REPORT OF THE DIRECTORS
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2008

Your Directors submit their Report for the financial year ended 31st March, 2008.

During the year under review, your Company posted robust growth in performance and profits. Its turnover grew by 42% from Rs.21.7 Crores to Rs. 30.8 Crores and net profit doubled from Rs. 3.0 Crores to Rs. 6.1 Crores.

FINANCIAL RESULTS

(Rs. Crores)

Particulars	2007-08	2006-07
Turnover	30.84	21.68
Profit before interest, depreciation & tax	8.67	6.67
Interest	1.75	2.67
Depreciation	0.71	0.88
Profit before tax	6.21	3.12
Provision for tax/FBT	0.06	0.05
Profit after tax	6.15	3.07
Balance of profit/(loss) brought forward	(29.79)	(32.89)
Adj. For Employee Benefits Provision	—	0.03
Balance carried forward to Balance Sheet	(23.64)	(29.79)

During the year under review, Russell Credit Limited, a wholly owned subsidiary of ITC Limited acquired the entire share capital of Technico Pty Ltd., Australia, the holding company.

COMPANY PERFORMANCE

Production of TECHNITUBER® Seed

During the year under review, your Company's facility at Manpura produced 111.3 lacs TECHNITUBER® seed, a 22% improvement over the previous year's figure of 91.3 lacs when production was affected by storm-damage to the greenhouses of your Company.

Field Operations

Despite heavy frost affecting most of the seed growing regions of the States of Punjab, Haryana and Western Uttar Pradesh, your Company's field seed production of early generation seed potatoes grew by 31% to reach a record high of 34,463 MT from 26,211 MT recorded in the previous year.

Over the years, your Company and the potato farmers in the various growing regions of India have gained considerable expertise in seed potato agronomy using the TECHNITUBER® seed of your Company. This, together with the experience and capabilities resident in the parent entity, has contributed to the superior performance of field operations in spite of adverse climatic conditions.

Your Company continues to upgrade the skills of its agronomy team and Indian farmers to improve growing practices. Research and Development, innovations in agronomy and the usage of new chemicals together with training by international experts from the parent entity continue to provide competitive advantage to your Company in terms of superior quality and higher yields of the potato crop.

Marketing

Farmers across the country have seen the benefits of better and more reliable performance from the early generation seeds of your Company and value the agronomy extension support provided by its experienced team. Your Company has also provided farmers and other processing customers with new varieties both for processing as well as for table potato purposes. All these efforts have led to a 16% increase in Field seed sales to 14581 MT during the year under review.

Your Company continues to be the only exporter of seed potato from India to markets in Asia, Middle East & Africa and 40 lacs TECHNITUBER® seed were exported during the year under review. During the year the total foreign exchange earned was Rs. 304.02 lacs (previous year Rs. 437.20 lacs) and the utilization of foreign exchange was 2.27 lacs (previous year Rs. 21.30 lacs).

Your Company recognizes that the business is subject to agricultural risk but draws comfort from the strength of the technology licensed by its parent, the competencies of its employees, the profile of its customers and the strong demand for quality seed potatoes in the Indian market. All of these should contribute to its robust growth over the years.

Further, the acquisition of Technico Pty Limited, the holding company, by Russell Credit Limited, has created synergistic opportunities in the area of agri marketing due to the considerable strengths of ultimate holding company, ITC Limited, in this area. Your Company will continue to leverage these synergies going forward.

EMPLOYEES

Your Directors recognize the key role of employees in creating and delivering value to farmers and shareholders and wish to place on record their appreciation of the dedication and commitment of every employee of the Company, which has lead to significant improvement in your Company's operations.

None of the employees are covered under the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

The information with regard to technology absorption in terms of Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed.

DIRECTORS

Mr. Abhay Baijal resigned as Director of your Company with effect from 17th August, 2007. Your Directors would like to record their appreciation for the services rendered by Mr. Baijal.

Messrs. Surampudi Sivakumar, Arup Kumar Mukerji and Bhargavan Sumant were appointed as Non-Executive Directors, liable to retire by rotation, at the Annual General Meeting of your Company held on 28th September, 2007 after vacation of their office as Additional Non-Executive Directors.

In accordance with the applicable provisions of the Articles of Association of the Company, Messrs. David Charles McDonald and Sachidanand Madan will retire by rotation at the ensuing Annual General Meeting of the Company, and being eligible, offers themselves for re-election.

AUDIT COMMITTEE

The audit committee of your Company comprises of Mr. Surampudi Sivakumar, Chairman, Mr. David Charles McDonald and Mr. Arup Kumar Mukerji, Members.

DIRECTOR'S RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) of the Companies Act, 1956, your Directors confirm having:

a. followed in the preparation of the Annual Accounts, the applicable accounting standards with proper explanation relating to material departures if any;

b. 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 your Company at the end of the financial year and of the profit of your Company for that period;

c. taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities; and

d. prepared the Annual Accounts on a going concern basis.

AUDITORS

The Auditors M/s. S. R. Batliboi and Co., Chartered Accountants, retire at the ensuing Annual General Meeting of the Company and, being eligible, offer themselves for re-appointment.

On behalf of the Board

Hyderabad,
3rd May, 2008

S. Sivakumar
Chairman

ANNEXURE TO THE REPORT OF DIRECTORS

Information under Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Directors) Rules 1988 and forming part of the Directors Report

Research and Development (R&D)

The Company is engaged in the Research and Development activities in the field seed production programme. This coupled with the usage of new chemicals and new agri practices continue to provide competitive advantage to the Company in terms of superior quality seed and higher yields of potato crop. The Company continues its Research and Development efforts for further improvements in its products.

Technology Absorption, Adaptation and Innovation

Based on the efforts made towards technology absorption, the Company achieved smooth plant operation since the declaration of commercial production. Field progeny of the seed produced with the use of TECHNITUBER® technology has exhibited qualitative and quantitative improvement over traditional product at affordable cost.

a)	Technology Imported :	Production Facility at Manpura is based on TECHNITUBER® Technology from Technico Pty Limited, Australia.
b)	Year of import :	2000
c)	Whether technology fully absorbed :	The absorption of the technology has taken place through two-phase production. The Company has been successfully producing TECHNITUBER® Seeds (G-0) in production facility at Manpura. Subsequent stage multiplications have been successfully undertaken in leased and contract farms.
d)	If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action :	However, the Company continues to refine and improve upon the technology by drawing on the technical expertise of the parent entity.

AUDITORS' REPORT
TO THE MEMBERS OF CHAMBAL AGRITECH LIMITED

1. We have audited the attached balance sheet of Chambal Agritech Limited as at March 31, 2008 and also the profit and loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
   i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
   ii. 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;
   iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
   iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
   v. On the basis of the written representations received from the directors, as on March 31, 2008, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
   vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
      (a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2008;
      (b) in the case of the profit and loss account, of the profit for the year ended on that date; and
      (c) in the case of cash flow statement, of the cash flows for the year ended on that date.

S.R. Batliboi & Co.
Chartered Accountants
per Manoj Gupta
Partner
Membership No.: 83906

Gurgaon
3rd May, 2008

Annexure referred to in paragraph 3 of our report of even date
RE: CHAMBAL AGRITECH LIMITED ('THE COMPANY')

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

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) There was no substantial disposal of fixed assets during the year.

(ii) (a) The management has conducted physical verification of inventories at reasonable intervals during the year.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

(iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4 (iii) (b), (c) & (d) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(b) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4 (iii) (f) & (g) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas. The activities of the Company during the year do not involve sale of services.

(v) According to the information and explanations provided by the management, we are of the opinion that there are no contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301. Accordingly, the provisions of clause 4 (v) (b) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.

(vi) The Company has not accepted any deposits from the public.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.

(ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, or employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, wealth tax, service tax, sales tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanation given to us, there are no dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute.

(x) *The Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth.* The Company has not incurred cash loss during the year. In the immediately preceding financial year also the Company had not incurred cash loss.

(xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks. The Company has no outstanding dues in respect of financial institutions and debenture holders.

(xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

(xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which loans were obtained.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

(xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.

(xix) The Company did not have any outstanding debentures during the year.

(xx) The Company has not raised any money through a public issue during the year.

(xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

S.R. Batliboi & Co.
Chartered Accountants
per Manoj Gupta
Partner
Membership No.: 83906

Gurgaon
3rd May, 2008

BALANCE SHEET AS AT 31ST MARCH, 2008

	Schedule	As at 31st March, 2008 (Rs. in '000)	As at 31st March 2007 (Rs. in '000)
SOURCES OF FUNDS :			
Shareholders' Funds :			
Share Capital	1	379,628	379,628
Loan Funds			
Secured Loans	2	41,378	337,554
Unsecured Loans	3	120,000	—
TOTAL		541,006	717,182
APPLICATION OF FUNDS :			
Fixed Assets :	4		
Gross Block		177,764	174,866
Less : Accumulated Depreciation		63,104	56,814
Net Block		114,750	118,052
Intangible Assets	5	—	42,554
Current Assets, Loans & Advances :			
Inventories	6	238,073	193,416
Sundry Debtors	7	6,529	18,532
Cash and Bank Balances	8	1,300	131,056
Loans and Advances	9	3,364	3,586
		249,266	346,590
Less : Current Liabilities and Provisions :			
Current Liabilities	10	58,661	86,550
Provisions	11	753	6,250
		594,414	92,800
Net Current Assets		189,852	253,790
Miscellaneous expenditure	12	—	4,884
(To the extent not written off or adjusted)			
Profit and Loss Account	13	236,404	297,902
TOTAL		541,006	717,182
Significant accounting policies and notes to accounts	18		

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet.
As per our report of even date

S.R. Batliboi & Co.
Chartered Accountants
Per Manoj Gupta
Partner
Membership No. 83906
Gurgaon, 3rd May, 2008

For and on behalf of the Board

Arup K Mukerji *Director*
Sachidanand Madan *Director*
Sanjeev Madan *General Manager (Finance)*
Anu Rai *Company Secretary*
Hyderabad, 3rd May, 2008

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

	Schedule	For the year ended 31st March, 2008 (Rs. in '000)	For the year ended 31st March, 2007 (Rs. in '000)
INCOME			
Sales		38,402	216,821
Other Income	14	14,458	4,511
Increase / (Decrease) in inventories	15	44,549	34,603
TOTAL		367,409	255,935
EXPENDITURES			
Production and other expenses	16	238,131	181,079
Depreciation	4	7,144	8,838
Financial expenses	17	17,450	26,736
License fee written off	5	42,554	8,019
TOTAL		305,279	224,672
Profit (Loss) before tax		62,130	31,263
Fringe Benefit Tax		632	509
Profit/(Loss) after tax carried to Profit and Loss Schedule 13		61,498	30,754
Earning per share			
Basic [Nominal value of shares Rs. 10 (Previous year Rs. 10)]		1.62	0.81
Diluted [Nominal value of shares Rs. 10 (Previous year Rs. 10)]		1.62	0.81
Significant accounting policies and notes to accounts	18		

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

As per our report of even date.

S.R. Batliboi & Co.
Chartered Accountants
Per Manoj Gupta
Partner
Membership No. 83906
Gurgaon, 3rd May, 2008

For and on behalf of the Board

Arup K Mukerji	*Director*
Sachidanand Madan	*Director*
Sanjeev Madan	*General Manager (Finance)*
Anu Rai	*Company Secretary*

Hyderabad, 3rd May, 2008

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

	For the year ended 31st March, 2008 (Rs. in '000)	For the year ended 31st March, 2007 (Rs. in '000)
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit/(Loss) before Tax	62,130	31,263
Adjustment for :		
Depreciation	7,144	8,838
Loss/(Profit) on assets sold	207	(6)
Unrealised Foreign exchange loss	18	243
Bad debt written off	—	4
Upfront fees written off	4,884	4,015
Depletion of loose tools	1	15
Provision for doubtful debt	1,298	—
Provision written back	(9,473)	(1,454)
Interest / Guarantee Commission expenditure	10,773	21,430
Interest income	(663)	(114)
Dividend on Investment	(1,572)	—
License fees written off	42,554	8,019
Operating profit before working capital changes	117,301	72,253
Movements in working capital :		
Decrease / (Increase) in sundry debtors	10,686	585
Decrease / (Increase) in loans and advances	222	(394)
Decrease / (Increase) in inventories	(44,657)	(35,797)
Increase / (Decrease) in current liabilities	(23,835)	12,141
Cash generated from operations	59,717	48,788
Direct Taxes Paid	(710)	(457)
Net cash from operating activities	59,007	48,331
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets	(4,423)	(500)
Proceeds from sale of fixed assets	374	20
Interest Received	663	114

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008 *(Contd.)*

	For the year ended 31st March, 2008 (Rs. in '000)	For the year ended 31st March, 2007 (Rs. in '000)
Dividend on Investment	1,572	—
Net cash used in investing activities	(1,814)	(366)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from issuance of share capital	—	—
Repayment of long-term borrowings	(135,721)	(54,288)
Net proceeds of Unsecured loan	120,000	—
Net proceeds of short term borrowings/ vehicle loan	(160,455)	(157,446)
Interest/ Guarantee Commission	(10,773)	(21,430)
Net cash generated from/(used in) financing activities	(186,949)	81,728
Net increase in cash and cash equivalents (A+B+C)	(129,756)	129,693
Cash and cash equivalents at the beginning of the year	131,056	1,363
Cash and cash equivalents at the end of the year	1,300	131,056
COMPONENTS OF CASH AND CASH EQUIVALENTS		
Cash in hand	103	65
Balances with scheduled banks:		
On current accounts	1,187	981
On fixed deposit	10	130,010
(including fixed deposits of Rs.10 thousand pledged with sales tax authorities)		
	1,300	131,056

S.R. Batliboi & Co.
Chartered Accountants
Per Manoj Gupta
Partner
Membership No. 83906
Gurgaon, 3rd May, 2008

For and on behalf of the Board

Arup K Mukerji	*Director*
Sachidanand Madan	*Director*
Sanjeev Madan	*General Manager (Finance)*
Anu Rai	*Company Secretary*

Hyderabad, 3rd May, 2008

SCHEDULES TO ACCOUNTS

Particulars	As at 31st March, 2008 (Rs. in '000)	As at 31st March 2007 (Rs. in '000)
SCHEDULE 1: SHARE CAPITAL		
Authorised :		
40,000,000 (Previous year 40,000,000) Equity shares of Rs.10/- each	400,000	400,000
Issued and Subscribed :		
37,962,800 (Previous year 37,962,800) Equity shares of Rs.10/- each	379,628	379,628
Paid up :		
37,962,800 (Previous year 37,962,800) Equity shares of Rs.10/- each fully paid up	379,628	379,628
	379,628	379,628

Of the above :
All the above shares are held by the holding company, Technico Pty Ltd., Australia

SCHEDULE 2 : SECURED LOANS		
Rupee term loan from banks	—	135,721
Cash credit loan from banks	41,279	201,399
Vehicle loan from banks	99	434
	41,378	337,554

Notes :

1) Cash credit limit from HDFC Bank Ltd. is secured by first pari passu charge on all present and future current assets of the Company.
2) Loans for vehicles are secured by hypothecation of specific vehicles with first & exclusive charge. Amount repayable within one year Rs.99 thousand (Previous year Rs.335 thousand).

SCHEDULE 3 : UNSECURED LOANS		
Other Loans & Advances		
- From Body Corporate	120,000	—
(From Russell Credit Limited, the Indian parent of the holding company)		
	120,000	—

Note :
(Repayable with in one year Rs.Nil (Previous year Rs.Nil))

SCHEDULES TO ACCOUNTS *(Contd.)*

SCHEDULE 4 : FIXED ASSETS

(Rs. in '000)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31st, March 2007	Additions during the year	Withdrawal/ Adjustments	As at 31st March 2008	Up to 31st, March 2007	For the year	Withdrawal/ Adjustments	Up to 31st, March 2008	As at 31st, March 2008	As at 31st, March 2007
Land-freehold	13,355	—	—	13,355	—	—	—	—	13,355	13,355
Buildings	46,548	—	—	46,548	8,586	1,313	—	9,899	36,649	37,962
Plant & machinery	98,811	966	—	99,777	40,807	4,332	—	45,139	54,638	58,004
Furniture & fixtures	1,672	497	—	2,169	843	425	—	1,268	901	829
Leasehold improvements	1,629	—	—	1,629	1,629	—	—	1,629	—	—
Equipment & appliances	6,529	992	386	7,135	2,632	612	170	3,074	4,061	3,897
Electric installation	3,520	—	—	3,520	1,094	167	—	1,261	2,259	2,426
Vehicles	2,802	1,968	1,139	3,631	1,223	295	774	744	2,887	1,579
Total	174,866	4,423	1,525	177,764	56,814	7,144	944	63,014	114,750	118,052
Previous Year	174,606	500	240	174,866	48,204	8,838	228	56,814	118,052	126,402

Note :- Freehold land costing Rs.2072 thousand (Previous Year Rs.2072 thousand) is pending registration in the name of the Company.

SCHEDULE 5 : INTANGIBLE ASSETS

(Rs. in '000)

Particulars	GROSS BLOCK				AMORTISATION				NET BLOCK	
	As at 31st, March 2007	Additions during the year	Withdrawal/ Adjustments	As at 31st March 2008	Up to 31st, March 2007	For the year	Withdrawal/ Adjustments	Up to 31st, March 2008	As at 31st, March 2008	As at 31st, March 2007
Licence fees	93,837	—	—	93,837	51,283	42,554	—	93,837	—	42,554
Total	93,837	—	—	93,837	51,283	42,554	—	93,837	—	42,554
Previous Year	93,837	—	—	93,837	43,264	8,091	—	51,283	42,554	50,573

Particulars	(Rs. in '000)	As at 31st March, 2008 (Rs. in '000)	(Rs. in '000)	As at 31st March 2007 (Rs. in '000)
SCHEDULE 6 : INVENTORIES				
Stores and spares		3,899		3,790
Loose tools		—		1
TECHNITUBER® seed*		19,913		22,988
Field generated seeds**		214,261		164,128
Standing Crops***		—		2,509
		238,073		193,416
Includes borrowing cost (Amount Rs.in thousand)				
* Rs.76 (Previous year Rs.224)				
** Rs.1757 (Previous year Rs.3389)				
*** Rs.Nil (Previous year Rs.73)				
SCHEDULE 7 : SUNDRY DEBTORS				
Debts outstanding for a period exceeding six months				
Unsecured, considered good		—		—
Considered doubtful		1,362		1,667
		1,362		1,667
Other debts				
Unsecured, considered good	6,529		18,532	
Considered doubtful	1,293	7,822	90	18,622
		9,184		20,289
Less: Provision for doubtful debts		2,655		1,757
		6,529		18,532
SCHEDULE 8 : CASH AND BANK BALANCES				
Cash in hand		103		65
Balance with schedules banks :				
On current accounts		1,187		981
On fixed deposit		10		130,010
(Fixed deposits of Rs.10 thousand is pledged with sales tax authorities)		1,300		131,056
SCHEDULE 9 : LOANS AND ADVANCES				
(Unsecured, considered good)				
Advances recoverable in cash or kind or for value to be received		1,422		2,018
Tax deducted at source/Advance income tax		218		34
Deposits		1,724		1,534
		3,364		3,586

SCHEDULES TO ACCOUNTS *(Contd.)*

Particulars	As at 31st March, 2008 (Rs. in '000)	As at 31st March, 2007 (Rs. in '000)
SCHEDULE 10 : CURRENT LIABILITIES		
Sundry creditors for goods, expenses etc.	45,867	71,471
Advance received from customers	11,640	5,955
Deposit from contract growers and others	275	7,716
Other liabilities	879	1,408
	58,661	86,550
Dues to small scale industrial undertakings included in Sundry creditors.	—	—
Dues to other than small scale industrial undertakings included in Sundry creditors	45,867	71,471
	45,867	71,471
SCHEDULE 11 : PROVISIONS		
Leave encashment	696	522
Fringe benefit tax	57	135
Export claims*	—	5,593
	753	6,250
*** Provision for export claims**		
Balance at the beginning of the year	5,593	6,860
Additions during the year	—	—
Provision written back	5,593	1,267
Balance at the end of the year	—	5,593
SCHEDULE 12 : MISCELLANEOUS EXPENDITURE (TO THE EXTENT NOT WRITTEN OFF)		
Upfront Fees Paid to a Bank		
Opening Balance	4,884	8,899
Less : Written off during the Year	4,884	4,015
Balance carried forward	—	4,884
SCHEDULE 13 : PROFIT AND LOSS ACCOUNT		
Balance as per Last Account	2,97,902	3,28,951
Less: Adjustment for Employee benefits provision	—	(295)#
Less: Profit for the year	(61,498)	(30,754)
Transfer to balance sheet	2,36,404	2,97,902

As per the Transitional Provision of Accounting Standard 15(R) 'Employee Benefits', on first time adoption, adjustment is taken in opening balance of profit and loss account.

SCHEDULE 14 : OTHER INCOME		
Interest on fixed deposits	663	114
[Gross tax deducted at source Rs.148 thousand (Previous Year Rs.26 thousand)]		
Profit on sale of assets	22	6
Excess Provision written back (Refer Note No.3(8) in Schedule 18)	9,473	1,454
Dividend Income from short term investments	1,572	—
Miscellaneous income	2,728	2,937
	14,458	4,511
SCHEDULE 15 : INCREASE/(DECREASE) IN STOCK		
Opening Stock		
TECHNITUBER® seed	22,988	28,961
Field Generated seeds	1,64,128	1,22,338
Standing crops	2,509	3,723
	1,89,625	1,55,022
Less: Closing Stock		
TECHNITUBER® seed	19,913	22,988
Field generated seeds	2,14,261	1,64,128
Standing crops	—	2,509
	2,34,174	1,89,625
Increase/ (Decrease) in stock	44,549	34,603

SCHEDULES TO ACCOUNTS *(Contd.)*

Particulars	As at 31st March, 2008 (Rs. in '000)	As at 31st March, 2007 (Rs. in '000)
SCHEDULE 16 : PRODUCTION AND OTHER EXPENSES		
Cost of plantlets consumed	5	—
Stores and packing material consumed	19,025	13,899
Chemicals and fertilizers consumed	791	931
Power and fuel	8,345	8,109
Purchase seed potato	2,915	—
Seed farming charges	122,890	91,092
Land management charges (Net)	470	415
Grading charges	3,883	2,463
Contract labour	3,471	2,793
Freight and cartage	14,482	10,457
Payment to and provisions for employees:		
Salary, wages and other allowances	11,407	12,280
Contribution to provident and other funds	597	681
Gratuity	(54)	188
Staff welfare expenses	1,552	2,027
Travelling	4,211	5,529
Insurance	811	1,060
Rent	27,137	17,121
Rates and taxes	306	819
Repair and maintenance:		
Building	180	13
Plant and machinery	2,580	1,761
Others	1,965	965
Auditors' remuneration:		
Audit fee	393	393
Tax audit fee	112	112
Out of pocket expenses	17	36
Miscellaneous expenses	10,640	7,935
	238,131	181,079
SCHEDULE 17 : FINANCIAL EXPENSES		
Interest on :		
Term loans	5,517	14,425
Others	4,893	6,052
Bank charges	788	559
Upfront fee written off	4,884	4,015
Guarantee commission	363	953
Exchange difference (net)	1,005	732
	17,450	26,736

SCHEDULE:18 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1. **Nature of Operations**

The Company was incorporated as a 50:50 Joint Venture between Chambal Fertilizers & Chemicals Ltd. (CFCL) of India and Technico Pty Limited of Australia. CFCL sold all of its holding in the Company to Technico Pty Limited on 12th May, 2004; thereby the Company became a subsidiary of Technico Pty Limited.

In August 2007, Russell Credit Limited, a wholly owned subsidiary of ITC Limited, acquired the entire shareholding in Technico Pty Limited, the holding company.

The Company is in the business of producing TECHNITUBER® and Potato Seeds. Currently the Company's production process comprises two segments i.e. G-0, and then Field seed which can itself have several stages like G-1, G-2, G-3 and so on. During the G-0 stage, the TECHNITUBER® seed potatoes are produced under a controlled environment in the nurseries maintained at the facility premises. The TECHNITUBER® seed potatoes produced in the G-0 stage are taken for field plantation for further production of next stage i.e. G-1, which is again taken for subsequent production for another generation and so on depending on the production and sales strategy.

2. **Statement of Significant Accounting Policies**

a) **Basis of Preparation**

The financial statements have been prepared to comply in all material respects with the notified accounting standard by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

b) **Use of Estimates**

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

c) **Change in Estimates**

During the year the Company has revised the useful life of license fee from 13 years to 9 years based on the technical estimate made by the management. Accordingly balance license fee has been fully charged to Profit & Loss Account in the current year.

Had the Company continued to use the earlier basis of providing amortization, the charge to the Profit and Loss Account for the current period would have been lower by Rs.34,535 thousand and the net block of intangible assets would correspondingly have been higher by Rs.34,535 thousand.

d) **Fixed Assets**

Fixed Assets are stated at historical cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

e) **Depreciation**

Depreciation on Fixed Assets, except for Leasehold Improvements and part of Plant and Machinery used in field operations, is provided on straight-line method at the rates prescribed in Schedule XIV of the Companies Act, 1956 which are not lower than rates based on estimated useful lives of the respective assets. For this purpose, part of Plant & Machinery has been considered as Continuous Process Plant based on Management's technical evaluation. Leasehold Improvements are depreciated over the period of Primary lease and part of Plant and Machinery used in field operations is depreciated over its useful life of five years based on technical evaluation.

Assets	Rates (SLM)	Rates Schedule XIV
Buildings	1.63% - 3.34%	1.63% - 3.34%
Electric Installation	4.75%	4.75%
Plant and Machinery	4.75% - 20%	4.75%
Equipment and Appliances	4.75% - 16.21%	4.75% - 16.21%
Furniture and Fittings	6.33%	6.33%
Vehicles	9.5%	9.5%
Leasehold Improvements	Over the Primary Lease Period	—

All assets costing Rs.5,000 or below are fully depreciated in the year of addition.

f) **Intangible assets**

Intangibles include TECHNITUBER® technology of the company and are considered to have finite lives. Intangible are amortised over the useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. If benefit is no longer expected to be received, the asset will be written down to its net realisable value.

g) **Impairment of Assets**

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

(ii) After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

h) **Inventories**

Inventories are valued as follows:

(i) Stores & Spares

At cost, arrived at on FIFO basis or net realizable value whichever is lower.

(ii) Loose Tools

At depreciated value arrived at on the basis of amortization of the cost over a period of three years.

(iii) Standing Crops, TECHNITUBER® Seed and Field Generated Seeds

At cost or net realizable value whichever is lower. Cost for this purpose includes all direct costs incurred up to the stage of production of the respective inventories. Borrowing costs relating to generation of TECHNITUBER® and field seeds which takes substantial period of time to get ready for sale are also included to the extent they relate to the period till such stock are ready for sale.

i) **Foreign Currency Transactions**

(i) Initial Recognition

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

(ii) Conversion

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

(iii) Exchange Differences

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

j) **Investment**

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

k) **Revenue Recognition**

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

(i) Sale of Goods

Revenue from sale of goods is recognized on transfer of risks and rewards which, coincides with the dispatch of goods to the customers.

(ii) Interest

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

(iii) Dividend

Revenue is recognised when the shareholders' right to receive payment is established by the balance sheet date.

l) **Retirement Benefits**

(i) Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

(ii) Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

The Company has taken a Policy with Life Insurance Corporation of India (LIC) to cover the gratuity liability of the employees and the premium paid to LIC is charged to Profit & Loss Account. The difference between the actuarial valuation of the gratuity of employees at the year-end and the contribution paid to LIC is further adjusted in the books of accounts.

(iii) Provision for liability towards leave encashment of employees is made on the basis of actuarial valuation made at the end of each financial year.

(iv) Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

m) **Miscellaneous Expenditure**

Charges paid for rescheduling and reduction in the interest rates of the existing high cost loan is written off over the revised repayment tenure of the loan.

n) **Income Tax**

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

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

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

o) **Leases**

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

p) **Earning Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

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

q) **Provisions**

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

r) **Cash and Cash equivalents**

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

3. Notes on Accounts

1. For the purpose of valuation of stock of TECHNITUBER® seed and field generated seeds lying at various stages, net realizable value has

been arrived at considering the expected yield, costs to be incurred in converting such stock in saleable condition and the selling price of the saleable product, based on technical and commercial estimates made by the management.

2. Based on the identical products dealt in by the Company, which have similar risks and returns, and also the similar economic conditions under which the Company operates, the entire business has been considered as a single segment in terms of Accounting Standard-17 on Segment Reporting issued by the Institute of Chartered Accountants of India.

Secondary Segment -Geographical Segment

The analysis of geographical segment is based on the geographical location of the customers.

The following is the distribution of the Company's consolidated revenue by geographical market regardless of where the goods were produced.

(Rs. in '000)

S. No.	Particulars	2007-08	2006-07
(a)	Revenue from Domestic Market	2,87,192	1,73,916
(b)	Revenue from Overseas Market	21,210	42,905
	Total	3,08,402	2,16,821

The Company has common assets for producing goods for domestic markets and overseas markets. Hence, separate figures for assets/addition to fixed assets can not be furnished.

3. Related Party Disclosures

(i) The list of related parties as identified by the management is as under:

Name of the Party	Relationship
Technico Pty Limited, Australia	Holding Company
Chambal Fertilizers & Chemicals Ltd. (CFCL)	Ultimate Holding Company from 1st October, 2004 to 17th August, 2007.
Chambal Biotech Private Limited, Singapore	Holding Company of Technico Pty Ltd. from 13th May, 2004 to 17th August, 2007
Technico Asia Holdings Pty Limited, Australia	Fellow Subsidiary
Technico Horticultural (Kunming) Company Limited, China	Fellow Subsidiary
Technico Group America Inc., USA	Fellow Subsidiary upto 15th March 2008.
Technico ISC Pty Limited, Australia.	Fellow Subsidiary
Technico Technologies Inc., Canada.	Fellow Subsidiary
Russell Credit Limited (RCL)	Parent entity of Technico Pty Ltd. from 17th August, 2007.
ITC Limited (ITC)	Ultimate holding company from 17th August, 2007.
Mr. David Charles McDonald	Director,
Mr. Sachidanand Madan	Director,
Mr. V.Krishnan,	Director, Resigned on 1st June, 2007
Mr. Abhay Baijal	Director, from 1st June 2007 to 17th August, 2007
Mr. Surampudi Sivakumar	Director, from 17th August, 2007
Mr. Arup K Mukerji	Director, from 17th August, 2007
Mr. Bhargavan Sumant	Director, from 17th August, 2007

(ii) The following transactions were carried out with the related parties and the balances of these related parties as at March 31, 2008 for the period then ended are presented herein below:

(Rs. in '000)

Particulars	Ultimate Holding Company	Holding Company
Guarantee Commission (CFCL)	363 (953)	— (—)
Accounts Payable (CFCL)	— (6,963)	— (—)
Expenses Reimbursed (CFCL)	1,056 (—)	— (—)
Sale of Seed Potatoes(ITC)	1,730 (—)	— (—)
Service Received (ITC)	465 (—)	— (—)
Expenses Reimbursed (ITC)	164 (—)	— (—)
Expenses Recovered (ITC)	47 (—)	— (—)
Loan from Body Corporate (RCL) (Outstanding as on 31st March 2008)	— (—)	1,20,000 (—)
Accounts receivable (ITC)	102 (—)	— (—)

Previous Year figures are given in the brackets.

4. Earnings per Share (EPS)

S. No.	Particulars	2007-08	2006-07
(a)	Shares at the beginning of the year Rs.10 (previous year Rs.10) paid up on each share. No. of Shares Paid up Value (Rs.'000) Equivalent no. of Shares of Rs.10	 37,962,800 379,628 37,962,800	 37,962,800 379,628 37,962,800
(b)	Amount called up during the year Rs.Nil (previous year Nil) on each share (Rs.'000).	—	—
(c)	Total equity shares outstanding at the end of the year Rs.10 (previous year Rs.10) paid up on each share No. of Shares Paid up Value (Rs.'000) Equivalent no. of Shares of Rs.10	 37,962,800 379,628 37,962,800	 37,962,800 379,628 37,962,800
(d)	Weighted average number of equity shares outstanding during the year.	37,962,800	37,962,800
(e)	Net Profit/(Loss) (Rs.'000)	61,498	30,754
(f)	Basic earnings per share (Rs.)	1.62	0.81
(g)	Diluted earnings per share (Rs.)	1.62	0.81

5. During the year the following investments were purchased and sold:

a) 34,93,014 units of Rs.10 each of Principal Liquid Plus Fund - Dividend

b) 75,01,584 units of Rs.10 each of Principle Floating Rate Fund FMP - Dividend

c) 50,00,000 units of Rs.10 each of Lotus India Quarterly Interval Fund - Dividend

d) 20,15,508 units of Rs.10 each of Canara Robecco Liquid Plus Institutional Fund – Dividend

e) 9,45,761 units of Rs.10 each of ICICI Prudential Flexible Income Plan Fund – Dividend

f) 39,87,599 units of Rs.10 each of Kotak Flexi Debt Scheme – Dividend

6. In accordance with Accounting Standard 22 on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, on conservative basis, deferred tax assets have not been accounted for in the books of account, since the estimation of future taxable profits can not be made with virtual certainty in near future against which such Deferred Tax Assets would be realised.

7. **Gratuity and Leave Encashment benefit plans:**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy. Every employee is eligible for 30 days of earned leave each year. The liability is provided as per actuarial valuation.

The following table summarises the components of net benefit expense recognised in the profit and loss account, the funded status and amounts recognised in the balance sheet for the Gratuity and Leave encashment.

Profit and Loss account

Net employee benefit expense (recognised in Employee Cost)

(Rs. in '000)

Particulars	2007-08		2006-07	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Current service cost	238	67	119	180
Interest cost on benefit obligation	29	39	21	31
Expected return on plan assets	(59)	—	(46)	—
Net actuarial gain/(loss) recognised in the year	128	142	94	184
Past service cost	(390)	—	—	—
Net benefit expense	(54)	248	188	395
Actual return on plan assets	—	—	—	—

Balance Sheet

Details of Provision for Gratuity and Leave Encashment

(Rs. in '000)

Particulars	2007-08		2006-07	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Defined benefit obligation	746	696	369	522
Fair value of plan assets	813	—	606	—
Less: Un-recognized past service cost	—	—	—	—
Plan asset / (liability)	67	(696)	237	(522)

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

(Rs. in '000)

Particulars	2007-08		2006-07	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Opening defined benefit obligation	369	522	290	408
Interest cost	29	39	21	31
Current service cost	238	67	119	180
Benefits paid	(17)	(74)	(108)	(281)
Actuarial (gains)/ losses on obligation	127	142	47	184
Closing defined benefit obligation	746	696	369	522

Changes in the fair value of plan assets are as follows:

(Rs. in '000)

Particulars	2007-08		2006-07	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Opening fair value of plan assets	759	—	626	—
Expected return	59	—	46	—
Contributions by employer	14	74	88	—
Benefits paid	(17)	(74)	(108)	—
Actuarial gains / (losses)	(2)	—	(46)	—
Closing fair value of plan assets	813	—	606	—

The Company expects to contribute Rs 125 thousands to gratuity in 2008-09.

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

Particulars	2007-08	2006-07
Investments with insurer	100%	100%

The principal assumptions are the discount rate & salary increase. The discount rate is based upon the market yields available on Government bonds at the accounting date with a term that matches that of liabilities & the salary increase takes in to account of inflation, seniority, promotion and other relevant factors on long term basis.

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	2007-08 (In %)	2006-07 (In %)
Discount rate	7.50	7.50
Expected rate of return on plan assets	7.50	7.40
Increase in Compensation cost	5.00	6.00
Employee turnover	2.00	2.00

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

8. In the earlier years the company had made provision on account of export claims, incentives etc. Following settlement with the parties the company has reversed excess provision to the extent of Rs.9473 thousand.

9. The Company has paid remuneration to Executive Director as per detail below:

(Rs. in '000)

S. No.	Particulars	2007-08	2006-07
1	Salary and Allowances	—	1,170
2	Contribution to Provident Fund	—	62
3	Other Perquisites	—	115
	TOTAL	—	1,347

10. Additional information pursuant to the provisions of Part II of Schedule VI to the Companies Act, 1956.

a) Particulars regarding Production. Sales and Stock

Particulars	2007-08		2006-07	
	Quantity	Value	Quantity	Value
Production				
TECHNITUBER® Seed (qty. in '000 Nos.)	11,125	—	9,126	—
Field Generated Seeds (qty. in MT)	34,463	—	26,211	—
Purchase				
TECHNITUBER® Seed (qty. in '000 Nos.)	—	—	—	—
Field Generated Seeds (qty. in MT)	908	2,915	—	—
Internal Consumption				
TECHNITUBER® Seed (qty. in '000 Nos.)	3,084	—	2,977	—
Field Generated Seeds (qty. in MT)	7,091	—	5,394	—
Losses/ Shortages/Discarded Seeds				
TECHNITUBER® Seed (qty. in '000 Nos.)	4,147	—	3,478	—
Field Generated Seeds (qty. in MT)	779	—	382	—
Sales				
TECHNITUBER® Seed (qty. in '000 Nos.)	4,086	27,767	5,017	34,049
Field Generated Seeds (qty. in MT)	14,581	280,635	12,584	182,772
Opening Stock				
TECHNITUBER® Seed (qty. in '000 Nos.)	7,240	22,988	9,586	28,961
Field Generated Seeds (qty. in MT)	20,461	1,64,128	12,610	1,22,338
Standing crops		2,509		3,723
Closing Stock				
TECHNITUBER® Seed (qty. in '000 Nos.)	7,048	19,913	7,240	22,988
Field Generated Seeds (qty. in MT)	33,381	2,14,261	20,461	1,64,128
Standing crops		Nil		2,509

(Rs. in '000)

Particulars	2007-08	2006-07
b) Earning in foreign currency		
FOB value of Exports	21,210	43,716*
*{including FOB value of exports of capital goods (Current year Nil, Previous year Rs. 810,916)}		
c) Expenditure in foreign currency (on cash basis)		
Travelling	21	34
Testing Charges	174	89
Freight/Handling Charges	—	683
d) Value of imports		
Capital Goods	32	1327

e) Consumption of raw material

(Rs. in '000)

Particulars	2007-08	%	2006-07	%
Imported	—	—	—	—
Indigenous	791	100.00	931	100.00
Total	791	100.00	931	100.00

f) Consumption of stores and spares

(Rs. in '000)

Particulars	2007-08	%	2006-07	%
Imported	—	—	—	—
Indigenous	19,025	100.00	13,899	100.00
Total	19,025	100.00	13,899	100.00

11. Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006

S. No.	Particulars	2007-08	2006-07
a)	the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year	—	—
b)	the amount of interest paid by the buyer in terms of Section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	—	—
c)	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding interest specified under Micro, Small and Medium Enterprise Development Act, 2006.	—	—
d)	the amount of interest accrued and remaining unpaid at the end of each accounting year; and	—	—
e)	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprise Development Act, 2006.	—	—

12. Previous years' figures has been regrouped and/or rearranged wherever necessary to make their classification comparable with that of the current year.

S.R. Batliboi & Co.
Chartered Accountants
Per Manoj Gupta
Partner
Membership No. 83906
Gurgaon, 3rd May, 2008

For and on behalf of the Board
Arup K Mukerji *Director*
Sachidanand Madan *Director*
Sanjeev Madan *General Manager (Finance)*
Anu Rai *Company Secretary*
Hyderabad, 3rd May, 2008

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I	**Registration No.**	98646
	State Code	55
	Balance Sheet Date	31st March, 2008
		(Rs. in '000)
II	**Capital raised during the year**	
	Public issue	—
	Right issue	—
	Bonus issue	—
	Private placement	—
III	**Position of mobilization and deployment of funds**	
	Total liabilities	541,006
	Total assets	541,006
	Source of funds	
	Paid up capital	379,628
	Reserve & Surplus	—
	Secured loans	41,378
	Unsecured loans	120,000
	Application of funds	
	Net fixed assets	114,750
	Intangible assets	—
	Capital work in progress	—
	Net current assets	189,852
	Misc expenditure	—
	Profit & Loss Account	236,404
IV	**Performance of the Company**	
	Turnover (including other income)	322,860
	Total expenditure	260,730
	Total Profit / (loss) before tax	62,130
	Profit / (loss) after tax	61,498
	Earning per equity share (in Rs.) - Basic	1.62
	- Diluted	1.62
	Dividend rate percentage - Equity shares	N/A

V Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)	Product Description
07011000	TECHNITUBER®
07011000	Early Generation Seed Potato
07019000	Potatoes

For and on behalf of the Board
Arup K Mukerji *Director*
Sachidanand Madan *Director*
Sanjeev Madan *General Manager (Finance)*
Anu Rai *Company Secretary*
Hyderabad, 3rd May, 2008