Advanta India Limited

We have examined the compliance of conditions of Corporate Governance by M/s Advanta India Limited, for the year ended December 31, 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of the conditions of the Corporate Governance is the responsibility of the management of the Company. Our examination was limited to the procedures and implementation thereof, adopted by the Company and ensuring the compliance of the conditions of corporate governance.

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

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For P.S.Rao & Associates
Company Secretaries

Date : 07.05.2012
Place : Hyderabad

P.S Rao
Partner
Membership No: 9769
C.P. No.: 3829

AUDITORS' REPORT

To
The Members of
Advanta India Limited

1. We have audited the attached Balance Sheet of Advanta India Limited as at 31st December, 2011 and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, 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.
2. 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 ('the Order'), we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to 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 purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The balance sheet, the profit and loss account and the cash flow statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the balance sheet, the profit and loss account and the cash flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the Directors, as on 31st December, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31 December, 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) In the case of the balance sheet, of the state of affairs of the Company as at 31st December, 2011;
 - b) In the case of the profit and loss account, of the profit of the Company for the year ended on that date; and
 - c) In the case of cash flow statement, of the cash flows for the year ended on that date.

For S.R.Batliboi & Associates
Chartered Accountants
Firm Registration No. 101049W

per Sudhir Soni
Partner
Membership No.: 41870

Place : Hyderabad
Date : February 27, 2012

**Annexure referred to in paragraph 3 of our report of even date
Re: Advanta India Limited ('the Company')**

- (i) (a) The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, some of the fixed assets have been physically verified by the management under the phased programme of physical verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. The frequency of verification is reasonable and no material discrepancies have been noticed on such physical verification.
- (c) There was no substantial disposal of the fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) The Company has granted loan to a Company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 1,400 lacs and the year-end balance of the loan granted to such company was ₹ 1,400 lacs.
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and the other terms and conditions for said loan are not prima facie prejudicial to the interest of the Company.
- (c) The loans granted are repayable on demand. As informed, the repayment of principal amount and payment towards interest are made as and when demanded by the Company.
- (d) There is no overdue amount of loan granted to a company covered in the register maintained under section 301 of the Companies Act, 1956.
- (e) The Company has taken loans from a company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 40,800 lacs and the year-end balance of the loan taken from such company was ₹ 2,440 lacs.
- (f) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.
- (g) In respect of loans taken, repayment of the principal amount is as stipulated and payment of interest has been regular.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the company.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.
- (b) In respect of transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs entered into during the financial year, because of the unique and specialized nature of the items involved and absence of any comparable prices, we are unable to comment whether the transactions were made at prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.

- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities. Excise duty is not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax on account of any dispute are as follows:

Name of the Statute	Nature of Dues	Amount (₹ in lacs)	Period to which the Amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	4.84	Assessment year 2005-06	Pending before ITAT
		80.73	Assessment year 2006 -07	Pending before ITAT
		141.55	Assessment year 2007-08	Pending before ITAT

According to the information and explanation given to us, there are no dues of sales tax, wealth-tax, service tax, customs duty and cess which have not been deposited on account of any dispute. Excise duty is not applicable to the Company.

- (x) The Company's accumulated losses at the end of the financial year are less than fifty per cent of its net worth. The Company has not incurred cash loss during the year. *In the immediately preceding financial year, the Company had incurred cash loss.*
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to bank or debentures holders. The Company has no outstanding dues in respect of a financial institution.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has given guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof in our opinion are not prima-facie prejudicial to the interest of the Company.

- (xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company has unsecured debentures outstanding during the year, on which no security or charge is required to be created.
- (xx) The Company has not raised any money through public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S.R. Batliboi & Associates
Chartered Accountants
Firm Registration No. 101049W

per Sudhir Soni
Partner
Membership No.: 41870

Place : Hyderabad
Date : February 27, 2012

BALANCE SHEET AS AT 31ST DECEMBER 2011

	Schedule	(₹ in lacs)	As at 31st December, 2011 (₹ in lacs)	As at 31st December, 2010 (₹ in lacs)
SOURCES OF FUNDS				
Shareholders' Funds				
a) Share Capital	A	1,685.42		1,685.20
b) Share Application Money Pending Allotment		-		6.39
c) Reserves and Surplus	B	38,537.98		37,808.98
			40,223.40	39,500.57
Loan Funds				
a) Secured Loans	C	3,419.71		3,543.94
b) Unsecured Loans	D	53,963.12		45,036.80
			57,382.83	48,580.74
Total			97,606.23	88,081.31
APPLICATION OF FUNDS				
Fixed Assets				
a) Gross Block	E	10,728.65		10,616.25
b) Less: Accumulated Depreciation / Amortisation		5,155.86		4,296.69
c) Net Block		5,572.79		6,319.56
d) Capital Work-in-progress including capital advances		30.65		37.33
			5,603.44	6,356.89
Investments	F		41,224.04	41,258.51
Current Assets, Loans and Advances				
a) Inventories	G	5,035.70		5,588.42
b) Sundry Debtors	H	2,352.35		1,231.24
c) Cash and Bank Balances	I	1,732.53		977.15
d) Other Current Assets	J	369.37		787.63
e) Loans and Advances	K	44,473.53		34,333.07
	(A)	53,963.48		42,917.51
Less : Current Liabilities and Provisions	L			
a) Liabilities		5,753.24		5,031.27
b) Provisions		260.47		254.11
	(B)	6,013.71		5,285.38
Net Current Assets	(A-B)		47,949.77	37,632.13
Miscellaneous Expenditure				
Share Issue Expenses (Refer Note No.22 in Schedule T)			48.41	53.21
Profit and Loss Account				
			2,780.57	2,780.57
Total	T		97,606.23	88,081.31
Notes on Accounts				

The Schedules referred to above and notes to accounts form an integral part of the Balance Sheet

As per our Report of even date

For and on behalf of the Board of
Advanta India Limited

For S. R. BATLIBOI & ASSOCIATES

Chartered Accountants

Firm Registration Number : 101049W

per Sudhir Soni

Partner

Membership Number.: 41870

Place : Hyderabad

Date : February 27, 2012

Vikram R. Shroff

Director

Manoj Gupta

Chief Financial Officer

Place : Hyderabad

Date : February 27, 2012

V. R. Kaundinya

Managing Director

Pushpalatha K

Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2011

	Schedule	(₹ in lacs)	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
INCOME				
Sales		13,119.08		10,133.60
Less: Rebates and discounts		5.74		0.89
			13,113.34	10,132.71
Other Income From Operations	M		830.27	1,047.47
Other Income	N		3,100.61	2,872.04
			17,044.22	14,052.22
EXPENDITURE				
Cost of Goods Manufactured / Raw Material Consumed	O		6,382.25	6,192.05
(Increase) / Decrease in Inventories	P		(299.23)	528.09
Personnel Expenses	Q		1,617.19	1,685.46
Operating and Other Expenses	R		2,028.91	3,022.69
Interest and Other Financial Costs	S		4,842.11	4,666.13
Depreciation / Amortisation			879.33	880.94
			15,450.56	16,975.36
PROFIT/(LOSS) BEFORE PRIOR PERIOD ITEMS AND TAXATION			1,593.66	(2,923.14)
Less: Prior Period Expenses (Refer Note No.20 in Schedule T)			-	53.00
PROFIT/(LOSS) BEFORE TAXATION			1,593.66	(2,976.14)
Provision for Taxation				
-Current Tax		175.00		-
Total tax expense			175.00	-
NET PROFIT/(LOSS)			1,418.66	(2,976.14)
Balance brought forward from previous year			(2,780.57)	195.57
Profit available for appropriation			(1,361.91)	(2,780.57)
Appropriations:				
Transferred to Debenture Redemption Reserve		1,418.66	1,418.66	-
Deficit carried to Balance Sheet			(2,780.57)	(2,780.57)
Earnings Per Share :				
Basic			8.42	(17.67)
Diluted			8.34	(17.67)
Face value Per Share (Rs.)			10.00	10.00
(Refer Note No.12 in Schedule T)				
Notes on Accounts	T			

The Schedules referred to above and the notes to accounts form an integral part of the Profit and Loss Account

As per our Report of even date

For and on behalf of the Board of
Advanta India Limited

For S. R. BATLIBOI & ASSOCIATES

Chartered Accountants

Firm Registration Number : 101049W

Vikram R. Shroff
Director

V. R. Kaundinya
Managing Director

per Sudhir Soni

Partner

Membership Number.: 41870

Manoj Gupta
Chief Financial Officer

Pushpalatha K
Company Secretary

Place : Hyderabad

Date : February 27, 2012

Place : Hyderabad

Date : February 27, 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2011

	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Taxation	1,593.66	(2,923.14)
Adjustments for :		
Depreciation	879.33	880.94
Debit balances written off	180.00	70.08
Loss/(Profit) on sale of Fixed Assets	2.85	1.92
Provision for Doubtful Debts/Advances	-	274.04
Provisions for Doubtful Debts/Advances written back	(35.61)	(172.75)
Unrealised Exchange Gain, net	(65.82)	-
Interest received	(3,052.59)	(2,871.29)
Dividend Received	(0.75)	(0.75)
Miscellaneous Income	(47.27)	-
Interest and other financial costs	4,842.11	4,248.13
	<u>2,702.25</u>	<u>2,430.32</u>
Operating Profit before working capital changes	4,295.91	(492.82)
Adjustments for:		
Decrease / (Increase) in Sundry Debtors	(1,085.49)	(490.09)
Decrease / (Increase) in Loans and Advances	(1,118.61)	2.51
Decrease / (Increase) in Inventories	552.73	471.05
Increase / (Decrease) in Current Liabilities	(334.49)	76.94
Increase / (Decrease) in Provisions	6.78	44.81
	<u>(1,979.08)</u>	<u>105.21</u>
Cash generated from/(used) in Operations	2,316.83	(387.59)
Direct taxes paid	(69.31)	(254.44)
Cash flow before prior period adjustments	2,247.52	(642.03)
Prior Period Adjustments (Other than Taxation)	-	(53.00)
Net cash from/(used) in Operating Activities (A)	2,247.52	(695.03)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets and Intangible Assets	(131.09)	(127.26)
Sale of fixed assets	2.35	1.50
Sale of Investments	-	50.00
Payment of Milestone liability	(650.00)	-
Maturity/(deposit made) of fixed deposits	19.61	(440.25)
Loans/Advance to subsidiaries given / (received back) - Net	(4,016.41)	(29,511.38)
Interest received	3,438.62	2,202.71
Dividend received	32.99	121.55
Net Cash from/(used) in Investing Activities (B)	(1,303.93)	(27,703.14)
C CASH FLOW FROM FINANCIAL ACTIVITIES		
Proceeds from long-term borrowings	25,452.54	37,531.39
Repayment of long-term borrowings	(21,300.00)	(4,189.65)
Proceeds/(payment) from short-term borrowings	360.42	(106.72)
Proceeds from Issue of equity shares	(0.05)	7.42
FCCB / Debentures Issue Expenses	(695.77)	13.47
Right Issue Expenses	4.80	(53.21)
Interest paid	(3,990.26)	(4,259.79)
Dividend Paid	(0.28)	(168.14)
Tax on distributed Profits	-	(28.62)
Net cash from Financing Activities (C)	(168.60)	28,746.16
Net increase in cash and cash equivalents (A+B+C)	774.99	347.99
Cash and cash equivalents at the beginning of the year	509.80	161.81
Cash and cash equivalents at the end of the year	1,284.79	509.80
Components of Cash and Cash Equivalents		
Cash on Hand	0.50	0.55
Balance with Scheduled banks		
-In Current Accounts	893.70	508.86
-In Deposit Accounts	447.74	467.35
Remittance in Transit	390.48	-
Unpaid Dividend Account *	0.11	0.39
Cash and bank balance as per Balance Sheet	1,732.53	977.15
Less: Fixed Deposits not considered as cash equivalents	(447.74)	(467.35)
Cash and cash equivalents considered for cash flows	<u>1,284.79</u>	<u>509.80</u>

* These balances are not available for use by the company as they represent corresponding unpaid dividend liabilities

As per our Report of even date

For and on behalf of the Board of

For S. R. BATLIBOI & ASSOCIATES

Advanta India Limited

Chartered Accountants

Vikram R. Shroff

V. R. Kaundinya

Firm Registration Number : 101049W

Director

Managing Director

per Sudhir Soni

Manoj Gupta

Pushpalatha K

Partner

Chief Financial Officer

Company Secretary

Membership Number.: 41870

Place : Hyderabad

Place : Hyderabad

Date : February 27, 2012

Date : February 27, 2012

SCHEDULE FORMING PART OF THE BALANCE SHEET

	As at 31 st December, 2011 (₹ in lacs)	As at 31st December, 2010 (₹ in lacs)
SCHEDULE A SHARE CAPITAL		
Authorised		
60,000,000 (Previous Year : 60,000,000) Equity Shares of ₹10 /- each	6,000.00	6,000.00
15,000,000 (Previous Year : 15,000,000) Preference Shares of ₹10 /- each	<u>1,500.00</u>	<u>1,500.00</u>
Issued, Subscribed and Paid-up		
16,854,212 (Previous Year : 16,851,989) Equity Shares of ₹10/- each fully paid-up	1,685.42	1,685.20
Total	<u><u>1,685.42</u></u>	<u><u>1,685.20</u></u>
(For details of Stock options outstanding refer Note No.7 in Schedule T).		
SCHEDULE B RESERVES AND SURPLUS		
Capital Reserve		
State Investment Subsidy	20.00	20.00
General Reserve	1,816.11	1,816.11
Securities Premium Account		
Balance as per last Balance Sheet	35,255.66	35,242.19
Add : Received during the year on issue of equity shares	6.11	28.47
Less: Adjustment for FCCB / Debenture issue expenses (Refer Note No.17 in Schedule T)	<u>(695.77)</u>	<u>(15.00)</u>
	34,566.00	35,255.66
Amalgamation adjustment account	717.21	717.21
Debenture Redemption Reserve	1,418.66	-
Total	<u><u>38,537.98</u></u>	<u><u>37,808.98</u></u>
SCHEDULE C SECURED LOANS		
Loans and Advances from Banks:		
- Cash Credit Facilities*	1,838.90	1,010.97
Term Loans from Banks:		
- Working Capital Demand Loan/Short Term Loan*	1,500.00	2,490.00
- Interest accrued and due	16.88	11.59
Loan from Department of Biotechnology ** (Refer Note No. 3b in Schedule T)	63.93	31.38
* The aforesaid loans are secured by pari passu first charge by way of hypothecation of entire stocks of raw materials, finished goods, work-in-process, consumable stores and spares and such other movables including book-debts, outstanding monies, receivables, both present and future.		
** Secured by way of hypothecation of all equipment, apparatus, machineries, machinery spares and other accessories, goods and/or other movable property, and/or immovable property of the Company acquired for the project through contribution by the Company and/or by the DBT to a value equivalent to loan amount and interest thereon		
Total	<u><u>3,419.71</u></u>	<u><u>3,543.94</u></u>

SCHEDULE FORMING PART OF THE BALANCE SHEET

	As at 31st December, 2011 (₹ in lacs)	As at 31st December, 2010 (₹ in lacs)
SCHEDULE D UNSECURED LOANS		
Term Loans:		
From Bank [Repayable with in one year : ₹ 1,500 lacs (Previous year ₹ 1,500 lacs)]	6,500.00	6,500.00
Interest accrued and due	70.62	59.28
Other Loans:		
From Company [Repayable with in one year : Nil (Previous year Nil)]	3,140.00	-
Commercial Paper [Repayable within one year : ₹ 1,500 lacs (Previous year Nil)] [Maximum amount outstanding at anytime during the year : ₹ 1,500.00 lacs (Previous Year : 2,000.00)]	1,500.00	-
Foreign Currency Convertible Bonds (Refer Note No. 17 in Schedule T)	26,552.50	-
Non Convertible Debentures (Refer Note No.18 in Schedule T)	16,200.00	37,500.00
Bill Discounting [Repayable with in one year : Nil (Previous year ₹ 977.52 lacs)]	-	977.52
Total	<u>53,963.12</u>	<u>45,036.80</u>

**SCHEDULE FORMING PART OF THE BALANCE SHEET
SCHEDULE E
FIXED ASSETS**

Description	GROSS BLOCK						DEPRECIATION /AMORTISATION			NET BLOCK	
	As at 1st January 2011	Additions during the year	Deductions/ during the year	As at 31st December, 2011	As at 1st January, 2011	Provided for the year	Deductions/ Adjustments during the year	As at 31st December, 2011	As at 31st December, 2011	As at 31st December, 2010	
	(₹ in lacs)										
TANGIBLE ASSETS :											
Land-Freehold	129.92	-	-	129.92	-	-	-	-	-	129.92	129.92
Building-Freehold	494.56	16.40	-	510.96	142.28	14.99	-	157.27	353.69	352.28	
Plant and Machinery	1,535.51	90.31	17.87	1,607.95	680.83	84.09	13.23	751.69	856.25	854.68	
Furniture and Fixtures	230.65	31.06	-	261.71	82.98	21.03	-	104.01	157.70	147.67	
Motor Vehicles	127.74	-	7.50	120.24	98.52	18.89	6.94	110.47	9.77	29.22	
Lease hold improvements	59.22	-	-	59.22	2.34	5.63	-	7.97	51.25	56.88	
INTANGIBLE ASSETS :											
Goodwill	155.00	-	-	155.00	-	-	-	-	155.00	155.00	
Technical Knowhow	1,095.35	-	-	1,095.35	790.85	58.00	-	848.85	246.50	304.50	
Technology Licence Fees	32.00	-	-	32.00	30.93	1.07	-	32.00	-	1.07	
Germ Plasm	815.49	-	-	815.49	256.04	81.55	-	337.59	477.90	559.45	
Software	136.10	-	-	136.10	35.16	13.61	-	48.77	87.33	100.94	
Trade Marks / Brands*	5,804.71	-	-	5,804.71	2,176.76	580.47	-	2,757.23	3,047.48	3,627.95	
Previous Year	10,616.25	137.77	25.37	10,728.65	4,296.69	879.33	20.17	5,155.85	5,572.79	6,319.56	
Capital Work in Progress (Refer Note 1 given below)	10,495.34	132.84	11.93	10,616.25	3,424.26	880.94	8.51	4,296.69	30.65	37.33	
Total									5,603.44	6,356.89	

Notes:

- Capital Work-in-Progress includes Advances for Capital Expenditure ₹ 5.65 lacs (Previous Year: ₹ 5.81 lacs)
- * The company is in the process of transferring the same in it's own name.

SCHEDULE FORMING PART OF THE BALANCE SHEET

	As at 31st December, 2011 (₹ in lacs)	As at 31st December, 2010 (₹ in lacs)
SCHEDULE F INVESTMENTS		
Long-Term (Unquoted) (At Cost)		
I. Other than Trade		
In Government Securities:		
National Savings Certificate	0.41	0.41
Indira Vikas Patra	0.11	0.11
	0.52	0.52
II. Trade		
In Subsidiary Companies		
3,053 (Previous Year: 3,053) Equity shares of Euro 100 each, fully paid-up in Advanta Holdings B.V., Netherlands	16,816.43	16,816.43
5,923 (Previous Year: 5,923) Preference shares of Euro 5,000 each, fully paid-up in Advanta Holdings B.V., Netherlands	19,383.76	19,383.76
611,007 (Previous Year: 611,007) Equity shares of ₹ 10 each, fully paid-up in Unicorn Seeds Private Limited, India (Refer Note No.13 in Schedule T)	4,866.33	4,900.80
750,000 (Previous Year: 750,000) 1% Redeemable Cumulative Preference shares of ₹10 each, fully paid-up in Unicorn Seeds Private Limited, India	100.00	100.00
99,000 (Previous Year: 99,000) Equity shares of \$ 1 each, fully paid-up in Pt Advanta Indonesia	52.00	52.00
49,994 (Previous Year: 49,994) Equity shares of ₹ 10 each, fully paid-up in Advanta Seeds Limited	5.00	5.00
2 (Previous Year: 2) Ordinary Shares of \$ 1 each, fully paid-up in Advanta Seed International, Mauritius	0.00	0.00
	41,223.52	41,257.99
Total	41,224.04	41,258.51

SCHEDULE FORMING PART OF THE BALANCE SHEET

	As at 31st December, 2011 (₹ in lacs)	As at 31st December, 2010 (₹ in lacs)
SCHEDULE G INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)		
Packing/ Processing Materials	180.20	331.23
- Work - in - Process	385.51	309.31
- Raw Seeds	47.80	748.72
Finished Goods		
- Basic Seeds	1,401.96	1,218.87
- Hybrid Seeds	3,020.23	2,980.29
	4,422.19	4,199.16
Total	5,035.70	5,588.42
SCHEDULE H SUNDRY DEBTORS		
Unsecured Debts outstanding for a period exceeding six months		
Considered good	75.11	75.78
Considered doubtful	664.42	695.93
	739.53	771.71
Less: Provision for doubtful debts	664.42	695.93
	75.11	75.78
Other Debts :		
Considered good (Net of other credit balances ₹ 715.78 lacs (Previous year ₹ 683.34 lacs))	2,277.24	1,155.46
Total	2,352.35	1,231.24
SCHEDULE I CASH AND BANK BALANCES		
Cash on Hand	0.50	0.55
Remittance in Transit	390.48	-
Balances with scheduled banks:		
On Current Accounts	893.70	508.86
On Deposit Accounts	22.74	21.88
On Margin Money Deposit (Under lien with bank)	425.00	445.47
On Unpaid Dividend Accounts	0.11	0.39
	1,341.55	976.60
Total	1,732.53	977.15

SCHEDULE FORMING PART OF THE BALANCE SHEET

	As at 31st December, 2011 (₹ in lacs)	As at 31st December, 2010 (₹ in lacs)
SCHEDULE J OTHER CURRENT ASSETS		
Interest Receivable on loans and deposits to others	289.71	675.74
Dividend Receivable from a subsidiary	79.66	111.89
Total	369.37	787.63
SCHEDULE K LOANS AND ADVANCES (Unsecured, Considered good, unless otherwise stated)		
Advances and Loans to Subsidiaries (Refer Note No. 9a in Schedule T)	41,914.63	31,160.48
Advances Recoverable in cash or in kind or for value to be received		
- Considered Good	367.57	885.24
- Considered Doubtful	159.15	138.77
	526.72	1,024.01
Less: Provision for Doubtful advances	159.15	138.77
	367.57	885.24
Deposits - Others	473.75	463.65
Advance Income Tax {Net of Provision ₹ 2,140.03 lacs (Previous Year ₹1,965.03 lacs)}	1,717.58	1,823.70
Total	44,473.53	34,333.07
SCHEDULE L CURRENT LIABILITIES & PROVISIONS		
Liabilities		
Sundry Creditors		
Total outstanding dues of creditors other than micro enterprises and small enterprises (Also Refer Note No.6 in Schedule T)	1,315.93	1,971.31
Due to Subsidiaries	57.73	21.10
Advances from customers	690.05	654.79
Security Deposits	135.75	147.55
Unpaid Dividend	0.11	0.39
Interest accrued but not due	704.49	-
Mark to market on outstanding Derivative Contracts	1,036.70	-
Milestone Payable	-	650.00
Other Liabilities (Refer Note No. 3b in Schedule T)	1,812.48	1,586.13
	5,753.24	5,031.27
Provisions		
Provision for Leave Encashment	117.11	117.15
Provision for Gratuity	124.69	117.87
(Refer Note No.10 in Schedule T)		
Provisions for Fringe Benefit Tax {Net of Advances ₹148.25 lacs (Previous Year: ₹148.25 lacs)}	18.67	19.09
	260.47	254.11
Total	6,013.71	5,285.38

SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	(₹ in lacs)	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
SCHEDULE M OTHER INCOME FROM OPERATIONS			
Sale of Remnants		137.47	217.06
Price Variance/Adjustments for previous year		-	635.73
Provisions written back		35.61	172.75
Gain on Exchange fluctuations (Net)		65.82	-
Government Grant (Refer Note No. 3b in Schedule T)		5.46	-
Commission Income		441.71	-
Miscellaneous Income		144.20	21.93
Total		830.27	1,047.47
SCHEDULE N OTHER INCOME			
Income from Long-Term Investments: (Trade)			
Dividend from Subsidiary Companies		0.75	0.75
Interest on Loans and Deposits (Gross)		3,052.59	2,871.29
[Tax Deducted at Source : ₹ 19.84 lacs (Previous Year : ₹ 29.62 lacs)]			
Miscellaneous Income		47.27	-
Total		3,100.61	2,872.04
SCHEDULE O COST OF GOODS MANUFACTURED / RAW MATERIAL CONSUMED			
Inventories at the beginning of the year	748.72		731.13
Add: Produced	1,926.05		1,962.00
Less: Inventories at the end of the year	47.80		748.72
Consumption of Raw Seed		2,626.97	1,944.41
Purchase of seeds		2,112.90	2,408.59
Seeds Processing charges and other charges		869.72	876.04
Land lease charges		384.04	554.33
Chemical and Fertilizer consumed		243.83	229.84
Freight Inwards		144.79	178.84
Total		6,382.25	6,192.05
SCHEDULE P (INCREASE) / DECREASE IN INVENTORIES			
Inventories at the end of the year			
Work - in - Process	385.51		309.31
Finished Goods	4,422.19		4,199.16
		4,807.70	4,508.47
Inventories at the beginning of the year			
Work - in - Process	309.31		435.23
Finished Goods	4,199.16		4,601.33
		4,508.47	5,036.56
Total		(299.23)	528.09

SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	(₹ in lacs)	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
SCHEDULE Q			
PERSONNEL EXPENSES*			
Salaries, Wages and Bonus		1,378.31	1,455.17
Contribution to Provident and Other Funds		116.63	130.52
Gratuity Expense (Refer Note No.10 in Schedule T)		42.95	31.98
Workmen and Staff Welfare Expenses		79.30	67.79
Total		1,617.19	1,685.46
* (Refer Note No.19 in Schedule T)			
SCHEDULE R			
OPERATING AND OTHER EXPENSES*			
Power and Fuel		70.11	93.42
Repairs			
Buildings	1.48		0.20
Machinery	5.20		7.46
Others	41.32		100.72
		48.00	108.39
Rent (Refer Note No.11 in Schedule T)		46.26	250.61
Lease Rental (Refer Note No.11 in Schedule T)		212.66	212.37
Rates and Taxes		20.97	42.08
Insurance		15.95	23.05
Packing Material Consumed		460.33	634.77
Freight and Transport		6.78	3.89
Travelling and Conveyance		177.11	280.01
Communication Expenses		38.56	59.26
Printing and Stationery		14.46	23.05
Advertisement and Sales Promotion		28.28	33.86
Production and Farm Expenses		289.93	218.12
Provision for Bad and Doubtful Debts / Advances (Net)		-	274.04
Legal and Consultancy Charges (Refer Note No.21.2 in Schedule T)		166.19	247.87
Debit Balances written off		180.00	70.08
Loss on sale of Assets (Net)		2.85	1.92
Loss on Exchange fluctuations (Net)		-	25.21
Miscellaneous Expenses		250.46	420.70
Total		2,028.91	3,022.69
* (Refer Note No.19 in Schedule T)			
SCHEDULE S			
INTEREST AND OTHER FINANCIAL COSTS			
Interest on			
Term Loans		955.66	940.71
Debentures		2,326.88	2,369.86
Others		1,358.49	937.56
Exchange Difference on Borrowings - Net		130.73	-
Bank Charges		16.69	104.18
Cash and Advance Booking Discounts		53.66	313.82
Total		4,842.11	4,666.13

SCHEDULE FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2011

**SCHEDULE T
NOTES TO ACCOUNTS**

1. Nature of operations

Advanta India Limited ('AIL' or 'the Company') is engaged in the business of research, production and sale of field crops and vegetable seeds through distributors to farmers.

2. Statement of Significant Accounting Policies

(a) Basis of Preparation

The financial statements have been prepared to comply in all material respects with the Notified accounting standard by Companies Accounting Standards Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

(b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(c) Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

(d) Depreciation

Depreciation on building and plant and machinery is provided for in the accounts on straight line method in accordance with the rates prescribed in Schedule XIV of the Companies Act, 1956.

Depreciation on other assets is provided using the Straight Line Method as per the useful life of the assets estimated by the management, or at the rates prescribed under Schedule XIV of the Companies Act, 1956 whichever is higher.

	Rate (SLM)	Rate as per Schedule XIV (SLM)
Furniture and Fixtures	10%	6.33%
Computers	20%	16.21%
Vehicles	20%	9.50%
Office Equipments	10%	4.75%

Individual fixed assets costing less than ₹ 5,000 are fully depreciated in the year of purchase.

Lease hold improvements are depreciated over the period of lease which is generally ten years.

SCHEDULE T NOTES TO ACCOUNTS (Continued)**(e) Impairment**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

Goodwill is tested for impairment at the end of each balance sheet date and any impairment loss arises is recognized in the profit and loss account.

(f) Intangible Assets

Costs relating to intangible assets, which are acquired, are capitalised and amortised on a straight-line basis over their useful lives.

	Useful life
Technical Knowhow	10 years
Technology License Fees	5 years
Germ Plasm	10 years
Software	10 years
Trade Marks / Brands	10 years

Goodwill arising on acquisition of business is not amortised.

(g) Research and Development

Research expenditure is charged to revenue in the year in which it is incurred. Development expenditure is carried forward when its future recoverability can reasonably be regarded as assured and is amortised over the period of expected future benefit.

(h) Leases**Where the Company is the Lessee**

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalised.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

SCHEDULE T NOTES TO ACCOUNTS (Continued)

(i) Government Grants

Grants from the Government are recognized when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

When the grant relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

Government grants received in the nature of Investment Subsidy are treated as Capital Reserve.

(j) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

(k) Inventories

Inventories are valued as follows:

Raw materials, Packing Materials	Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a moving weighted average basis.
Work-in-progress Finished Goods	Lower of cost and net realizable value Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on standard cost basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(l) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of Goods

Revenue is recognized when significant risks and rewards of ownership of the goods have passed to the buyer which generally coincides with dispatch of goods (including sale of remnants) to the customer. The sales are net of sales return and expected sales return.

Income from Services

Revenues from services are recognized as and when the services are rendered.

Interest

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

SCHEDULE T NOTES TO ACCOUNTS (Continued)**Dividends**

Revenue is recognized when the shareholders' right to receive payment is established by the balance sheet date. Dividend from subsidiaries is recognized even if same are declared after the balance sheet date but pertains to period on or before the date of balance sheet as per the requirement of Schedule VI of the Companies Act, 1956.

(m) Foreign Exchange Translation/Currency Transaction**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.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise except those arising from investments in non-integral operations.

Exchange differences arising on a monetary item that, in substance, form part of the company's net investment in a non-integral foreign operation is accumulated in a foreign currency translation reserve in the financial statements until the disposal of the net investment, at which time they are recognized as income or as expenses. Exchange differences arising on the settlement of monetary items not covered above, or on reporting such monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

(n) Derivative Instruments

As per the ICAI announcement, accounting for derivative contracts, other than those covered under AS 11, are marked to market on a portfolio basis, and the net loss is charged to the income statement. Net gains are ignored.

(o) Retirement and other employee Benefits

- (i) Retirement benefits in the form of Provident Fund and Superannuation Fund are a defined contribution scheme and the contributions to the scheme are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. The Superannuation Fund scheme is funded with an insurance company in the form of a qualifying insurance policy.
- (ii) Gratuity liability is defined benefit obligations and are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
- (iii) Short term compensated absences are provided for on based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method
- (iv) Actuarial gains / losses are immediately taken to the profit and loss account and are not deferred.

SCHEDULE T NOTES TO ACCOUNTS (Continued)

(p) Income taxes

Tax expense comprises of current and deferred. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

(q) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(r) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. Contingent Liabilities are not recognized but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financials statements.

(s) Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

(t) Borrowing Costs

All borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

SCHEDULE T NOTES TO ACCOUNTS (Continued)**(u) Employee Stock Compensation Cost**

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.

(v) Segment Reporting Policies**Identification of segments:**

Segments are identified in line with AS 17 "Segment Reporting", taking into consideration the internal organization and management structure as well as the differential risk and returns of the segment.

Based on the Company's business model, research, production and distribution of Hybrid seeds have been considered as the only reportable segment and hence no separate financial disclosure is provided in respect of its single business segment.

Segment Policies:

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

3. Government grants / subsidy:

- a) Capital Reserve represents State Investment subsidy sanctioned by the Government of Andhra Pradesh, for setting up of a unit at Toopran Mandal, Andhra Pradesh under Target 2000 Scheme of the State Government.
- b) The Company has entered into an agreements with the Department of Biotechnology, Ministry of Science and Technology, Government of India ('DBT') for seeking assistance in the form of 'Grant/loan' under the DBT scheme, viz. Biotechnology Industry Partnership Program ('BIPP' scheme) in relation to project of "Multi stacking genes to develop engineered rice with enhanced drought and multiple disease and pest tolerance" and "RNAi and other cutting edge technological interventions to develop insect-pest, diseases & viruses tolerant tomato hybrids for Indian & International markets" ("the projects"), in connection with the same the Company has received assistance in the form of loan at interest rate of 2%/3% for ₹ 63.93 lacs and in the form of Grant for ₹ 63.93 lacs. The unutilised grant of ₹ 58.47 lacs is considered as liability.

4. Contingent Liabilities as at the Balance Sheet date:

- (i) Income tax matters under dispute:
Pending with authorities at various levels – ₹ 1,846.75 lacs (Previous Year: ₹ 1922.35 lacs);
- (ii) Claims against the Company not acknowledged as debts ₹ 8,008.09 lacs. (Previous Year: ₹ 8,019.59 lacs). Includes a claim of ₹ 7,903.39 lacs made by a party which the Company has disputed and has filed a counter claim against the said party for an amount of ₹ 2,739.07 lacs.
- (iii) Guarantee is given by company on behalf of subsidiary companies ₹ 8,798.77 lacs. (Previous Year: ₹ 7,986.77 lacs)

5. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance) ₹ 54.39 lacs (Previous Year: ₹ 34.90 lacs).

6. Based on the information available with the Company, there are no suppliers who are registered as micro, small or medium enterprises under "The Micro, Small and Medium Enterprises Development Act, 2006", as at 31st December, 2011.

SCHEDULE T NOTES TO ACCOUNTS (Continued)

7. Employees Stock Option Plan (ESOP)

The Company instituted an Employees Stock Option Scheme (“ESOPS”) for certain employees as approved by the shareholders on 20th September, 2006. In accordance with the scheme, the Company granted options in respect of 178,779 equity shares to employees of the Company and its subsidiaries on one to one basis at an exercise price of ₹ 285/- being the market price as per the valuation report from a Chartered Accountant on the date of grant. The options were granted with a vesting period spread over 4 years and 6 months. Out of the total options granted, vesting of 50% of the options granted is conditional upon the Company meeting annual performance benchmarks based on parameters set by the Remuneration Committee.

As the intrinsic value (difference between Market price and Exercise price) on the date of the grant was nil, no compensation cost has been recognised in the financial statement. During the year 11,439 options have vested.

Date of Grant	September 27, 2006
Date of Board Approval	September 13, 2006
Date of Shareholders Approval	September 20, 2006
Number of options granted	178,779
Method of Settlement (Cash / Equity)	Equity
Vesting Period	Spread over 4 years and 6 months
Exercise Period	10 years
Vesting Conditions	50% of the options granted is conditional upon the Company meeting annual performance benchmarks based on parameters set by the Remuneration Committee

The details of the activity have been summarized below:

Particulars	As at 31st December, 2011 (No. of equity shares)	As at 31st December, 2010 (No. of equity shares)
Outstanding at the beginning of the year	33,259	78,812
Exercisable at the beginning of the year	65,809	58,284
Granted during the year	3,028	NIL
Forfeited during the year	7,970	9,838
Exercised during the year	2,223	10,351
Options lapsed during the year	11,432	17,839
Vested during the year	11,439	17,876
Options vested and outstanding during the year	9,216	7,525
Expired during the year	20,855	NIL
Outstanding at the end of the year	5,446	33,259
Exercisable at the end of the year	54,170	65,809

SCHEDULE T NOTES TO ACCOUNTS (Continued)

Stock options granted:

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	Current Year	Previous Year
Weighted average share price (₹ per share)	285	285
Exercise Price (₹ Per share)	285	285
Expected Volatility	43%	43%
Life of the options granted (Vesting and exercise period) in years	Vesting period + 18 months i.e 3 years, 4 years, 5 years and 6 years, for each Vesting tranche of 25%	Vesting period + 18 months i.e 3 years, 4 years, 5 years and 6 years, for each Vesting tranche of 25%
Expected Dividends	1.40% per annum	1.40% per annum
Average risk-free interest rate	7.50% per annum	7.50% per annum

Since the Company used the intrinsic value method the impact on the reported net profit and earnings per share by applying the fair value method is as under:

Particulars	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
Net Profit/(Loss) as reported	1,418.66	(2976.14)
Add – Employee stock compensation under intrinsic value method	-	-
Less – Employee stock compensation under fair value method	7.66	17.39
Proforma Profit/(Loss)	1,411.00	(2993.53)
Earning per share (₹)		
Basic		
- as reported	8.42	(17.67)
- Proforma	8.37	(17.77)
Diluted		
- as reported	8.34	(17.51)
- Proforma	8.30	(17.61)

SCHEDULE T NOTES TO ACCOUNTS (Continued)

8. Segment Information

a. Business Segment:

The Company has considered Business segment as the primary segment for disclosure. The Company is engaged in research, production and distribution of Hybrid seeds, which in the context of Accounting Standards 17 issued by the Institute of Chartered Accountants of India is considered the only Business Segment.

b. Geographical Segment:

Secondary segmental information is based on the geographical location of the customers. The geographical segment have been disclosed based on revenues within India (sales to customers in India) and revenues outside India (sales to customer located outside India.)

Information about Secondary Geographical Segments

Particulars	India (₹ in lacs)	Outside India (₹ in lacs)	Total (₹ in lacs)
Revenue	12,565.03	548.32	13,113.35
	(8,754.68)	(1,378.03)	(10,132.71)
Carrying amount of segment assets	23,876.59	76,914.37 *	100,790.96
	(23,964.60)	(66,568.25) *	(90,532.85)
Additions to fixed assets including capital work in progress	168.42	-	168.42
	(170.17)	-	(170.17)

* Includes Investments ₹36,252.19 lacs (Previous year ₹36,252.19 lacs), Loans and Advances ₹ 40,360.94 lacs (Previous year ₹29,664.00 lacs), Debtors ₹ 4.65 lacs (Previous year ₹120.80 lacs) and Other Current Assets ₹ 296.60 lacs (Previous year ₹ 531.27 lacs)

Note: Figures in brackets represents amounts pertaining to the previous year.

9. Related Party Disclosures:

a. Names of related parties where control exist irrespective of whether transactions have occurred or not:

Subsidiaries

Name of the Company	Country of Incorporation
Advanta Holdings B.V.	Netherlands
Advanta Netherlands Holding B.V.	Netherlands
Advanta Finance B.V.	Netherlands
Advanta International B.V.	Netherlands
Pacific Seeds (Thai) Limited	Thailand
Pacific Seeds Holdings (Thai) Limited	Thailand
Pacific Seeds Pty Ltd	Australia
Advanta Semillas SAIC	Argentina

SCHEDULE T NOTES TO ACCOUNTS (Continued)

Advanta Seeds International	Mauritius
Longreach Plant Breeders Management Pty Limited	Australia
PT Advanta Seeds Indonesia	Indonesia
Advanta US Inc	USA
Unicorn Seeds Private Limited	India
Advanta Seeds Limited	India
Advanta Comercio De Sementes LTDA	Brazil
Advanta B V I Limited	British Virgin Islands

b. Names of other related parties with whom transactions have taken place during the year:**Enterprises having Significant Influence**

United Phosphorus Limited
 Jai Research Foundation
 PT United Phosphorus Indonesia
 Demuric Holdings Private Limited

Key Managerial Personnel

Mr. V. R . Kaundinya – Managing Director

c. Transactions with related parties during the year and balances at year end:**A. United Phosphorus Limited**

Particulars	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
Purchase of Goods	1.95	4.95
Sale of Goods	12,275.73	8,582.08
Advance Booking Discounts	53.66	521.09
Non Convertible debentures	-	37,500.00
Redemption of Non Convertible debentures	21,300.00	-
Commercial Paper issued	1,500.00	3,000.00
Commercial Paper redeemed	-	3,000.00
Commission Income	441.71	-
Loan received	3,140.00	20,385.00
Loan repaid	2,200.00	21,574.64
ABS Advance	206.13	-
Reimbursement of expenses made	26.51	-
Interest Expense	2,949.28	2,943.67
Balance as on the Balance Sheet date:		
Interest Payable	388.97	-
Loan Payable	940.00	-
Commercial Paper	1,500.00	-
Non Convertible debentures	-	37,500.00
Current Asset	2,719.73	1,191.37
Current Liabilities	717.63	683.34

SCHEDULE T NOTES TO ACCOUNTS (Continued)

B. Advanta Netherlands Holdings BV

Particulars	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
Reimbursement of expenses received	825.79	-
Balance as on the Balance Sheet date:		
Current Asset	882.71	-
Current Liabilities	79.66	69.39

C. Advanta Semillas SAIC, Argentina

Particulars	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
Reimbursement of expenses received	98.39	29.05
Balance as on the Balance Sheet date:		
Current Assets	140.03	70.18
Current Liabilities	-	-
Contingent liability (Bank Guarantee given (Refer Note 4(iii) to Schedule T)	3,717.35	3,132.85

D. Pacific Seeds Pty Ltd, Australia

Particulars	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
Reimbursement of expenses received	0.03	-
Reimbursement of expenses made	21.52	-
Miscellaneous expenses	-	0.05
Purchase of goods	3.21	-
Balance as on the Balance Sheet date:		
Current Asset	135.52	132.86
Current Liabilities	31.49	23.63

E. Pacific Seeds (Thai) Limited

Particulars	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
Sales of Goods	-	627.60
Purchase of Goods	30.78	11.00
Balance as on the Balance Sheet date:		
Current Liabilities	21.18	-
Contingent liability (Bank Guarantee given (Refer Note 4(iii) to Schedule T)	2,426.17	2,116.17

SCHEDULE T NOTES TO ACCOUNTS (Continued)**F. Pacific Seeds Holdings (Thai) Limited**

Particulars	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
Balance as on the Balance Sheet date:		
Current Liabilities	5.05	4.47

G. Advanta Seeds International

Particulars	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
Sales of Goods	451.70	505.40
Reimbursement of expenses received	237.51	193.79
Reimbursement of expenses made	46.68	-
Advance Received	299.85	-
Balance as on the Balance Sheet date:		
Current Assets	261.74	58.15
Current Liabilities	355.37	14.68
Dividend receivable	79.90	111.89

H. Jai Research Foundation

Particulars	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
Reimbursement of Expenses	15.81	19.54
Lease Rent	-	5.38
Balance as on the Balance Sheet date:		
Current Asset	85.00	85.00
Current Liabilities	80.44	64.63

I. Advanta US Inc

Particulars	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
Balance as on the Balance Sheet date:		
Contingent liability (Bank Guarantee given (Refer Note 4(iii) to Schedule T)	2,655.25	2,237.75

SCHEDULE T NOTES TO ACCOUNTS (Continued)

J. Unicorn Seeds Private Limited

Particulars	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
Sales of Goods	197.46	167.24
Purchases	44.13	248.97
Reimbursement of Expenses received	61.73	82.06
Reimbursement of Expenses made	8.15	5.16
Interest Income	106.31	382.84
Dividend Received	0.75	0.75
Loan Given	300.00	1,410.00
Loan Received	-	1,410.00
Advance Given	490.00	1,593.00
Advance Repaid	905.12	647.50
Balance as on the Balance Sheet date:		
Loan	1,400.00	1,100.00
Current Assets	293.70	687.00
Current Liabilities	8.20	-
Contingent liability (Bank Guarantee given (Refer Note 4(iii) to Schedule T)	-	500.00

K. Advanta Seeds Limited

Particulars	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
Balance as on the Balance Sheet date:		
Current Liabilities	-	1.95

L. Advanta Holdings B V

Particulars	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
Interest Income	2,897.13	2,574.04
Loan Given	23,953.95	28,180.71
Loan Repaid	21,279.86	-
Advance	1,637.89	1,330.67
Balance as on the Balance Sheet date:		
Loan	37,363.93	28,180.71
Current Asset	1,863.20	1,750.05

SCHEDULE T NOTES TO ACCOUNTS (Continued)

M. PT Advanta Seeds Indonesia

Particulars	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
Reimbursement of Expenses received	39.50	20.02
Sale of Goods	2.66	-
Balance as on the Balance Sheet date:		
Current Asset	13.19	19.39

N. PT United Phosphorus Indonesia

Particulars	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
Sale of Goods	-	1.22
Balance as on the Balance Sheet date:		
Current Asset	1.45	1.22

O. Demuric Holdings Private Limited

Particulars	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
Loan received	2,200.00	-
Interest Expenses	78.35	-
Balance as on the Balance Sheet date:		
Interest Payable	24.29	-
Loan Payable	2,200.00	-

P. Key Managerial Personnel and their relatives

Particulars	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
Remuneration	122.11	121.20

9 (a). Loans and advances include dues from companies under same management:

Particulars	Current Year (₹ in lacs)		Previous Year (₹ in lacs)	
	Amount outstanding at the end of the year	Maximum amount of loan outstanding during the year	Amount outstanding at the end of the year	Maximum amount of loan outstanding during the year
Advanta Holdings B.V.	39,010.19	39,010.19	29,441.99	29,441.99
Pacific Seeds Pty Ltd	134.98	134.98	132.43	134.45
Advanta Semillas SAIC	140.43	140.43	70.19	70.18
Unicorn Seeds Private Limited	1,553.70	1,920.37	1,496.48	2,822.76
Advanta Netherlands Holding BV	803.05	803.50	-	-
PT Advanta Seeds Indonesia	10.54	53.00	19.39	19.39
Advanta Seeds International	261.74	261.74	-	-
Total	41,914.63		31,160.48	

SCHEDULE T NOTES TO ACCOUNTS (Continued)

10. Details of Employee Benefits – Gratuity

(i) Defined Benefit Plans

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

Profit and Loss account

Net employee benefit expenses (recognized in Employee Cost)	Year Ended 31st Dec-11 (₹ in lacs)	Year Ended 31st Dec-10 (₹ in lacs)	Year Ended 31st Dec-09 (₹ in lacs)	Year Ended 31st Dec-08 (₹ in lacs)
Current service cost	23.77	23.34	27.25	24.00
Interest cost on benefit obligation	10.37	9.28	10.01	7.82
Expected return on plan assets	(0.33)	(1.97)	(2.49)	(1.61)
Net actuarial loss/(gain) recognized during the Year	9.14	1.33	(13.74)	7.22
Net Benefit expense	42.95	31.98	21.03	37.43
Actual return on plan assets	-	1.85	-	1.39

Balance sheet

Details of Provision for gratuity	Year Ended 31st Dec-11 (₹ in lacs)	Year Ended 31st Dec-10 (₹ in lacs)	Year Ended 31st Dec-09 (₹ in lacs)	Year Ended 31st Dec-08 (₹ in lacs)
Defined Benefit obligation	128.18	122.00	112.55	104.42
Fair value of plan assets	(3.49)	(4.13)	(24.67)	(13.39)
Plan Liability	124.69	117.87	87.88	91.03

Changes in the present value of the defined benefit obligation are as follows:

	Year Ended 31st Dec-11 (₹ in lacs)	Year Ended 31st Dec-10 (₹ in lacs)	Year Ended 31st Dec-09 (₹ in lacs)	Year Ended 31st Dec-08 (₹ in lacs)
Opening defined benefit obligation	121.99	112.55	104.42	81.99
Interest Cost	10.37	9.28	10.01	7.82
Current service cost	23.77	23.34	27.25	24.00
Benefits paid	(36.76)	(24.39)	(12.90)	(16.39)
Actuarial (gains)/loss on obligation	8.81	1.21	(16.23)	7.00
Closing defined benefit obligation	128.18	121.99	112.55	104.42

SCHEDULE T NOTES TO ACCOUNTS (Continued)

Changes in the fair value of Plan Assets are as follows:

	Year Ended 31st Dec-11 (₹ in lacs)	Year Ended 31st Dec-10 (₹ in lacs)	Year Ended 31st Dec-09 (₹ in lacs)	Year Ended 31st Dec-08 (₹ in lacs)
Opening fair value of plan assets	4.13	24.67	13.39	10.98
Expected return	0.33	1.97	2.49	1.61
Contributions made by employer during the Year	36.12	2.00	24.18	17.41
Benefits paid	(36.76)	(24.39)	(12.90)	(16.39)
Actuarial gains/ (loss)	(0.33)	(0.12)	(2.49)	(0.22)
Closing fair value of plan assets	3.49	4.13	24.67	13.39

	Year Ended 31st Dec-11 (₹ in lacs)	Year Ended 31st Dec-10 (₹ in lacs)
Expected contribution to defined benefit plan for the year 2012	40.56	36.78

The major categories of plan assets as a percentage of fair value of total plan assets are as follows:

	Year Ended 31st Dec-11 (₹ in lacs)	Year Ended 31st Dec-10 (₹ in lacs)	Year Ended 31st Dec-09 (₹ in lacs)	Year Ended 31st Dec-08 (₹ in lacs)
Insurer Managed Funds (LIC)	100%	100%	100%	100%

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in the expected rate of return on assets due to the improved stock market scenario.

The principal actuarial assumptions at the Balance Sheet date.

	As at 31st Dec'-11	As at 31st Dec'-10	As at 31st Dec'-09	As at 31st Dec'-08
Discount rate	8.75 %	8.50 %	8.25 %	8.00 %
Expected rate of return on plan assets	8.60 %	8.00 %	8.00 %	8.00 %
Expected rate of salary increase	6.00 %	6.00 %	6.00 %	6.00 %
Employee Turnover	2.00 %	2.00 %	2.00 %	2.00 %
Mortality table	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate

SCHEDULE T NOTES TO ACCOUNTS (Continued)

Experience adjustment for current year for gratuity:

	Year Ended 31st Dec-11	Year Ended 31st Dec-10	Year Ended 31st Dec-09	Year Ended 31st Dec-08
On plan assets loss / (gain)	0.33	(0.12)	(13.09)	7.00
On plan liabilities gain /(loss)	(12.53)	4.21	(2.49)	(0.22)

Notes

- The estimates of future salary increases, considered in actuarial valuation, takes account of Inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
- The disclosure in respect of status of defined benefits obligation have been given for the current year and the three previous years since the Company have adopted AS 15 (Revised) in the year F2008.

(ii) Defined Contribution Plans

Amount of ₹116.63 lacs (Previous Year: ₹130.52 lacs) is recognised as an expense and included in Schedule Q – 'Contribution to Provident and Other Funds' in the Profit and Loss account.

11. Leases:

Operating Lease

Office Premises, motorcars are obtained on operating lease. The lease term is in the range of 3 years to 10 years and thereafter renewable. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. There are no subleases. Lease rental expense for the year for the agreements entered into is ₹ 258.92 lacs. (Previous Year: ₹ 462.98 lacs)

12. Earnings Per Share:

(A) Basic Earnings Per Share:

Particulars	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
Net Profit attributable to equity shareholders	1,418.66	(2,976.14)
Weighted Average Number of Equity Shares outstanding	16,853,859	16,844,760
Basic Earnings per share (₹):	8.42	(17.67)
Nominal value of equity shares (₹)	10.00	10.00

(B) Diluted Earnings Per Share:

Particulars	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
Net Profit	1,418.66	(2,976.14)
Weighted Average Number of Equity Shares outstanding	16,853,859	16,844,760
Dilutive impact of employee stock options	148,288	-
Weighted Average Number of Equity Shares for computing diluted earnings per share	17,002,147	16,844,760
Diluted Earnings per share (₹)	8.34	(17.67)
Nominal value of equity shares (₹)	10.00	10.00

SCHEDULE T NOTES TO ACCOUNTS (Continued)

Basic and Diluted earnings per share are calculated by dividing the net profit for the Year attributable to equity share holders by the weighted average number of equity shares outstanding during the year.

13. Provision for Milestone Payments

The Company had entered into a business purchase agreement (BPA) on January 4, 2008 with the erstwhile promoters of Unicorn Seeds Private Limited (USPL) for acquisition of their entire shareholding in USPL. Pursuant to the BPA, the Company had recognized a provision of ₹1,000 lacs for milestone payable on achievement of certain targets upto June 30, 2010. During the year the Company has executed agreement for settlement with erstwhile promoters of USPL, pursuant to which payment to the extent of ₹ 650 lacs has been agreed and made. Further the company has written back the liability being no longer payable of ₹ 34.47 lacs, with corresponding reduction in the carrying value of investment in USPL.

14. Research and Development Expenses:

- a) Revenue ₹ 673.64 lacs (Previous Year: ₹ 790.87 lacs)
b) Capital ₹ 105.78 lacs (Previous Year: ₹ 32.35 lacs)

15. Derivative Instruments and Un-hedged Foreign Currency Exposure:**a) Particulars of Unhedged foreign Currency Exposure as at the Balance Sheet date**

Particulars	Currency	As at 31st December 2011 (₹ in lacs)	As at 31st December 2010 (₹ in lacs)
Loan	USD	530.15	-
Investments	USD	0.99	0.99
	EURO	623.95	623.95
Exports Debtors	USD	0.09	1.36
Advance payable	EURO	6.69	-
Other Receivables	USD	10.95	5.18
Interest Receivable	USD	4.09	-
Interest Payable	USD	5.46	-
Dividend Receivable	USD	1.50	2.50
Import Creditors	EURO	1.40	1.16
	USD	2.48	1.60
	AUD	0.82	0.39
	Thai Bahts	3.00	3.00

b) Particulars of Derivatives contracts entered into for hedging purpose outstanding as at December 31, 2011 are as under:

Particulars	Currency	As at 31st December 2011 (₹ in lacs)	As at 31st December 2010 (₹ in lacs)
Currency and Interest rates swaps	EURO	158.03	Nil

SCHEDULE T NOTES TO ACCOUNTS (Continued)

- 16. In accordance with the Accounting Standard 26 issued by ICAI, the following information relates to Intangible assets.**

Description of Assets	Current Year		Previous Year	
	Carrying amount of assets (₹ in lacs)	Remaining amortization years	Carrying amount of assets (₹ in lacs)	Remaining amortization years
Technical Know-how	246.50	4 years	304.50	5 years
Technology License Fees	-	-	1.07	0.4 years
Germ Plasm	477.91	6 years	559.45	7 years
Software	87.33	6 years	100.94	7 years
Trade Marks / Brands	3047.48	6 years	3,627.95	7 years

- 17. Foreign Currency Convertible Bonds (FCCBs)**

Floating Rate Guaranteed Convertible Bonds due 2016

250 Floating Rate Guaranteed Convertible Bonds of USD 200,000 each are:

- Convertible by the bondholders into Ordinary Shares or Global Depository Shares (GDSs) at any time on and after 15th July 2011 up to the close of business on 2nd July 2016. The FCCB's will be convertible at a initial conversion price of ₹ 282.84 per share and are listed in Singapore Stock Exchange.
- Redeemable, in whole but not in part, at the option of the Company on or at any time after July 9, 2014, subject to the fulfillment of certain terms and obtaining requisite approvals.
- Redeemable on maturity date of 9th July 2016 at par, if not redeemed or converted earlier.

Expense related to the issue of FCCB's are adjusted against the Securities Premium, accordingly an amount of ₹ 695.77 Lacs (net of taxes: ₹ Nil) has been adjusted against the securities premium account.

- 18. Non Convertible Debentures**

The Company has redeemed Debenture of ₹ 12,500 lacs (Unsecured Redeemable Non Convertible Debentures issued on 25th September 2010) and ₹ 8,800 lacs (out of ₹ 25,000 lacs Unsecured Redeemable Non Convertible Debentures issued on 13th March 2010) by exercising call options on 1st July, 2011.

As on 31st December 2011 the outstanding Non Convertible Debentures of ₹ 16,200 lacs consisting of 1,620 Unsecured Redeemable Non Convertible Debentures of ₹ 1,000,000 each redeemable at par at the end of five years from the date of allotment viz. 13th March 2010, or at every interest payment date, which is on quarterly basis at the option of the Company.

- 19. The Company has entered into a cost sharing agreement on 1st December 2011 with Advanta Holding BV, Netherlands ("the subsidiary") with effective from 1st January 2011. Pursuant to that the Company has recovered ₹ 825.79 Lacs (Previous Year: ₹ Nil) from the subsidiary and the same has been adjusted against the respective expenses as under:**

SCHEDULE T NOTES TO ACCOUNTS (Continued)

Particulars	Current year (₹ in lacs)
Personnel Expenses	353.87
Travelling Expenses	105.01
Rent	83.88
Legal & Professional	63.79
Miscellaneous	219.24
Total	825.79

20. Prior period (income) / expense (net):

Particulars	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
Interest on Loans and Deposits etc.,	-	(115.50)
Price Variance	-	167.56
Purchase of Chemicals	-	0.94
Total	-	53.00

21. Supplementary Statutory Information:**21.1 Director's Remuneration:**

Particulars	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
Salary	98.75	98.57
Perquisites	2.30	1.57
Contribution to Retirement Benefits	21.06	21.06
Total	122.11	121.20

As the liabilities for leave encashment and gratuity are provided on an actuarial basis for the company as a whole, the amounts pertaining to the director are excluded in above.

21.2 Auditors' Remuneration (included under Legal and Consultancy Charges):

Particulars	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
Audit fees	21.00	21.00
Fee for Certification	0.32	0.28
Taxation Matters	0.75	0.75
Other	4.50	73.22
Total	26.57	95.25

21.3 Licensed and Installed Capacity per annum

Particulars	Current Year	Previous Year
Licensed Capacity	Not Applicable*	Not Applicable*
Installed Capacity	Not Applicable*	Not Applicable*

* Since agricultural produce

21.4 Actual Production

Particulars	Current Year MT	Previous Year MT
Basic Seeds	121.17	108.67
Hybrid Seeds	5,760.40	7,511.26

21.5 Particulars in respect of Stocks

	Particulars	Current Year		Previous Year	
		MT	Amount (₹ in lacs)	MT	Amount (₹ in lacs)
(i)	Sales Hybrid Seeds	8,182.85	13,113.35	7,598.50	10,132.71
(ii)	Purchases Hybrid Seeds Basic Seeds	2,280.72 0.48	2,109.69 3.21	1,942.87 101.26	2,339.47 69.12
(iii)	Opening Stock Hybrid seeds Basic Seeds	3,002.03 346.04	2,980.29 1,218.87	4,397.84 420.20	3,212.80 1,388.53
(iv)	Closing Stock Hybrid Seeds Basic Seed	2,775.31 447.70	3,020.23 1,401.96	3,002.03 346.04	2,980.29 1,218.87

Note: Closing Stock quantities are after adjustment of samples, damaged and obsolete stocks and includes substandard not sold.

21.6 Consumption of Raw Seeds

Particulars	Current Year		Previous Year	
	MT	Amount (₹ in lacs)	MT	Amount (₹ in lacs)
Raw seeds Consumed	4,550.10	2,626.97	7,404.39	1,944.41

21.7 Consumption of Raw Materials :

Particulars	Current Year		Previous Year	
	(₹ in lacs)	Percentage	(₹ in lacs)	Percentage
Raw Seed consumed				
Indigenous	2,623.76	99.88	1,944.41	100
Imported	3.21	0.12	-	-

21.8 Value of imports on C.I.F. basis:

Particulars	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
Capital Expenditure	-	19.75
Purchase of Seeds	407.98	368.51

21.9 Expenditure in Foreign Currency (on accrual basis):

Particulars	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
Travel	26.27	13.02
Legal and Professional Charges	58.06	55.63
Interest	553.31	-
Reimbursement of expenses	68.20	-
Others Expenses	61.57	64.50

21.10 Earnings in Foreign Exchange (on accrual basis):

Particulars	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
Value of exports of goods on F.O.B. value	548.32	1,378.03
Interest Income	2897.13	2,574.04
Reimbursement of expenses	1,201.22	242.86
Others	104.47	-

- 22.** Up to December 31, 2011, the Company has incurred ₹ 48.41 lacs (Previous Year: ₹ 53.21 lacs) in connection with the proposed rights issue of its equity shares. This amount shall be adjusted against securities premium arising from the proposed rights issue of equity shares, as permitted under section 78 of the Companies Act, 1956. Accordingly, this amount has been carried forward and disclosed separately under the head 'Miscellaneous Expenditure' in the Balance Sheet.

23. Previous year's figures have been regrouped where necessary to confirm to this year's classification.

As per our Report of even date

For and on behalf of the Board of
Advanta India Limited

For S. R. BATLIBOI & ASSOCIATES

Chartered Accountants

Firm Registration Number : 101049W

per Sudhir Soni

Partner

Membership Number.: 41870

Place : Hyderabad

Date : February 27, 2012

Vikram R. Shroff

Director

Manoj Gupta

Chief Financial Officer

Place : Hyderabad

Date : February 27, 2012

V. R. Kaundinya

Managing Director

Pushpalatha K

Company Secretary

**Additional information as required under Part IV of Schedule VI to the Companies Act, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

I. Registration Details

Registration No. : 0 6 3 6 6 4 State Code : 0 1
Balance Sheet Date : 3 1 - 1 2 - 1 1

II. Capital raised during the year (Amount in ₹ Thousands)

Public issue Rights issue Bonus issue Private Placement*
NIL NIL NIL NIL

III. Position of Mobilisation and Deployment of Funds (Amount in ₹ Thousands)

Total Liabilities Total Assets
9 7 6 0 6 2 3 9 7 6 0 6 2 3

Sources of Funds

Paid up Capital * Reserves & Surplus Secured Loans Unsecured Loans
1 6 8 5 4 2 3 8 5 3 7 9 8 3 4 1 9 7 1 5 3 9 6 3 1 2

Share Application Money

NIL

Application of Funds

Net Fixed Assets Investments Net Current Assets Misc. Expenditure
5 6 0 3 4 4 4 1 2 2 4 0 4 4 7 9 4 9 7 7 4 8 4 1

Accumulated Losses

2 7 8 0 5 7

IV. Performance of Company (Amount in ₹ Thousands)

Turnover	Total Expenditure	+/-	Prior Period Expenditure	+/-	Profit/loss before tax	
1 3 1 1 3 3 4	-	1 5 4 5 0 5 6	+	N I L	=	1 5 9 3 6 6
Profit/loss after tax	Earnings per Share including Exceptional Income	Earnings per Share excluding Exceptional Income	Dividend rate%			
1 4 1 8 6 6	8 . 4 2	8 . 4 2	- -			
	On weighted average number of Shares	On weighted average Number of Shares				

V. Generic Names of Principal Products/Services of Company (Not Applicable)

Item Code No. (ITC CODE) 1 2 - 0 6
Product Description S U N F L O W E R S E E D S
Item Code No. (ITC CODE) 1 0 - 0 5
Product Description M A I Z E S E E D S
Item Code No. (ITC CODE) 1 0 - 0 6
Product Description R I C E S E E D S

For and on behalf of the Board of ADVANTA INDIA LIMITED

Vikram R. Shroff
Director

V. R. Kaundinya
Managing Director

Manoj Gupta
Chief Financial Officer

Pushpalatha K
Company Secretary

Place : Hyderabad
Date : February 27, 2012

Statement Pursuant to Section 212 of the Companies Act, 1956, related to Subsidiary Companies for the year ended 31 December 2011

Sr No	Particulars	Financial Year	Shareholding		The net aggregate of Profit/(Loss) of the subsidiary for the above financial year so far as they concern the members of the Company and is not dealt within the accounts of the Company		Change in the Holding Companies Interest in the subsidiaries between the end of the financial year of the subsidiary and the end of the holding companies financial year	Material changes which have occurred between the end of the aforesaid financial year of the subsidiaries and the end of the holding companies financial year in respect:
			Number of Shares	%	Financial Year ended on 31st December 2011 (₹. In Lacs)	Previous Year (₹. In Lacs)		
1	Advanta Holdings BV	31/12/2011	3,053	100	(2,058.07)	(1,486.54)	Not Applicable as financial year coincides with that of the Holding Company	As the financial year of both holding and subsidiary companies coincides, there are no particulars to furnish
2	Advanta Netherlands Holdings BV	31/12/2011	180	100	1,917.26	1,418.31	do	do
3	Advanta International BV	31/12/2011	180	100	(463.38)	(325.30)	do	do
4	Advanta Finance BV	31/12/2011	180	100	191.09	31.25	do	do
5	Advanta Semillas S A I C	31/12/2011	17,469,633	100	(777.93)	(177.47)	do	do
6	Longreach Plant Breeders Management P Ltd	31/12/2011	91,758	70	(494.42)	(635.90)	do	do
7	Pacific Seeds Pty Ltd	31/12/2011	5,000,000	100	1,327.88	608.72	do	do
8	Pacific Seeds Holdings (Thai) Ltd	31/12/2011	1,000	100	(970.11)	(490.59)	do	do
9	Pacific Seeds (Thai) Ltd	31/12/2011	300,000	100	1,088.29	346.00	do	do
10	Advanta Seed International	31/12/2011	2	100	859.76	1,626.38	do	do
11	Unicorn Seeds Pvt Ltd	31/12/2011	6,11,007	100	(318.06)	(518.81)	do	do
12	Advanta US Inc	31/12/2011	1,000	100	269.09	71.98	do	do
13	Advanta Seeds Limited	31/12/2011	50,000	100	0.14	(0.29)	do	do
14	Pt Advanta Seeds Indonesia	31/12/2011	100,000	100	(315.16)	(50.12)	do	do
15	Advanta Comercio De Sementes LTDA	31/12/2011	480,443	100	(273.31)	(50.59)	do	do
16	Advanta B.V.I Ltd	31/12/2011	50,000	100	-	-	do	do

Abridged Financial Information of subsidiaries as at 31.12.2011

(INR in Lacs)

Sr. No.	Subsidiary	Location / Country	Capital	Reserves	Total Assets	Total Liabilities	Details of Investment (Except in case of Investment in Subsidiaries)	Turnover	Profit / Loss Before Taxation	Provision for Taxation Exp / (Inc)	Profit / Loss After Taxation	Proposed Dividend
1	Advanta Finance BV	Netherlands	12.37	20,842.21	24,052.72	24,052.72	-	-	246.22	55.13	191.09	-
2	Advanta Holdings BV	Netherlands	20,555.04	7,967.40	86,654.76	86,654.76	-	-	(2,664.83)	(606.76)	(2,058.07)	-
3	Advanta International BV	Netherlands	12.37	(1,617.52)	8,367.03	8,367.03	-	-	(609.27)	(145.89)	(463.38)	-
4	Advanta Netherlands Holdings BV	Netherlands	12.37	46,625.26	55,458.37	55,458.37	-	26.46	2,606.15	630.52	1,917.26	-
5	Advanta US Inc	USA	437.59	1,073.75	20,914.57	20,914.57	-	14,395.83	610.08	102.75	269.09	-
6	Pacific Seeds Holdings (Thai) Ltd	Thailand	1.68	(2,224.13)	11,541.52	11,541.52	-	-	(588.29)	381.82	(970.11)	-
7	Pacific Seeds Thai Ltd	Thailand	141.35	9,741.00	13,310.36	13,310.36	-	12,473.47	1,916.12	827.83	1,088.29	-
8	Advanta Seed International	Mauritius	0.00	11,499.20	17,766.96	17,766.96	-	8,589.99	886.35	26.59	859.76	-
9	Advanta Semillas S A I C	Argentina	7,225.33	(3,773.55)	16,883.40	16,883.40	-	20,551.39	(709.03)	68.89	(777.92)	-
10	LongReach Plant Breeders Management Pty Ltd	Australia	3,815.81	(4,788.11)	6,130.48	6,130.48	-	-	(1,177.96)	(471.63)	(706.33)	-
11	Pacific Seeds Pty Ltd	Australia	2,699.60	16,040.82	37,332.36	37,332.36	-	24,275.24	1,679.25	351.37	1,327.88	-
12	Unicom Seeds Pvt Ltd	India	136.10	(117.99)	2,150.86	2,150.86	-	1,463.86	(320.43)	(3.12)	(318.06)	0.75
13	Advanta Seeds Ltd	India	5.00	(2.90)	2.28	2.28	-	-	0.14	-	0.14	-
14	Pt Advanta Seeds Indonesia	Indonesia	63.91	(400.93)	921.18	921.18	-	742.93	(420.22)	(105.05)	(315.17)	-
15	Advanta Comercio De Sementes LTDA	Brazil	136.75	(382.18)	878.73	878.73	-	1,056.69	(407.16)	(138.44)	(273.31)	-
16	Advanta B.V.I. Ltd	British Virgin Islands	26.55	-	-	-	-	-	-	-	-	-

Note: Exchange Rates considered for above calculation

Particulars	Euro	US \$	Thai Bhat	AU \$	Indonesian Rupiah	Brazilian Reas
Closing Rate (For Balance Sheet Items)	68.70	53.11	1.68	53.99	0.01	28.46
Average Rate (For Profit and Loss Items)	64.27	48.93	1.59	49.78	0.01	27.72

Auditor's Report

The Board of Directors
Advanta India Limited

1. We have audited the accompanying consolidated balance sheet of Advanta India Limited ('the Company') and its subsidiaries (the Advanta Group), as at December 31, 2011, the consolidated profit and loss account and the consolidated cash flow statement for the year ended on that date annexed thereto (all together referred to as 'the consolidated financial statements'). These financial statements are the responsibility of the Advanta India Limited's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of Advanta U.S. Inc., U.S.A, and Advanta Seeds International, Mauritius whose financial statements prepared; under the generally accepted accounting principles ('GAAP') accepted in the United States of America ('US GAAP') and International Financial Reporting Standards ('IFRS') respectively in the aggregate reflect, total assets, revenues, and net cash flows of ₹ 39,130.80 lacs, ₹ 24,099.09 lacs, and ₹ 1,257.13 lacs respectively. The financial statements of these subsidiaries have been prepared in accordance with accounting policies generally accepted as per the US GAAP and IFRS and have been audited by other auditors who have submitted their audit opinions, prepared under generally accepted auditing standards of their respective countries, to the shareholders of the respective companies, copies of which have been provided to us by the Company. The management of the Company has converted these audited financial statements of the Company's subsidiaries to accounting principles generally accepted in India, for the purpose of preparation of the Company's consolidated financial statements under accounting principles generally accepted in India. Our opinion, thus, insofar it relates to amounts included in respect of these subsidiaries, is based solely on the reports of the other auditors under the aforementioned GAAPs in respective countries and the aforesaid conversion undertaken by the management; examined by us on a test basis.
4. We did not audit the financial statements of subsidiaries, whose financial statements prepared under the generally accepted accounting principles accepted in India, reflect in relation to the amounts considered in the consolidated financial statements; total assets of ₹131,647.53 lacs as at December 31, 2011, the total revenue of ₹ 81,837.47 lacs, and the cash inflows amounting to ₹ 8,202.04 lacs for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of such subsidiaries, read with Paragraph 3 above, is based solely on the report of other auditors.
5. The Auditor of a subsidiary company, viz. Longreach Plant Breeders Management Pty Ltd whose financial statements reflect total assets, revenues, loss and cash flows of ₹ 6,130.48 lacs, ₹ 1,467.52 lacs, ₹1,177.86 lacs and ₹ 345.22 lacs respectively, has drawn attention in the audit report relating to the Going Concern Assumption, i.e. the financial statements having been prepared on going concern basis, despite the accumulated losses exceeding the paid up share capital as at December 31, 2011 on the basis of representations of financial and operational support from the Company.
6. The Auditor of a subsidiary company, viz. Advanta Comercio de Sementes Ltda whose financial statements reflect total assets, revenues, loss, and cash flows of ₹ 878.73 lacs, ₹ 1,056.69 lacs, ₹ 407.16 lacs, and ₹ 80.97 lacs respectively, has drawn attention in the audit report relating to the Going Concern Assumption i.e. the financial

statements having been prepared on going concern basis, despite the negative working capital, negative equity and accumulating significant operating losses as at December 31, 2011 on the basis of representations of financial and operational support from the Company.

7. The Auditor of a subsidiary company, viz. PT Advanta Seeds Indonesia whose financial statements reflect total assets, revenues, loss, and cash flows of ₹ 921.18 lacs, ₹ 783.99 lacs, ₹ 420.22 lacs and ₹ 347.73 lacs respectively, has drawn attention in the audit report relating to the Going Concern Assumption i.e. the financial statements having been prepared on going concern basis, despite the negative working capital, negative equity and accumulating significant operating losses as at December 31, 2011 on the basis of representations of financial and operational support from the Company.
8. *As indicated in Note No.10 of Schedule 21, the Group had, recognized deferred tax asset aggregating ₹ 2,883.79 lacs on the unused tax losses in the consolidated financial statements for the year ended December 31, 2010. During the year ended December 31, 2011, the Group has further recognized deferred tax asset of ₹ 1,547.47 lacs in the profit and loss account. There is no virtual certainty as required by Accounting Standard (AS) 22, 'Accounting for Taxes on Income' to indicate that it is probable that the said companies will have sufficient taxable profit against which such deferred tax assets can be utilized. As a result of above, the consolidated profit after taxation for the year ended December 31, 2011 are higher by ₹1,547.47 lacs (Previous Year: higher by ₹ 108.60 lacs) and deferred tax assets and reserves and surplus as at December 31, 2011 are higher by ₹ 4,431.26 lacs (Previous Year: higher by ₹ 2,883.79 lacs). (Refer Note No. 10 of Schedule 21). Our audit report on the consolidated financial statements for the year ended December 31, 2010 was also modified in respect of the above matter.*
9. *Consolidated Segment Information has not been given in the consolidated financial statements as required by Accounting Standard (AS) 17, 'Segment Reporting' for reasons explained in Note No 19 of Schedule 21. The said disclosure does not have any impact on the profit for the year and the reserves as at December 31, 2011. Our audit report on the consolidated financial statements for the year ended December 31, 2010 was also modified in respect of the above matter.*
10. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, *except for the effects of matters stated in paragraphs 8 and 9 above as described therein*, we are of the opinion that the attached consolidated financial statements, give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the consolidated balance sheet, of the state of affairs of the Advanta India Limited Group as at December 31, 2011;
 - (b) in the case of the consolidated profit and loss account, of the profit for the year ended on that date; and
 - (c) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

For S.R. Batliboi & Associates
Chartered Accountants
Firm Registration Number: 101049W

per Sudhir Soni
Partner
Membership Number : 41870

Place : Hyderabad
Date : February 27, 2012

CONSOLIDATED BALANCE SHEET AS AT 31ST DECEMBER 2011

	Schedule	(₹ in lacs)	As at 31 st December, 2011 (₹ in lacs)	As at 31st December, 210 (₹ in lacs)
I. SOURCES OF FUNDS				
1. Shareholders' Funds				
a) Capital	1	1,685.42		1,685.20
b) Share Application Money Pending Allotment		-		6.39
c) Reserves and Surplus	2	52,501.90		48,582.54
			54,187.32	50,274.13
2. Loan Funds				
a) Secured Loans	3	12,924.68		15,235.37
b) Unsecured Loans	4	54,580.27		45,590.07
			67,504.95	60,825.44
3. Minority Interest				
			-	-
4. Deferred Tax Liabilities (Refer Note No. 10 in Schedule 21)	5		1,936.93	1,421.57
Total			123,629.20	112,521.14
II. APPLICATION OF FUNDS				
1. Fixed Assets				
a) Gross Block	6	91,538.17		84,377.78
b) Less: Accumulated Depreciation / Amortisation		19,232.61		14,926.41
c) Net Block		72,305.56		69,451.37
d) Capital Work-in-Progress including capital advances		2,264.02		1,611.49
			74,569.58	71,062.86
2. Investments	7		0.55	0.55
3. Deferred Tax Assets (Refer Note No. 10 in Schedule 21)	5		7,455.39	6,239.17
4. Current Assets, Loans and Advances				
a) Inventories	8	26,328.04		32,299.39
b) Sundry Debtors	9	23,973.46		16,006.69
c) Cash and Bank balances	10	15,108.95		6,093.60
d) Other Current Assets	11	719.02		623.11
e) Loans and Advances	12	5,425.15		5,174.56
	(A)	71,554.62		60,197.35
Less : Current Liabilities and Provisions	13			
a) Liabilities		27,351.80		22,465.01
b) Provisions		2,648.33		2,566.99
	(B)	30,000.13		25,032.00
Net Current Assets	(A-B)		41,554.49	35,165.35
5. Miscellaneous Expenditure				
Share Issue Expenses (Refer Note No.18 in Schedule 21)			49.19	53.21
Total			123,629.20	112,521.14
Notes to Consolidated Accounts	21			

The Schedules referred to above and notes to accounts form an integral part of the Balance Sheet

As per our Report of even date

For and on behalf of the Board of
Advanta India Limited

For S. R. BATLIBOI & ASSOCIATES

Chartered Accountants

Firm Registration Number : 101049W

per Sudhir Soni

Partner

Membership Number.: 41870

Place : Hyderabad

Date : February 27, 2012

Vikram R. Shroff

Director

Manoj Gupta

Chief Financial Officer

Place : Hyderabad

Date : February 27, 2012

V. R. Kaundinya

Managing Director

Pushpalatha K

Company Secretary

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2011

	Schedule	(₹ in lacs)	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
I. Income				
Sales		99,427.42		70,924.12
Less: VAT		6,693.44		4,639.60
Less: Rebates and Discounts		1,552.84		927.07
			91,181.14	65,357.45
Other Income from Operations	14		3,779.05	4,956.67
Other Income	15		254.73	337.95
			95,214.92	70,652.07
II. Expenditure				
Cost of goods manufactured/Raw material consumed	16	37,903.68		31,237.11
(Increase) / Decrease in stocks	17	5,317.51		205.51
Personnel Expenses	18	13,865.99		12,597.24
Operating and Other expenses	19	24,542.84		19,072.55
Interest and Other Financial Costs	20	8,259.69		6,828.24
Depreciation / Amortisation		2,645.97		2,365.76
			92,535.68	72,306.41
III. Profit / (Loss) Before Prior Period, Exceptional Items and Taxation			2,679.24	(1,654.34)
Prior Period Adjustments (Refer Note No.25 in Schedule 21)		(62.95)		(144.88)
Exceptional Items (Refer Note No.23 in Schedule 21)		(238.24)		(1,362.50)
			(301.19)	(1,507.38)
IV. Profit / (Loss) Before Taxation			2,378.05	(3,161.72)
Provision for Taxation:				
- Current Tax		1,211.97		706.04
- MAT Credit Entitlement		(133.86)		(45.55)
- Deferred Tax		70.89		(658.79)
- Excess provision for taxation for earlier years		-		(195.72)
			1,149.00	(194.02)
V. Profit / (Loss) After Taxation			1,229.05	(2,967.70)
Add / (Less): Minority Interest			-	222.41
NET PROFIT / (LOSS)			1,229.05	(2,745.29)
Add: Surplus brought forward from Previous Year			13,654.21	16,399.50
VI. Profit available for appropriation			14,883.26	13,654.21
Appropriations				
Transfer to Debenture Redemption Reserve			1,418.66	-
Surplus carried to Balance Sheet			13,464.60	13,654.21
Consolidated Earnings per share:				
Basic			7.29	(16.30)
Diluted			7.23	(16.30)
Face Value Per Share (in ₹)			10.00	10.00
(Refer Note No.11 in Schedule 21)				
Notes to Consolidated Accounts	21			

The Schedules referred to above and the notes to accounts form an integral part of the Profit and Loss Account

As per our Report of even date

For S. R. BATLIBOI & ASSOCIATES

Chartered Accountants

Firm Registration Number : 101049W

per Sudhir Soni

Partner

Membership Number.: 41870

Place : Hyderabad

Date : February 27, 2012

For and on behalf of the Board of

Advanta India Limited

Vikram R. Shroff

Director

Manoj Gupta

Chief Financial Officer

Place : Hyderabad

Date : February 27, 2012

V. R. Kaundinya

Managing Director

Pushpalatha K

Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2011

	For the year ended December 31, 2011		For the year ended December 31, 2010	
	(₹ in lacs)	(₹ in lacs)	(₹ in lacs)	(₹ in lacs)
A CASH FLOW FROM OPERATING ACTIVITIES				
Profit Before Taxation		2,679.24		(1,654.34)
Adjustments for :				
Depreciation / Amortisation	2,645.97		2,365.76	
Bad Debts	204.62		-	
Debit Balances Written Off	180.00		-	
Profit on sale of Fixed Assets	(28.24)		(65.75)	
Assets written off	0.20		-	
Provision for Doubtful Debts & Advances	91.69		398.50	
Provision for Litigation	3.62		41.96	
Provisions written back	(189.98)		(299.32)	
Interest income	(177.51)		(98.80)	
Miscellaneous Income	(47.27)		-	
Interest and Other Financial charges	6,655.73		5,555.72	
Exchange Difference on loans taken	1,603.96		535.46	
		10,942.79		8,421.56
Operating Profit before working capital changes		13,622.03		6,767.22
Adjustments for:				
(Increase) / Decrease in Inventories	5,971.35		(6,100.74)	
(Increase) / Decrease in Sundry Debtors	(8,263.08)		3,876.43	
(Increase) / Decrease in Other Current Assets	(95.91)		(613.17)	
(Increase) / Decrease in Loans and Advances	(435.80)		3,042.98	
Increase / (Decrease) in Current Liabilities	4,828.16		(1,751.66)	
Increase / (Decrease) in Provisions	449.33		(1,444.98)	
		2,454.05		(2,991.14)
Cash generated from Operations (before exceptional and prior period items)		16,076.08		3,776.08
Prior Period Adjustments (Other than Taxation)		(62.95)		(144.88)
Exceptional Items		(238.24)		(1,362.50)
Direct taxes paid		(1,025.63)		157.91
Net cash (used in) / from Operating Activities (A)		14,749.26		2,426.61
B CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets and Intangible Assets		(3,291.85)		(7,669.43)
Sale of fixed assets		640.68		732.49
Redemption of Investments		-		50.00
(Deposit) / Maturity of Fixed Deposits		(38.32)		(1,361.78)
Payment of Milestone Liability		(1,021.61)		-
Interest received		177.51		176.05
Income from Current Investments		-		11.97
Net Cash used in Investing Activities (B)		(3,533.59)		(8,060.70)
C CASH FLOW FROM FINANCIAL ACTIVITIES				
Proceeds from borrowings (Net)		29,865.05		43,565.03
Repayment of borrowings		(24,742.09)		(30,379.75)
Proceeds from Issue of equity shares		-		1.04
Share Application Money		(0.06)		6.39
Miscellaneous Expenditure		4.02		(53.21)
FCCB/ Debenture Issue expenses		(695.77)		13.47
Interest & finance cost paid		(5,804.31)		(6,650.21)
Dividend Paid		(0.22)		(168.15)
Tax on distributed Profits		-		(28.63)
Net cash (used in) / from Financing Activities (C)		(1,373.38)		6,305.98
Exchange Difference arising on conversion debited to Foreign Currency Translation Reserve) (D)		(865.26)		703.50
Net increase in cash and cash equivalents (A+B+C+D)		8,977.03		1,375.39
Cash and cash equivalents at the beginning of the year		5,179.25		3,803.86
Cash and cash equivalents at the end of the year		14,156.28		5,179.25
Components of Cash and Cash Equivalents				
Cash on Hand		9.44		19.48
Remittance in Transit		390.48		-
Bank Balances In India				
With Scheduled Banks				
In Current Accounts	909.76		557.03	
In Deposit Account	447.86		467.47	
In Unpaid Dividend Account *	0.11		0.39	
Bank Balances Outside India		1,357.73		1,024.89
On Current Accounts	12,472.86		4,106.00	
On Deposit Accounts	878.44		943.23	
		13,351.30		5,049.23
		15,108.95		6,093.60
Less: Long term deposits considered in investing activities		(952.67)		(914.35)
Cash and Cash equivalents considered for cash flows		14,156.28		5,179.25

* These balances are not available for use by the Company as they represent corresponding unpaid dividend liabilities.

As per our Report of even date

For **S. R. BATLIBOI & ASSOCIATES**

Chartered Accountants

Firm Registration Number : 101049W

per **Sudhir Soni**

Partner

Membership Number.: 41870

Place : Hyderabad

Date : February 27, 2012

For and on behalf of the Board of

Advanta India Limited

Vikram R. Shroff

Director

V. R. Kaundinya

Managing Director

Manoj Gupta

Chief Financial Officer

Place : Hyderabad

Date : February 27, 2012

Pushpalatha K

Company Secretary

SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET

	As at 31st December, 2011 (₹ in lacs)	As at 31st December, 2010 (₹ in lacs)
SCHEDULE 1 SHARE CAPITAL		
Authorised		
60,000,000 (Previous Year : 60,000,000) Equity Shares of Rs. 10 /- each	6,000.00	6,000.00
15,000,000 (Previous Year : 15,000,000) Preference Shares of Rs. 10 /- each	1,500.00	1,500.00
Issued , Subscribed and Paid-up		
16,854,212 (Previous Year : 16,851,989) Equity Shares of Rs.10/- each fully paid-up	1,685.42	1,685.20
Total	1,685.42	1,685.20
(For details of Stock options outstanding refer Note No.4 in Schedule 21).		
SCHEDULE 2 RESERVES AND SURPLUS		
Capital Reserve		
State Investment Subsidy (Refer Note No. 7a in Schedule 21)	20.00	20.00
General Reserve		
Balance as per last Balance Sheet	1,816.11	1,816.11
Securities Premium Account		
Balance as per last Balance Sheet	35,255.66	35,242.19
Add : Received during the year on issue of equity shares	6.11	28.47
Less: Adjustment for FCCB / Debenture issue expenses (Refer Note No.16 in Schedule 21)	(695.77)	(15.00)
Revaluation Reserve	34,566.00	35,255.66
Amalgamation adjustment account	569.54	569.54
Debt Redemption Reserve	717.21	717.21
Foreign Currency Translation Reserve	1,418.66	-
Balance as per last Balance Sheet	(3,450.18)	(5,357.69)
Add: Arisen during the year	3,379.97	1,907.51
Balance in Profit and Loss Account	(70.21)	(3,450.18)
Total	13,464.60	13,654.21
	52,501.90	48,582.54
SCHEDULE 3 SECURED LOANS		
Loans and Advances from Banks		
On Cash Credit Account and Packing Credit Loan*	11,227.82	12,702.40
Term Loans from Banks		
Working Capital Demand Loan/Short Term Loan*	1,500.00	2,489.99
Interest accrued and due	132.93	11.60
Loan from Department of Biotechnology ** (Refer Note No. 7b in Schedule 21)	63.93	31.38
Total	12,924.68	15,235.37
	12,924.68	15,235.37

* The aforesaid loans are secured by pari passu first charge by way of hypothecation of entire stocks of raw materials, finished goods, work-in-process, consumable stores and spares and such other movables including book-debts, outstanding monies, receivables, both present and future.

** Secured by way of hypothecation of all equipment, apparatus, machineries, machinery spares and other accessories, goods and/or other movable property, and/or immovable property of the Company acquired for the project through contribution by the Company and/or by the DBT to a value equivalent to loan amount and interest thereon

SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET

	As at 31st December, 2011 (₹ in lacs)	As at 31st December, 2010 (₹ in lacs)
SCHEDULE 4		
UNSECURED LOANS		
Term Loans		
From Bank [Repayable with in one year : ₹ 1,500 lacs (Previous year ₹1,500 lacs)]	6,500.00	6,500.00
Interest accrued and due	70.62	59.27
Other Loans		
From Company	3,757.15	553.28
Commercial Paper [Maximum amount outstanding during the year ₹1,500 Lacs (Previous Year: Nil)]	1,500.00	-
Foreign Currency Convertible Bonds (Refer Note No.16 in Schedule 21)	26,552.50	-
Non Convertible Debentures (Refer Note No.17 in Schedule 21)	16,200.00	37,500.00
Bill Discounting [Repayable with in one year : Nil (Previous year ₹ 977.52 lacs)]	-	977.52
Total	<u>54,580.27</u>	<u>45,590.07</u>
SCHEDULE 5		
DEFERRED TAX		
Deferred Tax Liabilities		
On account of depreciation / amortisation	1,559.45	1,165.95
Others	377.48	255.62
	1,936.93	1,421.57
Total	<u>1,936.93</u>	<u>1,421.57</u>
Deferred Tax Assets		
On provision for doubtful debtors and advances	163.06	146.21
On expenditure that is allowed on payment basis	1,561.86	1,314.65
Carry forward losses (Refer Note No. 10 in Schedule 21)	3,950.89	2,883.79
Others	1,779.58	1,894.52
	7,455.39	6,239.17
Total	<u>7,455.39</u>	<u>6,239.17</u>

SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET**SCHEDULE 6
FIXED ASSETS**

Description	GROSS BLOCK						DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 1st January, 2011	Additions During the year	Foreign Exchange Adjustment	Deductions/ (Adjustments) During the year	As at 31st December, 2011	As at 1st January, 2011	Provided for the year	Deductions/ (Adjustments) During the year	Foreign Exchange Adjustment	As at 31st December, 2011	As at 31st December, 2011	As at 31st December, 2010
TANGIBLE :												
Land-Freehold	2,920.03	-	513.76	59.88	3,373.91	-	-	-	-	-	3,373.91	2,920.03
Land-Leasehold	40.04	-	7.39	-	47.43	16.71	-	-	3.09	19.80	27.63	23.33
Buildings-Freehold	4,321.51	86.16	679.44	452.46	4,634.65	1,207.98	157.21	30.40	178.51	1,513.30	3,121.35	3,113.53
Plant and Machinery	10,399.54	560.37	1,524.75	141.94	12,342.72	6,789.76	775.43	83.51	1,046.67	8,528.35	3,814.37	3,609.78
Furniture and Fixtures	1,468.18	159.94	210.07	21.27	1,816.92	1,195.47	101.72	20.95	190.35	1,466.59	350.33	272.71
Motor Vehicles	878.11	2.02	121.63	156.34	845.42	713.48	70.50	118.86	98.85	763.97	81.45	164.63
Vehicles taken on lease	87.56	-	16.33	-	103.89	66.37	25.14	-	12.38	103.89	-	21.19
Lease Hold Improvements	59.22	-	-	-	59.22	2.34	5.63	-	-	7.97	51.25	56.88
INTANGIBLE:												
Goodwill*	48,693.43	-	1,167.39	34.47	49,826.35	-	-	-	-	-	49,826.35	48,693.43
Technical Knowhow	1,095.35	-	-	-	1,095.35	790.85	58.00	-	-	848.85	246.50	304.50
Technology Licence Fees	724.60	114.71	128.45	-	967.76	185.72	88.99	-	28.88	303.59	664.17	538.88
Software	271.91	-	25.08	-	296.99	170.97	13.61	-	25.08	209.66	87.33	100.94
Germ Plasm	815.49	-	0.01	-	815.50	256.04	81.55	-	-	337.59	477.91	559.45
Project Sunsat (Development Cost)	4,661.93	1,716.12	690.22	-	7,068.27	627.58	574.67	-	92.92	1,295.17	5,773.10	4,034.35
Brands / Trade Marks #	7,934.17	-	300.84	-	8,235.01	2,901.18	823.50	-	106.07	3,830.75	4,404.26	5,032.99
NGSP Research	6.71	-	2.07	-	8.78	1.96	0.80	-	0.37	3.13	5.65	4.75
Total	84,377.78	2,639.32	5,387.43	866.36	91,538.17	14,926.41	2,776.75	253.72	1,783.17	19,232.61	72,305.56	69,451.37
Previous Year	77,867.12	7,153.85	381.40	1,024.59	84,377.78	12,473.99	2,369.22	357.85	441.05	14,926.41		
Capital Work-in-progress**											2,264.02	1,611.49
Total											74,569.58	71,062.86

Notes:

* Goodwill represents the excess of consideration paid towards acquisition of subsidiaries over the net assets acquired, arising on consolidation of such subsidiaries ₹ 41,705.49 lacs (Previous Year: ₹ 41,739.96 lacs)

Brands amounting to ₹ 6,304.71 lacs are still to be transferred in the name of the Company

** Refer note no. 12 in Schedule 21

SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET

	As at 31st December, 2011 (₹ in lacs)	As at 31st December, 2010 (₹ in lacs)
SCHEDULE 7		
INVESTMENTS		
Unquoted Other than trade		
A. Long-Term - At cost		
Government Securities		
National Savings Certificate	0.44	0.44
Indira Vikas Patra	0.11	0.11
Equity shares of Old Irrigation Co-operative	0.54	0.46
Equity shares of East Kimberly Co-operative	0.32	0.32
	1.41	1.33
Less: Provision for diminution in value of investments	0.86	0.78
	0.55	0.55
Total	0.55	0.55
SCHEDULE 8		
INVENTORIES (at lower of cost and net realisable value)		
Stores and Spares and Consumables	901.93	591.66
Packing Materials	706.07	859.97
Raw Materials	6,460.04	9,185.02
Work - in - Process	3,249.66	4,180.45
Raw Seeds	105.38	763.98
Finished Goods	14,904.96	16,718.31
	26,328.04	32,299.39
Total	26,328.04	32,299.39
SCHEDULE 9		
SUNDRY DEBTORS		
UNSECURED		
Considered good	23,973.46	16,006.69
Considered doubtful	1,270.70	1,158.21
	25,244.16	17,164.90
Less: Provision for Doubtful Debts	1,270.70	1,158.21
	23,973.46	16,006.69
Total	23,973.46	16,006.69
SCHEDULE 10		
CASH AND BANK BALANCES		
Cash on hand	9.44	19.48
Remittance in Transit	390.48	
Bank Balances in India		
With Scheduled Banks		
On Current Accounts	909.76	557.03
On Deposit Accounts	22.86	22.00
On Margin Money Deposit (Under lien with bank)	425.00	445.47
On Unpaid Dividend Accounts	0.11	0.39
	1,357.73	1,024.89
Bank Balances Outside India		
On Current Accounts	12,472.86	4,106.00
On Deposit Accounts *	878.44	943.23
	13,351.30	5,049.23
Total	15,108.95	6,093.60
* Includes under lien with banks ₹ 504.81 lacs (Previous Year ₹ 446.88 lacs)		

SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET

	As at 31st December, 2011 (₹ in lacs)	As at 31st December, 2010 (₹ in lacs)
SCHEDULE 11 OTHER CURRENT ASSETS		
Assets held for resale (Refer Note No. 24 in Schedule 21)	548.57	-
Insurance claim receivable	109.68	-
Others	60.77	623.11
Total	719.02	623.11
SCHEDULE 12 LOANS AND ADVANCES (Unsecured, Considered good, unless otherwise stated)		
Advances Advances Recoverable in cash or in kind or for value to be received		
Considered good	2,395.70	2,156.01
Considered doubtful	159.15	103.43
	<u>2,554.85</u>	<u>2,259.44</u>
Less: Provision for doubtful advances	159.15	103.43
	2,395.70	2,156.01
Deposits with Government, Public Bodies, Others etc;	1,195.37	1,131.99
Payment of Taxes less Provisions for taxation	1,674.39	1,741.81
MAT Credit Entitlement	159.69	144.75
Total	5,425.15	5,174.56
SCHEDULE 13 CURRENT LIABILITIES AND PROVISIONS		
Liabilities		
Sundry Creditors	16,063.33	13,783.25
Advances from customers	1,446.64	1,969.70
Security Deposits	157.55	169.90
Unpaid Dividend	0.11	0.33
Interest accrued but not due on loans	723.20	4.46
Milestone Payable (refer note no. 15(i) in Schedule 21)	-	650.00
Other Liabilities	8,960.97	5,887.37
Total	27,351.80	22,465.01
Provisions		
For Employee Benefits (refer note no. 22 in Schedule 21)	2,017.81	1,582.40
For Milestone Payments (refer note no. 15(ii) in Schedule 21)	539.92	911.53
For Litigations (refer note no. 15 in Schedule 21)	90.48	72.94
Dividend Distribution Tax	0.12	0.12
Total	2,648.33	2,566.99

SCHEDULE FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

	(₹ in lacs)	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
SCHEDULE 14			
OTHER INCOME FROM OPERATIONS			
Business Development Fees		-	684.68
Sale of Remnants and Other Scrap		422.26	294.93
Royalty Received		2,025.43	1,514.39
Commission on Sales		449.01	-
Provisions written back		189.98	299.32
Profit on sale of fixed assets (net)		28.24	65.75
Exchange difference (net)		69.78	918.91
Miscellaneous Income		594.35	1,178.69
Total		3,779.05	4,956.67
SCHEDULE 15			
OTHER INCOME			
Interest on loans and deposits etc.		177.51	98.80
Income from current investments (gross)		-	11.97
Exchange difference (net)		29.95	215.17
Miscellaneous Income		47.27	12.01
Total		254.73	337.95
SCHEDULE 16			
COST OF GOODS MANUFACTURED/RAW MATERIAL CONSUMED			
Raw material / seed consumed		13,389.64	9,814.03
Purchase of seeds		11,100.51	9,568.17
Seeds Processing charges and other charges		4,709.76	4,316.31
Land lease charges for seed production		5,788.85	4,922.98
Chemical and fertilizer consumed		1,312.54	1,220.50
Freight Inwards		1,602.38	1,395.12
Total		37,903.68	31,237.11

SCHEDULE FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

	(₹ in lacs)	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
SCHEDULE 17 (INCREASE) / DECREASE IN STOCK			
Inventories at the beginning of the year			
Work-in-process	4,135.82		3,901.34
Finished goods	18,925.78		17,008.17
		23,061.60	20,909.51
Inventories at the end of the year			
Work-in-process	2,479.53		4,206.14
Finished goods	15,264.56		16,497.86
		17,744.09	20,704.00
		5,317.51	205.51
SCHEDULE 18 PERSONNEL EXPENSES			
Salaries, wages and bonus		12,713.63	11,533.23
Contribution to provident and other funds (Refer note 22(ii) in Schedule 21)		726.14	609.23
Gratuity Expense (Refer note 22(i) in Schedule 21)		98.63	145.52
Workmen and staff welfare expenses		327.59	309.26
Total		13,865.99	12,597.24
SCHEDULE 19 OPERATING AND OTHER EXPENSES			
Stores and spares consumed		1,946.60	357.49
Power and fuel		591.68	489.42
Repairs			
- Buildings	125.36		125.95
- Machinery	336.62		377.92
- Others	125.75		196.45
		587.73	700.32
Rent (Refer note 13 in Schedule 21)		1,933.96	2,390.82
Rates and taxes		495.43	410.01
Insurance		434.02	511.31
Commission		2,833.51	1,497.68
Packing, freight and transport		1,647.22	1,713.68
Travelling and conveyance		1,989.93	1,887.37
Communication expenses		386.85	353.59
Printing and stationery		124.59	117.65
Advertisement and sales promotion		1,418.87	1,166.41
Royalty		808.92	443.59
Production and farm expenses		462.68	403.28
Bad debts written off (net)		204.62	105.42
Debit balances written off		180.00	-
Provision for doubtful debts and advances		91.69	398.50
Provision for stock damages		416.32	344.86
Inventory written off		1,834.72	1,656.97
Provision for litigation		3.62	41.96
Legal and consultancy charges		1,341.84	1,172.71
Asset written off		0.20	-
Miscellaneous expenses		4,807.84	2,909.51
Total		24,542.84	19,072.55

SCHEDULE FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

	(₹ in lacs)	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
SCHEDULE 20			
INTEREST AND OTHER FINANCIAL CHARGES			
Interest on Loans and others		6,043.49	5,555.72
Bank charges		437.71	333.99
Exchange difference (net)		1,603.96	535.46
Cash and Advance Booking Discounts		174.53	403.07
Total		<u>8,259.69</u>	<u>6,828.24</u>

SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT
SCHEDULE 21
NOTES TO CONSOLIDATED ACCOUNTS
1. DESCRIPTION OF BUSINESS

Advanta India Limited ('the Holding Company') and some of its subsidiaries are principally engaged in research, development, production, distribution and marketing of hybrid agricultural field crop seeds and plant seeds for agricultural use. Certain other subsidiaries are predominantly holding companies with investments in the companies engaged in development of hybrid seeds. Advanta India Limited and its subsidiaries are hereinafter collectively referred to as 'the Group'.

2. PRINCIPLES OF CONSOLIDATION

- (a) The Consolidated Financial Statements include accounts of Advanta India Limited ('the Holding Company') and its subsidiaries. Subsidiaries are those companies in which Advanta India Limited, directly or indirectly, has an interest of more than one half of voting power or otherwise has power to exercise control over the composition of the Board of Directors. Subsidiaries are consolidated from the date on which effective control is transferred to the Group to the date such control exists.
- (b) The subsidiaries of the Holding Company considered in the consolidated financial information are as given below:

Sr. No.	Name of the Company	Relationship	Country of Incorporation	% of holding directly or through subsidiaries	
				2011	2010
1	Advanta Holdings B.V.	Subsidiary	Netherlands	100%	100%
2	Advanta Netherlands Holding B.V.	Subsidiary	Netherlands	100%	100%
3	Advanta Finance B.V.	Subsidiary	Netherlands	100%	100%
4	Advanta International B.V.	Subsidiary	Netherlands	100%	100%
5	Pacific Seeds (Thai) Limited	Subsidiary	Thailand	100%	100%
6	Pacific Seeds Holdings (Thai) Limited	Subsidiary	Thailand	100%	100%
7	Pacific Seeds Pty Ltd	Subsidiary	Australia	100%	100%
8	Advanta Semillas SAIC	Subsidiary	Argentina	100%	100%
9	Advanta Seeds International	Subsidiary	Mauritius	100%	100%
10	Longreach Plant Breeders Management Pty Ltd.	Subsidiary	Australia	70%	70%
11	Advanta US Inc	Subsidiary	USA	100%	100%
12	Unicorn Seeds Private Limited	Subsidiary	India	100%	100%
13	Advanta Seeds Limited	Subsidiary	India	100%	100%
14	PT Advanta Seeds Indonesia	Subsidiary	Indonesia	100%	100%
15	Advanta Comercio De Sementes LTDA.	Subsidiary	Brazil	100%	100%
16	Advanta (B.V.I) Ltd	Subsidiary	British Virgin Islands	100%	-

Notes:

- i) The ownership interest as given above has been calculated based on the effective interest of Advanta India Limited in the various subsidiaries including the investments made by its subsidiaries.
- ii) Pacific Seeds (Thai) Limited and Pacific Seeds Pty Limited are wholly owned subsidiaries of Pacific Seeds Holdings (Thailand) Limited and Advanta Finance B.V. respectively as at December 31, 2011.
- iii) Advanta Semillas SAIC is 90% held by Advanta International B.V. and 10% held by Advanta Netherlands Holdings B.V. as at December 31, 2011

SCHEDULE 21 (Continued)

NOTES TO CONSOLIDATED ACCOUNTS

- iv) 70% Holding of Longreach Plant Breeders Management Pty Limited is held by Pacific Seeds Pty Ltd as at December 31, 2011.
 - v) Advanta Finance B.V., Advanta International BV and Pacific Seeds Holdings (Thailand) Limited are wholly owned subsidiaries of Advanta Netherlands Holdings B.V. as at December 31, 2011.
 - vi) Advanta Netherlands Holdings B.V., Advanta US Inc. and Advanta B.V.I Ltd are wholly owned subsidiaries of Advanta Holdings B.V. as at December 31, 2011.
 - vii) Advanta Holdings B.V., Advanta Seed International, Unicorn Seeds Private Limited and Advanta Seeds Limited are wholly owned subsidiaries of Advanta India Limited as at December 31, 2011.
 - viii) PT Advanta Seeds Indonesia is 99% held by Advanta India Limited and 1% held by Advanta Seed International Mauritius as at December 2011.
 - ix) Advanta Comerica De Sementes LTDA. Wholly owned subsidiary of Advanta Holdings B.V. as at December 2011.
- (c) The Consolidated Financial Statements have been prepared in accordance with historical cost convention except for revaluation of land by a subsidiary company Pacific Seeds Pty Limited, Australia, and Accounting Standard 21 - "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.
- (d) The Consolidated Financial Statements have been prepared on the following basis:
- i) All the subsidiaries of the Holding Company are incorporated outside India except Unicorn Seeds Private Limited and Advanta Seeds Limited. The activities of the subsidiaries are not an integral part of those of the Holding Company and hence, these have been considered to be Non-Integral foreign operations in terms of Accounting Standard 11 – 'The Effects of Changes in Foreign Exchange Rates'. Consequently, the assets and liabilities, both monetary and non-monetary, of such subsidiaries have been translated at the closing rates of exchange of the respective currencies as at December 31, 2011.
 - ii) All inter company transactions, balances and unrealized surpluses and deficits on transactions between group companies are eliminated.
 - iii) As far as possible, the consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Holding Company's separate financial statements.
 - iv) The financial statements of the subsidiaries used for the purpose of consolidation are drawn upto the same reporting date as that of the Holding Company i.e. December 31, 2011.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Accounting Assumptions

The Consolidated Financial Statements have been prepared on accrual basis as a going concern on historical cost convention except for revaluation of land by a subsidiary company Pacific Seeds Pty Limited, Australia, to comply with the mandatory accounting standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

SCHEDULE 21 (Continued)**NOTES TO CONSOLIDATED ACCOUNTS****(b) Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured.

Sale of Goods

The Group recognizes revenue when significant risks and rewards of ownership of the goods have passed to the buyer which generally coincides with dispatch of goods to the customer. The sales are net of sales returns and expected sales returns.

Income from Services

The Group recognizes revenue from services as and when the services are rendered.

Interest

The Group recognizes revenue on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividends

The Group recognizes revenue when the shareholders' right to receive payment is established by the balance sheet date.

Royalty

Revenue is recognised on an accrual basis in accordance with the terms of the relevant agreement.

Others

In case of subsidiaries engaged in development of hybrid seeds, revenue earned (net of returns) is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer.

In case of companies engaged in investing activities, revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

(c) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(d) Government Grants

Grants from the government are recognized when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

When the grant relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

Government grants received in the nature of Investment Subsidy are treated as Capital Reserve.

SCHEDULE 21 (Continued)

NOTES TO CONSOLIDATED ACCOUNTS

(e) Fixed Assets

Fixed assets are stated at cost (or revalued amounts as the case may be), less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

(f) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

On such indication, the impairment loss (being the excess of carrying value over the recoverable value of the asset) is charged to the profit and loss account in the respective financial year. The impairment loss recognised in the prior years is reversed where the recoverable value exceeds the carrying value of the asset upon re-assessment in the subsequent years.

(g) Intangible Assets

Costs relating to all the intangible assets, which are acquired, are capitalized and amortized on a straight-line basis over their useful lives not exceeding ten years.

(h) Depreciation and amortization

**Depreciation
Holding Company**

Depreciation on building and plant and machinery is provided for in the accounts on straight line method in accordance with the rates prescribed in Schedule XIV of the Indian Companies Act, 1956. Depreciation on other assets is provided using straight line method as per useful life of the assets estimated by the Management or at the rates prescribed under Schedule XIV of the Indian Companies Act, 1956 whichever is higher.

	Rate (SLM)	Rate as per Schedule XIV (SLM)
Furniture and Fixtures	10%	6.33%
Computers	20%	16.21%
Vehicles	20%	9.50%
Office Equipments	10%	4.75%

Individual fixed assets costing less than ₹ 5,000 are fully depreciated in the year of purchase.

Improvements to Lease hold property are depreciated over the period of lease.

SCHEDULE 21 (Continued)**NOTES TO CONSOLIDATED ACCOUNTS****Foreign Subsidiary**

In case of subsidiaries, depreciation is provided on the Straight Line Method as per the useful lives of the assets as determined by the management. These rates are given below:

The estimated useful lives of these assets are as under:

Asset Class	Estimated useful lives in years
Buildings	4 to 50
Plant and machinery	4 to 13
Office Equipment	3 to 5
Furniture and Fixtures	5 to 10
Motor Vehicles	4 to 5
Computer	3 to 7

Unicorn Seeds Private Limited

Depreciation is provided on written down value method and the rates computed in accordance with Sec. 205(2) (b) of the Indian Companies Act, 1956 and in accordance with Schedule XIV of the Indian Companies Act, 1956

Amortization

Costs relating to intangible assets, which are acquired, are capitalized and amortized on a straight-line basis over their useful lives.

Asset Class	Estimated useful lives in years
Technical Know-how	10
Technology License Fees	5 to 10
Germ Plasm	10
Software	10
Project Sunsat	10
Trade Marks / Brands	10

Goodwill arising on acquisition of business is not amortized.

(i) Goodwill

Goodwill represents excess of the cost to the parent of its investment in a subsidiary over the parent's portion of equity of the subsidiary, at the date on which investment in the subsidiary is made. The goodwill is reviewed for impairment whenever events or changes in business circumstances indicate the carrying amount of assets may not be fully recoverable. If impairment is indicated, the goodwill is written down to its fair value.

(j) Leases**Where the Company is the Lessee**

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalised.

SCHEDULE 21 (Continued)

NOTES TO CONSOLIDATED ACCOUNTS

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease item, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

(k) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

(l) Inventories

The method of valuation of various categories of inventories is as follows:

- (i) Store and Spares, Consumables and Packing material – Lower of cost and net realizable value. Cost is determined by weighted average method. In case of Pacific Seeds Pty Ltd., packing materials are valued on a standard cost basis. These standards are reviewed regularly and adjusted for significant variances.
- (ii) Raw Materials – Lower of cost and net realizable value. Cost is determined on a weighted average basis. In case of Pacific Seeds Pty Ltd., raw materials, components, stores and spares are valued on a standard cost basis. These standards are reviewed regularly and adjusted for significant variances. In case of Advanta US INC, Advanta Seeds Ltd and Unicorn Seeds Private Limited cost is determined on First in First out on specific identification basis.
- (iii) Work-in-progress and Finished Goods – Lower of cost and net realisable value. Work-in-progress comprises of cost of material and applicable overheads. In case of finished goods, the cost comprises of materials, direct labour and production overheads of the related crops. In case of finished goods, the cost is determined on standard cost basis in the Holding Company and in respect of other subsidiaries the cost is determined on absorption costing basis
- (iv) Traded goods are valued at lower of cost or net realisable value.

(m) Foreign Currency Transactions

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.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

SCHEDULE 21 (Continued)**NOTES TO CONSOLIDATED ACCOUNTS****Exchange Differences**

Exchange differences arising on the settlement of monetary items or on reporting monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise except those arising from investments in non-integral operations. Exchange differences arising in respect of fixed assets acquired from outside India before accounting period commencing on or after December 7, 2006 are capitalized as a part of fixed asset.

Exchange differences arising on a monetary item that, in substance, form part of the company's net investment in a non-integral foreign operation is accumulated in a foreign currency translation reserve in the financial statements until the disposal of the net investment, at which time they are recognized as income or as expenses.

Translation of Non-integral foreign operation

In translating the financial statements of a non-integral foreign operation for incorporation in financial statements, the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at the closing rate; income and expense items of the non-integral foreign operation are translated at exchange rates at the dates of the transactions; and all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

On the disposal of a non-integral foreign operation, the cumulative amount of the exchange differences which have been deferred and which relate to that operation are recognised as income or as expenses in the same period in which the gain or loss on disposal is recognised.

When there is a change in the classification of a foreign operation, the translation procedures applicable to the revised classification are applied from the date of the change in the classification.

(n) Research and Development

Research expenditure is charged to revenue in the year in which it is incurred. Development expenditure is carried forward when its future recoverability can reasonably be regarded as assured and is amortised over the period of expected future benefit. Any expenditure carried forward will be amortised over the period of expected future sales from the related project.

(o) Retirement and other employee Benefits

- (i) Retirement benefits in the form of Provident Fund and Superannuation Fund are a defined contribution scheme and the contributions to the scheme are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. The Superannuation Fund scheme is funded with an insurance company in the form of a qualifying insurance policy.
- (ii) The Holding Company has a defined benefit gratuity plan. The Gratuity liability is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
- (iii) Short term compensated absences are provided for on based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method
- (iv) Actuarial gains / losses are immediately taken to the profit and loss account and are not deferred.

SCHEDULE 21 (Continued)

NOTES TO CONSOLIDATED ACCOUNTS

(p) Employee Stock Compensation Cost

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.

(q) Derivative Instruments

Certain subsidiaries use derivative financial instruments such as forward exchange contracts to hedge their risks associated with foreign currency fluctuations. The premium on discount arising at the inception of forward exchange contracts is amortised as income or expense over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit/loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year. The derivative contracts not covered under AS-11 are marked to market on portfolio basis and net loss after considering the offsetting effect on the underlying hedge item is charged to the income statement. Net Gains are ignored.

(r) Taxes on Income

Tax expense comprises of current, deferred and fringe benefit tax. Current Income tax and Fringe benefit tax is determined based on the amount of tax payable in respect of taxable income for the year as per the laws of the respective countries. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available

Deferred tax asset and deferred tax liabilities across various countries of operations are not set off against each other as the Company does not have legal right to do so.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

SCHEDULE 21 (Continued)**NOTES TO CONSOLIDATED ACCOUNTS****(s) Provisions**

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. Contingent Liabilities are not recognized but are disclosed in the Notes. Contingent Assets are neither recognised nor disclosed in the financials statements.

(t) Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

(u) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

4. Employees Stock Option Plan (ESOP)

The Company instituted an Employees Stock Option Scheme ("ESOPS") for certain employees as approved by the shareholders on September 20, 2006. In accordance with the scheme, the Company granted options in respect of 178,779 equity shares to employees of the Company and its subsidiaries on one to one basis at an exercise price of Rs.285/- being the market price as per the valuation report from a Chartered Accountant on the date of grant. The options were granted with a vesting period spread over 4 years and 6 months. Out of the total options granted, vesting of 50% of the options granted is conditional upon the Company meeting annual performance benchmarks based on parameters set by the Remuneration Committee.

As the intrinsic value (difference between Market price and Exercise price) on the date of the grant was nil, no compensation cost has been recognised in the financial statement. During the year 11,439 options have vested.

Date of Grant	September 27, 2006
Date of Board Approval	September 13, 2006
Date of Shareholders Approval	September 20, 2006
Number of options granted	178,779
Method of Settlement (Cash / Equity)	Equity
Vesting Period	Spread over 4 years and 6 months
Exercise Period	10 years
Vesting Conditions	50% of the options granted is conditional upon the Company meeting annual performance benchmarks based on parameters set by the Remuneration Committee

The details of the activity have been summarized below:

SCHEDULE 21 (Continued)

NOTES TO CONSOLIDATED ACCOUNTS

	As at 31st December,2011 (No. of equity shares)	As at 31st December,2010 (No. of equity shares)
Outstanding at the beginning of the year (A1)	33,259	78,812
Exercisable at the beginning of the year (A2)	65,809	58,824
Granted during the year (B)	3,028	NIL
Forfeited during the year (C)	7,970	9,838
Exercised during the year(D)	2,223	10,351
Options lapsed during the year (E)	11,432	17,839
Vested during the year (F)	11,439	17,876
Options vested and outstanding during the year (G)	9,216	7,525
Expired during the year (H)	20,855	NIL
Outstanding at the end of the year (I)=A1-C-E-F	5,446	33,259
Exercisable at the end of the year (J) =A2- D+F-H	54,170	65,809

Stock options granted:

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

	Current Year	Previous Year
Weighted average share price (₹ per share)	285	285
Exercise Price (₹ Per share)	285	285
Expected Volatility	43%	43%
Life of the options granted (Vesting and exercise period) in years	Vesting period + 18 months i.e. 3 years, 4 years, 5 years and 6 years, for each Vesting tranche of 25%	Vesting period + 18 months i.e. 3 years, 4 years, 5 years and 6 years, for each Vesting tranche of 25%
Expected Dividends	1.40% per annum	1.40% per annum
Average risk-free interest rate	7.50% per annum	7.50% per annum

SCHEDULE 21 (Continued)**NOTES TO CONSOLIDATED ACCOUNTS**

Since the Company used the intrinsic value method the impact on the reported net profit and earnings per share by applying the fair value method is as under:

	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
Net Profit/(Loss) as reported	1,229.05	(2,745.29)
Add – Employee stock compensation under intrinsic value method	-	-
Less – Employee stock compensation under fair value method	7.66	17.39
Proforma Profit/(Loss)	1,221.39	(2762.68)
Earnings per share (₹)		
Basic		
- as reported	7.29	(16.30)
- Proforma	7.25	(16.40)
Diluted		
- as reported	7.23	(16.30)
- Proforma	7.18	(16.40)

5. Contingent Liabilities

i) Income tax matters of the Holding Company under dispute:

a) Pending with authorities at various levels - ₹1,846.75 lacs (Previous Year: ₹1,922.35 lacs) and

ii) Claims against the Holding Company not acknowledged as debts ₹ 8,008.09 lacs (Previous Year: ₹ 8,019.59 lacs)

Includes a claim of ₹ 7,903.39 lacs (Previous Year: ₹ 7,903.39 lacs) made by a party which the Holding Company has disputed and has filed a counter claim against the said party for an amount of ₹ 2,739.07 lacs (Previous Year: ₹ 2,739.07 lacs)

iii) Guarantee given by the Holding Company on behalf of Subsidiaries Company ₹ 8,798.77 lacs (Previous Year: ₹ 7,986.77 Lacs)

iv) In case of Pacific Seeds Pty Ltd., Australia, the aggregate maximum amount payable to growers providing expected seed quality - ₹ 5,514.53 lacs (Previous Year: ₹ 2,703.21 lacs)

Income tax matters of the Unicorn Seeds Private Limited pending with authorities at various levels – ₹ 170.82 lacs (Previous Year: ₹ 80.28 Lacs)

v) Claims against the Unicorn Seeds Private Limited not acknowledged as debts ₹ 26.01 lacs (Previous Year: ₹ 14.96 lacs)

In respect of items above, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgments/decisions pending at various forums/authorities

SCHEDULE 21 (Continued)

NOTES TO CONSOLIDATED ACCOUNTS

6. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) – ₹134.02 lacs (Previous Year: ₹ 116.99 lacs)

7. Government grants / subsidy:

- Capital Reserve represents State Investment subsidy sanctioned by the Government of Andhra Pradesh, for setting up of a unit at Toopran Mandal, Andhra Pradesh under Target 2000 Scheme of the State Government.
- The Company has entered into an agreements with the Department of Biotechnology, Ministry of Science and Technology, Government of India ('DBT') for seeking assistance in the form of 'Grant/loan' under the DBT scheme, viz. Biotechnology Industry Partnership Program ('BIPP' scheme') in relation to project of "Multi stacking genes on to develop engineered rice with enhanced drought and multiple disease and pest tolerance" and "RNAi and other cutting edge technologies interventions to develop insect-pests, diseases & viruses tolerant tomato hybrids for Indian & International markets" ("the projects"), connection with the same the Company has received assistance in the form of loan at interest rate of 2%/3% for ₹ 63.93 lacs and in the form of Grant for ₹ 63.93 lacs. The unutilized grant of ₹ 58.47 lacs is considered as liability.

- The cost of raw materials, components, stores and spares and packing materials in case of Pacific Seeds Pty Ltd., Australia, is determined on a standard cost basis. These standards are reviewed regularly and adjusted for significant variances. In case of Advanta US Inc and Unicorn Seeds Private Limited cost is determined on a First-in-First out or specific identification basis. The cost of raw materials, components, stores and spares and packing materials in case of other subsidiary companies of the group is determined on weighted average basis.

The cost of finished goods in the case of the Holding Company is determined on a standard cost basis. These standards are reviewed regularly and adjusted for significant variances. In case of Advanta US Inc, Advanta Seed International and Unicorn Seeds Private Limited cost is determined on a First-in-First out or specific identification basis. The cost of finished goods in case of other subsidiary companies of the group is determined on weighted average basis.

The management considers it impracticable to use a uniform accounting policy for the valuation and to quantify the impact of the difference between such accounting policies. As at December 31, 2011, of the total value of raw materials, components, stores and spares and packing materials of ₹ 8,173.42 lacs (Previous Year: ₹ 11,400.63 lacs), cost of inventories amounting to ₹ 1,976.87 lacs (Previous Year: ₹ 842.80 lacs) have been determined on standard cost and ₹ 4,831.67 lacs (Previous Year: ₹ 8,524.31 lacs) have been determined on First-in-First out or specific identification basis, and of the total value of finished goods of ₹14,904.96 lacs (Previous Year: ₹ 16,718.32 lacs) cost of inventories amounting to ₹ 4,422.19 lacs (Previous Year: ₹ 4,199.16 lacs) have been determined on standard cost basis

9. Remuneration to Managing Director of the Holding Company :

Particulars	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
Salary	98.75	98.57
Perquisites	2.30	1.57
Contribution to Retirement Benefits	21.06	21.06
Total	122.11	121.20

SCHEDULE 21 (Continued)**NOTES TO CONSOLIDATED ACCOUNTS**

As the liabilities for leave encashment and gratuity are provided on an actuarial basis for the company as a whole, the amounts pertaining to the director are excluded in above.

10. Recognition of Deferred Tax Assets

- (a) In case of Pacific Seeds Holdings (Thailand) Limited, the said Subsidiary Company has recognised deferred tax assets on the unused tax losses totaling THB 32,886 thousand (₹ 553.37 lacs) (Previous Year: ₹ 848.45 lacs) as on December 31, 2011 in the balance sheet and THB 24,072 thousand (₹ 381.82 lacs) (Previous Year: ₹ 256.24 lacs) in the profit and loss account for the year ended on December 31, 2011, since the management is of the opinion that the said unused losses can be utilised.
- (b) During the year in case of Long reach Plant Breeders Management Pty Limited, the said Subsidiary Company has recognised deferred tax assets on the unused tax losses totaling AUD 3,235.34 thousand (₹ 1,746.82 lacs) (Previous Year: ₹ 1042.78 lacs) as on December 31, 2011 in the balance sheet and AUD 947.36 thousand (₹ 471.63 lacs) (Previous Year: ₹ 457.40 lacs) in the profit and loss account for the year ended on December 31, 2011, since the management is of the opinion that the said unused losses can be utilised.
- (c) During the year, in case of PT Advanta Seeds Indonesia, the said Subsidiary Company has recognised deferred tax assets on the unused tax losses totaling IDR 2,285,055 thousand (₹ 133.67 lacs) (Previous Year: ₹ 17.03 lacs) as on December 31, 2011 in the balance sheet and IDR 1,942,337 thousand (₹ 105.05 lacs) (Previous Year: ₹ 16.83 lacs) in the profit and loss account for the year ended on December 31, 2011, since the management is of the opinion that the said unused losses can be utilised.
- (d) During the year, in case of Advanta Comercio De Sementes Ltd, the said Subsidiary Company has recognised deferred tax assets on the unused tax losses totaling R\$ 639.32 thousand (₹ 181.97 lacs) (Previous Year: ₹ 37.73 lacs) as on December 31, 2011 in the balance sheet and R\$ 499.44 thousand (₹ 138.44 lacs) (Previous Year: ₹ 14.55 lacs) in the profit and loss account for the year ended on December 31, 2011, since the management is of the opinion that the said unused losses can be utilised.
- (e) During the year, in case of Pacific Seeds Pty Ltd, the said Subsidiary Company has recognised deferred tax assets on the unused tax losses totaling AUD \$ 77.99 thousand, (₹ 42.11 lacs) (Previous Year: ₹ NIL lacs) as on December 31, 2011 in the balance sheet and AUD \$ 77.99 thousand (₹ 38.82 Lacs) (Previous Year ₹ NIL) in the profit and loss account for the year ended on December 31, 2011, since the management is of the opinion that the said unused losses can be utilized.
- (f) During the year, in case of Advanta Holdings B.V., The Netherlands, the said Subsidiary Company has recognized deferred tax assets on the unused tax losses totaling Euro 1,671.46 thousand, (₹ 1,148.28 lacs) (Previous Year: ₹ 937.81 lacs) as on December 31, 2011 in the balance sheet and Euro 104.25 thousand (₹ 67 Lacs) (Previous Year ₹ 117.52 Lacs) in the profit and loss account for the year ended on December 31, 2011, since the management is of the opinion that the said unused losses can be utilized.
- (g) During the year, in case of Advanta Semillas Argentina, the said Subsidiary Company has recognised deferred tax assets on the unused tax losses totaling USD 272.39 thousand, (₹ 144.65 lacs) (Previous Year: ₹ Nil) as on December 31, 2011 in the balance sheet and USD 272.39 thousand (₹ 133.28 Lacs) (Previous Year ₹ NIL) in the profit and loss account for the year ended on December 31, 2011, since the management is of the opinion that the said unused losses can be utilised.

SCHEDULE 21 (Continued)

NOTES TO CONSOLIDATED ACCOUNTS

11. Consolidated Earnings Per Share

(A) Basic Earnings Per Share:

Particulars	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
Net Profit / (Loss)	1,229.05	(2,745.29)
Weighted Average Number of Equity Shares outstanding	16,853,859	16,844,760
Basic Earnings per share (₹)	7.29	(16.30)
Nominal value of equity shares (₹)	10.00	10.00

(B) Diluted Earnings Per Share:

Particulars	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
Net Profit / (Loss)	1,229.05	(2,745.29)
Weighted Average Number of Equity Shares outstanding	16,853,859	16,844,760
Dilutive impact of employee stock options	148,288	-
Weighted Average Number of Equity Shares for computing diluted earning per share	17,002,147	16,844,760
Diluted Earnings per share (₹)	7.23	(16.30)
Nominal value of equity shares (₹)	10.00	10.00

Basic and Diluted earnings per share are calculated by dividing the net profit for the Year attributable to equity share holders by the weighted average number of equity shares outstanding during the year.

12. Product Development Expenditure

- Capital work-in-progress includes Project wheat - development expenditure amounting to ₹ 1,741 lacs by the subsidiary company, Longreach Plant Breeders Management Pty Ltd, as the project is still under development. The Company is confident to complete the development work and commercialize the project.

13. Leases

Operating Leases: The following assets were taken on operating lease by the Company

- Office Building (Global office) at Pacific Seeds Pty Limited;
- Vehicles, computers and fields at Advanta Semillas, Argentina;
- Office building and Warehouse at Pacific Seeds Thai Limited;
- Warehouse premises at PT Advanta Seeds, Indonesia;
- Office Premises at Advanta India Limited;

The lease term is in the range of 1 year to 30 years and thereafter renewable. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. There are no subleases. Lease rental expense for the year for the agreements entered into is ₹ 1,933.96 lacs (Previous Year: ₹ 2,390.82 lacs). The minimum lease rents payable from the date of the Balance Sheet date in respect of certain subsidiaries on operating and finance leases are as follows:

SCHEDULE 21 (Continued)

NOTES TO CONSOLIDATED ACCOUNTS

Particulars	As at December 31, 2011 (₹ in lacs)	As at December 31, 2010 (₹ in lacs)
(a) Obligations in case of operating leases:		
Not later than one year	1,710.68	1,832.67
Later than one year and not later than five years	3,220.88	2,857.96
More than five years	645.80	1,497.68
(b) Obligations in case of finance leases:	-	-
Not later than one year	-	1.71
Later than one year and not later than five years	-	0.54
More than five year	-	-
Total lease payments as at the end of the year	-	2.25
Less: Amount representing finance charges	-	-
Present Value of minimum lease payments	-	-
Lease payments for the year	-	37.85

14. Derivative instruments and un-hedged foreign currency exposure

a) Forward contracts outstanding as at the Balance Sheet date

Nature of contract	Purpose	As at 31st December, 2011 Amount in lacs	As at 31st December, 2010 Amount in lacs
Buy	Hedge of expected future purchase	USD 1.04 AUD 3.00	AUD 0.54
Sell	Hedge of expected future sales	AUD 10.91 USD 60.93	AUD 32.47 USD 24.54

Particulars of Derivatives contracts entered into for hedging purpose outstanding as at December 31, 2011 are as under:

Particulars	Currency	As at 31st December 2011 (₹ in lacs)	As at 31st December 2010 (₹ in lacs)
Currency and Interest rates swaps	EURO	158.03	Nil

SCHEDULE 21 (Continued)

NOTES TO CONSOLIDATED ACCOUNTS

b) Particulars of un-hedged foreign currency exposure

Purpose	As at 31st December, 2011 (Amount in lacs)	As at 31st December, 2010 (Amount in lacs)
Sundry Creditors	USD 9.67	USD 4.23
	Euro 17.73	Euro 9.55
	AUD 0.82	AUD 0.39
	THB 3.00	THB 3.00
Interest Payable	EURO 41.25	EURO 34.14
Loans Payable	EURO 136.21	EURO 136.21
	USD 542.83	USD 8.42
	AUD 0.09	AUD 0.10
Expenses Payable	EURO 10.41	EURO 10.42
Sundry Debtors	USD 3.36	USD 5.71
	EURO 0.15	EURO 1.31
Other Receivable	USD 10.95	USD 5.18
Dividend receivable	USD 1.50	USD 2.50
Investments	USD 0.99	USD 0.99
	EURO 623.95	EURO 623.95

15. Provisions

Particulars	Litigations		Milestone Provision *	
	As at 31st December, 2011 (₹ in lacs)	As at 31st December, 2010 (₹ in lacs)	As at 31st December, 2011 (₹ in lacs)	As at 31st December, 2010 (₹ in lacs)
Opening Balance	72.94	33.07	911.53	2556.52
Additions during the year	3.62	41.96	-	-
Amounts used during the year	-	-	(497.84)	(1,087.30)
Reversal during the year	-	-	-	(650.00)
Exchange difference on translation	13.92	(2.09)	126.23	92.31
Unused amounts reversed during the year	-	-	-	-
Closing Balance	90.48	72.94	539.92	911.53

* Provision for Milestone Payments

SCHEDULE 21 (Continued)**NOTES TO CONSOLIDATED ACCOUNTS**

- i) The Company had entered into a business purchase agreement (BPA) on January 4, 2008 with the erstwhile promoters of Unicorn Seeds Private Limited (USPL) for acquisition of their entire shareholding in USPL. Pursuant to the BPA, the Company had recognized a provision of ₹ 1,000 lacs for milestone payable on achievement of certain targets upto June 30, 2010. During the year the Company has executed agreement for settlement with erstwhile promoters of USPL, pursuant to which payment to the extent of ₹ 650 lacs has been agreed and made.
- ii) Pacific seeds Pty Ltd on acquisition of Longreach plant Breeders Management Pty Ltd. had recognised AUD 5 Million which is to be paid to Syngenta in five equal installments of AUD 1 mn each in the financial years 2008 to 2012. As on date liability towards milestone is ₹ 539.92 lacs (AUD 1 mn) to be paid in the financial years 2011 to 2012 in equal installments.

16. Foreign Currency Convertible Bonds (FCCBs)

Rate Guaranteed Convertible Bonds due 2016

250 Floating Rate Guaranteed Convertible Bonds of USD 200,000 each are:

- a) Convertible by the bondholders into Ordinary Shares or Global Depository Shares (GDSs) at any time on and after July 15, 2011 up to the close of business on July 02, 2016. The FCCB's will be convertible at a initial conversion price of ₹ 282.84 per share and are listed in Singapore Stock Exchange.
- b) Redeemable, in whole but not in part, at the option of the Company on or at any time after July 9, 2014, subject to the fulfillment of certain terms and obtaining requisite approvals.
- c) Redeemable on maturity date of July 9, 2016 at par, if not redeemed or converted earlier.
- d) Expense related to the issue of FCCB's are adjusted against the Securities Premium, accordingly an amount of ₹ 695.77 Lacs (net of taxes: ₹ Nil) has been adjusted against the securities premium account.

17. Non Convertible Debentures

The Company has redeemed Debenture of ₹ 12,500 lacs (Unsecured Redeemable Non Convertible Debentures issued on 25th September 2010) and ₹ 8,800 lacs (out of ₹ 25,000 lacs Unsecured Redeemable Non Convertible Debentures issued on March 13, 2010) by exercising call options on July 01, 2011.

As on December 31, 2011 the outstanding Non Convertible Debentures of ₹ 16,200 lacs consisting of 1,620 Unsecured Redeemable Non Convertible Debentures of ₹ 1,000,000 each redeemable at par at the end of five years from the date of allotment viz. March 13, 2010, or at every interest payment date, which is on quarterly basis at the option of the Company.

18. Share Issue Expenses

Up to December 31, 2011, the Company has incurred ₹ 49.19 lacs in connection with the proposed rights issue of its equity shares. This amount shall be adjusted against securities premium arising from the proposed rights issue of equity shares, as permitted under section 78 of the Companies Act, 1956. Accordingly, this amount has been carried forward and disclosed separately under the head 'Miscellaneous Expenditure' in the Balance Sheet.

19. Segment Information

Segment information has not been given as the management is of the view that the said information would be prejudicial to the interest of the group.

SCHEDULE 21 (Continued)
NOTES TO CONSOLIDATED ACCOUNTS

20. Research and Development

Particulars	As at 31st December, 2011 (₹ in lacs)	As at 31st December, 2010 (₹ in lacs)
Capital expenditure	184.46	121.30
Revenue expenditure	7,035.90	6,623.20

21. Related Party Transactions

I. Nature of relationship

A. Enterprises over which the group or key management personnel and their relatives have significant influence:

Sr. No	Name of the Company
1	United Phosphorus Limited (UPL)
2	Bio-win Corporation Limited (BWC), Mauritius
3	United Phosphorus Limited Gibraltar (UPLG)
4	United Phosphorus Holdings BV. (UPH)
5	Nippon UPL KK (Nippon)
6	Reposo SAIC (Reposo)
7	Icona SAIC (Icona)
8	Uniphos Enterprises Limited (UEL)
9	Jai Research Foundation (JRF)
10	PT United Phosphorus , Indonesia (UPI)
11	United Phosphorus Mexico SA De CV

B. Key Management Personnel and their relatives

V.R. Kaundinya (Managing Director – Advanta India Limited)

Chris Bazley – Resigned on 05.05.2011

Barry Crocker (Director)

Vikram Shroff (Director)

Manoj Gupta (Director) w.e.f. 30.05.2011

John Bloomer (Director) Resigned on 31.12.2011

SCHEDULE 21 (Continued)**NOTES TO CONSOLIDATED ACCOUNTS**

Stephen Lonie (Director) Resigned on 31.12.2011

Steven Fatseas (Director)

Paul Clark Luxton (Director)

David John Neville (Director)

Pacholk Pongpanich (Managing Director – Pacific Seeds Thai Limited)

Yongyut Pansung (Director)

Transactions during the year

	Particulars	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
1	Sales PT United Phosphorus UPL	379.12 12,955.54	(92.34) 9,468.13
2	Purchase of Services Icona PT United Phosphorus Limited	440.37 -	- 69.98
3	Miscellaneous expenses capitalised United Phosphorus Limited (Gibraltar)	-	1,331.62
4	Purchase of Goods United Phosphorus Limited PT United Phosphorus Limited	5.54 373.43	9.44 69.98
5	Royalty Income United Phosphorus Limited (Gibraltar)	-	660.30
6	Interest Expense Bio-win Corporation Ltd United Phosphorus Holdings BV. Demuric Holding Ltd UPL	19.94 - 78.35 2,949.28	45.87 164.01 - 294.36
7	Commission on sale United Phosphorus Limited	441.71	2.81
8	Business Development fees United Phosphorus Limited (Gibraltar)	-	684.75
9	Other Reimbursement UPL - Expenses made UPL Mexcio SA de CV - Expenses made JRF - Expenses made	26.51 108.22 15.81	- 100.09 19.54

SCHEDULE 21 (Continued)

NOTES TO CONSOLIDATED ACCOUNTS

10	Advance Booking Discounts UPL	53.66	521.09
11	Rent Expenses JRF	-	5.38
12	Remuneration paid Relative of Key Management Personnel Key Management Personnel ABS Advance UPL	- 260.77 206.13	108.15 500.53 -
13	Loan Paid UPL United Phosphorus Limited (Gibraltar) Bio-win Corporation Ltd UPH	2,200.00 1528.76 23,265.23 -	21,574.64 - 4,584.35 15,922.39
14	Loan Taken UPL Demuric Holding Ltd Bio-win Corporation Ltd Balance payable by the Company	3,140.00 2,200.00 22,790.46 -	20,385.00 - - -
15	Loans payable Demuric Holdings Ltd UPL	2,200.00 940.00	- -
16	Commercial Paper UPL	1,500.00	-
17	Non Convertible Debentures UPL	21,300.00	-
18	Current Liabilities Bio-win Corporation Ltd United Phosphorus Limited (Gibraltar) UPL UPL NCD UPL Interest Payable Demuric Holdings UPL Commercial Paper UPI JRF	29.64 - 780.72 - 388.97 24.29 1,500.00 453.79 80.44	5.09 1,331.62 749.32 37,500.00 - - - 11.50 64.63
19	Balance receivable by the Company PT United Phosphorus United Phosphorus Limited (Gibraltar) United Phosphorus Limited JRF	525.87 - 2,860.18 85.00	201.94 1,331.62 1,756.22 85.00

SCHEDULE 21 (Continued)**NOTES TO CONSOLIDATED ACCOUNTS****22 Details of Employee Benefits – Gratuity****i) Defined Benefit Plans**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

Profit and Loss account

Net employee benefit expenses (recognized in Employee Cost)	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
Current service cost	58.54	50.51
Interest cost on benefit obligation	33.25	31.24
Expected return on plan assets	(1.53)	(3.10)
Net actuarial loss/(gain) recognised during the Year	8.37	66.60
Net Benefit expense	98.63	145.25
Actual return on plan assets	-	-

Balance Sheet

Details of Provision for gratuity	As at 31st December, 2011	As at 31st December, 2010
Defined Benefit obligation	745.96	680.94
Fair value of plan assets	(20.01)	(19.17)
Plan Liability	725.94	661.77

Changes in the present value of the defined benefit obligation are as follows:

	As at 31st December, 2011	As at 31st December, 2010
Opening defined benefit obligation	690.48	548.10
Interest Cost	33.25	31.25
Current service cost	58.53	50.51
Liability transfer in	-	-
Exchange difference on translation	(3.14)	21.98
Benefits paid	(41.36)	(37.72)
Actuarial (gains)/loss on obligation	8.19	66.82
Closing defined benefit obligation	745.96	680.94

SCHEDULE 21 (Continued)

NOTES TO CONSOLIDATED ACCOUNTS

Changes in the fair value of Plan Assets are as follows:

	As at 31st December, 2011	As at 31st December, 2010
Opening fair value of plan assets	19.17	38.68
Expected return	1.53	3.09
Contributions made by employer during the Year	36.25	5.49
Assets transfer in	-	-
Benefits paid	(36.76)	(28.31)
Actuarial gains/ (loss)	(0.18)	0.22
Closing fair value of plan assets	20.01	19.17

Expected contribution to defined benefit plan for the year 2012	40.56	36.78
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The major categories of plan assets as a percentage of fair value of total plan assets are as follows:

	As at 31st December, 2011	As at 31st December, 2010
Insurer Managed Funds (LIC)	100%	100%

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in the expected rate of return on assets due to the improved stock market scenario.

The principal actuarial assumptions at the Balance Sheet date

	As at 31st December, 2011	As at 31st December, 2010
Discount rate	3.75% to 8.75 %	4.75% to 8.25 %
Expected rate of return on plan assets	8.00% to 8.60 %	8.00 %
Expected rate of salary increase	0.00% to 6.00 %	4.00% to 6.00 %
Employee Turnover	2.00 %	2.00 %

SCHEDULE 21 (Continued)**NOTES TO CONSOLIDATED ACCOUNTS**

Amounts for the current and previous four periods are as follows:

	2011	2010	2009	2008
Defined benefit obligation	745.96	680.94	548.10	343.69
Plan Assets	(20.01)	(19.17)	(38.68)	(31.28)
Surplus / (Deficit)	725.94	661.77	509.42	312.41
Experience adjustments on plan liabilities	12.87	19.46	10.91	50.54
Experience adjustments on plan assets	(0.84)	0.22	13.84	(6.53)

ii) Defined Contribution Plans

Amount of ₹ 726.14 lacs (Previous Year: ₹ 609.23) is recognised as an expense and included in Schedule 18 – 'Contribution to Provident and Other Funds' in the Profit and Loss account

23. Exceptional Item:**Relocation Expenses : Advanta US Inc:**

During the current year the Company consolidated the Sorghum operations at Hereford TX and incurred a cost of US \$ 0.49 million (INR 238.24 lacs).

24. Asset held for Resale – Advanta US Inc.

As of December 31, 2011 the Company is actively pursuing the sale of property and equipment located in Crosbyton, TX. The net book value of these assets have been presented as held for resale as of December 31, 2011.

25. Prior Period Adjustments:

Particulars	Current year (₹ in lacs)	Previous year (₹ in lacs)
Reversal of Tax Provision	-	48.19
Price Variance	-	(192.06)
Purchase of Chemicals	-	(0.94)
Management Fees	(62.95)	-
Total	(62.95)	(144.88)

26. Previous year's figures have been regrouped where necessary to confirm to this year's classification.

As per our Report of even date

For and on behalf of the Board of
Advanta India Limited

For S. R. BATLIBOI & ASSOCIATES

Chartered Accountants

Firm Registration Number : 101049W

per Sudhir Soni

Partner

Membership Number.: 41870

Place : Hyderabad

Date : February 27, 2012

Vikram R. Shroff

Director

Manoj Gupta

Chief Financial Officer

Place : Hyderabad

Date : February 27, 2012

V. R. Kaundinya

Managing Director

Pushpalatha K

Company Secretary



Advanta India Limited

Registered office: Krishnama House, #8-2-418, 4th Floor, Road No. 7, Banjara Hills, Hyderabad – 500034.

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint Shareholders may obtain additional Slip at the venue of the meeting

DP Id*	
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Master Folio No.	
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Client Id*	
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No. of Shares	
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Name of the Shareholder:

Name of the Proxy :

I hereby record my presence at the 18th ANNUAL GENERAL MEETING of the Members of the Company held on Wednesday, June 20, 2012 at 11.30 a.m. at “Earthen Oven” Fortune Park Vallabha, Road No. 12, Banjara Hills, Hyderabad – 500034.

* Applicable for investor holding shares in electronic form

Member’s/Proxy signature



PROXY FORM

Advanta India Limited

Registered office: Krishnama House, #8-2-418, 4th Floor, Road No. 7, Banjara Hills, Hyderabad – 500034.

DP Id*	
--------	--

Master Folio No.	
------------------	--

Client Id*	
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No. of Shares	
---------------	--

I/We _____ of _____ in the district of _____ being a member/members of Advanta India Limited hereby appoint _____ of _____ in the district of _____ or failing him _____ of _____ in the district of _____ as my/our proxy to attend and vote for me/us on my/our behalf at the 18th ANNUAL GENERAL MEETING of the Members of the Company to be held on Wednesday, June 20, 2012 at 11.30 a.m. at “Earthen Oven” Fortune Park Vallabha, Road No. 12, Banjara Hills, Hyderabad – 500034. and at any adjournment thereof.

Signed this.....day of.....2012.

Revenue Stamp

Signature

Note: (1) This Proxy Form in order to be effective should be duly filled, stamp in stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting. The Proxy need not be a member of the Company. (2) No gifts will be distributed at the meeting.

* Applicable for investor holding shares in electronic form

Looking forward to the next 50

CELEBRATING their 50th year in business in 2012, Pacific Seeds is looking forward to powering into the second half towards their century.

From small beginnings in 1962 in Wilkesia Pacific Seeds, primarily dealing with oilseeds, Pacific Seeds has evolved over the decades in line with the changing agricultural landscape.

According to managing director Barry Croker, the breadwinner and company's clinician with their farmer base and willingness to adapt to market and seed needs has seen it grow to a leader in the summer crop and hybrid canola sectors.

"The key organisation, 50 years in business is an achievement, and our anniversary is testament to all the staff and customers over that time who have helped to evolve and grow with the agricultural sector," Mr Croker said.

Over the past half a century, changes in the sector most noticeable for those in the rural sector have been in cropping varieties and technologies.

"Pacific Seeds has been at the forefront of new crop types and improving the yield in existing ones, which is a very exciting place to be and has led to us being leaders in the summer crop sector for the last quarter of a century, pioneered by our southern research team developed industry benchmark hybrid MR-Duster," he said.

Pacific Seeds was also instrumental in developing hybrid canola, laying claim to being the first in the world to release hybrid canola in 1988.

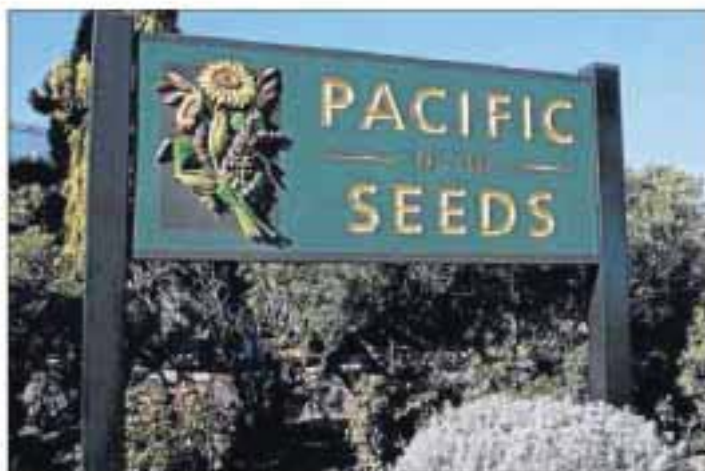
"We have seen remarkable advancements in yield potential, disease tolerance and agronomic benefits."

"We now have hybrid canola covering all major herbicide tolerance groups," Mr Croker said. "In fact, across all our crop divisions, we have seen remarkable advancements in yield potential, disease tolerance and agronomic benefits, which is a win for the Australian cropping industry, as much as for us."

Pacific Seeds' history of innovation and commitment to crop improvement has continued throughout its history, most notably with their purchase of a share in private wheat breeding company Land O' Lakes Plant Breeders, and their strengthening wheat seed business.

Additionally, industry contact and involvement is also a cornerstone of the business' longevity and will continue into the future with their Grains Strength Business Manager, Marie Crawford being elected in chairperson of the Australian Summer Grains Conference committee.

"We have a proud history and are looking forward to the next 50 years and the developments and innovations it will bring," Mr Croker said.



Challenge and opportunity

By NEIL LYON

BARRY Croker's rise to become managing director of the Toowoomba-based seed production and marketing company, Pacific Seeds, came via a series of earlier appointments to farm-fung operations in the Darling Downs, in the Kimberley and Griffith in the Riverina.

Mr Croker grew up in Brisbane, studied Rural Technology at the University of Queensland's Gatton campus and worked for 12 months on the Darling Downs, before taking up his first job with Pacific Seeds in 1994 on the company's farm on the Dird River at Kananara in Western Australia.

He spent three seasons undertaking seed production in the Dird before transferring to Griffith in southern NSW, where he looked after the company's seed production activities in southern Australia.

While there, he took on the role as canola business manager in the sales and marketing division before being transferred to Toowoomba in 2000, where he continued in that role until 2003.

In that year, he was promoted to the production manager's role and became a member of the management Board at Pacific Seeds.



Managing Director Barry Croker

In early 2010 he was appointed managing director, succeeding Chris Barley who had held the position for 13 years.

"One of the key aspects to our strength as a business is the quality of our people at Pacific Seeds, they are and have always been the engine that has driven our success."

Mr Croker said while the seed production industry was a very challenging part of agriculture, it also had many exciting new developments and opportunities.

"I think that is the thing

that has kept me with Pacific Seeds - the opportunities," he said.

"It is a small company but it has a much bigger footprint than we might feel."

Mr Croker said the strength of the business lay with the close attention paid to plant breeding and development.

"Without quality products we wouldn't be half the business we are."

"We have seen a lot of advancements with markers and genetic technology that make breeding more efficient and effective than it has been," he said.

"Farmers are looking for a complete package. Something with high yield potential, good grain quality, disease resistance and stability. In some crops it's herbicide resistance as well."

Mr Croker said while Pacific Seeds had primarily been a summer crop seed provider, it was steadily expanding into winter crops.

"We have a large canola seed business as well and, in 2007, we invested in a wheat breeding company, Longworth Plant Breeders, a joint venture with Syngenta," he said.

"We are looking to grow through our southern markets with canola and wheat."

"It is a good growth opportunity and we are seeing good growth in the business through those markets."

A focus on canola breeding

PACIFIC Seeds senior canola breeder Andrew Easton is an example of a company managing generational change as well as progressing from within the organisation.

Mr Easton, who began with company 24 years ago as the research division, has risen through the ranks, with a particular focus on canola breeding.

"Beginning here in 1987 as a research assistant, I was fortunate to work with some very talented and well-respected plant breeders and two excellent research directors, Alan Scott and Errol Corson, who mentored me and helped me to develop my skills," he said.

"The culture of mentorship and professional development continues in our research program, helping us to continue bringing new innovations to the market."

A further example has been the appointment of a new grain sorghum breeder, Dr Nicole Leisen, earlier this year.

"Dr Leisen is working under the guidance of Neal Malton, the man responsible for our current range of market leading grain sorghums and who broke the original yield barrier in sorghum with the industry benchmark hybrid MR-Duster," he said.

"Nicole also brings to the Pacific Seeds research team molecular breeding and genetic mapping experience gained in the US, further strengthening our already strong skills and knowledge bank."

"In fact, our research division has a wealth of young and enthusiastic plant researchers across all our crop groups, which bodes well for the future of Pacific Seeds and the Australian cropping industry."

"We have had to tackle succession planning and generational change head-on and, given this is our 50th year, it is timely to acknowledge the importance of maintaining the knowledge base, skills and culture of the past, while preparing for an even brighter future."



Pacific Seeds senior canola breeder Andrew Easton

2012 CELEBRATING 50 YEARS IN THE AUSTRALIAN SEED INDUSTRY

PACIFICSEEDS.COM.AU

