Dhanuka Agritech Limited

27th Annual Report 2011-12

Dhanuka Kheti Ki Nai Takneek

Executive Directors

Mr. M.K. Dhanuka
Managing Director

Mr. Arun Kumar Dhanuka
Director (Works)

Mr. R.G. Agarwal
Chairman

Mr. Rahul Dhanuka
Director (Marketing)

Mr. Mridul Dhanuka
Director (Operations)

NEW

Marketing Initiatives in 2011

New products launched

BRIGADE

A new specialty product has been introduced in Indian Market by the Company in collaboration with FMC Corporation, USA. This new insecticide is registered in Tea and Apple in India. Exclusive Launches have been done by the Company and the product has been appreciated by the customers in its first year of launch. Brigade will be a major contributor in the Company's portfolio in the coming years.

VITAVAX ULTRA

A new liquid seed treatment fungicide has been launched by the Company in collaboration with Chemtura Corporation, USA. This is first of its kind and a new technology being brought for the Indian farming community. The product will add significant value to the concept of seed treatment in India and also strengthen the Company's portfolio in seed treatment.

WETCIT

An exclusive efficacy enhancer has been brought to India by the Company this year from ORO Agri, USA. In the very first year of launch, Wetcit showed promise of big potential. This is a special activator and will find space into export oriented Tea, grapes and other horticulture crops.

BOMBARD

The Company has introduced "BOMBARD", a product of Mitsui, Japan. This insecticide has a good future in the Paddy segment, as it controls resistant & hardy varieties of dreaded pest BPH, very effectively. Not many effective products are available in this category.

Some more New marketing activity

NTP

The Company organised National Training Programme in Sahibabad, NCR. The training was organised to sharpen the skills of frontline and supervisory marketing teams. They were imparted Product knowledge and training on various aspects of selling and communication skills. This is the first time the Company organised this event centrally, involving almost 300 participants.

Launches

All New products have been launched in different states of India, with the involvement of Channel Partners to increase consumer awareness and product knowledge.

Project Alladin

The Company launched 'Project Alladin' for increasing logistical control and streamlining the Inventory management process. It has been successfully implemented at the warehouses and approx. 20% inventory reduction was observed at one of the warehouses, resulting in cost benefits. The second phase of its implementation is under process now.

Seed treatment

Vitavax Power in Groundnut and other crops:

Major focus was given and a broad base has been created among the farmers of groundnut and other crops.

Some New Products for 2012

The Company is introducing new rice herbicide 'FUZI SUPER'. This is a new and highly effective product from Japan. This will help the Company to increase its market share in Rs.520 crore rice herbicide market.

The Company is also introducing new Insecticide "FLUID", in collaboration with Bayer Crop Science for control of caterpillars in pulses, vegetables and rice segments.

Dhanuka bags a place in 'Forbes Asia-200 Best under the Billion' list for the Second Consecutive Year

Contents

Notice to the Members	07
Directors' Report	14
Management Discussion and Analysis Report	19
Report on Corporate Governance	24
Auditors' Certificate and CEO & CFO Certificate	38
Auditors' Report to the Members on Standalone Financial Results	39
Standalone Balance Sheet	42
Standalone Profit & Loss Account	43
Standalone Cash Flow Statement	44
Notes to Standalone Financial Statements	46
Auditors' Report to the Members on Consolidated Financial Results	56
Consolidated Balance Sheet	59
Consolidated Profit & Loss Account	60
Consolidated Cash Flow Statement	61
Notes to Consolidated Financial Statements	63
Notes on Accounts	73
Events during 2011-12	85

Company Profile

Board of Directors

Mr. Ram Gopal Agarwal
Chairman

Mr. Mahendra Kumar Dhanuka
Managing Director

Mr. Arun Kumar Dhanuka
Executive Director

Mr. Rahul Dhanuka
Executive Director

Mr. Mridul Dhanuka
Executive Director

Mr. Priya Brat
Non-Executive Director

Mr. Vinod Jain
Non-Executive Director

Mr. Shrikrishna Khetan
Non-Executive Director

Mr. Indresh Narain
Non-Executive Director

Mr. Subhash Lakhotia
Non-Executive Director

Mr. Sachin Bhartiya
Non-Executive Director

Mr. Subash Chander Gupta
Non-Executive Director

Ms. Shubha Singh
Company Secretary

Management Team

Dr. O.P. Singh
President R & D

Mr. K.B. Kejariwal
President

Mr. V.K. Bansal
Chief Financial Officer

Mr. G.D. Gupta
President - General Administration

Mr. C.M. Gupta
President - Procurement

Mr. Harsh Dhanuka
Senior General Manager - Seeds

Mr. Rajesh Sahni
Senior General Manager- Legal

Mr. Vijay Kumar
Senior General Manager- Quality Control

Mr. Y. K. Goel
Senior General Manager - Production

Mr. Kamal Kumar
Senior General Manager - Recruitment & Training

Dr. P. C. Rai
General Manager - Marketing

Mr. H. M. Rawal
General Manager - Marketing

Mr. M. N. Rao
Business Manager

Bankers

State Bank of India
Hongkong & Shanghai Banking Corporation Limited
HDFC Bank Limited

Auditors

M/s Dinesh Mehta & Co.
Chartered Accountants
21, Daya Nand Road,
Darya Ganj, New Delhi-110002

Cost Auditors

M/s S. Chander & Associates
Cost Accountants
212, IInd Floor, Sarai Pipal Thala,
G.T. Karnal Road, Azadpur,
Delhi-110033

Registered Office

"Dhanuka House"
861-862, Joshi Road,
Karol Bagh, New Delhi- 110005
Phone Nos. : (011) 23518981/82
E-mail : investors@dhanuka.com
headoffice@dhanuka.com
Visit us at : www.dhanuka.com

Registrar and Transfer Agents

M/s Abhipra Capital Limited
Ground Floor, Abhipra Complex, Dilkush Industrial Area,
A-387, G.T. Karnal Road, Azadpur, Delhi-33
Phone Nos. : (011) 42390708/783
Email : info@abhipra.com
rta@abhipra.com
Website : www.abhipra.com

Annual General Meeting

Date : 13th Day of August, 2012
Time : 11.00 AM
Venue : Shri Purushottam Hindi Bhawan,
11, Vishnu Digamber Marg
(Rouse Avenue), New Delhi - 110002

Works

Daulatabad Road,
Gurgaon - 122001 (Haryana)
Ph. No. : (0124) 6768500
Fax No. : (0124) 6768599
E-mail : gurgaonunit@dhanuka.com

D/1/A-D/1/B, Ajanta Indl. Estate,
Near Sarika Paints, Viramgaon Road,
at Vasna Iyava, Sanand, Dist.
Ahmedabad - 382170 (Gujarat)
Ph. Nos. : (0271) 7284567/68
Fax Nos. : (0271) 7284567
E-mail : sanand@dhanuka.com

Plot No.1, IID Centre,
SAICOP Industrial Estate,
Battal Balian, Udhampur (J&K)
Ph. Nos. : (0199) 2250156/57
Fax No. : (0199) 2250156
E-mail : udhampur@dhanuka.com

Corporate Office

14th Floor, Building 5A, Cyber City,
DLF Phase III, Gurgaon - 122002, Haryana
Phone Nos. : (0124) 3838500
Fax No. : (0124) 3838888
E-mail : headoffice@dhanuka.com
Visit us at : www.dhanuka.com

Sales Offices/Godowns

Ahmedabad, Akola, Banglore, Bellary, Cuttack, Delhi, Ghaziabad, Guwahati, Guntur, Gurgaon, Hissar, Hyderabad, Indore, Jaipur, Jabalpur, Karnal, Kichha, Kolkata, Kurnool, Lucknow, Ludhiana, Nandyal, Nellore, Patna, Pune, Ranchi, Raipur, Ravulapalem, Salem, Siliguri, Sriganganagar, Thrissur, Trichy, Vijaywada and Warangal

NOTICE TO THE MEMBERS

Notice is hereby given that the **27th Annual General Meeting** of the Company will be held at **Shri Purushottam Hindi Bhawan, 11, Vishnu Digambar Marg (Rouse Avenue), New Delhi- 110002 on Monday, the 13th day of August, 2012 at 11:00 A.M.** to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Standalone and Consolidated Balance Sheet of the Company as at 31st March, 2012 and the Standalone and Consolidated Profit and Loss Account for the Financial Year ended on that date together with the Reports of the Auditors and Directors thereon;
2. To declare Dividend for the Year ended on 31st March, 2012;
3. To appoint a Director in place of Shri R. G. Agarwal, who retires by rotation and being eligible, offers himself for re-appointment;
4. To appoint a Director in place of Shri Mahendra Kumar Dhanuka, who retires by rotation and being eligible, offers himself for re-appointment;
5. To appoint a Director in place of Shri Subhash Lakhotia, who retires by rotation and being eligible, offers himself for re-appointment;
6. To appoint a Director in place of Shri Priya Brat, who retires by rotation and being eligible, offers himself for re-appointment;
7. To appoint Statutory Auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company. The retiring Statutory Auditors, M/s Dinesh Mehta & Co., Chartered Accountants, being eligible, offer themselves for re-appointment.

SPECIAL BUSINESS

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

   "**Resolved That** pursuant to the provisions of Sections 198, 269, 309 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 ("the Act"), including any Statutory modification or re-enactment thereof and subject to such other approvals, as may be necessary, consent of the Members of the Company be and is hereby accorded for the re-appointment of Shri R.G. Agarwal as Whole-time Director under the designation of Chairman of the Company, for a period of 5 years from 1st November, 2012 to 31st October, 2017 (both days inclusive) in the salary range of Rs.5 lakhs - 1 lakh- Rs.9 lakhs p.m. with the authority granted to the Board of Directors, on the recommendation of the Remuneration Committee, to revise the salary every year by Rs.1 lakh p.m., subject to the ceiling of Rs.9 lakhs p.m., in accordance with the terms and conditions, as set out in the Draft Agreement submitted at this meeting and initialled by the Company Secretary for the purpose of identification, which Agreement has been approved by the Board of Directors of the Company in their meeting held on 23rd May, 2012 and the material terms and conditions of which are mentioned in the Explanatory Statement which shall be deemed to form part hereof."

   "**Resolved Further That** the Board of Directors of the Company be and is hereby authorised to make any alterations, variations and modifications in the terms of appointment of Shri R.G. Agarwal as Whole-time Director under the designation of Chairman of the Company, including an increase in remuneration from time to time, as the Board may, in its absolute discretion deem fit, on the recommendation of the Remuneration Committee, subject to the same not exceeding the limits specified under Schedule XIII of the Companies Act, 1956 or any Statutory modification(s) or re-enactment thereof."

   "**Resolved Further That** the Board of Directors be and is hereby authorized to do all such acts, deeds and things as it deems necessary or expedient to give effect to this Resolution."

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

   "**Resolved That** pursuant to the provisions of Sections 198, 269, 309 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 ("the Act"), including any Statutory modification or re-enactment thereof and subject to such other approvals as may be necessary, consent of the Members of the Company be and is hereby accorded for the re-appointment of Shri Rahul Dhanuka as Whole-time Director of the Company for a period of 5 years from 1st May, 2012 to 30th April, 2017 (both days inclusive) in the salary range of Rs.3 lakhs-0.5 lakh-Rs.5 lakhs p.m., with the authority granted to the Board of Directors, on the recommendation of the Remuneration Committee, to revise the salary every year by Rs.0.5 lakhs p.m., subject to the ceiling of Rs.5 lakhs p.m., in accordance with the terms and conditions, as set out in the Draft Agreement submitted at this meeting and initialled by the Company Secretary for the purpose of identification, which Agreement has been approved by the Board of Directors of the Company in their meeting held on 23rd May, 2012 and the material terms of which are mentioned in the Explanatory Statement which shall be deemed to form part hereof."

   "**Resolved Further That** the Board of Directors of the Company be and is hereby authorised to make any alterations, variations and modifications in the terms of re-appointment of Shri

Rahul Dhanuka as Whole-time Director including an increase in remuneration from time to time, as the Board may, in its absolute discretion deem fit, on the recommendation of the Remuneration Committee, subject to the same not exceeding the limits specified under Schedule XIII of the Companies Act, 1956 or any Statutory modification(s) or re-enactment thereof."

"**Resolved Further That** the Board of Directors be and is hereby authorized to do all such acts, deeds and things as it deems necessary or expedient to give effect to this resolution."

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

"**Resolved That** pursuant to the provisions of Section 314, Director's Relatives (Office or Place of Profit) Rules, 2003 and all other applicable provisions of the Companies Act, 1956 (including any statutory modification, amendment or re-enactment thereof for the time being in force and as may be enacted from time to time) (hereinafter referred to as 'the Act') and subject to other approvals required, if any, consent of the Members of the Company is hereby accorded to the revision in the terms of remuneration payable to Shri Harsh Dhanuka (son of Shri Mahendra Kumar Dhanuka, Managing Director of the Company and brother of Shri Mridul Dhanuka, Whole-time Director of the Company) currently holding office in the Company as Senior General Manager (Seeds), to be re-designated as Senior General Manager (Marketing) of the Company, from Rs.1 lakh p.m. to Rs.1.5 lakhs p.m. w.e.f. 1.9.2012 in the salary range of Rs.1.5 lakhs-0.2 lakh - 2.3 lakhs p.m., with the authority granted to the Board of Directors, at the recommendation of the Remuneration Committee to revise the salary by Rs.0.2 lakh p.m. every year, subject to the ceiling of Rs.2.3 lakhs p.m. exclusive of following benefits and perquisites and on such other terms and conditions as have been approved by the Board of Directors of the Company in their meeting held on 23.05.2012:

i) Provision of car for use of Company's work subject to the condition that personal use of car shall be billed by the Company to Shri Harsh Dhanuka as per the Company's Rules;

ii) Provision of telephone at residence for use of Company's work, subject to the condition that personal STD calls shall be billed by the Company to Shri Harsh Dhanuka;

iii) Company's contribution towards Provident Fund, subject to the ceiling of 12% of the salary;

iv) Reimbursement of medical expenses for self and family, actually incurred, subject to the limit of Rs.7500 per annum; and

v) Bonus shall be payable subject to a maximum ceiling of 20% of the salary upto Rs.8000 per annum."

"Resolved Further That the term of appointment of Shri Harsh Dhanuka shall continue upto the retirement age as per Policy of the Company unless decided otherwise by the Board of Directors."

"**Resolved Further That** the Company Secretary be and is hereby authorised to submit and file necessary forms and returns with the Registrar of Companies, NCT of Delhi and Haryana and to do all such acts, deeds, matters and sign/execute all such Agreements, documents, instruments and writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters concerned therewith or incidental thereto."

BY ORDER OF THE BOARD
FOR **DHANUKA AGRITECH LIMITED**
Sd/-
Shubha Singh
Company Secretary

Place: Gurgaon
Date: 23rd May, 2012

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

Corporate Office: 14th Floor, Building No.5A,
Cyber City, DLF Phase - III,
Gurgaon - 122002, Haryana

NOTES:

1. A Member entitled to attend and vote at the meeting is also entitled to appoint a Proxy to attend and vote on a poll instead of himself and such Proxy need not be a Member of the Company. Proxies in order to be effective must be received by the Company at its Registered/Corporate Office at least 48 hours before the time fixed for the meeting.

2. The Register of Members and the Share Transfer Books will remain closed from 8th August, 2012 to 13th August, 2012 (both days inclusive).

3. Payment of Dividend @110% (Rs.2.20 per Equity Share of Rs.2/- each) for the Financial Year ended on 31.03.2012, as recommended by the Board, if approved at this Annual General Meeting, will be made only to those Members whose names are registered in the Register of Members of the Company as on 13th August, 2012 being the date of book closure or to their mandates, as the case may be. In respect of shares in electronic form, the Dividend will be paid on the basis of beneficial ownership as on 8th August, 2012 as per details furnished by the National Securities Depository Ltd. (NSDL) and Central Depositories Services (India) Ltd. (CDSL) for this purpose.

4. Members are requested to notify any change in their address to their Depository Participants (DPs) in respect of shares held in electronic form and to the Transfer Agents of the Company in respect of shares held in physical form.

5. Members holding shares in electronic form may please note that their Bank details as furnished by the respective Depository

Participants to the Company will be printed on their Dividend warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for deletion or change in such bank details. Further, instructions if any, already given by them in respect of shares held in physical form will not be automatically applicable to the Dividend paid on shares in electronic form. Members may, therefore, give instructions regarding bank accounts in which they wish to receive Dividend, directly to their Depositories Participants.

6. Shareholders/Proxies are requested to produce at the entrance the attached admission slip, duly completed and signed in accordance with the specimen signatures registered with the Company, for admission to the meeting hall.
7. Documents referred in this Notice including the Memorandum and Articles of Association of the Company, will be available for inspection by the Members at the Registered Office of the Company from 11.00 A.M. to 1.00 P.M. on all working days prior to the date of the Annual General Meeting and will also be available for inspection at the meeting.
8. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the meeting.
9. Members are requested to bring their copy of the Annual Report, as no copy will be distributed at the venue of the Annual General Meeting.
10. Members desirous of getting any information about the Accounts under reference and operations of the Company are required to address their query to the Company Secretary so that the same may reach her at least seven days before the date of the meeting to enable the management to keep the information ready.
11. In view of the provisions of Section 205A of the Companies Act, 1956, unclaimed / unpaid Final Dividend for the Financial Year 2004-05 shall be transferred to Investor Education and Protection Fund (IEPF) in the month of October, 2012. Members who have not yet encashed their Dividend warrant(s) for the Financial Year ended 31st March, 2005 or any subsequent Financial Year(s), are requested to lodge their claims with the Company. No claims shall lie against the Company or the Fund once the unclaimed Dividend is transferred to IEPF. Further, unclaimed / unpaid Interim Dividend for the FY 2004-05, has already been transferred to IEPF.
12. Green Initiatives in Corporate Governance: The Ministry of Corporate Affairs has vide its Circular No. 17/2012 clarified that a Company would have complied with Section 53 of the Companies Act, if the service of documents has been made through electronic mode provided that the Company has obtained e-mail addresses of its Members for sending the notice/ documents through e-mail by giving an advance opportunity to every Shareholder to register their e-mail address and changes therein from time to time with the Company. It also provides that where any Member has not registered his e-mail address with the Company, the service of document etc. will be effected by other modes of service as provided under Section 53 of the Companies Act, 1956. Members are requested to update their e-mail ids with their Depository Participant and accord their consent for receiving documents through electronic mode.
13. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item no. 8 to 10 of the Notice (in respect of Special Business to be transacted at the meeting) is annexed hereto.

Brief resume of Directors being recommended for re-appointment in item numbers 3, 4, 5 and 6:

ITEM NO. 3:

Shri R. G. Agarwal, Chairman-

Shri R. G. Agarwal, aged 63 years, is a Commerce Graduate from SRCC, Delhi University in 1968. He has a total experience of 42 years in the field of agrochemicals. He always had a notion to run an agri-inputs business to contribute to Indian Agriculture. He took over the business of a sick unit Northern Minerals Limited (NML), a pesticides formulation Company. At that time, the Company was on the verge of closure as it suffered continued losses. Shri R. G. Agarwal took this as an opportunity and acquired NML. After he acquired NML in 1980, he successfully turned it around into a profit making unit. As time passed, the business grew at a rapid pace and the Company started making multifold profits following a saga of expansions and successes. The Company faced many crucial challenges, but Shri R.G. Agarwal's true dedication and excellent decision-making at various crucial points built a strong foundation for the business.

Shri R. G. Agarwal is also a philanthropist. He established Shri Chiranji Lal Dhanuka Charitable Trust to promote religious tourism and to provide hygienic and comfortable lodging and food for the pilgrims.

He started Durga Prasad Dhanuka Adarsh Vidhya Mandir, a school in Rattangarh, which is one of the most acclaimed schools in the vicinity, wherein around 1200 students are educated at very nominal fee. Another example is Dhanuka Ashram at Vrindavan, which is well known for serving needy people and provides accommodation at very reasonable prices.

He also holds Directorship in M/s HD Realtors Pvt. Limited. He is also a member of Banking and Finance Committee of Dhanuka Agritech Limited.

Shri R.G. Agarwal is a man of vision, business acumen, leadership, passion and is dedicated to serve the cause of farming community in India. Under his dynamic stewardship, Dhanuka Group has attained a distinguished place as a leading Agritech Business House.

ITEM NO. 4:

Shri Mahendra Kumar Dhanuka, Managing Director-

Shri M.K. Dhanuka is an eminent personality in the field of agrochemicals. He is 58 years of age and holds Bachelor's Degree in Commerce from SRCC, Delhi University. He is the Managing Director of the Company and has a vast and rich experience of 36 years in the pesticides industry. He mainly looks after Finance matters, purchases of Technicals and overall supervision of the Company. In addition to his general corporate experience, his insight and judgement have provided operational excellence to the Company and the capability to drive innovation. He has deep commitment towards achievement of organizational goals. His foresightedness and business acumen facilitated the Company in constantly achieving its goals.

He follows an 'open-door' policy. Employees are free to discuss their problems with him. Consequently, employee turnover ratio in Dhanuka is very low with majority of employees working since 10-30 years. Under the guidance of Shri M.K. Dhanuka, DAL has become a name to reckon with in the Agrochemical Industry.

He is also Director on the Boards of (1) Dhanuka Laboratories Limited (2) Golden Overseas Private Limited (3) Dhanuka Infotech Private Limited (4) Madhuri Designs-N-Exports Private Limited (5) M.D. Buildtech Private Limited. He holds membership in the Shareholders'/Investors' Grievance Redressal Committee and Banking and Finance Committee of the Company.

Shri M.K. Dhanuka has a vision to make Dhanuka, one of the largest and most consistent profit making Company of India in the area of agrochemical formulation with largest distribution network by providing best quality products and services of international standard to the farming community, which will lead to strengthening of food sustainability and security of the Country.

ITEM NO. 5:

Shri Subhash Lakhotia, Non-Executive Independent Director-

Shri Subhash Lakhotia, 62 years of age, has been an Income-tax Practitioner for the last 42 years and gives consultancy on tax planning, tax documentation and investment planning. He regularly writes in various national dailies including the Hindustan Times. He has also addressed a number of seminars and lecture meetings on taxation and tax planning and conducts a popular course known as 'Zero to Hero in Income Tax' and hosts the show "Tax Guru" on CNBC Awaaz. He is the Director of Lakhotia College of Taxation & Management, Minda Industries Ltd. and R.N. Lakhotia and Associates. He is a member of Shareholders'/ Investors' Grievance Redressal Committee and Remuneration Committee of the Company.

He was selected as the best youth of India by the Lions International to represent India at the World Youth Congress held at Atlantic City, USA in 1970. He is the Secretary General of Investors Club and President of Spiritual Club International and Unite to Invest (UTI). He is Chief Strategist of Real Estate Strategy Group and is actively associated with various professional bodies connected with real estate. He has written books on Income-tax, Investment and Real Estate.

ITEM NO. 6:

Shri Priya Brat, Non-Executive Independent Director-

Shri Priya Brat, 76 years of age, is M.Sc (Hons) in Physics, a Fellow Member of Indian Institute of Bankers and has done diploma courses from various foreign institutes. He had a distinguished career as former Chief General Manager of State Bank of India, Bhopal and headed SBI's significant international operations abroad. He has served as Chief General Manager at the Discount and Finance House of India, a Subsidiary of RBI. He was a Director on the Boards of State Bank of Patiala, State Bank of Bikaner and Jaipur, State Bank of Hyderabad, State Bank of Indore, State Bank of Mysore, State Bank of Travancore, State Bank of Saurashtra, MP State Development Corporation, MP State Electronic Development Corporation and OPTEL in Madhya Pradesh. He also served as President (Finance) at Indo Rama Synthetics (India) Ltd., the second largest polyester manufacturer in India.

Shri Priya Brat presently holds Directorships in Eicher Motors Ltd., Dhampur Sugar Mills Ltd. and South Asian Enterprises Limited. He holds Chairmanship in the Audit and Remuneration Committee of Dhanuka Agritech Limited and Shareholders Grievance Redressal Committee of Eicher Motors Limited. Further, he holds membership in Audit and Shareholders' Grievance Committee of Dhampur Sugar Limited; Audit and Compensation Committees of Eicher Motors Limited; and Audit Committee of South Asian Enterprises Limited.

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

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

ITEM NO. 8:

Shri R.G. Agarwal had promoted the Company and has been on the Board since the beginning. His last re-appointment as Whole-time Director of the Company was approved by the Members in the 22nd Annual General Meeting of the Company held on 26th September, 2007, for a period of 5 Years from 1st November, 2007 to 31st October, 2012. Further, he was designated as the Chairman of the Company by the Members in the 26th Annual General Meeting held on 29th July, 2011.

As per the provisions of Sections 198, 269, 309 read with Schedule XIII of the Companies Act, 1956, Shri R. G. Agarwal is eligible to be re-appointed as the Whole-time Director under the designation of Chairman of the Company. Since his term gets over on 31st October, 2012, the Members are requested to consider and approve the Ordinary Resolution for re-appointing

him as the Whole-time Director under the designation of Chairman of the Company for a further period of five Years from 1st November, 2012 to 31st October, 2017. His brief resume is already provided in Item no.3 of Explanatory Statement.

In view of his distinguished performance and dedicated efforts towards the achievement of organizational goals of the Company, the Board of Directors, on the recommendations of the Remuneration Committee in their meeting held on 23rd May, 2012, has, subject to Shareholders' approval, re-appointed Shri R. G. Agarwal as Chairman of the Company for a period of 5 Years from 1st November, 2012 to 31st October, 2017 (both days inclusive) as per the Draft Agreement as shall be placed before the Shareholders for their approval. Your Board on the recommendations of the Remuneration Committee, subject to Members' approval, has fixed his salary at Rs.5 lakhs p.m. and commission at 1.5% of the Net profits of the Company computed under Sections 349 and 350 of the Companies Act, 1956. Board has approved his salary range of Rs.5 lakhs – 1 lakh – 9 lakhs p.m. i.e. there will be an annual increase of Rs.1 lakh p.m. in his salary with recommendation of Remuneration Committee and approval by Board of Directors. The material terms and conditions proposed in the said Agreement dated 23rd May, 2012 are mentioned herein below for consideration of Members:

A. Salary: Rs. 5 lakhs (Rupees Five Lakhs only) per month in the salary range of Rs. 5 lakhs – 1 lakh – 9 lakhs p.m. with the authority granted to the Board of Directors, on the recommendations of the Remuneration Committee, to revise the salary every Year by Rs.1 lakh p.m., subject to the ceiling of Rs.9 lakhs p.m.

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

C. Perquisites:

Category 'A':

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

ii) Leave travel concession for self and family not exceeding Rs.0.75 lakh once in a Year. The perquisite shall be taxed in accordance with the provisions of the Income-Tax Rules;

iii) Membership fee of not more than two clubs provided no life membership fee or admission fee shall be paid by the Company;

iv) Personal accident insurance, subject to the condition that the Annual premium shall not exceed Rs.0.04 lakh.

Category 'B':

i) Company's contribution towards Provident Fund subject to the ceiling of 12% of the salary;

ii) Company's contribution towards Pension/ Superannuation Fund, such contribution together with contribution to the Provident Fund shall not exceed 27% of the salary as laid down in the Income-Tax Rules, 1962; and

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

Category 'C':

i) Provision of car for use of Company's work subject to the condition that personal use of car shall be billed by the Company to the Chairman as per the Company's Rules; and

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

MINIMUM REMUNERATION:

Notwithstanding anything to the contrary contained herein, where in any Financial Year, during the currency of tenure of Shri R.G. Agarwal as Chairman, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites, as may be approved by the Board on the recommendations of the Remuneration Committee of the Board of Directors, but subject to the limits prescribed in Schedule XIII to the Companies Act, 1956.

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

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

This shall also be treated as an abstract of the terms of the Contract/Agreement and the memorandum as to the nature of concern or interest of the Directors pursuant to Section 302 of the Companies Act, 1956.

The aforesaid terms and conditions governing remuneration of Shri R. G. Agarwal fall within the parameters as prescribed in Schedule XIII to the Companies Act, 1956 as amended upto date; hence approval of Shareholders is only required and approval of Central Government is not necessary in this case.

Your Board of Directors recommends the resolution for your approval.

ITEM NO. 9:

The Shareholders in the 22nd Annual General Meeting held on 26th September, 2007 re-appointed Shri Rahul Dhanuka as Whole-time Director for a period of 5 years from 1st May, 2007 to 30th April, 2012.

As per the provisions of Sections 198, 269, 309 read with Schedule XIII of the Companies Act, 1956, Shri Rahul Dhanuka is eligible to be re-appointed as the Whole-time Director of the

Company. Since his term as Whole-time Director was over on 30th April, 2012, the Members may consider re-appointing him as the Whole-time Director of the Company for a further period of five Years from 1st May, 2012 to 30th April, 2017.

His brief resume is as follows:

Shri Rahul Dhanuka, s/o Shri R.G. Agarwal, aged 37 Years and having an experience of 14 Years, is a Graduate in Chemistry from Delhi University and an MBA from S.P.Jain Institute of Management and Research, Mumbai. As Marketing Director, he is responsible for national sales and marketing. Due to his excellent marketing management skills, the Company has been able to penetrate the very interiors of rural India. He has been instrumental in bringing new systems and policies in the organization, implementation of ERP and for strategic business relationships with all the collaborators.

He is a Director on the Boards of (1) Dhanuka Laboratories Limited (2) Golden Overseas Private Limited (3) Dhanuka Agri-Solutions Private Limited and Member of the Banking and Finance Committee of the Company.

In view of his distinguished performance and dedicated efforts towards the achievement of organizational goals of the Company, the Board of Directors, based on the recommendations of the Remuneration Committee in their meeting held on 8th February, 2012, subject to Shareholders' approval has re-appointed Shri Rahul Dhanuka as Whole-time Director of the Company for a period of 5 Years from 1st May, 2012 to 30th April, 2017 (both days inclusive). Your Board on the recommendations of the Remuneration Committee, in its Meeting dated 23rd May, 2012, has, subject to Members' approval, fixed his salary at Rs.3 lakhs p.m. w.e.f. 1st May, 2012 and Commission at 1.5% of the Net profits of the Company computed under Section 349 and 350 of the Companies Act, 1956. Board has approved his salary range of Rs.3 lakhs – 0.5 lakh – 5 lakhs p.m. i.e. there will be an annual increase of Rs.0.5 lakh p.m. in his salary with recommendation of Remuneration Committee and approval by Board of Directors. The material terms and conditions proposed in the said Agreement are given below for consideration of Members:

A. Salary: Rs.3 lakhs (Rupees Three Lakhs only) per month in the salary range of Rs.3 lakhs – 0.5 lakh – 5 lakhs p.m., with the authority granted to the Board of Directors, on the recommendation of the Remuneration Committee, to revise the salary every year by Rs.0.5 lakh p.m., subject to the ceiling of Rs.5 lakhs p.m.

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

C. Perquisites:

Category 'A':

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

ii. Leave travel concession for self and family not exceeding Rs.0.75 lakh once in a year. The perquisite shall be taxed in accordance with the provisions of the Income-Tax Rules;

iii. Membership fee of not more than two clubs provided no life Membership fee or admission fee shall be paid by the Company;

iv. Personal accident insurance, subject to the condition that the annual premium shall not exceed Rs. 0.04 lakh.

Category 'B':

i. Company's contribution towards Provident Fund subject to the ceiling of 12% of the salary;

ii. Company's contribution towards Pension/Superannuation Fund, such contribution together with contribution to the Provident Fund shall not exceed 27% of the salary as laid down in the Income-Tax Rules, 1962; and

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

Category 'C':

i. Provision of car for use of Company's work subject to the condition that personal use of car shall be billed by the Company to the Whole Time Director as per the Company's Rules; and

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

MINIMUM REMUNERATION:

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

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

Except Shri Rahul Dhanuka himself and Shri R. G. Agarwal, Chairman, no other Director is concerned or interested in the aforesaid resolution.

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

The aforesaid terms and conditions governing remuneration of Shri Rahul Dhanuka fall within the parameters as prescribed in Schedule XIII to the Companies Act, 1956 as amended upto date; hence approval of Shareholders is only required and approval of Central Government is not necessary in this case.

Your Board of Directors recommends the resolution for your approval.

ITEM NO. 10:

Shri Harsh Dhanuka, son of Shri M. K. Dhanuka, Managing Director and brother of Shri Mridul Dhanuka, Whole-time Director, was appointed in the Company as General Manager (HRD) at a remuneration of Rs.0.3 lakh p.m. which was approved by the Board in its meeting held on 24th June, 2005, to which Shareholders accorded their consent in the Annual General Meeting held on 28th September, 2005. Thereafter, Shri Harsh Dhanuka was promoted to the post of Senior General Manager (Seeds) in January, 2009. Further, his remuneration was increased to Rs.1 lakh p.m., with the approval of Shareholders in the Annual General Meeting held on 22nd September, 2009 to which Central Government accorded its approval with effect from the date of Annual General Meeting as per Section 314(1B) of Companies Act, 1956.

Keeping in view the contribution made by Shri Harsh Dhanuka and based on the recommendation of the Remuneration Committee, the Board in its meeting held on 23rd May, 2012, subject to the approval of shareholders and pursuant to the provisions of Section 314 of the Act and Director's Relatives (Office or Place of Profit) Rules, 2003, has considered and approved increase in his salary from Rs.1 lakh p.m. to Rs.1.5 lakhs p.m., in the salary range of Rs.1.5 lakhs- 0.2 lakh-2.3 lakhs p.m., w.e.f 1.9.2012 with the authority granted to the Board of Directors, at the recommendation of the Remuneration Committee to revise his salary by Rs.0.2 lakh p.m. every year, subject to the ceiling of Rs.2.3 lakhs p.m. and to re-designate him as Senior General Manager (Marketing) of the Company, alongwith the stipulated benefits / perquisites, subject to the prior approval of Shareholders through Special Resolution.

No extra benefits (other than as stated in the Resolution) shall be payable to Shri Harsh Dhanuka except with the fresh consent of the Members and compliance with the relevant provisions of the Companies Act, 1956 and rules framed thereunder.

The term of appointment of Shri Harsh Dhanuka as Senior General Manager (Marketing) shall continue upto the retirement age as per Policy of the Company.

As per the Explanation to the proviso to Section 314 (1), a Special Resolution is necessary for every subsequent appointment to such office or place of profit on a higher remuneration not covered by earlier resolution, except where a time scale has already been approved by Special Resolution. Consent of the Members is therefore required by way of a Special Resolution. Accordingly, your Directors recommend the Resolution set out at Item No.10 to be passed by the Members as Special Resolution.

Your Board of Directors recommends the resolution for approval of the Members to be passed as Special Resolution.

Shri Mahendra Kumar Dhanuka, Managing Director and Shri Mridul Dhanuka, Whole-time Director of the Company are concerned or interested in the aforesaid resolution which pertains to increase in the remuneration of their relative. Save and except above, none of the other Directors is concerned or interested in the aforesaid resolution.

BY ORDER OF THE BOARD
For **DHANUKA AGRITECH LIMITED**
Sd/-
Shubha Singh
Company Secretary

Place: Gurgaon
Date: 23rd May, 2012
Registered Office: 'DHANUKA HOUSE',
861-862, Joshi Road,
Karol Bagh, New Delhi - 110005
Corporate Office: 14th Floor, Building No.5A,
Cyber City, DLF Phase-III,
Gurgaon - 122002, Haryana

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present before you the 27th Annual Report on the business and operations of the Company along with the Audited Standalone and Consolidated Accounts of the Company for the Financial Year ended 31st March, 2012.

It is our privilege to inform you that ***for the second consecutive year, Dhanuka Agritech Limited has found a place in the prestigious 'Forbes Asia – 200 Best under a Billion' in Asia – Pacific region list.***

In addition, your Company has also been awarded the 16th place in ***'India's fastest growing Companies'***, under the Welterweights category (below Rs.50,000 lakhs), in a survey conducted by Businessworld.

Further, your Company has bagged a coveted place in the prestigious ***'Inc. India 500 – India's Fastest Growing Mid-Sized Companies'*** list for 2011. The Magazine is the Indian edition of Inc., the leading US magazine that focuses on entrepreneurship and growth.

FINANCIAL HIGHLIGHTS

(Rs. in lakhs)

Particulars	For the FY ended 31.03.2012	For the FY ended 31.03.2011
Gross Turnover	***57,616.15***	***54,122.55***
Profit before Depreciation & Taxation (PBDT)	7,455.01	7,211.49
Deductions:		
Depreciation	451.77	485.46
Provision for Taxation	1,290.21	1,614.82
Profit after Tax (PAT)	**5,713.03**	**5,111.21**
Additions:		
Balance of Profit & Loss Account of previous year	11,051.85	7,657.18
Amount available for Appropriations	**16,764.88**	**12,768.39**
Appropriations:		
• Transfer to General Reserve	575.00	550.00
• Proposed Dividend	1,100.43	1,000.39
• Dividend Tax	178.52	166.15
• Surplus carried to Balance Sheet	14,910.93	11,051.85
Total	**16,764.88**	**12,768.39**

DIVIDEND

Your Directors are pleased to recommend 110% Dividend i.e. Rs.2.20 per Equity Share of Rs.2 each for the Financial Year ended 31st March, 2012. Dividend, if approved by the Members at ensuing Annual General Meeting, will absorb Rs.1,100.43 lakhs and tax on Dividend will absorb Rs.178.52 lakhs.

TRANSFER TO RESERVES

Your Company proposes to transfer Rs.575 lakhs to the General Reserve.

ISSUED AND PAID-UP SHARE CAPITAL

As on 31st March, 2012, the Issued and Paid-Up Share Capital of the Company was Rs.1,000.39 lakhs comprising 5,00,19,500 Equity Shares of Rs. 2/- each fully paid-up.

BUSINESS OPERATIONS

The south-west monsoon rainfall during 2011 was excess/normal in 92% of Total Geographical Area (TGA) and deficient in 8% TGA. The overall monsoon rainfall was 899.9 mm which is 101% of the long period average rainfall. However, there was shortfall of post-monsoon rains by about 48%. (Presentation on Rabi review and Kharif Prospects by Agriculture Commissioner, Govt. of India http://agricoop.nic.in). Due to the poor post monsoon rains, agrochemical industry faced a poor second half of the financial year resulting in a flat growth or moderate decline.

The Financial Year 2011-12 was quite challenging for all agri-inputs Companies due to insufficient and erratic rainfall. Further, there was no severe pest attack on the crops. Inspite of this, your Company achieved a Gross Turnover of Rs.57,616.15 lakhs, an increase of 6.45% over last year's Gross Turnover of Rs.54,122.55 lakhs.

The Total Revenue of the Company, net of excise duty, grew by 7.33% from Rs. 49,364.64 lakhs in FY2010-11 to Rs.52,980.71 lakhs in FY 2011-12.

EBITDA grew by 1.86% from Rs.7,857.82 lakhs in FY2010-11 to Rs.8,003.84 lakhs in FY 2011-12. Further, PAT grew by 11.77% from Rs.5,111.21 lakhs in FY2010-11 to Rs.5713.03 lakhs in FY 2011-12.

Despite a challenging year in FY2011-12, your Company has managed to overcome hurdles and delivered a moderate growth during the year. This was possible due to the Company's continuous endeavour to assess the customers' need to develop new and innovative products which deliver better value to its customers.

Your Company has further strengthened its Balance Sheet and has become nearly debt-free due to its strong performance in the recent years.

We believe that building a trusted, highly-recognized Brand begins with providing high-quality products that make a notable difference in people's lives. Marketing is responsible for generating revenue through marketing campaigns, as well as providing thought leadership to marketing officers through industry insight, market research and analysis. Your Company's marketing, promotional campaigns and public relations activities are designed to promote the Company's Brand image.

Your Company has a strong pan-India distribution network in India and during the year, has made efforts to increase it further. Company is reaching more than 2,500 distributors and 4,500 dealers directly and ultimately reaches over 10 million farmers. **Your Company's marketing network is one of the best in India** and our ability to penetrate even the interiors of villages has given us a distinct edge over competition.

During the FY2011-12, your Company launched 4 new products in the market: "Brigade 8%SC" and "Bombard" are Insecticides, "Vitavax Ultra" is Fungicide and "Wetcit" is a Surfactant, in technical association with a Company from Africa.

Taking a step forward, your Company has also incorporated a Wholly-Owned Subsidiary on 17th July, 2011, in Bangladesh in the name of "Dhanuka Agri-Solutions Private Limited" in order to market its products in Bangladesh. The Subsidiary will soon start registering the products with the concerned Government departments.

Your Company currently has production facilities at Gurgaon, Sanand and Udhampur with cumulative capacity of over 28,670 tonnes of solids/granules and over 8,500 KL of liquids. Your Company is currently planning capacity expansion at Gurgaon and Udhampur units, involving capex outlay to the tune of Rs.700 lakhs. This would help your Company achieve its objective of reaching a target of Rs.1000 Crores of gross revenue in the next three years.

FUTURE PROSPECTS

We continue to introduce new products with international & domestic tie-ups and product development. Our product development philosophy is to launch innovative products in a timely manner and then develop them rapidly to make these products even better in accordance with technological changes. We then use data and user feedback to decide if and how to invest further in those products.

Your Company has a strong pipeline of six new molecules with two new molecules expected to be introduced every year during 2013, 2014 and 2015. Your Company introduced new Rice herbicide "Fuzi Super" of Japan. We also introduced new Insecticide "Fluid" in collaboration with Bayer Crop Science for control of caterpillars in pulses, vegetables and rice.

Based on a new climate model developed under the Government's Monsoon Mission project, the Indian Meteorological Department has predicted average rainfall for the South-West monsoon in 2012. The Company is, therefore, expecting good prospects for the agrochemical industry for FY 2012-13.

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

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

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Shri R. G. Agarwal, Shri Mahendra Kumar Dhanuka, Shri Subhash Lakhotia and Shri Priya Brat will retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Further, the tenure of Shri Rahul Dhanuka was over on 30th April, 2012 and being eligible, he has offered himself for reappointment as the Whole-time Director of the Company. Also, the tenure of Shri R. G. Agarwal gets over on 31st October, 2012 and being eligible, he has also offered himself for reappointment. Your Board has recommended their re-appointments for a further period of 5 years.

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. that in preparation of the Standalone and Consolidated Annual Accounts, the applicable Accounting Standards have been followed along with proper explanations relating to material departures;
2. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of Profit or Loss of the Company for that period.
3. that the Directors have taken proper and sufficient care in the maintenance of adequate accounting records in accordance with provisions of this Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; and
4. that the Directors have prepared the Standalone and Consolidated Annual Accounts on Going - Concern basis.

CORPORATE GOVERNANCE

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

As required by clause 49 of the Listing Agreement, a separate Report on Corporate Governance forms part of the Annual Report. A Report from the Statutory Auditors of the Company regarding compliance with conditions of Corporate Governance forms a part of this Report.

MANAGEMENT'S DISCUSSION & ANALYSIS

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

INSIDER TRADING REGULATIONS

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

DISCLOSURES UNDER SECTION 217 OF THE COMPANIES ACT, 1956

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

SHARES UNDER COMPULSORY DEMATERIALIZATION

The Equity Shares of your Company are included in the list of specified scrips where delivery of Shares in dematerialized (demat) form is compulsory if the same are traded on a Stock Exchange, which is linked to a depository. As on 31st March, 2012, 97.77% Equity Shares were held in demat form.

STATUTORY AUDITORS

M/s Dinesh Mehta & Co., Chartered Accountants, having Registered Office at 21, Daya Nand Road, Darya Ganj, New Delhi-110002, were appointed as Statutory Auditors of the Company to hold office until the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends their re-appointment.

COST AUDITORS

The Board of Directors, in pursuance of the order issued by the Central Government under Section 233B of the Companies Act, 1956, have appointed M/s S. Chander & Associates, Cost Accountants, having their Registered Office at 212, 2nd Floor, Sarai Pipal Thala, G.T. Road, Adarsh Nagar, Delhi-110033, as Cost Auditors of the Company to conduct Audit of the Cost Accounts maintained by the Company in respect of its Pesticides Business for the year ending 31st March, 2013. The Cost Audit Report for the Financial Year 2010-11, was filed on 30th August, 2011 with ROC, for which the due date of filing was 30th September, 2011.

STATUS OF LISTING FEES

Your Company has been regularly paying listing fees to the BSE & NSE, Mumbai where its Equity Shares are listed.

PARTICULARS OF EMPLOYEES

In accordance with the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, amended vide MCA Notification dated 31st March, 2012, the following are the details of employees drawing remuneration exceeding Rs.5 lakhs per month or Rs.60 lakhs p.a.

Name & Age	Designation / Nature of Duties	Remuneration p.a. (Rs. in lakhs)	Qualification	Experience (Years)	Date of Joining the Company	Previous Employment & Designation	% Shareholding in Dhanuka Agritech Ltd.	Relation to any Director or Manager
Shri R.G. Agarwal (63 years)	Chairman	162.27	B.Com (Hons)	42	Since incorporation	Own Business	2.83%	Brother of Shri M.K. Dhanuka
Shri M.K. Dhanuka (58 years)	Managing Director	157.37	B.Com (Hons)	36	Since Incorporation	Own Business	1.51%	Brother of Shri R.G. Agarwal
Shri A. K. Dhanuka (55 Years)	Director (Works) Gurgaon unit	144.50	B. Com	33	23.05.2007	Own Business	1.28%	No
Shri Rahul Dhanuka (37 years)	Director (Marketing)	144.59	B.Sc. & M.B.A.	14	01.02.2002	Own Business	3.48%	Son of Shri R.G. Agarwal
Shri Mridul Dhanuka (31 years)	Whole-time Director	100.89	B.Tech & M.B.A.	7	01.04.2005	Own Business	Nil	Son of Shri M.K. Dhanuka, Brother of Shri Harsh Dhanuka

ACKNOWLEDGEMENT

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

Your Directors wish to place on record their appreciation for the continuing support by investors, cordial industrial relations maintained by the workmen and also for devoted and dedicated efforts put in by the staff of the Company, for its continuous growth and success.

For and on behalf of the Board
Sd/-

R.G. Agarwal
Chairman

Place: Gurgaon
Date: 23rd May, 2012

ANNEXURE 'A'

(A) CONSERVATION OF ENERGY

a&b) Wherever possible, energy conservation measures have been implemented. However, efforts to conserve and optimize the use of energy through improved operational methods and other means are being continued on an on-going basis.

c) The energy consumption and the cost of production are kept under control.

d) Wastage of energy has been minimized to a negligible level by switching off the electronic equipments as & when not in use.

e) Requisite data in respect of energy conservation is given below:

I. Power and Fuel consumption:
Electricity (KWH)

	Particulars	2011-12	2010-11
a)	Purchased Units	10,57,398	10,31,912
	Total Amount (Rs. in lakhs)	59.47	49.13
	Rate per Unit (Rs.)	5.62	4.76
b)	Own Generation through Diesel (Generator) Units	1,52,700	3,75,821
	Unit/Lit of diesel oil	2.20	2.25
	Cost/Unit (Rs.) (Incl. overhead)	19.05	16.59

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

(B) RESEARCH & DEVELOPMENT

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

The R&D Division, which is engaged in evaluating new and current products formulations in different crops & agro-eco regions, plays a pivotal role in promotion and creating awareness about new products, channelizes information to consumers for the right use of technology, develops interface with State Agricultural Universities, Krishi Vigyan Kendras and imparts training to farmers and dealers.

The Division generates data on different parameters for registration of pesticides and expansion of label claims.

In February 2012, the Central Insecticides Board & Registration Committee granted approval for expansion of label claim of Targa Super 5% EC (Our Star Product) for use in onion and blackgram crops to control narrow leaf weeds. Earlier, Targa Super 5% EC, manufactured by M/S Nissan Chemicals Industries Ltd., Japan, with whom we have an agreement, was introduced in India in 2001 by your Company as post-emergence herbicide for control of grassy weeds in Soybean and later on expansion of label claim on Groundnut and Cotton crops. This herbicide has been well accepted by the farmers across the country as an excellent post emergence herbicide. With this expansion in label claim, we expect considerable increase in our market share for herbicides.

Based on extensive R&D efforts, our proposal for approval of the enhanced shelf-life of two-years, instead of one year at

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

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

present, for Mancozeb 63% + Carbendazim 12 % WP (SIXER) - a systemic and contact fungicide and Flusilazole 40 % EC (CURSOR) - a systemic fungicide was approved by CIB & RC, Govt. of India in its meeting on 15th February, 2012. Earlier in January 2012, it has also endorsed our proposal for right dose of 120g instead of 100g earlier approved, for Tricyclazole 75% WP (DHAN TEAM); a fungicide for the control of Rice Blast, in addition to other packaging of 250g, 500g and 1 kg.

In addition to registration of new molecules and expansion of label claims, etc., there were continuous efforts for upgradation of the research & development team and also our marketing staff. A large number of trainings, demonstrations, field meetings, 100% seed treatment campaigns, etc. were undertaken countrywide.

The R&D team put up field exhibitions, published technical and popular literature on regular basis. Recently, a Bulletin in Hindi on '*Dhanuka Podh Sanrakshan Nirdeshika*' was published for wider use by our Distributors & Dealers, Dhanuka Doctors for providing credible information to the farmers about various plant protection aspects.

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

Label expansion of our Super Star product- Targa Super 5% EC and enhanced Shelf life of Cursor and Sixer will give ample opportunity to our marketing team to enhance the sales volume. The introduction of new highly versatile molecules will not only enhance the Corporate image, but also generate profitable revenue.

iii) Future Plan of Action:

The R&D Department is continuously exploring newer opportunities of collaboration and undertaking studies for label expansion on new crops/insect pests & diseases and also for registration of new molecules of our foreign collaborators- both existing and new.

iv) Expenditure on R&D:

a)	Capital	**Nil**
b)	Recurring (Rs. in lakhs)	**110.75**
c)	Total (Rs. in lakhs)	**110.75**
d)	Total R&D expenditure as a percentage of total turnover	**19%**

(C) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

(D) FOREIGN EXCHANGE EARNINGS AND OUTGO

*During the year, Company has imported materials worth **Rs.7,492.13 lakhs** (CIF) and incurred **Rs.94.89 lakhs** on account of foreign travel. Company has received **Rs.1.28 lakhs** in foreign currency on account of Insurance claim and Foreign Tours.*

For and on behalf of the Board

Sd/-
R.G. Agarwal
Chairman

Place: Gurgaon
Dated: 23rd May, 2012

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report is a part of the Directors' Report. It aims to elucidate developments in the business environment, performance of the Company and future outlook.

INDIAN AGRICULTURE GROWTH SCENARIO VIS-À-VIS CROP PROTECTION INDUSTRY

During the XI Five Year Plan, agriculture and allied sectors' growth was estimated at 3.28% against the target of 4%, though in 2011-12, it was estimated to be 2.5%. The Approach Paper to XII Five Year Plan emphasizes the need to redouble efforts to ensure that 4% average growth is achieved and without incremental productivity gains and technology diffusion across regions, achieving this higher growth may not be feasible. India has made impressive strides on the agricultural front during the last three decades. However, due to rapid increase in population, the foodgrain production per capita has actually declined from 576g per day in 1990-91 to 547g per day in 2010-11.

Years	Population (Million)	Foodgrain Production (Million Tons)	Foodgrain Production Per Capita (Grams Per Day)
1950-51	359	50.8	387.7
1970-71	541	108.4	549.0
1990-91	839	176.4	576.0
2000-01	1,019	196.8	529.1
2010-11	1,210	241.6	547.0

Source: Economic Survey 2010-11

Considering the rising incomes due to rapid economic growth, it is estimated that by 2050, the foodgrain requirement is likely to be 450 million tons for an estimated population of over 1.6 billion. The present productivity trends, however, need significant increase, if these requirements are to be met. Indeed, this is a daunting task as due to technology fatigue and other such factors, the foodgrain production and productivity have not shown much positive changes. Due to acquisition of land for non-agricultural uses, the percentage share of agricultural land has declined to 59.7% in 2007 from 59.9% in 2004-05 (Economic Times, 27th November, 2010). **The herculean task, therefore, is how to 'produce more from less, for more'.** One of the key levers to increase production is by adopting better farm practices including increasing the area under usage of agrochemicals and application of eco-friendly and better quality agrochemicals.

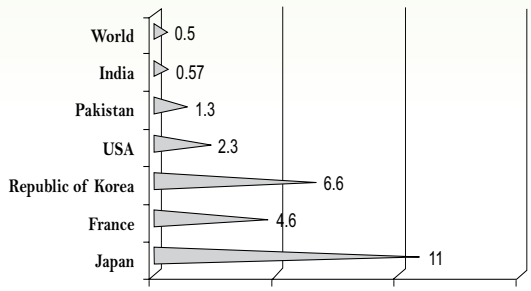
STATUS AND PROSPECTS OF GROWTH OF CROP PROTECTION INDUSTRY

While initiating steps for enhancing production, one important concern is how to prevent the losses caused by insects, pests, diseases and weeds. Based on the MSP in 2009, it has been estimated that the country is losing foodgrains' production worth Rs.2.5 lakh crore per annum (Agarwal, R.G. 2010 - Can we have additional production worth Rs.5 lakh crore per annum? Dhanuka Agritech Limited). At present, the pesticide use is only for a few crops and in a few States only. Thus, there is a vast scope for expansion in area and crops under assured plant protection coverage. While addressing 83rd Foundation Day of the ICAR on 16th July, 2011, the Prime Minister called for ushering in a Second Green Revolution and he specifically focused on two areas, one of which was ***'protection of crops, animal and farm produce from new and emerging diseases and pathogens'*** **(The Hindu, 17th July, 2011).**

Present pesticide consumption scenario in India vis-à-vis other countries:

In developed countries like USA, Europe, Japan, China, etc., where pesticide use is 20 times more than India, their crop yields are much higher compared to ours. The pesticides consumption (kg/ha) in India was among one of the lowest.

Pesticides Consumption (Kg/ha) in India vis-a-vis other Countries



Source: Compiled from different sources, including Reply to unstarred question No. 3732 by the Union Minster in Loksabha on 10th September, 2007 and Report of Joint Parliamentary Committee, 14th February, 2004, Government of India, World Resources Institute-http://www.nationmaster.com/ graph/agr_pes_use-agriculturepesticide-use; Report on Indian Pesticide Industry-www.chinaccm.com/4S/ 4S06/4S0601/ news/20090216/ 102745.asp)

INDUSTRY GROWTH SCENARIO

India is the 4th largest producer of Agrochemicals after USA, Japan and China and the second largest producer of Agrochemicals in Asia and had an estimated domestic market size of Rs.80 billion in India and exports Agrochemicals of nearly Rs.100 billion (Source: http://www.bharatbook.com/market-research-reports/pesticides-market-research-report /indian-pesticides-industry.html). The Industry has witnessed moderate growth of over 10% annually in the last five years due to increasing farm income leading to higher propensity to spend on crop protection products. In particular, herbicides segment is witnessing huge growth as the rising costs of manual labour make it more economically viable to use herbicides for weeding. The Crop Protection Industry being closely linked to agriculture, market dynamics (changes in crop prices, weather conditions, new product development) exerts a direct impact on demand and supply of agrochemicals.

MANAGEMENT OF WATER RESOURCES

Highlighting the importance of water and its judicious use, Dr. Manmohan Singh, Prime Minister of India in his Inaugural Address in the 5th Asian Regional Conference said, 'just as the conflicts of 20th century were over the sharing of petroleum reserves, those of the 21st century will probably be over the sharing of water'. The research studies show that in India the demand for water is outstripping supply, leading to serious water shortages and unsustainable drawal of ground water in many parts of the country. There is urgent need to initiate long term planning to increase the quantity of water that is effectively available. Water usage in agriculture can be cut to half with known technology, e.g. by switching from flood irrigation of paddy to System of Rice Intensification (SRI) Source: http://planning commission. nic.in/ plans/planrel/ 56NDC/ DCH_ speech_ 56 NDC. pdf) and by using drip and sprinkler irrigation system.

The rainfall in our country is highly variable, the extremes varying from less than 100 mm rain annually (in the western – most part) to about 12,000 mm (in the eastern - most part). However, more than 70% of annual rainfall takes place during three months of the monsoon; most of which floods out to sea carrying valuable soil and other nutrients and creating flood hazards downstream. Dhanuka is making efforts to make sure that the farmers are educated about adopting technology to enhance on-farm water use efficiency and ensuring 'Khet ka Pani Khet Mein' and 'Gaon ka Pani Gaon Mein' by community mobilization.

DHANUKA'S OVERALL PERFORMANCE

The Financial Year 2011-12 was quite challenging for all Agri-input Companies due to insufficient and erratic rainfall. Further, there was no severe pest attack on the crops. Inspite of this, your Company achieved a Gross Turnover of Rs.57,616.15 lakhs, an increase of 6.45% over last year's Gross Turnover of Rs.54,122.55 lakhs.

The Net Sales of the Company grew by 7.78% from Rs.49,100.29 lakhs in FY2010-11 to Rs.52,918.77 lakhs in FY 2011-12.

EBITDA grew by 1.86% from Rs.7,857.82 lakhs in FY2010-11 to Rs.8,003.84 lakhs in FY 2011-12. Further, PAT grew by 11.77% from Rs.5,111.21 lakhs in FY2010-11 to Rs.5,713.03 lakhs in FY 2011-12.

During 2011-12: The south-west monsoon rainfall during 2011 was excess/normal in 92% of Total Geographical Area (TGA) and deficient in 8% TGA. The overall monsoon rainfall was 899.9 mm which is 101% of the long period average rainfall. However, there was shortfall of post-monsoon rains by about 48% (Presentation on Rabi review and *Kharif* Prospects by Agriculture Commissioner, Govt. of India http://agricoop.nic.in). Due to the poor post-monsoon rains, Agrochemical Industry faced a poor second half of the financial year leading to a flat growth or moderate decline.

Projection for 2012-13: Based on a new climate model developed under the Government's Monsoon Mission project, the Indian Meteorological Department has predicted average rainfall for the South-West monsoon. The Company is expecting good prospects for the Agrochemical Industry for FY2012-13.

Despite a challenging year in FY2011-12, your Company has managed to overcome hurdles and delivered moderate growth during the year. This was possible due to the Company's continuous endeavour to assess the customers' needs to develop new and innovative products which deliver better value to its customers.

The Company has further strengthened its Balance Sheet and has become nearly debt-free due to its strong performance in the recent years.

REVIEW OF OPERATIONS

Your Company has a strong pan-India distribution network in India and during the year, has made rapid strides to increase it further. The Company is reaching more than 7,000 distributors and over 60,000 retailers and ultimately reaches over 10 million farmers. Your Company's marketing network is one of the best in India and our ability to penetrate even the interiors of villages has given us a distinct edge over competition.

Your Company currently has production facilities at Gurgaon, Sanand and Udhampur with cumulative capacity of over 28,670 tonnes of solids/granules and over 8,500 KL of liquids. The Company is currently planning capacity expansion at Gurgaon and Udhampur units, involving capex outlay to the tune of Rs.700 lakhs. This would help your Company achieve its objective of reaching a target of approximately Rs.1,000 crores of gross revenue in the next three years.

Your Company conducted Zonal Training Programmes for the senior marketing team members to reward them for their excellent performance and dedication and to train and motivate them for enhancing their performance. More than 350 employees had assembled for a four days conference, where they were trained on technical and marketing skills.

Your Company regularly conducts various awareness programmes for the benefit of farming community, viz. providing direct advice and assistance through a trained team of agricultural experts employed by the Company named 'DHANUKA DOCTORS', giving large number of demonstrations on farmers' fields, establishment of soil and water testing laboratories for the benefits of famers, providing seed treatment facilities through seed treatment machines operating in various parts of the country, organising 'Kisan Mela', workshops and farmers' meeting to educate the farmers about the safe and judicious use of pesticides and innovations in the field of Agriculture. Direct interaction with the farmers facilitates the Company in assessing their actual requirements.

Your Company has a full fledged in-house R&D department duly recognized by the Ministry of Science & Technology, Government of India. A team of a large number of eminent scientists has been engaged by your Company to look after various R&D activities for new product registration, quality improvement in existing products, counselling to farming community, training of Dhanuka Doctors, live demonstration for safe and judicious use of pesticides, field trials, conducting seminars and training, coordinating with various research institutions and universities and data analysis. During the FY2011-12, your Company launched 4 new products in the market: "Brigade 8%SC" and "Bombard" are Insecticides, "Vitavax Ultra" is Fungicide and "Wetcit" is an Activator.

The Company has a strong pipeline of six new molecules with two new molecules expected to be introduced every year during 2013, 2014 and 2015. Your Company introduced new Rice herbicide "Fuzi Super" of Japan and new Insecticide "Fluid" in collaboration with Bayer Crop Science to control caterpillars in pulses, vegetables and rice.

RECENT INITIATIVES BY DHANUKA FOR TRANSFER OF AGRICULTURAL TECHNOLOGY IN PPP

Dhanuka Group is closely involved in undertaking transfer of agricultural technology programmes like on-field demonstrations, exhibitions and field days, educational campaigns and group meetings, circulation of product and technology literature; workshops and seminars with participation from the SAUs. Several programmes were undertaken under Public-Private Partnership like interface visits of farmers from cotton growing areas to Gujarat, jointly with the Govt. of Haryana, Agricultural Extension Management in Hoshangabad District, Madhya Pradesh, DAESI Programme for Agri-input Dealers in partnership with MANAGE, Hyderabad, Ministry of Agriculture-100% Seed Treatment Campaign of the Ministry of Agriculture, Govt. of India, KVK, Chomu, Rajasthan for demonstrations and Training, Bihar Litchi Growers Association, etc.

Some of the recent transfers of technology programmes implemented under Public-Private Partnership (PPP) are detailed below:

Mobile Soil, Water Testing And Advisories

Under the Soil Health and Nutrition Project of the Central Government, Dhanuka Agritech Limited operates Mobile Soil Testing Van since 2011 in Alwar District of Rajasthan in PPP with the Government of Rajasthan. The Van is equipped with necessary instrumentation facility for on-the-spot soil and water testing and issue of farm advisories.

One-Day MEET jointly with the SAUs

As a part of the celebrations of 50 Years of Agrochemicals in India, year round activities were planned with the State Agricultural Universities/Research Institutes and State Departments of Agriculture under Public-Private Partnership. Eleven One-Day meets on **'A Golden March towards Food Security & Sustainability'** were organized with the collaboration of SAUs across the country.

National Seminar jointly with ICAR

It was for the first time in the history of your Company that a National Seminar on 'Transfer of Technology of Strategic Pesticides Use to Enhance Agricultural Production & Food Security' was jointly organized as a part of Public-Private Partnership by the ICAR (Division of Agricultural Extension) and Dhanuka Agritech Limited on 1st June, 2011 at New Delhi. Over 400 distinguished participants including DDGs and ADGs, ICAR; VCs (including ex-VCs); Deans and Directors of Research/Extension Education of SAUs, PCs of KVK and Distributors, Representatives from Pesticides Industry & Farmers deliberated actively. The Seminar was inaugurated by Dr. S. Ayyappan, Secretary, DARE, Govt. of India & DG, ICAR and the Chief Guest's Remarks during the Concluding Session were delivered by Dr. V.V. Sadamate, Advisor (Agriculture), Planning Commission, Govt. of India. A joint proceeding has been published and widely circulated.

View of the Inaugural Session conducted on 1st June, 2011

As a result of such national level Public-Private Partnership programmes, and several programmes (being carried out in partnership with the State Agricultural Universities and KVK in the country) a significant increase in the sale of Dhanuka products is also expected. Today, besides enhancement in the corporate image of your Company, Dhanuka Group has created a niche for itself as could be gauged from the recently organized XI R&D training for Kharif 2012 at the Agricultural Research Station, Durgapura of the Swami Keshwanand Rajasthan Agricultural University (SKRAU), Bikaner from 5th-7th April 2012 which was inaugurated by Dr A. K. Dahama, Vice Chancellor of SKRAU and the Concluding Session was addressed by Dr O. P. Gill, Vice Chancellor of Maharana Pratap University of Agriculture & Technology, Udaipur (Rajasthan).

MoU with Anand Agricultural University

Recently an MoU has been signed with the Anand Agricultural University (AAU) for launching Diploma in Agricultural Extension Services for Agri-Input Dealers on the pattern of MANAGE, Hyderabad. Your Company has sponsored one batch of Agri-Input Dealers from Anand and nearby Districts and the launch-programme was inaugurated by Vice Chancellor, AAU, Anand on 17th April, 2012.

Interactive Visit of Team of Scientists to Andhra Pradesh Krishna Delta Zone

An Interactive visit to farmer's fields on 21-22 December, 2011 was organized with a team of 17 Scientists from six Institutes and four Krishi Vigyan Kendras of Tamil Nadu Agricultural University to Research Farms of Andhra Pradesh Agricultural University's Agricultural Research Stations and to farmer's fields for interaction.

Dr. Ramana, Agricultural Regional Station (Pulses) explaining the field trials.

Demonstration of Targa Super on Blackgram

Public-Private Participation for skill up-gradation of Agri-input retailers

Thirteen one-day intensive training programmes were organized at different places in Tamil Nadu and Kerala during August-October, 2011 in partnership with the Tamil Nadu Agricultural University, Kerala Agricultural University, State Department of Agriculture, Tamil Nadu and Krishi Vigyan Kendras.

Segment-Wise Performance

Your Company, being a pesticide formulating Company, derives a major chunk of its income from the sale of pesticides only. The sale of Seeds and electricity forms less than 1% of the total income earned by your Company, as these businesses are still in the process of getting streamlined, being new.

The following table shows the Segment-wise Gross Revenue received by the Company:

Segment	Amount (Rs. in lakhs)	% Share
Pesticides	57,199.68	99.27
Seeds	291.68	0.51
Wind Mill	124.79	0.22
Total	**57,616.15**	**100.00**

Key Opportunities, Challenges and Threats

The future of the Agrochemical Industry lies with Companies that can provide solutions for the entire gamut of the food supply chain management by integrating crop production with protection. Understanding the end-user needs and working more strongly on the backward and forward integration is the need of the hour. Further, controlling major inputs, setting up efficient distribution services and adopting international practices relating to crop management will enable Indian Companies to carve a niche for themselves. As per the results of an All India level independent study (2005) carried out by the National Sample Survey Organization (NSSO) of the Government of India, only 24% of the farmers get information on crop protection at the all India level. Thus, there is need for facilitating easy availability of improved technology from multiple sources at the door step of the farmers.

Since the present day agriculture is highly knowledge driven, there is a need for continuous technology backstopping along with availability of quality inputs. As the State Extension Services are not in a position to meet the farmers' demands, the Ministry of Agriculture has been advocating multi-agency dispensation of agricultural extension services, working in a participatory mode; Public- Private and Private-Private, has thus become a buzz word to accelerate transfer of technology and in turn, high adoption of improved technology, for enhanced income per unit of area.

RISKS AND CONCERNS

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

Changes in regulations for the Agrochemical Industry, adverse crop conditions due to unpredictable weather, slow innovation in the domestic Pesticide Industry, threat from biotech seeds, and subsistence level of farming are some of the risks faced by the Agro-chemical Industry in India.

Further, Agrochemical Companies have to comply with stricter pollution laws to run the plant. Such Companies has to ensure minimum generation of wastes and by-products and their disposal with due concern to safeguard the environment.

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

INTERNAL CONTROL SYSTEM

Your Company has an adequate Internal Audit Control System commensurate with the size and nature of its business. The Management continuously reviews the Internal Control System and procedures to ensure orderly and efficient conduct of business, to safeguard properties of the Company and compliance with policies and statutes.

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

HUMAN RESOURCES

Considerable significance is attached to Human Resources and it is well appreciated that they are the driving force behind the Company's growth. They are one of the important stake-holders in the Company and are given due recognition. The Company had 992 employees on its rolls, as on 31st March, 2012.

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

All the employees of your Company are covered under various schemes including the Group Insurance Scheme, the premium of which is borne by the Company, to help the family in case of some mis-happening to the employee. The Company also has various incentive schemes for its marketing staff. Chairman's Trophy is awarded to the best performing branch and employee by the Group Chairman every year. Besides, a Star Performer Award is given every month in every branch to the staff member who achieves highest sales volume with highest collection during the month. In addition, Dhanuka organizes employees' get-togethers on auspicious occasions. This creates congenial environment in the organization and strengthens the bond between the management and employees of Dhanuka. We take great pride in our culture. We embrace collaboration and creativity and encourage new ideas/thoughts from employees to address complex challenges. We maintain transparency and open dialog in all our functioning.

SUMMING-UP

The outlook for the Pesticides Industry is very positive as the country is now focusing not only on achieving higher foodgrain production but also on preventing the colossal losses caused by insects, pests and diseases. The 100% seed treatment campaign launched by the Govt. of India focused on ensuring that every seed is treated, has generated a huge demand for agrochemicals. As the labour availability for manual weeding operations is getting scarce, there is a vast scope for introduction of crop specific herbicides.

Climate change is likely to bring about changes in pest's species, distribution and life histories and preponderance of evidence indicates that there will be an overall increase in the number of out-breaks of wider variety of insects and pathogens. Therefore, based on continuous R&D support, there will be vast scope for introduction of new eco-friendly molecules in the coming years. The government is also coming up with pro-active policies for speedy introduction of newer eco-friendly molecules. Dhanuka Group is in communication with the policy makers for creating an enabling climate, wherein opportunities to introduce innovation and technological improvements for working together are brought in so that the income of the farming community increases and there is a long term food security and sustainability.

CAUTIONARY STATEMENT

The projections made in this report may be forward-looking statements within the meaning of applicable laws and regulations. Actual results may differ from those expressed in this report due to the influence of external and internal factors that are beyond the control of the Company such as demand, supply, climatic conditions, economic conditions, political scenario, Government regulations and policies, taxation, natural calamities and other conditions. All these conditions cumulatively make a significant impact on the Company's performance. Owing to this, certain statements made in this Report pertaining to the projections, outlook, expectations, estimates etc. may differ from actuals.

REPORT ON CORPORATE GOVERNANCE

(As per Clause 49 entered into with Stock Exchanges)

We believe that good Corporate Governance practices are essential for a sustainable business model for generating long term value for all its stakeholders. The term "Corporate Governance" is characterized by a firm's commitment and adoption of ethical practices by an organization in all its dealing with a wide group of stakeholders and investors. Good Governance practices stem from the culture and mindset of the organization. Corporate Governance at Dhanuka Agritech Limited (DAL) is a value-based framework to manage the Company's affairs in a fair, ethical and in the most transparent manner.

As a responsible corporation, we use this framework to maintain accountability in all our affairs and employ democratic and open processes. We have evolved code of conduct and best practices over the years to ensure timely and accurate disclosure of information regarding financials, performance, leadership and Governance of the Company. Your Company focuses on good Corporate Governance practices and its philosophy is to constantly improve and create sustainable value through ethical, moral and lawful business conduct.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company is fully committed to practise sound Corporate Governance and uphold the highest business standards in conducting business. Being a value-driven organisation, the Company has always endeavoured towards building trust with shareholders, employees, customers, suppliers and other stakeholders with integrity, equity, transparency, fairness, disclosure, accountability and commitment. The Company fosters a culture in which high standards of ethical behaviour, individual accountability and transparent disclosure are ingrained in all its business dealings and shared by its Board of Directors, Management and Employees. The Company has established systems and procedures to keep its Board of Directors well-informed and well-equipped to fulfil its overall responsibilities to create long-term shareholder value.

Your Company is in compliance with the requirements of the revised guidelines on Corporate Governance stipulated under Clause 49 of the Listing Agreements with the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

2. THE BOARD OF DIRECTORS

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

STRUCTURE AND LEADERSHIP

In order to keep the Management commitment towards the Principles of Integrity and Transparency in business operations and as per good Corporate Governance practices, your Company's Policy is to have an appropriate blend of Executive, Non-Executive and Independent Directors on the Board. Accordingly, the Board comprises eminent personalities having versatile knowledge and experience in diverse fields, including Finance, Marketing, Technical, Management and Administration. The strength of the Board, at the end of the Financial Year, was twelve, represented by five Executive and seven Non-Executive Directors as on 31st March, 2012. 50% of the Board comprises Independent Directors, i.e. there are 6 Independent Directors on Board. The size and composition of the Board conform to the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges. Every year, the Independent Directors of the Company place a Certificate of their independence before the Board as per Clause 49 of the Listing Agreement.

Composition and Category of Directors as on 31st March, 2012, their attendance at the Board Meetings held during the FY 2011-12 and at the last Annual General Meeting are given as under:

S. No.	Name of the Director	Category	No. of Board Meetings attended	Attendance at last AGM
1.	Shri Ram Gopal Agarwal (Chairman)	Executive (Promoter) / Non- Independent	4	Present
2.	Shri Mahendra Kumar Dhanuka (Managing Director)	Executive (Promoter) / Non- Independent	4	Present
3.	Shri Arun Kumar Dhanuka	Executive (Promoter) / Non- Independent	3	Present
4.	Shri Rahul Dhanuka	Executive (Promoter) / Non- Independent	4	Absent
5.	Shri Mridul Dhanuka	Executive (Promoter) / Non-Independent	4	Present
6.	Shri Priya Brat	Non- Executive / Independent	4	Present
7.	Shri Vinod Jain	Non- Executive / Independent	3	Absent
8.	Shri Shrikrishna Khetan	Non- Executive / Independent	3	Present
9.	Shri Indresh Narain	Non- Executive / Independent	3	Present
10.	Shri Subhash Lakhotia	Non- Executive / Independent	1	Absent
11.	Shri Sachin Bhartiya	Non- Executive / Non- Independent	4	Present
12.	Shri Subash Chander Gupta*	Non-Executive / Independent	2	Present

*Shri Subash Chander Gupta was appointed by the Board as Additional Director on 22.06.2011 and confirmed as Director by the members in the Annual General Meeting held on 29.07.2011.

BOARD PROCEDURE AND FUNCTIONING

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

All Board/Committee Members are given notice of the meetings in advance. The meetings are governed by structured Agenda. The Agenda along with the explanatory notes is circulated well in advance. The Board/Committee Members have unqualified access to Company information. The information generally provided to the Directors includes:

- Quarterly, Half Yearly and Annual Financial Results and Analysis of Financial Data;
- Minutes of the Annual General Meetings / Extraordinary General Meetings / Board Meetings / Meetings of Audit and other Committees of the Board;
- Statutory Compliance Report of the laws applicable to the Company, as well as steps taken by the Company to rectify instances of non-compliances, if any;
- Minutes of the Board Meetings, Annual General Meetings of Subsidiary Company and significant transactions, if any;
- Notice of Interest of Directors and Related Party Transactions;
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
- Any material default in the Financial obligations to or by the Company or substantial non-payment for goods sold to or by the Company;
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
- Any significant development in Human Resources / Industrial Relations front;
- Sale / purchase of material nature of investments, assets, etc. which is not in normal course of business;
- Risk Identification and Mitigation measures including Foreign Exchange exposure;
- Non-compliance of any regulatory, statutory, listing requirements or shareholder service such as non-payment of Dividend, delay in share transfer etc;

Independent Directors are regularly updated on performance of each product segment of the Company, business strategy and new initiatives being taken/ proposed to be taken by the Company. We created more opportunities for the Board to discuss strategic issues, both formally and informally. The Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company. The Code of Conduct is available on the website of the Company.

DIRECTORS' RESPONSIBILITIES

a) The principal responsibilty of the Board Members is to oversee the Management of the Company and in doing so, serve the best interest of the Company and its Stakeholders. This responsibilty shall include:

- reviewing and approving fundamental Operating, Financial and other Corporate plans, strategies and objectives;
- evaluate whether the Corporate resources are being used for appropriate business purposes;
- establishing a Corporate environment that promotes timely and effective action (including robust and appropriate controls and processes), fiscal responsibilty, high ethical standards and compliance with all applicable laws and regulations;
- evaluating the performance of the Company periodically;
- to attend the Board, Committee and Shareholders Meetings.

b) **Exercise business judgement:** In discharging their fiduciary duties of care and loyalty, the Directors are expected to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its Stakeholders and to exercise prudence at all times.

c) **Understand the Company and its business:** The Directors also have an obligation to remain informed about the Company and its business, including the principal operational and financial objectives, strategies and plans of the Company, relative standing of the Company vis-a-vis its competitors, factors that determine the Company's success, Results of operations and Financial conditon of the Company.

d) **To establish effective systems:** The Directors are responsible for determining that effective systems are in place for periodic and timely reporting to the Board on important matters concerning the Company including the following:

- Current business and financial performance, degree of achievement of approved objectives and the need to address forward-planning issues.
- Compliance programs to assure the Company's compliance with laws and Corporate polices.
- Material litigation and regulatory matters.

DIRECTORSHIPS

In compliance with Clause 49 of the Listing Agreement with the Stock Exchanges, none of the Directors on our Board hold Directorships of more than 15 Public Limited Companies (including Dhanuka Agritech Limited) or is a member of more than 10 Board Committees (Committees being Audit Committee and Shareholders'/ Investors' Grievance Redressal Committee) or Chairman of more than 5 Board Committees as on 31st March, 2012, as can be seen from the following table:

S.No.	Name of the Director	Directorship in Public Limited Companies	Membership (including Chairmanship) in Audit Committee and Shareholders'/ Investors' Grievance Redressal Committee	Committee Chairmanship of Audit Committee and Shareholders'/ Investors' Grievance Redressal Committee
1	Shri R. G. Agarwal	1	0	0
2	Shri M.K. Dhanuka	2	1	0
3	Shri Arun Kumar Dhanuka	2	0	0
4	Shri Rahul Dhanuka	2	0	0
5	Shri Mridul Dhanuka	2	0	0
6	Shri Priya Brat	4	6	2
7	Shri Vinod Jain	1	1	0
8	Shri Shrikrishna Khetan	2	1	0
9	Shri Indresh Narain	4	5	3
10	Shri Subhash Lakhotia	2	1	0
11	Shri Sachin Bhartiya	2	1	0
12	Shri Subash Chander Gupta	1	0	0

All the Directors inform the Company about any changes in their Directorship or Committee membership.

BOARD MEETINGS HELD DURING FY 2011-12

During the year, 4 Board Meetings were held and the time gap between any of the two Meetings was not more than four months. The Board Meetings were held on 23rd May, 2011, 29th July, 2011, 7th November, 2011 and 8th February, 2012.

RE-APPOINTMENT OF DIRECTORS RETIRING BY ROTATION:

The following are the Directors who are retiring by rotation and are eligible for re-appointment at the forthcoming AGM. Their brief resume, nature of their expertise in specific functional areas, their Directorships and their Membership of the Board Committees are furnished hereunder:

1) Shri R. G. Agarwal, Chairman-

Shri R. G. Agarwal, aged 63 years, is a Commerce Graduate from SRCC, Delhi University in 1968. He has a total experience of 42 years in the field of agrochemicals. He always had a notion to run an agri-inputs business to contribute to Indian Agriculture. He took over the business of a sick unit Northern Minerals Limited (NML), a pesticides formulation Company. At that time, the Company was on the verge of closure as it suffered continued losses. Shri R. G. Agarwal took this as an opportunity and acquired NML. After he acquired NML in 1980, he successfully turned it around into a profit making unit.

As time passed, the business grew at a rapid pace and the Company started making multifold profits following a saga of expansions and successes. The Company faced many crucial challenges, but Shri R.G. Agarwal's true dedication and excellent decision-making at various crucial points built a strong foundation for the business.

Shri R. G. Agarwal is also a philanthropist. He established Shri Chiranji Lal Dhanuka Charitable Trust to promote religious tourism and to provide hygienic and comfortable lodging and food for the pilgrims.

He started Durga Prasad Dhanuka Adarsh Vidhya Mandir, a school in Rattangarh, which is one of the most acclaimed schools in the vicinity, wherein around 1200 students are educated at very nominal fee. Another example is Dhanuka Ashram at Vrindavan, which is well known for serving needy people and provides accommodation at very reasonable prices.

He also holds Directorship in M/s HD Realtors Pvt. Limited. He is also a member of Banking & Finance Committee of Dhanuka Agritech Limited.

Shri R.G. Agarwal is a man of vision, business acumen, leadership, passion and is dedicated to serve the cause of farming community in India. Under his dynamic stewardship, Dhanuka Group has attained a distinguished place as a leading Agritech Business House.

2) Shri Mahendra Kumar Dhanuka, Managing Director-

Shri M.K. Dhanuka is an eminent personality in the field of agrochemicals. He is 58 years of age and holds Bachelor's Degree in Commerce from SRCC, Delhi University. He is the Managing Director of the Company and has a vast and rich experience of 36 years in the pesticides industry. He mainly looks after Finance matters, purchases of Technicals and overall supervision of the Company. In addition to his general corporate experience, his insight and judgement have provided operational excellence to the Company and the capability to drive innovation. He has deep commitment towards achievement of organizational goal. His foresightedness and business acumen facilitated the Company in constantly achieving its goals.

He follows an 'open-door' policy. Employees are free to discuss their problems with him. Consequently, employee turnover ratio in Dhanuka is very low with majority of employees working since 10-30 years. Under the guidance of Shri M.K. Dhanuka, DAL has become a name to reckon with in the Agrochemical Industry.

He is also Director on the Boards of (1) Dhanuka Laboratories Limited (2) Golden Overseas Private Limited (3) Dhanuka Infotech Private Limited (4) Madhuri Designs-N-Exports Private Limited (5) M.D. Buildtech Private Limited. He holds membership in the Shareholders'/Investors' Grievance Redressal Committee and Banking & Finance Committee of Dhanuka Agritech Limited.

Shri M.K. Dhanuka has a vision to make Dhanuka, one of the largest and most consistent profit making Company of India in the area of agrochemical formulation with largest distribution network by providing best quality products and services of international standard to the farming community, which will lead to strengthening of food sustainability and security of the Country.

3) Shri Subhash Lakhotia, Non-Executive, Independent Director-

Shri Subhash Lakhotia, 62 years of age, is an Income-tax Practitioner for the last 42 years and gives consultancy on tax planning, tax documentation and investment planning. He regularly writes in various national dailies including the Hindustan Times. He has also addressed a number of seminars

and lecture meetings on taxation and tax planning and conducts a popular course known as 'Zero to Hero in Income Tax' and hosts the show "Tax Guru" on CNBC Awaaz. He is the Director of Lakhotia College of Taxation & Management, Minda Industries Ltd. and R.N. Lakhotia & Associates. He is a member of Shareholders'/ Investors' Grievance Redressal Committee and Remuneration Committee.

He was selected as the best youth of India by the Lions International to represent India at the World Youth Congress held at Atlantic City, USA in 1970. He is the Secretary General of Investors Club and President of Spiritual Club International and Unite to Invest (UTI). He is Chief Strategist of Real Estate Strategy Group and is actively associated with various professional bodies connected with real estate. He has written books on Income-tax, Investment and Real Estate.

4) Shri Priya Brat, Non-Executive, Independent Director-

Shri Priya Brat, 76 years of age, is M.Sc (Hons) in Physics, a Fellow Member of Indian Institute of Bankers and has done diploma courses from various foreign institutes. He had a distinguished career as former Chief General Manager of State Bank of India, Bhopal and headed SBI's significant international operations abroad. He has served as Chief General Manager at the Discount & Finance House of India, a Subsidiary of RBI. He was a Director on the Boards of State Bank of Patiala, State Bank of Bikaner & Jaipur, State Bank of Hyderabad, State Bank of Indore, State Bank of Mysore, State Bank of Travancore and State Bank of Saurashtra, MP State Development Corporation, MP State Electronic Development Corporation and OPTEL in Madhya Pradesh. He also served as President (Finance) at Indo Rama Synthetics (India) Ltd., the second largest polyester manufacturer in India.

Shri Priya Brat presently holds Directorships in Eicher Motors Ltd., Dhampur Sugar Mills Ltd. and South Asian Enterprises Limited. He holds Chairmanship in the Audit & Remuneration Committee of DAL and Shareholders Grievance Redressal Committee of Eicher Motors Limited. Further, he holds membership in Audit & Shareholders' Grievance Committee of Dhampur Sugar Limited; Audit & Compensation Committees of Eicher Motors Limited; and Audit Committee of South Asian Enterprises Limited.

3. BOARD COMMITTEES

The Board Committees play a crucial role in the Governance structure of the Company and have been assigned specific areas / activities which need closer review. They are set up under the formal approval of the Board, to carry out their clearly defined roles. The Board delegates them the necessary powers and supervises their working. Currently, the Board has Audit Committee, Remuneration Committee, Shareholders'/ Investors' Grievance Redressal Committee and Banking and Finance Committee.

A. AUDIT COMMITTEE

Keeping in view the requirements of Section 292A of the Companies Act, 1956 as well as Clause 49 of the Listing Agreement, the Board decides the membership and terms of reference of various Committees. Their recommendations are submitted to the Board for approval. The Board has an Audit Committee with four Directors. All the Members of the Audit Committee are financially literate and Shri Priya Brat, Chairman of the Committee, has expertise in finance. The details of composition of the Audit Committee and meetings attended by the Directors are given below:

S. No.	Name of the Directors	Category	No. of Meetings Attended during FY 2011-12
1	Shri Priya Brat Chairman	Independent Non-Executive	4
2	Shri Vinod Jain	Independent Non-Executive	3
3	Shri Shrikrishna Khetan	Independent Non-Executive	3
4	Shri Sachin Bhartiya*	Non-Independent Non-Executive	2

*Shri Sachin Bhartiya was appointed as Member of Audit Committee w.e.f. 29.07.2011 by the Board of Directors of the Company.

During the Financial Year 2011-12, four Audit Committee Meetings were held on 23rd May, 2011, 29th July, 2011, 7th November, 2011 and 8th February, 2012 and gap between two meetings did not exceed four months.

The Chairman of the Audit Committee, Shri Priya Brat was present at the last Annual General Meeting of the Company. The Statutory Auditors, Internal Auditors, Chief Financial Officer are invited to attend the Audit Committee Meetings and the Company Secretary acts as the Secretary of the Committee.

B. REMUNERATION COMMITTEE:

The Remuneration of the Directors and their relatives, if any, is recommended by the Remuneration Committee which consists of Independent Directors in terms of Schedule XIII of the Companies Act, 1956 & Clause 49 of the Listing Agreement with the Stock Exchanges. Further, the recommendation of Remuneration Committee is put forth before the Board for their approval, subject to the consent of the shareholders.

Details of Composition, category and number of meetings attended by the Directors are as follows:

S. No.	Name of the Directors	Category	No. of Meetings attended during FY 2011-12
1.	Shri Priya Brat, Chairman	Independent Non Executive	2
2.	Shri Shrikrishna Khetan	Independent Non Executive	2
3.	Shri Subhash Lakhotia	Independent Non Executive	1
4.	Shri Sachin Bhartiya*	Non-Independent Non Executive	1

*Shri Sachin Bhartiya was appointed as the Member of Remuneration Committee w.e.f. 29th July, 2011 by the Board of Directors of the Company.

During the financial year 2011-12, Remuneration Committee Meetings were held on 23rd May, 2011 and 8th February, 2012.

Details of remuneration to the Directors: The Remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodic basis. The Remuneration policy is in consonance with the existing industry practice. The Executive Directors are appointed for a period of five years on the terms and conditions contained in the respective agreements approved by the shareholders in the General Meeting. The Executive Directors are not paid any sitting fees for any Board/Committee Meetings attended by them.

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

(Rs. in Lakhs)

S.No	Name of Director	Salary & Allowances	Perks	P.F.	Superannuation	Commission	Total
1	Shri R.G.Agarwal Chairman	45.00	0.40	4.92	0.00	111.95	162.27
2	Shri M.K.Dhanuka Managing Director	39.50	0.40	4.32	1.20	111.95	157.37
3	Shri A.K.Dhanuka Director (Works)	28.00	0.32	3.12	1.12	111.94	144.50
4	Shri Rahul Dhanuka Director (Marketing)	28.00	0.40	3.12	1.13	111.94	144.59
5	Shri Mridul Dhanuka* Director (Technical)	22.39	0.32	2.57	0.98	74.63	100.89
	Total	**162.89**	**1.84**	**18.05**	**4.43**	**522.41**	**709.62**

* Appointed as an Additional Director on the Board in their meeting held on 23.05.2011 and confirmed by the shareholders in their meeting held on 29.07.2011.

Non-Executive Directors:

The Company pays only sitting fees to Non- Executive Directors for attending Board/ Committee Meetings. The sitting fees paid to the Non-Executive Directors was Rs.7,500/ per meeting. None of the Non-Executive Directors hold any Equity Shares of the Company.

C. SHAREHOLDERS'/INVESTORS' GRIEVANCE REDRESSAL COMMITTEE:

Composition, category and number of meetings attended by the Directors are as follows:

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

Four Meetings of aforesaid Committee during the FY 2011-12 were held on 23rd May, 2011, 29th July, 2011, 7th November, 2011 and 8th February, 2012.

Terms of Reference: The Shareholders'/Investors' Grievance Redressal Committee oversees and reviews all matters connected with transfer/ transmission of securities, redressal of shareholders'/investors' complaints related to transfer of shares, non-receipt of Annual Reports/ dividend, change in address, issuance of Duplicate Share Certificates and recommends measures for overall improvement in the quality of investor services.

Name and designation of Compliance Officer: Ms. Shubha Singh, Company Secretary

Number of Shareholders complaints received so far: During the Financial Year 2011-12, the Company has received 68 correspondences from its shareholders and resolved all of them. All the complaints are resolved within 30 days of receipt and there was no complaint pending till 31st March, 2012.

D. BANKING AND FINANCE COMMITTEE:

Composition, category and number of meetings attended by the Directors are as follows:

S. No.	Name of the Director	Category	No. of meetings attended during the year
1	Shri M.K. Dhanuka, Chairman of Committee	Managing Director	7
2	Shri R.G. Agarwal, Member	Chairman of the Board Executive Director	4
3	Shri Arun Kumar Dhanuka, Member	Non-Independent Executive Director	4
4	Shri Rahul Dhanuka, Member	Non-Independent Executive Director	6

The Meetings of aforesaid Committee during the FY 2011-12 were held on 15th April, 2011, 15th June, 2011, 27th July, 2011, 2nd September, 2011, 5th October, 2011, 20th February, 2012 and 20th March, 2012.

Terms of Reference:

The Banking and Finance Committee reviews the Company's financial policies and strategies, risk assessment and mitigation procedures and capital structure. It also takes care of the working capital and cash flow management, Bank facilities and credit management - fund based and non-fund based.

4. GENERAL BODY MEETINGS

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

AGM No.	Financial Year	Date	Venue	Special Resolutions
26th	2010-11	29th July, 2011 at 11.00 A.M.	Shri Purushottam Hindi Bhawan, 11, Vishnu Digambar Marg (Rouse Avenue), New Delhi- 110002	No special resolutions were passed.
EGM	2010-11	30th August, 2010 at 10.30 A.M.	Shri Purushottam Hindi Bhawan, 11, Vishnu Digambar Marg (Rouse Avenue), New Delhi- 110002	Approval in accordance with Section 81(1A) of the Companies Act, 1956 read with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the Regulations") for issuance and allotment of 41,25,000 Equity Shares of Rs. 2/- each on preferential basis, constituting post issue 8.25% of the total issued and paid-up share capital of the Company.
25th	2009-2010	4th August, 2010 at 10.30 A.M.	Shri Purushottam Hindi Bhawan, 11, Vishnu Digambar Marg (Rouse Avenue), New Delhi- 110002	No special resolutions were passed.
24th	2008-09	22nd September, 2009 at 10.30 A.M.	Shri Purushottam Hindi Bhawan, 11, Vishnu Digambar Marg (Rouse Avenue), New Delhi- 110002	1. To increase the remuneration of Shri Mridul Dhanuka, DGM (Technical) holding office of place of profit. 2. To increase the remuneration of Shri Harsh Dhanuka, SGM (Seeds) holding office of place of profit.

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

SPECIAL RESOLUTIONS:

1. To issue, offer and allot further Equity Share Capital upto the value of Rs.100 crores (Rupees One Hundred crores) (with/without premium as may be decided by the Board of Directors) through Follow-on Public offer, to any person, whether a member of Company or not in accordance with the provisions of Section 81(1A) of the Companies Act, 1956;
2. To Sub divide the Equity Shares of nominal value of Rs.10/- each of the Company into 5 (Five) Equity Shares of nominal value of Rs.2/- each commonly known as "Stock Split" and make further consequential alterations in the existing Clause V being Capital Clause of the Memorandum of Association and Article 3 of the Articles of Association of the Company.

ORDINARY RESOLUTIONS:

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

5. ROLE OF THE COMPANY SECRETARY

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and Senior Management for effective decision-making at the meetings. There is complete transparency in the working of the Secretarial department and all the Directors have access to the advice and services of the Company Secretary. The Secretarial Standards issued by the ICSI are followed on all important aspects of the Secretarial work. The provisions of the Companies Act, 1956, the Listing Agreement, various SEBI guidelines including Substantial Acquisition of Shares and Takeovers Regulations, 2011 and Prohibition of Insider Trading Regulations, 1992 and all other applicable Laws and Regulations in this regard are completely adhered to.

6. DISCLOSURES

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

The disclosures with regard to transactions with related parties are given in the Notes to Accounts of the Audited Financial statements for the Financial Year ended 31st March, 2012. These transactions are not in conflict with the Company's interest.

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

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

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

c) Disclosure of Accounting Treatment:

In the preparation of Financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India. The significant Accounting Policies, which are consistently applied, have been set out in the Notes to Accounts of the Audited Financial Statements for the Financial Year ended 31st March, 2012.

d) CEO/ CFO Certification:

The Certificate as stipulated in clause 49(V) of the Listing Agreement was placed before the Board along with the Financial statements for the Financial Year ended 31st March, 2012 and the Board reviewed the same. The said Certificate is provided elsewhere in the Annual Report.

e) Details of compliance with mandatory requirements of this clause:

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

7. MEANS OF COMMUNICATION

a) The Quarterly Results of the Company are approved and taken on record by the Board of Directors of the Company within 45 days (for I, II, III quarter)/60 days (for IV quarter) from the end of quarter. The Approved Results are also published within 48 hours in one English language and one Hindi language newspaper having wide circulation.

b) The Company publishes the Audited Annual Results within the stipulated period of 60 days from the close of the Financial Year as per the requirement of Listing Agreement.

c) **Website:** The Company's website www.dhanuka.com provides comprehensive information on Company's profile, its business lines, Management, Corporate Governance, news releases. An exclusive section dedicated to Investors consolidates information on the Quarterly, Half Yearly, Annual Financial statements, Annual Returns and Shareholding patterns in downloadable format, as a measure of added convenience to the investors.

d) **Annual Report:** Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditor's Report and other important information is circulated to members and others entitled thereto. In accordance with the Green initiatives of the MCA, the Annual Report is e-mailed to those shareholders whose e-mail ids are registered with the Depository Participants. Hard copies are sent to the rest of the shareholders. The Annual Report of the Company is also available on the Company's website in a user- friendly and downloadable form.

e) The Quarterly Unaudited Results as well as Annual Audited Financial Results are also communicated to BSE and NSE where the Company's Shares are listed.

f) **Management Discussion and Analysis (MDA) Report:** The report on MDA forms part of the Annual Report.

g) **Intimation to the Stock Exchanges:** The Company intimates the Stock Exchanges all price sensitive information or such other matters which are of relevance to the shareholders.

h) **Code for Prevention of Insider Trading:** The Company has comprehensive guidelines on prevention of insider trading in line with the SEBI (Prohibition of Insider Trading) Regulations, 1992. Pursuant to SEBI Circular dated 16.08.2011, DAL has amended its Code of Conduct vide Resolution passed in the Board of Directors Meeting dated 7th November, 2011. The Code for prevention of Insider trading, inter-alia, now prohibits purchase/sale of shares of the Company by Promoters/Directors/Employees while in possession of unpublished price sensitive information in relation to the Company. The Company within two working days of receipt of the information under the Initial and Continual disclosures from Promoters/Directors/ Employees shall disclose the same to BSE and NSE, where the shares of the Company are listed.

8. GENERAL SHAREHOLDER INFORMATION

a) **27th Annual General Meeting**

Date : 13th August, 2012
Time : 11 A.M.
Venue : Shri Purushottam Hindi Bhawan,
11, Vishnu Digambar Marg
(Rouse Avenue), New Delhi- 110002

b) **Date of Book Closure** : 8th August, 2012 to 13th August, 2012 (both days inclusive)

c) **Dividend Payment Date** : Within 30 days from the date of AGM to be held on 13th August, 2012

d) **Listing on Stock Exchange**:

Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001 Scrip Code: 507717	**National Stock Exchange Limited** Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 Symbol: Dhanuka

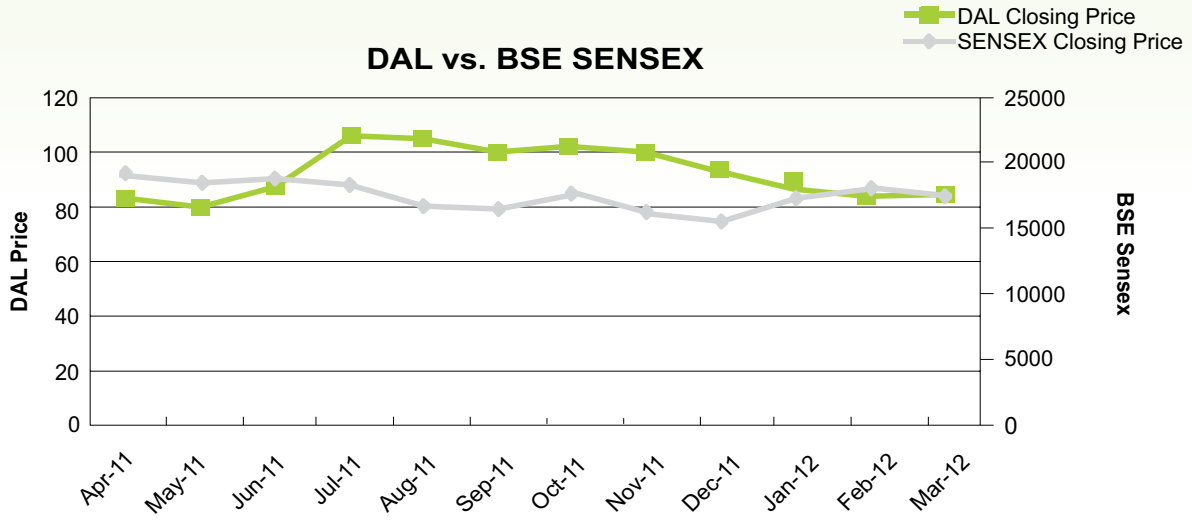
The listing fees for the Financial Year 2012-13 has been paid to the above Stock Exchanges.

e) **Market Price Data**:

(1) High, low, Close, Number and Value of shares traded **at BSE** during each month in the last Financial Year is given hereunder:

Month	High Price (Rs.)	Low Price (Rs.)	Close Price (Rs.)	Total Traded Quantity (No.)	Total Turnover (Rs. in Lakhs)
Apr-11	86.00	74.50	82.50	14,58,161	1,207.61
May-11	86.50	78.05	80.60	12,90,968	1,046.34
Jun-11	95.95	78.90	88.05	18,11,445	1,545.91
Jul-11	114.90	87.75	105.40	21,73,228	2,195.26
Aug-11	113.00	93.10	103.75	13,04,375	1,359.94
Sep-11	105.05	97.50	100.25	10,10,560	1,028.32
Oct-11	104.00	98.25	101.00	4,29,404	433.31
Nov-11	114.80	95.10	99.45	5,12,142	535.75
Dec-11	104.80	90.10	92.25	1,93,221	184.03
Jan-12	93.50	82.25	88.00	2,68,258	236.06
Feb-12	91.00	82.35	83.70	2,16,067	184.55
Mar-12	88.00	80.10	83.95	1,00,479	83.15

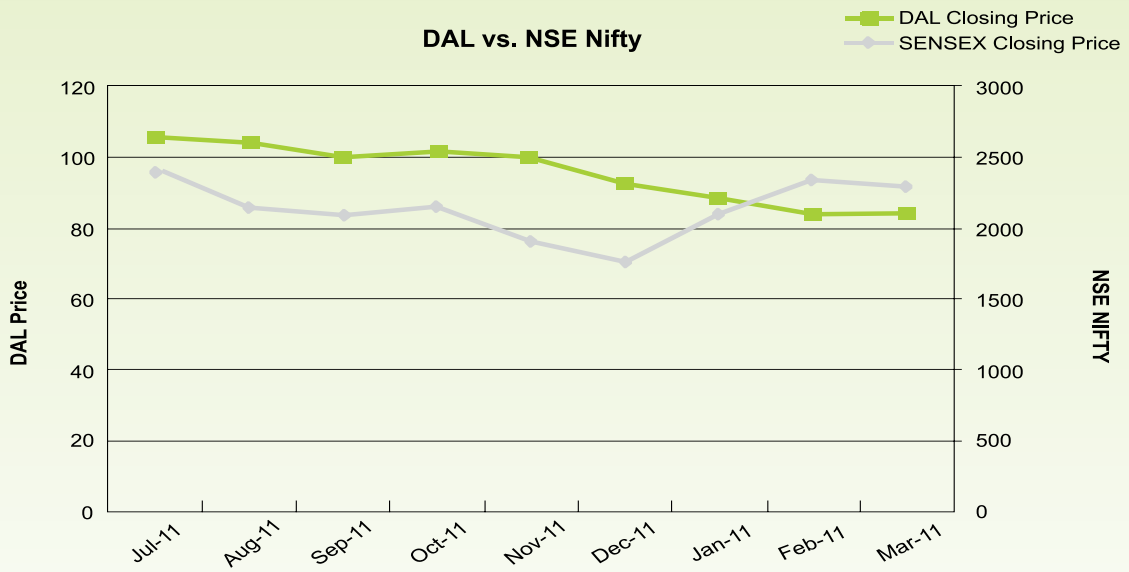
CLOSING PRICES- DAL Vs BSE SENSEX:



(2) High, low, Close, Number and Value of shares traded **at NSE** during each month from 1st July, 2011 onwards, as the Company's shares were listed w.e.f. 29.06.2011 in the last Financial Year, is given hereunder:

Month	High Price (Rs.)	Low Price (Rs.)	Close Price (Rs.)	Total Traded Quantity (No.)	Total Turnover (Rs. in Lakhs)
Jul-11	114.45	83.00	105.85	22,22,849	2,263.41
Aug-11	113.80	92.20	104.40	14,98,823	1,567.4
Sep-11	106.00	91.00	100.40	8,75,197	889.31
Oct-11	108.85	97.00	101.15	2,57,552	261.19
Nov-11	115.00	96.00	99.35	7,32,433	778.01
Dec-11	104.00	88.35	92.55	2,70,799	257.85
Jan-12	93.50	80.00	87.95	5,49,282	484.17
Feb-12	90.80	82.00	83.65	3,48,769	298.84
Mar-12	86.60	80.00	83.05	2,23,414	184.63

CLOSING PRICES- DAL Vs NSE NIFTY:



f) **Financial Calendar (tentative and subject to change)**

Financial reporting for the first quarter ending 30th June, 2012	13th August, 2012
Financial reporting for the second quarter ending 30th September, 2012	14th November, 2012
Financial reporting for the third quarter ending 31st December, 2012	14th February, 2013
Financial reporting for the Year ending 31st March, 2013	23rd May, 2013
Annual General Meeting for the Year ending 31st March, 2013	12th August, 2013

9. SHAREHOLDERS' INFORMATION

REGISTERED OFFICE	"Dhanuka House", 861-862, Joshi Road, Karol Bagh, New Delhi – 110005, India Ph. Nos. : (011) 23518981/2 Website : www.dhanuka.com E-mail : investors@dhanuka.com
CORPORATE OFFICE	14th Floor, Building 5A, DLF Cyber Terrace, Cyber City, DLF Phase III, Gurgaon - 122002, Haryana, India Phone : (0124) 3838500 Fax : (0124) 3838888 Email ID : investors@dhanuka.com
WORKS	Daultabad Road, Gurgaon – 122001, Haryana, India Ph.No. : (0124) 6768500 E-mail : gurgaonunit@dhanuka.com D-1/A- B, Ajanta Indl. Estate, Near Sarika Paints, Taluka Sanand-Virangam Road, At: Vasna Iyava, Sanand, Dist. Ahmedabad – 382170, Gujarat, India Ph. Nos. : (0271) 7284567/68 Email ID : sanand@dhanuka.com Plot No.1, I.I.D Centre, SICOP Industrial Estate, Battal Balian, Udhampur - 182101, J&K, India Ph. Nos. : (0199) 2250156/57 Email ID : udhampur@dhanuka.com

SALES OFFICES / GODOWNS	Ahmedabad, Akola, Bangalore, Bellary, Cuttack, Delhi, Ghaziabad, Guwahati, Guntur, Gurgaon, Hissar, Hyderabad, Indore, Jaipur, Jabalpur, Karnal, Kichha, Kolkata, Kurnool, Lucknow, Ludhiana, Nandyal, Nellore, Patna, Pune, Ranchi, Raipur, Ravulapalem, Salem, Siliguri, Sriganganagar, Thrissur, Trichy, Vijaywada and Warangal
REGISTRAR AND TRANSFER AGENTS	M/s Abhipra Capital Limited Ground Floor, Abhipra Complex, Dilkhush Industrial Area, A-387, G.T.Karnal Road, Azadpur, Delhi – 110033, India Ph. Nos : (011) 42390708/783 Website : www.abhipra.com E-mail : info@abhipra.com, rta@abhipra.com

SHARE TRANSFER SYSTEM:

Abhipra Capital Limited is the Registrar and Transfer Agent (RTA) of the Company, who carries out the process of share transfer whether in physical form or in dematerialized form. Shares received by the Company in physical form for transfers are sent to the RTA, who carries out the transfer and register the same on fortnightly basis. The duly transferred shares are then sent by RTA to the Company for the purpose of authentication. Afterwards, the Company send back the shares to the RTA for onward dispatch to the shareholders after proper endorsement and signature. Same procedure is adopted for the transfer requests received directly by the RTA. Shareholders'/Investors' Grievance Redressal Committee takes note of the transfers executed by RTA on quarterly basis.

Shares are also received by the RTA for dematerialization through the Depository Participants of the shareholders. Such shares are dematerialized by RTA within stipulated time and a monthly Demat Statement is sent to the Company.

INVESTOR'S CORRESPONDENCE

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

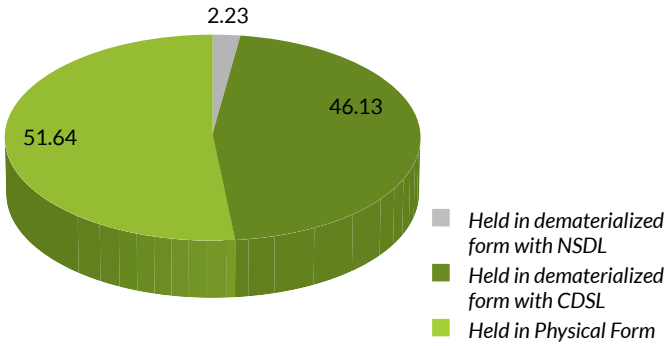
The queries relating to non-receipt of Dividend and in respect of Annual Reports etc. should be addressed to the Company Secretary at the Corporate Office of the Company or e-mailed to investors@dhanuka.com

DEMATERIALIZATION OF SHARES AND LIQUIDITY:

In compliance with the SEBI Circular dated 30th September, 2011, the Company has achieved 100% Promoter and Promoter-Group holding in demat mode. As on 31st March, 2012, 4,89,06,163 Equity Shares of the Company were held in dematerialized form. The Equity Shares of the Company are actively traded on the Bombay Stock Exchange Limited and National Stock Exchange Limited in Demat form only. All the requests for nomination, change of address, change of Bank mandate/Bank particulars and rematerialisation of Shares etc. are to be made only to the Depository Participant with whom the Shareholders have opened their Demat Account.

Shares held in Physical and dematerialized form as on 31st March, 2012:

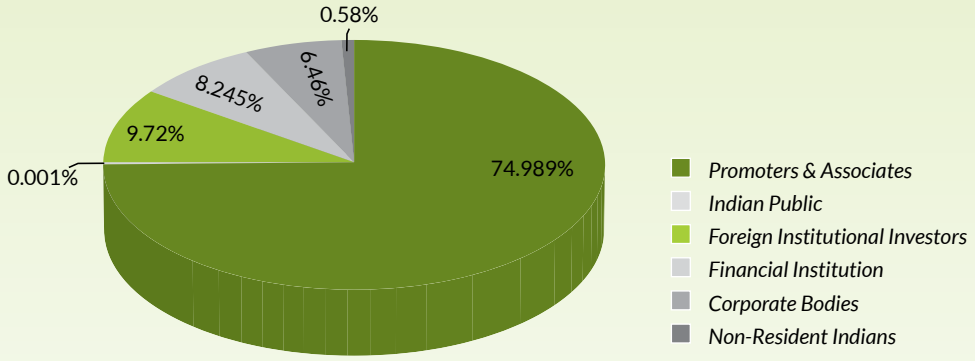
The Total number of Equity Shares issued by the Company are 5,00,19,500 having Face Value of Rs.2/- each.



SHAREHOLDING PATTERN OF THE COMPANY AS ON 31st MARCH, 2012:

CLASS OF INVESTORS	NO. OF SHARES HELD	% OF PAID-UP CAPITAL
Promoters & Associates	3,75,09,175	74.989%
Indian Public	48,61,806	9.72%
Foreign Institutional Investors	41,25,000	8.25%
Financial Institution	980	0.001%
Corporate Bodies	32,32,768	6.46%
Non-Resident Indians	2,89,771	0.58%
TOTAL	**5,00,19,500**	**100%**

%AGE OF SHARES



DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH, 2012:

RANGE	SHAREHOLDERS		VALUE	
	NUMBERS	%	Rs. in lakhs	%
Upto 2,500	4,221	85.067	27.52	2.751
2,501 - 5,000	388	7.819	14.98	1.498
5,001 - 10,000	179	3.607	13.61	1.361
10,001 - 20,000	67	1.35	10.46	1.046
20,001 - 30,000	18	0.363	4.44	0.444
30,001 - 40,000	11	0.222	3.88	0.388
40,001 - 50,000	13	0.262	5.86	0.586
50,001 - 1,00,000	18	0.363	13.96	1.396
1,00,001 & Above	47	0.947	905.68	90.53
TOTAL	**4,962**	**100%**	**1,000.39**	**100%**

SHAREHOLDERS' INITIATIVE:

The Ministry of Corporate Affairs has launched a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies. MCA has issued Circular Nos. 17/2012 dt.21-04-2011 & 18/2011 dt. 29-04-2011 stating that the service of a notice/document by a Company to its shareholders can now be made through electronic mode. In view of the above, Company proposes to henceforth send Annual Report, Notice of the Shareholders' General Meetings and other communications to the email address registered with the Depository Participants. Hence, Members are requested to update their e-mail ids with their Depository Participant and accord their consent for receiving documents through electronic mode to make the Green initiatives in Corporate Governance successful. We at "Dhanuka Agritech Limited' appreciate the "Green Initiative" taken by MCA and trust you would help in implementing the e-Governance initiatives of the Government.

Clause 49 of the Listing Agreement mandates us to obtain a Certificate either from the Auditors or from the Practicing Company Secretary regarding the compliance with Corporate Governance as stipulated in Clause 49 of the Listing Agreement and annex the Certificate with the Directors' Report, which is sent annually to the Shareholders and also send the same to the Stock Exchanges. We have obtained a Certificate from our Statutory Auditors to this effect and the same is annexed herewith.

10. COMPLIANCE WITH NON-MANDATORY REQUIREMENTS OF CLAUSE 49 OF THE LISTING AGREEMENT

The Clause 49 states that the non-mandatory requirements may be implemented at the discretion of the Company. We comply with the following non-mandatory requirements:

1. **Remuneration Committee**

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

2. **Shareholders' Rights**

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

3. **Audit Qualifications**

   It is always the Company's endeavour to present unqualified financial statements. There is no Audit qualification in the Company's Financial Statements for the Financial Year ended 31st March, 2012.

4. **Training to Board Members**

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

5. **Whistle Blower mechanism**

   Though the Company does not have Whistle Blower policy, no person is denied access to the Top Management, Board of Directors and the various Committees.

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

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

I, further confirm that the Company has received from its Board members as well as Senior Management Personnel affirmation in respect of the Financial Year ended 31st March, 2012, as to compliance with the Code of Conduct.

Sd/-
M.K. Dhanuka
Managing Director

Place: Gurgaon
Date: May 23, 2012

AUDITORS' CERTIFICATE

To,

The Members,

M/s Dhanuka Agritech Limited

We have examined the Compliance of Corporate Governance conditions for the Financial Year ended 31st March, 2012 as stipulated by Clause 49 of the Listing Agreement of the Company with Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

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

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

For Dinesh Mehta & Co.
Chartered Accountants
Sd/-
Anup Mehta
Partner
Membership No. 93133

Place : New Delhi
Dated : May 23, 2012

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

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

1. We have reviewed the Financial statements and the Cash Flow Statement of the Company for the year ended 31st March, 2012 and that to the best of our knowledge and belief -
   (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative to the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for Financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to Financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee that there are no:
   (i) Significant changes in internal control over Financial reporting during the year.
   (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the Financial statements; and
   (iii) Instances of significant fraud of which we are aware and the involvement therein of the management or an employee having a significant role in the Company's internal control system over Financial reporting.

Sd/-
V.K. Bansal
Chief Financial Officer

Sd/-
M.K.Dhanuka
Managing Director

Place: Gurgaon
Date: May 23, 2012

AUDITORS' REPORT TO THE MEMBERS ON STANDALONE FINANCIAL RESULTS

We have audited the attached Balance Sheet of Dhanuka Agritech Limited ("the Company") as at 31st March, 2012 and also the Profit and Loss Account for the year ended on that date and the Cash Flow Statement for the year ended on that date; both annexed thereto. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Companies (Auditor's Report) Order 2003, (the Order) issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, and in terms of information and explanations given to us and also on the basis of such checks as we considered appropriate, we report on the matters specified in paragraphs 4 and 5 of the said order as follows:-

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

   The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.

   No substantial part of the fixed assets have been disposed off during the year affecting the going concern status of the Company.

2. (a) The inventory of the Company (including stocks with third parties) has been physically verified by the management during the year according to a phased programmed normally so designed that each material item is physically verified at least once in a year and at more frequent intervals in appropriate cases.

   (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by management are reasonable and adequate in relation to size of the Company and nature of its business.

   (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.

3. (a) The Company during the year has not granted any loan to a Company covered in the register maintained under section 301 of the Act.

   (b) In our opinion, the rate of interest and other terms and conditions of unsecured loans given by the Company are not, prima facie prejudicial to the interest of the Company.

   ('c &d)There is no overdue amount of the principal repayable at the year end.

   (e) According to the information and explanations given to us, the unsecured loans taken by the Company from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 is by way of Inter Corporate Deposits received from 7 Companies and deposits from 4 Individuals of Rs. 807 lakhs outstanding as on 31.03.12 (Maximum outstanding during the period Rs. 1,220 lakhs).

   (f) In our opinion, the rate of interest and other terms and conditions of unsecured loans taken by the Company are not, prima facie prejudicial to the interest of the Company.

   (g) There is no overdue amount of the principal repayable at the year end.

4. In our opinion and according to the information and explanation given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.

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

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

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

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

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

9. (a) According to the records of the Company, undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales tax, customs duty, excise duty, cess and other material statutory dues applicable to it have generally been regularly deposited with the appropriate authorities.

   b) There are no material outstanding undisputed statutory dues as at the last day of the financial year ended on 31-03-2012 for a period of more than six months from the date they become payable.

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

Name of the Statute	Authority where dispute pending	Amount Involved (Rs. In lakhs) / Nature of Dues
Central Excise, 1944	Custom Excise & Service Tax Appeal Tribunal, New Delhi	**9.41** (Year 1996) (Excise Duty Related To Fire)
	Custom Excise & Service Tax Appeal Tribunal, New Delhi	**48.21** (Year 1999-2000) (Excise Duty on Returned Goods)
	Custom Excise & Service Tax Appeal Tribunal, New Delhi	**46.51** (Year 2001-02-03) (Excise Duty on Returned Goods)
Income Tax Act, 1961	Commissioner of Income tax (Appeals)	**0.35** (Year 2005-06)
	Commissioner of Income tax (Appeals)	**5.44** (Year 2007-08)
	Commissioner of Income tax (Appeals)	**4.86** (Year 2008-09)
	Commissioner of Income tax (Appeals)	**4.61** (Year 2009-10)

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

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

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

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

14. The Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the said Order are not applicable to the Company.

15. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.

16. In our opinion and according to the information and explanations given to us on an overall basis, the term loans taken by the Company for augmenting long term resources of the Company towards general corporate objectives have been applied for the purpose for which they were obtained.

17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company in our opinion the funds raised on short-term basis have not been used for long-term investments.

18. The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the question of reporting on whether the price at which such shares have been issued is prejudicial to the interest of the Company does not arise.

19. The Company has not issued any debentures. Accordingly, the question of creating a security for debentures does not arise.

20. The Company has not raised any money by public issues during the year. Accordingly, the question of disclosure of end use of such monies does not arise.

21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

Further to our comments above, we report that:

a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

b) In our opinion, proper books of account as required by the Companies Act, 1956 (as amended) have been kept by the Company so far as appears from our examination of these books;

c) The Balance Sheet, the Profit & Loss Account and the Cash Flow Statement referred to in this report are in agreement with the books of account.

d) In our opinion, the Balance Sheet, the Profit & Loss Account and the Cash Flow Statement referred to in this report complied with the Accounting Standards as referred to in Section 211(3C) of the Companies Act, 1956;

e) On the basis of written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors of the Company is disqualified from being appointed as Director under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956; and

f) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts, read with other notes thereon, forming part of the accounts, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:

   i) In the case of Balance sheet, of the state of affairs of the Company as at 31st March, 2012;

   ii) In the case of Profit & Loss Account, of the profit of the Company for the year ended on that date; and

   iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **Dinesh Mehta & Co.**
Chartered Accountants
FRN-000220N
Sd/-
Anup Mehta
Partner
Membership No.93133

Place: New Delhi
Date : May 23, 2012

Balance Sheet as at 31st March, 2012

(Rs. in lakhs)

Particulars	Notes	As at 31.03.2012 Audited	As at 31.03.2011 Audited
EQUITY AND LIABILITIES			
Shareholders' Fund			
Share Capital	3	1,000.39	1,000.39
Reserves & Surplus	4	20,459.38	16,047.30
		21,459.77	**17,047.69**
NON CURRENT LIABILITIES			
Long Term Borrowings	5	565.03	1,735.05
Other Long Term Liabilities	6	1,330.44	1,149.17
Deferred Tax Liabilities (Net)	7	255.60	275.92
		2,151.07	**3,160.14**
CURRENT LIABILITIES			
Short Term Borrowings	8	3,375.88	4,021.26
Trade Payables	9	5,428.99	5,215.69
Other Current Liabilities	9	5,644.72	4,960.02
Short Term Provisions	10	1,504.01	1,357.32
		15,953.60	**15,554.29**
Total		**39,564.44**	**35,762.12**
ASSETS			
Non Current Assets			
Fixed Assets			
-Tangible Assets	11	3,875.76	3,806.43
-Intangible Assets	11	28.57	23.09
-Capital Work in Progress	11	28.32	77.53
Non Current Investments	12	0.13	0.04
Long Term Loans and Advances	13	1,815.65	1,278.16
		5,748.43	**5,185.25**
Current Assets			
Current Investments	14	1,527.40	-
Inventories	15	13,875.85	14,187.34
Trade Receivables	16	15,119.42	13,770.64
Cash and Bank Balances	17	873.63	495.34
Short Term Loans and Advances	18	2,419.71	2,123.55
		33,816.01	**30,576.87**
Total		**39,564.44**	**35,762.12**

Significant Accounting Policies
Notes on Financial Statements 1 to 16

As per our Report of even date attached

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

For and on behalf of Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
ANUP MEHTA	**SHUBHA SINGH**	**V.K.BANSAL**	**M.K.DHANUKA**	**R.G.AGARWAL**
Partner	Company Secretary	C.F.O.	Managing Director	Chairman

Membership No.: 093133
Place : Gurgaon
Dated : 23rd May, 2012

Profit & Loss A/c for the Financial Year ended 31st March, 2012

(Rs. in lakhs)

Particulars	Notes	For the FY 31.03.2012	For the FY 31.03.2011
		Audited	**Audited**
INCOME			
Revenue from Operations (Gross)	19	57,616.15	54,122.55
Less: Excise Duty		4,697.38	5,022.26
Revenue from Operations (Net)		52,918.77	49,100.29
Other Income	20	61.94	264.35
Total Revenue (I)		**52,980.71**	**49,364.64**
EXPENSES			
Cost of Raw Materials and Packing Materials Consumed	21	31,926.13	32,103.20
Purchase of Traded Goods	22	2,580.52	3,067.28
(Increase)/Decrease in Inventories of Finished Goods Work-in-Progress and Traded Goods	22	(248.18)	(2,572.51)
Employees Benefit Expenses	23	4,155.89	3,518.69
Other Expenses	24	6,562.51	5,390.16
Total Expenses (II)		**44,976.87**	**41,506.82**
Earnings before Interest, Tax, Dep. & Amortisation (EBITDA) (I-II)		**8,003.84**	**7,857.82**
Depreciation and Amortisation Expenses	25	451.77	485.46
Finance Cost	26	548.83	646.33
Profit Before Tax		**7,003.24**	**6,726.03**
Tax Expenses			
Current Tax		1,355.61	1,509.77
Add: Tax adjustment of earlier years		(45.07)	(5.72)
Deferred Tax		(20.33)	110.77
Total		**1,290.21**	**1,614.82**
Profit for the Year		**5,713.03**	**5,111.21**
Earning per Equity Share Basic & Diluted [Nominal value of Share Rs.2/-]	27	**11.42**	**10.61**
Significant Accounting Policies			
Notes on Financial Statements	1 to 16		

As per our Report of even date attached

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

For and on behalf of Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
ANUP MEHTA	**SHUBHA SINGH**	**V.K.BANSAL**	**M.K.DHANUKA**	**R.G.AGARWAL**
Partner	Company Secretary	C.F.O.	Managing Director	Chairman

Membership No.: 093133
Place : Gurgaon
Dated : 23rd May, 2012

Standalone Cash Flow Statement for the Year ended 31st March, 2012

(Rs. in lakhs)

S.No.	Particulars	For the FY 31.03.2012	For the FY 31.03.2011
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**	-	-
	Profit before Tax from Continuing Operations	7,003.24	6,726.03
	Non-Cash adjustment to Reconcile Profit before Tax to Net Cash Flow		
	Depreciation/Amortization on Continuing Operation	451.77	485.46
	Loss/(Profit) on Sale of Fixed Assets	8.03	(7.15)
	Interest Expenses	548.83	646.33
	Interest Income	(49.75)	(71.95)
	Dividend Income	(7.85)	(3.90)
	Operating Profit before Working Capital Change	**7,954.27**	**7,774.82**
	Adjusted for:		
	Trade Payable	213.30	715.25
	Short Term Provisions	34.28	55.69
	Other Current Liabilities	684.70	691.63
	Other Long Term Liabilities	181.27	258.13
	Trade Receivables	(1,348.78)	(4,212.43)
	Inventories	311.49	(3,057.05)
	Long Term Loans and Advances	(537.49)	(568.83)
	Short Term Loans and Advances	(296.16)	(1,529.47)
	Cash Generated from Operation	7,196.89	127.74
	Direct Taxes Paid (Net of Refunds)	(1,310.54)	(1,504.05)
	Net Cash Flow from Operating Activities (A)	**5,886.35**	**(1,376.31)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES:**	-	-
	Purchase of Fixed Assets	(522.79)	(541.96)
	Proceeds from Sale of Fixed Assets	15.39	20.30
	Proceeds of Non-Current Investments	-	1.00
	Purchase of Current Investments	(1,527.49)	-
	Interest Received	49.75	71.95
	Dividend Received	7.85	3.90
	Net Cash Flow from Investing Activities (B)	**(1,977.29)**	**(444.81)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Proceeds from Issue of Share Capital	-	3,390.75
	Repayment of Long-Term Borrowings	(1,170.02)	(1,874.12)
	(Repayment)/Proceeds of Short-Term Borrowings	(645.38)	1,992.13
	Interest Paid	(548.83)	(646.33)
	Dividend Paid on Equity Shares	(1,000.39)	(642.52)
	Tax on Equity Dividend Paid	(166.15)	(106.72)
	Net Cash Flow from Financing Activities (C)	**(3,530.77)**	**2,113.19**
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	378.29	292.07
	Cash and Cash Equivalents at the beginning of the Year	495.34	203.27
	Cash and Cash Equivalents at the end of the year	**873.63**	**495.34**

D.	**CASH AND CASH EQUIVALENTS:**		
	Cash in Hand	39.91	15.07
	Cheques/Draft in Hand	68.89	106.68
	With Bank in Current Account		
	In Deposit Account	736.41	351.23
	Unpaid Dividend Accounts	28.42	22.36
	Cash and Cash Equivalents (Note 17)	**873.63**	**495.34**

For and on behalf of Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-
SHUBHA SINGH	**V.K.BANSAL**	**M.K.DHANUKA**	**R.G.AGARWAL**
Company Secretary	C.F.O.	Managing Director	Chairman

AUDITORS' REPORT

We have examined the attached Cash Flow Statement of M/s Dhanuka Agritech Limited for the year ended 31.03.2012. The statement has been prepared by the Company in accordance with the requirements of Listing Agreement Clause-32 with BSE and NSE and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report on 23rd May, 2012 to the members of the Company. The figures have been shown to the nearest Rs. in lakhs. Previous year figures have been regrouped and re-arranged.

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

Sd/-
Anup Mehta
Partner
Membership No.: 093133
Place : Gurgaon
Dated : 23rd May, 2012

Notes to Financial Statements for the Year ended 31st March, 2012

(Rs. in lakhs)

3. SHARE CAPITAL	As at 31.03.2012	As at 31.03.2011
Authorized Shares		
7,00,00,000 Equity Shares of Rs.2/- each	1,400.00	1,400.00
Issued, Subscribed and fully paid up Shares		
5,00,19,500 Equity Shares of Rs.2/- each	1,000.39	1,000.39
	1,000.39	**1,000.39**

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

	As at 31.03.2012		As at 31.03.2011	
	No. of Equity Shares	Amount (Rs. in lakhs)	No. of Equity Shares	Amount (Rs. in lakhs)
At the beginning of the period	5,00,19,500	1,000.39	5,00,19,500	1,000.39
Issued during the period	-	-	-	-
Outstanding at the end of the period	**5,00,19,500**	**1,000.39**	**5,00,19,500**	**1,000.39**

b. Terms/Rights attached to Equity Shares:

The Company has only one class of Equity Share having par value of Rs.2/- per share. The Equity Shares have pari-passu Voting Rights.

During the year ended 31st March, 2012, the amount of Dividend per Share recognised as distribution to Equity Shareholders is Rs.2.20 per Equity Share (Previous year Rs.2/- per Equity Share).

In the event of liquidation of the Company, the Equity Shareholders will be entitled to receive remaining assets of the Company after distribution of all preferential amounts.

The distribution will be in proportion to the number of Equity Shares held by the Shareholders.

c. Details of shareholders holding more than 5% Shares in the Company:

S.No.	Name of Shareholders	As at 31.03.2012		As at 31.03.2011	
		No. of Equity Shares	% holding	No. of Equity Shares	% holding
1	M/s Golden Overseas Pvt. Ltd.	72,58,925	14.51%	72,58,925	14.51%
2	M/s Exclusive Leasing and Finance Ltd.	63,76,250	12.75%	63,76,250	12.75%
3	M/s Zoom Leasing and Finance Company Ltd.	57,11,000	11.42%	57,11,000	11.42%
4	M/s Hindon Mercantile Ltd.	56,19,000	11.23%	56,19,000	11.23%
5	M/s 2020 Equity Investors Ltd.	41,25,000	8.25%	41,25,000	8.25%

As per the records of the Company, including its Register of Shareholders/Members and other declarations received from Shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of Shares.

Notes to Financial Statements for the Year ended 31st March, 2012

(Rs. in lakhs)

4. RESERVES AND SURPLUS	As at 31.03.2012	As at 31.03.2011
Capital Reserve		
As per last Balance Sheet	**0.42**	**22.42**
Securities Premium Account		
As per last Balance Sheet	3,308.25	3,308.25
	3,308.25	**3,308.25**
General Reserve		
Balance as per last Financial Statements	1,664.78	1,114.78
Add: Amount transferred from surplus balance in Statement of Profit and Loss A/c	575.00	550.00
Closing Balance	**2,239.78**	**1,664.78**
Surplus/(deficit) in the Statement of Profit and Loss A/c		
Balance as per last Financial Statement	11,051.85	7,657.18
Profit for the Year	5,713.03	5,111.21
Less: Appropriations		
Proposed final Equity Dividend	1,100.43	1,000.39
[Dividend @ Rs.2.20 per Share (Previous Year Rs.2/-)]		
Tax on proposed Equity Dividend	178.52	166.15
Transfer to General Reserve	575.00	550.00
Total Appropriations	**1,853.95**	**1,716.54**
Net Surplus in the Statement of Profit and Loss A/c	**14,910.93**	**11,051.85**
Total Reserve and Surplus	**20,459.38**	**16,047.30**

(Rs. in lakhs)

	Non-current portion		Current maturities	
5. LONG -TERM BORROWINGS	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
Term loans				
Term loan from HDFC (Secured)	66.00	264.00	198.00	264.00
From Others (Unsecured)				
Related Parties	345.74	1,128.04	460.93	-
Body Corporates	153.29	343.01	-	-
	565.03	**1,735.05**	**658.93**	**264.00**
The above Amount includes				
Secured Borrowings	66.00	264.00	198.00	264.00
Unsecured Borrowings	499.03	1,471.05	460.93	-
Amount disclosed under the head "Other Current Liabilities" (Refer note 9)	-	-	(658.93)	(264.00)
Net Amount	**565.03**	**1,735.05**	**-**	**-**

5.1 Term loan from HDFC Bank is secured by way of first charge over immovable properties situated at Sanand (Gujarat) and personal guarantee of the Promoter Directors. The term loans carried interest rate @12.55% during the Year. Repayment schedule of HDFC Term Loan:

Financial Year	2012-13	2013-14
Repayment Amount (Rs. in lakhs)	198.00	66.00

5.2 Unsecured Loans from Related Parties and other Body Corporates carried interest @10% p.a.

Notes to Financial Statements for the Year ended 31st March, 2012

(Rs. in lakhs)

6. OTHER LONG-TERM LIABILITIES:	As at 31.03.2012	As at 31.03.2011
Deposits from Customers	1,330.44	1,149.17
	1,330.44	**1,149.17**

(Rs. in lakhs)

7. DEFERRED TAX LIABILITIES (NET)	As at 31.03.2012	As at 31.03.2011
	255.60	275.92
	255.60	**275.92**

(Rs. in lakhs)

8. SHORT TERM BORROWINGS	As at 31.03.2012	As at 31.03.2011
Secured		
1. Working Capital Loans		
a. Cash Credit limits from Banks	699.59	2,520.44
b. Demand loans from Banks	1,500.00	1,250.00
2. Over Draft against pledge of FDR	-	3.50
3. Buyers Credit availed from Banks	1,176.29	246.51
4. Term Loan - Vehicle	-	0.81
	3,375.88	**4,021.26**

Working Capital Loans are secured by hypothecation of stocks of raw materials, goods in process, finished goods, stores, book debts and other movable assets on pari-passu basis and by joint and several gurantee of the Directors of the Company and also by way of first charge over immovable properties of the Company as collateral security. The Working Capital Loan is repayable on demand and carried interest @11% to 14.15%.

(Rs. in lakhs)

9. OTHER CURRENT LIABILITIES	As at 31.03.2012	As at 31.03.2011
Trade Payable		
Micro Small and Medium Enterprises	383.95	101.78
Others	5,045.04	5,113.91
	5,428.99	**5,215.69**
Other Liabilities		
1. Current maturities of long term borrowings (Note 5)	658.93	264.00
2. Unclaimed Dividend	28.37	22.30
3. Advance from customers	694.99	840.73
4. Other payables	4,262.43	3,832.99
	5,644.72	**4,960.02**

9.1 Unclaimed Dividend does not include any amount, which is due and outstanding and has to be credited to Investor Education and Protection Fund.

9.2 Other payables include Statutory dues, Employee related costs and provision of discounts and rebates on sale.

(Rs. in lakhs)

10. SHORT TERM PROVISIONS	As at 31.03.2012	As at 31.03.2011
Provision for Employee benefit		
Provision of Leave benefit	225.06	190.78
	225.06	**190.78**
Proposed Equity Dividend	1,100.43	1,000.39
Provision for tax on Equity Dividend	178.52	166.15
	1,278.95	**1,166.54**
	1,504.01	**1,357.32**

Notes to Financial Statements for the Year ended 31st March, 2012

11. FIXED ASSETS

(Rs. in lakhs)

DESCRIPTION	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As at 01.04.2011	Additions	Deduction/ Adjustments	As at 31.03.2012	As at 01.04.2011	Additions	Deduction/ Adjustments	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
TANGIBLE ASSETS:										
Land	658.37	72.47	-	730.84	-	-	-	-	730.84	658.37
Building	1,996.93	240.42	-	2,237.35	739.27	107.91	-	847.18	1,390.17	1,257.66
Plant & Machinery	1,521.33	70.08	67.45	1,523.96	840.77	96.03	38.71	898.09	625.87	680.56
Furniture & Fixture	142.28	48.94	5.15	186.07	84.65	14.58	3.27	95.96	90.11	57.63
Vehicles	573.83	59.71	41.63	591.91	342.57	67.43	36.49	373.51	218.40	231.26
Office Equipments	485.36	71.83	79.61	477.58	290.98	51.37	69.95	272.40	205.18	194.38
Wind Mill	892.22	-	-	892.22	165.65	111.38	-	277.03	615.19	726.57
Sub Total: (A)	**6,270.32**	**563.45**	**193.84**	**6,639.93**	**2,463.89**	**448.70**	**148.42**	**2,764.17**	**3,875.76**	**3,806.43**
INTANGIBLE ASSETS:										
Computer Software	24.97	8.55	-	33.52	1.88	3.07	-	4.95	28.57	23.09
Sub Total: (B)	**24.97**	**8.55**	**-**	**33.52**	**1.88**	**3.07**	**-**	**4.95**	**28.57**	**23.09**
TOTAL (A+B)	**6,295.29**	**572.00**	**193.84**	**6,673.45**	**2,465.77**	**451.77**	**148.42**	**2,769.12**	**3,904.33**	**3,829.53**
Previous Year	**5,900.25**	**505.30**	**110.26**	**6,295.29**	**2,077.42**	**485.45**	**97.11**	**2,465.76**	**3,829.53**	**3,822.83**
Capital Work In Progress									**28.32**	**77.53**

Notes to Financial Statements for the Year ended 31st March, 2012

(Rs. in lakhs)

12. NON -CURRENT INVESTMENTS	As at 31.03.2012	As at 31.03.2011
Non-trade investments (valued at cost) - Unquoted		
40 Equity shares of Rs.100/- each of	0.04	0.04
M/s Mahashakti Association, Ahmedabad		
Equity Shares in Subsidiary Company		
1,500 Shares of BDT 10 each of	0.09	-
M/s Dhanuka Agri-Solutions Pvt. Ltd.(Bangladesh)		
	0.13	**0.04**

(Rs. in lakhs)

13. LONG TERM LOANS AND ADVANCES		As at 31.03.2012	As at 31.03.2011
Unsecured & considered good:			
Security deposit		195.16	174.39
Capital Advance		1,419.27	1,010.68
Other Loans & Advances		56.13	56.00
	(A)	**1,670.56**	**1,241.07**
Other Loans and Advances			
Loan to Employees		1.05	8.27
Advance Income Tax (Net of Provision)		94.07	(26.28)
Balance with Statutory Govt. Authorities		49.97	55.10
	(B)	**145.09**	**37.09**
Total (A+B)		**1,815.65**	**1,278.16**

(Rs. in lakhs)

14. CURRENT INVESTMENT	As at 31.03.2012	As at 31.03.2011
Unquoted Mutual Fund	1,527.40	-
	1,527.40	**-**

Investment in M/s Edelweiss Assets Management Ltd under Liquid Fund-Super Instl-Dividend Plan (Daily).
Total no. of units as on 31.03.2012 is 1,52,73,971.

(Rs. in lakhs)

15. INVENTORIES	As at 31.03.2012	As at 31.03.2011
Raw materials *	4,548.37	4,964.03
Packing materials	984.12	1,078.44
Stock in Process	378.52	180.54
Finished Goods #	6,802.28	6,770.89
Traded Goods (FG)	1,133.38	1,114.57
Store and spares	11.21	7.07
DEPB Licence in stock	17.97	71.80
TOTAL	**13,875.85**	**14,187.34**

* Stock of Raw Materials include value of goods in transit of Rs.802.20 lakhs [Previous Year Rs.210.05 lakhs]
# Stock of Finished Goods include value of good in transit of Rs.1,785.01 lakhs [Previous Year Rs.728.60 lakhs]

Notes to Financial Statements for the Year ended 31st March, 2012

(Rs. in lakhs)

16. TRADE RECEIVABLES	As at 31.03.2012	As at 31.03.2011
Unsecured, considered good		
Over Six Months from the Due date	53.63	40.43
Others	15,065.79	13,730.21
TOTAL	**15,119.42**	**13,770.64**

(Rs. in lakhs)

17. CASH AND BANK BALANCES		As at 31.03.2012	As at 31.03.2011
Balance with Banks			
In Current Account		29.23	42.54
In Unpaid Dividend Account		28.42	22.36
	(A)	**57.65**	**64.90**
Cash in hand		39.91	15.07
Cheques/Drafts in hand		68.89	106.68
Fixed Deposits with Banks *		707.18	308.69
	(B)	**815.98**	**430.44**
TOTAL (A + B)		**873.63**	**495.34**

* Fixed deposit with Bank includes deposit of Rs. Nil (Previous Year 8.69 Lakhs) with maturity of more than one year.

(Rs. in lakhs)

18. SHORT TERM LOANS AND ADVANCES		As at 31.03.2012	As at 31.03.2011
Unsecured & considered good			
Security deposit		7.30	9.87
Advance recoverable in cash or kind		2,357.06	2,054.59
	(A)	**2,364.36**	**2,064.46**
Other Loans and Advances			
Prepaid Expenses		29.53	22.39
Loan to Employees		25.82	36.70
	(B)	**55.35**	**59.09**
Total (A+B)		**2,419.71**	**2,123.55**

(Rs. in lakhs)

19. REVENUE FROM OPERATIONS		For the FY 2011-12	For the FY 2010-11
Sales of products			
Finished Goods		54,116.48	50,775.15
Traded Goods		3,334.35	3,229.33
	(A)	**57,450.83**	**54,004.48**
Other Operating Revenue			
Other Sale		40.53	9.71
Income from Wind Mill electricity generation		124.79	108.36
TOTAL	**(B)**	**165.32**	**118.07**
Gross Revenue	**(A+B)**	**57,616.15**	**54,122.55**
Less: Excise duty (Net of Excise refund) *		4,697.38	5,022.26
Net Revenue		**52,918.77**	**49,100.29**

* Note: Excise duty paid is net of excise duty refund of Udhampur unit (J&K) of Rs.777.29 lakhs (Previous year Rs.481.11 lakhs)

Notes to Financial Statements for the Year ended 31st March, 2012

(Rs. in lakhs)

	For the FY 2011-12	For the FY 2010-11
Details of Products Sold		
Finished goods sold		
Agro Chemicals	53,824.80	50,417.61
Seeds	291.68	357.54
	54,116.48	**50,775.15**
Traded Goods sold		
Agro Chemicals	3,334.35	3,229.33
	3,334.35	**3,229.33**
	57,450.83	**54,004.48**

(Rs. in lakhs)

20. OTHER INCOME	For the FY 2011-12	For the FY 2010-11
Interest received	49.75	71.95
Rental Income	0.48	0.68
Misc. Receipts	7.67	174.72
Profit on sale of assets	(8.03)	7.15
Liabilities no longer required written back	4.22	5.95
Dividend Income:		
From Current Investment	7.85	3.90
	61.94	**264.35**

(Rs. in lakhs)

21. COST OF MATERIALS CONSUMED	For the FY 2011-12	For the FY 2010-11
Inventory at the beginning of the Year	6,042.47	5,440.66
Add: Purchases	31,416.15	32,705.01
	37,458.62	**38,145.67**
Less: Inventory at the end of the Year	5,532.49	6,042.47
TOTAL	**31,926.13**	**32,103.20**
Details of Materials Consumed		
Chemicals	25,956.75	26,085.82
Packing Material	5,799.12	5,807.62
Seeds	170.25	209.76
	31,926.12	**32,103.20**
Details of Inventory (At the end of the Year)		
Chemicals	4,516.94	4,953.14
Packing Materials	984.12	1,078.44
Seeds	31.43	10.89
	5,532.49	**6,042.47**

Notes to Financial Statements for the Year ended 31st March, 2012

(Rs. in lakhs)

22. (INCREASE)/DECREASE IN INVENTORIES	For the FY 2011-12	For the FY 2010-11	(Increase)/ Decrease
Inventories at the end of Year			
Traded Goods	1,133.38	1,114.57	(18.81)
Work in progress	378.52	180.54	(197.98)
Finished goods	6,802.28	6,770.89	(31.39)
	8,314.18	**8,066.00**	**(248.18)**
Inventories at the beginning of Year			
Traded Goods	1,114.57	504.02	(610.55)
Work in progress	180.54	174.97	(5.57)
Finished goods	6,770.89	4,814.50	(1,956.39)
	8,066.00	**5,493.49**	**(2,572.51)**
	(248.18)	**(2,572.51)**	-

(Rs. in lakhs)

Details of purchase of traded goods	For the FY 2011-12	For the FY 2010-11
Traded Goods purchased	2,580.52	3,067.28
	2,580.52	**3,067.28**

(Rs. in lakhs)

Details of Inventory (At the end of the Year)	As on 31.03.2012	As on 31.03.2011
Traded Goods		
Agro chemicals	1,133.38	1,114.57
Work in progress		
Agro chemicals	378.52	180.54
Finished Goods		
Agro chemicals	6,795.98	6,726.04
Seeds	6.30	44.85
	8,314.18	**8,066.00**

(Rs. in lakhs)

23. EMPLOYEES BENEFIT EXPENSES	For the FY 2011-12	For the FY 2010-11
Salaries & Wages	3,723.99	3,001.28
Contribution to Provident & Other funds	268.91	343.07
Staff Welfare and Medical Expenses	162.99	174.34
	4,155.89	**3,518.69**

Notes to Financial Statements for the Year ended 31st March, 2012

(Rs. in lakhs)

24.	OTHER EXPENSES		For the FY 2011-12	For the FY 2010-11
	Manufacturing Expenses			
	Power, fuel, electricity & water charges		95.68	126.42
	Consumable stores		25.58	23.37
	Manufacturing expenses (seeds)		21.39	18.35
	Repair & Maintenance - Machineries		50.19	60.55
	Repair & Maintenance - Factory Building		52.99	43.03
	Repair & Maintenance - Others		7.08	7.65
	Incineration charges		17.34	-
	Security Charges		28.04	23.05
	Laboratory expenses		20.86	22.52
	ISI Marking Fees		8.36	6.03
	R&D expenses		110.75	96.55
		(A)	**438.26**	**427.52**
	Administration Expenses			
	Travelling and conveyance		632.80	505.07
	Communication expenses		101.04	105.31
	Postage and telegram		29.72	28.06
	Printing and stationery		44.53	39.50
	Office and godown rent		335.74	148.40
	Rates and taxes		9.48	22.60
	Insurance charges		20.89	54.73
	Legal and professional charges		188.36	121.88
	Repair & Maintenance -Building		408.83	87.23
	Repair & Maintenance -others		75.73	62.64
	Electricity & water charges		37.58	29.40
	Books and periodicals		0.80	1.06
	Fees and Subscription		11.98	7.60
	Charity and donation		21.57	4.85
	Miscellaneous expenses		10.30	14.05
	Meeting fees		3.15	3.10
	Payment to Auditors		6.51	5.60
	Vehicles maintenance		583.53	453.29
		(B)	**2,522.54**	**1,694.37**
	Selling & Distribution Expenses			
	Education and seminar		288.26	160.96
	Advertisement and publicity		636.00	649.01
	Business promotion expenses		27.14	16.87
	Bad debts		48.22	84.83
	Freight & cartage on STV & Sales		1,530.45	1,391.59
	Field Assistant expenses		1,071.64	965.01
		(C)	**3,601.71**	**3,268.27**
	TOTAL (A to C)		**6,562.51**	**5,390.16**

Notes to Financial Statements for the Year ended 31st March, 2012

Payment to Auditors		
As Auditor:		
Statutory Audit fees	4.00	3.50
Tax Audit Fees	-	-
Cost Audit Fees	1.00	0.75
In other capacity:		
Taxation matters	0.96	1.35
Management Services	0.35	-
Reimbursement of Expenses	0.20	-
TOTAL	**6.51**	**5.60**

(Rs. in lakhs)

25. DEPRECIATION AND AMORTIZATION EXPENSES	For the FY 2011-12	For the FY 2010-11
Depreciation of Tangible Assets	448.70	483.58
Amortization of Intangible Assets	3.07	1.88
	451.77	**485.46**

(Rs. in lakhs)

26. FINANCE COST	For the FY 2011-12	For the FY 2010-11
Interest on others	214.35	324.97
Bank interest and other financial charges	292.70	258.21
Interest on term loan	41.78	63.15
	548.83	**646.33**

27. EARNING PER SHARE (EPS)	As at 31.03.2012	As at 31.03.2011
1. Net profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders (Rs. in lakhs)	5,713.03	5,111.21
2. No. of Equity shares	5,00,19,500	5,00,19,500
3. Basic and diluted Earning Per Share (in Rs.)	**11.42**	**10.61**
4. Face value of Share (in Rs.)	2.00	2.00

AUDITORS' REPORT TO THE MEMBERS ON CONSOLIDATED FINANCIAL RESULTS

We have audited the attached Consolidated Balance Sheet of ***Dhanuka Agritech Limited*** ("the Company") as at 31st March, 2012 and also the Consolidated Profit and Loss Account for the year ended on that date and the Consolidated Cash Flow Statement for the year ended on that date; both annexed thereto. These Consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Companies (Auditor's Report) Order 2003, (the Order) issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, and in terms of information and explanations given to us and also on the basis of such checks as we considered appropriate, we report on the matters specified in paragraphs 4 and 5 of the said order as follows:-

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

   (b) The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.

   (c) No substantial part of the fixed assets have been disposed off during the year affecting the going concern status of the Company.

2. (a) The inventory of the Company (including stocks with third parties) has been physically verified by the management during the year according to a phased programmed normally so designed that each material item is physically verified at least once in a year and at more frequent intervals in appropriate cases.

   (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by management are reasonable and adequate in relation to size of the Company and nature of its business.

   (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.

3. (a) The Company during the year has not granted any loan to a Company covered in the register maintained under section 301 of the Act.

   (b) In our opinion, the rate of interest and other terms and conditions of unsecured loans given by the Company are not, prima facie prejudicial to the interest of the Company.

   (c & d)There is no overdue amount of the principal repayable at the year end.

   (e) According to the information and explanations given to us, the unsecured loans taken by the Company from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 is by way of Inter Corporate Deposits received from 7 Companies and deposits from 4 individuals of Rs.807 lakhs outstanding as on 31.03.12 (Maximum outstanding during the period Rs.1,220 lakhs).

   (f) In our opinion, the rate of interest and other terms and conditions of unsecured loans taken by the Company are not, prima facie prejudicial to the interest of the Company.

   (g) There is no overdue amount of the principal repayable at the year end.

4. In our opinion and according to the information and explanation given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.

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

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

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

7. As per the information and explanations given to us by the management, the Company has appointed external firm of

Chartered Accountants to review internal controls procedures together with the internal checks during the year which can be considered as an internal audit commensurate with the size and nature of its business.

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

9. (a) According to the records of the Company, undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales tax, customs duty, excise duty, cess and other material statutory dues applicable to it have generally been regularly deposited with the appropriate authorities.

   (b) There are no material outstanding undisputed statutory dues as at the last day of the financial year ended on 31-03-2012 for a period of more than six months from the date they become payable.

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

Name of the Statute	Authority where dispute pending	Amount Involved (Rs. in lakhs) / Nature of Dues
Central Excise, 1944	Custom Excise & Service Tax Appeal Tribunal, New Delhi	**9.41** (Year 1996) (Excise Duty Related To Fire)
	Custom Excise & Service Tax Appeal Tribunal, New Delhi	**48.21** (Year 1999-2000) (Excise Duty on Returned Goods)
	Custom Excise & Service Tax Appeal Tribunal, New Delhi	**46.51** (Year 2001-02-03) (Excise Duty on Returned Goods)
Income Tax Act, 1961	Commissioner of Income tax (Appeals)	**0.35** (Year 2005-06)
	Commissioner of Income tax (Appeals)	**5.44** (Year 2007-08)
	Commissioner of Income tax (Appeals)	**4.86** (Year 2008-09)
	Commissioner of Income tax (Appeals)	**4.61** (Year 2009-10)

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

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

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

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

14. The Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the said Order are not applicable to the Company.

15. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.

16. In our opinion, and according to the information and explanations given to us on an overall basis, the term loans taken by the Company for augmenting long term resources of the Company towards general corporate objectives have been applied for the purpose for which they were obtained.

17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company in our opinion the funds raised on short-term basis have not been used for long-term investments.

18. The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the question of reporting on whether the price at which such shares have been issued is prejudicial to the interest of the Company does not arise.

19. The Company has not issued any debentures. Accordingly, the question of creating a security for debentures does not arise.

20. The Company has not raised any money by public issues during the year. Accordingly, the question of disclosure of end use of such monies does not arise.

21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

Further to our comments above, we report that:

a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

b) in our opinion, proper books of account as required by the Companies Act, 1956 (as amended) have been kept by the Company so far as appears from our examination of these books;

c) The Consolidated Balance Sheet, the Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement referred to in this report are in agreement with the books of account.

d) In our opinion, the Consolidated Balance Sheet, the Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement referred to in this report complied with the Accounting Standards as referred to in Section 211(3C) of the Companies Act, 1956;

e) On the basis of written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors of the Company is disqualified from being appointed as Director under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956; and

f) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts, read with other notes thereon, forming part of the accounts, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:

   i) in the case of Consolidated Balance sheet, of the state of affairs of the Company as at 31st March, 2012;

   ii) in the case of Consolidated Profit & Loss Account, of the profit of the Company for the year ended on that date; and

   iii) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For **Dinesh Mehta & Co.**
Chartered Accountants
FRN-000220N

Sd/-
Anup Mehta
Partner
Membership No.93133

Place: New Delhi
Date : May 23, 2012

Consolidated Balance Sheet as at 31st March, 2012

(Rs. in lakhs)

Particulars	Notes	As at 31.03.2012 Audited	As at 31.03.2011 Audited
EQUITY AND LIABILITIES			
Shareholders' Fund			
Share Capital	3	1,000.39	1,000.39
Reserves & Surplus	4	20,459.38	16,047.30
		21,459.77	**17,047.69**
Non Current Liabilities			
Long Term Borrowings	5	565.03	1,735.05
Other Long Term Liabilities	6	1,330.44	1,149.17
Deferred Tax Liabilities (Net)	7	255.60	275.92
		2,151.07	**3,160.14**
Current Liabilities			
Short Term Borrowings	8	3,375.88	4,021.26
Trade Payables	9	5,428.99	5,215.69
Other Current Liabilities	9	5,644.92	4,960.02
Short Term Provisions	10	1,504.01	1,357.32
		15,953.80	**15,554.29**
Total		**39,564.64**	**35,762.12**
ASSETS			
Non Current Assets			
Fixed Assets			
-Tangible Assets	11	3,875.76	3,806.43
-Intangible Assets	11	28.57	23.09
-Capital Work in Progress	11	28.32	77.53
Non Current Investments	12	0.04	0.04
Long Term Loans and Advances	13	1,816.10	1,278.16
		5,748.79	**5,185.25**
Current Assets			
Current Investments	14	1,527.40	-
Inventories	15	13,875.85	14,187.34
Trade Receivables	16	15,119.42	13,770.64
Cash and Bank Balances	17	873.63	495.34
Short Term Loans and Advances	18	2,419.55	2,123.55
		33,815.85	**30,576.87**
Total		**39,564.64**	**35,762.12**

Significant Accounting Policies
Notes on Financial Statements 1 to 16

As per our Report of even date attached

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

For and on behalf of Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
ANUP MEHTA	**SHUBHA SINGH**	**V.K.BANSAL**	**M.K.DHANUKA**	**R.G.AGARWAL**
Partner	Company Secretary	C.F.O.	Managing Director	Chairman

Membership No.: 093133
Place : Gurgaon
Dated : 23rd May, 2012

Consolidated Profit & Loss A/c for the Financial Year ended 31st March, 2012

(Rs. in lakhs)

Particulars	Notes	For the FY 31.03.2012	For the FY 31.03.2011
		Audited	**Audited**
INCOME			
Revenue from Operations (Gross)	19	57,616.15	54,122.55
Less: Excise Duty		4,697.38	5,022.26
Revenue from Operations (Net)		52,918.77	49,100.29
Other Income	20	61.94	264.35
Total Revenue (I)		**52,980.71**	**49,364.64**
EXPENSES			
Cost of Raw Materials and Packing Materials Consumed	21	31,926.13	32,103.20
Purchase of Traded Goods	22	2,580.52	3,067.28
(Increase)/Decrease in Inventories of Finished Goods Work-in-Progress and Traded Goods	22	(248.18)	(2,572.51)
Employees Benefit Expenses	23	4,155.89	3,518.69
Other Expenses	24	6,562.51	5,390.16
Total Expenses (II)		**44,976.87**	**41,506.82**
Earnings before Interest, Tax, Dep. & Amortisation (EBITDA) (I-II)		**8,003.84**	**7,857.82**
Depreciation and Amortisation Expenses	25	451.77	485.46
Finance Cost	26	548.83	646.33
Profit Before Tax		**7,003.24**	**6,726.03**
Tax Expenses			
Current Tax		1,355.61	1,509.77
Add: Tax adjustment of earlier years		(45.07)	(5.72)
Deferred Tax		(20.33)	110.77
Total		**1,290.21**	**1,614.82**
Profit for the Year		**5,713.03**	**5,111.21**
Earning per Equity Share Basic & Diluted [Nominal value of Share Rs.2/-]	27	**11.42**	**10.61**
Significant Accounting Policies			
Notes on Financial Statements	1 to 16		

As per our Report of even date attached

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

For and on behalf of Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
ANUP MEHTA	**SHUBHA SINGH**	**V.K.BANSAL**	**M.K.DHANUKA**	**R.G.AGARWAL**
Partner	Company Secretary	C.F.O.	Managing Director	Chairman

Membership No.: 093133
Place : Gurgaon
Dated : 23rd May, 2012

Consolidated Cash Flow Statement for the Year ended 31st March, 2012

(Rs. in lakhs)

S.No.	Particulars	For the FY 31.03.2012	For the FY 31.03.2011
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Profit before Tax from Continuing Operations	7,003.24	6,726.03
	Non-Cash adjustment to Reconcile Profit before Tax to Net Cash Flow		
	Depreciation/Amortization on Continuing Operation	451.77	485.46
	Loss/(Profit) on Sale of Fixed Assets	8.03	(7.15)
	Interest Expense	548.83	646.33
	Interest Income	(49.75)	(71.95)
	Dividend Income	(7.85)	(3.90)
	Operating Profit before Working Capital Change	**7,954.27**	**7,774.82**
	Adjusted for:		
	Trade Payable	213.30	715.25
	Short Term Provisions	34.28	55.69
	Other Current Liabilities	684.90	691.63
	Other Long Term Liabilities	181.27	258.13
	Trade Receivables	(1,348.78)	(4,212.43)
	Inventories	311.49	(3,057.05)
	Long Term Loans and Advances	(537.94)	(568.83)
	Short Term Loans and Advances	(296.00)	(1,529.47)
	Cash Generated from Operation	7,196.80	127.74
	Direct Taxes Paid (Net of Refunds)	(1,310.54)	(1,504.05)
	Net Cash Flow from Operating Activities (A)	**5,886.26**	**(1,376.31)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Purchase of Fixed Assets	(522.79)	(541.96)
	Proceeds from Sale of Fixed Assets	15.39	20.30
	Proceeds of Non-Current Investments	-	1.00
	Purchase of Current Investments	(1,527.40)	-
	Interest Received	49.75	71.95
	Dividend Received	7.85	3.90
	Net Cash Flow from Investing Activities (B)	**(1,977.20)**	**(444.81)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Proceeds from Issue of Share Capital	-	3,390.75
	Repayment of Long-Term Borrowing	(1,170.02)	(1,874.12)
	(Repayment)/Proceeds of Short-Term Borrowing	(645.38)	1,992.13
	Interest Paid	(548.83)	(646.33)
	Dividend Paid on Equity Shares	(1,000.39)	(642.52)
	Tax on Equity Dividend Paid	(166.15)	(106.72)
	Net Cash Flow from Financing Activities (C)	**(3,530.77)**	**2,113.19**
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	378.29	292.07
	Cash and Cash Equivalents at the beginning of the Year	495.34	203.27
	Cash and Cash Equivalents at the end of the Year	**873.63**	**495.34**

D.	**CASH AND CASH EQUIVALENTS:**		
	Cash in Hand	39.91	15.07
	Cheques/Draft in Hand	68.89	106.68
	With Bank in Current Account		
	In Deposit Account	736.41	351.23
	In Unpaid Dividend Accounts	28.42	22.36
	Cash and Cash Equivalents (Note 17)	**873.63**	**495.34**

For and on behalf of Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-
SHUBHA SINGH	**V.K.BANSAL**	**M.K.DHANUKA**	**R.G.AGARWAL**
Company Secretary	C.F.O.	Managing Director	Chairman

AUDITORS' REPORT

We have examined the attached Cash Flow Statement of M/s Dhanuka Agritech Limited for the year ended 31.03.2012. The statement has been prepared by the Company in accordance with the requirements of Listing Agreement Clause-32 with BSE and NSE and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our Report on 23rd May, 2012 to the members of the Company. The figures have been shown to the nearest Rs. in lakhs. Previous year figures have been regrouped and re-arranged.

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

Sd/-
ANUP MEHTA
Partner
Membership No.: 093133
Place : Gurgaon
Dated : 23rd May, 2012

Notes to Financial Statements for the Year ended 31st March, 2012

(Rs. in lakhs)

3.	SHARE CAPITAL	As at 31.03.2012	As at 31.03.2011
	Authorized Shares		
	7,00,00,000 Equity Shares of Rs.2/- each	1,400.00	1,400.00
	Issued, Subscribed and fully paid up Shares		
	5,00,19,500 Equity Shares of Rs.2/- each	1,000.39	1,000.39
		1,000.39	**1,000.39**

a. Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period:

	As at 31.03.2012		As at 31.03.2011	
	No. of Equity Shares	Amount (Rs. in lakhs)	No. of Equity Shares	Amount (Rs. in lakhs)
At the beginning of the period	5,00,19,500	1,000.39	5,00,19,500	1,000.39
Issued during the period	-	-	-	-
Outstanding at the end of the period	**5,00,19,500**	**1,000.39**	**5,00,19,500**	**1,000.39**

b. Terms/Rights attached to Equity Shares:

The Company has only one class of Equity Share having par value of Rs.2/- per share. The Equity Shares have pari-passu Voting Rights.

During the year ended 31st March, 2012, the amount of Dividend per share recognised as distribution to Equity Shareholders is Rs.2.20 per Equity Share (Previous year Rs.2/- per Equity Share).

In the event of liquidation of the Company, the Equity Shareholders will be entitled to receive remaining assets of the Company after distribution of all preferential amounts.

The distribution will be in proportion to the number of Equity Shares held by the shareholders.

c. Details of shareholders holding more than 5% Shares in the Company:

S.No.	Name of Shareholders	As at 31.03.2012		As at 31.03.2011	
		No. of Equity Shares	% holding	No. of Equity Shares	% holding
1	M/s Golden Overseas Pvt. Ltd.	72,58,925	14.51%	72,58,925	14.51%
2	M/s Exclusive Leasing and Finance Ltd.	63,76,250	12.75%	63,76,250	12.75%
3	M/s Zoom Leasing and Finance Company Ltd.	57,11,000	11.42%	57,11,000	11.42%
4	M/s Hindon Mercantile Ltd.	56,19,000	11.23%	56,19,000	11.23%
5	M/s 2020 Equity Investors Ltd.	41,25,000	8.25%	41,25,000	8.25%

As per the records of the Company, including its Register of Shareholders/Members and other declarations received from Shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of Shares.

Notes to Financial Statements for the Year ended 31st March, 2012

(Rs. in lakhs)

4. RESERVES AND SURPLUS	As at 31.03.2012	As at 31.03.2011
Capital Reserve		
As per last Balance Sheet	**0.42**	**22.42**
Securities Premium Account		
As per last Balance Sheet	3,308.25	3,308.25
	3,308.25	**3,308.25**
General Reserve		
Balance as per last Financial Statements	1,664.78	1,114.78
Add: Amount transferred from surplus balance in Statement of Profit and Loss A/c	575.00	550.00
Closing Balance	**2,239.78**	**1,664.78**
Surplus/(Deficit) in the Statement of Profit and Loss A/c		
Balance as per last Financial Statement	11,051.85	7,657.18
Profit for the Year	5,713.03	5,111.21
Less: Appropriations		
Proposed Final Equity Dividend	1,100.43	1,000.39
[Dividend @ Rs.2.20 per Share (Previous year Rs. 2/-)]		
Tax on proposed Equity Dividend	178.52	166.15
Transfer to General Reserve	575.00	550.00
Total Appropriations	**1,853.95**	**1,716.54**
Net Surplus in the Statement of Profit and Loss A/c	**14,910.93**	**11,051.85**
Total Reserve and Surplus	**20,459.38**	**16,047.30**

(Rs. in lakhs)

	Non-current portion		Current maturities	
5. LONG -TERM BORROWINGS	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
Term loans				
Term loan from HDFC (Secured)	66.00	264.00	198.00	264.00
From Others (Unsecured)				
Related parties	345.74	1,128.04	460.93	-
Body Corporates	153.29	343.01	-	-
	565.03	**1,735.05**	**658.93**	**264.00**
The above amount includes				
Secured borrowings	66.00	264.00	198.00	264.00
Unsecured borrowings	499.03	1,471.05	460.93	-
Amount disclosed under the head "Other Current Liabilities" (Refer note 9)	-	-	(658.93)	(264.00)
Net Amount	**565.03**	**1,735.05**	**-**	**-**

5.1 Term loan from HDFC Bank is secured by way of first charge over immovable properties situated at Sanand (Gujarat) and the personal guarantee of the Promoter Directors. The term loans carried interest rate @12.55% during the Year.

Repayment schedule of HDFC Term Loan :

Financial Year	2012-13	2013-14
Repayment Amount (Rs. in lakhs)	198.00	66.00

5.2 Unsecured Loans from Related Parties and other Body Corporates carried interest @10% P.A.

Notes to Financial Statements for the Year ended 31st March, 2012

(Rs. in lakhs)

6.	OTHER LONG-TERM LIABILITIES	As at 31.03.2012	As at 31.03.2011
	Deposits from Customers	1,330.44	1,149.17
		1,330.44	**1,149.17**

(Rs. in lakhs)

7.	DEFERRED TAX LIABILITIES (NET)	As at 31.03.2012	As at 31.03.2011
		255.60	275.92
		255.60	**275.92**

(Rs. in lakhs)

8.	SHORT TERM BORROWINGS	As at 31.03.2012	As at 31.03.2011
	Secured		
	1. Working Capital Loans		
	a. Cash Credit limits from Banks	699.59	2,520.44
	b. Demand loans from Banks	1,500.00	1,250.00
	2. Over Draft against pledge of FDR	-	3.50
	3. Buyers Credit availed from Banks	1,176.29	246.51
	4. Term Loan - Vehicle	-	0.81
		3,375.88	**4,021.26**

Working Capital Loans are secured by hypothecation of stocks of raw materials, goods in process, finished goods, stores, book debts and other movable assets on pari-passu basis and by joint and several gurantee of the Directors of the Company and also by way of first charge over immovable properties of the Company as collateral security. The Working Capital Loan is repayable on demand and carries interest @11% to 14.15%.

(Rs. in lakhs)

9.	OTHER CURRENT LIABILITIES	As at 31.03.2012	As at 31.03.2011
	Trade Payable:		
	Micro Small and Medium Enterprises	383.95	101.78
	Others	5,045.04	5,113.91
		5,428.99	**5,215.69**
	Other Liabilities:		
	1. Current maturities of long term borrowings (Note 5)	658.93	264.00
	2. Unclaimed Dividend	28.37	22.30
	3. Advance from customers	694.99	840.73
	4. Other payables	4,262.63	3,832.99
		5,644.92	**4,960.02**

9.1 Unclaimed Dividend does not include any amount, which is due and outstanding and has to be credited to Investor Education and Protection Fund.

9.2 Other payables include Statutory dues, Employee related costs and provision of discounts and rebates on sale.

(Rs. in lakhs)

10.	SHORT TERM PROVISIONS	As at 31.03.2012	As at 31.03.2011
	Provision for Employee benefit		
	Provision of Leave benefit	225.06	190.78
		225.06	**190.78**
	Proposed Equity Dividend	1,100.43	1,000.39
	Provision for tax on Equity Dividend	178.52	166.15
		1,278.95	**1,166.54**
		1,504.01	**1,357.32**

Notes to Financial Statements for the Year ended 31st March, 2012

11. FIXED ASSETS

(Rs. in lakhs)

DESCRIPTION	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As at 01.04.2011	Additions	Deduction/ Adjustments	As at 31.03.2012	As at 01.04.2011	Additions	Deduction/ Adjustments	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
TANGIBLE ASSETS:										
Land	658.37	72.47	-	730.84	-	-	-	-	730.84	658.37
Building	1,996.93	240.42	-	2,237.35	739.27	107.91	-	847.18	1,390.17	1,257.66
Plant & Machinery	1,521.33	70.08	67.45	1,523.96	840.77	96.03	38.71	898.09	625.87	680.56
Furniture & Fixture	142.28	48.94	5.15	186.07	84.65	14.58	3.27	95.96	90.11	57.63
Vehicles	573.83	59.71	41.63	591.91	342.57	67.43	36.49	373.51	218.40	231.26
Office Equipments	485.36	71.83	79.61	477.58	290.98	51.37	69.95	272.40	205.18	194.38
Wind Mill	892.22	-	-	892.22	165.65	111.38	-	277.03	615.19	726.57
Sub Total: (A)	**6,270.32**	**563.45**	**193.84**	**6,639.93**	**2,463.89**	**448.70**	**148.42**	**2,764.17**	**3,875.76**	**3,806.43**
INTANGIBLE ASSETS:										
Computer Software	24.97	8.55	-	33.52	1.88	3.07	-	4.95	28.57	23.09
Sub Total: (B)	**24.97**	**8.55**	**-**	**33.52**	**1.88**	**3.07**	**-**	**4.95**	**28.57**	**23.09**
TOTAL (A+B)	**6,295.29**	**572.00**	**193.84**	**6,673.45**	**2,465.77**	**451.77**	**148.42**	**2,769.12**	**3,904.33**	**3,829.53**
Previous Year	**5,900.25**	**505.30**	**110.26**	**6,295.29**	**2,077.42**	**485.45**	**97.11**	**2,465.76**	**3,829.53**	**3,822.83**
Capital Work In Progress									**28.32**	**77.53**

Notes to Financial Statements for the Year ended 31st March, 2012

(Rs. in lakhs)

12.	NON -CURRENT INVESTMENTS	As at 31.03.2012	As at 31.03.2011
	Non-trade investments (valued at cost) - Unquoted		
	40 Equity shares of Rs.100/- each of M/s Mahashakti Association, Ahmedabad	0.04	0.04
		0.04	**0.04**

(Rs. in lakhs)

13.	LONG TERM LOANS AND ADVANCES		As at 31.03.2012	As at 31.03.2011
	Unsecured & considered good:			
	Security Deposit		195.16	174.39
	Capital Advance		1,419.27	1,010.68
	Other Loans & Advances		56.58	56.00
		(A)	**1,671.01**	**1,241.07**
	Other Loans and Advances:			
	Loan to Employees		1.05	8.27
	Advance Income Tax (Net of Provision)		94.07	(26.28)
	Balance with Statutory Govt. Authorities		49.97	55.10
		(B)	**145.09**	**37.09**
	Total (A+B)		**1,816.10**	**1,278.16**

(Rs. in lakhs)

14.	CURRENT INVESTMENT	As at 31.03.2012	As at 31.03.2011
	Unquoted Mutual Fund	1,527.40	-
		1,527.40	**-**

Investment in M/s Edelweiss Assets Management Ltd under Liquid Fund-Super Instl-Dividend Plan (Daily). Total no. of units as on 31.03.2012 was 1,52,73,971.

(Rs. in lakhs)

15.	INVENTORIES	As at 31.03.2012	As at 31.03.2011
	Raw materials *	4,548.37	4,964.03
	Packing materials	984.12	1,078.44
	Stock in Process	378.52	180.54
	Finished Goods #	6,802.28	6,770.89
	Traded Goods (FG)	1,133.38	1,114.57
	Store and spares	11.21	7.07
	DEPB Licence in stock	17.97	71.80
	TOTAL	**13,875.85**	**14,187.34**

* Stock of Raw Materials include value of goods in transit of Rs.802.20 lakhs [Previous Year Rs.210.05 lakhs]

Stock of Finished Goods include value of goods in transit of Rs.1,785.01 lakhs [Previous Year Rs.728.60 lakhs]

Notes to Financial Statements for the Year ended 31st March, 2012

(Rs. in lakhs)

16. TRADE RECEIVABLES	As at 31.03.2012	As at 31.03.2011
Unsecured, considered good		
Over Six Months from the due date	53.63	40.43
Others	15,065.79	13,730.21
TOTAL	**15,119.42**	**13,770.64**

(Rs. in lakhs)

17. CASH AND BANK BALANCES		As at 31.03.2012	As at 31.03.2011
Balance with Banks			
In Current Account		29.23	42.54
In Unpaid Dividend Account		28.42	22.36
	(A)	**57.65**	**64.90**
Cash in hand		39.91	15.07
Cheques/Drafts in hand		68.89	106.68
Fixed Deposits with Banks *		707.18	308.69
	(B)	**815.98**	**430.44**
TOTAL (A+B)		**873.63**	**495.34**

* Fixed deposit with Bank includes deposit of Rs. Nil (Previous Year 8.69 Lakhs) with maturity of more than one year.

(Rs. in lakhs)

18. SHORT TERM LOANS AND ADVANCES		As at 31.03.2012	As at 31.03.2011
Unsecured & considered good:			
Security Deposit		7.30	9.87
Advance recoverable in cash or kind		2,356.90	2,054.59
	(A)	**2,364.20**	**2,064.46**
Other Loans and Advances:			
Prepaid Expenses		29.53	22.39
Loan to Employees		25.82	36.70
	(B)	**55.35**	**59.09**
Total (A+B)		**2,419.55**	**2,123.55**

(Rs. in lakhs)

19. REVENUE FROM OPERATIONS		For the FY 2011-12	For the FY 2010-11
Sale of products			
Finished Goods		54,116.48	50,775.15
Traded Goods		3,334.35	3,229.33
	(A)	**57,450.83**	**54,004.48**
Other Operating Revenue			
Other Sales		40.53	9.71
Income from Wind Mill electricity generation		124.79	108.36
TOTAL	**(B)**	**165.32**	**118.07**
Gross Revenue	**(A+B)**	**57,616.15**	**54,122.55**
Less: Excise Duty (Net of Excise refund) *		4,697.38	5,022.26
Net Revenue		**52,918.77**	**49,100.29**

* Note: Excise Duty paid is net of Excise Duty refund of Udhampur unit (J&K) of Rs.777.29 lakhs (Previous year Rs.481.11 lakhs)

Notes to Financial Statements for the Year ended 31st March, 2012

(Rs. in lakhs)

DETAILS OF PRODUCTS SOLD	For the FY 2011-12	For the FY 2010-11
Finished goods sold:		
Agro Chemicals	53,824.80	50,417.61
Seeds	291.68	357.54
	54,116.48	**50,775.15**
Traded Goods sold:		
Agro Chemicals	3,334.35	3,229.33
	3,334.35	**3,229.33**
	57,450.83	**54,004.48**

(Rs. in lakhs)

20. OTHER INCOME	For the FY 2011-12	For the FY 2010-11
Interest received	49.75	71.95
Rental Income	0.48	0.68
Misc Receipts	7.67	174.72
Profit on sale of assets	(8.03)	7.15
Liabilities no longer required written back	4.22	5.95
Dividend Income:		
From Current Investment	7.85	3.90
	61.94	**264.35**

(Rs. in lakhs)

21. COST OF MATERIAL CONSUMED	For the FY 2011-12	For the FY 2010-11
Inventory at the beginning of the year	6,042.47	5,440.66
Add: Purchases	31,416.15	32,705.01
	37,458.62	**38,145.67**
Less: Inventory at the end of the year	5,532.49	6,042.47
TOTAL	**31,926.13**	**32,103.20**
Details of Material Consumed:		
Chemicals	25,956.75	26,085.82
Packing Material	5,799.12	5,807.62
Seeds	170.25	209.76
	31,926.12	**32,103.20**
Details of Inventory (At the end of the year):		
Chemicals	4,516.94	4,953.14
Packing Material	984.12	1,078.44
Seeds	31.43	10.89
	5,532.49	**6,042.47**

Notes to Financial Statements for the Year ended 31st March, 2012

(Rs. in lakhs)

22. (INCREASE)/DECREASE IN INVENTORIES	For the FY 2011-12	For the FY 2010-11	(Increase)/ Decrease
Inventories at the end of year			
Traded Goods	1,133.38	1,114.57	(18.81)
Work in progress	378.52	180.54	(197.98)
Finished goods	6,802.28	6,770.89	(31.39)
	8,314.18	**8,066.00**	**(248.18)**
Inventories at the beginning of year			
Traded Goods	1,114.57	504.02	(610.55)
Work in progress	180.54	174.97	(5.57)
Finished goods	6,770.89	4,814.50	(1,956.39)
	8,066.00	**5,493.49**	**(2,572.51)**
	(248.18)	**(2,572.51)**	-

(Rs. in lakhs)

Details of purchase of traded goods	For the FY 2011-12	For the FY 2010-11
Traded Goods purchased	2,580.52	3,067.28
	2,580.52	**3,067.28**

(Rs. in lakhs)

Details of Inventory (At the end of the year)	As on 31.03.2012	As on 31.03.2011
Traded Goods		
Agro chemicals	1,133.38	1,114.57
Work in progress		
Agro chemicals	378.52	180.54
Finished Goods		
Agro chemicals	6,795.98	6,726.04
Seeds	6.30	44.85
	8,314.18	**8,066.00**

(Rs. in lakhs)

23. EMPLOYEES BENEFIT EXPENSES	For the FY 2011-12	For the FY 2010-11
Salaries & Wages	3,723.99	3,001.28
Contribution to Provident & Other funds	268.91	343.07
Staff Welfare and Medical Expenses	162.99	174.34
	4,155.89	**3,518.69**

Notes to Financial Statements for the Year ended 31st March, 2012

(Rs. in lakhs)

24.	OTHER EXPENSES		For the FY 2011-12	For the FY 2010-11
	Manufacturing Expenses			
	Power, fuel, electricity & water charges		95.68	126.42
	Consumable stores		25.58	23.37
	Manufacturing expenses (seeds)		21.39	18.35
	Repair & Maintenance -Machineries		50.19	60.55
	Repair & Maintenance -Factory Building		52.99	43.03
	Repair & Maintenance - Others		7.08	7.65
	Incineration charges		17.34	-
	Security charges		28.04	23.05
	Laboratory expenses		20.86	22.52
	ISI Marking Fees		8.36	6.03
	R&D expenses		110.75	96.55
		(A)	**438.26**	**427.52**
	Administration Expenses			
	Travelling and conveyance		632.80	505.07
	Communication expenses		101.04	105.31
	Postage and telegram		29.72	28.06
	Printing and stationery		44.53	39.50
	Office and godown rent		335.74	148.40
	Rates and taxes		9.48	22.60
	Insurance charges		20.89	54.73
	Legal and professional charges		188.36	121.88
	Repair & Maintenance - Building		408.83	87.23
	Repair & Maintenance - others		75.73	62.64
	Electricity & water charges		37.58	29.40
	Books and periodicals		0.80	1.06
	Fees and Subscription		11.98	7.60
	Charity and donation		21.57	4.85
	Miscellaneous expenses		10.30	14.05
	Meeting fees		3.15	3.10
	Payment to Auditors		6.51	5.60
	Vehicles maintenance		583.53	453.29
		(B)	**2,522.54**	**1,694.37**
	Selling & Distribution Expenses			
	Education and seminar		288.26	160.96
	Advertisement and publicity		636.00	649.01
	Business promotion expenses		27.14	16.87
	Bad debts		48.22	84.83
	Freight & cartage on STV & Sales		1,530.45	1,391.59
	Field Assistant expenses		1,071.64	965.01
		(C)	**3,601.71**	**3,268.27**
	TOTAL (A to C)		**6,562.51**	**5,390.16**

Notes to Financial Statements for the Year ended 31st March, 2012

Payment to Auditors

As Auditor:		
Statutory Audit Fees	4.00	3.50
Tax Audit Fees	-	-
Cost Audit Fees	1.00	0.75
In other capacity:		
Taxation matters	0.96	1.35
Management Services	0.35	-
Reimbursement of Expenses	0.20	-
TOTAL	**6.51**	**5.60**

(Rs. in lakhs)

25.	DEPRECIATION AND AMORTIZATION EXPENSES	For the FY 2011-12	For the FY 2010-11
	Depreciation of Tangible Assets	448.70	483.58
	Amortization of Intangible Assets	3.07	1.88
		451.77	**485.46**

(Rs. in lakhs)

26.	FINANCE COST	For the FY 2011-12	For the FY 2010-11
	Interest on others	214.35	324.97
	Bank interest and other financial charges	292.70	258.21
	Interest on term loan	41.78	63.15
		548.83	**646.33**

27.	EARNING PER SHARE (EPS)	As at 31.03.2012	As at 31.03.2011
	1. Net Profit after Tax as per Statement of Profit & Loss attributable to Equity Shareholders (Rs. in lakhs)	5,713.03	5,111.21
	2. No. of Equity shares	5,00,19,500	5,00,19,500
	3. Basic and diluted Earning per Share (in Rs.)	**11.42**	**10.61**
	4. Face Value of Share (in Rs.)	2.00	2.00

NOTES ON ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

a) Basis of Accounting:

The Financial Statements have been prepared on going concern basis and presented under the Historical Cost Convention on the accrual basis of Accounting with the Accounting Principles Generally Accepted in India ('GAAP') and comply with the mandatory Accounting Standards ('AS') issued by the Institute of Chartered Accountants of India to the extent applicable and with the relevant provisions of the Companies Act, 1956.

b) Fixed Assets:

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

c) Depreciation and Amortisation:

Depreciation on Fixed Assets is provided on Written Down Value Method (WDV) at the rate and in the manner prescribed in Schedule XIV to the Companies Act, 1956. On the addition of the assets, depreciation has been provided from the day on which the asset was actually put to use. Depreciation in case of disposal/sale of assets is provided up to the date of disposal/sale of assets on pro-rata basis.

Amortisation in respect of intangible assets is provided on straight line basis considering the estimated period of its economic life.

d) Revenue Recognition:

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

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

Interest income is accounted for on Accrual basis taking into account, the amount outstanding and applicable interest rate.

Dividend income on Investments is accounted for, when the right to receive the payment is established.

e) Inventories:

- Inventories of Raw Materials, Packing Materials and Work-in-Progress (WIP) are valued at Cost (net of CENVAT) on first in first out basis.
- Finished Goods are valued at the lower of Cost (including overheads and excise duty) or Net Realisable Value.
- Excise duty in respect of closing inventory of finished goods is included as a part of inventory.

f) Foreign Currency Transactions:

(i) Initial Recognition:

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

(ii) Conversion:

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

(iii) Exchange Differences:

All the exchange differences arising on settlement / reinstatement of foreign currency transactions are adjusted in the Profit and Loss Account.

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

The Company's derivative instruments comprise of forward exchange contracts which are not intended for trade or speculation purposes.

g) Investments:

Current investments are carried at lower of cost or quoted / fair value. Long term investments are stated at cost.

h) Employee Benefits:

i) Defined Contribution Plans:

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

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

The Superannuation Fund applicable to certain employees is a Defined Contribution Plan as the Company makes contributions to Officers' Superannuation Scheme which is administered by an Insurance Company and has no further obligation beyond making the payment to the Insurance Company.

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

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

ii) Defined Benefit Plans:

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

iii) Other Employee Benefits:

The employees of the Company are entitled to leave encashment and incentives as per the Policy of the Company. The liability in respect of the same is provided at the year-end.

i) Taxes on Income:

Provision for Income Tax comprises of Current Tax and Deferred Tax charge. Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961.

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

j) Provisions and Contingencies:

Provisions, Contingent Liabilities and Contingent Assets:

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

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

Contingent Assets are not recognised in the Financial Statements.

k) Earnings Per Share (EPS):

The earnings considered in ascertaining the Company's EPS, is the Net Profit after Tax. The number of Equity Shares used in computing basic EPS is the weighted average number of Equity Shares outstanding during the year.

l) Research and Development Expenses:

Research and Development Expenses of revenue nature are charged to Profit and Loss Account.

m) Government Grants:

Where a grant or subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related assets. Other Government grants or subsidies are credited to Profit and Loss Account or deducted from related expenses.

n) Deferred Revenue Expenditure:

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

o) Principles of Consolidation:

The Consolidated Financial Statements relate to Dhanuka Agritech Ltd. ('the Company') and its Subsidiary Company-Dhanuka Agri-Solutions Private Limited. The Consolidated Financial Statements have been prepared on the following basis:

i) The Financial Statements of the Company and its Subsidiary Company are combined on a line by line basis by adding together the book values of like items of Assets, Liabilities, Income and Expenses after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) - 21 "Consolidated Financial Statements."

ii) As far as possible, the Consolidated Financial Statements are prepared using uniform Accounting Policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate Financial Statements.

2. CONSOLIDATED NOTES ON ACCOUNTS

1. Contingent liabilities not provided for

(Rs. in lakhs)

Particulars	As on 31.03.2012	As on 31.03.2011
a) Bank Guarantees	2.51	3.40
b) Letter of Credit	3742.65	3797.70
c) Sales Tax Cases pending in appeals	-	2.63
d) Income Tax cases pending in appeals	15.25	10.64
e) Excise disputes pending	104.13	104.13

2. Remuneration paid/provided to Directors

(Rs. in lakhs)

Particulars	As on 31.03.2012	As on 31.03.2011
i) Salary	167.31	143.07
ii) Commission	522.41	382.93
iii) Provident Fund, etc.	18.05	6.02
iv) Value of perquisites	1.85	2.66

3. Computation of Net Profits for determination of Managerial Remuneration in accordance with Section 349 read with Section 198 of the Companies Act, 1956

(Rs. in lakhs)

Particulars	FY ended 31.03.2012	FY ended 31.03.2011
Profit before Tax and after Extraordinary Item as per Profit and Loss Account	7,003.24	6720.00
Add: Depreciation as per Books of Accounts	451.77	485.46
Add: Remuneration to Directors	187.21	157.75
Less: Profit/(Loss) on Sale of Fixed Assets	(8.03)	7.15
Less: Depreciation as per Section 350 of the Companies Act, 1956	451.77	485.46
Net Profit in accordance with Section 349 of Companies Act, 1956	7,198.48	6864.60
Maximum Managerial Remuneration permissible	719.85	686.46
Total Remuneration restricted to	709.62	534.68

4. Remuneration paid/provided to Auditors

(Rs. in lakhs)

Particulars	As on 31.03.2012	As on 31.03.2011
i) Audit Fees & Tax Audit Fees	5.00	4.25
ii) As advisor or in any other capacity	Nil	Nil
iii) In any other manner	1.51	1.35
Total:	**6.51**	**5.60**

5. **Defined-Benefits Plans [Accounting Standards (AS)-15]:**

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

The Actuarial valuation is done based on "Projected Unit Credit" Method.

(Rs. in lakhs)

Particulars	As on 31.03.2012	As on 31.03.2011
Defined Benefit commitments:		
Present value of obligation at the beginning of the Year	430.61	218.35
Interest Cost	35.53	17.47
Current Service Cost	67.27	25.61
Past Service Benefit-Vested Benefit	-	17.60
Benefit Paid	(84.46)	(33.95)
Actuarial (Gain)/Loss on Obligations	(78.13)	185.53
Present Value of Obligation at the end of the Year	370.82	430.61
Fair Value of Plan Assets:		
Fair Value of Plan Assets at the beginning of the Year	518.68	384.55
Expected return on Plan Assets	41.49	30.76
Contributions	4.94	140.95
Benefit Paid	(84.46)	(33.95)
Actuarial (Gain)/Loss on Obligations	(24.92)	(3.63)
Fair value of plan Assets at the end of the Year	455.74	518.68
Return on Plan Assets:		
Expected return on plan Assets	41.49	30.76
Actuarial Gain/(Loss) on Assets for the period	(24.92)	(3.63)
Actual return on Plan Assets	16.57	27.13
Expenses on defined benefit Plan:		
Current service Cost	67.27	25.61
Interest Cost	35.53	17.47
(Expected return on Plan Assets)	(41.94)	(30.76)
Actuarial (Gain)/Loss	(53.20)	189.16
Past Service Cost-Vested Benefit	-	17.60
Expenses charged to the Profit & Loss Account	8.09	219.08

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

Particulars of Assumptions	As on 31.03.2012	As on 31.03.2011
Rate of discounting liabilities	8.50%	8.25%
Rate of return on plan assets	8.60%	8.25%
Expected salary increase rate	5%	5%
Attrition Rate	2%	2%

6. **Related Party Disclosure (Accounting Standard (AS)-18):**

a) Key Managerial Personnel and Relatives

- Sh. R. G. Agarwal, Chairman
- Sh. Mahendra Kumar Dhanuka, Managing Director
- Sh. Arun Kumar Dhanuka, Director
- Sh. Rahul Dhanuka, Director
- Sh. Mridul Dhanuka, Director

Relatives of Sh. R. G. Agarwal

- Smt. Urmila Dhanuka, Wife
- Sh. Rahul Dhanuka, Son
- Smt. Reema Khowala, Daughter
- Sh. Mahendra Kumar Dhanuka, Brother
- Sh. Satya Narain Agarwal, Brother
- Smt. Lalita Dhanuka, Brother's wife

Relatives of Sh. Mahendra Kumar Dhanuka

- Smt. Uma Dhanuka, Wife
- Sh. Mridul Dhanuka, Son
- Sh. Harsh Dhanuka, Son
- Smt. Akangsha Dhanuka, Son's Wife

Relatives of Sh. Arun Kumar Dhanuka

- Smt. Pushpa Dhanuka, Mother
- Smt. Mamta Dhanuka, Wife
- Sh. Arjun Dhanuka, Son
- Sh. Manish Dhanuka, Brother
- Smt. Seema Dhanuka, Brother's Wife

Relatives of Sh. Rahul Dhanuka

- Smt. Madhuri Dhanuka, Wife
- ***Relatives of Sh. Mridul Dhanuka***
- Smt. Megha Dhanuka, Wife

Companies, Firm & Trust in which Key Management Personnel & their Relatives have Significant Influence:

- Zoom Leasing and Finance Company Limited
- Hindon Mercantile Limited
- Exclusive Leasing and Finance Limited
- Dhanuka Laboratories Limited
- Sikkim Agro Industries Limited
- Golden Overseas Pvt. Limited
- M.D. Buildtech Pvt. Ltd.
- H.D. Realtors Pvt. Ltd.
- Dhanuka Infotech Pvt. Ltd.
- Madhuri Designs-N-Exports Pvt. Ltd.
- Cosmo Components Pvt. Limited
- Duke Impex Pvt. Limited
- Liberty Sales Pvt. Limited
- Growth Advertising and Marketing Pvt. Limited
- Dhanuka Private Limited
- Otsuka Chemical (India) Pvt. Ltd.
- Dhanuka Agri-Solutions Pvt. Ltd (Wholly Owned Subsidiary)
- Balaji Enterprises
- S.P. Enterprises
- Investors Associates
- Shree Ram Enterprises
- Passion Alliance
- Tempex Enterprises
- Eight Reit
- Dhanuka Marketing Company
- Chiranji Lal Dhanuka Charitable Trust
- Durga Prasad Dhanuka Charitable Trust

b) Nature and Volume of Transactions:

S.No.	Particulars	Amount (Rs. in lakhs)
i.	**Salary and Allowances:**	
	Sh. Harsh Dhanuka	13.26
	Sh. Mridul Dhanuka (Upto 22.5.11)	1.94
ii.	**Lease Rent:**	
	Sh. Satya Narain Agarwal	2.80
	Smt. Lalita Dhanuka	3.60
iii.	**C&F Commission:**	
	M/s Dhanuka Marketing Company	180.62
iv.	**Office/Godown Rent:**	
	Mridul Dhanuka (HUF)	17.55
	Smt. Megha Dhanuka	12.35
	M/s Dhanuka Pvt. Ltd	9.71
v.	**Charity & Donation:**	
	Chiranji Lal Dhanuka Charitable Trust	15.00
vi.	**Sale Transactions:**	
	M/s Dhanuka Laboratories Ltd.	0.03
	M/s Otsuka Chemical (India) Pvt. Ltd.	3.16
vii.	**Purchases & Reimbursement of Expenses:**	
	M/s Dhanuka Laboratories Ltd.	1.49
viii.	**Expenses paid:**	
	Dugra Prasad Dhanuka Charitable Trust	19.26
ix.	**Preliminary expenses paid:**	
	M/s Dhanuka Agri-Solutions Pvt. Ltd.	0.37

c) Details of Unsecured Loans received and interest paid there-on from Directors and Companies in which Directors and their Relatives are substantially interested:

(Rs. in lakhs)

S.No.	Name of Depositor	Opening Balance	Received During the Year	Paid/Debited during the Year	Interest Accrued	Balance as on 31.3.12
1	Exclusive Leasing & Finance Ltd.	225.22	18.61	145.37	17.35	115.81
2	Golden Overseas Pvt. Ltd.	-	592.32	533.30	18.62	77.64
3	Hindon Mercantile Ltd.	3.96	82.43	80.54	0.15	6.00
4	Zoom Leasing & Finance Co. Ltd.	160.05	17.47	129.07	15.50	63.95
5	Sikkim Agro Industries Ltd.	171.68	34.15	26.46	18.16	197.53
6	Dhanuka Pvt. Ltd.	200.00	20.00	40.00	20.00	200.00
7	Shri R.G. Agarwal	185.65	22.00	175.95	7.76	39.46
8	Shri M.K. Dhanuka	50.18	41.00	32.91	4.74	63.02
9	Shri Rahul Dhanuka	35.13	15.00	26.79	2.72	26.06
10	Shri Mridul Dhanuka	-	17.00	0.02	0.21	17.19
11	Dhanuka Infotech Pvt. Ltd.	47.55	51.99	103.60	4.07	-
	Total	**1,079.42**	**911.97**	**1,294.01**	**109.28**	**806.66**

d) Details of Rent received from Companies in which Directors and their Relatives are substantially interested:

S.No.	Name of the Company	Amount (Rs. in lakhs)
i	M/s Golden Overseas Pvt. Ltd.	0.12
ii	M/s Exclusive Leasing & Finance Ltd.	0.12
iii	M/s Hindon Mercantile Ltd.	0.12
iv	M/s Dhanuka Laboratories Ltd.	0.12
v	M/s Zoom Leasing & Finance Co. Ltd.	0.12
vi	M/s Sikkim Agro Industries Ltd.	0.12

7. Earning Per Share:

Particulars	FY ended 31.03.2012	FY ended 31.03.2011
Net Profit / (Loss) for the Year (Rs. in lakhs)	5,713.03	5,111.20
No. of shares	5,00,19,500	5,00,19,500
Nominal value of Shares (Rs.)	2	2
Basic & Diluted EPS (Rs.)	11.42	10.61

8. Accounting for Tax on Income:

In accordance with the requirements under the Accounting Standard (AS)-22 "Accounting for Taxes on Income", the Company has provided Rs.255.60 lakhs during the year as Deferred Tax Liabilities.

Deferred Tax Assets & Liabilities as on 31st March, 2012 are as under:-

(Rs in lakhs)

Particulars	FY ended 31.03.2012	FY ended 31.03.2011
Deferred Tax Assets/(Liabilities)	(255.60)	(275.92)
Net Deferred Tax Assets/(Liabilities)	**(255.60)**	**(275.92)**

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

9. In terms of Accounting Standard (AS) - 28 on "Impairment of Asset" issued by Institute of Chartered Accountant of India (ICAI), during the Year, the Company carried out an exercise of identifying the assets that may have been impaired in accordance with the said Accounting Standard. The Company has identified that no asset of the Company has been impaired during the year.

10. Segment information:

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

11. Amount due to Small and Medium Enterprises and outstanding as at 31.03.2012 was Rs.383.95 lakhs. The names of such Small and Medium Enterprises are given below:

S.No.	Name of the Suppliers	Amount (Rs. in lakhs)
1	Bharat Extrusion	91.76
2	Olympic Chemicals (Vertex Chemicals)	0.89
3	Techno Products (Bom) Pvt. Ltd.	10.91
4	Venus Dye Chem	10.26
5	Advance Chemicals Sales Corporation	0.02
6	Ankita Plastics	7.99
7	Bajaj Holographics India Pvt. Ltd.	0.50
8	Bharat Pet Ltd.	1.75
9	Bharat Product Ltd.	3.36
10	Bharat Propack Pvt. Ltd.	7.08
11	Bloom Packaging Pvt. Ltd.	0.27
12	Bullion Flexi Pack P. Ltd.	1.26
13	Decorative Sleeves Pvt. Ltd.	21.87
14	Delhi Extrusion Pvt. Ltd.	19.17
15	Ess Kay Enterprises (Prop)	4.75
16	Galaxy Packaging Solutions	3.10
17	Ganesh Enterprises (Prop)	1.71
18	Genesis Print & Pack	9.97
19	Isro Products	7.12
20	Jain Paper Converter	1.87
21	Manohar Packaging Industries	1.00
22	Plasto Films (Prop)	2.38
23	Graham Blow Pack Pvt. Ltd.	2.16
24	Pradeep Metal Industries	1.76
25	R.R. Enterprises, Haryana	0.01
26	R.R. Enterprises, Delhi	3.67
27	Ratna Extrusions Pvt. Ltd.	31.10
28	S.S. Packers	6.39
29	Sharan Enterprises Pvt. Ltd.	2.24
30	Croda Chemicals (India) Pvt. Ltd.	22.50
31	Krishna Printers	2.49
32	Hemsur Industry	0.01
33	Uflex ltd.	16.46
34	Ghansham Ice Box Mfg (Regd.)	4.44
35	Core Chemicals (Mumbai) Pvt.Ltd.	31.88
36	Pooja Packaging	4.47
37	Gurdial Mal Chhogalal Jain	0.33
38	Barkur Surfactants Pvt. Ltd.	1.82
39	Atlas Chemical Industires	3.42
40	Radiant Polychem Pvt. Ltd.	0.46
41	Clear Mipak Packaging Solutions Ltd. (Naroli-II)	1.38
42	Regent Plast Pvt. Ltd.	5.81
43	Hindustan Polychem Pvt. Ltd.	3.71
44	Paras Tape Industry	1.53
45	Surya Industries	11.34
46	Paramount Industries	0.98
47	Borregaard South Asia Pvt Ltd.	0.13
48	Supreme Surfactants Pvt. Ltd.	10.82
49	Gupta Traders	2.66
50	Saksham Containers Pvt. Ltd.	0.99
	Total	**383.95**

12. **Quantitative details:** *(Rs. in lakhs)*

Particulars	FY ended 31.03.2012	FY ended 31.03.2011
a. **C.I.F. Value of Imports:**		
Raw Materials	7,492.13	6,881.40
b. **Earnings & Expenditure in Foreign Currency:**		
Insurance Claim	1.28	0.62
Foreign Currency used for Foreign Travelling	4.11	4.92
Professional and consultancy fees	90.78	-

c. **Value of Imports & Indigenous Raw Materials, Packing materials consumed and percentage of each to total consumption:**

S. No	Particulars	FY 2011-12 (Rs. in lakhs)	(%)	FY 2010-11 (Rs. in lakhs)	(%)
1.	**Raw Materials:**				
	*Imported	7,872.60	30.13	9,038.33	34.37
	*Indigenous	18,254.40	69.87	17,257.25	65.63
	Total	**26,127.00**	**100.00**	**26,295.58**	**100.00**
2.	**Packing Materials :**				
	*Imported	-	-	-	-
	*Indigenous	5,799.12	100.00	5,807.62	100.00
	Total	**5,799.12**	**100.00**	**5,807.62**	**100.00**

13. During the Year, the Company invested Rs.0.09 lakhs in 100% Subsidiary Company - M/s Dhanuka Agri-Solutions Pvt. Ltd. incorporated on 17.07.2011 in Bangladesh. The Subsidiary Company has not carried out any business activities till 31.03.2012. The details of transactions in Subsidiary Company during the year are as under:

Name of the Subsidiary : Dhanuka Agri-Solutions Pvt. Ltd

Share Capital as on 31.03.2012 : Rs. 0.09 lakhs

Misc. expenditure not yet W/o : Rs.0.57 lakhs

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

Name of the Subsidiary	Financial Year of the Subsidiary ended on	Holding Company's interest in Equity Capital	Net Aggregate of Profits or Losses of the Subsidiary Companies as far as it concern the members of the Holding Company	
			Not dealt with in Holding Company's Account	
			For the Financial Year of the Subsidiary (Rs. in lakhs)	For the Previous Financial Year since it became the Subsidiary (Rs. in lakhs)
Dhanuka Agri-Solutions Private Limited	31st March, 2012	100%	(0.57)	-

Profit/(Loss) of the Subsidiary Company has not been dealt in the Holding Company's Accounts.

Information pertaining to Subsidiary Company u/s 212(8) of the Companies Act, 1956

S. No.	Particulars	Amount (Rs. in lakhs)
1	Paid-up Share Capital	0.09
2	Reserves & Surplus/ (Accumulated Losses)	(0.57)
3	Total Assets	(0.57)
4	Total Liabilities	(0.57)
5	Details of Investment (other than investment in the Subsidiary)	-
6	Turnover	-
7	Profit/(Loss) Before Taxation	(0.57)
8	Provision for Taxation	-
9	Profit After Taxation	(0.57)
10	Proposed Dividend	-

14. Sundry debtors/ customers are shown net of trade discounts and rate differences.

15. Previous year's figures have been regrouped and rearranged wherever considered necessary.

16. All the figures have been shown in lakhs.

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

For and on behalf of the Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
ANUP MEHTA	**SHUBHA SINGH**	**V.K.BANSAL**	**M.K.DHANUKA**	**R.G.AGARWAL**
Partner	Company Secretary	C.F.O.	Managing Director	Chairman

Membership No.: 093133
Place: Gurgaon (Haryana)
Dated: 23rd May, 2012

Dhanuka Agritech Limited

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

ATTENDANCE SLIP

DP ID*
Client ID*
Regd. Folio No.

Name and Address of the Registered Shareholder

* Applicable if shares are held in electronic form

I certify that I am a registered shareholder / proxy of the Company, I hereby record my presence at the 27th Annual General Meeting of the Company to be held on **Monday**, the **13th August, 2012** at **11.00 a.m.** at **Shri Purshottam Hindi Bhawan, 11 Vishnu Digambar Marg (Rouse Avenue), New Delhi - 110 002**

_____
Member's/Proxy's Signature

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

---

Dhanuka Agritech Limited

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

PROXY FORM

I/We_____S/o,W/o,D/o_____ resident of_____being a member/members of Dhanuka Agritech Limited, hereby appoint _____ S/o, W/o, D/o _____ Resident of _____ in the district of _____ or falling him _____ Resident of _____ in the district of _____ as my/our proxy to attend and vote for me/us and on my/our behalf at the 27th Annual General Meeting of the Company to be held on **Monday,** the **13th August, 2012 at 11.00 a.m.** at **Shri Purshottam Hindi Bhawan, 11, Vishnu Digambar Marg (Rouse Avenue), New Delhi - 110 002** and at any adjournment thereof.

Singed this _____ day of _____ 2012

Affix a Revenue stamp of Rs. 1/-

DP ID*
Client ID*
Regd. Folio No.

* Applicable if shares are held in electronic form

_____ Signature of Proxy

_____ Signature of Registered holder (s)

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

EVENTS DURING 2011-12

Dhanuka has bagged a coveted place in the prestigious Inc. India 500 - India's Fastest Growing Mid-Sized Companies list for 2011.

Bonding with Our Foreign Collaborators

Celebration of 20 years of collaboration **Mr. R.G. Agarwal, Chairman,** Dhanuka Agritech Ltd. with **Ms. Ellen Kullman,** Global CEO - Dupont

Celebration of 10 years of collaboration **Mr. M. K. Dhanuka, MD** and **Mr. Rahul Dhanuka, Director,** Dhanuka Agritech Ltd with **Mr. Craig A. Rogerson, Chairman**, Chemtura Corporation, USA

A warm welcome to **Mr. Milton Steele, President,** FMC Agricultural Products Group, **Mr. Marc Hullebroeck**, International Business Director, Eurasia during their visit to Corporate Office

Participation in Agri-exhibitions

Participation in exhibition organized by Indian Agriculture Research Institute, Pusa, New Delhi

Participation in Pantnagar Kisan Mela and Agro-Industrial Exhibition

Glimpses of Founder's Day celebrations on 8th August, 2011 at New Delhi

National Training Program

Upgrading professional skills of our All India marketing teams through National Training Programme (NTP)

Shri R.G. Agarwal conferring Group Chairmans' Award for best performance in marketing in the country

Group Chairmans' Award winners for previous years

EVENTS DURING 2011-12

New Offices for improved efficiency, employee morale and corporate image

Pune

Gurgaon

Hyderabad

Bonding with Staff through family excursion to Shimla

Recent Product launches

Corporate Social Responsibility Initiatives

5 Kundiya Rudra Maha Yagya from 23-27 March, 2012 at Vrindavan for adequate rain and welfare and prosperity of all living beings

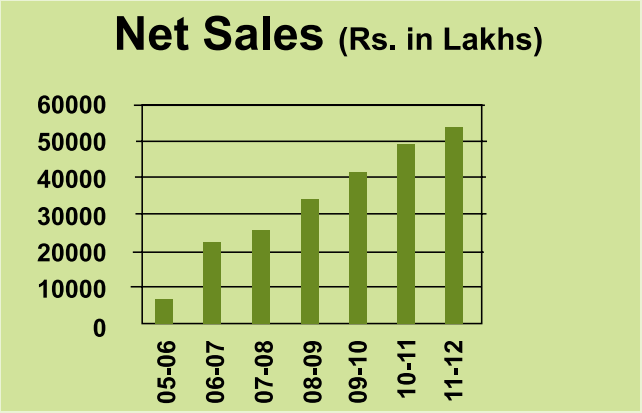
A scientific training was organized in association with National Research Center for Grape for farmers engaged in Grape cultivation

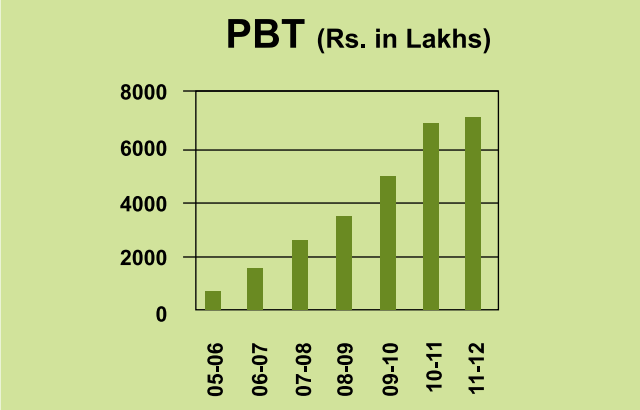
A drawing competition and exhibition was conducted in which entries were invited from the children of Dhanuka distributors and Staff on 'Water Conservation in Agriculture' at Vrindavan

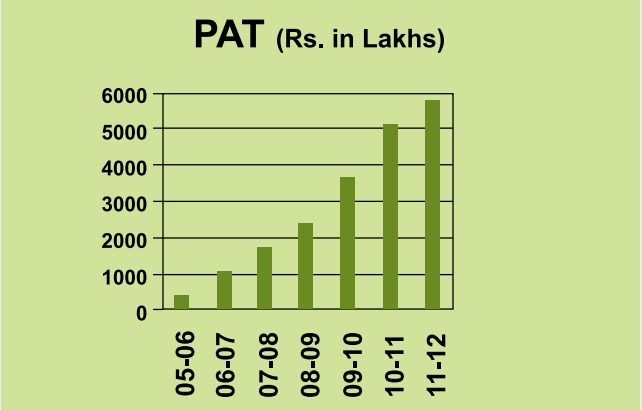
Dhanuka Ashram Vrindavan - accommodation for devotees at 'No Loss, No Profit' basis

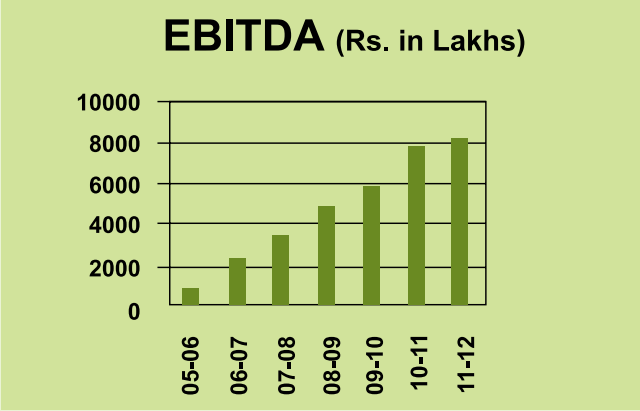
Dhanuka School (Ratangarh, Churu, Rajasthan) gives Awards, Fellowships and Scholarships to deserving students

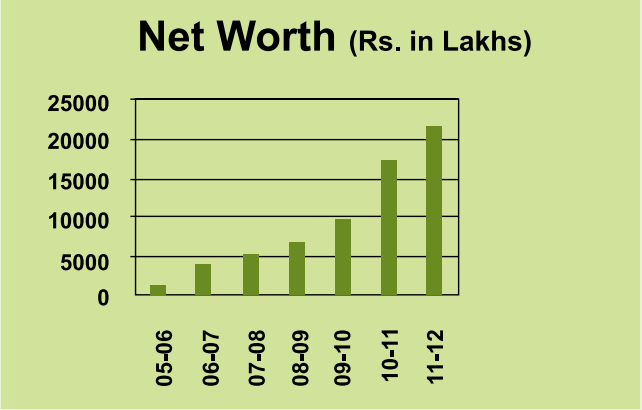
PERFORMANCE AT A GLANCE

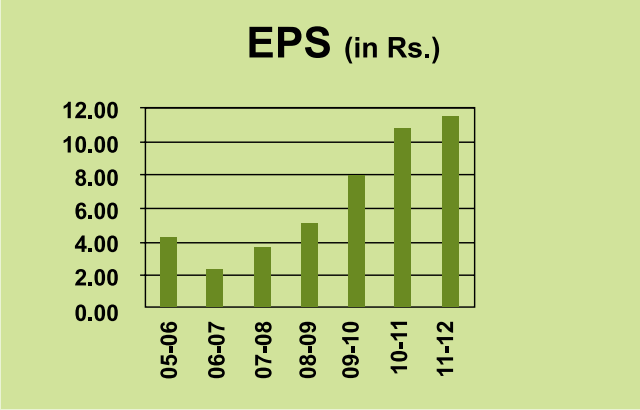


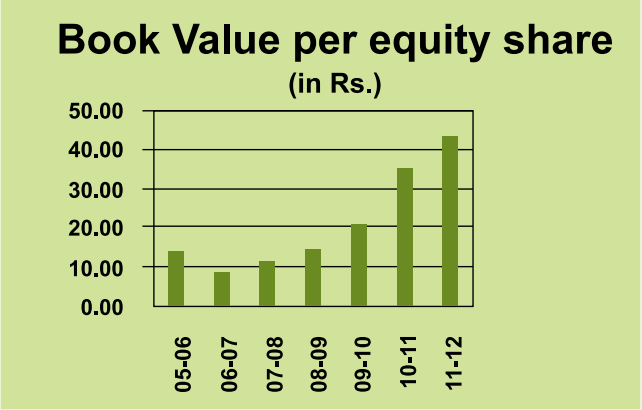


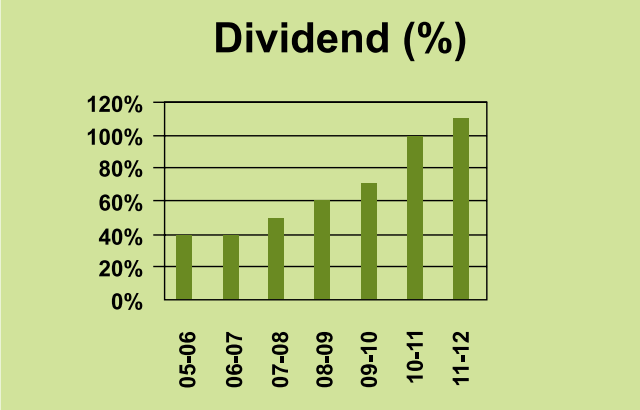












Dhanuka *Agritech Limited*

AN ISO 9001 : 2008 COMPANY

Registered Office
"Dhanuka House", 861-862 Joshi Road, Karol Bagh, New Delhi - 110005, India
Phone No. : +91-11-23518981-82, +91-11-64656800-02

Corporate Office
14th Floor, Building 5A, Cyber City, DLF Phase III Gurgaon- 122002, Haryana, India
Phone : +91-124-3838500 (60 Lines) • Fax : +91-0124-3838888 • Email : investors@dhanuka.com

Website : www.dhanuka.com