

SOLEAD



Dhanuka Agritech Limited

Annual Report 2013-14

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Mr. Amitabh Bachchan
Brand Ambassador



**INDIA'S AGRICULTURE SECTOR IS PERHAPS
ITS MOST CRITICAL AND ALSO ITS MOST
VULNERABLE.**

**THE SECTOR IS EXPOSED TO PEST
CONDITIONS, ERRATIC CLIMATES,
GLOBAL WARMING, ALTERNATIVE LAND
USE, GOVERNMENT ACTION AND
URBANISATION.**

**DHANUKA AGRITECH LIMITED PARTNERS
LARGE INNOVATOR COMPANIES...
CUSTOMISES PRODUCTS... DEMONSTRATES
APPLICATIONS... DISTRIBUTES
EFFECTIVELY... ENHANCES AWARENESS...
ENRICHES YIELDS...HELPS BRING
PROSPERITY TO THE FARMER.**

**DHANUKA AGRITECH BRINGS TO ITS
INDUSTRY SPACE A COMBINATION
OF TWO REALITIES – SOLIDITY AND
LEADERSHIP.**

EXPRESSED IN A UNIQUE TERM...

SOLEAD.


**THE RESULT IS THAT DHANUKA AGRITECH
OUTPERFORMED ITS SECTORAL GROWTH OF 18% AND
INCREASED ITS REVENUES BY 26.80% IN 2013-14.**



THIS AFFECTS FARMER RETURNS, AGRICULTURE VIABILITY,
NATIONAL PROSPERITY AND FOOD SECURITY.

DHANUKA AGRITECH ADDRESSES THIS CHALLENGE
THROUGH A ROBUST BUSINESS MODEL. TRANSLATING
INTO INDUSTRY LEADERSHIP.

SO LEAD.



About us

Dhanuka Agritech Limited is engaged in the manufacture of a wide range of agrochemical solutions. The Company services the growing needs of more than 10 million Indian farmers. The Company's products comprise insecticides, herbicides/ weedicides, fungicides and plant growth regulators/stimulants (liquid, dust, powder and granules).

Presence

Dhanuka Agritech Limited (headquartered in Gurgaon) enjoys a pan-India presence through marketing offices across all major Indian states, with a network of more than 8,000 distributors/dealers marketing to over 75,000 Indian retailers. Besides, the Company possesses more than 40 pan-India warehouses to promptly service demand. The Company enjoys technical tie-ups with three American and four Japanese innovator companies for sourcing speciality molecules.

Manufacturing facilities

Gurgaon (Haryana): First production facility of Dhanuka, established in 1960 under the banner of Northern Minerals Limited. Land area of around 28,700 square metres.

Equipped with latest specialised equipment for manufacturing various formulations, namely:

- EC, SC, SL, SE, EW, CS
- SP, WP, WDG

On-site NABL (Indian GLP) lab engaged in:

- Formulation development
- Soil and water testing

Sanand (Gujarat): Second largest capacity for manufacturing granules in India. Land

area of 62,700 square metres. Largest dedicated Cartap Hydrochloride SP formulation facility.

Udhampur (Jammu and Kashmir): State-of-the-art production line. 12 filling lines dedicated to liquids like EC, SC & SL. Online monitoring of quality conforming to the highest standards. Two separate lines for powder formulations. Zero water discharge facility. Enjoys excise benefit till 2017.

Quality

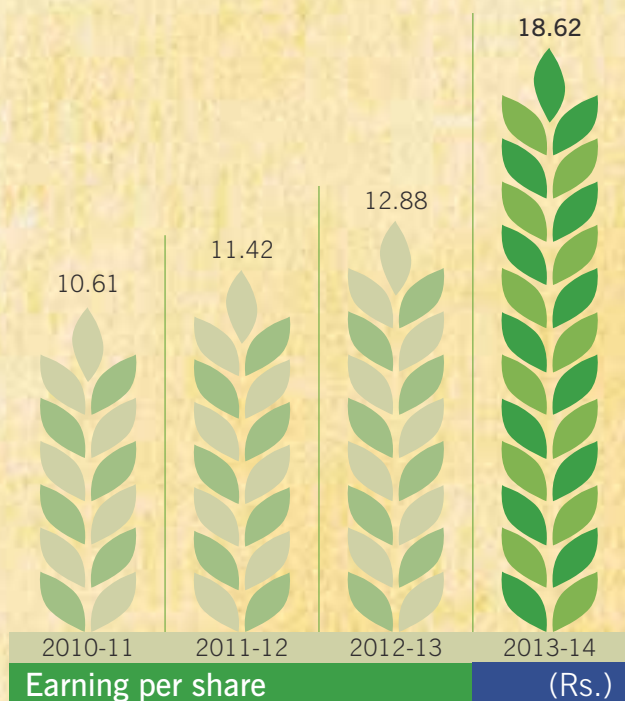
Over the years, Dhanuka Agritech Limited invested in process and product excellence. The Company is ISO 9001:2008-certified across all locations. The Company's Udhampur unit is certified with ISO: 14001 and OHSAS 18001:2007. Dhanuka's R&D centre (Gurgaon) is certified by the Ministry of Science and Technology, Government of India, and National Accreditation Board for Laboratories as a certified research lab.

Team

Dhanuka Agritech comprises more than 1,100 employees and more than 1,500 Dhanuka Doctors, who disseminate information to farmers on 'Dhanuka kheti ki nayi takneek'.

CROP PROTECTION PAYS. THIS IS HOW WE HAVE GROWN OVER THE YEARS...





THIS IS HOW WE ENHANCED VALUE IN 2013-14

Financial highlights

Increased revenue by 26.81% from Rs. 582.31 crores in FY 2012-13 to Rs. 738.41 crores

Increased EBIDTA by 44.32% from Rs. 86.85 crores in FY 2012-13 to Rs. 125.34 crores

Increased profit after tax by 44.51% from Rs. 64.45 crores in FY 2012-13 to Rs. 93.14 crores

Strengthened EBIDTA margin by 172 basis points from 15.25% in FY 2012-13 to 16.97%

Increased PAT margins 154 basis points from 11.07% in FY 2012-13 to 12.61%

Operational highlights

Introduced five new products – Danfuron, Defend, Maxyld, Media Super and Protocol – during FY 2013-14

Commenced the construction of a new plant in Rajasthan

Corporate highlights

Announced dividend of 200% (Rs. 4) on a face value of share (Rs. 2 each)

Chairman's overview



“It would be simplistic to assume that we contribute only to India’s crop protection sector. Dhanuka Agritech is focused on protecting India’s food security.”

R G Agarwal, *Chairman*

Dear Shareholders,

I am pleased to present our financials for 2013-14 wherein we outperformed our sectoral growth of 18% with a 26.81% growth in our topline, 44.32% growth in EBIDTA and 44.51% growth in net profit, representing profitable growth where the increase in percentage revenue growth was exceeded by the percentage increase in profits.

This outperformance was not one-off; it was the fourth straight year when we outperformed the growth of the broad Indian crop protection industry, correspondingly accounting for a 6% market share of the Rs. 12,000 crores domestic plant protection chemical sector.

National overview

It would be simplistic to assume that we contribute only to India's crop protection sector. In reality, Dhanuka Agritech is focused on protecting India's food security.

There are a number of realities that make our business relevant and perhaps even critical. One, what used to be an Indian population of 43.92 crore five decades ago, is now a national population of approximately 1.24 billion, making it imperative to increase food production to feed the growing number of mouths.

Two, India has the second largest farmland stretch in the world at 179.9 mn hectares but one of the lowest yields per hectare across majority of crops.



We outperformed our sectoral growth of 18% with a 26.81% growth in our topline, 44.32% growth in EBIDTA and 44.51% growth in net profit

Three, India loses around Rs. 2,50,000 crore worth of crops annually owing to pest attacks, making it imperative to plug systemic leakages.

It is increasingly evident that the country needs focused crop protection players that increase farm output, boost farmer incomes and augment food availability. As a result, rationale for the existence of a corporate like ours is only expected to assume greater significance.

The Dhanuka difference

At Dhanuka, we have outperformed the Indian crop protection sector by virtue of a business model that is as relevant as it is robust, that is as customised as it is enduring.

The principal elements of our business model comprise the following:

■ **Asset-light:** At Dhanuka, we resolved to be a marketing (more than a manufacturing) company. The core manufacturing activity that we undertake is formulations (processing technical chemicals into a usable format like powder, granule or liquid) entailing a correspondingly lower capital and research investment. The consequent asset-lightness made it possible for

the Company to maintain an ROCE in excess of 30% in each of the three years leading to 2013-14 (34.32% in 2013-14).

■ **Solutionise:** At Dhanuka, we do not market products; we provide solutions. That is because we extend beyond merely pushing our inventory; our 1,500 Dhanuka Doctors (field staff) possess an in-depth understanding of crop allocations, harvest patterns, farm risks, projected farmer incomes. On the basis of these variables, Dhanuka suggests pertinent crop protection solutions that improve incomes and profitability. These recommendations are validated through field demonstrations, enhancing product acceptance.

■ **Trusting relationships:** At Dhanuka, our business superstructure is built on the foundation of trusting and enduring relationships with technical partners at one end and customers on the other. Seven global innovators, who chose to partner us while launching their molecules in India, continue to engage with us over the years for the IPR-respecting confidence we have provided. To the customers we bring a deep sense of value emanating from

our wide-spread marketing network, in-depth terrain knowledge and efficacious product customisation. This all-pervasive expertise in the field of agrochemicals has helped us boost product penetration for our partners. Consider this: we launched the first molecule for DuPont in 1992; we distribute a number of molecules for the international giant despite the fact that DuPont is also independently present in India.

■ **Everywhere:** At Dhanuka, we are present at an arm's length convenience for farmers. This convenience is the result of more than 8,000 channel partners servicing the needs of more than 75,000 pan-India retailers who, in turn, address the growing needs of more than 10 million consumers.

■ **Packaging:** At Dhanuka, we recognise that India's agricultural landscape is dominated by marginal farmers. These farmers cannot invest in crop protection products of large packaging sizes for reasons of affordability. In response, Dhanuka introduced products in smaller SKUs (20 grams to 200 litres), enhancing affordability and convenience.

■ **Formulations:** At Dhanuka, we are formulations-driven. Since no Indian crop protection entity is working in the area of new molecular innovation for reasons of capital expenditure and time intensity, the Company has chosen to focus on the timely access of molecules from strategic partners and the captive development of formulations at its R&D centre backed by extensive distribution capabilities – a win-win approach.

■ **Demonstrations:** At Dhanuka, we acknowledge that packaging, marketing and distribution need to be

reinforced by confidence-enhancing demonstrations at the farmer's door step. The effectiveness of what we package inside our plants must be demonstrated unambiguously across the farms. In response, the 'Dhanuka - kheti ki nayi takneek' programme trains farmers from sowing to harvesting; it demonstrates how farmers can improve yield and grain quality; more importantly, it showcases how Dhanuka products can help generate higher realisations. We collaborated with state agri-universities and *krishi vigyan kendras* to implement training programmes for farmers and channel partners; we implemented a PPP agricultural project in 2001 wherein we adopted the Hoshangabad district in Madhya Pradesh that made it possible for soil and water tests to be conducted proximate to farms with reports delivered within a week coupled with informed plant protection chemicals or fertiliser recommendations. Within just three years, farmers reported a 30% growth in productivity.

Outlook

The outlook for our business is attractive: plant protection agro-chemicals use in India is pegged at only around 600 grams compared to 11 kilograms in Japan.

Dhanuka Agritech expects to increase its presence over the foreseeable future through the following initiatives:

■ We intend launch to two novel molecules in each of the next three years, enhancing the number of our specialty products to eight. We expect to generate profitable revenue growth from these margin-accretive products through a multi-year marketing exclusivity with

our principals. Besides, we expect to sustain the launch of three to four generics each year.

■ We expect to commission a new Rs. 50 crore plant (Keshwana, Rajasthan) with an installed capacity of 25,500 KL of liquids and 7,100 MT of wettable/soluble powder, starting from the last quarter of 2014-15.

■ We intend to develop our presence in Eastern India where the consumption of crop protection chemicals lags the national average.

Overview

A fair measure of the potential that exists within our sector can be derived from the reality that even as the number of villages across India are more than 6,00,000, Dhanuka is present in only approximately 2,00,000 villages.

In such a context, growth for our Company is likely to be derived from an increase in the number of villages that we are able to access, the widening range of products we are able to provide, the growing number of crops we are able to address, the diverse SKU range we are able to create and the extent to which we are able to boost the use of crop protection chemicals to correct decades of under-consumption.

A combination of these initiatives is expected to sustain our sectoral outperformance over the foreseeable future.

Regards,

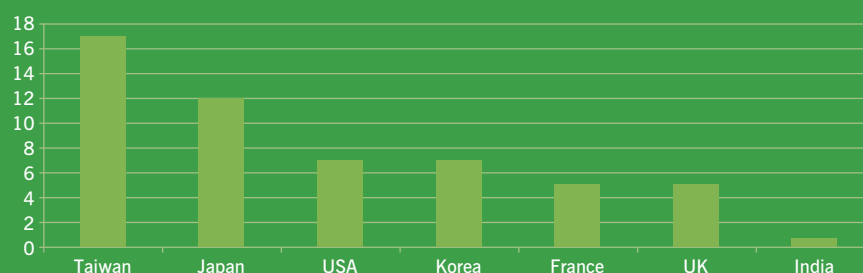
R G Agarwal
Chairman

Indians need more food, and more food needs more agrochemicals

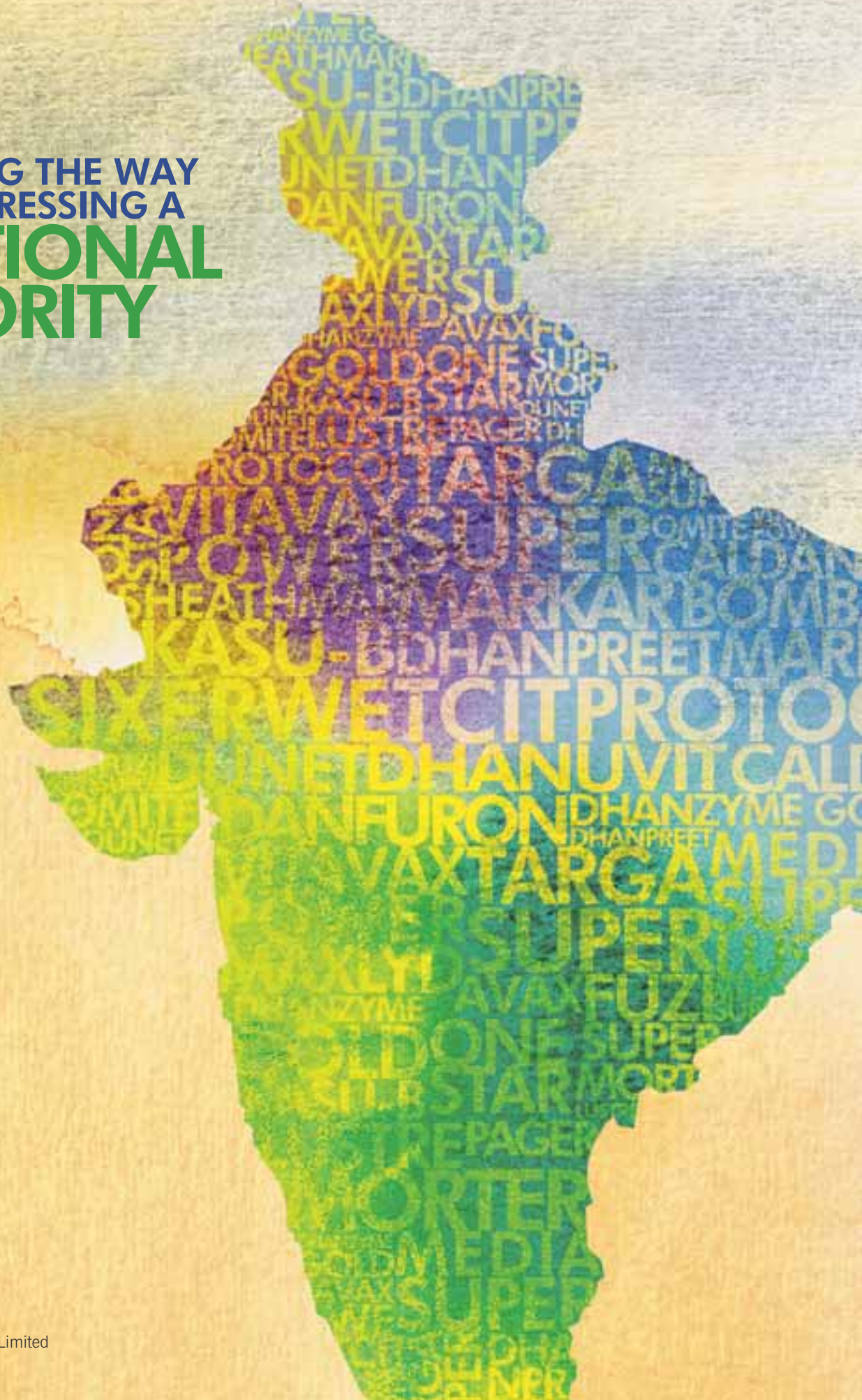


- India ranks at 63rd as per Global Hunger Index (IFPRI). (Source : www.thehindu.com).
- 21% of our population is undernourished (Source: India factsheet, 2011).
- 46% pre-school children and 30% adults suffer from moderate and severe grades of protein-calorie malnutrition (Source: icmr.nic.in).
- 51% children suffer from moderate to severe anemia (Source: ijrhc.org).
- 55.3% married women suffer from anemia (Source: agritech.tnau.ac.in).
- 40.4% of children under the age of three years old are underweight (Source: pib.nic.in).

PLANT PROTECTION CHEMICAL USE PER ARABLE HECTARE (KG/HA)



LEADING THE WAY
IN ADDRESSING A
**NATIONAL
PRIORITY**





IT HAS BEEN CONCLUSIVELY PROVEN THAT SCIENCE-BASED AGRICULTURE, CLIMATE-RESILIENT TECHNOLOGIES AND HIGHER YIELDS CAN CUMULATIVELY ENHANCE OUR COUNTRY'S FOOD PRODUCTION BY AROUND 50%. DHANUKA AGRITECH IS A RESPONSIBLE AGROCHEMICAL PROVIDER DELIVERING CROP PROTECTION SOLUTIONS THAT SERVICE FARMER COMMUNITIES AND THE COUNTRY.

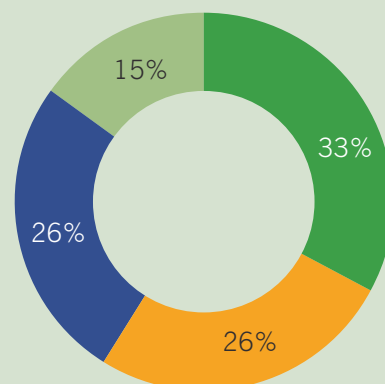
Over the years, Dhanuka Agritech strengthened its competence to serve national interests through the following initiatives:

- The Company responded with a comprehensive product portfolio addressing the needs of farmers across different crops, terrains and climates; the result is that the Company enjoys a 6% share of the agrochemical sector in the country
- The Company's niche products address evolving pest action; the Company was the first in India to introduce miticides - Omite with Chemtura Corporation, USA.

The result is that every rupee spent on Dhanuka's plant protection solution is estimated to have saved the farmer a minimum of Rs. 5 of produce.

According to Crop Care Federation of India, 85% of annual crop losses are due to pest infestation, diseases and weeds. India's aggregate crop losses (rice, cotton and sugarcane) are estimated at around 20-30%. (Source: Indian agricultural inputs February, 2014)

Crop losses by cause



(Source: CCFI, Standard Chartered Research)

ENSURING SOLID RETURNS.



IN INDIA, WHERE A SIGNIFICANT PROPORTION OF THE POPULATION IS ENGAGED IN AGRICULTURE, THERE IS A GROWING PRIORITY OF THE NEED TO PROTECT PRODUCE. DHANUKA AGRITECH IS A RESPONSIBLE AGROCHEMICAL MANUFACTURER PROVIDING INNOVATIVE CROP PROTECTION PRODUCTS THAT ENHANCE FARM INCOMES AND STRENGTHEN THIS COUNTRY'S PROSPERITY FROM THE GRASSROOTS.

Over the years, Dhanuka Agritech has strengthened its farm solutions through the following initiatives:

- The Company strengthened its distribution network (distributors and retailers) to reach more than 10 mn farmers pan-India
- The Company strengthened the deployment of 'Dhanuka Doctors' from 850 in 2009-10 to more than 1,500 today, demonstrating product efficacy, output quality and superior price-value
- The Company evolved from the delivery of products to solutions, counseling and

training farmers on superior agricultural practices through joint ventures with state agriculture universities. The Company provides on field demonstrations and field days, educational campaigns and group meetings, circulation of product and technology literature and workshops and seminars and showing films via multi-media on various crops to educate farmers for enhancing their knowledge.

- The Company engaged the iconic Amitabh Bachchan as brand ambassador, enhancing product familiarity across different lingual markets

SOLID COMPANY.
**INCREASING
INVESTORS'
WEALTH**





IN EMERGING MARKETS LIKE INDIA, THERE IS A PREMIUM ON STRATEGIC DIFFERENCE AND IMPLEMENTATION EXCELLENCE. DHANUKA AGRITECH EMERGED IN *FORBES* MAGAZINE'S SHORTLIST OF THE FASTEST GROWING 200 COMPANIES IN ASIA, VALIDATING THE COMPANY'S STRATEGY TO ENHANCE SHAREHOLDER VALUE.

Over the years, Dhanuka Agritech enhanced shareholder value through the following initiatives:

- The Company decided to remain relatively asset-light through a significant focus on marketing products developed by international partners
- The Company decided to market non-commodity products with growing appeal; this translated into value-addition and correspondingly higher margins

- The Company rejuvenated its speciality product portfolio through the periodic addition of *new* margin-accretive products

- The Company expects to commission (last quarter, 2014-15) an automated Rs. 50 cr plant in Rajasthan that is expected to treble its powder and liquid manufacturing capacity.

The result is that the Company reported an attractive increase in its market capitalisation to Rs. 1,400 cr at the close of the year under review, as the share price touch Rs. 286.90.

The Company's market capitalisation exceeded Rs. 2,000 crores in June, 2014.

OUR CORE COMPETENCE

OVER THE LAST NUMBER OF YEARS, DHANUKA AGRITECH HAS CONSISTENTLY OUTPERFORMED ITS INDUSTRY AVERAGE IN TERMS OF REVENUE GROWTH THROUGH THE PRUDENT LEVERAGE OF A NUMBER OF COMPETENCIES.

Experience

The Company's promoters possess four decades of experience in India's agrochemical industry comprising an understanding of relationship building, customised application, pan-India distribution and effective marketing.

Reach

The Company created one of the deepest distribution networks in India's agrochemicals sector; more than 75,000 retailers. For an Indian farmer, a Dhanuka product is never far away.

Marketing focus

The Company has decided to be marketing-driven, addressing the unmet needs of customers through formulation and marketing of innovative, high efficacy products. This has helped moderate the Company's investment in new molecule discovery, introduce innovative products faster and leverage branding (through endorsement by Mr. Amitabh Bachchan).

Strategic partnerships

The Company enjoys technical collaborations with seven leading global innovating companies (three American and four Japanese) whose strength lies in R&D and product customisation. The Company was the first to launch DuPont products in India in the Nineties; the relationship continues despite DuPont having made an independent entry into India. Partnership-driven revenues accounted for almost half of the Company's income in 2013-14.

Intellectual capital

The Company's sales team of more than 600 full-time employees and researchers evaluate existing and emerging formulations for onward application across different regions resulting in product customisation in line with farmers need.

Brand portfolio

The Company possesses a range of more than 80 brands. Over the years, the Company has strengthened its reputation as a one-stop solution provider for diverse crops, regions and seasons. The brand-led proportion of the Company's revenues accounted for almost two third of the Company's turnover in 2013-14.



Mr. Mahendra Kumar Dhanuka,
Managing Director

What makes Dhanuka's products superior?

- A number of Dhanuka products were launched for the first time in India providing a more effective protection against pests progressively resistant to conventional agrochemicals
- Lower usage requirement resulting in lower labour costs incurred by farmers
- Available in more than 80 brands in various SKUs (more than 400) as per farmer requirements.

First-mover's advantage

The Company was the first to introduce miticides in India, targeting mites, which ravage crops. This first-mover's advantage helped develop the market for mites and enhance the Company's market share in a growing agrochemical segment.

Research and development

Dhanuka has experienced research scientists in its R&D team working relentlessly on issues of market forecast, assessment of plant protection chemicals requirement in an environment of ever changing farming practices and agri-inputs, product identification, on-farm product evaluation, creating awareness amongst farmers on judicious use of plant protection chemicals, providing services for registration and product development on a project basis, among others. The R&D team also helps transfer advance the agricultural technology to farmers resulting in better farm practices.

Location

The Company's units are located strategically in Gurgaon, Sanand and Udhamapur. The Company's proposed plant in Rajasthan will enhance this capability, supported by 43 warehouses and marketing offices.

Premium

The Company's niche products are marketed at a premium resulting in value-addition.

Training

The Company does not just market products; it conducts field demonstrations where product efficacy is demonstrated and farmers are educated for '*Dhanuka kheti ki nai takneek*'. Dhanuka also offers seed treatment solutions to farmers.

Financial

The Company enjoys a robust balance sheet.

AWARDS



Dhanuka Agritech bagged a coveted place in the prestigious 'Forbes Asia - 200 Best under a Billion' list in Asia Pacific region for the third time in the last four years (in the years 2010, 2011 and 2013)



The Company has bagged a coveted place in prestigious 'Inc. India 500, India's Fastest Growing Mid-Sized Companies' list for 2013 for the third time in succession.



Dhanuka Agritech Limited has been presented INC. INDIA INNOVATIVE 100 AWARD, 2013, in recognition of smart innovation for its newly launched product - Lustre.

The Company's Managing Director, Shri M.K. Dhanuka was felicitated at the award ceremony that was held on 20th December, 2013, in New Delhi



Dhanuka has been honoured with the coveted Brand Excellence Award in Agrochemicals by ABP News during the 22nd World Brand Congress.

NEW LAUNCHES IN 2013-14



Mortar

For the first time in India, Dhanuka introduces 9(3) insecticide with a unique SG formulation from Japan.

MORTAR provides powerful and excellent insect control on account of its unique NTX action.

Some of the key benefits of the SG formulation include:

- MORTAR is a new, eco-friendly SG formulation based on Japanese technology
- MORTAR dissolves completely in water and provides better and consistent efficacy
- MORTAR prevents nozzle clogging and facilitates easier spray with better area coverage
- MORTAR is a non-dusty SG formulation, reducing human exposures during solution preparation
- MORTAR is highly bio-efficacious at low dose rates



Defend

Our lifeline product and the only WG formulation recommended on grapes. Technical specifications were developed by Parijat industries. Defend is a systemic, contact and stomach insecticide used as a foliar spray for control of stem borer and leaf folder in paddy and thrips in grapes. It is a wettable granular formulation, which works on the fluid bed technology and also helps develop strong root system in paddy and increases absorbing capacity of nutrients.



Media Super

Our lifeline product with SC (suspension concentrate) formulation. It is an effective systemic insecticide with contact and stomach action for control of aphids, jassids and thrips in cotton and white backed plant hopper/brown plant hopper (BPH) of paddy. It controls termites and is recommended for non-agricultural use in masonry foundation, refilling of earth and RCC foundation, etc. It is a low dose high effect product.



Danfuron

Our lifeline product. Its technical specifications were developed by Bayer. It is a new insecticide/acaricide for excellent control of whiteflies and spider mites which are among major pests in vegetables like brinjal, chilli, okra and tomato. It is a liquid biosynthesis inhibitor (LBI) with long residual effects.



Protocol

Our lifeline product with technical specifications discovered and developed by Coromandel International. It has good sticking property and resistance to rain. It is a foliar contact fungicide which protects the crop from various fungal diseases which in turn increases yield. Recommended on chilli, rice, grapes, tomato, potato, pomegranate and apple.

UDAAN





In April 2014, Dhanuka Chairman's Club Conference 2014 in Mumbai welcomed over 300 special Dhanuka parivaar members from across India. The occasion celebrated their successful association with the Company with the 'Udaan – Aasman Chhune Ki' theme for 2014-15 to motivate every stakeholder to achieve new heights. The highpoint of the event was the presence of the iconic global superstar and the Company's brand ambassador Amitabh Bachchan. The legend admired the cultural values of Dhanuka parivaar apparent in the 'Save Water' campaign.

CORPORATE SOCIAL RESPONSIBILITY



Water conservation

Dhanuka took initiative for creating mass awareness on rainwater conservation and reuse.

Our motto: *Khet Ka Paani Khet Mein aur Gaon Ka Paani Gaon Mein.*

Dhanuka Agritech Limited celebrates World Water Day every year on 22nd March with great fervour. This year, Dhanuka joined hands with Water Technology Centre, Indian Agricultural Research Institute, New Delhi and published literature on 'Save Water – Every Drop Counts'. The Company also organised seminars which were well-attended.



Check dams

The construction of two check-dams is in progress in Jugalpura and Devipura villages in Sikar District (Rajasthan), in collaboration with PHD Chamber of Commerce. Dhanuka's initiatives towards water conservation have resulted in village Panchayats joining hands for construction.

Navsari Agricultural University

The Navsari Agricultural University (NAU) of Navsari (Gujarat) organised a convocation in June 2014 at the ATIC Centre for the award of diplomas to agri-input dealers. These awards were made to dealers who successfully completed requirements for Diploma in Agricultural Extension Services for Input Dealers (DAESI) in 2013-14. The DAESI out-reach program was started under a public-private partnership, Dhanuka Agritech funding 50% of the fee (Rs. 10, 000 per trainee) for 39 trainees. The

function was presided by Dr. A.R. Pathak, Vice Chancellor of NAU, and R.G. Agarwal, Group Chairman of Dhanuka Agritech (chief guest). Dr. A.M. Shekh, Ex-Vice Chancellor, Anand Agricultural University, was the guest of honour.

Some 39 dealers were awarded diplomas by the Chief Guest, Shri Agarwal and Dr. Pathak. Two dealers (Sarvashri Hitesh Patel of Rajshree Agro and Sunil Agarwal, of Narayani Agro Centre) excelled in the overall examination and were awarded prizes.

Poster competition

To celebrate World Water Day, an on-the-spot Poster Painting competition on 'Water Conservation' was organised and cash prizes worth Rs. 2,500 were given to students whose entries were adjudged the best.

A total of 14 States and 85 schools participated in the painting competition.

National Winners were declared by Hon. GC on Dhanuka's Founders Day on August 08, 2014.

CORPORATE INFORMATION

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. Sachin Kumar Bhartiya, Non-Executive Director
Mr. Subhash Chandra Lakhotia, Non-Executive Director
Mr. Indresh Narain, Non-Executive Director
Mr. Priya Brat, Non-Executive Director
Mr. Vinod Kumar Jain, Non-Executive Director
Mrs. Asha Mundra, Non-Executive Director
Mr. Om Prakash Khetan, Non-Executive Director

Company Secretary & Compliance Officer

Ms. Shubha Singh

Annual General Meeting

Date: 17th Day of September, 2014
Time: 11:00 AM
Venue: Shri Purushottam Hindi Bhawan,
11, Vishnu Digamber Marg
(Rouse Avenue), New Delhi – 110002

Registrars and Transfer Agents

M/s Abhipra Capital Limited
Abhipra Complex, A-387, Dilkush Industrial Area,
G.T. Karnal Road, Azadpur, Delhi-110033
Phone Nos.: (011) 42390909/708/783
Email: info@abhipra.com, rta@abhipra.com
Website: www.abhipra.com

Statutory Auditors

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

Bankers

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

Listing

Bombay Stock Exchange Limited
National Stock Exchange of India Limited

Notice to the Members

Notice is hereby given that the 29th Annual General Meeting of the Members of Dhanuka Agritech Limited will be held at Shri Purushottam Hindi Bhawan, 11, Vishnu Digambar Marg (Rouse Avenue), New Delhi- 110002 on Wednesday, the 17th day of September, 2014 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, 2014 alongwith the Standalone and Consolidated Profit and Loss Account for the Financial Year ended as on that date and the Cash Flow Statement together with the Reports of the Auditors and Directors thereon;
2. To declare Final Dividend for the Financial Year ended on 31st March, 2014;
3. To appoint a Director in place of Mr. R.G. Agarwal (DIN:00627386), who retires by rotation and being eligible, offers himself for re-appointment;
4. To appoint a Director in place of Mr. M.K. Dhanuka (DIN:00628039), who retires by rotation and being eligible, offers himself for re-appointment;
5. To re-appoint Statutory Auditors of the Company, to hold office from the conclusion of this 29th Annual General Meeting until the conclusion of the 32nd Annual General Meeting, subject to the ratification of their appointment at every Annual General Meeting of the Company and to decide their remuneration and to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“Resolved That pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s Dinesh Mehta & Co, Chartered

Accountants (Firm Registration No. 000220-N), be and is hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this 29th Annual General Meeting (AGM) till the conclusion of the 32nd AGM of the Company (subject to ratification of their appointment at every AGM held after this AGM), at such remuneration as may be decided in the AGM of the Company.”

Special Business:

6. To consider and approve the re-appointment of Mr. M.K. Dhanuka as Managing Director, 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 196, 197, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013, including any Statutory modification or re-enactment thereof and subject to such other approvals, as may be necessary, the approval of the Members be and is hereby accorded to the re-appointment of Mr. M.K. Dhanuka (DIN: 00628039) as the Managing Director of the Company for a period of five years from 14th August, 2014 to 13th August, 2019 (both days inclusive) on the terms and conditions including remuneration as set out in the Explanatory Statement annexed hereto and which forms a part of this Notice.”

“Resolved Further That the Board of Directors of the Company be and is hereby authorised to make any alteration(s), variation(s) and modification(s) in the terms of appointment of Mr. M.K. Dhanuka including an increase in remuneration from time to time, as the Board may, in its absolute discretion deem fit, at the recommendation of the Nomination and Remuneration Committee, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 or any Statutory modification(s) or re-enactment thereof.”



“Resolved Further That Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be deemed necessary or expedient to give effect to this Resolution.”

7. To appoint Mr. Priya Brat as an Independent Director of the Company 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 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, read with Schedule IV of the Companies Act, 2013, as amended from time to time, Mr. Priya Brat (DIN:00041859), who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment be and is hereby appointed as a non-retiring Independent Director on the Board of the Company for a period of 5 consecutive years w.e.f. 20th May, 2014.”

“Resolved Further That the Board of Directors be and is hereby authorised to do all other acts, deeds and things as may be necessary in this regard.”

8. To appoint Mr. Subhash Chandra Lakhota as an Independent Director of the Company 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 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, read with Schedule IV of the Companies Act, 2013, as amended from time to time, Mr. Subhash Chandra Lakhota (DIN:00310162), who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment be

and is hereby appointed as an Independent Director on the Board of the Company for a period of 5 consecutive years, not liable to retire by rotation w.e.f. 20th May, 2014.”

“Resolved Further That Board of Directors be and is hereby authorised to do all other acts, deeds and things as may be necessary in this regard.”

9. To appoint Mr. Vinod Jain as an Independent Director of the Company 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 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, read with Schedule IV of the Companies Act, 2013, as amended from time to time, Mr. Vinod Jain (DIN:01185937), who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment be and is hereby appointed as a non-retiring Independent Director w.e.f. 20th May, 2014 on the Board of the Company for a period of 5 consecutive years.”

“Resolved Further That the Board of Directors be and is hereby authorised to do all other acts, deeds and things as may be necessary in this regard.”

10. To appoint Mr. Indresh Narain as an Independent Director of the Company 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 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, read with Schedule IV of the Companies Act, 2013, as amended from time to time, Mr. Indresh Narain (DIN:00501297), who has submitted a declaration that he meets the criteria

for independence as provided in section 149(6) of the Act and who is eligible for appointment be and is hereby appointed as a non-retiring Independent Director on the Board of the Company for a period of 5 consecutive years w.e.f. 20th May, 2014.”

“Resolved Further That the Board of Directors be and is hereby authorised to do all other acts, deeds and things as may be necessary in this regard.”

11. To appoint Mrs. Asha Mundra as an Independent Director of the Company 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 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, read with Schedule IV of the Companies Act, 2013, as amended from time to time, Mrs. Asha Mundra (DIN:00394215), who has submitted a declaration that she meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment be and is hereby appointed as a non-retiring Independent Director on the Board of the Company for a period of 5 consecutive years w.e.f. 20th May, 2014.”

“Resolved Further That the Board of Directors be and is hereby authorised to do all other acts, deeds and things as may be necessary in this regard.”

12. To appoint Mr. Om Prakash Khetan as an Independent Director of the Company 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 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, read with Schedule IV of the Companies Act, 2013, as amended from time to time, Mr. Om Prakash Khetan (DIN:06883433), who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment be and is hereby appointed as a non-retiring Independent Director

on the Board of the Company for a period of 5 consecutive years w.e.f. 20th May, 2014.”

“Resolved Further That the Board of Directors be and is hereby authorised to do all other acts, deeds and things as may be necessary in this regard.”

13. To consider and approve Related Party Agreement with M/s Dhanuka Marketing Company 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 188 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modifications or re-enactments thereof for the time being in force) and Revised Clause 49 of the Listing Agreement entered into with the stock exchange(s) and subject to such other approvals, as may be necessary, consent of the Members be and is hereby accorded to the Related Party Transactions that have been entered into or are proposed to be undertaken between the Company and M/s Dhanuka Marketing Company (“DMC”) for availing their services as Clearing & Forwarding Agents of the Company’s products and caretaker of the Company’s operations in the state of Andhra Pradesh for a period of five Financial Years from FY 2014-15 to FY 2018-19, being in ordinary course of business, on terms and conditions as may be agreed upon between the Board of Directors of the Company and DMC, for and on behalf of the Company.”

“Resolved Further That Board of Directors be and is hereby authorised to do all such acts, deeds and things, including any amendments/modifications in terms from time to time, as may be necessary in this regard.”

14. 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 188 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modifications or re-enactments thereof for the time being in force) and Revised Clause 49 of the Listing



Agreement entered into with the stock exchange(s) and subject to such other approvals, as may be necessary, consent of the Members be and is hereby accorded to enter into Related Party Transactions to grant license to use the Registered office premise of the Company for the purpose of Registered Office of following companies/firms for 15 years w.e.f. 1st April, 2014 at a monthly rent of Rs. 2,000/- from each of these companies/firms on such terms and conditions as may be agreed upon between the Company and these companies/firms:

- i. M/s Golden Overseas Pvt. Ltd.
- ii. M/s Exclusive Leasing & Finance Ltd.
- iii. M/s Hindon Mercantile Ltd.
- iv. M/s Dhanuka Laboratories Ltd.

- v. M/s Sikkim Agro Industries Ltd.
- vi. M/s IKO Overseas
- vii. M/s Synmedic Laboratories
- viii. M/s Dhanuka Finvest Pvt. Ltd.
- ix. M/s MD Buildtech Pvt. Ltd.
- x. M/s HD Realtors Pvt. Ltd.
- xi. M/s Otsuka Chemical (India) P.Ltd.
- xii. M/s Dhanuka Infotech Pvt. Ltd.”

“Resolved Further That Board of Directors be and is hereby authorised to do all such acts, deeds and things, including any amendments/modifications in terms from time to time and granting License to use to any other company/firm, as may be necessary in this regard.”

By Order of the Board of Directors
For Dhanuka Agritech Limited

Sd/-

R.G. Agarwal

Chairman

DIN: 00627386

Place: Gurgaon

Date: 30th July, 2014

CIN: L24219DL1985PLC020126

Registered Office:

‘DHANUKA HOUSE’

861-862, Joshi Road, Karol Bagh, New Delhi – 110005

Telephone No.: (011) 23518981/82/64656800/1/2

Website: www.dhanuka.com

Email ID: investors@dhanuka.com

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. Proxy form duly stamped and executed, in order to be effective, must be received by the Company at its Registered Office at least 48 hours before the time when the Meeting is scheduled to begin.
2. Pursuant to Section 105(1) of the Companies Act, 2013, read with Rule 19 of the Companies (Management and Administration) Rules, 2014, a person can act as proxy on behalf of not more than fifty Members and holding in aggregate not more than ten per cent of the total share capital of the Company carrying voting rights. A person acting as Proxy for a Member holding more than ten per cent of the total share capital of the Company carrying voting rights, will not act as proxy for any other Member.
3. The Register of Members and the Share Transfer Books will remain closed from **15th September, 2014 to 17th September, 2014** (both days inclusive).
4. Payment of Final Dividend @100% (Rs. 2 per Equity Share having face value of Rs. 2 each) for the Financial Year ended on 31st March, 2014, as recommended by the Board, if approved at this AGM, will be made only to those Members whose names appear in the Register of Members of the Company as on 14th September, 2014, being the date of book closure or to their mandates, as the case may be. In respect of Equity Shares held in electronic form, the Final Dividend will be paid on the basis of beneficial ownership as on 14th September, 2014 as per details furnished by the National Securities Depository Ltd. (NSDL) and Central Depositories Services (India) Ltd. (CDSL) for this purpose.
5. An Interim Dividend @100% (Rs. 2 per Equity Share having face value of Rs. 2 each) was paid during the FY 2013-14 to the Members whose names appeared in the Register of Members of the Company as on the record date i.e. 18th February, 2014. In respect of Equity Shares held in electronic form, the Interim Dividend was paid on the basis of beneficial ownership as on the record date i.e. 18th February, 2014, as per details furnished by the National Securities Depository Ltd. (NSDL) and Central Depositories Services (India) Ltd. (CDSL) for this purpose.
6. Members holding shares in physical form are requested to inform about any change in their address or bank particulars to the Company's Registrar & Share Transfer Agent, M/s Abhipra Capital Limited, quoting their folio number. Members holding shares in electronic form must inform about any change in their address or bank particulars to their respective Depository Participants and not to the Company. These particulars will be used by the Company for payment of Final Dividend.
7. 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 AGM Meeting hall.
8. Documents referred to 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 AGM and will also be available for inspection at the venue of the AGM.
9. Corporate Members intending to send their authorised representatives are requested to send a duly certified copy of the Board Resolution authorising their representatives to attend and vote at the AGM.
10. Members desirous of getting any information about the Accounts under reference and operations of the Company should 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 2006-07 shall be transferred to Investor Education and Protection Fund (IEPF) in the month of October, 2014. Members, who have not yet encashed their Final Dividend warrant for the Financial Year ended 31st March, 2007 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 2006-07, has already been transferred to IEPF.



12. Pursuant to Sections 20, 101 and 136 of the Companies Act, 2013 and Rules made thereunder, Companies are allowed to send notices/documents in electronic form to their Members. To enable the Company to send its Annual Report, Notice of AGM and other documents for the Financial Year ended 31st March, 2014 electronically, Members are requested to update their email IDs with their Depository Participants in case the shares are held in the electronic form or the Registrar & Share Transfer Agent of the Company, in case the shares are held in the physical form and accord their consent for receiving documents through electronic mode.

13. The Company is pleased to provide the e-voting facility to Members to enable them to exercise their right to vote through electronic means, in pursuance of Section 108 of the Companies Act, 2013 and the Rules made thereunder.

The Company has appointed M/s S.Behera & Co., Company Secretaries, to act as the Scrutiniser, for conducting the scrutiny of the votes cast. The Company has entered into an arrangement with Central Depository Services (India) Limited (CDSL) for facilitating e-voting for AGM. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

The instructions for shareholders voting electronically are as under:

- i. The voting period will commence at 10:00 a.m. on Thursday, 11th September, 2014 and will end at 6:00 p.m. on Saturday, 13th September, 2014. During this period the Members whose names appear in the Register of Members / list of Beneficial Owners as on Thursday, 14th August, 2014, i.e. record date for voting purpose are entitled to vote on the Resolutions set forth in this Notice. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. The shareholders should log on to the e-voting website www.evotingindia.com.
- iii. Click on 'Shareholders'.
- iv. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vii. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN* issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>*Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</p> <p>In case the sequence number is less than 8 digits, enter the applicable number of O's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1, then enter RA00000001 in the PAN field.</p>
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

viii. After entering these details appropriately, click on "SUBMIT" tab.

ix. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

xi. Click on the EVSN of Dhanuka Agritech Limited on which you choose to vote.

xii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xvi. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

xvii. If Demat account holder has forgotten the same password then Enter the User ID and the image

verification code and click on 'Forgot Password' & enter the details as prompted by the system.

xviii. Note for Non-Individual Shareholders & Custodians:

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates and Custodians respectively.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

- After receiving the login details they have to create a compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote.

- A scanned copy of the Board Resolution or Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutiniser to verify the same.

xix. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

14. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar & Share Transfer Agent, M/s Abhipra Capital Limited, quoting their folio number.

15. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Item no. 6, 7, 8, 9, 10, 11, 12, 13 and 14 of the Notice (in respect of Special Business to be transacted at the Meeting) is annexed hereto.



Brief resume of Directors being recommended for appointment/re-appointment in Item numbers 3 and 4:

Item No. 3

Mr. R.G. Agarwal, s/o Late Shri C.L.Dhanuka, aged 65 years, is a Commerce Graduate from SRCC, Delhi University. He is an industry stalwart having experience of 44 years in the field of agrochemicals. He always aspired to contribute to Indian agriculture by equipping the farmers with scientifically advanced, high efficacy agri-inputs. He took over a sick unit -Northern Minerals Limited (NML) in 1980. Under his dynamic stewardship and excellent decision-making, the Company became profitable despite many crucial challenges. In 1985, he promoted Dhanuka Agritech Limited (Formerly known as Dhanuka Pesticides Limited). He has contributed immensely to the growth of the Company. He has spear-headed the Company's growth and supervises the overall affairs.

He also holds Directorship in M/s H.D. Realtors Pvt. Ltd. and M/s Dhanuka Finvest Pvt. Ltd. He is Chairman of Banking, Finance and Operations Committee and Corporate Social Responsibility Committee of Dhanuka Agritech Limited.

Mr. R.G. Agarwal is a man of vision, business acumen, leadership, passion and has an innovative bent of mind. He is dedicated to serve the cause of farming community in India.

Mr. R.G. Agarwal's vision is to make Dhanuka, a consistently growing and profit making Company in the plant protection agrochemicals sector, by providing best quality products of international standards to the farming community, which will contribute towards India's food sustainability program.

Item No. 4

Mr. M.K. Dhanuka, s/o Late Shri C.L.Dhanuka, 60 years of age, holds Bachelor's Degree in Commerce from SRCC, Delhi University. He is the Promoter share-holder and has been working as Director of the Company since the beginning. He is an eminent personality and has a vast and rich experience of 38 years in the agrochemicals industry.

He is proficient in corporate matters and his keen insight and judgment bring excellence to the functioning of the Company, its Board and Committees. He has deep commitment towards

achievement of organisational goals. His foresight and business acumen propelled the Company towards its goals.

He is also Director on the Board of M/s Dhanuka Laboratories Limited, M/s Golden Overseas Private Limited, M/s Dhanuka Infotech Private Limited, M/s M.D. Buildtech Private Limited, and M/s Dhanuka Finvest Pvt. Limited. He is a Member of Banking, Finance and Operations Committee and Permanent Invitee of the Audit Committee of the Company.

Explanatory Statement:

(Pursuant to Section 102 of the Companies Act, 2013 and Clause 49 of the Listing agreement with the Stock Exchange(s))

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

Item No. 6

Mr. M.K. Dhanuka was re-appointed as the Managing Director of the Company with Shareholders' approval in the 24th Annual General Meeting of the Company held on 22nd September, 2009 for a period of 5 Years from 14th August, 2009 to 13th August, 2014. He has been managing the overall affairs of the Company and has been a key contributor to the success of Dhanuka.

He is a Director in M/s Dhanuka Laboratories Limited, M/s Golden Overseas Private Limited, M/s Dhanuka Infotech Private Limited, M/s M.D. Buildtech Private Limited and M/s Dhanuka Finvest Private Limited. He is a Member of Banking, Finance and Operations Committee and Permanent Invitee of the Audit Committee of the Company.

As per the provisions of Sections 196, 197, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013, Mr. M.K. Dhanuka is eligible to be re-appointed as the Managing Director of the Company. Since his term as Managing Director gets over on 13th August, 2014, the Members are requested to consider and approve the Ordinary Resolution for re-appointing him as the Managing Director of the Company for a further period of five Years from 14th August, 2014 to 13th August, 2019.

The Board of Directors, at the recommendation of the Nomination and Remuneration Committee in their Meeting held on 20th May,

2014 has, subject to Shareholders' approval, re-appointed Mr. M.K. Dhanuka as Managing Director of the Company for a period of five years from 14th August, 2014 to 13th August, 2019 (both days inclusive) as per the terms and conditions set out in the Draft Agreement as placed before the Shareholders for their approval. The material terms and conditions proposed in the said Draft Agreement are mentioned herein below for consideration of Members:

A. Salary: Rs. 6,50,000 (Rupees Six Lakhs and Fifty Thousand only) per month in the salary range of Rs. 6,50,000 – 1,00,000 – 10,50,000 p.m. with the authority granted to the Board of Directors, on the recommendations of the Nomination and Remuneration Committee, to revise the salary every year by Rs. 100,000 p.m., subject to the ceiling of Rs. 10,50,000 p.m.

B. Commission: 1.5% of the Net profits of the Company computed under Section 198 of the Companies Act, 2013.

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 will not exceed one month's salary in a year or three months' salary in a block of three years excluding perquisites;
- ii) Leave travel concession for self and family not exceeding 15 days salary, once in a year. The perquisite will 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 will be paid by the Company;
- iv) Personal accident insurance, subject to the condition that annual premium will not exceed Rs. 10,000 per annum.
- v) Helper allowance of Rs. 15,000 p.m., subject to revision as per Company Policy.
- vi) Business attire allowance of Rs. 10,000 p.m., subject to revision as per Company Policy.

Category 'B':

- i) Company's contribution towards Provident Fund, subject to the ceiling of 12% of the salary;
- ii) Gratuity payable to an approved Gratuity Fund, which will not exceed one half month's salary for each completed year of service or part thereof in excess of six months, subject to a ceiling of Rs. 10,00,000 or as laid down in the Income Tax Rules, 1962, whichever is lower.

Category 'C':

- i) Provision of fully-furnished rent-free accommodation for self and family;
- ii) Provision of two cars for official and personal use; and
- iii) Provision of mobile phones, telephones at residence, etc. for official and personal use, subject to maximum limit of Rs. 10,000 p.m. in aggregate.

iv) Minimum Remuneration:

Notwithstanding anything to the contrary contained herein, where in any Financial Year, during the currency of tenure of Mr.M.K. Dhanuka as Managing 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 recommendation of the Nomination and Remuneration Committee of the Board of Directors, but subject to the limits prescribed in Schedule V to the Companies Act, 2013.

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 will also be available for inspection throughout the continuance of the Annual General Meeting.

None of the Directors and Key Managerial Personnel of the Company or their relatives, except Mr. M.K. Dhanuka, Managing Director, himself, Mr. R.G. Agarwal, Chairman, Mr. Mridul Dhanuka, Director, are in any way interested or concerned with this 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 190 of the Companies Act, 2013.

The aforesaid terms & conditions governing remuneration of Mr. M.K. Dhanuka fall within the parameters as prescribed in Schedule V to the Companies Act, 2013 as amended upto date; hence only Shareholders' approval is required and no approval of the Central Government is necessary in this case.

Item Nos.7 to 12:

The Company has received written notices in accordance with the provisions of Section 160 of the Companies Act, 2013, from Members along with a deposit of Rs. 1,00,000/- per candidate, proposing the candidature of Mr. Priya Brat, Mr. Subhash Chandra Lakhotia, Mr. Vinod Jain, Mr. Indresh Narain, Mrs. Asha Mundra and Mr. Om Prakash Khetan for appointment as Independent Directors under the provisions of Section 149 of the Companies Act, 2013.

The Company has received following documents from aforementioned persons proposed to be appointed as Independent Directors:

- i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014.
- ii) Intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules 2014, to the effect that s/he is not disqualified under Section 164(2) of the Companies Act, 2013.
- iii) A declaration to the effect that s/he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The Board of Directors, at the recommendation of the Nomination and Remuneration Committee, in their Meeting held on 20th May, 2014 has appointed Mr. Priya Brat, Mr. Subhash Chandra Lakhotia, Mr. Vinod Jain, Mr. Indresh Narain, Mrs. Asha Mundra and Mr. Om Prakash Khetan as non-retiring, Independent

Directors of the Company for a period of five consecutive years, with effect from 20th May, 2014, subject to Shareholders' approval.

In the opinion of the Board of Directors, all of them meet the conditions/criteria specified in the Companies Act, 2013, Rules made thereunder and the Listing Agreement for their appointment. The Board considers it in the interest of the Company to appoint them as Independent Directors since they are experts in their respective fields.

The Board of Directors recommends the afore-said appointment to the Members for their approval pursuant to the provisions of Section 149 and 152 of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014.

None of the other Directors, Key Managerial Personnel or their relatives, are related to the proposed Independent Directors or interested in their appointment.

A copy of the Independent Directors' Appointment letter, setting out their terms and conditions would be open for inspection by any Member without any fee, at the Registered Office of the Company during normal business hours on any working day, upto the date of Annual General Meeting and is also available on the website of the Company www.dhanuka.com.

Brief profile of the Independent Directors proposed to be appointed is as follows:

Item No.7:

Mr. Priya Brat, aged 77 years, is M.Sc (Hons) in Physics, Fellow Member of Indian Institute of Bankers, holds Diploma in International Finance from the Development Management Institute, Geneva and Diploma in Banking, Finance and Accountancy from the Indian Institute of Bankers, Mumbai. He had a distinguished career in State Bank of India and headed various important assignments related to Industrial Credit, Forex Management, Project Appraisal, Loan Syndication and Merchant Banking.

He is a Director in M/s Eicher Motors Limited, M/s Dhampur Sugar Mills Limited, M/s Trinova India Private Limited and M/s South Asian Enterprises Limited. He has been on the Board of Dhanuka Agritech Limited since 28th October, 2002 as Independent Director. He is a Member or Chairman of the following Committees of Board:

S. No.	Name of the Company	Name of the Committee of Board of Directors	Name of Committee of Directors and interest therein i.e. whether a Member or its Chairman
1.	M/s Dhanuka Agritech Limited	<ul style="list-style-type: none"> Audit Committee Nomination and Remuneration Committee 	Chairman Chairman
2.	M/s Dhampur Sugar Mills Ltd.	<ul style="list-style-type: none"> Shareholders'/Investor's Grievance Redressal Committee Audit Committee 	Member Member
3.	M/s Eicher Motor Limited	<ul style="list-style-type: none"> Audit Committee Shareholders'/Investor's Grievance Redressal Committee Compensation Committee 	Member Chairman Member
4.	M/s South Asian Enterprises Limited	<ul style="list-style-type: none"> Audit Committee 	Member

Item No.8:

Mr. Subhash Chandra Lakhotia, aged 64 years, is a renowned Income-tax Practitioner for the last 41 years in areas of tax planning, tax documentation and investment planning. He has also addressed a number of seminars and lecture meetings on taxation and tax planning and is conducting a very popular course named 'Zero to Hero in Income Tax'. He is 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 has written books on Income-tax, Investment and Real Estate. Mr. Subhash Chandra Lakhotia hosts a popular TV show named "Tax Guru" and also answers tax questions on magicbricks.com. He regularly writes in various national dailies including The Hindustan Times.

He is Partner in R.N. Lakhotia & Associates, LLP. He also holds position of Director in M/s Minda Industries Limited, M/s Realone Developers Private Limited and Lakhotia College of Taxation & Management. He has been on the Board of Dhanuka Agritech Limited since 30th January, 2008 as Independent Director. He is a Member or Chairman of the following Committees of Board:

Name of the Company	Name of the Committee of Board of Directors	Name of Committee of Directors and interest therein i.e. whether a Member or its Chairman
M/s Dhanuka Agritech Limited	<ul style="list-style-type: none"> Stakeholders' Relationship Committee Nomination and Remuneration Committee 	Member Member

Item No.9:

Mr. Vinod Jain, aged 64 years, is a Commerce Graduate from Delhi University and has a rich and multi- faceted experience of 40 years. With his innovative ideas and skills, he has taken his business of cotton yarn to new heights. He is also Secretary of Cotton Yarn Merchant Association. He has added value to the Company's systems by giving his valuable suggestions and recommendations to the Board in critical areas.

He has been on the Board of Dhanuka Agritech Limited since 24th March, 2005 as Independent Director. He is a Member of the Audit Committee of the Company.



Item No.10:

Mr. Indresh Narain, aged 69 years, has a rich experience in Banking and retired as Head of Compliance and Legal Department, HSBC Group. He has advised the Board on countless occasions on matters related to banking, legal and compliances.

He is also a Director on the Boards of M/s Cholamandalam Investment and Finance Limited, M/s Pine-Bridge Investments Trustee Company (India) Private Limited and M/s Indian Public Schools Society. He has been on the Board of Dhanuka Agritech Limited since 23rd May, 2007 as Independent Director. He is a Member or Chairman of the following Committees of Board:

S. No.	Name of the Company	Name of the Committee of Board of Directors	Name of Committee of Directors and interest therein i.e. whether a Member or its Chairman
1.	M/s Dhanuka Agritech Limited	<ul style="list-style-type: none"> Audit Committee Stakeholders Relationship Committee Corporate Social Responsibility Committee 	Member Chairman Member
2.	M/s Cholamandalam Investment and Finance Ltd	<ul style="list-style-type: none"> Audit Committee 	Chairman

Item No.11:

Mrs. Asha Mundra, aged 51 years, has graduated from Miranda House College, Delhi and has done Export Marketing Course from Import Export Promotion Council, New Delhi. She joined M/s Merino Industries Limited, which manufactures interior and panel products in 1994 as Administrative Head. Presently, she is an Executive Director in M/s Anupriya Marketing Limited, which is involved in marketing of interior and panel products. She is a Member of Stakeholders Relationship Committee of the Company.

Item No.12:

Mr. Om Prakash Khetan, aged 79 years, has done post-graduation from IIT, Kharagpur (M. Tech degree) and IIM, Kolkata (MDP) and completed his training in USA and UK. He has over 30 years of experience in Industrial Relations/Human Resources. He was head of HR/Personnel with Steel Authority of India (SAIL) and ICI India Ltd. (Indian subsidiary of British multinational). He was Former Chairman of National Institute of Personnel Management (Delhi chapter). Presently he is Founder Executive Director of HRD Centre. He is a Member of Nomination and Remuneration Committee of the Company.

Item No.13

As per the provisions of Section 188 of the Companies Act, 2013, Related Party Transactions which are not in the ordinary

course of business or at arm's length have to be approved by the Members by passing a Special Resolution.

M/s Dhanuka Marketing Company ("DMC") is a related party within the definition of Section 2(76) of the Companies Act, 2013, since Mr. R.G. Agarwal, Chairman and Mr. M.K. Dhanuka, Managing Director are brothers of Mr. S.N. Agarwal, partner of DMC. DMC is working as dealer/distributor in Andhra Pradesh since 1974. DMC has been providing Clearing & Forwarding Agent services to M/s Northern Minerals Limited (presently Dhanuka Agritech Limited) since 1980. DMC has strong network of dealers/distributors in Andhra Pradesh and in addition, provides various value added services to the Company in relation to marketing & promotional activities. It is proposed that DMC continue to act as C&F agent and care-taker of the Company's operations in the state of Andhra Pradesh for a period of five Financial Years from FY 2014-15 to FY 2018-19. Hence, the approval of the Members is being sought for this Related Party Transaction.

Historically, the Company's sales have been highest in Andhra Pradesh, specially for its important high margin products. DMC is managing total Branch operations, including staff management in marketing and at Branch, maintaining cordial relations with dealers/ distributors and entire sales related operations in Andhra Pradesh for the Company since 1980.

The aforesaid matter has been approved by the Board of Directors of the Company, at the recommendation of Audit Committee, in its meeting held on 30th July, 2014.

The following information may be considered by the Members for the purpose:

- a) The name of the related party and nature of relationship- M/s Dhanuka Marketing Company.

Mr. R.G. Agarwal, Chairman and Mr. M.K. Dhanuka, Managing Director are brothers of Mr. S.N. Agarwal, partner of DMC.

- b) The nature, duration of the contract and particulars of the contract or arrangement- It is proposed that DMC continue to act as C&F agent and care-taker of the Company's operations in the state of Andhra Pradesh for a period of five Financial Years from FY 2014-15 to FY 2018-19.

- c) The material terms of the contract or arrangement including the value, if any- The Company will pay commission to DMC as a percentage of the net sales of Andhra Pradesh, as approved by the Audit Committee and the Board of Directors. The payments will be made through banking channel.

- d) Any advance paid or received for the contract or arrangement, if any- Nil.

- e) The manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract- Commission is being decided on basis of services rendered.

- f) Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors- yes, all factors have been considered for the purpose.

- g) Any other information relevant or important for the Board to take a decision on the proposed transaction- Nil

None of the other Directors, Key Managerial Personnel or their relatives except Mr. R.G. Agarwal, Chairman and Mr. M.K. Dhanuka, Managing Director, are interested in this resolution.

Item No.14

As per provisions of Section 188 of the Companies Act, 2013, certain Related Party Transactions have to be approved by the Members by passing a Special Resolution, if the same are not at arm's length or in the ordinary course of business.

All the companies/firms mentioned in the resolution are related parties as per section 2(76) of the Companies Act, 2013. It is proposed that the Company continues to grant license to use its Registered Office for the purpose of maintaining the Registered Office of these companies/firms for 15 years w.e.f. 1st April, 2014 on a monthly rent of Rs. 2,000/- from each of these companies/firms. These transactions fall within the preview of section 188 of the Companies Act, 2013. Hence, the approval of the Members is being sought for these Related Party Transactions.

The aforesaid matter has been approved by the Board of Directors of the Company, at the recommendation of Audit Committee, in its meeting held on 30th July, 2014.

The following information may be considered by the Members for the purpose:

- a) The name of the related party and nature of relationship-
- i. M/s Golden Overseas Pvt. Ltd.
 - ii. M/s Exclusive Leasing & Finance Ltd.
 - iii. M/s Hindon Mercantile Ltd.
 - iv. M/s Dhanuka Laboratories Ltd.
 - v. M/s Sikkim Agro Industries Ltd.
 - vi. M/s IKO Overseas
 - vii. M/s Synmedic Laboratories
 - viii. M/s Dhanuka Finvest Pvt. Ltd.
 - ix. M/s MD Buildtech Pvt. Ltd.
 - x. M/s HD Realtors Pvt. Ltd.
 - xi. M/s Otsuka Chemical (India) P.Ltd.
 - xii. M/s Dhanuka Infotech Pvt. Ltd.

Mr. R.G. Agarwal, Chairman, Mr. M.K. Dhanuka, Managing Director, Mr. Arun Kumar Dhanuka, Mr. Rahul Dhanuka and Mr. Mridul Dhanuka, Directors, hold either directly or indirectly, themselves or through their relatives, more than two percent



of shareholding of aforementioned companies or are Director, Promoter, Partner, Member of aforementioned companies/firms.

- b) The nature, duration of the contract and particulars of the contract or arrangement- Company will grant license to use its Registered Office for the purpose of maintaining their Registered Office for 15 years w.e.f. 1st April, 2014.
- c) The material terms of the contract or arrangement including the value, if any- Company will charge rent @Rs. 2,000/- p.m. from each of these companies/firms
- d) Any advance paid or received for the contract or arrangement, if any- Nil
- e) The manner of determining the pricing and other commercial terms, both included as part of contract and not considered

as part of the contract- The premises will be used only for maintaining their Registered office.

- f) Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors- yes, all factors relevant to the contract have been considered.
- g) Any other information relevant or important for the Board to take a decision on the proposed transaction- Nil

None of the other Directors, Key Managerial Personnel or their relatives except Mr. R.G. Agarwal, Chairman, Mr. M.K. Dhanuka, Managing Director, Mr. Arun Kumar Dhanuka, Mr. Rahul Dhanuka and Mr. Mridul Dhanuka, Directors, are interested in this matter.

By Order of the Board of Directors
For Dhanuka Agritech Limited

Sd/-

R.G. Agarwal

Chairman

DIN: 00627386

Place: Gurgaon

Date: 30th July, 2014

CIN: L24219DL1985PLC020126

Registered Office:

'DHANUKA HOUSE'

861-862, Joshi Road, Karol Bagh, New Delhi – 110005

Telephone No.: (011) 23518981/82/64656800/1/2

Website: www.dhanuka.com

Email ID: investors@dhanuka.com

Directors' Report

Dear members,

Your Directors are pleased to present the 29th Annual Report on the business and operations of the Company along with the Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2014.

It's a matter of pride that your Company's market-capitalisation exceeded Rs. 1,400 crores in March, 2014.

We are happy to inform that Mr. Amitabh Bachchan, Super-Star of Indian Cinema, has been endorsing your Company as its Brand Ambassador and this has strengthened the Company's Brand-image.

Financial Highlights

(Rs. in lakhs)

Particulars	For the FY ended 31.03.2014	For the FY ended 31.03.2013
Gross Turnover	82,905.42	64,640.05
Profit before Depreciation & Taxation (PBDT)	12,117.48	8,531.84
Deductions:		
Depreciation	483.86	454.17
Provision for Taxation	2,320.09	1,632.83
Profit after Tax (PAT)	9,313.53	6,444.84
Balance of Statement of Profit & Loss of Previous Year	19,083.02	14,910.93
Amount available for Appropriations	28,396.55	21,355.77
Appropriations:		
• Transfer to General Reserve	932.00	645.00
• Final Dividend (Proposed)	1,000.39	650.25
• Interim Dividend (Paid)	1,000.39	750.24
• Dividend Tax (both Interim and Final)	340.04	227.26
Surplus carried to Balance Sheet	25,123.73	19,083.02

Business Operations

The Financial Year 2013-14 was exemplary for Indian agri-inputs industry because of abundant rainfall in the country. Both the Kharif and Rabi season were robust and there was good demand for your Company's products.

Your Company achieved a Gross Turnover of Rs. 82,905.42 lakhs, an increase of 28.26% over last year's Gross Turnover

of Rs. 64,640.05 lakhs. The Net Sales of the Company grew by 26.81% from Rs. 58,230.56 lakhs in FY 2012-13 to Rs. 73,841.01 lakhs in FY 2013-14.

EBITDA grew by 41.08% from Rs. 8,884.56 lakhs in FY 2012-13 to Rs. 12,534.28 lakhs in FY 2013-14. Further, PAT grew by 44.51% from Rs. 6,444.84 lakhs in FY 2012-13 to Rs. 9,313.53 lakhs in FY 2013-14.



Your Company continues to remain debt-free, due to its strong performance in the recent years. Additionally, it has healthy Net Worth of Rs. 33,249.57 lakhs.

We are delighted that your Company has found a coveted place in internationally acclaimed '**Forbes Asia – 200 Best under a Billion**' list for the third time in last four years.

It is our privilege to inform that your Company has bagged a place in the prestigious '**Inc. India 500 – India's Fastest Growing Mid-Sized Companies**' list for the third consecutive year.

Further, it is a matter of pride that your Company has been presented '**Inc. India Innovative 100 Award: 2013**' in recognition of smart innovation for its newly launched product – Lustre.

In addition to this, your Company has been presented prestigious award for '**Branding Excellence in agro-chemicals by ABP News**' during 22nd World Brand Congress.

Your Company has been assigned (ICRA) A+ for fund based limits and (ICRA) A1+ for non-fund based limits.

CRISIL has assigned Fundamental grade and Valuation grade of 4/5 to your Company.

Dividend

Your Company paid 100% Interim Dividend i.e. Rs. 2.00 per Equity Share having face value of Rs. 2/- each during the Financial Year 2013-14. The total outgo on this account amounted to Rs. 1,170.41 lakhs (including Rs. 170.02 Lakhs of Corporate Dividend Tax). The Interim Dividend was paid to the shareholders whose names appeared in the Register of Members on Record date, i.e. 18th February, 2014 and entire Dividend amount was paid within statutory time-lines as stipulated by the Companies Act, 1956.

Your Directors are pleased to recommend 100% Final Dividend i.e. Rs. 2.00 per Equity Share of Rs. 2/- each for the Financial Year ended 31st March, 2014. Final Dividend, if approved by

the Members at ensuing Annual General Meeting, will absorb Rs. 1,000.39 lakhs and tax on Dividend will absorb Rs. 170.02 lakhs.

This will result in total Dividend @200% i.e. Rs. 4 per equity share having face value of Rs. 2/- each for the Financial Year ended 31st March, 2014.

Subsidiary Company

At present your Company has one wholly owned subsidiary company namely M/s Dhanuka Agri-Solutions Pvt. Ltd. incorporated in Bangladesh and its operations have not yet started.

Transfer to General Reserve

Your Company proposes to transfer Rs. 932 lakhs to the General Reserve.

Issued and Paid-Up Share Capital

As on 31st March, 2014, 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.

Future Prospects

Your Company continues to introduce new products with international and domestic tie-ups, as our marketing philosophy is to launch technologically-advanced, innovative products. Six new, exclusive products are in process of getting registered with Central Insecticides Board u/s 9(3) of the Insecticides Act, 1968. Two products are expected to be launched in each of the next three financial years.

The Indian Meteorological Department has predicted that there is a probability that this year's monsoon in India may be adversely affected by El-Nino weather phenomenon. However due to pan India presence, product portfolio for all kind of crops to control all types of weeds, pests & diseases, your Company expects to do well during this fiscal.

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, 2013, Mr. Ram Gopal Agarwal and Mr. Mahendra Kumar Dhanuka will retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Further, the tenure of Mr. Mahendra Kumar Dhanuka as Managing Director of the Company gets over on 13th August, 2014 and being eligible, he has offered himself for re-appointment as Managing Director of the Company. Your Board has recommended his re-appointment for a further period of 5 years, based on the recommendation of the Nomination and Remuneration Committee.

Mrs. Asha Mundra has been appointed as Director, to fill casual vacancy caused due to resignation of Mr. Shri Krishna Khetan, at the Board Meeting held on 6th February, 2014. Mr. Om Prakash Khetan has been appointed as Director, to fill casual vacancy caused due to resignation of Mr. Subash Chander Gupta, at the Board Meeting held on 20th May, 2014.

Further, the Board of Directors recommend the appointment of Mr. Priya Brat, Mr. Subhash Chandra Lakhotia, Mr. Vinod Kumar Jain, Mr. Indresh Narain, Mrs. Asha Mundra and Mr. Om Prakash Khetan as Independent Directors on the Board of the Company, in accordance with the provisions of the Companies Act, 2013 and Rules framed there under, for a period of five consecutive years with effect from 20th May, 2014, based on the recommendation of the Nomination and Remuneration Committee.

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 2013-14 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 Certificate by the Statutory Auditors of the Company confirming compliance with Corporate Governance forms a part of this Report.

Corporate Social Responsibility (CSR) Committee

Your Company has constituted CSR Committee, in accordance with the CSR provisions u/s 135 and Schedule VII of the Companies Act, 2013 and the Rules made thereunder. The CSR Committee comprises of Mr. Ram Gopal Agarwal (Chairman), Mr. Indresh Narain and Mr. Arun Kumar Dhanuka. The CSR Policy recommended by the CSR Committee has been approved by your Board of Directors and is available on the Corporate website.



The Company will lay special emphasis on promoting education, eradication of hunger, poverty and mal-nutrition; conservation of water, deployment of water for agriculture and human use.

The thrust will be on training and education of farmers and dealers and transfer of technology to improve food production. The Company's CSR efforts have been to conserve "Gaon ka paani, gaon mein aur khet ka pani, khet mein" and will continue to work in this direction.

The Corporate Governance Report covers more information on the CSR Committee.

Internal Complaints Committee (ICC)

Your Company has constituted Internal Complaints Committee (ICC), in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder. The ICC comprises of Ms. Shubha Singh (Chairperson), Mr. Rajesh Sahni, Mr. Ankur Dhanuka, and Ms. Seema Salwan. The Company's Policy under this Act is available on the Corporate website. ICC provides a mechanism for reporting and redressing complaints related to sexual harassment at workplace.

Whistle Blower Policy

Your Company has adopted a Whistle Blower Policy as a mechanism for employees to report concerns about unethical behaviour or actual or suspected fraud of all kinds, including alleged fraud by or against the Company, abuse of authority, whether made by a named complainant or anonymously. The Policy is available on the Company's website.

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 is 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 till the date of this Report.

Shares Under Compulsory Dematerialisation

The Equity Shares of your Company are included in the list of specified scrips where delivery of Shares in dematerialised (demat) form is compulsory if the same are traded on a Stock Exchange, which is linked to a Depository. As on 31st March, 2014, 98.07% Equity Shares were held in dematerialised 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 in the last AGM 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 for 3 years i.e. for Financial Year 2014-15, 2015-16 and 2016-17.

Cost Auditors

The Board of Directors, in pursuance of the order issued by the Central Government under Section 233B of the Companies Act, 1956, has appointed M/s S. Chander & Associates, Cost Accountants, having their Registered Office at 212, 2nd Floor, Sarai Pipal Thala, G.T. Karnal Road, Adarsh Nagar, Delhi-110033, as Cost Auditors of the Company to conduct Audit of the Cost Accounts maintained by the Company for the Financial Year 2013-14. The Cost Audit Report for the Financial Year 2012-13, was filed on 27th September, 2013 with ROC, within the due date of filing.

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 per annum.

Name & Age	Designation/ Nature of Duties	Remuneration p.a. (Rs. in lakhs)	Qualification	Experience (Years)	Date of Joining	Previous Employment & Designation	%age Shareholding in Dhanuka Agritech Ltd. as on 31 st March, 2014	Relation to any Director or Manager
Mr. R.G. Agarwal (65 years)	Chairman	268.30	B.Com (Hons)	44	Since incorporation	Own Business	0.39% (1,94,000 Shares)	Brother of Mr. M.K. Dhanuka, Father of Mr. Rahul Dhanuka
Mr. M.K. Dhanuka (60 years)	Managing Director	261.58	B.Com (Hons)	38	Since Incorporation	Own Business	Nil	Brother of Mr. R.G. Agarwal, Father of Mr. Mridul Dhanuka
Mr. A.K.Dhanuka (57 Years)	Director (Works) Gurgaon unit	241.50	B.Com	35	23.05.2007	Own Business	Nil	No
Mr. Rahul Dhanuka (39 years)	Director (Marketing)	237.02	B.Sc & M.B.A.	16	01.02.2002	Own Business	1.46% (7,30,000 Shares)	Son of Mr. R.G. Agarwal
Mr. Mridul Dhanuka (33 years)	Director (Operations)	167.00	B.Tech. & M.B.A.	9	01.04.2005	Own Business	Nil	Son of Mr. M.K. 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, Directorates of Agriculture, Haryana, Gujarat, J&K, other Government Agencies, Bankers, Shareholders, Dealers, Distributors, Vendors, foreign collaborators and the farming community who have reposed their trust and confidence in the Company.

Your Directors wish to place on record their appreciation for cordial industrial relations maintained by workmen and dedicated efforts put in by staff, for Company's continuous growth and success.

For and on behalf of the Board

Place: Gurgaon

Date: 20th May, 2014

Sd/-

R.G. Agarwal

Chairman

DIN: 00627386



ANNEXURE 'A'

(A) Conservation of Energy

a&b) Wherever possible, energy conservation measures have been implemented. Efforts to conserve and optimise the use of energy through improved operational methods and other means are an on-going activity.

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

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

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

I. Power and Fuel consumption:

Electricity (KWH)

S. No.	Particulars	2013-14	2012-13
a)	Purchased Units	13,88,434	11,19,787
	Total Amount (Rs. in lacs)	91.74	69.33
	Rate per Unit (Rs.)	6.61	6.19
b)	Own Generation through Diesel		
	(Generator) Units	1,02,976	94,104
	Unit/Lit of diesel oil	2.03	2.09
	Cost/Unit (Rs.) (Incl. overhead)	28.48	22.42

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 attributed to steep rise in fuel costs and power tariffs.

(B) Research & Development

The R&D is the Company's core strength and is responsible for sustainable growth by introducing new eco-friendly molecules. It is actively engaged in evaluating new and current product formulations in different agro-eco regions, plays a pivotal role in promotion and creating awareness about new products, channelises information to consumers for their safe and judicious use, develops interface with State Agricultural Universities/ICAR/KVK and imparts training to sales staff, Dhanuka Doctors, dealers and farmers. The division generates data on different parameters for registration of new plant-protection chemicals for the first time in India and for expansion of existing label claims on suitable

crops. The division also facilitates registration of plant-protection chemicals in Nepal and Bangladesh to enable the Company to export its products.

Specific Areas in which R&D was carried out by the Company:

In 2012, CIB & RC had approved registration of systemic fungicide, LUSTRE which was the Company's own registered product u/s 9(3), for effective control of Rice Sheath Blight and leaf spot and enhancing quality and yield of crop. It has showed promising control of other important rice diseases and grain discolorations. This formulation is developed in-house by R&D Team at Delhi Office and Gurgaon Unit. This will also be used for enhancing yield of groundnut, a very important oilseed crop.

We have signed MoU with the AAU, Anand & NAU, Navsari for off-campus one year DAESI Course. The PPP RAU, Bikaner for a Diploma in Agri-Business Management, continues to be in operation during the current year as well. Mobile Soil and

Water Testing Lab is being run by the Company under PPP with Rajasthan Agriculture Department.

The R&D team put up field exhibitions, training of extension personnel, farmer's training camps, training of Krishi Mitra, road shows, publishing technical and popular literature on regular basis. A bulletin titled, 'Plant-protection chemicals for Food and Nutritional Security & Economic Growth (Science –based Facts)' was released during the 3rd Agrochemicals Conclave, 2013 on 30-31 July, 2013 at FICCI, New Delhi.

World Water Day Celebrations on 22nd March, 2014

This year too, several programs were organised to create mass awareness. The Water Technology Centre (WTC) of IARI, New Delhi & Dhanuka Agritech Limited (DAL) jointly organised a Conference on 22nd March, 2014, presided over by Dr. R.B. Singh, Chancellor of CAU and inaugurated by Dr. H.S.Gupta, Director, IARI. The participants were also addressed by Mr. M.K. Dhanuka, Managing Director of your Company and Project Director, WTC. Mr. M.K. Dhanuka announced that Company has launched construction of 2 check-dams with the co-operation of PHD Chamber of Commerce and Village Panchayats at two sites in Rajasthan at approx cost of Rs. 20 lakhs, as Corporate Social Responsibility (CSR) activity.

Benefits Derived:

Introduction of versatile molecules- Lustre and Mortar will not only enhance the corporate image, but will also generate profitable revenue by strengthening our presence in rice, chilli, Cole crops and other cash crops. Your Company is expecting to get registration of Semptra –a post emergence herbicide for control of most obnoxious weed *Cyperusrotundus* in sugarcane, which will surely open new vistas of growth as Dhanuka will be the only company having registration of this most promising herbicide in Sugarcane and Maize crops. We are also expecting introduction of Sakura, a versatile herbicide for weed control in Soybean to find application in many other crops.

National and State level PPPs have significantly contributed to our Corporate image and we get a positive response for various development activities from the State Departments of Agriculture & other stakeholders like SAUs.

iii) Future Plan of Action:

The R&D Division continuously explores opportunities for collaboration and undertaking studies for label expansion on new crops/insects, pests and diseases and also for registration of new molecules of our foreign collaborators.

iv) Expenditure on R&D:

(Rs. in lakhs)

S. No.	Particulars	2013-14	2012-13
a)	Capital	Nil	Nil
b)	Recurring	158.46	145.39
c)	Total	158.46	145.39
d)	Total R&D expenditure as a percentage of net turnover	0.21%	0.25%

(C) Technology Absorption, Adaptation and Innovation

Your Company's strategic collaborations with MNCs have resulted in technology transfer and adoption of scientifically advanced, high-efficacy plant-protection chemicals by the Indian farmer, resulting in increased crop yields and farm incomes. This goes a long way towards ensuring food security for the nation.

Your Company's Gurgaon laboratory is NABL- accredited. Also, our R&D centre is recognised by the Department of Science & Technology, Ministry of Chemicals, Govt. of India. The Company's Udhampur Unit received re-certification for ISO 9001:2008 for Quality Management and ISO 14000:2004 for Environmental Management. The OHSAS 18001:2007 certification awarded to the Company's Udhampur unit demonstrates the Company's commitment to its employees, employees' families and other stakeholders regarding the health, safety and wellness of each person that may be exposed to the health and safety risks associated with the activities and operations of the Company. Further, it helps reduce accidents, disruptions and their associated costs, thereby increasing productivity.



(D) Foreign Exchange Earnings and Outgo

Particulars	Currency	Amount (in foreign currency)	Equivalent in INR (Rs. in Lakhs)
Transactions (outgo)			
Raw Materials Imports (CIF)	USD	1,88,40,806	11,188.10
Management Consultancy	USD	1,92,497	117.61
Foreign Travelling Expenses	EURO	140	0.45
	USD	1,516	0.88
	JPY	3,06,996	1.99
	RMB	63,725	6.44
	SGD	500	0.25
			11,315.72
Transactions (Earnings)			
Export Sale Remittance	USD	26,000	16.22
Reimbursement of Product Promotion Expenses (Targa)	USD	80,000	48.84
Product (Omite) Target Incentive	USD	1,78,200	109.65
Product (Vitavax) Target Incentive	USD	72,000	44.30
Insurance Claim	USD	1,593	0.96
			219.97

For and on behalf of the Board

Place: Gurgaon

Date: 20th May, 2014

Sd/-

R.G. Agarwal

Chairman

DIN: 00627386

Management Discussion and Analysis Report

Indian economy

The Indian economy grew by 4.7% in 2013-14 compared to 4.5% in 2012-13. The growth can be attributed to strong output in the country's farm sector which grew at 4.7% during 2013-14 against 1.4% in 2012-13. The manufacturing sector recorded a negative growth of 0.7% in 2013-14 as against 1.1% in 2012-13 (Source: *Economic Survey 2013-14*).

IMF has retained its GDP forecast for India unchanged at 5.4% for FY15 and 6.4% for FY16. The year 2014 is likely to be a 'slow recovery year', with economic growth in India rising steadily, easing of inflation and currency exchange rates remaining largely stable. (Source: *Moneycontrol*).

Indian agriculture sector

The Indian economy is primarily agrarian; about 60% of the country's population depends on agriculture as a principal means of livelihood. An early and good monsoon had a positive impact on sowing activity in 2013-14. For the first time, the country will post a record food grain output of 260 MT in 2013-14 while horticulture production is likely to touch 269 MT. (Source: *Financial Express, January 2014*)

On the agri-trade front, India's exports in 2012-13 were worth US\$ 53.6 billion against agri-imports of US\$ 21.84 billion, a feat likely to be repeated. India is the largest exporter of rice, guar gum meal (used as a food additive in baking, dairy, meat and condiments industries), poultry products, marine products, meat and meat preparations, oil meals - and the second-largest exporter of cotton. The improved agriculture output is expected to moderate food inflation and strengthen economic growth (Ministry of Agriculture, Govt. of India).

As per Chairman of the Agricultural Costs and Prices Commission, Govt. of India, our agriculture exports 'revealed comparative advantage' (Balassa Index) which was 1.6 against that of manufacturing at 0.98 (www.financialexpress.com/news/three-cheers-for-indian-agriculture-/12139471). This competitiveness can be further enhanced through prudent use of agrochemicals to counter a probable decline in annual food availability/capita from 207 kg to 188 kg by 2022 (global average 337 kg).

Despite a significant increase in food production, food security

concerns are more alarming than ever on account of a large number of variables like burgeoning population, technology fatigue, diminishing arable land, rising input costs, limited technological reach, evolving food preferences, impending climate changes, degraded soil and water resources, emergence of new pests (minor pests becoming major pests).

Indian agrochemical industry

In India, insecticides are used for control of insects, fungicides for control of fungal disease (seed, soil-borne and plant), bactericides for the control of bacterial disease and herbicides for weed control.

The Indian agrochemical industry's size was estimated to be US\$ 3.8 billion in year 2012. Over the 12th Five Year Plan period, the segment is expected to grow at 12-13% per annum to reach US\$ 7 billion. The domestic agrochemical demand is growing at around 8-9% and export demand at 15-16%. India possesses agrochemicals production capacity of 146,000 MT, while the production was 82,000 MT in 2012-13.

(<http://news.agropages.com/News/print---10649---.htm>)

India consumes plant protection chemicals worth US \$1.9 billion while it exports of the same during 2012-13 (April-December) was worth US\$ 1.37 billion (commerce.nic.in/pquestion/LS110320.pdf). Rice is grown over 24% of the country's cropped area but consumes 18% of the total plant protection chemicals used. Fruits and vegetables account for 18% of the cropped areas, while cereals, millets and oilseeds cover 58% of the area. [Source: FICCI Report]

In India the numbers of plant protection chemicals registered by CIB and RC were only 248 as on 14th May 2014, while the number was over three times more in the US. [Source: *Central Insecticides Board and Registration Committee*]

Consumption: India's per capita plant protection chemicals consumption of 0.6 kg/ha is among the lowest in the world; the plant protection chemical consumption in Taiwan and Japan is 17 kg/ha and 12 kg/ha respectively. The low per capita consumption of plant protection chemicals in India is attributed to low purchasing power of farmer, arising from their small individual land holdings and lack of awareness.



Plant protection chemical use per arable hectare

(Kg/ha)

Taiwan	Japan	USA	Korea	France	UK	India
17	12	7	7	5	5	0.6

(Industry reports, Analysis by Tata Strategic Management Group; cf. FICCI. 3rd Nat. Agrochemicals Conclave 2013, July, New Delhi)

Considering rising incomes and population growth, it is estimated that by 2020 and 2050 the foodgrains requirement is likely to be 278.6 and 450 million tonnes respectively. In real terms, foodgrains availability per person/day declined from 510 g in 1991 to 449.9 g in 2012 (*Agricultural Statistics at a Glance 2013*), making food security one of the critical issues facing India today. Due to a growing non-agricultural use of land, the percentage share of agricultural land has declined from 59.9% in 2004-05 to 59.7% in 2007 (*Economic Times*, 27th November, 2010), making it imperative to produce “more from less for more”.

What is ironic is that even as India is the largest global producer of pulses and jute and second largest in terms of wheat, rice, groundnut (in shell), potatoes, cotton and sugarcane, per hectare

yields are relatively low. For instance, the per hectare yield of rice in the US is 2.3 times that of India; in case of wheat, per hectare yield in China is 1.6 times that of India (*Agril. Stat. at a Glance – 2013*). Following an increase in the use of agrochemicals, the consequent increase in yield and output could potentially help India address its own growing requirements and also address a growing global appetite (earning foreign exchange for the country).

Outlook

India's plant protection chemical usage levels are really low as compared to global peers. The domestic plant protection chemicals market is projected to grow at a CAGR of 9% from INR 105 bn in 2012 to INR 180 bn by FY18.

Crop yield during 2012v3 (MT/ha)

	World	India	China
Rice	4.39	3.59	6.74
Corn	4.94	2.51	5.96
Soybean	2.30*	1.06*	1.89*
Wheat	3.11	3.17	5.00
Peanut (in shell)	1.68	1.18	3.57
Rapeseed	1.91*	1.14*	1.92*

(*Agril. Stat. at a Glance-2013*; *faostat.fao.org)

Demand drivers

Increase in demand for foodgrains: India accounts for 17% of the world's population (growing at 1.28% annually) but only 11% of the world's arable area, prioritising the need for sustainable food self-sufficiency and nutritional security and the consequent use of agrochemicals.

Demographic shift: As India's population gets younger (around 48% of the population is in 0-24 years age group) with a corresponding increase in incomes, consumption patterns of food items is likely to shift in favour of pulses, fruit and vegetables, milk, eggs and meat products.

Urbanisation: A rising incidence of urbanisation in India – urban population is expected to grow from around 30% of the country's population today (40.76% in 2030) which is expected to carve away rural arable land, and will need to be countered through soil fertility management, overcoming biotic and abiotic stresses and assured crop protection coverage for a larger area and many more crops.

Horticulture and floriculture: India's acreage under floriculture and horticulture increased by 50% in last three years after launch of National Horticulture Mission, which is expected to catalyse sectoral growth and the consequent consumption of agrochemicals (fungicides).

National priority: The total crop value lost in India due to inadequate plant protection chemical use is estimated at around INR 2.5 lakh crores per annum (as per the prevailing Minimum Support Price-MSP in 2010), which will call for reorienting Government priorities in favour of Integrated Crop Management.

Population growth: India's population growth of 1.28% annually is one of the highest quantum increments by any country anywhere in the world. To achieve the projected foodgrains production in India, overall yields need to improve to 2.30 t/ha by 2022 from 2.09 t/ha in 2012.

Rising rural income: There has been a significant increase in MSP for crops in recent years, boosting farmer's income. However, the government has increased its spending towards

rural welfare schemes manifold over the past decade, translating into superior farm practices.

Low usage: Plant protection chemical penetration is low in India (0.6 kg/ha) in comparison to many developed and developing countries (5-17 kg/ha). Around 85% of India's crop losses can be controlled through the assured but safe and judicious use of plant protection chemicals.

Cost-benefit: While plant protection chemicals account for only around 15% of the farmer's operating costs, not applying plant protection chemicals may cause 20-30% yield loss depending on severity of pest attack.

Weather volatility: Given the high dependence on rain water irrigation for crops, it is not surprising to find a strong association between sufficient, timely and well spread rainfall and foodgrains production in India. Such a high dependence on weather necessitates enhanced irrigation water use efficiency, in-situ soil moisture conservation, appropriate crop management technology including crop protection.

Operational review

The Company has three manufacturing units (Gurgaon, Udhampur and Sanand) to formulate its diverse products. These units possess capacity switching capability and a sophisticated inventory management system, which is woven around projected monsoon dates and crop cycles.

Dhanuka strives for total quality control. All the manufacturing units are ISO 9001:2008 certified. The Udhampur unit is also ISO: 14001 and BS-OHSAS 18001:2007 certified. The Company's R&D centre at Gurgaon is certified by Ministry of Science and Technology, Government of India. It is also certified by the National Accreditation Board for Laboratories (NABL) which is Indian version of internationally acclaimed GLP certification.

The Company has instituted an active Q and A program wherein all processes are closely monitored to ensure that any potential problems are identified and corrected. This process improves the



quality of products, while simultaneously reducing wastage and rejections of finished goods.

The Company's facilities are equipped with the latest machinery to check not only the quality of products, but also extensively ensure that the packaging material also conforms to global standards.

Highlights 2013-14

- Embarked on the construction of a new automated manufacturing plant in Rajasthan with budgeted capex of approx Rs. 50 crore.

Outlook 2014-15

Going ahead, the Company expects to commence operations at its Rajasthan plant by Q4 2014-15 which will increase productivity. Also, there are plans to enhance automation in other existing facilities and improve procedural efficiency.

Marketing strengths

- Team of 1,500 Dhanuka Doctors each covering 12-18 villages every week
 - Wide and deep pan-India distribution network (more than 8,000 distributors and more than 75,000 retail counters).
 - Strong brand portfolio comprising over 80 products.
 - Enduring relationships with global innovators resulting in the introduction of specialty molecules.
 - Engagement of Mr. Amitabh Bachchan as Brand Ambassador.
-

Marketing review

Dhanuka specialises in agrochemical marketing with more than 80 brands, 8,000 dealers/distributors and the deployment of more than 1,500 Dhanuka Doctors responsible for providing live product efficacy demonstrations.

Dhanuka connects well with farmers, scientist community and opinion leaders. The Company created one of the most comprehensive supply chain linkages comprising more than 42 warehouses and three manufacturing facilities to minimise stock-out.

The legend of Indian cinema, Mr. Amitabh Bachchan has been endorsing the Company as its Brand Ambassador, strengthening multi-regional familiarity and product off-take.

Highlights, 2013-14

- Revenue increased by 26.81% from Rs. 582.31 crores in 2012-13 to Rs. 738.41 crores in 2013-14
- Launched in-licensed products - Maxyld, Media Super, Defend, Danfuron with successful marketplace acceptance
- Received 'ABP News Best Branding Award in Agrochemicals' during the World Brand Conference in 2013.

Road ahead

The first-time registration of six new molecules u/s 9(3) of the Insecticides Act, 1968 is in pipeline. It is expected that the Company will launch two new molecules each fiscal during FY 2015, FY 2016 and FY 2017, for the first time in India.

Risk and uncertainties

Risk management is referred to the practice of identifying potential risks associated with business transactions in advance, analysing them and taking precautionary steps to reduce or curb the impact of the potential risks.

Dhanuka has institutionalised a strong risk management framework in its business process where it identifies and evaluates the risks beforehand and takes initiatives which balances risks and rewards adequately. The risk management processes are formulated at the strategic level and passed down to each and every transaction of the Company.

Climate risk

Meteorological uncertainties influence India's monsoon dependent agriculture, which may adversely affect the Company's performance.

Risk mitigation

The Company's pan-India presence bars it from banking on a specific geography. Its product mix comprises a diverse range of crops across various seasons.

Industry risk

Irregular demand could adversely affect off-take.

Risk mitigation

- India's population of 1.24 billion is rising 1.28% annually, strengthening the demand for agrochemicals.
- India's foodgrains demand is expected to grow from 236MT in 2012 to 293MT by 2022. However, as per the present growth scenario, it is expected that the incremental production is likely to be less vis-à-vis incremental demand.

Competition risk

A competitive market could hamper profitability.

Risk mitigation

- Dhanuka Agritech possesses a large product portfolio (80 brands).
- The Company is focused on brand formulations marketing.
- No baggage of legacy products kept as a part of a high investment technical plant.
- Asset light business model.
- Three diversely located plants, strategically serving the demand of farmers across the country.
- The Company is engaged in tie-ups with global innovators to introduce novel molecules.

R&D risk

An inability to innovate consistently could diminish returns.

Risk mitigation

- Dhanuka has a 600-member sales team and more than 1,500 Dhanuka Doctors, who are engaged in feedback analysis and product development.
- Dhanuka introduces at least four brands every year; the Company's pipeline comprises of six products which are first-time launches in India and are expected to be launched within the next three financial years.
- Dhanuka's partnership with global innovators helps reduce R&D risks related to new molecule development.

Regulatory risk

The agrochemical industry is highly regulated; changes in government policies warrant timely compliance.

Risk mitigation

- The Company employed local professionals to study regulatory changes in addition to a senior team comprising knowledgeable professionals.
- The Company possesses numerous 9(4) registrations for various plant protection chemicals.

Geographic risk

Overdependence on a single geographic region could impact revenues in the event of a downturn.

Risk mitigation

- The Company has a pan-India presence through marketing offices across all major states.
- The Company's revenue is spread out across the country and this can be seen from the fact that the revenue break up where South zone accounts for 29.85% of the turnover, West Zone for 30.48%, North zone for 27.22% and East zone for 12.45% of the revenues of the Company in FY 2013-14

Report on Corporate Governance



(As per Clause 49 of Listing Agreement entered into with Stock Exchanges)

Corporate Governance is an ethically driven business process that is committed to value creation by taking principled business decisions. A sound Corporate Governance consists of a combination of business practices, which result in enhancement of Shareholder's value and enables the Company to meet its obligations towards employees, customers, suppliers and other stakeholders with integrity, equity, transparency, fairness, disclosure, accountability and commitment. This includes its corporate structure, culture, policies and the manner in which it deals with various stakeholders. At Dhanuka, it is imperative that our corporate affairs are managed in a fair and transparent manner. Therefore, timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the company is an important part of our corporate governance.

(1) Company's Philosophy on Corporate Governance

Your Company believes in adopting the 'best practices' that are followed in the area of Corporate Governance across the Industry. At Dhanuka, the Board is at the core of our corporate governance practice and considers itself as a Trustee of its Shareholders and acknowledges its responsibilities towards them for creating and safeguarding their wealth. The philosophy of the Company in relation to Corporate Governance is to ensure transparency and accountability in all its operations, make appropriate disclosures and simultaneously, enhance Shareholder value without compromising, in any way, compliance with laws and regulations.

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 BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).

Your Company has been assigned "4/5" Fundamental grade and Valuation grade, denoting Superior fundamentals and upside in current Market Price, by CRISIL Equities.

(2) The Board of Directors

The Board has an appropriate mix of Executive and Independent Directors. 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, 2014. The Company has an Executive Chairman. Half of the Board comprises of Independent Directors, i.e. there are 6 Independent Directors on Board. The size and composition of the Board conforms 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.

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, 2014.

Brief details of the Board of Directors of the Company:

S. No.	Name of the Director	Category	No. of Board Meetings attended during FY 2013-14	Attendance at last AGM	Directorship in Public Limited Companies as on 31.3.2014	Member-ship (including Chairmanship) ¹ as on 31.3.2014	Chairmanship ¹ as on 31.3.2014
1.	Mr. Ram Gopal Agarwal DIN: 00627386	Executive (Promoter) Non- Independent	4	Absent	1	0	0
2.	Mr. Mahendra Kumar Dhanuka DIN: 00628039	Executive (Promoter) Non- Independent	4	Present	2	0	0
3.	Mr. Arun Kumar Dhanuka DIN: 00627425	Executive (Promoter) Non- Independent	4	Present	2	0	0
4.	Mr. Rahul Dhanuka DIN: 00150140	Executive (Promoter) Non- Independent	4	Present	2	1	0
5.	Mr. Mridul Dhanuka DIN: 00199441	Executive (Promoter) Non- Independent	4	Present	2	0	0
6.	Mr. Priya Brat DIN: 00041859	Non- Executive Independent	4	Present	4	6	2
7.	Mr. Indresh Narain DIN: 00501297	Non- Executive Independent	4	Absent	2	2	2
8.	Mr. Sachin Kumar Bhartiya DIN: 02122147	Non- Executive Non-Independent	4	Present	1	1	0
9.	Mr. Subhash Chandra Lakhota DIN: 00310162	Non -Executive Independent	2	Present	2	1	0
10.	Mr. Shri Krishna Khetan ² DIN: 00157293	Non- Executive Independent	3	Present	1	0	0
11.	Mr. Subash Chander Gupta ³ DIN: 00673252	Non -Executive Independent	2	Absent	1	1	0
12.	Mr. Vinod Kumar Jain DIN: 01185937	Non- Executive Independent	2	Absent	1	1	0
13.	Mrs. Asha Mundra ⁴ DIN: 00394215	Non -Executive Independent	1	NA	2	0	0
14.	Mr. Om Prakash Khetan ⁵ DIN: 06883433	Non -Executive Independent	NA	NA	0	0	0

1. Includes Membership/Chairmanship of Audit Committee and Shareholders'/Investors' Grievance Redressal Committee.

2. Mr. Shri Krishna Khetan ceased to be Director following his resignation from the Board with effect from 21st January, 2014.

3. Mr. Subash Chander Gupta ceased to be Director following his resignation from the Board with effect from 30th April, 2014.

4. Mrs. Asha Mundra has been appointed as Director to fill casual vacancy at the Board Meeting held on 6th February, 2014.

5. Mr. Om Prakash Khetan has been appointed as Director to fill casual vacancy at the Board Meeting held on 20th May, 2014.

N.A.: Not Applicable

All the Directors inform the Company about any changes in their Directorship or Committee membership and the same is disclosed to the Board in the next meeting.



Board Procedure And Functioning:

The Board meets at least once every 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 well in advance. The meetings are governed by structured Agenda. The Agenda along with the explanatory notes is also circulated in advance. The Board/Committee Members have 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 all 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.
- 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 investments, assets, etc. of material nature, 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 nonpayment 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 your Company's website www.dhanuka.com. All the Members of the Board and the Senior Management personnel of your Company have confirmed their compliance with the Code of Conduct for the year ended 31st March, 2014.

Directors' Responsibilities:

- a. The principal responsibility of the Board Members is to oversee the Management of the Company and in doing so, serve the best interest of the Company and its Stakeholders. This responsibility shall include:
 - Reviewing and approving fundamental Operating, Financial and other Corporate plans, Strategies and Objectives.
 - Evaluate whether the Corporate resources are being used for appropriate business purposes.
 - Establishing a Corporate environment that promotes timely and effective action (including robust and appropriate controls and processes), fiscal responsibility, high ethical standards and compliance with all applicable laws and regulations.
 - Evaluating the performance of the Company periodically.
 - To attend the Board, Committee and Shareholders Meetings.
- b. 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. 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 condition of the Company.

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

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

Board Meetings held during FY 2013-14:

During the year, four 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 18th May, 2013, 12th August, 2013, 11th November, 2013 and 6th February, 2014.

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:

1. Mr. Ram Gopal Agarwal
2. Mr. Mahendra Kumar Dhanuka

Their brief resume, nature of their expertise in specific functional areas, their Directorships and their Membership of the Board Committees are mentioned in explanatory statement to Notice of Annual General Meeting.

(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 following committees:

- A. Audit Committee
- B. Remuneration Committee (renamed as Nomination and Remuneration Committee)
- C. Shareholders' and Investors' Grievance Redressal Committee (renamed as Stakeholders' Relationship Committee)
- D. Banking and Finance Committee (renamed as Banking, Finance and Operations Committee)
- E. Corporate Social Responsibility Committee

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

S. No.	Name of Director and Category	Chairman/ Member and no. of Audit Committee Meetings attended during FY 2013-14	Chairman/ Member and no. of Nomination and Remuneration Committee Meetings attended during FY 2013-14	Chairman/ Member and no. of Stakeholders' Relationship Committee Meetings attended during FY 2013-14	Chairman/ Member and no. of Banking, Finance and Operations Committee Meetings attended during FY 2013-14
1.	Mr. Ram Gopal Agarwal Executive (Promoter) Non Independent	NA	NA	NA	Chairman 8
2.	Mr. Mahendra Kumar Dhanuka Executive (Promoter) Non Independent	NA	NA	Member ¹ 1	Member 9
3.	Mr. Arun Kumar Dhanuka Executive (Promoter) Non Independent	NA	NA	NA	Member 7
4.	Mr. Rahul Dhanuka Executive (Promoter) Non Independent	NA	NA	Member ² 3	Member 8
5.	Mr. Mridul Dhanuka Executive (Promoter) Non Independent	NA	NA	NA	Member ³ NA



Composition, category and number of meetings attended by the Directors (Contd.):

S. No.	Name of Director and Category	Chairman/ Member and no. of Audit Committee Meetings attended during FY 2013-14	Chairman/ Member and no. of Nomination and Remuneration Committee Meetings attended during FY 2013-14	Chairman/ Member and no. of Stakeholders' Relationship Committee Meetings attended during FY 2013-14	Chairman/ Member and no. of Banking, Finance and Operations Committee Meetings attended during FY 2013-14
6.	Mr. Priya Brat Non-Executive Independent	Chairman 4	Chairman 1	NA	NA
7.	Mr. Indresh Narain Non- Executive Independent	Member ⁴ NA	NA	Chairman 4	NA
8.	Mr. Sachin Kumar Bhartiya Non-Executive Independent	Member 4	Member 1	NA	NA
9.	Mr. Subhash Chandra Lakhotia Non- Executive Independent	NA	Member 1	Member 2	NA
10.	Mr. Shri Krishna Khetan Non-Executive Independent	Member ⁵ 2	Member ⁵ 1	NA	NA
11.	Mr. Subash Chander Gupta Non-Executive Independent	NA	NA	Member ⁶ 2	NA
12.	Mr. Vinod Kumar Jain Non-Executive Independent	Member 2	NA	NA	NA
13.	Mrs. Asha Mundra Non Executive Independent	NA	NA	Member ⁷ NA	NA
14.	Mr. Om Prakash Khetan Non-Executive Independent	NA	Member ⁸ NA	NA	NA

1. Mr. M. K. Dhanuka ceased to be member of the Stakeholders' Relationship Committee w.e.f. 18th May, 2013 following the reconstitution of the Stakeholders' Relationship Committee.
2. Mr. Rahul Dhanuka has been appointed member of the Stakeholders' Relationship Committee w.e.f. 18th May, 2013.
3. Mr. Mridul Dhanuka has been appointed member of the Banking, Finance and Operations Committee w.e.f. 20th May, 2014.
4. Mr. Indresh Narain has been appointed member of the Audit Committee with effect from 20th May, 2014.
5. Mr. Shri Krishna Khetan has ceased to be member of Audit Committee and Nomination and Remuneration Committee following his resignation from the Board with effect from 21st January, 2014.
6. Mr. Subash Chander Gupta ceased to be member of the Stakeholders' Relationship Committee following his resignation from the Board w.e.f. 30th April, 2014.
7. Mrs. Asha Mundra has been appointed member of the Stakeholders' Relationship Committee w.e.f. 20th May, 2014.
8. Mr. Om Prakash Khetan has been appointed member of the Nomination and Remuneration Committee with effect from 20th May, 2014.

A. Audit Committee

Keeping in view the requirements of Section 177 of the Companies Act, 2013 as well as Revised Clause 49 of the Listing Agreement, the Board decides the membership and terms of reference of the Audit Committee. The present Audit Committee has four Directors. All the Members of the Audit Committee are financially literate and Mr. Priya Brat, Chairman of the Committee, has expertise in finance.

The Managing Director, Mr. M.K. Dhanuka is a Permanent Invitee of the Audit Committee since 18th May, 2013.

During the Financial Year 2013-14, four Audit Committee Meetings were held on 18th May, 2013, 12th August, 2013, 11th November, 2013 and 6th February, 2014 and gap between two meetings did not exceed four months. The Chairman of the Audit Committee, Mr. 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.

Terms of Reference:

- a) Recommending the appointment and removal of the Statutory/ Cost Auditors, fixation of audit fee and prior approval of the appointment of and the fees for any other services rendered.
- b) Discuss with the Statutory Auditors the matters required to be discussed for the conduct of the audit, including Audit Process and Audit Plan, nature and scope of Audit as well as post-audit discussion to ascertain any area of concern.
- c) Reviewing the Financial Statements and draft audit report, including the quarterly/half yearly financial information of Company and it's subsidiaries, focusing primarily on:
 1. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report
 2. Any changes in accounting policies and practices and reasons for the same.
 3. Major accounting entries based on exercise of judgment.
 4. Qualifications in draft Audit Report.
 5. Significant adjustments made in the Financial Statements arising out of audit.
 6. The going concern assumption.
 7. Compliance with accounting standards.

8. Compliance with stock exchange and legal requirements concerning Financial Statements.
9. Any Related Party Transactions that may have conflict with the interest of the Company at large.
10. Contingent liabilities.
11. Status of litigations by or against the Company.
12. Claims against the Company and their effect on the accounts.

- d) Reviewing with the management the performance of the Statutory and Internal Auditors and the existence, adequacy and effective functioning of Internal Audit, internal control systems, financial Reporting and Internal Audit Report.
- e) Reviewing compliances as regards the Vigil Mechanism/ Whistle Blower Policy.
- f) Looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (for non-payment of declared dividends) and creditors, if any and any other instance of a failure of legal compliance.
- g) Approval for appointment of Key Managerial Personnel.
- h) Reviewing and monitor the Statement of Uses and Application of Funds.
- i) Approval of Related Party Transactions on satisfying itself adequately regarding terms and conditions, including price and the observation of the arms' length principle.

B. Nomination and Remuneration Committee:

The Remuneration of the Directors and their relatives, if any, is recommended by the Nomination and Remuneration Committee which comprises of Independent Directors, in terms of Schedule V of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges. The recommendations of the Nomination and Remuneration Committee are submitted to the Board for its approval, subject to the consent of the Shareholders, where necessary.

During the financial year 2013-14, Nomination and Remuneration Committee Meeting was held on 18th day of May, 2013.

Terms of Reference:

The Nomination and Remuneration Committee:

- a. shall identify persons who are qualified to become Directors



and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance. The Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report;

- b. shall formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees;
- c. Formulation of criteria for evaluation of Independent Directors and the Board;
- d. Devising a Policy on Board diversity;
- e. Review and reassess the adequacy of this charter periodically

and recommend any proposed changes to the Board for approval from time to time.

- f. Any other matter, as may be required by the Companies Act, 2013, Companies (Meetings of Board and its Powers) Rules, 2014, Listing Agreements with Stock exchanges, any other law for the time being in force or as directed by the Board of Directors.

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.

Remuneration paid to the Executive Directors:

(Rs. in lakhs)

S. No.	Name of Director	Salary and Allowances	P.F.	Superannuation	Commission	Total
1.	Mr. Ram Gopal Agarwal, Chairman	70.00	8.40	-	189.90	268.30
2.	Mr. Mahendra Kumar Dhanuka, Managing Director	64.00	7.68	-	189.90	261.58
3.	Mr. Arun Kumar Dhanuka, Director (Works)	45.00	5.40	1.20	189.90	241.50
4.	Mr. Rahul Dhanuka, Director (Marketing)	41.00	4.92	1.20	189.90	237.02
5.	Mr. Mridul Dhanuka, Director (Operations)	35.00	4.20	1.20	126.60	167.00

Remuneration paid to the Non-Executive Directors:

S. No.	Name of Director	Sitting Fee (in Rs.)
1.	Mr. Priya Brat	90,000
2.	Mr. Vinod Jain	40,000
3.	Mr. Shri Krishna Khetan	60,000
4.	Mr. Indresh Narain	80,000
5.	Mr. Subhash Chandra Lakhotia	50,000
6.	Mr. Sachin Bhartiya	90,000
7.	Mr. Subash Chander Gupta	40,000
8.	Mrs. Asha Mundra	10,000

The Company pays only sitting fees to Non- Executive Directors for attending Board/ Committee Meetings. The Non-Executive Directors are paid sitting fees of Rs. 10,000 for each attended Board meeting and Committee meeting till 20th May, 2014 and thereafter Rs. 20,000 for each attended Board meeting and Rs. 10,000 for each attended Committee meeting. None of the Non-Executive Directors hold any Equity Shares of the Company.

C. Stakeholders' Relationship Committee:

During the Financial Year 2013-14, four Stakeholders' Relationship Committee Meetings were held on 18th May, 2013, 12th August, 2013, 11th November, 2013 and 6th February, 2014.

Terms of Reference:

The Stakeholders' Relationship Committee shall review and take all necessary actions for timely and proper redressal of grievances, complaints, correspondence of security- holders, including complaints related to transfer/transmission/split of shares, non-receipt of Annual report, dividends etc, and all other duties, as may be prescribed by Listing Agreement with Stock Exchanges, Companies Act, 2013, Rules made thereunder and all other applicable laws and shall have power to delegate such of its functions, as may be considered necessary 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: During the Financial Year 2013-14, the Company has received 73 correspondences (including complaints) from its Shareholders and resolved all of them. All the complaints were resolved within 30 days of receipt and there was no complaint pending as on 31st March, 2014.

D. Banking, Finance and Operations Committee:

During the Financial Year 2013-14, nine Banking, Finance and Operations Committee Meetings were held in all. The Committee met on 24th April, 2013, 22nd July, 2013, 27th August, 2013, 19th September, 2013, 9th October, 2013, 6th December, 2013, 16th January, 2014, 18th February, 2014 and 21st March, 2014.

Terms of Reference:

- To open/close bank accounts, including modification of authorities for operating them;
- To approve all borrowings, including those from banks/ financial institutions etc., including availing ad-hoc funds for working capital purpose, accepting sanction of loans and giving security for the same;
- To invest surplus funds of the Company;
- To apply for licenses, registrations, etc. to all Central and State Government departments, to deal with and represent the Company before various Regulatory Authorities, to institute and defend legal proceedings, by/against the Company, to execute Power of Attorney;

- To approve acceptance of security deposits in the course of business of the Company for the performance of contract for supply of goods;
- To give Bank guarantees;
- To perform any other activity relating to afore-said matters subject to all applicable laws and shall have the power to delegate such of its functions, from time to time, as may be considered necessary.

E. Corporate Social Responsibility Committee:

Keeping in view the requirements of Section 135 of the Companies Act, 2013 and Corporate Social Responsibility Rules, 2014, the Board has constituted the Corporate Social Responsibility Committee ("CSR Committee") in its meeting held on 6th February, 2014.

S. No.	Name of Director	Category
1.	Mr. Ram Gopal Agarwal Chairman	Executive (Promoter) Non- Independent
2.	Mr. Arun Kumar Dhanuka Member	Executive (Promoter) Non- Independent
3.	Mr. Indresh Narain Member	Non- Executive Independent

During the Financial Year 2013-14, no meeting of CSR Committee was held.

Terms of Reference:

- Formulation and recommendation to the Board, a Corporate Social Responsibility ("CSR") Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- Recommendation of the amount of expenditure to be incurred on CSR activities; and
- Monitoring of the CSR Policy of the Company from time-to-time.

The Company is involved in various CSR activities. The objective of CSR Policy is to lay down guidelines to bring effectiveness in its CSR activities which are being undertaken to assist in the sustainable development of the society. The Company strives to actively contribute to the social and economic development of the



communities in which it operates. The Company believes in making sustained efforts towards promoting education; eradicating hunger, poverty and mal-nutrition; conservation of water, deployment of water for agriculture and human use. The Company undertakes CSR activities that aim at improving the lives of the agricultural and rural community holistically. The Company's CSR Policy is available on the Company's website.

(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 and EGM	Financial Year	Date	Venue	Special Resolutions
28 th	2012-13	12 th August, 2013 at 11.00 A.M.	Shri Purushottam Hindi Bhawan, 11, Vishnu Digambar Marg (Rouse Avenue), New Delhi-110002	No Special Resolutions were passed
27 th	2011-12	13 th August, 2012 at 11.00 A.M.	Shri Purushottam Hindi Bhawan, 11, Vishnu Digambar Marg (Rouse Avenue), New Delhi-110002	To increase the remuneration of Mr. Harsh Dhanuka, SGM (Marketing) holding place of Profit u/s 314 of the Companies Act, 1956
26 th	2010-11	29 th 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	30 th 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 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.

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

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. She 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. The Secretarial Standards issued by the ICSI are followed on all important aspects of the Secretarial work. The provisions of the Companies Act, 1956, Companies Act, 2013, 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, 2014. 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 SEBI or any other statutory authority on any matter related to the Capital Markets during the last three years:

The Company has been strictly adhering to the applicable Rules and Regulations made by SEBI. No 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 the Accounts of the Audited Financial Statements for the Financial Year ended 31st March, 2014.

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, 2014 and the Board reviewed the same. The said Certificate is provided elsewhere in the Annual Report.

e) Whistle Blower Policy:

Your Company has adopted a Whistle Blower Policy as a mechanism for employees to report concerns about unethical behaviour or actual or suspected fraud of all kinds, including alleged fraud by or against the Company, abuse of authority, whether made by a named complainant or anonymously. The Policy is available on the Company's website.

f) Internal Complaints Committee:

Your Company has constituted an Internal Complaints Committee ("ICC"), in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. The ICC comprises of Ms. Shubha Singh (Chairperson), Mr. Rajesh Sahni, Mr. Ankur Dhanuka and Ms. Seema Salwan. Female employees can report of sexual harassment incidents at workplace and the Committee shall endeavour in unbiased resolution of the same. The Policy is available on the Company's website. There were no complaints during FY 2013-14.

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

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

(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 and one Hindi leading newspaper.



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 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 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 & Standalone 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 who hold shares in dematerialised form and whose e-mail id is 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 promptly 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 and other relevant matters.

h) Code for Prevention of Insider Trading: The Company has comprehensive guidelines on prevention of insider trading in

line with the SEBI (Prohibition of Insider Trading) Regulations, 1992. The Code for prevention of Insider trading, inter alia, provides for closing of trading window and 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 information under the Initial and Continual disclosures from Promoters/ Directors/ Employees discloses the same to BSE and NSE, where the shares of the Company are listed.

(8) General Shareholder Information:

a) 29th Annual General Meeting

Date: 17th September, 2014

Time: 11:00 A.M.

Venue: Shri Purushottam Hindi Bhawan, 11, Vishnu Digambar Marg (Rouse Avenue), New Delhi- 110002

b) **Date of Book Closure:** 15th September, 2014 to 17th September, 2014

c) **Dividend Payment Date:** Within 30 days from getting Shareholder's approval at AGM, which is scheduled to be held on 17th September, 2014

d) Securities Listed on Stock Exchange:

BSE Limited Phiroze Jeejeebhoy Towers, Dalal street, Mumbai - 400001. Scrip Code: 507717	National Stock Exchange of India Limited Exchange Plaza, Plot no. C/1, G Block, Bandra- Kurla Complex, Bandra (E), Mumbai - 400 051. Scrip Code: Dhanuka
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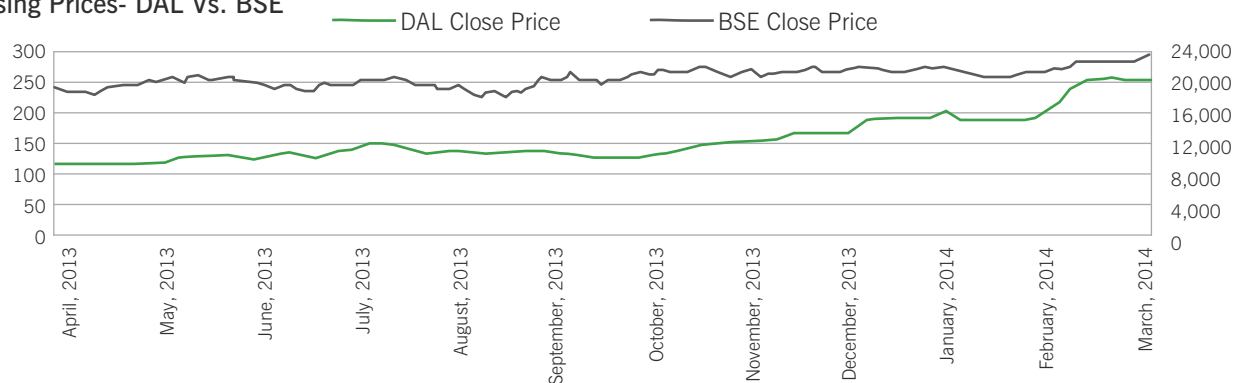
The listing fees for the Financial Year 2014-15 has been paid to the above Stock Exchanges.

e) Market Price Data:

(1) BSE:

Month	High Price (Rs.)	Low Price (Rs.)	Close Price (Rs.)	Traded Quantity (No.)	Total Turnover (Rs. in Lakhs)
Apr-13	122.95	116.05	119.55	3,76,778	446.01
May-13	131.10	117.15	129.05	5,36,159	676.98
Jun-13	140.00	127.15	131.20	3,49,788	462.93
Jul-13	162.50	127.35	135.50	4,10,354	603.17
Aug-13	147.00	128.15	133.70	2,49,121	343.77
Sep-13	139.90	125.30	135.00	1,62,900	221.28
Oct-13	147.70	128.00	137.40	4,18,194	559.54
Nov-13	166.40	134.95	163.80	5,89,019	903.49
Dec-13	218.40	158.55	204.30	16,46,992	3,013.51
Jan-14	207.60	179.10	189.70	3,15,933	614.75
Feb-14	215.00	182.00	201.20	38,03,794	7,151.99
Mar-14	286.10	200.05	253.30	6,95,404	1,679.17

Closing Prices- DAL Vs. BSE

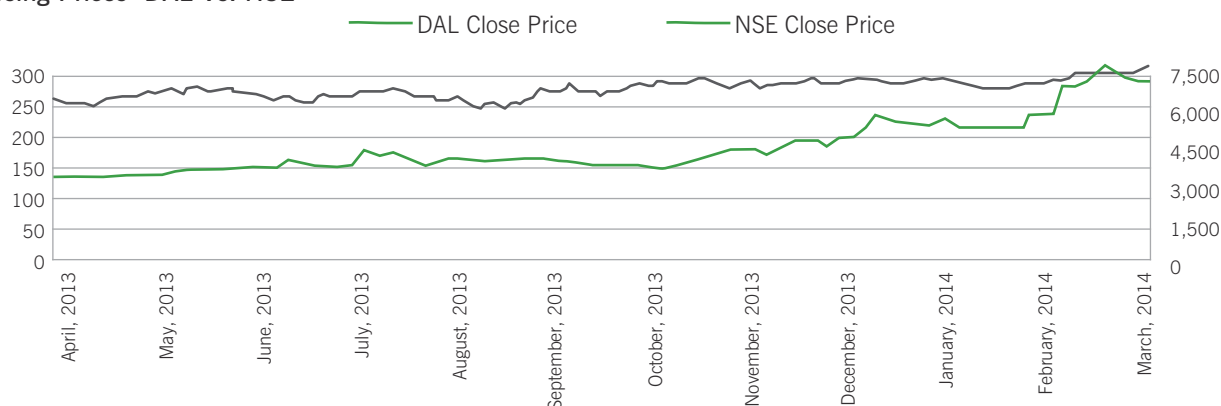


(2) NSE:

Month	High Price (Rs.)	Low Price (Rs.)	Close Price (Rs.)	Traded Quantity (No.)	Total Turnover (Rs. in Lakhs)
Apr-13	121.95	115.50	119.60	3,58,087	423.89
May-13	134.70	118.10	127.75	4,26,342	535.15
Jun-13	141.00	126.90	131.95	3,56,876	470.65
Jul-13	163.60	128.10	135.45	6,85,047	1,012.17
Aug-13	153.00	128.05	134.15	4,42,125	611.65
Sep-13	138.00	131.30	134.95	1,77,130	240.79
Oct-13	140.95	127.30	137.95	6,12,960	818.63
Nov-13	165.75	135.50	163.50	13,95,325	2,139.54
Dec-13	218.40	159.05	204.05	15,99,271	3,066.57
Jan-14	208.00	179.00	189.65	7,43,821	1,446.15
Feb-14	215.00	182.25	201.30	14,27,603	2,807.58
Mar-14	286.90	198.00	251.65	23,65,887	5,648.80



Closing Prices- DAL Vs. NSE



f) Financial Calendar (tentative and subject to change)

Financial reporting for the first quarter ending on 30 th June, 2014	13 th August, 2014
Financial reporting for the second quarter ending on 30 th September, 2014	13 th November, 2014
Financial reporting for the third quarter ending on 31 st December, 2014	13 th February, 2015
Financial reporting for the Financial Year ending on 31 st March, 2015	23 rd May, 2015
Annual General Meeting for the Financial Year ending on 31 st March, 2015	30 th August, 2015

g) Share Transfer System:

Abhipra Capital Limited is the Registrar and Transfer Agent (RTA) of the Company and carries out the process of share transfers and transmissions. Stakeholders' Relationship Committee takes note of the transfers and transmissions executed by RTA on quarterly basis. Shares are also received by the RTA for dematerialisation from the Shareholders. Such shares are dematerialised by RTA within stipulated time and a monthly Demat Statement is sent to the Company.

h) Investor's Correspondence:

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

The queries relating to non receipt of Dividend and Annual Reports should be addressed to the Company Secretary at the

Corporate Office of the Company or e-mailed to investors@dhanuka.com

i) Registrar and Transfer Agents:

M/s Abhipra Capital Limited, Ground Floor, Abhipra Complex, Dilkhush Industrial Area, A-387, G.T. Karnal Road, Azadpur, Delhi – 110033, India
Phone Nos: (91) (011) 27127362, 27249773/4, 42390708, 42390783
Website: www.abhipra.com
E-mail: info@abhipra.com, rta@abhipra.com

j) Dematerialisation 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, 2014, 4,90,54,718 Equity Shares of the Company were held in dematerialised form. The Equity Shares of the Company are actively traded on the BSE Limited and National Stock Exchange of India 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.

Held in dematerialised form with CDSL	51.89%
Held in Physical Form	1.93%
Held in dematerialised form with NSDL	46.18%

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

Shareholding pattern as on 31st March, 2014:

Class of Investors	No. of Shares Held	% of Paid-Up Capital
Promoters & Associates	3,75,09,175	74.99%
Indian Public	57,73,130	11.54%
Foreign Institutional Investors	42,18,537	8.43%
Financial Institution	90,622	0.18%
Corporate Bodies	19,17,030	3.83%
Non-Resident Indians	3,47,268	0.69%
Other	1,63,738	0.33%
Total	5,00,19,500	100.00%

Distribution of Shareholding as on 31st March, 2014:

Range	Shareholders		Value	
	Numbers	Percentage (%)	Rs. (in Lakhs)	Percentage (%)
Upto 2500	5,164	87.63	27.63	2.76
2501-5000	378	6.41	14.51	1.45
5001-10000	176	2.99	12.93	1.29
10001-20000	58	0.98	8.57	0.86
20001-30000	27	0.46	6.59	0.66
30001-40000	17	0.29	6.17	0.62
40001-50000	11	0.19	5.06	0.51
50001-1,00,000	15	0.26	10.37	1.04
1,00,001 & Above	47	0.80	908.56	90.82
Total	5,893	100%	1,000.39	100%

SHAREHOLDERS' INITIATIVE:

Pursuant to Sections 20, 101 and 136 of the Companies Act, 2013 and Rules made thereunder, Companies can send notices/ documents in electronic form to their Members. To enable the Company to send its Annual Report, Notice of AGM and other documents for the FY 2013-14 electronically, Members

are requested to update their email ids with their Depository Participants, in case the shares are held in electronic form or RTA of the Company, in case the shares are held in physical form and accord their consent for receiving documents through electronic mode.



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 here.

(9) 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. Nomination and Remuneration Committee

Mr. Priya Brat, an Independent Non-Executive Director of the Company is the Chairman of the Nomination and

Remuneration Committee. Constitution of this committee was a non-mandatory requirement till 31st March, 2014. The details have been covered in an earlier section.

2. Shareholders' Rights

The Quarterly Results are published in English and Hindi newspapers having wide circulation and posted on the Company's website. Also, the quarterly financial highlights were published in the Economic Times, Times of India and Navbharat Times during last financial year.

3. Audit Qualifications

It is always the Company's endeavour to present unqualified financial statements. There is no Audit qualification in the Statutory Report for the Financial Year ended 31st March, 2014.

4. Training to Board Members

Detailed presentations are made to the Board on the financial, operational and other aspects of the Company's performance.

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, 2014 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.

Place : Gurgaon
Dated : 20th May, 2014

For **Dinesh Mehta & Co.**
Chartered Accountants
Firm Registration No.: 000220-N

Sd/-
Deepak Malhotra
Partner
Membership No. 502386
21, Dayanand Road,
Daryaganj, New Delhi 110002

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

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

I, further confirm that the Company has received from its Board members as well as Senior Management Personnel affirmation in respect of the Financial Year ended 31st March, 2014, as to compliance with the Code of Conduct.

Place: Gurgaon
Date: 20th May, 2014

Sd/-
M.K. Dhanuka
Managing Director
DIN: 00628039



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 Financial Year ended 31st March, 2014 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.

Place: Gurgaon
Date: 20th May, 2014

Sd/-
M.K. Dhanuka
Managing Director
DIN: 00628039

Sd/-
V.K. Bansal
Chief Financial Officer

Independent Auditor's Report

To
The Members of
Dhanuka Agritech Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Dhanuka Agritech Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, Statement of Profit and Loss and Cash Flow Statement for the financial year ended 31st March, 2014 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- b) In the case of the statement of Profit and Loss, of the profit for the year ended on that date.
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

I 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 lying 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 inventory 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 six companies and deposits from two individuals of Nil outstanding balance as on 31.03.14 (Maximum Rs. 20.33 Crores outstanding during the period).
(f) In our opinion, the rate of interest and other terms and conditions of unsecured loans taken by the Company are not, prima facie, prejudicial to the interest of the company.



- (g) There is no overdue amount of the principal repayable at the year end.
4. In our opinion and according to the information and explanation given to us, there 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. Since govt. has not notified any rules under Section 441A of the Companies Act, 1956, therefore we are unable to comment on this particular issue.
- b) There are no material outstanding undisputed statutory dues as at the last day of the financial year ended on 31-03-2014 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 Excise Duty and Cess, Service Tax and Cess and Income Tax 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 lacs) / Nature of Dues
Central Excise Act, 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	14.60 (Approx.) (Year 2009-10) (Interest, fine & Penalty in case of short payment of Excise Duty)
Service Tax Act 1994	Additional / Deputy Commissioner of Service Tax	140.25 (2007) (Tax on exempted goods for non maintenance of Separate Records)
	Additional / Deputy Commissioner of Service Tax	159.54 (2007-08 to 2011-12) (Disallowance of ISD for improper challans)
	Additional / Deputy Commissioner of Service Tax	56.22 (2006-07 to 2008-09) (Tax on Reimbursement of Expenses and Job works)
	Additional / Deputy Commissioner of Service Tax	11.46 (2011-2012) (Tax on Reimbursement of Expenses)
Income Tax Act 1961	Commissioner of Income tax (Appeals)	3.57 (Year 2002-03) (Addition on account of unexplained loans)

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 Institutions 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.
- II. As required by section 227 (3) of the Act, 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 law have been kept by the company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2014, from being appointed as a director in terms of clause (g) of Sub Section (1) of Section 274 of the Companies Act, 1956.

For **Dinesh Mehta & Co.**
Chartered Accountants
Firm Registration No:000220-N

Deepak Malhotra
Partner
Membership No.502386

Place: New Delhi
Date: 20th May, 2014



Consolidated Independent Auditor's Report

To
The Members of
Dhanuka Agritech Limited

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated financial statements of **Dhanuka Agritech Limited** ("the Company"), and its subsidiary M/s Dhanuka Agri-solution Private Limited Bangladesh (Collectively referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31st March, 2014 and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year ended 31st March, 2014 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the company in accordance with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of the other auditor on the financial statements / financial information of the subsidiary as referred to below in the other Matter paragraph, aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- In the case of Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2014;
- In the case of Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date.
- In the case of Consolidated Cash Flows Statement, of the cash flows of the Group for the year ended on that date.

Other Matter

We did not audit the financial statements / financial information of subsidiary, whose financial statements / financial information reflect total assets (net) of Rs. (0.95) Lacs as at March 2014, total revenues of Rs. Nil and net cash flows amounting to Rs. 0.08 Lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by management and our opinion, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the reports of other auditors.

Our opinion is not qualified in respect of this matter.

For **Dinesh Mehta & Co.**
Chartered Accountants
Firm Registration No:000220-N

Deepak Malhotra

Partner

Place: New Delhi
Date: 20th May, 2014

Membership No.502386

Balance Sheet as at 31st March, 2014

(Rs. in lacs)

Particulars	Notes	STANDALONE		CONSOLIDATED	
		As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
		Audited	Audited	Audited	Audited
EQUITY AND LIABILITIES					
Shareholders' Fund					
Share Capital	3	1,000.39	1,000.39	1,000.39	1,000.39
Reserves & Surplus	4	32,249.18	25,276.47	32,249.18	25,276.47
		33,249.57	26,276.86	33,249.57	26,276.86
Non Current Liabilities					
Long Term Borrowings	5	-	-	-	-
Other Long Term Liabilities	6	1,497.73	1,327.33	1,499.80	1,329.40
Deferred Tax Liabilities (Net)	7	363.69	282.31	363.69	282.31
		1,861.42	1,609.64	1,863.49	1,611.71
Current Liabilities					
Short Term Borrowings	8	3,941.12	3,301.43	3,941.12	3,301.43
Trade Payables	9	4,819.94	4,499.66	4,819.94	4,499.66
Other Current Liabilities	9	6,330.81	5,313.63	6,330.85	5,313.66
Short Term Provisions	10	1,476.65	1,045.08	1,476.65	1,045.08
		16,568.52	14,159.80	16,568.56	14,159.83
Total		51,679.51	42,046.30	51,681.62	42,048.40
ASSETS					
Non Current Assets					
Fixed Assets					
- Tangible Assets	11	6,578.14	6,192.80	6,578.14	6,192.80
- Intangible Assets	11	127.93	63.46	127.93	63.46
- Capital Work in Progress	11	2,226.15	130.59	2,226.15	130.59
Non Current Investments	12	100.13	0.13	100.04	0.04
Long Term Loans and Advances	13	1,968.59	1,799.64	1,969.61	1,800.73
Other Non Current Assets	14	25.71	30.00	25.71	30.00
		11,026.65	8,216.62	11,027.58	8,217.62
Current Assets					
Current Investments	15	-	821.19	-	821.19
Inventories	16	21,481.30	15,986.70	21,481.30	15,986.70
Trade Receivables	17	17,089.56	15,072.47	17,089.56	15,072.47
Cash and Bank Balances	18	228.59	537.25	229.77	538.35
Short Term Loans and Advances	19	1,853.41	1,412.07	1,853.41	1,412.07
		40,652.86	33,829.68	40,654.04	33,830.78
Total		51,679.51	42,046.30	51,681.62	42,048.40
Significant accounting policies					
Notes on Financial Statements and Consolidated Financial Statements	1 to 28				

As per our report of even date attached
For **DINESH MEHTA & CO**
Chartered Accountants
Firm Registration No:000220-N

For and on behalf of the Board of Directors

DEEPAK MALHOTRA
Partner
Membership No : 502386

SHUBHA SINGH
Company Secretary

V.K. BANSAL
C.F.O.

M.K. DHANUKA
Managing Director
DIN: 00628039

R.G. AGARWAL
Chairman
DIN: 00627386

Place : Gurgaon
Dated : 20th May, 2014



Statement of Profit & Loss for the year ended 31st March, 2014

(Rs. in lacs)

Particulars	Notes	STANDALONE		CONSOLIDATED	
		For the year ended 31.03.2014	For the year ended 31.03.2013	For the year ended 31.03.2014	For the year ended 31.03.2013
		Audited	Audited	Audited	Audited
INCOME					
Revenue from Operations (Gross)	20	82,905.42	64,640.05	82,905.42	64,640.05
Less : Excise Duty		9,064.41	6,409.49	9,064.41	6,409.49
Revenue from Operations (Net)		73,841.01	58,230.56	73,841.01	58,230.56
Other Income	21	478.55	694.64	478.55	694.64
Total Revenue (I)		74,319.56	58,925.20	74,319.56	58,925.20
EXPENSES					
Cost of Raw Materials and Packing Materials Consumed	22	48,740.94	35,017.48	48,740.94	35,017.48
Purchase of Traded Goods	23	3,272.52	3,216.05	3,272.52	3,216.05
(Increase)/Decrease in Inventories of Finished Goods Work-in-Progress and Traded Goods	23	(5,313.08)	(123.68)	(5,313.08)	(123.68)
Employee Benefits Expenses	24	5,817.24	4,764.03	5,817.24	4,764.03
Other Expenses	25	9,267.66	7,166.76	9,267.66	7,166.76
Total Expenses (II)		61,785.28	50,040.64	61,785.28	50,040.64
Earnings before Interest, Tax, Dep. & Amortisation (EBITDA) (I-II)		12,534.28	8,884.56	12,534.28	8,884.56
Depreciation and Amortisation Expenses	26	483.86	454.17	483.86	454.17
Finance Cost	27	416.80	352.72	416.80	352.72
Profit before Tax		11,633.62	8,077.67	11,633.62	8,077.67
Tax Expenses					
Current Tax		2,233.59	1,606.11	2,233.59	1,606.11
Add : Tax adjustment of earlier years		5.12	-	5.12	-
Deferred Tax		81.38	26.72	81.38	26.72
Total		2,320.09	1,632.83	2,320.09	1,632.83
Profit for the year		9,313.53	6,444.84	9,313.53	6,444.84
Earning per equity share - basic & diluted [Nominal value of Share Rs. 2/-]	28	18.62	12.88	18.62	12.88
Significant Accounting Policies					
Notes on Financial Statements and Consolidated Financial Statements	1 to 28				

As per our report of even date attached

For **DINESH MEHTA & CO**

Chartered Accountants

Firm Registration No:000220-N

For and on behalf of the Board of Directors

DEEPAK MALHOTRA

Partner

Membership No : 502386

SHUBHA SINGH

Company Secretary

V.K. BANSAL

C.F.O.

M.K. DHANUKA

Managing Director

DIN: 00628039

R.G. AGARWAL

Chairman

DIN: 00627386

Place : Gurgaon

Dated : 20th May, 2014

Cash Flow Statement for the year ended 31st March, 2014

(Rs. in lacs)

Particulars	STANDALONE		CONSOLIDATED	
	For the year ended 31.03.2014	For the year ended 31.03.2013	For the year ended 31.03.2014	For the year ended 31.03.2013
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Profit before Tax from Continuing Operations	11,633.62	8,077.67	11,633.62	8,077.67
Non-Cash adjustment to Reconcile Profit before Tax to Net Cash Flow				
Depreciation/Amortization on continuing operations	483.86	454.17	483.86	454.17
Loss/(Profit) on Sale of Fixed Assets	(148.11)	(119.27)	(148.11)	(119.27)
Interest Expenses	416.80	352.72	416.80	352.72
Interest Income	(194.73)	(172.57)	(194.73)	(172.57)
Dividend Income	(24.12)	(59.98)	(24.12)	(59.98)
Operating Profit before Working Capital Change	12,167.31	8,532.74	12,167.31	8,532.74
Adjusted for:				
Trade Payable	320.28	(929.33)	320.28	(929.33)
Short Term Provisions	16.90	64.28	16.90	64.28
Other Current Liabilities	1,017.18	(331.09)	1,017.18	(331.06)
Other Long Term Liabilities	170.40	(3.11)	170.40	(1.04)
Trade Receivables	(2,017.09)	46.95	(2,017.09)	46.95
Inventories	(5,494.60)	(2,110.85)	(5,494.60)	(2,110.85)
Long Term Loans and Advances	(168.95)	16.01	(168.88)	14.92
Other Non Current Assets	4.29	(30.00)	4.29	(30.00)
Short Term Loans and Advances	(441.34)	1,007.64	(441.34)	1,007.64
Cash generated from Operations	5,574.39	6,263.24	5,574.47	6,264.25
Direct Taxes Paid (Net of Refunds)	(2,238.71)	(1,606.11)	(2,238.71)	(1,606.11)
Net Cash Flow from Operating Activities (A)	3,335.68	4,657.13	3,335.76	4,658.14
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets	(3,082.64)	(2,975.78)	(3,082.64)	(2,975.78)
Proceeds from Sale of Fixed Assets	201.52	186.68	201.52	186.68
Proceeds of Current Investments	9,496.19	15,764.10	9,496.19	15,764.10
Purchase of Current Investments	(8,775.00)	(15,057.90)	(8,775.00)	(15,057.81)
Interest Received	194.73	172.57	194.73	172.57
Dividend Received	24.12	59.98	24.12	59.98
Net Cash Flow from Investing Activities (B)	(1,941.08)	(1,850.35)	(1,941.08)	(1,850.26)
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Repayment of Long-Term Borrowings	-	(565.03)	-	(565.03)
(Repayment)/Proceeds of Short-Term Borrowings	639.69	(74.45)	639.69	(74.45)
Interest Paid	(416.80)	(352.72)	(416.80)	(352.72)
Dividends Paid on Equity Shares	(1,650.64)	(1,850.67)	(1,650.64)	(1,850.67)
Tax on Equity Dividend Paid	(275.51)	(300.29)	(275.51)	(300.29)
Net Cash Flow from Financing Activities (C)	(1,703.26)	(3,143.16)	(1,703.26)	(3,143.16)



Cash Flow Statement *(contd.)* for the year ended 31st March, 2014

(Rs. in lacs)

Particulars	STANDALONE		CONSOLIDATED	
	For the year ended 31.03.2014	For the year ended 31.03.2013	For the year ended 31.03.2014	For the year ended 31.03.2013
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(308.66)	(336.38)	(308.58)	(335.28)
Cash and Cash Equivalents at the beginning of the year	537.25	873.63	538.35	873.63
Cash and Cash Equivalents at the end of the year	228.59	537.25	229.77	538.35
D. CASH AND CASH EQUIVALENTS :				
Cash in Hand	32.86	51.39	32.92	51.45
Cheques/Draft in Hand	15.70	50.48	15.70	50.48
With Bank in Current Account				
In Deposit Account	124.01	390.30	125.13	391.34
Unpaid Dividend Accounts	56.02	45.08	56.02	45.08
Cash and Cash Equivalents (Note 18)	228.59	537.25	229.77	538.35

For and on behalf of the Board of Directors

SHUBHA SINGH
Company Secretary

V.K. BANSAL
C.F.O.

M.K. DHANUKA
Managing Director
DIN: 00628039

R.G. AGARWAL
Chairman
DIN: 00627386

AUDITORS' REPORT

We have examined the attached Cash Flow Statement of M/s Dhanuka Agritech Limited for the year ended 31st March, 2014. 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 20th May, 2014 to the members of the Company.

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

DEEPAK MALHOTRA
Partner
Membership No : 502386

Place : Gurgaon
Dated : 20th May, 2014

Notes to Financial Statements for the year ended 31st March, 2014

(Rs. in lacs)

	STANDALONE		CONSOLIDATED	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
NOTE 3 SHARE CAPITAL				
Authorized shares				
7,00,00,000 Equity Shares of Rs. 2/- each	1,400.00	1,400.00	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
	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 31.03.2014		As at 31.03.2013	
	No of shares	Amount	No of shares	Amount
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

1. The Company has only one class of Equity Shares having at par value of Rs. 2/- per share. Each Equity share is entitled to one vote.
2. The Company has paid 100% Interim Dividend i.e. Rs. 2.00 per Equity Share having Face value of Rs. 2/- each during the Financial Year 2013-14. The total outgo on this account amounted to Rs. 1,170.41 lacs (including Rs. 170.02 Lacs of Corporate Dividend Tax). The Interim Dividend was paid to the Shareholders whose names appeared in the Register of Members on Record date, i.e. 18-02-2014 and entire amount of the said Dividend was paid within Statutory time lines stipulated by the Companies Act, 1956.
3. During the year ended 31st March, 2014, the amount of final dividend is proposed at 100% i.e. Rs. 2.00 per equity share having face value of Rs. 2/-each
4. In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts.
5. 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

	As at 31.03.2014		As at 31.03.2013	
	No. of Shares (in lacs)	% holding	No. of Shares (in lacs)	% holding
M/s Golden Overseas Pvt. Ltd.	82.36	16.47%	82.36	16.47%
M/s Exclusive Leasing and Finance Ltd.	63.76	12.75%	63.76	12.75%
M/s Zoom Leasing and Finance Company Ltd.	94.54	18.90%	57.11	11.42%
M/s Hindon Mercantile Ltd.	58.96	11.79%	56.19	11.23%
M/s 2020 Equity Investors Ltd.	41.72	8.34%	41.25	8.25%
M/s Duke Impex Pvt. Ltd.	35.05	7.01%	--	--

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, 2014

(Rs. in lacs)

	STANDALONE		CONSOLIDATED	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
NOTE 4 RESERVES AND SURPLUS				
Capital Reserve				
As per last Balance Sheet	0.42	0.42	0.42	0.42
Securities premium account				
As per last Balance Sheet	3,308.25	3,308.25	3,308.25	3,308.25
	3,308.25	3,308.25	3,308.25	3,308.25
General Reserve				
Balance as per last financial statements	2,884.78	2,239.78	2,884.78	2,239.78
Add : Amount transferred from surplus balance in statement of profit and loss a/c	932.00	645.00	932.00	645.00
Closing Balance	3,816.78	2,884.78	3,816.78	2,884.78
Surplus/(deficit) in the statement of Profit and Loss				
Balance as per last financial statements	19,083.02	14,910.93	19,083.02	14,910.93
Profit for the year	9,313.53	6,444.84	9,313.53	6,444.84
Less :Appropriations				
Interim Dividend [Dividend @ Rs. 2.00 per share (Previous Year Rs. 1.50)]	1,000.39	750.24	1,000.39	750.24
Tax on Interim Dividend	170.02	121.77	170.02	121.77
Proposed final equity dividend [Dividend @ Rs. 2.00 Per share (Previous year Rs. 1.30)]	1,000.39	650.25	1,000.39	650.25
Tax on proposed equity dividend	170.02	105.49	170.02	105.49
Transfer to general reserve	932.00	645.00	932.00	645.00
Total appropriations	3,272.82	2,272.75	3,272.82	2,272.75
Net surplus in the statement of Profit and Loss	25,123.73	19,083.02	25,123.73	19,083.02
Total Reserve and Surplus	32,249.18	25,276.47	32,249.18	25,276.47

(Rs. in lacs)

	STANDALONE				CONSOLIDATED			
	Non-current portion		Current maturities		Non-current portion		Current maturities	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
NOTE 5 LONG -TERM BORROWINGS								
Term loans								
Term loan from HDFC (Secured)	-	-	-	66.00	-	-	-	66.00
From Others (Unsecured)								
Related parties	-	-	-	-	-	-	-	-
Body corporates	-	-	-	-	-	-	-	-
	-	-	-	66.00	-	-	-	66.00
The above amount includes								
Secured borrowings	-	-	-	66.00	-	-	-	66.00
Unsecured borrowings	-	-	-	-	-	-	-	-
Amount Disclosed under the head "Other current Liabilities" (Refer note 9)	-	-	-	(66.00)	-	-	-	(66.00)
Net Amount	-	-	-	-	-	-	-	-

5.1 Term loan from HDFC Bank was secured by way of first charge over immovable properties situated at Sanand (Gujarat), and the personal guarantee of the Promoter Directors.

Notes to Financial Statements for the year ended 31st March, 2014

(Rs. in lacs)

	STANDALONE		CONSOLIDATED	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
NOTE 6 OTHER LONG-TERM LIABILITIES				
Security received from Customers	1,471.75	1,320.72	1,471.75	1,320.72
Deposits from Staff	8.45	6.61	8.45	6.61
Other Payables (Expenses)	17.53	-	19.60	2.07
	1,497.73	1,327.33	1,499.80	1,329.40

NOTE 7 DEFERRED TAX LIABILITIES (NET)				
Timing difference on Account of :				
Depreciation on Fixed Assets	363.69	282.31	363.69	282.31
Total Deferred Tax Liabilities	363.69	282.31	363.69	282.31
Deferred Tax Assets	-	-	-	-
Total Deferred Tax Assets	-	-	-	-
Deferred Tax Liabilities (Net)	363.69	282.31	363.69	282.31

NOTE 8 SHORT TERM BORROWINGS				
Secured				
1. Working Capital Loans				
a. Cash Credit limits from Banks	2,422.29	178.30	2,422.29	178.30
b. Demand loans from Banks	1,500.00	2,100.00	1,500.00	2,100.00
2. Over Draft against pledge of FDR	18.83	15.41	18.83	15.41
3. Buyers Credit availed from Banks	-	1,007.72	-	1,007.72
	3,941.12	3,301.43	3,941.12	3,301.43

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 guarantee 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 @10.20% to 12.25%.

NOTE 9 OTHER CURRENT LIABILITIES				
Trade Payable				
Micro small and medium enterprises	1,390.62	953.42	1,390.62	953.42
Others	3,429.32	3,546.24	3,429.32	3,546.24
	4,819.94	4,499.66	4,819.94	4,499.66
Other Liabilities				
1. Current maturities of long term borrowings (Note 5)	-	66.00	-	66.00
2. Unclaimed dividends	55.92	45.08	55.92	45.08
3. Advance from customers	1,577.30	1,030.89	1,577.30	1,030.89
4. Other payables	4,697.59	4,171.66	4,697.63	4,171.69
	6,330.81	5,313.63	6,330.85	5,313.66

9.1 Unclaimed dividends do not include any amounts, due and outstanding to be credited to Investor Education and Protection fund.

9.2 Other payables includes statutory dues, employee related costs and provision of discounts and rebates on sale.



Notes to Financial Statements for the year ended 31st March, 2014

(Rs. in lacs)

			STANDALONE		CONSOLIDATED	
			As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
NOTE	10	SHORT TERM PROVISIONS				
Provision for employee benefit						
Provision of Leave benefit			306.24	289.34	306.24	289.34
			306.24	289.34	306.24	289.34
Proposed equity dividend			1,000.39	650.25	1,000.39	650.25
Provision for tax on Equity dividend			170.02	105.49	170.02	105.49
			1,170.41	755.74	1,170.41	755.74
			1,476.65	1,045.08	1,476.65	1,045.08

NOTE	11	FIXED ASSETS									(Rs. in lacs)
DESCRIPTION		GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
		As at 01.04.2013	Additions	Deduction/ Adjustments	As at 31.03.2014	As at 01.04.2013	Additions	Deduction/ Adjustments	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013
TANGIBLE ASSETS											
Land	2,930.06	8.70	6.30	2,932.46	-	-	-	-	2,932.46	2,930.06	
Buildings	2,404.68	386.20	88.87	2,702.01	949.71	128.28	83.59	994.40	1,707.61	1,454.97	
Plant & Machinery	1,659.90	253.34	100.52	1,812.72	914.78	116.53	73.53	957.78	854.94	745.12	
Furniture & fixture	169.42	57.31	20.42	206.31	93.70	20.00	18.85	94.85	111.46	75.72	
Vehicles	612.74	60.27	136.24	536.77	379.38	68.90	117.77	330.51	206.26	233.36	
Office Equipments	519.25	161.95	34.42	646.78	286.56	61.82	25.98	322.40	324.38	232.69	
Wind Mill	892.22	-	-	892.22	371.34	79.85	-	451.19	441.03	520.88	
Sub Total: (A)	9,188.27	927.77	386.77	9,729.27	2,995.47	475.38	319.72	3,151.13	6,578.14	6,192.80	
INTANGIBLE ASSETS											
Computer Software	73.23	72.95	-	146.18	9.77	8.48	-	18.25	127.93	63.46	
Sub Total: (B)	73.23	72.95	-	146.18	9.77	8.48	-	18.25	127.93	63.46	
TOTAL (A+B)	9,261.50	1,000.72	386.77	9,875.45	3,005.24	483.86	319.72	3,169.38	6,706.07	6,256.26	
Previous Year	6,673.45	2,873.51	285.46	9,261.50	2,769.12	454.17	218.05	3,005.24	6,256.26		
Capital Work In Progress									2,226.15	130.59	

Note: During the year company has received Rs. 13,63,599/- on account of Capital Investment Subsidy from Directorate of Industries & Commerce , Govt of Jammu & Kashmir, in respect of Plant & Machinery installed at Udhampur (J&K) unit . The same has been reduced from the carrying cost of Plant & Machinery of Udhampur unit as per the provision of Accounting Standard (AS-12).

Notes to Financial Statements for the year ended 31st March, 2014

(Rs. in lacs)

			STANDALONE		CONSOLIDATED	
			As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
NOTE	12	NON -CURRENT INVESTMENTS				
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
Equity Shares in Subsidiary Company						
1500 Shares of BDT 10 each of M/s Dhanuka Agri-solutions Pvt. Ltd.(Bangladesh)			0.09	0.09		
Unquoted Venture Capital Fund *			100.00	-	100.00	-
			100.13	0.13	100.04	0.04

* Investment in India Build Out fund -1 , Religare Maccquaries Wealth Management Ltd. Total no of units as on 31.03.2014 is 6770 (Maturity period over four years).

NOTE	13	LONG TERM LOANS AND ADVANCES				
Unsecured & considered good						
Security deposit			213.38	199.90	213.38	199.90
Capital Advance			1,687.65	1,499.47	1,687.65	1,499.47
Other Loans & Advances			38.68	44.72	39.70	45.81
(A)			1,939.71	1,744.09	1,940.73	1,745.18
Other Loans and Advances						
Loans to employee			12.50	1.56	12.50	1.56
Advance income tax (net of provision)			15.52	6.11	15.52	6.11
Balance with Govt. Authorities			0.86	47.88	0.86	47.88
(B)			28.88	55.55	28.88	55.55
Total (A to B)			1,968.59	1,799.64	1,969.61	1,800.73

NOTE	14	OTHER NON CURRENT ASSETS :				
Fixed Deposit with Banks *			25.71	30.00	25.71	30.00
			25.71	30.00	25.71	30.00

* Having maturity more than one year

NOTE	15	CURRENT INVESTMENT				
Unquoted Mutual Fund			-	821.19	-	821.19
			-	821.19	-	821.19



Notes to Financial Statements for the year ended 31st March, 2014

(Rs. in lacs)

	STANDALONE		CONSOLIDATED	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
NOTE 16 INVENTORIES				
Raw materials *	5,903.02	6,171.37	5,903.02	6,171.37
Packing materials ~	1,464.11	1,365.27	1,464.11	1,365.27
Stock in Process	539.78	254.88	539.78	254.88
Finished Goods #	11,931.98	7,046.92	11,931.98	7,046.92
Traded Goods (FG)	1,279.18	1,136.06	1,279.18	1,136.06
Store and spares	14.89	8.15	14.89	8.15
DEPB Licence in stock	348.34	4.05	348.34	4.05
TOTAL	21,481.30	15,986.70	21,481.30	15,986.70

* : Stock of Raw Materials includes value of goods in transit of Rs. 79.44 lacs [Previous Year Rs. 84.48 lacs]

~: Stock of Packing Materials includes value of goods in transit of Rs. 16.59 lacs [Previous Year Rs. 47.13 lacs]

#: Stock of Finished Goods includes value of goods in transit of Rs. Nil [Previous year Rs. 296.31 lacs]

NOTE 17 TRADE RECEIVABLES				
Unsecured, considered good				
Over Six Month from the Due date	20.37	137.09	20.37	137.09
Others	17,069.19	14,935.38	17,069.19	14,935.38
TOTAL	17,089.56	15,072.47	17,089.56	15,072.47

NOTE 18 CASH AND BANK BALANCES				
Balance with Banks				
On current account	8.73	9.47	9.85	10.51
on unpaid dividend account	56.02	45.08	56.02	45.08
(A)	64.75	54.55	65.87	55.59
Cash on hand	32.86	51.39	32.92	51.45
Cheques/Drafts in hand	15.70	50.48	15.70	50.48
Fixed Deposits with Banks *	115.28	380.83	115.28	380.83
(B)	163.84	482.70	163.90	482.76
Total (A to B)	228.59	537.25	229.77	538.35

* Fixed deposit with Bank having maturity within in one year .

** Fixed deposit with Bank having maturity more than one year been shown under heading Non current Assets (Refer Note no 14)

NOTE 19 SHORT TERM LOANS AND ADVANCES				
Unsecured & considered good				
Security deposit	11.76	10.75	11.76	10.75
Advance recoverable in cash or kind	1,700.12	1,324.39	1,700.12	1,324.39
(A)	1,711.88	1,335.14	1,711.88	1,335.14
Other Loans and Advances				
Prepaid expenses	94.63	53.09	94.63	53.09
Loans to employee	46.90	23.84	46.90	23.84
(B)	141.53	76.93	141.53	76.93
Total (A to B)	1,853.41	1,412.07	1,853.41	1,412.07

Notes to Financial Statements for the year ended 31st March, 2014

(Rs. in lacs)

			STANDALONE		CONSOLIDATED	
			2013-14	2012-13	2013-14	2012-13
NOTE	20	REVENUE FROM OPERATIONS				
Sales of products						
Finished Goods			77,689.05	60,153.51	77,689.05	60,153.51
Export Sale			270.78	25.76	270.78	25.76
Traded Goods			4,797.47	4,302.25	4,797.47	4,302.25
Total (A)			82,757.30	64,481.52	82,757.30	64,481.52
Other operating revenue						
Other Sale			41.69	36.82	41.69	36.82
Income form Wind mill electricity generation			106.43	121.71	106.43	121.71
Total (B)			148.12	158.53	148.12	158.53
Gross Revenue (A)+(B)			82,905.42	64,640.05	82,905.42	64,640.05
Less : Excise duty (Net of Excise refund) *			9,064.41	6,409.49	9,064.41	6,409.49
Net Revenue			73,841.01	58,230.56	73,841.01	58,230.56

* Note : Excise duty paid is net of excise duty refund of Udhampur unit (J&K) of Rs. 962.85 lacs (Previous year Rs. 526.68 lacs)

Details of products sold

Finished goods sold						
Agro Chemicals			77,959.60	60,074.96	77,959.60	60,074.96
Seeds			0.23	104.31	0.23	104.31
			77,959.83	60,179.27	77,959.83	60,179.27
Traded Goods sold						
Agro Chemicals			4,797.47	4,302.25	4,797.47	4,302.25
			4,797.47	4,302.25	4,797.47	4,302.25
			82,757.30	64,481.52	82,757.30	64,481.52

NOTE	21	OTHER INCOME				
Interest received			194.73	172.57	194.73	172.57
Rental income			0.95	0.96	0.95	0.96
Misc Receipts			98.85	336.75	98.85	336.75
Profit on sale of assets			153.40	119.27	153.40	119.27
Liabilities no longer required written back			6.50	5.11	6.50	5.11
Dividend income :						
From Current Investment			24.12	59.98	24.12	59.98
			478.55	694.64	478.55	694.64



Notes to Financial Statements for the year ended 31st March, 2014

(Rs. in lacs)

			STANDALONE		CONSOLIDATED	
			2013-14	2012-13	2013-14	2012-13
NOTE	22	COST OF MATERIALS CONSUMED				
Inventory at the beginning of the year			7,536.64	5,532.49	7,536.64	5,532.49
Add: Purchases			48,571.43	37,021.63	48,571.43	37,021.63
			56,108.07	42,554.12	56,108.07	42,554.12
Less : Inventory at the end of the year			7,367.13	7,536.64	7,367.13	7,536.64
TOTAL			48,740.94	35,017.48	48,740.94	35,017.48
Details of Materials Consumed						
Chemicals			41,363.13	29,097.90	41,363.13	29,097.90
Packing Materials			7,377.81	5,841.64	7,377.81	5,841.64
Seeds			-	77.94	-	77.94
			48,740.94	35,017.48	48,740.94	35,017.48
Details of Inventory (At the end of the year)						
Chemicals			5,903.02	6,171.37	5,903.02	6,171.37
Packing Materials			1,464.11	1,360.15	1,464.11	1,360.15
Seeds			-	5.12	-	5.12
			7,367.13	7,536.64	7,367.13	7,536.64

(Rs. in lacs)

			STANDALONE			CONSOLIDATED		
			2013-14	2012-13	(Increase)/ Decrease	2013-14	2012-13	(Increase)/ Decrease
NOTE	23	(INCREASE) / DECREASE IN INVENTORIES						
Inventories at the end of year								
Traded Goods			1,279.18	1,136.06	(143.12)	1,279.18	1,136.06	(143.12)
Work in progress			539.78	254.88	(284.90)	539.78	254.88	(284.90)
Finished goods			11,931.98	7,046.92	(4,885.06)	11,931.98	7,046.92	(4,885.06)
			13,750.94	8,437.86	(5,313.08)	13,750.94	8,437.86	(5,313.08)
Inventories at the beginning of year								
Traded Goods			1,136.06	1,133.38	(2.68)	1,136.06	1,133.38	(2.68)
Work in progress			254.88	378.52	123.64	254.88	378.52	123.64
Finished goods			7,046.92	6,802.28	(244.64)	7,046.92	6,802.28	(244.64)
			8,437.86	8,314.18	(123.68)	8,437.86	8,314.18	(123.68)
			(5,313.08)	(123.68)		(5,313.08)	(123.68)	

Details of purchase of traded goods

	2013-14	2012-13	2013-14	2012-13
Traded Goods purchased	3,272.52	3,216.05	3,272.52	3,216.05
	3,272.52	3,216.05	3,272.52	3,216.05

Details of Inventory (At the end of the year)

Traded Goods				
Agro chemicals	1,279.18	1,136.06	1,279.18	1,136.06
Work in progress				
Agro chemicals	539.78	254.88	539.78	254.88
Finished Goods				
Agro chemicals	11,931.98	7,043.93	11,931.98	7,043.93
Seeds	-	2.99	-	2.99
	13,750.94	8,437.86	13,750.94	8,437.86

Notes to Financial Statements for the year ended 31st March, 2014

(Rs. in lacs)

		STANDALONE		CONSOLIDATED	
		2013-14	2012-13	2013-14	2012-13
NOTE	24	EMPLOYEES BENEFIT EXPENSES			
	Salaries & Wages	5,294.94	4,258.56	5,294.94	4,258.56
	Contribution to Provident & Other funds	304.49	340.44	304.49	340.44
	Staff Welfare and medical Expenses	217.81	165.03	217.81	165.03
		5,817.24	4,764.03	5,817.24	4,764.03

NOTE	25	OTHER EXPENSES			
Manufacturing Expenses					
Power ,fuel,electricity & water charges		149.75	113.04	149.75	113.04
Consumable stores		50.92	37.90	50.92	37.90
Manufacturing expenses (seeds)		1.15	5.67	1.15	5.67
Repair & maintenance -Machineries		90.16	80.77	90.16	80.77
Repair & maintenance -Factory buildings		54.51	54.88	54.51	54.88
Repair & maintenance - Others		1.50	2.30	1.50	2.30
Incineration charges		6.53	9.71	6.53	9.71
Security Charges		31.76	28.79	31.76	28.79
Laboratory expenses		29.96	23.83	29.96	23.83
ISI Marking Fees		16.88	8.13	16.88	8.13
R&D expenses		158.46	145.39	158.46	145.39
(A)		591.59	510.41	591.59	510.41
Administration Expenses					
Travelling and conveyance		822.16	664.99	822.16	664.99
Communication expenses		114.12	98.30	114.12	98.30
Postage and telegram		31.27	29.55	31.27	29.55
Printing and stationery		49.80	43.41	49.80	43.41
Office and godown rent		412.12	363.04	412.12	363.04
Rates and taxes		17.52	30.13	17.52	30.13
Insurance charges		132.33	27.46	132.33	27.46
Legal and professional charges		231.86	253.96	231.86	253.96
Repair & maintenance -Building		257.42	214.46	257.42	214.46
Repair & maintenance -other		113.82	96.26	113.82	96.26
Electricity & water charges		56.72	48.07	56.72	48.07
Books and periodicals		0.82	1.97	0.82	1.97
Fees and Subscription		13.22	12.02	13.22	12.02
Charity and donation		32.60	9.32	32.60	9.32
Miscellaneous expenses		14.99	8.02	14.99	8.02
Meeting fees		4.79	3.81	4.79	3.81
Payment to Auditors		10.10	11.59	10.10	11.59
Vehicles maintenance		820.56	714.63	820.56	714.63
(B)		3,136.26	2,630.99	3,136.26	2,630.99



Notes to Financial Statements for the year ended 31st March, 2014

(Rs. in lacs)

			STANDALONE		CONSOLIDATED	
			2013-14	2012-13	2013-14	2012-13
NOTE	25	OTHER EXPENSES				
Selling & Distribution Expenses						
Education and seminar			415.51	333.66	415.51	333.66
Advertisement and publicity			1,309.30	595.03	1,309.30	595.03
Business promotion expenses			24.84	29.14	24.84	29.14
Bad debts			21.04	48.61	21.04	48.61
Freight & cartage on STV & Sales			2,346.76	1,902.69	2,346.76	1,902.69
Field Assistant expenses			1,422.36	1,116.23	1,422.36	1,116.23
(C)			5,539.81	4,025.36	5,539.81	4,025.36
TOTAL (A to C)			9,267.66	7,166.76	9,267.66	7,166.76
Payment to Auditors						
As Auditor :						
Statutory audit & Tax Audit fees			5.00	5.00	5.00	5.00
Cost audit fees			1.25	1.25	1.25	1.25
Internal Audit Fees			3.00	3.00	3.00	3.00
In other capacity :						
Taxation matters			0.75	2.21	0.75	2.21
Management Services			-	-	-	-
Reimbursement of Expenses			0.10	0.13	0.10	0.13
TOTAL			10.10	11.59	10.10	11.59

NOTE	26	DEPRECIATION AND AMORTIZATION EXPENSES				
Depreciation of Tangible Assets			475.38	449.35	475.38	449.35
Amortization of Intangible Assets			8.48	4.82	8.48	4.82
			483.86	454.17	483.86	454.17

NOTE	27	FINANCE COST				
Interest on others			110.46	141.63	110.46	141.63
Bank interest and other financial charges			306.18	195.88	306.18	195.88
Interest on term loan			0.16	15.21	0.16	15.21
			416.80	352.72	416.80	352.72

NOTE	28	EARNING PER SHARE (EPS)				
1.	Net profit after tax as per Statement of Profit & Loss attributable to Equity Share holders		9,313.53	6,444.84	9,313.53	6,444.84
2.	No of Equity shares		5,00,19,500	5,00,19,500	5,00,19,500	5,00,19,500
3.	Basic and diluted Earning per share		18.62	12.88	18.62	12.88
4.	Face value of Share		2.00	2.00	2.00	2.00

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 Generally Accepted Accounting Principles in India ('GAAP') and complied 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) Impairment

Fixed Assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable.

An impairment loss is recognized in the Statement of Profit and Loss if the carrying amount of an Asset exceeds its recoverable amount.

d) Depreciation and Amortisation:

Depreciation on Fixed Assets is provided on Written Down Value ('WDV') Method at the rate and in the manner prescribed in Schedule XIV of 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.

Amortization in respect of Intangible Assets is provided on Straight Line basis considering 10 years as the estimated period of its economic life.

e) Revenue Recognition:

Revenue from sale of goods is recognized when risk and rewards in respect of ownership of such 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 goods is stated exclusive of Returns, Sales Tax /VAT and applicable Rebates & Discounts as per policy of the Company.

Revenue from Wind Mill electricity generation is recognized on the basis of electricity units generated and invoice raised on monthly basis.

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

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

f) Inventories:

- Inventories of Raw Materials and Packing Materials are valued at Cost (net of CENVAT) on first-in first-out basis.
- Inventory of Work-in-Progress is valued at cost of Raw Material plus conversion cost wherever applicable.
- Finished Goods are valued at the lower of cost (including Overheads and Excise Duty) or Net Realizable Value.
- Excise duty, in respect of closing Inventory of Finished Goods is included as a part of inventory.

g) Foreign Currency Transactions:

(i) Initial Recognition:

Foreign Currency Transactions are recorded in the reporting currency (i.e. Rs.), by applying exchange rate to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency has been taken as 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 Statement of Profit and Loss.

(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.

h) Investments:

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

i) 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 by 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 contributes 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 contribution 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 and Pension 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 Company's Policy. The liability in respect of the same is provided based on an actuarial valuation at the year end.

j) 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.

k) Provisions and Contingencies:

Provisions, Contingent Liabilities and Contingent Assets:

The Company creates 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 recognized in the Financial Statements.

l) 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.

m) Research and Development Expenses:

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

n) 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 Statement of Profit and Loss or adjusted from related expenses.

o) Deferred Revenue Expenditure:

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

p) 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:

A. CONTINGENT LIABILITIES AND COMMITMENTS:

i) Contingent Liabilities shall be classified as:

a) Claims against the Company not acknowledged as debt :

(Rs. in lacs)

Particulars	As at 31.03.2014	As at 31.03.2013
a) Income Tax cases pending in appeals	3.57	8.43
b) Excise disputes pending	72.22	118.13
c) Service Tax disputes pending	367.47	367.47

b) Guarantees :

(Rs. in lacs)

Particulars	As at 31.03.2014	As at 31.03.2013
a) Bank Guarantees	1.40	3.90
b) Letter of Credit	1,956.94	1,305.66

c) Other monies for which the Company is contingently liable :

(Rs. in lacs)

Particulars	Amount
'C' forms pending against central sales	3.26

ii) Commitments:

(Rs. in lacs)

Particulars	Amount
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	1,482.72

B. 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 lacs)

Defined Benefit commitments:	As at 31.03.2014	As at 31.03.2013
Present value of obligation at the beginning of the year	399.83	370.82
Interest Cost	31.99	31.52
Current Service Cost	39.82	44.96
Benefit Paid	(38.75)	(31.03)
Actuarial (Gain)/Loss on Obligations	34.16	(16.44)
Present Value of Obligation at the end of the year	467.05	399.83



(Rs. in lacs)

Fair Value of Plan Assets:	As at 31.03.2014	As at 31.03.2013
Fair Value of Plan Assets at the beginning of the year	544.81	455.74
Expected return on Plan Assets	47.40	39.19
Contributions	--	67.69
Transfer from other Company	--	12.14
Benefit Paid	(38.75)	(31.03)
Actuarial Gain/(Loss) on Obligations	(10.01)	1.08
Fair value of Plan Assets at the end of the year	543.45	544.81

(Rs. in lacs)

Return on Plan Assets:	As at 31.03.2014	As at 31.03.2013
Expected return on Plan Assets	47.40	39.19
Actuarial Gain/(Loss) on Assets for the period	(10.01)	1.08
Actual return on Plan Assets	37.39	40.27

(Rs. in lacs)

Expenses on defined benefit Plan:	As at 31.03.2014	As at 31.03.2013
Current service Cost	39.82	44.96
Interest Cost	31.99	31.52
(Expected return on Plan Assets)	(47.40)	(39.19)
Actuarial (Gain)/Loss	44.17	(17.52)
Expenses charged to the Statement of Profit & Loss	68.58	19.77

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

Particulars of Assumptions	As at 31.03.2014	As at 31.03.2013
Rate of discounting liabilities	9.31%	8.00%
Rate of return on plan assets	8.70%	8.70%
Expected salary increase rate	5.00%	5.00%
Attrition Rate	2.00%	2.00%

C. RELATED PARTY DISCLOSURE ACCOUNTING STANDARD (AS-18):

a) Key Managerial Personnel and Relatives

- Sh. Ram Gopal Agarwal, Chairman
- Sh. Mahendra Kumar Dhanuka, Managing Director
- Sh. Arun Kumar Dhanuka, Director
- Sh. Rahul Dhanuka, Director
- Sh. Mridul Dhanuka, Director

Relatives of Sh. Ram Gopal Agarwal

- Smt. Urmila Dhanuka, Wife
- Sh. Rahul Dhanuka, Son
- Smt. Reema Khawala, Daughter
- Smt. Rashmi Gupta, 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
- Smt. Megha Chripal, Daughter
- Smt. Varsha Goel, Daughter
- Sh. Manish Dhanuka, Brother
- Smt. Seema Dhanuka, Brother's Wife

Relatives of Sh. Rahul Dhanuka

- Smt. Madhuri Dhanuka, Wife
- Ms. Shailja Dhanuka, Daughter
- Master Shashvat Dhanuka, Son

Relatives of Sh. Mridul Dhanuka

- Smt. Megha Dhanuka, Wife
- Ms. Sahana Dhanuka, Daughter

Companies, Firms & Trusts in which Key Management Personnel & their Relatives have Significant Influence:

- | | |
|---|---|
| • Zoom Leasing and Finance Company Limited | • Dhanuka Finvest Pvt. Ltd. |
| • Hindon Mercantile Limited | • Balaji Builders |
| • Exclusive Leasing and Finance Limited | • Shree Ram Enterprises |
| • Dhanuka Laboratories Limited | • Passion Alliance |
| • Sikkim Agro Industries Limited | • Dhanuka Marketing Company |
| • Golden Overseas Pvt. Limited | • Chiranji Lal Dhanuka Charitable Trust |
| • M.D. Buildtech Pvt. Limited | • Durga Prasad Dhanuka Charitable Trust |
| • H.D. Realtors Pvt. Limited | • Triveni Trust |
| • Dhanuka Infotech Pvt. Limited | • R G Agarwal Trust |
| • Cosmo Components Pvt. Limited | • M K Dhanuka Trust |
| • Duke Impex Pvt. Limited | • Mridul Trust |
| • Liberty Sales Pvt. Limited | • Harsh Trust |
| • Growth Advertising and Marketing Pvt. Limited | • Sampad Developers |
| • Dhanuka Pvt. Limited | • IKO Overseas |
| • Otsuka Chemical (India) Pvt. Limited | • Synmedic Laboratories |
| • Dhanuka Agri-Solutions Pvt. Limited (Wholly Owned Subsidiary) | |



b) Nature and Volume of Transactions:

(Rs. in lacs)

S.No.	Particulars	Amount
i.	Remuneration:	
	Sh. Ram Gopal Agarwal, Chairman	268.30
	Sh. Mahendra Kumar Dhanuka, Managing Director	261.58
	Sh. Arun Kumar Dhanuka, Director	241.50
	Sh. Rahul Dhanuka, Director	237.02
	Sh. Mridul Dhanuka, Director	167.00
	Sh. Harsh Dhanuka	21.76
	(Note : The remuneration to the Key Managerial Personnel does not include the provisions made for Gratuity and Leave benefit as they are determined on an Actuarial basis for the Company as a whole)	
ii.	C&F Commission:	
	M/s Dhanuka Marketing Company	366.00
iii.	Office/Godown Rent:	
	Mridul Dhanuka (HUF)	16.83
	Smt. Megha Dhanuka	18.06
	Smt. Akangsha Dhanuka	14.25
	Smt. Madhuri Dhanuka	8.60
	M/s Dhanuka Pvt. Ltd	42.43
iv.	Sale Transactions:	
	M/s Dhanuka Laboratories Ltd.	0.32
	M/s Otsuka Chemical (India) Pvt. Ltd.	4.30
v.	Purchases:	
	M/s Dhanuka Laboratories Ltd.	33.90
vi.	Interest Paid:	
	M/s Dhanuka Marketing Company	3.85

During the year, a Keyman Insurance Policy with sum insured of Rs. 1.25 crores was taken in the name of Mr. Rahul Dhanuka (Director Marketing) for which premium of Rs. 1.00 crore was paid. Mr. Rahul Dhanuka, born in 1975, is a Graduate in Science from Delhi University and an MBA from S.P.Jain Institute of Management & Research, Mumbai and has a valuable experience of 17 years. He joined Dhanuka Agritech Limited as Director (Marketing) in 2001. He is responsible for Strategic Planning and Management, Sales, Marketing, Publicity, Branding, introduction of new Products. Due to his excellent marketing skills, the Company has successfully expanded its channel network and penetrated the very interiors of rural India. He has been instrumental in bringing new systems and policies in the organization, implementation of ERP and maintaining strategic business relationships with international collaborators like E.I.DuPont, USA; Hokko Chemical Industry Ltd, Japan; Nissan Chemical Industries Ltd., Japan; Chemtura Agrosolutions, USA; Sumitomo Chemical Co. Ltd, Japan; Mitsui Chemicals Inc., Japan; FMC Corporation, USA, ORO Agri International Ltd, Netherland. Under his aegis, Dhanuka is now the second largest Indian agrochemicals formulation Company in domestic brand sales with 80+ Brands, approx. 8,000 distributors, 75,000 retailers, 550 districts, 1,500 Dhanuka Doctors. Dhanuka is recognized as gateway to Indian crop-protection market.

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

(Rs. in lacs)

S.No.	Name of Depositor	Opening Balance	Received During the Year	Paid/Debited during the Year	Interest Accrued	Balance as on 31.03.14
1	Exclusive Leasing & Finance Ltd.	Nil	411.00	411.00	4.43	Nil
2	Golden Overseas Pvt. Ltd.	Nil	1,000.00	1,000.00	8.06	Nil
3	Hindon Mercantile Ltd.	Nil	130.00	130.00	3.19	Nil
4	Zoom Leasing & Finance Co. Ltd.	Nil	106.00	106.00	2.64	Nil
5	Sikkim Agro Industries Ltd.	Nil	337.00	337.00	24.03	Nil
6	Shri R.G. Agarwal	Nil	86.00	86.00	0.76	Nil
7	Shri M.K. Dhanuka	Nil	86.00	86.00	0.80	Nil
	Total	Nil	2156.00	2156.00	43.92	Nil

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

(Rs. in lacs)

S.No.	Name of the Company	Amount
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
vii.	M/s IKO Overseas	0.09
viii.	M/s Synmedic Laboratories	0.09
ix.	M/s Dhanuka Finvest Pvt. Ltd.	0.05

D. LEASES

- i) Lease paid for Operating Leases is recognized as an expense in the Statement of Profit and Loss in the year to which it relates.
ii) Future rent payable for Operating and Finance Leases (As certified by Management) are as under:

(Rs. in lacs)

Particulars	As at 31.03.2014
Not later than 1 year	548.65
Later than 1 year but not later than 5 years	754.34
Later than 5 years	432.77
Amount Charged to Statement of Profit and Loss	412.12

Future Lease rents and escalation in rent have been determined on the basis of agreed terms. At the expiry of the initial lease term, generally the Company has an option to extend the lease for a further pre-determined period.

E. IMPAIRMENT OF ASSETS:

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 impaired the following assets during the year:

(Rs. in lacs)

Particulars of Assets	Amount Impaired
Part of Factory Building at Sohna on demolition. The same has been impaired by the written down value.	5.29



F. MAT CREDIT ENTITLEMENT

Upto the end of the Financial Year 2013-14, the Company has accumulated MAT Credit entitlement of Rs. 575.93 Lacs. The same shall be adjusted in the future tax liability in accordance with the provisions of the Income Tax Act, 1961.

G. 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 (AS) – 17 on Segment Reporting.

H. SMALL AND MEDIUM ENTERPRISES

Amount due to Small and Medium Enterprises outstanding as at 31.03.2014 was Rs. 1,390.62 lacs. There is no overdue amount outstanding and interest due thereon as at 31.03.2014. The names of such Small and Medium Enterprises are given below:

(Rs. in lacs)

S.No.	Name of Supplier	Amount
1	Advance Chemicals Sales Corporation	1.22
2	Akruti Trexim Pvt. Ltd.	154.70
3	Ankita Plastics	4.35
4	Anubhav Power & Controls	0.16
5	Anupam Products Ltd.	4.71
6	Ashi Organics India	7.61
7	Atlas Chemical Industries	30.94
8	Avc Packer'S	0.83
9	Bhagwati Enviro Care Pvt. Ltd.	0.07
10	Bharat Extrusion	9.20
11	Bharat Mineral Corporation	23.96
12	Bharat Pet Ltd.	0.50
13	Bharat Product Ltd.	1.78
14	Bharat Propack Pvt. Ltd.	14.18
15	Bharat Rasayan Ltd.	0.06
16	Bhura Mining Company	1.65
17	Br Agrotech Limited	37.72
18	Bullion Flexi Pack P.Ltd.	0.89
19	Clear Mipak Packaging Solutions Ltd (Naroli-li)	30.73
20	Colour Chem Industries	9.89
21	Core Chemicals (Mumbai) Pvt. Ltd.	21.77
22	Decorative Sleeves Pvt. Ltd.	3.26
23	Delhi Extrusion Pvt. Ltd.	18.57
24	Dutta Press	1.10
25	Dynamic Mono Cartons Pvt. Ltd.	12.45
26	Ess Kay Enterprises (Prop)	13.40
27	Ess Kay Propack Pvt Ltd	1.48
28	Excel Agrotech	130.39
29	Excel Trading Corporation	95.18
30	Galaxy Print Process Pvt Ltd.	5.67
31	Ganesh Enterprises (Prop)	1.35
32	Genesis Print & Pack	0.15
33	Giriraj Packaging	0.96
34	Graham Blow Pack Pvt. Ltd.	8.86
35	Gurdial Mal Chhagalal Jain	0.22
36	H.R. Enterprises	9.49
37	Jehlum Corrugated	1.39
38	Jkm Minchem	7.05
39	K.A. Enterprises Bhavnagar	15.93

(Rs. in lacs)

S.No.	Name of Supplier	Amount
40	Kamakshi Flexiprints Pvt. Ltd.	6.01
41	Kamla Packaging Products (P) Ltd.	8.33
42	Krishna Petrochem Pvt. Ltd.	102.42
43	Krishna Printers	12.76
44	Kumar Offset	0.92
45	Kundan Pestichem Pvt. Ltd.	0.42
46	Lavitra Industries	8.71
47	Manohar Packaging Industries	1.53
48	Maruti Minerals Industries	3.26
49	Mayank Containers Pvt. Ltd.	5.24
50	Mineral And Metal Industries	10.01
51	Mittal Enterprises	0.63
52	Modern Packaging Concept	32.10
53	Modern Plastic Tubes	1.23
54	Modsurg Equipments	1.07
55	Mrugal Off-Set Printer	2.83
56	National Print `N` Pack	4.97
57	Nav Bharat Extrusion	0.03
58	Nufarm Agriscience Pvt Ltd.	170.01
59	O.C. Specialities Pvt. Ltd.	15.26
60	Paras Tape Industry	0.61
61	Parijat Industries India Pvt. Ltd.	0.84
62	Parikh Enterprises (P) Ltd.	0.02
63	Patel Nagar Minerals & Ind. Pvt. Ltd.	0.39
64	Plasto Films (Prop)	1.24
65	Pon Pure Chem (P) Ltd.	49.00
66	Pooja Packaging	7.31
67	Pradeep Metal Industries	1.93
68	Printco (Prop)	1.74
69	Quality Packers	17.11
70	R.B. Mineral Corporation	8.05
71	R.J. Traders	3.48
72	Raj Technopack Pvt Ltd.	3.78
73	Rakesh Scientific Centre	0.15
74	Regent Plast Pvt Ltd.	30.41
75	S.S. Packers	0.26
76	Sampatti Industries	0.61
77	Saraswati Plastotech (India) Pvt Ltd	2.79
78	Saturn Organics	7.11
79	Seap Lamipack Pvt Ltd	3.63
80	Shaambhavi Manufacturers Pvt Ltd.	3.19
81	Sharan Enterprises (P) Ltd.	10.50
82	Shree Ganesh Sand Supplier	2.63
83	Shree Mangal Packaging Industries	1.92
84	Shri Umiya Packaging	2.35
85	Star Industries	9.51
86	Suboneyo Biotech Asia	2.95
87	Suboneyo Chemicals & Pharmaceuticals Pvt. Ltd.	7.14
88	Sudarshan Chemical Industries Ltd.	0.12



(Rs. in lacs)

S.No.	Name of Supplier	Amount
89	Sun Poly Pack (Prop)	0.12
90	Super Propack Pvt Ltd	4.51
91	Supreme Surfactants Pvt Ltd	27.26
92	Surya Industries	22.70
93	Synkron Inc.	2.16
94	Techno Products (Bom) Pvt. Ltd.	48.11
95	Uma Polymers Ltd.	4.62
96	Universal Specialty Chemicals Pvt Ltd.	0.04
97	Venus Dye Chem	23.60
98	Venus Safety & Health (P) Ltd.	5.11
	Total	1,390.62

I. FOREIGN CURRENCY TRANSACTIONS DETAILS (ACCRUAL BASIS) :

(Rs. in lacs)

Particulars	As at 31.03.2014	As at 31.03.2013
a. C.I.F. Value of Imports:		
Raw Materials	11,188.10	7,301.75
b. Expenditure in Foreign Currency:		
Foreign Currency used for foreign travelling	10.01	23.49
Professional and consultancy fees	117.61	179.33
Purchase of machinery	--	17.64
Purchase of books	--	0.82
Expenses of subsidiary Company	--	0.54
c. Earning in Foreign Currency		
Insurance Claim	0.96	--
Export Sale	16.22	25.67
Reimbursement of Advertisement expenses	48.84	60.17
Reimbursement of Data Generation (Testing)	--	20.08
Reimbursement of R&D expenses	--	17.98
Products Target Incentive	153.95	117.50

J. VALUE OF IMPORTS & INDIGENOUS RAW MATERIALS, PACKING MATERIALS CONSUMED AND PERCENTAGE OF EACH TO TOTAL CONSUMPTION:

S.No.	Particulars	FY 2013-14 Value (Rs. in lacs)	(%)	FY 2012-13 Value (Rs. in lacs)	(%)
1.	Raw Materials:				
	Imported	13,938.30	33.70	7,572.34	25.97
	Indigenous	27,424.83	66.30	21,582.61	74.03
	Total	41,363.13	100.00	29,154.95	100.00
2.	Packing Materials :				
	Imported	-	-	-	-
	Indigenous	7,377.81	100.00	5,862.53	100.00
	Total	7,377.81	100.00	5,862.53	100.00

- a. The Company has investment of Rs. 0.09 lacs 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 31.03.2014.

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 lacs)	For the Previous Financial Year since it became the Subsidiary (Rs. in lacs)
Dhanuka Agri-Solutions Pvt. Ltd.	31 st March, 2014	100%	—	—

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

(Rs. in lacs)		
S.No.	Particulars	Amount
1.	Paid-up Share Capital	0.09
2.	Reserves & Surplus/ (Accumulated Losses)	(1.02)
3.	Total Assets	1.18
4.	Total Liabilities	2.11
5.	Details of Investment (other than investment in the Subsidiary)	---
6.	Turnover	---
7.	Profit/(Loss) Before Taxation	---
8.	Provision for Taxation	---
9.	Profit After Taxation	---
10.	Proposed Dividend	---

- b. Trade Receivables/ Customers are shown Net of Trade discounts and rate differences.
- c. Trade Receivables, Trade Payables and Advances are subject to confirmation and/ or reconciliations except those for which confirmations/ reconciliations already received.
- d. Previous Year's figures have been regrouped and rearranged wherever considered necessary.

As per our report of even date attached

For **DINESH MEHTA & CO**

Chartered Accountants

Firm Registration No:000220-N

For and on behalf of the Board of Directors

DEEPAK MALHOTRA

Partner

Membership No : 502386

SHUBHA SINGH

Company Secretary

V.K. BANSAL

C.F.O.

M.K. DHANUKA

Managing Director

DIN: 00628039

R.G. AGARWAL

Chairman

DIN: 00627386

Place : Gurgaon

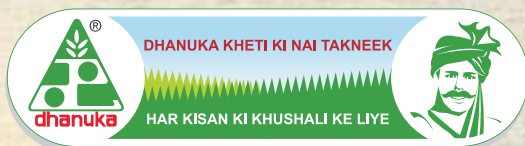
Dated : 20th May, 2014

DISCLAIMER

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



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Registered Office

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Phone Nos.: (011) 23518981/82
E-mail : headoffice@dhanuka.com
CIN: L24219DL1985PLC020126

Corporate Office

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

Works

Daulatabad Road,
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E-mail: gurgaonunit@dhanuka.com

D-1/A-B, Ajanta Industrial Estate,
Near Sarika Paints, Viramgam Road,
at Vasna lyava, Sanand, Dist.
Ahmedabad - 382170 (Gujarat)
Ph. Nos.: (02717) 284567/68
Fax Nos.: (02717) 284567
E-mail: sanand@dhanuka.com

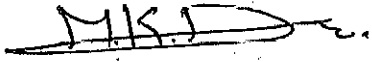
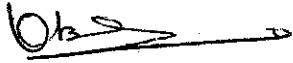


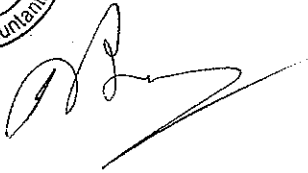
Plot No.1, IID Centre,
SICOP Industrial Estate,
Battal Ballian, Udhampur (J&K)
Ph. Nos.: (01992) 250156/57
Fax No.: (01992) 250156
E-mail: udhampur@dhanuka.com

Sales Offices/Godowns

Ahmedabad, Akola, Anantapur, Bangalore, Bellary, Cuttack, Davangere, Delhi, Ghaziabad, Gulbarga, Guwahati, Guntur, Gurgaon, Hissar, Hyderabad, Indore, Jaipur, Jabalpur, Kanchipuram, Karnal, Khammam Kichha, Kolkata, Kurnool, Lucknow, Ludhiana, Nandyal, Nellore, Nashik, Nizamabad, Patna, Pune, Ranchi, Raipur, Ravulapalem, Salem, Siliguri, Sindhanur, Sohna, Sriganaganagar, Thrissur, Trichy, Vijaywada and Warangal

www.dhanuka.com

FORM A
Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company:	Dhanuka Agritech Ltd.
2.	Annual financial statements for the year ended	31 st March, 2014
3.	Type of Audit observation	Un-qualified / Matter of Emphasis
4.	Frequency of observation	NA
5.	<p>To be signed by- For DHANUKA AGRITECH LTD.</p> <ul style="list-style-type: none"> • CEO/Managing Director  Managing Director • CFO  • Auditor of the company   • Audit Committee Chairman  	

Certified to be true Copy

For Dhanuka Agritech Ltd.


 Company Secretary