RED HERRING PROSPECTUS
Please read section 60B of the Companies Act, 1956
100% Book Built Issue
Dated March 14, 2007

ADVANTA INDIA LIMITED

(Our Company was originally incorporated as ITC Zeneca Limited on January 24, 1994 as a public limited company under the Companies Act, 1956. For details of changes in the name and registered office of our Company, please refer to "Our History and Certain Corporate Matters" beginning on page 83 of this Red Herring Prospectus)

Registered and Corporate Office: 405, 4th Floor, 'A' Wing, Carlton Towers No. 1, Airport Road, Bangalore 560 008, India. Tel: (91 80) 2520 9941; Fax: (91 80) 2520 7510.
Contact person: K. Suresh; Tel: (91 80) 2520 9941. **E-mail**: ipo@advantaindia.com; **Website**: www.advantaindia.com

PUBLIC ISSUE OF 3,380,000 EQUITY SHARES OF Rs. 10 EACH OF ADVANTA INDIA LIMITED ("ADVANTA INDIA" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF Rs. [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF Rs. [●] PER EQUITY SHARE) AGGREGATING Rs. [●] (THE "ISSUE"). THE ISSUE WILL CONSTITUTE 20.08% OF THE POST ISSUE PAID-UP CAPITAL OF THE COMPANY.

PRICE BAND: Rs. 600 TO Rs. 650 PER EQUITY SHARE OF FACE VALUE Rs. 10 EACH.

THE FACE VALUE OF THE EQUITY SHARE IS Rs. 10 EACH. THE ISSUE PRICE IS 60 TIMES THE FACE VALUE AT THE LOWER END OF THE PRICE BAND AND 65 TIMES THE FACE VALUE AT THE HIGHER END OF THE PRICE BAND.

In case of revision in the Price Band, the Bidding/ Issue Period will be extended for three additional working days after revision of the Price Band, subject to the Bidding/Issue period not exceeding ten days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to the National Stock Exchange of India Limited ("**NSE**") and the Bombay Stock Exchange Limited ("**BSE**"), by issuing a press release, and also by indicating the change on the websites of the Book Running Lead Managers ("**BRLMs**"), and the terminals of the Syndicate Member.

In terms of Rule 19(2)(b) of the Securities Contract Regulation Rules, 1957, this being an Issue for less than 25% of the post-Issue capital of the Company, the Issue is being made through the 100% Book Building Process where at least 60% of the Issue would be Allotted on a proportionate basis to QIBs. 5% of the QIB Portion would be available for allocation to Mutual Funds only and the remaining QIB Portion would be available for allocation to the QIB Bidders including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, up to 10% of the Issue would be available for allocation on a proportionate basis to Non-Institutional Bidders and up to 30% of the Issue would be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. We have not opted for IPO grading of this Issue.

RISK IN RELATION TO THE FIRST ISSUE

This being the first issue of Equity Shares of the Company, there has been no formal market for the Equity Shares of the Company. **The face value of the Equity Share is Rs. 10 per Equity Share. The Floor Price is 60 times the face value per Equity Share and the Cap Price is 65 times the face value per Equity Share.** The Issue Price (as determined by the Company in consultation with the BRLMs on the basis of assessment of market demand for the Equity Shares by way of book building) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Red Herring Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page xii of this Red Herring Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Company having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to the Company and the Issue, which is material in the context of the Issue, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on the NSE and the BSE. We have received 'in-principle' approval from the NSE and the BSE, for the listing of the Equity Shares pursuant to letters dated November 27, 2006 and November 16, 2006, respectively. For the purposes of the Issue, the Designated Stock Exchange shall be the BSE.

BOOK RUNNING LEAD MANAGERS			REGISTRAR TO THE ISSUE
YES BANK EXPERIENCE OUR EXPERTISE **YES BANK LIMITED** Nehru Centre 12th Floor, Discovery of India Dr. A. B. Road, Worli, Mumbai 400 018, India Tel: (91 22) 6669 9000 Fax: (91 22) 2497 4158 Email: advantaipo@yesbank.in Contact Person: S. Srividhya Website: www.yesbank.in	UBS **UBS SECURITIES INDIA PRIVATE LIMITED** 2/F, Hoechst House Nariman Point Mumbai 400 021, India Tel: (91 22) 2286 2000 Fax: (91 22) 2281 4676 Email: advanta@ubs.com Contact Person: Avi Mehta Website: www.ibb.ubs.com/Corporates/indianipo	SSKI **SSKI CORPORATE FINANCE PRIVATE LIMITED** 803/4, Tulsiani Chambers 8th Floor, Nariman Point Mumbai 400 021, India Tel: (91 22) 6638 3333 Fax: (91 22) 2204 0282 Email: ailipo@sski.co.in Contact Person: Abhishek Jain Website: www.sski.co.in	**SHAREPRO SERVICES (INDIA) PRIVATE LIMITED** Satam Estate, 3rd Floor, Cardinal Gracious Road, Chakala Andheri (East), Mumbai 400 099, India Tel: (91 22) 2821 5168 Fax: (91 22) 2837 5646 Email: ipoadvanta@shareproservices.com Contact Person: V. Kumaresan Website: www.shareproservices.com

ISSUE PROGRAMME	
BID/ISSUE OPENS ON : MONDAY, MARCH 26, 2007	**BID/ISSUE CLOSES ON : FRIDAY, MARCH 30, 2007**

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DEFINITIONS AND ABBREVIATIONS

Company Related Terms

Term	Description
The "Company" or "our Company" or "AIL" or "Advanta India"	Unless the context otherwise requires, refers to Advanta India Limited, a public limited company incorporated under the Companies Act, 1956, and having its registered office at 405, 4th Floor, 'A' Wing, Carlton Towers No. 1, Airport Road, Bangalore 560 008, India
Group/Advanta Group	Advanta India and its Subsidiaries
Promoters	The promoters of our Company, namely UPL, Jai R. Shroff and Vikram R. Shroff
Promoter Group	Companies, and individuals and entities (other than companies) enumerated in the section titled "Our Promoter Group" beginning on page 111 of this Red Herring Prospectus
UPL	United Phosphorus Limited, a company incorporated under the Companies Act and having its registered office at 3-11, G.I.D.C, Vapi – 396 195, District Valsad, Gujarat, India
"we" or "us" or "our"	Unless the context otherwise requires, refers to the Company and its Subsidiaries, on a consolidated basis, as described in this Red Herring Prospectus
Subsidiaries	The subsidiaries of the Company, namely: 1. Pacific Seeds Pty Limited; 2. Pacific Seeds (Thai) Limited; 3. Advanta Semillas S.A.I.C.; 4. Advanta Netherlands Holdings B.V.; 5. Advanta Finance B.V.; 6. Advanta International B.V.; 7. Pacific Seeds Holding (Thailand) Company Limited and 8. Advanta Holdings B.V.
Operating Subsidiaries	The operating subsidiaries of the Company, namely: 1. Pacific Seeds Pty Limited; 2. Pacific Seeds (Thai) Limited; and 3. Advanta Semillas S.A.I.C.
Advanta Argentina	Advanta Semillas S.A.I.C.
Articles/ Articles of Association	The Articles of Association of the Company
Board of Directors/ Board	The board of directors of our Company or a committee constituted thereof
Director(s)	Director(s) of the Company, unless otherwise specified
ESOP Scheme	Employee stock option scheme of the Company approved by the shareholders by way of their resolution dated September 20, 2006

Term	Description
Memorandum/ Memorandum of Association	The Memorandum of Association of the Company
Pacific Seeds Australia	Pacific Seeds Pty Limited
Pacific Seeds Thailand	Pacific Seeds (Thai) Limited
Registered Office	The registered office of the Company, being 405, 4th Floor, 'A' Wing, Carlton Towers No. 1, Airport Road, Bangalore 560 008, Karnataka, India

Issue Related Terms

Term	Description
Allotment/ Allot/ Allotted	Unless the context otherwise requires, the allotment of Equity Shares pursuant to the Issue to the successful Bidders
Allottee	The successful Bidder to whom the Equity Shares are being/have been allotted
Auditors	S.V. Ghatalia & Associates, the statutory auditors of the Company
Bankers to the Issue	ICICI Bank Limited, The Hongkong and Shanghai Banking Corporation Limited, UTI Bank Limited and YES Bank Limited
Bid	An indication to make an offer during the Bidding/Issue Period to subscribe for the Company's Equity Shares by a prospective investor at a price within the Price Band, including all revisions and modifications thereto
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder on submission of the Bid in the Issue
Bid/ Issue Closing Date	The date after which the Syndicate will not accept any Bids for the Issue, which shall be notified in an English national newspaper, a Hindi national newspaper and a Kannada newspaper with wide circulation
Bid/ Issue Opening Date	The date on which the Syndicate will start accepting Bids for the Issue, which shall be the date notified in an English national newspaper, a Hindi national newspaper and a Kannada newspaper with wide circulation
Bid cum Application Form	The form in terms of which the Bidder shall make an offer to subscribe for the Equity Shares of our Company and which will be considered as the application for issue of the Equity Shares pursuant to the terms of this Red Herring Prospectus
Bidder	Any prospective investor who makes a Bid pursuant to the terms of this Red Herring Prospectus and the Bid cum Application Form
Bidding / Issue Period	The period between the Bid /Issue Opening Date and the Bid /Issue Closing Date inclusive of both days and during which prospective Bidders can submit their Bids
Book Building Process	The book building process as provided under Chapter XI of the SEBI Guidelines, in terms of which the Issue is being made
BRLMs/ Book Running Lead Managers	Book Running Lead Managers to the Issue, in this case being YES Bank, UBS and SSKI
CAN/ Confirmation of Allocation Note	The note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process

Term	Description
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and no Bids will be accepted
Cut-off Price	Any price within the Price Band finalised by the Company in consultation with the BRLMs. A Bid submitted at Cut-off Price is a valid Bid at all price levels within the Price Band
Designated Date	The date on which the Escrow Collection Banks transfer funds from the Escrow Account(s) to the Issue Account, after the Prospectus is filed with the RoC, following which the Board shall Allot Equity Shares to successful Bidders
Designated Stock Exchange	The BSE
Draft Red Herring Prospectus	The Draft Red Herring Prospectus dated September 28, 2006 issued in accordance with Section 60B of the Companies Act, which did not contain complete particulars on the price at which the Equity Shares are offered and the size of the Issue
Eligible NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an Issue or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an offer to sell or an invitation to subscribe to the Equity Shares Allotted herein
Equity Shares	Equity shares of the Company of face value of Rs. 10 each, unless otherwise specified in the context thereof
Escrow Account	An account opened with an Escrow Collection Banks and in whose favour the Bidder will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement entered into amongst the Company, the Registrar, the Escrow Collection Bank(s), the BRLMs and the Syndicate Member for collection of the Bid Amounts and for remitting refunds, if any, of the amounts collected, to the Bidders
Escrow Collection Bank(s)	The banks, which are clearing members and registered with SEBI as Banker(s) to the Issue, at which the Escrow Accounts will be opened, in this Issue comprising ICICI Bank Limited, The Hongkong and Shanghai Banking Corporation Limited, UTI Bank Limited and YES Bank Limited
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form
Floor Price	The lower end of the Price Band, below which the Issue Price will not be finalised and no Bids will be accepted
Issue	Public issue of 3,380,000 Equity Shares of Rs. 10 each of the Issuer for cash at a price of Rs. [•] per Equity Share (including a share premium of Rs. [•] per Equity Share) aggregating Rs. [•]
Issue Account	An account opened with the Bankers to the Issue to receive monies from the Escrow Accounts for the Issue on the Designated Date
Issue Price	The final price at which Equity Shares will be Allotted in the Issue, as determined by the Company in consultation with the BRLMs, on the Pricing Date
Margin Amount	The amount paid by the Bidder at the time of submission of the Bid, which may be 10% to 100% of the Bid Amount, as applicable

Term	Description
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Portion or 101,400 Equity Shares available for allocation to Mutual Funds only out of the QIB Portion, subject to valid Bids being received at or above the Issue Price
Non-Institutional Bidders	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than Rs. 100,000
Non-Institutional Portion	The portion of the Issue being up to 338,000 Equity Shares of Rs. 10 each available for allocation to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price
Pay-in Date	The Bid/Issue Closing Date or the last date specified in the CAN sent to the Bidders, as applicable
Pay-in-Period	With respect to Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid/Issue Opening Date and extending until the Bid/ Issue Closing Date, and With respect to QIBs whose Margin Amount is 10% of the Bid Amount, the period commencing on the Bid/Issue Opening Date and extending until the closure of the Pay-in Date
Pre-Issue Investors	Citigroup Global Markets Mauritius Private Limited, Emerging Markets South Asian Stars Fund, Deutsche Securities Mauritius Limited, Morgan Stanley Investments (Mauritius) Limited, Morgan Stanley Dean Witter Mauritius Company Limited, Matterhorn Ventures, Sethi Funds Management Private Limited, Vinod Sethi and Hardeep Singh
Pre-Issue Placement	The pre-Issue placement of 1,677,000 Equity Shares with the Pre-Issue Investors
Price Band	The price band with a minimum price (Floor Price) of Rs. 600 and the maximum price (Cap Price) of Rs. 650, including any revisions thereof
Pricing Date	The date on which the Company, in consultation with the BRLMs, finalizes the Issue Price
Prospectus	The prospectus filed with the RoC after pricing containing, inter alia, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information
Qualified Institutional Buyers or QIBs	Public financial institutions as defined in Section 4A of the Companies Act, FIIs, scheduled commercial banks, mutual funds registered with SEBI, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with a minimum corpus of Rs. 250 million, pension funds with a minimum corpus of Rs. 250 million, and multilateral and bilateral development financial institutions
QIB Margin	An amount representing 10% of the Bid Amount that QIBs are required to pay at the time of submitting their Bid
QIB Portion	The portion of the Issue being not less than 2,028,000 Equity Shares of Rs. 10 each at the Issue Price, available for allocation to QIBs on a proportionate basis

Term	Description
Refund Account(s)	Account(s) opened with an Escrow Collection Bank from which refunds if any, shall be made
Registrar /Registrar to the Issue	Registrar to the Issue, in this case being Sharepro Services (India) Private Limited
Retail Individual Bidders	Individual Bidders (including HUFs) who have Bid for Equity Shares for an amount less than or equal to Rs. 100,000
Retail Portion	The portion of the Issue to the public of up to 1,014,000 Equity Shares available for allocation to Retail Individual Bidders.
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Price in any of their Bid cum Application Forms or any previous Revision Form(s)
RHP or Red Herring Prospectus	This Red Herring Prospectus dated March 14, 2007 issued in accordance with Section 60B of the Companies Act, which does not have complete particulars on the price at which the Equity Shares are offered and the size of the Issue. The Red Herring Prospectus will become a Prospectus after being filed with the RoC after the Pricing Date
Scheme	Scheme of amalgamation of USBPL with our Company approved by the High Courts of Karnataka and Gujarat. The Scheme came into effect from January 19, 2007
SSKI	SSKI Corporate Finance Private Limited, a company incorporated under the provisions of the Companies Act and having its registered office at 803/4, Tulsiani Chambers, 8th Floor, Nariman Point, Mumbai 400 021, India
Stock Exchanges	NSE and BSE
Syndicate	The BRLMs and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Company and the Syndicate, in relation to the collection of Bids in this Issue
Syndicate Member	Sharekhan Limited
TRS or Transaction Registration Slip	The slip or document issued by the members of the Syndicate to the Bidder as proof of registration of the Bid
UBS	UBS Securities India Private Limited, a company incorporated under the provisions of the Companies Act and having its registered office at 2/F, Hoechst House, Nariman Point, Mumbai 400 021, India
Underwriters	The BRLMs and the Syndicate Member
Underwriting Agreement	The agreement among the members of the Syndicate, the Registrar and the Company to be entered into on or after the Pricing Date
USBPL	Uniphos Seeds and Biogenetics Private Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 11, G.I.D.C, Vapi – 396 195, District Valsad, Gujarat. In terms of the Scheme, USBPL has been amalgamated with our Company with effect from April 1, 2006
YES Bank/YBL	YES Bank Limited, a company incorporated under the provisions of the Companies Act and having its registered office at Nehru Centre, 9th Floor, Discovery of India, Dr. A. B. Road, Worli, Mumbai 400 018, India

Technical / Industry Related Terms

Term	Description
ABARE	Australian Bureau of Agricultural & Resource Economics
AQIS	Australian Quarantine and Inspection Services
BMR	Brown mid rib
CAGR	Compound Annual Growth Rate
CSIC	Consejo Superior de Investigaciones Cientificas
DNA	Deoxyribonucleic Acid
EMS	Environmental Management Systems
GIA	Global Industry Analysts
GM	Genetically Modified
ISAAA	International Services for Acquisition of Agri-Biotech Applications
ISF	International Society for Fat Research
ISTA	International Seed Testing Association
MIA	Murrumbidgee Irrigation Area, Australia
MT	Metric Tonne
NVT	National Variety Trials
OP	Open Pollinated Seeds
ORIA	Ord River Irrigation Area, Australia
QMS	Standards for Quality Management
SP	Self Pollinated
SQA	Seed Quality Assurance
TABCO	Thai Agricultural Bank
UPOV	International Union for Protection of New Varieties of Plants

Conventional/General Terms

Term	Description
Companies Act	The Companies Act, 1956, as amended from time to time
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository	A body corporate registered under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time
Depository Participant	A depository participant as defined under the Depositories Act
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed thereunder
FCNR Account	Foreign Currency Non Resident Account

Term	Description
FII	Foreign Institutional Investor (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
Financial Year/Fiscal Year/FY/fiscal	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FVCIs	Foreign Venture Capital Investors defined and registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000, as amended
I.T. Act	The Income Tax Act, 1961, as amended from time to time
Indian GAAP	Generally accepted accounting principles in India
Non Residents	All eligible Bidders, including Eligible NRIs, FIIs registered with SEBI and FVCIs registered with SEBI, who are not persons resident in India
NRE Account	Non Resident External Account
NRI/Non-Resident Indian	A person resident outside India, as defined under FEMA and who is a citizen of India or a person of Indian origin, each such term as defined under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended
NRO Account	Non Resident Ordinary Account
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trust, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Transfer or Issue or Security by a Person Resident Outside India) Regulations, 2000, as amended. OCBs are not permitted to invest in this Issue
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992, as amended
SEBI Guidelines	SEBI (Disclosure and Investor Protection) Guidelines, 2000 issued by SEBI on January 27, 2000, as amended, including instructions and clarifications issued by SEBI from time to time
SEBI MAPIN Regulations	The SEBI (Central Database of Market Participants) Regulations, 2003, as amended
U.S. GAAP	Generally accepted accounting principles in the United States of America

Abbreviations

Term	Description
AGM	Annual General Meeting
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
BIFR	Board for Industrial and Financial Reconstruction
BSE	The Bombay Stock Exchange Limited
CDSL	Central Depository Services (India) Limited

Term	Description
EBITDA	Earnings before interest (including financial expense), tax, depreciation, amortisation and extraordinary items
ECS	Electronic Clearing Service
EGM	Extraordinary General Meeting
EPS	Earnings per share
FIPB	Foreign Investment Promotion Board
GIR Number	General Index Registry Number
GOI	The Government of India
HUF	Hindu Undivided Family
MICR	Magnetic Ink Character Recognition
NAV	Net asset value
NEFT	National Electronic Funds Transfer
NOC	No Objection Certificate
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a. / P.A.	Per annum
PAT	Profit after tax
PBT	Profit before tax
P/E Ratio	Price to Earnings Ratio
PAN	Permanent Account Number
RBI	The Reserve Bank of India
RoC	The Registrar of Companies, Karnataka located at Kendriya Sadan, Koramangala, Bangalore 560 034, India
RTGS	Real Time Gross Settlement
SCRA	Securities Contract (Regulation) Act, 1956 as amended
SCRR	Securities Contract (Regulation) Rules, 1957 as amended
SICA	Sick Industrial Companies (Special Provisions) Act, 1995, as amended
UIN	Unique Identification Number

CERTAIN CONVENTIONS; PRESENTATION OF FINANCIAL AND MARKET DATA

Financial Data

Unless otherwise stated, the financial data in this Red Herring Prospectus is derived from the restated standalone financial statements of Advanta India as of and for the five years ended March 31, 2006 and the seven month period ended October 31, 2006, prepared in accordance with Indian GAAP and restated in accordance with the applicable SEBI Guidelines. Further, we have also included:

- The restated consolidated financial statements of Advanta India as of and for the five years ended March 31, 2006 and the seven month period ended October 31, 2006;
- The stand-alone audited financial statements of our Subsidiaries as of and for the three years ended December 31, 2005 and the ten month period ended October 31, 2006 prepared in Indian GAAP; and
- The stand-alone financial statements, subject to limited review of our Operating Subsidiaries for the two years ended December 31, 2002 prepared in Indian GAAP.

The details of the auditors for the respective companies for the period mentioned are provided below:

Name of the company	Period	Name of the auditor
Advanta India	Fiscal 2002 – Fiscal 2006	Lovelock & Lewes
Advanta India	Seven months ending October 31, 2006	S. V. Ghatalia & Associates
Pacific Seeds Australia Pacific Seeds Thailand Advanta Argentina	January 1, 2001– December 31, 2005 and ten months ending October 31, 2006	S. R. Batliboi & Associates
Advanta Netherlands Holdings B.V. Advanta Finance B.V. Advanta International B.V.	August 11, 2004 – October 31, 2006	S. R. Batliboi & Associates
Advanta Holdings B.V.	November 30, 2005 - October 31, 2006	S. V. Ghatalia & Associates
Pacific Seeds Holding (Thailand) Company Limited	December 30, 2004 – October 31, 2006	S. R. Batliboi & Associates

Our business was reorganized on March 30, 2006. Additionally, the business of USBPL was amalgamagated with our Company pursuant to the Scheme with effect from April 1, 2006. Accordingly, the consolidated financial statements included in this Red Herring Prospectus may not be indicative of the past or future results of operations and financial condition of Advanta India and its Subsidiaries.

The degree to which Indian GAAP financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI Guidelines. Any reliance by persons not familiar with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI Guidelines should accordingly be limited.

Historically, the fiscal year of Advanta India commenced on April 1 and ended on March 31 of the next year, so all references to a particular fiscal year of the Advanta India are to the 12 month period ended on March 31 of that year. The fiscal year of each of our Operating Subsidiaries, namely, Pacific Seeds Australia, Pacific Seeds Thailand and Advanta Argentina, commences on January 1 and ends on December 31 of the same year, so all references to a particular fiscal year of any of the Operating Subsidiaries are to the 12 month period ended on December 31 of that year. Advanta India has, by a resolution of its Board of Directors dated June 7, 2006, changed the fiscal year of Advanta India from the 12 month period ended March 31 of each year to a 12 month period ending December 31 of each year. Accordingly, the current financial year of Advanta India will be restricted to a period of nine months from April 1, 2006 to December 31, 2006. This is being done to align our accounting period with those of our Subsidiaries.

Currency of Presentation

All references to "Rupees" or "Rs." or "INR" are to Indian Rupees, the official currency of the Republic of India. All references to "DKK" are to Danish Krone, the official currency of Denmark. All references to "GBP" are to Pounds, the official currency of United Kingdom. All references to "MXN" are to Mexican Peso, the official currency of Mexico. All references to "AUD" are to Australian Dollars, the official currency of Commonwealth of Australia. All references to "HKD" are to Hong Kong Dollars, the official currency of Hong Kong. All references to "Roubles" are to Russian Rouble, the official currency of Russia. All references to "RMB" or "Yuan" are to Chinese Yuan, the official currency of the People's Republic of China. All references to "US$", "USD" or "U.S. Dollar(s)" are to United States Dollars, the official currency of the United States of America. All references to "JPY" are to Japanese Yen, the official currency of Japan. All references to "ZMK" are to Zambian Kwacha, the official currency of Zambia. All references to "AR$" are to Argentina Peso, the official currency of the Republic of Argentina. All references to "Euro" or "EUR" are to Euro, the official currency of the 13 European Union member states, including The Netherlands. All references to "KRW" are to South Korea Won, the official currency of the Republic of Korea. All references to "TWD" are to Taiwan Dollars, the official currency of Taiwan. All references to "THB" are to Thai Baht, the official currency of the Kingdom of Thailand. All references to "IDR" are to Indonesian Rupaih, the official currency of Indonesia. All references to "BRL" are to Brazilian Real, the official currency of Brazil. All references to "BDT" are to Bangladeshi Taka, the official currency of Bangladesh. All references to "Rand" are to South African Rand, the official currency of the Republic of South Africa.

This Red Herring Prospectus contains translations of certain currency amounts into Indian Rupees that have been presented solely to comply with the requirements of Clause 6.9.7.1 of the SEBI Guidelines. These convenience translations should not be construed as a representation that those currency amounts could have been, or can be converted into Indian Rupees, at any particular rate, the rates stated below, or at all.

Unless stated otherwise, all convenience translations into INR are based on the following conversion rates sourced from the website www.oanda.com, as on March 31, 2006:

Foreign Currency	INR Equivalent	Foreign Currency	INR Equivalent
DKK	7.2390	ZMK	0.014410
GBP	77.62480	AR$	14.80120
MXN	4.08060	EUR	53.88150
AUD	31.72440	KRW	0.04644
BDT	0.66080	TWD	1.37170
Rand	7.14662	THB	1.14870
RMB/Yuan	5.56660	BRL	20.3030
USD	44.61760	IDR	0.004912
JPY	0.37950		

Market Data

Unless otherwise stated, industry data used throughout this Red Herring Prospectus has been obtained from industry publications, such as Global Industry Analysts, Inc. – Seeds – A Global Strategic Business Report 01/06, Phillips McDougall, and ISAAA Briefs No. 34-2005: Global Status of Commercialized Biotech/GM Crops: 2005. These industry publications generally state that the information contained therein has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although Advanta India believes that industry data used in this Red Herring Prospectus is reliable, such data has not been verified by any independent source.

FORWARD-LOOKING STATEMENTS

This Red Herring Prospectus contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will pursue" or other words or phrases of similar import. All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Important factors that could cause actual results to differ materially from our expectations include, among others:

- Our ability to integrate successfully the businesses of our Operating Subsidiaries and USBPL and to manage our business successfully in its present reorganized form;
- UPL's ability to guide our Company and our ability to manage our growth effectively;
- Our ability to compete effectively, particularly in the market for new products;
- Our ability to successfully conduct our research and development activities and to develop new products;
- The seasonality of our business;
- Our ability to accurately forecast and manage inventory;
- Our ability to offset pricing pressures;
- Our ability to successfully protect our intellectual property and to obtain intellectual property rights from third parties;
- Our ability to procure sufficient amounts of suitable land to meet our production needs;
- Our dependence on contract growers;
- Our dependence on key personnel;
- Government approvals;
- Our ability to comply with the financial conditions and other covenants of our borrowings;
- Local economic conditions;
- Fluctuations in foreign exchange rates; and
- Changes in the regulatory framework governing us.

For further discussion of factors that could cause our actual results to differ, please refer to "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages xii and 352 respectively of this Red Herring Prospectus. Neither the Company, the Book Running Lead Managers nor any of their respective affiliates has any obligations to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, the Company and the Book Running Lead Managers will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges.

RISK FACTORS

An investment in Equity Shares involves a high degree of risk. Prospective investors should carefully consider the risks described below, in addition to the other information contained in this Red Herring Prospectus, before making any investment decision relating to the Equity Shares.

Prior to making an investment decision, prospective investors and purchasers should carefully consider all the information contained in this Red Herring Prospectus, including the sections entitled "Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Management's Discussion and Analysis of Results of Operations of Pacific Seeds Australia, Pacific Seeds Thailand and Advanta Argentina" beginning on pages 51, 352 and 367, respectively, of this Red Herring Prospectus as well as other financial information contained in this Red Herring Prospectus. The occurrence of any of the following events could have a material adverse effect on our business, results of operation, financial condition and prospects and cause the market price of the Equity Shares to fall significantly.

INTERNAL RISK FACTORS

UPL, our Promoter, was named in the Volcker Report as having made illicit payments to the former Government of Iraq in violation of the United Nations Oil-for-Food Programme (the "Programme"). It is not known what, if any, further investigations or actions, including penalties and/or sanctions, will be imposed on companies named in the Volcker Report by any international and/or Indian authorities.

The Report of the Independent Inquiry Committee into the United Nations Oil-for-Food Programme (the "Volcker Report") alleged that UPL made illicit payments to the former Government of Iraq pursuant to five supply contracts in violation of the Programme. On November 22, 2005, UPL asserted to the BSE that it had not made any such payments under any of the supply contracts named in the Volcker Report, nor had it been contacted by the Independent Inquiry Committee prior to publication of the Volcker Report. UPL does not know what, if any, further investigations or actions, including penalties and/or sanctions, will be imposed on UPL by any international and/or Indian authorities. Any further investigation into UPL's contracts with parties in Iraq may materially and adversely affect UPL's reputation and the imposition of financial penalties or trade sanctions on UPL may have a material and adverse effect on the Group's financial condition.

Our business has been operating in its present form only since March 2006 and, accordingly, the consolidated historical financial information set forth in this Red Herring Prospectus may not be indicative of the past or future results of operations and financial condition of Advanta India and its Subsidiaries.

UPL acquired our Group in February 2006. Further, our Group was restructured into its present form in March 2006. Therefore, the consolidated financial statements of Advanta India for fiscal years 2005, 2004, 2003 and 2002 do not include its Subsidiaries, including Pacific Seeds Australia, Pacific Seeds Thailand and Advanta Argentina. Furthermore, since our Company did not have any subsidiaries prior to March 21, 2006 and since there were no material transactions in any of our Company's subsidiaries from the date they became subsidiaries until March 31, 2006, the consolidated statement of profit and loss of Advanta India for the fiscal year ended March 31, 2006 does not reflect the true financial position of our Group. In addition, USBPL was amalgamated with our Company with effect from April 1, 2006 pursuant to the Scheme. For additional information on the Group History, see the section titled "History and Certain Corporate Matters" on page 83 of this Red Herring Prospectus.

Accordingly, the consolidated financial statements of Advanta India and its Subsidiaries included in this Red Herring Prospectus:

- **do not** completely reflect the results and financial condition of Advanta India and its Subsidiaries as they have now been reorganized and as they are now managed;

- when read together or separately, **do not** completely reflect what our results would have been if all our Subsidiaries (as they have now been reorganized) had been part of the Group for the presented periods; and
- when read together or separately, **may not** be indicative of the past or future results of operations or the financial condition of Advanta India and its Subsidiaries as they have now been reorganized.

Our current promoter, UPL, is new to our Company.

Though our current promoter, UPL, has experience in the seed industry, it is otherwise new to our Group's business, having acquired our Group in February 2006. As a result, UPL has limited knowledge about our business model, business practice, organizational culture and other human resource issues. This lack of understanding may materially and adversely affect UPL's ability to guide our Company and, as a result, our ability to fully implement our growth plans may be materially and adversely affected.

Integrating the businesses of our Operating Subsidiaries and USBPL with our Company may prove to be disruptive and may not have the intended effect on our revenues, levels of expenses and operating results following integration.

The Group's seed businesses in India, Australia, Argentina and Thailand have been restructured under Advanta India with the expectation that their reorganization would produce substantial synergistic benefits. These expected benefits include, among other things, an expanded customer base, complementary product portfolios, broader sales and distribution networks, an enhanced research and development and technology platform and cost savings. Achieving the expected benefits of the reorganization will depend, in part, upon whether the operations and the personnel of these businesses can be integrated in an efficient and effective manner. Further, the integration and reorganisation of these businesses may present difficulties.

Additionally, USBPL which was principally engaged in the sales of genetically modified seeds has recently been amalgamated with our Company. There may be difficulties in combining and integrating the USBPL business with our business.

The process of integrating separately operated and managed businesses may be disruptive and may cause an interruption of, or a loss of momentum in, our business in a number of areas, including:

- loss of key employees or customers;
- failures or delays in obtaining new orders from present and potential customers;
- possible inconsistencies in standards, controls, procedures and policies, business cultures and compensation structures in the Group's businesses and the failure to effectively implement, integrate and harmonize various business-specific operating procedures and systems, as well as Group-wide financial, accounting, information and other systems;
- the distraction of employees caused by the integration, the personal uncertainty potentially created for a period of time and the loss of focus on our ongoing business;
- the diversion of management's attention from our day-to-day business as a result of the need to deal with integration issues; and
- differences in regulatory treatment of the Group's product lines.

The above factors could have a material and adverse effect on our revenues, levels of expenses and operating results.

Increased competition may result in decreased demand or lower prices for our products. Our failure to effectively compete could reduce our profitability.

We face substantial competition due to technological advances by competitors, such as other seed companies, pharmaceutical and chemical companies and biotechnology companies. We compete with other seed manufacturers on the basis of availability of product, product range, product traits, including disease resistance, plant quality and other factors, as well as based on price, reputation, customer service and customer convenience. We also compete with other seed manufacturers for production inputs, such as arable land, and contract growers. Further, the introduction of biotechnology has resulted in the entry of various agrochemical companies into the seed industry, thus increasing the competitive landscape in the industry.

Our Company's major competitors in India are Mahyco, Monsanto and its subsidiaries, Pro-Agro (a Bayer Crop Science subsidiary), Pioneer (a Dupont subsidiary), Syngenta and Nath Seeds. In Australia, the principal competitors of Pacific Seeds Australia are Pioneer and two private companies, Dovuro and Hylan. Pacific Seeds International faces numerous competitors in its international market. Pacific Seeds Thailand competes principally with Monsanto Thailand Limited and Charoenn Pokphand Seeds Company Limited, a Thai company, as well as with Syngenta Seeds Limited and Pioneer Hi-Bred (Thailand) Company Limited. Advanta Argentina faces competition principally from Monsanto Argentina SAIC, Dow AgroSciences Argentina S.A. and Nidera Semillas S.A.

In most segments of the market, the number of products available to the grower is steadily increasing as new products are being introduced. As a result, we anticipate that we will continue to face new and different competitive challenges in attracting a sufficient number of qualified contract growers. If a competitor introduces a successful product, it could take years for us to develop a similar seed variety, which could have a material adverse effect on our business, results of operations and financial condition.

Some of our competitors may have, or are subsidiaries of large international corporations that have, significantly greater resources than those available to us. If we are unable to compete effectively, including in terms of pricing or providing quality products, our market share may decline, which could have a material adverse effect on our financial condition and results of operations.

Our business is subject to risks related to weather, disease and pests.

Seed production is subject to a variety of agricultural risks. The agribusiness industry is subject to weather factors, which make its operational results relatively unpredictable. The weather can also affect the presence of disease and pests in the short term on a regional basis. Extreme weather conditions, disease and pests can potentially affect quality and quantity of a substantial portion of our products in any year and have a material adverse effect on our business, results of operations and financial condition.

The Group carries out seed production in various countries around the world and in various regions in these countries. Despite the geographical diversity, we may be unable to assure sufficient quality and quantity of production in the event of sudden changes in the local weather. In that event, there could be significant negative impact on our results of operations.

Our operating results may be materially and adversely affected by the seasonality of our business.

The seed business is highly seasonal in each country and region in which we operate. Thus, we are subject to seasonal factors, which make our operating results relatively unpredictable. We recognize revenues upon the sale of our seed products. Our sales activities take place only after the seeds have been planted, harvested and prepared for sale. Traditionally, the revenues recorded during planting and harvesting seasons are lower compared to revenues recorded during the periods following such seasons. During periods of lower sales activities, we may continue to incur operating expenses, but our revenues may be delayed or reduced.

Any failure to make accurate forecasts and manage our inventory could result in unexpected shortfalls or surplus of seeds.

We monitor our inventory levels based on our own projections of future demand. Because of the length of time necessary to produce commercial quantities of seeds, we must make production decisions well in advance of sales. An inaccurate forecast of demand for any seed variety can result in the unavailability of seeds that are in high demand. This unavailability may depress sales volumes and adversely affect customer relationships. Conversely, an inaccurate forecast can also result in an over-supply of seeds, which may increase costs, negatively impact cash flow, reduce the quality of inventory and ultimately create write-offs of inventory, any of which circumstances could have a material adverse effect on our business, results of operations and financial condition.

We are heavily dependent on the success of our research and development to develop new and improved products.

Our success depends in part on our ability to develop new products to meet the needs of our customers. We have in the past made, and intend to continue to make, significant investments in research and development in order to enable us to identify and develop new seeds to meet consumer demands and keep pace with new product introductions by our competitors.

The development process for new varieties of seeds is lengthy and costly. On average, it takes five to eight years for a proprietary seed variety to reach commercial viability. Despite investments in this area, our research and development efforts may not result in the discovery or successful development of new products. The success of our new product offerings will depend on several factors, including our ability to:

- accurately anticipate and properly identify our customers' needs and industry trends;
- innovate, develop and commercialize new products and applications in a timely manner;
- differentiate our products from our competitors' products;
- use our research and development budget efficiently;
- launch new varieties/products on a timely basis; and
- price our products competitively.

The continuous introduction of new products designed to meet the needs of our customers is critical to our business. However, there can be no assurance that a new product will be commercially successful. In addition, research undertaken by competitors may lead to the launch of competing or improved products that may materially and adversely affect the sales of our products. Our business and financial condition could be materially and adversely affected if we are unable to successfully develop and commercialize new products.

Securing necessary approvals for our products can be difficult, time consuming and costly, without guarantee of success.

The testing, production and marketing of our products are subject to extensive regulations and may require numerous government approvals, which vary widely among jurisdictions. Obtaining necessary regulatory approvals can be time consuming and costly, and there can be no guarantee of the timing or granting of approvals. Regulatory authorities can block the sale or import of our products, regulate pricing, order recalls, and prohibit planting of seeds. Failure to obtain the necessary approvals to market our products could have a material and adverse effect on our financial condition. In addition, new unanticipated restrictions and burdensome regulatory requirements may be imposed which could materially and adversely affect our results of operations.

We rely on our intellectual property, and any failure to protect our intellectual property rights or any changes in intellectual property laws in any of our operating regions may materially and adversely affect our ability to compete.

Our success depends in part on the proprietary technology contained in our seed products. We generally protect our germplasm through a combination of intellectual property rights, including patents, plant variety protection, plant breeders' rights and trademarks, where available in each of the countries in which we operate. In certain jurisdictions in which we operate, the laws may not protect our intellectual property rights to the same extent as the laws of more developed countries, such as the United States, or at all. For example, Indian law currently does not protect germplasm via plant variety protection registration or otherwise. It is proposed that protection by way of registration of germplasms of certain crops would commence soon.

We cannot be certain that the steps we have taken or will take to protect our intellectual property will adequately protect our proprietary rights or that others will not independently develop or otherwise acquire equivalent or superior technology. A large portion of our products are hybrid seed varieties, which may be copied through the acquisition of very small quantities of germplasm, which is the hereditary information contained in our seeds. A competitor could obtain our germplasm or information, including by misappropriation of such information by our employees and contractors, which could enable it to identify the origin of our seeds and produce seeds with similar or identical characteristics to the traits embodied in our products. Furthermore, licensors of intellectual property that we use may not be able to adequately protect and maintain the value of their intellectual property rights licensed to us. Attempting to protect our intellectual property, through litigation or otherwise, can be time consuming and expensive, have uncertain results and, in some countries, be ineffective. If we are not ultimately successful in protecting and enforcing our intellectual property rights for any reason, we may experience a material adverse effect on our competitive position and our business.

The continuing lack of available intellectual property protection or a change in law in any of our operating regions protecting plant patents or plant varieties that could remove any protection for our patented seeds or protected plant varieties could have a material adverse effect on our business, results of operations and financial condition, and increase competition or reduce the value of our research and development efforts.

We may not be able to obtain intellectual property rights, or maintain such rights obtained from third parties.

Our ability to develop seed varieties and market seed products may depend on whether we are able to obtain and maintain the right to use applicable proprietary technologies and other intellectual properties owned by third parties, such as germplasm, basic seed and trademark. Obtaining the rights to use these technologies and other intellectual properties can be complicated because:

- technologies may be subject to proprietary intellectual property rights, many of which have been patented;
- pending patent applications, overlapping patent claims and litigation over issued patents makes ownership of technologies uncertain; and
- licenses for proprietary technologies and other intellectual properties may not be available on terms acceptable to us or because exclusive rights to use them are given to other companies.

Any failure to obtain and maintain third party rights to use technologies that are important to our business could have a material adverse effect on our business, results of operations and financial condition.

In addition to the intellectual property rights owned by the Group, our Group currently licenses certain plant breeders' rights from third parties, which are subject to renewal from time to time, and uses certain trademarks owned by third parties pursuant to informal arrangements. For more information, please refer to the section titled "Business-Our Intellectual Property" on page 76 of this Red Herring Prospectus.

We may be subject to claims of infringement of third-party intellectual property rights.

While we endeavour to ensure compliance with the intellectual property rights of third parties, we cannot determine with certainty whether we are infringing upon any existing third party intellectual property rights. In particular, Advanta Argentina is currently using five trademarks for which it is not the registered owner and does not have the license to use. The registered owner of four of these trademarks is Zeneca S.A.I.C., which previously managed Advanta Argentina. The registered owner of the other trademark is Advanta Seeds B.V. Neither of these companies is affiliated with our Group. We have been using such trademarks for several years, but we cannot assure you that the registered owners of such trademarks will not seek to dispute our use in the future. Any claims of infringement, regardless of merit or resolution of such claims, could force us to incur significant costs in responding to, defending and resolving such claims, and may divert the efforts and attention of our management and technical personnel away from our business. As a result of such infringement claims, we could be required to pay third party infringement claims, alter our technologies, obtain licenses or cease some portions of our operations. The occurrence of any of the foregoing could result in unexpected expenses. In addition, if we are required to alter our technologies or cease production of affected items, our revenue could be materially and adversely affected.

We rely on the success of our distribution network and dealerships.

We rely on our distribution network and dealerships to distribute, market and sell our seed products in each of the regions in which we operate. Competition for seed dealers is intense. Hence, our business is dependent on maintaining good relationships with our distributors and dealers and ensuring that our distributors and dealers are successful. Furthermore, our growth as a business depends on our ability to attract additional high-quality dealerships to our distribution network. While we believe that we have good relations with our distributors and dealers, there is no assurance that our current distributors and dealers will continue to do business with us or that we can continue to attract additional distributors and dealers to our network. If we do not succeed in maintaining the stability of our distribution network and attracting additional high-quality dealers to our distribution network, our market share may decline, materially and adversely affecting our results of operations and financial condition.

We are subject to transportation risks.

An extended interruption in our ability to ship our products, including the unavailability of suitable transporters and delays in the domestic and international delivery of products, could have a material adverse effect on our business, financial condition and results of operations. Similarly, any extended disruption in the distribution of our products could have a material adverse effect on our business, financial condition and results of operations. While we believe we are adequately insured for loss of goods in transit, we are not insured for any loss of profit resulting from a failure to timely deliver products as a result of delays in transportation. Also, while we would attempt to transport our products by alternative means if we were to experience an interruption due to strike, natural disasters or otherwise, we cannot be sure that we would be able to do so or be successful in doing so in a timely and cost-effective manner.

Our success depends largely on our ability to attract and retain key personnel.

The success of our business will also depend on our ability to identify, attract, hire, train, retain and motivate skilled personnel. Competition for qualified agribusiness professional personnel is intense given the limited supply of such personnel, and our professionals are highly sought after by our competitors. If we fail to hire and retain sufficient numbers of qualified personnel for functions such as research and development, production, marketing and sales, operations, our business, operating results, financial condition and prospects could be materially and adversely affected.

The Group's production is dependent on numerous facilities that we do not own.

Most of the land on which we grow and produce seeds is leased on a short-term basis. There is no assurance that these leases will be renewed upon expiry or on terms and conditions acceptable to us. Any failure to renew our existing leases or procure sufficient amounts of suitable land at commercially reasonable prices to meet our production needs may materially and adversely affect our business and results of operations.

We rely on contract growers to produce our seed products.

Our seed production is generally undertaken by contract growers on our behalf. Although seed production is supervised by our employees, such arrangements with contract growers carry with them risks associated with the possibility that the contract growers may (i) have economic or other interests or goals that are inconsistent with ours, (ii) take actions contrary to our instructions or requests, or (iii) be unable or unwilling to fulfill their obligations. Although we have not experienced any significant problems with respect to our contract growers to date, there can be no assurance that we will not experience problems in the future. The occurrence of such problems may have a material and adverse effect on our business and prospects.

Declines in prices of our products may materially reduce profit margins.

Prices for our seed products are influenced by supply and demand conditions as well as the competitive environment in our industry. Any failure by us to obtain adequate and timely price increases or any adverse changes in the terms of sale of our products could materially and adversely affect our sales and profit margins. If we are unable to offset these pricing pressures through improved operating efficiencies and reduced expenditures, we may suffer declining margins and operating results. Furthermore, movements in commodity crop prices can result not only in reduced sales, but also in competitive price pressure in certain of our markets. These fluctuations may materially and adversely impact our business, financial condition or results of operations in the future.

The use of pesticides and other hazardous substances in our operations may cause environmental damage and result in increased costs to us.

We use pesticides and other hazardous materials in the operation of our business. We may have to pay for the costs or damages associated with the improper application, accidental release and the use or misuse of these substances. Our insurance may not be adequate to cover these costs or damages or may not continue to be available at a price or under terms that are satisfactory to us. In these cases, payment of costs or damages could have a material adverse effect on our business, results of operations and financial condition.

We rely on our IT systems in managing our sales, supply chain, production process, logistics, research and development and other integral parts of our business.

We are heavily reliant on our information systems technology in connection with order booking, dealer management, material procurement, research and development, accounting and production. Any failure of our information technology systems could result in business interruptions, including disruption in our distribution management, the loss of buyers, damaged reputation and weakening of our competitive position, and could have a material adverse effect on our business, financial condition and results of operations.

Our customers may be unable to pay their debts to us due to local economic conditions.

Normally, we deliver a significant portion of our products against future payment. Our credit terms vary according to local market practice. Our customers are exposed to downturns in the local economy that may impact their ability to pay their debts, which could materially and adversely affect our results of operations. On a standalone basis, our Company's days sales outstanding increased from an average of 26 days in Fiscal 2005 to 39 days in Fiscal 2006. Our Company has not experienced material losses in this respect, but in severe abnormal conditions there can be a significant impact on our customers' ability to pay their debts, which could result in a material adverse effect on our business, results of operations and financial condition.

We may be unable to effectively implement our growth strategies or manage our growth.

As a part of our growth strategy, we are planning to make investments designed to increase sales of our products. For example, in India, our Company is seeking to expand sales of hybrid rice and mustard seeds. Our growth strategy involves risks and difficulties, many of which are beyond our control and, accordingly, there can be no assurance that we will be able to complete our plans on schedule or at all, or without incurring additional unforeseen material capital expenditures. Any inability on our part to manage our growth effectively or to ensure the continued adequacy of our current systems to support our growth strategy could have a material adverse effect on our business, results of operations, financial condition and cash flows. Furthermore, if market conditions change or if our operations do not generate sufficient funds or for any other reasons, we may decide to delay, modify or forgo some aspects of our growth strategy which could have a material and adverse effect on our business and prospects.

Our insurance coverage may not adequately protect us against possible risk of loss.

Our operations are subject to hazards and risks inherent in the use of chemicals, fertilizers and other hazardous materials in the course of our production processes, such as explosions, fires, chemical spills, storage tank leaks, discharges or releases of hazardous substances and other environmental risks, mechanical failure of equipment at our facilities and natural disasters. In addition, many of these operating and other risks may cause personal injury and loss of life, damage to or destruction of our properties and the properties of others and environmental pollution, and may result in suspension of operations and the imposition of civil or criminal penalties.

While we believe that we maintain insurance coverage in amounts consistent with industry norms in each of our regions, our insurance policies do not cover all risks and are subject to exclusions and deductibles. There can be no assurance that our insurance policies will be adequate to cover the losses that may be incurred as a result of such interruption or the costs of repairing or replacing the damaged equipment, facilities or crops. If we suffer a large uninsured loss or if any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected.

Product defects could materially and adversely affect our business.

Seeds may contain defective or undesired characteristics that are difficult to detect prior to their sale and use. Any defects that may be found in our seeds in the future could result in losses to farmers. Losses claimed by farmers may include the value of lost crops, which could greatly exceed the value of the seeds we sell. If we sell defective or contaminated seeds, large numbers of farmers may experience crop failures during the same growing season. Further, growers may attribute poor crop yields or crop failure to perceived seed defects that may not exist, which could still result in claims against us. Further, while we are subject to government regulations and periodic government inspections and we believe our facilities comply in all material respects with all applicable laws and regulations, we cannot be sure that consumption of our products will not cause health-related illnesses in the future or that we will not be subject to claims or lawsuits relating to our products. Any claims, whether valid or not, could result in negative publicity and cause us to incur significant costs, which could have a material adverse effect on our business, results of operations and financial condition.

Consumer resistance to genetically modified plants may negatively affect our public image.

Subsequent to the amalgamation of USBPL with our Company, we are engaged in the sales of genetically modified seeds. The commercial success of any genetically engineered products will depend, in part, on the public acceptance of the growth and consumption of genetically modified plants and plant products. There has been much-publicized opposition in European and other countries to the sale of genetically engineered products. The current resistance from consumer groups to accepting products based on genetically modified organisms because of concerns over their effects on food safety and the environment, may spread to and influence the acceptance of products developed through biotechnology in other regions of the world, which could limit the commercial opportunities to exploit biotechnology. In addition, government authorities might enact regulations governing the use of genetically modified organisms that may delay and limit or even prohibit the development and sale of such products. Owing to our involvement in the genetically modified seeds business, our public image and business may be materially and adversely affected.

Genetically engineered products may become subject to additional future regulation.

The field testing, production and marketing of genetically engineered seeds by us is subject to governmental regulation in each of the jurisdictions in which we operate. Regulatory agencies administering existing or future laws may not allow us to produce and market our genetically engineered products in a timely manner or under technically or commercially feasible conditions. Regulatory action or private litigation could result in expenses, delays or other impediments to our product development programmes or the commercial sale of resulting products, which could have a material adverse effect on our business, results of operation and financial condition.

We conduct business with companies in countries that are subject to sanctions by the Office of Foreign Assets Control ("OFAC") of the United States Department of the Treasury and under related legislation and international conventions (the "OFAC Rules").

We have sold and continue to sell hybrid seeds, including canola, sun flower and forage sorghum, to companies in Iran, Sudan and Syria. We believe that we are not subject to any of the current OFAC Rules and save as disclosed above, we believe that we do not engage in any prohibited activities with countries or persons that are subject to OFAC Rules. Further, we will undertake to the Underwriters in the Underwriting Agreement that we will not, among other things, directly or indirectly use, lend, contribute or otherwise make available the proceeds from the Issue, including through any Subsidiary or other person or entity, for the purpose of financing the activities of any person, entity or country currently subject to the OFAC Rules. However, as we have no internal controls in place to monitor compliance with OFAC Rules, there can be no assurance that we will not be subject to any future sanctions under OFAC Rules because of changes under OFAC Rules or because of our activities. Further, we cannot assure you that we will not have any future activities with countries sanctioned under OFAC Rules.

We do not currently own the lands on which two of our research stations are situated.

We recently sold the lands and the research stations located over such lands at Begur and Vavilala to Uniphos Enterprises Limited, one of our Promoter Group companies. Whilst we are still using such lands and research stations and intend to lease back the same from Uniphos Enterprises Limited, we have not yet entered into any formal lease or other binding arrangement in respect of these lands. In the event that Uniphos Enterprises Limited requires us to vacate the lands, we will have no recourse to any relief or remedy and will be required to vacate the land and seek alternative locations for our research stations, which may increase our operating costs.

Our Company is a subsidiary of UPL and has entered into certain business transactions with related parties.

Our Company is a subsidiary of UPL. UPL will hold 49.90% of our Company's post-Issue equity capital. Therefore, UPL has the ability to control our business, including matters relating to any sale of all or substantially all of our assets, timing and distribution of dividends, election of our officers and directors and change of control transactions.

In addition, we have entered into certain transactions with related parties, including our regional subsidiaries, UPL, Directors and the other UPL group companies. Details of the financial effects of our related party transactions for the seven months ended October 31, 2006 and fiscals 2004, 2005 and 2006 are provided below:

(In Rs. million)

Particulars	**Seven months ended October 31, 2006**	**Fiscal 2006**	**Fiscal 2005**	**Fiscal 2004**
Sale of goods	3.21	14.51	-	-
Purchase of goods	3.87	-	-	-
Purchase of services	0.64	-	-	-
Expenses reimbursed	18.71	0.70	-	-
Expenses incurred	-	0.76	-	-
Sale of Fixed Assets	265.00	-	-	-
Loans received	326.00	-	-	-
Loans given	595.97	264.32	-	-
Advance given	10.67	-	-	-
Interest paid	9.92	-	-	-

(In Rs. million)

Particulars	Seven months ended October 31, 2006	Fiscal 2006	Fiscal 2005	Fiscal 2004
Interest received	21.91	0.12	-	-
Dividend declared	-	25.20	56.70	37.80
Royalty paid	-	10.65	13.77	13.60
Remuneration	9.66	4.73	5.01	4.91
Rent paid	0.21	1.37	1.12	1.00

These transactions or any future transactions with our related parties have involved and could potentially involve conflicts of interest. For more information, see the section titled "Related Party Transactions" on page 208 of this Red Herring Prospectus.

Any further issuance of Equity Shares by us may dilute your shareholdings and materially and adversely affect the trading price of the Equity Shares.

Any future issuance of substantial amounts of Equity Shares by us, including as a result of the exercise of options granted to persons under our ESOP Scheme, could dilute your shareholding, materially and adversely affect trading prices of our Equity Shares and our ability to raise capital through an offering of our securities. In addition, any perception by investors that such issuances might occur could also materially and adversely affect the trading price of our Equity Shares.

All of our Operating Subsidiaries have received qualifications in their auditors' reports to their financial statements.

The auditors of Pacific Seeds Australia, Pacific Seeds Thailand and Advanta Argentina have included qualifications, in their reports with respect to the respective financial statements of the Operating Subsidiaries for the ten month period ended October 31, 2006 and fiscal years ended December 31, 2005, December 31, 2004 and December 31, 2003.

In respect of the financial statements of each of the Operating Subsidiaries, the auditors have noted that such financial statements do not include: a) cumulative profit and loss account for the period January 1, 2005 to October 31, 2005; and b) cash flow statement for the period January 1, 2005 to October 31, 2005, as required by AS 25.

Specifically, the auditors of Pacific Seeds Australia have noted that Pacific Seeds Australia has not identified all of its related parties as defined in AS 18 – "Related Party Disclosures" for the years ended December 31, 2005, December 31, 2004 and December 31, 2003. Therefore, the auditors are unable to comment on the completeness of the disclosures made for related party transactions for the years ended December 31, 2005, December 31, 2004 and December 31, 2003 as required by AS 18.

The auditors of Pacific Seeds Australia have further noted that provision for leave encashment as at December 31, 2005, December 31, 2004 and December 31, 2003 has been measured based on estimated basis and not on actuarial valuation as required by AS 15 – "Accounting for Retirement Benefits in the Financial Statements of Employers". Had the provision as at December 31, 2005, December 31, 2004 and December 31, 2003 been measured based on actuarial valuation, charge to the profit and loss account for the ten month period ended October 31, 2006 and for the fiscal years ended December 31, 2005, December 31, 2004 and December 31, 2003 may have been different. The impact on the profit for the period of ten months ended on October 31, 2006 and on profit for the years ended December 31, 2005, December 31, 2004 and December 31, 2003 due to such accounting policies has not been determined by Pacific Seeds Australia as required by AS 5 – "Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies".

The auditors of Pacific Seeds Thailand have noted that Pacific Seeds Thailand has disclosed consumption of raw materials, packing materials and traded goods for the ten month period ended October 31, 2006 as Rs. 173.43 million; for the year ended at December 31, 2005 as Rs. 97.38 million; for the year ended December 31, 2004 as Rs. 196.77 million; and December 31, 2003 as Rs. 127.58 million. The respective amounts attributable to raw material consumption and purchases of traded goods are not identified and disclosed.

The auditors of Pacific Seeds Thailand have further noted that Pacific Seeds Thailand has not made provision for gratuity as at December 31, 2004 and December 31, 2003 as required by AS 15 – "Accounting for Retirement Benefits in the Financial Statements of Employers". Had Pacific Seeds Thailand made provision for gratuity for the years mentioned as required by AS 15, personnel expenses and profits for the years ended December 31, 2005, December 31, 2004 and December 31, 2003 and provision for gratuity as at December 31, 2004 and December 31, 2003 would have been different than those shown in the financial statements. In the year ended December 31, 2005, Pacific Seeds Thailand has provided for the gratuity liability for the first time including liability for all prior periods. Pacific Seeds Thailand has not separately quantified and disclosed the prior period effect as required by AS 5 – "Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies". Pacific Seeds Thailand has not identified all of its related parties as defined in AS 18 – "Related Party Disclosures" for the years ended December 31, 2005, December 31, 2004 and December 31, 2003. Therefore, the auditors are unable to comment on the completeness of the disclosures made for related party transactions for these years as required by AS 18.

The auditors of Advanta Argentina have noted that Advanta Argentina has not identified all of its related parties as defined in AS 18 – "Related Party Disclosures" for the years ended December 31, 2005, December 31, 2004 and December 31, 2003. Therefore, the auditors are unable to comment on the completeness of the disclosures made for related party transactions for these years as required by AS 18.

For further details see section titled "Financial Statements" beginning on page 192 of this Red Herring Prospectus.

Our Company's contingent liabilities could materially and adversely affect our financial condition.

As of October 31, 2006, on a standalone basis, Advanta India's contingent liabilities aggregating Rs.105.89 million, comprised of: (i) Rs. 99.65 million in income tax matters pending with authorities at various levels; and (ii) Rs. 6.24 million in claims against our Company not acknowledged as debts. As of March 31, 2006 our Company's contingent liabilities aggregating Rs. 115.92 million comprised of: (i) Rs. 109.84 million in income tax matters pending with authorities at various levels; (ii) Rs. 0.10 million in guarantees issued by banks on behalf of Advanta India; and (iii) Rs. 5.98 million in claims against Advanta India not acknowledged as debts.

As of October 31, 2006, on a consolidated basis, our Company had an aggregate amount of Rs. 982.35 million in contingent liabilities outstanding, which is comprised of: (i) Rs. 99.65 million in income tax matters pending with authorities at various levels; (ii) Rs. 6.24 million in claims against the Company not acknowledged as debts; (iii) Rs. 573.29 million in claims against Advanta Argentina not acknowledged as debts; and (iv) Rs. 303.17 million in the amount payable to the growers providing expected seed quality by Pacific Seeds Australia. As of March 31, 2006 our Company's contingent liabilities, aggregating Rs. 1,096.94 million, comprised of: (i) Rs. 109.84 million in income tax matters pending with authorities at various levels; (ii) Rs. 5.98 million in claims against our Company not acknowledged as debts; (iii) Rs. 584.10 million in claims against Advanta Argentina not acknowledged as debts; and (iv) Rs. 397.02 million in the amount payable to the growers providing expected seed quality by Pacific Seeds Australia.

If any of these contingent liabilities were to materialize, it may have a material and adverse impact on our financial condition.

Our Company's performance, on a consolidated basis, is substantially dependant on the operations of our Operating Subsidiaries.

On a consolidated basis, we conduct a significant portion of our business operations through our Operating Subsidiaries. Our Operating Subsidiaries' dividend payments to our Company will be contingent upon their earnings and upon other business considerations. Our Operating Subsidiaries may not generate sufficient earnings, which may materially and adversely affect our results of operations.

Our Group's businesses are subject to various tax jurisdictions.

We currently have operations and staff spread across India, Australia, Thailand and Argentina. Consequently, we are subject to the jurisdiction of a number of tax authorities. The revenues recorded and income earned in these various jurisdictions are taxed on differing bases. The final determination of our tax liabilities involves the interpretation of local tax laws and related authorities in each jurisdiction. Changes in the operating environment, including changes in tax law, could impact the determination of our tax liabilities for any given tax year and have a material and adverse effect on our results of operations. For instance, our Company is eligible for certain agriculture-related tax benefits under Section 10 of the Income Tax Act. The income generated from the business of erstwhile USBPL for the seven month period ended October 31, 2006 was not entitled to any tax benefit or exemption. Any withdrawal or reduction in the tax benefits currently available to us or increase in tax rates applicable to us could materially and adversely affect our business and results of operations.

***Our Company's earnings from our Operating Subsidiaries may be subject to double taxation and currency exchange fluctuations*.**

A substantial part of our Company's future earnings will comprise of dividends received from our Operating Subsidiaries. Since all of our Operating Subsidiaries are overseas companies, our Company may be subject to double taxation on any dividends paid by them to us, at the corporate level in the country of operation and at the shareholder level in India. For more details, please refer to the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" under "Double Taxation" on page 365 of this Red Herring Prospectus. Further, dividend payments will be subject to foreign currency fluctuations. In such event, our Company's earnings and the valuation of our Company on a consolidated basis may be materially and adversely affected.

Our Company's operational performance declined in Fiscal 2006.

There was a downturn in our Company's operational performance in Fiscal 2006 vis-à-vis that in Fiscal 2005. During this period, our Company's gross sales fell from Rs. 511.18 million in Fiscal 2005 to Rs. 483.32 million in Fiscal 2006, representing a decline of 5.5%. During the same period, our Company's total revenue fell by 8.4% from Rs. 475.58 million in Fiscal 2005 to Rs. 435.44 million in Fiscal 2006. This decline in sales and revenue was further compounded by the fact that our Company's gross margin and net margin also declined over the same period. Our Company's gross margin fell from 17.5% in Fiscal 2005 to 12.7% in Fiscal 2006 and net margin fell from 15.2% in Fiscal 2005 to 10.2% in Fiscal 2006. As a result of declining sales and margins, our Company's profitability fell sharply in Fiscal 2006. During the same period, our Company's gross profit and net profit also fell by 33.4% and 38.4%, respectively. Though our Company has taken steps to reverse the negative trend and improve our Company's operational performance, our Company cannot assure you that it will be successful in increasing its sales and profitability in the future. Any failure by us to reverse this negative trend could have a material and adverse effect on our business and results of operations.

Our Company had negative cash flow in Fiscal 2006 and for the seven month period ended October 31, 2006.

Our Company had negative cash flow of Rs. 98.94 million for Fiscal 2006. This was principally due to our Company's investment in financing activities and decreasing cash flow from operating activities. For the seven month period ended October 31, 2006 our Company had a negative cash flow of Rs. 105.61 million. This was principally due to decreasing cash flow from operating activities and a loan made to subsidiaries.

There can be no assurance that we will not experience periods of negative cash flow in the future. If the negative cash flow trend persists in future, our Company may not be able to generate sufficient amounts of cash flow to finance our Company's working capital and capital expenditure requirements. Additionally, our Company may be forced to raise capital from outside sources at uneconomical rates, which in turn may materially and adversely impact our Company's overall profitability.

Some of our Subsidiaries incurred losses.

Certain of our Subsidiaries have incurred losses in recent years as per their respective Indian GAAP audited financial statements, as set forth in the table below:

(Rs. in million)

Entity	Ten months ended October 31, 2006	Year Ended December 31		
		2005	2004	2003
Advanta Argentina	16.86	(164.21)	48.89	59.95

(Rs. in million)

Entity	Seven months ended October 31, 2006	Three months ended March 31, 2006	Year Ended December 31		
			2005	2004	2003
Advanta Holdings B.V.	(205.65)	(10.19)	(0.29)	N.A.	N.A.
Advanta International B.V.	(7.15)	(3.50)	(19.08)	N.A.	N.A.
Advanta Finance B.V.	26.17	511.81	1,373.52	(0.01)	N.A.
Pacific Seeds Holdings (Thailand) Company Limited	(10.55)	(28.71)	(4.54)	(0.09)	N.A.

If these Subsidiaries fail to improve their operating performance, our overall profitability on a consolidated basis will be materially and adversely impacted, which in turn may materially and adversely affect the valuation of our Group as a whole.

Trading in securities of Nivi Trading Limited, one of our Promoter Group entities, was suspended by the BSE

The BSE had suspended the trading in securities of Nivi Trading Limited with effect from July 21, 1997 on account of non-compliance of clause 16 of the listing agreement with regard to closure of register of members and transfer books during the year 1996. The suspension was revoked with effect from July 3, 2002 after compliance and payment of re-instatement fees.

Our Company's management will have significant flexibility in applying the proceeds of the Issue. The fund

requirement and deployment mentioned in the Objects of the Issue have not been appraised by any bank or financial institution.

The deployment of funds as described in the section titled "Objects of the Issue" beginning on page 29 of this Red Herring Prospectus is at the discretion of our Company's Board of Directors. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. Accordingly, the management will have significant flexibility in applying the proceeds received by our Company from the Issue. Our Company intends to rely on our Company's internal systems and controls to monitor the use of such proceeds.

The net proceeds of the Issue will be used to make payment to one of our Promoter Group entities.

We plan to invest Rs. 2,500 million in our Subsidiary, Advanta Holdings B.V., which will be partly financed through the net proceeds of the Issue. This amount shall be utilized by Advanta Holdings B.V. for the payment of dues to one of our Promoter Group Companies, Bio-Win Corporation, in respect of the acquisition of Advanta Netherlands Holdings B.V., which is the holding company of all our Subsidiaries, including our Operating Subsidiaries.

We have not yet finalised the mode of investment of the net proceeds of the Issue.

We plan to invest Rs. 2,500 million in our Subsidiary, Advanta Holdings B.V., which will be partly financed through the net proceeds of the Issue. However, we have not yet finalised the mode of investment and therefore are not in a position to ascertain the expected return on this investment.

The utilization of net proceeds of the Issue may be subject to certain restrictions.

We intend to utilize a substantial portion of the Issue proceeds for an investment in our Subsidiary, Advanta Holdings B.V. Under the RBI regulations pertaining to overseas direct investment, an Indian company cannot invest an amount exceeding 200% of its net worth as of the date of last audited financial statement prepared by such company. The utilization of Issue proceeds shall be subject to our Company complying with this restriction. We may not be able to utilize the Issue proceeds as per the estimated schedule or at all in the event that we do not comply with this restriction. In addition, we will be utilizing the Issue proceeds in a foreign currency and owing to currency rate fluctuations, our estimate may not match the actual requirements.

Our Company is subject to certain restrictive covenants due to the terms of its indebtedness.

Our Company has entered into agreements with certain banks and financial institutions for short term and long term borrowings. Some of these agreements contain certain restrictive covenants. For more details on these covenants, please refer to the section titled "Our Indebtedness" on page 379 of this Red Herring Prospectus.

There can be no assurance that our Company will be able to comply with these financial or other covenants or that our Company will be able to obtain the consents necessary to take the actions our Company believes are necessary to operate and grow our Company's business.

Our Group's business is dependent on obtaining required approvals and licences in a timely manner.

We require certain approvals, licenses, registrations and permissions for operating our Group's business, some of which we have either made or are in the process of making an application. Our application for the trademark registration of the Company's logo comprising three leaves device in respect of agricultural seeds and other goods in class 5 is pending. For more details, please refer to the section titled "Government Approvals" beginning on page 387 of this Red Herring Prospectus. If we fail to obtain these approvals or licenses, or renewals thereof, in a timely manner, or at all, our business could be materially and adversely affected.

We face risks associated with potential acquisitions, investments, strategic partnerships or other ventures.

We believe it may become increasingly important for us to acquire or make investments in complementary businesses, facilities, technologies or products, or enter into strategic partnerships with parties who can provide access to such assets, if appropriate opportunities arise. From time to time, we have had discussions with companies regarding acquiring, investing in or partnering with their businesses, products or technologies, and we regularly engage in such discussions in the ordinary course of business. We may not be able to identify suitable acquisition, investment or strategic partnership candidates, which may place us at a disadvantage if our competitors are able to grow their market share through acquisitions. If we do identify suitable candidates, we may not be able to complete those transactions on commercially acceptable terms or at all. If we acquire another company, we could have difficulty in integrating that company's personnel, products, operations and technology. In addition, the key personnel of the acquired company may decline to work for us. These difficulties could disrupt our ongoing business, distract our management and employees and increase our expenses.

There are outstanding litigations against our Company, our Promoter and our Promoter Group.

There are outstanding litigations against our Company, our Promoters and our Promoters Group. Our Company is a defendant in legal proceedings incidental to our Company's business and operations. The legal proceedings are pending at different levels of adjudication before various courts and tribunals. Should any new developments arise, such as a change in Indian law or rulings against our Company by appellate courts or tribunals, our Company may need to make provisions in our Company's financial statements, which could materially and adversely impact our Company's business results. Further, if significant claims are determined against our Company and our Company is required to pay all or a portion of the disputed amounts, it could have a material adverse effect on our business and profitability.

A) Against the Company

- There is one criminal case against the Company in respect of the alleged violations of the provisions of sections 3 and 7 of the Essential Services Maintenance Act, 1968;
- There are 37 consumer complaints against the Company for an amount aggregating approximately Rs. 2.68 million in respect of the alleged poor germination/low yield of seeds supplied by the Company;
- There are three civil suits involving the Company where the amount claimed aggregates approximately Rs. 4.88 million; and
- There are four income tax related disputes involving the Company for an amount aggregating approximately Rs. 73.44 million.

B) Against our Subsidiaries

Advanta Netherlands Holdings B.V.

- A former employee of Advanta Netherlands Holdings B.V. has claimed a transaction bonus in connection with the transfer of Advanta Netherlands Holdings B.V. to the UPL group in February 2006. The amount involved is EUR 15,000 (Rs. 0.81 million) as well as interest since February 2006 including costs of the litigation and legal fees. In terms of an agreement between Advanta Netherlands Holdings B.V. and Fox Paine and Company, LLC, the former shareholder of Advanta Netherlands Holdings B.V., Fox Paine and Company, LLC would be liable for the costs.

Advanta Netherlands Holdings B.V. and Advanta Finance B.V.

- Limagrain Verneuil Holding S.A. has, by its letter dated December 15, 2006, claimed an amount aggregating EUR 553,000 (Rs. 29.80 million) jointly from Advanta Finance B.V. and Advanta Netherlands Holdings B.V., being the amount allegedly payable by Advanta Finance B.V. and Advanta Netherlands Holdings B.V. in respect of certain tax liabilities incurred prior to the transfer of Advanta B.V. and certain non-sugarbeet businesses to Limagrain Verneuil Holding S.A. Advanta Finance B.V. and Advanta Netherlands Holdings B.V., by their letter dated December 29, 2006, have disputed the claim.

Pacific Seeds Australia

- There are two claims against Pacific Seeds Australia for the alleged lost income aggregating approximately AU$ 652 (Rs. 0.02 million). The claims are pending;

- There is one dispute involving Pacific Seeds Australia in respect of payment for seeds purchased by Pacific Seeds Australia. The dispute is pending; and
- There is one claim against Pacific Seeds Australia in respect of an amount aggregating USD 0.62 million (Rs. 27.66 million) for the alleged supply of poor quality seed. The Company has paid the amount and settled the claim. Pacific Seeds Australia has claimed an amount aggregating approximately USD 0.68 million (Rs. 30.34 million) against its supplier for supplying the low quality seeds. A letter of demand for the same has been forwarded by Pacific Seeds Australia.

Pacific Seeds Thailand

- Pacific Seeds Thailand has instituted a suit in the Intelligence Court in respect of the alleged infringement of trademark where the amount claimed is approximately THB 0.14 million (Rs. 0.16 million). The case is pending.

Advanta Argentina

- There is one suit against Advanta Argentina for an amount aggregating approximately AR$ 58.02 million (Rs. 858.77 million) being damages in respect of the alleged breach of contract by Advanta Argentina. The matter is pending; and
- There are 26 labour cases against Advanta Argentina for an amount aggregating approximately AR$ 0.08 million (Rs. 1.18 million). These cases are pending.
- Advanta Argentina has filed a suit for an amount aggregating approximately USD 4 million (Rs. 178.47 million) in respect of the alleged misappropriation of certain germplasm belonging to Advanta Argentina. The defendants in this case have filed a counterclaim against Advanta Argentina for an amount aggregating USD 2.65 million (Rs. 118.24 million). Advanta Argentina has also filed a suit against the state regulatory authority for granting proprietary title to the germplasm that was allegedly misappropriated from it. The state regulatory authority has revoked Advanta Argentina's title to the said germplasm on the ground that the same was allegedly wrongly classified. The Company has filed suit against this revocation. All suits are pending.
- Advanta Argentina has filed a suit to render accounts with regard to the royalties due to it for the sale of certain sunflower, corn and sorghum hybrid seeds. The matter is pending.

C) Against our Promoters

See the section titled "Outstanding Litigation and Material Developments" on page 383 of this Red Herring Prospectus.

D) Against our Promoter Group

See the section titled "Outstanding Litigation and Material Developments" on page 384 of this Red Herring Prospectus.

For more details see the section titled "Outstanding Litigation and Material Developments" on page 380 of this Red Herring Prospectus.

There are outstanding tax claims against the Company

As of October 31, 2006, on a stand-alone as well as consolidated basis, there are outstanding tax claims against the Company in respect of an amount aggregating approximately Rs. 99.65 million in income tax matters pending with authorities at various levels. For more details, see the section titled "Outstanding Litigation and Material Developments" on page 380 of this Red Herring Prospectus.

Our Company has made issuances of Equity Shares during the last 12 months at a price that may be lower than the Issue Price

Our Company has, in the last 12 months, made issuances of Equity Shares at a price that could be lower than the

Issue Price. The details of such issuances are provided below:

Date of allotment of the Equity Shares	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment	Reasons for Allotment
August 18, 2006	2,100,000	10	285	Cash	Allotment of Equity Shares to UPL
January 22, 2007	3,377,500	10	-	Pursuant to the Scheme of amalgamation of USBPL with our Company	Allotment of Equity Shares to the shareholders of USBPL
February 23, 2007	1,677,000	10	625	Pursuant to the Pre-Issue Placement	Allotment of Equity Shares to Pre-Issue Investors

For further details of such issuances of Equity Shares, please refer to the section titled "Capital Structure" beginning on page 18 of this Red Herring Prospectus.

Some of our Promoter Group entities have incurred losses.

Certain of our Promoter Group entities have incurred losses in recent years after they became part of our Promoter Group, as set forth in the table below:

(in Rs. million)

Entity	Year Ended March 31,		
	2006	2005	2004
Shroffs United Chemicals Limited, India	(0.01)	(0.34)	0.03
Agrinet Solutions Limited, India	0.03	(0.007)	0.004
Djai Power Limited, India	(3.59)	(0.87)	-
Search Enviro Limited, India	(1.74)	(0.01)	-
Uniphos Enterprises Limited, India	(3.85)	(19.16)	(21.59)
Bloom Packaging Private Limited, India	7.81	(0.55)	(30.06)
Bloom Industrial Plastics Private Limited, India	(1.55)	(1.79)	(1.17)
Daman Ganga Pulp and Papers Private Limited, India	(1.14)	(0.16)	2.31
Shatataraka Holdings Private Limited	(0.58)	(0.04)	(0.04)
Shroff Envirotral Private Limited	-	(0.01)	(0.01)
R. Shroff Consultants Private Limited	0.14	(0.05)	1.65
Archana Overseas Private Limited	0.03	(0.21)	(0.17)
Isar Builders and Developers Private Limited	(0.07)	(0.22)	(0.16)
United Phosphorus Limited, Australia	(1.11)	(1.81)	2.31
United Phosphorus Limited, Russia	(1.67)	8.24	6.63

(in Rs. million)

Entity	Year Ended March 31,		
	2006	2005	2004
United Phosphorus (Shanghai) Company Limited, China	(4.50)	(0.36)	14.11
United Phosphorus, Inc., U.S.A.	(209.67)	(370.48)	(189.33)
United Phosphorus Limited, U.K.	(44.48)	(12.96)	35.47
United Phosphorus Limited, Zambia	(3.85)	1.08	1.13
United Phosphorus De Argentina S.A., Argentina	(1.64)	(2.33)	(0.77)
United Phosphorus Limited, Belgium	(0.30)	0.00	(0.05)
United Phosphorus (Korea) Limited, Korea	(3.22)	(0.68)	(0.65)
United Phosphorus do Brasil Ltda, Brazil	(1.85)	-	-
Transterra Invest, S.L., Spain	(12.47)	-	-
United Phosphorus Sole Partner Limited, Greece	(99.63)	-	-
United Phosphorus (Taiwan) Limited, Taiwan	(1.09)	-	-
Seiko Properties Private Limited	(0.07)	(0.10)	(2.21)
Vyom Finvest Private Limited	(0.51)	(0.01)	(0.01)
Universal Pestochem Limited	(0.11)	0.18	0.41
Nerka Chemicals Limited	(1.81)	1.52	8.96

Some of our Promoter Group entities have negative net worth.

Certain of our Promoter Group entities have negative net worth as on the last date of their respective audited financial statements:

(in Rs. million)

Entity	Year Ended March 31, 2006
Esthetic Finvest Private Limited	(10.12)
Shatataraka Holdings Private Limited	(6.33)
Seiko Properties Private Limited	(2.48)
United Phosphorus, Inc., U.S.A.	(844.11)
United Phosphorus Limited, U.K.	(393.79)
United Phosphorus De Argentina S.A., Argentina	(0.58)
United Phosphorus (Korea) Limited, Korea	(2.00)
Inventa Corporation Inc., U.S.A.	(10.35)
United Phosphorus Sole Partner Limited, Greece	(98.66)
Bloom Industrial Plastics Private Limited, India	(10.29)

EXTERNAL RISK FACTORS

We are exposed to fluctuations in foreign exchange rates.

We own production and processing facilities and market our products in numerous countries throughout the world and have sales in Indian Rupees, Australian dollars, Argentine pesos, Thai Baht and U.S. dollars as well as other currencies. Fluctuations in exchange rates may affect product demand and may materially and adversely affect the profitability of products and services provided by us in the global markets where payment for our products and services is made in local currency. Accordingly, fluctuations in currency rates may affect our operating results and net income, which could have a material adverse effect on our business, results of operations and financial condition.

Competition and adverse developments in export markets may materially and adversely affect our results of operations and financial condition.

We face significant competition in our export markets from Indian and international companies. Some of our global competitors are larger and have greater resources than those available to us. Our principal competitors in the traditional seed products segment on the global market include seed producers that are subsidiaries of very large companies, such as Monsanto, Dupont, Dow Chemical, Syngenta and others.

Our market position in our export markets will depend on our ability to compete effectively with larger competitors, implement effective marketing initiatives and anticipate and respond to various competitive factors affecting the industry, including new products with new features, pricing strategies by competitors and changes in consumer preferences and general economic, political and social conditions in the countries in which we do business. Important factors in our industry affecting competition include price, product quality, reliability, technology, transportation, delivery and customer service. Any failure by us to compete effectively, including in terms of pricing of products, could have a material adverse effect on our financial condition and results of our operations.

There may be changes in the regulatory framework that could materially and adversely affect us.

The statutory and regulatory framework for the global seed industry may see changes in the future. We presently do not know what the nature or extent of the changes, if any, will be and cannot assure you that any such changes will not have a material and adverse effect on our business, financial condition, results of operations and prospects. For a discussion of the regulatory framework of the global seed industry, see the section titled "Regulations and Policies" on page 78 of this Red Herring Prospectus.

We are exposed to international regulatory risks.

We conduct our business and export our products internationally, principally to markets in India, Thailand, Argentina and Australia as well as numerous countries in Asia and the Middle East. Our operations expose us to financial and operational uncertainty and subject us to government laws and regulations that may materially and adversely affect our results of operations and our financial condition. There are a number of risks inherent in doing business in international markets, including the following:

- restrictive trade policies;
- inconsistent product regulation or policy changes by local agencies or governments (including inconsistent approaches to genetically modified seeds);
- inconsistent treatment of warranty claims and liabilities;
- inconsistent environmental laws and regulations;
- varying tax regimes, including regulations relating to withholding taxes;

- exchange controls and currency restrictions;
- exposure to expropriation or other government actions; and
- political, economic and social instability.

These and other factors may have a material adverse effect on our business, results of operations and financial condition.

Further, the cost of complying with government regulations can be substantial. The regulations applicable to existing and future seed production facilities may change. We are required to obtain various licenses and approvals from different government agencies to continue to sell our products. There can be long delays in obtaining the required clearances from regulatory authorities in any country after applications are filed. Any failure or delay in obtaining regulatory approvals and licenses and any onerous conditions on such licenses could materially and adversely affect the marketing of any products we develop and our financial results.

In addition, our export business is subject to the regulations enacted by the governments of countries where we export our products, including obtaining licenses and other approvals to establish and maintain a subsidiary or a sales agency, and conduct sales and marketing activities in such countries. Failure to comply with such regulations or our inability to maintain or obtain any necessary licenses and approvals may materially and adversely affect our ability to generate export sales and our results of operations.

The importation of our products may be subject to tariff and non-tariff barriers set up in their countries of destination. We can provide no assurance that the importation of our products will not be subjected to similar or new regulatory actions in the future.

For further details, see the section titled "Regulation and Policies" on page 78 of this Red Herring Prospectus.

Changes in the agricultural policies of governments and international organizations may prove unfavorable to the global seed industry.

The reduction of government or other subsidies to growers in certain markets or increases in the set aside of farm acreage may inhibit the growth of seed markets. For example, there are various pressures to reduce subsidies in Europe from the World Trade Organization and the European Union. However, it is difficult to predict accurately whether, when and to what extent such changes will occur. The Company's management expects that the policies of governments and international organizations will continue to affect the operating results of the agribusiness industry, and accordingly the income available to growers to purchase seed products. In the event that certain governments shift their policies in a manner that ceases to encourage the agricultural market, our business and prospects may be materially and adversely affected.

Our worldwide operations and products are highly regulated in the areas of safety and protection of human health and the environment.

Our worldwide operations and products are subject to a broad range of environmental, health and safety laws and regulations. Among other things, these requirements regulate air emissions, wastewater and stormwater discharges, the use, management and disposal of hazardous and non-hazardous materials and wastes, product labeling, the cleanup of contamination and the use of chemicals in our agricultural growing operations. These requirements are complex, affect our day-to-day operations and tend to become more stringent over time. There can be no assurance that we have been or will be at all times in complete compliance with all environmental, health and safety requirements that apply to our operations or to our products. To maintain compliance with these requirements, we have been and may in the future be required to modify operations, purchase new equipment or make other capital improvements. Violations could result in penalties, the curtailment or cessation of operations or other sanctions, which could be material. Environmental laws also impose strict and, under certain circumstances, joint and several liability for the cleanup of contaminated property. The cleanup of contamination, including any potential contamination not yet discovered, could result in material costs or liabilities in the future.

Enactment of new environmental, health and safety laws and regulations, stricter enforcement by regulatory authorities of existing or new laws and regulations, or the identification of new information could result in significant costs and other liabilities to us in the future, which could have a material adverse effect on our business, results of operations and financial condition.

Political, economic and social developments in India, Australia, Thailand and Argentina could materially and adversely affect our business.

A majority of the Group's facilities and other assets are located in India, Australia, Thailand and Argentina and most of our officers and Directors reside in these countries. India, Thailand and Argentina have also witnessed civil disturbances in recent years. While these civil disturbances did not directly affect our operations, it is possible that any future civil unrest as well as any other adverse social, economic and political events in India, Thailand and Argentina could have a material and adverse impact on us. Our operations and financial results and the market price and liquidity of our Company's Equity Shares may be materially and adversely affected by changes in the government policy or taxation or social, ethnic, political, economic or other developments in or affecting India, Australia, Thailand or Argentina.

Terrorist attacks and other acts of violence or war involving India, Australia, Thailand, Argentina and other countries could materially and adversely affect the financial markets, result in a loss of business confidence and materially and adversely affect our business, results of operations and financial condition. If communal disturbances or riots erupt in India, Australia, Thailand or Argentina, or if regional hostilities increase, this would adversely affect the economies of those countries, the health of which our business depends upon.

Terrorist attacks, such as the ones that occurred in New York and Washington, D.C., on September 11, 2001, New Delhi on December 13, 2001, the bomb blasts in Mumbai on August 25, 2003, and the October 2004 bomb blasts in Northeast India and the bomb blast in London in July 2005, as well as other acts of violence or war, or religious or sectarian violence, including those involving India, Australia, Thailand, Argentina, the U.S. or other countries, may adversely affect worldwide financial markets. These acts may also result in a loss of business confidence and have other consequences that could materially and adversely affect our business, results of operations and financial condition. Travel restrictions as a result of such attacks may have an adverse impact on our ability to operate effectively. Increased volatility in the financial markets can have an adverse impact on the economies of India, Australia, Thailand, Argentina and other countries, including economic recession.

The Asian region has from time to time experienced instances of civil unrest and hostilities among neighboring countries, including those between India and Pakistan. Since May 1999, military confrontations between India and Pakistan have occurred in Kashmir. Also, since 2003, there have been military hostilities and continuing civil unrest and instability in Iraq, Pakistan and Afghanistan. Iran has also been engaged in a confrontation with Western countries regarding its use of nuclear materials. Recently, there was a military coup in Thailand. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the economy of the regions in which we do business and could have a material adverse effect on the market for securities of companies doing business in India, Australia, Thailand, Argentina and other countries, including our Company's Equity Shares.

Natural calamities could have a negative impact on the economies of India, Australia, Thailand and Argentina, and harm the Group's businesses.

India, Australia, Thailand and Argentina have experienced various natural calamities such as earthquakes, floods, drought and a devastating tsunami in recent years. The extent and severity of these natural disasters determines their impact on the respective economies. Prolonged spells of abnormal rainfall and other natural calamities could have an adverse impact on the economies of those countries, which could materially and adversely affect the Group's businesses and the price of the Company's Equity Shares.

Fluctuations in operating results and other factors may result in decreases in our Company's Equity Share price.

Stock markets have experienced periods of extreme volatility that has often been unrelated to the operating performance of particular companies. This volatility reappeared in international stock markets in May 2006 with substantial declines in many emerging stock markets, including India. These broad market fluctuations are unpredictable and may materially and adversely affect the trading price of our Company's Equity Shares. There may be significant volatility in the market price of our Company's Equity Shares. If we are unable to operate profitably or as profitably as we have in the past, investors could sell our Company's Equity Shares when it becomes apparent that the expectations of the market may not be realized, resulting in a material decrease in the market price of our Company's Equity Shares.

In addition to our operating results, the operating results of other seed companies, changes in financial estimates or recommendations by analysts, governmental investigations and litigation, speculation in the press or investment community, the possible effects of a war, terrorism and other hostilities, adverse weather conditions, changes in general conditions in the economy or the financial markets, or other developments affecting the seed industry, could cause the market price of our Company's Equity Shares to be issued to fluctuate substantially.

Notes to Risk Factors:

- Public Issue of 3,380,000 Equity Shares of Rs. 10 each for cash at a price of Rs. [•] per Equity Share aggregating Rs. [•] million. The Issue would constitute 20.08% of the fully diluted post issue paid-up capital of the Company.
- In terms of Rule 19(2)(b) of the Securities Contract Regulation Rules, 1957, this being an Issue for less than 25% of the post-Issue capital, the Issue is being made through the 100% Book Building Process where at least 60% of the Issue would be Allotted on a proportionate basis to QIBs. 5% of the QIB Portion would be available for allocation to Mutual Funds only and the remaining QIB Portion would be available for allocation to the QIB Bidders including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, up to 10% of the Issue would be available for allocation on a proportionate basis to Non-Institutional Bidders and up to 30% of the Issue would be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.
- The net worth of the Company was Rs. 255.86 million as of March 31, 2006 as per our restated stand-alone financial statements and Rs. 234.38 million as of March 31, 2006 as per our restated consolidated financial statements. The net worth of the Company was Rs. 1,199.33 million as of October 31, 2006 as per our restated stand-alone financial statements and Rs. 1,062.94 million as of October 31, 2006 as per our restated consolidated financial statements included in this Red Herring Prospectus.
- The net asset value per Equity Share of Rs. 10 each was Rs. 40.61 as of March 31, 2006, as per our restated stand-alone financial statements and Rs. 37.20 as of March 31, 2006 as per our restated consolidated financial statements. The net asset value per Equity Share of Rs. 10 each was Rs. 115.17 as of October 31, 2006, as per our restated stand-alone financial statements and Rs. 102.07 as of October 31, 2006 as per our restated consolidated financial statements included in this Red Herring Prospectus.
- The average cost of acquisition of our Equity Shares by UPL is Rs. 281.45 per Equity Share. The shareholders of the erstwhile USBPL, including our Directors Jai R. Shroff and Vikram R. Shroff, were allotted Equity Shares for consideration other than cash pursuant to the Scheme.

- Details of the financial effects of related party transactions for the seven months ended October 31, 2006 and fiscals 2004, 2005 and 2006 are provided below:

(In Rs. million)

Particulars	**Seven months ended October 31, 2006**	**Fiscal 2006**	**Fiscal 2005**	**Fiscal 2004**
Sale of goods	3.21	14.51	-	-
Purchase of goods	3.87	-	-	-
Purchase of services	0.64	-	-	-
Expenses reimbursed	18.71	0.70	-	-
Expenses incurred	-	0.76	-	-
Sale of Fixed Assets	265.00	-	-	-
Loans received	326.00	-	-	-
Loans given	595.97	264.32	-	-
Advance given	10.67	-	-	-
Interest paid	9.92	-	-	-
Interest received	21.91	0.12	-	-
Dividend declared	-	25.20	56.70	37.80
Royalty paid	-	10.65	13.77	13.60
Remuneration	9.66	4.73	5.01	4.91
Rent paid	0.21	1.37	1.12	1.00

For more details of our related party transactions, please refer to the section titled "Related Party Transactions" on page 208 of this Red Herring Prospectus.

- Our Promoters, Directors and key managerial personnel, may be deemed to be interested to the extent of remuneration, fees and expenses, if any, payable to them and to the extent of any dividend payable to them and other distributions in respect of their shareholding/ESOPs in the Company or the shareholding of companies, firms and trusts in which they are interested as directors, members, partners and/ or trustees. Our Promoters, Directors and key managerial personnel, may also be deemed to be interested to the extent of Equity Shares, if any, that may be subscribed for and allotted to them or to the companies, firms and trusts in which they are interested as directors, members, partners and/ or trustees, out of the present Issue in terms of the Red Herring Prospectus and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares. See "Capital Structure" and "Our Management" on pages 18 and 87, respectively, of this Red Herring Prospectus.
- Trading in Equity Shares of our Company for all investors shall be in dematerialised form only.
- Any clarification or information relating to the Issue shall be made available by the BRLMs and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever. Investors may contact the BRLMs and the Syndicate Member for any complaints pertaining to the Issue.
- Investors may note that in case of over-subscription in the Issue, allotment to Qualified Institutional Bidders, Non-Institutional Bidders and Retail Individual Bidders shall be on a proportionate basis. For more information, please refer to the section titled "Basis of Allotment" on page 415 of this Red Herring Prospectus.
- Investors are advised to refer to the section titled "Basis for Issue Price" on page 32 of this Red Herring Prospectus.

SUMMARY OF OUR BUSINESS

OVERVIEW

We are one of the leading international agronomic seed companies with principal operations in India, Australia, Thailand and Argentina. We believe that we are a global leader in technical plant breeding and in the application of biotechnology to develop new hybrids and varieties of field crops and broad acre vegetable seed products, including sorghum, canola, sunflower, corn, hybrid rice and hybrid mustard. Our research and development efforts are in the areas of superior breeding programs and bioscience techniques that have driven the development of a portfolio of elite, proprietary and highly differentiated germplasm.

Our Company is a wholly-owned subsidiary of United Phosphorus Limited ("UPL"), an Indian company in the agrochemical business, and the successor to the businesses previously held by Advanta Netherlands Holdings B.V. ("Advanta Netherlands"). For further information on UPL's acquisition of certain assets of Advanta Netherlands and the reorganization, see the section titled "History and Certain Corporate Matters" on page 83 of this Red Herring Prospectus.

We are headquartered in Bangalore. In India, our Company is active in the research, production and sales of a range of hybrid cereal and oilseed crops. Our Company's key crops in India are rice, sunflower, corn, millet, grain sorghum, forage sorghum and mustard.

Our Group conducts global operations through our Operating Subsidiaries. We share strategic and technical expertise across the Group on certain key crops that we believe will allow research, operational and marketing synergies. Our Operating Subsidiaries are Pacific Seeds Pty Ltd, which operates in Australia ("Pacific Seeds Australia"), Pacific Seeds (Thai) Ltd, which operates in Thailand ("Pacific Seeds Thailand"), and Advanta Semillas S.A.I.C., which operates in Argentina ("Advanta Argentina"). In addition, the international division of Pacific Seeds Australia ("Pacific Seeds International") carries out an export business targeted at countries that are not served by our other businesses throughout Asia, the Middle East, Africa and Latin America.

Pacific Seeds Australia, based in Toowoomba (Queensland), is one of the largest seed companies in Australia in terms of hybrid seed sales revenue. Pacific Seeds Australia is active in the research, production and sales of a range of crops in Australia as well as export sales to other countries through its international division, Pacific Seeds International. Pacific Seeds Australia's key crops are grain sorghum, forage sorghum, sunflower, corn and canola.

Pacific Seeds International principally focuses on international exports of Pacific Seeds Australia products, with an increasing focus on selling products produced by other Group companies. Pacific Seeds International targets countries that are not served by our other Operating Subsidiaries throughout Asia, the Middle East, Africa and Latin America. There is limited focus on the markets in Europe and North America.

Pacific Seeds Thailand, based near Lopburi in Saraburi, was originally established in 1975 as a division of Pacific Seeds Australia and later incorporated as a separate entity in 1981. Pacific Seeds Thailand is one of the leading players in the Thai hybrid seed market with a product range of hybrid field and vegetable crops, such as tropical field corn, baby corn, sweet corn, grain sorghum, forage sorghum and sunflower.

Advanta Argentina is a vertically integrated seed business specializing in the production of hybrid sunflower seeds. Advanta Argentina has a biotechnology facility located in Balcarce, breeding programs for sunflower and sorghum (grain and forage) and maize testing in Venado Tuerto, seed production and processing facilities in Murphy and a contra-season seed production facility in Orán.

Recently, Uniphos Seeds and Bio-Genetics Private Limited (**"USBPL"**), one of our erstwhile Promoter group companies, was amalgamated with our Company pursuant to the Scheme with effect from April 1, 2006. For further information of this Scheme, see the section titled "History and Certain Corporate Matters" on page 83 of this Red Herring Prospectus.

USBPL was principally focused on developing, marketing and selling bio-engineered seeds for cotton crops. USBPL produced, marketed and sold corn, rice, sunflower and vegetable hybrid seeds in India and for the export market marketed under the "Jai Seeds" and "Caravan" brands. USBPL also had extensive research and development capabilities focused on cotton, corn, rice, sunflower and vegetable products. We believe that combining USBPL's business with our Company's business will allow us to (i) share germplasm and breeding capabilities in cotton, including the usage of the Bt cotton technology that USBPL licenses from Nath Seeds, (ii) access USBPL's corn germplasm under the "Caravan" brand, (iii) expand our customer base, (iv) achieve cost savings by combining production facilities, infrastructure, warehousing and administration of our Group with USBPL, (v) access a larger distribution network and (vi) share technical knowledge and research and development capabilities.

The standalone sales and EBITDA of the Company in the fiscal years ended March 31, 2006, March 31, 2005 and March 31, 2004 and the seven month period ended October 31, 2006 are shown in the following table:

In Rs. million

Name of the Entity	Seven month period ended October 31, 2006		Fiscal year ended March 31, 2006		Fiscal year ended March 31, 2005		Fiscal year ended March 31, 2004	
	Sales	EBITDA	Sales	EBITDA	Sales	EBITDA	Sales	EBITDA
Advanta India	649.62	188.24	483.32	94.59	511.18	119.43	457.32	103.30

EBITDA means Earnings Before Interest (including financial expense), Tax, Depreciation and Amortization

The sales and EBITDA of each of our Operating Subsidiaries during the fiscal years ended December 31, 2005, December 31, 2004 and December 31, 2003 and the ten months period ended October 31, 2006 are shown in the following table:

In Rs. million

Name of the Entity	Ten month period ended October 31, 2006		Fiscal year ended December 31, 2005		Fiscal year ended December 31, 2004		Fiscal year ended December 31, 2003	
	Sales	EBITDA	Sales	EBITDA	Sales	EBITDA	Sales	EBITDA
Pacific Seeds Australia	1,402.17	160.67	2,114.24	269.11	1,781.53	197.03	1,657.43	224.04
Pacific Seeds Thailand	435.43	117.01	458.83	72.03	485.71	139.93	439.60	111.73
Advanta Argentina	353.85	34.67	370.17	(139.09)	313.04	69.58	223.34	82.46

EBITDA means Earnings Before Interest (including financial expense), Tax, Depreciation and Amortization

Our Promoter

UPL is a leading manufacturer of off-patent generic agrochemical products and phosphorus and phosphorus-based compounds in India. UPL is one of the leading generic agrochemical companies in the world with operations in countries such as the United States, Australia, China, Latin America and Europe. Besides the Group businesses, UPL's business segments consist of agrochemicals, industrial and specialty chemicals and others, including the sale of excess power generated by the UPL's power plant. UPL believes that the acquisition of the Group will provide benefits and synergies to both UPL's agrochemical business and the Group's seed business by offering full crop solutions to farmers, including seeds and crop protection, across the globe and by sharing access to the distribution network and infrastructure in the respective companies' existing markets. UPL's equity shares are listed on the BSE and the NSE.

After the Issue, UPL will own approximately 49.90% of our Company's post-Issue capital.

OUR COMPETITIVE STRENGTHS

We believe that we have a number of strengths that help differentiate us from our competitors, including the following:

We are leading producers of hybrid seeds in the regions in which we operate.

We are established as one of the market leading providers of hybrid seeds in many of the specific regions where we operate. In India, our Company has an established strength in a range of oilseeds and cereal crops, such as rice, sunflower, corn, millet, grain sorghum, forage sorghum and mustard. In Australia, we believe that Pacific Seeds Australia holds a substantial share of the grain sorghum seeds market. Pacific Seeds Australia is also one of the market leaders in forage sorghum and sunflower seeds. In Thailand, we believe that Pacific Seeds Thailand holds a substantial share of the market for baby corn, grain sorghum, forage sorghum and sunflower seeds. In Argentina, Advanta Argentina is one of the principal suppliers of sunflower seeds, including high oleic sunflowers.

We have a proprietary germplasm base that is fully integrated with our bioscience capabilities.

We own and have access to a broad portfolio of proprietary germplasm, a resource that is at the core of our competitive advantage in the market. This asset is not easily replicable and takes decades to develop and deploy. In certain countries, we own the intellectual property rights for such germplasm. We place particular emphasis on the cost effective integration of bioscience tools with our breeding activities. This has allowed for increased speed and intensity of plant breeding as well as increased rate of genetic gain that can be achieved and has created a meaningful differentiation in the products we provide to the customer.

In addition, through our corporate structure, we have the ability to share and transfer knowledge about our germplasm from one market to another, which gives us a key competitive advantage. For example, Pacific Seeds Australia conducts extensive farmer trials in the marketplace and in its own research and development trials in all of its sales regions. The information gathered from the trials can be transferred from market to market domestically and extrapolated for overseas markets.

We have developed a diverse portfolio of seed products.

Our global product portfolio consists of a wide range of hybrid seed varieties, including sunflower, rice, corn, rapeseed mustard, grain sorghum, forage sorghum, canola and oats, which allows to cater to a wider market.

In India, we have specialty products, such as sunflower with high oleic content/confectionary types, corn (Vikram), baby corn (PAC 793), sweet corn, canola (Hyola 401), sweet sorghum (sugar graze), sorghum (CJH 159), millet (bajra) (PAC 892, Mukta), paddy rice (Swarna, Premium, Krushi, BPT-5204, Rekha), sunflower (Sunny, SCH) and cotton (Varun). The portfolio of Pacific Seeds Australia includes grain sorghum (MR Buster, MR-43), forage sorghum (Jumbo, Sugar graze), maize (Hycorn 424, Hycorn 675IT), sunflower (Hysun 33, Hyoleic 41), canola (Thunder TT, Hyola 75) and oats (Drover, Taipan). The principal seed products of Pacific Seeds Thailand include sweet corn (Hibrix3), baby corn (PAC 283), grain sorghum (PAC 99), sunflower (PAC 33) and forage sorghum (Jumbo®, Sweet Jumbo®). Advanta Argentina is principally focused on producing high-quality sunflower products under the VDH, Aguará and Olisun brands. Furthermore, following the amalgamation of USBPL with our Company, we are able to offer Bt Cotton seeds in India.

We have a global distribution network across various geographies.

We have global distribution and sales and marketing networks for our seed products. Generally, we market our seed products to growers through distributors and independent dealers. Our Group has a global network of distributors across Asia, Latin America and the Middle East that serves our production operations in India, Australia, Thailand and Argentina. The distribution of our seed products is attuned to local market needs in order to provide higher-quality customer service.

We have an experienced management team with a track record of success.

We benefit from having a stable management team that has specific, long term experience in running successful, growing and profitable seed companies, as well as in complementary business areas (*e.g.*, agrochemicals and biotechnology). Our Company's chief executive officer and Managing Director, Mr. V.R. Kaundinya, has over 26 years of experience in the seed and agricultural products industry. Additionally, the Pacific Seeds Australia management team has over 135 years of combined experience with the company and a wide range of education, practical and technical skills in the seed industry.

We have strong research and development capabilities that allow us to develop innovative products.

We have developed strong research and development capabilities organically. As of December 31, 2006, we have a dedicated research and development team of 128 employees worldwide who are focused on the research of hybrid seeds and the development of new or improved proprietary hybrids based on their research. We also carry out our research through collaborations with academic institutions and other strategic partners. For example, we have entered into memoranda of understanding with the University of Mysore and the University of Dharwad with respect to screening of disease tolerance in certain seed products. We successfully completed collaborative research with Avestha Gengrain Technologies Private Limited for the development of disease tolerant paddy rice.

We have teams of plant breeders that have the ability to develop new lines and hybrids to suit varying agroclimatic conditions across the globe. We also have a high-quality marker-assisted breeding system for certain crops, which gives us the ability to develop seed products more quickly, such as high oleic sunflower.

We believe our commitment to research and development distinguishes us from many seed companies and enables us to compete effectively against them. Our strength in research and development is evident from the successful commercialization of several products by us. In India, we have launched seed products like Hyola 401 (canola), which contributed to the crop diversification program in Punjab, bajra (PAC 892), with the nutritional value of zinc and iron, and baby corn (PAC 793). Further, our Operating Subsidiaries have launched grain sorghum, forage sorghum and sunflower seed products in Australia, sunflower in Argentina, and baby corn, sweet corn, grain sorghum, sunflower and forage sorghum in Thailand. We believe our continuing efforts in research and development provides us with a strong platform to build additional market share in the seed industry.

OUR BUSINESS STRATEGY

Our goal is to maintain and expand our presence as a global player in the seed industry with substantial bioscience capabilities.

Grow our regional businesses

A key objective of our growth strategy is to focus on both organic and inorganic growth and devote the necessary resources to diversify and develop our product profile in each of our key regional markets. Set forth below are the growth strategies for our domestic and international operations.

- **Advanta India.** Advanta India's growing hybrid rice product line and the continuing importance of its sunflower product line are expected to be the primary drivers of growth. For example, Advanta India plans to pursue growth in sales of hybrid rice in Uttar Pradesh, Jharkhand, Madhya Pradesh and Chattisgarh through aggressive field and sales promotion activities and the production of specific products for the *Boro* (post-winter) season in the eastern and northeastern markets. The proposed commercialization of hybrid mustard businesses is also expected to contribute to the growth. Advanta India also plans to develop a hybrid wheat breeding program. Prospects for bio-ethanol production also offer new opportunities to market sweet sorghum in India.
- **Pacific Seeds Australia (including Pacific Seeds International).** Pacific Seeds Australia is devoting increasing marketing efforts on grain sorghum, its most significant income earning crop. Prospects for bio-ethanol production also offer new opportunities to market this crop. Pacific Seeds Australia expects to maintain and build on its position in the Australian forage sorghum market by developing innovative and market leading products. Pacific Seeds Australia is also striving to bring to market new resistant hybrid canolas in an effort to boost sales of open-pollinated canola in the Australian market. Pacific Seeds International, which has traditionally marketed and exported products produced by Pacific Seeds Australia, is seeking new growth opportunities for the export of seed products produced by other companies in our Group, including sweet corn and field corn from Thailand, rice, sorghum and mustard from India and grain and forage sorghum from Argentina. The development of the bioenergy industry is expected to open up new opportunities with oilseeds, sweet sorghum, as well as grain sorghum and corn in many different parts of the world.
- **Pacific Seeds Thailand.** Pacific Seeds Thailand plans to continue leveraging its long-term position of strength in sweet corn and baby corn. While Pacific Seeds Thailand will continue to focus on the products in which it leads the market (i.e., sweet corn, baby corn, sorghum and sunflower), it also plans to focus efforts to increase market share in tropical field corn.
- **Advanta Argentina.** Advanta Argentina's business is, and we expect will continue to be, focused on the domestic sunflower business. Advanta Argentina offers a full sunflower product range, offering products in both the premium and lower priced segments. Advanta Argentina is also focused on growing export sales of sunflower products in markets such as Bolivia, Brazil, Uruguay and China.

Continue investing in breeding and research & development

We believe that our future success is dependant on our continued investment in and focus on breeding and research and development. Our strategy is aimed at developing superior proprietary hybrids for the major market sectors in which we operate. Our development strategy also looks to take full advantage of the opportunity for local evaluation and commercialization of new products from our other global business units.

One of our key initiatives is the development of "SUNSAT" – a new business opportunity based on a high technology breeding and marker assisted selection program in sunflowers that is developing hybrids with a healthy oil profile, without the complications and costs of GM technology. We believe that SUNSAT represents a potential opportunity for us to collaborate with others to research and develop the technology and to commercialize seeds and/or oils using this technology.

We aim to continue our investments in research and development and to expand our research capability.

Increase technology sharing and sales opportunities following amalgamation of USBPL

We have recently amalgamated USBPL with our Company. We expect that the combination would produce substantial benefits, including, among other things, allowing us to (i) share germplasm and breeding capabilities in cotton, including the usage of the Bt cotton technology that USBPL has licensed from Nath Seeds, (ii) access USBPL's corn germplasm under the "Caravan" brand; (iii) expand our customer base, (iv) achieve cost savings by combining production facilities, infrastructure, warehousing and administration of our Group with USBPL, (v) access a larger distribution network, and (vi) share technical knowledge and research and development capabilities. Our management is working to integrate our regional operations in order to achieve these benefits and to promote sharing of strategic and technical expertise across our operating businesses, which we believe will allow research, operational and marketing synergies.

Leverage off UPL's distribution network to increase the sales opportunities for our seed products

UPL is one of the leading manufacturers of off-patent generic agrochemical products and phosphorus and phosphorus-based compounds in India and globally. We believe that our association with UPL will provide benefits and synergies to both UPL's agrochemical business and the Group's seed business by enhancing our ability to offer full crop solutions to farmers, including seeds and crop protection, across the globe and by sharing access to the UPL's broad distribution network and infrastructure across the globe.

Pursue selective acquisitions to further strengthen our technical expertise and product offerings

We regularly evaluate opportunities to acquire companies and assets that could broaden our product offerings and sales and distribution networks, establish new or strengthen existing customer relationships or enable us to acquire new technical expertise. We will continue to seek to acquire, invest in or form joint ventures or strategic alliances with, companies that provide proprietary and innovative products or other advantages to our business.

Attract and retain skilled and experienced professionals

We believe the recruitment, training and retention of skilled and experienced professionals are essential to the success of our business. Over the years, we have built a team of skilled breeders, researchers and scientists. We intend to continue attracting the appropriate level of talent on a global basis through the right mix of recruitment and retention strategies. We have adopted an employee stock option scheme to provide additional incentive for our employees.

SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from our restated stand-alone financial statements as of and for the five years ended March 31, 2006 and the seven months ended October 31, 2006. These financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Guidelines and are presented in the section titled "Financial Statements" beginning on page 192 of this Red Herring Prospectus. The summary financial information presented below should be read in conjunction with our restated stand-alone financial statements, the notes thereto and the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 352 of this Red Herring Prospectus.

Restated Standalone Balance Sheet

(Rs. in millions)

		As at October 31, 2006	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at March 31, 2003	As at March 31, 2002
I	**Fixed Assets & Intangible Assets**						
	Gross Block	262.27	217.07	216.29	208.85	188.22	183.48
	Less : Depreciation	108.55	103.11	93.63	82.17	70.97	65.64
	Net Block	**153.73**	**113.96**	**122.66**	**126.68**	**117.25**	**117.84**
	Capital Work in Progress	-	-	-	-	7.00	-
		153.73	**113.96**	**122.66**	**126.68**	**124.25**	**117.84**
II	**Investments**	**1.40**	**16.48**	**0.05**	**0.05**	**10.05**	**0.02**
III	**Current Assets, Loans and Advances**						
	Inventories	171.21	105.43	92.25	69.73	80.00	85.12
	Sundry Debtors	282.58	51.21	36.31	34.11	74.41	57.22
	Cash and Bank Balances	5.61	5.52	104.46	85.30	9.61	4.45
	Other Current Assets	22.03	0.14	0.82	0.06	-	-
	Loans and Advances	1179.64	478.19	131.09	184.03	151.90	123.48
		1661.07	**640.49**	**364.93**	**373.23**	**315.92**	**270.27**
IV	**Less: Liabilities and Provisions**						
	Secured Loans	29.43	40.00	-	-	-	40.63
	Unsecured Loans	345.44	250.00	-	-	-	-
	Current Liabilities and Provisions	224.68	209.64	229.63	241.95	217.34	119.61
	Deferred Tax Liabilities (net)	17.32	15.43	18.90	23.05	9.48	7.96
		616.87	**515.07**	**248.53**	**265.00**	**226.82**	**168.20**
V	**Net Worth (I+II+III-IV)**	**1199.33**	**255.86**	**239.11**	**234.96**	**223.40**	**219.93**

(Rs. in millions)

		As at October 31, 2006	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at March 31, 2003	As at March 31, 2002
	Net Worth represented by:						
VI	**Share Capital**	84.00	63.00	63.00	63.00	63.00	63.00
VII	**Share Capital Suspense Account**	33.78	-	-	-	-	-
		117.78	63.00	63.00	63.00	63.00	63.00
VIII	**Reserves and Surplus**						
	Capital Reserves	2.00	2.00	2.00	2.00	2.00	2.00
	General Reserve	67.23	67.23	62.23	54.93	49.43	46.93
	Contingency Reserve	56.80	56.80	102.80	105.40	97.50	97.50
	Securities Premium Account	577.50	-	-	-	-	-
	Foreign Currency Translation Reserve	(18.23)	-	-	-	-	-
	Amalgamation Reserve Account	71.72	-	-	-	-	-
	Profit and Loss Account	349.21	66.83	9.08	9.63	11.49	10.55
		1106.23	**192.86**	**176.11**	**171.96**	**160.42**	**156.98**
IX	**Miscellaneous Expenditure (to the extent not written off)**	24.68	-	-	-	0.02	0.05
X	**Net Worth (VI+VII+VIII-IX)**	**1199.33**	**255.86**	**239.11**	**234.96**	**223.40**	**219.93**

Notes:

The accompanying Significant Accounting Policies and Notes to the Restated Financial Information are an integral part of this Summary of Restated Assets and Liabilities.

Restated Standalone Profit and Loss Account

(Rs. in millions)

		7 Months ended October 31, 2006	Year ended March 31, 2006	Year ended March 31, 2005	Year ended March 31, 2004	Year ended March 31, 2003	Year ended March 31, 2002
I	**Income**						
	Sales of Seeds	649.62	483.32	511.18	457.32	353.65	319.64
	Less : Rebates and Discounts	74.32	52.96	47.93	39.82	34.92	22.79
	Net Sales	575.30	430.36	463.25	417.50	318.73	296.85
	Other Income	23.49	5.08	12.33	8.32	19.24	5.69
		598.79	**435.44**	**475.58**	**425.82**	**337.97**	**302.54**
II	**Expenditure**						
	Cost of Inputs, Procurement and Processing charges including lease rentals*	280.62	142.75	160.13	109.53	115.82	152.81
	(Increase)/Decrease in work-in-progress and Finished Goods	(67.65)	(7.42)	(18.85)	10.70	5.29	(35.66)
	Employee remuneration and benefits	55.93	64.55	67.54	59.18	51.41	46.55
	Other production, administration selling and distribution expenses	141.65	140.97	147.33	143.09	117.94	106.28
	Finance charges	31.56	25.90	22.65	19.23	15.12	17.29
	Depreciation /Amortisation	8.50	13.18	13.43	9.00	6.83	12.30
	Miscellaneous expenditure written off	-	-	-	0.02	0.03	0.03
		450.61	**379.93**	**392.23**	**350.75**	**312.44**	**299.60**
III	**Profit Before Taxation and Exceptional Item**	**148.18**	**55.51**	**83.35**	**75.07**	**25.53**	**2.94**
	Exceptional Income - Profit on sale of land	233.09	-	-	-	-	-
IV	**Profit Before Taxation**	**381.27**	**55.51**	**83.35**	**75.07**	**25.53**	**2.94**
	Provision for Taxation						
	- Current	95.00	12.00	15.70	6.00	2.01	0.23
	- Deferred	2.00	(4.01)	(4.66)	14.62	1.28	-
	- Fringe Benefit tax	1.89	3.00	-	-	-	-
	- Prior Period taxes	-	-	55.00	-	-	-
	Less: Contingency Reserve	-	-	(55.00)	-	-	-
V	**Profit After Taxation as per audited financial statements - (A)**	**282.38**	**44.52**	**72.31**	**54.45**	**22.24**	**2.71**

* *Includes lease rentals amounting to Rs.44.52 millions, Rs.44.00 millions, Rs.47.88 millions, Rs.37.98 millions, Rs.32.93 millions and Rs.38.58 millions for the 7 months ended October 31, 2006, years ended March 31, 2006, March 31, 2005, March 31, 2004, March 31, 2003 and March 31, 2002 respectively.*

THE ISSUE

Equity Shares offered by the Company	3,380,000 Equity Shares
of which:	
QIB Portion	at least 2,028,000 Equity Shares (Allotment on a proportionate basis)
Mutual Funds	101,400 Equity Shares (allocation on a proportionate basis)
Balance for all QIBs including : Mutual Funds	1,926,600 Equity Shares (Allotment on a proportionate basis)
Non-Institutional Portion*	up to 338,000 Equity Shares (allocation on proportionate basis)
Retail Individual Portion*	up to 1,014,000 Equity Shares (allocation on proportionate basis)
Equity Shares outstanding prior to the Issue	13,454,500 Equity Shares
Equity Shares outstanding after the Issue	16,834,500 Equity Shares
Use of proceeds by the Company	See the section titled "Objects of the Issue" on page 29 of this Red Herring Prospectus.

* **Under-subscription, if any, in the Non-Institutional and Retail Individual categories would be allowed to be met with spill over from any other category at the discretion of the Company and the BRLMs.**

GENERAL INFORMATION

Registered Office of our Company

Advanta India Limited
405, 4th Floor, 'A' Wing
Carlton Towers No. 1, Airport Road
Bangalore 560 008, India
Tel: (+91 80) 2520 9941
Fax: (+91 80) 2520 7510
E-mail: ipo@advantaindia.com
Website: www.advantaindia.com

Registration No.: 01-16920

Company Identification No.: U01119KA2003PLC031458

We are registered with the Registrar of Companies, Karnataka, located at Kendriya Sadan, Koramangala, Bangalore 560 034, India.

Our Board comprises:

Sr. No.	Name, Designation, Occupation	Age	Residential Address
1.	Jai R. Shroff, Non-Executive Chairman	40	4/B, Summer Palace, Nargis Dutt Road, Pali Hill, Bandra West, Mumbai 400 050, India
2.	Vikram R. Shroff, Non-Executive Director	33	4/B, Summer Palace, Nargis Dutt Road, Pali Hill, Bandra West, Mumbai 400 050, India
3.	V.R. Kaundinya, Managing Director	50	A-2, 221 Sunflower Apartments, SY 173, Vibhutipura, Off Airport Road , Bangalore 560 037, India
4.	Vinod Sethi, Independent Director	44	Neel Tarang 210, Veer Savarkar Marg Mahim, Mumbai 400 016, India
5.	Hardeep Singh, Independent Director	52	805 B, The Laburnum, Sector 28 Gurgaon 122 002, India
6.	Dr. Vasant P. Gandhi, Independent Director	52	403, Indian Institute of Management, Vastrapur Ahmedabad 380 015, India

For further details in relation to our Board and Directors please refer to "Our Management" beginning on page 87 of this Red Herring Prospectus.

Company Secretary and Compliance Officer

K. Suresh, Chief Financial Officer
405, 4th Floor, 'A' Wing
Carlton Towers No. 1, Airport Road
Bangalore 560 008, Karnataka, India
Tel: (+91 80) 2520 9941
Fax: (+91 80) 2520 7510
E-mail: ipo@advantaindia.com

Investors can contact the Compliance Officer in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, credit of allotted shares in the respective beneficiary account, refund orders, etc.

Book Running Lead Managers

YES Bank Limited
Nehru Centre
12th Floor, Discovery of India
Dr. A. B. Road, Worli, Mumbai 400 018, India
Tel: (91 22) 6669 9000
Fax: (91 22) 2497 4158
Email: advantaipo@yesbank.in
Contact Person: S. Srividhya

UBS Securities India Private Limited
2/F, Hoechst House
Nariman Point
Mumbai 400 021, India
Tel: (91 22) 2286 2000
Fax: (91 22) 2281 4676
Email: advanta@ubs.com
Contact Person: Avi Mehta

SSKI Corporate Finance Private Limited
803/4, Tulsiani Chambers
8th Floor, Nariman Point
Mumbai 400 021, India
Tel: (91 22) 6638 3333
Fax: (91 22) 2204 0282
Email: ailipo@sski.co.in
Contact Person: Abhishek Jain

Syndicate Member

Sharekhan Limited
A-206, Phoenix House
2nd Floor, Senapati Bapat Marg
Lower Parel, Mumbai 400 013, India
Tel: (91 22) 2498 2000/ 2498 9670
Fax: (91 22) 2498 2626
Email: pankajp@sharekhan.com
Contact Person: Pankaj Patel

Legal Advisors

Domestic Legal Counsel to the Issue

Amarchand & Mangaldas & Suresh A. Shroff & Co.
5th Floor, Peninsula Chambers
Peninsula Corporate Park
Ganpatrao Kadam Marg, Lower Parel
Mumbai 400 013
India
Tel: (91 22) 2496 4455
Fax: (91 22) 2496 3666

International Legal Counsel to the Underwriters

Dorsey & Whitney
21 Wilson Street
London
EC2M 2TD
United Kingdom
Tel: (44 020) 7826 4524
Fax: (44 020) 7588 0555

Registrar to the Issue

Sharepro Services Private Limited
Satam Industrial Estate
Cardinal Gracious Road, Chakala
Andheri (East), Mumbai 400 099, India
Tel: (91 22) 2821 5168
Fax: (91 22) 2837 5646
Email: ipoadvanta@shareproservices.com
Contact Person: V. Kumaresan
Website: www.shareproservices.com

Bankers to the Issue/Escrow Collection Banks

ICICI Bank Limited
Capital Markets Division
30, Mumbai Samachar Marg
Mumbai 400 001, India
Tel: (91 22) 2262 7600
Fax: (91 22) 2261 1138
Email: sidhartha.routray@icicibank.com
Contact Person: Sidhartha Sankar Routray

The Hongkong and Shanghai Banking Corporation Limited
No. 7, Mahatma Gandhi Road
Bangalore 560 001, India
Tel: (91 80) 2500 2010
Fax: (91 80) 2559 1383
Email: deepakverma@hsbc.co.in
Contact Person: Deepak Verma

UTI Bank Limited
Universal Insurance Building
Sir P.M. Road, Fort, Mumbai 400 001, India
Tel: (91 22) 6610 1029
Fax: (91 22) 2283 5785
Email: roshan.mathias@utibank.co.in
Contact Person: Roshan Mathias

YES Bank Limited
Nehru Centre
12th Floor, Discovery of India Building,
Dr. A. B. Road, Worli,
Mumbai 400 018, India
Tel: (91 22) 6669 9000
Fax: (91 22) 2491 4986
Email: rajesh.lahori@yesbank.in; abhijit.kamlapurkar@yesbank.in
Contact Person: Rajesh Lahori / Abhijit Kamlapurkar

Bankers to the Company

ICICI Bank Limited
ICICI Bank Towers
1, Commissariat Road
Bangalore 560 025, India
Tel: (91 80) 4129 6000
Fax: (91 80) 4112 4611

UTI Bank Limited
Maker Towers F, 13th Floor,
Cuffe Parade, Colaba,
Mumbai 400 005.
Tel: (91 22) 6707 4407
Fax: (91 22) 2218 6944

Auditors

S.V. Ghatalia & Associates
Medows House, 2nd Floor
Nagindas Master Road
Fort, Mumbai 400 023, India
Tel: (91 22) 2265 1011
Fax: (91 22) 2265 4105

Statement of Inter Se Allocation of Responsibilities for the Issue

The following table sets forth the responsibility and coordination for various activities of the BRLMs:

No.	Activities	Responsibilities	Coordinator
1	Capital structuring with relative components and formalities such as type of instruments, etc.	YBL, UBS, SSKI	YBL
2	Due diligence of Company's operations/ management/ business plans/ legal etc. Drafting and design of Red Herring Prospectus and of statutory advertisement including memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing.	YBL, UBS, SSKI	YBL
3	Drafting and approval of all publicity material other than statutory advertisement as mentioned in (2) above including corporate advertisement, brochure, etc.	YBL, UBS, SSKI	YBL
4	Appointment of Registrar, Bankers.	YBL, UBS, SSKI	UBS
5	Appointment of Printer and Ad agency	YBL, UBS, SSKI	UBS
6	Non-Institutional and Retail Marketing of the Issue, which will cover, **inter alia,** ● Formulating marketing strategies, preparation of publicity ● Finalize Media & PR strategy ● Finalizing centers for holding conferences for brokers, etc.	YBL, UBS, SSKI	SSKI

No.	Activities	Responsibilities	Coordinator
	• Follow-up on distribution of publicity and Issuer material • including form, prospectus and deciding on the quantum of the Issue material • Finalize collection centers		
7	Domestic Institutional marketing of the Issue, which will cover, *inter alia,* • Finalizing the list and division of investors for one to one meetings, and, • Finalizing road show schedule and investor meeting schedules	YBL, UBS, SSKI	SSKI
8	International Institutional marketing of the Issue, which will cover, *inter alia,* • Finalizing the list and division of investors for one to one meetings, and • Finalizing road show schedule and investor meeting schedules	YBL, UBS, SSKI	UBS
9	Finalisation of pricing in consultation with company	YBL, UBS, SSKI	YBL
10	Post bidding activities including management of Escrow Accounts, co-ordination with Registrar and Banks, Refund to Bidders, etc. The post Issue activities of the Issue will involve essential follow-up steps, which must include finalization of listing of instruments and dispatch of certificates and refunds, with the various agencies connected with the work such as Registrars to the Issue, Bankers to the Issue, and the bank handling refund business. BRLMs shall be responsible for ensuring that these agencies fulfill their functions and enable him to discharge this responsibility through suitable agreements with the Company	YBL, UBS, SSKI	UBS
11	Any other activities in connection with the offering which are not covered above.	YBL, UBS, SSKI	YBL

The selection of various agencies including the Registrar to the Issue, Bankers to the Issue and Escrow Collection Banks, domestic and international legal advisors, underwriters to the Issue, advertising and public relation agencies will be/ or have been finalized by the Company in consultation with the BRLMs.

CREDIT RATING

As the Issue is of equity shares, credit rating is not required.

IPO GRADING

We have not opted for IPO grading of this Issue.

MONITORING AGENCY

In terms of clause 8.17 of SEBI Guidelines, we are not required to appoint a monitoring agency in relation to the Issue.

TRUSTEES

As the Issue is of equity shares, the appointment of Trustees is not required.

BOOK BUILDING PROCESS

Book building refers to the process of collection of Bids, on the basis of the Red Herring Prospectus within the Price Band. The Issue Price is fixed after the Bid /Issue Closing Date.

The principal parties involved in the Book Building Process are:

- The Company;
- Book Running Lead Managers;
- Syndicate Members who are intermediaries registered with SEBI or registered as brokers with NSE/BSE and eligible to act as Underwriters. Syndicate Members are appointed by the BRLMs;
- Escrow Collection Banks; and
- Registrar to the Issue.

In terms of Rule 19(2)(b) of the Securities Contract Regulation Rules, 1957, this being an Issue for less than 25% of the post-Issue capital, the Issue is being made through the 100% Book Building Process where at least 60% of the Issue would be Allotted on a proportionate basis to QIBs. 5% of the QIB Portion would be available for allocation to Mutual Funds only and the remaining QIB Portion would be available for allocation to the QIB Bidders including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, up to 10% of the Issue would be available for allocation on a proportionate basis to Non-Institutional Bidders and up to 30% of the Issue would be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

QIB Bidders are not allowed to withdraw their Bid(s) after the Bid /Issue Closing Date. In addition, QIBs are required to pay 10% Margin Amount upon submission of the Bid cum Application Form during the Bidding Period and allocation to QIBs will be on a proportionate basis. For further details please refer to "Terms of the Issue" beginning on page 397 of this Red Herring Prospectus.

The Company will comply with the applicable guidelines issued by SEBI for this Issue. In this regard, the Company has appointed YES Bank Limited, UBS Securities India Private Limited and SSKI Corporate Finance Private Limited as the BRLMs to manage the Issue and to procure subscriptions for the Issue.

The process of Book Building under the SEBI Guidelines is subject to change from time to time and investors must make their own judgment about investing through this process prior to making a Bid or Application in the Issue.

Illustration of Book Building and Price Discovery Process *(Investors should note that this example is solely for illustrative purposes and is not specific to the Issue)*

Bidders can bid at any price within the Price Band. For instance, assume a price band of Rs. 20 to Rs. 24 per share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centres during the bidding period. The illustrative book as shown below shows the demand for the shares of the company at various prices and is collated from bids from various investors.

Bid Quantity	Bid Price (Rs.)	Cumulative Quantity	Subscription
500	24	500	16.67%
1000	23	1500	50.0%
1500	22	3000	100.0%
2000	21	5000	166.67%
2500	20	7500	250%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, i.e., Rs. 22 in the above example. The issuer, in consultation with the book running lead managers, will finalise the issue price at or below such cut off price, i.e., at or below Rs. 22. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

Steps to be taken for Bidding:

- Check eligibility for bidding, please refer to "Issue Procedure – Who Can Bid?" beginning on page 401 of this Red Herring Prospectus;
- Ensure that the Bidder has an active demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
- If your Bid is for Rs. 50,000 or more, ensure that you have mentioned your PAN and attached copies of your PAN card to the Bid cum Application Form (please refer to "Issue Procedure" beginning on page 401 of this Red Herring Prospectus); and
- Ensure that the Bid cum Application Form is duly completed as per instructions given in this Red Herring Prospectus and in the Bid cum Application Form.

UNDERWRITING AGREEMENT

After the determination of the Issue Price but prior to filing of the Prospectus with the RoC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through this Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the SSKI shall be responsible for bringing in the amount devolved in the event that Sharekhan does not fulfill its underwriting obligations. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions, as specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:*(This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC)*

Name and Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. million)
YES Bank Limited Nehru Centre 12th Floor, Discovery of India Dr. A. B. Road, Worli, Mumbai 400 018, India Tel: (91 22) 6669 9000 Fax: (91 22) 2497 4158 Email: advantaipo@yesbank.in	[•]	[•]
UBS Securities India Private Limited 2/F, Hoechst House Nariman Point, Mumbai 400 021, India Tel: (91 22) 2286 2000 Fax: (91 22) 2281 4676 Email: advanta@ubs.com	[•]	[•]
SSKI Corporate Finance Private Limited 803/4, Tulsiani Chambers 8th Floor, Nariman Point Mumbai 400 021, India Tel: (91 22) 6638 3333 Fax: (91 22) 2204 0282 Email: ailipo@sski.co.in	[•]	[•]

Name and Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. million)
Sharekhan Limited A-206, Phoenix House 2nd Floor, Senapati Bapat Marg Lower Parel, Mumbai 400 013, India Tel: (91 22) 2498 2000/ 2498 9670 Fax: (91 22) 2498 2626 Email: pankajp@sharekhan.com	[•]	[•]

The above-mentioned amount is the indicative underwriting, which would be finalized after pricing and actual allocation. The above Underwriting Agreement is dated [•].

In the opinion of our Board of Directors (based on a certificate given by the Underwriters), the resources of all the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. All the above-mentioned Underwriters are registered with SEBI under Section 12(1) of the Securities and Exchange Board of India Act, 1992 or registered as brokers with the Stock Exchange(s).

Allocation among Underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default, the respective Underwriter in addition to other obligations to be defined in the Underwriting Agreement will also be required to procure/subscribe to the extent of the defaulted amount.

CAPITAL STRUCTURE

The share capital of the Company as of the date of this Red Herring Prospectus is set forth below:

(in Rs.)

			Aggregate Value at nominal value	Aggregate Value at Issue Price
A)	**AUTHORISED SHARE CAPITAL**			
	20,000,000	Equity Shares of Rs. 10 each	200,000,000	
B)	**ISSUED, SUBSCRIBED AND PAID UP EQUITY SHARE CAPITAL BEFORE THE ISSUE**			
	13,454,500	Equity Shares of Rs. 10 each	134,545,000	
C)	**PRESENT ISSUE IN TERMS OF THIS RED HERRING PROSPECTUS***			
	3,380,000	Equity Shares of Rs. 10 each fully paid up	33,800,000	[•]
D)	**EQUITY CAPITAL AFTER THE ISSUE**			
	16,834,500	Equity Shares of Rs. 10 each fully paid up shares	168,345,000	[•]
E)	**SHARE PREMIUM ACCOUNT**			
	Before the Issue		1,608,855,000#	
	After the Issue		[•]	

* The Issue in terms of this Red Herring Prospectus has been authorized pursuant to a resolution passed at the general meeting of our shareholders on September 20, 2006.

\# The share premium account was Rs. 577.50 million as on October 31, 2006 as per our restated stand-alone financial statements as of and for the five years ended March 31, 2006 and the seven month period ended October 31, 2006. Subsequently, our share premium account has increased to Rs. 1,608.86 million on account of the allotment of 1,677,000 Equity Shares to the Pre-Issue Investors at a price of Rs. 625 per Equity Share under the Pre-Issue Placement. For further details of the Pre-Issue Placement, please see the section titled "Capital Structure – Notes to Capital Structure" on page 19 of this Red Herring Prospectus.

a) The authorised share capital of the Company was increased from Rs. 80,000,000 to Rs. 150,000,000 pursuant to a resolution of the shareholders of the Company on March 2, 2006.

b) The authorised share capital of the Company was increased from Rs. 150,000,000 to Rs. 200,000,000 pursuant to a resolution of the shareholders of the Company on August 18, 2006.

Notes to Capital Structure

1. Equity Share Capital history of the Company

Date of allotment of the Equity Shares	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment	Reasons for Allotment	Cumulative Paid-up Capital (Rs.)	Cumulative Share Premium (Rs.)
February 2, 1994	7	10	10	Cash	Subscription to Memorandum	70	Nil
May 16, 1994	1,599,975	10	10	Cash	Allotment of Equity Shares to Zeneca Limited	15,999,820	Nil
	1,599,968	10	10	Cash	Allotment of Equity Shares to Pinnacle Investments Limited	31,999,500	Nil
July 30, 1994	25	10	10	Cash	Allotment of Equity Shares to Zeneca Limited	31,999,750	Nil
	25	10	10	Cash	Allotment of Equity Shares to Pinnacle Investments Limited	32,000,000	Nil
November 10, 1994	1,550,000	10	10	Cash	Allotment of Equity Shares to ITC Limited	47,500,000	Nil
	1,550,000	10	10	Cash	Allotment of Equity Shares to Zeneca Limited	63,000,000	Nil
August 18, 2006	2,100,000	10	285	Cash	Allotment of Equity Shares to UPL	84,000,000	577,500,000
January 22, 2007	3,377,500	10	-	Pursuant to the Scheme of amalgam-ation of USBPL with our Company	Allotment of Equity Shares to the shareholders of USBPL	117,775,000	577,500,000
February 23, 2007	1,677,000	10	625	Pursuant to the Pre-Issue Placement	Allotment of Equity Shares to Pre-Issue Investors	134,545,000	1,608,855,000

2. Promoters Contributions and Lock-In

Pursuant to the SEBI Guidelines, an aggregate of 20% of the fully diluted post-Issue capital of the Company held by the Promoters shall be locked in for a period of three years from the date of Allotment in the Issue. The details of such lock-in are given below:

Name	Date of Allotment/ Acquisition and when made fully paid-up	Nature of Allotment/ Acquisition	Number of Equity Shares	Nature of Consid-eration	Face value (Rs.)	Issue/ Purchase Price (per Equity Share)	% of post-Issue paid-up equity capital	Lock In period
UPL	August 3, 2006**	Acquisition from Bio-win Corporation Limited	3,366,900	Cash	10	Euro 4.76*	20	Three years
TOTAL			**3,366,900**					

* *Equivalent to Rs. 280.24 per Equity Share, based on the rate of 1 Euro = Rs. 58.85 on the date of acquisition.*

** *Date of acquisition from Bio-win Corporation Limited*

The Equity Shares proposed to be included as part of Promoters' contribution have been issued by us more than a year prior to the filing of the Draft Red Herring Prospectus with SEBI and are not ineligible in terms of clause 4.6.2 of the SEBI DIP Guidelines for computation of Promoters' contribution.

In terms of Clause 4.14.1 of the SEBI Guidelines, in addition to 20% of the post-Issue shareholding of the Company held by the Promoter and locked in for three years as specified above, the entire pre-Issue share capital of the Company will be locked in for a period of one year from the date of Allotment in this Issue.

In terms of Clause 4.16.1(a) of the SEBI Guidelines, the Equity Shares held by persons other than the Promoter prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Clause 4.14 of the SEBI Guidelines, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable. Further, in terms of Clause 4.16.1(b) of the SEBI Guidelines, Equity Shares held by the Promoter may be transferred to and among the Promoter Group or to a new promoter or persons in control of the Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

In addition, the Equity Shares subject to lock-in will be transferable subject to compliance with the SEBI Guidelines, as amended from time to time.

Locked-in Equity Shares held by the Promoter can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions provided that the pledge of the Equity Shares is one of the terms of the sanction of the loan.

In terms of the dollar loan agreement dated March 25, 2006 and the deed of hypothecation of movable assets dated March 25, 2006 entered into between Advanta Holdings B.V. (formerly, Brainsurgeon Holding B.V.) and Export-Import Bank of India ("Exim Bank"), UPL has agreed to pledge equity shares held by UPL and its associates aggregating to 51% of the total equity capital of Advanta India. As of date, this pledge has not been created. UPL has given an undertaking wherein UPL has agreed that the pledge, if any, in respect of Equity Shares proposed to be included as part of Promoters' contribution will be created only after the listing and trading approvals in respect of the Equity Shares pursuant to the Issue are obtained.

3. Pre-Issue Placement

In terms of the Pre-Issue Placement, the Company has allotted 1,677,000 Equity Shares to the Pre-Issue Investors at a price of Rs. 625 per Equity Share under the Pre-Issue Placement in terms of a resolution of the Board dated February 23, 2007.

The table below sets forth the Equity Shares allotted to each Pre-Issue Investors in terms of the Pre-Issue Placement:

Pre-Issue Investor	Number of Equity Shares
Morgan Stanley Dean Witter Mauritius Company Limited	460,000
Matterhorn Ventures	280,000
Morgan Stanley Investments (Mauritius) Limited	250,000
Citigroup Global Markets Mauritius Private Limited	250,000
Emerging Markets South Asian Stars Fund	211,000
Deutsche Securities Mauritius Limited	211,000
Sethi Funds Management Private Limited	5,000
Vinod Sethi	5,000
Hardeep Singh	5,000
Total	**1,677,000**

The Company has entered into subscription agreements (collectively, the "**Subscription Agreements**") with certain of the Pre-Issue Investors in terms of which the Pre-Issue Investors have subscribed to the aforementioned Equity Shares. For details of these Subscription Agreements, please see the section titled "History and Certain Corporate Matters" on page 85 of this Red Herring Prospectus.

4. **Shareholding pattern of our Company:**

The table below presents our shareholding pattern before the proposed Issue and as adjusted for the Issue.

	Pre-Issue		Post-Issue*	
	No. of shares	%	No. of shares	%
Promoter Group Holding				
Promoters				
United Phosphorus Limited	8,400,000	62.43	8,400,000	49.90
Jai R. Shroff	1,015,350	7.55	1,015,350	6.03
Vikram R. Shroff	846,650	6.29	846,650	5.03
Sub Total (A)	10,262,000	76.27	10,262,000	60.96
Other Promoter Group Entities				
Isar Builders and Developers Private Limited	168,700	1.25	168,700	1.00
Esthetic Finvest Private Limited	168,700	1.25	168,700	1.00
Sanguine Holdings Private Limited	168,700	1.25	168,700	1.00
Archana Overseas Private Limited	168,700	1.25	168,700	1.00
Shatataraka Holdings Private Limited	168,700	1.25	168,700	1.00
Sub Total (B)	843,500	6.27	843,500	5.01
Total Promoter Group Holding (A+B)	**11,105,500**	**82.54**	**11,105,500**	**65.97**

	Pre-Issue		Post-Issue*	
	No. of shares	%	No. of shares	%
Non Promoter Group				
Non-Promoter Directors				
Vinod Sethi	5,000	0.04	5,000	0.03
Hardeep Singh	5,000	0.04	5,000	0.03
Others				
Citigroup Global Markets Mauritius Limited	250,000	1.86	250,000	1.45
Emerging Markets South Asian Stars Fund	211,000	1.57	211,000	1.25
Deutsche Securities Mauritius Limited	211,000	1.57	211,000	1.25
Morgan Stanley Investments (Mauritius) Limited	250,000	1.86	250,000	1.45
Morgan Stanley Dean Witter Mauritius Company Limited	460,000	3.42	460,000	2.73
Matterhorn Ventures	280,000	2.08	280,000	1.66
Sethi Funds Management Private Limited	5,000	0.04	5,000	0.03
Rajendra Darak	84,000	0.62	84,000	0.50
Sangeeta Darak	84,000	0.62	84,000	0.50
Sadafuli Finvest Private Limited	168,000	1.25	168,000	1.00
Adiyil C. Menon	168,000	1.25	168,000	1.00
Teknomic Consultants Private Limited	168,000	1.25	168,000	1.00
Sub Total (C)	2,349,000	17.46	2,349,000	13.95
Public (pursuant to the Issue) (D)	**-**	**-**	**3,380,000**	**20.08**
Total share capital (A+B+C+D)	**13,454,500**	**100.00**	**16,834,500**	**100.00**

* *On the assumption that the non-Promoter Group shareholders do not apply for, and are not Allotted, Equity Shares in terms of this Issue.*

For further details of Equity Shares held by the Promoters, please refer to note 1 of the section titled "Capital Structure – Notes to Capital Structure" on page 19 of this Red Herring Prospectus.

5. Equity Shares held by top ten shareholders

(a) On the date of, and ten days prior to, filing the Red Herring Prospectus with the RoC:

Sr. No.	Name	Number of Shares	Percentage
1.	United Phosphorus Limited	8,400,000	62.43%
2.	Jai R. Shroff	1,015,350	7.55%
3.	Vikram R. Shroff	846,650	6.29%
4.	Morgan Stanley Dean Witter Mauritius Company Limited	460,000	3.42%
5.	Matterhorn Ventures	280,000	2.08%
6.	Citigroup Global Markets (Mauritius) Limited	250,000	1.86%
7.	Morgan Stanley Investments (Mauritius) Limited	250,000	1.86%
8.	Emerging Markets South Asian Stars Fund	211,000	1.57%
9.	Deutsche Securities Mauritius Limited	211,000	1.57%
10.	Isar Builders and Developers Private Limited	168,700	1.25%
11.	Esthetic Finvest Private Limited	168,700	1.25%
12.	Sanguine Holdings Private Limited	168,700	1.25%
13.	Archana Overseas Private Limited	168,700	1.25%
14.	Shatataraka Holdings Private Limited	168,700	1.25%
	Total	**12,767,500**	**94.89%**

(b) Two years prior to the date of filing the Red Herring Prospectus with the RoC:

Sr. No.	Name	Number of Shares	Percentage
1.	Agro Tech Foods Limited	3,150,000	50%
2.	Advanta Lambda B.V.	3,150,000	50%
	Total	**6,300,000**	**100%**

The table below set forth the Equity Shares held by our Directors or key managerial personnel or the directors of our Promoter as of the date of this Red Herring Prospectus.

Sr. No.	Name	Number of Shares	Percentage
1.	Jai R. Shroff	1,015,350	7.55%
2.	Vikram R. Shroff	846,650	6.29%
3.	Rajendra Darak	84,000	0.62%
4.	Vinod Sethi	5,000	0.04%
5.	Hardeep Singh	5,000	0.04%
	Total	**1,956,000**	**14.54%**

Further, the following entities with which our Directors are associated as promoters/directors hold Equity Shares in our Company:

Entity	No. of Equity Shares	% shareholding (Pre-Issue)	Name of Director	Nature of Interest
Isar Builders and Developers Private Limited	168,700	1.25	Jai R. Shroff	Shareholder, Director
			Vikram R. Shroff	Shareholder, Director
Esthetic Finvest Private Limited	168,700	1.25	Jai R. Shroff	Shareholder
			Vikram R. Shroff	Shareholder
Sanguine Holdings Private Limited	168,700	1.25	Jai R. Shroff	Shareholder
			Vikram R. Shroff	Shareholder
Shatataraka Holdings Private Limited	168,700	1.25	Jai R. Shroff	Shareholder
			Vikram R. Shroff	Shareholder
Sethi Funds Management Private Limited	5,000	0.04	Vinod Sethi	Shareholder, Director

6. Details of transactions in Equity Shares by our Promoters and our Promoter Group Companies:

No Equity Shares have been sold or purchased by our Promoters and our Promoter Group Companies, during the period of six months preceding the date on which the Red Herring Prospectus is filed with SEBI.

However, our Promoters, Jai R. Shroff and Vikram R. Shroff, transferred a part of their respective shareholding in the erstwhile USBPL to certain entities, including some of our Promoter Group companies. Pursuant to the Scheme, Jai R. Shroff, Vikram R. Shroff and these entities have been allotted Equity Shares. Jai R. Shroff and Vikram R. Shroff have been allotted 1,015,350 Equity Shares and 846,650 Equity Shares respectively. The following table sets forth the details of the equity shares of the erstwhile USBPL held by the transferee entities and the corresponding number of Equity Shares allotted to them pursuant to the Scheme:

Transferor	Transferee	Date of transfer of equity shares of USBPL	Number of equity shares of USBPL	Number of Equity Shares
Jai R. Shroff	Isar Builders and Developers Private Limited	January 16, 2007	96,400	168,700
Jai R. Shroff	Esthetic Finvest Private Limited	January 16, 2007	96,400	168,700
Vikram R. Shroff	Sanguine Holdings Private Limited	January 16, 2007	96,400	168,700
Vikram R. Shroff	Archana Overseas Private Limited	January 16, 2007	96,400	168,700
Vikram R. Shroff	Shatataraka Holdings Private Limited	January 16, 2007	96,400	168,700
Jai R. Shroff	Rajendra Darak	January 16, 2007	48,000	84,000
Jai R. Shroff	Sangeeta Darak	January 16, 2007	48,000	84,000
Jai R. Shroff	Sadafuli Finvest Private Limited	January 16, 2007	96,000	168,000
Vikram R. Shroff	Adiyil C. Menon	January 16, 2007	96,000	168,000
Vikram R. Shroff	Teknomic Consultants Private Limited	January 16, 2007	96,000	168,000

7. Employee Stock Option Scheme ("ESOPs")

We have instituted an employee stock option scheme to reward and help retain our employees and to enable them to participate in our future growth and financial success. We have granted stock options to employees pursuant to the ESOPs. In terms of the resolution of our shareholders dated September 20, 2006, we may grant options in respect of 168,000 Equity Shares, which represent 2% of the pre-Issue paid up equity capital of the Company, and 0.99% of the fully diluted post-Issue paid up capital of the Company. As of the date of filing this Red Herring Prospectus with SEBI, we had granted options in respect of 134,405 Equity Shares, which represent 1.60% of the pre-Issue paid up equity capital of the Company to employees of the Company and its Subsidiaries pursuant to the ESOPs. The following table sets forth the particulars of options granted under the ESOPs as of the date of filing this Red Herring Prospectus with SEBI.

A.	**Options granted**	134,405
B.	**Pricing Formula/ Exercise Price**	Rs. 285
C.	**Options vested**	Nil
D.	**Options exercised**	Nil
E.	**Total number of Equity Shares arising as a result of exercise of options**	Nil
F.	**Options forfeited / lapsed**	Nil
G.	**Variation of terms of options**	Not applicable
H.	**Money realised by exercise of options**	Nil
I.	**Total number of options in force**	134,405

J.	**Vesting schedule**	The options granted vest in accordance with the following schedule:

Stage	Period of vesting	Vesting (as a % of options granted)
1.	On completion of 1 year and 6 months from the grant of the options	12.5%
2.	On completion of 2 year and 6 months from the grant of the options	12.5%
3.	On completion of 3 year and 6 months from the grant of the options	12.5%
4.	On completion of 4 year and 6 months from the grant of the options	12.5%

The remaining options granted conditionally vest in accordance with the following schedule:

Stage	Period of vesting	Vesting (as a % of options granted)
1.	On completion of 1 year and 6 months from the grant of the options	12.5%
2.	On completion of 2 year and 6 months from the grant of the options	12.5%
3.	On completion of 3 year and 6 months from the grant of the options	12.5%
4.	On completion of 4 year and 6 months from the grant of the options	12.5%

Conditional vesting is subject to the Company meeting annual performance benchmarks based on parameters set by the Remuneration Committee. In the event that the options do not vest in the target year, such options shall lapse.

K.	**Method and assumptions for estimation of the fair value of the options**	In terms of the valuation report dated September 27, 2006 of S.R. Divatia & Co., Chartered Accountants.
L.	**Diluted EPS#**	27.05
M.	**Impact on profit & EPS for the last three fiscal years on account of difference between intrinsic value & fair value of the options**	N.A.
N.	**Weighted average exercise price**	N.A.
O.	**Weighted average fair value**	N.A.
P.	**Intentions of the holders of the equity shares, granted on exercise of options granted under ESOP, within three months from the date of listing of Equity Shares pursuant to the Public Issue**	N.A.

As per the restated standalone audited financial statements of October 31, 2006

Details of options granted to key managerial personnel:

Name	Position	Stock options granted	% of pre-issue paid up equity capital at the time of grant	Equity Shares held at September 28, 2006	Options outstanding
V.R. Kaundinya	Managing Director	5,460	0.07	Nil	5,460
H. Sateesh Hegde	Chief Operating Officer	5,460	0.07	Nil	5,460
K. Suresh	Chief Financial Officer and Company Secretary	3,629	0.04	Nil	3,629
P.M. Nanjappa	Senior Vice President, Human Resources	3,629	0.04	Nil	3,629
V.L. Nageshwara Rao	Senior Vice President, Supply Chain	3,629	0.04	Nil	3,629
R. Nanda Kumar	Vice President, Technology	3,629	0.04	Nil	3,629

8. **Buyback and Standby Arrangements**

   The Company, the Promoters, the Directors and the BRLMs have not entered into any buy-back and/or standby arrangements for the purchase of Equity Shares from any person.

9. We have not raised any bridge loan against the proceeds of the Issue.
10. Except for stock options granted under the ESOP Scheme, there are no outstanding financial instruments or any other right that may entitle any person to receive any Equity Shares in the Company.
11. Subsequent to the filing of the Draft Red Herring Prospectus with SEBI, the Company issued 3,377,500 Equity Shares to the shareholders of USBPL on January 22, 2007, pursuant to the Scheme. Further, the Company issued 1,677,000 Equity Shares to the Pre-Issue Investors, pursuant to the Pre-Issue Placement. There would be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of this Red Herring Prospectus with SEBI until the Equity Shares offered hereby have been listed.
12. In terms of Rule 19(2)(b) of the Securities Contract Regulation Rules, 1957, this being an Issue for less than 25% of the post-Issue paid up capital, the Issue is being made through the 100% Book Building Process where at least 60% of the Issue would be Allotted on a proportionate basis to QIBs. 5% of the QIB Portion would be available for allocation to Mutual Funds only and the remaining QIB Portion would be available for allocation to the QIB Bidders including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, up to 10% of the Issue would be available for allocation on a proportionate basis to Non-Institutional Bidders and up to 30% of the Issue would be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.
13. Under-subscription, if any, in the Retail or Non Institutional Portion would be met with spill-over from other categories or combination of categories at the discretion of the Company in consultation with the BRLMs.
14. Oversubscription to the extent of 10% of the Issue can be retained for the purpose of rounding off while finalising the basis of Allotment.
15. Our Promoters and members of our Promoter Group will not participate in this Issue.
16. An investor cannot make a Bid for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
17. The average cost of acquisition of Equity Shares for UPL is Rs. 281.45. Jai R. Shroff and Vikram R. Shroff were allotted Equity Shares for consideration other than cash pursuant to the Scheme.

18. Refer to our financial statements relating to related party transactions in the section titled "Related Party Transactions" beginning on page 208 of this Red Herring Prospectus.
19. Except as disclosed in this Red Herring Prospectus, we have not issued any Equity Shares out of revaluation reserves or for consideration other than cash.
20. The Company presently does not have any intention or proposal to alter its capital structure for a period of six months commencing from the date of opening of this Issue, by way of split/ consolidation of the denomination of Equity Shares or further issue of Equity Shares or securities convertible into Equity Shares, whether on a preferential basis or otherwise, except that we may enter into joint ventures or acquisitions, we may consider raising additional capital to fund such activity or use our Equity Shares as currency for acquisition or participation in joint ventures.
21. There will be only one denomination of the Equity Shares of the Company unless otherwise permitted by law and the Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
22. We have 22 members as of the date of this Red Herring Prospectus.

OBJECTS OF THE ISSUE

The objects of this Issue are:

- Investment in our Subsidiary, Advanta Holdings B.V.;
- Working capital requirements;
- General corporate purpose; and
- Achieve the benefits of stock exchange listing.

The proceeds from the Issue after deducting the Issue related expenses are referred to as "Net Proceeds from the Issue".

We believe that listing will enhance our brand name, provide liquidity to our existing shareholders and create a public market for our Equity Shares in India.

The main objects and objects incidental or ancillary to the main objects set out in our Memorandum of Association enable us to undertake our existing activities and the activities for which funds are being raised by us through the Issue. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. The fund requirement below is based on our current business plan. In view of the dynamic nature of the industry in which we operate, we may have to revise our business plan from time to time and consequently our fund requirement and consequent utilisation of proceeds from the Issue may also change. In case of any variations in the actual utilisation of funds earmarked for the above activities, any increased fund deployment for a particular activity will be met from our internal accruals.

The following table summarizes the intended use of proceeds from the Issue:

Use	**Funds already deployed (in Rs. Million)**	**Estimated Use (in Rs. Million)**
Investment in our Subsidiary, Advanta Holdings B.V.	Nil	2,500.00
Working capital requirement	300.00	Nil
General corporate purpose	Nil	[•]*
Issue related expenses	Nil	[•]*
Total	**300.00**	**[•]***

** will be incorporated after finalisation of the Issue Price*

Details of Use of Proceeds and Schedule of Implementation

Investment in our subsidiary, Advanta Holdings B.V.

We plan to invest Rs. 2,500 million in our Subsidiary, Advanta Holdings B.V. This amount shall be primarily utilized by Advanta Holdings B.V. for the payment of dues to one of our Promoter Group Companies, Bio-Win Corporation Limited, in respect of the acquisition of Advanta Netherlands Holdings B.V., which is the holding company of all our Subsidiaries, including our Operating Subsidiaries. Pursuant to an agreement dated March 30, 2006, Advanta Holdings B.V. acquired the entire shareholding of Bio-win Corporation Limited in Advanta Netherlands Holdings B.V., comprising 180 shares of Euro 100 each and aggregating 100% of the fully paid up issued and outstanding capital stock of Advanta Netherlands Holdings B.V. for a consideration of EUR 95 million (Rs. 5,565.22 million, at rate of 1 EUR = Rs. 58.58129 as on September 27, 2006). This transaction was consummated on, and Advanta Netherlands Holdings B.V. became our subsidiary with effect from, March 30, 2006 and the said consideration was reflected as the dues payable by Advanta Holdings B.V. to Bio-Win Corporation. Out of the said amount, as on January 31, 2007, Rs. 2,274.38 million, (at rate of 1 EUR = Rs. 57.25 and 1 USD = Rs. 44.17) still remains outstanding. We intend to invest the entire amount in Fiscal 2008. However, we have not yet finalised the mode of investment.

The investment in Advanta Holdings B.V. shall be made in compliance with the Foreign Exchange Management Act, 1999 and the rules and regulations framed thereunder. It is stipulated that an Indian company can make investments in an overseas wholly-owned subsidiary, under the automatic route up to of 200% of its net worth as of the date of the last audited balance sheet. As of October 31, 2006, the date of our last audited restated balance sheet, our networth was Rs. 1,199.33 million as per our restated stand-alone financial statements. Further, the allotment of Equity Shares under the Pre-Issue Placement would increase our net worth by Rs. 1,048.13 million. Our net worth shall further increase after completion of the Issue.

Working capital requirement

As per the restated stand-alone balance sheet of the Company as of October 31, 2006, our net working capital gap was Rs. 1,419.07 million. This was financed by way of secured and unsecured loans aggregating Rs. 374.87 million and through shareholders' funds. For more details see the section titled "Our Indebtedness" on page 379 of this Red Herring Prospectus.

We had earmarked Rs. 300.00 million out of the means of finance to augment our long term working capital resources.

General Corporate Purposes

We also intend to use part of the Net Proceeds of the Issue for growth opportunities and for general corporate purposes, including R&D expenses incurred by our Group.

We intend to use Rs. [•] for general corporate purposes.

Means of Finance

We intend to fund the aforesaid expenditure as follows:

	Amount (Rs. Million)
Term Loan from UTI Bank*	300.00
Proceeds from the Pre-Issue Placements*	1,048.13
Net proceeds from the Issue	[•]
Total	

* As of the date of the Red Herring Prospectus, we have availed of this term loan of Rs. 300 million and also raised Rs. 1,048.13 million through the Pre-Issue Placement. As of February 27, 2007, we have deployed Rs. 280 million for repayment of short term loans and Rs. 20 million for meeting additional working capital requirements, as certified by S.V. Ghatalia & Associates, in their certificate dated February 27, 2007. For more details see the section titled "Our Indebtedness" on page 379 of this Red Herring Prospectus

In addition, we have an existing working facility from ICICI Bank of Rs. 150 million. This shall also be utilized for meeting shortfalls in funds, if any.

Issue Expenses

The expenses of this Issue include, among others, underwriting and management fees, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The estimated Issue expenses are as follows:

Activity	Expense (in Rs. Million)	Expense (% of total expenses)	Expense (% of Issue Size)
Lead management fee and underwriting commissions*	[•]	[•]	[•]
Advertising and marketing expenses*	[•]	[•]	[•]
Printing and stationery*	[•]	[•]	[•]
Registrar's fee*	[•]	[•]	[•]
Legal Fees*	[•]	[•]	[•]
Total estimated Issue expenses*	**[•]**	**[•]**	**[•]**

** will be incorporated after finalisation of the Issue Price*

Interim use of funds

Pending utilisation for the purposes described above, we intend to invest the funds in high quality interest/ dividend-bearing liquid instruments including money market mutual funds, deposits with banks for necessary duration and other investment grade interest-bearing securities as per our investment policy. Such transactions would be at the prevailing commercial rates at the time of investment. The Net Proceeds from the Issue shall not be invested in equity capital markets.

Monitoring of Utilisation of Funds

The Board shall monitor the utilisation of the proceeds of the Issue. In accordance with Clause 49 of the Listing Agreement, which the Company shall enter into with the Stock Exchanges, the uses or applications of funds raised through the Issue shall be disclosed to the Audit Committee on a quarterly basis as a part of the quarterly declaration of financial results. Further, on an annual basis, a statement of funds utilised for purposes other than those stated in the Red Herring Prospectus shall be placed before the Audit Committee. This statement shall also be certified by our Auditors. Also see the section titled "Issue Procedure - Utilisation of Proceeds from the Issue" on page 420 of this Red Herring Prospectus.

BASIS FOR ISSUE PRICE

The Price Band for the Issue shall be decided prior to the filing of this Red Herring Prospectus with the ROC. The Issue Price will be determined by us in consultation with the BRLMs on the basis of the assessment of market demand for the offered Equity Shares by the book building process. The face value of the Equity Shares of the Company is Rs. 10 each and the Issue Price is [•] times of the face value.

Quantitative Factors

1) *Adjusted Earnings Per Share*

Period Ended	Basic EPS[1] based on restated Un-consolidated financial statements	Diluted EPS based on restated Un-consolidated financial statements	EPS[2] based on restated Un-consolidated financial statements considering outstanding options and Equity Shares issued through Pre-Issue Placement	Weight
Seven month period ended October 31, 2006*	8.11	8.09	6.91	4
12 months ended March 31, 2006	7.21	7.21	5.61	3
12 months ended March 31, 2005	10.90	10.90	8.47	2
12 months ended March 31, 2004	8.60	8.60	6.68	1
Weighted Average EPS	**8.45**	**8.44**	**6.81**	

** Annualised*

(1) Basic and Diluted Earnings per Share has been calculated as per the following formula:

(Net profit before exceptional items as restated, attributable to equity shareholders)/ (Equity shares outstanding during the year or period)

(2) EPS calculated based on restated Un-consolidated financial statements considering outstanding options and Equity Shares issued through Pre-Issue Placement assuming that Equity Shares to arise out of exercise of the options and Equity Shares issued pursuant to the Pre-Issue Placement were in existence for the entire Fiscal/period mentioned.

2) *Price to Earnings Ratio (P/E) in Relation to Issue Price of Rs.[•]*

I) Based on the basic and diluted EPS of Rs. 7.21 for fiscal 2006, the P/E ratio is 83.22 at the lower end of the Price Band and 90.15 at the higher end of the Price Band

II) Based on the EPS calculated based on restated Un-consolidated financial statements considering outstanding options and Equity Shares issued through Pre-Issue Placement of 5.61, for fiscal 2006, the P/E ratio is 106.95 at the lower end of the Price Band and 115.86 at the higher end of the Price Band

III) Industry P/E Ratio#

a) Highest : 26.2

b) Lowest : 15.0

c) Average : 18.4

 # Source: Capital Market Vol.XXI/23; Jan 15-28, 2007

Industry: Pesticides/ Agrochemicals-Multinational

3) *Return on Net Worth based on restated unconsolidated financial statements*

Period	RoNW (%)	Weight
Seven month period ended October 31, 2006*	7.05	4
12 month ended March 31, 2006	17.78	3
12 month ended March 31, 2005	28.74	2
12 month ended March 31, 2004	23.06	1
Weighted Average RoNW	**16.21**	

* *Annualised*

(I) Net worth is defined as share capital + reserves and surplus – miscellaneous expenses. RoNW has been calculated as per the following formula:

(Net profit after tax excluding exceptional items as restated/Net worth at the end of the year / period).

4) *Minimum Return on increased Net Worth required to maintain pre-Issue basic and diluted EPS of Rs.7.21 is* 2.84% *at the lower end of the Price Band and* 2.73% *at the higher end of the Price Band*

5) *Minimum Return on increased Net Worth required to maintain pre-Issue EPS calculated based on restated Un-consolidated financial statements considering outstanding options and Equity Shares issued through Pre-Issue Placement of Rs.5.61 is* 2.21% *at the lower end of the Price Band and 2.12% at the higher end of the Price Band*

6) *Net Asset Value (NAV) per Equity Share*

I) Pre-Issue NAV as of March 31, 2006: Rs. 40.61

II) Pre-Issue NAV as of October 31, 2006: Rs. 115.17

III) Post-Issue NAV: Rs. 253.97 (based on NAV as on October 31, 2006) at the lower end of the Price Band
Rs. 264.01 (based on NAV as on October 31, 2006) at the higher end of the Price Band

Pre-Issue NAV has been calculated as per the following formula:

(Net Worth excluding revaluation reserve at the end of the year or period/Total Number of equity shares outstanding at the end of the year or period)

Post-Issue NAV has been calculated as per the following formula:

(Net Worth excluding revaluation reserve as on October 31, 2006 + Issue Proceeds) /Total Number of equity shares outstanding after the Issue

7) *Comparison with Industry Peers:* The comparison of the Company's accounting ratios with comparable competitors in India is given below:

Companies	Price per share (Rs.)#	EPS (FY '06) #	NAV (Rs.)	P/E (times)#	RONW (%)# FY 06
Advanta India Limited –Basic and diluted EPS	[•]	7.21	40.61	[•]	17.78
Syngenta India Limited	396.35	23.40	124.50	12.66	21.2%
Monsanto India Limited	1,538.10	64.90	378.50	23.19	20.5%
Industry Average				**14.9**	

 # Source: Capital Market Vol.XXI/23; Jan 15-28, 2007. Market Price as on January 22, 2007

The Issue Price of Rs. [•] is determined by the Company, in consultation with the BRLMs on the basis of assessment of market demand for the Equity Shares through the Book Building Process and justified in view of the above accounting ratios. Please refer to the sections titled "Risk Factors", "Summary of our Business" and "Financial Statements" on pages xii, 1 and 192, respectively, of this Red Herring Prospectus to have a more informed view.

STATEMENT OF TAX BENEFITS

27th February, 2007

The Board of Directors,
Advanta India Limited,
405, 4th Floor,
'A' Wing, Carlton Towers No. 1,
Airport Road,
Bangalore – 560 008.

Dear Sirs,

Re: Tax benefits in connection with the proposed Issue of 3,380,000 Equity Shares of Rs. 10/- each

We acknowledge receipt of the request letter dated 23rd February, 2007 received from Advanta India Limited seeking our advice on the various benefits available to the Company and its shareholders under the Indian Direct Tax Laws. We understand that our advice will be incorporated in the Letter of Offer to be issued in connection with the proposed Issue of 3,380,000 Equity Shares of Rs. 10/- each.

In this connection, we have to state that, subject to the fulfillment of the respective requirements of the relevant provisions, the following tax benefits will *inter-alia* be available on the basis of the current tax laws presently in force in India.

The benefits discussed hereunder are not exhaustive and are only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

Our advice in respect of the various tax benefits is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the interpretation of the current tax laws in force in India.

We do not express any opinion or provide any assurance as to whether:

- The Company or its shareholders will continue to obtain these benefits in future; or
- The conditions prescribed for availing the benefits, where applicable, have been / would be met with.

I. UNDER THE INCOME TAX ACT, 1961 (HEREINAFTER REFERRED TO AS THE IT ACT):

A. BENEFITS AVAILABLE TO THE COMPANY:

(i) The Company will be entitled to claim exemption for agricultural income under section 10(1) of the Act.

(ii) The Company will be entitled to claim depreciation allowance at the prescribed rates on assets under section 32 of the IT Act. Further, subject to fulfillment of conditions prescribed in section 32(1)(iia) of the IT Act, the Company will be entitled to claim accelerated depreciation of 20 per cent of the actual cost of certain new machinery or plant which has been acquired and installed after 31st March, 2005 . If, however, the assets are put to use for less than 180 days in the year in which they are acquired, the rate of accelerated depreciation will be 10 per cent.

(iii) Subject to fulfillment of conditions, the Company will be eligible, *inter alia*, for deduction under sections 35(1)(i) and (iv) of the IT Act, in respect of any revenue or capital expenditure incurred on scientific research related to the business of the Company, other than expenditure on the acquisition of any land.

(iv) Dividend income referred to in section 115-O earned by the Company from domestic companies, will be exempt under section 10(34) of the IT Act. Similarly income received by the Company in respect of units of Mutual Funds specified under section 10(23D) will be exempt under section 10(35) of the IT Act.

(v) Income arising on transfer of equity shares or units of an equity oriented fund held by the Company will be exempt under section 10(38) of the IT Act if the said asset is a long-term capital asset and securities transaction tax has been charged on the said transaction. However, the said exemption will not be available to the company while computing the book profit and income tax payable under section 115JB.

(vi) The long-term capital gains arising to the Company from the transfer of listed securities or units, as defined, not covered under point (v) above shall be chargeable to tax at the rate of 20% (plus applicable surcharge and education cess) of the capital gains computed after indexing the cost of acquisition or at the rate of 10% (plus applicable surcharge and education cess) of the capital gains computed before indexing the cost of acquisition, whichever is lower.

(vii) The long-term capital gains not covered under points (v) and (vi) above shall be chargeable to tax at the rate of 20% (plus applicable surcharge and education cess) of the capital gains computed after indexing the cost of acquisition / improvement.

(viii) Short-term capital gains arising on transfer of equity shares or units of an equity oriented fund held by the Company will be chargeable to tax at the rate of 10% (plus applicable surcharge and education cess) as per the provisions of section 111A of the IT Act if securities transaction tax has been charged on the said transaction.

(ix) In accordance with and subject to the conditions, including the limit of investment of Rs. 50 lacs, and to the extent specified in section 54EC of the IT Act, capital gains arising on transfer of long-term capital assets of the Company not covered under point (v) above shall be exempt from capital gains tax if the gains are invested within six months from the date of transfer in the purchase of long-term specified assets.

B. <u>BENEFITS AVAILABLE TO THE SHAREHOLDERS OF THE COMPANY:</u>

1. <u>RESIDENTS:</u>

(i) Dividend income earned on shares of the Company will be exempt in the hands of shareholders under section 10(34) of the IT Act.

(ii) Income arising on transfer of the shares of the Company will be exempt under section 10(38) of the IT Act if the said shares are long-term capital assets and securities transaction tax has been charged on the said transaction. However, shareholders being companies will not be able to claim the above exemption while computing the book profit and income tax payable under section 115JB.

(iii) The long-term capital gains accruing to the shareholders of the Company from the transfer of the shares of the Company otherwise than as mentioned in point (ii) above shall be chargeable to tax at the rate of 20% (plus applicable surcharge and education cess) of the capital gains computed after indexing the cost of acquisition or at the rate of 10% (plus applicable surcharge and education cess) of the capital gains computed before indexing the cost of acquisition, whichever is lower.

(iv) In case of an individual or Hindu Undivided Family, where the total taxable income as reduced by long-term capital gains is below the basic exemption limit, the long-term capital gains will be reduced to the extent of the shortfall and only the balance long-term capital gains will be subjected to such tax in accordance with the proviso to sub-section (1) of section 112 of the IT Act.

(v) Short-term capital gains arising on transfer of the shares of the Company will be chargeable to tax at the rate of 10% (plus applicable surcharge and education cess) as per the provisions of section 111A of the IT Act if securities transaction tax has been charged on the said transaction. In case of an individual or Hindu Undivided Family, where the total taxable income as reduced by short-term capital gains is below the basic exemption limit, the short-term capital gains will be reduced to the extent of the shortfall and only the balance short-term capital gains will be subjected to such tax in accordance with the proviso to sub-section (1) of section 111A of the IT Act.

(vi) In accordance with, and subject to the conditions, including the limit of investment of Rs. 50 lacs, and to the extent specified in section 54EC of the IT Act, long-term capital gains arising on transfer of the shares of the Company not covered under point (ii) above shall be exempt from capital gains tax if the gains are invested within six months from the date of transfer in the purchase of long-term specified assets.

(vii) In accordance with, and subject to the conditions and to the extent specified in section 54F of the IT Act, long-term capital gains arising on transfer of the shares of the Company not covered under point (ii) above held by an individual or Hindu Undivided Family shall be exempt from capital gains tax if the net sales consideration is utilised, within a period of one year before, or two years after the date of transfer, for the purchase of a new residential house, or is utilised for construction of a residential house within three years.

(viii) As per the provisions of section 88E, where the business income of an assessee includes profits and gains of business arising from transactions on which securities transaction tax has been charged, a rebate shall be allowed from the amount of income-tax equal to the securities transaction tax paid on such transactions. However, the amount of rebate shall be limited to the amount arrived at by applying the average rate of income tax on such business income.

2. **NON-RESIDENTS:**

(i) Dividend income earned on shares of the Company will be exempt in the hands of shareholders under section 10(34) of the IT Act.

(ii) Income arising on transfer of the shares of the Company will be exempt under section 10(38) of the IT Act if the said shares are long-term capital assets and securities transaction tax has been charged on the said transaction. However, shareholders being companies will not be able to claim the above exemption while computing the book profit and income tax payable under section 115JB.

(iii) In accordance with, and subject to section 48 of the IT Act, capital gains arising on transfer of shares of the Company which are acquired in convertible foreign exchange and not covered under point (ii) above shall be computed by converting the cost of acquisition, expenditure in connection with such transfer and full value of the consideration received or accruing as a result of the transfer into the same foreign currency as was initially utilised in the purchase of shares and the capital gains computed in such foreign currency shall be reconverted into Indian currency, such that the aforesaid manner of computation of capital gains shall be applicable in respect of capital gains accruing / arising from every reinvestment thereafter and sale of shares of the Company.

(iv) The long-term capital gains accruing to the shareholders of the Company from the transfer of the shares of the Company otherwise than as mentioned in points (ii) and (iii) above shall be chargeable to tax at the rate of 20% (plus applicable surcharge and education cess) of the capital gains computed after indexing the cost of acquisition or at the rate of 10% (plus applicable surcharge and education cess) of the capital gains computed before indexing the cost of acquisition, whichever is lower.

(v) Short-term capital gains arising on transfer of the shares of the Company will be chargeable to tax at the rate of 10% (plus applicable surcharge and education cess) as per the provisions of section 111A of the IT Act if securities transaction tax has been charged on the said transaction.

(vi) In accordance with, and subject to the conditions, including the limit of investment of Rs. 50 lacs, and to the extent specified in section 54EC of the IT Act, long-term capital gains arising on transfer of the shares of the Company not covered under point (ii) above shall be exempt from capital gains tax if the gains are invested within six months from the date of transfer in the purchase of long-term specified assets.

(vii) In accordance with, and subject to the conditions and to the extent specified in section 54F of the IT Act, long-term capital gains arising on transfer of the shares of the Company not covered under point (ii) above held by an individual or Hindu Undivided Family shall be exempt from capital gains tax if the net sales consideration is utilised, within a period of one year before or two years after the date of transfer, for the purchase of a new residential house, or is utilised for construction of a residential house within three years.

(viii) As per the provisions of section 88E, where the business income of an assessee includes profits and gains of business arising from transactions on which securities transaction tax has been charged, a rebate shall be allowed from the amount of income-tax equal to the securities transaction tax paid on such transactions. However, the amount of rebate shall be limited to the amount arrived at by applying the average rate of income tax on such business income.

(ix) Under the provisions of section 90(2) of the IT Act, a non-resident will be governed by the provisions of the Agreement for Avoidance of Double Taxation (AADT) between India and the country of residence of the non-resident if the said provisions are more beneficial than the provisions under the IT Act.

Besides the above benefits available to non-residents, Non-Resident Indians (NRIs) have the option of being governed by the provisions of Chapter XII-A of the IT Act which *inter alia* entitles them to the following benefits in respect of income from shares of an Indian Company acquired, purchased or subscribed to in convertible foreign exchange:

(a) Under section 115E of the IT Act, NRIs will be taxed at 10% (plus applicable surcharge and education cess) on long-term capital gains arising on sale of shares of the Company which are acquired in convertible foreign exchange and are not covered under point (ii) above which are acquired in convertible foreign exchange.

(b) Under section 115F of the IT Act, and subject to the conditions and to the extent specified therein, long-term capital gains arising to NRIs from transfer of shares of the Company acquired out of convertible foreign exchange not covered under point (ii) above acquired out of convertible foreign exchange shall be exempt from capital gains tax if the net consideration is invested within six months of the date of transfer of the asset in any specified asset or in any saving certificates referred to in clause (4B) of section 10 of the IT Act.

(c) In accordance with the provisions of section 115G of the Act, NRIs are not obliged to file a return of income under section 139(1) of the IT Act, if their only source of income is income from investments or long-term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the IT Act.

(d) In accordance with the provisions of section 115H of the IT Act, when NRIs become assessable as resident in India, they may furnish a declaration in writing to the Assessing Officer along with their return of income for that year under section 139 of the IT Act to the effect that the provisions of Chapter XII-A shall continue to apply to them in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are transferred or converted into money.

(e) As per the provisions of section 115-I of the IT Act, NRIs may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing their return of income for that year under section 139 of the IT Act, declaring therein that the provisions of Chapter XII-A shall not apply to them for that assessment year and accordingly their total income for that assessment year will be computed in accordance with the other provisions of the IT Act. The said Chapter *inter alia* entitles NRIs to the benefits stated thereunder in respect of income from shares of an Indian company acquired, purchased or subscribed in convertible foreign exchange.

3. FOREIGN INSTITUTIONAL INVESTORS (FIIs):

(i) Dividend income earned on shares of the Company will be exempt in the hands of shareholders under section 10(34) of the IT Act.

(ii) Income arising on transfer of the shares of the Company will be exempt under section 10(38) of the IT Act if the said shares are long-term capital assets and securities transaction tax has been charged on the said transaction.

(iii) Under section 115AD(1)(b)(iii) of the IT Act, income by way of long-term capital gains arising from the transfer of shares held in the Company not covered under point (ii) above will be chargeable to tax at the rate of 10% (plus applicable surcharge and education cess).

(iv) Short-term capital gains arising on transfer of the shares of the Company will be chargeable to tax at the rate of 10% (plus applicable surcharge and education cess) as per the provisions of section 111A of the IT Act if securities transaction tax has been charged on the said transaction.

(v) Under section 115AD(1)(b)(ii) of the IT Act, income by way of short- term capital gains arising from the transfer of shares held in the Company not covered under point (iv) above will be chargeable to tax at the rate of 30% (plus applicable surcharge and education cess).

(vi) Under the provisions of section 90(2) of the IT Act, a FII will be governed by the provisions of the Agreement for Avoidance of Double Taxation (AADT) between India and the country of residence of the FII if the said provisions are more beneficial than the provisions under the IT Act.

4. **MUTUAL FUNDS:**

Under section 10(23D) of the IT Act, any income earned by a Mutual Fund registered under the Securities and Exchange Board of India Act, 1992, or a Mutual Fund set up by a public sector bank or a public financial institution, or a Mutual Fund authorised by the Reserve Bank of India would be exempt from income-tax, subject to such conditions as the Central Government may by notification in the Official Gazette specify in this behalf.

II. UNDER THE WEALTH TAX ACT, 1957 AND THE GIFT TAX ACT, 1958:

(i) 'Asset' as defined under Section 2(ea) of the Wealth-tax Act, 1957 does not include shares in companies and hence, the shares of the Company held by a shareholder are not liable to wealth-tax.

(ii) Gift tax is not leviable in respect of any gifts made on or after 1st October, 1998 and in respect of non-monetary gifts made on or after 1st September, 2004. Therefore, any gift of shares of the Company will not attract gift-tax.

For **S. V. GHATALIA & ASSOCIATES,**
Chartered Accountants

(K. R. Kamdar)
Partner
Membership No.: 39330

INDUSTRY

General

The seed industry produces seed products that provide essential support to modern agriculture. Seeds are one of the most critical inputs in agricultural production. Improvements in seeds have brought about many modern agricultural productivity improvements, including increased food production to keep pace with increased global demand from population and economic growth. Since the area of land under cultivation has grown very little in recent years, the ability to increase crop yields has become increasingly important for meeting global demand for food. Thus, growth in the market for seeds is expected to be fuelled in large part by seeds that produce high yielding crops and other benefits for the agriculture industry is expected to continue.

Market Size

According to Global Industry Analysts, the global market for commercial seeds was approximately US$33.9 billion in 2005. (*Source: Global Industry Analysts, Inc. – Seeds – A Global Strategic Business Report 01/06 ("GIA")*) The seed industry is characterized by a large number of small and medium-sized companies. According to Phillips McDougall, the ten leading seed companies accounted for close to 50% of the global market in 2005. According to GIA, the world market for seeds is expected to grow at a CAGR of 4.27% from 2001-2010, with the Asia-Pacific region expected to be the highest growing region at a CAGR of 4.85%. Despite controversy and lack of public acceptance, genetically modified ("GM") seeds are gaining market share. The market for biotech seed traits (herbicide tolerance and insect resistance) has grown since the introduction of biotech crops in 1996 to an estimated market size of US$5.25 billion in 2005. (*Source: ISAAA Briefs No. 34-2005: Global Status of Commercialized Biotech/GM Crops: 2005 (http://www.isaaa.org/kc/bin/briefs34/es/index.htm)*)

Table 1 shows the estimated size of the seed markets in each of the selected countries in 2005 based on potential sales.

TABLE 1 - Estimated size of the domestic market for seed and other planting material of selected countries (in USD million)

Country	Size of domestic market	Country	Size of domestic market
USA	5,700	Italy	780
China	4,500	Canada	550
Japan	2,500	Russian Federation	500
France	1,930	Korea	400
Brazil	1,500	Australia	400
Germany	1,000	Mexico	350
India	1,000	Taiwan	300
Argentina	930	Others	4,436
Total = 26,776 *			

Source: ISF Secretariat

** This total represents the sum of the commercial seed markets of the listed countries.*

Table 2 shows the estimated market for seed imports for the selected countries in 2004.

TABLE 2 – Seed Imports (FOB) of Selected Countries, 2004
(in USD million)

Country	Agricultural Seeds	Country	Agricultural Seeds
USA	335	Canada	126
France	318	United Kingdom	85
Mexico	305	China	52
Netherlands	157	Poland	54
Italy	197	Russian Federation	49
Germany	251	Austria	59
Spain	103	Greece	43
Belgium	130	Others	754
Total = 3,018			

S*ource: ISF Secretariat*

Industry Drivers

As key agricultural inputs, seed products have the following common industry drivers:

Population growth. A fundamental driver of the increase in demand for crops is global population growth. The United Nations projects that world population will increase from 6.1 billion people in 2000 to 7.2 billion people in 2015.

Economic growth. As people become wealthier, they consume more and higher quality food. The International Food Policy Research Institute forecasts a 40% increase in demand for grain by 2020.

Land availability. Arable land is scarce in many parts of the world and under pressure from urbanization and industrial uses. Accordingly, there is continual pressure to increase the productivity of available resources.

Sustainability. Without increases in productivity, more land will have to be brought under cultivation, with potentially severe adverse impact on biodiversity.

Technology. Innovations that provide new benefits can spur significant market growth. These may relate to conventional seeds, but increasingly derive from biotechnology which can both confer valuable new traits upon seeds.

Hybridization. Growing awareness of the benefits of high-quality hybrid seeds will shift grower preferences.

Food preferences. Shifting consumer food preferences will affect selection of crops and the seed industry.

In addition to these drivers, the seed industry is influenced by commodity prices and weather. Changes in commodity crop prices influence a grower's decision to purchase yield-enhancing products as the value of any increased yield is correspondingly affected. Weather can affect crop performance and the level of weed, insect and disease resistance. The short-term market for seeds is in turn affected on a regional basis as growers choose products that best suit local weather-related conditions.

Furthermore, the increasing use of biofuels may drive demand for crops used in their production. Oilseed crops, such as oilseed rape and soy, are used to produce biodiesel. Corn and sugar cane are examples of crops used to produce ethanol. Any increase in the use of biofuels should lead to higher demand for seeds of the relevant crops.

Seed Products

There are thousands of seed products on the market, presenting numerous combinations of desirable traits. Growers make their choices of crops to grow depending upon local growing conditions and demand in the market for such products. Seeds developed for and adapted to different geographical segments will provide different advantages to the grower, such as varying:

- yield;
- pest resistance;
- disease resistance;
- herbicide tolerance;
- germination times;
- maturation times;
- hardiness factors; and
- drought resistance.

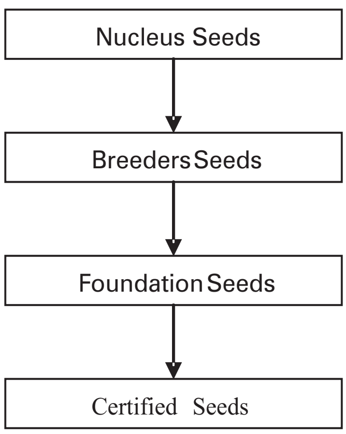
Historically, breeders have improved seed products by crossing plants to create traits that are beneficial to the grower, such as the traits listed above. Yield, however, is one of the more sought after traits because growers want to maximize the use of their arable land. The basic genetic material capturing these traits for a plant is called its germplasm. Quality germplasm has traditionally been the most important aspect of the seed product. Modern genomics and biotechnology tools have allowed more precise and rapid identification of beneficial genetic material and the creation of seed products with substantial improvements in the traits that benefit the grower.

Seed Types

There are two types of seed that are available to farmers – public seed (*e.g.*, open pollinated (OP) and self pollinated (SP) varieties) and hybrid varieties developed through controlled pollination of selected parents. OP and SP varieties are produced by crossing selected parental lines that can be genetically similar. Although the yields are lower for varietals than for hybrid seeds, the grower can save and re-use the seed from year to year for several cycles. The downside of using OP and SP varieties is that there is some degeneration of uniformity, yield potential and quality from one year to the next when such seeds are re-used. Hybrid seeds do not perform well when used by the farmer from saved seed in the next generation and must be repurchased every year. The loss in yield can be very significant.

OP and SP Seed Production

Seed programs adhere to the limited three generation system of seed multiplication, namely, breeder, foundation and certified seed.



Nucleus seed is the seed produced by the breeder to develop the particular variety and is directly used for multiplication as breeder seed.

Breeder seed is the seed material directly controlled by the originating or the sponsoring breeder or Institution for the initial and recurring production of foundation seed.

Foundation seed is the progeny of breeder seed. Foundation seed may also be produced from foundation seed. Production of foundation seed stage-I and stage-II may thus be permitted, if supervised and approved by the Certification Agency and if the production process is so handled as to maintain specific genetic purity and identity.

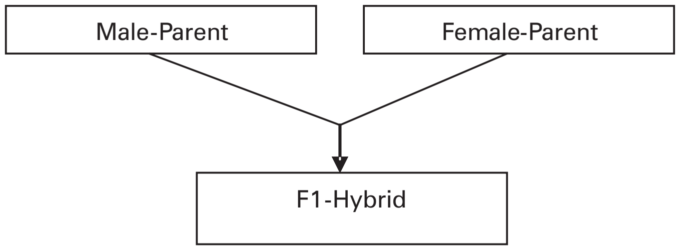
Certified seed is the progeny of foundation seed or the progeny of certified seed. If the certified seed is the progeny of certified seed, then this reproduction will not exceed three generations beyond foundation stage-I and it will be ascertained by the Certification Agency that genetic identity and genetic purity has not been significantly altered. The certified seed is the one which is sold to the farmer.

Hybrid Seed Production

The development of seed crops takes place in several steps. The process begins with trait selection – choosing plants that have desirable characteristics, such as high yield, nutritional content, flavor, size or natural resistance to a certain disease. Trait selection requires an extensive pool of germplasm and significant research and development capabilities.

Seed companies produce both hybrid and OP seeds. OP and SP seeds are pollinated by natural means and produce progeny with no significant variation from their component lines. In many crops, these types of seeds maintain traits indigenous to a specific parent line. In contrast, hybrid seeds are the first generation progeny of two different parent lines. Hybrid seeds are produced by crossbreeding two genetically dissimilar parent plant lines.

The hybrid seed production depends on the crop variety. Hybrid seed is produced after crossing a male and a female.



The progeny of hybrid seeds (i.e., the F1 shown in the illustration above) that results from the crossing is sold to the farmer. The F1 hybrid seed possesses the hereditary characteristics determined by the selected genetics of the parent lines and also would normally contain enhanced performance characteristics superior to the parent lines. The yield benefit is a result of hybrid vigor or heterosis, a naturally occurring characteristic across the biological world. Crops produced from these seeds exhibit a higher degree of uniformity and produce larger yields. However, second generation seed produced by a hybrid will not inherit the enhanced performance characteristics of its hybrid parent. Thus, crops produced from seeds saved from hybrid crops do not display the same vigorous growth. As a result, hybrid crop growers must purchase new hybrid seeds each year or season in order to maintain the benefits of hybridization. The demand for hybrid seeds has been increasing in recent years.

Seed companies can typically demand a premium for their hybrid seeds because hybrid seeds are generally the only alternative for growers looking for certain traits, such as increased yields and other enhancements. Virtually all vegetable seeds planted in the United States and Europe are hybrids. Moreover, developing countries have recognized the value of hybrids (including high yields and disease resistance) and are beginning to favor the planting of hybrid seeds over OP seeds.

The benefits of hybrid seeds are such that there is economic advantage to growers who purchase hybrid seed each year. Sales of hybrids are less susceptible to erosion due to farm-saving of seed. Hybrid seeds are available for corn, sunflower, grain and forage sorghum, millet, canola, rice and sugarbeet and other crops.

Biotechnology

The arrival of biotechnology, of which the first commercially significant products appeared on the market in 1996, has had a significant impact on both the crop protection and seed industries.

In the case of crop protection, biotechnology has affected the composition of the market for some crops, mainly soybeans and some other oilseeds, by causing a shift from the use of selective herbicides to non-selective herbicides that can be used on herbicide-tolerant crops that have been developed through biotechnology. The impact of insect-tolerant crops on the insecticide market has not been as great, as these still require the use of chemical programs to obtain optimal yields. Biotechnology also provides tools that support the invention of novel active ingredients by enabling identification of new targets through the use of tests that allow large numbers of potentially useful substances to be screened and the use of genomic technology to define the mode of action of chemicals at an earlier stage than is currently achievable.

In the case of seeds, the introduction of improved traits in crops, such as herbicide-tolerance and insect-resistance, has increased the value of the seed market by allowing products such as hybrid seeds to command premiums due to their unique qualities. Biotechnology can be used both to facilitate traditional breeding processes to develop new varieties by using genetic markers to follow the incorporation of desired traits and to introduce new plant varieties that are genetically modified to express traits desirable to the grower, such as high oil or vitamin content and increased levels of health-beneficial dietary components, and traits that are beneficial to the grower, such as resistance to insects, fungi and herbicides.

Additional traits that benefit the grower and the consumer are under development. Biotechnology is already an important factor that is likely to bring about further changes in the market and create significant new market opportunities over the next 15 years.

Since the commercialization of biotech crops in 1996, farmers have consistently increased their plantings of biotech crops by double-digit growth rates every single year. During the nine-year period from 1996 to 2005, the global area for biotech crops increased from 1.7 million hectares in 1996 to 90.0 million hectares in 2005, with an increasing proportion being grown by developing countries. More than one-third (38%) of the global biotech crop area in 2005, equivalent to 33.9 million hectares, was grown in developing countries where growth continues to be strong. It is noteworthy that the absolute growth in biotech crop area between 2004 and 2005 was substantially higher for developing countries (6.3 million hectares) than for industrial countries (2.7 million hectares). The increased hectarage and impact of the five principal developing countries (China, India, Argentina, Brazil and South Africa) growing biotech crops is an important trend with implications for the future adoption and acceptance of biotech crops worldwide. (*Source: ISAAA Briefs No. 34-2005: Global Status of Commercialized Biotech/GM Crops: 2005 (http://www.isaaa.org/kc/bin/briefs34/es/index.htm)*)

In 2005, the global market value of biotech crops, forecasted by Cropnosis, was US$5.25 billion representing 18% of the approximately $30 billion global commercial seed market. The global value of the biotech crop market was estimated as US$5.25 billion for 2005 and is projected at over US$5.5 billion for 2006. (*Source: ISAAA Briefs No. 34-2005: Global Status of Commercialized Biotech/GM Crops: 2005 (http://www.isaaa.org/kc/bin/briefs34/es/index.htm)*)

Consumer acceptance is a vital consideration in utilizing new technology in seed development. The ongoing and highly sensitive debate surrounding GM technology suggest that some time remains before GM crops gain enough consumer acceptance.

Genetically Modified Crops

When a gene from one organism is purposely transferred or moved to improve or change the characteristics of another organism in a laboratory, the result is a GM organism. It is also called “transgenic”, for transfer of genes, or “biotech”.

There are different methods of manipulating genes to produce improved or more desirable traits. For both plants and animals, one of the more traditional ways is through selective breeding. For example, a plant with a desired trait is chosen and bred to produce more plants with a more desirable package of traits. More recently with the advancement of technology, molecular markers is another technique. This technique is applied in the controlled environment of a laboratory where genes that express the desired trait are physically moved or added to a new plant to enhance the trait in that plant. Plants produced with this technology are transgenic. For example, this process has been performed many times on different species of crops to produce insect or herbicide resistant plants. Such crops are referred to as Genetically Modified Crops (“GM crops”).

With traditional breeding, plants often exchange large, unregulated chunks of their genomes. This can lead to both useful and unwanted traits in the offspring. The unwanted traits can be unsafe. Breeders sometimes have to crossbreed many plants over multiple generations to produce the desired trait. GM techniques, on the other hand, allow new traits to be introduced one at a time in a far more specific manner and without the complications from extra genes and extensive crossbreeding. GM techniques also allow traits from different organisms to be applied, such as pest resistance.

Many GM crops grown today have been developed to resist certain insect pests with positive environmental effects. There are GM plants being developed today to produce specific vitamins, resist plant viruses and even produce products for medical uses. However, in many countries, including Thailand, the planting of GM crops is prohibited.

Production

Seeds are grown rather than manufactured. Accordingly, large seed crops are generally produced locally in order to replicate local growing conditions and to facilitate transport. Industrial processes are used when sorting, cleaning, packaging, or treating and coating the seed, which are generally performed at centralized processing facilities.

As seed production requires long lead times, making accurate forecasts of demand is important for seed companies. In the case of hybrids, for example, breeder seed must be developed initially and then multiplied into sufficient levels of foundation (parent) seed to produce a hybrid seed. Each step in the process requires a growing season.

Seed firms with a marketable seed product typically contract out the production and multiplication processes to independent farmers, farmer's associations, and private firms. Breeders provide contract growers with the foundation seed (parent seed stock produced from the original seed developed by plant breeders) to produce either more foundation seed for continued research and development purposes or registered seed for large-scale production purposes. Registered seed is contracted out in a similar manner to produce certified seed, sold to farmers conforming to standards of genetic purity and quality established by government agencies.

The production of both registered and certified seed through contract growers is closely managed by seed firms to ensure that the desirable plant characteristics are carried through to subsequent generations and to prevent open pollination, disease or pest infestation, or other types of problems that could affect product quality. Contract growers are carefully selected by seed firms and are provided with technical assistance or supervision. Seed firms closely control and monitor all stages of seed production, from seedbed preparation and planting densities to the timing of input application.

Seed Conditioning

Once harvested, certified seed is conditioned for sale to farmers. The conditioning process typically includes drying, cleaning and sorting the seed, treating the seed with insecticides and fungicides and packaging the seed for distribution and sale. Seed is also subject to inspection under various government programs to ensure that the final product meets certain quality standards. This inspection may include tests for purity, germination, presence of noxious weed seeds and moisture content.

Marketing and Distribution

Marketing and distribution channels are generally localized. Seed companies rely on direct selling to the farmer and long-term brand loyalty. Large seed firms play a direct role in marketing and distributing their end product to regional, national and international markets. Many firms also license or outsource marketing and distribution to private firms and individuals to improve access to local markets. Local distribution is typically run by independent agents, such as farmer-dealers, farmers' associations, company salespeople and private wholesalers and retailers. Different distribution channels are used in different regions and markets.

Seed Pricing

The market price of seed incorporates the costs associated with research and development, production, processing, marketing and distribution. In the long run, the price must be responsive to the farmers' willingness to purchase while at the same time ensuring a profit margin that provides an attractive return on capital to the seed company. Furthermore, pricing depends on the competitiveness of the particular seed market, availability of similar seed products and the pricing behavior of those firms that hold large shares of the market.

Research and development costs account for a significant portion of the market price for seed, particularly for hybrids or transgenic seeds over which private firms own exclusive proprietary rights.

Seed production is another major cost, contributing up to about a quarter of the seed price in some cases, depending on the advertising, promotion and distribution costs involved. Production costs include contracting with farmers to grow seed for exclusive resale to the seed firm. Seed companies typically pay contract growers a margin above the commodity market price for the seed to provide enough incentive for contract growers to maintain optimal growing conditions for production of a quality product.

Seed conditioning and treatment is another cost element of the seed price. This process benefits from scale economies arising from the use of certain capital equipment.

Advertising, promotion and distribution are other major costs. These costs vary with the stage of the product cycle and, depending on the regional market, can account for more than 20% of the seed price. Advertising and promotion are necessary to distinguish a seed company's product from other firms' products on the market, to educate dealers on the best crop management practices to ensure high seed productivity and to induce farmers to adopt the seed company's particular seed. Distribution costs include costs of transportation and communication between production facility, wholesalers, retailers and farmers, as well as storage costs (including financial costs) if seed is held as inventory between seasons.

Geographic Distribution

Sales of seeds are highest in North America and Europe. The seed market is growing in certain Latin American countries, notably Argentina and Brazil. In the developing world, growers tend to depend more on farm-saved seed, although the use of premium seed is growing. The highest growth rates for premium seeds are currently in the emerging markets of Latin America and Asia Pacific.

Key Crops

Canola

Canola is an oilseed crop that was developed from traditional rapeseed by Canadian plant breeders during the 1970's. It is grown widely across Canada, several European countries, Australia and, to a lesser extent, in the United States and South America. Canola is distinguished from traditional rapeseed by the greatly reduced levels of the fatty acid, erucic acid and anti-nutritional compounds called glucosinolates. These alterations have led to the widespread use of canola oil. Canola oil is sold as a salad and frying oil and is also used in margarines, shortenings and in prepared foods that contain vegetable oil (such as baked goods, potato chips and french fries).

Sunflower

Sunflower is an oilseed crop. Commercially available sunflower varieties contain between 39% and 49% oil in the seed, with the majority used in vegetable oil, margarine and for industrial purposes. (*Source: Phillips McDougall*) Sunflower is also used for meal, as snack or birdseed, and for forage as a silage crop.

The oil from the sunflower accounts for the majority of the value of the sunflower crop. Sunflower oil is generally considered a premium oil because of its light color, high level of unsaturated fatty acids and lack of linoleic acid, bland flavor and high smoke points. The primary fatty acids in the oil are oleic and linoleic. The primary use of sunflower oil is as a salad and cooking oil or in margarine.

Sorghum

Sorghum is indigenous to Africa, where many of today's varieties originated. Sorghum is grown for many purposes and is used for both animal feed and human food, both grain and forage applications. It is highly drought resistant and produces attractive and sustainable yields when corn would normally die because of poorer moisture and heat stress resistance. It is also experiencing strong growth as a source of raw material for ethanol production. Starch from the grain types and sugar from the whole plant harvest of the forage types are used in the production of ethanol.

Bt Cotton

Cotton and other monocultured crops require an intensive use of pesticides as various types of pests attack these crops causing extensive damage. Over the past 40 years, many pests have developed resistance to pesticides.

So far, the only successful approach to engineering crops for insect tolerance has been the addition of Bt toxin, a family of toxins originally derived from soil bacteria. The Bt toxin contained by the Bt crops is no different from other chemical pesticides, but causes much less damage to the environment. These toxins are effective against a variety of economically important crop pests but pose no hazard to non-target organisms like mammals and fish. Three Bt crops are now commercially available: corn, cotton and potato.

Cotton is currently the most popular of the Bt crops. The Bt gene was isolated and transferred from a certain bacteria to American cotton. The American cotton was subsequently crossed with Indian cotton to introduce the gene into native varieties. Bt cotton has been launched commercially in India.

The Bt cotton variety contains a foreign gene obtained from a certain bacteria. This bacterial gene, introduced genetically into the cotton seeds, protects the plants from bollworm, a major pest of cotton. A bollworm feeding on the leaves of a Bt cotton plant becomes lethargic and sleepy, thereby causing less damage to the plant.

Advantages of the Bt variety of cotton include a higher yield and fewer sprays of chemical pesticide than the normal cotton variety. According to the director general of the Indian Council of Agricultural Research, India uses about half of its pesticides on cotton to fight the bollworm menace. The use of Bt cotton has led to an increase in cotton yield in countries where it is grown.

Hybrid Rice

Hybrid rice yields more than the best of the inbred varieties upon which the bulk of rice production of tropical Asia depends. But its commercial viability relies upon a technically complex process of producing fresh seed for every crop, rather than having farmers simply save seed from their previous harvest.

Corn

Corn is grown in almost all the major cropping regions throughout the world. While not as moisture stress resistant as sorghum, it is extremely efficient when moisture is not a limiting factor and is one of the most important crops for food, feed and industrial use in the world.

Corn is produced mainly as a single cross hybrid in the developed production areas and three-way and top-cross hybrid systems in less developed countries. Like sorghum, corn is used for both human and animal feed and food as well as ethanol and other industrial applications.

Key Regional Markets

India

The Indian seed market is among the top ten largest in the world, estimated to be about US$1 billion in 2005. (*Source: ISF Secretariat*) Aside from our Company, the major seed companies in India include Mahyco, Monsanto India Limited, Pioneer and Pro Agro.

In India, a limited generation system, which is characterized by three generations – breeder, foundation and certified seeds, is used for seed multiplication. The details of the production/distribution of each generation since 2000 are provided below:

Year	Production of Breeder Seed in quintals	Production of Foundation Seed in million quintals	Distribution of Certified/ Quality seed in million quintals
2000-01	42,690	0.591	8.627
2001-02	45,485	0.544	9.180
2002-03	48,858	0.614	9.380
2003-04	50,043	0.655	10.000
2004-05	51,000*	0.700	12.740
2005-06	52,000*	0.740#	13.850#

** anticipated*

 # Target

(Source: Performance Budget, 2005-06, Ministry of Agriculture, Department of Agriculture and Cooperation, Government of India)

The production data shown in the table above indicates that the Indian seed market has entered a period of high growth. Historically, the Indian seed market had been dominated by public sector players. Private companies began playing an increasingly active role in the industry after the introduction of the Seed Policy in 1988. It is estimated that about 46% of the seed commercially sold in India is produced by private sector seed companies. *(Source: Performance Budget, 2005-06, Ministry of Agriculture, Department of Agriculture and Cooperation, Government of India)*

The government has recognized that increased agricultural productivity is an urgent social need and that, as in other industries in India, the entrepreneurial approaches of the private sector can substantially help to the achieve this objective. In 2002, the government formulated the National Seeds Policy to lay the foundation for comprehensive reforms in the seeds sector to encourage the involvement of the private sector in the seed industry, including revisions to the legislative framework to introduce intellectual property protection and provision for tax rebates and concessions on expenditure for in-house research and development of new varieties. As a result, a majority of the world's multinational agricultural businesses have established a presence to a greater or lesser extent in the rapidly growing Indian market.

The major crops produced in India are rice, wheat, jowar, bajra, maize, ragi, barley, small millets, pulses, cotton, jute, mesta and sugarcane. According to the Ministry of Agriculture, the target production of these crops in 2004-05 was as follows:

(*Million Tons*)

Sr. No.	Name of the Crop	***Kharif*** **(Summer)**	***Rabi*** **(Winter)**	Total
1	Rice	79.04	14.46	93.50
2	Wheat	-	79.50	79.50
3	Jowar	5.77	3.50	9.27
4	Bajra	6.82	0.40	7.22
5	Maize	12.66	2.42	15.08
6	Ragi	2.85	0.08	2.93
7	Barley	-	1.74	1.74
8	Small Millets	0.56	-	0.56
9	Pulses	6.10	9.20	15.30
	Total Food grains	113.80	111.30	225.10
10	Cotton*	150.00	-	150.00
11	Jute#	106.00	-	106.00
12	Mesta#	12.00	-	12.00
13	Sugarcane	Continued in *Kharif* and *Rabi*		2700.00

** Cotton lakh bales of 170 kg each*

 # Jute and Mesta lakh bales of 180 kg each

(Source: Annual Report, 2004-05, Ministry of Agriculture, Department of Agriculture and Cooperation, Government of India)

The Indian market is very receptive to new technology, with insect resistant cotton being the first example of a GM organism that is fully deregulated. Commentators believe that the government and regulators are committed to the careful adoption of traits that can deliver significant benefits to a human population that is very reliant on productive agriculture for its future health and prosperity. The Department of Agriculture & Cooperation appointed a task force on application of biotechnology in agriculture under Dr. M.S. Swaminathan, which submitted a report in June 2004 containing the following major recommendations:

- The bottom line of the national agricultural biotechnology policy should be the economic well being of farm families, food security of the nation, health security of the consumer, protection of the environment and security of the national and international trade in farm commodities;

- Transgenic research should not be undertaken where India's national trade may be affected (*e.g.*, Basmati rice, soybean or Darjeeling Tea); and
- Research and extension system should be sensitive to the biodiversity, conservation and social economic context of the composite agrarian systems.

(*Source: Annual Report, 2004-05, Ministry of Agriculture, Department of Agriculture and Cooperation, Government of India*)

India is also starting to focus on the protection of intellectual property. PVPs and patents are important for encouraging plant breeding and development of the biotechnology in India. The National Seeds Policy introduced in 2002 includes measures to establish a new intellectual property protection framework for seeds and plant varieties.

Australia

High barriers to entry, coupled with unique environmental and geographic conditions and tough quarantine laws, limit new entrants into the Australian market. In Australia, product life cycles are generally longer than in other markets and new innovations in the market are infrequent.

A few of the major crops produced in Australia are wheat, canola, sorghum, maize and sunflower.

In recent years, government breeding programs have come under threat as financial resources have been withdrawn and emphasis has been placed on other areas. GM canola looks unlikely to be introduced in the short to medium-term so the older chemical tolerant technology (triazine) will remain important.

Aside from Pacific Seeds Australia, the key players in the Australian market include Pioneer, Nufarm and Hylan. With Pioneer reducing its local resources and crop positions in the past year, Pacific Seeds Australia's opportunity to grow and capture market share is even greater.

Thailand

The major crops produced in Thailand include maize and sorghum. (*Source: Thailand Office of Agricultural Economics, www.oea.go.th, as of 22 September 2006*) Hybrid seeds are mainly planted for field corn, sweet corn, baby corn, sunflower and sorghum, whereas open pollinated varieties are used in planting paddy rice.

The major players in these markets are Charoenn Pokphand Seeds Company Limited, a local company, and Monsanto Thailand Limited by virtue of their strong positions in the tropical field corn market. Other significant competitors in the Thai market are Syngenta and Pioneer.

Argentina

In Argentina, soybean is one of the dominant crops. Other major crops include wheat and corn. In the last several years, however, the sunflower market has been steadily growing. This growth has occurred mostly in new areas and also where conditions for soybeans are marginal. Sunflower areas are likely to continue this steady growth and will continue to have a place in the Argentine rotation, often as an entry crop for pasture.

Specialty oil sunflowers are growing especially rapidly in the Argentine market. Cargill, PepsiCo and other local crushers and traders, including Glencore, Vicentín, Cañuelas and ACA, are involved in this market locally and for export.

Aside from Advanta Argentina, the key players in the Argentina sunflower market include Dow ArgoSciences Argentina S.A., Monsanto Argentina S.A. and Nidera Semillas S.A. These companies operate mainly in the higher price segment, though Monsanto Argentina S.A. uses its secondary channel for the lower price segment (*La Tijereta*).

Seed Industry – High Barriers to Entry

In order to develop products in the seed industry, companies need access to a broad germplasm bank and adequate capital to develop products over long periods of time. The development of a broad germplasm bank requires the accumulation of hereditary materials over a period of years. Germplasm is scarce, expensive and must be refined to properly serve different markets. Furthermore, development cycles can last five to 12 years prior to launching a commercially viable product. Seed companies invest a considerable amount of capital in research and development to maintain a full product pipeline. Success in the seed industry requires global distribution, building established brands and achieving economies of scale in mass production.

Research and Development

Increased possibilities presented by new technologies and the faster introduction of traits through these technologies, as well as anticipated demand, have made research and development critical to the seed industry. The seed industry develops seeds embodying improvements, such as higher yields, resistance to disease and pests, and traits specific to regional agroclimatic conditions. A seed's success in the market depends primarily on its improved traits, which result from the research and development effort. Successful research and development requires coverage of a broad range of platform technologies. Because of the number of fronts on which this research is being conducted, partnerships with external collaborators, such as academic institutions and other research bodies, have become the norm in the industry.

Research and development efforts are generally centered on a number of aspects of seeds:

Germplasm development. A germplasm platform is central to a seeds research and development effort. Improvement of the core genetic makeup of the plant is the result of breeding techniques integrating modern plant technologies.

Molecular Marker technologies. Marker technologies allow more accurate plant breeding through the use of DNA fingerprints. Through this technology, genetic traits can be more efficiently identified to speed the selection process.

Gene technology. Through plant biotechnology, genetic traits can be introduced directly into the germplasm without the necessity of cross breeding over multiple generations. In addition, genetic traits from other organisms can be introduced with beneficial results.

Seed technology. Seed technologies include seed pelleting, priming and coating technologies and seed treatments. These technologies ensure that the seeds produced are uniform and possess other qualities that make them easier to store and sow.

Seed quality. Seed purity is essential. It is of increasing importance to ensure global quality standards by employing the most advanced methods of production of both the basic germplasm and the seeds that are sent to market.

Regulation

The development, testing and commercialization of seed products are subject to legislation and regulation in various countries. These regulations may govern genetic exclusivity, environmental concerns, product viability, performance and labeling. Seed companies must generally comply with each country's quality standards for seed products before they can do business. While complying with the laws and regulations of various countries adds a cost of doing business to the industry, the industry also depends on the protections afforded by the intellectual property laws of the relevant countries to be able to recover its investment in research and development. Strong and effective intellectual property laws encourage new product development by preventing competition by other seed companies once a seed company has established rights in a certain seed or technology.

Registration Process

Variety registration varies from country to country, but generally each variety must be phenotypically unique. For instance, the size, color, maturity and quality must be verifiably different from the varieties that already exist in the market. Once a variety is registered, it cannot be changed. In the United States, the registration process is voluntary and determination that a variety is unique is left to the breeder. In Europe and many other countries, the registration process is regulated and determination of uniqueness is made in official trials. Australia does not have a variety registration system for any hybrid and most OP crops. Certain products, such as wheat and canola, must pass the National Variety Trials (NVT) before growers can consider them.

Phytosanitary Certification

The purpose of phytosanitary requirements is to prevent the spread of plant diseases that can be carried in seeds or other plant tissue. Each seed-producing country has agricultural inspectors that check seed crops for the presence of specified diseases. After these crops are harvested, laboratory tests are also conducted to ensure that the seeds are clean and free of impurities. Having passed the inspection and lab tests, the department or ministry of agriculture of the producing country issues a phytosanitary certificate stating that the seeds are free of specified diseases. Importing countries then allow the seeds to be imported on the basis of these certificates.

Intellectual Property

Laws protecting the development of new plant varieties (plant variety protection laws and plant breeders' rights) and inventions relating to plants (patent laws) are critical to the development of the seed industry. Seed companies who successfully obtain protection on their proprietary seed technology can have a competitive advantage over others.

New plant varieties can be protected under the UPOV Convention. UPOV is the International Union for the Protection of New Varieties of Plants, an intergovernmental organization, which has presently 45 members, including the United States, Argentina, Australia and most EU member-states. Alternatively, it is possible in some countries to seek plant variety protection under their respective national Plant Variety Protection Acts.

Many countries have not yet made a final decision on whether claims to plants will be excluded from patent protection. Such claims are often rejected or may, if granted, be challenged. The European Patent Convention to which most Western European countries are signatories excludes plant varieties and biological processes from patent protection. However, patents are available for inventions on processes and products, such as genes, proteins and plants characterized by new traits, if the process or product is novel, unobvious and useful, and provided plant varieties are not individually claimed. In Brazil, the patent law explicitly excludes plants (*i.e.*, not only plant varieties) from patent protection. However, most countries, including Argentina, do grant patent claims to genes or DNA constructs.

In India, however, the development of intellectual property rights for seed varieties has come at a slower pace. Though the government formulated the National Seeds Policy in 2002, which set the groundwork for the establishment of a more robust intellectual property system for seed varieties, it will take some time to fully implement the policy's objectives, if at all.

In the United States, countries of the European Patent Convention, Australia and Japan, the enforceability of patents is generally good and the policing of patent infringement is relatively straightforward. In countries having little or no jurisprudence in the patent field, such as the Latin American countries, the Ukraine, Russia and many Asian countries, it may be difficult to enforce patents or similar protection rights.

Patent protection for germplasm improvement technologies and their products, both biotechnological and transgenic, have in recent years been increasingly sought at earlier stages in the research and development process. As a result, patent-related litigation and administrative challenges to patent applications have been frequent. However, the industry approach at present is typically to co-license disputed technologies on arm's length terms rather than to engage in costly legal proceedings. We believe that this practice will continue in the foreseeable future.

BUSINESS

OVERVIEW

We are one of the leading international agronomic seed companies with principal operations in India, Australia, Thailand and Argentina. We believe that we are a global leader in technical plant breeding and in the application of biotechnology to develop new hybrids and varieties of field crops and broad acre vegetable seed products, including sorghum, canola, sunflower, corn, hybrid rice and hybrid mustard. Our research and development efforts are in the areas of superior breeding programs and bioscience techniques that have driven the development of a portfolio of elite, proprietary and highly differentiated germplasm.

Our Company is a wholly-owned subsidiary of United Phosphorus Limited ("UPL"), an Indian company in the agrochemical business, and the successor to the businesses previously held by Advanta Netherlands Holdings B.V. ("Advanta Netherlands"). For further information on UPL's acquisition of certain assets of Advanta Netherlands and the reorganization, see the section titled "History and Certain Corporate Matters" on page 83 of this Red Herring Prospectus.

We are headquartered in Bangalore. In India, our Company is active in the research, production and sales of a range of hybrid cereal and oilseed crops. Our Company's key crops in India are rice, sunflower, corn, millet, grain sorghum, forage sorghum and mustard.

Our Group conducts global operations through our Operating Subsidiaries. We share strategic and technical expertise across the Group on certain key crops that we believe will allow research, operational and marketing synergies. Our Operating Subsidiaries are Pacific Seeds Pty Ltd, which operates in Australia ("Pacific Seeds Australia"), Pacific Seeds (Thai) Ltd, which operates in Thailand ("Pacific Seeds Thailand"), and Advanta Semillas S.A.I.C., which operates in Argentina ("Advanta Argentina"). In addition, the international division of Pacific Seeds Australia ("Pacific Seeds International") carries out an export business targeted at countries that are not served by our other businesses throughout Asia, the Middle East, Africa and Latin America.

Pacific Seeds Australia, based in Toowoomba (Queensland), is one of the largest seed companies in Australia in terms of hybrid seed sales revenue. Pacific Seeds Australia is active in the research, production and sales of a range of crops in Australia as well as export sales to other countries through its international division, Pacific Seeds International. Pacific Seeds Australia's key crops are grain sorghum, forage sorghum, sunflower, corn and canola.

Pacific Seeds International principally focuses on international exports of Pacific Seeds Australia products, with an increasing focus on selling products produced by other Group companies. Pacific Seeds International targets countries that are not served by our other Operating Subsidiaries throughout Asia, the Middle East, Africa and Latin America. There is limited focus on the markets in Europe and North America.

Pacific Seeds Thailand, based near Lopburi in Saraburi, was originally established in 1975 as a division of Pacific Seeds Australia and later incorporated as a separate entity in 1981. Pacific Seeds Thailand is one of the leading players in the Thai hybrid seed market with a product range of hybrid field and vegetable crops, such as tropical field corn, baby corn, sweet corn, grain sorghum, forage sorghum and sunflower.

Advanta Argentina is a vertically integrated seed business specializing in the production of a hybrid sunflower seeds. Advanta Argentina has a biotechnology facility located in Balcarce, breeding programs for sunflower and sorghum (grain and forage) and maize testing in Venado Tuerto, seed production and processing facilities in Murphy and a contra-season seed production facility in Orán.

Recently, Uniphos Seeds and Bio-Genetics Private Limited (**"USBPL"**), one of our erstwhile Promoter group companies, was amalgamated with our Company pursuant to the Scheme with effect from April 1, 2006. For further information of this Scheme , see the section titled "History and Certain Corporate Matters" on page 83 of this Red Herring Prospectus.

USBPL was principally focused on developing, marketing and selling bio-engineered seeds for cotton crops. USBPL produced, marketed and sold corn, rice, sunflower and vegetable hybrid seeds in India and for the export market marketed under the "Jai Seeds" and "Caravan" brands. USBPL also had extensive research and development capabilities focused on cotton, corn, rice, sunflower and vegetable products. We believe that combining USBPL's business with our Company will allow us to (i) share germplasm and breeding capabilities in cotton, including the usage of the Bt cotton technology that USBPL licenses from Nath Seeds, (ii) access USBPL's corn germplasm under the "Caravan" brand, (iii) expand our customer base, (iv) achieve cost savings by combining production facilities, infrastructure, warehousing and administration of our Group with USBPL, (v) access a larger distribution network and (vi) share technical knowledge and research and development capabilities.

The standalone sales and EBITDA of the Company in the fiscal years ended March 31, 2006, March 31, 2005 and March 31, 2004 and the seven month period ended October 31, 2006 are shown in the following table:

In Rs. million

Name of the Entity	Seven month period ended October 31, 2006		Fiscal year ended March 31, 2006		Fiscal year ended March 31, 2005		Fiscal year ended March 31, 2004	
	Sales	EBITDA	Sales	EBITDA	Sales	EBITDA	Sales	EBITDA
Advanta India	649.62	188.24	483.32	94.59	511.18	119.43	457.32	103.30

EBITDA means Earnings Before Interest (including financial expense), Tax, Depreciation and Amortization

The sales and EBITDA of each of our Operating Subsidiaries during last three fiscal years ended December 31, 2005, December 31, 2004 and December 31, 2003 and the ten month period ended October 31, 2006 are shown in the following table:

In Rs. million

Name of the Entity	Ten month period ended October 31, 2006		Fiscal year ended December 31, 2005		Fiscal year ended December 31, 2004		Fiscal year ended December 31, 2003	
	Sales	EBITDA	Sales	EBITDA	Sales	EBITDA	Sales	EBITDA
Pacific Seeds Australia	1,402.17	160.67	2,114.24	269.11	1,781.53	197.03	1,657.43	224.04
Pacific Seeds Thailand	435.43	117.01	458.83	72.03	485.71	139.93	439.60	111.73
Advanta Argentina	353.85	34.67	370.17	(139.09)	313.04	69.58	223.34	82.46

EBITDA means Earnings Before Interest (including financial expense), Tax, Depreciation and Amortization

Our Promoter

UPL is a leading manufacturer of off-patent generic agrochemical products and phosphorus and phosphorus-based compounds in India. UPL is one of the leading generic agrochemical companies in the world with operations in countries such as the United States, Australia, China, Latin America and Europe. Besides the Group businesses, UPL's business segments consist of agrochemicals, industrial and specialty chemicals and others, including the sale of excess power generated by the UPL's power plant. UPL believes that the acquisition of the Group will provide benefits and synergies to both UPL's agrochemical business and the Group's seed business by offering full crop solutions to farmers, including seeds and crop protection, across the globe and by sharing access to the distribution network and infrastructure in the respective companies' existing markets. UPL's equity shares are listed on the BSE and the NSE.

After the Issue, UPL will own approximately 49.90% of our post-Issue capital.

OUR COMPETITIVE STRENGTHS

We believe that we have a number of strengths that help differentiate us from our competitors, including the following:

We are leading producers of hybrid seeds in the regions in which we operate.

We are established as one of the market leading providers of hybrid seeds in many of the specific regions where we operate. In India, our Company has an established strength in a range of oilseeds and cereal crops, such as rice, sunflower, corn, millet, grain sorghum, forage sorghum and mustard. In Australia, we believe that Pacific Seeds Australia holds a substantial share of the grain sorghum seeds market. Pacific Seeds Australia is also one of the market leaders in forage sorghum and sunflower seeds. In Thailand, we believe that Pacific Seeds Thailand holds a substantial share of the market for baby corn, grain sorghum, forage sorghum and sunflower seeds. In Argentina, Advanta Argentina is one of the principal suppliers of sunflower seeds, including high oleic sunflowers.

We have a proprietary germplasm base that is fully integrated with our bioscience capabilities.

We own and have access to a broad portfolio of proprietary germplasm, a resource that is at the core of our competitive advantage in the market. This asset is not easily replicable and takes decades to develop and deploy. In certain countries, we own the intellectual property rights for such germplasm. We place particular emphasis on the cost effective integration of bioscience tools with our breeding activities. This has allowed for increased speed and intensity of plant breeding as well as increased rate of genetic gain that can be achieved and has created a meaningful differentiation in the products we provide to the customer.

In addition, through our corporate structure, we have the ability to share and transfer knowledge about our germplasm from one market to another, which gives us a key competitive advantage. For example, Pacific Seeds Australia conducts extensive farmer trials in the marketplace and in its own research and development trials in all of its sales regions. The information gathered from the trials can be transferred from market to market domestically and extrapolated for overseas markets.

***We have developed a diverse portfolio of seed products*.**

Our global product portfolio consists of a wide range of hybrid seed varieties, including sunflower, rice, corn, rapeseed mustard, grain sorghum, forage sorghum, canola and oats, which allows to cater to a wider market.

In India, we have specialty products, such as sunflower with high oleic content/confectionary types, corn (Vikram), baby corn (PAC 793), sweet corn, canola (Hyola 401), sweet sorghum (sugar graze), sorghum (CJH159) millet (bajra) (PAC 892, Muktaa), paddy rice (Swarna, Premium, Krushi, BPT5204, Rekha), sunflower (Sunny, CSH) and cotton (Varun). The portfolio of Pacific Seeds Australia includes grain sorghum (MR Buster, MR-43), forage sorghum (Jumbo, Sugar graze), maize (Hycorn 424, Hycorn 675IT), sunflower (Hysun 33, Hyoleic 41), canola (Thunder TT, Hyola 75) and oats (Drover, Taipan). The principal seed products of Pacific Seeds Thailand include sweet corn (Hibrix3), baby corn (PAC 283), grain sorghum (PAC 99), sunflower (PAC 33) and forage sorghum (Jumbo®, Sweet Jumbo®). Advanta Argentina is principally focused on producing high-quality sunflower products under the VDH, Aguará and Olisun brands. Furthermore, following the amalgamation of USBPL with our Company, we are able to offer Bt Cotton seeds in India.

We have a global distribution network across various geographies.

We have global distribution and sales and marketing networks for our seed products. Generally, we market our seed products to growers through distributors and independent dealers. Our Group has a global network of distributors across Asia, Latin America and the Middle East that serves our production operations in India, Australia, Thailand and Argentina. The distribution of our seed products is attuned to local market needs in order to provide higher-quality customer service.

We have an experienced management team with a track record of success.

We benefit from having a stable management team that has specific, long term experience in running successful, growing and profitable seed companies, as well as in complementary business areas (*e.g.*, agrochemicals and biotechnology). Our Company's chief executive officer and Managing Director, Mr. V.R. Kaundinya, has over 26 years of experience in the seed and agricultural products industry. Additionally, the Pacific Seeds Australia management team has over 135 years of combined experience with the company and a wide range of education, practical and technical skills in the seed industry.

We have strong research and development capabilities that allow us to develop innovative products.

We have developed strong research and development capabilities organically. As of December 31, 2006, we have a dedicated research and development team of 128 employees worldwide who are focused on the research of hybrid seeds and the development of new or improved proprietary hybrids based on their research. We also carry out our research through collaborations with academic institutions and other strategic partners. For example, we have entered into memoranda of understanding with the University of Mysore and the University of Dharwad with respect to screening of disease tolerance in certain seed products. We successfully completed collaborative research with Avestha Gengrain Technologies Private Limited for the development of disease tolerant paddy rice.

We have teams of plant breeders that have the ability to develop new lines and hybrids to suit varying agroclimatic conditions across the globe. We also have a high-quality marker-assisted breeding system for certain crops, which gives us the ability to develop seed products more quickly, such as high oleic sunflower.

We believe our commitment to research and development distinguishes us from many seed companies and enables us to compete effectively against them. Our strength in research and development is evident from the successful commercialization of several products by us. In India, we have launched seed products like Hyola 401 (canola), which contributed to the crop diversification program in Punjab, bajra (PAC 892), with the nutritional value of zinc and iron, and baby corn (PAC 793). Further, our Operating Subsidiaries have launched grain sorghum, forage sorghum and sunflower seed products in Australia, sunflower in Argentina, and baby corn, sweet corn, grain sorghum, sunflower and forage sorghum in Thailand. We believe our continuing efforts in research and development provides us with a strong platform to build additional market share in the seed industry.

OUR BUSINESS STRATEGY

Our goal is to maintain and expand our presence as a global player in the seed industry with substantial bioscience capabilities.

Grow our regional businesses

A key objective of our growth strategy is to focus on organic and inorganic growth and devote the necessary resources to diversify and develop our product profile in each of our key regional markets. Set forth below are the growth strategies for our domestic and international operations.

- **Advanta India.** Advanta India's growing hybrid rice product line and the continuing importance of its sunflower product line are expected to be the primary drivers of growth. For example, Advanta India plans to pursue growth in sales of hybrid rice in Uttar Pradesh, Jharkhand, Madhya Pradesh and Chattisgarh through aggressive field and sales promotion activities and the production of specific products for the Boro (post-winter) season in the eastern and northeastern markets. The proposed commercialization of hybrid mustard businesses is also expected to contribute to the growth. Advanta India also plans to develop a hybrid wheat breeding program. Prospects for bio-ethanol production also offer new opportunities to market sweet sorghum in India.
- **Pacific Seeds Australia (including Pacific Seeds International).** Pacific Seeds Australia is devoting increasing marketing efforts on grain sorghum, its most significant income earning crop. Prospects for bio-ethanol production also offer new opportunities to market this crop. Pacific Seeds Australia expects to maintain and build on its position in the Australian forage sorghum market by developing innovative and market leading products. Pacific Seeds Australia is also striving to bring to market new resistant hybrid canolas in an effort to boost sales of open-pollinated canola in the Australian market. Pacific Seeds International, which has traditionally marketed and exported products produced by Pacific Seeds Australia, is seeking new growth opportunities for the export of seed products produced by other companies in our Group, including sweet corn and field corn from Thailand, rice, sorghum and mustard from India and grain and forage sorghum from Argentina. The development of the bioenergy industry is expected to open up new opportunities with oilseeds, sweet sorghum, as well as grain sorghum and corn in many different parts of the world.
- **Pacific Seeds Thailand.** Pacific Seeds Thailand plans to continue leveraging its long-term position of strength in sweet corn and baby corn. While Pacific Seeds Thailand will continue to focus on the products in which it leads the market (i.e., sweet corn, baby corn, sorghum and sunflower), it also plans to focus efforts to increase market share in tropical field corn.
- **Advanta Argentina.** Advanta Argentina's business is, and we expect will continue to be, focused on the domestic sunflower business. Advanta Argentina offers a full sunflower product range, offering products in both the premium and lower priced segments. Advanta Argentina is also focused on growing export sales of sunflower products in markets such as Bolivia, Brazil, Uruguay and China.

Continue investing in breeding and research & development

We believe that our future success is dependant on our continued investment in and focus on breeding and research and development. Our strategy is aimed at developing superior proprietary hybrids for the major market sectors in which we operate. Our development strategy also looks to take full advantage of the opportunity for local evaluation and commercialization of new products from our other global business units.

One of our key initiatives is the development of "SUNSAT" – a new business opportunity based on a high technology breeding and marker assisted selection program in sunflowers that is developing hybrids with a healthy oil profile, without the complications and costs of GM technology. We believe that SUNSAT represents a potential opportunity for us to collaborate with others to research and develop the technology and to commercialize seeds and/or oils using this technology.

We aim to continue our investments in research and development and to expand our research capability.

Increase technology sharing and sales opportunities following amalgamation of USBPL

We have recently amalgamated USBPL with our Company. We expect that the combination would produce substantial benefits, including, among other things, allowing us to (i) share germplasm and breeding capabilities in cotton, including the usage of the Bt cotton technology that USBPL has licensed from Nath Seeds, (ii) access USBPL's corn germplasm under the "Caravan" brand; (iii) expand our customer base, (iv) achieve cost savings by combining production facilities, infrastructure, warehousing and administration of our Group with USBPL, (v) access a larger distribution network, and (vi) share technical knowledge and research and development capabilities. Our management is working to integrate our regional operations in order to achieve these benefits and to promote sharing of strategic and technical expertise across our operating businesses, which we believe will allow research, operational and marketing synergies.

Leverage off UPL's distribution network to increase the sales opportunities for our seed products

UPL is one of the leading manufacturers of off-patent generic agrochemical products and phosphorus and phosphorus-based compounds in India and globally. We believe that our association with UPL will provide benefits and synergies to both UPL's agrochemical business and the Group's seed business by enhancing our ability to offer full crop solutions to farmers, including seeds and crop protection, across the globe and by sharing access to the UPL's broad distribution network and infrastructure across the globe.

Pursue selective acquisitions to further strengthen our technical expertise and product offerings

We regularly evaluate opportunities to acquire companies and assets that could broaden our product offerings and sales and distribution networks, establish new or strengthen existing customer relationships or enable us to acquire new technical expertise. We will continue to seek to acquire, invest in or form joint ventures or strategic alliances with, companies that provide proprietary and innovative products or other advantages to our business.

Attract and retain skilled and experienced professionals

We believe the recruitment, training and retention of skilled and experienced professionals are essential to the success of our business. Over the years, we have built a team of skilled breeders, researchers and scientists. We intend to continue attracting the appropriate level of talent on a global basis through the right mix of recruitment and retention strategies. We have recently adopted an employee stock option scheme to provide additional incentive for our employees.

INDIA OPERATIONS

The Business

Our Company is a leading field crop seeds company that is active in the research, production and sales of a range of important hybrid cereal and oilseed crops across India. Our Company's key crops are hybrid rice, hybrid mustard, hybrid sunflower, corn, grain and forage sorghum and pearl millet.

Products

Our Company's principal products are hybrid rice, sunflower and corn seeds, which represented 23.8%, 21.6% and 14.5%, respectively, of our total sales in fiscal year 2006 and 16.7%, 27.9% and 19.9%, respectively, of our total sales in the seven month period ended October 31, 2006. Our Company also produces rapeseed, pearl millet, grain sorghum, forage sorghum and cotton.

Set forth below is a table describing the crops, planting months, harvest months and production areas of each of our Company's seed products.

CROPS	SEED VARIETIES	PLANTING MONTHS		HARVEST MONTHS		PRODUCTION AREAS	
		KHARIF (Summer)	*RABI (Winter)*	*KHARIF (Summer)*	*RABI (Winter)*	*KHARIF (Summer)*	*RABI (Winter)*
Hybrid Rice	PAC 801	June-July	November-December	November	April-May	Ranebennur	Ranebennur
	PAC 832	June-July	November-December	November	April-May	Karimnagar	Karimnagar
	PAC 807	June-July	November-December	November	April-May	Ukp Belt	Ukp Belt
						Armoor Nandyal	Armoor Nandyal
	PAC 835	June-July	November-December	November	April-May	Nandyal	Karimnagar
	Swarna - 1	June-July	November-December	November	April-May	Karimnagar, Bellary & Nandyal	Karimnagar, Bellary, Gadwal & Nandyal
	Swarna - 2	June-July	November-December	November	April-May	Karimnagar, Bellary & Nandyal	Karimnagar, Bellary, Gadwal & Nandyal
	Premium	June-July	November-December	November	April-May	Karimnagar, Bellary & Nandyal	Karimnagar, Bellary, Gadwal & Nandyal
	Krushi	June-July	November-December	November	April-May	Karimnagar, Bellary & Nandyal	Karimnagar, Bellary, Gadwal & Nandyal
	BPT 5204	June-July	November-December	November	April-May	Karimnagar, Bellary & Nandyal	Karimnagar, Bellary, Gadwal & Nandyal
	Rekha	June-July	November-December	November	April-May	Karimnagar, Bellary & Nandyal	Karimnagar, Bellary, Gadwal & Nandyal
Sunflower	PAC 36	July-August	September-November	November-December	March-May	Ranebennur	Ranebennur
	PAC 8699	July- August	September-November	November-December	September-November	Bagepally	Bagepally
	PAC 309	July- August	September-November	November-December	September-November	Bagepally	Mydukur
	PAC 3776	July- August	September-November	November December	September-November	Bagepally	Armoor
	PAC 304	July- August	September-November	November-December	September-November	Bagepally	Armoor
	PAC 361	July- August	September-November	November-December	September-November	Bagepally	Armoor
	PAC 336	July- August	September-November	November-December	September-November	Bagepally	Armoor

CROPS	SEED VARIETIES	PLANTING MONTHS		HARVEST MONTHS		PRODUCTION AREAS	
		KHARIF (Summer)	*RABI (Winter)*	*KHARIF (Summer)*	*RABI (Winter)*	*KHARIF (Summer)*	*RABI (Winter)*
	PAC 334	July- August	September-November	November-December	September-November	Bagepally	Armoor
	Sunny - 1	May-June	September-November	September-October	March-May	Madanapalle & Haveri	Ranebennur, Yerragond-apalem, Madanapalle, Rajahmundry & Mydukur
	Sunny - 2	May-June	September-November	September-October	March-May	Madanapalle & Haveri	Ranebennur, Yerragond-apalem, Madanapalle, Rajahmundry & Mydukur
	Sunny – 3	May-June	September-November	September-October	March-May	Madanapalle & Haveri	Ranebennur, Yerragond-apalem, Madanapalle, Rajahmundry & Mydukur
	CSH 915	May-June	September-November	September-October	March-May	Madanapalle & Haveri	Ranebennur, Yerragond-apalem, Madanapalle, Rajahmundry & Mydukur
	CSH 914	May-June	September-November	September-October	March-May	Madanapalle & Haveri	Ranebennur, Yerragond-apalem, Madanapalle, Rajahmundry & Mydukur
	CSH 90	May-June	September-November	September-October	March-May	Madanapalle & Haveri	Ranebennur, Yerragond-apalem, Madanapalle, Rajahmundry & Mydukur
	CSH 919	May-June	September-November	September-October	March-May	Madanapalle & Haveri	Ranebennur, Yerragond-apalem, Madanapalle, Rajahmundry & Mydukur
Corn	PAC 9714	May –July	September-October	September-November	February-April	Ranebennur	Ranebennur
	PAC 701	May –July	September-October	September-November	February-April	Bagepally	Kurnool

CROPS	SEED VARIETIES	PLANTING MONTHS		HARVEST MONTHS		PRODUCTION AREAS	
		KHARIF (Summer)	*RABI (Winter)*	*KHARIF (Summer)*	*RABI (Winter)*	*KHARIF (Summer)*	*RABI (Winter)*
	PAC 9735	May –July	September-October	September-November	February-April	Kurnool	Eluru
	PAC 9112	May -July	September-October	September-November	February-April	Eluru	Armoor
	PAC 736	May -July	September-October	September-November	February-April	Eluru	Armoor
	PAC 711	May -July	September-October	September-November	February-April	Eluru	Armoor
	PAC 712	May -July	September-October	September-November	February-April	Eluru	Armoor
	PAC 784	May -July	September-October	September-November	February-April	Eluru	Armoor
	PAC 792	May -July	September-October	September-November	February-April	Eluru	Armoor
	PAC 793	-	September-October	-	February-April	-	Kurnool, Eluru
	PAC 795	-	September-October	-	February-April	-	Kurnool, Eluru
	Vikram - 1	May –July	September-November	September-November	February-April	Haveri, Ballary, Nandikotkur & Madanapalle	Eluru, Madanapalle, Kolar, Sattupalli, Bhadrachalam & Rajahmundry
	Vikram - 2	May –July	September-November	September-November	February-April	Haveri, Ballary, Nandikotkur & Madanapalle	Eluru, Madanapalle, Kolar, Sattupalli, Bhadrachalam & Rajahmundry
	Vikram - 3	May –July	September-November	September-November	February-April	Haveri, Ballary, Nandikotkur & Madanapalle	Eluru, Madanapalle, Kolar, Sattupalli, Bhadrachalam & Rajahmundry
	Vikram 4	May –July	September-November	September-November	February-April	Haveri, Ballary, Nandikotkur & Madanapalle	Eluru, Madanapalle, Kolar, Sattupalli, Bhadrachalam & Rajahmundry
	CMH 6633	May –July	September-November	September-November	February-April	Haveri, Ballary, Nandikotkur & Madanapalle	Eluru, Madanapalle, Kolar, Sattupalli, Bhadrachalam & Rajahmundry

CROPS	SEED VARIETIES	PLANTING MONTHS		HARVEST MONTHS		PRODUCTION AREAS	
		KHARIF (Summer)	*RABI (Winter)*	*KHARIF (Summer)*	*RABI (Winter)*	*KHARIF (Summer)*	*RABI (Winter)*
	CMH 6644	May –July	September-November	September-November	February-April	Haveri, Ballary, Nandikotkur & Madanapalle	Eluru, Madanapalle, Kolar, Sattupalli, Bhadrachalam & Rajahmundry
	CMH 6648	May –July	September-November	September-November	February-April	Haveri, Ballary, Nandikotkur & Madanapalle	Eluru, Madanapalle, Kolar, Sattupalli, Bhadrachalam & Rajahmundry
	CMH 6699	May –July	September-November	September-November	February-April	Haveri, Ballary, Nandikotkur & Madanapalle	Eluru, Madanapalle, Kolar, Sattupalli, Bhadrachalam & Rajahmundry
	CMH 6650	May –July	September-November	September-November	February-April	Haveri, Ballary, Nandikotkur & Madanapalle	Eluru, Madanapalle, Kolar, Sattupalli, Bhadrachalam & Rajahmundry
	CMH 6639	May –July	September-November	September-November	February-April	Haveri, Ballary, Nandikotkur & Madanapalle	Eluru, Madanapalle, Kolar, Sattupalli, Bhadrachalam & Rajahmundry
	Challenger	May –July	September-November	September-November	February-April	Haveri, Ballary, Nandikotkur & Madanapalle	Eluru, Madanapalle, Kolar, Sattupalli, Bhadrachalam & Rajahmundry
	Winner	May –July	September-November	September-November	February-April	Haveri, Ballary, Nandikotkur & Madanapalle	Eluru, Madanapalle, Kolar, Sattupalli, Bhadrachalam & Rajahmundry
	Missile	May –July	September-November	September-November	February-April	Haveri, Ballary, Nandikotkur & Madanapalle	Eluru, Madanapalle, Kolar, Sattupalli, Bhadrachalam & Rajahmundry

CROPS	SEED VARIETIES	PLANTING MONTHS		HARVEST MONTHS		PRODUCTION AREAS	
		KHARIF (Summer)	*RABI (Winter)*	*KHARIF (Summer)*	*RABI (Winter)*	*KHARIF (Summer)*	*RABI (Winter)*
	Miracle	May –July	September-November	September-November	February-April	Haveri, Ballary, Nandikotkur & Madanapalle	Eluru, Madanapalle, Kolar, Sattupalli, Bhadrachalam & Rajahmundry
	Topper	May –July	September-November	September-November	February-April	Haveri, Ballary, Nandikotkur & Madanapalle	Eluru, Madanapalle, Kolar, Sattupalli, Bhadrachalam & Rajahmundry
	Victor	May –July	September-November	September-November	February-April	Haveri, Ballary, Nandikotkur & Madanapalle	Eluru, Madanapalle, Kolar, Sattupalli, Bhadrachalam & Rajahmundry
Brassica	PAC 401	Nil	October	Nil	May	Nil	Alwar
Grain Sorghum	PAC 501	-	October-November	-	February-March	-	Nandyal
	PAC 537	-	October-November	-	February-March	-	Nandyal
	PAC 509	-	October-November	-	February-March	-	Nandyal
	PAC 576	-	October-November	-	February-March	-	Nandyal
	CJH 159	Nil	September-October	Nil	February-March	Nil	Nandyal
Forage Sorghum	Jumbo	Nil	September-October	Nil	February (3rd week)-(March 4th Week)	Nil	Armoor
	Sagar	Nil	September-October	Nil	January-February	Nil	Bellary & Nandyal
Pearl Milllet	PAC 931	June-July	December-February	October-November	March-May	Mydukur	Mydukur
	PAC 982	June-July	December-February	October-November	March-May	Ranebennur	Armoor
	Muktaa - 1	May-June	December-January	September-October	April-May	Madanapalli, Gajendragad & Nandyal	Mydukur & Armoor
	Muktaa - 2	May-June	December-January	September-October	April-May	Madanapalli, Gajendragad & Nandyal	Mydukur & Armoor

CROPS	SEED VARIETIES	PLANTING MONTHS		HARVEST MONTHS		PRODUCTION AREAS	
		KHARIF (Summer)	*RABI (Winter)*	*KHARIF (Summer)*	*RABI (Winter)*	*KHARIF (Summer)*	*RABI (Winter)*
	CBH 48	May-June	December-January	September-October	April-May	Madanapalli, Gajendragad & Nandyal	Mydukur & Armoor
	CBH 36	May-June	December-January	September-October	April-May	Madanapalli, Gajendragad & Nandyal	Mydukur & Armoor
Cotton	Varun 8	April-June	-	January-February	-	Coimbatore	-
	Varun 9	April-June	-	January-February	-	Coimbatore	-
	Varun -10	April-June	-	January-February	-	Coimbatore	-
	Varun 333	April-June	-	January-February	-	Coimbatore	-
	Varun 444	April-June	-	January-February	-	Coimbatore	-
	Supper Sunny	April-June	Nil	January-February	Nil	Kurnool, Gadag &: Bagalkot	Nil
Castor	Kranthi	May-July	Nil	December-January	Nil	Mydukur & Mahaboob-nagar	Nil

Rice

Our Company is engaged in the breeding of hybrid rice, which represented 23.8% and 16.7% of our Company's total sales in Fiscal 2006 and the seven month period ended October 31, 2006, respectively. Thus, hybrid rice is an important element of our Company's product portfolio. Hybrid rice enjoys a price premium over open-pollinated rice of approximately three to four times. With technology now in place to allow hybrids to replace a large portion of the cultivation of open-pollinated types, multinational companies entering the market and investing in hybrid rice (*e.g.*, Proagro, Pioneer and Monsanto India Limited) have created strong momentum for market growth.

Our Company has ten rice products on the market and is developing four additional rice products (PAC 805, 809, 837 and 815). Our Company has been emphasizing the development of proprietary lines based on public lines while working with the International Rice Research Institute.

Sunflower

We believe that our Company has a strong position in the Indian sunflower market, a sector that is supported by the Indian government. Our Company sells sunflower seeds in all of the key planting seasons and is targeting the emerging spring market as well. In Fiscal 2006 and the seven month period ended October 31, 2006, sunflower seeds accounted for 21.7% and 27.9%, respectively, of our Company's total sales. Our Company has 15 varieties of sunflower seeds on the market. One of our sunflower varieties (PAC 36) has been notified by the Ministry of Agriculture, Department of Agriculture and Cooperation for 15 years from 1998. Notification gives the Company's notified seed products priority over non-notified seed products when selling to the government.

Corn

Our Company has 27 varieties of corn on the market and aims to introduce four new varieties (PAC 731, 739, 740 and 797). PAC 701 has been notified by the Ministry of Agriculture, Department of Agriculture and Cooperation for 15 years from 1998. In Fiscal 2006 and the seven month period ended October 31, 2006, corn seeds accounted for 14.5% and 19.9%, respectively, of our Company's total sales.

Our Company is also in the process of identifying new products for the *Rabi* (winter) season markets of Bihar and coastal Andhra Pradesh and exploring the viability of using germplasm from Pacific Seeds Thailand and opportunities to market sweet corn and baby corn.

Brassica (rapeseed mustard)

Brassica is a key food crop in India and is grown mainly in the winter season. Our Company has one brassica variety on the market and is planning to introduce an additional variety (PAC 437). In Fiscal 2006 and the seven month period ended October 31, 2006, brassica seeds accounted for 6.7% and 2.7%, respectively, of our Company's total sales.

Our Company is focused on developing our hybrid brassicas as a possible improvement on or replacement of the open-pollinated varietal types that prevail in India today. Our Company is collaborating with our subsidiary, Pacific Seeds Australia, in the development of hybrid brassica juncea. This project is in its advanced stages and is expected to be commercialized in the future.

Grain Sorghum

Our Company continues to make inroads in the grain sorghum market. Our Company has five grain sorghum varieties on the market and is planning to introduce two new varieties (PAC 541 and 533). PAC 501 has been notified by the Ministry of Agriculture, Department of Agriculture and Cooperation for 15 years from 1998. In Fiscal 2006 and the seven month period ended October 31, 2006, grain sorghum seeds accounted for 9.9% and 7.4%, respectively, of our Company's total sales.

Forage Sorghum

Our Company has two varieties of forage sorghum on the market. In Fiscal 2006 and the seven month period ended October 31, 2006, forage sorghum seeds accounted for 5.3% and 0.4%, respectively, of total sales.

Pearl Millet

Our Company has six varieties of pearl millet on the market. Our Company has established a highly competitive program in this important local, rain-fed crop. In Fiscal 2006 and the seven month period ended October 31, 2006, pearl millet seeds accounted for 13.6% and 10.0%, respectively, of total sales. We aim to have the preferred product in the traditional *Kharif* (summer) markets of Rajasthan, Uttar Pradesh and Haryana for pearl millet. In order to further improve our competitive position, our Company is developing disease resistant products through collaborative research with the University of Mysore. We are developing a specific product for the *Kharif* (summer) markets in Gujarat and Tamil Nadu to position as a companion product to PAC 931, which will reduce over-dependence on one product in the key northern India markets.

Cotton

Our Company added this product (six varieties) into its portfolio consequent to the amalgamation of USBPL with our Company. In the seven month period ended October 31, 2006, cotton accounted for 14.4% of our Company's total sales.

Castor

Our Company added a castor product (one variety) into its portfolio consequent to the amalgamation of USBPL with our Company. In the seven month period ended October 31, 2006, castor accounted for 0.1% of our Company's total sales.

Production

Our Company produced 5,285 and 6,276 metric tons of seed from ten production locations across India in Fiscal 2006 and Fiscal 2005, respectively. Our Company produced 5,106 metric tons of seed from 18 production locations across India in the seven month period ended October 31, 2006. The main production winter season (*Rabi*) in India runs from September to March. The contra-season (*Kharif*) in India is from May to August, during which monsoon rains are prevalent.

All of our Company's production is managed via grower production contracts and is staffed by a production team of 40 employees as of December 31, 2006. Our Company does not own or have any material long term lease arrangements to use any of the farms on which our Company produce seeds.

Our Company operates three plants in Andhra Pradesh: one at Kurnool and two near Hyderabad. These plants are active from February to June and from August to December to accommodate the two planting seasons.

Our Company puts considerable effort into ensuring quality and effective information technology systems to track production and delivery of our planned volumes. Our Company's success in this area is evidenced by our Company's track record in inventory management and customer service. Our Company is certified ISO9001:2000 Standards for Quality Management Systems (QMS) compliant and ISO14001:2004 for Environmental Management Systems (EMS) compliant. Our Company's Seed Quality Assurance (SQA) and testing facility in Kurnool is accredited by the International Seed Testing Association based in Switzerland (ISTA). The Seed Research Centre (part of SQA) is recognized by Department of Science and Technology, Government of India.

Channel to Market

After processing, our Company's seed inventory is transferred to various consignment agent locations situated throughout India. From there, the product is moved to the distributor base, into the dealer channel and onward to the ultimate consumer (*i.e.*, the farmers).

As of December 31, 2006, our Company's distribution network consists of over 900 distributors.

Generally, about half of our Company's annual sales are made from May to July. Sales are principally made to distributors on credit terms, though some distributors make advance bookings for which we generally give discounts and require payment of cash upfront for a portion of the order.

Research & Development

Our Company operates eight research stations at Begur (in Karnataka), Vavilala, Kallakal, Ravalkol and Athwelly (in Andhra Pradesh), Sarangpur and Valvada-Vapi (in Gujarat) and Aurangabad (in Maharashtra) that engage in plant breeding and supporting bioscience for our Company's principal crops and a multi-location testing network consisting of 117 locations. As of December 31, 2006, a total of 56 employees work in research and development.

Our Company's research and development efforts are focused on developing new products as well as addressing technology gaps in the existing markets. For instance, our Company uses technologies relating to sunflower, corn, forage sorghum and canola that were developed by our Company's subsidiaries, Pacific Seeds Australia, Pacific Seeds Thailand and Advanta Argentina, and then adapt them for local conditions.

We successfully completed collaborative research with Avestha Gengrain Technologies Private Limited for the development of disease tolerant paddy rice. Our Company has entered into collaborative arrangements with University of Mysore and University of Dharwad for the screening of disease tolerance, among other things.

Our Company's Seed Quality Assurance (SQA) and testing facility in Kurnool is accredited by the International Seed Testing Association based in Switzerland (ISTA). The Seed Research Centre (part of SQA) is recognized by Department of Science and Technology, Government of India.

Management and Staffing

As of December 31, 2006, our Company had 261 full-time employees, with 56 in research and development, 136 in marketing and sales, 40 in supply chain management and 29 performing general and administrative duties. The average length of service of the staff is 3.8 years. The management team of the Company consists of nine senior managers, whose average length of service is six years.

INTERNATIONAL OPERATIONS

We also operate in Australia, Thailand and Argentina through our Operating Subsidiaries, Pacific Seeds Australia, Pacific Seeds Thailand and Advanta Argentina, respectively.

Pacific Seeds Australia

Pacific Seeds Australia, headquartered in Toowoomba (Queensland), is one of the largest seed companies in Australia in terms of hybrid seed sales revenue. Pacific Seeds Australia is active in the research, production and sales of a range of important crops in Australia as well as the rest of the world through its export division, Pacific Seeds International. The key crops for Pacific Seeds Australia are grain sorghum, forage sorghum, sunflower, corn and canola.

Pacific Seeds Australia was founded in 1962 by Pacific Oilseeds Inc., a leading safflower research firm in the United States, which initially introduced American safflower material to Australian conditions. Since its establishment, Pacific Seeds Australia has introduced hybrid sorghum, sunflower, hybrid canola and other breeding programs to the Australian market.

In 2005, Pacific Seeds Australia entered the large and established Australian wheat market. The decision was based on the significantly improved prospects for value extraction via end point royalties and the potential for liberalization of the grain export market by 2010. Additionally, in 2006, Pacific Seeds Australia has commercialized three varieties and expects to introduce at least two more varieties to its product range in 2007.

Products

Pacific Seeds Australia adopts a multi-crop approach in all market segments taking advantage of its extensive product range. Pacific Seeds Australia's primary products were sunflower, canola and corn sales in the fiscal year ended December 31, 2005 and the ten month period ended October 31, 2006. Pacific Seeds Australia also sells grain sorghum, forage sorghum and oats.

Pacific Seeds Australia brands its products on an individual hybrid basis but the company takes advantage of the continuity and repeat sales value afforded by related brand names. A full product range is one of Pacific Seeds Australia's key strengths. We believe that the company operates a wider trial and demonstration program than any of its competitor.

Set forth below is a table describing the seed products, planting months, harvest months and production areas of each of Pacific Seeds Australia's principal crops:

Crops	Seed Varieties	Planting Months	Harvest Months	Production Areas
Sunflower	Hysun 33, Hysun 39, Hyoleic 41, Sunbird 7	July to March	January to July	Queensland and New South Wales
Canola	Hyola 75, Hyola 43, Hyola 432, Hyola 61, Hyola 405	March to June	November to Jan	New South Wales, Victoria, South Australia and Western Australia
Corn	Hycorn 75, Hycorn 345, Hycorn 424, Garst 828, Hycorn 901, Hycorn 675IT, XL80	July to March	January to July	Queensland, New South Wales and Victoria
Grain Sorghum	MR Buster, MR Maxi, MR43, MR32, PAC 2417, MR Bounty	September to March	February to July	Central Queensland to Liverpool Plains
Forage Sorghum	Jumbo, Sugargraze, PAC 8260, Chopper, Superdan, Pacific BMR, Speedfeed, Nectar, PAC 8386	August to March	October to June	Eastern Seaboard, wetter areas of South Australia and Western Australia
Oats	Falcon, Drover, Taipan	March to July	July to December	Queensland and New South Wales

Sunflower

Pacific Seeds Australia is one of the leading players in the sunflower market, except the confectionary segment. Products are branded under the Hysun umbrella, a trademark owned by Pacific Seeds Australia. Pacific Seeds Australia is a market leader with products such as Hyoleic 41, Hysun 38 and Sunbird 7. Key competitors in this segment are Hylan and Lefroy Seeds.

With a strong market swing to monounsaturated oil, one of the two primary oil types, Pacific Seeds Australia plans to seek new opportunities to work closely with end users (crushers) to market products for this segment.

In the export market, Pacific Seeds International generally concentrates on selling hybrid seed, although there are expanding options to sell parent seed together with pre-paid royalty arrangements. The business is developing an international production strategy that utilizes both Australian and off-shore production, aimed at providing an opportunity for margin growth.

Canola

Pacific Seeds Australia held a substantial share of the Australian canola market. New branding strategies for open-pollinated canola launched during 2005 have been effective, increasing sales over the past two seasons. Marketing campaigns have focused on differentiating our brands based on intrinsic factors like trust, pride and recognition. Pacific Seeds Australia has differentiated its products by treating all of its canola seed with a fungicide (Jockey®). This also has improved the business's margins and profitability. Sustaining momentum with new replacement varieties is key to maintaining Pacific Seeds Australia's strong position within this market. In addition to these activities in open-pollinated canola, Pacific Seeds Australia is one of the leading companies in hybrid canola technical development.

Pacific Seeds Australia has decided to participate only in the mid and mid-late maturing segments in this market, which are of substantial size and result in reliable year to year sales, irrespective of the season. Hybrids and candidate hybrids to fit these segments are currently under advanced stages of development. Several competitors have only recently entered the hybrid canola market.

In 2003, there was a breakdown in the sylvestris blackleg resistance, a disease which causes the premature death of the plant and lodging, which resulted in a substantial decrease in Pacific Seeds Australia's sales of canola. Since that time, Pacific Seeds Australia has been working to find new sources of blackleg resistance for its canola products to make them competitive in the market. We are in the process of developing resistant hybrid seeds.

Pacific Seeds International is a major supplier of hybrid (spring) canola seed to various markets, including the Middle East, the largest market for Pacific Seeds International. Pacific Seeds Australia has restarted testing canola products for the EU spring rapeseed oil market.

Corn

Pacific Seeds Australia holds a substantial share of the Australian corn market. Pacific Seeds Australia operates in the major corn segments but does not participate in the waxy or white markets. Products are branded under the Hycorn umbrella although some DK (Dekalb) products are still sold. Products are differentiated by end use requirements - i.e. grain, silage or processing. Traits are yield and maturity based, and Pacific Seeds Australia is generally strongest in the mid and fuller season products. A strong range of IMI (Clearfield®) varieties is now available, and Pacific Seeds Australia is seeking to further position itself to take advantage of this opportunity as well as certain other growth opportunities emerging in the bio-ethanol market in Australia and New Zealand.

In the export market, Pacific Seeds International focuses corn sales in Asia, the Middle East and Latin America. Corn exports consist of temperate corn sourced from Australia and third party suppliers as well as tropical corn sourced from Pacific Seeds Thailand.

Sweet corn sales are based on germplasm from both Australia and on tropical material from Pacific Seeds Thailand. We believe that Thai sweet corn and baby corn offer growth opportunities across tropical locations globally. Potential for growth exists in Asia and Latin America for tropical sweet corn. Testing is in the early stages in these markets.

Grain Sorghum

Grain sorghum is the cornerstone of Pacific Seeds Australia's multi-crop strategy in the summer crop market. We believe that Pacific Seeds Australia held a substantial portion of the Australian grain sorghum market in 2005 and in the ten month period ended October 31, 2006. Pioneer and Hylan are key competitors in this segment.

Conversion to ELITE branded seed (with high value seed treatments applied), which was launched in 2000, continues to provide Pacific Seeds Australia with opportunities to add value to its product range. Traditionally, farmers applied seed treatments themselves. With less farm help available and HSE issues prevalent, it is now more cost effective for the professional farmer to buy seeds that have already been ELITE treated. Pacific Seeds Australia's treatment strategy ensures that a large percentage of all seed across all crops has some form of treatment on it. Thus, seed treatments provide Pacific Seeds Australia with additional sales revenue and increased margins that were previously captured by treatment suppliers when farmers treated their own seed.

Prospects for bio-ethanol production also offer potential new markets for this crop. Grain sorghum has been identified as the preferred grain for ethanol production because of its high starch content and ready availability at commercially reasonable prices, making the raw material a competitively priced input. The extra amount of grain required will expand the area of the crop grown. Other opportunities exist for sorghum (or corn) hybrids that yield more ethanol per ton of grain processed. The construction of several new ethanol plants in Australia is underway. Furthermore, as the Australian government is currently offering incentives to the industry, more plants are likely to be built, which would increase the demand for sorghum grain accordingly.

In the export market, Pacific Seeds International continues to benefit from long-standing sales to Colombia, which accounts for the vast majority of international grain sorghum sales. There is also a small amount of grain sorghum business in Europe and Asia. Pacific Seeds International is now testing its grain sorghum range in China. To date, the focus has been entirely on grain sorghum products from Australia. In the future, Pacific Seed International may place greater focus on grain sorghum products from Advanta India and Advanta Argentina.

Forage Sorghum

Pacific Seeds Australia is one of the leading players in the forage sorghum market through brands such as Pacific BMR (brown mid rib), Sweet Jumbo and Superdan. Key competitors in these areas are Pioneer and, to a lesser extent, Hylan.

Pacific Seeds Australia has maintained its position in the forage sorghum market by developing innovative and market leading products. The forage research team at Pacific Seeds Australia is currently working on specific silage and hay varieties.

In the export market, Pacific Seeds International participates in the higher end product markets using the key benefits, such as photo-period sensitivity, BMR and elevated sugar content as enhanced traits. Traditionally, Pacific Seeds International has consciously avoided entering the lower value commodity oriented forage markets. We believe that there is increasing interest in the use of sweet sorghums in the production of bio-fuels.

Oats

Pacific Seeds Australia held a substantial portion of the Australian proprietary oats market, particularly proprietary grazing oats. The business focuses on marketing varieties for the grazing market, supplemented by niche opportunities in hay production. The key trait is rust resistance where Pacific Seeds Australia holds a competitive advantage. Rust causes significant loss of production of green matter in the oats. Without green matter in the plants, productivity levels decrease. Products are also differentiated through their ability to handle warm sowing conditions and by the time they take to reach the growth stage where flower heads appear. Heritage is the only significant competitor to Pacific Seeds Australia in the market.

Farmer retained seed and cheap "public lines" are other competing factors in the market. Pacific Seeds Australia's oats business is managed as a high volume, low margin, and low risk business. Extensive demonstration programs are the company's main promotional tool with little marketing and advertising spend. The business has an outstanding pipeline of new products. Pacific Seeds Australia is planning to launch a new rust resistant oat named Drover. Pacific Seeds Australia plans to introduce a tritacle called Falcon, which would be the first tritacle taken to the market by the company and would demonstrate Pacific Seeds Australia's strength in the grazing market.

Production

Pacific Seeds Australia utilizes production locations in Australia, New Zealand, South America, India, and the United States (California). The two primary seed production areas are the Murrumbidgee Irrigation Area (MIA) and Ord River Irrigation Area (ORIA), whereas the Lockyer Valley is the primary parent seed production area.

In all domestic Australian production areas, farmers are contracted to undertake seed production on behalf of the company, except in ORIA where the majority of the production is conducted on our leased or owned land with limited off-farm contract production. Pacific Seeds Australia provides a high level of input into the day-to-day management of seed production in all these locations through a production team of two regional managers, five production agronomists and four breeder/parent seed agronomists. Overseas production is conducted by third party production companies or other Group operating companies.

All contracts, except open-pollinated canola contracts, are fixed price and unlimited quantity contracts subject to meeting minimum seed quality specifications. Open-pollinated canola contracts are fixed price with minimum tonnage commitments but with the buyer having the option to purchase additional production at the discretion of Pacific Seeds Australia, again subject to meeting minimum seed quality specifications.

Pacific Seeds Australia conducts two production cycles for each crop: normal season and contra-season. Normal season production is conducted in the same time period when commercial crops are grown (*i.e.*, summer crops in the summer season). Contra-season production is conducted in the opposite season to which the commercial crop is grown (*i.e.*, summer crop production produced over the winter season). Due to strict quarantine regulations and GM restrictions, normal and contra-season production takes place within Australia for the domestic market. However, a number of overseas production locations are utilized for exports.

The majority of production is conducted in normal season but contra-season production enables shortfalls to be made up and/or provides an ability to react to changing market conditions and growth opportunities. Forage sorghum is the exception, with the ORIA contra-season facility being the primary production location with minimal production in normal season.

MIA is an irrigated broad-acre and horticultural area in southern New South Wales (NSW) where the main crops are citrus, wine grapes, processing and feed corn, summer and winter oilseeds, rice, and winter cereal. Water is supplied from mountain runoff (Snowy Mountains) and from underground aquifers. ORIA is an irrigated broad-acre and horticultural area in the north east of Western Australia where the main crops grown are sugar cane, hybrid seed crops, cucurbits, mangoes, bananas and sandalwood. Water is supplied from the Ord River's wet season runoff.

Pacific Seeds Australia has a two owned production sites (ORIA Cave Springs for production and Griffith for processing) and one leased farm (Rumu). Pacific Seeds Australia has also invested in a corn cob processing facility, chemical store and wash down facility on the ORIA Cave Springs farm. At Griffith (MIA), there is a corn cob processing plant.

Pacific Seeds Australia has a five year lease of the Rumu farm running through February 14, 2009 with an option to renew for another five years and a first option to purchase. Pacific Seeds Australia has a significant capital investment in drying and storage facilities on this farm.

The main processing and warehousing facility for Pacific Seeds Australia is based at the Toowoomba site. This plant operates all year round with peak times following the ORD and MIA harvests. There is additional warehouse space at the Melbourne site; additional corn (pre-cleaning) processing capacity at Griffith in the MIA; and some corn (pre-cleaning) processing capacity at the ORD production farm. Pacific Seeds Australia's major external processing partner is Baker Seeds in Victoria.

Channel to Market

Pacific Seeds Australia's products are sold wholesale to all major agricultural retailers in all key markets, who then sell on to farmers. The Australian rural retail market is highly competitive. However, we believe that Pacific Seeds Australia enjoys strong support from rural retailers and has strong brand recognition with growers.

Pacific Seeds Australia generally conducts sales during the first and last quarters of the year. Pacific Seeds Australia runs promotions for and sells directly to dealers and distributors, who generally purchase seeds on credit terms.

Exports (Pacific Seeds International)

The export of Pacific Seeds Australia products is conducted by its export division, Pacific Seeds International. Pacific Seeds International's principal export products are grain sorghum, forage sorghum, sunflower, corn and hybrid canola. Initially, the business focused heavily on marketing products from Pacific Seeds Australia. Subsequently, Pacific Seeds International placed greater emphasis on marketing other Group company products, including sweet corn and field corn from Pacific Seeds Thailand, rice, sorghum, and mustard from Advanta India, and sunflowers, as well as grain and forage sorghum from Advanta Argentina.

Pacific Seeds International targets countries that are not served by our Group's other businesses throughout Asia, the Middle East, Latin America and Africa. While export markets may serve as opportunities to dispose of surplus product, the primary focus is to develop strong, long term business relationships based on product testing/development and recurring annual sales. Pacific Seeds International has a small separate sales force targeting the international markets.

Pacific Seeds International has developed a strong, long-term relationship with ICI Pakistan as a distribution partner and has had recurring sales of a range of hybrid field crops. Pacific Seeds International established its relationships with customers in Iran in the early 1980's. Pacific Seeds International's primary product in Iran is hybrid canola, with developing businesses in sunflower, forage sorghum and millet. Canola is currently the main focus for Brazil and Paraguay.

Pacific Seeds International's distribution strategy is tailored on a country by country basis. In countries where route to market is complex and regular service is needed, such as Iran and Sudan, Pacific Seeds International normally appoints agents to represent it. Through these agents, distributors are appointed. In other countries, we have developed strong direct distribution relationships. ICI Pakistan is a good example of a strong distribution relationship using the normal farm supply channel to sell our seed products. Wherever possible, mutually exclusive supply arrangements are established.

Pacific Seeds International's potential markets for expansion beyond the current geographies are:

- Tropical field corn and sweet corn in markets such as Vietnam, Indonesia, southern China, Bangladesh as well some niche opportunities in South and Central America;
- Hybrid rice in Vietnam, Indonesia, Philippines, and Bangladesh;
- Hybrid mustard in Pakistan and Bangladesh; and
- Grain and forage sorghum in various North African countries.

Management of Pacific Seeds International also intends to pursue growth opportunities in the existing core export countries with currently existing products. The most notable opportunities to further penetrate the existing markets are with sunflower and forage sorghum exports to China as well as sunflower, forage sorghum, grain sorghum, and corn exports to Sudan.

Research and Development

Pacific Seeds Australia's breeding programs are geared toward supplying the domestic Australian markets with seed for all its key crops. In addition to the domestic market, the genetics developed by mature programs within the Pacific Seeds Australia research and development program have specific relevance and compatibility for the following international markets:

- Sorghum – United States, Asia, and South / Central America.
- Sunflower – China, Argentina (northern and central), Brazil, Bolivia, Asia and Africa.
- Canola – Middle East, South America, South Africa and North America.
- Forage Sorghum – North and South America, South Africa and Asia.
- Corn (sweet and field) – New Zealand, USA, South America and southern Europe.

All the major breeding activities are carried out in Toowoomba (QLD), Gatton (QLD) and Temora (NSW). The Gatton facility is owned and operated by Pacific Seeds Australia and provides a key service to all the breeding programs. The Toowoomba facility provides glasshouse and lab support to all breeding programs. A quarantine glasshouse is also located in Toowoomba in a separate facility, approved and required by the Australian government quarantine authority (AQIS). The Temora location, in southern NSW, is used for canola selection and pathology screening. This Temora facility is leased on a co-operator's farm.

As of December 31, 2006, Pacific Seeds Australia operates on approximately 80 testing locations and 17 nursery sites in breeding activity that covers sunflower, grain sorghum, forage sorghum, canola, corn, sweet corn, oats, and alfalfa (or lucerne). Additionally, testing programs are in place for wheat and barley as well as for other necessary production research purposes. These activities are run by a staff of fewer than ten full-time equivalent employees.

Molecular markers have been used through associations with Advanta Argentina for various sunflower, forage sorghum, and grain sorghum projects. For canola, molecular markers have also been used in partnership with the divested Advanta Canada. A PCR lab has been established within the Pacific Seeds Australia Toowoomba facility with business equipment for processing approximately 5,000 data points per year. It is set up to help ensure the skills base to deliver these traits is in-house. Target traits include:

- Sunflower – rust, oil quality, downy mildew and verticillium.
- Sorghum – pre-harvest sprouting.
- Forage sorghum – BMR.
- Canola – herbicide resistance and sterility for the ogura cytoplasm.

Dihaploids are widely used in-house within the corn and canola breeding programs. All the dihaploid activities are conducted in Toowoomba. In canola, this is carried out by specialist support, while in corn the breeding staff conducts this process. The success rate for the corn program is among the highest in the world.

Management and Staffing

As of December 31, 2006, Pacific Seeds Australia had 134 full-time employees of which 24 are in research and development, 38 are in marketing and sales, 21 are in production, 30 are in processing and warehousing and 21 performing general and administrative duties. The average length of service of the staff is approximately ten years. The management team of Pacific Seeds Australia consists of six senior managers whose average length of service is approximately 24 years.

As of December 31, 2006, Pacific Seeds International had seven full-time employees devoted to its international business. The average length of service of the staff is 12.9 years.

Pacific Seeds Thailand

Pacific Seeds Thailand, based near Lopburi in Saraburi, was established in 1975 as a division of Pacific Seeds Australia. Subsequently in 1981, Pacific Seeds Thailand was formed as a separate operating company. Also in 1981, Pacific Seeds Thailand introduced hybrid corn and sorghum. Today, it is a leading player with a full product range of hybrid field and vegetable crops, such as tropical field corn, baby corn, sweet corn, grain sorghum, forage sorghum, and sunflower.

Products

Pacific Seeds Thailand sells tropical field corn, baby corn, sweet corn, sorghum and sunflowers.

Set forth below is a table describing the seed products, planting months, harvest months and production areas of each of Pacific Seeds Thailand's principal crops:

Crops	Seed Varieties	Planting Months	Harvest Months	Production Areas
Tropical Field Corn	PAC 984,PAC 999, PAC 224, PAC 555, PAC 147, PAC 759, PAC 747	May and June	September and October	Central, Northeast, Northwest Thailand
Baby Corn	PAC 283, PAC 271	May and June	September and October	Northwest, Northeast, Central Thailand
Sweet Corn	Hibrix3, Hibrix9, Hibrix49, Fancy Sweet, Super Champ	November	March	Northeast Thailand
Sorghum	PAC 88, PAC 99, PAC 395, Jumbo, Sweet Jumbo	April in the US September in India	August in the US February in India	US, India
Sunflower	PAC 33, PAC 55, PAC 29, PAC 77	September to October	March to April	Australia, Argentina

Pacific Seeds Thailand aims to maintain a highly diversified product portfolio. This is important in a market that can be affected by variable weather patterns that impact both the supply and the demand side of the business.

Sweet Corn

Pacific Seeds Thailand holds a substantial share of the Thailand sweet corn market. Pacific Seeds Thailand's Hibrix3 has become one of the most popular hybrid sweet corns. Sales for this product are more often limited by supply rather than demand.

Pacific Seeds Thailand has products that are particularly well suited for the fast growing cannery segment in terms of yield and quality. From this leading position, the company is interested in increasing its product appeal by introducing a new range of products with good levels of tolerance to leaf blight and downy mildew while maintaining yield and kernel quality.

Baby Corn

Pacific Seeds Thailand holds a substantial share of the Thailand baby corn market. Pacific Seeds Thailand's flagship baby corn product is PAC 283. The competitive advantage of the PAC 283 product is its superior yield and quality compared to other products in the market. Pacific Seeds Thailand's key competitors for baby corn are Syngenta, CP and Pioneer.

Tropical Field Corn

Pacific Seeds Thailand made a significant move in the tropical field corn market in 2002 with the launch of the hybrid seed PAC 984. Since this launch, Pacific Seeds Thailand has identified a number of new products through its product development program and is planning to introduce new hybrids.

Sorghum (Grain / Forage) and Sunflower

Pacific Seeds Thailand holds substantial market shares for grain sorghum and sunflower. Pioneer is a key competitor who is active in both crops.

The product strategy for these crops is to identify hybrids for grain and forage sorghum from Pacific Seeds Australia and for sunflowers from Pacific Seeds Australia and Advanta Argentina. Yield, agronomic traits and oil content are key traits to promote the sunflower hybrids for commercial purposes. The current Pacific Seeds Thailand sunflower products emanate from Argentina (CF 17) and Australia (Hysun 33). Jumbo®, a leading forage sorghum product from Pacific Seeds Australia, is marketed in Thailand, along with PAC 99 and PAC 88, which are grain sorghums, the latter being a proprietary hybrid sourced from Advanta India.

Production

Pacific Seeds Thailand employs different production approaches depending on the crop. For example, in tropical field corn, most of the production is non-irrigated and grown in the wet (rainy) season. Conversely, in sweet corn, most of the production is grown under irrigation in the dry season. For baby corn, the company targets a majority of the production to be rain-fed in the wet season. Production is located in Lopburi (center), Maeramad (north west) and Nongkhai (north east). This diversification of locations minimizes drought risk.

In the wet season, planting time begins in May/June with harvest from September to October. The dry season starts planting in October, ending in December and harvest follows from February to April. All production is done by contract growers but also, to a smaller extent, on the company's leased farmland at Lopburi. A production team supervises all production and is divided into three regional groups. There are production agronomists in Maeramad, in Lopburi and in Nongkhai. The production manager manages all production activities from planning and contracting to harvesting and transporting seed to the processing plant.

Processing

All seed products are processed at Pacific Seeds Thailand's owned facility near Lopburi. The plant receives tropical field corn, baby corn, and sweet corn (on the cob) to dry, shell, size, treat and pack. For imported products, such as sunflowers, processing activity is limited to packing as the seed will have been treated prior to shipment.

Drying

The drying plant located at Praputthabat operates from August to November to dry tropical field corn, baby corn and sweet corn being harvested from the wet season. This process starts again for dry season production from February to May. Seed drying activity operates all year round, depending on the schedule of inputs to the process. Two teams operate the plant. In total, these teams are comprised of ten permanent staff and 70 temporary workers as of December 31, 2006.

Packing

Pacific Seeds Thailand packs all seed in "Via Pack" units that utilize heat sealed, evacuated, high strength polyethylene bags. This provides excellent protection from the humid conditions that cause seed to deteriorate rapidly in the tropics.

Channel to Market

Pacific Seeds Thailand sells products virtually year-round. Sales are generally made to dealers on credit terms, though discounts (generally 3-5%) are offered for customers who pay cash upfront. The majority of Pacific Seeds Thailand's branded sales for all products flow through a dealer network of approximately 350 dealers across the country as of December 31, 2006. Products reach farmers through approximately 550 sub-dealers. Sales made through TABCO (Thai Agricultural Bank), other agricultural cooperatives, and government projects accounted for the remaining sales in fiscal year 2005. As of December 31, 2006, Pacific Seeds Thailand employed 34 sales and promotion representatives.

Research and Development

Pacific Seeds Thailand runs three breeding programs at the research farm in Lopburi for tropical field corn, sweet corn and baby corn. As of December 31, 2006, research and development is managed by 12 full-time employees. The permanent staff is supported by seasonal workers for nursery and testing work in the field at key times of the year.

Management and Staffing

As of December 31, 2006, Pacific Seeds Thailand had 108 full-time employees, with 12 in research and development, 40 in marketing and sales, 36 in supply chain management and 20 performing general and administrative duties. The average length of service of the staff is approximately eight years.

Advanta Argentina

Advanta Argentina, headquartered in Junín, is a hybrid sunflower seed specialist. Advanta Argentina was formed in 1996 through a merger of the former Zeneca (formerly a subsidiary of Continental) and VanderHave Argentine seed businesses. The company is a vertically integrated seed business specializing in the production of a hybrid sunflower seeds. Advanta Argentina has a biotechnology facility located in Balcarce, breeding programs for sunflower and sorghum (grain and forage) and maize testing in Venado Tuerto, seed production and processing facilities in Murphy and a contra-season seed production facility in Orán.

Products

Advanta Argentina's business is focused on the domestic sunflower business. Advanta Argentina's sunflower products have resistance to a range of important diseases (downy mildew, verticillium, sclerotinia). Additionally, for the key traits of grain yield and oil content, Advanta Argentina has industry leading products (*e.g.*, CF, VDH, Aguará and Olisun). Advanta Argentina also licenses out the use of certain of its proprietary sorghum, sunflower and corn germplasm.

Set forth below is a table describing the seed varieties, planting months, harvest months and production areas of each of Advanta Argentina's principal crops:

Crops	Seed Varieties	Planting Months	Harvest Months	Production Areas
Sunflower	Normal Oil – AGUARA 2, 3 and 4, CHARRUA, CF 17DMR, CF29, 27 and 31, VDH 370 and 487 IMI Tolerant – CF23 CL/CF24 CL/ CF27 CL High Oleic Oil – OLISUN, OLISUN 2, 3	July to November	December to April	North Argentina Central South Argentina
Corn	AM 8320, 8323, Triple E 2025, Triple BT	August to October	March to May	Central Argentina
Grain Sorghum (including silage sorghum)	High Tannin – VDH 302 and 314 Low Tannin- VDH 303 Nutrigrain (BMR)	November	April to May	Central Argentina
Forage Sorghum	VDH 601 and 701 Nutritop and Nutritop Plus (BMR) VDH 422	November	April to May	Central Argentina

Sunflower

Advanta Argentina's sunflower business constitutes a majority of its sales. Advanta Argentina has holds a substantial share of the Argentine market for high oleic sunflowers. The major brands of sunflower marketed by Advanta Argentina are CF (formerly known as Contiflor), VDH, Aguara, Charrua and Olisun. Advanta Argentina's strategy is to offer a full sunflower product range, offering products in both the premium and lower priced segments.

Advanta Argentina also produces sunflower seeds for export to markets such as Bolivia, Brazil, Uruguay, Venezuela, Europe and China.

Grain Sorghum

Advanta Argentina markets a range of high and low tannin hybrids in grain sorghum, with higher yield than products offered by most of its competitors. Advanta Argentina is in the process of incorporating drought and lodging resistance into its new hybrids. The introduction of new seed varieties containing BMR traits (highly digestible types) are increasing the competitiveness of Advanta Argentina's sorghum lineup, not only compared to other sorghums but as a replacement for corn in drier areas. Advanta Argentina's grain sorghum products are sold under the VDH brand. Advanta Argentina also exports grain sorghum products to markets such as Bolivia, Brazil, Mexico and Uruguay.

Forage Sorghum

Advanta Argentina has successfully incorporated a BMR trait that affords low lignin content and, consequently, high forage digestibility in locally adapted germplasm, giving it a unique point of differentiation in the market. The BMR forage sorghum products are marketed under the brand Nutritop.

Advanta Argentina also exports forage sorghum products to markets such as Bolivia, Brazil, Mexico and Uruguay.

Production

The seed is produced in northern, central and southern Argentina for sunflower; central and western Argentina for sorghum; and central Argentina for corn. Planting for all crops is carried out between July and November, with harvesting from January to April for all crops. For the vast majority of the production, contracts require payment on delivery, with several installments of delayed payments.

Advanta Argentina has one processing plant in Murphy, near Venado Tuerto. Seed is received from mid-December to April and is processed from February to October. Products are shipped from May to November.

Channel to Market

Advanta Argentina's primary route to market is via a network of eight agents and approximately 250 distributors (as of December 31, 2006) spread across three principal distribution areas – northern, central and southern Argentina.

Advanta Argentina also operates a small sunflower and sorghum licensing operation for both the domestic and regional Latin American markets. Basic seed is sold with royalty fees included in the price.

Collaboration with downstream crushers is currently under development for high oleic sunflowers, aligning key end users with farmers growing Advanta Argentina's high oleic products.

Advanta Argentina also exports sunflower, grain sorghum and forage sorghum products through a network of local distributors in each of its export markets. The principal export markets are Bolivia, Brazil, Uruguay, Venezuela, Mexico, Europe and China.

Research and Development

Advanta Argentina has a biotech lab in Balcarce. The first program at Balcarce is SUNSAT, which is described further below. The second program involves tissue culture, especially for embryo rescue and fast track breeding in combination with molecular markers. The third program is plant pathology, which provides both the routine classical screening expertise for the sunflower breeding program and also the extensive whole plant studies necessary for the mapping of disease resistance genes for exploitation in molecular marker activities. The use of molecular markers helps us to substantially reduce the time required to develop new plant varieties.

Advanta Argentina runs its breeding programs from its station at Venado Tuerto. The sunflower breeding program focuses on a variety of points of differentiation. For example, candidates are selected for regional adaptation to the northern, central and southern markets. The primary characteristics of grain yield and oil content are further enhanced by the deployment of disease resistance traits, such as downy mildew, verticillium, sclerotinia and rust. The program also concentrates on lodging resistance, adaptation to no-till and IMI tolerance (Clearfield®). Advanta Argentina is focused on specialty oil opportunities, both via its breeding programs and via the SUNSAT project. The Advanta Argentina sunflower program has developed germplasm that has been commercialized in Bolivia, Brazil, Uruguay, Venezuela, China, Thailand, Australia, India and Europe.

The grain sorghum breeding program targets high grain yield, disease resistance, lodging and drought resistance. There is considerable interaction with the vastly experienced sorghum research and development resources at Pacific Seeds Australia, but the Advanta Argentina program is completely free-standing. Advanta Argentina also has a fully resourced breeding program for forage sorghum. The key trait for forage sorghum is the BMR trait affording low lignin content and, consequently, high forage digestibility. This is desirable for high technology animal production systems (principally beef and dairy).

Management and Staffing

As of December 31, 2006, Advanta Argentina had 101 full-time employees, with 36 in research and development, 44 in supply chain management, nine in marketing and sales and 12 performing general and administrative duties, along with seasonal contracted workers during the summer.

SUNSAT

SUNSAT (derived from "SUNflower SATurated") is a thirteen year old non-GM research and development program proprietary to our Group. It combines plant breeding and molecular marker know-how, elite sunflower germplasm and third party patents to which our Group has exclusive rights to use to develop a range of sunflower hybrid seed products with a highly beneficial oil profile.

SUNSAT Project and Product Profile

The SUNSAT program was set up to develop a range of sunflower hybrid seed products with a highly beneficial oil profile. The program targets the development of oils that are rich in desirable saturated (S) and unsaturated (US): fatty acids, stearic acid (S) and oleic acids (US). Furthermore, the triglyceride profile of these oils (of great importance to the food industry), is enriched in the saturated-unsaturated-saturated (S-US-S) type which provides even greater utility.

Our Group has collaborated closely with academic and industrial partners with specialist knowledge of oil biochemistry and of end user needs to complement our Group's core plant breeding and bioscience capability.

SUNSAT is being developed to confer the triple benefits of:

- A healthy profile – the fatty acids in SUNSAT oil (stearic, oleic and linoleic acids) have the propensity to lower "bad" cholesterol (LDL) and to be neutral or increase "good" cholesterol (HDL);
- Increased viscosity/plasticity –SUNSAT oil is directly usable for margarines, non-dairy creams and spreads without the need for them to be chemically modified before they are useful; and
- Stability – SUNSAT oils have materially increased stability compared to conventional sunflower oil or any mono or poly-unsaturated oil.

We have focused on the margarines and spreads segments, but there is also potential and interest in SUNSAT oil for the frying oil, cooking, baking confectionary and cocoa butter alternative segments.

We have invested significant efforts into the SUNSAT project over 12 years. We are targeting commercial introduction of SUNSAT oil by 2009.

The mutations delivering the high stearic character were first created and patented by the Consejo Superior de Investigaciones Cientificas (CSIC) in Spain. CSIC is the registered owner of one patent and has four applications pending for four other patents relating to high stearic sunflower. One of our Subsidiaries, Advanta International B.V., has an exclusive license agreement with rights to sub-license over the CSIC patents (including the patents that are pending) related to high stearic sunflower. There are currently seven patent families with priority dates between 1994 and 2006. The germplasm developed by our Group from the CSIC material is the exclusive property of the Group.

Throug the SUNSAT project we have developed sunflower parent seeds with a trans fat-free fatty acid profile. Oils produced from SUNSAT-developed sunflower seeds containing this fatty acid composition are being tested by players in the food industry.

OUR COMPETITION

The global seed market is highly fragmented with many small to medium-sized companies. We face substantial competition in the commercial seed market from other seed companies, agrochemical companies and subsidiaries or divisions of large multinational corporations, as well as regional competitors. We compete with other seed manufacturers on the basis of availability of product, product range, product traits, including disease resistance, plant quality and other factors, as well as based on price, reputation, regional needs customer service and customer convenience. The introduction of biotechnology has resulted in the entry of various agrochemical companies into the seed industry.

Our Company's major competitors in India are Mahyco, Monsanto India Limited and its subsidiaries, Pro-Agro (a Bayer Crop Science subsidiary), Pioneer (a Dupont subsidiary), Syngenta and Nath Seeds. In Australia, the principal competitors of Pacific Seeds Australia are Pioneer and two private companies, Dovuro and Hylan. Pacific Seeds International faces numerous competitors in its international market. Pacific Seeds Thailand competes principally with Monsanto Thailand Limited and Charoenn Pokphand Seeds Company Limited, a Thai company, as well as with Syngenta Seeds Limited and Pioneer Hi-Bred (Thailand) Company Limited. Advanta Argentina faces competition principally from Monsanto Argentina S.A., Dow ArgoSciences Argentina S.A. and Nidera Semillas S.A. Given the competitive environment in which we operate, we believe that the companies that have a biotechnological platform will become increasingly differentiated from the others in the field.

INSURANCE

Our Company maintains various insurance policies, including:

- marine inland transit insurance, which covers loss or damage to products and machineries while in transit to our facilities in the ordinary course of business;
- standard fire and special perils, which covers loss and damage due to fire and similar perils;
- group personal accident insurance;
- workman's compensation insurance;

- money in transit/cash in safe insurance;
- electronic equipment insurance; and
- various automobile policies.

In addition to the types of policies described above, our Operating Subsidiaries maintain various other insurance policies, including directors and officers liability, marine cargo, industrial special risks, seedsmens errors and omissions, property damage and business interruption, import/export, general public liability, group health insurance and group life insurance.

Overall, we generally maintain insurance covering our assets and operations at levels that we believe to be appropriate for our business at reinstatement values. However, as is customary in the seed industry, we do not have insurance coverage for damage inflicted on crops by GM activists.

OUR EMPLOYEES

As of December 31, 2006, we employed 604 full-time employees globally. We also employ a number of seasonal workers, which varies greatly during the year due to the seasonal nature of our business. None of our employees are unionized. We believe that our relations with our employees are satisfactory.

The following chart shows the number of our employees and our Subsidiaries' employees by geography:

Employee Numbers (as of December 31, 2006)[1]

Country	Permanent Employees
India	261
Australia	134
Thailand	108
Argentina	101
Total	**604**

[1]Figures represent full-time equivalents.

Source: Company data.

The following chart shows the breakdown by position of full-time employees across the Group as of December 31, 2006:

Employee Breakdown (as of December 31, 2006)[1]

Employee Breakdown by Geography as of December 31, 2006				
	India	Australia	Thailand	Argentina
Research and Development	56	24	12	36
Marketing and Sales	136	38	40	9
Supply Chain Management	40	51	36	44
General Administration	29	21	20	12
Total	**261**	**134**	**108**	**101**

[1]Figures represent full-time equivalents.

HEALTH, SAFETY AND THE ENVIRONMENT ("HSE")

Our worldwide operations and products are subject to a broad range of health, safety and environment laws and regulations. Among other things, these requirements regulate wastewater and stormwater discharges, the use, management and disposal of hazardous and non-hazardous materials and wastes, product labeling, the cleanup of contamination and the use of chemicals in our agricultural growing operations. These requirements are complex, affect our day-to-day operations and tend to become more stringent over time.

We are committed to and place a high priority on complying with applicable health, safety and environmental regulations and other requirements in our operations. We work proactively towards minimizing or eliminating the impact of hazards to people and the environment. Pacific Seeds Australia has a full time staff member who manages HSE issues for the Group. HSE meetings are held periodically with staff across the Group during which all issues are discussed and followed up promptly.

OUR INTELLECTUAL PROPERTY

We maintain the ownership of, and control the use of, our inbreds and varieties by means of intellectual property rights, including, but not limited to, the use of patents, trademarks, limited licenses, trade secrets, plant variety protection certificates and contractual language placed on packaging. The level of protection varies from country to country according to local laws and international agreements. For example, Indian law currently does not protect germplasm via plant variety protection registration or otherwise. It is proposed that protection by way of registration of germplasms of certain crops would commence soon. We do not expect that the expiration of patents in the near future will have a material impact on our sales. We regularly monitor our trademark registrations so we can review those nearing expiration.

As of December 31, 2006, our Group had obtained registration in respect of 39 registered trademarks (13 in Australia, 22 in Thailand, one in Argentina and three in India), one patent registered in the United States and 9 plant breeders' rights (in Australia) and applications pending for 14 other trademarks (five in Pakistan, two in Australia and seven in Argentina) and one other plant breeders' rights (in Thailand). In addition, we have also obtained 37 registrations of two trademarks, being the "Advanta" name and device, in various jurisdictions, including the European Union and international registrations.

In addition to the plant breeders' rights owned by the Group as mentioned above, Pacific Seeds Australia has registered four plant breeders' rights as agents of certain research and academic institutions. Pacific Seeds Australia has entered into license agreements with respect to three of these plant breeders' rights pursuant to which each licensor has granted Pacific Seeds Australia an exclusive right to produce and market seed products based on such plant breeders' rights relating to three varieties of wheat for the purpose of producing and marketing seed products in Australia and, in some cases outside Australia. Pacific Seeds Australia has an exclusive license to produce and market seed products based on the "Warrego" variety of wheat, though there is no plant breeders' rights associated with such variety.

One of our Subsidiaries, Advanta International B.V., has an exclusive license agreement with rights to sub-license over the CSIC patents related to high stearic sunflower, one of which has been granted and four of which are pending registration.

Five of the six trademarks currently used by Advanta Argentina are registered under the names of third parties and are not subject to any formal license agreements. Advanta Argentina believes that it has the right to use such trademarks and have been using such trademarks for several years.

Our employees are required to sign an employment agreement that prohibits the disclosure of any of our proprietary technologies and also requires our technical personnel to assign to us any inventions they develop that relate to our business.

OUR PROPERTIES

Our Company's corporate headquarters are located on leased property in Bangalore, India. The lease on our Company's corporate headquarters expires in 2011, with an option to renew. Our Company owns, leases and operates production and research facilities in five locations in Andhra Pradesh, Karnataka, Maharashtra and Gujarat.

The details of our Group's properties are as follows:

Location	State / Region / Province / Country	Principal Business Activity	Own /Lease
Advanta India			
Bangalore	Karnataka	Headquarters	Leased
Medchal	Andhra Pradesh	Processing	Owned
Medchal	Andhra Pradesh	Processing	Leased
Kurnool	Andhra Pradesh	Processing	Owned
Kallakal	Andhra Pradesh	Land – Research	Leased
Ravalkol	Andhra Pradesh	Land – Research	Leased
Athwelly	Andhra Pradesh	Land – Research	Leased
Hyderabad	Andhra Pradesh	Corporate Office	Leased

Location	State / Region / Province / Country	Principal Business Activity	Own /Lease
Begur	Karnataka	Land – Research	See note (1) below
Aurangabad	Maharashtra	Land – Research	Owned
Vavilala	Andhra Pradesh	Land – Research	See note (1) below
Sarangpur	Gujarat	Land – Research	Leased
Valvada-Vapi	Gujarat	Land – Research	Leased
Advanta Argentina			
Venado Tuerto	Argentina	Research	Owned
Balcarce	Argentina	Research including	Owned
		Biotechnology, SUNSAT management	
Junin	Argentina	Administration	Owned
Murphy	Argentina	Processing	Owned
Oran	Argentina	Trial-farm	Owned
Pacific Seeds Australia			
Toowoomba	Queensland	Headquarters, Processing, Research	Leased
Toowoomba	Queensland	Quarantine Glasshouses	Owned
Toowoomba	Queensland	Warehousing	Leased
Gatton	Queensland	Research Farm	Owned
Griffith	New South Wales	Processing	Owned
Cave Springs, Kununurra	Western Australia	Contra-season Production and Processing	Owned
Rumu, Kununurra	Western Australia	Contra-season Production and Processing	Leased, some offices / owned constructions
Pacific Seeds Thailand			
Phraphuttabat	Saraburi	Research, Production, Processing, Sales	Owned
Khoktum	Lopburi	Research	Owned
Lopburi Farm	Lopburi	Farm	Leased

(1) Our Company recently sold this land to Uniphos Enterprises Limited, one of our Promoter Group companies. Our Company intends to lease back the lands from Uniphos Enterprises Limited; however, as on the date of this Red Herring Prospectus, no such lease deed or other arrangement had been finalised.

REGULATIONS AND POLICIES

India

The seed industry is mainly regulated by various statutes enacted by the Central Government and various rules and regulations framed thereunder.

Seed Industry

The Seeds Act, 1966 and the Seeds Rules, 1968

The Seeds Act, 1966 (the **"Seeds Act"**) and the Seed Rules, 1968 (the **"Seeds Rules"**) contain the basic regulatory structure regarding quality control of seeds. The Seeds Act provides for certification of certain notified seed varieties and truthful labelling of seeds. The Seeds Act constitutes certain regulatory bodies, including the Central Seeds Committee and certification agencies in various states, and specifies the duties and function of these bodies associated with the industry. The Seeds Act and the Seeds Rules also provide for notification of new varieties, specifications of minimum limits of germination and purity, regulation of sale of seeds, certification and labelling.

Under the Seeds Act, no person can carry on the business of selling, keeping for sale, offering for sale, bartering or otherwise supplying any seed of the notified kind or variety unless such seed conforms to certain prescribed standards. Such standards are laid down by the Central Government in consultation with the Central Seeds Committee. Further, no person can export or import any seed of the notified kind or variety for the purpose of sowing or planting unless such seed conforms to prescribed standards. Such seed can be certified by a certification agency in a particular state established by the Central Government.

National Seed Policy, 2002

The National Seed Policy, 2002 provides for significant changes to the existing legislative framework in order to stimulate varietal development in line with market trends and to introduce advanced scientific knowledge (including biotechnology). Key measures resulting from the policy include implementation of an effective *sui generis* system for intellectual property protection to stimulate investment in research and development of new plant varieties; establishment of a Plant Varieties and Farmers' Rights Protection (PVP) authority to undertake registration of extant and new plant varieties through the Plant Variety Registry on the basis of varietal characteristics. It also includes a proposal forevision of existing Seeds Act to regulate sale, import and export of seeds and planting materials for agricultural crops. It also aims to facilitate private seed production agencies to gain access to breeders' seed and it proposed the establishment of the National Seeds Board as an apex body in the seeds sector to replace the existing Central Seeds Committee and Central Seeds Certification Board; mandatory registration of all varieties of seed, both domestic and imported, and planting materials. It made a recommendation that import of transgenic planting material should be allowed only with the approval of the Genetic Engineering Approval Committee. All genetically engineered crops/varieties will be tested for environment and bio-safety before their commercial release, as per the regulations and guidelines of the Environment Protection Act (EPA), 1986. The policy also calls for the implementation of a gene fund for the benefit sharing arrangement, payment of compensation to village communities for their contribution to the development and conservation of plant genetic resources and the promotion of conservation and sustainable use of genetic resources. The policy also recommends standards for import and export of seeds.

Seeds Bill, 2004

The Seeds Bill, 2004, which is currently pending in Parliament and not in force (the "Seeds Bill"), if passed, will ultimately replace the existing Seed Acts, Seeds Rules and Seeds (Control) Order, 1983. This legislation is aimed at regulating the quality of seeds for domestic sales, imports, and exports. The Seeds Bill provides for compulsory registration of all varieties of seeds being offered for sale with the National Seed Board which is proposed to be constituted by the government. Such registration is dependant on certain minimum standards being met. This Seeds Bill does not restrict the farmer's right to use or sell his farm seeds and planting material, provided he does not sell them under a brand name. Further, all seeds and planting material sold by farmers are required to conform to the minimum standards applicable to registered seeds. If a registered variety of seed fails to perform to expected standards, the farmer can claim compensation from the producer or dealer under the Consumer Protection Act, 1986. In addition, the Seeds Bill provides that a kind/variety of seeds containing any technology (including genetic use restriction technology and terminator technology), which is harmful, or potentially harmful, shall not be registered.

It permits self certification of seeds by accredited agencies and allows the Central Government to recognize certification by foreign seed certification agencies. Further, every seed producer and dealer and horticulture nursery is required to be registered with the relevant state government.

Seeds (Control) Order, 1983

The Seeds (Control) Order issued under the Essential Commodities Act, 1955 required seed dealers to obtain a license valid for three years in order carry on the business of selling, exporting or importing seeds. This enactment grants the Controller powers to regulate the sale and distribution of seed and provide additional power to the seed inspectors in relation to the same. Further, the Controller has the power to direct a producer or dealer to sell or distribute any seed in such manner as specified if the Controller is of the opinion that such a direction is required in public interest.

Intellectual Property

Protection of Plant Varieties and Farmers' Rights Act, 2001 and Protection of Plant Varieties and Farmers' Rights Rules, 2003

The Protection of Plant Varieties and Farmers' Rights Act, 2001 and the Protection of Plant Varieties and Farmers' Rights Rules, 2003 framed thereunder seek to protect plant breeders rights to stimulate investment for research and development, both in the public and private sector for development of new plant varieties (including but not limited to extant and essentially derived varieties). They also aim to protect the rights of farmers for their contribution in conserving, improving and making available plant genetic resources for the development of new plant varieties. Under this enactment, a variety may be registered and be protected if it conforms to the criteria of novelty, distinctiveness, uniformity and stability. This enactment does not alter the manner in which a farmer could save, use, sow, re-sow, exchange, share or sell his farm produce including seed (seeds for sale should not be branded). Under this Act, full disclosure of the expected performance of the seeds or planting material by the plant breeder is required. In the event, that the criteria specified by the breeder are complied with, but there is a failure of crops, the farmer may claim compensation from the plant breeder. The breeder's rights extend to production, selling, marketing distribution, export and import of seeds and/or propagating material of the protected variety. If the breeders' variety is essentially derived from a farmers' variety, the breeder cannot give any authorisation without the consent of the farmers or communities from whose varieties the protected variety is derived. This statute recognizes the researchers' rights who have been granted free and complete access to protected materials for research which is required to be used in developing new varieties of plants. This can be done only after an authorisation of the breeder is obtained. This Act also provides for compulsory licencing of a variety under certain circumstances.

Under the Act, the following can apply for registration of a new variety: (i) any person claiming to be a breeder; (ii) any successor of the breeder; (iii) any person being the assignee of the breeder of the variety in respect to the right to make such an application; (iv) any farmer or group of farmers or community of farmers claiming to be the breeder of the variety; (v) any person authorized in the prescribed manner by a person specified under clauses (i) to (iv) to make application on his behalf; and (vi) any university or publicly funded agricultural institution claiming to be the breeder of the variety.

Certain sections (that is to set up a Plant Variety Authority and for the same to make the rules) of the Act are in force. The Act is yet to be notified and yet to come into force, upon such notification, the Rules shall also come into force. Indian law currently does not protect germplasm via plant variety protection registration or otherwise. It is proposed that protection by way of registration of germplasms of certain crops would commence soon. Further, it is proposed that protection by way of registration of germplasms of certain crops would commence soon.

Indian Patents Act, 1970

The Indian Patents Act, 1970, which allowed only process patents and not product patents, provided shorter protection periods and excluded agriculture and other areas from the scope of patentability. However, in order to comply with the Trade Related Intellectual Property Rights Agreement, the Indian Patent Act, 1970 has been amended three times in 1999, 2002 and 2005. Through these amendments, product patents as well as process patents are now permitted with a uniform protection period of 20 years, and are now extended to agro-chemicals, food, and biotechnology products including genetically modified organisms, apart from drugs and pharmaceuticals.

Phytosanitary Regulations

The Destructive Insects and Pests Act, 1914 & Plants, Fruits and Seeds (Regulation of Import in India) Order, 1989

These enactments regulate the import into India of agricultural products including plants and seeds. Import of seeds for sowing and planting materials is prohibited unless such import is carried out pursuant to a valid permit after clearance of consignments, which are required to be subjected to inspection, fumigation, disinfection, and disinfestations, as the case may be, under official supervision. Such imports are not permitted unless accompanied by an official phytosanitary certificate.

Other

Biodiversity Act, 2002

Since India is a signatory to the United Nations' Convention on Biological Diversity, it enacted a Biodiversity Act in 2002. The Biodiversity Act provides for the establishment of a National Biodiversity Authority and state authorities for each of the states. Persons who are not citizens of India are required to obtain the consent of the National Biodiversity Authority before obtaining any biological resource occurring in India. It provides that transfer of material or research occurring in India or obtained from India is prohibited unless the research is collaborative and there are agreements to this effect before the Act came into force It states that the permission of the National Biodiversity Authority would be required prior to the granting of the intellectual property rights in the event that biological resource from India has been used for development of such intellectual property. It provides for imposition of charges by way of royalty subject to certain terms and conditions. The Act is yet to be notified and to come into force.

Rules for the manufacture, use, import, export, and storage of hazardous microorganisms genetically engineered organisms or cells under the Environment (Protection) Act, 1986

All genetically engineered crops/varieties are required to be tested for environment and bio-safety before their commercial release. Bio-safety guidelines and regulations are formulated by the Department of Biotechnology in exercise of powers conferred to it through Rules for the manufacture, use, import, export, and storage of hazardous microorganisms genetically engineered organisms or cells formulated under the Environment (Protection) Act, 1986 and issued by the Ministry of Environment and Forests in 1989. Imports and exports of bio-engineered products are also governed by these rules.

Apart from the above, other laws and regulations that may be applicable to the Company include the following:

- Air (Prevention and Control of Pollution) Act, 1981
- Contract Labour (Regulation and Abolition) Act, 1970
- Employees Pension Scheme, 1995
- Employees Provident Fund and Miscellaneous Provisions Act, 1952
- Employees State Insurance Act, 1948
- Equal Remuneration Act, 1976
- Factories Act, 1948
- Industrial Disputes Act, 1947
- Minimum Wages Act, 1948
- Payment of Bonus Act, 1965
- Payment of Gratuity Act, 1972
- Payment of Wages Act, 1936
- Water (Prevention and Control of Pollution) Act, 1974
- Workmen Compensation Act, 1923

Restrictions on Foreign Ownership

Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, Government of India which is regulated by the FIPB.

The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue of securities to a person resident outside India.

As laid down by the FEMA Regulations, no prior consents and approvals are required from the RBI, for FDI under the "automatic route" within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI.

At present, foreign investments in companies engaged in development of seeds is allowed up to 100% under the automatic route. Hence, no prior approval will be required from the FIPB and/or RBI for the Issue.

Overseas jurisdictions

European Union

In the EU, new varieties of vegetable and agricultural (field crop) species, whether transgenic or not, must be registered on an Official List before they may be commercialized. Such varieties are subjected to field tests at an official examining institute and must be distinct from other known varieties, as well as be sufficiently uniform and stable. New agricultural plant varieties are subjected to additional tests for agronomic or agricultural value. The agronomic value of the new variety must be better than that of the existing varieties.

With respect to GM crops, the EU has adopted legislation specific to GM organisms, including Directive 2001/18/EEC on the deliberate release of GM organisms, and Regulation (EC) No. 258/97, which addresses food safety.

The International Seed Testing Association also has established standards for seed purity, which are required to be met by all seed certified for trade between countries of the Organization for Economic Cooperation and Developments ("OECD"). There are different categories of seed (*e.g.*, standard seed, basic seed and certified seed) that have their own minimum standards. In addition, there are minimum national standards.

Australia

In Australia, individual companies can market their own crop seeds without any regulation. Commercialization is carried out by the seed company and the performance of the product dictates its uptake and persistence in the marketplace.

The Office of the Gene Technology Regulator (OGTR) has regulations in place for RR Canola, which may come to the market place in the future. However, at present RR Canola is prohibited from being grown by state moratoriums, which in most cases have a number of years to run and then may be enforced for a further time frame.

United States

In the United States, non-GM crops are not subject to regulation. GM crops are regulated by the U.S. Department of Agriculture (USDA), the U.S. Environmental Protection Agency and the U.S. Food and Drug Administration (FDA).

The USDA has jurisdiction over GM crops considered "regulated articles". Regulated articles are generally defined as organisms that have been altered or produced through genetic engineering where the donor organism, recipient organism or vector meets the definition of a plant pest. The USDA requires submission of petitions for determination of non-regulated status for such organisms.

The FDA regulates foods produced by genetic engineering as well as other methods of genetic modification pursuant to its policy statement on "Foods Derived From New Plant Varieties" issued May 29, 1992. The FDA defines genetic modification as the alteration of the genotype of a plant using any technique, new or traditional.

Argentina

In Argentina, all GM crops must be approved by the Secretary of Agriculture. The Secretary of Agriculture of Argentina often receives advice from other technical organizations, such as SENASA and CONABIA, in making such determinations.

Thailand

In Thailand, new varieties/hybrids can be commercialized without registering on an official list. The Plant Variety Protection Act was passed in 1999 to protect rights relating to new hybrids/varieties being released. However, the Act has not yet been fully implemented pending the finalization of the procedures.

All seed companies and seed traders must comply with the requirements of the Seed Act (1975), which establishes the seed standard for each crop in regard to germination and physical purity

With respect to GM crops, all GM seeds are prohibited from being planted in commercial or open fields. The import of GM seed must be approved by the Department of Agriculture and may only be used for research testing in a glass house.

For the risks in relation to overseas operations, see "Risk Factors - We are exposed to international regulatory risks" on page xxx of this Red Herring Prospectus.

HISTORY AND CERTAIN CORPORATE MATTERS

Our History

Our Company was incorporated on January 24, 1994 as ITC Zeneca Limited with its registered office situated at Hyderabad in the State of Andhra Pradesh, India. Our registered office was shifted to the State of Karnataka pursuant to a resolution of the shareholders on December 17, 2001.

ITC Zeneca Limited was formed as a joint venture between ITC Limited, an Indian company, and Zeneca Limited, a company incorporated under the laws of England, with the objective of research and development, production, marketing and sale of hybrid seeds. In April 1994, ITC Zeneca Limited acquired the seeds business of Hysun India Limited.

Pursuant to the restructuring of the businesses of ITC Limited and Zeneca Limited, ITC Limited transferred its shareholding (held through one of its group companies) in ITC Zeneca Limited to Agro Tech Foods Limited (formerly known as ITC Agro Tech Limited) on April 18, 1998 and Zeneca Limited transferred its shareholding in ITC Zeneca Limited to Advanta Lambda B.V. (formerly known as Zeneca Lambda B.V. and controlled by Advanta B.V.) on March 10, 1997. Pursuant to these changes, the name of ITC Zeneca Limited was changed to Advanta India Limited on September 30, 1998, having passed a special resolution under Section 21 of the Companies Act.

In 2004, Syngenta acquired control over the Advanta group worldwide by acquiring the entire shareholding of the group holding company, Advanta B.V., a company incorporated under the laws of The Netherlands. Syngenta, whilst retaining the Advanta group's North American corn, soybean and Agripro Wheat businesses, sold the rest of Advanta group's worldwide business to Fox Paine and Company, LLC, a United States based private equity firm. Fox Paine and Company, LLC, sold the businesses of the Advanta group worldwide to various purchasers, except certain businesses held by Advanta Lambda B.V.

On March 24, 2005, Advanta Lambda B.V. transferred its shareholding in Advanta India to Advanta Netherlands Holding B.V. On July 31, 2005, Agro Tech Foods Limited transferred its shareholding in Advanta India to Advanta Finance B.V. On February 14, 2006, Bio-win Corporation Limited, a Mauritius based subsidiary of UPL, acquired Advanta Netherlands Holdings B.V. from Fox Paine and Company, LLC. (held through Advanta Holdings Luxembourg). Subsequently, on March 17, 2006, Advanta Finance B.V. and Advanta Netherlands Holdings B.V., sold their respective shareholdings in Advanta India to Bio-win Corporation Limited. Consequently, Advanta India became a wholly owned subsidiary of Bio-win Corporation with effect from March 17, 2006.

Advanta India acquired 180 ordinary shares of Euro 100 each in Advanta Holdings B.V. on March 21, 2006. Consequently, Advanta Holdings B.V. became a wholly owned subsidiary of Advanta India, with effect from that date. On March 30, 2006, Advanta Holdings B.V. acquired the shareholding of Bio-win Corporation Limited in Advanta Netherlands Holdings B.V. upon this acquisition, Advanta Netherlands Holdings B.V., Advanta Finance B.V., Advanta International B.V., Pacific Seeds Holding (Thailand) Company Limited, Advanta Semillas SAIC, Argentina, Pacific Seeds Pty. Limited, Pacific Seeds (Thai) Limited and Advanta Africa Seeds (Proprietory) Limited, the direct and indirect subsidiaries of Advanta Holdings B.V., became the subsidiaries of Advanta India. UPL acquired the shareholding of Bio-win Corporation in Advanta India on August 3, 2006. As a result, Advanta India became a wholly owned subsidiary of UPL.

On February 14, 2007, Advanta International B.V., the sole shareholder of Advanta Africa Seeds (Proprietory) Limited; sold its entire shareholding in Advanta Africa Seeds (Proprietory) Limited comprising 1,000 equity shares of one Rand each to Clarkenwell Limited for a consideration of one euro. As a result, Advanta Africa (Proprietory) Limited ceased to be a subsidiary of Advanta International B.V. and consequently, ceased to be a subsidiary of Advanta India.

Scheme of Amalgamation of Uniphos Seeds and Biogenetics Private Limited with our Company (the "Scheme")

USBPL, an erstwhile company promoted by two of our Promoters, Jai R. Shroff and Vikram R. Shroff, was engaged in the business of research, production and distribution of hybrid seeds. We recently amalgamated the businesses of USBPL with our Company's business with the intention to achieve synergies thereof. The Karnataka High Court sanctioned the Scheme under Sections 391 and 394 of the Companies Act by its order dated December 15, 2006. Similarly, the Gujarat High Court sanctioned the Scheme by its order dated December 11, 2006. In terms of the Scheme, the whole of the undertaking of USBPL was transferred to our Company on a going concern basis upon coming into effect of the Scheme on January 19, 2007 and with effect from April 1, 2006. In terms of the Scheme, the Company issued seven Equity Shares against four equity shares of Rs.

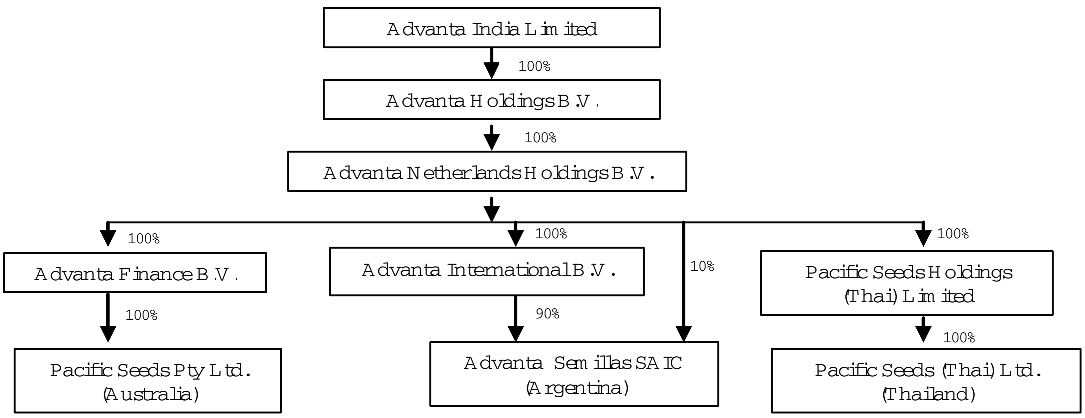
10 each of USBPL to the shareholders of USBPL. Pursuant to the Scheme the following shareholders of the erstwhile USBPL were issued and allotted Equity Shares:

Names	Shares	Pre-Issue shareholding	Post-Issue shareholding
Jai R. Shroff	1,015,350	7.55	6.03
Vikram R. Shroff	846,650	6.29	5.03
Isar Builders and Developers Private Limited	168,700	1.25	1.00
Esthetic Finvest Private Limited	168,700	1.25	1.00
Sanguine Holdings Private Limited	168,700	1.25	1.00
Archana Overseas Private Limited	168,700	1.25	1.00
Shatataraka Holdings Private Limited	168,700	1.25	1.00
Rajendra Darak	84,000	0.62	0.50
Sangeeta Darak	84,000	0.62	0.50
Sadafuli Finvest Private Limited	168,000	1.25	1.00
Adiyil C. Menon	168,000	1.25	1.00
Teknomic Consultants Private Limited	168,000	1.25	1.00

Acquisition of the business of Caravan Seeds Private Limited ("Caravan Seeds")

The business of the erstwhile USBPL that has been amalgamated with our Company in terms of the Scheme as aforesaid includes the certain business of Caravan Seeds that had been purchased for cash by the erstwhile USBPL in terms of a business transfer agreement dated April 26, 2006 (**"Business Transfer Agreement"**) between Caravan Seeds and USBPL. The transferred business includes certain assets, particularly a plant, godown and a research and development centre, operations associated with the assets, liabilities, personnel, marketing and distribution network, intellectual property rights, goodwill and material contracts (including supply and sales contracts). USBPL paid a part of the consideration for the purchase of the business upon execution of the Business Transfer Agreement and another part upon taking possession of the assets. The balance consideration will be payable in two instalments within two years from the date of the transfer. The quantum of such balance consideration will depend on the achievement of certain financial conditions by the transferred business. The erstwhile managing director of Caravan Seeds had agreed to work with USBPL for the achievement of the prescribed financial conditions.

The current corporate structure of the Company and its Subsidiaries is given below:



Subscription Agreements and Agreements to Sell

The Company has entered into subscription agreements dated February 22, 2006 and February 23, 2006 with certain Pre Issue Investors (**"Subscription Agreements"**) in relation to the allotment of 1,662,000 Equity Shares to the said Pre-Issue Investors at a price of Rs. 625 per Equity Share. For more details, see the section titled "Capital Structure – Pre-Issue Placement". In terms of the Subscription Agreements, in the event that the IPO of the Company is not complete and Equity Shares are not listed within one year of the date of entering into the Subscription Agreements (Failure of IPO), the said Pre Issue investors can exercise their rights under the agreement to sell (of the same date) entered into by them with UPL ("Agreements to Sell"). Under the Agreements to Sell, in the event of the Failure of IPO, the said Pre-Issue Investors can require UPL to purchase such Equity Shares at a price equal to the same price paid by them under the Subscription Agreements. Further, if such Pre-Issue Investors hold the Equity Shares for a period of two years from the date of allotment and the IPO has not been completed, UPL has the right of first refusal wherein such Pre-Issue Investors shall first offer such Equity Shares to UPL if such Pre-Issue Investors wish to sell the Equity Shares.

Main Objects of the Company

Our main objects as contained in our Memorandum of Association are:

1. To carry on the business of cultivating: growing, breeding, producing, manufacturing, collecting, buying, processing, drying, storing, dealing, distributing, marketing and selling of Certified Seeds of all kinds and varieties and coming under the purview of Seeds Act and to undertake cultivation, production, manufacture, collection, cleaning, processing, drying, storing, dealing, distribution, marketing and sale at quality hybrids and seeds of all kinds and varieties;
2. To install, manage and operate processing plants and seed storage facilities;
3. To undertake and promote research and development in agriculture, pharmaceuticals, speciality chemicals, bio-science in general and growing, breeding, producing, manufacturing, preserving and storage of seeds of all kinds and varieties and in particular either on its own or in collaboration with any other agency or institution or company or individual or association of persons; and
4. To carry on the business of oil seeds and other seeds, edible oil, industrial oil, plant food, forestry plantation and sale of biotechnology.

Our main objects enable us to carry on the business that is carried on and proposed to be carried on by us.

Changes in Memorandum of Association

Since incorporation, the following changes have been made to the Memorandum of Association:

Date of Shareholders' Approval	Amendment
September 10, 1997	The name of our Company was changed from ITC Zeneca Limited to Advanta India Limited
December 17, 2001	The registered office of our Company was shifted from the State of Andhra Pradesh to the State of Karnataka
March 2, 2006	The authorised capital of our Company was increased from Rs. 80,000,000 divided into 8,000,000 Equity Shares of Rs. 10 each to Rs. 150,000,000 divided into 15,000,000 Equity Shares of Rs. 10 each
August 18, 2006	The authorised capital of our Company was increased from Rs. 150,000,000 divided into 15,000,000 Equity Shares of Rs. 10 each to Rs. 200,000,000 divided into 20,000,000 Equity Shares of Rs. 10 each

Key Milestones of the Company

The following table illustrates some of the key events in our history:

Date	Event
July 7, 1997	The Company launched sale of commercial hybrid rice
October, 1997	The Company launched sale of commercial hybrid hyola for the first time
March, 1998	The Company commenced operations of our second seed processing plant in India at Medhcal, Andhra Pradesh
April, 2000	Det Norske Veritas certified that the management systems standard of the Company are in compliance of the standard ISO 9001: 2000
March, 2004	International Seed Testing Association accredited our Company's quality contol lab at Kurnool to be in compliance of the standard ISO 17025 as it meets the both the domestic and international product quality standards
March, 2006	Our Company became a wholly owned subsidiary of Bio-win Corporation Limited
August, 2006	Our Company became a wholly owned subsidiary of UPL pursuant to the transfer of the entire shareholding of Bio-win Corporation Limited in our Company to UPL
December, 2006	The High Courts of Gujarat and Karnataka approved the Scheme

OUR MANAGEMENT

Board of Directors

We currently have six Directors. The following table sets forth details regarding our Board of Directors as of the date of filing this Red Herring Prospectus with SEBI:

Name, Designation, Father's Name, Address, Occupation and Term	Age	Other Directorships
Jai R. Shroff (S/o Rajnikant Devidas Shroff) *Non-Executive Chairman* 4/B, Summer Palace, Nargis Dutt Road, Pali Hill, Bandra West Mumbai 400 050, India. Term: Liable to retire by rotation Occupation: Business	40	● United Phosphorus Limited; ● Uniphos Enterprises Limited; ● Enviro Technology Limited; ● Nivi Trading Limited; ● Ventura Guaranty Limited; ● Bharuch Enviro Infrastructure Limited; ● Agrinet Solutions Limited; ● Demuric Holdings Private Limited; ● Search Enviro Limited; ● Shroff Envirotral Private Limited; ● Uniphos Agro Industries Limited; ● Isar Builders & Developers Private Limited; ● Hardstone Properties India Private Limited; ● Magnus Properties Private Limited; ● Mount Everest Mineral Water Limited; ● UPL Environmental Engineers Limited (formerly known as Associated Environmental Engineers Limited); ● Djai Power Limited; ● Shivalik Solid Waste Management Limited; ● Asia Society India Centre Private Limited; ● SWAL Corporation Limited; ● Entrust Environment Private Limited; ● Nirlon Limited; ● Heline Environment Private Limited; ● Praskand Environment Private Limited; ● Khagay Environment Private Limited; ● Khaline Environment Private Limited; ● Sharvak Environment Private Limited; ● Bio-win Corporation Limited, Mauritius; ● United Phosphorus De Mexico, S.A. de C.V., Mexico; ● United Phosphorus Limited, Australia; ● United Phosphorus Limited, Hong Kong; ● United Phosphorus Limited, Russia; ● United Phosphorus Limited, Zambia; ● United Phosphorus (Korea) Limited, Korea; ● United Phosphorus Limited, Gibraltar; ● Agrindustrial S.A., Spain; ● Compania Espanola Industrial Quimica de Productos Agricolas Y. Domesticos, S.A., Spain; ● Iberotam, S.A., Spain; ● Phosfonia S.L., Spain; ● Transterra Invest, S.L., Spain; ● United Phosphorus (Taiwan) Limited, Taiwan; ● United Phosphorus NZ Limited, New Zealand; ● Shroffs United Chemicals Limited; ● Advanta Holdings B.V.; and ● United Phosphorus Holdings B.V.

Name, Designation, Father's Name, Address, Occupation and Term	Age	Other Directorships
Vikram R. Shroff (S/o Rajnikant Devidas Shroff) *Non-Executive Director* 4/B, Summer Palace, Nargis Dutt Road, Pali Hill, Bandra West Mumbai 400 050, India Term: Liable to retire by rotation Occupation: Business	33	• Bharuch Enviro Infrastructure Limited; • Shroff Envirotral Private Limited; • Agrinet Solutions Limited • Hardstone Properties India Private Limited; • Isar Builders & Developers Private Limited; • United Phosphorus Limited; • Entrust Environment Private Limited; • Heline Environment Private Limited; • Praskand Environment Private Limited; • Khagay Environment Private Limited; • Khaline Environment Private Limited; • Sharvak Environment Private Limited; • United Phosphorus Limited, UK; • United Phosphorus Limited, Belgium; • Agrindustrial S.A., Spain; • Compania Espanola Industrial Quimica de Productos Agricolas Y. Domesticos, S.A., Spain; • Iberotam, S.A., Spain; • Phosfonia S.L., Spain; • Transterra Invest, S.L., Spain; • Advanta Holdings B.V.; and • Magnus Properties Private Limited
V.R. Kaundinya *Managing Director* (S/o Late V. Venkateswara Rao) A-2, 221 Sunflower Apartments SY 173, Vibhutipura Off Airport Road Bangalore 560 037 India. Term: Three years Occupation: Service	50	Nil
Vinod Sethi *Independent Director* (S/o Rajendra Sethi) Neel Tarang 210 Veer Savarkar Marg Mahim, Mumbai 400 016, India Term: Liable to retire by rotation Occupation: Service	44	• Subex Azure Limited; • Geodesic Information Systems Limited; • GTL Limited; • Axsys Health Tech Limited; • KCP Sugar and Industries Limited: • Mount Everest Mineral Water Limited; • Sethi Funds Management Private Limited; • United Phosphorus Limited; • Chandamama India Limited; • Itz Cash Card Limited; and • Durgamba Investments Private Limited.

Name, Designation, Father's Name, Address, Occupation and Term	Age	Other Directorships
Hardeep Singh, *Independent Director* (S/o Late Brig. Ajit Singh) 805 B, The Laburnum Sector 28 Gurgaon 122 002, India Term: Liable to retire by rotation Occupation: Business	52	● Punjab Tractors Limited; ● Cargill India Private Limited.
Dr. Vasant P. Gandhi, *Independent Director* (S/o Prakash N. Gandhi) 403, Indian Institute of Management Vastrapur Ahmedabad 380 015, India Term: Liable to retire by rotation Occupation: Professor	52	● Gujarat State Fertilizers and Chemicals Limited; and ● Nuvo Fertilizers Limited.

Brief Biographies

Jai R. Shroff, 40, a non-resident Indian, is the Chairman of the Company. Jai R. Shroff is a graduate in Chemistry from Bombay University and he is the executive director of UPL. He is currently responsible for managing new projects and ventures and for planning in UPL and mainly looks after development of new products, international business and strategic alliances with various parties in different markets.

Vikram R. Shroff, 33, an Indian national, is a Director of the Company. Vikram R. Shroff is an executive director of our Promoter. Vikram R. Shroff is an alumnus of the University of Mumbai, from where he graduated with a degree in Chemistry. Vikram R. Shroff is also a graduate of Harvard Business School, from where he completed the Owner/President Management Program. He is currently responsible for human resource planning, purchase, commercial, marketing (local) and production functions in UPL and mainly looks after cost reduction measures which contribute towards profitability, quality assurance and productivity of the organisation.

V.R. Kaundinya, 50, an Indian national, is the Managing Director of the Company. V.R. Kaundinya is an alumnus of the Andhra Pradesh Agricultural University, Hyderabad from where he graduated with a degree in Agriculture. V.R. Kaundinya is also an alumnus of the Indian Institute of Management, Ahmedabad from where he graduated with a masters in business administration with a specialization in Agriculture. V.R. Kaundinya has over 26 years of experience in the agriculture industry. He served for 13 years as a senior member of the management team in the agricultural products division of Hoechst India. He has also served as director of Agricultural Products Division of Cynamid India as well as Cynamid Agro Limited as the Managing Director. He has also served as managing director with Emergent Genetics India for a period of 5 years as well as executive vice president of Emergent Genetics LLC. He has also worked as the lead for the FTO function in Monsanto India Limited. He has served as the chairman of Crop Life India from 1998-2002 as well as the director of the Association of Seed Industry, Mumbai from 2002-2006. V.R. Kaundinya has been an executive member of the All India Crop Biotechnology Association, New Delhi from 2002-2006.

Vinod Sethi, 44, an Indian national, is an independent director of the Company. Vinod Sethi is an alumnus of the Indian Institute of Technology, Mumbai from where he graduated with a degree in chemical engineering. Vinod Sethi is also an alumnus of the Stern Graduate School of Business of New York University from where he graduated with a masters degree in business administration with a specialization in finance. Vinod Sethi has served with the Indian business division of Morgan Stanley for

12 years as its chief investment officer and was appointed as its managing director in 1995. He has also served as the chief investment officer for Morgan Stanley Asia. Vinod Sethi has considerable experience in investing in secondary markets, initial public offerings, pre-initial public offerings, private equity and early stage financing. Presently, Vinod Sethi is running his own investment firm.

Hardeep Singh, 52, an Indian national, is an independent Director of the Company. Hardeep Singh holds a bachelor's degree in economics from Pune University. He is also an alumnus of the Kellogg School of Management, where he completed the advanced management programme. He has 30 years experience in agri-business. He has been involved in the business of commodity trading and agri inputs and outputs. He has been the director (agrochemicals) at Rallis India Limited and the chairman of Cargill Seeds Private Limited. Since 1998 he has been the chairman of Cargill India, responsible for all Cargill companies and businesses in India and Pakistan. Hardeep Singh also currently sits on the board of directors of Punjab Tractors Limited and Cargill India Private Limited.

Dr. Vasant P. Gandhi, 52, an Indian national, is an independent Director of the Company. Dr. Gandhi holds a doctorate in development economics from the Stanford University. He is also an alumnus of the Indian Institute of Management, Ahmedabad, where he completed the post graduate programme. He has worked with NDDB, Stanford University, the World Bank and the International Food Policy Research Institute. He is currently Professor at the Indian Institute of Management, Ahmedabad. Dr. Vasant P. Gandhi currently sits on the Board of Directors of Gujarat State Fertilizers and Chemicals Limited and Nuvo Fertilizers Limited, and has been on the Board of Directors of the State Bank of Saurashtra.

Two of our Directors, Jai R. Shroff and Vikram R. Shroff, are brothers. No other Directors are related to each other.

Remuneration of Directors

Details of the remuneration payable to V.R. Kaundinya, our Managing Director, is as provided below:

Agreement with V.R. Kaundinya, our Managing Director

Under the terms of an agreement dated June 6, 2006, V.R. Kaundinya has been appointed as our Managing Director with effect from July 10, 2006 for a term of three years till July 9, 2009. The remuneration payable to him under the said agreement is as follows:

Fixed Compensation:	A monthly fixed compensation of approximately Rs. 0.54 million. Perquisites allowable include house lease charges, special allowance, leave travel allowance, car perk value which has been capped at approximately Rs. 1.02 million per annum as well as medical allowance, superannuation and provident fund. He was also paid joining bonus of Rs. 6 million.
Variable Compensation:	V.R. Kaundinya will be eligible to receive up to approximately Rs.1.95 million as an annual performance bonus, as determined by the Board based on the achievement of mutually agreed management objectives reflecting financial and strategic goals of the Company.
Others:	V.R. Kaundinya will be granted stock options in the Company according to the Company's policy.
Termination Rights:	In the event the Company terminates V.R. Kaundinya's employment with the Company without good reason, he will be entitled to receive from the Company any benefits that accrue to him. He will be further entitled to receive his then current monthly base salary for a period of six months following the date of termination. V.R. Kaundinya will continue to be covered by medical, dental and life insurance in effect prior to the termination of his employment, until the earlier of expiry of employment period or the date on which Kaundinya has commenced new employment and has thereby become eligible for comparable benefits. However, if V.R. Kaundinya voluntarily terminates his employment without good reason or his employment is terminated by the Company with cause all rights to payment from the Company shall terminate immediately, except the right to payment for accrued benefits prior to such termination.

The remuneration by way of salary and commission payable to V.R. Kaundinya may exceed the limits laid down in Section 198 and 309 of the Companies Act or any statutory modification thereof. The Company has applied for obtaining the approval of the Central Government under the provisions of Section 198 and 309 of the Companies Act.

In relation to the other Directors of the Company, apart from sitting fees and reimbursement of expenses, no remuneration is payable by the Company.

Shareholding of the Directors

In terms of the Articles of Association, the Directors are not required to hold any qualification shares. The list of Directors holding Equity Shares and the number of Equity Shares and stock options held by each of them as of the date of the filing this Red Herring Prospectus is set forth below:

Name of Director	No. of options	No. of equity shares
V.R. Kaundinya	5,460	Nil
Jai R. Shroff	Nil	1,015,350
Vikram R. Shroff	Nil	846,650
Vinod Sethi	Nil	5,000
Hardeep Singh	Nil	5,000

Further, the following entities with which our Directors are associated as promoters/directors hold Equity Shares in our Company:

Entity	No. of Equity Shares	% shareholding	Name of Director	Nature of Interest
Isar Builders and Developers Private Limited	168,700	1.25	Jai R. Shroff	Shareholder, Director
			Vikram R. Shroff	Shareholder, Director
Esthetic Finvest Private Limited	168,700	1.25	Jai R. Shroff	Shareholder
			Vikram R. Shroff	Shareholder
Sanguine Holdings Private Limited	168,700	1.25	Jai R. Shroff	Shareholder
			Vikram R. Shroff	Shareholder
Shatataraka Holdings Private Limited	168,700	1.25	Jai R. Shroff	Shareholder
			Vikram R. Shroff	Shareholder
Sethi Funds Management Private Limited	5,000	0.04	Vinod Sethi	Shareholder, Director

Payment/ Interests or benefit to directors/ officers of our Company

Except as stated in this chapter, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our officers except the normal remuneration for services rendered as Directors, officers or employees.

All the Directors, including the independent Directors, may be deemed to be interested to the extent of fees and expenses, if any, payable to them for attending meetings of the Board of a committee thereof and to the extent of any dividend payable to them and other distributions in respect of their shareholding in the Company or the shareholding of companies, firms and trusts in which they are interested as directors, members, partners and/ or trustees. The Managing Director may be deemed to be interested to the extent of remuneration paid to him as an employee of the Company. All the Directors, including the independent Directors, may also be deemed to be interested to the extent of Equity Shares, if any, that may be subscribed for and allotted to them or to the companies, firms and trusts in which they are interested as directors, members, partners and/ or trustees, out of the present Issue in terms of the Red Herring Prospectus and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Advisory Board

The Company is in the process of finalising an advisory board for the Company to advise the Board of Directors and provide guidance to the Board of Directors and the management of the Company on strategic and tactical issues of importance to the Company. Dr. Ganesh Kishore and Jonathan Malkin, former Directors of the Company, have agreed to be members of the advisory board for a period of one year. The Company has agreed to pay a compensation of USD 100,000 to each for such advisory services.

Corporate Governance

The provisions of the Listing Agreement to be entered into with the Stock Exchanges with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchanges. We have complied with the corporate governance code in accordance with Clause 49 (as applicable), especially in relation to broad basing of our board, constitution of committees. The Company undertakes to take all necessary steps to comply with all the requirements of Clause 49 of the Listing Agreement to be entered into with the Stock Exchanges.

The Board has six Directors consisting of our managing director, two non-executive promoter directors and three independent Directors. Further, in compliance with clause 49 of the listing agreement to the extent applicable to a company seeking listing for the first time, the following committees have been formed.

Committees of the Board

Audit Committee

The members of the existing Audit Committee are:

- Vinod Sethi, Independent Director (Chairman);
- Vikram R. Shroff, Non-Executive Director; and
- Dr. Vasant P. Gandhi, Independent Director.

The existing Audit Committee was reconstituted on January 22, 2007. The scope and function of the Audit Committee is in accordance with Section 292A of the Companies Act and Clause 49 of the Listing Agreement and its terms of reference include the following:

- Overseeing the Company's financial reporting process and the disclosure of financial information;
- Recommending the appointment and removal of external auditors and fixation of audit fees;
- Review with management the annual financial statement before submission to the Board; and
- Review with management, external and internal auditors, the adequacy of internal controls.

Remuneration Committee

The existing Remuneration Committee was reconstituted on January 22, 2007. This committee looks in all matters pertaining to remuneration of directors and the administration of the ESOP Scheme.

The present members of the Remuneration Committee are:

- Hardeep Singh, Independent Director (Chairman);
- Jai R. Shroff, Non-Executive Director;
- Vikram R. Shroff, Non-Executive Director.

Shareholders'/Investors' Grievances Committee

The existing Shareholders/Investors' Grievances Committee was reconstituted on January 22, 2007. This committee will address all grievances of shareholders/investors in compliance of the provisions of clause 49 of the listing agreements with the Stock Exchanges.

The present members of the Shareholders/Investors' Grievances Committee are:

- Vinod Sethi, Independent Director (Chairman);
- Vikram R. Shroff, Non-Executive Director; and
- Jai R. Shroff, Non-Executive Director.

Borrowing Powers of our Board

In terms of our Articles, the Board may, from time to time, at its discretion by a resolution passed at its meeting raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company. However, if the moneys sought to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) should exceed the aggregate of the paid-up capital of the Company and its free reserves (not being resrves set apart for any specific purpose), the Board is required to obtain the consent of the Company in general meeting prior to undertaking such borrowing.

In this regard, our Company, in the EGM dated January 22, 2007 had resolved that pursuant to the provisions of Section 293(1)(d) of the Companies Act, 1956, the Board is authorised to borrow moneys (apart from temporary loans obtained from the bankers of the Company in ordinary course of business) from banks, financial institutions, NBFCs etc., from time to time, for the purpose of Company's business in excess of the aggregate of the paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) provided that the total amount of such borrowings together with the amounts already borrowed and outstanding shall not exceed Rs. 5,000 million.

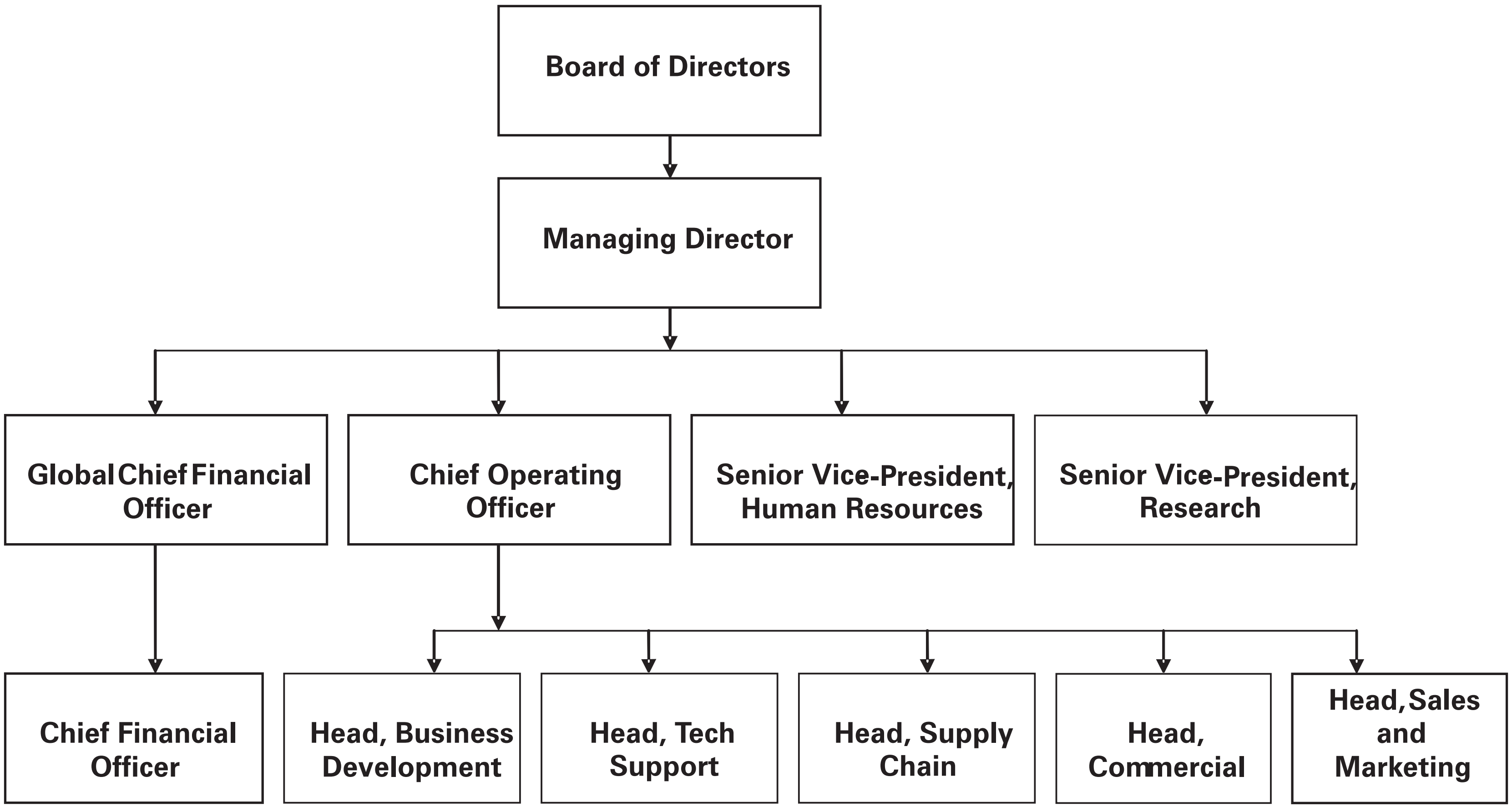
Changes in our Board of Directors in the last three years

The following changes have occurred in Board of Directors of the Company in the last three years:

Name	Date of Appointment/ Cessation	Reason
A Huige	October 26, 2004	Resigned
R Krishnamoorthy	November 9, 2005	Resigned
U Sengupta	November 9, 2005	Resigned
Arvind Ahuja	November 9, 2005	Resigned
Howard Morris	March 2, 2006	Resigned
David Buckeridge	March 2, 2006	Resigned
Ladon Johnson	March 2, 2006	Resigned
Jai R. Shroff	March 2, 2006	Appointed as Director
Vikram R. Shroff	March 2, 2006	Appointed as Director
V R Kaundinya	June 7, 2006	Appointed as Managing Director
Deepak Mullick	June 7, 2006	Resigned
Dr. Ganesh Kishore	September 13, 2006	Appointed as Additional Director
Jonathan Malkin	September 13, 2006	Appointed as Additional Director
Vinod Sethi	September 13, 2006	Appointed as Additional Director
Dr. Ganesh Kishore	January 22, 2007	Resigned
Jonathan Malkin	January 22, 2007	Resigned
Hardeep Singh	January 22, 2007	Appointed as Additional Director
Dr. Vasant P. Gandhi	January 22, 2007	Appointed as Additional Director

Organisational Structure

The Company's management organisation structure is set forth below:



Key Managerial Personnel of our Company

For profile of V.R. Kaundinya, our Managing Director, please refer to page 89 of this Red Herring Prospectus under the section "Our Management"

H. Sateesh Hegde, aged 48 years, an Indian national, is the Chief Operating Officer of our Company. He is a graduate in Agricultural Science. He joined Advanta India in September 2006. He has over 27 years of experience in the banking and crop protection businesses and the seed industry. H. Sateesh Hegde has also served with the rural development wing of Syndicate Bank. He has worked in the crop protection division of Hoechst India Limited for over ten years. He has been the head of the agri-business division of Indian Organic Chemicals Limited and the domestic crop protection business of UPL for over five years each. Immediately prior to his appointment with Advanta India, he was serving as the head of the seeds business of the Promoter Group. He has also been a director of the Pesticide Association of India as well as the treasurer of the Association of Seed Industry.

Manoj Gupta, aged 42 years, an Indian national, is the Global Chief Financial Officer of our Group. He is a Chartered Accountant and a Cost Accountant. He joined Advanta India in November 2006. He has over 16 years of experience in corporate and strategic finance, including mergers and acquisitions in both Indian and multinational companies. He has also served with Britannia Industries Limited, Crompton Greaves, Seminis Vegetable Seeds Limited and Emergent Genetics Private Limited. Immediately prior to his appointment with Advanta India, he was serving as the director, finance of Integraph Consulting Private Limited.

Dr. Suresh Kumar Gupta, aged 57 years, an Indian national, is the Senior Vice-President, Research, of our Company. He has completed a Ph.D. in plant breeding. He joined Advanta India in December 2006. He has over 30 years of experience in plant breeding and development of hybrids. He has served with ICAR Systems for more than 16 years. Immediately prior to his appointment with Advanta India, he was serving as the head of the Breeding (Cereals and Oilseeds) division of Proagro Seed Company Limited.

K. Suresh, aged 46 years, an Indian national is the Chief Financial Officer and Company Secretary. He is a Chartered Accountant. He has been working with Advanta India for seven years. K. Suresh has over 20 years of experience in finance, human resources, administrative and secretarial functions in both Indian and multinational companies. Suresh has also served with Widia India Limited (presently Kennemetal India Limited) for more than 12 years where he was responsible for Finance and Secretarial functions. K. Suresh is also an active member in the Economic Affairs and Public Policy Panel of the Confederation of Indian Industries and contributes to various seminars and workshops. During Fiscal 2006, he was paid a gross compensation of Rs. 1.62 million.

K.S. Narayanaswamy, aged 48 years, an Indian national, is the Senior Vice President, Sales and Marketing. He is a graduate in Science and has also completed a Masters in Business Administration. He has been working with Advanta India for over 12 years and immediately prior to that he was employed with ITC Limited for two years. He has also worked with South India Viscose Limited, Karnataka State Seeds Corporation and Mangalore Chemicals and Fertilizers. During Fiscal 2006, he was paid a gross compensation of Rs. 1.44 million.

V.L. Nageshwara Rao, aged 48 years, an Indian national, is the Senior Vice President, Supply Chain Management. He is a graduate in Science and has also completed a Post Graduate Diploma in Management. He has been working with Advanta India for over 12 years and immediately prior to that he was employed with ICI India Limited for three years. He has also worked with PHI Biogene Limited and Pioneer Seed Company Limited. During Fiscal 2006, he was paid a gross compensation of Rs. 1.44 million.

P.M. Nanjappa, aged 51 years, Indian national is the Senior Vice President, Human Resources. He has done his Masters of Social Work and he has also completed a Bachelors in Law. He has been working with Advanta India for over five years and immediately prior to that he was employed with Smith Kline Beecham Pharmaceuticals Limited for four years. He has also worked with AEG NGEF Limited, Karnataka Implements & Machineries Company Limited, and G.R. Engineers Works. During Fiscal 2006, he was paid a gross compensation of Rs. 1.44 million.

Dr. R. Nandakumar, aged 45 years, an Indian national, is the Vice President, Technology and Quality. He has done a M. Phil and has also completed a Ph. D. He has been working with Advanta India for over 11 years and immediately prior to that he was employed with Manjushree Plantations Limited for two years. He has also worked with Karaturi Floritech Limited. During Fiscal 2006, he was paid a gross compensation of Rs. 1.22 million.

All of the above are permanent employees of Advanta India. Two of our Directors, Jai R. Shroff and Vikram R. Shroff, are brothers. None of the other Directors or key managerial personnel are related to each other.

Shareholding/ Interest of the Key Managerial Personnel of the Company

None of the key managerial personnel of the Company hold Equity Shares in our Company. As stated in the section titled "Capital Structure – Notes to Capital Structure – Employee Stock Option Scheme" on page 25 of this Red Herring Prospectus, some of our key managerial personnel hold stock options entitling them to purchase Equity Shares in our Company. The list of our key managerial personnel holding options and the number of options held by each of them as of the date of this Red Herring Prospectus is set forth below:

Key Managerial Personnel	No. of Equity Shares held	No. of stock options
H. Sateesh Hegde	Nil	5,460
K. Suresh	Nil	3,629
P.M. Nanjappa	Nil	3,629
V.L. Nageshwara Rao	Nil	3,629
R. Nanda Kumar	Nil	3,629
Total	**Nil**	**19,976**

Except as stated above, the key managerial personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per the terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. None of our key managerial personnel have been paid any consideration of any nature by the Company, other than their remuneration. All our key managerial personnel may also be deemed to be interested to the extent of Equity Shares, if any, that may be subscribed for and allotted to them, out of the present Issue in terms of this Red Herring Prospectus and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Changes in the Key Managerial Personnel

The following are the changes in our key managerial personnel over the last three years:

Name and Designation of the Employee	Date of Change	Reason
Dr. M. J. Vasudev Rao	May 10, 2005	Resignation
H. Sateesh Hegde	September 20, 2006	Appointment
Manoj Gupta	November 16, 2006	Appointment
Dr. Suresh Kumar Gupta	December 1, 2006	Appointment

Bonus or Profit sharing plan with the Key Managerial Personnel

The Company has a performance incentive programme for all the employees of Advanta India. The incentive is linked to the performance of the Company. The Company did not pay any incentives for fiscal 2006.

OUR SUBSIDIARIES

Our Company has the following subsidiaries:

1. Advanta Holdings B.V., Netherlands;
2. Advanta Netherlands Holdings B.V., Netherlands;
3. Advanta Finance B.V., Netherlands;
4. Advanta International B.V., Netherlands;
5. Pacific Seeds Holding (Thailand) Limited, Thailand;
6. Pacific Seeds Pty Limited, Australia;
7. Pacific Seeds (Thai) Limited, Thailand; and
8. Advanta Semillas SAIC, Argentina.

Pacific Seeds Australia, Pacific Seeds Thailand and Advanta Argentina are our Operating Subsidiaries, having their own business operations. Apart from the Operating Subsidiaries, the other Subsidiaries are investment companies having no business operations. Advanta Africa (Proprietory) Limited ceased to be our Subsidiary with effect from February 14, 2007. For details of the transfer of the Advanta Africa Seeds (Proprietory) Limited, please see the section titled "History and Certain Corporate Matters" on page 83 of this Red Herring Prospectus.

1. Advanta Holdings B.V.

Advanta Holdings B.V. was incorporated on November 30, 2005 as Brainsurgeon Holding B.V. in The Netherlands. Its name was changed to Advanta Holdings B.V. with effect from June 15, 2006. Advanta Holdings B.V. is a holding company.

The registered office of Advanta Holdings B.V. is at:

Prins Bernhardplein 200
1097 JB Amsterdam
The Netherlands

The directors of Advanta Holdings B.V. are:

1. Fortis Intertrust (Netherlands) B.V.;
2. Jai R. Shroff; and
3. Vikram R. Shroff.

The shareholding pattern of Advanta Holdings B.V. is as under:

Names of the shareholders	No. of shares held	% holding
Advanta India Limited	180	100
TOTAL	**180**	**100**

Summary audited financial statements:

In Rs. Million, except per share data

	Seven months period ended October 31, 2006	Three months period ended March 31, 2006	Fiscal year ended December 31, 2005
Equity Capital	1.03	0.97	0.96
Reserves (excluding revaluation reserves)	(216.49)	(10.19)	(0.29)
Sales	0.00	0.00	0.00
Profit After Tax	(205.65)	(10.19)	(0.29)
Basic Earnings Per Share*	(1,142,500.00)	(56,611.11)	(1,611.11)
Net Asset Value (Book value per share)*	(1,197,000.00)	(51,222.22)	3,722.22

**Face Value of EUR 100 each*

2. Advanta Netherlands Holdings B.V.

Advanta Netherlands Holdings B.V. was incorporated on August 11, 2004 in The Netherlands. Advanta Netherlands Holdings B.V. is a holding company and is engaged in royalty and financing activities.

The registered office of Advanta Netherlands Holdings B.V. is at:

Prins Bernhardplein 200
1097 JB Amsterdam
The Netherlands

The director of Advanta Netherlands Holdings B.V. is:

1. Advanta Holdings B.V.

The shareholding pattern of Advanta Netherlands Holdings B.V., as at October 31, 2006, is as under:

Names of the shareholders	No. of shares held	% holding
Advanta Holdings B.V.	180	100
TOTAL	**180**	**100**

Summary audited financial statements:

In Rs. Million, except per share data

	Seven months period ended October 31, 2006	Three months period ended March 31, 2006	Fiscal year ended December 31, 2005	Fiscal year ended December 31, 2004
Equity Capital	1.03	0.97	0.96	1.07
Reserves (excluding revaluation reserves)	3,228.74	3,008.20	2,414.39	3,033.76
Sales#	76.59	642.24	11,042.19	3,135.69
Profit After Tax	25.85	578.01	8,398.94	2,733.61
Basic Earnings Per Share*	1,43,611.00	3,211,167.00	46,660,777.00	15,186,722.00
Net Asset Value (Book value per share)*	17,943,166.00	16,717,611.00	13,418,611.00	16,860,166.00

**Face Value of EUR 100 each*

 # Main income of this company includes dividend income

3. Advanta Finance B.V.

Advanta Finance B.V. was incorporated on August 11, 2004 in The Netherlands. Advanta Finance B.V. is a holding company and is engaged in financing activities.

The registered office of Advanta Finance B.V. is at:

Prins Bernhardplein 200
1097 JB Amsterdam
The Netherlands

The director of Advanta Finance B.V. is:

1. Advanta Holdings B.V.

The shareholding pattern of Advanta Finance B.V., as at October 31, 2006, is as under:

Names of the shareholders	No. of shares held	% holding
Advanta Netherlands Holdings B. V.	180	100
TOTAL	**180**	**100**

Summary audited financial statements:

In Rs. Million, except per share data

	Seven months period ended October 31, 2006	Three months period ended March 31, 2006	Fiscal year ended December 31, 2005	Fiscal year ended December 31, 2004
Equity Capital	1.03	0.97	0.96	1.07
Reserves (excluding revaluation reserves)	1,445.75	1,333.28	816.13	0.02
Sales#	26.49	511.83	1,402.30	0.00
Profit After Tax	26.17	511.81	1,373.52	(0.01)
Basic Earnings Per Share*	145,444.00	2,843,388.00	7,630,666.00	(55.00)
Net Asset Value (Book value per share)*	8,037,667.00	7,412,500.00	4,539,389.00	6,056.00

**Face value of EUR 100 each*

 # Main income of this company includes dividend income and profit on sale of investments

4. Advanta International B.V.

Advanta International B.V. was incorporated on August 11, 2004 in The Netherlands. Advanta International B.V. is a holding company.

The registered office of Advanta International B.V. is at:

Prins Bernhardplein 200
1097 JB Amsterdam
The Netherlands

The director of Advanta International B.V. is:

1. Advanta Holdings B.V.

The shareholding pattern of Advanta International B.V., as at October 31, 2006, is as under:

Names of the shareholders	No. of shares held	% holding
Advanta Netherlands Holdings B. V.	180	100
TOTAL	**180**	**100**

Summary audited financial statements:

In Rs. Million, except per share data

	Seven months period ended October 31, 2006	Three months period ended March 31, 2006	Fiscal year ended December 31, 2005
Equity Capital	1.03	0.97	0.96
Reserves (excluding revaluation reserves) and after setting off accumulated losses	(31.31)	(22.68)	(19.05)
Sales#	14.05	3.66	14.49
Profit After Tax	(7.15)	(3.50)	(19.08)
Basic Earnings Per Share*	(39,722.00)	(19,444.00)	(106,000.00)
Net Asset Value (Book value per share)*	(168,222.00)	(120,611.00)	(100,500.00)

**Face value of EUR 100 each*

 # Main income of this company includes dividend income and profit on sale of investments

5. Pacific Seeds Holding (Thailand) Company Limited

Pacific Seeds Holding (Thailand) Company Limited was incorporated on December 30, 2004 in the Kingdom of Thailand. Pacific Seeds Holding (Thailand) Limited is engaged in investment activities.

The registered office of Pacific Seeds Holding (Thailand) Company Limited is at:

21/125 Thai Wah Tower II, 17th Floor
South Sathorn Road, Thungmahamek District
Sathorn Sub-district , Bangkok Metropolis
Thailand.

The directors of Pacific Seeds Holding (Thailand) Company Limited are:

1. Pacholk Pongpanich – Managing Director; and
2. Yongyut Pansung – Marketing Manager.

The shareholding pattern of Pacific Seeds Holding (Thailand) Company Limited, as of October 31, 2006, is as under:

Names of the shareholders	No. of shares held	% holding
Advanta Netherlands Holdings B.V.	993	99.3
Melisa Uremovic	1	0.1
Chatt Anuvatudom	1	0.1
Tippathum Tamseree	1	0.1
Saifon Charoenkiat	1	0.1
Arunee Thamrongthanakij	1	0.1
Boonyarat Arivisankij	2	0.2
TOTAL	**1,000**	**100**

Summary audited financial statements:

In Rs. Million, except per share data

	Seven months period ended October 31, 2006	Three months period ended March 31, 2006	Fiscal year ended December 31, 2005	Fiscal year ended December 31, 2004
Equity Capital	0.12	-	-	-
Reserves (excluding revaluation reserves)	(46.40)	(33.52)	(4.62)	(0.09)
Sales#	20.50	-	45.74	0.00
Profit After Tax	(10.55)	(28.71)	(4.54)	(0.09)
Basic Earnings Per Share*	(10,550.00)	(28,710.00)	(4,540.00)	(90.00)
Net Asset Value (Book value per share)*	(46,280.00)	(33,520.00)	(4,620.00)	(90.00)

** Face value of THB 100 each.*

 # Represents gain on exchange difference.

6. Pacific Seeds Pty Limited

Pacific Seeds Pty Limited was incorporated on May 16, 1989 in the State of Queensland, Australia. Its name was changed to Pacific Seeds Pty Limited with effect from September 29, 1989. On March 10, 2003, Pacific Seeds Pty Limited was also registered to carry on business in New Zealand. Pacific Seeds Pty Limited provides a wide range of seed & seed solutions to the agricultural industry which incorporates the breeding, production and marketing of planting seeds.

The registered office of Pacific Seeds Pty Limited is at:

268 Anzac Avenue
Toowoomba
4350 Queensland,
Australia

The directors of Pacific Seeds Pty Limited are:

1. Christopher M Bazley;
2. Norman Davey; and
3. Howard Morris.

The shareholding pattern of Pacific Seeds Pty Limited, as at October 31, 2006, is as under:

Names of the shareholders	No. of shares held	% holding
Advanta Finance B.V.	5,000,000	100
TOTAL	**5,000,000**	**100**

Summary audited financial statements:

In Rs. Million, except per share data

	Ten month period ended October 31, 2006	Fiscal year ended December 31, 2005	Fiscal year ended December 31, 2004	Fiscal year ended December 31, 2003
Equity Capital	173.35	164.98	170.57	170.88
Reserves (excluding revaluation reserves)	564.31	460.34	684.29	571.74
Sales	1,402.17	2,114.24	1,781.53	1,657.43
Profit After Tax	80.63	154.83	113.60	132.87
Basic Earnings Per Share*	16.13	30.97	22.72	26.57
Net Asset Value (Book value per share)*	147.53	125.06	170.97	148.52

**Face value of AUD 1 each*

7. Pacific Seeds (Thai) Limited

Pacific Seeds (Thai) Limited was incorporated on July 31, 1981 in the Kingdom of Thailand. Pacific Seeds (Thai) Limited is engaged in research, production, processing and marketing of hybrid seeds of field corn, baby corn, sweet corn, waxy corn and import seeds of sunflower, sorghum and forage for marketing and selling purposes.

The registered office of Pacific Seeds (Thai) Limited is at:

1 Moo 13
Tambol Phraputtabat
Amphur Phraputtabat, Saraburi 18120
Thailand

The directors of Pacific Seeds (Thai) Limited are:

1. Howard Charles Morris;
2. Norman H. Davey;
3. Pacholk Pongpanich; and
4. Yongyut Pansung.

The shareholding pattern of Pacific Seeds (Thai) Limited, as at October 31, 2006, is as under:

Names of the shareholders	No. of shares held	% holding
Pacific Seeds Holding (Thailand) Limited	299,993	99.99
Pacholk Pongpanich	1	-
Pornwirat Ngamsing	1	-
Norman Davey	2	-
Pornrawee Sumanochittraporn	1	-
Yongyut Pansung	1	-
Montree Kongdang	1	-
TOTAL	**300,000**	**100**

Summary audited financial statements:

In Rs. Million, except per share data

	Ten month period ended October 31, 2006	Fiscal year ended December 31, 2005	Fiscal year ended December 31, 2004	Fiscal year ended December 31, 2003
Equity Capital#	10.32	9.27	9.43	9.68
Reserves (excluding revaluation reserves)	252.10	156.29	116.76	28.94
Sales	435.43	458.83	485.71	439.60
Profit After Tax	78.11	41.55	88.54	66.92
Basic Earnings Per Share*	929.88	494.64	1,054.05	796.67
Net Asset Value (Book value per share)*	3,124.05	1,970.95	1,502.26	459.76

 # 300,000 equity shares of face value of THB 100 each, THB 28 paid-up

** assuming 84,000 equity shares of face value of THB 100 each, fully paid up*

8. Advanta Semillas SAIC

Advanta Semillas SAIC was incorporated on December 27, 1995 in Ciudad de Buenos Aires, Argentina as Zeneca Semillas SAIC. Its name was changed to Advanta Semillas SAIC with effect from April 20, 1999. Advanta Semillas SAIC is engaged in research, production, distribution and sale of hybrid seeds.

The registered office of Advanta Semillas SAIC is at:

25 De Mayo
749 – Piso
1 – Oficina
3 – Buenos Aires
Argentina

The directors of Advanta Semillas SAIC are:

1. Eduardo Rodolfo Liguori;
2. Jorge Scolaro; and
3. Pedro Linaza.

The shareholding pattern of Advanta Semillas SAIC, as at October 31, 2006, is as under:

Names of the shareholders	No. of shares held	% holding
Advanta International B.V.	15,722,669	90
Advanta Netherland Holding B.V.	1,746,964	10
TOTAL	**17,469,633**	**100**

Summary audited financial statements:

In Rs. Million, except per share data

	Ten month period ended October 31, 2006	Fiscal year ended December 31, 2005	Fiscal year ended December 31, 2004	Fiscal year ended December 31, 2003
Equity Capital	613.36	614.91	594.98	2,097.67
Reserves (excluding revaluation reserves)	(415.24)	(433.20)	(260.28)	(1,799.65)
Sales	353.85	370.17	313.04	223.34
Profit After Tax	16.86	(164.21)	48.89	59.95
Basic Earnings Per Share*	0.97	(9.40)	2.80	3.43**
Net Asset Value (Book value per share)*	11.34	10.40	19.16	17.06**

**Face value of AR$ 1 each*

*** Based on no. of equity shares subsequent to capital reduction in fiscal year ended December 31, 2004.*

OUR PROMOTERS

Our Promoters are:

1. United Phosphorus Limited;
2. Jai R. Shroff; and
3. Vikram R. Shroff.

United Phosphorus Limited

This company was incorporated on January 2, 1985 as Vishwanath Commercials Limited in the state of Maharashtra. In February 1994, Rajnikant D. Shroff along with his family and investment companies acquired 78.6% of the share capital and changed the name of the company from Vishwanath Commercials Limited to Search Chem Industries Limited.

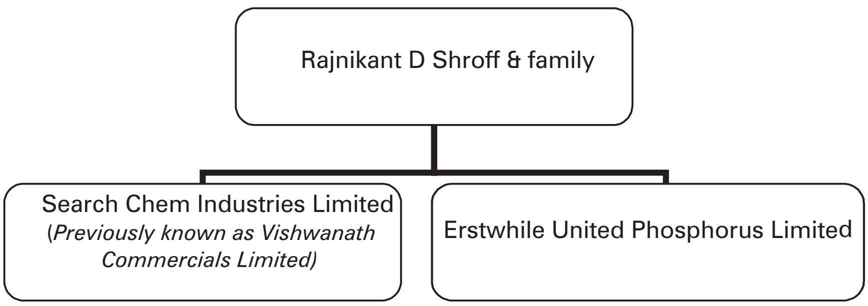
In 1994, Rajnikant D. Shroff, his family and their investment companies transferred their shareholding in Search Chem Industries Limited to their flagship company, known as United Phosphorus Limited at that point of time. The place of the registered office of Search Chem Industries Limited was changed from the state of Maharashtra to the state of Gujarat on March 23, 1995.

Subsequently, in 2003, under the scheme of arrangement between erstwhile United Phosphorus Limited and Search Chem Industries Limited; the manufacturing division of erstwhile Uniphos Phosphorus Limited was merged into Search Chem Industries Limited and erstwhile Uniphos Phosphorus Limited continued with its trading business.

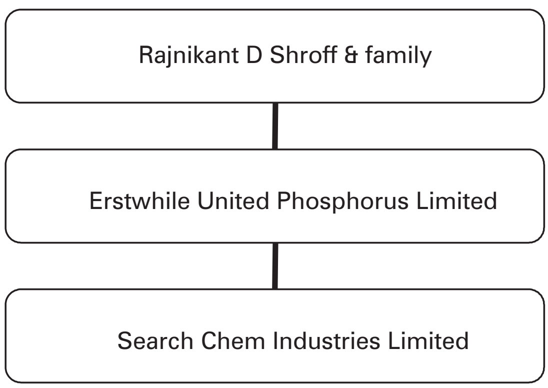
Subsequent to the aforesaid scheme of arrangement, erstwhile United Phosphorus Limited was renamed Uniphos Enterprise Limited vide fresh certificate of incorporation on change of name dated October 8, 2003 and Search Chem Industries Limited was renamed United Phosphorus Limited vide fresh certificate of incorporation on change of name dated October 15, 2003.

The above sequence of events can be presented as under:

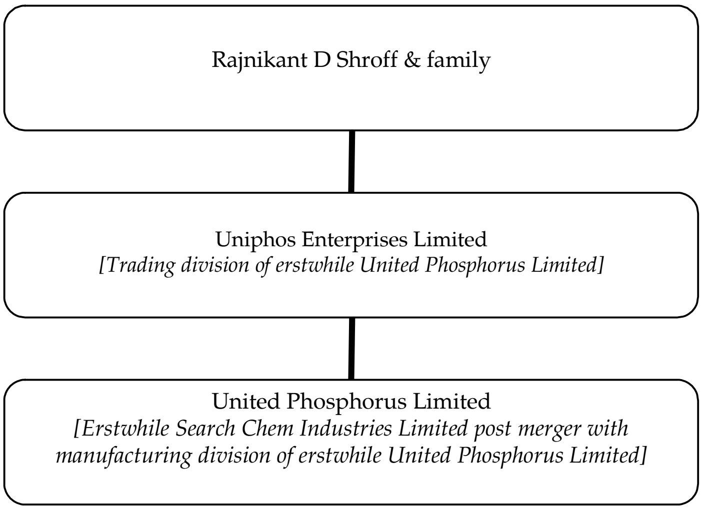
Stage 1: Rajnikant D Shroff together with his family and investment companies acquired Vishwanath Commercials Limited in February 1994. Consequently Vishwanath Commercials Limited was renamed Search Chem Industries Limited on February 17, 1994.



Stage 2: Rajnikant D Shroff together with his family and investment companies transferred their holding in Search Chem Industries Limited to the erstwhile United Phosphorus Limited in 1994.



Stage 3: Pursuant to a scheme of arrangement, the manufacturing division of the erstwhile United Phosphorus Limited was merged with Search Chem Industries Limited with effect from October 1, 2003; consequently erstwhile United Phosphorus Limited was renamed Uniphos Enterprises Limited and Search Chem Industries Limited was renamed United Phosphorus Limited.



Currently, United Phosphorus Limited engages in the manufacture of off-patent generic agrochemical products and phosphorus and phosphorus-based compounds.

The registered office of UPL is at:

3-11, G.I.D.C,
Vapi – 396 195
District Valsad, Gujarat

The directors of UPL are:

1. Rajnikant Shroff, Chairman & Managing Director;
2. Sandra Shroff, Vice Chairman;
3. Jai R. Shroff, Executive Director;
4. Vikram R. Shroff, Executive Director;
5. Arun Ashar, Director - Finance;
6. K. Bannerjee, Whole-time Director;
7. Pradeep Goyal;
8. P.V. Krishna;
9. R. Ramachandran;
10. Pradip Madhavji;
11. Vinod Sethi; and
12. Chirayu R. Amin.

The shareholding pattern of UPL (as of January 31, 2007) is as under:

Serial No.	Category	No. of equity shares	Percentage of total equity holding
A.	**Promoter's Holding**		
1.	**Promoters**		
	Indian Promoters	52,978,170	28.25
	Foreign Promoters	2,427,375	1.29
2.	**Persons Acting in Concert**		
	Sub Total (a)	**55,405,545**	**29.55**
B.	**Non-Promoters holding**		
3.	**Institutional Investors:**		
	a) Mutual Funds and UTI	30,916,192	16.49
	b) Banking, Financial institutions, Insurance Companies (Central/State Government Institutions, Non-Government Institutions)	2,206,881	1.18
	c) FIIs	64,061,921	34.16
	Sub Total (b)	**97,184,994**	**51.83**
4.	**Others**		
	a) Corporate bodies	6,821,961	3.64
	b) Indian public	19,482,797	10.39
	c) NRIs/ OCBs	8,127,311	4.33
	d) Any other	499,460	0.27
	Sub Total (c)	**34,432,069**	**18.36**
	Grand Total (a+b+c)	**187,197,855**	**100.00**

Summary audited stand-alone financial statements:

(in Rs. Million, except per share data)

	For the year ended		
	March 31, 2006	**March 31, 2005**	**March 31, 2004**
Sale	12,939.2	10,634.8	8,708.9
Profit after tax	1,165.1	669.7	537.83
Equity Capital	374.3	331.2	292.7
Reserves	10,329.7	6,310.8	3,996.5
Earnings per share*	6.63	17.29	13.17
Book Value per share *	57.17	200.05	145.19

**In September 2005, shares were split into shares of Rs.2 each*

Share Quotation

The shares of UPL are listed on BSE and NSE.

Highest and lowest price on NSE in the last six months:

Month	High (Rs.)	Low (Rs.)
September 2006	249.80	220.00
October 2006	299.50	234.10
November 2006	339.80	276.00
December 2006	336.75	280.00
January 2007	351.00	285.00
February 2007	341.80	289.00

(Source: NSE Website)

Closing price on the NSE as of March 8, 2007 was Rs. 302.25.

Market Capitalisation on the NSE as of March 8, 2007 was Rs. 56,580.55 million.

Highest and lowest price on BSE in the last six months:

Month	High (Rs.)	Low (Rs.)
September 2006	248.50	222.00
October 2006	299.20	233.00
November 2006	339.50	265.10
December 2006	336.00	280.15
January 2007	352.00	285.10
February 2007	340.70	288.00

(Source: BSE Website)

Closing price on the BSE as of March 8, 2007 was Rs. 304.00.

Market Capitalisation on the BSE as of March 8, 2007 was Rs. 56,908.15 million.

Mechanism for redressal of investor grievance

The board of directors of UPL has constituted a Shareholders'/Investors' Grievance Committee, comprising three independent directors to look into the shareholders' and investors' grievances. The total number of complaints received from April 1, 2006 to December 31, 2006 were 486 and all the complaints have been resolved to the satisfaction of the shareholders.

Details of previous public / rights issue made by UPL:

Type/ Details of Issue	Issue of 0.5% foreign currency convertible bonds due 2011 aggregating US$ 80 million listed on the Singapore Stock Exchange.	Issue of secured redeemable non-convertible debenture aggregating Rs. 600 million listed on BSE.
Date of Closure of the Issue	January 6, 2006	September 15, 2004
Date of delivery of bond/ debenture certificate	January 6, 2006	October 1, 2004

Issue price of security	The bonds issued at 100% of their principal amount	Rs. 1,000,000 per debenture
Promise v. Performance	The objects of this issue of these Bonds, after deduction of underwriting fees, discounts and commissions and deduction of other expenses relating to this offering, was intended to be used for capital expenditure, investment in overseas subsidiaries, acquisitions and/or such other purposes, as are permitted under RBI guidelines. The net proceeds were used for the stated objects wherein loans were extended to overseas subsidiaries of UPL in January 2006 and February 2006.	The objects of the said issue was to utilize the funds for general corporate purposes and to part finance expansions and acquisitions. The net proceeds were used for the stated objects wherein the amounts were used for general corporate purposes in second quarter, fiscal 2005.

Promoters and promoter group of UPL

The following individuals and companies constitute the promoters and promoter group of UPL:

I. Individuals

1. Rajnikant D. Shroff;
2. Jai R. Shroff;
3. Vikram R. Shroff;
4. Jyotindra M. Bhatt;
5. Jyotsna J. Bhatt;
6. Navin C. Ashar;
7. Pradip N. Sagar;
8. Sandra R. Shroff;
9. Shaila Shashikumar Shroff; and
10. Shilpa R. Shroff;

II. Companies

11. Bloom Packaging Private Limited;
12. Daman Ganga Pulp and Papers Private Limited;
13. Demuric Holdings Private Limited;
14. Esthetic Finvest Private Limited;
15. Nerka Chemicals Private Limited;
16. Nivi Trading Limited;
17. Uniphos Agro Industries Limited; and
18. Uniphos Enterprises Limited.

For the history and other details of these companies, please refer to the section titled "Our Promoter Group" on page 111 of this Red Herring Prospectus.

Jai R. Shroff

Driving License No: 84/W/1731

Passport No: F5612016

PAN: AALPS9283N

Vikram R. Shroff

Driving License No: MH-02-2001-19824

Passport No: Z1588498

PAN: AAOPS8597C

For more details on Jai R. Shroff and Vikram R. Shroff, please the section titled "Our Management- Board of Directors" on page 87 of this Red Herring Prospectus.

We confirm that the Permanent Account Number, Bank Account Numbers, Passport Numbers (as applicable) the Company Registration Number (as applicable), and the address of the Registrar of Companies where the Promoter is registered (as applicable) have been submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus. Further, the Promoters have not been declared as a willful defaulter by the Reserve Bank of India or any other Government authority and there are no violations of securities laws committed by the Promoters in the past or are pending against the Promoters.

Interest of our Promoters

The number of Equity Shares and options held by each of our Promoters as of the date of this Red Herring Prospectus is set forth below:

Promoter	No. of Equity Shares	No. of stock options
UPL	8,400,000	-
Jai R. Shroff	1,015,350	Nil
Vikram R. Shroff	846,650	Nil
Total	**10,262,000**	**Nil**

Except as stated above, the Promoters do not have any interest in our Company other than to the extent of any dividend payable to them and other distributions in respect of their shareholding in the Company. Jai R. Shroff and Vikram R. Shroff are also interested to the extent of remuneration or benefits to which they are entitled to as per the terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. UPL may also be deemed to be interested in our Company to the extent of the unsecured loan granted by UPL to our Company as well the interest thereon.

None of the Promoter or the Promoter Group entities have pursuits common with us except as set forth below:

Our Company sold 39.1 acres of land certain structures appurtenant to the land at Begur and 22.01 acres of land and certain structures appurtenant to the land at Vavilala to Uniphos Enterprises Limited, one of our Promoter Group companies on October 31, 2006 for a consideration of Rs. 235.0 million and Rs. 30.0 million, respectively. Our Company intends to lease back the lands from Uniphos Enterprises Limited; however, as on the date of this Red Herring Prospectus, no such lease deed or other arrangement had been finalised.

OUR PROMOTER GROUP

Apart from our Promoters, the following individuals, entities and companies constitute our Promoter Group:

I. Listed Companies

1. Uniphos Enterprises Limited; and
2. Nivi Trading Limited.

II. Unlisted Companies incorporated in India

3. Shroffs United Chemicals Limited, India
4. SWAL Corporation Limited, India;
5. Agrinet Solutions Limited, India;
6. Demuric Holdings Private Limited;
7. Enviro Technology Limited;
8. Bharuch Enviro Infrastructure Limited;
9. Djai Power Limited;
10. Shivalik Solid Waste Management Limited;
11. Search Enviro Limited;
12. UPL Environmental Engineers Limited (formerly known as Associated Environment Engineers Limited);
13. Entrust Environment Private Limited;
14. Sharvak Environment Private Limited;
15. Uniphos Agro Industries Limited;
16. Bloom Packaging Private Limited;
17. Bloom Industrial Plastics Private Limited;
18. Nerka Chemicals Private Limited;
19. Daman Ganga Pulp and Papers Private Limited;
20. Esthetic Finvest Private Limited;
21. Shatataraka Holdings Private Limited;
22. Shroff Envirotral Private Limited;
23. Seiko Properties Private Limited;
24. R. Shroff Consultants Private Limited;
25. Archana Overseas Private Limited;
26. Isar Builders and Developers Private Limited;
27. Vyom Finvest Private Limited;
28. Sanguine Holdings Private Limited; and
29. Universal Pestochem Industries (I) Private Limited.

III. Unlisted Companies incorporated outside India

30. Agrodan ApS, Denmark;
31. Bio-win Corporation Limited, Mauritius;
32. United Phosphorus De Mexico, S.A. de C.V., Mexico;

33. United Phosphorus Limited, Australia;
34. United Phosphorus Limited, Hong Kong;
35. United Phosphorus Limited, Russia;
36. United Phosphorus (Shanghai) Co., Limited, China;
37. United Phosphorus, Inc., U.S.A.;
38. United Phosphorus Limited, Japan;
39. United Phosphorus Limited, U.K.;
40. United Phosphorus Limited, Zambia;
41. United Phosphorus De Argentina S.A., Argentina;
42. United Phosphorus Limited, Belgium;
43. United Phosphorus (Korea) Limited, Korea;
44. PT. United Phosphorus Indonesia, Indonesia;
45. United Phosphorus Limited, Gibraltar;
46. Inventa Corporation, U.S.A.;
47. AgValue, Inc., U.S.A.;
48. AgValue Enterprises, Inc., U.S.A.;
49. AgValue - Etho, LLC, U.S.A.;
50. AgValue - D.P., LLC, U.S.A.;
51. AgValue - Clopyr, LLC, U.S.A.;
52. AgValue - Oryza, LLC, U.S.A.;
53. AgValue - Metri, LLC, U.S.A.;
54. AgValue - Bromacil, LLC, U.S.A.;
55. AgValue - Propyzamide, LLC, U.S.A.;
56. AgValue - Propargite, LLC, U.S.A.;
57. AgValue - Picloram, LLC, U.S.A.;
58. United Phosphorus do Brasil Ltda, Brazil;
59. Agrindustrial S.A., Spain;
60. Compania Espanola Industrial Quimica de Productos Agricolas Y. Domesticos, S.A., Spain;
61. Iberotam, S.A., Spain;
62. Phosfonia S.L., Spain;
63. Reposo S.A., Argentina;
64. Transterra Invest, S.L., Spain;
65. United Phosphorus Sole Partner Limited, Greece;
66. United Phosphorus (Taiwan) Limited, Taiwan;
67. United Phosphorus NZ Limited, New Zealand;
68. Cropserve Pty Limited, South Africa;
69. Agpack Zambia Limited, Zambia;
70. Prime Agricentre (Z) Limited, Zambia;

71. Cropserve Zambia Limited, Zambia;
72. United Phosphorus Limited, Bangladesh;
73. Sociedade Mocambicana de Productos Agroquimicos Limitadam, Mocambique;
74. United Phosphorus Holdings B.V., Netherlands;
75. United Phosphorus Italy S.r.l., Italy;
76. Cropserve Malawi Limited, Malawi;
77. United Phosphorus Private Limited, Zimbabwe;
78. United Phosphorus Limited, South Africa;
79. Cerexagri Iberica S.A.U.;
80. Cerexagri Italia S.r.l.;
81. Cerexagri Delaware Inc;
82. Cerexagri S.A., France;
83. Cerexagri B.V.;
84. Cerexagri Costa Rica, S.A.;
85. Anning Decco Fine Chemical Co., Ltd;
86. Desarrollo Quimico Industrial S.A.;
87. Cerexagri Nisso LLC;
88. TopsinM LLC;
89. Cerexagri Sharda LLC;
90. Cerexagri Inc;
91. Cerexagri Turkey; and
92. Safepack Products Limited, Israel.

IV. Partnerships/ HUFs

93. Prakriya Pharmachem;
94. Akruti Products;
95. Sarjan Chemicals; and
96. Ultima Search.

V. Individuals

	Name	Relationship with the Promoters
1.	Rajnikant Devidas Shroff	Father of Jai R. Shroff and Vikram R. Shroff
2.	Sandra Rajnikant Shroff	Mother of Jai R. Shroff and Vikram R. Shroff
3.	Shilpa Pradip Sagar	Sister of Jai R. Shroff and Vikram R. Shroff
4.	Poonam Jaidev Shroff	Wife of Jai R. Shroff
5.	Varun Jaidev Shroff	Son of Jai R. Shroff
6.	Tania Jaidev Shroff	Daughter of Jai R. Shroff
7.	Rajni Bhagat	Mother of Jai R. Shroff's wife

8.	Sheetal Mafatlal	Sister of Jai R. Shroff's wife
9.	Namrata Vikram Shroff	Wife of Vikram R. Shroff
10.	Mekhala V. Shroff	Daughter of Vikram R. Shroff
11.	Dilip Baruwa	Father of Vikram R. Shroff's wife
12.	Amla Baruwa	Mother of Vikram R. Shroff's wife
13.	Gaurav Baruwa	Brother of Vikram R. Shroff's wife

Unless otherwise stated, none of the companies constituting our Promoter Group have their equity shares listed on any stock exchange in India or have made any rights or public issue of equity shares in the preceding three years. Further, unless otherwise stated, none of the companies constituting our Promoter Group have become sick companies within the meaning of SICA or are under winding up.

I. Listed Companies

1. Uniphos Enterprises Limited

It was incorporated on May 29, 1969 as United Phosphorus Private Limited. The name was changed to United Phosphorus Limited vide fresh certificate of incorporation on change of name dated February 3, 1986. Pursuant to a public offering of its shares, the company was listed on BSE and Ahmedabad Stock Exchange in 1986. The initial business of the company was to manufacture red phosphorus in order to take advantage of the government's then trade policy of import substitution and export promotion. Its product range was enlarged through backward and forward integration, with the development of a range of phosphorus-based agrochemicals and other specialty chemicals used in the pharmaceutical industry and the flame retardant industry.

In 1994, Rajnikant D Shroff, his family and investment companies transferred their holding in Search Chem Industries Limited to the company; consequently it became the promoter of Search Chem Industries Limited.

In 2003, under the scheme of arrangement between the company and Search Chem Industries Limited; the manufacturing division of the company was merged into Search Chem Industries Limited, while the company continued with its trading business.

Consequent to the aforesaid scheme of arrangement, the company was renamed Uniphos Enterprise Limited vide fresh certificate of incorporation on change of name dated October 8, 2003 and Search Chem Industries Limited was renamed United Phosphorous Limited vide fresh certificate of incorporation on change of name dated October 15, 2003.

The registered office of Uniphos Enterprises Limited is at:

11, G.I.D.C.
Vapi 396 195
District Bulsar, Gujarat, India

The directors of Uniphos Enterprises Limited are:

1. Rajnikant D. Shroff;
2. Sandra R. Shroff;
3. Jai R. Shroff;
4. Arun Ashar;
5. Pradeep Goyal; and
6. Prakash Shah.

The shareholding pattern of Uniphos Enterprises Limited (as of January 31, 2007) is as under:

Serial No.	Category	No. of equity shares	Percentage of total equity holding
A.	**Promoter's Holding**		
1.	**Promoters**		
	Indian Promoters	9,863,268	38.72
	Foreign Promoters	485,475	1.91
2.	**Persons Acting in Concert**		
	Sub Total (a)	**10,348,743**	**40.62**
B.	**Non-Promoters holding**		
3.	**Institutional Investors:**		
	a) Mutual Funds and UTI	1,699,853	6.67
	b) Banking, Financial institutions, Insurance Companies (Central/State Government Institutions, Non-Government Institutions)	1,103,444	4.33
	c) FIIs	3,846,443	15.10
	Sub Total (b)	**6,649,740**	**26.10**
4.	**Others**		
	a) Corporate bodies	871,981	3.42
	b) Indian public	6,152,871	24.16
	c) NRIs/ OCBs	1,352,183	5.31
	d) Any other	99,152	0.39
	Sub Total (c)	**8,476,187**	**33.28**
	Grand Total (a+b+c)	**25,474,670**	**100.00**

Summary audited financial statements:

In Rs. Million, except per share data

	Fiscal 2006	Fiscal 2005	Fiscal 2004
Equity Capital	50.95	50.95	50.95
Reserves (excluding revaluation reserves)	313.62	317.48	336.65
Sales	9.30	4.03	145.90
Profit After Tax	(3.85)	(19.16)	(21.59)
Earnings Per Share*	(0.15)	(0.75)	(0.85)
Net Asset Value (Book value per share)*	14.31	14.46	15.21

* *Face value of Rs.2 each*

Share Quotation

The shares of Uniphos Enterprises Limited are listed on BSE and NSE.

Highest and lowest price on NSE in the last six months:

Month	High (Rs.)	Low (Rs.)
September 2006	30.70	23.25
October 2006	29.90	24.00
November 2006	34.40	27.05
December 2006	36.25	26.00
January 2007	44.75	33.15
February 2007	42.00	31.20

(Source: NSE Website)

Closing price on the NSE as of March 8, 2007 was Rs. 28.40.

Market Capitalisation on the NSE as of March 8, 2007 was Rs. 723.48 million.

Highest and lowest price on BSE in the last six months:

Month	High (Rs.)	Low (Rs.)
September 2006	30.70	23.25
October 2006	29.00	24.10
November 2006	34.90	28.25
December 2006	36.00	26.15
January 2007	43.80	34.10
February 2007	41.85	32.00

(Source: BSE Website)

Closing price on the BSE as of March 8, 2007 was Rs. 27.80.

Market Capitalisation on the BSE as of March 8, 2007 was Rs. 708.19 million.

Promise versus performance

Uniphos Enterprises Limited made an issue of Global Depository Receipts representing 1,341,500 equity shares in February 1994 at an issue price of USD 41 per Global Depository Receipt. The object of the offering was to repay a portion of United Enterprises Limited's long term debt, for future capital expenditure and for working capital purposes. The objects of this issue were achieved.

Mechanism for redressal of investor grievance

The board of directors of Uniphos Enterprises Limited has constituted a Shareholders'/Investors' Grievance Committee, comprising three independent directors to look into the shareholders' and investors' grievances. The total number of complaints received from April 1, 2006 to September 30, 2006 were 16 and all the complaints have been resolved to the satisfaction of the shareholders.

Promoters and promoter group of UEL

The promoter and promoter group of UEL are:

1. Bloom Packaging Private Limited;
2. Demuric Holdings Private Limited;
3. Esthetic Finvest Private Limited;
4. Jai R. Shroff;
5. Jyotindra Manshankar Bhatt;
6. Jyotsna J. Bhatt;
7. Navin C. Ashar;
8. Nerka Chemicals Private Limited;
9. Nivi Trading Limited;
10. Rajnikant D. Shroff;
11. Sandra R. Shroff;
12. Shaila Shashikumar Shroff;
13. Shilpa R. Shroff; and
14. Vikram R. Shroff.

2. Nivi Trading Limited

Nivi Trading Limited was incorporated on May 29, 1985 in India. Nivi Trading Limited is engaged in trading and investing in shares and financing. Nivi Trading Limited was acquired by the Promoter Group with effect from March 2, 1992.

The BSE had suspended the trading in securities of Nivi Trading Limited with effect from July 21, 1997 on account of non-compliance of clause 16 of the listing agreement with regard to closure of register of members and transfer books during the year 1996. The suspension was revoked with effect from July 3, 2002 after compliance and payment of re-instatement fees.

Except as stated above, no regulatory action has been taken against Nivi Trading Limited in relation to its capital markets activities under any order or direction passed by the SEBI.

The registered office of Nivi Trading Limited is at:

Ready Money Terrace
167, Dr. Annie Besant Road
Worli
Mumbai 400 018, India.

As of January 31, 2007, the directors of Nivi Trading Limited were:

1. Rajnikant D. Shroff;
2. Sandra R. Shroff; and
3. Jai R. Shroff.

The shareholding pattern of Nivi Trading Limited (as of January 31, 2007) is as under:

Serial No.	Category	No. of equity shares equity holding	Percentage of total
A.	**Promoter's Holding**		
1.	**Promoters**		
	Indian Promoters	833,000	66.88
	Foreign Promoters	100,000	8.03
2.	**Persons Acting in Concert**		
	Sub Total (a)	**933,000**	**74.91**
B.	**Non-Promoters holding**		
3.	**Institutional Investors:**		
	a) Mutual Funds and UTI	-	-
	b) Banking, Financial institutions, Insurance Companies (Central/ State Government Institutions, Non-Government Institutions)	-	-
	c) FIIs	-	-
	Sub Total (b)	**0.00**	**0.00**
4.	**Others**		
	a) Corporate bodies	50,000	4.01
	b) Indian public	262,600	21.08
	c) NRIs/ OCBs	-	-
	d) Any other	-	-
	Sub Total (c)	**312,600**	**25.09**
	Grand Total (a+b+c)	**1,245,600**	**100**

Summary audited financial statements:

In Rs. Million, except per share data

	Fiscal 2006	Fiscal 2005	Fiscal 2004
Equity Capital	12.46	12.46	12.46
Reserves (excluding revaluation reserves)	7.39	6.94	6.70
Sales	0.00	0.00	0.00
Profit After Tax	0.45	0.25	2.52
Earnings Per Share*	0.36	0.20	2.02
Net Asset Value (Book value per share)*	15.94	15.58	15.38

* *Face value of Rs.10 each*

Promise versus performance

Nivi Trading Limited made an issue aggregating approximately Rs. 9.96 million on November 28, 1991, prior to its acquisition by the Promoter Group, on a rights basis to its then existing shareholders. The object of the issue was to meet the working capital requirements of the Company.

Share Quotation

The shares of Nivi Trading Limited are listed on BSE. The shares were last traded during the fiscal year 1993.

Mechanism for redressal of investor grievance

No complaints have been received from April 1, 2006 to December 31, 2006.

Promoters and promoter group of Nivi Trading Limited

The promoters and promoter group of Nivi Trading Limited:

1. United Phosphorus Limited;
2. Rajnikant D. Shroff;
3. Sandra R. Shroff;
4. Shilpa R. Shroff;
5. Jai R. Shroff;
6. Vikram R. Shroff;
7. Navin C. Ashar;
8. Bloom Packaging Private Limited;
9. Demuric Holdings Private Limited;
10. Esthetic Finvest Private Limited;
11. Shatataraka Holdings Private Limited; and
12. Ventura Guaranty Limited.

II. Unlisted Companies incorporated in India

3. Shroffs United Chemicals Limited, India

Shroffs United Chemicals Limited, India was incorporated on December 20, 1979 in India. Shroffs United Chemicals Limited, India is engaged in trading in agrochemicals.

The registered office of Shroffs United Chemicals Limited, India is at:

11, G.I.D.C.
Vapi 396 195
District Bulsar, Gujarat

The directors of Shroffs United Chemicals Limited, India are:

1. Rajnikant Shroff;
2. Sandra Shroff;
3. Arun Ashar; and
4. Jai R. Shroff.

The shareholding pattern of Shroffs United Chemicals Limited, India is as under:

Names of the shareholders	No. of shares held	% holding
United Phosphorus Limited, India	50,007	100

The promoter group of this company is Rajnikant D. Shroff and family.

Summary audited financial statements for the last three fiscal years:

In Rs. Million, except per share data

	Fiscal 2006	Fiscal 2005	Fiscal 2004
Equity Capital	0.50	0.50	0.50
Reserves (excluding revaluation reserves)	(0.33)	(0.32)	0.02
Sales	0.00	0.00	0.00
Profit After Tax	(0.01)	(0.34)	0.03
Earnings Per Share*	(0.23)	(6.76)	0.68
Net Asset Value (Book value per share)*	3.19	3.18	9.69

* *Face Value of Rs.10 each*

4. SWAL Corporation Limited, India

SWAL Corporation Limited, India was incorporated on October 12, 1979 in India as Shaw Wallace Consultants Limited. Its name was changed to Shaw Wallace Agrochemicals Limited on June 8, 2001 and further to SWAL Corporation Limited on May 17, 2004. SWAL Corporation Limited was acquired by United Phosphorus Limited in June, 2005. SWAL Corporation Limited, India is engaged in manufacturing and trading in agrochemicals.

The registered office of SWAL Corporation Limited, India is at:

Ready Money Terrace
167, Dr. Annie Besant Road
Worli
Mumbai 400 018, India.

The directors of SWAL Corporation Limited, India are:

1. Jai R. Shroff;
2. Rajnikant Shroff;
3. Arun Ashar; and
4. K.R. Srivastava.

The shareholding pattern of SWAL Corporation Limited, India is as under:

Names of the shareholders	No. of shares held	% holding
United Phosphorus Limited, India	1,000,007	100

The promoter group of this company is United Phosphorus Limited, India. Summary audited financial statements:

In Rs. Million, except per share data

	Fiscal 2006	Fiscal 2005	Fiscal 2004
Equity Capital	10.00	10.00	10.00
Reserves (excluding revaluation reserves)	(1.11)	(15.84)	(40.23)
Total income	718.92	655.95	561.25
Profit After Tax	14.73	24.39	1.61
Earnings Per Share*	14.73	24.39	1.61
Net Asset Value (Book value per share)*	8.89	(5.84)	(30.23)

* *Face Value of Rs.10 each*

5. Agrinet Solutions Limited, India

Agrinet Solutions Limited, India was incorporated on April 10, 2000 in India. Agrinet Solutions Limited, India is engaged in trading.

The registered office of Agrinet Solutions Limited, India is at:

Henleen Building, Ground Floor
Central Avenue, Santacruz (West),
Mumbai 400 054, India.

The directors of Agrinet Solutions Limited, India are:

1. Rajnikant Shroff;
2. Vikram R. Shroff;
3. Jai R. Shroff; and
4. Arun Ashar.

The shareholding pattern of Agrinet Solutions Limited, India is as under:

Names of the shareholders	No. of shares held	% holding
Directors		
Rajnikant Shroff	50100	2.50
Jai R. Shroff	100	0.00
Vikram R. Shroff	100	0.00
Arun Ashar	100	0.00
Relatives of the Directors		
Sandra Shroff	50,000	2.50
Associate Companies		
United Phosphorus Limited	1,000,000	49.98
Demuric Holding Private Limited	900,000	44.98

Names of the shareholders	No. of shares held	% holding
Others		
Rajendra Kansaji Desai	100	0.00
Mukul Bhupendra Trivedi	100	0.00
Rajendra Bamukund Darak	100	0.00
Total	**2,000,700**	**100**

The promoter group of this company is Rajnikant D. Shroff and family.

Summary audited financial statements:

In Rs. Million, except per share data

	Fiscal 2006	Fiscal 2005	Fiscal 2004
Equity Capital	20.01	20.01	20.01
Reserves (excluding revaluation reserves)	14.66	14.63	14.63
Sales	0.06	0.04	0.04
Profit After Tax	0.03	(0.007)	0.004
Earnings Per Share*	0.02	(0.004)	0.002
Net Asset Value (Book value per share)*	17.33	17.31	17.31

* *Face Value of Rs.10 each*

6. Demuric Holdings Private Limited

Demuric Holdings Private Limited was incorporated on August 28, 1986 in India. Demuric Holdings Private Limited is engaged in investing in shares and financing.

The registered office of Demuric Holdings Private Limited is at:

Shed No. A2/1, G.I.D.C, Vapi
District Bulsar
Gujarat 396 195.

The directors of Demuric Holdings Private Limited are:

1. Rajnikant Shroff;
2. Jai R. Shroff;
3. Sandra Shroff; and
4. Asha Ashar.

The shareholding pattern of Demuric Holdings Private Limited is as under:

Names of the shareholders	No. of shares held	% holding
Directors		
Rajnikant Shroff	450,100	90.78
Sandra Shroff	100	0.02
Jai R. Shroff	22,660	0.02
Relatives		
Vikram R. Shroff	22,660	0.02
Shilpa Sagar	100	0.02
Associate Companies		
Archana Overseas Private Limited	100	0.02
Isar Builders Private Limited	100	0.02
Total	**495,820**	**100**

The promoter group of this company is Rajnikant D. Shroff and family.

Summary audited financial statements:

In Rs. Million, except per share data

	Fiscal 2006	Fiscal 2005	Fiscal 2004
Equity Capital	4.96	4.96	4.96
Reserves (excluding revaluation reserves)	69.50	51.06	19.39
Sales	20.91	33.86	14.28
Profit After Tax	18.56	31.66	9.01
Earnings Per Share*	37.19	63.86	18.17
Net Asset Value excluding preference share capital (Book value per share)*	150.14	110.52	46.25

* *Face Value of Rs.10 each*

7. Enviro Technology Limited

Enviro Technology Limited was incorporated on December 7, 1994 in Ankleshwar, India. Enviro Technology Limited engaged in running a common effluent treatment plant.

The registered office of Enviro Technology Limited is at:

117/118, G.I.D.C.
Ankleshwar
Dist. Bharuch
Gujarat 393 002, India

The directors of Enviro Technology Limited are:

1. Rajnikant D. Shroff;
2. Sandra Shroff;
3. Jai R. Shroff;
4. A.A. Panjwani;
5. Arun Ashar;
6. K.L. Udani;
7. K.K. Sundaram;
8. C.A. Devani;
9. Dr. A.K.A. Rathi;
10. Atul Buch; and
11. M.S. Solanki.

The shareholding pattern of Enviro Technology Limited is as under:

Names of the shareholders	No. of shares held	% holding
Search Enviro Limited	617,500	52.22
Rajnikant Shroff	10	0.00
Sandra Shroff	10	0.00
Jai R. Shroff	10	0.00
Others	565,040	47.78
Total	**1,182,570**	**100**

The promoter group of this company includes Search Enviro Limited.

Summary audited financial statements:

In Rs. Million, except per share data

	Fiscal 2006	Fiscal 2005	Fiscal 2004
Equity Capital	11.83	11.83	11.83
Reserves (excluding revaluation reserves)	56.73	41.36	35.29
Sales	106.80	101.38	77.09
Profit After Tax	14.96	8.75	5.27
Earnings Per Share*	12.65	7.40	4.46
Net Asset Value (Book value per share)*	57.97	44.97	39.85

* *Face value of Rs.10 each*

8. Bharuch Enviro Infrastructure Limited

Bharuch Enviro Infrastructure Limited was incorporated on July 21, 1997 in Ankleshwar, India. Bharuch Enviro Infrastructure Limited engaged in running a common landfill and incineration facilities for hazardous waste.

The registered office of Bharuch Enviro Infrastructure Limited is at:

117 G.I.D.C.
Ankleshwar
District Bharuch
Gujarat 393 002, India

The directors of Bharuch Enviro Infrastructure Limited are:

1. Rajnikant D. Shroff;
2. Sandra Shroff;
3. Jai R. Shroff;
4. Vikram R. Shroff;
5. A.A. Panjwani;
6. Arun Ashar;
7. K.L. Udani;
8. V.K. Raval;
9. S.C. Mittal;
10. Dr. A.K.A. Rathi;
11. Atul Buch; and
12. M.S. Solanki.

The shareholding pattern of Bharuch Enviro Infrastructure Limited is as under:

Names of the shareholders	No. of shares held	% holding
Search Enviro Limited	3,175,267	75.85
Others	1,010,767	24.15
Total	**4,186,034**	**100**

The promoter group of this company includes Search Enviro Limited.

Summary audited financial statements:

In Rs. Million, except per share data

	Fiscal 2006	Fiscal 2005	Fiscal 2004
Equity Capital	41.86	20.93	20.93
Reserves (excluding revaluation reserves)	94.30	59.76	42.16
Sales	134.64	73.29	58.41
Profit After Tax	20.78	13.98	17.58
Earnings Per Share*	4.96	6.68	8.27
Net Asset Value (Book value per share)*	32.53	19.28	15.07

* *Face Value of Rs. 10 each*

9. Djai Power Limited

Djai Power Limited was incorporated on August 9, 2004 in Delhi. Djai Power Limited engaged in generating power from municipal solid waste.

The registered office of Djai Power Limited is at:

B1, Kailash Park
Najafgarh Road
New Delhi 110 015, India.

The directors of Djai Power Limited are:

1. Jai R. Shroff;
2. Arun Ashar;
3. A.A. Panjwani;
4. M.B. Trivedi;
5. Dinesh Lalwani; and
6. Jaishri Lalwani.

The shareholding pattern of Djai Power Limited is as under:

Names of the shareholders	No. of shares held	% holding
Search Enviro Limited	1,350,000	75.00
Dinesh Lalwani and Associates	450,000	25.00
Total	**1,800,000**	**100**

The promoter group of this company includes Search Enviro Limited.

Summary audited financial statements:

In Rs. Million, except per share data

	Fiscal 2006	Period ended March 31, 2005#
Equity Capital	14.50	0.50
Reserves (excluding revaluation reserves)	(4.46)	(0.87)
Sales	0.09	0.00
Profit After Tax	(3.59)	(0.87)
Earnings Per Share*	(2.47)	(17.40)
Net Asset Value (Book value per share)*	6.91	(7.40)

* *Face value of Rs.10 each*

\# *From the date of incorporation*

Djai Power Limited was incorporated on August 9, 2004 and hence has no results to report for fiscal 2004.

10. Shivalik Solid Waste Management Limited

Shivalik Solid Waste Management Limited was incorporated on August 11, 2005 in Himachal Pradesh, India. Shivalik Solid Waste Management Limited engaged in developing common landfill and incineration facility for hazardous waste.

The registered office of Shivalik Solid Waste Management Limited is at:

36, Industrial Area
Baddi
District Solan
Himachal Pradesh, India

The directors of Shivalik Solid Waste Management Limited are:

1. Jai R. Shroff;
2. Arun Ashar;
3. A.A. Panjwani;
4. M.B. Trivedi;
5. S.Y. Shah;
6. P.N. Parmeswaran;
7. Deepak Bhandari;
8. A.R. Singh;
9. Vijay Arora; and
10. Rajinder Guleria.

The shareholding pattern of Shivalik Solid Waste Management Limited is as under:

Names of the shareholders	No. of shares held	% holding
Search Enviro Limited	500,000	60
BBNIA & others	320,000	40
Total	**820,000**	**100**

The promoter group of this company includes Search Enviro Limited.

Summary audited financial statements for the last fiscal years:

In Rs. Million, except per share data

	Period ended March 31, 2006#
Equity Capital	8.20
Reserves (excluding revaluation reserves)	-
Sales	-
Profit After Tax	-
Earnings Per Share*	-
Net Asset Value (Book value per share)*	6.62

* *Face Value of Rs. 10 each*

\# *From the date of incorporation*

Shivalik Solid Waste Management Limited was incorporated on August 11, 2005 and hence has no results to report for Fiscal 2004 and Fiscal 2005.

11. Search Enviro Limited

Search Enviro Limited was incorporated on May 6, 2004 in Gujarat, India. Search Enviro Limited is engaged in undertaking waste management projects.

The registered office of Search Enviro Limited is at:

11, GIDC
Vapi 396 195
Dist. Bulsar
Gujarat, India

The directors of Search Enviro Limited are:

1. Rajnikant Shroff;
2. Jai R. Shroff; and
3. Arun Ashar.

The shareholding pattern of Search Enviro Limited is as under:

Names of the shareholders	No. of shares held	% holding
Rajnikant Shroff	25,000	0.17
Jai R. Shroff	24,500	0.17
Esthetic Finvest Pvt. Ltd.	7,000,000	99.65
Others	500	0.01
Total	**7,050,000**	**100**

The promoter group of this company includes Rajnikant D. Shroff and family.

Summary audited financial statements:

In Rs. Million, except per share data

	Fiscal 2006	Period ended March 31, 2005#
Equity Capital	70.50	0.5
Reserves (excluding revaluation reserves)	(1.74)	(0.09)
Sales	-	-
Profit After Tax	(1.74)	(0.01)
Earnings Per Share*	(24.96)	(0.17)
Net Asset Value (Book value per share)*	9.75	3.80

* *Face value of Rs. 10 each*

\# *From the date of incorporation*

Search Enviro Limited was incorporated on May 6, 2004 and hence has no results to report for Fiscal 2004.

12. UPL Environmental Engineers Limited

UPL Environmental Engineers Limited was incorporated on October 17, 1994 in Gujarat, India. UPL Environmental Engineers Limited is engaged in undertaking environment related projects.

The registered office of UPL Environmental Engineers Limited is at:

203, Concord Building
Alkapuri, R C Dutt Road
Vadodara 390 007
Gujarat, India

The directors of UPL Environmental Engineers Limited are:

1. Sandra Shroff;
2. Jai R. Shroff;
3. Arun Ashar;
4. A.A. Panjwani;
5. M.B. Trivedi;
6. S.Y. Shah;
7. S.R. Nair;
8. P.N. Parmeswaran; and
9. D. Biswas.

The shareholding pattern of UPL Environmental Engineers Limited is under:

Names of the shareholders	**No. of shares held**	**% holding**
Search Enviro Limited	882,700	51
Suketu Shah	156,490	9.04
Suketu Shah (HUF)	150,000	8.67
Jhanvi Shah	83,550	4.83
Yashwantbhai Shah	15,000	0.87
Yashwantbhai Shah (HUF)	9,000	0.52
Kusumben Shah	10,000	0.58
Santhosh Raman Nair	414,040	23.91
Anjali Santhosh Nair	10,000	0.58
Total	**1,730,780**	**100**

The promoter group of this company includes Search Enviro Limited.

Summary audited financial statements:

In Rs. Million, except per share data

	Fiscal 2006	Fiscal 2005	Fiscal 2004
Equity Capital	17.30	10.60	10.60
Reserves (excluding revaluation reserves)	19.99	5.00	3.59
Sales	126.38	53.69	50.26
Profit After Tax	8.88	1.41	1.20
Earnings Per Share*	5.12	1.33	1.13
Net Asset Value (Book value per share)*	21.55	14.72	13.39

* *Face value of Rs.10 each*

13. Entrust Environment Private Limited

Entrust Environment Private Limited was incorporated on April 19, 2006 in Mumbai, India. Entrust Environment Private Limited is engaged in textile effluent recycling.

The registered office of Entrust Environment Private Limited is at:

Ready Money Terrace
Dr. A B Road
Worli
Mumbai 400 018, India

The directors of Entrust Environment Private Limited are:

1. Jai R. Shroff; and
2. Vikram R. Shroff.

The shareholding pattern of Entrust Environment Private Limited is as under:

Names of the shareholders	**No. of shares held**	**% holding**
Jai R. Shroff	5,000	50
Vikram R. Shroff	5,000	50
Total	**10,000**	**100**

The promoter group of this company includes Rajnikant D. Shroff and family.

Summary audited financial statements:

Entrust Environment Private Limited was incorporated on April 19, 2006 and hence has no results to report for Fiscals 2004, 2005 or 2006.

14. Sharvak Environment Private Limited

Sharvak Environment Private Limited was incorporated on July 29, 2006 in Mumbai, India. Sharvak Environment Private Limited is engaged in treating municipal solid waste and compost.

The registered office of Sharvak Environment Private Limited is at:

Ready Money Terrace
Dr. A B Road, Worli,
Mumbai 400 018, India

The directors of Sharvak Environment Private Limited are:

1. Jai R. Shroff; and
2. Vikram R. Shroff.

The shareholding pattern of Sharvak Environment Private Limited is as under:

Names of the shareholders	No. of shares held	% holding
Jai R. Shroff	500	50
Vikram R. Shroff	500	50
Total	**1,000**	**100**

The promoter group of this company includes Rajnikant D. Shroff and family.

Summary audited financial statements:

Sharvak Environment Private Limited was incorporated on July 29, 2006 and hence has no results to report for Fiscals 2004, 2005 or 2006.

15. Uniphos Agro Industries Limited

Uniphos Agro Industries Limited was incorporated on July 24, 1992 in India. Uniphos Agro Industries Limited is engaged in trading.

The registered office of Uniphos Agro Industries Limited is at:

11, G.I.D.C.
Vapi 396 195
District Bulsar, Gujarat, India

The directors of Uniphos Agro Industries Limited are:

1. Rajnikant D. Shroff;
2. Jai R. Shroff;
3. A.M. Rajyaguru;
4. Sandra R. Shroff;
5. Kalyan Bannerjee; and
6. M.B. Trivedi.

The shareholding pattern of Uniphos Agro Industries Limited is as under:

Names of the shareholders	No. of shares held	% holding
Sandra R. Shroff	515,500	15.61
Vikram R. Shroff	500,500	15.16
United Phosphorus Limited	500,000	15.14
Rajnikant D. Shroff	500,000	15.14
Demuric Holdings Private Limited	30,000	0.91
Nivi Trading Limited	9,000	0.27
Others	1,247,610	38.00
Total	**3,302,610**	**100**

The promoter group of this company includes Rajnikant D. Shroff and family.

Summary audited financial statements for the last three fiscal years:

In Rs. Million, except per share data

	Fiscal 2006	Fiscal 2005	Fiscal 2004
Equity Capital	33.03	33.03	33.03
Reserves (excluding revaluation reserves)	66.68	58.14	54.75
Sales	197.77	144.40	200.18
Profit After Tax	8.53	3.40	10.71
Earnings Per Share*	2.58	1.03	3.24
Net Asset Value (Book value per share)*	30.19	27.61	26.58

* *Face value of Rs.10 each*

16. Bloom Packaging Private Limited

Bloom Packaging Private Limited was incorporated on April 4, 1994 in India. Bloom Packaging Private Limited is a manufacturer of plastic containers.

The registered office of Bloom Packaging Private Limited is at:

4th Floor, Ready Money Terrace
167, Dr. Annie Besant Road
Worli
Mumbai 400 018, India.

The directors of Bloom Packaging Private Limited are:

1. Pradip Sagar; and
2. A.C. Menon.

The shareholding pattern of Bloom Packaging Private Limited is as under:

Names of the shareholders	No. of shares held	% holding
Pradip Sagar	77,430	2.69
A.C. Menon	1	0.00
Sandra R. Shroff	284,628	9.88
Vikram R. Shroff	321,249	11.16
Rajnikant D. Shroff	117,938	4.10
Jai R. Shroff	177,849	6.18
Shilpa Sagar	605,190	21.02
Prakriya Pharmachem	85	0.00
Jai Trust	161,840	5.62
Akruti	85	0.00
Esthetic Finvest Private Limited	143,000	4.97

Names of the shareholders	No. of shares held	% holding
Shatataraka Holdings Private Limited	549,758	19.09
Demuric Holdings Private Limited	156,900	5.45
United Phosphorus Limited	45,000	1.56
Tecknomic Consultants	1,270	0.04
Others	237,366	8.24
Total	**2,879,589**	**100**

The promoter group of this company includes Rajnikant D. Shroff and family.

Summary audited financial statements:

In Rs. Million, except per share data

	Fiscal 2006	Fiscal 2005	Fiscal 2004
Equity Capital	28.80	28.80	28.80
Reserves (excluding revaluation reserves)	173.34	167.76	168.31
Sales	84.80	86.08	78.56
Profit After Tax	7.81	(0.55)	(30.06)
Earnings Per Share*	1.94	(0.19)	(10.44)
Net Asset Value (Book value per share)*	70.20	68.26	68.45

* *Face value of Rs.10 each*

17. Bloom Industrial Plastics Private Limited

Bloom Industrial Plastics Private Limited was incorporated on June 26, 1997 in India. Bloom Industrial Plastics Private Limited is a manufacturer of sprayers.

The registered office of Bloom Industrial Plastics Private Limited is at:

Bharat Industrial Estate
Plot No. 94, Bhimpore
Daman 396 210, India.

The directors of Bloom Industrial Plastics Private Limited are:

1. Pradip Sagar; and
2. A.C. Menon.

The shareholding pattern of Bloom Industrial Plastics Private Limited was as under:

Names of the shareholders	No. of shares held	% holding
Pradip Sagar	9900	99
A.C. Menon	100	1
Total	**10,000**	**100**

The promoter group of this company includes Rajnikant D. Shroff and family.

Summary audited financial statements:

In Rs. Million, except per share data

	Fiscal 2006	Fiscal 2005	Fiscal 2004
Equity Capital	0.10	0.10	0.10
Reserves (excluding revaluation reserves)	(10.39)	(8.85)	(7.06)
Sales	4.01	7.34	4.43
Profit After Tax	(1.55)	(1.79)	(1.17)
Earnings Per Share*	(154.73)	(179.19)	(116.56)
Net Asset Value (Book value per share)*	(1,029.43)	(874.70)	(695.51)

* *Face value of Rs.10 each*

18. Nerka Chemicals Private Limited

Nerka Chemicals Private Limited was incorporated on December 17, 1980 in India. Nerka Chemicals Private Limited is engaged in trading.

The registered office of Nerka Chemicals Private Limited is at:

50/ 51B, G.I.D.C Estate
Vapi 396 195
District Bulsar, Gujarat, India.

The directors of Nerka Chemicals Private Limited are:

1. A.C. Menon; and
2. Pradip Sagar.

The shareholding pattern of Nerka Chemicals Private Limited is as under:

Names of the shareholders	No. of shares held	% holding
Sandra R. Shroff	20,200	10.18
Jai R. Shroff	9,500	4.79
Shilpa Sagar	5,500	2.77
Demuric Holdings Private Limited	163,240	82.26
Total	**198,440**	**100**

The promoter group of this company included Rajnikant D. Shroff and family.

Summary audited financial statements:

In Rs. Million, except per share data

	Fiscal 2006	Fiscal 2005	Fiscal 2004
Equity Capital	19.84	19.84	19.84
Reserves (excluding revaluation reserves)	17.90	19.71	18.19
Sales	24.95	11.85	29.08
Profit After Tax	(1.81)	1.52	8.96
Earnings Per Share*	(8.97)	8.10	45.61
Net Asset Value (Book value per share)*	190.21	199.30	191.65

* *Face value of Rs.100 each*

19. Daman Ganga Pulp and Papers Private Limited

Daman Ganga Pulp and Papers Private Limited was incorporated on August 27, 1981 in India. Daman Ganga Pulp and Papers Private Limited is yet to commence its manufacturing activities. It is currently engaged in ancillary activities of financing and letting out its property.

The registered office of Daman Ganga Pulp and Papers Private Limited is at:

Shed No. 2/1, G.I.D.C. Estate
Vapi 396 195
District Bulsar, Gujarat, India.

The directors of Daman Ganga Pulp and Papers Private Limited are:

1. Arun Ashar;
2. A.C. Menon; and
3. Rajendra Darak.

The shareholding pattern of Daman Ganga Pulp and Papers Private Limited is as under:

Names of the shareholders	No. of shares held	% holding
Demuric Holdings Private Limited	8,402	83.17
Nerka Chemicals Private Limited	1,700	16.83
Total	**10,102**	**100**

The promoter group of this company includes Rajnikant D. Shroff and family.

Summary audited financial statements:

In Rs. Million, except per share data

	Fiscal 2006	Fiscal 2005	Fiscal 2004
Equity Capital	1.01	1.01	1.01
Reserves (excluding revaluation reserves)	19.26	20.41	20.57
Sales	-	-	-
Profit After Tax	(1.14)	(0.16)	2.31
Earnings Per Share*	(113.23)	(16.14)	205.88
Net Asset Value (Book value per share)*	2,006.90	2,120.80	2,136.21

* *Face value of Rs.100 each*

20. Esthetic Finvest Private Limited

Esthetic Finvest Private Limited was incorporated on November 4, 1991 in India. Esthetic Finvest Private Limited is engaged in trading and investing in shares and financing.

The registered office of Esthetic Finvest Private Limited is at:

Shed No. 2/1, G.I.D.C. Estate
Vapi 396 195
District Bulsar, Gujarat, India.

The directors of Esthetic Finvest Private Limited are:

1. Bipin Jani; and
2. A.C. Menon.

The shareholding pattern of Esthetic Finvest Private Limited is as under:

Names of the shareholders	No. of shares held	% holding
Bloom Packaging Private Limited	1	0.10
Shatataraka Holdings Private Limited	1	0.10
Rajnikant D. Shroff	1	0.10
Sandra R. Shroff	1	0.10
Vikram R. Shroff	750	74.70
Jai R. Shroff	250	24.90
Total	**1,004**	**100**

The promoter group of this company includes Rajnikant D. Shroff and family.

Summary audited financial statements:

In Rs. Million, except per share data

	Fiscal 2006	Fiscal 2005	Fiscal 2004
Equity Capital	0.10	0.10	0.10
Reserves (excluding revaluation reserves)	(10.22)	(10.37)	(11.36)
Sales	-	-	-
Profit After Tax	0.16	0.85	0.25
Earnings Per Share*	157.41	844.72	249.32
Net Asset Value (Book value per share)*	(10,120.00)	(10,229.08)	(11,215.14)

* *Face value of Rs.100 each*

21. Shatataraka Holdings Private Limited

Shatataraka Holdings Private Limited was incorporated on August 28, 1986 in India. Shatataraka Holdings Private Limited is engaged in the business of investing in shares and financing.

The registered office of Shatataraka Holdings Private Limited is at:

Shed A 2/1, G.I.D.C.
Vapi 396 195, Gujarat, India.

The directors of Shatataraka Holdings Private Limited are:

1. Bipin Jani; and
2. A.C. Menon.

The shareholding pattern of Shatataraka Holdings Private Limited is as under:

Names of the shareholders	No. of shares held	% holding
Sandra R. Shroff	15,220	18.59
Rajnikant D. Shroff	7,620	9.31
Shilpa Shroff	9,520	11.63
Vikram R. Shroff	31,350	38.29
Jai Trust	9,520	11.63
Jai R. Shroff	10,430	12.74
Prakriya Pharmachem	5	0.01
Akruti Products	5	0.01
Bloom Packaging Private Limited	20	0.02
Total	**81,870**	**100**

The promoter group of this company includes Rajnikant D. Shroff and family.

Summary audited financial statements:

In Rs. Million, except per share data

	Fiscal 2006	Fiscal 2005	Fiscal 2004
Equity Capital	0.82	0.82	0.82
Reserves (excluding revaluation reserves)	(7.15)	(6.57)	(6.53)
Sales	-	-	-
Profit After Tax	(0.58)	(0.04)	(0.04)
Earnings Per Share*	(7.04)	(0.51)	(0.34)
Net Asset Value (Book value per share)*	(77.32)	(70.36)	(69.99)

* *Face value of Rs. 10 each*

22. Shroff Envirotral Private Limited

Shroff Envirotral Private Limited was incorporated on December 21, 1998 in India. Shroff Envirotral Private Limited is engaged in environment related activities such as waste management treatment.

The registered office of Shroff Envirotral Private Limited is at:

11, G.I.D.C.
Vapi – 396 195, District Valsad,
Gujarat, India

The directors of Shroff Envirotral Private Limited are:

1. Jai R. Shroff;
2. Sandra R. Shroff;
3. Vikram R. Shroff; and
4. Rajnikant D. Shroff.

The shareholding pattern of Shroff Envirotral Private Limited is as under:

Names of the shareholders	No. of shares held	% holding
Jai R. Shroff	4,100	39.42
Vikram R. Shroff	2,100	20.19
Sandra Shroff	100	0.96
Rajnikant D. Shroff	100	0.96
Shilpa Sagar	4,000	38.46
Total	**10,400**	**100**

The promoter group of this company includes Rajnikant D. Shroff and family.

Summary audited financial statements:

In Rs. Million, except per share data

	Fiscal 2006	Fiscal 2005	Fiscal 2004
Equity Capital	0.10	0.10	0.10
Reserves (excluding revaluation reserves)	(0.05)	(0.05)	(0.04)
Sales	-	-	-
Profit After Tax	-	(0.01)	(0.01)
Earnings Per Share*	(0.01)	(0.89)	(0.80)
Net Asset Value (Book value per share)*	4.81	4.81	6.09

* *Face value of Rs. 10 each*

23. Seiko Properties Private Limited

Seiko Properties Private Limited was incorporated on April 5, 1995 in India. Seiko Properties Private Limited is engaged in the business of acquisition of property and development.

The registered office of Seiko Properties Private Limited is at:

A 304, Mhatre Pen Building
Dadar West
Mumbai 400 028, India

The directors of Seiko Properties Private Limited are:

1. A.C. Menon;
2. Navin Shetty;
3. Prasad V. Paranjape;
4. Ghenwarchand B. Nahar; and
5. Fancydevi G. Nahar.

The shareholding pattern of Seiko Properties Private Limited is as under:

Names of the shareholders	No. of shares held	% holding
Jai R. Shroff	36,000	72
Rajnikant D. Shroff	14,000	28
Total	**50,000**	**100**

The promoter group of this company includes Rajnikant D. Shroff and family.

Summary audited financial statements:

In Rs. Million, except per share data

	Fiscal 2006	Fiscal 2005	Fiscal 2004
Equity Capital	0.50	0.50	0.50
Reserves (excluding revaluation reserves)	(2.98)	(2.91)	(2.81)
Sales	-	-	-
Profit After Tax	(0.07)	(0.10)	(2.21)
Earnings Per Share*	(1.74)	(1.94)	(44.23)
Net Asset Value (Book value per share)*	(49.60)	(48.20)	(46.20)

* *Face value of Rs. 10 each*

24. R. Shroff Consultants Private Limited

R. Shroff Consultants Private Limited was incorporated on August 21, 1975 in India. R. Shroff Consultants Private Limited is engaged in the business of consultancy.

The registered office of R. Shroff Consultants Private Limited is at:

Ready Money Terrace
167, Dr. Annie Besant Road
Worli
Mumbai 400 018, India.

The directors of R. Shroff Consultants Private Limited are:

1. Navin Ashar; and
2. Arun Ashar.

The shareholding pattern of R. Shroff Consultants Private Limited is as under:

Names of the shareholders	**No. of shares held**	**% holding**
Bloom Packaging Private Limited	5,880	29.40
Shatataraka Holdings Private Limited	2,950	14.75
Others	11,170	55.85
Total	**20,000**	100

The promoter group of this company includes Rajnikant D. Shroff and family.

Summary audited financial statements:

In Rs. Million, except per share data

	Fiscal 2006	Fiscal 2005	Fiscal 2004
Equity Capital	0.20	0.20	0.20
Reserves (excluding revaluation reserves)	4.86	4.71	4.77
Sales	-	-	-
Profit After Tax	0.14	(0.05)	1.65
Earnings Per Share*	7.23	(2.70)	82.55
Net Asset Value (Book value per share)*	253.00	245.50	248.50

* *Face value of Rs. 10 each*

25. Archana Overseas Private Limited

Archana Overseas Private Limited was incorporated on August 31, 1995 in India. Archana Overseas Private Limited is engaged in trading activities.

The registered office of Archana Overseas Private Limited is at:

Ready Money Terrace
167, Dr. Annie Besant Road
Worli
Mumbai 400 018, India.

The directors of Archana Overseas Private Limited are:

1. Bipin Jani; and
2. A.C. Menon.

The shareholding pattern of Archana Overseas Private Limited is as under:

Names of the shareholders	No. of shares held	% holding
Bipin Jani	1	0.00
A.C. Menon	1	0.00
Rajnikant D. Shroff	20,000	83.33
Bloom Packaging Private Limited	4,000	16.17
Total	**24,002**	**100**

The promoter group of this company includes Rajnikant D. Shroff and family.

Summary audited financial statements:

In Rs. Million, except per share data

	Fiscal 2006	Fiscal 2005	Fiscal 2004
Equity Capital	2.40	2.40	2.40
Reserves (excluding revaluation reserves)	85.27	85.24	85.44
Sales	0.14	-	-
Profit After Tax	0.03	(0.21)	(0.17)
Earnings Per Share*	1.20	(8.60)	(7.04)
Net Asset Value (Book value per share)*	3,652.45	3,651.24	3,659.86

* *Face value of Rs. 100 each*

26. Isar Builders and Developers Private Limited

Isar Builders and Developers Private Limited was incorporated on June 6, 1995 in India. Isar Builders and Developers Private Limited is engaged in business of real estate development.

The registered office of Isar Builders and Developers Private Limited is at:

Ready Money Terrace
167, Dr. Annie Besant Road
Worli
Mumbai 400 018, India.

The directors of Isar Builders and Developers Private Limited are:

1. Jai R. Shroff; and
2. Vikram R. Shroff.

The shareholding pattern of Isar Builders and Developers Private Limited is as under:

Names of the shareholders	No. of shares held	% holding
Jai R. Shroff	12,001	50
Vikram R. Shroff	12,001	50
Total	**24,002**	**100**

The promoter group of this company includes Rajnikant D. Shroff and family.

Summary audited financial statements:

In Rs. Million, except per share data

	Fiscal 2006	Fiscal 2005	Fiscal 2004
Equity Capital	2.40	2.40	2.40
Reserves (excluding revaluation reserves)	85.17	85.24	85.46
Sales	-	-	-
Profit After Tax	(0.07)	(0.22)	(0.16)
Earnings Per Share*	(3.03)	(9.02)	(6.61)
Net Asset Value (Book value per share)*	3,648.45	3,648.45	3,651.49

**Face value of Rs. 100 each*

27. Vyom Finvest Private Limited

Vyom Finvest Private Limited was incorporated on April 19, 1993 in India. Vyom Finvest Private Limited is engaged in the business of investing in shares and financing.

The registered office of Vyom Finvest Private Limited is at:

Shed No. A2/1, G.I.D.C, Vapi
District Bulsar
Gujarat 396 195, India.

The directors of Vyom Finvest Private Limited are:

1. Rajnikant D. Shroff; and
2. Arun Ashar.

The shareholding pattern of Vyom Finvest Private Limited is as under:

Names of the shareholders	No. of shares held	% holding
Nerka Chemicals Private Limited	20	0.03
Vikram R. Shroff	4,980	6.23
Foresight Holdings Private Limited	10,000	12.50
Jai R. Shroff	25,000	31.25
Mid-day Publications Limited	40,000	50
Total	**80,000**	**100**

The promoter group of this company includes Rajnikant D. Shroff and family.

Summary audited financial statements:

In Rs. Million, except per share data

	Fiscal 2006	Fiscal 2005	Fiscal 2004
Equity Capital	0.80	0.80	0.80
Reserves (excluding revaluation reserves)	(0.67)	(0.16)	(0.15)
Sales	-	-	-
Profit After Tax	(0.51)	(0.01)	(0.01)
Earnings Per Share*	(6.36)	(0.10)	(0.08)
Net Asset Value (Book value per share)*	1.63	7.97	8.09

* *Face value of Rs.10 each*

28. Sanguine Holdings Private Limited

Sanguine Holdings Private Limited was incorporated on August 28, 1986 in India. Sanguine Holdings Private Limited is engaged in the business of investing.

The registered office of Sanguine Holdings Private Limited is at:

Shed No. A2/1, G.I.D.C, Vapi
District Bulsar, Gujarat 396 195.

The directors of Sanguine Holdings Private Limited are:

1. Rajnikant D. Shroff; and
2. Arun Ashar.

The shareholding pattern of Sanguine Holdings Private Limited is as under:

Names of the shareholders	No. of shares held	% holding
Rajnikant D. Shroff	5	0.05
Sandra R. Shroff	5	0.05
Vikram R. Shroff	7,500	74.92
Jai R. Shroff	2,500	24.97
Total	**10,010**	**100**

The promoter group of this company includes Rajnikant D. Shroff and family.

Summary audited financial statements:

In Rs. Million, except per share data

	Fiscal 2006	Fiscal 2005	Fiscal 2004
Equity Capital	0.10	0.10	0.10
Reserves (excluding revaluation reserves)	5.13	4.65	4.16
Sales	-	-	-
Profit After Tax	0.48	0.49	0.41
Earnings Per Share*	47.49	48.75	41.33
Net Asset Value (Book value per share)*	522.48	474.53	425.57

* *Face value of Rs. 10 each*

29. Universal Pestochem Industries (I) Private Limited

Universal Pesto Chem Industries (I) Private Limited was incorporated on March 26, 1990 as N.D.R. Pesto Chem (India) Private Limited. Subsequently, its name was changed to Universal Pesto Chem Industries (I) Private Limited. Further, it was converted into a public limited company and renamed Universal Pesto Chem Industries (India) Limited vide fresh certificate of incorporation on conversion, under section 31/44 of the Companies Act, dated April 7, 2005. Its name was further changed from Universal Pesto Chem Industries (India) Limited to Universal Pesto Chem Industries (I) Private Limited on January 27, 2006. The company is engaged in manufacturing of pesticides.

The registered office of Universal Pesto Chem Industries (I) Private Limited is at:

6-3-713, 3rd Block, 2nd Floor,
Amrutha Hills, Topaz Bldg.,
Panjagutta, Hyderabad, 500 082

The directors of Universal Pesto Chem Industries (I) Private Limited are:

1. G. Saibaba Reddy;
2. G. Satish Reddy;
3. Sabyasachi Banerjee; and
4. Deepak Chaudhari.

The shareholding pattern of Universal Pesto Chem Industries (I) Private Limited is as under:

Names of the shareholders	No. of shares held	% holding
SWAL Corporation Limited	18,000	60.00
G. Saibaba Reddy	12,000	40.00
Total	**30,000**	**100.00**

The promoter group of this company includes SWAL Corporation Limited and G. Saibaba Reddy.

Summary audited financial statements:

In Rs. Million, except per share data

	Fiscal 2006	Fiscal 2005	Fiscal 2004
Equity Capital	3.00	3.00	3.00
Reserves (excluding revaluation reserve)	7.53	7.64	8.12
Sales	91.47	111.74	100.38
Profit after tax	(0.11)	0.18	0.41
Earnings per share*	(3.58)	5.93	13.57
Net Asset Value (Book value per share)*	350.93	354.53	370.63

* *Face Value of Rs.100 each*

Universal Pesto Chem Industries (I) Private Limited is a subsidiary of SWAL Corporation Limited became part of our Promoter Group on the acquisition of SWAL Corporation Limited by United Phosphorus Limited in June 2005. Management of United Phosphorus Limited, the ultimate holding company, intends to dispose off this company and hence the results of Universal Pesto Chem Industries (I) Private Limited were not considered for consolidating the financial statements of United Phosphorus Limited.

III. Unlisted Companies incorporated outside India

30. Agrodan ApS, Denmark

Agrodan ApS was incorporated on November 28, 1962 in Denmark. Agrodan ApS is engaged in agrochemicals.

The registered office of Agrodan ApS is at:

Gammel Postvej 11
6720 Fano, Denmark.

The director of Agrodan ApS is :

1. Bharat Dutia.

The shareholding pattern of Agrodan ApS is as under:

Names of the shareholders	No. of shares held	% holding
United Phosphorus Limited, U.K.	52	100

The promoter group of this company includes United Phosphorus Limited, U.K.

Summary audited financial statements:

	In DKK million, except per share data			In Rs. Million, except per share data		
	Fiscal 2006	Fiscal 2005	Fiscal 2004	Fiscal 2006	Fiscal 2005	Fiscal 2004
Equity Capital	2.50	2.50	2.50	18.10	18.10	18.10
Reserves (excluding revaluation reserves)	12.07	7.44	5.35	87.35	53.89	38.74
Sales	0.09	0.11	0.08	0.68	0.83	0.58
Profit After Tax	4.62	2.09	0.06	33.46	15.14	0.47
Earnings Per Share*	1,849.00	836.85	26.00	13,384.66	6,057.95	188.92
Net Asset Value (Book value per share)*	5,826.49	3,977.52	3,140.67	42,177.95	28,793.29	22,735.34

* *2,500 equivalent shares of face value DKK 1,000 each*

31. Bio-win Corporation Limited, Mauritius

Bio-win Corporation Limited was incorporated on July 30, 1993 in Mauritius. Bio-win Corporation Limited is engaged in trading in agrochemicals.

The registered office of Bio-win Corporation Limited is at:

10, Frere Felix de Valois Street
Port Louis
Mauritius.

The directors of Bio-win Corporation Limited are:

1. Jai R. Shroff;
2. Sandra Shroff;
3. Rajnikant D. Shroff; and
4. Uday K. Gujadhur.

The shareholding pattern of Bio-win Corporation Limited is as under:

Names of the shareholders	No. of shares held	% holding
United Phosphorus Limited	236,000	100

The promoter group of this company includes United Phosphorus Limited, India.

Summary audited financial statements:

	In USD million, except per share data			In Rs. Million, except per share data		
	Fiscal 2006	Fiscal 2005	Fiscal 2004	Fiscal 2006	Fiscal 2005	Fiscal 2004
Equity Capital	8.60	8.60	8.60	383.71	383.71	383.71
Share Application Money	15.00			669.26		
Reserves (excluding revaluation reserves)	21.40	20.85	19.75	955.22	930.33	881.04
Sales	104.40	84.59	67.50	4,658.29	3,774.28	3,011.75
Profit After Tax	1.49	1.10	2.54	66.67	49.29	113.42
Earnings Per share*	17.00	13.00	30.00	775.18	573.09	1,318.89
Net Asset Value (Book value per share)	348.94	342.46	326.91	23,351.13	15,279.52	14,706.44

* *Face Value of USD 100 each*

32. United Phosphorus De Mexico, S.A. de C.V., Mexico

United Phosphorus De Mexico, S.A. de C.V. was incorporated on March 15, 1994 in Mexico. United Phosphorus De Mexico, S.A. de C.V. is engaged in manufacturing and trading in agrochemicals.

The registered office of United Phosphorus De Mexico, S.A. de C.V. is at:

527-301, Insurgentes Sur
Col. Hipodroma Condesa
Mexico D.F. 01670.

The directors of United Phosphorus De Mexico, S.A. de C.V. are:

1. Rajnikant D. Shroff;
2. Sandra Shroff; and
3. Jai R. Shroff.

The shareholding pattern of United Phosphorus De Mexico, S.A. de C.V. is as under:

Names of the shareholders	No. of shares held	% holding
Bio-win Corporation Limited	105	100

The promoter group of this company includes Bio-win Corporation Limited.

Summary audited financial statements:

	In MXN million, except per share data			In Rs. million except per share data		
	Fiscal 2006	Fiscal 2005	Fiscal 2004	Fiscal 2006	Fiscal 2005	Fiscal 2004
Equity Capital	0.52	0.52	0.52	2.14	2.14	2.14
Reserves (excluding revaluation reserves)	16.06	13.58	7.43	65.52	55.44	30.34
Sales	110.59	102.40	80.88	451.29	417.89	330.04
Profit After Tax	2.47	6.17	4.50	10.09	25.19	18.35
Earnings Per Share*	23,540.24	58,790.09	42,832.33	96,058.30	239,898.82	174,781.62
Net Asset Value (Book value per share)	157,924.00	134,383.76	75,814.07	644,424.67	548,366.38	309,366.88

* *Face Value of 50,000 Mexican Pesos each*

33. United Phosphorus Limited, Australia

United Phosphorus Limited, Australia was incorporated on September 16, 1994 in Australia. United Phosphorus Limited, Australia is engaged in manufacturing and trading in agrochemicals.

The registered office of United Phosphorus Limited, Australia is at:

Level 6
460, Church Street
Parramatta NSW 2150

The directors of United Phosphorus Limited, Australia are:

1. Rajnikant D. Shroff;
2. Sandra Shroff;
3. Jai R. Shroff;
4. B.S.C. Yarrapotu; and
5. G.M. Doyle.

The shareholding pattern of United Phosphorus Limited, Australia is as under:

Names of the shareholders	No. of shares held	% holding
Bio-win Corporation Limited	100,000	100

The promoter group of this company includes Bio-win Corporation Limited.

Summary audited financial statements:

	In AUD million, except per share data			In Rs. Million, except per share data		
	Fiscal 2006	Fiscal 2005	Fiscal 2004	Fiscal 2006	Fiscal 2005	Fiscal 2004
Equity Capital	0.10	0.10	0.10	3.17	3.17	3.17
Reserves (excluding revaluation reserves)	0.54	0.58	0.63	17.18	18.29	20.10
Sales	5.89	3.71	2.62	186.77	117.87	83.15
Profit After Tax	(0.03)	(0.06)	0.07	(1.11)	(1.81)	2.31
Earnings Per Share*	(0.35)	(0.57)	0.73	(11.14)	(18.07)	23.08
Net Asset Value (Book value per share)	6.42	6.77	7.34	203.51	214.65	232.72

* *Face Value of AUD 1 each*

34. United Phosphorus Limited, Hong Kong

United Phosphorus Limited, Hong Kong was incorporated on June 19, 1998 in Hong Kong. United Phosphorus Limited, Hong Kong is engaged in trading in agrochemicals.

The registered office of United Phosphorus Limited, Hong Kong is at:

Units 803-4, 8/F, Nan Fung Tower
173, Des Voeux Road
Central Hong Kong.

The directors of United Phosphorus Limited, Hong Kong are:

1. Farokh Naval Hillo;
2. Jai R. Shroff; and
3. Sunpoint Venture Inc.

The shareholding pattern of United Phosphorus Limited, Hong Kong is as under:

Names of the shareholders	No. of shares held	% holding
Bio-win Corporation Limited	10,000	100

The promoter group of this company includes Bio-win Corporation Limited.

Summary audited financial statements:

	In HKD million, except per share data			In Rs. Million, except per share data		
	Fiscal 2006	Fiscal 2005	Fiscal 2004	Fiscal 2006	Fiscal 2005	Fiscal 2004
Equity Capital	0.01	0.01	0.01	0.06	0.06	0.06
Reserves (excluding revaluation reserves)	7.19	4.37	1.85	41.49	25.24	10.67
Sales	68.84	58.68	26.85	397.16	338.58	154.90
Profit After Tax	2.82	2.52	0.05	16.25	14.57	0.31
Earnings Per Share*	281.62	252.49	5.34	1,624.85	1,456.78	30.80
Net Asset Value (Book value per share)	720.10	438.48	185.98	4,154.68	2,529.83	1,073.05

* *Face value 1 HKD*

35. United Phosphorus Limited, Russia

United Phosphorus Limited, Russia was incorporated on May 13, 1996 in Russia. United Phosphorus Limited, Russia is engaged in trading in agrochemicals.

The registered office of United Phosphorus Limited, Russia is at:

Office 318, Myasnitskaya Str.
46/2, Building 1
Moscow 101990.

The directors of United Phosphorus Limited, Russia are:

1. Rajnikant D. Shroff;
2. Jai R. Shroff; and
3. Rajesh Kumar.

The shareholding pattern of United Phosphorus Limited, Russia is as under:

Names of the shareholders	No. of shares held	% holding
United Phosphorus Limited, U.K.	63,250	100

The promoter group of this company includes United Phosphorus Limited, U.K.

Summary audited financial statements:

	In RUB million, except per share data			In Rs. Million, except per share data		
	Fiscal 2006	**Fiscal 2005**	**Fiscal 2004**	**Fiscal 2006**	**Fiscal 2005**	**Fiscal 2004**
Equity Capital	0.06	0.06	0.06	0.10	0.10	0.10
Reserves (excluding revaluation reserves)	36.00	37.03	31.91	57.87	59.54	51.31
Sales	107.63	116.80	61.39	173.04	187.77	98.70
Profit After Tax	(1.04)	5.12	4.12	(1.67)	8.24	6.63
Earnings Per Share*	(16.40)	80.98	65.21	(26.36)	130.20	104.83
Net Asset Value (Book value per share)	570.14	586.53	505.55	916.61	942.97	812.77

* *Face value of 1 Rouble each*

36. United Phosphorus (Shanghai) Co., Limited, China

United Phosphorus (Shanghai) Co., Limited, China was incorporated on October 12, 2000 in China. United Phosphorus (Shanghai) Co., Limited, China is engaged in trading in agrochemicals.

The registered office of United Phosphorus (Shanghai) Co., Limited, China is at:

6th Floor, Building 2
29, Jatai Road
Waigaoqiao Free Trade Zone
Shanghai.

The directors of United Phosphorus (Shanghai) Co., Limited, China are:

1. Farokh Hillo; and
2. V.N. Sudhakar;
3. R. Rajasekhar.

The shareholding pattern of United Phosphorus (Shanghai) Co., Limited, China is as under:

Names of the shareholders	No. of shares held	% holding
United Phosphorus Limited, Hong Kong	200,000	100

The promoter group of this company includes United Phosphorus Limited, Hong Kong.

Summary audited financial statements:

	In RMB million, except per share data			In Rs. Million, except per share data		
	Fiscal 2006	Fiscal 2005	Fiscal 2004	Fiscal 2006	Fiscal 2005	Fiscal 2004
Equity Capital	1.65	1.65	1.65	9.21	9.21	9.21
Reserves (excluding revaluation reserves)	(0.04)	0.77	0.83	(0.22)	4.29	4.65
Sales	4.74	12.33	13.49	26.40	68.63	75.11
Profit After Tax	(0.81)	(0.06)	2.53	(4.50)	(0.36)	14.11
Earnings Per Share*	(4.04)	(0.33)	12.68	(22.51)	(1.81)	70.57
Net Asset Value (Book value per share)	8.08	12.13	12.45	45.00	67.51	69.32

* *Face Value of 8.28 RMB each*

37. United Phosphorus, Inc., U.S.A.

United Phosphorus, Inc., U.S.A. was incorporated on August 26, 1996 in U.S.A. United Phosphorus, Inc., U.S.A. is engaged in manufacturing and trading in agrochemicals.

The registered office of United Phosphorus, Inc., U.S.A. is at:

Corporation Trust Center
1209 Orange Street
Wilmington, New Castle
Delaware, U.S.A.

The directors of United Phosphorus, Inc., U.S.A. are:

1. Jeff Pitchard; and
2. Sandra R. Shroff.

The shareholding pattern of United Phosphorus, Inc., U.S.A. is as under:

Names of the shareholders	No. of shares held	% holding
United Phosphorus Limited, U.K.	1,000	100

The promoter group of this company includes United Phosphorus Limited, U.K.

Summary audited consolidated financial statements:

	In USD million, except per share data			In Rs. Million, except per share data		
	Fiscal 2006	Fiscal 2005	Fiscal 2004	Fiscal 2006	Fiscal 2005	Fiscal 2004
Equity Capital	0.001	0.001	0.001	0.04	0.04	0.04
Reserves (excluding revaluation reserves)	(18.92)	(14.22)	(5.92)	(844.15)	(634.48)	(264.00)
Sales	89.28	82.07	36.83	3,983.34	3,662.01	1,643.21
Profit After Tax	(4.67)	(8.30)	(4.24)	(209.67)	(370.48)	(189.33)
Earnings Per Share*	(4,699.22)	(8,303.35)	(4,243.37)	(209,668.10)	(370,475.59)	(189,329.16)
Net Asset Value (Book value per share)	(18,918.58)	(14,219.36)	(5,916.01)	(844,101.81)	(634,433.72)	(263,958.12)

* *Face Value of USD 1 each*

The consolidated financial statements of United Phosphorus Inc., USA includes results of Inventa Corporation, Agvalue Enterprise Inc, Agvalue Etho LLC, Agvalue D.P. LLC, Agvalue Clopyr LLC, Agvalue Oryza LLC, Agvalue Metri LLC, Agvalue Bromacil LLC, Agvalue Propyzamide LLC, Agvalue Propargite LLC and Agvalue Picloram LLC

38. United Phosphorus Limited, Japan

United Phosphorus Limited, Japan was incorporated on July 21, 2000 in Japan. United Phosphorus Limited, Japan is engaged in manufacturing and trading in agrochemicals.

The registered office of United Phosphorus Limited, Japan is at:

2-1 Ohtemachi
1-Chome
Chiyoda-Ku
Tokyo

The director of United Phosphorus Limited, Japan is:

1. Farokh Hillo.

The shareholding pattern of United Phosphorus Limited, Japan is as under:

Names of the shareholders	No. of shares held	% holding
United Phosphorus Limited, Hong Kong	180	90
Mitsui & Co. Limited	20	10
Total	**200**	**100**

The promoter group of this company includes United Phosphorus Limited, Hong Kong.

Summary audited financial statements:

	In JPY million, except per share data			In Rs. Million, except per share data		
	Fiscal 2006	**Fiscal 2005**	**Fiscal 2004**	**Fiscal 2006**	**Fiscal 2005**	**Fiscal 2004**
Equity Capital	10.00	10.00	10.00	3.80	3.80	3.80
Reserves (excluding revaluation reserves)	(1.31)	(1.35)	(1.45)	(0.50)	(0.51)	(0.55)
Sales	33.83	32.21	13.41	12.84	12.23	5.09
Profit After Tax	0.05	0.09	0.11	0.02	0.04	0.04
Earnings Per Share*	240.95	473.86	552.96	91.44	179.83	209.85
Net Asset Value (Book value per share)	43,457.45	43,216.50	42,742.64	16,492.10	16,400.66	16,220.83

* *Face Value of JPY 50,000 each*

39. United Phosphorus Limited, U.K.

United Phosphorus Limited, U.K. was incorporated on August 13, 1993 in U.K. United Phosphorus Limited, U.K. is engaged in manufacturing and trading in agrochemicals.

The registered office of United Phosphorus Limited, U.K. is at:

Hall Lane, Rookery Bridge
Sandbach
Cheshire CW11 3QQ.

The directors of United Phosphorus Limited, U.K. are:

1. Bharat Dutia;
2. Sandra Shroff;
3. Vikram R. Shroff;
4. Jai R. Shroff; and
5. Rajnikant D. Shroff.

The shareholding pattern of United Phosphorus Limited, U.K. is as under:

Names of the shareholders	No. of shares held	% holding
Biowin Corporation Limited	50,000	100

The promoter group of this company includes Biowin Corporation Limited.

Summary audited financial statements:

	In GBP million, except per share data			In Rs. Million, except per share data		
	Fiscal 2006	Fiscal 2005	Fiscal 2004	Fiscal 2006	Fiscal 2005	Fiscal 2004
Equity Capital	0.05	0.05	0.05	3.88	3.88	3.88
Reserves (excluding revaluation reserves)	(5.12)	(4.55)	(4.05)	(397.67)	(353.19)	(314.46)
Sales	32.18	30.41	36.23	2,498.04	2,360.49	2,812.04
Profit After Tax	(0.57)	(0.17)	0.46	(44.48)	(12.96)	35.47
Earnings Per Share*	(11.46)	(3.34)	9.14	(889.58)	(259.27)	709.49
Net Asset Value (Book value per share) excluding preference share capital	(101.46)	(90.00)	(80.02)	(7,875.81)	(6,986.23)	(6,211.54)

* *Face Value of £1each*

40. United Phosphorus Limited, Zambia

United Phosphorus Limited, Zambia was incorporated on January 6, 1999 in Zambia. United Phosphorus Limited, Zambia is engaged in trading in agrochemicals.

The registered office of United Phosphorus Limited, Zambia is at:

Private Bag, E-738
Warehouse 3, Plot No. 13950
Lumumba Road, Lusaka
Zambia.

The directors of United Phosphorus Limited, Zambia are:

1. Rajnikant Shroff;
2. Sandra Shroff;
3. Jai R. Shroff; and
4. M.K. Behel.

The shareholding pattern of United Phosphorus Limited, Zambia is as under:

Names of the shareholders	No. of shares held	% holding
Biowin Corporation Limited	5,000,000	100

The promoter group of this company includes Biowin Corporation Limited.

Summary audited financial statements:

	In ZMK million, except per share data			In Rs. Million, except per share data		
	Fiscal 2006	Fiscal 2005	Fiscal 2004	Fiscal 2006	Fiscal 2005	Fiscal 2004
Equity Capital	5.00	2.00	2.00	0.07	0.03	0.03
Reserves (excluding revaluation reserves)	60.41	362.46	287.33	0.87	5.22	4.14
Sales	3,474.06	4,638.63	4,695.94	50.06	66.84	67.67
Profit After Tax	(266.87)	75.13	78.17	(3.85)	1.08	1.13
Earnings Per Share*	(53.37)	37.56	39.08	0.77	0.54	0.56
Net Asset Value (Book value per share)	13.08	182.23	144.66	0.19	2.62	2.08

* *Face Value of 1ZMK each*

41. United Phosphorus De Argentina S.A., Argentina

United Phosphorus De Argentina S.A., Argentina was incorporated on December 22, 1998 in Argentina. United Phosphorus De Argentina S.A., Argentina is engaged in manufacturing and trading in agrochemicals.

The registered office of United Phosphorus De Argentina S.A., Argentina is at:

Uruguay 775-4 deg B
Buenos Aires, Argentina C 1015 ABO

The director of United Phosphorus De Argentina S.A., Argentina is:

1. Farokh Hilloo.

The shareholding pattern of United Phosphorus De Argentina S.A., Argentina is as under:

Names of the shareholders	No. of shares held	% holding
Biowin Corporation Limited	14,250	95
United Phosphorus Limited, U.K.	750	5
Total	**15,000**	**100**

The promoter group of this company includes Biowin Corporation Limited.

Summary audited financial statements:

	In AR$ million, except per share data			In Rs. Million, except per share data		
	Fiscal 2006	Fiscal 2005	Fiscal 2004	Fiscal 2006	Fiscal 2005	Fiscal 2004
Equity Capital	0.01	0.01	0.01	0.22	0.22	0.22
Contributions not capitalised	0.55	0.46	0.34	8.11	6.83	5.08
Reserves (excluding revaluation reserves)	(0.59)	(0.48)	(0.32)	(8.69)	(7.05)	(4.72)
Sales	0.00	0.00	0.00	50.06	0	0
Profit After Tax	(0.11)	(0.16)	(0.05)	(1.64)	(2.33)	(0.77)
Earnings Per Share*	(7.40)	(10.48)	(3.47)	(109.49)	(155.14)	(151.31)
Net Asset Value (Book value per share)	(1.63)	0.02	2.61	(24.13)	0.27	238.64

* *Face Value of 1 AR$ each*

42. United Phosphorus Limited, Belgium

United Phosphorus Limited, Belgium was incorporated on February 10, 1999 in Belgium. United Phosphorus Limited, Belgium is engaged in trading in agrochemicals.

The registered office of United Phosphorus Limited, Belgium is at:

A 1050, Bruxelles
Avenue Louise
149/24 NCI Business Centre.

The directors of United Phosphorus Limited, Belgium are:

1. Vikram R. Shroff; and
2. Chris Hepworth.

The shareholding pattern of United Phosphorus Limited, Belgium is as under:

Names of the shareholders	No. of shares held	% holding
United Phosphorus Limited, U.K.	750	100

The promoter group of this company includes United Phosphorus Limited, U.K.

Summary audited financial statements:

	In EUR million, except per share data			In Rs. Million, except per share data		
	Fiscal 2006	Fiscal 2005	Fiscal 2004	Fiscal 2006	Fiscal 2005	Fiscal 2004
Equity Capital	0.02	0.02	0.02	1.00	1.00	1.00
Reserves (excluding revaluation reserves)	(0.01)	(0.01)	(0.01)	(0.63)	(0.33)	(0.32)
Sales	0.00	0.00	0.00	0.00	0.00	0.00
Profit After Tax	(0.01)	0.00	0.00	(0.30)	0.00	(0.05)
Earnings Per Share*	(7.43)	(0.11)	(1.26)	(400.27)	(5.69)	(68.01)
Net Asset Value (Book value per share)	9.27	16.70	16.81	499.70	899.97	905.66

* *Face Value of Belgian Frank 1000 each*

43. United Phosphorus (Korea) Limited, Korea

United Phosphorus (Korea) Limited, Korea was incorporated on January 17, 2003 in Korea. United Phosphorus (Korea) Limited, Korea is engaged in trading in agrochemicals.

The registered office of United Phosphorus (Korea) Limited, Korea is at:

4F, Logos B/D 902-2 Bangbae-dong
Seocho-gu, Seoul 137 – 842, Korea.

The directors of United Phosphorus (Korea) Limited, Korea are:

1. Jai R. Shroff;
2. M.G. Lee; and
3. Farokh Hilloo.

The shareholding pattern of United Phosphorus (Korea) Limited, Korea is as under:

Names of the shareholders	No. of shares held	% holding
Bio-win Corporation Limited	69,492,060	99
United Phosphorus Limited, Hong Kong	701,940	1
Total	**70,194,000**	**100**

The promoter group of this company includes Biowin Corporation Limited.

Summary audited financial statements:

	In KRW million, except per share data			In Rs. Million, except per share data		
	Fiscal 2006	**Fiscal 2005**	**Fiscal 2004**	**Fiscal 2006**	**Fiscal 2005**	**Fiscal 2004**
Equity Capital	70.19	70.19	70.19	3.26	3.26	3.26
Reserves (excluding revaluation reserves)	(113.28)	(43.96)	(29.40)	(5.26)	(2.04)	(1.37)
Sales	519.75	639.72	348.72	24.14	29.71	16.19
Profit After Tax	(69.32)	(14.56)	(14.09)	(3.22)	(0.68)	(0.65)
Earnings Per Share	(0.99)	(0.21)	(0.20)	(0.05)	(0.01)	(0.01)
Net Asset Value (Book value per share)	(0.61)	0.37	0.58	(0.03)	0.02	0.03

* *Face Value of 1 KRW each*

44. PT. United Phosphorus Indonesia, Indonesia

PT. United Phosphorus Indonesia, Indonesia was incorporated on July 8, 2003 in Indonesia. PT. United Phosphorus Indonesia, Indonesia is engaged in trading in agrochemicals.

The registered office of PT. United Phosphorus Indonesia, Indonesia is at:

Wisma Kyoei Prince Building, 11th Floor
Jl. Jend. Sudirman Kav. 3
Jakarta 10220, Indonesia

The directors of PT. United Phosphorus Indonesia, Indonesia are:

1. Ramasammy Baktharatchagan; and
2. Farokh Hilloo.

The shareholding pattern of PT. United Phosphorus Indonesia, Indonesia is as under:

Names of the shareholders	No. of shares held	% holding
United Phosphorus Limited, Hong Kong	500,004	51
Bio-win Corporation Limited	480,396	49
Total	**980,400**	**100**

The promoter group of this company includes Biowin Corporation Limited and United Phosphorus Limited, Hong Kong.

Summary audited financial statements:

	In IDR million, except per share data			In Rs. Million, except per share data		
	Fiscal 2006	Fiscal 2005	Fiscal 2004	Fiscal 2006	Fiscal 2005	Fiscal 2004
Equity Capital	980.40	980.40	980.40	4.82	4.82	4.82
Reserves (excluding revaluation reserves)	0.00	0.00	0.00	0.00	0.00	0.00
Sales	0.00	0.00	0.00	0.00	0.00	0.00
Profit After Tax	0.00	0.00	0.00	0.00	0.00	0.00
Earnings Per Share*	0.00	0.00	0.00	0.00	0.00	0.00
Net Asset Value (Book value per share)	1,000.00	1,000.00	1,000.00	4.91	4.91	4.91

* *Face Value of IDR 1000 each*

45. United Phosphorus Limited, Gibraltar

United Phosphorus Limited, Gibraltar was incorporated on March 17, 2005 in Gibraltar. United Phosphorus Limited, Gibraltar is engaged in manufacturing and trading in agrochemicals.

The registered office of United Phosphorus Limited, Gibraltar is at:

Suite 2, Portland House
Glacis Road
Gibraltar.

The directors of United Phosphorus Limited, Gibraltar are:

1. Rajnikant D. Shroff;
2. Sandra Shroff; and
3. Jai R. Shroff.

The shareholding pattern of United Phosphorus Limited, Gibraltar is as under:

Names of the shareholders	No. of shares held	% holding
Bio-win Corporation Limited	2,000	100

The promoter group of this company includes Bio-win Corporation Limited.

Summary audited financial statements:

	In USD million, except per share data		In Rs. Million, except per share data	
	Fiscal 2006	Period ended March 31, 2005#	Fiscal 2006	Period ended March 31, 2005#
Equity Capital	0.003	0.003	0.17	0.17
Reserves (excluding revaluation reserves)	50.72	20.18	2,262.88	900.66
Total income	49.18	23.14	2,194.12	1,032.51
Profit After Tax	30.53	20.19	1,362.22	900.66
Earnings Per Share*	15,265.50	10,093.09	681,109.98	450,329.32
Net Asset Value (Book value per share)*	25,360.48	10,094.98	1,131,523.62	450,413.64

* *Face Value of USD 1.89 each*

\# *From the date of incorporation*

46. Inventa Corporation, U.S.A.

Inventa Corporation, U.S.A. was incorporated in 1988 in U.S.A. Inventa Corporation, U.S.A. is engaged in manufacturing and trading in agrochemicals.

The registered office of Inventa Corporation, U.S.A. is at:

990 Highland Drive, Street 110,
Salona Beach, California 92075.

The director of Inventa Corporation, U.S.A. is:

1. Jeff Pitchard.

The shareholding pattern of Inventa Corporation, U.S.A. is as under:

Names of the shareholders	No. of shares held	% holding
United Phosphorus, Inc., U.S.A.	200	100

The promoter group of this company includes United Phosphorus, Inc., U.S.A.

Summary audited financial statements:

	In USD million, except per share data			In Rs. Million, except per share data		
	Fiscal 2006	Fiscal 2005	Fiscal 2004	Fiscal 2006	Fiscal 2005	Fiscal 2004
Equity Capital	0.02	0.02	0.02	0.89	0.89	0.89
Reserves (excluding revaluation reserves)	(0.25)	(0.25)	(0.25)	(11.24)	(11.24)	(11.24)
Sales	0.00	0.00	0.00	0.00	0.00	0.00
Profit After Tax	0.00	0.00	0.00	0.00	0.00	0.00
Earnings Per Share*	0.00	0.00	0.00	0.00	0.00	0.00
Net Asset Value (Book value per share)	(1,159.67)	(1,159.67)	(1,159.67)	(51,741.47)	(51,741.47)	(51,741.47)

* *Face Value of USD 100 each*

47. AgValue, Inc., U.S.A.

AgValue, Inc., U.S.A. was incorporated on November 10, 2000 in U.S.A. United Phosphorus Limited acquired AgValue, Inc., U.S.A. in November 2004. AgValue, Inc., U.S.A. is engaged in manufacturing and trading in agrochemicals. UPL intends to liquidate this company.

The registered office of AgValue, Inc., U.S.A. is at:

1124, North Chinowith Street
Visalia, CA 93291.

The director of AgValue, Inc., U.S.A. is:

1. Jeff Pitchard.

As per the most recent audited financial statements of AgValue, Inc., U.S.A. its share capital was nil. The promoter group of this company includes United Phosphorus, Inc., U.S.A.

Summary audited financial statements:

Since the date of acquisition, the audited financial statements contain nil financial figures since this company is a non-operative company.

48. AgValue Enterprises, Inc., U.S.A.

AgValue Enterprises, Inc., U.S.A. was incorporated on April 1, 2003 in U.S.A. United Phosphorus Limited acquired AgValue Enterprises, Inc., U.S.A. in November 2004. AgValue Enterprises, Inc., U.S.A. is a non-operative company. UPL intends to liquidate this company.

The registered office of AgValue Enterprises, Inc., U.S.A. is at:

1124, North Chinowith Street
Visalia, CA 93291.

The director of AgValue Enterprises, Inc., U.S.A. is:

1. Jeff Pitchard.

As per the most recent audited financial statements of AgValue Enterprises, Inc., U.S.A. its share capital was nil. The promoter group of this company includes United Phosphorus, Inc., U.S.A.

Summary audited financial statements:

Since the date of acquisition, the audited financial statements contain nil financial figures since this company is a non-operative company.

49. AgValue - Etho, LLC, U.S.A.

AgValue - Etho, LLC, U.S.A. was incorporated on December 27, 2002 in U.S.A. United Phosphorus Limited acquired AgValue – Etho, LLC, U.S.A. in November 2004. AgValue - Etho, LLC, U.S.A. is a non-operative company. UPL intends to liquidate this company.

The registered office of AgValue - Etho, LLC, U.S.A. is at:

1124, North Chinowith Street
Visalia, CA 93291.

The director of AgValue - Etho, LLC, U.S.A. is:

1. Jeff Pitchard.

As per the most recent audited financial statements of AgValue – Etho, LLC, U.S.A. its share capital was nil. The promoter group of this company includes United Phosphorus, Inc., U.S.A.

Summary audited financial statements:

Since the date of acquisition, the audited financial statements contain nil financial figures since this company is a non-operative company.

50. AgValue - D.P., LLC, U.S.A.

AgValue - D.P., LLC, U.S.A. was incorporated on August 30, 2002 in U.S.A. United Phosphorus Limited acquired AgValue – D.P., LLC in November 2004. AgValue - D.P., LLC, U.S.A. is a non-operative company. UPL intends to liquidate this company.The registered office of AgValue - D.P., LLC, U.S.A. is at:

1124, North Chinowith Street
Visalia, CA 93291.

The director of AgValue - D.P., LLC, U.S.A. is:

1. Jeff Pitchard.

As per the most recent audited financial statements of AgValue – D.P., LLC, U.S.A. its share capital was nil. The promoter group of this company includes United Phosphorus, Inc., U.S.A.

Summary audited financial statements:

Since the date of acquisition, the audited financial statements contain nil financial figures since this company is a non-operative company.

51. AgValue - Clopyr, LLC, U.S.A.

AgValue - Clopyr, LLC, U.S.A. was incorporated on August 30, 2002 in U.S.A. United Phosphorus Limited acquired AgValue – Clopyr, LLC, U.S.A. in November 2004. AgValue - Clopyr, LLC, U.S.A. is a non-operative company. UPL intends to liquidate this company.

The registered office of AgValue - Clopyr, LLC, U.S.A. is at:

1124, North Chinowith Street
Visalia, CA 93291.

The director of AgValue - Clopyr, LLC, U.S.A. is:

1. Jeff Pitchard.

As per the most recent audited financial statements of AgValue - Clopyr, LLC, U.S.A., its share capital was nil. The promoter group of this company includes United Phosphorus, Inc., U.S.A.

Summary audited financial statements:

Since the date of acquisition, the audited financial statements contain nil financial figures since this company is a non-operative company.

52. AgValue - Oryza, LLC, U.S.A.

AgValue - Oryza, LLC, U.S.A. was incorporated on December 27, 2002 in U.S.A. United Phosphorus Limited acquired AgValue – Oryza, LLC, U.S.A. in November 2004. AgValue - Oryza, LLC, U.S.A. is a non-operative company. UPL intends to liquidate this company.

The registered office of AgValue - Oryza, LLC, U.S.A. is at:

1124, North Chinowith Street
Visalia, CA 93291.

The director of AgValue - Oryza, LLC, U.S.A. is:

1. Jeff Pitchard.

As per the most recent audited financial statements of AgValue - Oryza, LLC, U.S.A., its share capital was nil. The promoter group of this company includes United Phosphorus, Inc., U.S.A.

Summary audited financial statements:

Since the date of acquisition, the audited financial statements contain nil financial figures since this company is a non-operative company.

53. AgValue - Metri, LLC, U.S.A.

AgValue - Metri, LLC, U.S.A. was incorporated on June 3, 2003 in U.S.A. United Phosphorus Limited acquired AgValue – Metri, LLC, U.S.A. in November 2004. AgValue - Metri, LLC, U.S.A. is a non-operative company. UPL intends to liquidate this company.

The registered office of AgValue - Metri, LLC, U.S.A. is at:

1124, North Chinowith Street
Visalia, CA 93291.

The director of AgValue - Metri, LLC, U.S.A. is:

1. Jeff Pitchard.

As per the most recent audited financial statements of AgValue - Metri, LLC, U.S.A., its share capital was nil. The promoter group of this company includes United Phosphorus, Inc., U.S.A.

Summary audited financial statements:

Since the date of acquisition, the audited financial statements contain nil financial figures since this company is a non-operative company.

54. AgValue - Bromacil, LLC, U.S.A.

AgValue - Bromacil, LLC, U.S.A. was incorporated on January 2, 2004 in U.S.A. United Phosphorus Limited acquired AgValue – Bromacil, LLC, U.S.A. in November 2004. AgValue - Bromacil, LLC, U.S.A. is a non-operative company. UPL intends to liquidate this company.

The registered office of AgValue - Bromacil, LLC, U.S.A. is at:

1124, North Chinowith Street
Visalia, CA 93291.

The director of AgValue - Bromacil, LLC, U.S.A. is:

1. Jeff Pitchard.

As per the most recent audited financial statements of AgValue - Bromacil, LLC, U.S.A., its share capital was nil. The promoter group of this company includes United Phosphorus, Inc., U.S.A.

Summary audited financial statements:

Since the date of acquisition, the audited financial statements contain nil financial figures since this company is a non-operative company.

55. AgValue - Propyzamide, LLC, U.S.A.

AgValue - Propyzamide, LLC, U.S.A. was incorporated on January 2, 2004 in U.S.A. United Phosphorus Limited acquired AgValue – Propyzamide, LLC, U.S.A. in November 2004. AgValue - Propyzamide, LLC, U.S.A. is a non-operative company. UPL intends to liquidate this company.

The registered office of AgValue - Propyzamide, LLC, U.S.A. is at:

1124, North Chinowith Street
Visalia, CA 93291.

The director of AgValue - Propyzamide, LLC, U.S.A. is:

1. Jeff Pitchard.

As per the most recent audited financial statements of AgValue - Propyzamide, LLC, U.S.A., its share capital was nil. The promoter group of this company includes United Phosphorus, Inc., U.S.A.

Summary audited financial statements:

Since the date of acquisition, the audited financial statements contain nil financial figures since this company is a non-operative company.

56. AgValue - Propargite, LLC, U.S.A.

AgValue - Propargite, LLC, U.S.A. was incorporated on August 9, 2004 in U.S.A. United Phosphorus Limited acquired AgValue – Propargite, LLC, U.S.A. in November 2004. AgValue - Propargite, LLC, U.S.A. is a non-operative company. UPL intends to liquidate this company.

The registered office of AgValue - Propargite, LLC, U.S.A. is at:

1124, North Chinowith Street
Visalia, CA 93291.

The director of AgValue - Propargite, LLC, U.S.A. is:

1. Jeff Pitchard.

As per the most recent audited financial statements of AgValue - Propargite, LLC, U.S.A., its share capital was nil. The promoter group of this company includes United Phosphorus, Inc., U.S.A.

Summary audited financial statements:

Since the date of acquisition, the audited financial statements contain nil financial figures since this company is a non-operative company.

57. AgValue - Picloram, LLC, U.S.A.

AgValue - Picloram, LLC, U.S.A. was incorporated on March 7, 2003 in U.S.A. United Phosphorus Limited acquired AgValue – Picloram, LLC, U.S.A. in November 2004. AgValue - Picloram, LLC, U.S.A. is a non-operative company. UPL intends to liquidate this company.

The registered office of AgValue - Picloram, LLC, U.S.A. is at:

1124, North Chinowith Street
Visalia, CA 93291.

The director of AgValue - Picloram, LLC, U.S.A. is:

1. Jeff Pitchard.

As per the most recent audited financial statements of AgValue - Picloram, LLC, U.S.A., its share capital was nil. The promoter group of this company includes United Phosphorus, Inc., U.S.A.

Summary audited financial statements:

Since the date of acquisition, the audited financial statements contain nil financial figures since this company is a non-operative company.

58. United Phosphorus do Brasil Ltda, Brazil

United Phosphorus do Brasil Ltda, Brazil was incorporated on October 17, 2002 in Brazil. United Phosphorus do Brasil Ltda, Brazil is engaged in trading in agrochemicals.

The registered office of United Phosphorus do Brazil Limited, Brazil is at:

Rua Martiniano de Carvalho nº 864 – 14º Andar – Sala 1409
CEP-01321-000- no bairro do Paraiso – no Municipio de Sao Paulo
Estado de Sao Paulo.

The director of United Phosphorus do Brazil Limited, Brazil is:

1. Farokh Hilloo.

The shareholding pattern of United Phosphorus do Brazil Limited, Brazil is as under:

Names of the shareholders	No. of shares held	% holding
Bio-win Corporation Limited	135,000	99.00
United Phosphorus Inc., U.S.A.	15,000	1.00
Total	**150,000**	**100**

The promoter group of this company includes Bio-win Corporation Limited.

Summary audited financial statements:

	In BRL million, except per share data	In Rs. Million, except per share data
	Fiscal 2006	Fiscal 2006
Equity Capital	0.72	14.54
Reserves (excluding revaluation reserves)	(0.16)	(3.25)
Sales	0.008	0.17
Profit After Tax	(0.09)	(1.85)
Earnings Per Share*	(0.61)	(12.31)
Net Asset Value (Book value per share)*	3.71	75.22

* *Face Value of BRL 4.77 each*

This company was a non-operative company during the fiscals 2005 and 2004 and has no results for those periods.

59. Agrindustrial S.A., Spain

Agrindustrial S.A., Spain was incorporated on April 5, 1983 in Spain. Agrindustrial S.A., was acquired by Transterra Invest, S.L.U. in June 2005. Agrindustrial S.A., Spain is engaged in manufacturing and trading in agrochemicals.

The registered office of Agrindustrial S.A., Spain is at:

322, Muntaner
Barcelona, Postal Code 08021
Spain.

The directors of Agrindustrial S.A., Spain are:

1. Jai R. Shroff;
2. Vikram R. Shroff; and
3. Bharat Dutia.

The shareholding pattern of Agrindustrial S.A., Spain is as under:

Names of the shareholders	No. of shares held	% holding
CEQUISA	10,000	100

The promoter group of this company includes CEQUISA.

Summary unaudited financial statements:

	In EUR million, except per share data	In Rs. Million, except per share data
	Period ended March 31, 2006#	Period ended March 31, 2006#
Equity Capital	0.06	3.24
Reserves (excluding revaluation reserves)	1.46	78.82
Sales	1.04	56.18
Profit After Tax	0.06	3.16
Earnings Per Share*	5.86	0.00
Net Asset Value (Book value per share)*	152.30	0.00

* *Face value of EUR 6 each*

\# *From the date of acquisition*

This company was acquired in fiscal 2006 and hence, audited financial statements only for fiscal 2006 have been provided.

60. Companía Espanola Industrial Quimica de Productos Agricolas Y. Domesticos, S.A., Spain

Compania Espanola Industrial Quimica de Productos Agricolas Y. Domesticos, S.A., Spain (CEQUISA), was incorporated on August 2, 1957 in Brazil. CEQUISA was acquired by United Phosphorus Limited in June 2005. CEQUISA, Spain is engaged in manufacturing and trading in agrochemicals.

The registered office of CEQUISA, Spain is at:

322, Muntaner
Barcelona, Postal Code 08021
Spain.

The directors of CEQUISA, Spain are:

1. Jai R. Shroff;
2. Vikram R. Shroff; and
3. Bharat Dutia.

The shareholding pattern of CEQUISA, Spain is as under:

Names of the shareholders	No. of shares held	% holding
Transterra Invest, S.L.U.	8,800	100

The promoter group of this company includes Transterra Invest, S.L.U.

Summary audited consolidated financial statements:

	In EUR million, except per share data	In Rs. Million, except per share data
	Period ended March 31, 2006#	Period ended March 31, 2006#
Equity Capital	0.05	2.91
Reserves (excluding revaluation reserves)	2.15	116.01
Sales	12.47	671.85
Profit After Tax	0.23	12.26
Earnings Per Share*	25.86	1,393.21
Net Asset Value (Book value per share)*	250.82	13,514.65

* *Face Value of EUR 30.05 each*

\# *From the date of acquisition*

This company was acquired in fiscal 2006 and hence, audited financial statements only for fiscal 2006 has been provided.

The consolidated financials of CEQUISA include the results of Agrindustrial S.A., Phosfonia S.L. and Iberotam S.A.

61. Iberotam, S.A., Spain

Iberotam, S.A., Spain was incorporated on November 15, 1991 in Spain. Iberotam, S.A. was acquired by Transterra Invest, S.L.U. in June 2005. Iberotam, S.A., Spain is engaged in manufacturing and trading in agrochemicals.

The registered office of Iberotam, S.A., Spain is at:

322, Muntaner
Barcelona, Postal Code 08021
Spain.

The directors of Iberotam, S.A., Spain are:

1. Jai R. Shroff;
2. Vikram R. Shroff; and
3. Bharat Dutia.

The shareholding pattern of Iberotam, S.A., Spain is as under:

Names of the shareholders	No. of shares held	% holding
CEQUISA	3,000	100

The promoter group of this company includes CEQUISA.

Summary unaudited financial statements:

	In EUR Million, except per share data			In Rs. Million, except per share data		
	Fiscal 2005	Fiscal 2004	Fiscal 2003	Fiscal 2005	Fiscal 2004	Fiscal 2003
Equity Capital	0.18	0.18	0.18	9.70	9.70	9.70
Reserves (excluding revaluation reserves)	0.10	(0.04)	(0.13)	5.39	(2.16)	(7.00)
Sales	1.68	1.03	-	90.52	55.50	-
Profit After Tax	0.14	0.10	0.00	7.54	5.39	0.00
Earnings Per Share*	45.37	31.89	1.30	2,444.60	1,718.28	70.05
Net Asset Value (Book value per share)	92.91	47.54	15.64	5,006.13	2,561.53	842.71

* *Face value of EUR 60.10 each*

The results of Iberotam, S.A., Spain have been included in the audited consolidated financial statements of CEQUISA.

62. Phosfonia S.L., Spain

Phosfonia S.L., Spain was incorporated on February 2, 1983 in Spain. Phosphonia S.L. was acquired by Transterra Invest, S.L. in June 2005. Phosfonia S.L., Spain is engaged in manufacturing and trading in agrochemicals.

The registered office of Phosfonia S.L., Spain is at:

322, Muntaner
Barcelona, Postal Code 08021
Spain.

The directors of Phosfonia S.L., Spain are:

1. Jai R. Shroff;
2. Vikram R. Shroff; and
3. Bharat Dutia.

The shareholding pattern of Phosfonia S.L., Spain is as under:

Names of the shareholders	No. of shares held	% holding
Agrindustrial, S.A.	100	100

The promoter group of this company includes Agrindustrial, S.A.

Summary unaudited financial statements:

	In EUR, except per share data			In Rs. Million, except per share data		
	Fiscal 2005	Fiscal 2004	Fiscal 2003	Fiscal 2005	Fiscal 2004	Fiscal 2003
Equity Capital	6,010.12	6,010.12	6,010.12	323,834.28	323,834.28	323,834.28
Reserves (excluding revaluation reserves)	155,056.43	136,249.11	24,789.73	8,354,673.03	7,341,306.42	1,335,707.84
Sales	321,469.88	615,615.76	439,513.81	17,321,279.34	33,170,300.57	23,681,663.35
Profit After Tax	18,807.32	111,459.38	9,480.44	1,013,366.61	6,005,598.58	510,820.33
Earnings Per Share*	188.07	1,114.59	94.80	10,133.49	60,055.78	5,107.97
Net Asset Value (Book value per share)*	1,610.66	1,422.59	2,539.07	86,784.78	76,651.28	136,808.90

* *Face value of EUR 60.10 each*

The results of Phosfonia S.L., Spain have been included in the audited consolidated financial statements of CEQUISA.

63. Reposo S.A., Argentina

Reposo S.A., Argentina was incorporated on June 13, 1958 in Argentina. Reposo S.A., Argentina was acquired by United Phosphorus Limited in November 2005. Reposo S.A., Argentina is engaged in manufacturing and trading in agrochemicals.

The registered office of Reposo S.A., Argentina is at:

Maipu 942 – 1st Floor
Buenos Aires, Argentina.

The directors of Reposo S.A., Argentina are:

1. Dr. Juan Carlos Grosso;
2. Dr. Norberto Chutrau;
3. Nitin Achyut Kolhatkar; and
4. Dr. Alejandro Gustavo Gorbato.

The shareholding pattern of Reposo S.A., Argentina is as under:

Names of the shareholders	No. of shares held	% holding
Transterra Invest, S.L.U.	1,350,000	90
United Phosphorus Limited, U.K.	150,000	10
Total	**1,500,000**	**100**

The promoter group of this company includes Transterra Invest, S.L.U.

Summary audited financial statements:

	In AR$ million, except per share data	In Rs. Million, except per share data
	Period ended March 31, 2006#	Period ended March 31, 2006#
Equity Capital ^	0.00	0.00
Reserves (excluding revaluation reserves)	8.51	125.95
Sales	18.16	268.84
Profit After Tax	2.11	31.30
Earnings Per Share*	1.41	20.87
Net Asset Value (Book value per share)*	5.67	83.97

\# *From the date of acquisition*

^ *Negligible*

* *Face Value of AR$ 0.00000000001 each*

This company was acquired in fiscal 2006 and hence, audited financial statements only for fiscal 2006 have been provided.

64. Transterra Invest, S.L., Spain

Transterra Invest, S.L., Spain was incorporated on May 9, 2005 in Spain. Transterra Invest, S.L., Spain is engaged in trading in agrochemicals.

The registered office of Transterra Invest, S.L., Spain is at:

A V Diagonal, 4074
08008, Barcelona.

The directors of Transterra Invest, S.L., Spain are:

1. Jai R. Shroff;
2. Vikram R. Shroff; and
3. Bharat Dutia.

The shareholding pattern of Transterra Invest, S.L., Spain is as under:

Names of the shareholders	No. of shares held	% holding
United Phosphorus Limited, U.K.	3,213,832	100

The promoter group of this company includes United Phosphorus Limited, U.K.

Summary audited financial statements :

	In EUR million, except per share data	In Rs. Million, except per share data
	Period ended March 31, 2006#	Period ended March 31, 2006#
Equity Capital	3.21	173.17
Reserves (excluding revaluation reserves)	(0.23)	(12.47)
Sales	4.41	237.68
Profit After Tax	(0.23)	(12.47)
Earnings Per Share*	(0.07)	(3.88)
Net Asset Value (Book value per share)*	0.93	50.00

* *Face value of EUR 1 each*

\# *From the date of incorporation*

Transterra Invest, S.L., Spain was incorporated on May 9, 2005 and hence has no results to report for Fiscal 2004 and 2005.

65. United Phosphorus Sole Partner Limited, Greece

United Phosphorus Sole Partner Limited, Greece was incorporated on December 16, 2005 in Greece. United Phosphorus Sole Partners, Greece is engaged in trading in agrochemicals.

The registered office of United Phosphorus Sole Partner Limited, Greece is at:

27 Vassileos Alexandrou 27 Street
GR-151 22 Amaroussion Athens, Greece.

The directors of United Phosphorus Sole Partner Limited, Greece are:

1. Jimmy Dadrewalla.

The shareholding pattern of United Phosphorus Sole Partner Limited, Greece is as under:

Names of the shareholders	No. of shares held	% holding
Bio-win Corporation Limited	600	100

The promoter group of this company includes Bio-win Corporation Limited.

Summary audited financial statements:

	In EUR million, except per share data	In Rs. Million, except per share data
	Period ended March 31, 2006#	Period ended March 31, 2006#
Equity Capital	0.02	0.97
Reserves (excluding revaluation reserves)	(2.23)	(99.63)
Sales	27.84	1,242.24
Profit After Tax	(2.23)	(99.63)
Earnings Per Share*	(3,721.67)	(166,051.83)
Net Asset Value (Book value per share)*	(3,685.27)	(164,427.77)

* *Face value of EUR 30 each*

\# *From the date of incorporation*

United Phosphorus Sole Partner Limited, Greece was incorporated on December 16, 2005 and hence has no results to report for Fiscals 2005 and 2004.

66. United Phosphorus (Taiwan) Limited, Taiwan

United Phosphorus (Taiwan) Limited, Taiwan was incorporated on September 16, 2005 in Taiwan. United Phosphorus (Taiwan) Limited, Taiwan is engaged in trading in agrochemicals.

The registered office of United Phosphorus (Taiwan) Limited, Taiwan is at:

1F, No. 15, Junrong, 1st Street
Beitun District
Taichung City 40644, Taiwan.

The directors of United Phosphorus (Taiwan) Limited, Taiwan are:

1. Jai R. Shroff; and
2. Farokh Hilloo.

The shareholding pattern of United Phosphorus (Taiwan) Limited, Taiwan is as under:

Names of the shareholders	No. of shares held	% holding
Bio-win Corporation Limited	100,000	100

The promoter group of this company includes Bio-win Corporation Limited.

Summary audited financial statements:

	In TWD million, except per share data	In Rs. Million, except per share data
	Period ended March 31, 2006#	Period ended March 31, 2006#
Equity Capital	1.00	1.37
Reserves (excluding revaluation reserves)	(0.80)	(1.09)
Sales	0.00	0.00
Profit After Tax	(0.80)	(1.09)
Earnings Per Share*	(7.98)	(10.94)
Net Asset Value (Book value per share)*	2.02	2.77

* *Face Value of TWD 10 each*

\# *From the date of incorporation*

United Phosphorus (Taiwan) Limited, Taiwan was incorporated on September 16, 2005 and hence has no results to report for Fiscal 2004 and Fiscal 2005.

67. United Phosphorus NZ Limited, New Zealand

United Phosphorus NZ Limited, New Zealand was incorporated on September 16, 2002 in New Zealand as United Phosphorus Limited. Its name was changed to United Phosphorus NZ Limited on May 21, 2004. United Phosphorus Limited, New Zealand is a non-operative company.

The registered office of United Phosphorus NZ Limited, New Zealand is at:

C/- Gosling Chapman
Level 6, 51 – 53 Shortland Street
Auckland.

The directors of United Phosphorus NZ Limited, New Zealand are:

1. Jai R. Shroff;
2. Farokh Hilloo; and
3. Bhaskara Sai Chander.

As per the most recent audited financial statements of United Phosphorus NZ Limited, its share capital was nil. The promoter group of this company includes Bio-win Corporation Limited.

Summary audited financial statements:

The audited financial statements contain nil financial figures since this company is a non-operative company.

68. Cropserve Pty Limited, South Africa

Cropserve Pty Limited, South Africa was incorporated on January 21, 1993. in South Africa. Cropserve Pty Limited, South Africa was acquired by United Phosphorus Limited, India in August 2006. Cropserve Pty Limited, South Africa is engaged in manufacturing and selling of agricultural chemicals.

The registered office of Cropserve Pty Limited, South Africa is at:

42 Villa Valencia Office Park
Anemoon Road
Glen Marais
Kempton Park
South Africa.

The director of Cropserve Pty Limited, South Africa is:

1. Peter Whitbread.

The shareholding pattern of Cropserve Pty Limited, South Africa is as under:

Names of the shareholders	No. of shares held	% holding
United Phosphorus Limited, India	57	20%
Biowin Corporation Limited	243	80%
Total	**300**	**100%**

The promoter group of this company includes Bio-win Corporation Limited.

Summary audited financial statements:

Cropserve Pty Limited, South Africa was acquired by United Phosphorus Limited in August 2006 and hence no audited financial statements have been provided.

69. Agpack Zambia Limited, Zambia

Agpack Zambia Limited, Zambia was incorporated on May 10, 2002 in Zambia. Agpack Zambia Limited, Zambia is engaged in re-packing of agro chemicals.

The registered office of Agpack Zambia Limited, Zambia is at:

Plot 5055, Mungwi Road
Lusaka
Zambia.

The directors of Agpack Zambia Limited, Zambia are:

1. Lytton K. Zulu;
2. Jeremy Grieve; and
3. Peter Whitbread.

The shareholding pattern of Agpack Zambia Limited, Zambia is as under:

Names of the shareholders	No. of shares held	% holding
Cropserve Pty Limited	25,000,000	100

The promoter group of this company includes Cropserve Pty Limited.

Summary audited financial statements:

Agpack Zambia Limited was acquired by United Phosphorus Limited in August 2006 and hence no audited financial statements have been provided.

70. Prime Agricentre (Z) Limited, Zambia

Prime Agricentre (Z) Limited, Zambia was incorporated on February 3, 2003 in Zambia. Prime Agricentre (Z) Limited, Zambia is engaged in trading of agricultural chemicals and other inputs.

The registered office of Prime Agricentre (Z) Limited, Zambia is at:

Plot 5055, Mungwi Road
Lusaka
Zambia.

The directors of Prime Agricentre (Z) Limited, Zambia are:

1. Lytton K. Zulu;
2. Peter Whitbread;
3. Jeremy Grieve; and
4. Charles Banda.

The shareholding pattern of Prime Agricentre (Z) Limited, Zambia is as under:

Names of the shareholders	No. of shares held	% holding
Cropserve Pty Limited	250,000,000	100

The promoter group of this company includes Cropserve Pty Limited.

Summary audited financial statements:

Prime Agricentre (Z) Limited, Zambia was acquired by United Phosphorus Limited in August 2006 and hence no audited financial statements have been provided.

71. Cropserve Zambia Limited

Cropserve Zambia Limited, Zambia was incorporated on November 12, 1992 in Zambia. Cropserve Zambia Limited, Zambia is engaged in trading of agricultural chemicals and other inputs.

The registered office of Cropserve Zambia Limited, Zambia is at:

Plot 5055, Mungwi Road
Lusaka, Zambia.

The directors of Cropserve Zambia Limited, Zambia are:

1. Jos Du Jardin;
2. Lytton K. Zulu;
3. Jeremy Grieve;
4. Christopher Siame;
5. Tom Frazer; and
6. Peter Whitbread.

The shareholding pattern of Cropserve Zambia Limited, Zambia is as under:

Names of the shareholders	No. of shares held	% holding
Cropserve Pty Limited	100,000,000	100

The promoter group of this company includes Cropserve Pty Limited.

Summary audited financial statements:

Cropserve Zambia Limited, Zambia was acquired by United Phosphorus Limited in August 2006 and hence no audited financial statements have been provided.

72. United Phosphorus Limited, Bangladesh

United Phosphorus Limited, Bangladesh was incorporated on August 1, 1983 in Bangladesh. United Phosphorus Limited, Bangladesh is engaged in manufacturing and trading in agrochemicals.

The registered office of United Phosphorus Limited, Bangladesh is at:

Paragon House
5, Mohakhal
C/A, Dhaka, Bangladesh.

The directors of United Phosphorus Limited, Bangladesh are:

1. Kalyan Banerjee;
2. I. Alam.

The shareholding pattern of United Phosphorus Limited, Bangladesh is as under:

Names of the shareholders	No. of shares held	% holding
United Phosphorus Limited	3265	50
Omnichem	3265	50
Total	**6530**	**100**

The promoter group of this company includes United Phosphorus Limited and Omnichem.

Summary audited financial statements:

	In BDT Million, except per share data			In Rs. Million, except per share data		
	Fiscal 2006	**Fiscal 2005**	**Fiscal 2004**	**Fiscal 2006**	**Fiscal 2005**	**Fiscal 2004**
Equity Capital	3.26	3.26	3.26	2.15	2.15	2.15
Reserves (excluding revaluation reserves)	15.38	12.86	10.88	10.16	8.50	7.19
Sales	52.92	49.12	51.88	34.97	32.46	34.28
Profit After Tax	4.21	3.44	3.52	2.78	2.27	2.32
Earnings Per Share*	349.05	1,056.69	1,080.09	230.65	698.26	713.72
Net Asset Value (Book value per share)	5,724.60	4,948.43	4,340.31	3,782.82	3,269.93	2,868.08

* *Face value of BDT 1000*

73. Sociedade Mocambicana de Productos Agroquimicos Limitadam, Mocambique

Sociedade Mocambicana de Productos Agroquimicos Limitadam, Mocambique was incorporated on March 9, 1990 in Mocambique. It is engaged in the import, distribution, post-sales assistance, representation and agency odf agro-chemical products.

The registered office of Sociedade Mocambicana de Productos Agroquimicos Limitadam, Mocambique is at:

Avenida Zedequias Manganhele, 1727
Maputo, Mocambique

The directors of Sociedade Mocambicana de Productos Agroquimicos Limitadam, Mocambique are:

1. Jose Orlando Alves Vidas;
2. Tom Fraser; and
3. Peter Whitbread.

Sociedade Mocambicana de Productos Agroquimicos Limitadam, Mocambique is a commercial society by quotas of limited responsibility. It is subscribed in the following proportion:

Names	**% quota**
Cropserve Pty Limited, South Africa	80
Tom Fraser	20
Total	**100**

The promoter group of this company includes Cropserve Pty Limited.

Summary audited financial statements:

Sociedade Mocambicana de Productos Agroquimicos Limitadam, Mocambique was acquired by United Phosphorus Limited in August 2006 and hence no audited financial statements have been provided.

74. United Phosphorus Holdings B.V., Netherlands

United Phosphorus Holdings B.V., Netherlands was incorporated on November 6, 2006. It is engaged in investment activities.

The registered office of United Phosphorus Holdings B.V., Netherlands is at:

Rokin 55
1012KK, Amsterdam
Post Bus 990
1000AZ, Amsterdam.

The director of United Phosphorus Holdings B.V., Netherlands is:

1. Jai R. Shroff.

The shareholding pattern of United Phosphorus Holdings B.V., Netherlands is as under:

Names of the shareholders	No. of shares held	% holding
Bio-win Corporation Limited	180	100

The promoter group of this company includes Bio-win Corporation Limited.

Summary audited financial statements:

United Phosphorus Holdings B.V., Netherlands was incorporated in November 2006 and hence no audited financial statements have been provided.

75. United Phosphorus Italy S.r.l., Italy

United Phosphorus Italy S.r.l., Italy was incorporated on November 17, 2006. It is engaged in the business of crop protection.

The registered office of United Phosphorus Italy S.r.l., Italy is at:

Via XX Settembre N.3
10121 Torino

The director of United Phosphorus Italy S.r.l., Italy is:

1. Bharat Dutia

The shareholding pattern of United Phosphorus Italy S.r.l., Italy is as under:

Names of the shareholders	No. of shares held	% holding
United Phosphorus Holdings B.V.	1	100

The promoter group of this company includes United Phosphorus Holdings B.V.

Summary audited financial statements:

United Phosphorus Italy S.r.l., Italy was incorporated in November 2006 and hence no audited financial statements have been provided.

76. Cropserve Malawi Limited, Malawi.

Cropserve Malawi Limited, Malawi was incorporated on October 17, 2002 in Malawi. It is engaged in the selling of agricultural chemicals.

The registered office of Cropserve Malawi Limited, Malawi is situated at:

KPMG LILIONGWE,
P.O. Box 30453, Nurses Council Building,
New Capital City Centre,
Malawi

The directors of Cropserve Malawi Limited are:

1. J.J. Silungwe;
2. Peter Whitbread;
3. A.S Tong'o;
4. D. Chibonga; and
5. Rex Harawa.

The shareholding pattern on Cropserve Malawi Limited is as under:

Names of the shareholders	No. of shares held	% holding
Cropserve Pty Limited, South Africa	80,000	80.00
J Silungwe	15,000	15.00
D Chibonga	2,500	2.50
Trust Fund	2,500	2.50
Total	**100,000**	**100.00**

The promoter group of this Company includes Cropserve Pty Limited, J. Silungwe, D. Chibonga and Trust Fund.

Summary audited financial statements:

Cropserve Malawi Limited became a part of the Promoter Group pursuant to the acquisition of its holding company, Cropserve Pty Limited. Cropserve Pty Limited was acquired by United Phosphorus Limited in August 2006 and hence no audited financials of Cropserve Malawi Limited have been provided.

77. United Phosphorus (Pvt) Limited, Zimbabwe

United Phosphorus (Pvt) Limited, Zimbabwe was incorporated on May 2, 1996. United Phosphorus (Pvt) Limited, Zimbabwe was incorporated essentially for obtaining/ maintaining certain product registrations.

The registered office of United Phosphorus (Pvt) Limited, Zimbabwe is at:

21 Colenbrander Road,
Milton Park Harare,
Zimbabwe

The directors of United Phosphorus (Pvt) Limited, Zimbabwe are:

1. K Subramaniam;
2. R Rajasekhar; and
3. Dave Clements.

The shareholding pattern of United Phosphorus (Pvt) Limited, Zimbabwe is as under:

Names of the shareholders	No. of shares held	% holding
Bio-win Corporation Limited	70	35.00
Dave Cements	130	65.00
Total	**200**	**100.00**

The promoter group of this company includes Bio-win Corporation Limited and Dave Cements.

Summary audited financial statements:

United Phosphorus (Pvt) Limited, Zimbabwe was incorporated essentially for obtaining/ maintaining certain product registrations and has no operations and hence there are no financial reports (audited/un-audited) for the last three years.

78. United Phosphorus Limited, South Africa

United Phosphorus Limited, South Africa was incorporated on May 2, 1996. United Phosphorus Limited, South Africa was incorporated essentially for obtaining/ maintaining certain product registrations.

The registered office of United Phosphorus Limited, South Africa is at:

65 Botes Place Road
Glen Marais Kempton Park
Johannesburg RSA

The directors of United Phosphorus Limited, South Africa are:

1. V.N. Sudhakar; and
2. R. Rajasekhar.

The shareholding pattern of United Phosphorus Limited, South Africa is as under:

Names of the shareholders	No. of shares held	% holding
Bio-win Corporation Limited	994	99.40
United Phosphorus Inc., U.S.A	1	0.10
United Phosphorus Limited, U.K.	1	0.10
United Phosphorus Limited, Zambia	1	0.10
United Phosphorus De Mexico, S.A. de C.V., Mexico	1	0.10
United Phosphorus Limited, Australia	1	0.10
United Phosphorus Limited, Hong Kong	1	0.10
Total	**1,000**	**100.00**

The promoter group of United Phosphorus Limited, South Africa includes Bio-win Corporation Limited, United Phosphorus Inc., U.S.A., United Phosphorus Limited, U.K., United Phosphorus Limited, Zambia, United Phosphorus De Mexico, S.A. de C.V., Mexico, United Phosphorus Limited, Australia and United Phosphorus Limited, Hong Kong.

Summary audited financial statements:

United Phosphorus Limited, South Africa was incorporated essentially for obtaining/ maintaining certain product registrations and they have no operations since registration and hence there are no financial reports (audited/un-audited) for the last three years.

Cerexagiri Acquisition

UPL acquired the various Cerexagiri entities mentioned below through its various subsidiaries on February 1, 2007.

79. Cerexagri Iberica S.A.U.

Cerexagri Iberica S.A.U. was incorporated on July 28, 1967. Cerexagri Iberica S.A.U. is engaged in the production and sales of chemical products, machinery and equipment for the manipulation and treatment of fruit, edible and agriculture products.

The registered office of Cerexagri Iberica S.A.U. is at:

Registro Mercantil de Valencia
Street: Gran Via Marques del Turia no 57
46005 Valencia – Spain.

The director of Cerexagri Iberica S.A.U. is:

Bertrand Saby

The shareholding pattern of Cerexagri Iberica S.A.U. is as under:

Names of the shareholders	No. of shares held	% holding
Transterra Invest S.RL	3000	100

This company became UPL's subsidiary (and consequently a part of our Promoter Group) only on February 1, 2007 and hence, no audited financials for these companies have been provided.

80. Cerexagri Italia S.r.l.

Cerexagri Italia S.r.l. was incorporated on March 6, 1975. Cerexagri Italia S.r.l. is engaged in production and trade of chemicals products for agriculture.

The registered office of Cerexagri Italia S.r.l. is at:

Bivio Aspro Zona Industriale
95040 Piano Tavola - Belpasso (CT)

The directors of Cerexagri Italia S.r.l. are:

1. Peter T. Bromley (president);
2. Francois Girin (managing director); and
3. Jean Yve Pape (director).

The shareholding pattern of Cerexagri Italia S.r.l. is as under:

Names of the shareholders	No. of shares held	% holding
United Phosphorus Italy S.r.l.	1,051,000	100

Face value of Eur 100 each

This company became UPL's subsidiary (and consequently a part of our Promoter Group) only on February 1, 2007 and hence, no audited financials for these companies have been provided.

81. Cerexagri Delaware, Inc

Cerexagri Delaware, Inc. was incorporated on February 28, 2000 as Agri Delaware, Inc. Subsequently, its name was changed to Cerexagri Delaware, Inc. This company is a holding company.

The registered office of Cerexagri Delaware, Inc. is at:

1105 North Market Street;
Suite 1227;
Wilmington, DE.

The directors of Cerexagri Delaware, Inc. are:

1. Richard Klumpp;
2. Steve Kantner; and

3. Julian Baumann

The shareholding pattern of Cerexagri Delaware, Inc. is as under:

Names of the shareholders	No. of shares held	% holding
United Phosphorus, Inc.	100	100

This company became UPL's subsidiary (and consequently a part of our Promoter Group) only on February 1, 2007 and hence, no audited financials for these companies have been provided.

82. Cerexagri S.A., France

Cerexagri S.A. was incorporated on July 15, 1985. Cerexagri S.A. is engaged in manufacture and sale of plant protection products worldwide.

The registered office of Cerexagri S.A. is at:

1, rue des Frères Lumière,
78370 - Plaisir, France

The directors of Cerexagri S.A. are:

Peter Bromley,

Francois Girin

Jean-Yves Pape,

Shareholding Pattern:

Names of the shareholders	No. of shares held	% holding
United Phosphorus Ltd., U.K.	1,453,971	100

This company became UPL's subsidiary (and consequently a part of our Promoter Group) only on February 1, 2007 and hence, no audited financials for these companies have been provided.

83. Cerexagri B.V.

Cerexagri B.V. was incorporated on May 30, 1990 in The Netherlands. Cerexagri B.V. is engaged in the production of, and trade in agricultural chemical products.

The registered address of Cerexagri B.V., The Netherlands is at:

Tankhoofd 10
3196 KE Vondelingenplaat/RT
The Netherlands

The director of Cerexagri B.V., The Netherlands is:

Johan Alebregtse

Shareholding Pattern:

Names of the shareholders	No. of shares held	% holding
United Phosphorus Holdings B.V.	22,608,236	100

Face value of Eur 1 each

This company became UPL's subsidiary (and consequently a part of our Promoter Group) only on February 1, 2007 and hence, no audited financials for these companies have been provided.

84. Cerexagri Costa Rica, S.A.

Cerexagri Costa Rica, S.A. was incorporated on April 26, 1995, in San José, Costa Rica. Cerexagri Costa Rica, S.A. is engaged in the sales promotion throughout Latin America of the CEREXAGRI products used in banana, potatoes, tomatoes, vegetables, grapes, cereals, ornamentals, and many other crops.

The registered address of Cerexagri Costa Rica, S.A. is at:

Av. 11, Calles 13-15, Edificio Teral 1
San José, Costa Rica

The director of Cerexagri Costa Rica, S.A. is:

Peter T. Bromley

Shareholding Pattern:

Names of the shareholders	No. of shares held	% holding
United Phosphorus Holdings B.V.	10	100

This company became UPL's subsidiary (and consequently a part of our Promoter Group) only on February 1, 2007 and hence, no audited financials for these companies have been provided.

85. Anning Decco Fine Chemical Co., Ltd

Anning Decco Fine Chemical Co., Ltd was incorporated on December 29, 1995. It is engaged in the production of food grade refined bleached shellac and shellac wax.

Its registered office is located at:

Changpo, Anning,
Kunming City, Yunnan Province, China

The directors of Anning Decco Fine Chemical Co., Ltd are:

1. François Girin (Chairman)
2. XIAO Lu Yi (Vice Chairman)
3. Eric Loges
4. Alessandro Zaccarin
5. G.U. Weidong

The shareholding pattern of this company is as under:

Names of the shareholders	% holding
Cerexagri B.V. (Netherlands)	55
Anning Chemicals Company (China)	45

No shares are held as these companies are not corporations, but rather limited liability companies. The profits or losses of the company are shared according to the percentage of ownership indicated.

This company became UPL's subsidiary (and consequently a part of our Promoter Group) only on February 1, 2007 and hence, no audited financials for these companies have been provided.

86. Desarrollo Quimico Industrial S.A.

Desarrollo Quimico Industrial S.A. was incorporated on May 20, 1962. Desarrollo Quimico Industrial S.A. is engaged in production, preparation, distribution and sale of agrochemical products.

The registered office of Desarrollo Quimico Industrial S.A. is at:

Registro Mercantil de Valencia
Street: Gran Via Marques del Turia no 57
46005 Valencia – Spain.

The directors of Desarrollo Quimico Industrial S.A. are:

1. Director Manager – Bertrand Saby

Shareholding Pattern:

Names of the shareholders	No. of shares held	% holding
Cerexagri B.V.	175770	99.99
Cerexagri Iberica	2	0.01

This company became UPL's subsidiary (and consequently a part of our Promoter Group) only on February 1, 2007 and hence, no audited financials for these companies have been provided.

87. Cerexagri Nisso LLC:

Cerexagri Nisso LLC was incorporated on July 14, 2005. Cerexagri Nisso LLC is engaged as Reseller of Agrichemicals.

The registered office of Cerexagri Nisso LLC is at:

Corporate Service Company;
2711 Centerville Road; Suite 400;
Wilmington, DE 19808

The directors of Cerexagri Nisso LLC are:

1. Charles Gallagher,
2. Francois Girin
3. Madeline Palac
4. Tsutomu Sakuma;
5. Ko Murakami
6. John Kasper

Shareholding Pattern:

Names of the shareholders	Ownership %
Cerexagri Inc	50
Nisso America Inc	50

No shares are held as these companies are not corporations, but rather limited liability companies. The profits or losses of the company are shared according to the percentage of ownership indicated.

This company became UPL's subsidiary (and consequently a part of our Promoter Group) only on February 1, 2007 and hence, no audited financials for these companies have been provided.

88. Topsin M LLC (TMLLC):

Topsin M LLC was incorporated on April 27, 2000. Topsin M LLC is engaged in Wholesale Trade of Chemical Products.

The registered office of Topsin M LLC is at:

220 East 42nd Street;
Suite 3002;
New York, NY 10017

The directors of Topsin M LLC are:

1. Charles Gallagher
2. Beth Sears
3. Tsutomu Sakuma
4. Tateshi Tsujikawa

Shareholding Pattern:

Names of the shareholders	Ownership %
Cerexagri Inc	49
Nisso America Inc	51

No shares are held as these companies are not corporations, but rather limited liability companies. The profits or losses of the company are shared according to the percentage of ownership indicated.

This company became UPL's subsidiary (and consequently a part of our Promoter Group) only on February 1, 2007 and hence, no audited financials for these companies have been provided.

89. Cerexagri Sharda LLC

Cerexagri Sharda LLC was incorporated on April 17, 2006. Cerexagri Sharda LLC is engaged as Reseller of Agrichemicals.

The registered office of Cerexagri Sharda LLC is at:

Corporate Service Company;
2711 Centerville Road;
Suite 400; Wilmington, DE 19808

The directors of Cerexagri Sharda LLC are:

1. Charles Gallagher
2. Beth Sears
3. Ashish R.
4. Ramprakash V. Bubna

Shareholding Pattern:

Names of the shareholders	Ownership %
Cerexagri Inc	51
Sharda Worldwide Exports Pvt. Ltd	49

No shares are held as these companies are not corporations, but rather Limited Liability Companies. The profits or losses of the company are shared according to the percentage of ownership indicated.

This company became UPL's subsidiary (and consequently a part of our Promoter Group) only on February 1, 2007 and hence, no audited financials for these companies have been provided.

90. Cerexagri Inc

Cerexagri Inc. was incorporated on October 26, 2000. Cerexagri, Inc. is engaged as Reseller of Agrichemicals.

The registered office of Cerexagri, Inc. is at:

Formerly 2000 Market Street; Philadelphia, PA 19103-3222 (This will be changing to 630 Freedom Business Center; Suite 402; King of Prussia, PA 19406.)

The directors of Cerexagri, Inc. are:

1. Peter Bromley
2. Francois Girin

Shareholding Pattern:

Names of the shareholders	No. of shares held	% holding
Cerexagri Delaware	100	100

This company became UPL's subsidiary (and consequently a part of our Promoter Group) only on February 1, 2007 and hence, no audited financials for these companies have been provided.

91. Cerexagri Turkey

Cerexagri Ziraat Ve Kimya Sanayi Ve Ticaret Limited Sirketi was incorporated in the year 2001. Cerexagri Ziraat Ve Kimya Sanayi Ve Ticaret Limited Sirketi is engaged in manufacture and sale of plant protection products worldwide.

The registered office of Cerexagri Ziraat Ve Kimya Sanayi Ve Ticaret Limited Sirketi is at:

Cumhuriyet Bulv.,
n° 82, Flat 802, Pasaport, Izmir,
Turkey.

The directors of Cerexagri Ziraat Ve Kimya Sanayi Ve Ticaret Limited Sirketi are:

1. Peter Bromley,
2. Francois Girin,
3. Jean-Yves Pape,
4. Managing Director, Mr Ertan KORKMAZ.

Shareholding Pattern:

Names of the shareholders	No. of shares held	% holding
Cerexagri BV	5,554	99
Cerexagri France	56	1

This company became UPL's subsidiary (and consequently a part of our Promoter Group) only on February 1, 2007 and hence, no audited financials for these companies have been provided.

92. Safepack Products Limited, Israel

Safepack Products Limited was incorporated on May 18, 1960. Safepack Products Limited is engaged in manufacture of Chemicals for post harvest treatments.

The registered office of Safepack Products Limited is at:

Pardes Gan Haim ,
Kfar Saba,
Israel.

The directors of Safepack Products Limited are:

1. Bromley Peter
2. Girin Francois
3. Kiselstein Arnon

Shareholding Pattern:

Names of the shareholders	No. of shares held	% holding
Cerexagri BV	170,452	100

This company became UPL's subsidiary (and consequently a part of our Promoter Group) only on February 1, 2007 and hence, no audited financials for these companies have been provided.

IV. Partnerships/ HUFs

93. Prakriya Pharmachem

Prakriya Pharmachem was formed on August 9, 1986 in India. Prakriya Pharmachem is engaged in the business of trading in chemicals.

The following are the partners of Prakriya Pharmachem and their respective holding:

Partner	% Holding
Bloom Packaging Private Limited	76
Rajnikant D. Shroff	8
Jai R. Shroff	8
Shilpa Shroff	8

Summary audited financial statements:

In Rs. Million, except per share data

	Fiscal 2006	Fiscal 2005	Fiscal 2004
Capital of partnership	6.91	6.91	6.91
Reserves (excluding revaluation reserves)	NA	NA	NA
Sales	0.29	0.15	0.09
Profit After Tax	0.29	0.15	0.09
Earnings Per Share	NA	NA	NA
Net Asset Value (Book value per share)	NA	NA	NA

94. Akruti Products

Akruti Products was formed on August 9, 1986 in India. Akruti Products is engaged in the business of trading in chemicals.

The following are the partners of Akruti Products and their respective holding:

Partner	% Holding
Bloom Packaging Private Limited	84
Sandra R. Shroff	16

Summary audited financial statements:

In Rs. Million, except per share data

	Fiscal 2006	Fiscal 2005	Fiscal 2004
Capital of partnership	5.13	5.13	5.13
Reserves (excluding revaluation reserves)	NA	NA	NA
Sales	0.23	0.10	0.06
Profit After Tax	0.22	0.10	0.05
Earnings Per Share	NA	NA	NA
Net Asset Value (Book value per share)	NA	NA	NA

95. Sarjan Chemicals

Sarjan Chemicals was formed on August 9, 1986 in India. Sarjan Chemicals is engaged in the business of trading in chemicals.

The following are the partners of Sarjan Chemicals and their respective holding:

Partner	% Holding
Nerka Chemicals Private Limited	80
Sandra R. Shroff	10
Jai R. Shroff	10

Summary audited financial statements:

In Rs. Million, except per share data

	Fiscal 2006	Fiscal 2005	Fiscal 2004
Capital of partnership	1.83	1.83	1.83
Reserves (excluding revaluation reserves)	NA	NA	NA
Sales	0.05	0.04	0.02
Profit After Tax	0.05	0.04	0.02
Earnings Per Share	NA	NA	NA
Net Asset Value (Book value per share)	NA	NA	NA

96. Ultima Search

Ultima Search was formed on July 1, 1984 in India. Ultima Search is engaged in manufacturing and trading in household pesticides.

The following are the partners of Ultima Search and their respective holding:

Partner	% Holding
Sandra R. Shroff	20
Jai R. Shroff	30
Vikram R. Shroff	30
Shilpa Sagar	20

Summary audited financial statements:

In Rs. Million, except per share data

	Fiscal 2005	Fiscal 2004	Fiscal 2003
Capital of partnership	0.03	0.03	0.03
Reserves (excluding revaluation reserves)	NA	NA	NA
Sales	22.04	21.99	17.08
Profit After Tax	1.14	0.45	2.14
Earnings Per Share	NA	NA	NA
Net Asset Value (Book value per share)	NA	NA	NA

RELATED PARTY TRANSACTIONS

The table below sets forth the details of the related party transactions as per our restated audited financial statements as appearing in this Red Herring Prospectus.

(In Rs. million)

Particulars	Seven months ended October 31, 2006	Fiscal 2006	Fiscal 2005	Fiscal 2004
Sale of goods	3.21	14.51	-	-
Purchase of goods	3.87	-	-	-
Purchase of services	0.64	-	-	-
Expenses reimbursed	18.71	0.70	-	-
Expenses incurred	-	0.76	-	-
Sale of Fixed Assets	265.00	-	-	-
Loans received	326.00	-	-	-
Loans given	595.97	264.32	-	-
Advance given	10.67	-	-	-
Interest paid	9.92	-	-	-
Interest received	21.91	0.12	-	-
Dividend declared	-	25.20	56.70	37.80
Royalty paid	-	10.65	13.77	13.60
Remuneration	9.66	4.73	5.01	4.91
Rent paid	0.21	1.37	1.12	1.00

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by our Company's shareholders, in their discretion, and will depend on a number of factors, including but not limited to our earnings, capital requirements and overall financial position. Our Company has no stated dividend policy.

The dividends declared by Advanta India Limited in respect of the five fiscal years ended March 31, 2006, March 31, 2005, March 31, 2004, March 31, 2003 and March 31, 2002 as per the audited financial statements of the Company are as given below:

(Rs. in millions)

Particulars	**Year ended March 31, 2006**	**Year ended March 31, 2005**	**Year ended March 31, 2004**	**Year ended March 31, 2003**	**Year ended March 31, 2002**
Dividend					
Equity Share Capital	63.00	63.00	63.00	63.00	63.00
Rate of dividend (%)	40.00	90.00	60.00	25.00	10.00
Amount of dividend	25.20	56.70	37.80	15.75	6.30
Tax on dividend	3.53	7.85	4.84	2.02	0.64

Notes: The dividends declared include both interim and final dividends.

The amounts paid as dividends in the past are not necessarily indicative of our dividend policy or dividend amounts, if any, in the future.

FINANCIAL STATEMENTS OF ISSUER COMPANY

AUDITORS' REPORT ON FINANCIAL INFORMATION IN RELATION TO RED HERRING PROSPECTUS

The Board of Directors
Advanta India Limited
405, 4th Floor, 'A' Wing,
Carlton Towers, No. 1 Airport Road,
Bangalore - 560 008.

Dear Sirs,

1. We have examined the attached financial information of Advanta India Limited ('the Company') as approved by the Board of Directors of the Company prepared by the Management in terms of the requirements of Paragraph B of Part II of Schedule II of the Companies Act, 1956 ('the Act') and the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 as amended to date ('SEBI Guidelines') and in terms of our engagement agreed upon with you in accordance with our engagement letter dated 8th December, 2006 in connection with the proposed issue of Equity shares of the Company.

2. The financial information has been extracted by the Management from the audited financial statements of the Company for the seven months period ended October 31, 2006 audited by us and for the years ended March 31, 2006, March 31, 2005, March 31, 2004, March 31, 2003 and March 31, 2002 which have been audited by a firm of chartered accountant, M/s. Lovelock & Lewes.

3. In accordance with the requirements of Paragraph B of Part II of Schedule II of the Act, the SEBI Guidelines and terms of our engagement agreed with you, we further report that:

   a) The Summary of Restated Profit and Loss Account of the Company for the seven months period ended October 31, 2006 and years ended March 31, 2006, March 31, 2005, March 31, 2004, March 31, 2003 and March 31, 2002 examined by us, as set out in Annexure A to this report are after making adjustments and regroupings as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Financial Information as set out in Annexure C.

   b) The Summary of Restated Assets and Liabilities of the Company as at October 31, 2006, as at March 31, 2006, March 31, 2005, March 31, 2004, March 31, 2003 and March 31, 2002 examined by us, as set out in Annexure B to this report are after making adjustments and regroupings as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Financial Information as set out in Annexure C.

   c) Based on the above, we confirm that:

      (i) the restated financial information have been made after incorporating adjustments for the changes in accounting policies retrospectively, in the respective financial years, to reflect the same accounting treatment as per the changed accounting policy for all the periods reported;

      (ii) the restated financial information have been made after incorporating adjustments for the material amounts relating to previous years, in the respective financial years to which they related; and

      (iii) there are no extra-ordinary items that need to be disclosed separately in the restated financial information and qualifications requiring adjustments.

   d) We have also examined the following other financial information of the Company set out in Annexures prepared by the Management and approved by the Board of Directors as at and for the seven months period ended October 31, 2006 and as at and for the years ended March 31, 2006, March 31, 2005, March 31, 2004, March 31, 2003 and March 31, 2002:

      (i) Statement of dividends declared enclosed as Annexure D

      (ii) Statement of Restated Cash Flows enclosed as Annexure E

      (iii) Statement of Related Party Transactions enclosed as Annexure F

(iv) Details of Other Income, as restated, enclosed as Annexure G

(v) Summary of accounting ratios based on the restated profits relating to earnings per share, net asset value per share and return on net worth enclosed as Annexure H

(vi) Details of Secured Loans enclosed as Annexure I

(vii) Details of Unsecured Loans enclosed as Annexure J

(viii) Details of Sundry Debtors, as restated, enclosed as Annexure K

(ix) Details of Loans and Advances, as restated, enclosed as Annexure L

(x) Details of Investments enclosed as Annexure M

(xi) Capitalisation statement as at October 31, 2006 and March 31, 2006 of the Company enclosed as Annexure N

(xii) Statement of tax shelters enclosed as Annexure O and

(xiii) Segmental Information enclosed as Annexure P

e) We have examined the information with respect to Advanta Holdings B.V. (AH) enclosed as Annexure Q to this report required as per clause 6.10.2.5 of SEBI Guidelines. We have checked the arithmetical accuracy of the information extracted from the audited accounts of AH. A portion of the Proposed Public Issue proceeds amounting to Rs.2,500 Mn. will be utilized towards investment in subsidiary company, AH. This amount shall be utilised by AH for payment of dues of one of the promoter group company, Biowin Corporation Limited (BW), in respect of acquisition of the entire shareholding of BW in Advanta Netherlands Holdings B.V. (ANH) comprising 180 shares of Euro 100 each. ANH is the holding company of all other subsidiaries including Operating Subsidiaries. Since AH has come to existence on November 30, 2005, the information as required in terms of clause 6.10.2.5 (b)(i) & (ii) of the SEBI Guidelines cannot be ascertained at this stage.

In our opinion, the financial information contained in Annexures D to Q of this report read along with the Significant Accounting Policies and Notes to the Restated Financial Information as set out in Annexure C, prepared after making adjustments and regroupings as considered appropriate have been prepared in accordance with Paragraph B of Part II of Schedule II of the Act and the SEBI Guidelines.

4. This report is provided solely for the purpose of assisting the Company to which it is addressed in discharging their responsibilities under the SEBI Guidelines and paragraph B of Part II of Schedule II to the Act. This report should not be used for any other purpose except with our consent in writing. Our work has been carried out in accordance with the auditing standards generally accepted in India and accordingly should not be relied on as if it had been carried out in accordance with any standards outside India.

For S. V. Ghatalia & Associates
Chartered Accountants

K. R. Kamdar
Partner
Membership Number 39330

Mumbai
8th February, 2007

ANNEXURE A

I. SUMMARY OF RESTATED PROFIT AND LOSS ACCOUNT

(Rs. in millions)

		7 Months ended October 31, 2006	Year ended March 31, 2006	Year ended March 31, 2005	Year ended March 31, 2004	Year ended March 31, 2003	Year ended March 31, 2002
I	**Income**						
	Sales of Seeds	649.62	483.32	511.18	457.32	353.65	319.64
	Less : Rebates and Discounts	74.32	52.96	47.93	39.82	34.92	22.79
	Net Sales	575.30	430.36	463.25	417.50	318.73	296.85
	Other Income	23.49	5.08	12.33	8.32	19.24	5.69
		598.79	**435.44**	**475.58**	**425.82**	**337.97**	**302.54**
II	**Expenditure**						
	Cost of Inputs, Procurement and Processing charges including lease rentals*	280.62	142.75	160.13	109.53	115.82	152.81
	(Increase)/Decrease in work-in-progress and Finished Goods	(67.65)	(7.42)	(18.85)	10.70	5.29	(35.66)
	Employee remuneration and benefits	55.93	64.55	67.54	59.18	51.41	46.55
	Other production, administration, selling and distribution expenses	141.65	140.97	147.33	143.09	117.94	106.28
	Finance charges	31.56	25.90	22.65	19.23	15.12	17.29
	Depreciation /Amortisation	8.50	13.18	13.43	9.00	6.83	12.30
	Miscellaneous expenditure written off	-	-	-	0.02	0.03	0.03
		450.61	**379.93**	**392.23**	**350.75**	**312.44**	**299.60**
III	**Profit Before Taxation and Exceptional Item**	**148.18**	**55.51**	**83.35**	**75.07**	**25.53**	**2.94**
	Exceptional Income - Profit on sale of land	233.09	-	-	-	-	-
IV	**Profit Before Taxation**	**381.27**	**55.51**	**83.35**	**75.07**	**25.53**	**2.94**
	Provision for Taxation						
	- Current	95.00	12.00	15.70	6.00	2.01	0.23
	- Deferred	2.00	(4.01)	(4.66)	14.62	1.28	-
	- Fringe benefit tax	1.89	3.00	-	-	-	-
	- Prior Period taxes	-	-	55.00	-	-	-
	Less: Contingency Reserve	-	-	(55.00)	-	-	-
V	**Profit After Taxation as per audited financial statements - (A)**	**282.38**	**44.52**	**72.31**	**54.45**	**22.24**	**2.71**

* *Includes lease rentals amounting to Rs.44.52 millions, Rs.44.00 millions, Rs.47.88 millions, Rs.37.98 millions, Rs.32.93 millions and Rs.38.58 millions for the 7 months ended October 31, 2006, years ended March 31, 2006, March 31, 2005, March 31, 2004, March 31, 2003 and March 31, 2002 respectively.*

ANNEXURE A (Contd.)

(Rs. in millions)

		7 Months ended October 31, 2006	Year ended March 31, 2006	Year ended March 31, 2005	Year ended March 31, 2004	Year ended March 31, 2003	Year ended March 31, 2002
	Impact of adjustments on account of changes in accounting policies (Refer note III(ii)(1)(a))	-	-	-	-	(0.23)	4.73
	Impact of material adjustments relating to previous years (Refer note III(ii)(1)(b))		1.99	(5.17)	(1.48)	(1.28)	0.42
	Total Adjustments	**-**	**1.99**	**(5.17)**	**(1.48)**	**(1.51)**	**5.15**
	Tax impact on adjustments (Refer note III(ii)(1)(c))	-	(1.03)	1.56	1.21	0.48	(0.14)
	Total adjustments net of tax impact - (B)	**-**	**0.96**	**(3.61)**	**(0.27)**	**(1.03)**	**5.01**
VI	**Adjusted Profit - (A+B)**	**282.38**	**45.48**	**68.70**	**54.18**	**21.21**	**7.72**
	Surplus brought forward from Previous Year	66.83	9.08	9.63	11.49	10.55	2.56
	Adjustment to opening reserve on account of material adjustments relating to previous years	-	-	-	-	-	5.53
VII	**Adjusted Profit available for Appropriation**	**349.21**	**54.56**	**78.33**	**65.67**	**31.76**	**15.81**
	Transfer (from)/to General Reserve	-	5.00	7.30	5.50	2.50	(1.68)
	Transfer (from)/to Contingency Reserve	-	(46.00)	(2.60)	7.90	-	-
	Dividends						
	- Interim	-	-	12.60	31.50	-	6.30
	- Final	-	25.20	44.10	6.30	15.75	-
	Tax on Dividend	-	3.53	7.85	4.84	2.02	0.64
VIII	**Adjusted Available surplus carried to Summary of Restated Assets and Liabilities**	**349.21**	**66.83**	**9.08**	**9.63**	**11.49**	**10.55**

Notes:

The accompanying Significant Accounting Policies and Notes to the Restated Financial Information are an integral part of this Summary of Restated Profit and Loss Account.

ANNEXURE B

II. SUMMARY OF RESTATED ASSETS AND LIABILITIES

(Rs. in millions)

		As at October 31, 2006	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at March 31, 2003	As at March 31, 2002
I	**Fixed Assets & Intangible Assets**						
	Gross Block	262.27	217.07	216.29	208.85	188.22	183.48
	Less : Depreciation	108.55	103.11	93.63	82.17	70.97	65.64
	Net Block	**153.73**	**113.96**	**122.66**	**126.68**	**117.25**	**117.84**
	Capital Work in Progress	-	-	-	-	7.00	-
		153.73	**113.96**	**122.66**	**126.68**	**124.25**	**117.84**
II	**Investments**	**1.40**	**16.48**	**0.05**	**0.05**	**10.05**	**0.02**
III	**Current Assets, Loans and Advances**						
	Inventories	171.21	105.43	92.25	69.73	80.00	85.12
	Sundry Debtors	282.58	51.21	36.31	34.11	74.41	57.22
	Cash and Bank Balances	5.61	5.52	104.46	85.30	9.61	4.45
	Other Current Assets	22.03	0.14	0.82	0.06	-	-
	Loans and Advances	1179.64	478.19	131.09	184.03	151.90	123.48
		1661.07	**640.49**	**364.93**	**373.23**	**315.92**	**270.27**
IV	**Less: Liabilities and Provisions**						
	Secured Loans	29.43	40.00	-	-	-	40.63
	Unsecured Loans	345.44	250.00	-	-	-	-
	Current Liabilities and Provisions	224.68	209.64	229.63	241.95	217.34	119.61
	Deferred Tax Liabilities (net)	17.32	15.43	18.90	23.05	9.48	7.96
		616.87	**515.07**	**248.53**	**265.00**	**226.82**	**168.20**
V	**Net Worth (I+II+III-IV)**	**1199.33**	**255.86**	**239.11**	**234.96**	**223.40**	**219.93**
	Net Worth represented by:						
VI	**Share Capital**	84.00	63.00	63.00	63.00	63.00	63.00
VII	**Share Capital Suspense Account**	33.78	-	-	-	-	-
		117.78	**63.00**	**63.00**	**63.00**	**63.00**	**63.00**
VIII	**Reserves and Surplus**						
	Capital Reserves	2.00	2.00	2.00	2.00	2.00	2.00
	General Reserve	67.23	67.23	62.23	54.93	49.43	46.93
	Contingency Reserve	56.80	56.80	102.80	105.40	97.50	97.50
	Securities Premium Account	577.50	-	-	-	-	-
	Foreign Currency Translation Reserve	(18.23)	-	-	-	-	-
	Amalgamation Reserve Account	71.72	-	-	-	-	-
	Profit and Loss Account	349.21	66.83	9.08	9.63	11.49	10.55
		1106.23	**192.86**	**176.11**	**171.96**	**160.42**	**156.98**
IX	**Miscellaneous Expenditure (to the extent not written off)**	24.68	-	-	-	0.02	0.05
X	**Net Worth**						
	(VI+VII+VIII-IX)	**1199.33**	**255.86**	**239.11**	**234.96**	**223.40**	**219.93**

Notes:

The accompanying Significant Accounting Policies and Notes to the Restated Financial Information are an integral part of this Summary of Restated Assets and Liabilities.

ANNEXURE C

III. SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE RESTATED FINANCIAL INFORMATION

(i) SIGNIFICANT ACCOUNTING POLICIES

Accounting Assumptions

These Restated Financial Information have been extracted from the accounts prepared on accrual basis as a going concern on historical cost convention to comply with the mandatory accounting standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

Revenue Recognition

Sales are recorded when goods are dispatched in accordance with the terms of the agreements.

Government Grants

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

Fixed Assets

Fixed assets including computers and related assets are accounted for at cost of acquisition which is inclusive of inward freight, duties and taxes and incidentals related to acquisitions. Assets under installation or under construction as at Balance Sheet date are shown as Capital Work-in-progress. All expenditure relating to acquisition of Technical Know-how, the benefit of which is spread over future years is grouped under this account.

Depreciation

Depreciation on building and plant and machinery is provided for in the accounts on straight line method in accordance with the rates prescribed in Schedule XIV of the Companies Act, 1956. Technical Know-how is amortised in equal installments over its useful life. Improvements to Leasehold property are depreciated over the period of the lease.

Other assets are depreciated on straight line method based on estimated useful life of such assets and these rates are higher than the rates prescribed in Schedule XIV of the Companies Act, 1956. The estimated useful lives of these assets are as given below:

Asset class	Estimated useful life in years
Furniture and Fixtures	10
Computers	5
Vehicles	5
Office Equipments	10

Investments

Long-term investments are stated at cost, less any provision for permanent diminution in value. Current investments are stated at lower of cost and fair value. Income from investments is recognised in the accounts in the year in which it is declared and stated at gross.

Inventories

Consumables and packing materials are valued at cost. Cost is determined by weighted average method. Work-in-progress and Finished Goods are valued at cost or net realizable value, whichever is lower. Work-in-progress comprises of cost of material and applicable overheads. In case of finished goods, the cost comprises of materials, direct labour and production overheads of the related crops.

Foreign Currency Transactions

(i) Transactions in foreign currency are recorded by applying the exchange rate at the date of the transaction. Monetary items denominated in foreign currency remaining unsettled at the end of the year, are translated at the closing rates, prevailing on the Balance Sheet date. Exchange differences arising as a result of the above are recognised as income or expense in the profit and loss account except for exchange differences arising on a monetary item which, in substance, form part of the Company's net investment in a non-integral foreign operation which is accumulated in a Foreign Currency Translation Reserve until the disposal of the net investment. Exchange difference in respect of loans taken for the purpose of acquisition of Fixed Assets, is adjusted to the cost of the respective assets.

(ii) In the case of forward contracts, the premium or discount arising at the inception of the contract is amortised as an expense or income over the life of the contract.

Research and Development

Research and Development expenditure is charged to revenue in the year in which it is incurred.

Retirement Benefits

Contribution to various recognised provident funds/approved pension and gratuity funds and contributions to secure retiral benefits are charged to revenue. Pension and gratuity funds are administered through the Life Insurance Corporation of India (LIC). The Company contributes towards gratuity scheme on the basis of liability determined by the LIC. In respect of pension, contribution is based on the agreement with the LIC. Leave encashment liability is determined by actuarial valuation carried out as at the Balance Sheet date.

Taxes on Income

Current tax is determined based on the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised on timing differences; being the difference between the taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent years. Deferred tax assets and liabilities are computed on the timing differences applying the enacted tax rate. Deferred tax assets arising on account of unabsorbed depreciation or carry forward of tax losses are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Assets taken on Lease:

Rentals and all other expenses in respect of assets taken on operating lease are treated as revenue expenditure.

Earnings Per Share

Basic Earnings per Share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The number of shares used in computing Diluted Earnings per Share is the aggregate of the weighted average number of shares outstanding and the weighted average number of equity shares, which would be issued on the conversion of all the dilutive potential equity shares into equity shares.

(ii) NOTES TO THE RESTATED FINANCIAL INFORMATION

1. Restatements arising out of change in accounting policies and material adjustments relating to previous years

(Rs. in millions)

Sl. No.	Particulars	7 Months ended October 31, 2006	Year ended March 31, 2006	Year ended March 31, 2005	Year ended March 31, 2004	Year ended March 31, 2003	Year ended March 31, 2002
A.	**Profit after tax as per audited financial statements**	**282.38**	**44.52**	**72.31**	**54.45**	**22.24**	**2.71**
	Adjustments on account of:						
	I) Change in accounting policies						
	a) Deferred Taxation [Note (a) below]	-	-	-	-	(0.23)	4.73
	b) Tax impact on adjustments [Note (c) below]	-	-	-	-	-	-
B.	**Adjustments net of tax impact**	-	-	-	-	**(0.23)**	**4.73**
	II) Material adjustments relating to previous years [Note (b) below]						
	a) Previous period expenses	-	1.99	1.33	(0.61)	(0.51)	(0.95)
	b) Previous period incomes	-	-	(6.50)	(0.87)	(0.77)	1.37
		-	**1.99**	**(5.17)**	**(1.48)**	**(1.28)**	**0.42**
	Tax impact on adjustments [Note (c) below]	-	(1.03)	1.56	1.21	0.48	(0.14)
C.	**Adjustments net of tax impact**	-	**0.96**	**(3.61)**	**(0.27)**	**(0.80)**	**0.28**
D.	**Total Adjustments net of tax impact = (B+C)**	-	**0.96**	**(3.61)**	**(0.27)**	**(1.03)**	**5.01**
E.	**Adjusted Profit (A+D)**	**282.38**	**45.48**	**68.70**	**54.18**	**21.21**	**7.72**

Notes:

(a) Change in Accounting Policies

i. Pursuant to the adoption of Accounting Standard 22, "Accounting for Taxes on Income", issued by the Institute of Chartered Accountants of India, the Company has recognised deferred tax liability (DTL) for the first time during the year ended March 31, 2003. For the purpose of restatements, as per SEBI guidelines, this has been treated as a change in accounting policy, and accordingly, deferred tax has been calculated for the year ended March 31, 2002. DTL as at April 1, 2001, amounting to Rs 12.69 millions, has been adjusted against the opening General Reserve and Rs 4.73 millions, being a deferred tax asset arising during the year ended March 31, 2002 has been credited to the Summary of Restated Profit and Loss Account.

ii. The corresponding impact on deferred tax liability for the year ended March 31, 2003 amounting to Rs. 0.23 million on account of difference in the tax rate as compared to the previous year has been restated.

(b) Material adjustments relating to previous years

i. Adjustments on account of previous period expenses and income represent various expenses/income restated to the respective years to which they related, irrespective of the year in which the event triggering the profit/ loss occurred.

ii. **Year ended March 31, 2006**

- Adjustments on account of expenses relating to previous years mainly represent restatement of Rs. 1.33 millions, being the additional charge to the revenue during the current year on account of revision of estimated useful life of technical know-how, to the year ended March 31, 2004. The corresponding adjustment to deferred tax amounting to Rs 0.54 million has also been restated to that year. This has been off set by restatement of disputed Agricultural Market Cess amounting to Rs. 0.66 million, charged to revenue in the current year, based on a judgment given by the Hon'ble Supreme Court of India, to the respective years to which it related, i.e. Rs. 0.18 million to the year ended March 31, 2002 and the balance Rs. 0.48 million to the opening reserves (as it relates to a period prior to April 1, 2001).

iii. **Year ended March 31, 2005**

- Adjustments on account of expenses relating to previous years mainly represent restatement of Rs 1.33 millions, being the additional charge to the revenue during the current year on account of revision of estimated useful life of technical know-how, to the year ended March 31, 2004. The corresponding adjustment to deferred tax amounting to Rs 0.52 million has also been restated to that year.
- Adjustments on account of income relating to previous years mainly represent restatement of interest on Income Tax refund, amounting to Rs. 6.52 millions received during the year, to the years to which it related i.e. Rs. 1.42 millions to year ended March 31, 2004, Rs. 1.54 millions to the year ended March 31, 2003, Rs. 0.83 millions to the year ended March 31, 2002 and the balance Rs. 2.73 millions to the opening reserves (as it relates to a period prior to April 1, 2001).

iv. **Year ended March 31, 2004**

- Adjustments on account of expenses relating to previous years mainly represent
  - ✓ disputed Agricultural Market Cess amounting to Rs. 1.50 millions, charged to revenue in the current year, based on a judgment given by the Hon'ble Supreme Court of India, restated to the respective years to which it related i.e. Rs. 0.51 million to the year ended March 31, 2003, Rs. 0.74 million to the year ended March 31, 2002 and the balance Rs. 0.24 million to the opening reserves (as it relates to a period prior to April 1, 2001); and
  - ✓ Additional charge amounting to Rs 2.66 millions on account of revision of the estimated useful life of technical know-how by the Company during the year ended March 31, 2005. The corresponding adjustment to deferred tax on account of the revised useful life amounting to Rs 1.05 millions has also been restated to that year.
- Adjustments on account of income relating to previous years represent
  - ✓ restatement of interest on Income Tax refund, amounting to Rs. 2.29 millions received during the year, to the years to which it related i.e. Rs. 0.41 million to the year ended March 31, 2003, Rs. 0.54 million to the year ended March 31, 2002 and the balance Rs. 1.34 millions to the opening reserves (as it relates to a period prior to April 1, 2001).
  - ✓ restatement of interest on Income Tax refund, amounting to Rs. 1.42 millions to the current year which was received during the year ended March 31, 2005.

v. **Year ended March 31, 2003**

- Adjustments on account of expenses relating to previous years represent disputed Agricultural Market Cess amounting to Rs. 0.51 million relating to the current year, charged to revenue during the year ended March 31, 2004 based on a judgment given by the Hon'ble Supreme Court of India. This was paid under protest in the earlier years and shown under Loans and Advances.

- Adjustments on account of income relating to previous years represent restatement of refund of Tax on royalty amounting to Rs. 2.72 millions received during the year pertaining to a period prior to April 1, 2001. This has been adjusted to the opening reserves. Interest amounting to Rs. 0.41 million and Rs. 1.54 millions received on a refund of Income Tax during the years ended March 31, 2004 and March 31, 2005 respectively relating to the current year has been restated.

vi. **Year ended March 31, 2002**

- Adjustments on account of expenses relating to previous years represent
  - ✓ disputed Agricultural Market Cess amounting to Rs. 0.74 million relating to the current year, charged to revenue during the year ended March 31, 2004 based on a judgment given by the Hon'ble Supreme Court of India. This was paid under protest in the earlier years and shown under Loans and Advances.
  - ✓ additional charge of depreciation amounting to Rs. 0.53 millions on account of revision of estimated useful lives of certain assets during the current year relating to the period prior to April 1, 2001.
- Adjustments on account of income relating to previous years represent restatement of interest on refund of Income Tax amounting to Rs. Rs. 0.83 million and Rs. 0.54 million received during the years ended March 31, 2005 and March 31, 2004 respectively relating to the current year.

vii. **Adjustment to opening balance of Profit and Loss Account**

Adjustment to opening balance of Profit and Loss Account on account of material adjustments relating to previous years mainly represent:

- ✓ interest on Income Tax refund, amounting to Rs. 4.06 millions received during the five years ended March 31, 2006 relating to the period prior to April 1, 2001;
- ✓ refund of tax on royalty amounting to Rs. 2.72 millions received during the year ended March 31, 2003 relating to the period prior to April 1, 2001;
- ✓ additional charge of depreciation amounting to Rs. 0.53 millions on account of revision of estimated useful lives of certain assets during the year ended March 31, 2002, relating to the period prior to April 1, 2001;
- ✓ disputed Agricultural Market Cess amounting to Rs. 0.72 million relating to the period prior to April 1, 2001, charged to revenue during the year ended March 31, 2004 and March 31, 2006 based on a judgment given by the Hon'ble Supreme Court of India.

(c) Tax Impact on adjustments

i. The notional tax impact on adjustments (both current and deferred) has been calculated using the Income Tax rates applicable to the respective financial years.

ii. The restatements carried out to the audited financial statements on account of change in accounting policies and material adjustments relating to previous years have been considered to be expenses/income not relating to agricultural activities, for the purpose of calculating the notional tax impact on such restatements.

(d) Material regroupings

i. Production costs in the nature of Procurement and Processing charges, Lease rentals and consumption of packing materials and consumables included as a part of 'Production Selling and Other expenses' in the audited financial statements for seven months period ended October 31, 2006 and for the years ended March 31, 2006, March 31, 2005, March 31, 2004, March 31, 2003 and March 31, 2002 have been disclosed separately as 'Cost of Inputs, Procurement and Processing Charges including lease rentals' in the summary of Restated Profit and Loss Account.

ii. Employee costs in the nature of salaries, wages, bonus, workmen and staff welfare and contribution to provident fund and other funds included as a part of 'Production Selling and Other expenses' in the audited financial statements for the seven months period ended October 31, 2006 and for the years ended March 31, 2006, March 31, 2005, March 31, 2004, March 31, 2003 and March 31, 2002 have been disclosed separately as 'Employee remuneration and benefits' in the summary of Restated Profit and Loss Account.

iii. Production Selling and Other expenses other than those covered under para (i) and (ii) above included as a part of 'Production Selling and Other expenses' in the audited financial statements for the seven months period ended October 31, 2006 and for the years ended March 31, 2006, March 31, 2005, March 31, 2004, March 31, 2003 and March 31, 2002 have been disclosed separately as 'Other production, administration, selling and distribution expenses' in the summary of Restated Profit and Loss Account.

iv. Upto March 31, 2005, Transport Allowance was being classified as 'Production, Selling and Other expenses' in the financial statements. During the year ended March 31, 2006, this has been reclassified under 'Employee remuneration and benefits'. Accordingly, Transport Allowance amounting to Rs. 3.36 millions, Rs. 3.36 millions, Rs. 3.20 millions and Rs. 3.17 millions for the years ended March 31, 2005, March 31, 2004, March 31, 2003 and March 31, 2002 respectively has been reclassified and disclosed as 'Employee remuneration and benefits'.

v. Upto March 31, 2005, supervision charges recoverable were being classified as 'Sundry Debtors' in the financial statements. During the year ended March 31, 2006, this has been reclassified as 'Loans and Advances'. Accordingly, supervision charges amounting to Rs. 2.05 millions, Rs. 2.16 millions, Rs. 1.36 millions and Rs. 1.43 millions for the years ended March 31, 2005, March 31, 2004, March 31, 2003 and March 31, 2002 respectively have been reclassified and disclosed as 'Loans and Advances'.

2. **Contingent Liabilities**

(Rs. in millions)

Particulars	**As at October 31, 2006**	**As at March 31, 2006**	**As at March 31, 2005**	**As at March 31, 2004**	**As at March 31, 2003**	**As at March 31, 2002**
Income tax matters pending with authorities at various levels	99.65	109.84	66.26	155.09	128.69	134.66
Guarantees issued by the bank on behalf of the Company	-	0.10	-	-	-	0.30
Claims against the company not acknowledged as debts	6.24*	5.98*	5.52*	3.50	3.89	8.90

*Represents disputed electricity dues and disputed seed quality cases pending at the Hon'ble High Court of Andhra Pradesh and various consumer forums respectively, which in the opinion of the Company are not maintainable.

3. **Capital Commitments**

(Rs. in millions)

Particulars	**As at October 31, 2006**	**As at March 31, 2006**	**As at March 31, 2005**	**As at March 31, 2004**	**As at March 31, 2003**	**As at March 31, 2002**
Estimated amount of contracts remaining to be executed on capital account, not provided for (net of advances)	-	0.11	0.65	0.37	7.57	-

4. Capital Reserve represents State Investment subsidy sanctioned by the Government of Andhra Pradesh, for setting up of a unit at Toopran Mandal, Andhra Pradesh under Target 2000 Scheme of the State Government.

5. On July 31, 2005, Agro Tech Foods Ltd. sold its share holding (50%) in the Company to Advanta Finance B.V. Subsequently, Advanta Finance B.V. and Advanta Netherlands Holdings B.V. who were holding the total equity in the Company sold the same to Bio-win Corporation Limited, Mauritius on March 17, 2006. Consequently, the Company became a wholly owned subsidiary of Bio-win Corporation Limited, Mauritius effective that date. Subsequent to March 31, 2006, United Phosphorus Limited has acquired the stake in the Company from Bio-win Corporation Limited. As a result, the Company has become a wholly owned subsidiary of United Phosphorus Limited.

6. The Company has acquired 180 ordinary shares of Euro 100 each in Advanta Holdings B.V., Netherlands on March 21, 2006. Consequently, Advanta Holdings BV has become a wholly owned subsidiary of the Company, effective that date. Advanta Netherlands Holdings BV, Netherlands, Advanta Finance BV, Netherlands, Advanta International BV, Netherlands, Pacific Seeds Holdings (Thai) Ltd, Thailand, Advanta Semillas SAIC, Argentina, Pacific Seeds Pty Ltd, Australia and Pacific Seeds (Thai) Ltd, Thailand, the direct and indirect subsidiaries of Advanta Holdings BV, acquired subsequent to March 21, 2006 have also become the subsidiaries of the Company.

7. During the year ended March 31, 2006, the Company extended security to Export Import Bank of India ('the Bank') in respect of a loan of USD 36,000,000, granted by the Bank to Advanta Holdings B.V., Netherlands, the wholly owned subsidiary of the Company.

   The security is in the form of:

   i) A first charge by way of hypothecation of movable assets, including receivables, both present and future and an appropriate charge over its Intellectual Property Rights, present and future;

   ii) A first mortgage by deposit of the title deeds in respect of its land and other immovable properties in favour of the Bank; and

   iii) A pledge of the equity shares of the wholly owned subsidiary held by the Company.

   The Company has complied with the requirements of (i) and (ii) above and is in the process complying with requirements of (iii).

8. A Scheme of Arrangement between the Company and Uniphos Seeds and Biogenetics Private Limited (USBPL) (hereinafter referred to as transferor company) and their respective shareholders was sanctioned by the Hon'ble High Court of Karnataka vide their Order dated 15th December, 2006 and by the Hon'ble High Court of Gujarat vide their Order dated 11th December, 2006. As per the said Scheme, the entire business and undertaking of the transferor company including all the assets and liabilities were transferred to and vested in the Company with effect from the appointed date viz.1st April, 2006. The Scheme of Arrangement for amalgamation has accordingly, been given effect to in these accounts.

   The accounting entries relating to the Scheme of Arrangement for amalgamation have been made on the basis of the "Purchase Consideration Method", as per the Accounting Standard (AS-14), 'Accounting for Amalgamations' issued by the Institute of Chartered Accountants of India.

   As per the said Scheme, the amount of difference between the consideration paid by the Company and the value of net assets acquired on amalgamation amounting to Rs.71.72 millions has been credited to Amalgamation Reserve Account.

9. The Company is planning Initial Public Offer (IPO) for subscription for public in the upcoming months and the Company has filed the Draft Red Herring Prospectus (DRHP) with Securities and Exchange Board of India (SEBI) on September 29, 2006. During the period, the Company has incurred expenses amounting to Rs.24.68 millions towards IPO which is classified as "Proposed Public Issue Expenses" under the head Miscellaneous Expenditure in the financial statements. These expenses would be adjusted against the securities premium account on completion of the Public Issue.

10. The total remuneration paid to the erstwhile Managing Director of the Company was within the overall limit approved by the Central Government. However, the amounts paid under certain elements of remuneration exceeded the approved individual limits under the respective heads in the aggregate by Rs. Nil (Previous Year: Rs.0.38 millions), although the total remuneration paid was within the overall sanctioned limit. The Company had applied to the Central Government, requesting modification of the aforesaid approval, so as to restrict the total remuneration to the overall limit already sanctioned without specifying the individual components thereof. During the period from 10th July, 2006, the remuneration to the existing Managing Director is likely to exceed the limit prescribed under the Companies Act, 1956. The Company has filed an application with the Central Government for approval of the remuneration to be paid to the Managing Director in excess of the limits prescribed by the Companies Act.

11. **Employees Stock Option Plan (ESOP)**

    The Company instituted an Employees Stock Option Scheme ("ESOPS") for certain employees as approved by the shareholders on September 20, 2006. In accordance with the scheme, the Company granted options in respect of 134,405 equity shares to employees of the Company and its subsidiaries on one to one basis at an exercise price of Rs.285/- being the market price as per the valuation report dated September 27, 2006 of S.R. Divatia & Co., Chartered Accountants on the date of grant. The options were granted with a vesting period spread over 4 years and 6 months. Out of the total options granted, vesting of 50% of the options granted is conditional upon the Company meeting annual performance benchmarks based on parameters set by the Remuneration Committee.

    As the intrinsic value (difference between Market price and Exercise price) on the date of the grant was nil, no compensation cost has been recognized in the restated financial information for the 7 months period ended October 31, 2006.

ANNEXURE D

STATEMENT OF DIVIDENDS DECLARED

The dividends declared by Advanta India Limited in respect of the five financial years ended March 31, 2006, March 31, 2005, March 31, 2004, March 31, 2003 and March 31, 2002 as per the audited financial statements of the Company are as given below:

(Rs. in millions)

Particulars	7 Months ended October 31, 2006	Year ended March 31, 2006	Year ended March 31, 2005	Year ended March 31, 2004	Year ended March 31, 2003	Year ended March 31, 2002
Dividend						
Equity Share Capital	-	63.00	63.00	63.00	63.00	63.00
Rate of dividend (%)	-	40.00	90.00	60.00	25.00	10.00
Amount of dividend	-	25.20	56.70	37.80	15.75	6.30
Tax on dividend	-	3.53	7.85	4.84	2.02	0.64

Notes: The dividends declared include both interim and final dividends.

STATEMENT OF RESTATED CASH FLOWS

(Rs. in millions)

	Particulars	7 Months ended October 31, 2006	Year ended March 31, 2006	Year ended March 31, 2005	Year ended March 31, 2004	Year ended March 31, 2003	Year ended March 31, 2002
A.	**CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES**						
	Profit before taxation, as restated	381.27	57.50	78.18	73.59	24.25	8.09
	Adjustments for :						
	Depreciation /Amortisation	8.50	13.18	13.43	9.00	6.83	12.30
	Provisions no longer required, written back	-	-	-	0.40	-	-
	Profit on sale of investments (net)	-	(0.02)	-	(0.11)	-	(0.25)
	(Profit)/Loss from fixed assets sold/ discarded (net)	(233.11)	(0.35)	0.03	(0.39)	(10.75)	-
	Provision for doubtful advances/debts etc.	1.38	0.60	2.59	-	0.03	0.54
	Income from current investments	(0.23)	(0.30)	(0.31)	(1.31)	-	-
	Interest income	(22.01)	(1.32)	(8.66)	(3.23)	(1.14)	(0.46)
	Interest expenses	14.36	0.63	0.16	2.68	6.54	8.57
	Preliminary expenses written off	-	-	-	0.02	0.02	0.03
	Cash generated from Operations Before Working Capital Changes	**150.16**	**69.92**	**85.42**	**80.65**	**25.78**	**28.82**
	Adjustments for :						
	Change in Inventories	(64.58)	(13.19)	(22.52)	10.28	5.12	(33.58)
	Change in Trade and other receivables	(511.74)	(10.50)	5.87	33.80	(15.10)	100.29
	Change in Trade payables and Provisions	9.10	1.08	(53.44)	35.03	80.47	(63.64)
	Cash generated from/(used in) Operations	**(417.06)**	**47.31**	**15.33**	**159.76**	**96.27**	**31.89**
	Income taxes paid (including fringe benefit tax)	18.27	(22.77)	26.57	(31.62)	(32.54)	(28.08)
	Net Cash from/(used in) Operating Activities (A)	**(435.33)**	**24.54**	**41.90**	**128.14**	**63.73**	**3.81**
B.	**CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES**						
	(Purchase)/Sale of fixed assets (net)	188.86	(4.13)	(9.43)	(11.05)	(2.50)	(13.08)
	(Purchase)/Sale of investments (net)	15.08	(16.41)	-	10.11	(10.03)	31.54
	Miscellaneous Expenditure incurred	(24.68)					
	Loans to Subsidiaries and others	(497.44)	(344.32)	-	-	-	-
	Dividend received	0.23	0.30	0.31	1.31	-	-
	Interest received	0.12	2.00	7.91	3.16	1.14	0.46
	Net Cash from/(used in) Investing Activities – (B)	**(317.83)**	**(362.56)**	**(1.21)**	**3.53**	**(11.39)**	**18.92**

(Rs. in millions)

	Particulars	7 Months ended October 31, 2006	Year ended March 31, 2006	Year ended March 31, 2005	Year ended March 31, 2004	Year ended March 31, 2003	Year ended March 31, 2002
C.	**CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES**						
	Proceeds/(Repayments) from/of short term borrowings (Net)	84.62	290.00	-	-	(40.63)	11.30
	Proceeds from issue of equity shares	598.50	-	-	-	-	-
	Interest paid	(6.84)	(0.63)	(0.16)	(2.68)	(6.55)	(8.57)
	Dividend paid (including dividend distribution tax)	(28.73)	(50.29)	(21.37)	(53.30)	-	(24.29)
	Net Cash from/(used in) Financing Activities – (C)	**647.55**	**239.08**	**(21.53)**	**(55.98)**	**(47.18)**	**(21.56)**
	Net increase/(decrease) in Cash and Cash Equivalents - (A+B+C)	**(105.61)**	**(98.94)**	**19.16**	**75.69**	**5.16**	**1.17**
	Cash and Cash Equivalents at the beginning of the year	**5.52**	**104.46**	**85.30**	**9.61**	**4.45**	**3.28**
	Cash and Cash Equivalents transferred pursuant to the Scheme of Arrangement	**105.70**	**-**	**-**	**-**	**-**	**-**
	Cash and Cash Equivalents at the end of the year	**5.61**	**5.52**	**104.46**	**85.30**	**9.61**	**4.45**

Note:

The above Cash Flow Statement has been prepared for the purpose of restated financial statements under the 'Indirect Method' as set out in the Accounting Standard 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.

STATEMENT OF RELATED PARTY TRANSACTIONS

I. Nature of relationship

A. Enterprises having significant control

Sl. No.	As at October 31, 2006	March 31, 2006	March 31, 2005	March 31, 2004	March 31, 2003	March 31, 2002
1	-	Advanta Netherlands Holdings B.V. (ANH), Netherlands (from August 1, 2005 to March 16, 2006)	-	-	-	-
2	Bio-win Corporation Limited (BWC), Mauritius (Upto August 3, 2006)	Bio-win Corporation Limited (BWC), Mauritius (with effect from February 14, 2006)	-	-	-	-
3	United Phosphorus Limited (UPL) (with effect from August 3, 2006)	United Phosphorus Limited (UPL) (with effect from February 14, 2006)	-	-	-	-

B. Enterprises in respect of which the reporting enterprise is an associate or joint venture

Sl. No.	As at October 31, 2006	March 31, 2006	March 31, 2005	March 31, 2004	March 31, 2003	March 31, 2002
1	-	-	Advanta Lambda B.V. (AL), Netherlands (upto March 23, 2005)	Advanta Lambda B.V. (AL), Netherlands	Advanta Lambda B.V. (AL), Netherlands	Advanta Lambda B.V. (AL), Netherlands
2	-	Agro Tech Foods Limited (ATFL) (Upto July 31, 2005)	Agro Tech Foods Limited (ATFL)	Agro Tech Foods Limited (ATFL)	Agro Tech Foods Limited (ATFL)	Agro Tech Foods Limited (ATFL)
3	-	Advanta Netherlands Holdings B.V. (ANH), Netherlands (Upto July 31, 2005)	Advanta Netherlands Holdings B.V. (ANH), Netherlands (with effect from March 24, 2005)	-	-	-
4	-	Advanta Finance B.V., Netherlands (from August 1, 2005 to March 16, 2006)	-	-	-	-

ANNEXURE F (Contd.)

C. Subsidiary Companies

Sl. No.	As at October 31, 2006	March 31, 2006	March 31, 2005	March 31, 2004	March 31, 2003	March 31, 2002
1	Advanta Holdings B.V., Netherlands (AH) (formerly Brainsurgeon Holdings B.V.)	Advanta Holdings B.V., Netherlands (AH) (formerly Brainsurgeon Holdings B.V.) (with effect from March 21, 2006)	-	-	-	-
2	Advanta Netherlands Holdings B.V. (AN), Netherlands	Advanta Netherlands Holdings B.V. (AN), Netherlands (with effect from March 30, 2006)	-	-	-	-
3	Advanta Finance BV, Netherlands (AF)	Advanta Finance BV, Netherlands (AF) (with effect from March 30, 2006)	-	-	-	-
4	Advanta International BV, Netherlands (AI)	Advanta International BV, Netherlands (AI) (with effect from March 30, 2006)	-	-	-	-
5	Pacific Seeds Holdings (Thai) Ltd, Thailand (PSH)	Pacific Seeds Holdings (Thai) Ltd, Thailand (PSH) (with effect from March 30, 2006)	-	-	-	-
6	Pacific Seeds Pty Ltd, Australia (PSP)	Pacific Seeds Pty Ltd, Australia (PSP) (with effect from March 30, 2006)	-	-	-	-
7	Advanta Semillas SAIC, Argentina (AS)	Advanta Semillas SAIC, Argentina (AS) (with effect from March 30, 2006)	-	-	-	-
8	Pacific Seeds (Thai) Ltd, Thailand (PST)	Pacific Seeds (Thai) Ltd, Thailand (PST) (with effect from March 30, 2006)	-	-	-	-
9	Advanta Africa Seeds (Proprietary) Ltd. (AASP)	Advanta Africa Seeds (Proprietary) Ltd. (with effect from March 30, 2006)	-	-	-	-

D. Enterprises over which the key management personnel and their relatives have significant influence:

Sl. No.	As at October 31, 2006	March 31, 2006	March 31, 2005	March 31, 2004	March 31, 2003	March 31, 2002
1	Bloom Packaging Pvt. Ltd. (BPPL)	-	-	-	-	-
2	Uniphos Enterprises Limited (UEL)	-	-	-	-	-
3.	Nerka Chemicals Pvt. Ltd. (NCPL)	-	-	-	-	-
4.	Jai Research Foundation (JRF)	-	-	-	-	-

E. Key Management Personnel and their relatives

Sl. No.	As at October 31, 2006	March 31, 2006	March 31, 2005	March 31, 2004	March 31, 2003	March 31, 2002
1.	Mr. Deepak Mullick (Managing Director) (Resigned effective June 7, 2006)	Mr. Deepak Mullick (Managing Director)	Mr. Deepak Mullick (Managing Director)	Mr. Deepak Mullick (Managing Director)	Mr. Deepak Mullick (Managing Director)	Mr. Deepak Mullick (Managing Director)
2.	Mrs. Binu Mullick	Mrs. Binu Mullick (Relative of Managing Director)	Mrs. Binu Mullick (Relative of Managing Director)	Mrs. Binu Mullick (Relative of Managing Director)	Mrs. Binu Mullick (Relative of Managing Director)	-
3.	Mr. Ram V Kaundinya (Managing Director) (With effect from 10th July, 2006)	-	-	-	-	-

II. Transactions

(Rs in millions)

	Particulars	7 Months ended October 31, 2006	Year ended March 31, 2006	Year ended March 31, 2005	Year ended March 31, 2004	Year ended March 31, 2003	Year ended March 31, 2002
(i)	**Sales of Goods** Subsidiary companies:						
	PST	2.84	1.47	-	-	-	-
	PSP	-	9.73	-	-	-	-
	AASP	-	3.31	-	-	-	-
	Enterprises over which the key management personnel and their relatives have significant influence: BPPL	0.37	-	-	-	-	-
(ii)	**Purchases of Goods** Enterprises over which the key management personnel and their relatives have significant influence: BPPL	2.71	-	-	-	-	-
	Enterprises having significant control – UPL	1.16	-	-	-	-	-
(iii)	**Purchases of Services** Enterprises over which the key management personnel and their relatives have significant influence: BPPL	0.64	-	-	-	-	-
(iv)	**Expenses reimbursed to** Enterprises having significant control – UPL	2.49	0.70	-	-	-	-
	Subsidiary companies:						
	AN	6.62	-	-	-	-	-
	AS	2.95	-	-	-	-	-
	PSP	5.09	-	-	-	-	-
	PST	1.25	-	-	-	-	-
	PSH	0.31	-	-	-	-	-
(v)	**Expenses incurred for** Enterprises in respect of which the reporting enterprise is an associate or joint venture – AN	-	0.76	-	-	-	-
(vi)	**Sale of Fixed Assets** Enterprises over which the key management personnel and their relatives have significant influence: UEL	265.00	-	-	-	-	-
(vii)	**Loan received from** Enterprises having significant control – UPL	325.00	-	-	-	-	-
	Enterprises over which the key management personnel and their relatives have significant influence: NCPL	1.00	-	-	-	-	-
(viii)	**Loan given to** Subsidiary Company – AH	595.97	264.32	-	-	-	-
(ix)	**Advance Given**						
	Enterprises over which the key management personnel and their relatives have significant influence: UEL	7.67	-	-	-	-	-
	JRF	3.00	-	-	-	-	-

(Rs in millions)

	Particulars	7 Months ended October 31, 2006	Year ended March 31, 2006	Year ended March 31, 2005	Year ended March 31, 2004	Year ended March 31, 2003	Year ended March 31, 2002
(x)	**Interest paid to**						
	Enterprises having significant control – UPL	9.92	-	-	-	-	-
(xi)	**Interest received from**						
	Subsidiary Company – AH	21.91	0.12	-	-	-	-
(xii)	**Dividend declared**						
	Enterprises in respect of which the reporting enterprise is an associate or joint venture						
	– AL	-	-	6.30	18.90	7.88	3.15
	– AN	-	-	22.05	-	-	-
	– ATFL	-	-	28.35	18.90	7.88	3.15
	– BWC	-	25.20	-	-	-	-
(xiii)	**Royalty paid**						
	Enterprises in respect of which the reporting enterprise is an associate or joint venture						
	– AL	-	-	13.77	13.60	10.37	7.47
	– ANH	-	10.65	-	-	-	-
(xiv)	**Remuneration**						
	Key Management Personnel	9.66	4.73	5.01	4.91	4.26	3.35
(xv)	**Rent paid**						
	Relative to Key Management Personnel	0.21	1.37	1.12	1.00	0.90	-
(xvi)	**Outstanding balances as at the year end**						
	a) Creditors/Payables						
	UPL	12.33	0.70	-	-	-	-
	AL	-	-	-	16.75	18.25	7.47
	AN	17.29	10.65	35.82	-	-	-
	ATFL		-	-	22.05	3.15	7.88
	BWC	-	25.20	-	-	-	-
	AS	2.95	-	-	-	-	-
	PSP	5.09	-	-	-	-	-
	PST	1.25	-	-	-	-	-
	PSH	0.31	-	-	-	-	-
	BPPL	0.08	-	-	-	-	-
	b) Receivables						
	AH	22.03	0.12	-	-	-	-
	BPPL	0.43	-	-	-	-	-
	UPL	1.73	-	-	-	-	-
	c) Loan Received						
	UPL	325.00	-	-	-	-	-
	NCPL	1.00	-	-	-	-	-
	d) Loans and Advances given						
	AH	842.06	264.32	-	-	-	-
	UEL	238.99	-	-	-	-	-
	JRF	3.00	-	-	-	-	-

Note: The above details of restated financial information are based on restated financial information of the Company.

ANNEXURE G

DETAILS OF OTHER INCOME

The details of other income for the years ended March 31, 2003 and March 31, 2002 are as given below:

(Rs. in millions)

Particulars	Year ended March 31, 2003	Year ended March 31, 2002
Gain on exchange fluctuations (Net)	0.01	0.01
Interest on loans and deposits, etc.	3.09	1.83
Profit on sale of investments (net)	-	0.25
Profit on sale of fixed assets	10.75	0.89
Miscellaneous income	4.62	4.96
Total	**18.47**	**7.94**

Notes:

1. Interest on loans and deposits, etc., mainly comprises of interest received on income tax refunds which is non-recurring in nature and interest on housing loans given to employees which is recurring in nature.
2. Profit on sale of fixed assets during the year ended March 31, 2003, mainly comprises of profit on sale of Agricultural Research Station which is non-recurring in nature.
3. Miscellaneous income is in the ordinary course of business and is recurring in nature.
4. The details of other income for the 7 months ended October 31, 2006 and for the years ended March 31, 2006, March 31, 2005 and March 31, 2004 have not been given as the other income for these years is less than 20% of the profit before tax of the respective years.
5. The above details of other income are based on restated financial information of the Company.

ANNEXURE H

SUMMARY OF ACCOUNTING RATIOS

Particulars	October 31, 2006	March 31, 2006	March 31, 2005	March 31, 2004	March 31, 2003	March 31, 2002
Earnings Per Share (Including Exceptional Income) –						
Basic - (Rs.)	27.12	7.21	10.90	8.60	3.36	1.22
Diluted - (Rs.)	27.05	7.21	10.90	8.60	3.36	1.22
Earnings Per Share (Excluding Exceptional Income) –						
Basic - (Rs.)	4.73	7.21	10.90	8.60	3.36	1.22
Diluted - (Rs.)	4.72	7.21	10.90	8.60	3.36	1.22
Net Asset Value Per Share – (Rs.)	115.17	40.61	37.95	37.29	35.46	34.90
Return on Net Worth (%)	23.54	17.78	28.74	23.06	9.49	3.51
Weighted Average number of Equity Shares outstanding during the year	10,413,481	6,300,000	6,300,000	6,300,000	6,300,000	6,300,000
Nominal value per equity share – (Rs.)	10.00	10.00	10.00	10.00	10.00	10.00

Notes:

1. The formulae used for calculating the above ratios are given below:

   a) Earnings Per Share = $\dfrac{\text{Net Profit after Tax and before Extraordinary Items}}{\text{Weighted Average Number of Equity Shares outstanding during the year}}$

   b) Net Asset Value Per Share = $\dfrac{\text{Net worth excluding Revaluation Reserve}}{\text{Weighted Average Number of Equity Shares outstanding during the year}}$

   c) Return on Net Worth (%) = $\dfrac{\text{Net Profit after Tax and before Extraordinary Items}}{\text{Net worth excluding Revaluation Reserve}}$

   d) Net Worth = [Equity Share Capital + Reserves & Surplus (excluding revaluation reserve, if any) – Miscellaneous Expenditure]

2. There has been no change in the share capital of the Company from the year ended March 31, 2002 to March 31, 2006. Hence, the weighted average number of shares of the Company for each of the five years ended March 31, 2006 is 6,300,000. The Company has issued further 2,100,000 shares subsequent to March 31, 2006 and pursuant to the Scheme of Arrangement for amalgamation of Uniphos Seeds and Biogenetics Private Limited with the Company from the appointed date viz. April 1, 2006 sanctioned by the Hon'ble High Courts, the Company has to issue 3,377,500 shares to the shareholders of the amalgamating company and hence, the weighted average number of shares of the Company for 7 months period ended October 31, 2006 is 10,413,481. The Company has dilutive securities as at October 31, 2006 relating to employee stock options in respect of 134,405 equity shares.

3. The above ratios have been calculated based on restated financial information of the Company.

ANNEXURE I

STATEMENT OF SECURED LOANS

(Rs. in millions)

Particulars	As at October 31, 2006	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at March 31, 2003	As at March 31, 2002
Short Term Working Capital Loans						
From Banks (The loans are secured by pari-passu first charge by way of hypothecation of inventories, outstanding monies and book debts of the Company, both present and future)	29.43	40.00	-	-	-	40.63
Total	**29.43**	**40.00**	-	-	-	**40.63**

ANNEXURE J

DETAILS OF UNSECURED LOANS

(Rs. in millions)

Particulars	As at October 31, 2006	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at March 31, 2003	As at March 31, 2002
Short Term Loan						
From a Bank	-	250.00	-	-	-	-
From Holding Company	325.00	-	-	-	-	-
From Directors	0.24	-	-	-	-	-
From other companies	20.20	-	-	-	-	-
Total	**345.44**	**250.00**	**-**	**-**	**-**	**-**

ANNEXURE K

DETAILS OF SUNDRY DEBTORS

(Rs. in millions)

Particulars	As at October 31, 2006	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at March 31, 2003	As at March 31, 2002
Outstanding over Six months						
Secured						
Considered good	0.19	0.08	0.06	0.05	2.75	2.83
Unsecured						
Considered good	0.85	0.40	0.99	5.83	10.88	7.56
Considered doubtful	3.50	3.24	2.64	0.05	5.35	5.32
	4.54	**3.72**	**3.69**	**5.93**	**18.98**	**15.71**
Provision for doubtful debts	3.50	3.24	2.64	0.05	5.35	5.32
	1.04	**0.48**	**1.05**	**5.88**	**13.63**	**10.39**
Other Debts						
Considered good						
Secured	3.78	2.11	2.08	1.41	0.76	0.73
Unsecured	277.76	48.62	33.18	26.82	60.02	46.10
	281.54	**50.73**	**35.26**	**28.23**	**60.78**	**46.83**
Total	**282.58**	**51.21**	**36.31**	**34.11**	**74.41**	**57.22**

Notes:

1. There are no amounts recoverable from directors of the company and subsidiary companies as at the respective balance sheet dates.
2. The above details of sundry debtors are based on restated financial information of the Company.

ANNEXURE L

DETAILS OF LOANS AND ADVANCES

(Rs. in millions)

Particulars	As at October 31, 2006	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at March 31, 2003	As at March 31, 2002
Unsecured and considered good, unless otherwise stated						
Loans						
Loan to Subsidiary (Refer Note 1)	842.06	264.32	-	-	-	-
Loan to Others	-	80.00	-	-	-	-
Loans to Employees						
- Secured – considered good (Refer Note 2 & 3)	-	-	-	11.92	12.88	9.64
- Unsecured						
- Considered good (Refer Note 3)	4.56	4.87	5.31	4.68	4.92	5.83
- Considered doubtful	-	-	0.12	0.12	0.12	0.12
	846.62	**349.19**	**5.43**	**16.72**	**17.92**	**15.59**
Less: Provision for doubtful loans	-	-	0.12	0.12	0.12	0.12
	846.62	**349.19**	**5.31**	**16.60**	**17.80**	**15.47**
Advances						
Advances recoverable in cash or in kind or for value to be received						
- Considered good (Refer Note 4)	62.83	22.31	25.32	27.72	20.41	26.42
- Considered doubtful	1.12	-	-	-	-	-
	63.95	22.31	25.32	27.72	20.41	26.42
Less: Provision for doubtful Advance	1.12	-	-	-	-	-
	62.83	22.31	25.32	27.72	20.41	26.42
Amount receivable against sale of land	237.71	-	-	-	-	-
Deposit with Government, Public Bodies, etc.	14.29	9.90	10.96	10.01	9.78	8.68
Advance Tax (Net of Provision)	18.19	96.79	89.50	129.70	103.91	72.91
	333.02	**129.00**	**125.78**	**167.43**	**134.10**	**108.01**
Total	**1179.64**	**478.19**	**131.09**	**184.03**	**151.90**	**123.48**

Notes:

1. Given to Advanta Holdings B.V., Netherlands, a wholly owned subsidiary of the Company.
2. Secured by deposit of title deeds.
3. Includes amount due from an erstwhile Managing Director of the company amounting to Rs. 3.38 millions, Rs. 3.57 millions and Rs. 3.76 millions, as at March 31, 2004, March 31, 2003 and March 31, 2002 respectively.
4. Includes amount due from an erstwhile Managing Director of the company amounting to Rs. 0.31 million and Rs. 0.21 million at March 31, 2003 and March 31, 2002 respectively.
5. The above details of loans and advances are based on restated financial information of the Company.

ANNEXURE M

DETAILS OF INVESTMENTS

(Rs. in millions)

	Particulars	As at October 31, 2006	As at March 31, 2006	As at March, 31, 2005	As at March 31, 2004	As at March 31, 2003	As at March 31, 2002
A.	**Long Term**						
	At cost						
	Unquoted other than trade						
	National Savings Certificate	0.04	0.04	0.04	0.04	0.04	0.01
	Indira Vikas Patra	0.01	0.01	0.01	0.01	0.01	0.01
	Subsidiary Company	1.35	1.35	-	-	-	-
	Advanta Holdings B.V., Netherlands (180 Ordinary Shares of Euro 100 each, fully paid up)	**1.40**	**1.40**	**0.05**	**0.05**	**0.05**	**0.02**
B.	**Current Investments - At lower of cost and fair value**						
	Unquoted Other than trade						
	Standard Chartered Fixed Maturity Plan	-	15.08	-	-	-	-
	(1,508,250 Units of Rs. 10 each)						
	JM High Liquidity Fund - Growth Plan (299,415.541 Units of Rs 16.6992 each)	-	-	-	-	5.00	-
	Prudential ICICI Liquid Plan 337,272.678 Units of Rs 14.8248 each	-	-	-	-	5.00	-
		-	**15.08**	**-**	**-**	**10.00**	**-**
	Total	**1.40**	**16.48**	**0.05**	**0.05**	**10.05**	**0.02**

Notes:

1. On March 21, 2006, the Company has acquired 180 Ordinary Shares of Euro 100 each, fully paid up of Advanta Holdings B.V., Netherlands. Consequently, it has become a wholly owned subsidiary of the Company.
2. The above details of loans and advances are based on restated financial information of the Company.

ANNEXURE N

CAPITALISATION STATEMENT

(Rs. in millions)

Particulars	Pre-issue As at October 31, 2006	Post-issue
Debt		
Short Term Debt	374.87	[●]
Long Term Debt	-	[●]
Total Debt		
Shareholders' Funds		
Share Capital	84.00	[●]
Share Suspense Account (Refer Note 3)	33.78	[●]
Reserves	1106.23	[●]
Total Shareholders' Funds	**1224.01**	
Total Debt/Shareholders' Funds (Ratio)	**0.31**	[●]

Notes:

1. The above ratio has been calculated on the basis of restated financial information of the Company.
2. The post-issue capitalisation statement cannot be calculated at this stage.
3. Against the share suspense account, the Board of Directors have allotted 3,377,500 equity shares of Rs.10/- each at the meeting held on January 22, 2007.

ANNEXURE O

STATEMENT OF TAX SHELTERS

(Rs. in millions)

Particulars	7 Months ended October 31, 2006	Year ended March 31, 2006	Year ended March 31, 2005	Year ended March 31, 2004	Year ended March 31, 2003	Year ended March 31, 2002
Profit before tax as per books (A)	381.27	55.51	83.35	75.07	25.53	2.94
Tax Rate (%)	33.66	33.66	36.59	35.88	36.75	35.70
Tax at notional rate on profits	128.33	18.68	30.50	26.93	9.38	1.04
Adjustments :						
Permanent Differences (B)						
Exempt Income						
Dividend exempt u/s 10 (33) & (35) of the Income Tax Act, 1961	0.23	0.31	0.31	1.31	-	-
Agricultural income exempt u/s 10 (1) of the Income Tax Act, 1961 (Refer Note 2, 3 & 4)	22.38	30.15	35.46	63.25	36.22	18.84
Other Adjustments						
Expenses disallowed under the Income Tax Act, 1961	-	-	0.01	-	-	(0.02)
Prior Period Income	-	-	-	-	(0.87)	-
Total Permanent Differences (B)	**22.61**	**30.46**	**35.78**	**64.56**	**35.35**	**18.82**
Income considered separately						
Profit/(loss) on sale of land	209.48	-	-	-	-	-
Profit/(loss) on sale of investments	-	0.02	-	0.11	-	0.25
Total – (C)	**209.48**	**0.02**	**-**	**0.11**	**-**	**0.25**
Timing Differences (D)						
Difference between tax depreciation and book depreciation	4.08	(7.87)	(5.84)	0.27	2.40	(2.62)
Difference due to expenses allowable/ disallowable u/s 43B	0.25	(0.64)	(0.45)	(0.28)	0.68	(1.06)
Capital expenditure incurred on Research and Development allowable u/s 35 of the Income Tax Act, 1961	(17.48)	2.18	5.73	4.19	4.77	6.15
Provision for doubtful debts	(1.38)	(0.60)	(2.59)	-	(0.03)	(0.54)
Profit/(Loss) on sale of Fixed Assets	13.55	0.35	(0.03)	0.39	10.75	0.89
Fixed Assets written off	-	(0.25)	-	-	-	-
Total Timing Differences (D)	**(0.98)**	**(6.83)**	**(3.18)**	**4.57**	**18.57**	**2.82**
Net Adjustments E = (B+C+D)	**231.11**	**23.65**	**32.60**	**69.24**	**53.92**	**21.89**
Tax saving thereon	**77.79**	**7.95**	**11.92**	**24.84**	**19.81**	**7.81**
Income under the head Capital Gains						
Profit/(loss) on sale of investments	-	0.02	-	0.11	-	(3.65)
Profit/(loss) on sale of land	209.48	0.03	-	-	2.66	0.73

ANNEXURE O (Contd.)

(Rs. in millions)

Particulars	7 Months ended October 31, 2006	Year ended March 31, 2006	Year ended March 31, 2005	Year ended March 31, 2004	Year ended March 31, 2003	Year ended March 31, 2002
Less : Brought forward capital loss adjusted	-	-	-	-	(2.66)	-
Income under capital gains – F	**209.48**	**0.05**	**-**	**0.11**	**-**	**(2.92)**
Brought Forward Losses adjusted (G)	-	-	(41.51)	(5.83)	-	-
Income/(Loss) (A-E+F-G)	**359.64**	**31.91**	**9.24**	**0.11**	**(28.39)**	**(18.95)**
Taxable Income/(Loss) as per MAT			47.57	10.51	(10.46)	2.94
Income Tax as returned/computed	**95.00**	**10.74**	**3.73**	**0.81**	**-**	**0.24**
Carry forward business loss	-	-	-	-	28.39	18.95
Carry forward capital loss	-	-	-	-	-	2.92
Total carry forward loss as returned/computed for the year (Refer Note 2, 3 & 4)	-	-	-	-	**28.39**	**21.87**

Notes:

1. The aforesaid Statement of Tax Shelters has been prepared as per the standalone audited accounts of Advanta India Limited and is not based on the profits as per the 'Summary of Restated Profit and Loss Account'.
2. The information in this statement except for the 7 months ended October 31, 2006 is as per the returns filed by the Company for the respective years.
3. The Company has received assessment orders for the years ended March 31, 2002, March 31, 2003 and March 31, 2004 in which the exemption of agricultural income claimed has been disallowed. The company has filed appeals against these orders which are pending before the Income-tax Appellate Tribunal, Hyderabad and Commissioner of Income Tax (Appeals), Bangalore respectively. No adjustments on account of such disallowance have been considered in the above statement as these matters are still under appeal.
4. The Income Tax Appellate Tribunal has established principles for computation of exemption of agricultural income claimed in the assessments for the years ended March 31, 1996, March 31, 1997 and March 31, 1998 as given in the denovo orders received on July 31, 2004.
5. The exemption of agricultural income for assessment year 2006-07 and for the 7 months ended October 31, 2006 mentioned above are based on the principles laid down by the Income Tax Appellate Tribunal as stated in para 4 above. The Company has reworked the exemption based on the principles laid down by the Income Tax Appellate Tribunal as stated in para 4 above according to which the exemption for agricultural income works out to Rs. 22.66 millions Rs. 26.33 millions, Rs. 12.37 millions and Rs. 23.62 millions for years ended March 31, 2005, March 31, 2004, March 31, 2003 and March 31, 2002 respectively as against the exemption for agricultural income mentioned in the aforesaid statement of tax shelters. Accordingly, the carry forward losses for the years ended March 31, 2003 and March 31, 2002 and the figures of brought forward losses adjusted for the years ended March 31, 2005 and March 31, 2004 would correspondingly change.
6. The figures for the 7 months ended October 31, 2006 are based on the provisional computation of income prepared by the Company and is subject to any changes which may be made while filing the return of income. Similarly, the assessments for the years ended March 31, 2004, March 31, 2005 and March 31, 2006 are pending and those for the years ended March 31, 2002, March 31, 2003 and March 31, 2004 are under appeal and accordingly the above statement is subject to any changes which may occur on completion of assessments or settlement of such appeals.

ANNEXURE P

SEGMENTAL INFORMATION

(i) **Business Segment**

The Company has considered business segment as the primary segment for disclosure. The Company is engaged in research, production and distribution of Hybrid seeds, which in the context of Accounting Standard 17 - "Segment Reporting" issued by the Institute of Chartered Accountants of India is considered as the only Business Segment. Hence, further disclosures as per AS 17 are not considered necessary.

(ii) **Geographical Segment**

The Company sells mainly within India where the conditions prevailing are uniform. Since the sales outside India where made are below the threshold limit as provided under AS 17, no separate geographical segment disclosure is considered necessary.

INFORMATION AS PER CLAUSE 6.10.2.5 OF THE SEBI (DIP) GUIDELINES 2000

A portion of the Proposed Public Issue proceeds amounting to Rs.2,500 Mn. will be utilized towards investment in subsidiary company, Advanta Holdings B.V. (AH) This amount shall be utilised by AH for payment of dues of one of the promoter group companies viz. Biowin Corporation Limited (BW), in respect of acquisition of the entire shareholding of BW in Advanta Netherlands Holdings B.V. (ANH) comprising 180 shares of Euro 100 each. ANH is the holding company of all other subsidiaries including Operating Subsidiaries.

AH was incorporated in Amsterdam, The Netherlands on November 30, 2005 and accordingly does not have any past financial data. The financial data pertaining to AH extracted from the Audited Financial Statements, which are prepared under Indian GAAP are given hereunder:

Assets and Liabilities

	As at October 31, 2006		As at March 31, 2006		As at December 31, 2005	
	EUR (Mn.)	INR (Mn.) (EUR=INR =57.37)	EUR (Mn.)	INR (Mn.) (EUR=INR =53.88)	EUR (Mn.)	INR (Mn.) (EUR=INR =53.53)
Investments	95.00	5,450.15	95.00	5,118.74	-	-
Current Assets, Loans and Advances	0.86	49.45	0.02	1.32	0.01	0.67
Total Assets	95.86	5,499.60	95.02	5,120.06	0.01	0.67
Equity and Reserves	(3.76)	(215.46)	(0.17)	(9.22)	0.01	0.67
Loans	97.41	5,588.30	34.59	1,863.50	0.00	0.00
Current Liabilities	2.21	126.76	60.61	3,265.78	-	-
Total Liabilities	**95.86**	**5,499.60**	**95.02**	**5,120.06**	**0.01**	**0.67**

Profit and Loss

	7 months Period Ended October 31, 2006		3 months period ended March 31, 2006		Period ended December 31, 2005	
	EUR (Mn.)	INR (Mn.) (EUR=INR =57.37)	EUR (Mn.)	INR (Mn.) (EUR=INR =53.88)	EUR (Mn.)	INR (Mn.) (EUR=INR =53.53)
Other income	-	-	0.00	0.01	-	-
Operating and other expenses	0.07	3.91	0.00	0.19	0.01	0.29
Financial expenses	3.52	201.73	0.19	10.02	-	-
Profit Before tax	(3.58)	(205.65)	(0.19)	(10.19)	(0.01)	(0.29)
Provision for Tax	0.00	0.00	0.00	0.00	0.00	0.00
Net Income / (Loss)	(3.58)	(205.65)	(0.19)	(10.19)	(0.01)	(0.29)

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
Advanta India Limited
405, 4th Floor, 'A' Wing,
Carlton Towers, Airport Road,
Bangalore 560 008

Dear Sirs,

1) We have examined the attached consolidated financial information of Advanta India Limited ('the Company') and its subsidiaries except for Advanta Africa Seeds (Proprietary) Ltd., a subsidiary of the Company, as approved by the Board of Directors of the Company prepared in terms of the requirements of Paragraph B, Part II of Schedule II of the Companies Act, 1956 (the Act) and the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 as amended to date (SEBI Guidelines) and terms of our engagement agreed with you in accordance with our letter dated 8th December, 2006 in connection with the proposed issue of Equity shares of the Company.

2) The consolidated financial information for the seven months period ended October 31, 2006 and for the year ended March 31, 2006 has been prepared by the Management from the restated financial statements of the Company and the financial statements of the subsidiary companies prepared in accordance with generally accepted accounting principles in India. We did not audit the financial statements of the subsidiaries, except for Advanta Holdings B.V., for the seven months period ended October 31, 2006, whose financial statements reflect total assets of Rs.8,420.16 million. These financial statements have been audited by other firms of Chartered Accountants, whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in the Summary of Consolidated Restated Asset and Liabilities, are based solely on the report of other auditors. The Company did not have any subsidiary in any period prior to 21st March, 2006 and accordingly the consolidated financial information for the years ended 31st March, 2005, 31st March, 2004, 31st March, 2003 and 31st March, 2002 has been prepared by the Management from the restated financial statements of the Company only. Further since there were no material transactions in any of the subsidiaries from the date they became subsidiaries till 31st March, 2006, the Summary of Consolidated Restated Profit and Loss Account for the year ended 31st March, 2006 has been prepared by the Management from the restated financial statements of the Company only.

3) In accordance with the requirements of Paragraph B of Part II of Schedule II of the Act, the SEBI Guidelines and terms of our engagement agreed with you; we further report that:

   a) The Summary of Consolidated Restated Profit and Loss Account of the Company and its subsidiaries as set out in Annexure R to this report are after making adjustments and regroupings, as in our opinion, were appropriate and more fully described in Significant Accounting Policies and Notes to the Consolidated Restated Financial Information as set out in Annexure T;

   b) The Summary of Consolidated Restated Assets and Liabilities of the Company and its subsidiaries, as set out in Annexure S to this report are after making adjustments and regroupings, as in our opinion, were appropriate and more fully described in Significant Accounting Policies and Notes to the Consolidated Restated Financial Information as set out in Annexure T;

   c) Based on the above, we confirm that:

      (i) the restated financial information has been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;

      (ii) the restated financial information has been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and

      (iii) there are no extra-ordinary items that need to be disclosed separately in the accounts and qualification requiring adjustments.

4) This report is provided solely for the purpose of assisting the Company to which it is addressed in discharging their responsibilities under the Securities and Exchange Board of India (Disclosure and Investor Protection Guidelines, 2000) and paragraph B(1) of Part II of Schedule II to the Indian Companies Act, 1956. Our work has not been carried out in accordance with the auditing standards generally accepted outside of India and accordingly should not be relied on as if had been carried out in accordance with those standards.

For S. V. Ghatalia & Associates
Chartered Accountants

K. R. Kamdar
Partner
Membership Number 39330

Mumbai
8th February, 2007

ANNEXURE R

I. SUMMARY OF CONSOLIDATED RESTATED PROFIT AND LOSS ACCOUNT

(Rs. in millions)

		7 Months ended October 31, 2006	Year ended March 31, 2006	Year ended March 31, 2005	Year ended March 31, 2004	Year ended March 31, 2003	Year ended March 31, 2002
I.	**Income**						
	Sales of Seeds	2,371.20	483.32	511.18	457.32	353.65	319.64
	Less: Rebates and Discounts	117.45	52.96	47.93	39.82	34.92	22.79
	Net Sales	2,253.75	430.36	463.25	417.50	318.73	296.85
	Other Income	125.31	5.08	12.33	8.32	19.24	5.69
		2,379.06	**435.44**	**475.58**	**425.82**	**337.97**	**302.54**
II.	**Expenditure**						
	Cost of Inputs, Procurement and Processing charges including lease rentals	1,053.24	142.75	160.13	109.53	115.82	152.81
	(Increase)/Decrease in work-in-progress and Finished Goods	(148.99)	(7.42)	(18.85)	10.70	5.29	(35.66)
	Employee remuneration and benefits	324.62	64.55	67.54	59.18	51.41	46.55
	Other production, administration, selling and distribution expenses	595.19	140.97	147.33	143.09	117.94	106.28
	Finance charges	223.04	25.90	22.65	19.23	15.12	17.29
	Depreciation /Amortisation	42.07	13.18	13.43	9.00	6.83	12.30
	Miscellaneous expenditure written off	-	-	-	0.02	0.03	0.03
		2,089.17	**379.93**	**392.23**	**350.75**	**312.44**	**299.60**
III.	**Profit Before Taxation and Exceptional Income**	**289.89**	**55.51**	**83.35**	**75.07**	**25.53**	**2.94**
	Exceptional income – Profit on sale of land	233.09	-	-	-	-	-
IV.	**Profit Before Taxation**	**522.98**	**55.51**	**83.35**	**75.07**	**25.53**	**2.94**
	Provision for Taxation						
	- Current	158.46	12.00	15.70	6.00	2.01	0.23
	- Deferred	9.84	(4.01)	(4.66)	14.62	1.28	-
	- Fringe benefit tax	1.89	3.00	-	-	-	-
	- Prior Period taxes	-	-	55.00	-	-	-
	Less: Contingency Reserve	-	-	(55.00)	-	-	-
V.	**Profit After Taxation as per audited**	**352.79**	**44.52**	**72.31**	**54.45**	**22.24**	**2.71**

(Rs. in millions)

		7 Months ended October 31, 2006	Year ended March 31, 2006	Year ended March 31, 2005	Year ended March 31, 2004	Year ended March 31, 2003	Year ended March 31, 2002
	Impact of adjustments on account of changes in accounting policies (Refer note III(ii)(1)(a))	-	-	-	-	(0.23)	4.73
	Impact of material adjustments relating to previous years (Refer note III(ii)(1)(b))	-	1.99	(5.17)	(1.48)	(1.28)	0.42
	Total Adjustments	-	**1.99**	**(5.17)**	**(1.48)**	**(1.51)**	**5.15**
	Tax impact on adjustments (Refer note III(ii)(1)(c))	-	(1.03)	1.56	1.21	0.48	(0.14)
	Total adjustments net of tax impact - (B)	-	**0.96**	**(3.61)**	**(0.27)**	**(1.03)**	**5.01**
VI.	**Adjusted Profit - (A+B)**	**352.79**	**45.48**	**68.70**	**54.18**	**21.21**	**7.72**
	Surplus brought forward from Previous Year	66.83	9.08	9.63	11.49	10.55	2.56
	Adjustment to opening reserve on account of material adjustments relating to previous years	-	-	-	-	-	5.53
VII.	**Adjusted Profit available for Appropriation**	**419.62**	**54.56**	**78.33**	**65.67**	**31.76**	**15.81**
	Transfer (from)/to General Reserve	-	5.00	7.30	5.50	2.50	(1.68)
	Transfer (from)/to Contingency Reserve	-	(46.00)	(2.60)	7.90	-	-
	Dividends						
	- Interim	-	-	12.60	31.50	-	6.30
	- Final	-	25.20	44.10	6.30	15.75	-
	Tax on Dividend	-	3.53	7.85	4.84	2.02	0.64
VIII.	**Adjusted Available surplus carried to Summary of Restated Assets and Liabilities**	**419.62**	**66.83**	**9.08**	**9.63**	**11.49**	**10.55**

Notes:

1. The figures for the financial years ended 31st March, 2006, 31st March, 2005, 31st March, 2004, 31st March, 2003 and 31st March, 2002 are for Advanta India Limited only on stand alone basis as all the subsidiary companies have been acquired in the year 2005-06.
2. The Company did not have any subsidiary in any period prior to 21st March, 2006 and since there were no material transactions in any of the subsidiaries from the date they became subsidiaries till 31st March, 2006, the Summary of Consolidated Restated Profit and Loss Account for the year ended 31st March, 2006 has been prepared by the Management from the restated financial statements of the Company only.
3. The accompanying Significant Accounting Policies and Notes to the Consolidated Restated Financial Information are an integral part of this Summary of Consolidated Restated Profit and Loss Account.

ANNEXURE S

II. SUMMARY OF CONSOLIDATED RESTATED ASSETS AND LIABILITIES

(Rs. in millions)

		As at October 31, 2006	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at March 31, 2003	As at March 31, 2002
I.	**Fixed Assets and Intangible Assets**						
	Gross Block	4,581.56	4,434.96	216.29	208.85	188.22	183.48
	Less : Depreciation	660.95	596.72	93.63	82.17	70.97	65.64
	Net Block	**3,920.61**	**3,838.24**	**122.66**	**126.68**	**117.25**	**117.84**
	Capital Work in Progress	11.56	12.20	-	-	7.00	-
		3,932.17	**3,850.44**	**122.66**	**126.68**	**124.25**	**117.84**
II.	**Investments**	0.05	15.13	0.05	0.05	10.05	0.02
III.	**Deferred Tax Asset**	63.77	42.57	-	-	-	-
IV.	**Current Assets, Loans and Advances**						
	Inventories	914.30	765.76	92.25	69.73	80.00	85.12
	Sundry Debtors	1,000.70	420.37	36.31	34.11	74.41	57.22
	Cash and Bank Balances	301.76	92.33	104.46	85.30	9.61	4.45
	Other Current Assets	48.45	69.34	0.82	0.06	-	-
	Loans and Advances	364.70	1,081.78	131.09	184.03	151.90	123.48
		2,629.91	**2,429.58**	**364.93**	**373.23**	**315.92**	**270.27**
V.	**Less: Liabilities and Provisions**						
	Secured Loans	1,658.47	1,643.14	-	-	-	40.63
	Unsecured Loans	2,863.33	250.00	-	-	-	-
	Current Liabilities and Provisions	951.28	4,145.51	229.63	241.95	217.34	119.61
	Deferred Tax Liabilities	89.88	64.69	18.90	23.05	9.48	7.96
		5,562.96	**6,103.34**	**248.53**	**265.00**	**226.82**	**168.20**
VI.	**Net Worth (I+II+III+IV-V)**	**1,062.94**	**234.38**	**239.11**	**234.96**	**223.40**	**219.93**
	Net Worth represented by:						
VII.	**Share Capital**	**84.00**	**63.00**	**63.00**	**63.00**	**63.00**	**63.00**
VIII.	**Share Capital Suspense Account**	**33.78**	**-**	**-**	**-**	**-**	**-**
IX.	**Reserves and Surplus**						
	State Investment Subsidy	2.00	2.00	2.00	2.00	2.00	2.00
	General Reserve	67.23	67.23	62.23	54.93	49.43	46.93
	Contingency Reserve	56.80	56.80	102.80	105.40	97.50	97.50
	Foreign Currency Translation Reserve	(225.03)	(21.48)	-	-	-	-
	Securities Premium Account	577.50	-	-	-	-	-
	Amalgamation Reserve Account	71.72	-	-	-	-	-
	Profit and Loss Account	419.62	66.83	9.08	9.63	11.49	10.55
		969.84	**171.38**	**176.11**	**171.96**	**160.42**	**156.98**
X.	**Miscellaneous Expenditure (to the extent not written off)**	24.68	-	-	-	0.02	0.05
XI.	**Net Worth (VII+VIII+IX-X)**	**1,062.94**	**234.38**	**239.11**	**234.96**	**223.40**	**219.93**

Notes:

1. The figures as at 31st March, 2006, 31st March, 2005, 31st March, 2004, 31st March, 2003 and 31st March, 2002 are for Advanta India Limited only on stand alone basis there were no subsidiary companies during that period. All the subsidiary companies have been acquired during the year 2005-06.
2. The accompanying Significant Accounting Policies and Notes to the Consolidated Restated Financial Information are an integral part of this Summary of Consolidated Restated Assets and Liabilities.

III. SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED RESTATED FINANCIAL INFORMATION

1. DESCRIPTION OF BUSINESS

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

2. PRINCIPLES OF CONSOLIDATION

(a) The Consolidated restated Financial Statements include accounts of Advanta India Limited ('the Company') and its subsidiaries except for Advanta Africa Seeds (Proprietary) Ltd., a subsidiary of the Company. Subsidiaries are those companies in which Advanta India Limited, directly or indirectly, has an interest of more than one half of voting power or otherwise has power to exercise control over the composition of the Board of Directors. Subsidiaries are consolidated from the date on which effective control is transferred to the Group to the date such control exists.

(b) Advanta Africa Seeds (Proprietary) Ltd., a 100% subsidiary company is under liquidation and has been excluded for the purpose of preparation of the consolidated restated financial statements following para 11(b) of Accounting Standard 21, 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India according to which if the subsidiary operates under severe long-term restrictions that significantly impair its ability to transfer funds to the parent then the same should be excluded from consolidation. The Group had written off the investments in the said subsidiary in earlier years.

(c) The subsidiaries of the Company considered in the restated consolidated financial information are as given below:

Sl. No.	Name of the Company	Relationship	Country of Incorporation	Percentage of ownership interest as at October 31, 2006
1	Advanta Holdings BV (formerly Brainsurgeon Holdings BV)	Subsidiary	Netherlands	100%
2	Advanta Netherlands Holdings BV	Subsidiary	Netherlands	100%
3	Advanta Finance BV	Subsidiary	Netherlands	100%
4	Advanta International BV	Subsidiary	Netherlands	100%
5	Pacific Seeds Holdings (Thai) Ltd.	Subsidiary	Thailand	100%
6	Advanta Semillas SAIC	Subsidiary	Argentina	100%
7	Pacific Seeds Pty Ltd.	Subsidiary	Australia	100%
8	Pacific Seeds (Thai) Ltd.	Subsidiary	Thailand	100%

Notes:

i) The ownership interest as given above has been calculated based on the effective interest of Advanta India Limited in the various subsidiaries including the investments made by its subsidiaries.

ii) Pacific Seeds (Thai) Ltd. and Pacific Seeds Pty Ltd. are wholly owned subsidiaries of Pacific Seeds Holdings (Thai) Ltd. and Advanta Finance B.V. respectively as at October 31, 2006.

iii) Advanta Semillas SAIC is 90% held by Advanta International B.V. and 10% held by Advanta Netherlands Holdings B.V. as at October 31, 2006.

iv) Advanta Finance B.V., Advanta International BV and Pacific Seeds Holdings (Thai) Ltd. are wholly owned subsidiaries of Advanta Netherlands Holdings B.V. as at October 31, 2006.

v) Advanta Netherlands Holdings B.V. is a wholly owned subsidiary of Advanta Holdings B.V. as at October 31, 2006.

vi) Advanta Holdings B.V. is a wholly owned subsidiary of Advanta India Limited as at October 31, 2006.

(d) The Consolidated restated Financial Statements have been prepared in accordance with historical cost convention and Accounting Standard 21 - "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

(e) The Consolidated restated Financial Statements have been prepared on the following basis:

i) All the subsidiaries of the company are incorporated outside India. The activities of the subsidiaries are not an integral part of those of the Company and hence, these have been considered to be Non-Integral operations in terms of Accounting Standard 11 – 'The Effects of Changes in Foreign Exchange Rates' issued by the Institute of Chartered Accountants of India. Consequently, the assets and liabilities, both monetary and non-monetary, of such subsidiaries have been translated at the closing rates of exchange of the respective currencies as at October 31, 2006.

ii) All inter company transactions, balances and unrealised surpluses and deficits on transactions between group companies are eliminated.

iii) As far as possible, the consolidated restated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements.

iv) The financial statements of the subsidiaries used for the purpose of consolidation are drawn upto the same reporting date as that of the company i.e. October 31, 2006.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Accounting Assumptions

These accounts have been prepared on accrual basis as a going concern on historical cost convention to comply with the mandatory accounting standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

(b) Revenue Recognition

The Company records sales when goods are dispatched in accordance with the terms of the agreements.

In case of subsidiaries engaged in development of hybrid seeds, revenue earned (net of returns) is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Revenue from maintenance contracts are recognized pro-rata over the period of the contract as and when services are rendered.

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

(c) Government Grants

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

(d) Fixed Assets

Fixed assets including computers and related assets are accounted for at cost of acquisition which is inclusive of inward freight, duties and taxes and incidentals related to acquisitions. Assets under installation or under construction as at Balance Sheet date are shown as Capital Work-in-progress. All expenditure relating to acquisition of Technical Know-how, the benefit of which is spread over future years is grouped under this account.

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

(e) Depreciation

In case of the Company, depreciation on building and plant and machinery is provided for in the accounts on straight line method in accordance with the rates prescribed in Schedule XIV of the Companies Act, 1956. Technical Know-how is amortised in equal installments over its useful life. Improvements to Leasehold property are depreciated over the period of the lease. Other assets are depreciated on straight line method based on estimated useful life of such assets and these rates are higher than the rates prescribed in Schedule XIV of the Companies Act, 1956.

The estimated useful lives of these assets are as under:

Asset class	Estimated useful life in years
Furniture and Fixtures	10
Computers	5
Motor Vehicles	5
Office Equipments	10

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

Asset class	Estimated useful life in years
Buildings	20-50
Plant and Machinery	5 – 10
Computers	3 – 5
Furniture and Fixtures	5 – 10
Motor Vehicles	3 – 5
Office Equipments	5 – 10

(f) Goodwill

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

(g) Investments

Long term investments are stated at cost, less any provision for permanent diminution in value. Current investments are stated at lower of cost and fair value. Income from investments is recognised in the accounts in the year in which it is declared and stated at gross values.

(h) Inventories

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

(i) Store and Spares, Consumables and Packing material – At cost or below. Cost is determined by weighted average method. In case of Pacific Seeds Pty Ltd., packing materials are valued on a standard cost basis. These standards are reviewed regularly and adjusted for significant variances.

(ii) Raw Materials – Lower of cost and net realisable value. Cost is determined on a weighted average basis. In case of Pacific Seeds Pty Ltd., raw materials, components, stores and spares are valued on a standard cost basis. These standards are reviewed regularly and adjusted for significant variances.

(iii) Work-in-progress and Finished Goods – Lower of cost and net realisable value. Work-in-progress comprises of cost of material and applicable overheads. In case of finished goods, the cost comprises of materials, direct labour and production overheads of the related crops.

(i) Foreign Currency Transactions

All transactions in foreign currency are accounted for at the exchange rate prevailing on the date of the transaction. Gain/Loss arising out of fluctuations in exchange rates are accounted for on subsequent realisation/payment. Current Assets and Current Liabilities are translated at the exchange rate prevailing on the Balance Sheet date and the resultant gain/losses are recognised in the Profit and Loss Account.

Foreign Subsidiaries

All subsidiaries of the Company are in the nature of non–integral operations in terms of Accounting Standard 11, "The effects of change in foreign currency rates", issued by the Institute of Chartered Accountants of India. All monetary and non-monetary assets and liabilities are translated at the rate prevailing on the balance sheet date. All revenue and expense transactions during the year are reported at average rate. The resultant translation adjustment is reflected as a separate component of Shareholders' Funds as a 'Foreign Currency Translation Reserve'.

(j) Research and Development

Research and Development expenditure is charged to revenue in the year in which it is incurred.

In case of subsidiaries involved in development of hybrid seeds, development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably regarded as assured. Any expenditure carried forward is amortised over the period of expected future sales from the related project.

(k) Retirement Benefits

Contribution to various recognized provident funds/approved pension and gratuity funds and contributions to secure retiral benefits are charged to revenue. Pension and gratuity funds of the Company are administered through the Life Insurance Corporation of India (LIC). The Company contributes towards gratuity scheme on the basis of liability determined by the LIC. In respect of pension, contribution is based on the agreement with the LIC. Leave encashment liability is determined by actuarial valuation carried out as at the Balance Sheet date.

In case of subsidiaries involved in development of hybrid seeds, gratuity liability and leave encashment is accrued and provided for on the basis of an actuarial valuation made at the end of each year. Payments made under the voluntary retirement scheme are charged to the Profit and Loss Account as and when incurred.

(l) Derivative Instruments

Certain subsidiaries use derivative financial instruments such as forward exchange contracts to hedge their risks associated with foreign currency fluctuations. The premium on discount arising at the inception of forward exchange contracts is amortised as income or expense over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit/loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

(m) Taxes on Income

Current tax is determined based on the amount of tax payable in respect of taxable income for the year as per the laws of the respective countries. Deferred tax is recognised on timing differences; being the difference between the taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent years. Deferred tax assets and liabilities are computed on the timing differences applying the enacted or substantively enacted tax rate. Deferred tax assets arising on account of unabsorbed depreciation or carry forward of tax losses are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Advanta Holdings BV, Netherlands is a part of the fiscal unity for Income tax together with Advanta Netherlands Holdings BV, Netherlands, Advanta Finance BV, Netherlands and Advanta International BV, Netherlands. The fiscal unity has net operating losses which are not expected to be realised in the short term. Therefore, no deferred tax asset or liability has been included in Advanta Holdings BV's Balance sheet. Advanta Holdings BV is head of the fiscal unity.

(n) Earnings Per Share

Basic Earnings per Share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The number of shares used in computing Diluted Earnings per Share is the aggregate of the weighted average number of shares outstanding and the weighted average number of equity shares, which would be issued on the conversion of all the dilutive potential equity shares into equity shares.

4. CONTINGENT LIABILITIES

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

a) Assessment years 1999-2000 to 2001-2002 and 2003-2004 pending with authorities at various levels - Rs. 73.44 millions (Previous Year : 73.44 millions); and

b) Estimated liability in respect of assessment years 2004-2005 to 2006-2007 – Rs.26.21 millions (Previous Year : Rs.36.40 millions).

(ii) Claims against the Company not acknowledged as debts which in the opinion of the Company are not maintainable, disputed electricity dues and disputed seed quality cases, pending at the Hon'ble High Court of Andhra Pradesh and various Consumer forums respectively - Rs.6.24 millions (Previous Year : Rs. 5.98 millions).

(iii) Claims against Advanta Semillas SAIC, Argentina not acknowledged as debts - Rs.573.29 millions (Previous Year : Rs.584.10 millions). This pertains to two litigations against Advanta Semillas SAIC of compensation for damages for breach of contract. The company has provided an amount of Rs.249.15 millions (Previous Year : Rs.262.87 millions) against these litigations (included in schedule 13) based on the opinion from legal counsel, as the best estimate of the amount payable by the Company.

However, by way of an agreement entered into with a third party, Advanta Netherlands Holdings B.V. has a counter claim receivable in respect of the aforesaid litigations. Accordingly, for the purpose of consolidated financial statements, the said contingent liability not longer remains.

(iv) In case of Pacific Seeds Pty Ltd., Australia, the aggregate maximum amount payable to growers providing expected seed quality - Rs.303.17 millions (Previous Year : Rs.397.02 millions).

5. CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account, not provided for (net of advances) – Rs.9.22 millions (Previous Year : Rs.38.46 millions).

6. Capital Reserve represents State Investment subsidy sanctioned by the Government of Andhra Pradesh, for setting up of a unit at Toopran Mandal, Andhra Pradesh under Target 2000 Scheme of the State Government.

7. On July 31, 2005, Agro Tech Foods Ltd. sold its share holding (50%) in the Company to Advanta Finance B.V. Subsequently, Advanta Finance B.V. and Advanta Netherlands Holdings B.V. who were holding the total equity in the Company sold the same to Bio-win Corporation Limited, Mauritius on March 17, 2006. Consequently, the Company became a wholly owned subsidiary of Bio-win Corporation Limited, Mauritius effective that date. Subsequent to March 31, 2006, United Phosphorus Limited has acquired the stake in the Company from Bio-win Corporation Limited. As a result, the Company has become a wholly owned subsidiary of United Phosphorus Limited.

8. The Company has acquired 180 ordinary shares of Euro 100 each in Advanta Holdings B.V., Netherlands on March 21, 2006. Consequently, Advanta Holdings B.V. has become a wholly owned subsidiary of the Company, effective that date. Advanta Netherlands Holdings B.V., Netherlands, Advanta Finance B.V., Netherlands, Advanta International B.V., Netherlands, Pacific Seeds Holdings (Thai) Ltd, Thailand, Advanta Semillas SAIC, Argentina, Pacific Seeds Pty Ltd, Australia and Pacific Seeds (Thai) Ltd, Thailand, the direct and indirect subsidiaries of Advanta Holdings B.V., acquired subsequent to March 21, 2006 have also become the subsidiaries of the Company. The Company did not have any subsidiary in any period prior to March 21, 2006 and since there were no material transactions in any of the subsidiaries from the date they became subsidiaries till March 31, 2006, the Consolidated Profit and Loss Account for the year ended March 31, 2006 has been prepared by the Management from the financial statements of the Company only.

9. A Scheme of Arrangement between the Company and Uniphos Seeds and Biogenetics Private Limited (USBPL) (hereinafter referred to as transferor company) and their respective shareholders was sanctioned by the Hon'ble High Court of Karnataka vide their Order dated 15th December, 2006 and by the Hon'ble High Court of Gujarat vide their Order dated 11th December, 2006. As per the said Scheme, the entire business and undertaking of the transferor company including all the assets and liabilities were transferred to and vested in the Company with effect from the appointed date viz.1st April, 2006. The Scheme of Arrangement for amalgamation has accordingly, been given effect to in these accounts.

The accounting entries relating to the Scheme of Arrangement for amalgamation have been made on the basis of the "Purchase Consideration Method", as per the Accounting Standard (AS-14), 'Accounting for Amalgamations' issued by the Institute of Chartered Accountants of India.

As per the said Scheme, the amount of difference between the consideration paid by the Company and the value of net assets acquired on amalgamation amounting to Rs.71.72 millions has been credited to Amalgamation Reserve Account.

10. The Company is planning Initial Public Offer (IPO) for subscription for public in the upcoming months and the Company has filed the Draft Red Herring Prospectus (DRHP) with Securities and Exchange Board of India (SEBI) on September 29, 2006. During the period, the Company has incurred expenses amounting to Rs.24.68 millions towards IPO which is classified as "Proposed Public Issue Expenses" under the head Miscellaneous Expenditure in the consolidated financial statements. These expenses would be adjusted against the securities premium account on completion of the Public Issue.

11. EMPLOYEES STOCK OPTION PLAN (ESOP)

The Company instituted an Employees Stock Option Scheme ("ESOPS") for certain employees as approved by the shareholders on September 20, 2006. In accordance with the scheme, the Company granted options in respect of 134,405 equity shares to employees of the Company and its subsidiaries on one to one basis at an exercise price of Rs.285/- being the market price as per the valuation report dated September 27, 2006 of S.R. Divatia & Co., Chartered Accountants on the date of grant. The options were granted with a vesting period spread over 4 years and 6 months. Out of the total options granted, vesting of 50% of the options granted is conditional upon the Company meeting annual performance benchmarks based on parameters set by the Remuneration Committee.

As the intrinsic value (difference between Market price and Exercise price) on the date of the grant was nil, no compensation cost has been recognised in the consolidated restated financial information for the 7 months period ended October 31, 2006.

12. The Company has extended security to Export Import Bank of India (the Bank) in respect of a loan aggregating US $ 36,000,000, granted by the Bank to Advanta Holdings B.V. (formerly Brainsurgeon Holding B.V.), Netherlands, the wholly owned subsidiary.

The security is in the form of:

i) A first charge by way of hypothecation of movable assets, including receivables, both present and future and an appropriate charge over its Intellectual Property Rights, present and future;

ii) A first mortgage by deposit of title deeds in respect of its land and other immovable properties in favour of the Bank; and

iii) A pledge of the equity shares of the wholly owned subsidiary held by the Company.

The Company has complied with the requirements of (i) and (ii) above and is in the process of complying with requirements of (iii).

13. In the case of Pacific Seeds Pty Ltd., Australia, the raw materials, components, stores and spares and packing materials are valued on a standard cost basis. These standards are reviewed regularly and adjusted for significant variances. The other companies of the group value the raw materials, components, stores and spares and packing materials at lower of cost or net realisable value. The management considers it impracticable to use a uniform accounting policy for the valuation and to quantify the impact of the difference between such accounting policies. As at October 31, 2006, of the total value of raw materials, components, stores and spares and packing materials of Rs.145 millions (Previous Year : Rs.74.30 millions), inventories amounting to Rs.101.24 millions (Previous Year : Rs.40.90 millions) have been valued on standard cost basis.

14. There are two litigations against Advanta Semillas SAIC, Argentina of compensation for damages for breach of contract. These cases will be settled simultaneously as they have been considered interrelated cases by the intervening court. The provision outstanding as at October 31, 2006 towards this litigation is Rs.249.15 millions (Previous Year : Rs. 262.87 millions).

15. The total remuneration paid to the erstwhile Managing Director of the Company was within the overall limit approved by the Central Government. However, the amounts paid under certain elements of remuneration exceeded the approved individual limits under the respective heads in the aggregate by Rs. Nil (Previous Year : Rs.0.38 millions), although the total remuneration paid was within the overall sanctioned limit. The Company had applied to the Central Government, requesting modification of the aforesaid approval, so as to restrict the total remuneration to the overall limit already sanctioned without specifying the individual components thereof. During the period from 10th July, 2006, the remuneration to the existing Managing Director is likely to exceed the limit prescribed under the Companies Act, 1956. The Company has filed an application with the Central Government for approval of the remuneration to be paid to the Managing Director in excess of the limits prescribed by the Companies Act, 1956.

16. LEASES

The Group has entered into various operating and finance Lease agreements. The minimum lease rents payable from the date of the Balance Sheet date in respect of certain subsidiaries on operating and finance leases are as follows:

(Rs. in millions)

Particulars	As at October 31, 2006	As at March 31, 2006
Obligations in case of operating leases:		
Not later than one year	10.19	46.23
Later than one year and not later than five years	170.64	117.68
Later than five years	6.36	22.33

Particulars	As at October 31, 2006	As at March 31, 2006
Obligations in case of finance leases:		
Not later than one year	0.47	-
Later than one year and not later than five years	0.68	-

17. DERIVATIVE INSTRUMENTS AND UN-HEDGED FOREIGN CURRENCY EXPOSURE

a) Forward contracts outstanding as at the Balance Sheet date

(Rs. in millions)

Nature of contract	Purpose	As at October 31, 2006	As at March 31, 2006
Buy	Hedge of expected future purchase	USD 0.65 AUD 562.67	USD 0.29 AUD 417.45
Sell	Hedge of expected future sales	USD 0.03	USD 0.01
Sell	Hedge of expected future sales	AUD 584.16	AUD 405.20

b) Particulars of un-hedged foreign currency exposure

(Rs. in millions)

Purpose	As at October 31, 2006	As at March 31, 2006
Advance paid for imports	-	USD 0.23
Accrued royalty	INR 3.35	INR 3.35
Loan	USD 19.50 EURO 13.62	- EURO 13.62
Accrued interest	EURO 1.07	EURO 0.48
Accrued expenses	EURO 0.18 USD 0.07 AUD 0.15 THB 1.27	EURO 0.14 - - -

c) Particulars of unhedged interest rate risk exposure as at 31st October, 2006

On Loan of Euro 13620624 which carries LIBOR + 2.5% p.a. interest rate.

d) Commodity futures

USD 390,400 for the 2006 hybrid sorghum seeds production for 2007 sales.

AUDITORS' REPORT OF PACIFIC SEEDS PTY. LTD., AUSTRALIA

To

The Board of Directors of Pacific Seeds Pty. Ltd.

1. We have audited the attached Balance Sheet of Pacific Seeds Pty. Ltd. as at October 31, 2006, as at December 31, 2005, December 31, 2004 and December 31, 2003 and also the Profit and Loss accounts and the cash flow statements for the ten months period ended October 31, 2006 and the years ended December 31, 2005, December 31, 2004 and December 31, 2003 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. The financial statements for the ten months period ended October 31, 2006 have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 25, Interim Financial Reporting, issued by the Institute of Chartered Accountants of India. *The financial statements do not include:*
   a. cumulative profit and loss account for the period January 1, 2005 to October 31, 2005; and
   b. cash flow statement for the period January 1, 2005 to October 31, 2005
   as required by AS 25.
4. *The Company has not identified all of its related parties as defined in AS 18 Related Party Disclosures for the years ended December 31, 2005, December 31, 2004 and December 31, 2003. Therefore, we are unable to comment on the completeness of the disclosures made for related party transactions for the years ended December 31, 2005, December 31, 2004 and December 31, 2003 as required by AS 18.*
5. *Provision for leave encashment as at December 31, 2005, December 31, 2004 and December 31, 2003 is measured based on estimated basis and not on actuarial valuation as required by Accounting Standard 15 - Accounting for Retirement Benefits in the Financial Statements of Employers. Had the provision as at December 31, 2005, December 31, 2004 and December 31, 2003 been measured based on actuarial valuation, charge to the profit and loss account for the ten months period ended October 31, 2006 and for the years ended December 31, 2005, December 31, 2004 and December 31, 2003 may have been different. The impact on the profit for the period of ten months ended on October 31, 2006 and on profit for the years ended December 31, 2005, December 31, 2004 and December 31, 2003 due to such accounting has not been determined by the Company as required by AS 5, Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.*
6. In our opinion and to the best of our information and according to the explanations given to us, *subject to our comment in paragraph 3, 4 and 5 above,* the said financial statements 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 October 31, 2006, December 31, 2005, December 31, 2004 and December 31, 2003;
   b. in the case of the profit and loss account, of the profit for the ten months period ended on October 31, 2006 and years ended December 31, 2005, December 31, 2004 and December 31, 2003; and
   c. in the case of cash flow statement, of the cash flows for the ten months period ended on October 31, 2006 and the years ended December 31, 2005, December 31, 2004 and December 31, 2003.

7. This report is made solely to the Company's Board of Directors, as a body. Our audit work has been undertaken so that we might state to the Company's Board of Directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Board of Directors as a body, for our audit work, for this report, or for the opinions we have formed.

For S. R. BATLIBOI & ASSOCIATES
Chartered Accountants

per Amit Majmudar
Partner
Membership No.: 36656

Mumbai
Date: January 12, 2007

BALANCE SHEET AS AT OCTOBER 31, 2006, DECEMBER 31, 2005, DECEMBER 31, 2004 AND DECEMBER 31, 2003

(Amount in Rs.million)

	Schedules	31-Oct-06	31-Dec-05	31-Dec-04	31-Dec-03
SOURCES OF FUNDS					
Shareholders' Funds					
Capital	1	173.35	164.98	170.57	170.88
Reserves and Surplus	2	649.50	541.42	769.90	659.30
		822.85	**706.40**	**940.47**	**830.18**
Loan Funds					
Unsecured Loan	3	246.15	-	23.88	68.36
Deferred Tax Liabilities (net)	4	34.17	6.57	10.48	30.51
TOTAL		**1,103.17**	**712.97**	**974.83**	**929.05**
APPLICATION OF FUNDS					
Fixed Assets	5				
Gross Block		555.93	494.79	522.55	501.56
Less: Accumulated Depreciation		287.77	257.48	262.18	243.96
Net Block		**268.16**	**237.31**	**260.37**	**257.60**
Capital work-in-progress including capital advances		6.85	6.27	0.79	3.52
		275.01	**243.58**	**261.16**	**261.12**
Intangible Assets	6	-	0.70	3.63	6.55
Investments	7	-	-	-	-
Current Assets, Loans and Advances					
Inventories	8	500.82	354.67	493.03	448.06
Sundry Debtors	9	334.75	251.95	353.81	318.56
Cash and bank balances	10	167.15	84.99	167.25	112.17
Other Current assets	11	65.13	43.54	56.33	63.85
Loans and Advances	12	30.84	65.99	-	-
Less: Current Liabilities and Provisions					
Liabilities	13	225.09	234.55	313.69	245.73
Provisions	14	45.44	97.90	46.69	35.53
		270.53	**332.45**	**360.38**	**281.26**
Net Current Assets		**828.16**	**468.69**	**710.04**	**661.38**
TOTAL		**1,103.17**	**712.97**	**974.83**	**929.05**
Notes to Accounts	21				

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

As per our report of even date
For S. R. Batliboi & Associates
Chartered Accountants

per Amit Majmudar
Partner
Membership No. 36656
Place : Mumbai
Date : January 12, 2007

For and on behalf of the Board of Directors of
Pacific Seeds Pty Ltd.

K. Suresh
Group Chief Financial Officer

Place : Mumbai
Date : January 12, 2007

PROFIT AND LOSS ACCOUNT FOR THE TEN MONTHS PERIOD ENDED OCTOBER 31, 2006, AND YEARS ENDED DECEMBER 31, 2005, DECEMBER 31, 2004 AND DECEMBER 31, 2003

(Amount in Rs. million)

	Schedules	Ten months period ended 31-Oct-06	Year ended 31-Dec-05	Year ended 31-Dec-04	Year ended 31-Dec-03
INCOME					
Turnover					
Sale of products		1,402.17	2,114.24	1,781.53	1,657.43
Other income	15	54.11	54.72	30.54	35.75
TOTAL		**1,456.28**	**2,168.96**	**1,812.07**	**1,693.18**
EXPENDITURE					
Personnel expenses	16	222.70	250.26	264.74	239.61
Operating and other expenses	17	1,141.54	1,528.32	1,402.11	1,186.50
(Increase)/Decrease in inventories	18	(68.63)	121.27	(50.02)	44.82
Depreciation/ amortisation		28.45	36.66	33.00	28.64
Less: Transfer from revaluation reserve		-	-	(1.79)	(1.79)
		28.45	36.66	31.21	26.85
Financial expenses	19	15.96	42.50	16.18	10.47
Profit before tax		**116.26**	**189.95**	**147.85**	**184.93**
Provision for current tax		1.46	38.68	54.23	26.13
Add: Deferred tax expense / (Income)		34.17	(3.56)	(19.98)	25.93
Total tax expense/ (income)		**35.63**	**35.12**	**34.25**	**52.06**
Profit/(Loss) after tax		**80.63**	**154.83**	**113.60**	**132.87**
Surplus brought forward from previous year		483.68	661.87	570.69	438.87
Profit available for appropriation		**564.31**	**816.70**	**684.29**	**571.74**
Appropriations					
Interim dividend		-	356.36	-	-
Surplus carried to Balance sheet		**564.31**	**460.34**	**684.29**	**571.74**
Earnings per share (Rs.)	20				
Basic and diluted [Nominal value of shares AUD $ 1]		16.13	30.97	22.72	26.57
Notes to Accounts	21				

The schedules referred to above and notes to accounts form an integral part of the profit and loss account.

As per our report of even date
For S. R. Batliboi & Associates
Chartered Accountants

per Amit Majmudar
Partner
Membership No. 36656
Place : Mumbai
Date : January 12, 2007

For and on behalf of the Board of Directors of
Pacific Seeds Pty Ltd.

K. Suresh
Group Chief Financial Officer

Place : Mumbai
Date : January 12, 2007

(Amount in Rs. million)

	31-Oct-06	31-Dec-05	31-Dec-04	31-Dec-03
Schedule 1: Capital				
Issued				
5,000,000 equity shares of AUD $1 each fully paid	173.35	164.98	170.57	170.88
Subscribed				
5,000,000 equity shares of AUD $1 each fully paid	**173.35**	**164.98**	**170.57**	**170.88**
As at Dec 31, 2004 and Dec 31, 2003 all shares were held by Advanta Lambada B.V., the holding company.				
As at Dec 31, 2005 and Oct 31, 2006 all shares were held by Advanta Finance B.V., the holding company.				
Schedule 2: Reserves and Surplus				
Revaluation Reserve				
Opening Balance	85.19	81.08	87.40	89.35
Less: Transferred to profit and loss account	-	-	1.79	1.79
Closing Balance	85.19	81.08	85.61	87.56
Profit and Loss Account	564.31	460.34	684.29	571.74
	649.50	**541.42**	**769.90**	**659.30**
Schedule 3: Unsecured Loans				
Short term loans and advances				
From banks	-	-	-	34.18
From others	246.15	-	23.88	34.18
	246.15	**-**	**23.88**	**68.36**
Schedule 4: Deferred Tax Liability (net)				
Deferred Tax Liabilities				
Differences in depreciation and other differences in block of fixed assets as per tax books and financial books	9.34	1.94	2.59	4.41
Other	60.35	34.23	33.78	50.23
Gross Deferred Tax Liabilities	**69.69**	**36.17**	**36.37**	**54.64**
Deferred Tax Assets				
Effect of expenditure debited to profit and loss account in the current year but allowed for tax purposes in following years	22.20	29.60	25.89	-
Provision for doubtful debts	0.25	-	-	-
Other	13.07	-	-	24.13
Gross Deferred Tax Assets	**35.52**	**29.60**	**25.89**	**24.13**
Net Deferred Tax Liability	**34.17**	**6.57**	**10.48**	**30.51**

(Amount in Rs. million)

Schedule 5 : Fixed Assets							
31-Oct-06							
	Land - Freehold	**Land - Leasehold**	**Buildings**	**Plant and Machinery**	**Furniture and Fittings**	**Vehicles**	**Total**
Gross Block							
Opening balance	134.94	3.50	43.85	267.61	39.85	30.12	519.87
Additions	-	-	-	40.80	4.71	3.60	49.11
Deductions	-	-	0.58	6.01	1.61	4.85	13.05
Closing balance	**134.94**	**3.50**	**43.27**	**302.40**	**42.95**	**28.87**	**555.93**
Depreciation							
Opening balance	-	1.67	24.13	189.43	33.28	22.03	270.54
For the period	-	-	2.28	17.08	5.56	2.80	27.72
Deletions / Adjustments	-	-	0.24	4.13	1.58	4.54	10.49
Closing balance	**-**	**1.67**	**26.17**	**202.38**	**37.26**	**20.29**	**287.77**
Net Block							
At 31 Oct 2006	**134.94**	**1.83**	**17.10**	**100.02**	**5.69**	**8.58**	**268.16**

(Amount in Rs. million)

31-Dec-05							
	Land - Freehold	**Land - Leasehold**	**Buildings**	**Plant and Machinery**	**Furniture and Fittings**	**Vehicles**	**Total**
Gross Block							
Opening Balance	128.43	3.33	41.01	254.31	37.93	40.43	505.44
Additions	-	-	0.72	9.97	9.21	0.90	20.80
Deductions/ Adjustments	-	-	-	9.59	9.20	12.66	31.45
Closing Balance	**128.43**	**3.33**	**41.73**	**254.69**	**37.94**	**28.67**	**494.79**
Depreciation							
Opening Balance	-	1.46	20.42	171.01	31.66	29.04	253.59
For the year	-	0.12	2.54	18.61	9.21	3.37	33.85
Deletions/ Transfers	-	-	-	9.32	9.19	11.45	29.96
Closing Balance	**-**	**1.58**	**22.96**	**180.30**	**31.68**	**20.96**	**257.48**
Net Block							
At 31 Dec 2005	**128.43**	**1.75**	**18.77**	**74.39**	**6.26**	**7.71**	**237.31**

(Amount in Rs.million)

Schedule 5: Fixed Assets (Continued)							
31-Dec-04							
	Land - Freehold	**Land - Leasehold**	**Buildings**	**Plant and Machinery**	**Furniture and Fittings**	**Vehicles**	**Total**
Gross Block							
Opening Balance	132.78	3.44	38.67	269.99	36.02	19.74	500.64
Additions	-	-	1.95	21.55	6.88	3.64	34.02
Deductions/ Transfers	-	-	(1.78)	28.62	3.69	(18.42)	12.11
Closing Balance	**132.78**	**3.44**	**42.40**	**262.92**	**39.21**	**41.80**	**522.55**
Depreciation							
Opening Balance	-	1.42	17.80	181.22	30.75	12.32	243.51
For the year	-	0.09	2.43	17.39	5.68	4.50	30.09
Deletions/ Adjustments	-	-	(0.87)	21.81	3.69	(13.21)	11.42
Closing Balance	**-**	**1.51**	**21.10**	**176.80**	**32.74**	**30.03**	**262.18**
Net Block							
At 31 Dec 2004	**132.78**	**1.93**	**21.30**	**86.12**	**6.47**	**11.77**	**260.37**

(Amount in Rs.million)

31-Dec-03							
	Land - Freehold	**Land - Leasehold**	**Buildings**	**Plant and Machinery**	**Furniture and Fittings**	**Vehicles**	**Total**
Gross Block							
Opening balance	133.02	3.45	34.20	258.97	42.96	19.44	492.04
Additions	-	-	4.55	13.56	3.08	0.61	21.80
Deductions/ Transfers	-	-	0.01	2.05	9.95	0.27	12.28
Closing Balance	**133.02**	**3.45**	**38.74**	**270.48**	**36.09**	**19.78**	**501.56**
Depreciation							
Opening balance	-	1.27	15.61	165.03	37.84	10.68	230.43
For the year	-	0.15	2.22	18.56	2.87	1.94	25.74
Deletions/ Adjustments	-	-	0.01	2.03	9.90	0.27	12.21
Closing Balance	**-**	**1.42**	**17.82**	**181.56**	**30.81**	**12.35**	**243.96**
Net Block							
At 31 Dec 2003	**133.02**	**2.03**	**20.92**	**88.92**	**5.28**	**7.43**	**257.60**

	31-Oct-06	31-Dec-05	31-Dec-04	31-Dec-03
Schedule 6: Intangible Assets				
Computer Software				
Gross Block				
Opening Balance	10.33	9.83	10.17	10.18
Additions	-	-	-	-
Deductions	-	-	-	-
Closing Balance	**10.33**	**9.83**	**10.17**	**10.18**
Amortisation				
Opening Balance	9.59	6.32	3.63	0.72
For the period/year	0.74	2.81	2.91	2.91
Closing Balance	**10.33**	**9.13**	**6.54**	**3.63**
Net Block	**-**	**0.70**	**3.63**	**6.55**
Schedule 7 : Investments				
Long Term Investments (At cost)				
Unquoted				
96,363 equity shares of Western Australian Co-operative of nil face value	7.32	6.97	7.20	7.22
Less: Provision for diminution in value of investments	7.32	6.97	7.20	7.22
	-	-	-	-
These shares are non-transferable.				
Schedule 8: Inventories (at lower of cost and net realisable value)				
Packing materials	14.06	11.85	11.07	14.29
Stores and spares & consumables (including Stock in transit: nil)	87.18	27.85	30.94	32.04
Work-in-progress	208.21	30.09	43.09	48.72
Finished goods (including Stock in transit: nil)	191.37	284.88	407.93	353.01
	500.82	**354.67**	**493.03**	**448.06**
Schedule 9: Sundry Debtors				
Debts outstanding for a period more than six months				
Unsecured, considered doubtful	0.73	-	-	-
Other debts				
Unsecured, considered doubtful	0.12	-	-	-
Unsecured, considered good	334.75	251.95	353.81	318.56
	335.60	251.95	353.81	318.56
Less: Provision for doubtful debts	0.85	-	-	-
	334.75	**251.95**	**353.81**	**318.56**
Schedule 10: Cash and Bank balances				
Cash on hand	0.08	0.08	0.08	0.08
Balances with banks:				
On current accounts	167.07	84.91	167.17	112.09
	167.15	**84.99**	**167.25**	**112.17**

	31-Oct-06	31-Dec-05	31-Dec-04	31-Dec-03
Schedule 11: Other Current Assets				
Other Current Assets	65.13	43.54	56.33	63.85
	65.13	**43.54**	**56.33**	**63.85**
Schedule 12: Loans and Advances				
Unsecured, considered good				
Intercorporate deposits	-	65.99	-	-
Advance income tax (net of provision)	30.84	-	-	-
	30.84	**65.99**	**-**	**-**
Schedule 13: Liabilities				
Sundry creditors	177.23	176.94	237.58	187.28
Others	47.86	57.61	76.11	58.45
	225.09	**234.55**	**313.69**	**245.73**
Schedule 14 : Provisions				
Provision for taxation (net of advance payments)	**-**	27.44	12.32	1.62
Provision for insurance, pension and similar staff benefit schemes	43.71	41.16	34.33	33.91
Provision for litigations	1.73	29.30	0.04	-
	45.44	**97.90**	**46.69**	**35.53**
	Ten months period ended 31-Oct-06	**Year ended 31-Dec-05**	**Year ended 31-Dec-04**	**Year ended 31-Dec-03**
Schedule 15 : Other Income				
Interest :				
Bank deposits (Tax deducted at source: nil)	1.31	1.81	0.35	0.50
Intercompany interest –short term (Tax deducted at source : nil)	0.80	5.01	-	-
Dividend income:				
On investments-long term	0.78	0.73	-	0.38
Reversal of provision for doubtful debts	-	-	2.56	-
Royalties received	39.94	24.74	21.62	12.34
Profit on sale of assets	2.05	5.86	1.90	2.15
Exchange difference (net)	-	15.91	-	15.08
Miscellaneous income	9.23	0.66	4.11	5.30
	54.11	**54.72**	**30.54**	**35.75**
Schedule 16 : Personnel Expenses				
Salaries, wages and bonus	203.31	230.10	244.64	222.04
Contributions to other funds	16.70	16.67	17.41	15.35
Workmen and staff welfare expenses	2.69	3.49	2.69	2.22
	222.70	**250.26**	**264.74**	**239.61**
Schedule 17: Operating and Other Expenses				
Consumption of stores and spares including packing materials	68.63	494.30	479.72	279.75
Raw materials consumed	600.11	493.06	340.52	441.77
Sub-contracting expenses	4.41	0.81	0.11	-
Power and fuel	3.22	4.85	3.76	3.72
Freight and forwarding charges	62.02	70.02	49.07	46.38

	Ten months period ended 31-Oct-06	Year ended 31-Dec-05	Year ended 31-Dec-04	Year ended 31-Dec-03
Lease rent	22.15	24.74	25.34	25.01
Rates and taxes	0.56	0.84	1.00	1.31
Insurance	13.48	16.35	17.69	17.71
Repairs and Maintenance :				
Plant and Machinery	4.95	6.48	6.52	4.65
Others	0.09	0.35	0.30	0.17
Advertising and sales promotion	30.34	41.72	32.32	38.02
Commission	68.28	101.93	93.80	73.39
Travelling and conveyance	50.86	25.33	28.89	29.49
Communication costs	7.89	9.55	11.41	12.19
Printing and stationery	3.86	3.15	3.89	3.02
Legal and professional fees	7.87	12.85	7.26	3.73
Auditor's remuneration :				
Audit Fee	0.76	2.50	1.40	1.80
Taxation matters	0.53	1.04	1.44	0.45
	1.29	3.54	2.84	2.25
Exchange difference (net)	4.30	-	2.18	-
Provision for doubtful debts and advances	0.85	-	-	-
Royalty	19.55	30.61	22.78	29.16
Miscellaneous expenses	166.83	187.84	272.71	174.78
	1,141.54	**1,528.32**	**1,402.11**	**1,186.50**
Schedule 18: (Increase)/ Decrease in inventories				
Inventories as at period end				
Work-in-progress	208.21	30.09	43.09	48.72
Finished goods	191.37	284.88	407.93	353.01
	399.58	314.97	451.02	401.73
Inventories as at previous period end				
Work-in-progress	31.62	41.67	48.64	45.90
Finished goods	299.33	394.57	352.36	400.65
	330.95	436.24	401.00	446.55
	(68.63)	**121.27**	**(50.02)**	**44.82**
Schedule 19: Financial Expenses				
Interest :				
On loans	7.58	20.49	7.80	4.13
On banks	-	11.81	0.86	3.10
Others	1.04	2.20	3.44	0.02
Bank charges	7.34	8.00	4.08	3.22
	15.96	**42.50**	**16.18**	**10.47**
Schedule 20: Earnings per share (EPS)				
Net profit for calculation of basic and diluted EPS	80.63	154.83	113.60	132.87
Weighted average number of equity shares in calculating basic and diluted EPS	5,000,000	5,000,000	5,000,000	5,000,000

Schedule 21: Notes to Accounts

1. **Nature of operations**

   The principal activities of the Company during the periods were the development, production and marketing of hybrid agricultural field crop seeds. All manufacturing operations are in Australia.

2. **Statement of significant accounting policies**

   (a) Basis of preparation

   The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies have been consistently applied by the Company and except for changes in accounting policies discussed more fully below are consistent in all the periods presented.

   (b) Changes in accounting policies

   (i) In 2005, the Company changed its accounting policy in respect of exchange differences on forward exchange contracts. From 1 January 2005, these exchange differences are recognised in the statement of profit and loss in the year in which the exchange rates change. The impact on profit or loss and assets and liabilities due to such change is not material.

   (ii) Upto December 31, 2005, the Company has provided for leave encashment on estimated basis. For the ten months period ended October 31, 2006, the Company has made the provision based on actuarial valuation.

   (c) Fixed assets

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

   (d) Depreciation

   Depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management.

	Rates
Buildings	4% - 5%
Plant and Machinery	10% - 20%
Computers included in plant and machinery	20% - 50%
Furniture and Fittings	10% - 30%
Vehicles	15% - 30%

   (e) Impairment

   (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 recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

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

(f) Intangible assets

Research and Development Costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortised over the period of expected future sales from the related project.

(g) Leases

Plant and equipment leases are classified as operating leases as the lessors retain substantially all of the risks and benefits of ownership. Minimum lease payments are charged against profits over the accounting periods covered by the lease terms.

(h) Government grants and subsidies

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

When the grant or subsidy relates to an expense item, it is recognised as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Where the grant or subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related asset.

(i) Inventories

Inventories are valued as follows:

Raw materials, components, stores and spares, packing materials:

Lower of cost and net realisable value. Costs are assigned on a standard cost basis. Standards are reviewed regularly and adjusted for significant variances. Cost is determined on a weighted average basis.

Work-in-progress and finished goods :

Lower of cost and net realisable value. Applicable fixed and variable manufacturing overhead costs are included in the cost of finished goods and work-in-progress inventories.

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

(j) Revenue recognition

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

Sale of Goods

Sales revenue represents revenue earned (net of returns) from the sale of products. Revenue is recognised when the significant risks and rewards of ownership of goods have passed to the buyer.

Income from services

Revenues from maintenance contracts are recognised pro-rata over the period of the contract as and when services are rendered.

Interest

Interest revenue is recognised on a time proportion basis.

Dividends

Dividend revenue is recognised when Company's right to receive payment is established by the balance sheet date.

Royalties

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

(k) *Foreign currency translation*

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 reporting Company's monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognised as income or expense in the period in which they arise except those arising from investments in non-integral operations.

(iv) Forward exchange contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or expense for the period. From 1 January 2005, exchange differences on forward exchange contracts are recognised in the statement of profit and loss in the year in which the exchange rates change.

(l) *Income taxes*

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Assessment Act, 1997. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier periods.

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 and deferred tax liabilities across various countries of operation are not set off against each other as the Company does not have a legal right to do so. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the Company has carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognised only if there is virtual certainty that such deferred tax assets can be realised against future taxable profits. Unrecognised deferred tax assets of earlier periods are re-assessed and are recognised to the extent that it has become 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.

(m) *Segment reporting policies*

Identification of segments:

Company's business falls within a single business segment. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Inter-segment transfers:

The Company generally accounts for inter-segment sales and transfers as if the sales or transfers were to third parties at current market prices.

Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

(n) ***Earnings per share***

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

(o) ***Provisions***

A provision is recognised when the Company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best 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 best estimates.

(p) ***Cash and cash equivalents***

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

(q) ***Derivative instruments***

The Company uses derivative financial instruments such as forward exchange contracts and interest rate swaps to hedge its risks associated with foreign currency fluctuations. Accounting policy for forward exchange contracts is given in note k (iv).

(r) ***Provision for leave encashment***

Provision for leave encashment is accrued and provided for on the basis of an actuarial valuation made at the end of the period. Please also refer to note b (ii).

(s) ***Interim financial statements***

The interim financial statements for the ten months period ended October 31, 2006 have been prepared in accordance with AS 25 Interim Financial Reporting. The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended December 31, 2005.

3. **Segment information:**

Business Segments:

As the Company's business falls within a single business segment, there are no additional disclosures provided under Accounting Standard 17 "Segment reporting" other than those already provided in the financial statements. The Company operates in seeds industry.

Geographical Segments:

Although the Company's major operating divisions are managed on worldwide basis, they operate predominantly in Australia and New Zealand. Other markets include Europe, Asia and South America.

Geographical Segments:

The following table shows the distribution of the Company's consolidated sales by geographical market, regardless of where the goods were produced:

Sales revenue by geographical market

(Amount in Rs. million)

	Ten months period ended 31-Oct-06	**Year ended 31-Dec-05**	**Year ended 31-Dec-04**	**Year ended 31-Dec-03**
Europe	5.82	21.74	1.74	3.01
The Americas	71.84	122.45	54.38	78.64
Asia Pacific	108.07	162.28	137.62	92.52
Rest of the world (including Australia)	1,216.44	1,807.77	1,587.79	1,483.26
Total	**1,402.17**	**2,114.24**	**1,781.53**	**1,657.43**

All fixed assets are located in Australia.

(Amount in Rs. million)

	Carrying amount of segment assets				Addition to fixed assets and intangible assets			
	Oct-06	Dec-05	Dec-04	Dec-03	Oct-06	Dec-05	Dec-04	Dec-03
Australia	482.94	387.08	491.14	441.03	49.38	15.29	31.30	21.79
Thailand	1.51	4.24	4.53	4.65				
Japan	-	-	1.64	6.11				
South Korea	-	10.70	9.00	11.50				
New Zealand	23.40	7.41	4.58	6.19				
Turkey	-	3.28	-	0.96				
Netherlands	3.06	0.03	-	0.04				
Canada	0.74	0.86	-	-				
Brazil	-	5.34	-	7.38				
South Africa	0.27	5.41	1.82	43.09				
Iran	44.44	9.07	-	-				
Japan	-	11.56	-	-				
Colombia	0.14	9.50	-	-				
Pakistan	29.25	35.01	65.79	42.12				
Spain	0.02	-	1.21	1.12				
Papua New Guinea	0.45	-	0.81	0.42				
Bangladesh	9.64	-	2.56	0.04				
China	-	-	16.52	13.36				
New Caledonia	0.40	-	-	0.32				
India	4.82	-	0.08	-				
Saudi Arabia	-	-	-	1.36				
United Kingdom	5.82	6.04	4.03	-				
Colombo	-	-	11.25	-				
Vietnam	2.50	-	-	-				
United Arab Emirates	0.38	-	-	-				
	609.78	**495.53**	**614.96**	**579.69**	**49.38**	**15.29**	**31.30**	**21.79**

4. **Related Parties**

1.1 Names of related parties as at December 31, 2004 and December 31, 2003

Holding Company: Advanta Lambada B.V.

Other related parties with whom transactions have taken place during the year:

Fellow Subsidiaries: Advanta Canada, Advanta Spain, Advanta UK, Advanta Italy, Advanta Seeds-Europe, Advanta Seeds – Netherlands, Pacific Seeds (Thai) Ltd., Advanta Turkey, Advanta Africa (Proprietory) Ltd., Advanta North America, Garst Seeds, Interstate, Advanta Semillas S.A.I.C., Advanta Netherlands Holdings B.V., Advanta International B.V., Advanta B.V.

Key managerial personnel: Chris Bazley (CEO, Director); Norman Davey (CFO, Director); Howard Morris (Director)

Relatives of key management personnel: Jocelyn Davey

1.2 Names of related parties as at December 31, 2005

Ultimate Holding Company: Fox Paine LLC for part of the year and Advanta Netherlands Holdings B.V. for part of the year.

Holding Company: Advanta Finance B.V.

Intermediate Holding Companies: Advanta International B.V., Pacific Seeds Holdings (Thailand) Company Ltd., Advanta Holdings B.V. (formerly known as Brainsurgeon Holdings B.V.), Advanta India Limited, Biowin Corporation, Advanta Seeds Netherlands.

Other related parties with whom transactions have taken place during the period:

Fellow Subsidiaries: Pacific Seeds (Thai) Ltd., Advanta Africa Seeds (Proprietory) Ltd., Advanta Semillas S.A.I.C., Advanta Italy.

Key managerial personnel: Chris Bazley (CEO, Director); Norman Davey (CFO, Director); Howard Morris (Director)

Relatives of key management personnel: Jocelyn Davey.

1.3 Names of related parties as at October 31, 2006

Ultimate Holding Company: United Phosphorus Ltd. as at 31 October, 2006, Fox Paine LLC for part of the ten months period ended October 31, 2006.

Holding Company: Advanta Finance B.V.

Intermediate Holding Companies: Advanta International B.V., Pacific Seeds Holdings (Thailand) Company Ltd., Advanta Holdings B.V. (formerly known as Brainsurgeon Holdings B.V.), Advanta India Limited, Biowin Corporation.

Other related parties with whom transactions have taken place during the period:

Fellow Subsidiaries: Pacific Seeds (Thai) Ltd, Advanta Africa Seeds (Proprietory) Ltd., Advanta Semillas S.A.I.C.

Key management personnel: Chris Bazley (CEO, Director); Norman Davey (CFO, Director); Howard Morris (Director)

Relatives of key management personnel: Jocelyn Davey

2. Goods are sold to related parties on various credit terms in accordance with group policy. These terms vary depending on risk and payment history. All goods are bought and sold on an arm's length basis.

3. Remuneration paid to directors is disclosed elsewhere in the notes to accounts.

4. On December 19, 2005, the Company lent AUD 2 million to Advanta Netherlands Holdings B.V. The facility was at a variable rate of 7.5325% p.a. The loan was at call with interest being paid on a monthly basis in arrears. This loan was repaid by Advanta Netherlands Holdings B.V. in 2006.

In March 2006, the Company lent AUD 1.3 million to United Phosphorus Ltd. This was fully repaid in April 2006.

In April 2006, the Company borrowed AUD 1 million from Biowin Corporation. The loan is repayable in November 2006 alongwith interest at the rate of 2.5% above the relevant LIBOR at the time the loan is taken.

5. **Related Party Disclosures**

For the years ended December 31, 2004 and December 31, 2003:

	Ultimate holding company /holding company / intermediate holding companies		Fellow subsidiaries		Relatives of key managerial personnel		Total	
	Dec-04	Dec-03	Dec-04	Dec-03	Dec-04	Dec-03	Dec-04	Dec-03
Sales			**63.56**	**70.28**			**63.56**	**70.28**
Advanta Canada			1.02	11.00			1.02	11.00
Advanta Spain			1.13	1.23			1.13	1.23
Advanta UK			0.75	4.03			0.75	4.03
Advanta Italy				1.67				1.67
Advanta Seeds-Europe			2.93	3.96			2.93	3.96
Pacific Seeds (Thai) Ltd.			18.73	19.72			18.73	19.72
AdvantaTurkey			0.96	-			0.96	
Advanta Africa (Proprietory) Ltd.			38.04	28.67			38.04	28.67
Purchases of raw materials, intermediaries and finished goods			**97.78**	**127.14**			**97.78**	**127.14**
Advanta Canada			25.41	61.11			25.41	61.11
Advanta Spain			0.34				0.34	
Advanta UK			0.51	2.29			0.51	2.29
Advanta-North America			0.82				0.82	
Pacific Seeds (Thai) Ltd.			65.40	27.10			65.40	27.10
Garst Seeds				9.64				9.64
Interstate			0.07	18.83			0.07	18.83
Advanta Semillas S.A.I.C.			1.10	1.23			1.10	1.23
Advanta Africa (Proprietory) Ltd.			4.13	6.94			4.13	6.94
Provision/ (receipt) of management services			**(14.43)**	**2.36**			**(14.43)**	**2.36**
Advanta Seeds-Netherlands			1.30	8.61			1.30	8.61
Pacific Seeds (Thai) Ltd.			(6.93)	(6.15)			(6.93)	(6.15)
Advanta Africa Seeds (Proprietory) Ltd			(8.80)	(4.65)			(8.80)	(4.65)
Advanta International B.V.				4.55				4.55
Loans taken			**23.88**	**34.18**			**23.88**	**34.18**
Advanta B.V.			23.88	34.18			23.88	34.18
R&D (Received)/ Transferred			**1.02**	**1.09**			**1.02**	**1.09**

	Ultimate holding company /holding company / intermediate holding companies		Fellow subsidiaries		Relatives of key managerial personnel		Total	
	Dec-04	Dec-03	Dec-04	Dec-03	Dec-04	Dec-03	Dec-04	Dec-03
Advanta Seeds-Netherlands			1.02					
Advanta Seeds-Region 1				1.09				
Royalty (Expense)/ Income			**1.60**	**(1.64)**			**1.60**	**(1.64)**
Advanta Africa Seeds (Proprietory) Ltd.			1.60				1.60	
Pacific Seeds (Thai) Ltd.				(1.64)				(1.64)
Remuneration and superannuation					**4.14**	**3.96**	**4.14**	**3.96**
Jocelyn Davey					4.14	3.96	4.14	3.96
Balance owed by the company at the year end			**22.48**	**24.78**			**22.48**	**24.78**
Advanta Seeds-UK			0.55				0.55	
Advanta B.V.				0.41				0.41
Advanta Seeds-Netherlands			2.73	2.63			2.73	2.63
Advanta International B.V.			4.33				4.33	
Pacific Seeds (Thai) Ltd.			14.05				14.05	
Garst Seed				3.59				3.59
Interstate			0.82	18.15			0.82	18.15
Balance owed to the company at the year end			**50.80**	**9.19**			**50.80**	**9.19**
Advanta Canada				0.10				0.10
Advanta Spain			1.13	1.16			1.13	1.16
Advanta UK				3.76				3.76
Advanta Italy				1.64				1.64
Advanta B.V.			5.39				5.39	
Pacific Seeds (Thai) ltd.				0.79				0.79
Advanta Turkey			0.92				0.92	
Advanta Africa Seeds (Proprietory) Ltd.			43.36	1.74			43.36	1.74

For the ten months period ended October 31, 2006 and year ended December 31, 2005:

	Ultimate holding company /holding company / intermediate holding companies		Fellow subsidiaries		Relatives of key managerial personnel		Total	
	Oct-06	Dec-05	Oct-06	Dec-05	Oct-06	Dec-05	Oct-06	Dec-05
Sales			**36.65**	**16.43**			**36.65**	**16.43**
Pacific Seeds (Thai) Ltd			36.23	16.43			36.23	16.43
Advanta Semillas S.A.I.C.			0.42				0.42	
Purchases of raw materials, intermediaries and finished goods			**50.13**	**41.54**			**50.13**	**41.54**
Advanta Semillas S.A.I.C.			3.15	0.53			3.15	0.53
Advanta Italy				10.16				10.16
Advanta Africa Seeds (Proprietory) Ltd.				0.76				0.76
Pacific Seeds (Thai) Ltd			46.98	30.09			46.98	30.09
Provision / (Receipt) of management services	**20.14**	**22.04**	**(3.29)**	**(8.48)**			**16.85**	**13.56**
Pacific Seeds (Thai) Ltd			(3.29)	(6.93)			(3.29)	(6.93)
Advanta Netherlands Holdings B.V.	20.14	11.98					20.14	11.98
Advanta Seeds Netherlands		10.06						10.06
Advanta Africa Seeds (Proprietory) Ltd.				(1.55)				(1.55)
Loans given		**65.99**						**65.99**
Advanta Netherlands Holdings B.V.		65.99						65.99
Loans taken	**246.16**						**246.16**	
Biowin Corporation	246.16						246.16	
Royalty Income / (Expense)	**2.57**	**5.35**	**(2.01)**	**(0.43)**			**0.56**	**4.92**
Advanta Netherlands Holdings B.V.	2.57	5.35					2.57	5.35

	Ultimate holding company /holding company / intermediate holding companies		Fellow subsidiaries		Relatives of key managerial personnel		Total	
	Oct-06	Dec-05	Oct-06	Dec-05	Oct-06	Dec-05	Oct-06	Dec-05
Advanta Africa Seeds (Proprietory) Ltd.				1.91				1.91
Pacific Seeds (Thai) Ltd			(2.01)	(2.34)			(2.01)	(2.34)
Interest Expense	**7.59**						**7.59**	
Biowin Corporation	7.59						7.59	
Interest Received	**0.80**						**0.80**	
Advanta Finance B.V.	0.80						0.80	
Remuneration and superannuation					**4.82**	**4.13**	**4.82**	**4.13**
Jocelyn Davey					4.82	4.13	4.82	4.13
Dividend paid		**356.36**						**356.36**
Advanta Lambada B.V.		356.36						356.36
Balance owed by company at the period end			**10.89**				**10.89**	
Pacific Seeds (Thai) Ltd			10.89				10.89	
Balance owed to the Company at the period end	**16.20**	**5.35**	**1.53**	**2.31**			**17.73**	**7.66**
Advanta India Ltd.	4.82						4.82	
Pacific Seeds (Thai) Ltd			1.53	2.31			1.53	2.31
Advanta Netherlands Holdings B.V.	11.38	5.35					11.38	5.35

5. Leases

Assets taken on lease

Operating Lease

(Amount in Rs. million)

	31-Oct-06	31-Dec-05	31-Dec-04	31-Dec-03
Future minimum lease payments:				
Not later than one year	9.52	45.67	57.24	55.26
Later than one year and not later than five years	170.64	88.13	100.06	105.16
Later than five years	6.36	29.60	23.30	46.51
Total	**186.52**	**163.40**	**180.60**	**206.93**

6. **Capital Commitments**

(Amount in Rs. million)

	31-Oct-06	31-Dec-05	31-Dec-04	31-Dec-03
Capital sanctioning - major	9.01	34.74	10.45	16.22
Capital sanctioning - minor	0.21	0.61	-	-
	9.22	**35.35**	**10.45**	**16.22**

7. **Provisions and Contingencies**

7.1 **Provisions**

(Amount in Rs. million)

	31-Oct-06	31-Dec-05	31-Dec-04	31-Dec-03
Provision for litigations:				
Opening balance	30.79	0.04	-	-
Additions during the period	1.73	29.30	0.04	-
Amounts used during the period	(30.79)	(0.04)	-	-
Unused amount reversed during the period	-	-	-	-
Closing balance	**1.73**	**29.30**	**0.04**	**-**

The litigation in 2004 was in respect of a claim related to spraying on the Ord Farm. This claim was settled in 2005.

The litigation in 2005 was settled in July 2006.

7.2 **Contingent liabilities not provided for**

(Amount in Rs. million)

	31-Oct-06	31-Dec-05	31-Dec-04	31-Dec-03
Grower Payments	303.17	446.47	564.28	289.51

This represents the aggregate maximum payable to growers provided expected seed quality is produced. The amount paid in such case will be added to cost of inventory.

8. **Derivative instruments and unhedged foreign currency exposure**

Forward contracts outstanding as at the period end:

Particulars of Derivatives	AUD $000	Purpose
31-Oct-06		
Buy	584,163	Hedge of expected future sales
Sell	562,673	Hedge of expected future purchases
31-Dec-05		
Buy	418,000	Hedge of expected future sales
Sell	433,000	Hedge of expected future purchases
31-Dec-04		
Buy	848,116	Hedge of expected future sales
Sell	1,026,674	Hedge of expected future purchases
31-Dec-03		
Buy	901,848	Hedge of expected future sales
Sell	980,202	Hedge of expected future purchases

9. **Director's remuneration**

(Amount in Rs. million)

	Ten months period ended 31-Oct-06	Year ended 31-Dec-05	Year ended 31- Dec-04	Year ended 31- Dec-03
Salaries	22.17	21.65	23.26	23.01
Contribution to superannuation fund	1.67	1.66	1.66	1.79
	23.84	**23.31**	**24.92**	**24.80**
Paid to:				
Howard Morris	8.93	8.84	10.18	10.70
Chris Bazley	8.14	8.20	7.75	7.30
Norman Davey	6.77	6.28	6.99	6.80
	23.84	**23.32**	**24.92**	**24.80**

10. **Convenience translation:**

The financial statements for all the periods presented are converted into Indian Rupees using the exchange rates prevailing at the respective period ends between Indian Rupee and Australian Dollar as follows:

As at	**Rs. Per AUD**
31-Dec-03	Rs.34.17630
31-Dec-04	Rs.34.11380
31-Dec-05	Rs.32.99640
31-Oct-06	Rs.34.66980

As per our report of even date

For S. R. Batliboi & Associates
Chartered Accountants

per Amit Majmudar
Partner
Membership No. 36656

Place : Mumbai
Date : January 12, 2007

For and on behalf of the Board of Directors of
Pacific Seeds Pty Ltd.

K. Suresh
Group Chief Financial Officer

Place: Mumbai
Date: January 12, 2007

CASH FLOW STATEMENT FOR TEN MONTHS PERIOD ENDED OCTOBER 31, 2006 AND YEARS ENDED DECEMBER 31, 2005, DECEMBER 31, 2004 AND DECEMBER 31, 2003

(Amount in Rs. million)

		Ten months period ended 31-Oct-06	Year ended 31-Dec-05	Year ended 31- Dec-04	Year ended 31- Dec-03
A.	**Cash flow from operating activities**				
	Receipts from customers	1470.10	2354.89	1893.45	1837.97
	Payments to suppliers and employees	(1585.00)	(1912.04)	(1721.56)	(1588.86)
	Borrowings/ financing costs	(12.76)	(40.45)	(16.00)	(10.46)
	Cash generated from operations	**(127.66)**	**402.40**	**155.89**	**238.65**
	Direct taxes paid (net of refunds)	(67.88)	(31.25)	(32.31)	(86.77)
	Net cash from operating activities	**(195.54)**	**371.15**	**123.58**	**151.88**
B.	**Cash flow from investing activities**				
	Purchase of fixed assets	(49.09)	(15.87)	(26.20)	(21.60)
	Proceeds from sale of fixed assets	4.09	5.87	1.91	2.15
	Interest received	2.11	6.83	0.34	0.48
	Dividend received	0.76	0.73	-	-
	Net cash flow from investing activities	**(42.13)**	**(2.44)**	**(23.95)**	**(18.97)**
C.	**Cash flow from financing activities**				
	Repayment of long-term borrowings / loans given	-	(89.09)	(44.35)	(102.53)
	Proceeds from long term borrowings	246.16	-	-	-
	Proceeds from inter-corporate deposits	69.34	-	-	-
	Dividend paid	-	(356.36)	-	-
	Net cash flow from financing activities	**315.50**	**(445.45)**	**(44.35)**	**(102.53)**
	Net increase in cash and cash equivalents	**77.83**	**(76.74)**	**55.28**	**30.38**
	Cash and cash equivalents at the beginning of the period / year	89.32	161.73	111.97	81.79
	Cash and cash equivalents at the end of the period / year	167.15	84.99	167.25	112.17
	Components of cash and cash equivalents at year / period end				
	Cash and cheques on hand	0.08	0.08	0.08	0.08
	On deposit account	167.07	84.91	167.17	112.09
		167.15	**84.99**	**167.25**	**112.17**

As per our report of even date

For S. R. Batliboi & Associates
Chartered Accountants

per Amit Majmudar
Partner
Membership No. 36656

Place: Mumbai
Date: January 12, 2007

For and on behalf of the Board of Directors of
Pacific Seeds Pty Ltd.

K. Suresh
Group Chief Financial Officer

Place: Mumbai
Date: January 12, 2007

REVIEW REPORT OF PACIFIC SEEDS PTY. LTD. AUSTRALIA

FOR THE YEAR ENDED DECEMBER 31, 2002 AND DECEMBER 31, 2001

To
The Board of Directors
Pacific Seeds Pty. Ltd.

1. We have reviewed the accompanying financial information of Pacific Seeds Pty. Ltd. (the "Company") for the years ended December 31, 2002 and December 31, 2001. This financial information has been approved by the board of directors of the Company and is the responsibility of the Company's management. Our responsibility is to issue a report on this financial information based on our review.
2. We conducted our review in accordance with the Auditing and Assurance Standard (AAS) 33, Engagements to Review Financial Statements issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial information is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. *Management has informed us that provision for leave encashment is measured based on estimation basis and not on the basis of actuarial valuation as required by AS 15 – Accounting for Retirement Benefits in the Financial Statements of Employers. The impact on the financial information for the years ended December 31, 2002 and December 31, 2001 due to such accounting has not been determined by the Company.*
4. Based on our review*, subject to the effects of our observations vide 3 above,* nothing has come to our attention that causes us to believe that the accompanying financial information does not comply with Accounting Standards issued by the Institute of Chartered Accountants of India.
5. This report is made solely to the Company's Board of Directors, as a body. Our review work has been undertaken so that we might state to the Company's Board of Directors those matters we are required to state to them in a review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Board of Directors as a body, for our review work or for this report.

For S. R. BATLIBOI & ASSOCIATES
Chartered Accountants

per Amit Majmudar
Partner
Membership No.: 36656

Place: Mumbai
Date: February 8, 2007

PACIFIC SEEDS PTY LTD.

UNAUDITED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2002 AND DECEMBER 31, 2001

(Rs. in Million)

	2002	2001
INCOME		
Turnover		
Sale of Products	1,379.25	953.70
Other Income	9.31	17.01
TOTAL	**1,388.56**	**970.71**
EXPENDITURE		
Costs of goods sold	542.28	316.63
Personnel Expenses	205.04	171.46
Operating and other expenses	404.21	365.62
Depreciation/Amortisation	22.20	19.93
Financial Expenses	11.32	17.82
Profit before tax	**203.51**	**79.25**
Current Tax expense/ (income)	36.06	(0.60)
Deferred Tax expense	12.84	-
Total Tax expense / (income)	48.90	(0.60)
Profit after tax	**154.61**	**79.85**
Surplus brought forward from previous year	193.97	96.85
Surplus carried to Balance Sheet	**348.58**	**176.70**
Earnings per share (Rs.)		
Basic and Diluted (5,000,000 shares of AUD 1 Nominal Value)	**30.92**	**15.97**

Notes

1. **Nature of operations**

   The principal activities of the Company during the periods were the development, production and marketing of hybrid agricultural field crop seeds. All manufacturing operations are in Australia.

2. **Statement of significant accounting policies**

   (a) Basis of preparation

   The financial information has been prepared to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India. The financial information has been prepared under the historical cost convention on an accrual basis except in case of assets for which revaluation is carried out. The accounting policies have been consistently applied by the Company.

(b) ***Fixed assets***

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

(c) ***Depreciation***

Depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management.

	Rates
Buildings	4% - 5%
Plant and Machinery	10% - 20%
Computers included in plant and machinery	20% - 50%
Furniture and Fittings	10% - 30%
Vehicles	15% - 30%

(d) ***Impairment***

(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 recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

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

(e) ***Intangible assets***

Research and Development Costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortised over the period of expected future sales from the related project.

(f) ***Leases***

Plant and equipment leases are classified as operating leases as the lessors retain substantially all of the risks and benefits of ownership. Minimum lease payments are charged against profits over the accounting periods covered by the lease terms.

(g) ***Government grants and subsidies***

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

When the grant or subsidy relates to an expense item, it is recognised as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Where the grant or subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related asset.

(h) ***Inventories***

Inventories are valued as follows:

Raw materials, components, stores and spares, packing materials:

Lower of cost and net realisable value. Costs are assigned on a standard cost basis. Standards are reviewed regularly and adjusted for significant variances. Cost is determined on a weighted average basis.

Work-in-progress and finished goods :

Lower of cost and net realisable value. Applicable fixed and variable manufacturing overhead costs are included in the cost of finished goods and work-in-progress inventories.

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

(i) Revenue recognition

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

Sale of Goods

Sales revenue represents revenue earned (net of returns) from the sale of products. Revenue is recognised when the significant risks and rewards of ownership of goods have passed to the buyer.

Income from services

Revenues from maintenance contracts are recognised pro-rata over the period of the contract as and when services are rendered.

Interest

Interest revenue is recognised on a time proportion basis.

Dividends

Dividend revenue is recognised when Company's right to receive payment is established by the balance sheet date.

Royalties

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

(j) Foreign currency translation

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 reporting Company's monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognised as income or expense in the period in which they arise except those arising from investments in non-integral operations.

(iv) Forward exchange contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or expense for the period.

(k) Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Assessment Act, 1997. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier periods.

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 and deferred tax liabilities across various countries of operation are not set off against each other as the Company does not have a legal right to do so. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the Company has carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognised only if there is virtual certainty that such deferred tax assets can be realised against future taxable profits. Unrecognised deferred tax assets of earlier periods are re-assessed and are recognised to the extent that it has become 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.

(l) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

(m) Provisions

A provision is recognised when the Company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best 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 best estimates.

(n) Provision for leave encashment

Provision for leave encashment is accrued and provided for on the basis of estimates made by the management at the end of the period.

3. Convenience translation:

The financial information for all years presented are converted into Indian Rupees using the exchange rates prevailing at the respective year end between Indian Rupee and Australian Dollar as follows:

As at	Rs. Per AUD
31-Dec-01	Rs.24.72744
31-Dec-02	Rs.27.14486

For and on behalf of the board of Directors of
Pacific Seeds Pty. Ltd.

K. Suresh
Group Chief Financial Officer

Place: Bangalore
Date: February 7, 2007

AUDITORS' REPORT OF ADVANTA SEMILLAS S.A.I.C, ARGENTINA

To

The Board of Directors of Advanta Semillas S.A.I.C.

1. We have audited the attached Balance Sheet of Advanta Semillas S.A.I.C. as at October 31, 2006, December 31, 2005, December 31, 2004 and December 31, 2003 and also the Profit and Loss accounts and the cash flow statements for the ten months period ended October 31, 2006 and the years ended December 31, 2005, December 31, 2004 and December 31, 2003 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. The financial statements for the ten months period ended October 31, 2006 have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 25, Interim Financial Reporting, issued by the Institute of Chartered Accountants of India. *The financial statements do not include:*

   a) cumulative profit and loss account for the period January 1, 2005 to October 31, 2005; and

   b) cash flow statement for the period January 1, 2005 to October 31, 2005

   as required by AS 25.
4. *The Company has not identified all of its related parties as defined in AS 18 Related Party Disclosures for the years ended December 31, 2005, December 31, 2004 and December 31, 2003. Therefore, we are unable to comment on the completeness of the disclosures made for related party transactions for these years as required by AS 18.*
5. In our opinion and to the best of our information and according to the explanations given to us, *subject to our comment in paragraphs 3 and 4 above,* the said financial statements 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 October 31, 2006, December 31, 2005, December 31, 2004 and December 31, 2003;

   b) in the case of the profit and loss account, of the profit for the ten months period ended on October 31, 2006 and years ended December 31, 2004 and December 31, 2003 and of the loss for the year ended December 31, 2005; and

   c) in the case of cash flow statement, of the cash flows for the ten months period ended on October 31, 2006 and the years ended December 31, 2005, December 31, 2004 and December 31, 2003.
6. This report is made solely to the Company's Board of Directors, as a body. Our audit work has been undertaken so that we might state to the Company's Board of Directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Board of Directors as a body, for our audit work, for this report, or for the opinions we have formed.

For S. R. BATLIBOI & ASSOCIATES
Chartered Accountants

per Amit Majmudar
Partner
Membership No.: 36656

Mumbai
Date: January 12, 2007

ADVANTA SEMILLAS S.A.I.C.

BALANCE SHEET AS AT OCTOBER 31, 2006, DECEMBER 31, 2005, DECEMBER 31, 2004 AND DECEMBER 31, 2003

(Amount in Rs. million)

	Schedules	31-Oct-06	31-Dec-05	31-Dec-04	31-Dec-03
SOURCES OF FUNDS					
Shareholders' Funds					
Share capital	1	613.36	614.91	594.98	2,097.67
Reserves and surplus	2	-	-	-	6.49
Secured loans	3	1.16	-	-	-
Total		**614.52**	**614.91**	**594.98**	**2,104.16**
APPLICATION OF FUNDS					
Fixed Assets	4				
Gross block		259.45	253.07	239.97	245.95
Less : Accumulated depreciation		121.68	113.02	95.89	87.88
Less: Impairment provision		-	-	-	45.60
Net block		**137.77**	**140.05**	**144.08**	**112.47**
Capital work-in-progress including capital advances		4.70	4.29	0.52	0.52
		142.47	**144.34**	**144.60**	**112.99**
Current Assets, Loans and Advances					
Inventories	5	94.35	67.74	55.53	35.97
Sundry debtors	6	207.22	168.74	155.76	73.35
Cash and bank balances	7	33.90	87.96	56.67	138.84
Loans and advances	8	4.95	1.87	1.56	1.39
Less: Current Liabilities and Provisions					
Liabilities	9	34.46	22.66	17.14	13.90
Provisions	10	249.15	266.28	62.28	50.62
Total Liabilities and Provisions		**283.61**	**288.94**	**79.42**	**64.52**
Net Current Assets		**56.81**	**37.37**	**190.10**	**185.03**
Profit and Loss Account		415.24	433.20	260.28	1,806.14
TOTAL		**614.52**	**614.91**	**594.98**	**2,104.16**
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

For S. R. Batliboi & Associates
Chartered Accountants

per Amit Majmudar
Partner

Membership No.: 36656

Place : Mumbai
Date : January 12, 2007

For and on behalf of the Board of
Directors of Advanta Semillas S.A.I.C.

K Suresh
Group Chief Financial Officer

Place : Mumbai
Date : January 12, 2007

ADVANTA SEMILLAS S.A.I.C.

PROFIT AND LOSS ACCOUNT FOR THE TEN MONTHS PERIOD ENDED OCTOBER 31, 2006 AND YEARS ENDED DECEMBER 31, 2005, DECEMBER 31, 2004 AND DECEMBER 31, 2003

(Amount in Rs. million)

	Schedules	Ten months period ended 31-Oct-06	Year ended 31-Dec-05	Year ended 31-Dec-04	Year ended 31-Dec-03
INCOME					
Turnover					
Sale of Products		322.63	345.78	288.62	211.83
Sale of maintenance services		31.22	24.39	24.42	11.51
Total		**353.85**	**370.17**	**313.04**	**223.34**
Other Income	11	7.89	20.71	83.13	73.27
TOTAL		**361.74**	**390.88**	**396.17**	**296.61**
EXPENDITURE					
Raw material consumed	12	201.04	155.74	165.97	81.71
Personnel expenses	13	64.60	74.52	56.59	52.66
Operating and other expenses	14	113.10	306.54	103.68	75.16
(Increase) / Decrease in inventories	15	(51.67)	(6.83)	0.35	4.62
Depreciation		10.52	14.56	12.61	13.05
Financial expenses	16	1.94	4.38	2.65	4.44
Profit / (Loss) before tax		**22.21**	**(158.03)**	**54.32**	**64.97**
Provision for Current tax		5.35	6.18	5.43	5.02
Profit / (Loss) after tax		**16.86**	**(164.21)**	**48.89**	**59.95**
Balance brought forward from previous year		(432.10)	(268.99)	(1732.07)	(1866.09)
Add: Reduction in share capital		-	-	1,416.67	-
Add: Transfer from general reserve		-	-	6.23	-
Deficit carried to Balance Sheet		**(415.24)**	**(433.20)**	**(260.28)**	**(1806.14)**
Earnings per share	17				
Basic and diluted Rs. [Nominal value of shares AR$ 1]		0.97	(9.40)	2.80	3.43
Notes to Accounts	18				

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

As per our report of even date

For S. R. Batliboi & Associates
Chartered Accountants

per Amit Majmudar
Partner

Membership No.: 36656

Place : Mumbai
Date : January 12, 2007

For and on behalf of the Board of
Directors of Advanta Semillas S.A.I.C.

K Suresh
Group Chief Financial Officer

Place : Mumbai
Date : January 12, 2007

ADVANTA SEMILLAS S.A.I.C.

Schedule 1: Share Capital

(Amount in Rs. million)

	As at 31.10.06	As at 31.12.05	As at 31.12.04	As at 31.12.03
Issued, subscribed and paid-up				
Equity shares of AR$ 1/- each fully paid	613.36	614.91	594.98	2,097.67
No. of shares:				
31.10.2006: 17,469,633				
31.12.2005: 17,469,633				
31.12.2004: 17,469,633				
31.12.2003: 46,001,552				
Of the above:				
46,001,551 shares are held by Advanta Lambda B.V., the Holding Company as at December 31, 2003.				
17,469,616 shares are held by Advanta Lambda B.V. the Holding Company as at December 31, 2004.				
15,722,669 shares are held by Advanta International B.V., the Holding Company as at December 31, 2005 and October 31, 2006				

Schedule 2: Reserves and Surplus

General Reserve				
Balance as per last account	-	-	6.23	6.49
Less: Transferred to profit and loss account	-	-	(6.23)	-
	-	**-**	**-**	**6.49**

Schedule 3: Secured loans

Finance lease obligation (Secured against vehicles taken on lease)	1.16	-	-	-

ADVANTA SEMILLAS S.A.I.C.

Schedule 4:

Fixed Assets as at October 31, 2006

(Amount in Rs. million)

	Land-Freehold	Buildings	Plant and Machinery	Furniture and Fittings	Vehicles	Total
Gross Block						
Opening balance	17.77	96.83	90.90	23.46	23.48	252.44
Additions	-	-	4.66	1.71	2.24	8.61
Deductions	-	-	-	0.11	1.49	1.60
Closing balance	**17.77**	**96.83**	**95.56**	**25.06**	**24.23**	**259.45**
Depreciation						
Opening balance	-	5.70	66.27	21.25	19.52	112.74
For the period	-	1.60	5.22	1.56	2.14	10.52
Deductions	-	-	-	0.09	1.49	1.58
Closing balance	**-**	**7.30**	**71.49**	**22.72**	**20.17**	**121.68**
Net Block At 31.10.06	**17.77**	**89.53**	**24.07**	**2.34**	**4.06**	**137.77**

Fixed Assets as at December 31, 2005

(Amount in Rs. million)

	Land-Freehold	Buildings	Plant and Machinery	Furniture and Fittings	Vehicles	Total
Gross Block						
Opening balance	17.97	97.67	87.02	22.54	22.81	248.01
Additions	-	0.54	4.10	0.97	0.73	6.34
Deductions	0.15	1.13	-	-	-	1.28
Closing balance	**17.82**	**97.08**	**91.12**	**23.51**	**23.54**	**253.07**
Depreciation						
Opening balance	-	3.85	58.71	19.43	17.11	99.10
For the year*	-	1.87	7.72	1.87	2.46	13.92
Closing balance	**-**	**5.72**	**66.43**	**21.30**	**19.57**	**113.02**
Net Block At 31.12.05	**17.82**	**91.36**	**24.69**	**2.21**	**3.97**	**140.05**

ADVANTA SEMILLAS S.A.I.C.

Fixed Assets as at December 31, 2004

(Amount in Rs. million)

	Land-Freehold	Buildings	Plant and Machinery	Furniture and Fittings	Vehicles	Total
Gross Block						
Opening balance	18.03	96.26	79.04	20.41	22.12	235.86
Additions	-	1.46	5.69	1.40	2.02	10.57
Deductions	0.64	3.22	0.53	-	2.07	6.46
Closing balance	**17.39**	**94.50**	**84.20**	**21.81**	**22.07**	**239.97**
Depreciation						
Opening balance	-	1.91	49.49	16.93	15.96	84.29
For the year*	-	1.81	7.32	1.87	0.60	11.60
Deductions / Adjustments	-	-	-	-	-	-
Closing balance	**-**	**3.72**	**56.81**	**18.80**	**16.56**	**95.89**
Impairment						
Opening balance	-	35.73	8.00	-	-	43.73
Reversals	-	35.73	8.00	-	-	43.73
Closing balance	**-**	**-**	**-**	**-**	**-**	**-**
Net Block At 31.12.04	**17.39**	**90.78**	**27.39**	**3.01**	**5.51**	**144.08**

Fixed Assets as at 31 December, 2003

(Amount in Rs. million)

	Land-Freehold	Buildings	Plant and Machinery	Furniture and Fittings	Vehicles	Total
Gross Block						
Opening balance	19.01	100.14	75.03	20.78	21.92	236.88
Additions	-	0.97	7.39	0.50	4.78	13.64
Deductions	0.21	0.73	-	-	3.63	4.57
Closing balance	**18.80**	**100.38**	**82.42**	**21.28**	**23.07**	**245.95**
Depreciation						
Opening balance	-	0.13	44.17	15.88	17.04	77.22
For the year*	-	1.99	7.43	1.77	3.23	14.42
Deductions / Adjustments	-	0.13	-	-	3.63	3.76
Closing balance	**-**	**1.99**	**51.60**	**17.65**	**16.64**	**87.88**
Impairment losses	-	-	-	-	-	
Opening balance	-	37.26	8.34	-	-	45.6
Closing balance	**-**	**37.26**	**8.34**	**-**	**-**	**45.6**
Net Block At 31.12.03	**18.80**	**61.13**	**22.48**	**3.63**	**6.43**	**112.47**

** Net of currency translation differences*

ADVANTA SEMILLAS S.A.I.C.

Schedule 5: Inventories (at lower of cost and net realisable value)

(Amount in Rs million)

	31.10.06	31.12.05	31.12.04	31.12.03
Raw materials and components	8.36	33.34	28.86	7.79
Finished goods	85.99	34.40	26.67	28.18
	94.35	**67.74**	**55.53**	**35.97**

Schedule 6: Sundry debtors

Debts outstanding for a period exceeding six months

Unsecured, considered good	207.22	168.74	155.76	73.35
Unsecured, considered doubtful	9.91	9.00	7.96	12.53
	217.13	**177.74**	**163.72**	**85.88**
Less : Provision for doubtful debts	9.91	9.00	7.96	12.53
	207.22	**168.74**	**155.76**	**73.35**

Schedule 7: Cash and Bank balances

Cash on hand	0.90	0.79	0.85	0.87
Balances with banks on current accounts	33.00	87.17	55.82	137.97
	33.90	**87.96**	**56.67**	**138.84**

Schedule 8: Loans and Advances

Unsecured, considered good				
Advances recoverable in cash or kind or for value to be received	-	0.07	0.03	0.07
Others	4.95	1.80	1.53	1.32
	4.95	**1.87**	**1.56**	**1.39**

Schedule 9: Liabilities

Sundry creditors	34.46	22.66	17.14	13.26
Advance from customers	-	-	-	0.64
	34.46	**22.66**	**17.14**	**13.90**

Schedule 10: Provisions

Provision for taxation (net of advance payments)	-	6.02	5.43	5.02
Provision for litigations	249.15	260.26	56.85	45.60
	249.15	**266.28**	**62.28**	**50.62**

ADVANTA SEMILLAS S.A.I.C.

(Amount in Rs millions)

Schedule 11: Other income

	Jan- Oct 2006	Jan-Dec 2005	Jan-Dec 2004	Jan-Dec 2003
Interest on bank deposits	0.69	-	0.56	7.33
Impairment provision written back	-	-	43.73	-
Other provisions written back	5.98	9.99	26.05	24.90
Exchange difference (Net)	-	-	-	6.26
Profit on sale of assets	-	-	0.14	1.65
Miscellaneous income	1.22	10.72	12.65	33.13
	7.89	**20.71**	**83.13**	**73.27**

Schedule 12: Raw materials consumed

Inventories as at previous year end	33.26	29.83	7.47	4.60
Add: Purchases	176.14	159.25	187.36	84.90
	209.40	**189.08**	**194.83**	**89.50**
Less: Inventories as at the year end	8.36	33.34	28.86	7.79
	201.04	**155.74**	**165.97**	**81.71**

Schedule 13 : Personnel expenses

Salaries, wages and bonus	64.60	74.52	56.59	52.66
	64.60	**74.52**	**56.59**	**52.66**

Schedule 14 : Operating and Other expenses

	Jan- Oct 2006	Jan-Dec 2005	Jan-Dec 2004	Jan-Dec 2003
Power and fuel	2.45	2.63	2.29	2.15
Freight and forwarding charges	8.30	16.52	11.56	6.99
Rent	0.69	0.93	0.74	0.21
Rates and taxes				
- Sales tax	2.18	2.56	2.79	2.98
- Others	1.25	1.45	2.03	1.72
Insurance	0.56	0.89	1.93	1.42
Repairs and maintenance				
- Plant and Machinery	3.82	4.28	4.55	3.63
- Buildings	1.88	2.29	3.16	2.57

ADVANTA SEMILLAS S.A.I.C.

Schedule 14 : Operating and Other expenses (Contd.)

(Amount in Rs millions)

	Jan-Oct 2006	Jan-Dec 2005	Jan-Dec 2004	Jan-Dec 2003
Advertising and sales promotion	11.67	9.13	6.92	4.79
Commission				
- Other than sole selling agents	12.06	11.32	7.55	10.07
Travelling and conveyance	11.68	10.18	8.65	7.53
Communication costs	3.70	3.93	3.09	3.08
Legal and professional fees	4.28	17.49	12.37	5.74
Directors' fees	0.48	0.44	0.38	0.24
Audit fees	7.27	0.30	0.84	0.79
Exchange difference (net)	4.90	4.42	0.16	-
Bad debts written off	5.95	0.95	-	-
Asset written off	13.91	-	-	-
Royalty	-	0.27	0.23	0.14
Provision for litigations (net)	-	201.51	13.34	-
Research material	11.50	12.53	19.21	18.76
Miscellaneous expenses	4.57	2.52	1.89	2.35
	113.10	**306.54**	**103.68**	**75.16**
Above expenses include research and development expenses	**32.26**	**43.84**	**41.16**	**43.92**

Schedule 15 : (Increase)/ Decrease in Inventories

Finished goods				
Inventories as at the year end	85.99	34.40	26.67	28.18
Less : Inventories as at previous year end	34.32	27.57	27.02	32.80
	(51.67)	**(6.83)**	**0.35**	**4.62**

Schedule 16: Financial expenses

Interest				
- on other than banks, term loans and debentures	0.09	0.26	-	0.02
Bank charges	1.85	4.12	2.65	4.42
	1.94	**4.38**	**2.65**	**4.44**

ADVANTA SEMILLAS S.A.I.C.

Schedule 17 : Earnings per share (EPS)

(Amount in Rs millions)

	Jan- Oct 2006	Jan –Dec 2005	Jan-Dec 2004	Jan-Dec 2003
Net Profit for calculation of basic and diluted EPS	16.86	(164.21)	48.89	59.95
Weighted average number of equity shares in calculating basic and diluted EPS	17,469,633	17,469,633	17,469,633	17,469,633

Schedule 18: Notes to Accounts

1. **Nature of operations**

   The Company operates in the activities of research, production, distribution and merchandising of hybrids seeds.

2. **Statement of significant accounting policies**

   a) **Basis of preparation**

   The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made. The accounting policies have been consistently applied by the Company.

   b) **Fixed assets**

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

   c) **Depreciation**

   Depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management.

	Rates
Buildings	2%
Plant and Machinery	10%
Computers (included in Plant and Machinery)	33%
Furniture and Fittings	20%
Vehicles	25%

   d) **Impairment**

   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 recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

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

   iii. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

e) Inventories

Inventories are valued as follows:

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

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

f) Revenue recognition

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

Sale of Goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

Income from Services

Revenues from maintenance contracts are recognised pro-rata over the period of the contract as and when services are rendered.

Interest

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

g) Foreign currency translation

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.

iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on 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 period in which they arise.

h) Income taxes

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

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 and deferred tax liabilities across various countries of operations are not set off against each other as the Company does not have a legal right to do so. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the Company has carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognised only if there is virtual certainty that such deferred tax assets can be realised against future taxable profits. Unrecognised deferred tax assets of earlier periods are re-assessed and are recognised 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.

i) Provisions

A provision is recognised when the Company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best 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 best estimates.

j) Cash and Cash equivalents

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

k) Interim financial statements

The interim financial statements for the ten months period ended October 31, 2006 have been prepared in accordance with AS 25 Interim Financial Reporting. The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended December 31, 2005.

3. Segment information

Business and geographical segments:

As the Company's business falls within a single business and geographical segment, there are no additional disclosures to be provided under Accounting Standard 17 "Segment Reporting", other than those already provided in the financial statements.

The principal product of the Company is hybrid seeds.

4. Related parties

1.1 Names of related parties as at December 31, 2004 and December 31, 2003

Holding Company: Advanta Lambada B.V.

Other related parties with whom transactions have taken place during the year:

Fellow Subsidiaries: Advanta Seeds B.V., Garst Seeds Co., Advanta Africa Seeds, Pacific Seeds (Thai) Ltd., Pacific Seeds Pty. Ltd., SES Europe N.V., Advanta Iberica.

Key managerial personnel: Eduardo Liguori as at December 31, 2003

Eduardo Liguori and Sergio Pez as at December 31, 2004

1.2 Names of related parties as at December 31, 2005

Ultimate Holding Company: Fox Paine LLC for part of the year and Advanta Netherlands Holdings B.V. for part of the year.

Holding Company: Advanta International B.V.

Intermediate Holding Companies: Advanta Finance B.V., Pacific Seeds Holdings (Thailand) Company Ltd., Advanta Holdings B.V. (formerly known as Brainsurgeon Holdings B.V.), Advanta India Limited, Biowin Corporation.

Other related parties with whom transactions have taken place during the period:

Fellow Subsidiaries: Pacific Seeds (Thai) Ltd., Pacific Seeds Pty. Ltd.,

Key managerial personnel: Jorge Scolaro, Eduardo Liguori

1.3 Names of related parties as at October 31, 2006

Ultimate Holding Company: United Phosphorus Ltd. as at 31 October 2006, Fox Paine LLC for part of the ten months period ended October 31, 2006.

Holding Company: Advanta International B.V.

Intermediate Holding Companies: Advanta Finance B.V., Pacific Seeds Holdings (Thailand) Company Ltd., Advanta Holdings B.V. (formerly known as Brainsurgeon Holdings B.V.), Advanta India Limited, Biowin Corporation.

Other related parties with whom transactions have taken place during the period:

Fellow Subsidiaries: Pacific Seeds (Thai) Ltd, Pacific Seeds Pty. Ltd.

Key management personnel: Jorge Scolaro, Eduardo Liguori

2. Goods are sold on one month credit to non-related parties. Four months credit period is generally allowed on sales made to related parties.

3. Remuneration paid to directors is disclosed elsewhere in the notes to accounts.

4. Related Party Transactions

(Amount in Rs million)

	Holding Company / Intermediate Holding Company Jan-Oct 2006	**Fellow Subsidiaries**			
		Jan-Oct 2006	**Jan-Dec 2005**	**Jan-Dec 2004**	**Jan-Dec 2003**
Sales					
Advanta Seeds B V				16.87	
Garst Seeds Co.				3.60	0.26
Advanta Africa Seeds				0.02	0.48
Pacific Seeds (Thai) Ltd.		10.31	10.34	26.29	12.35
Pacific Seeds Pty. Ltd.		3.02	0.55	1.11	1.19
Provision/(Receipt) of other services					
Advanta Seeds B.V.				(1.10)	(1.46)
SES Europe N.V.				(0.11)	
Garst Seeds Co.					(0.07)
R & D Transferred					
Advanta Seeds B.V.				13.12	2.52
Advanta Iberica				1.52	
Advanta International B.V.	11.50				
Advance Received					
Pacific Seeds (Thai) Ltd.		10.31	10.34		
Advanta Seeds B.V.				13.12	2.52
Advanta Iberica				1.58	

(Amount in Rs million)

	Holding Company / Intermediate Holding Company Jan-Oct 2006	Fellow Subsidiaries			
		Jan-Oct 2006	Jan-Dec 2005	Jan-Dec 2004	Jan-Dec 2003
Purchase of raw materials, intermediaries and finished goods					
Pacific Seeds Pty. Ltd		0.43			
Reimbursement of expenses					
Advanta India Ltd.	2.95				
Balance receivable / (payable) as at the year end					
Pacific Seeds (Thai) Ltd.			(10.34)		
Advanta Seeds B.V.				(0.41)	(0.50)
Garst Seeds Co.					*
Advanta India Ltd.	2.95				
Advanta Africa Seeds				0.02	
SES Europe N.V.				(0.11)	

** Amounts are less than Rs. 0.01 million*

5. **Leases**

In case of assets taken on lease

Operating Lease:

Some of the fields for sowing are obtained on operating lease. The lease term is not more than a year.

(Amount in Rs million)

	Jan-Oct 2006	Jan-Dec 2005	Jan-Dec 2004	Jan-Dec 2003
Total minimum lease payments at the period end	0.68	0.93	0.74	0.21
Lease payments for the period	0.68	0.93	0.74	0.21
Minimum Lease Payments:				
Not later than one year	0.68	0.93	0.74	0.21

Finance Lease:

Some vehicles are obtained on finance lease. The lease term is for three years. Gross book value of these vehicles included in fixed assets as at October 31, 2006 is Rs. 1.39 million. Carrying value of these assets as at October 31, 2006 is Rs. 1.33 million.

(Amount in Rs million)

	Jan-Oct 2006	**Jan-Dec 2005**	**Jan-Dec 2004**	**Jan-Dec 2003**
Total minimum lease payments at the period end	1.46	-	-	-
Less: Amount representing finance charges	0.31	-	-	-
Present value of minimum lease payments	1.15			
Lease payments for the period	0.24	-	-	-
Minimum Lease Payments:				
Not later than one year	0.47	-	-	-
Later than one year	0.99	-	-	-

6. Impairment of assets

In the second half of 2002, the Company decided to continue with its hybrid and basic seed production, processing and sale operations in Argentina. The earlier plan of changing the activities substantially was not implemented. The economic situation in Argentina recovered in 2004. The Company has reversed the impairment provision of Rs. 43.73 million in 2004.

7. Provisions and Contingencies

7.1 Provisions

Provision for litigations ***(Rs. in millions)***

	Opening Balance	**Additions during the period**	**Unused amounts reversed during the period**	**Closing balance**
Provision for litigations				
For the period ended 31 October 2006	259.04	-	9.89	249.15
For the year ended 31 December 2005	58.75	201.51	-	260.26
For the year ended 31 December 2004	43.73	13.12	-	56.85
For the year ended 31 December 2003	45.60	-	-	45.60

Provision for Litigations

There are two litigations against the Company of compensation for damages for breach of contract. These cases will be settled simultaneously, as they have been considered interrelated cases by the intervening court.

7.2 Contingent liabilities not provided for

(Amount in Rs million)

Contingent Liabilities not provided for	As at 31 Oct 2006	As at 31 Dec 2005	As at 31 Dec 2004	As at 31 Dec 2003
Claims against the Company not acknowledged as debts	573.30	613.93	812.18	848.35

Claims against the Company not acknowledged as debts pertain mainly to the two litigations against the Company of compensation for damages for breach of contracts. The Company has provided the amount of Rs. 249.15 million as at October 31, 2006, Rs. 260.26 million as at December 31, 2005, Rs. 56.85 million at December 31, 2004 and Rs. 45.60 million as at December 31, 2003, against these litigations based on the opinion from legal counsel, as the best estimate of the amount payable by the Company.

8. Directors' Remuneration

(Amount in Rs million)

	Jan-Oct 2006	Jan-Dec 2005	Jan-Dec 2004	Jan-Dec 2003
Commission to:				
Eduardo Liguori	0.30	0.27	0.24	0.24
Sergio Pez	-	-	0.14	-
Jorge Scolaro	0.18	0.17	-	-
	0.48	**0.44**	**0.38**	**0.24**

9. Share Capital

In 2004, capital reduction of Rs. 1,416.67 million represents mandatory capital reduction according to Argentina regulations. These regulations require that if the profit and loss account exceeds 50% of the company's capital and reserves, there must be a reduction of the capital. Accordingly, number of issued and subscribed shares are reduced from 46,001,552 to 17,469,633 in 2004.

10. Convenience translation:

The financial statements for all the periods presented are converted into Indian Rupees using the exchange rates prevailing at the respective period ends between Indian Rupee and US Dollar as follows:

As at	Rs. Per USD
31-Dec-03	Rs.45.6000
31-Dec-04	Rs.43.7300
31-Dec-05	Rs.45.1950
31-Oct-06	Rs.45.0808

As per our report of even date

For S. R. Batliboi & Associates
Chartered Accountants

per Amit Majmudar
Partner

Membership No.: 36656

Place : Mumbai
Date : January 12, 2007

For and on behalf of the Board of
Directors of Advanta Semillas S.A.I.C.

K Suresh
Group Chief Financial Officer

Place : Mumbai
Date : January 12, 2007

ADVANTA SEMILLAS S.A.I.C.

CASH FLOW STATEMENT FOR THE PERIOD ENDED OCTOBER 31, 2006, AND YEARS ENDED DECEMBER 31, 2005 DECEMBER 31, 2004 AND DECEMBER 31, 2003

(Amount in Rs million)

	Period 31-Oct-06	Year ended 31-Dec 2005	Year ended 31 Dec 2004	Year ended 31 Dec 2003
A. Cash flow from Operating activities				
Net profit/(loss) before taxation	**22.21**	**(158.03)**	**54.32**	**64.97**
Adjustments for:				
Depreciation	10.52	14.56	12.61	13.05
Profit on sale of fixed assets	-	-	(0.14)	(1.65)
Provision written back (net)	(3.34)	(6.74)	1.89	(24.26)
Unrealised foreign exchange adjustments (net)	(8.59)	(4.42)	(0.16)	6.26
Interest Income	-	0.95	(0.56)	(7.33)
Bad debts written (back) off	5.95	-	-	-
Write off/other adjustments of fixed assets	-	-	(43.73)	-
Operating profit before working capital changes	**26.75**	**(153.68)**	**24.23**	**51.04**
Movements in working capital:				
Decrease (Increase) in Sundry Debtors	(38.91)	(17.68)	(63.17)	(10.55)
(Increase)/ Decrease in inventories	(26.77)	(13.60)	(48.98)	0.76
Decrease (Increase) in loans and advances	(3.08)	(0.07)	(0.23)	(1.27)
Increase in current liabilities and provisions	1.13	230.20	22.84	11.04
Cash generated from operations	**(40.88)**	**45.17**	**(65.31)**	**51.02**
Direct tax paid	(5.36)	(6.20)	(5.29)	(5.24)
Net cash from operating activities	**(46.24)**	**38.97**	**(70.60)**	**45.78**
B. Cash flow from Investing Activities				
Purchase of fixed assets	(8.81)	(10.69)	(10.45)	(13.64)
Proceeds from sale of fixed assets	1.22	1.28	4.02	2.46
Interest received	-	(0.19)	0.56	7.33
Net cash from investing activities	**(7.59)**	**(9.60)**	**(5.87)**	**(3.85)**
Net increase in cash and cash equivalents (A+B)	(53.83)	29.37	(76.47)	41.93
Cash and cash equivalents at the beginning of the year	87.73	58.59	133.14	96.91
Cash and cash equivalents at the end of the year	33.90	87.96	56.67	138.84
Components of cash and cash equivalents				
Cash and cheques on hand	0.90	0.79	0.85	0.87
With banks - on current account	33.00	87.17	55.82	137.97
Total	**33.90**	**87.96**	**56.67**	**138.84**

As per our report of even date

For S. R. Batliboi & Associates
Chartered Accountants

per Amit Majmudar
Partner

Membership No.: 36656

Place : Mumbai
Date : January 12, 2007

For and on behalf of the Board of Directors of Advanta Semillas S.A.I.C.

K Suresh
Group Chief Financial Officer

Place : Mumbai
Date : January 12, 2007

REVIEW REPORT OF ADVANTA SEMILLAS S.A.I.C, ARGENTINA FOR THE YEAR ENDED DECEMBER 31, 2002 AND DECEMBER 31, 2001

To
The Board of Directors
Advanta Semillas S.A.I.C

1. We have reviewed the accompanying financial information of Advanta Semillas S.A.I.C (the "Company") for the years ended December 31, 2002 and December 31, 2001. This financial information has been approved by the board of directors of the Company and is the responsibility of the Company's management. Our responsibility is to issue a report on this financial information based on our review.
2. We conducted our review in accordance with the Auditing and Assurance Standard (AAS) 33, Engagements to Review Financial Statements issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial information is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides us less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. Based on our review nothing has come to our attention that caused us to believe that the accompanying financial information does not comply with Accounting Standards as issued by the Institute of Chartered Accountants of India.
4. This report is solely to the Company's Board of Directors, as a body. Our review work has been undertaken so that we might state to the Company's Board of Directors those matters we are required to state to them in a review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and Company's Board of Directors as a body, for our review work or for this report.

For **S.R. Batliboi & Associates**
Chartered Accountants

per **Amit Majmudar**
Partner
Membership No.:36656

Place: Mumbai
Date: February 8, 2007

ADVANTA SEMILLAS S.A.I.C

UNAUDITED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2002 AND DECEMBER 31, 2001

(Rs. in million)

	2002	2001
INCOME		
Turnover		
Sale of Products	251.65	457.81
TOTAL	**251.65**	**457.81**
Other Income	16.09	9.19
TOTAL	**267.74**	**467.00**
EXPENDITURE		
Raw materials consumed	77.59	555.12
Personnel expenses	57.75	125.36
Operating and other expenses	97.62	477.82
Depreciation	26.38	23.16
Financial Expenses	0.09	53.66
Loan Waived (Note 2)	-	(381.91)
Exceptional Items (Note 3)	-	354.91
Profit/(Loss) before tax	**8.31**	**(741.12)**
Provision for current tax	-	2.90
Profit/(Loss) after tax	**8.31**	**(744.02)**
Balance brought forward from previous year	(1974.42)	(1242.69)
Deficit carried to Balance Sheet	**(1966.11)**	**(1986.71)**
Earnings Per Share (Rs.)		
Basic and Diluted (46,001,552 equity shares of AR$ 1 each fully paid up)	**0.18**	**(16.17)**

Notes

1. **Statement of significant accounting policies**

   a) ***Basis of preparation***

   The financial information has been prepared to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India. The financial information has been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made. The accounting policies have been consistently applied by the Company.

   b) ***Fixed assets***

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

c) ***Depreciation***

Depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management.

	Rates
Buildings	2%
Plant and Machinery	10%
Computers (included in Plant and Machinery)	33%
Furniture and Fittings	20%
Vehicles	25%

d) ***Impairment***

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 recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

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

iii. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

e) ***Inventories***

Inventories are valued as follows:

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

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

f) ***Revenue recognition***

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

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

Income from services

Revenues from maintenance contracts are recognised pro-rata over the period of the contract as and when services are rendered.

Interest

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

g) ***Foreign currency translation***

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.

iii) Exchange differences

Exchange differences arising on the settlement of monetary items or on 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 period in which they arise.

h) ***Income taxes***

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

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 and deferred tax liabilities across various countries of operations are not set off against each other as the Company does not have a legal right to do so. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the Company has carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognised only if there is virtual certainty that such deferred tax assets can be realised against future taxable profits. Unrecognised deferred tax assets of earlier periods are re-assessed and are recognised 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.

i) ***Provisions***

A provision is recognised when the Company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best 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 best estimates.

2. Waiver of loan

Loan waived represents income arising on waiver of loan by the parent company.

3. Exceptional items

Exceptional items includes charge on account of severances Rs. 96.53 million, impairment on fixed assets Rs. 48.34 million, write off of unrecovered VAT Rs. 174.02 million and other expenses of Rs.36.02 million.

4. **Notes on convenience translation:**

The financial information for all the years presented are converted into Indian Rupees using the exchange rates prevailing at the respective year end between Indian Rupee and US Dollar as follows:

As at	Rs. Per U S Dollar
31-Dec-01	48.34300
31-Dec-02	48.04400

For and on behalf of the Board of Directors of
Advanta Semillas S.A.I.C.

K Suresh
Group Chief Financial Officer

Place: Bangalore
Date: February 7, 2007

AUDITORS' REPORT OF PACIFIC SEEDS (THAI) LTD., THAILAND

To

The Board of Directors of Pacific Seeds (Thai) Ltd.

1. We have audited the attached Balance Sheet of Pacific Seeds (Thai) Ltd. as at October 31, 2006, as at December 31, 2005, December 31, 2004 and December 31, 2003 and also the Profit and Loss accounts and the cash flow statements for the ten months period ended October 31, 2006 and the years ended December 31, 2005, December 31, 2004 and December 31, 2003 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. The financial statements for the ten months period ended October 31, 2006 have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 25, Interim Financial Reporting, issued by the Institute of Chartered Accountants of India. *The financial statements do not include:*

   a. *cumulative profit and loss account for the period January 1, 2005 to October 31, 2005; and*

   b. *cash flow statement for the period January 1, 2005 to October 31, 2005*

   as required by AS 25.

4. *The Company has disclosed consumption of raw materials, packing materials and traded goods for the ten months period ended October 31, 2006 as Rs. 173.43 million, for the year ended at December 31, 2005 as Rs. 97.38 million, for the year ended December 31, 2004 as Rs. 196.77 million and December 31, 2003 as Rs. 127.58 million. The respective amounts attributable to raw material consumption and purchases of traded goods are not identified and disclosed.*

5. *The Company has not made provision for gratuity as at December 31, 2004 and December 31, 2003 as required by Accounting Standard (AS) 15 Accounting for Retirement Benefits in the Financial Statements of Employers. Had the Company made provision for gratuity for the years mentioned as required by AS 15, personnel expenses and profits for the years ended December 31, 2005, December 31, 2004 and December 31, 2003 and provision for gratuity as at December 31, 2004 and December 31, 2003 would have been different than those shown in the financial statements. In the year ended December 31, 2005 the Company has provided for the gratuity liability for the first time including liability for all prior periods. The Company has not separately quantified and disclosed the prior period effect as required by AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.*

6. *The Company has not identified all of its related parties as defined in AS 18 Related Party Disclosures for the years ended December 31, 2005, December 31, 2004 and December 31, 2003. Therefore, we are unable to comment on the completeness of the disclosures made for related party transactions for these years as required by AS 18.*

7. In our opinion and to the best of our information and according to the explanations given to us, *subject to our comment in paragraphs 3, 4, 5 and 6 above,* the said financial statements 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 October 31, 2006, December 31, 2005, December 31, 2004 and December 31, 2003;

   b. in the case of the profit and loss account, of the profit for the ten months period ended on October 31, 2006 and years ended December 31, 2005, December 31, 2004 and December 31, 2003; and

   c. in the case of cash flow statement, of the cash flows for the ten months period ended on October 31, 2006 and the years ended December 31, 2005, December 31, 2004 and December 31, 2003.

8. This report is made solely to the Company's Board of Directors, as a body. Our audit work has been undertaken so that we might state to the Company's Board of Directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Board of Directors as a body, for our audit work, for this report, or for the opinions we have formed.

For S. R. BATLIBOI & ASSOCIATES
Chartered Accountants

per Amit Majmudar
Partner

Membership No.: 36656

Mumbai

Date: January 12, 2007

PACIFIC SEEDS (THAI) LTD., THAILAND

BALANCE SHEET AS AT OCTOBER 31, 2006 AND YEARS ENDED DECEMBER 31, 2005, DECEMBER 31, 2004, AND DECEMBER 31, 2003

(Amount in Rs. million)

	Schedules	31-Oct-06	31-Dec-05	31-Dec-04	31-Dec-03
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	1	10.32	9.27	9.43	9.68
Reserves and Surplus	2	252.10	156.29	116.76	28.94
Total		**262.42**	**165.56**	**126.19**	**38.62**
Loan Funds					
Unsecured loans	3	77.58	-	89.84	126.70
TOTAL		**340.00**	**165.56**	**216.03**	**165.32**
APPLICATION OF FUNDS					
Fixed Assets	4				
Gross block		189.36	152.14	149.72	146.47
Less : Accumulated Depreciation		133.33	112.04	106.52	101.32
Net block		**56.03**	**40.10**	**43.20**	**45.15**
Deferred Tax Assets	5	**25.36**	**18.70**	**12.49**	**8.85**
Current Assets, Loans and Advances					
Inventories	6	151.73	70.16	128.09	61.63
Sundry debtors	7	166.60	106.87	117.24	100.09
Cash and bank balances	8	30.66	23.10	24.80	19.05
Other current assets	9	4.33	1.56	1.50	0.55
Loans and advances	10	4.50	5.37	7.89	4.50
Less: Current Liabilities and Provisions					
Liabilities	11	70.73	84.09	90.91	62.93
Provisions	12	28.48	16.21	28.27	11.57
Total Liabilities and Provisions		**99.21**	**100.30**	**119.18**	**74.50**
Net Current Assets		**258.61**	**106.76**	**160.34**	**111.32**
TOTAL		**340.00**	**165.56**	**216.03**	**165.32**
Notes to Accounts	19				

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

As per our report of even date

For S. R. Batliboi & Associates
Chartered Accountants

per Amit Majmudar
Partner
Membership No.: 36656
Place: Mumbai
Date: January 12, 2007

For and on behalf of the Board of Directors of Pacific Seeds (Thai) Ltd.

K Suresh
Group Chief Financial Officer

Place: Mumbai
Date: January 12, 2007

PACIFIC SEEDS (THAI) LTD., THAILAND

PROFIT AND LOSS ACCOUNT FOR TEN MONTHS PERIOD ENDED OCTOBER 31, 2006 AND YEARS ENDED DECEMBER 31, 2005, DECEMBER 31, 2004 AND DECEMBER 31, 2003

(Amount in Rs. million)

	Schedules	31-Oct-06	31-Dec-05	31-Dec-04	31-Dec-03
INCOME					
Turnover					
Sale of Products		435.43	458.83	485.71	439.60
Other income	13	14.03	21.13	11.30	14.40
TOTAL		**449.46**	**479.96**	**497.01**	**454.00**
EXPENDITURE					
Personnel expenses	14	48.09	60.02	60.68	54.29
Operating and other expenses	15	344.41	293.73	358.82	290.01
Decrease / (Increase) in inventories	16	(60.05)	54.18	(62.42)	(2.03)
Depreciation		11.56	12.20	11.48	11.16
Financial expenses	17	2.91	7.59	6.34	10.29
Profit before tax		**102.54**	**52.24**	**122.11**	**90.28**
Provision for current tax		28.97	17.12	37.43	19.18
Deferred tax expense / (income)		(4.54)	(6.43)	(3.86)	4.18
Total tax expense		24.43	10.69	33.57	23.36
Net Profit		78.11	41.55	88.54	66.92
Balance brought forward from previous period		173.99	114.74	28.22	(37.98)
Surplus carried to Balance Sheet		**252.10**	**156.29**	**116.76**	**28.94**
Earnings per share	18				
Basic and diluted (Rs.) [Nominal value of shares Baht 100]		929.88	494.64	1054.05	796.67
Notes to Accounts	19				

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

As per our report of even date

For S. R. Batliboi & Associates
Chartered Accountants

per Amit Majmudar
Partner
Membership No.: 36656
Place: Mumbai
Date: January 12, 2007

For and on behalf of the Board of Directors of Pacific Seeds (Thai) Ltd.

K Suresh
Group Chief Financial Officer

Place: Mumbai
Date: January 12, 2007

PACIFIC SEEDS (THAI) LTD., THAILAND

Schedule 1: Share Capital

(Amount in Rs. million)

	31-Oct-06	31-Dec-05	31-Dec-04	31-Dec-03
Issued				
300,000 equity shares of Baht 100/- each	36.86	33.11	33.69	34.55
Subscribed and paid up				
300,000 equity shares of Baht 100/- each 28 percent paid up	**10.32**	**9.27**	**9.43**	**9.68**
Of the above:				
299,993 shares are held by Pacific Seeds Holding (Thailand) Company Limited, the Holding Company as at Oct 31, 2006, Dec 31, 2005 and Dec 31, 2004.				
299,993 shares were held by Advanta Lambada B.V., the Holding Company as at Dec 31, 2003.				

Schedule 2: Reserves and Surplus

Profit and Loss Account	**252.10**	**156.29**	**116.76**	**28.94**

Schedule 3 : Unsecured Loans

Loan from related parties with no terms of repayment	**77.58**	**-**	**89.84**	**126.70**

Schedule 4: Fixed Assets

(Amount in Rs. million)

Jan-Oct 06	Land-Freehold	Buildings	Plant and Machinery	Furniture and Fittings	Vehicles	Total
Gross Block						
Opening balance	3.18	33.46	72.27	18.54	41.93	169.38
Additions	-	0.90	17.44	0.82	3.85	23.01
Deductions	-	-	-	0.69	2.34	3.03
Closing balance	**3.18**	**34.36**	**89.71**	**18.67**	**43.44**	**189.36**
Depreciation						
Opening balance	-	20.93	64.10	16.46	23.25	124.74
For the period	-	0.87	2.97	1.14	6.58	11.56
Deletions / Adjustments	-	-	-	0.68	2.29	2.97
Closing balance	**-**	**21.80**	**67.07**	**16.92**	**27.54**	**133.33**
Net Block At 31 October 2006	**3.18**	**12.56**	**22.64**	**1.75**	**15.90**	**56.03**

PACIFIC SEEDS (THAI) LTD., THAILAND

(Amount in Rs. million)

31 December 2005	Land-Freehold	Buildings	Plant and Machinery	Furniture and Fittings	Vehicles	Total
Gross Block						
Opening balance	2.86	29.43	63.29	16.94	34.62	147.14
Additions	-	0.62	1.63	0.59	8.04	10.88
Deductions	-	-	-	0.88	5.00	5.88
Closing balance	**2.86**	**30.05**	**64.92**	**16.65**	**37.66**	**152.14**
Depreciation						
Opening balance	-	17.88	54.68	14.05	18.08	104.69
For the year	-	0.92	2.91	1.58	6.79	12.20
Deletions / Adjustments	-	-	-	0.85	4.00	4.85
Closing balance	**-**	**18.80**	**57.59**	**14.78**	**20.87**	**112.04**
Net Block At 31 December 2005	**2.86**	**11.25**	**7.33**	**1.87**	**16.79**	**40.10**

(Amount in Rs. million)

31 December 2004	Land-Freehold	Buildings	Plant and Machinery	Furniture and Fittings	Vehicles	Total
Gross Block						
Opening balance	2.91	29.51	61.18	16.86	32.34	142.81
Additions	-	0.44	3.21	1.53	6.06	11.24
Deductions	-	-	-	1.16	3.17	4.33
Closing balance	**2.91**	**29.95**	**64.39**	**17.23**	**35.23**	**149.72**
Depreciation						
Opening balance	-	17.37	52.74	13.75	14.93	98.79
For the year	-	0.82	2.90	1.70	6.06	11.48
Deletions / Adjustments	-	-	-	1.16	2.59	3.75
Closing balance	**-**	**18.19**	**55.64**	**14.29**	**18.40**	**106.52**
Net Block At 31 December 2004	**2.91**	**11.76**	**8.75**	**2.94**	**16.83**	**43.20**

PACIFIC SEEDS (THAI) LTD., THAILAND

(Amount in Rs. million)

31 December 2003	Land-Freehold	Buildings	Plant and Machinery	Furniture and Fittings	Vehicles	Total
Gross Block						
Opening balance	2.98	28.55	60.17	16.22	29.90	137.82
Additions	-	1.72	2.59	1.43	8.92	14.66
Deductions	-	-	-	0.36	5.65	6.01
Closing balance	**2.98**	**30.27**	**62.76**	**17.29**	**33.17**	**146.47**
Depreciation						
Opening balance	-	16.64	51.05	12.87	15.60	96.16
For the year	-	1.18	3.03	1.59	5.36	11.16
Deletions / Adjustments	-	-	-	0.35	5.65	6.00
Closing balance	**-**	**17.82**	**54.08**	**14.11**	**15.31**	**101.32**
Net Block At 31 December 2003	**2.98**	**12.45**	**8.68**	**3.18**	**17.86**	**45.15**

Schedule 5 : Deferred Tax Assets

(Amount in Rs million)

	31-Oct -06	31-Dec-05	31-Dec-04	31-Dec-03
Effect of expenditure debited to profit and loss account in the current year but allowed for tax purposes in following years	14.68	11.37	5.58	4.43
Accrued marketing expenses	5.72	3.74	3.86	1.04
Provision for doubtful debts	4.96	3.59	3.05	3.38
Net Deferred Tax Assets	**25.36**	**18.70**	**12.49**	**8.85**

Schedule 6 : Inventories (at lower of cost and net realisable value)

Raw materials and components	24.40	13.24	12.35	9.81
Packing materials	10.29	5.72	8.52	5.87
Work-in-progress & Semi Finished Goods	95.45	37.15	59.95	29.98
Finished goods	21.59	14.05	47.27	15.97
	151.73	**70.16**	**128.09**	**61.63**

PACIFIC SEEDS (THAI) LTD., THAILAND

Schedule 7 : Sundry debtors

(Amount in Rs million)

	31-Oct -06	31-Dec-05	31-Dec-04	31-Dec-03
Debts outstanding for a period exceeding six months				
Unsecured, considered doubtful	12.66	8.24	8.47	8.38
Other debts				
Unsecured, considered good	166.60	106.87	117.24	100.09
Unsecured, considered doubtful	3.86	3.71	1.71	2.89
	183.12	**118.82**	**127.42**	**111.36**
Less: Provision for doubtful debts	16.52	11.95	10.18	11.27
	166.60	**106.87**	**117.24**	**100.09**

Schedule 8: Cash and Bank balances

Cash on hand	0.04	0.03	0.03	0.03
Balances with banks on current accounts	30.62	23.07	24.77	19.02
	30.66	**23.10**	**24.80**	**19.05**

Schedule 9 : Other Current Assets

Marketing and promotional material	4.33	1.56	1.50	0.55
	4.33	**1.56**	**1.50**	**0.55**

Schedule 10 : Loans and Advances

Unsecured, considered good

Advances recoverable in cash or kind or for value to be received	4.43	5.31	7.83	4.43
Deposits	0.07	0.06	0.06	0.07
	4.50	**5.37**	**7.89**	**4.50**

Schedule 11 : Liabilities

Sundry creditors	17.89	9.64	12.70	6.25
Accrued expenses	39.21	43.18	46.13	38.94
Advances from customers	8.17	26.17	26.90	12.17
Forward contracts	0.09	0.20	0.15	0.24
Others	5.37	4.90	5.03	5.33
	70.73	**84.09**	**90.91**	**62.93**

PACIFIC SEEDS (THAI) LTD., THAILAND

Schedule 12: Provisions

(Amount in Rs million)

	31-Oct -06	31-Dec-05	31-Dec-04	31-Dec-03
Provision for taxation (net of advance payments)	14.73	3.64	28.27	11.57
Provision for gratuity	13.75	12.57	-	-
	28.48	**16.21**	**28.27**	**11.57**

Schedule 13: Other Income

(Amount in Rs million)

	Jan-Oct 2006	Jan – Dec 2005	Jan – Dec 2004	Jan – Dec 2003
Interest on bank deposits	0.05	0.05	0.06	0.08
Sale of scrap	2.39	1.49	0.86	1.50
Profit on sale of assets	0.58	0.77	0.78	1.71
Exchange difference (net)	-	1.61	-	-
Royalties received	2.09	10.78	3.62	5.15
Miscellaneous income	8.92	6.43	5.98	5.96
	14.03	**21.13**	**11.30**	**14.40**

Schedule 14: Personnel Expenses

Salaries, wages and bonus	42.15	40.99	54.24	48.16
Contribution to provident fund	2.16	2.33	2.43	2.23
Contribution to gratuity	(0.24)	12.57	-	-
Workmen and staff welfare expense	4.02	4.13	4.01	3.90
	48.09	**60.02**	**60.68**	**54.29**

Schedule 15 : Operating and Other Expenses

Consumption of stores and spares	0.05	0.04	0.02	0.05
Consumption of raw materials, packing materials and traded goods	173.43	97.38	196.77	127.58
Labour / Sub-contracting expenses	7.28	5.32	5.74	7.12
Power and fuel	15.38	10.86	10.66	9.00
Freight and forwarding charges	16.14	10.84	14.06	8.83
Rent	0.96	1.22	1.20	1.18
Rates and taxes	2.52	3.25	1.92	2.08
Insurance	3.39	4.13	3.83	3.87

PACIFIC SEEDS (THAI) LTD., THAILAND

Schedule 15 : Operating and Other Expenses (Contd.)

(Amount in Rs million)

	Jan-Oct 2006	Jan-Dec 2005	Jan-Dec 2004	Jan-Dec 2003
Repairs and maintenance:				
Plant and machinery	1.80	1.27	1.58	1.48
Buildings	0.12	0.26	0.11	0.15
Others	1.81	2.12	1.84	2.19
Advertising and sales promotion	8.95	10.20	8.98	10.51
Brokerage and discounts	58.08	72.95	75.17	63.88
Travelling and conveyance	11.40	9.96	8.73	7.23
Communication costs	1.50	1.66	1.83	1.83
Printing and stationery	1.61	1.53	1.60	1.53
Legal and professional fees	0.90	0.55	0.92	1.74
Audit fees	1.58	0.36	0.55	0.34
Exchange difference (net)	0.01	-	0.35	1.50
Provision for doubtful debts and advances	3.21	2.78	0.05	1.79
Provision for stock damage	15.85	31.41	3.22	15.28
Miscellaneous expenses	18.44	25.64	19.69	20.85
	344.41	**293.73**	**358.82**	**290.01**
Above expenses include Research and Development	14.28	13.83	14.54	14.54

Schedule 16 : Decrease/(Increase) in inventories

Inventories as at period end				
Work-in-progress	95.46	37.15	59.95	29.98
Finished goods	21.59	14.05	47.27	15.97
	117.05	**51.20**	**107.22**	**45.95**
Inventories as at previous period end				
Work-in-progress	41.36	58.93	29.23	25.57
Finished goods	15.64	46.45	15.57	18.35
	57.00	**105.38**	**44.80**	**43.92**
	(60.05)	**54.18**	**(62.42)**	**(2.03)**

PACIFIC SEEDS (THAI) LTD., THAILAND

Schedule 17 : Financial Expenses

(Amount in Rs million)

	Jan-Oct 2006	Jan-Dec 2005	Jan-Dec 2004	Jan-Dec 2003
Interest				
- on banks	-	0.46	-	-
- Related party loans	2.35	6.32	5.53	9.50
Bank charges	0.56	0.81	0.81	0.79
	2.91	**7.59**	**6.34**	**10.29**

Schedule 18 : Earnings per share (EPS)

Net profit as per profit and loss account for calculation of basic and diluted EPS	78.11	41.55	88.54	66.92
Weighted average number of equity shares in calculating basic and diluted EPS (after treating partly-paid equity shares as fraction of equity shares)	84,000	84,000	84,000	84,000

Schedule 19: Notes to Accounts

1. **Nature of Operations**

   The Company is engaged in research, development, production and sale of plant seeds for agricultural use.

2. **Statement of significant accounting policies**

   a) **Basis of preparation**

   The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India. 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 except for changes in accounting policy discussed more fully below, are consistent with those used in the previous periods.

   b) **Changes in accounting policy**

   In 2005, the Company changed its accounting policy in respect of exchange differences on forward exchange contracts. From 1st January 2005, these exchange differences are recognised in the statement of profit and loss in the period in which the exchange rates change. The impact on profit and assets and liabilities due to such change is not material.

   c) **Fixed Assets**

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

   d) **Depreciation**

   Depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management.

	Rates
Buildings	5%
Machinery and equipments	20%
Computers	33.33%
Furniture and fittings	20%
Vehicles	20%

e) **Impairment**

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 recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

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

f) **Intangibles**

Research and development costs

Research costs are expensed as incurred. Developmental expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured.

g) **Inventories**

Inventories are valued as follows:

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

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

h) **Revenue recognition**

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

Sale of Goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

Interest

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

Royalties

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

i) **Foreign currency translation**

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 reporting Company's monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognised as income or as expenses in the period in which they arise.

(iv) Forward exchange contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the period. From January 1, 2005 exchange differences on forward exchange contracts are recognised in the statement of profit and loss in the period in which the exchange rates change.

j) Retirement and other employee benefits

(i) Retirement benefits in the form of provident fund are charged to the profit and loss account of the period 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 under the Payment of Gratuity Act is accrued and provided for on the basis of an actuarial valuation made at the end of each financial year.

k) Income Taxes

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

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 and deferred tax liabilities across various countries of operations are not set off against each other as the Company does not have a legal right to do so. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the Company has carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognised only if there is virtual certainty that such deferred tax assets can be realised against future taxable profits. Unrecognised deferred tax assets of earlier periods are re-assessed and are recognised 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.

l) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders 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 dividend relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, shares 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 numbers of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

m) Provisions

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

n) **Cash and Cash equivalents**

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

o) **Derivative instruments**

The Company uses derivative financial instruments such as forward exchange contracts to hedge its risks associated with foreign currency fluctuations. Accounting policy for forward exchange contracts is given in note i(iv). Commodity future contracts are accounted for on the settlement date and realised gain / loss in respect of settled contracts are recognised in the profit and loss account, along with the underlying transactions.

p) **Interim financial statements**

The interim financial statements for the ten months period ended October 31, 2006 have been prepared in accordance with AS 25 Interim Financial Reporting. The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended December 31, 2005.

3. **Segment Information**

The Company's business activity primarily falls within a single business and geographical segment. There are no additional disclosures to be provided under Accounting Standard 17 "Segment Reporting", other than those already provided in the financial statements.

The business segment comprises of seed business.

4. **Related Parties**

a. *Names of related parties as at December 31, 2003*

Holding Company – Advanta Lambada B.V.

Intermediate Holding Companies – Advanta Netherlands Holdings B.V., Advanta India Limited

Other related parties with whom transactions have taken place during the year:

Fellow subsidiaries: Pacific Seeds Pty. Ltd., Advanta Africa Seeds (Proprietary) Limited, Advanta Semillas S.A.I.C., Garst Seed.

Key Management Personnel –Mr. Pacholk Pongpanich, Managing Director, Mr. Yongyuth Pansung, Marketing Manager and Director

Names of related parties as at December 31, 2004

Holding Company – Advanta Lambada B.V. upto 28 December 2004, Pacific Seeds Holding (Thailand) Company Limited from 29 December 2004.

Intermediate Holding Companies – Advanta Netherlands Holdings B.V., Advanta India Limited, Advanta Finance B.V., Advanta International B.V.

Other related parties with whom transactions have taken place during the year:

Fellow subsidiaries: Pacific Seeds Pty. Ltd., Advanta Semillas S.A.I.C.

Key Management Personnel –Mr. Pacholk Pongpanich, Managing Director, Mr. Yongyuth Pansung, Marketing Manager and Director

Names of related parties as at December 31, 2005

Holding Company –Pacific Seeds Holding (Thailand) Company Limited

Intermediate Holding Companies – Advanta Netherlands Holdings B.V., Advanta India Limited, Advanta Finance B.V., Advanta International B.V.

Other related parties with whom transactions have taken place during the year:

Fellow subsidiaries: Pacific Seeds Pty. Ltd., Advanta Semillas S.A.I.C.

Key Management Personnel –Mr. Pacholk Pongpanich, Managing Director, Mr. Yongyuth Pansung, Marketing Manager and Director

Names of related parties as at October 31, 2006

Ultimate Holding Company - United Phosphorus Limited

Holding Company - Pacific Seeds Holding (Thailand) Company Limited

Intermediate Holding Companies – Advanta Netherlands Holdings B.V., Advanta India Limited, Advanta Finance B.V., Advanta International B.V., Advanta Holdings B.V. (formerly known as Brainsurgeon Holdings B.V.), Biowin Corporation.

Other related parties with whom transactions have taken place during the year:

Fellow subsidiaries: Pacific Seeds Pty. Ltd., Advanta Semillas S.A.I.C.

Key Management Personnel –Mr. Pacholk Pongpanich, Managing Director, Mr. Yongyuth Pansung, Marketing Manager and Director

b. Goods are sold on one to six months credit to non-related parties. One month credit period is generally allowed on sales made to related party.

c. Sales to Pacific Seeds Pty Ltd. is made at market price.

d. Remuneration paid to directors is disclosed elsewhere in the notes to accounts.

e. Loans from Advanta Netherlands Holdings B.V. does not have specific repayment schedule and carries interest of LIBOR plus 1 % p.a.

f. Related Party Transactions

(Amount in Rs millions)

	Holding Company / Intermediate Holding Companies				**Fellow subsidiaries**			
	Oct 2006	**Dec 2005**	**Dec 2004**	**Dec 2003**	**Oct 2006**	**Dec 2005**	**Dec 2004**	**Dec 2003**
Sales								
Pacific Seeds Pty. Ltd.					49.35	33.06	62.16	26.99
Advanta Africa Seeds (Proprietory) Limited								2.78
Purchase of raw materials, intermediaries and finished goods								
Pacific Seeds Pty. Ltd.					40.31	16.71	18.25	17.73
Advanta Semillas S.A.I.C.					11.55	9.72	26.50	18.65
Advanta Africa Seeds (Proprietory) Limited								13.94
Advanta India Limited	3.07	(1.52)	17.25					
Garst Seed								13.46
Advanta Finance B.V.		9.57						
Provision /(Receipt) of management services								
Advanta Netherlands Holdings B.V.	7.59	8.94	4.66	6.29				
Pacific Seeds Pty. Ltd.					3.36	7.20	6.70	6.33

(Amount in Rs millions)

	Holding Company / Intermediate Holding Companies				Fellow subsidiaries			
	Oct 2006	Dec 2005	Dec 2004	Dec 2003	Oct 2006	Dec 2005	Dec 2004	Dec 2003
Pacific Seeds Holdings (Thailand) Company Limited	(0.66)	(0.71)						
Provision / (Receipt) of other services								
Advanta Netherlands Holdings B.V.		0.66						
Loans taken								
Advanta Netherlands Holdings B.V.		46.36	101.07	57.59				
Biowin Corporation	139.05							
Loans repaid								
Advanta Netherlands Holdings B.V.		134.65	134.76	138.22				
Biowin Corporation	61.47							
Interest (expense)/ income								
Advanta Netherlands Holdings B.V.		(6.32)	(5.53)	(9.50)				
Biowin Corporation Ltd	(2.35)							
Advance received (given)								
Advanta Semillas S.A.I.C.						(10.09)		
Royalty (expense)/ income								
Advanta India Limited		6.85	3.86	3.50				
Pacific Seeds Pty. Ltd.	2.09	3.93						
Balance receivable / (payable) as at the period end								
Pacific Seeds Pty. Ltd.					9.41	2.28	13.88	(0.79)
Advanta Semillas S.A.I.C.						10.09		
Advanta Netherlands Holdings B.V.	4.82	3.34	(89.84)	(126.70)				
Pacific Seeds Holding (Thailand) Company Limited	5.40	0.74						
Biowin Corporation	(79.53)							
Advanta India Limited	1.25							

5. **Derivative instruments and unhedged foreign currency exposure**

Forward exchange contracts outstanding as at the balance sheet date:

	31-Oct 2006	31-Dec 2005	31-Dec 2004	31-Dec 2003	Purpose
Buy					
USD	650,000	291,500	215,200	691,350	Hedge of expected future purchase
AUD	2,580	122,680	124,510	149,650	Hedge of expected future purchase
Sell					
USD	32,300	43,209	427,860	143,375	Hedge of expected future sales

Commodity futures:

	31-Oct 2006	31-Dec 2005	31-Dec 2004	31-Dec 2003	Purpose
USD	390,400	-	-	-	For the 2006 hybrid sorghum seeds production for 2007 sales.

Particulars of unhedged foreign currency exposure as at 31-Dec-05

Particulars	Amount
Advance paid for imports	USD 228,750
Accrued royalty	INR 3,350,000

6. **Directors' remuneration**

(Amount in Rs millions)

	Ten months period ended Oct 31, 2006	Year ended Dec 31, 2005	Year ended Dec 31, 2004	Year ended Dec 31, 2003
Salaries & bonus	4.21	4.92	5.13	4.30
Perquisites / other employee cost	0.72	1.00	1.03	1.00
Contribution to provident fund	0.27	0.28	0.27	0.23
	5.20	**6.20**	**6.43**	**5.53**
Paid to -				
Mr. Pacholk Pongpanich	3.02	3.41	3.49	3.02
Mr.Yongyuth Pansung	2.18	2.79	2.94	2.51
	5.20	**6.20**	**6.43**	**5.53**

Note:- As the future liability for gratuity is provided on an actuarial basis for the Company as a whole, the amounts pertaining to the directors is not ascertainable and, therefore, not included above.

7. **Convenience translation**

The financial statements for all the periods presented are converted into Indian Rupees using the exchange rates prevailing at the respective period ends between Indian Rupee and Thai Baht as follows:

As at	Rs. Per THB
31-Dec-03	Rs. 1.1518
31-Dec-04	Rs. 1.1230
31-Dec-05	Rs. 1.1037
31-Oct-06	Rs. 1.2287

As per our report of even date

For S. R. Batliboi & Associates
Chartered Accountants

per Amit Majmudar
Partner
Membership No.: 36656
Place: Mumbai
Date: January 12, 2007

For and on behalf of the Board of
Directors of Pacific Seeds (Thai) Ltd.

K Suresh
Group Chief Financial Officer

Place: Mumbai
Date: January 12, 2007

PACIFIC SEEDS (THAI) LTD., THAILAND

CASH FLOW STATEMENT FOR TEN MONTHS PERIOD ENDED OCTOBER 31, 2006, AND YEARS ENDED DECEMBER 31, 2005, DECEMBER 31, 2004 AND DECEMBER 31, 2003

(Amount in Rs millions)

	31-Oct-06	31-Dec-05	31-Dec-04	31-Dec-03
A. Cash flow from operating activities				
Net profit before taxation	102.54	52.24	122.11	90.28
Adjustments for:				
Depreciation	11.56	12.20	11.48	11.16
Profit on sale of fixed assets	(0.58)	(0.77)	(0.78)	(1.71)
Provision/ (write back) for bad debts	3.21	1.95	(0.81)	0.47
Provision / (write back) for stock	15.85	5.60	0.25	(3.63)
Interest income	(0.05)	(0.05)	(0.06)	(0.08)
Interest expense	2.35	6.78	5.53	9.50
Foreign exchange loss / (gain) (net)	(0.43)	(1.48)	0.68	0.13
Operating profit before working capital changes	**134.45**	**76.47**	**138.40**	**106.12**
Movements in working capital :				
Decrease / (Increase) in sundry debtors	(50.84)	6.41	(18.86)	11.50
Decrease / (Increase) in inventories	(89.48)	50.13	(68.25)	1.91
Decrease / (Increase) other current assets	(2.59)	(0.09)	(0.96)	0.19
Decrease / (Increase) loans and advances	1.48	2.37	(3.49)	(2.37)
Increase / (Decrease) in current liabilities	(25.42)	6.44	28.79	(18.64)
Cash generated from operations	**(32.40)**	**141.73**	**75.63**	**98.71**
Direct taxes paid (net of refunds)	(17.91)	(38.92)	(20.36)	(7.14)
Net cash from operating activities	**(50.31)**	**102.81**	**55.27**	**91.57**
B. Cash flows from investing activities				
Purchase of fixed assets	(23.01)	(10.88)	(11.24)	(14.66)
Proceeds from sale of fixed assets	0.64	1.80	1.36	1.72
Net cash from investing activities	**(22.37)**	**(9.08)**	**(9.88)**	**(12.94)**

PACIFIC SEEDS (THAI) LTD., THAILAND

CASH FLOW STATEMENT FOR TEN MONTHS PERIOD ENDED OCTOBER 31, 2006, AND YEARS ENDED DECEMBER 31, 2005, DECEMBER 31, 2004 AND DECEMBER 31, 2003 (CONTINUED)

(Amount in Rs millions)

	31-Oct-06	31-Dec-05	31-Dec-04	31-Dec-03
C. Cash Flows from financing activities				
Loan taken	77.58	-	-	-
Repayment of loan	-	(88.30)	(33.69)	(80.63)
Cash received from increase in share capital	-	-	-	7.95
Interest received	0.05	0.05	0.06	0.08
Interest paid	-	(6.78)	(5.53)	(12.08)
Net cash used in financing activities	**77.63**	**(95.03)**	**(39.16)**	**(84.68)**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	4.95	(1.30)	6.23	(6.06)
Cash and Cash equivalents at the beginning of the period	25.71	24.40	18.57	25.11
Cash and cash equivalents at the end of the period	**30.66**	**23.10**	**24.80**	**19.05**
Components of cash and cash equivalents				
Cash and cheques on hand	0.04	0.03	0.03	0.03
With banks – on current account	30.62	23.07	24.77	19.02
Amount placed with banks to secure bank guarantee facilities provided by banks on behalf of the Company and to secure forward exchange contracts included in cash and cash equivalents	7.53	5.03	7.32	7.76

As per our report of even date

For S. R. Batliboi & Associates
Chartered Accountants

per Amit Majmudar
Partner
Membership No.: 36656
Place: Mumbai
Date: January 12, 2007

For and on behalf of the Board of Directors of Pacific Seeds (Thai) Ltd.

K Suresh
Group Chief Financial Officer

Place: Mumbai
Date: January 12, 2007

REVIEW REPORT OF PACIFIC SEEDS (THAI) LTD., THAILAND

FOR THE YEAR ENDED DECEMBER 31, 2002 AND DECEMBER 31, 2001

To
The Board of Directors
Pacific Seeds (Thai) Ltd.

1. We have reviewed the accompanying financial information of Pacific Seeds (Thai) Ltd. (the "Company") for the years ended December 31, 2002 and December 31, 2001. This financial information has been approved by the board of directors of the Company and is the responsibility of the Company's management. Our responsibility is to issue a report on this financial information based on our review.
2. We conducted our review in accordance with the Auditing and Assurance Standard (AAS) 33, Engagements to Review Financial Statements issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial information is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. *Management has informed us that the Company has not made provision for gratuity as at December 31, 2002 and December 31, 2001 as required by AS 15 – Accounting for Retirement Benefits in the Financial Statements of Employers. The impact on the financial information for the years ended December 31, 2002 and December 31, 2001 due to such accounting has not been determined by the Company.*
4. Based on our review*, subject to the effects of our observations vide 3 above,* nothing has come to our attention that causes us to believe that the accompanying financial information does not comply with Accounting Standards issued by the Institute of Chartered Accountants of India.
5. This report is made solely to the Company's Board of Directors, as a body. Our review work has been undertaken so that we might state to the Company's Board of Directors those matters we are required to state to them in a review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Board of Directors as a body, for our review work or for this report.

For S. R. BATLIBOI & ASSOCIATES
Chartered Accountants

per Amit Majmudar
Partner

Membership No.: 36656

Place: Mumbai
Date: February 8, 2007

PACIFIC SEEDS (THAI) LTD.

UNAUDITED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2002 AND DECEMBER 31, 2001

(Rs. in million)

	2002	2001
INCOME		
Turnover		
Sale of Products	347.86	291.78
Other Income (Includes Rs. Million 2.02 for 2002 and Rs. Million 1.44 for 2001 on account of net gain on the disposal of assets)	21.22	12.46
TOTAL	**369.08**	**304.24**
EXPENDITURE		
Cost of Goods Sold	154.63	123.03
Personnel Expenses	43.11	38.48
Operating and other expenses	96.32	99.33
Depreciation/Amortisation	9.84	12.54
Financial Expenses	5.36	2.60
Profit before tax	59.82	28.26
Deferred tax income	12.57	-
Profit after Tax	**72.39**	**28.26**
Balance brought forward from previous year	(109.02)	(135.74)
Deficit carried to Balance Sheet	**(36.63)**	**(107.48)**
Earnings Per Share (Rs.)		
Basic and Diluted (60,000 ordinary shares of Baht 100 each, 25 percent paid up)	**4827**	**1884**

Notes

1. **Nature of operations**

   The Company is engaged in research, development, production and sale of plant seeds for agricultural use.

2. **Statement of significant accounting policies**

   a) ***Basis of preparation***

   The financial information has been prepared to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India. The financial information has been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company.

   b) ***Fixed assets***

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

c) Depreciation

Depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management.

	Rates
Buildings	5%
Machinery and equipments	20%
Computers	33.33%
Furniture and fittings	20%
Vehicles	20%

d) Impairment

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 recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

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

e) Intangibles

Research and development costs

Research costs are expensed as incurred. Developmental expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured.

f) Inventories

Inventories are valued as follows:

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

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

g) Revenue recognition

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

Sale of Goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

Interest

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

Royalties

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

h) Foreign currency translation

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 reporting Company's monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognised as income or as expenses in the period in which they arise.

(iv) Forward exchange contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the period.

i) Retirement and other employee benefits

Retirement benefits in the form of provident fund are charged to the profit and loss account of the period when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

j) Income taxes

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

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 and deferred tax liabilities across various countries of operations are not set off against each other as the Company does not have a legal right to do so. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the Company has carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognised only if there is virtual certainty that such deferred tax assets can be realised against future taxable profits. Unrecognised deferred tax assets of earlier periods are re-assessed and are recognised 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.

k) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders 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 dividend relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, shares 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 numbers of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

l) Provisions

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

3. Convenience translation:

The financial information for all the years presented are converted into Indian Rupees using the exchange rates prevailing at the respective year end between Indian Rupee and Thai Baht as follows:

As at	**Rs. Per Baht**
31-Dec-01	1.09505
31-Dec-02	1.11079

For and on behalf of the Board of Directors of
Pacific Seeds (Thai) Ltd.

K Suresh
Group Chief Financial Officer

Place : Bangalore

Date : February 7, 2007

AUDITOR'S REPORT OF ADVANTA NETHERLANDS HOLDINGS B.V.

To

The Board of Directors of Advanta Netherlands Holdings B.V.

1. We have audited the attached Balance Sheet of Advanta Netherlands Holdings B.V. as at October 31, 2006, March 31, 2006, December 31, 2005 and December 31, 2004 and also the Profit and Loss account for the seven months period ended October 31, 2006, three months period ended March 31, 2006, year ended December 31, 2005 and for the period August 11 to December 31, 2004 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. The financial statements for the three months period ended March 31, 2006 and seven months period ended October 31, 2006 have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 25, Interim Financial Reporting, issued by the Institute of Chartered Accountants of India. For the purpose of three months period ended March 31, 2006 the transitional provisions of AS 25 provide exemption from making comparative disclosures in respect of statement of profit and loss. *The financial statements do not include:*

   a) profit and loss account for the seven months period ended October 31, 2005;

   b) cumulative profit and loss account for the ten months periods ended October 31, 2006 and October 31, 2005;

   c) cash flow statement for the three months period ended March 31, 2006; and

   d) cumulative cash flow statement for the ten months period ended October 31, 2006

   as required by AS 25.
4. *The Company has not prepared cash flow statement for the year ended December 31, 2005 and for the period August 11 to December 31, 2004 as required by AS 3 Cash Flow Statements.*
5. *The Company has not identified and disclosed all of its related parties and related party transactions as defined in AS 18 Related Party Disclosures for the three months period ended March 31, 2006, for the year ended December 31, 2005 and for the period August 11 to December 31, 2004. Therefore, we are unable to comment on the completeness and correctness of the disclosures made for related party transactions for the three months period ended March 31, 2006, year ended December 31, 2005 and for the period August 11 to December 31, 2004 as required by AS 18.*
6. *For the seven months period ended October 31, 2006 the Company has disclosed following loan transactions with related parties on net basis instead of giving loans recovered and loans given separately on gross basis:*
   - *Loan recovered from Biowin Corporation of Rs. 81.63 million.*
   - *Loan given to Advanta Holdings B.V. of Rs. 941.37 million.*
7. *The Company has not disclosed names of the directors to whom the remuneration is paid during the seven months period ended October 31, 2006, three months period ended March 31, 2006, year ended December 31, 2005 and for the period August 11 to December 31, 2004. This is not in compliance with Accounting Standards Interpretation 13 which requires amount in excess of 10% of the total related party transaction to be disclosed separately.*
8. *Subject to paragraphs 3, 4, 5, 6 and 7 above*, in our opinion and to the best of our information and according to the explanations given to us, the said financial statements 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 October 31, 2006, March 31, 2006, December 31, 2005 and December 31, 2004; and

b) in the case of the profit and loss account, of the profit for the seven months period ended October 31, 2006, three months period ended March 31, 2006, year ended December 31, 2005 and for the period August 11 to December 31, 2004.

9. This report is made solely to the Company's Board of Directors, as a body. Our audit work has been undertaken so that we might state to the Company's Board of Directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Board of Directors as a body, for our audit work, for this report, or for the opinions we have formed.

For S. R. BATLIBOI & ASSOCIATES
Chartered Accountants

per Amit Majmudar
Partner

Membership No.: 36656

Mumbai
Date: February 8, 2007

ADVANTA NETHERLANDS HOLDINGS B.V.

BALANCE SHEET AS AT OCTOBER 31, 2006, MARCH 31, 2006, DECEMBER 31, 2005 AND DECEMBER 31, 2004

(Rs. in Million)

	Schedules	31-Oct-06	31-Mar-06	31-Dec-05	31-Dec-04
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	1	1.03	0.97	0.96	1.07
Reserves and Surplus	2	3,228.74	3,008.20	2,414.39	3,033.76
		3,229.77	**3,009.17**	**2,415.35**	**3,034.83**
Loan Funds					
Unsecured loans	3	385.24	-	66.87	5,664.34
Secured loans	4	-	-	-	2,840.07
		385.24	-	**66.87**	**8,504.41**
TOTAL		**3,615.01**	**3,009.17**	**2,482.22**	**11,539.24**
APPLICATION OF FUNDS					
Fixed Assets	5				
Gross Block		-	0.61	0.61	-
Less: Accumulated Depreciation		-	0.61	0.61	-
Net Block		-	-	-	-
Investments	6	1,585.00	1,488.65	1,640.96	9,734.04
Current Assets, Loans and Advances					
Sundry Debtors	7	8.52	88.68	8.10	-
Cash and Bank balances	8	14.24	2.61	147.01	-
Loans and advances	9	2,037.70	1,452.04	1,332.66	1,620.78
Less: Current Liabilities and Provisions					
Current Liabilities	10	30.45	21.39	645.10	3.34
Provisions	11	-	1.42	1.41	-
		30.45	**22.81**	**646.51**	**3.34**
Net Current Assets		**2,030.01**	**1,520.52**	**841.26**	**1,617.44**
Miscellaneous Expenditure	12	-	-	-	187.76
TOTAL		**3,615.01**	**3,009.17**	**2,482.22**	**11,539.24**
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

For S. R. Batliboi & Associates
Chartered Accountants

Per Amit Majmudar
Partner

Membership No: 36656

Place : Mumbai

Date : February 8, 2007

For and on behalf of the Board of Directors of
Advanta Netherlands Holdings B.V.

K Suresh
Group Chief Financial Officer

Place : Bangalore

Date : February 7, 2007

ADVANTA NETHERLANDS HOLDINGS B.V.

PROFIT AND LOSS ACCOUNT FOR SEVEN MONTHS PERIOD ENDED OCTOBER 31, 2006, FOR THREE MONTHS PERIOD ENDED MARCH 31, 2006, FOR THE YEAR ENDED DECEMBER 31, 2005 AND FOR THE PERIOD AUGUST 11 TO DECEMBER 31, 2004

(Rs. in Million)

	Schedules	April 1– Oct 31, 2006	Jan 1'06 – Mar 31, 2006	Jan 1'05 – Dec 31, 2005	Aug 11 – Dec 31, 2004
INCOME					
Interest					
Bank deposits		-	0.03	9.37	-
Others		-	3.23	113.15	13.53
Dividend Income Investments in subsidiaries- long term		-	-	10,663.32	2,684.93
Profit on sale of investment		-	631.38	-	437.23
Other income	13	76.59	7.60	256.35	-
TOTAL		**76.59**	**642.24**	**11,042.19**	**3,135.69**
EXPENDITURE					
Personnel expenses	14	37.35	29.16	316.86	-
Operating and other expenses	15	21.50	28.97	1,954.12	267.50
Depreciation		-	-	0.69	-
Financial expenses	16	1.64	6.10	336.90	134.58
Profit before tax		**16.10**	**578.01**	**8,433.62**	**2,733.61**
Provision for current tax		-	-	34.68	-
Prior period items	17	9.75	-	-	-
Net profit		**25.85**	**578.01**	**8,398.94**	**2,733.61**
Balance brought forward from previous year		2,914.29	2,159.14	2,452.58	-
Profit available for appropriation		**2,940.14**	**2,737.15**	**10,851.52**	**2,733.61**
Appropriations:					
Interim Dividend		-	-	(8,706.42)	-
Surplus carried to balance sheet		**2,940.14**	**2,737.15**	**2,145.10**	**2,733.61**
Earnings per share					
Basic and diluted (Rs.) [Nominal value of shares Euro 100]		**143,611**	**3,211,167**	**46,660,777**	**15,186,722**
Weighed average number of equity shares in calculating basic and diluted EPS		**180**	**180**	**180**	**180**
Notes to Accounts	**18**				

The schedules referred to above and notes to accounts form an integral part of theProfit and Loss Account.

As per our report of even date

For S. R. Batliboi & Associates
Chartered Accountants

Per Amit Majmudar
Partner

Membership No: 36656

Place : Mumbai
Date : February 8, 2007

For and on behalf of the Board of Directors of Advanta Netherlands Holdings B.V.

K Suresh
Group Chief Financial Officer

Place : Bangalore
Date : February 7, 2007

ADVANTA NETHERLANDS HOLDINGS B.V.

Schedule 1: Capital

(Rs. in Million)

	As at			
	31-Oct-06	**31-Mar-06**	**31-Dec-05**	**31-Dec-04**
Issued and subscribed				
180 equity shares of Euro 100/- each fully paid	1.03	0.97	0.96	1.07
As at October 31, 2006 and March 31, 2006, All the above shares are held by Advanta Holdings B.V., the Holding Company. As at December 31, 2005 and December 31, 2004 all the above shares are held by Advanta Holdings Luxembourg Sarl, the Holding Company.				

Schedule 2: Reserves and Surplus

Securities Premium Account	286.88	269.43	267.68	298.36
General Reserve				
Balance as per last account and as at period end	1.72	1.62	1.61	1.79
Profit and Loss Account	2,940.14	2,737.15	2,145.10	2,733.61
	3,228.74	**3,008.20**	**2,414.39**	**3,033.76**

Schedule 3: Unsecured Loans

Short term loans and advances

From related party	385.24	-	66.87	-
Current accounts with banks	-	-	-	482.99
Other	-	-	-	5,181.35
	385.24	-	**66.87**	**5,664.34**

Schedule 4: Secured Loans

From banks	-	-	-	**2,840.07**
The above facility is secured against pledge of shares of Advanta B.V. and guarantee provided by the subsidiary of Advanta B.V. backed by the assets of the subsidiary				

ADVANTA NETHERLANDS HOLDINGS B.V.

Schedule 5: Fixed Assets

(Rs. in Million)

	As at			
	31-Oct-06	**31-Mar-06**	**31-Dec-05**	**31-Dec-04**
[Furniture and Fittings]				
Gross Block:				
Opening Balance	0.61	0.61	-	-
Additions	-	-	0.80	-
Deductions	0.61	-	0.19	-
Closing Balance	-	**0.61**	**0.61**	-
Depreciation				
Opening Balance	0.61	0.61	-	-
For the period	-	-	0.69	-
Deletions/ Adjustments	0.61	-	0.08	-
Closing Balance	-	0.61	0.61	-
Net Block	**-**	**-**	**-**	**-**

Schedule 6: Investments

Long term investments (at cost) **In subsidiary companies unquoted**				
2000 Equity shares of Advanta BV of Euro 454/- each fully paid up	-	-	-	9,701.46
100 Equity shares of Advanta North America of USD 0 .01 each fully paid up	-	-	-	30.43
180 equity shares of Advanta Finance BV of Euro 100/- each fully paid	1,560.73	1,465.85	1,456.33	1.08
180 equity shares of Advanta International BV of Euro 100/- each fully paid	1.06	1.00	0.99	1.07
993 Equity shares of Pacific Seeds Holdings (Thai) Limited of Bht. 100/- each fully paid	0.12	0.11	0.11	-
Trade unquoted				
17,46,964 Equity Shares of Advanta Semillas SAIC of AR$ 1/- each fully paid up	23.09	21.69	21.55	-
31,50,000 Equity Shares of Advanta India Limited of Rs.10/- each fully paid up	-	-	160.59	-
1 Equity Share of SES Vander Have France Societe Immobiliere of Euro 1/- each fully paid up	-	-	0.05	-
1 Equity Share of SES Vander Have Real Estate Germany GmbH of Euro 25000 each fully paid up	-	-	1.34	-
1 Equity Share of Advanta FP Ltd of 1 GBP each fully paid up	-	*	*	-
**** Amount less than Rs 0.01 million***	**1,585.00**	**1,488.65**	**1,640.96**	**9,734.04**

ADVANTA NETHERLANDS HOLDINGS B.V.

Schedule 7: Sundry Debtors

(Rs. in Million)

	As at			
	31-Oct-06	**31-Mar-06**	**31-Dec-05**	**31-Dec-04**
Debts outstanding for a period of less than six months				
Unsecured, considered good	8.52	88.68	8.10	-
	8.52	**88.68**	**8.10**	-

Schedule 8: Cash and Bank Balances

Balances with banks:	-	-	-	-
On current accounts	14.24	2.61	147.01	-
	14.24	**2.61**	**147.01**	-

Schedule 9: Loans and advances

Unsecured, considered good	-	-	-	-
Advances and loans to related parties	2,033.39	1,452.04	924.60	-
Advances recoverable in cash or in kind for value to be received	-	-	26.76	14.92
Deposits	-	-	-	1,476.49
Withholding tax receivable	3.49	-	-	-
VAT receivable	0.82	-	-	-
Others	-	-	381.30	129.37
	2,037.70	**1,452.04**	**1,332.66**	**1,620.78**

Schedule 10: Liabilities

Sundry Creditors	-	-	383.40	-
Other Liabilities	30.45	21.39	261.70	3.34
	30.45	**21.39**	**645.10**	**3.34**

Schedule 11: Provisions

Provision for insurance, pension and similar staff benefit scheme	**-**	**1.42**	**1.41**	**-**

Schedule 12: Miscellaneous Expenditure

Capitalised bank fees	**-**	**-**	**-**	**187.76**

ADVANTA NETHERLANDS HOLDINGS B.V.

Schedule 13: Other Income

(Rs. in Million)

	Apr 1 – Oct, 2006	Jan 1 –Mar 31, 2006	Jan 1 – Dec 31, 2005	Aug 11 – Dec 31, 2004
Exchange difference (net)	0.05	-	115.62	-
Interest:				
Bank Interest	0.45	-	-	-
Others	54.17	-	-	-
Miscellaneous Income	21.92	7.60	140.73	-
	76.59	**7.60**	**256.35**	-

Schedule 14: Personnel Expenses

Salaries, Wages and Bonus	37.35	29.16	316.86	-
	37.35	**29.16**	**316.86**	-

Schedule 15: Operating and other expenses

Repairs and maintenance	-	-	0.05	-
Travelling and conveyance	6.24	2.73	18.17	-
Loss on sale of investment	-	-	1507.09	-
Audit fees	1.26	1.45	10.06	-
Write off of loans receivable	-	-	247.58	-
Management fees and other expenses	14.00	24.79	171.17	-
Miscellaneous expenses	-	-	-	267.50
	21.50	**28.97**	**1954.12**	**267.50**

Schedule 16: Financial expenses

Interest:				
On banks	-	1.18	112.44	102.30
On loan to related parties	1.64	4.92	47.22	25.72
Others	-	-	177.24	6.56
	1.64	**6.10**	**336.90**	**134.58**

Schedule 17: Prior period items

Recharge for expenses of group company	5.33	-	-	-
Interest Income	4.42	-	-	-
	9.75	**-**	**-**	**-**

ADVANTA NETHERLANDS HOLDINGS B.V.

Schedule 18: Notes to Accounts

1. **Nature of Operations**

   The Company holds investments in different companies in various countries.

2. **Statement of significant accounting policies**

   (a) ***Basis of preparation***

   The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India. 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.

   (b) ***Fixed assets***

   Fixed assets are stated at cost, less accumulated depreciation and impairment losses, if any. Depreciation is provided using the Straight line method as per the useful lives of assets estimated by the management.

   (c) ***Investments***

   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.

   (d) ***Cash and cash equivalents***

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

   (e) ***Provisions***

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

   (f) ***Revenue recognition***

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

   Interest

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

   Dividends

   Revenue is recognised when the shareholders' rights to receive payment is established by the balance sheet date. Dividend from subsidiaries is recognised even if same are declared after the balance sheet date but pertains to period on or before the date of balance sheet.

   (g) ***Income taxes***

   At October 31, 2006, the Company is part of a fiscal unity for income tax together with Advanta Holdings B.V. (head of fiscal unity), Advanta Finance B.V. and Advanta International B.V. At March 31, 2006 and earlier, the Company is part of a fiscal unity for income tax together with Advanta Finance B.V. and Advanta International B.V. the Company being head of the fiscal unity. - The fiscal unity has net operating losses which are not expected to be realised in the short term. Therefore no deferred tax asset or liability is included in the balance sheet.

   (h) ***Interim financial statements***

   The interim financial statement for the seven months period ended October 31, 2006 and three months period ended March 31, 2006 have been prepared in accordance with AS 25 Interim Financial Reporting. The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended December 31, 2005.

3. **Segment Information**

Business and Geographical Segments:

As the Company's business falls within a single business and geographical segment, there are no additional disclosures to be provided under Accounting Standard 17 "Segment Reporting" , other than those already provided in the financial statements.

The Company is an investment holding company.

4. **Options**

The erstwhile Holding Company namely Advanta Holdings (Cayman) Ltd has issued options to the Employees.

In Feb 2006, consequent to the sale of the Company to United Phosphorus Limited all unvested options were vested and exercised.

5. **Related Party Disclosures**

a) Names of related parties :

Ultimate Holding Company: United Phosphorus Limited (as at Oct 31, 2006 and March 31, 2006).

Fox Paine LLC (For part of the three months period ended March 31, 2006).

Holding Company: Advanta Holdings B.V. (formerly known as Brainsurgeon Holdings B.V.).

Intermediate Holding Companies: Advanta India Limited, Biowin Corporation.

Subsidiary Companies: Advanta Finance B.V., Advanta International B.V., Pacific Seeds Holding (Thailand) Company Limited, Pacific Seeds Pty Ltd, Advanta Semillas S.A.I.C., Pacific Seeds (Thai) Ltd.

b) The Company does not charge any management fee and facilities charges to Advanta Finance B.V. and Advanta International B.V.

c) No interest is charged to intra-group loan with Advanta Holdings B.V., Advanta Finance B.V., Advanta India Limited and Advanta International B.V.

d) Interest on loan to Biowin Corporation is charged at LIBOR + 2% p.a.

5 (A) Related Party transactions

Seven months period ended October 31, 2006

(Rs. in Million)

	Holding Company/ Intermediate Holding Companies	Subsidiaries	Total
Management Fees- Income			
Pacific Seeds (Thai) Ltd	-	5.15	**5.15**
Pacific Seeds Pty Ltd	-	13.72	**13.72**
Interest (Income)/ Expense			
Biowin Corporation Ltd	(25.99)	-	**(25.99)**
Pacific Seeds Holdings (Thai) Limited	-	(28.17)	**(28.17)**
Biowin Corporation	1.61	-	**1.61**
Loan recovered/ (given)-net			
Biowin Corporation	81.63	-	**81.63**
Advanta Holdings B.V.	(920.71)	-	**(920.71)**

(Rs. in Million)

	Holding Company/ Intermediate Holding Companies	Subsidiaries	Total
Reimbursement of expenses			
Advanta India Limited	6.65	-	**6.65**
Balance receivable by the Company			
Advanta Holdings B.V.	920.71	-	**920.71**
Advanta International B.V.	-	257.08	**257.08**
Advanta India Limited	18.32	-	**18.32**
Pacific Seeds Holdings (Thai) Ltd	-	837.28	**837.28**
Balance payable by the Company			
Pacific Seeds Pty Ltd	-	11.91	**11.91**
Advanta Finance B.V.	-	385.24	**385.24**
Pacific Seeds (Thai) Ltd	-	5.15	**5.15**

Three months period ended March 31, 2006

(Rs. in Million)

	Holding Company/ Intermediate Holding Companies	Subsidiaries	Total
Expenses for/ (income from) Management services			
Pacific Seeds (Thai) Ltd	-	(2.07)	(2.07)
Foxpaine & Company LLC	26.94	-	26.94
Pacific Seeds Pty Ltd	-	(5.52)	(5.52)
Balance receivable by the Company			
Advanta Finance B.V.	-	471.46	471.46
Advanta International B.V.	-	220.82	220.82
Advanta India Limited	10.96	-	10.96
Pacific Seeds Holdings (Thai) Ltd	-	759.76	759.76
Biowin Corporation Ltd	76.67	-	76.67
Balance payable by the Company			
Pacific Seeds Pty Ltd	-	7.50	7.50
Pacific Seeds (Thai) Ltd	-	3.46	3.46

Period ended December 31, 2005

(Rs. in Million)

	Holding Company/ Intermediate Holding Companies	Subsidiaries	Total
Expenses for/ (income from) Management services			
Pacific Seeds (Thai) Ltd	-	(4.49)	(4.49)
Foxpaine & Company LLC	133.83	-	133.83
Pacific Seeds Pty Ltd	-	(12.31)	(12.31)
Balance receivable by the Company			
Advanta Finance B.V.	-	468.40	468.40
Advanta International B.V.	-	219.45	219.45
Advanta India Limited	8.80	-	8.80
Pacific Seeds Holdings (Thai) Ltd	-	236.75	236.75
Balance payable by the Company			
Pacific Seeds Pty Ltd	-	72.26	72.26
Pacific Seeds (Thai) Ltd	-	3.41	3.41

6. Details of loans given to subsidiaries

For balances, reference can be made to related party disclosures. There are no repayment schedules in respect of the outstanding loans.

7. Directors' remuneration

	Seven months period ended October 31, 2006	Three months period ended March 31, 2006	Year ended December 31, 2005	Aug 11- Dec 31, 2004
Salaries (including bonus)	29.10	23.92	201.50	31.57

8. Convenience translation

The financial statements for all the periods presented are converted into Indian Rupees using the exchange rates prevailing at the respective period ends between Indian Rupee and EURO as follows:

As at	Rs. Per EUROs
31-Oct-06	57.3684
31-Mar-06	53.8815
31-Dec-05	53.5312
31-Dec-04	59.6652

As per our report of even date

For S. R. Batliboi & Associates
Chartered Accountants

Per Amit Majmudar
Partner

Membership No: 36656

Place : Mumbai
Date : February 8, 2007

For and on behalf of the Board of Directors of
Advanta Netherlands Holdings B.V.

K Suresh
Group Chief Financial Officer

Place : Bangalore
Date : February 7, 2007

AUDITORS' REPORT OF ADVANTA FINANCE B.V.

To
The Board of Directors of Advanta Finance B.V.

1. We have audited the attached Balance Sheet of Advanta Finance B.V. as at October 31, 2006, March 31, 2006, December 31, 2005 and December 31, 2004 and also the Profit and Loss account for the seven months period ended October 31, 2006, three months period ended March 31, 2006, year ended December 31, 2005 and for the period August 11 to December 31, 2004 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. The financial statements for the seven months period ended October 31, 2006 and three months period ended March 31, 2006 have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 25, Interim Financial Reporting, issued by the Institute of Chartered Accountants of India. For the purpose of three months period ended March 31, 2006 the transitional provisions of AS 25 provide exemption from making comparative disclosures in respect of statement of profit and loss. *The financial statements do not include:*
   a) profit and loss account for the seven months period ended October 31, 2005;
   b) cumulative profit and loss account for the ten months periods ended October 31, 2006 and October 31, 2005;
   c) cash flow statement for the three months period ended March 31, 2006; and
   d) cumulative cash flow statement for the ten months period ended October 31, 2006
   as required by AS 25.
4. *The Company has not prepared cash flow statement for the year ended December 31, 2005 and for the period August 11 to December 31, 2004 as required by AS 3 Cash Flow Statements.*
5. *The Company has not identified and disclosed all of its related parties and related party transactions as defined in AS 18 Related Party Disclosures for the year ended December 31, 2005 and for the period August 11 to December 31, 2004. Therefore, we are unable to comment on the completeness and correctness of the disclosures made for related party transactions for the year ended December 31, 2005 and for the period August 11 to December 31, 2004 as required by AS 18.*
6. *The Company has paid interim dividend of Rs. 2012.77 million in the year 2005. The minutes of the meeting of the shareholders approving the interim dividend were not made available to us. Therefore, we are unable to comment on the correctness of the same.*
7. *Subject to paragraphs 3, 4, 5 and 6 above*, in our opinion and to the best of our information and according to the explanations given to us, the said financial statements 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 October 31, 2006, March 31, 2006, December 31, 2005 and December 31, 2004; and
   b) in the case of the profit and loss account, of the profit for the seven months period ended on October 31, 2006, three months period ended March 31, 2006, year ended December 31, 2005 and of the loss for the period August 11 to December 31, 2004.
8. This report is made solely to the Company's Board of Directors, as a body. Our audit work has been undertaken so that we might state to the Company's Board of Directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Board of Directors as a body, for our audit work, for this report, or for the opinions we have formed.

For S. R. BATLIBOI & ASSOCIATES
Chartered Accountants

per Amit Majmudar
Partner
Membership No.: 36656
Mumbai
Date: February 8, 2007

ADVANTA FINANCE B.V.

BALANCE SHEET AS AT OCTOBER 31, 2006, MARCH 31, 2006, DECEMBER 31, 2005 AND DECEMBER 31, 2004

(Amount in Rs. Million)

	Schedules	31-Oct-06	31-Mar-06	31-Dec-05	31-Dec-04
SOURCES OF FUNDS					
Shareholders' Funds					
Share capital	1	1.03	0.97	0.96	1.07
Reserves and surplus	2	1445.75	1333.28	816.13	0.02
		1446.78	**1334.25**	**817.09**	**1.09**
Loan Funds					
Unsecured loans	3	-	471.46	468.40	-
TOTAL		**1446.78**	**1805.71**	**1285.49**	**1.09**
APPLICATION OF FUNDS					
Investments	4	1061.32	996.81	1284.82	-
Current Assets, Loans and Advances		-	-	-	-
Bank balances	5	0.33	0.68	0.67	1.09
Loans and advances	6	385.24	808.22	-	-
Less: Current Liabilities					
Liabilities	7	0.11	-	-	-
Net Current Assets		**385.46**	**808.90**	**0.67**	**1.09**
TOTAL		**1446.78**	**1805.71**	**1285.49**	**1.09**
Notes to Accounts	12				

The schedules referred to above and notes to accounts form an integral part of the Balance sheet.

As per our report of even date

For S. R. Batliboi & Associates
Chartered Accountants

Per Amit Majmudar
Partner

Membership No: 36656

Place : Mumbai

Date : February 8, 2007

For and on behalf of the Board of Directors of
Advanta Finance B.V.

K Suresh
Group Chief Financial Officer

Place : Bangalore

Date : February 7, 2007

ADVANTA FINANCE B.V.

PROFIT AND LOSS ACCOUNT FOR THE SEVEN MONTHS PERIOD ENDED OCTOBER 31, 2006, THREE MONTHS PERIOD ENDED MARCH 31, 2006, YEAR ENDED DECEMBER 31, 2005 AND FOR THE PERIOD AUGUST 11, 2004 TO DECEMBER 31, 2004

(Amount in Rs. Million)

	Schedules	Apr 1 - Oct 31, 2006	Jan 1 - Mar 31, 2006	Jan 1 - Dec 31, 2005	Aug 11 to Dec 31, 2004
INCOME					
Interest					
Bank deposits		26.49	0.02	4.68	-
Dividend Income					
Investments in subsidiaries - long term		-	-	1284.75	-
Profit on sale of investments		-	511.81	111.20	-
Other Income	8	-	-	1.67	-
TOTAL		**26.49**	**511.83**	**1402.30**	**-**
EXPENDITURE					
Operating and other expenses	9	0.32	0.02	0.04	0.01
Financial expenses	10	-	-	28.74	-
Net profit/ (loss)		**26.17**	**511.81**	**1373.52**	**(0.01)**
Balance brought forward from previous year/period		640.07	89.34	(0.01)	-
Profit/ (loss) available for appropriations		**666.24**	**601.15**	**1373.51**	**(0.01)**
Appropriations:					
Interim dividend		-	-	(2012.77)	-
Transferred from securities premium account				728.02	
Surplus/ (Deficit) carried to balance sheet		**666.24**	**601.15**	**88.76**	**(0.01)**
Earnings per share	11				
Basic and diluted (Rs.) [Nominal value of shares Euro 100]		145,444	2,843,388	7,630,666	(55)
Notes to Accounts	12				

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

As per our report of even date

For S. R. Batliboi & Associates
Chartered Accountants

Per Amit Majmudar
Partner

Membership No: 36656

Place : Mumbai
Date : February 8, 2007

For and on behalf of the Board of Directors of
Advanta Finance B.V.

K Suresh
Group Chief Financial Officer

Place : Bangalore
Date : February 7, 2007

ADVANTA FINANCE B.V.

Schedule 1: Share capital

(Amount in Rs. Million)

	As at			
	31-Oct-06	**31-Mar-06**	**31-Dec-05**	**31-Dec-04**
Issued and subscribed				
180 equity shares of Euro 100/- each fully paid up	**1.03**	**0.97**	**0.96**	**1.07**
The above shares are held by Advanta Netherlands Holdings B.V., the Holding Company				

Schedule 2: Reserves and Surplus

Securities Premium Account				
Balance as at period end	779.51	732.13	0.03	0.03
Securities Premium contributed by the Holding Company	-	-	1455.36	-
Transferred (to)/from Profit and Loss Account	-	-	(728.02)	-
	779.51	**732.13**	**727.37**	**0.03**
Profit and Loss Account	666.24	601.15	88.76	(0.01)
	1445.75	**1333.28**	**816.13**	**0.02**

Schedule 3: Unsecured Loans

Loan from Holding Company	-	471.46	468.40	-
	-	**471.46**	**468.40**	-

Schedule 4: Investments

Long term investments (at cost)				
Trade				
Unquoted, fully paid-up 3,150,000 equity shares of Rs.10/- each in Advanta India Limited	-	-	294.49	-
In Subsidiary Companies				
Unquoted, fully paid-up 5,000,000 equity shares of Pacific Seeds Pty. Ltd. of AUD $ 1 each	1061.32	996.81	990.33	-
	1061.32	**996.81**	**1284.82**	-

Schedule 5: Bank balance

Balances with banks:				
On current accounts	0.33	0.68	0.67	1.09
	0.33	**0.68**	**0.67**	**1.09**

ADVANTA FINANCE B.V.

Schedule 6: Loans and advances

(Amount in Rs. Million)

	As at			
	31-Oct-06	**31-Mar-06**	**31-Dec-05**	**31-Dec-04**
Unsecured, considered good				
Loan to holding company	385.24	-	-	-
Receivable for sale of shares	-	808.22	-	-
	385.24	**808.22**	-	-

Schedule 7: Liabilities

Sundry creditors	0.11	-	-	-
	0.11	-	-	-

Schedule 8: Other Income

(Amount in Rs. Million)

	Apr 1 – Oct 31, 2006	**Jan 1 –Mar 31, 2006**	**Jan 1 – Dec 31, 2005**	**Aug 11 – Dec 31, 2004**
Exchange difference (Net)	-	-	1.49	-
Miscellaneous Income	-	-	0.18	-
	-	-	**1.67**	-

Schedule 9: Operating and other expenses

Miscellaneous expenses	0.32	0.02	0.04	0.01
	0.32	**0.02**	**0.04**	**0.01**

Schedule 10: Financial Expenses

Interest	-	-	28.74	-
	-	**-**	**28.74**	**-**

Schedule 11: Earnings per share (EPS)

Net profit/(loss) for calculation of basic and diluted EPS	26.17	511.81	1373.52	(0.01)
Weighted average number of equity shares in calculating of basic and diluted EPS	180	180	180	180

Schedule 12: Notes to Accounts

1. **Nature of Operations**

   The Company is a holding company, holding 100% interest in a subsidiary in Australia.

2. **Statement of significant accounting policies**

   (a) ***Basis of preparation***

   The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India. 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.

   (b) ***Investments***

   Long-term investments are carried at cost. Provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

   (c) ***Cash and cash equivalents***

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

   (d) ***Provisions***

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

   (e) ***Revenue recognition***

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

   Interest

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

   Dividends

   Revenue is recognised when the shareholders right to receive payment is established by the balance sheet date. Dividend from subsidiaries is recognised even if same are declared after the balance sheet but pertains to period on or before the date of balance sheet.

   (f) ***Interim financial statements***

   The interim financial statements for the seven months period ended October 31, 2006 and three months period ended March 31, 2006 have been prepared in accordance with AS 25 Interim Financial Reporting. The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended December 31, 2005.

3. **Income taxes**

   The Company is part of a fiscal unity for income tax together with Advanta Holdings B.V. (head of fiscal unity), Advanta Netherlands Holdings B.V. and Advanta International B.V. The fiscal unity has net operating losses which are not expected to be realized in the short-term. Therefore no deferred tax asset or liability is included in the balance sheet. Head of fiscal unity is Advanta Holdings B.V. as at October 31, 2006 and Advanta Netherlands Holdings B.V. as at March 31, 2006 and at earlier period ends.

4. **Segment Information**

Business and Geographical Segments:

As the Company's business falls within a single business and geographical segment, there are no additional disclosures to be provided under Accounting Standard 17 "Segment Reporting", other than those already provided in the financial statements.

The Company operated as a holding company.

5. **Investments**

The Company made an investment in Advanta B.V. and its subsidiaries and Advanta Lambda B.V. and its subsidiaries during the year 2005. These investments were sold off in 2005 resulting in net profit of Rs.111.20 Mio. The dividend income of Rs.1284.75 Mio relates to dividend received from Advanta Lambda B.V.

6. **Related Party Disclosures**

a) Names of related parties

Ultimate Holding Company: United Phosphorus Limited (as at October 31, 2006 and March 31, 2006). Fox Paine LLC as at December 31, 2005 and for part of the three months period ended March 31, 2006.

Holding Company: Advanta Netherlands Holdings B.V.

Intermediate Holding Companies: Advanta Holdings B.V. (formerly known as Brainsurgeon Holdings B.V.), Advanta India Limited, Biowin Corporation as at October 31, 2006 and March 31, 2006.

b) No interest is charged on the intra-group loan with Advanta Netherlands Holdings B.V. Interest on loan to Biowin Corporation is charged at LIBOR + 2% p.a.

c) Advanta Netherlands Holdings B.V. does not charge any management fee and facilities charges to the Company.

d) During the seven months period ended October 31, 2006, the Company assigned the amount receivable from Biowin Corporation of Rs. 887.21 million to Advanta Netherlands Holdings B.V. This is disclosed below as loan given to Advanta Netherlands Holdings B.V. and recovery of the loan from Biowin Corporation.

e) Related Party Transactions

	Holding Company or group of individuals having control or significant influence over the Company and relatives of such individuals			**Subsidiaries**
	April – Oct 2006	**Jan-Mar 2006**	**Jan-Dec 2005**	**Jan-Dec 2005**
Interest Income				
Biowin Corporation	26.49			-
Loans taken				
Advanta Netherlands Holdings B.V.			468.40	-
Loans given				
Advanta Netherlands Holdings B.V.	887.21			-
Loan recovered				
Biowin Corporation	860.53			-
Sale of Shares				
Biowin Corporation		808.22		

	Holding Company or group of individuals having control or significant influence over the Company and relatives of such individuals			Subsidiaries
	April-Oct 2006	Jan-Mar 2006	Jan-Dec 2005	Jan-Dec 2005
Interest Expense				
Advanta Netherlands Holdings B.V.			28.75	
Dividend received				
Advanta Lamda B.V.				1284.75
Dividend paid				
Advanta Netherlands Holdings B.V.			2012.77	
Balance outstanding as at period end				
Advanta Netherlands Holdings B.V.	385.24	(471.46)	468.40	-
Biowin Corporation		808.22		

7. **Convenience translation**

The financial statements for all the periods presented are converted into Indian Rupees using the exchange rates prevailing at the respective period ends between Indian Rupee and EURO as follows:

As at	Rs. Per EUROs
31-Oct-06	57.3684
31-Mar-06	53.8815
31-Dec-05	53.5312
31-Dec-04	59.6652

As per our report of even date

For S. R. Batliboi & Associates
Chartered Accountants

Per Amit Majmudar
Partner

Membership No: 36656

Place : Mumbai
Date : February 8, 2007

For and on behalf of the Board of Directors of
Advanta Finance B.V.

K Suresh
Group Chief Financial Officer

Place : Bangalore
Date : February 7, 2007

AUDITORS' REPORT OF ADVANTA INTERNATIONAL B.V.

To

The Board of Directors of Advanta International B.V.

1. We have audited the attached Balance Sheet of Advanta International B.V. as at October 31, 2006, March 31, 2006 and December 31, 2005 and also the Profit and Loss account for the seven months period ended October 31, 2006, three months period ended March 31, 2006 and for the period December 30, 2004 to December 31, 2005 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. The financial statements for the seven months period ended October 31, 2006 and three months period ended March 31, 2006 have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 25, Interim Financial Reporting, issued by the Institute of Chartered Accountants of India. For the purpose of three months period ended March 31, 2006 the transitional provisions of AS 25 provide exemption from making comparative disclosures in respect of statement of profit and loss. *The financial statements do not include:*
   a) profit and loss account for the seven months period ended October 31, 2005;
   b) cumulative profit and loss account for the ten months periods ended October 31, 2006 and October 31, 2005;
   c) cash flow statement for the three months period ended March 31, 2006; and
   d) cumulative cash flow statement for the ten months period ended October 31, 2006

   as required by AS 25.
4. *The Company has not prepared cash flow statement for the period December 30, 2004 to December 31, 2005 as required by AS 3 Cash Flow Statements.*
5. *The Company has not identified and disclosed all of its related parties and related party transactions as defined in AS 18 Related Party Disclosures for the period December 30, 2004 to December 31, 2005. Therefore, we are unable to comment on the completeness and correctness of the disclosures made for related party transactions for this period as required by AS 18.*

   Subject to paragraphs 3, 4 and 5 above, in our opinion and to the best of our information and according to the explanations given to us, the said financial statements 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 October 31, 2006, March 31, 2006 and December 31, 2005; and

   b) in the case of the profit and loss account, of the loss for the seven months period ended October 31, 2006, three months period ended March 31, 2006 and for the period December 30, 2004 to December 31, 2005.

This report is made solely to the Company's Board of Directors, as a body. Our audit work has been undertaken so that we might state to the Company's Board of Directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Board of Directors as a body, for our audit work, for this report, or for the opinions we have formed.

For S. R. BATLIBOI & ASSOCIATES
Chartered Accountants

per Amit Majmudar
Partner

Membership No.: 36656

Mumbai
Date : February 8, 2007

ADVANTA INTERNATIONAL B.V.

BALANCE SHEET AS AT OCTOBER 31, 2006, MARCH 31, 2006 AND DECEMBER 31, 2005

(Amount in Rs. Million)

	Schedules	31-Oct-06	31-Mar-06	31-Dec-05
SOURCES OF FUNDS				
Shareholders' Funds				
Share capital	1	1.03	0.97	0.96
Reserves and surplus	2	0.03	0.03	0.03
		1.06	**1.00**	**0.99**
Loan Funds				
Unsecured loans	3	257.08	220.81	219.45
TOTAL		**258.14**	**221.81**	**220.44**
APPLICATION OF FUNDS				
Investments	4	207.82	195.19	193.92
Current Assets, Loans and Advances				
Sundry debtors	5	19.95	3.63	8.62
Cash and bank balances	6	0.42	0.28	0.29
Less: Current liabilities				
Liabilities	7	1.39	-	1.47
Net Current Assets		**18.98**	**3.91**	**7.44**
Profit and Loss account		31.34	22.71	19.08
TOTAL		**258.14**	**221.81**	**220.44**
Notes to Accounts	12			

The schedules referred to above and notes to accounts form an integral part of the Balance sheet.

As per our report of even date

For S. R. Batliboi & Associates
Chartered Accountants

Per Amit Majmudar
Partner

Membership No: 36656

Place : Mumbai
Date : February 8, 2007

For and on behalf of the Board of Directors of
Advanta International B.V.

K Suresh
Group Chief Financial Officer

Place : Bangalore
Date : February 7, 2007

ADVANTA INTERNATIONAL B.V.

PROFIT AND LOSS ACCOUNT FOR THE SEVEN MONTHS PERIOD ENDED OCTOBER 31, 2006, THREE MONTHS PERIOD ENDED MARCH 31, 2006 AND FOR THE PERIOD DECEMBER 30, 2004 TO DECEMBER 31, 2005

(Amount in Rs. Million)

	Schedules	Apr 1 –Oct 31, 2006	Jan 1 - Mar 31, 2006	Dec 30, 2004 - Dec 31, 2005
INCOME				
Other income	8	14.05	3.66	14.49
TOTAL		**14.05**	**3.66**	**14.49**
EXPENDITURE				
Operating and other expenses	9	21.18	7.15	31.67
Financial expenses	10	0.02	0.01	1.90
Net loss		**7.15**	**3.50**	**19.08**
Deficit brought forward from previous period		24.19	19.21	-
Deficit carried to Balance Sheet		**31.34**	**22.71**	**19.08**
Earnings per share	11			
Basic and diluted (Rs.)				
[Nominal value of shares Euro 100]		(39,722)	(19,444)	(106,000)
Notes to Accounts	12			

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

As per our report of even date

For S. R. Batliboi & Associates
Chartered Accountants

Per Amit Majmudar
Partner

Membership No: 36656

Place : Mumbai
Date : February 8, 2007

For and on behalf of the Board of Directors of
Advanta International B.V.

K Suresh
Group Chief Financial Officer

Place : Bangalore
Date : February 7, 2007

ADVANTA INTERNATIONAL B.V.

Schedule 1: Share capital

(Amount in Rs. Million)

	As at		
	31-Oct-06	**31-Mar-06**	**31-Dec-05**
Issued and subscribed			
180 equity shares of Euro 100/- each fully paid	**1.03**	**0.97**	**0.96**
All the above shares are held by Advanta Netherlands Holdings B.V., the Holding Company.			

Schedule 2: Reserves and Surplus

Securities Premium Account	0.03	0.03	0.03
	0.03	**0.03**	**0.03**

Schedule 3: Unsecured Loans

Short-term loans and advances			
From Holding Company	257.08	220.81	219.45
	257.08	**220.81**	**219.45**

Schedule 4: Investments

Long term investments (at cost)			
In Subsidiary Companies			
Unquoted, fully paid-up 15,722,669 equity shares in Advanta Semillas S.A.I.C. of AR$ 1 each	207.82	195.19	193.92
Unquoted, fully paid-up 1,000 equity shares in Advanta Africa Seeds (Proprietory) Limited of R 1 each costing Euro 1 fully provided for diminution in value	-	-	-
	207.82	**195.19**	**193.92**

Schedule 5: Sundry Debtors

Debts outstanding for a period not exceeding six months:			
Unsecured, considered good	19.95	3.63	8.62
	19.95	**3.63**	**8.62**

Schedule 6: Cash and Bank Balances

Balances with banks:			
On current accounts	0.42	0.28	0.29
	0.42	**0.28**	**0.29**

Schedule 7: Liabilities

Sundry Creditors	1.39	-	1.47
	1.39	-	**1.47**

ADVANTA INTERNATIONAL B.V.

Schedule 8: Other Income

(Amount in Rs. Million)

	Apr 1 –Oct 31, 2006	Jan 1 - Mar 31, 2006	Dec 30, 2004 - Dec 31, 2005
Interest on bank deposits (Tax Deducted at Source: Nil)	0.01	0.03	0.02
Miscellaneous Income	14.04	3.63	14.47
	14.05	**3.66**	**14.49**

Schedule 9: Operating and Other Expenses

Legal and professional fees	0.28	0.37	1.48
Miscellaneous expenses	20.90	6.78	30.19
	21.18	**7.15**	**31.67**

Schedule 10: Financial Expenses

Interest	-	-	1.88
Bank charges	0.02	0.01	0.02
	0.02	**0.01**	**1.90**

Schedule 11: Earnings Per Share (EPS)

Net loss for calculation of basic and diluted EPS	**7.15**	**3.50**	**19.08**
Weighted average number of equity shares in calculating basic and diluted EPS	**180**	**180**	**180**

Schedule 12: Notes to Accounts

1. **Nature of Operations:**

The Company is a holding company, holding 90% interest in a subsidiary in Argentina and 100% interest in a subsidiary in South Africa. The South African subsidiary is dormant and in liquidation (valued at nil after providing for diminution in value other than temporary). The Company also holds patents and licenses of an international sunflower research and development program, called Sunsat.

2. **Statement of Significant Accounting Policies**

(a) Basis of preparation

The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India. 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.

(b) Investments

Long-term investments are carried at cost. Provision for diminution in value is made to recognise a decline other than temporary in the value of investments.

(c) Cash and cash equivalents

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

(d) Provisions

A provision is recognised when the Company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Provision for expenditure relating to voluntary retirement is made when the employee accepts the offer of early retirement.

(e) Revenue recognition

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

Income from services

Income from services is recognised pro-rata over the period of the contract as and when services are rendered.

Interest

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

Dividends

Revenue is recognised when the shareholder's right to receive payment is established by the balance sheet date. Dividend from subsidiaries is recognised even if same is declared after the balance sheet date but pertains to period on or before the date of balance sheet.

(f) Income taxes

The Company is part of a fiscal unity for income tax together with Advanta Holdings B.V., Advanta Netherlands Holdings B.V. and Advanta Finance B.V. The fiscal unity has net operating losses which are not expected to be realised in short term. Therefore no deferred tax asset or liability is included in the balance sheet. Head of fiscal unity is Advanta Holdings B.V. as at October 31, 2006 and Advanta Netherlands Holdings B.V. as at March 31, 2006 and at earlier period ends.

(g) ***Research and Development costs***

Research costs are expensed as incurred. Development expenditure incurred on an individual project is carried forward when its future recoverability can be reasonably regarded as assured.

(h) ***Interim financial statements***

The interim financial statements for the seven months period ended October 31, 2006 and three months period ended March 31, 2006 have been prepared in accordance with AS 25 Interim Financial Reporting. The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in preparation of the Company's annual financial statements for the year ended December 31, 2005.

3. Segment Information

Business and Geographical Segments:

As the Company's business falls within a single business and geographical segment, there are no additional disclosures to be provided under Accounting Standard 17 "Segment Reporting", other than those already provided in the financial statements.

The Company is an investment holding company.

4. Related Party Disclosures

1. Names of related parties:

Ultimate Holding Company: United Phosphorus Limited as at October 31, 2006 and March 31, 2006; Fox Paine LLC as at December 31, 2005 and for part of the three months period ended March 31, 2006.

Holding Company: Advanta Netherlands Holdings B.V.

Intermediate Holding Companies: Advanta Holdings B.V. (formerly known as "Brainsurgeon Holdings B.V."), Advanta India Limited, Biowin Corporation as at October 31, 2006 and March 31, 2006.

Subsidiary Companies: Advanta Semillas S.A.I.C, Advanta Africa Seeds (Proprietory) Limited.

2. No interest is calculated on the intra-group loan with Advanta Netherlands Holdings B.V.

Advanta Netherlands Holdings B.V. does not charge any management fee to the Company.

Rs in Million

Seven months period ended October 31, 2006	**Holding Company**	**Subsidiaries**	**Total**
Loans taken			
Advanta Netherlands Holdings B.V.	21.97	-	21.97
R&D transferred			
Advanta Semillas S.A.I.C	-	8.97	8.97
Balance payable by the Company at period end			
Advanta Netherlands Holdings B.V.	257.08		257.08

Three months period ended March 31, 2006	**Holding Company**	**Subsidiaries**	**Total**
R&D transferred			
Advanta Semillas S.A.I.C		3.81	3.81
Balance payable by the Company at period end			
Advanta Netherlands Holdings B.V.	220.81		220.81

Rs in Million

December 30, 2004 – December 31, 2005	Holding Company	Subsidiaries	Total
Loans taken			
Advanta Netherlands Holdings B.V.	219.45		219.45
R&D transferred			
Advanta Semillas S.A.I.C		7.89	7.89
Balance payable by the Company at period end			
Advanta Netherlands Holdings B.V.	219.45		219.45

5. Convenience translation

The financial statements for all the periods presented are converted into Indian Rupees using the exchange rates prevailing at the respective period ends between Indian Rupee and EURO as follows:

As at	Rs. Per EUROs
31-Oct-06	57.3684
31-Mar-06	53.8815
31-Dec-05	53.5312

As per our report of even date

For S. R. Batliboi & Associates
Chartered Accountants

Per Amit Majmudar
Partner

Membership No: 36656

Place : Mumbai

Date : February 8, 2007

For and on behalf of the Board of Directors of
Advanta International B.V.

K Suresh
Group Chief Financial Officer

Place : Bangalore

Date : February 7, 2007

AUDITORS' REPORT OF PACIFIC SEEDS HOLDING (THAILAND) COMPANY LIMITED

To
The Board of Directors of Pacific Seeds Holding (Thailand) Company Limited

1. We have audited the attached Balance Sheet of Pacific Seeds Holding (Thailand) Company Limited as at October 31, 2006, March 31, 2006, December 31, 2005 and December 31, 2004 and the Profit and Loss account and the cash flow statement for the seven months period ended October 31, 2006, three months period ended March 31, 2006, year ended December 31, 2005 and three days period ended December 31, 2004 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. The financial statements for the seven months period ended October 31, 2006 and three months period ended March 31, 2006 have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 25, Interim Financial Reporting, issued by the Institute of Chartered Accountants of India. *The financial statements do not include:*
   (a) profit and loss account for the seven months period ended October 31, 2005 and for the three months period ended March 31, 2005;
   (b) cumulative profit and loss account for the ten months periods ended October 31, 2006 and October 31, 2005;
   (c) cash flow statement for the three months period ended March 31, 2005; and
   (d) cumulative cash flow statement for the ten months period ended October 31, 2006 and October 31, 2005
   as required by AS 25.
4. *The Company has not identified and disclosed all of its related parties and related party transactions as defined in AS 18 Related Party Disclosures for year ended December 31, 2005 and for the three days period ended December 31, 2004. Therefore, we are unable to comment on the completeness and correctness of the disclosures made for related party transactions for the year ended December 31, 2005 and for the three days period ended December 31, 2004 as required by AS 18.*
5. In our opinion and to the best of our information and according to the explanations given to us, *subject to our comments in paragraph 3 and 4 above,* the said financial statements 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 October 31, 2006, March 31, 2006, December 31, 2005 and December 31, 2004;
   (b) in the case of the profit and loss account, of the loss for the seven months period ended on October 31, 2006, three months period ended March 31, 2006, year ended December 31, 2005 and three days period ended December 31, 2004; and
   (c) in the case of cash flow statement, of the cash flows for the seven months period ended on October 31, 2006, three months period ended March 31, 2006, year ended December 31, 2005 and three days period ended December 31, 2004.
6. This report is made solely to the Company's Board of Directors, as a body. Our audit work has been undertaken so that we might state to the Company's Board of Directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Board of Directors as a body, for our audit work, for this report, or for the opinions we have formed.

For S. R. BATLIBOI & ASSOCIATES
Chartered Accountants

per Amit Majmudar
Partner
Membership No.: 36656
Mumbai
Date: February 8, 2007

PACIFIC SEEDS HOLDING (THAILAND) COMPANY LIMITED

BALANCE SHEET AS AT OCTOBER 31, 2006, MARCH 31, 2006, DECEMBER 31, 2005 AND DECEMBER 31, 2004

(Amount in Rs. Million)

	Schedules	31-Oct-06	31-Mar-06	31-Dec-05	31-Dec-04
SOURCES OF FUNDS					
Shareholders' Funds					
Capital	1	0.12	-	-	-
Loan Funds					
Unsecured loans	2	778.15	744.77	210.14	732.91
Secured loans	3	-	-	485.67	-
TOTAL		**778.27**	**744.77**	**695.81**	**732.91**
APPLICATION OF FUNDS					
Investments	4	801.89	749.70	720.31	732.91
Loans and advances	5	0.47	0.15	-	-
Less: Current Liabilities	6	70.49	38.60	29.12	0.09
Net Current Assets		**(70.02)**	**(38.45)**	**(29.12)**	**(0.09)**
Profit and Loss account		**46.40**	**33.52**	**4.62**	**0.09**
TOTAL		**778.27**	**744.77**	**695.81**	**732.91**
Notes to Accounts	10				

The schedules referred to above and notes to accounts form an integral part of the Balance sheet.

As per our report of even date

For S. R. Batliboi & Associates
Chartered Accountants

Per Amit Majmudar
Partner

Membership No: 36656

Place : Mumbai
Date : February 8, 2007

For and on behalf of the Board of Directors of
Pacific Seeds Holding (Thailand) Company Limited

K Suresh
Group Chief Financial Officer

Place : Bangalore
Date : February 7, 2007

PACIFIC SEEDS HOLDING (THAILAND) COMPANY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE SEVEN MONTHS PERIOD ENDED OCTOBER 31, 2006, THREE MONTHS PERIOD ENDED MARCH 31, 2006, YEAR ENDED DECEMBER 31, 2005 AND THREE DAYS PERIOD ENDED DECEMBER 31, 2004

(Amount in Rs. Million)

	Schedules	For seven months period ended October 31, 2006	For three months period ended March 31, 2006	For the year ended December 31, 2005	Three days period ended December 31, 2004
INCOME					
Gain on exchange difference (net)		20.50	-	45.74	-
TOTAL		**20.50**	**-**	**45.74**	**-**
EXPENDITURE					
Operating and other expenses	7	0.45	15.08	4.42	0.09
Financial expenses	8	30.60	13.63	45.68	-
Net loss before tax		**10.55**	**28.71**	**4.36**	**0.09**
Provision for Current Tax		-	-	0.18	-
Net loss after tax		**10.55**	**28.71**	**4.54**	**0.09**
Add: Deficit brought forward from previous period		35.85	4.81	0.08	-
Deficit carried to Balance Sheet		**46.40**	**33.52**	**4.62**	**0.09**
Earnings per share	9	**(10,550)**	**(28,710)**	**(4,540)**	**(90)**
Basic and diluted (Rs.)					
[Nominal value of shares Baht 100]					
Notes to Accounts	10				

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

As per our report of even date

For S. R. Batliboi & Associates
Chartered Accountants

Per Amit Majmudar
Partner

Membership No: 36656

Place : Mumbai
Date : February 8, 2007

For and on behalf of the Board of Directors of
Pacific Seeds Holding (Thailand) Company Limited

K Suresh
Group Chief Financial Officer

Place : Bangalore
Date : February 7, 2007

PACIFIC SEEDS HOLDING (THAILAND) COMPANY LIMITED

Schedule 1: Capital

(Amount in Rs. Million)

	As at			
	31.10.06	**31.03.06**	**31.12.05**	**31.12.04**
Issued				
1,000 equity shares of Baht 100/- each fully paid	0.12	0.11	0.11	0.11
Subscribed				
1,000 equity shares of Baht 100/- each fully paid	0.12	0.11	0.11	0.11
Less: Calls unpaid	**-**	**(0.11)**	**(0.11)**	**(0.11)**
	0.12	**-**	**-**	**-**
Of the above, 993 shares are held by Advanta Netherlands Holdings B.V., the Holding Company				

Schedule 2: Unsecured Loans

Loan from holding company with no terms of repayment	778.15	744.77	210.14	732.91
	778.15	**744.77**	**210.14**	**732.91**

Schedule 3: Secured Loans

Bank Loan	**-**	**-**	**485.67**	**-**
The due date of the loan as at December 31, 2005 was January 31, 2006. This was secured by the mortgage of land of the subsidiary company and the pledge of investments in subsidiary company.				
	-	**-**	**485.67**	**-**

Schedule 4: Investments

Long term investments (at cost)				
Investments in subsidiary, unquoted				
299,933 partly paid equity shares of Pacific Seeds (Thai) Ltd. of Baht 100/- each, Baht 28/- paid-up	801.89	749.70	720.31	732.91
	801.19	**749.70**	**720.31**	**732.91**

Schedule 5: Loans and advances

Advance recoverable in cash or kind for value to be received	0.47	0.15	-	-
	0.47	**0.15**	**-**	**-**

Schedule 6: Current Liabilities

Accrued interest	52.22	26.24	19.16	-
Accrued expenses	12.87	8.05	9.22	0.09
Payable to subsidiary company	5.40	4.31	0.74	-
	70.49	**38.60**	**29.12**	**0.09**

PACIFIC SEEDS HOLDING (THAILAND) COMPANY LIMITED

Schedule 7: Operating and other expenses

(Amount in Rs. Million)

	For seven months period ended October 31, 2006	For three months period ended March 31, 2006	For the year ended December 31, 2005	Three days period ended December 31, 2004
Legal and professional fees	-	0.07	0.30	0.06
Audit fee	0.30	0.08	0.07	0.03
Exchange difference (net)	-	14.75	-	-
Management fee charged by group company	-	0.18	4.05	-
Miscellaneous expenses	0.15	-	-	-
	0.45	**15.08**	**4.42**	**0.09**

Schedule 8: Financial Expenses

Interest				
- on loan from related company	30.60	7.39	16.69	-
- on bank loan	-	5.79	28.99	-
Bank charges	-	0.45	-	-
	30.60	**13.63**	**45.68**	**-**

Schedule 9: Earnings per share (EPS)

Net loss as per profit and loss account for calculation of basic and diluted EPS	**10.55**	**28.71**	**4.54**	**0.09**
Weighted average number of equity shares for calculating of basic and diluted EPS	**1000**	**1000**	**1000**	**1000**

PACIFIC SEEDS HOLDING (THAILAND) COMPANY LIMITED

Schedule 10: Notes to Accounts

1. Nature of Operations

The Company holds investments in a subsidiary in Thailand. The Company is incorporated on 29 December 2004.

2. Statement of Significant Accounting Policies

(a) Basis of preparation

The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India. 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.

(b) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. 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.

(c) Revenue recognition

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

(d) Foreign currency translation

Foreign currency translations

(i) Initial Recognition

Foreign currency translations 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 reporting monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognised as income or as expenses in the period in which they arise except those arising from investments in non-integral operations.

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

(e) Income taxes

Tax expenses comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Revenue Code. Deferred income tax reflects the impact of current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier periods.

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 and deferred tax liabilities across various countries of operation are not set off against each other as the company does not have a legal right to do so. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the company has carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognised only if there is a virtual certainty that such deferred tax assets can be realised against future taxable profits. Unrecognised deferred tax assets of earlier periods are re-assessed and are recognised 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.

(f) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are 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 earning 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.

(g) Interim financial statements

The interim financial statements for the seven months period ended October 31, 2006 and three months period ended March 31, 2006 have been prepared in accordance with AS 25 Interim Financial Reporting. The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended December 31, 2005.

3. Segment Information

The Company's business activity primarily falls within a single business and geographical segment. There are no additional disclosures to be provided under Accounting Standard 17 "Segment Reporting", other than those already provided in the financial statements. The Company holds investments in its subsidiary.

4. Contingent liabilities -

(Amount in Rs. Million)

	As at October 31, 2006	As at March 31, 2006	As at December 31, 2005	As at December 31, 2004
Uncalled liability on shares partly paid	26.54	24.81	23.84	24.26

5. Unhedged Foreign Currency Exposure and Unhedged Interest Risk Exposure

Particulars of unhedged foreign currency exposure

(Amount in Euro)

	As at October 31, 2006	As at March 31, 2006	As at December 31, 2005	As at December 31, 2004
Loan	13,620,624	13,620,624	4,000,000	12,400,000
Accrued Interest	914,148	479,977	364,811	-
Accrued expenses (interest WHT)	153,863	-	-	-
Accrued expenses	60,000	136,759	118,441	-

Particulars of unhedged interest rate risk exposure

	As at October 31, 2006	As at March 31, 2006	As at December 31, 2005	As at December 31, 2004
Loan (Euro)	13,620,624	13,620,624	4,000,000	12,400,000
Interest rate	LIBOR + 2.5% p.a	LIBOR + 2.5% p.a	LIBOR + 2.5% p.a	LIBOR + 2.5% p.a

6. Related Parties

1. Names of related parties

   Ultimate Holding Company: United Phosphorus Limited as at October 31, 2006 and March 31, 2006; Fox Paine & Company LLC [for December 31, 2005 and December 31, 2004]

   Holding Company: Advanta Netherlands Holdings B.V. as at October 31, 2006, March 31, 2006 and December 31, 2005

   Intermediate Holding Companies: Advanta Holdings B.V. (formerly known as Brainsurgeon Holdings B.V.), Advanta India Limited, Biowin Corporation as at October 31, 2006 and March 31, 2006

   Subsidiary Company: Pacific Seeds (Thai) Ltd. as at October 31, 2006, March 31, 2006, December 31, 2005 and December 31, 2004

2. Loan received from the holding company does not have committed repayment schedule.

3. Related party transactions

Seven months period ended Oct 31, 2006	Holding Company/ Intermediate Holding Company	Subsidiary Company	Total
Expense for management services			
Pacific Seeds (Thai) Ltd.	-	0.46	0.46
Interest Expense			
Advanta Netherlands Holding B.V.	30.60	-	30.60
Reimbursement of expenses			
Advanta India Limited	(0.31)	-	(0.31)
Balance (payable)/ receivable as at October 31, 2006			
Pacific Seeds (Thai) Ltd	-	(5.40)	(5.40)
Advanta Netherlands Holding B.V.	(833.80)	-	(833.80)
Advanta India Ltd	0.31	-	0.31

Three months period ended Mar 31, 2006	Holding Company/ Intermediate Holding Company	Subsidiary Company	Total
Expense for management services			
Pacific Seeds (Thai) Ltd.	-	0.18	0.18
Loans taken			
Advanta Netherlands Holding B.V.	532.35	-	532.35
Interest Expense			
Advanta Netherlands Holding B.V.	7.39	-	7.39
Balance (payable) receivable as at March 31, 2006			
Pacific Seeds (Thai) Ltd	-	(4.31)	(4.31)
Advanta Netherlands Holding B.V.	(774.18)	-	(774.18)

	Holding Company and Intermediate Holding Company		Subsidiary Company		Total	
	Year ended Dec 31, 2005	Three days period ended Dec 31, 2004	Year ended Dec 31, 2005	Three days period ended Dec 31, 2004	Year ended Dec 31, 2005	Three days period ended Dec 31, 2004
Expense for management services						
Pacific Seeds (Thai) Ltd.	-	-	0.71	-	0.71	-
Advanta Netherlands Holding B.V.	3.35	-	-	-	3.35	-
Loans repaid						
Advanta Netherlands Holding B.V.	465.76	-	-	-	465.76	-
Loans taken						
Advanta Netherlands Holding B.V.	-	732.91	-	-	-	732.91
Interest Expense						
Advanta Netherlands Holding B.V.	16.69	-	-	-	16.69	-
Balance (payable)/receivable as at the period end						
Pacific Seeds (Thai) Ltd	-	-	(0.74)	-	(0.74)	-
Advanta Netherlands Holding B.V.	(232.35)	(732.79)	-	-	(232.35)	(732.79)

7. **Convenience translation**

The financial statements for all the periods presented are converted into Indian Rupees using the exchange rates prevailing at the respective period ends between Indian Rupee and Thai Baht as follows:

As at	Rs. Per THB
31-Dec-04	1.12300
31-Dec-05	1.10370
31-Mar-06	1.14873
31-Oct-06	1.22870

For S. R. Batliboi & Associates
Chartered Accountants

Per Amit Majmudar
Partner

Membership No: 36656

Place : Mumbai
Date : February 8, 2007

For and on behalf of the Board of Directors of
Pacific Seeds Holding (Thailand) Company Limited

K Suresh
Group Chief Financial Officer

Place : Bangalore
Date : February 7, 2007

PACIFIC SEEDS HOLDING (THAILAND) COMPANY LIMITED

CASH FLOW STATEMENT FOR SEVEN MONTHS PERIOD ENDED OCTOBER 31, 2006, THREE MONTHS PERIOD ENDED MARCH 31, 2006, YEAR ENDED DECEMBER 31, 2005 AND THREE DAYS PERIOD ENDED DECEMBER 31, 2004

(Amount in Rs. Million)

	For seven months period ended October 31, 2006	For three months period ended March 31, 2006	For the year ended December 31, 2005	Three days period ended December 31, 2004
A. Cash flow from operating activities				
Net loss before taxation	**(10.55)**	**(28.71)**	**(4.36)**	**(0.09)**
Adjustments for:				
Foreign exchange (gain)/loss net	(20.50)	14.75	(45.74)	-
Interest expense and financial expenses	30.60	13.63	45.68	-
Operating loss before working capital changes	**(0.45)**	**(0.33)**	**(4.42)**	**(0.09)**
Movements in working capital:				
Increase in loans and advances	(0.18)	(0.15)	-	-
Increase in current liabilities	0.63	6.73	11.31	0.09
Net cash from operating activities	**-**	**6.25**	**6.89**	**-**
B. Cash flows from financing activities				
Interest paid	-	(6.25)	(26.80)	-
Loans repayment	-	-	(465.76)	-
Loans taken	-	-	485.67	732.91
Net cash from (used) in financing activities	**-**	**(6.25)**	**(6.89)**	**732.91**
C. Cash flows from investing activities				
Investments made in a subsidiary	**-**	**-**	**-**	**(732.91)**
Net cash used in investing activities	**-**	**-**	**-**	**(732.91)**
Net increase in cash and cash equivalents	**-**	**-**	**-**	**-**
Cash and cash equivalents at the beginning of the period	**-**	**-**	**-**	**-**
Cash and cash equivalents at the end of the period	**-**	**-**	**-**	**-**

Non cash transactions:

Bank loan early settled by related company during the three months period ended March 31, 2006	511.34
Unpaid capital is set-off against balance due to holding company during the seven months period ended October 31, 2006	0.12

As per our report of even date

For S. R. Batliboi & Associates
Chartered Accountants

Per Amit Majmudar
Partner

Membership No: 36656

Place : Mumbai
Date : February 8, 2007

For and on behalf of the Board of Directors of
Pacific Seeds Holding (Thailand) Company Limited

K Suresh
Group Chief Financial Officer

Place : Bangalore
Date : February 7, 2007

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our Company's financial condition and results of operations together with our restated unconsolidated financial statements included in this Red Herring Prospectus, along with the section titled "Summary Financial Information" beginning on page 6 of this Red Herring Prospectus. You should also read the section titled "Risk Factors" beginning on page xii of this Red Herring Prospectus, which discusses a number of factors and contingencies that could impact our Company's financial condition, results of operations and cash flows. The following discussion relates to our Company and is based on our Company's restated financial statements, which have been prepared in accordance with Indian GAAP, the accounting standards referred to in Section 211(3C) of the Companies Act and the other applicable provisions of the Companies Act. The following discussion is also based on internally prepared statistical information and on publicly available information.Through March 31, 2006, our Company's fiscal year ends on March 31, so all references to a particular fiscal year of the Company through March 31, 2006 are to the 12-month period ended March 31 of such year. Beginning as of April 1, 2006, our Company's fiscal year ends on December 31.

Our Company's board of directors has recently proposed to change our Company's fiscal year to year ending December 31. Accordingly, under this proposed change, our next financial period will be a nine month period ending on December 31, 2006. If this proposal is effected, the nine month fiscal period ending on December 31, 2006 will not be comparable with previous fiscal years due to the differences in accounting periods.

Certain industry, technical and financial terms used in this discussion shall have the meanings ascribed to them in the section entitled "Definitions and Abbreviations" beginning on page i of this Red Herring Prospectus.

Overview

We are a leading international agronomic seed company with principal operations in India, Australia, Thailand and Argentina. We believe that we are a global leader in technical plant breeding and in the application of biotechnology to develop new hybrids and varieties of field crops and broad acre vegetable seed products, including sorghum, canola, sunflower, corn, hybrid rice and hybrid mustard. Our research and development efforts are in the areas of superior breeding programs and bioscience techniques that have driven the development of a portfolio of elite, proprietary and highly differentiated germplasm.

We are headquartered in Bangalore and are active in the research, production and sales of a range of hybrid cereal and oilseed crops across India. Our Company's key crops are rice, mustard, sunflower, corn, grain and forage sorghum. The key crops for Pacific Seeds Australia, our Australia subsidiary, are grain sorghum, forage sorghum, sunflower, corn, and canola. The key crops for Pacific Seeds Thailand, our Thailand subsidiary, are tropical field corn, baby corn, sweet corn, grain sorghum, forage sorghum, and sunflower. Advanta Argentina, our Argentina subsidiary, is focused principally on hybrid sunflower seeds.

As of December 31, 2006, our work force consisted of 602 full-time employees. As of such date, our Company, Pacific Seeds Australia, Pacific Seeds Thailand and Advanta Argentina had 261, 134, 106 and 101 full-time employees, respectively.

We have experienced overall growth in our business and operations in recent years. In the fiscal years ended March 31, 2002, 2003, 2004, 2005 and 2006 our gross sales revenues were Rs. 319.64 million, Rs. 353.65 million, Rs. 457.32 million, Rs. 511.18 million and Rs. 483.32 million, respectively which represents a compounded annual growth rate (CAGR) of 10.9% over the last five fiscal years. We achieved gross sales revenue of Rs. 649.62 million during the seven month period ended October 31, 2006, in part due to the amalgamation of USBPL with the Company. Pacific Seeds Australia's sales revenues were Rs. 1,657.43 million, Rs. 1,781.53 million and Rs. 2,114.24 million in fiscal years ended December 31, 2003, 2004 and 2005 respectively, which represents a CAGR of 12.9% over the last three years. Pacific Seeds Australia achieved sales revenue of Rs. 1,402.17 million during the ten month period ended October 31, 2006. Pacific Seeds Thailand's sales revenues were Rs. 439.60 million, Rs. 485.71 million and Rs. 458.83 million in fiscal years ended December 31, 2003, 2004 and 2005, respectively, which represents a CAGR of 2.2% over the last three fiscal years. Pacific Seeds Thailand's achieved sales revenue of Rs. 435.43 million during the ten month period ended October 31, 2006. Advanta Argentina's sales revenues were Rs. 223.34 million, Rs. 313.04 million and Rs. 370.17 million in fiscal years ended December 31, 2003, 2004 and 2005, respectively, which represents a CAGR of 28.7% over the last three fiscal years. Advanta Argentina achieved sales revenue of Rs. 353.85 million during the ten month period ended October 31, 2006.

In the fiscal years ended March 31, 2002, 2003, 2004, 2005 and 2006 and the seven month period ended October 31, 2006, our Company earned net profits, as restated, of Rs. 7.72 million, Rs. 21.21 million, Rs. 54.18 million, Rs. 68.70 million, Rs. 45.48 million and Rs. 282.38 million respectively. As at October 31, 2006, our Company had net worth of Rs. 1,199.33 million and shareholders' equity of Rs. 117.78 million (including share capital suspense of Rs. 33.78 million).

Factors affecting our results of operations

Our financial condition and results of operations are affected by numerous factors and the following are of particular importance:

Performance of the seed industry: Demand for our seed products is dependent on an increase in global demand for food and agricultural products, in particular. Population growth, economic growth and scarcity of arable land are among the factors driving demand for seeds. Our ability to capitalize on the increasing demand for seeds will be key to our results of operations.

Geographically widespread operations: We have substantial international operations, including operations in Australia, Thailand and Argentina, that are conducted through subsidiaries. Our foreign operations may be exposed to uncertain political, legal and economic environments, government instability and complex legal systems and laws and regulations. Our ability to operate and compete in other countries may be adversely affected by government regulations, including price controls, taxes and other laws relating to the seed industry. Our ability to manage, evolve and improve our operational, financial and internal controls across the organization and to integrate our widespread operations and derive benefits from our international operations is key to our growth strategy and results of operations.

Competition: We compete against various domestic and international seed producers in India and in the international markets on the basis of availability of product, product range, product traits, including disease resistance and plant quality, price, reputation, customer service and customer convenience. We also compete against other seed manufacturers for production inputs, such as arable land, and contract growers. Our ability to compete successfully will depend, in significant part, on our ability to provide quality products at competitive prices. If we are unable to compete successfully, our market share may decline, which may have a material adverse affect on our financial condition and results of operations.

Seasonality and weather conditions: Our business operations may be materially and adversely affected by seasonal and weather factors, which can materially and adversely affect the quality and quantity of seeds produced. The weather can also affect the presence of disease and pests. Any sudden changes in the local weather could potentially affect a substantial portion of our production in any year and have a material and adverse affect our business, results of operations and financial condition.

Ability to attract, recruit and retain key personnel: Our success depends on the continued services and performance of the members of our management team and other key employees. Competition for qualified agribusiness professional personnel in the industry is intense, and we may not be able to retain our existing qualified personnel or attract and retain new qualified personnel in the future. The loss of any of the members of our senior management, our directors or other key personnel, inability to manage the attrition levels in different employee categories or failure to hire sufficient numbers of qualified personnel may materially and adversely impact our business and results of operations.

Fluctuations in currency exchange rates: On a consolidated basis, significant portions of our revenues are earned and expenses are incurred by our three overseas Operating Subsidiaries, namely Pacific Seeds Australia, Pacific Seeds Thailand and Advanta Argentina. As a result, a significant portion of our consolidated revenue and expenses are denominated in the Australian dollar, the U.S. dollar and the Thai baht. To the extent that our income and expenditure are not denominated in the Rupees, exchange rate fluctuations could cause some of our costs to grow higher than the proportionate revenues.

Critical Accounting Policies

The restated financial information has been extracted from the accounts prepared on accrual basis as a going concern on historical cost convention to comply with the mandatory accounting standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

Revenue Recognition: Sales are recorded when goods are dispatched in accordance with the terms of the agreements.

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

Fixed Assets: Fixed assets including computers and related assets are accounted for at cost of acquisition, which is inclusive of inward freight, duties and taxes and incidentals related to acquisitions. Assets under installation or under construction as at the balance sheet date are shown as Capital Work-in-progress. All expenditure relating to acquisition of technical know-how, the benefit of which is spread over future years, is grouped under this account.

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

Depreciation: Depreciation on building and plant and machinery is provided for in the accounts on straight-line method in accordance with the rates prescribed in Schedule XIV of the Companies Act, 1956. Technical know-how is amortised in equal instalments over its useful life. Improvements to leasehold property are depreciated over the period of the lease.

Other assets are depreciated on straight line method based on estimated useful life of such assets and these rates are higher than the rates prescribed in Schedule XIV of the Companies Act, 1956. The estimated useful lives of these assets are as given below:

Asset class	**Expected useful lives in years**
Furniture and fixtures	10
Computers	5
Vehicles	5
Office Equipments	10

Investments: Long-term investments are stated at cost, less any provision for permanent diminution in value. Current investments are stated at lower of cost and fair value. Income from investments is recognised in the accounts in the year in which it is declared and stated at gross.

Inventories: Consumables and packing materials are valued at cost. Cost is determined by weighted average method. Work-in-progress and Finished Goods are valued at cost or net realizable value, whichever is lower. Work-in-progress comprises of cost of material and applicable overheads. In case of finished goods, the cost comprises of materials, direct labour and production overheads of the related crops.

Foreign Currency Transactions: All transactions in foreign currency are accounted for at the exchange rate prevailing on the date of the transaction. Gain/loss arising out of fluctuations in exchange rates are accounted for on subsequent realisation/ payment. Current Assets and current liabilities are translated at the exchange rate prevailing on the balance sheet date/forward contract rates and the resultant gain/losses are recognised in the profit and loss account.

Research and Development: Research and development expenditure is charged to revenue in the year in which it is incurred.

Retirement Benefits: Contribution to various recognized provident funds/approved pension and gratuity funds and contributions to secure retiral benefits are charged to revenue. Pension and gratuity funds are administered through the Life Insurance Corporation of India (LIC). The Company contributes towards gratuity scheme on the basis of liability determined by the LIC. In respect of pension, contribution is based on the agreement with the LIC. Leave encashment liability is determined by actuarial valuation carried out as at the balance sheet date.

Taxes on Income: Current tax is determined based on the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised on timing differences; being the difference between the taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent years. Deferred tax assets and liabilities are computed on the timing differences applying the enacted tax rate. Deferred tax assets arising on account of unabsorbed depreciation or carry forward of tax losses are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Earnings per Share: Basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The number of shares used in computing diluted earnings per share is the aggregate of the weighted average number of shares outstanding and the weighted average number of equity shares, which would be issued on the conversion of all the dilutive potential equity shares into equity shares.

COMPONENTS OF REVENUE & EXPENDITURE

Revenues

Our Company's total income consists primarily of revenues from sales operations and other income. Our Company's sales income principally consists of sales of hybrid seeds produced by the Company. We have other additional sources of income, which is principally comprised of investment income.

Sales Revenue

Our Company derives revenues from sales of hybrid seeds produced by the Company, including rice, sunflower, corn, sorghum, brassica and pearl millet.

Other Income

Our Company's other income is principally comprised of investment income.

Expenditure

Our Company's operating expenditure consists of (i) procurement and processing charges, (ii) employee remuneration and benefits, (iii) other production, administration, selling and distribution expenses and (iv) finance charges. Procurement and processing charges include seed procurement charges from contract growers, lease rentals and organizer service charges. Employee remuneration and benefits include (i) salaries, wages and performance bonus payments to our employees, (ii) contributions made to provident, gratuity and superannuation funds and (iii) expenses relating to staff welfare. Other production, administration, selling and distribution expenses include (i) customer incentive expenses, such as discounts, claims and rebates, (ii) sales promotion expenses, (iii) transportation charges, (iv) packaging and seed treatment expenses and (v) travel expenses.

Procurement and Processing Charges: Procurement and Processing Charges include seed procurement charges from contract growers, lease rentals and organizer service charges.

Increase/Decrease in Work-in-progress and Finished Goods: Work-in-progress and Finished Goods are valued at cost or net realizable value, whichever is lower. Work-in-progress comprises of cost of material and applicable overheads. In case of finished goods, the cost comprises of materials, direct labour and production overheads of the related crops.

Employee Remuneration and Benefits: Employee Remuneration and Benefits include (i) salaries, wages and performance bonus payments to our employees, (ii) contributions made to provident, gratuity and superannuation funds and (iii) expenses relating to staff welfare.

Other production, administration, selling and distribution expenses: Other production, administration, selling and distribution expenses include (i) customer incentive expenses, such as discounts, claims and rebates, (ii) sales promotion expenses, (iii) transportation charges, (iv) packaging and seed treatment expenses and (v) travel expenses.

Finance Charges: Finance charges include (i) interest payable on working capital loans and (ii) other miscellaneous bank charges.

Depreciation/Amortization: Depreciation and amortization include depreciation on plant and machinery and amortization of technical knowhow.

RESULTS OF OPERATIONS

Statement of profits and losses

The following table sets forth, for the fiscal years and periods indicated, certain items derived from our Company's audited restated unconsolidated financial statements, in each case stated in absolute terms and as a percentage of total sales and/or total revenue.

(in Rs. million, except as otherwise stated)

	Seven month period ended October 31, 2006	**Year ended March 31, 2006**	**Year ended March 31, 2005**	**Year ended March 31, 2004**	**Year ended March 31, 2003**
Income					
Sales					
Of hybrid seeds produced by the Company	649.62	483.32	511.18	457.32	353.03
As a % of Gross Sales	*100.00%*	*100.00%*	*100.00%*	*100.00%*	*99.82%*
Of hybrid seeds traded in by the Company	-	-	-	-	0.62
As a % of Gross Sales	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.18%*
Gross Sales	**649.62**	**483.32**	**511.18**	**457.32**	**353.65**
Less: Rebates and Discounts	74.32	52.96	47.93	39.82	34.92
Net Sales	**575.30**	**430.36**	**463.25**	**417.50**	**318.73**
Other Income	23.49	5.08	12.33	8.32	19.24
TOTAL INCOME	**598.79**	**435.44**	**475.58**	**425.82**	**337.97**
Expenditure					
Cost of Inputs, Procurement and Processing charges including lease rentals	280.62	142.75	160.13	109.53	115.49
As a % of Gross Sales	*43.20%*	*29.54%*	*31.33%*	*23.95%*	*32.66%*
(Increase)/Decrease in work-in-progress and Finished Goods	(67.65)	(7.42)	(18.85)	10.70	5.29
As a % of Gross Sales	*(10.41)%*	*(1.54)%*	*(3.69)%*	*2.34%*	*1.50%*
Purchase of seeds for trading	-	-	-	-	0.33
As a % of Gross Sales	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.09%*
Employee remuneration and benefits	55.93	64.55	67.54	59.18	51.41
As a % of Gross Sales	*8.61%*	*13.36%*	*13.21%*	*12.94%*	*14.54%*
Other production, administration, selling and distribution expenses	141.65	140.97	147.33	143.09	117.94
As a % of Gross Sales	*21.80%*	*29.17%*	*28.82%*	*31.29%*	*33.35%*
Finance charges	31.56	25.90	22.65	19.23	15.12
As a % of Gross Sales	*4.86%*	*5.36%*	*4.43%*	*4.20%*	*4.28%*
Depreciation/Amortisation	8.50	13.18	13.43	9.00	6.83
As a % of Gross Sales	*1.31%*	*2.73%*	*2.63%*	*1.97%*	*1.93%*
Miscellaneous expenditure written off	-	-	-	0.02	0.03
TOTAL EXPENDITURE	**450.61**	**379.23**	**392.23**	**350.75**	**312.44**

(in Rs. million, except as otherwise stated)

	Seven month period ended October 31, 2006	Year ended March 31, 2006	Year ended March 31, 2005	Year ended March 31, 2004	Year ended March 31, 2003
As a % of Gross Sales	*69.37%*	*78.46%*	*76.73%*	*76.70%*	*88.35%*
Profit Before Taxation and Exceptional Item	**148.18**	**55.51**	**83.35**	**75.07**	**25.53**
Exceptional Income-Profit on sale	233.09	-	-	-	-
Profit Before Taxation	**381.27**	**55.51**	**83.35**	**75.07**	**25.53**
Provision for Taxation					
- Current	95.00	12.00	15.70	6.00	2.01
- Deferred	2.00	(4.01)	(4.66)	14.62	1.28
- Fringe benefit tax	1.89	3.00	-	-	-
- Prior period taxes	-	-	55.00	-	-
Less: Contingency Reserve	-	-	(55.00)	-	-
Profit After Taxation as per audited financial statements (A)	**282.38**	**44.52**	**72.31**	**54.45**	**22.24**
Impact of adjustments on account of changes in accounting policies	-	-	-	-	(0.23)
Impact of material adjustments relating to previous years	-	1.99	(5.17)	(1.48)	(1.28)
Total Adjustments	**-**	**1.99**	**(5.17)**	**(1.48)**	**(1.51)**
Tax impact on adjustments	-	(1.03)	1.56	1.21	0.48
Total adjustments net of tax impact (B)	**0.00**	**0.96**	**(3.61)**	**(0.27)**	**(1.03)**
Adjusted Profit (A+B)	**282.38**	**45.48**	**68.70**	**54.18**	**21.21**

Seven month period ended October 31, 2006

During the seven month period ended October 31, 2006, we achieved the following key milestones:

- USBPL was amalgamated with our Company pursuant to the Scheme approved by the High Courts of Gujarat and Karnataka;
- Re-accredition for the seed testing laboratory in Kurnool.

Income: Total income was Rs. 598.79 million in the seven months ended October 31, 2006, which consisted of Rs. 575.30 million from sales of hybrid and biogenetic seeds and Rs. 23.49 million from other income.

Sales revenue: Our Company's revenue from the sales of hybrid seeds and biogenetic seeds was Rs. 575.30 million in the seven months ended October 31, 2006. Out of this amount, Rs. 262.80 million was contributed by the business of USBPL, which was amalgamated with our Company with effect from April 1, 2006.

Other income: Our Company's other income was Rs. 23.49 million in the seven months ended October 31, 2006, of which

Rs. 0.23 million was contributed by the business of USBPL. Our Company's other income comprised principally interest on loans and deposits of Rs. 22.01 million, or 93.7% of other income.

Expenditure: Our Company's expenditure, which consists of procurement and processing charges including lease rentals, (increase)/decrease in work-in-progress and finished goods, purchase of seeds for trading, employee remuneration and benefits, other production, administration, selling and distribution expenses, finance charges, depreciation/amortisation and miscellaneous expenditure written off was Rs. 450.61 million in the seven months ended October 31, 2006. Expenditure as a percentage of gross sales decreased from 78.5% in Fiscal 2006 to 69.4% in the seven months ended October 31, 2006, which was principally due to the lower overall cost structure of the business of USBPL.

Procurement and Processing Charges including Lease Rentals: Expenditure of procurement and processing charges including lease rentals were Rs. 280.62 million in the seven months ended October 31, 2006. As a percentage of gross sales, expenditure on procurement and processing charges increased from 29.5% in Fiscal 2006 to 43.2% in the seven months ended October 31, 2006, which was principally due to the procurement and processing of seeds in the *Kharif* (summer) season in anticipation of selling activities in the *Rabi* (winter) season.

Employee Remuneration and Benefits: Employee remuneration and benefits were Rs. 55.93 million in the seven months ended October 31, 2006. As a percentage of gross sales, employee remuneration and benefits decreased from 13.4% in Fiscal 2006 to 8.6% in the seven months ended October 31, 2006, which was principally due to the effect of the amalgamation of the business of USBPL, which had lower proportions of employee remuneration and benefits as a percentage of its sales.

Other production, administration, selling and distribution expenses: Other production, administration, selling and distribution expenses were Rs. 141.65 million in the seven months ended October 31, 2006. As a percentage of gross sales, other production, administration, selling and distribution expenses decreased from 29.2% in Fiscal 2006 to 21.8% in the seven months ended October 31, 2006, which was principally due to lower levels of discounts and rebates offered to customers of USBPL's business. The total production of hybrid seeds during the seven months period ended October 31, 2006 was 5,105.67 metric tons.

Finance Charges: Finance charges were Rs. 31.56 million in the seven months ended October 31, 2006. As a percentage of gross sales, finance charges decreased from 5.4% in Fiscal 2006 to 4.9% in the seven months ended October 31, 2006.

Depreciation/Amortization: Depreciation/amortization was Rs. 8.50 million in the seven months ended October 31, 2006. As a percentage of gross sales, depreciation/amortization decreased from 2.7% in Fiscal 2006 to 1.3% in the seven months ended October 31, 2006.

Profit before taxation and exceptional items: Profit before taxation was Rs. 148.18 million in the seven months ended October 31, 2006. For the reasons discussed above, as a percentage of gross sales, profit before taxation increased from 11.5% in Fiscal 2006 to 22.8% in the seven months ended October 31, 2006.

Exceptional items: We sold 39.1 acres of land certain structures appurtenant to the land at Begur and 22.01 acres of land and certain structures appurtenant to the land at Vavilala to Uniphos Enterprises Limited, one of our Promoter Group companies on October 31, 2006 for a consideration of Rs. 235.0 million and Rs. 30.0 million, respectively, and made a profit of Rs. 233.09 million in the seven months ended October 31, 2006. The proceeds from the sale of the land will be utilized in order to meet our working capital requirements, general corporate purposes and investments.

Profit before taxation: Profit before taxation was Rs. 381.27 million in the seven months ended October 31, 2006. As a percentage of gross sales, profit before taxation increased from 11.5% in Fiscal 2006 to 58.7% in the seven months ended October 31, 2006, principally on account of the profit on sale of land and the effect of the lower cost structure of the business of USBPL on amalgamation with the Company.

Provision for taxation: Provision for taxation was Rs. 98.89 million in the seven months ended October 31, 2006. The provisions were made after considering the likely benefits of agricultural exemptions available under section 10 of the Income Tax Act. The effective rate of tax has increased from 19.8% in Fiscal 2006 to 25.9% in the seven months ended October 31, 2006 on account of the non-availability of tax exemptions relating to the business of USBPL.

Profit after taxation: Profit after taxation was Rs. 282.38 million in the seven months ended October 31, 2006.

Fiscal year ended March 31, 2006 compared with the fiscal year ended March 31, 2005

During the fiscal year ending March 31, 2006, we achieved the following key milestones:

- Our Company acquired Advanta Holdings B.V. and certain of its subsidiaries and restructured the Group; and
- We increased sales of hybrid rice by approximately 90% from Fiscal 2004.

Income: Total income decreased by Rs. 40.14 million, or 8.4%, from Rs. 475.58 million in the fiscal year ended March 31, 2005 to Rs. 435.44 million in the fiscal year ended March 31, 2006. This was principally due to a 5.5% decrease in sales of hybrid seeds from Rs. 511.18 million in the fiscal year ended March 31, 2005 to Rs. 483.32 million in the fiscal year ended March 31, 2006, and a 58.8% decrease in other income from Rs. 12.33 million in the fiscal year ended March 31, 2005 to Rs. 5.08 million in the fiscal year ended March 31, 2006.

Sales revenue: Our Company's revenue from the sales of hybrid seeds decreased by Rs. 27.86 million, or 5.5%, from Rs. 511.18 million in the fiscal year ended March 31, 2005 to Rs. 483.32 million in the fiscal year ended March 31, 2006. This was primarily due to decreases in sales of hybrid sunflower, corn and pearl millet seeds of 32%, 11% and 26%, respectively, from Fiscal 2005 levels, which were partially offset by increases of 90% and 32% in sales of hybrid rice and sorghum seeds, respectively, from Fiscal 2005 levels. During Fiscal 2006, our Company made modest price increases across its product lines.

Other Income: Our Company's other income decreased by Rs. 7.25 million, or 58.8%, from Rs. 12.33 million in the fiscal year ended March 31, 2005 to Rs. 5.08 million in the fiscal year ended March 31, 2006. This was principally due to the one-time receipt in Fiscal 2005 of interest on tax refunds after favourable rulings to our Company in respect of several tax assessments.

Expenditure: Our Company's expenditure decreased by Rs. 12.30 million, or 3.1%, from Rs. 392.23 million in the fiscal year ended March 31, 2005 to Rs. 379.93 million in the fiscal year ended March 31, 2006. During the same period, expenditure as a percentage of total income increased from from 82.5% to 87.1%.

Procurement and Processing Charges including Lease Rentals: Expenditure of procurement and processing charges including lease rentals decreased by Rs. 17.38 million, or 10.8%, from Rs. 160.13 million in the fiscal year ended March 31, 2005 to Rs. 142.75 million in the fiscal year ended March 31, 2006. This was principally due to decreases in the seed procurement cost of millet and the reduction in overall production volume. The production volume decreased from 6,276 metric tons to 5,286 metric tons in the fiscal year 2006. As a percentage of gross sales, expenditure on procurement and processing charges decreased from 31.3% in Fiscal 2005 to 29.5% in Fiscal 2006.

Employee Remuneration and Benefits: Employee remuneration and benefits decreased by Rs. 2.99 million, or 4.4%, from Rs. 67.54 million in the fiscal year ended March 31, 2005 to Rs. 64.55 million in the fiscal year ended March 31, 2006.

Other production, administration, selling and distribution expenses: Other production, administration, selling and distribution expenses decreased by Rs. 6.36 million, or 4.3%, from Rs. 147.33 million in the fiscal year ended March 31, 2005 to Rs. 140.97 million in the fiscal year ended March 31, 2006.

Finance Charges: Finance charges increased by Rs. 3.25 million, or 14.3%, from Rs. 22.65 million in the fiscal year ended March 31, 2005 to Rs. 25.90 million in the fiscal year ended March 31, 2006. This was principally due to increase in interest charges in respect of a higher use of working capital financing and higher cash discounts in Fiscal 2005.

Depreciation/Amortization: Depreciation/amortization decreased marginally by Rs. 0.25 million, or 1.9%, from Rs. 13.43 million in the fiscal year ended March 31, 2005 to Rs. 13.18 million in the fiscal year ended March 31, 2006.

Profit before taxation: For the reasons discussed above, profit before taxation decreased by Rs. 27.84 million, or 33.4%, from Rs. 83.35 million in the fiscal year ended March 31, 2005 to Rs. 55.51 million in the fiscal year ended March 31, 2006. Our gross margin decreased from 16.3% in Fiscal 2005 to 11.5% in Fiscal 2006.

Provision for taxation: Provision for taxation decreased marginally by Rs. 0.05 million, or 0.5%, from Rs. 11.04 million in the fiscal year ended March 31, 2005 to Rs. 10.99 million in the fiscal year ended March 31, 2006. The provisions were made after considering the likely benefits of agricultural exemptions available under section 10 of the Income Tax Act. Provision for taxation as a percentage of profit before taxation increased from 13.25% in the fiscal year ended March 31, 2005 to 19.80% in fiscal year ended March 31, 2006. This increase in the effective tax rate was principally due to a decrease in, and change in composition of, basic seed production in Fiscal 2006, for which certain exemptions from income tax are available.

Profit after taxation: For the reasons discussed above, our Company's profit after taxation decreased by Rs. 23.22 million, or 33.8%, from Rs. 68.70 million in the fiscal year ended March 31, 2005 to Rs. 45.48 million in the fiscal year ended March 31, 2006.

Fiscal year ended March 31, 2005 compared with the fiscal year ended March 31, 2004

Income: Total income increased by Rs. 49.76 million, or 11.7%, from Rs. 425.82 million in the fiscal year ended March 31, 2004 to Rs. 475.58 million in the fiscal year ended March 31, 2005. This was principally due to a 11.8% increase in sales revenue of hybrid seeds from Rs. 457.32 million in the fiscal year ended March 31, 2004 to Rs. 511.18 million in the fiscal year ended March 31, 2005, and a 48.2% increase in other income from Rs. 8.32 million in the fiscal year ended March 31, 2004 to Rs. 12.33 million in the fiscal year ended March 31, 2005.

Sales revenue: Our Company's revenue from the sales of hybrid seeds increased by Rs. 53.86 million, or 11.8%, from Rs. 457.32 million in the fiscal year ended March 31, 2004 to Rs. 511.18 million in the fiscal year ended March 31, 2005. This was primarily due to increases of 37%, 152% and 38% in sales of pearl millet, brassica and rice seeds, respectively, from Fiscal 2004 levels.

Other Income: Our Company's other income increased by Rs. 4.01 million, or 48.2%, from Rs. 8.32 million in the fiscal year ended March 31, 2004 to Rs. 12.33 million in the fiscal year ended March 31, 2005. This was principally due to the one-time receipt of interest on tax refunds in Fiscal 2005.

Expenditure: Our Company's expenditure increased by Rs. 41.48 million, or 11.8%, from Rs. 350.75 million in the fiscal year ended March 31, 2004 to Rs. 392.23 million in the fiscal year ended March 31, 2005. However, as a percentage of total income, expenditure marginally increased from 82.4% to 82.5% for the same period. Thus, expenditure increased on an overall basis due to the growth of our Company's business.

Procurement and Processing Charges: Expenditure of procurement and processing charges increased by Rs. 50.6 million, or 46.2%, from Rs. 109.53 million in the fiscal year ended March 31, 2004 to Rs. 160.13 million in the fiscal year ended March 31, 2005. As a percentage of gross sales, procurement and processing charges increased sharply from 23.95% in the fiscal year ended March 31, 2004 to 31.33% in the fiscal year ended March 31, 2005. This was principally due to increases in overall production levels of hybrid seeds from 4,837 metric tons in Fiscal 2004 to 6,276 metric tons in Fiscal 2005 without a corresponding increase in sales volume.

Employee Remuneration and Benefits: Employee remuneration and benefits increased by Rs. 8.36 million, or 14.1%, from Rs. 59.18 million in the fiscal year ended March 31, 2004 to Rs. 67.54 million in the fiscal year ended March 31, 2005. This was principally due to additional compensation paid to employees upon achievement of budgeted profit. As a percentage of gross sales, employee remuneration and benefits increased marginally from 12.9% in the fiscal year ended March 31, 2004 to 13.2% in the fiscal year ended March 31, 2005.

Other production, administration, selling and distribution expenses: Other production, administration, selling and distribution expenses increased by Rs. 4.24 million, or 3.0%, from Rs. 143.09 million in the fiscal year ended March 31, 2004 to Rs. 147.33 million in the fiscal year ended March 31, 2005. This was principally due to an increase in production volume. Production of hybrid seeds increased from 4,837 metric tons to 6,276 metric tons. However, as a percentage of total sales, other production, administration, selling and distribution expenses decreased from 31.3% to 28.8% for the same period. Thus, although these expenses increased on an overall basis due to the growth of our business, the expenses relative to total sales decreased principally due to our cost control measures.

Finance Charges: Finance charges increased by Rs. 3.42 million, or 17.8%, from Rs. 19.23 million in the fiscal year ended March 31, 2004 to Rs.22.65 million in the fiscal year ended March 31, 2005. This was principally due to an increase in the cash discounts provided during the year.

Depreciation/Amortization: Depreciation/amortization increased by Rs. 4.43 million, or 49.2%, from Rs. 9.00 million in the fiscal year ended March 31, 2004 to Rs. 13.43 million in the fiscal year ended March 31, 2005. As a percentage of total sales, depreciation/amortization increased from 2.0% in the fiscal year ended March 31, 2004 to 2.6% the fiscal year ended March 31, 2005. This was principally due to a revision to the estimated useful life of certain technical know-how acquired in Fiscal 2003.

Profit before taxation: For the reasons discussed above, profit before taxation increased by Rs. 8.28 million, or 11.0%, from Rs. 75.07 million in the fiscal year ended March 31, 2004 to Rs. 83.35 million in the fiscal year ended March 31, 2005.

Provision for taxation: Provision for taxation decreased by Rs. 9.58 million, or 46.5%, from Rs. 20.62 million in the fiscal year ended March 31, 2004 to Rs. 11.04 million in the fiscal year ended March 31, 2005. The provisions were made after considering the likely benefits of agricultural exemptions available under section 10 of the Income Tax Act. Provision for taxation as a percentage of profit before taxation also decreased from 27.5% in the fiscal year ended March 31, 2004 to 13.3% in fiscal year ended March 31, 2005. The fall in the effective tax rate was principally due to an increase in, and change in composition of, basic seed production in Fiscal 2005, for which certain exemptions from income tax are available.

Profit after taxation: For the reasons discussed above, our Company's profit after taxation increased by Rs. 17.86 million, or 32.8%, from Rs. 54.45 million in the fiscal year ended March 31, 2004 to Rs. 72.31 million in the fiscal year ended March 31, 2005. Though our Company's gross profit margin fell slightly from 17.6% in the fiscal year ended March 31, 2004 to 17.5% the fiscal year ended March 31, 2005, our net profit margin increased from 12.8% in the fiscal year ended March 31, 2004 to 15.2% in the fiscal year ended March 31, 2005 on account of the fall in effective tax rate as discussed above.

Fiscal year ended March 31, 2004 compared with the fiscal year ended March 31, 2003

Income: Total income increased by Rs. 87.85 million, or 26.0%, from Rs. 337.97 million in the fiscal year ended March 31, 2003 to Rs. 425.82 million in the fiscal year ended March 31, 2004. This was principally due to a 29.3% increase in sales revenue of hybrid seeds from Rs. 353.65 million in the fiscal year ended March 31, 2003 to Rs. 457.32 million in the fiscal year ended March 31, 2004.

Sales revenue: Revenue from the sales of hybrid seeds increased by Rs. 103.67 million, or 29.3%, from Rs. 353.65 million in the fiscal year ended March 31, 2003 to Rs. 457.32 million in the fiscal year ended March 31, 2004. This was principally due to increases of 96%, 38% and 33% in sales of rice, sunflower and sorghum seeds, respectively, over Fiscal 2003 levels.

Other Income. Our Company's other income decreased by Rs. 10.92 million, or 56.8%, from Rs. 19.24 million in the fiscal year ended March 31, 2003 to Rs. 8.32 million in the fiscal year ended March 31, 2004. This was principally due to a gain realized from the sale of land in Fiscal 2003.

Expenditure: Our Company's expenditure increased by Rs. 38.31 million, or 12.3%, from Rs. 312.44 million in the fiscal year ended March 31, 2003 to Rs. 350.75 million in the fiscal year ended March 31, 2004. As a percentage of total sales, expenditure decreased from 88.4% in the fiscal year ended March 31, 2003 to 76.7% in the fiscal year ended March 31, 2004.

Procurement and Processing Charges: Expenditure of procurement and processing charges decreased by Rs. 5.96 million, or 5.2%, from Rs. 115.49 million in the fiscal year ended March 31, 2003 to Rs. 109.53 million in the fiscal year ended March 31, 2004. This was principally due to decreases in overall production from 5,140 metric tons in Fiscal 2003 to 4,837 metric tons in Fiscal 2004. As a percentage of total sales, procurement and processing charges fell from 32.7% in the fiscal year ended March 31, 2003 to 24.0% in the fiscal year ended March 31, 2004.

Employee Remuneration and Benefits: Employee remuneration and benefits increased by Rs. 7.77 million, or 15.1%, from Rs. 51.41 million in the fiscal year ended March 31, 2003 to Rs. 59.18 million in the fiscal year ended March 31, 2004. This was principally due to company-wide increases in employee compensation levels instituted in Fiscal 2004. As a percentage of total sales, employee remuneration and benefits fell slightly from 14.5% in the fiscal year ended March 31, 2003 to 12.9% in the fiscal year ended March 31, 2004.

Other production, administration, selling and distribution expenses: Other production, administration, selling and distribution expenses increased by Rs. 25.15 million, or 21.3%, from Rs. 117.94 million in the fiscal year ended March 31, 2003 to Rs. 143.09 million in the fiscal year ended March 31, 2004. However, as a percentage of total sales, other production, administration, selling and distribution expenses decreased from 33.3% to 31.3% for the same period. Thus, although these expenses increased on an overall basis due to the growth of our business, the expenses relative to total sales decreased principally due to our cost control measures.

Finance Charges: Finance charges increased by Rs. 4.11 million, or 27.2%, from Rs. 15.12 million in the fiscal year ended March 31, 2003 to Rs. 19.23 million in the fiscal year ended March 31, 2004. This was principally due to the successful implementation of internal controls on the management of working capital, which decreased the need to seek working capital financing.

Depreciation/Amortization: Depreciation/amortization increased by Rs. 2.17 million, or 31.8%, from Rs. 6.83 million in the fiscal year ended March 31, 2003 to Rs. 9.00 million in the fiscal year ended March 31, 2004. This was due to the amortization of certain technical know-how acquired in Fiscal 2003.

Profit before taxation: For the reasons discussed above, profit before taxation increased by Rs. 49.54 million, or 194.1%, from Rs. 25.53 million in the fiscal year ended March 31, 2003 to Rs. 75.07 million in the fiscal year ended March 31, 2004. Profit before tax as a percentage of total income increased from 7.5% in the fiscal year ended March 31, 2003 to 17.6% in the fiscal year ended March 31, 2004.

Provision for taxation: Provision for taxation increased by Rs. 17.33 million, or 526.7%, from Rs. 3.29 million in the fiscal year ended March 31, 2003 to Rs. 20.62 million in the fiscal year ended March 31, 2004. The provisions were made after considering the likely benefits of agricultural exemptions available under section 10 of the Income Tax Act. Provision for tax as a percentage of profit before taxation increased from 12.9% in the fiscal year ended March 31, 2003 to 27.5% in fiscal year ended March 31, 2004. This increase in the effective tax rate was principally due to increases in profit levels in Fiscal 2004 as discussed above.

Profit after taxation: For the reasons discussed above, our Company's profit after taxation increased by Rs. 32.21 million, or 144.8%, from Rs. 22.24 million in the fiscal year ended March 31, 2003 to Rs. 54.45 million in the fiscal year ended March 31, 2004. Net profit margin increased from 6.6% in the fiscal year ended March 31, 2003 to 12.8% in the fiscal year ended March 31, 2004.

Liquidity and Capital Resources

Historically, our primary liquidity requirements have been to finance our working capital needs and our capital expenditures. Our Company's business requires a significant amount of working capital to finance the purchase of materials and to process the seed products before payment is received from customers. To fund these costs, we have relied on short-term and other borrowings, including working capital financing, and on cash flows from operating activities.

Cash Flows

The table below sets forth our Company's cash flows for the periods indicated:

Rs. in million

	Seven month period ended October 31, 2006	***Fiscal 2006***	***Fiscal 2005***	***Fiscal 2004***	***Fiscal 2003***
Cash flow from operating activities	(435.33)	24.54	41.90	128.14	63.73
Cash flow from investing activities	(317.83)	(362.56)	(1.21)	3.53	(11.39)
Cash flow from financing actiivities	647.55	239.08	(21.53)	(55.98)	(47.18)
Net changes in cash and cash equivalents	***(105.61)***	***(98.94)***	***19.16***	***75.69***	***5.16***

Cash Flows from Operating Activities

Our Company's net cash from operating activities in the seven months ended October 31, 2006 was Rs. (435.33) million, although our Company's profit before tax for such period was Rs. 381.27 million. The difference was attributable to an increase in inventories of Rs. 64.58 million and an increase in trade and other receivables of Rs. 511.74 million.

Our Company's net cash from operating activities in the fiscal year ended March 31, 2006 was Rs. 24.54 million, although our Company's profit before tax for such period was Rs. 57.50 million. The difference was attributable to an increase in inventories of Rs. 13.19 million, an increase in trade and other receivables of Rs. 10.50 million. These were partially offset by an increase in trade payables and provisions of Rs. 1.08 million and the payment of Rs. 22.77 million in income taxes.

Our Company's net cash from operating activities in the fiscal year ended March 31, 2005 was Rs. 41.90 million, although our profit before tax for such period was Rs. 78.18 million. The difference was attributable to a increase in inventories of Rs. 22.52 million and a decrease in trade payables and provisions of Rs. 53.44 million. These were partially offset by a decrease in trade and other receivables of Rs. 5.87 million and a net refund of Rs. 26.57 million.

Our Company's net cash from operating activities in the fiscal year ended March 31, 2004 was Rs. 128.14 million, although our profit before tax for such period was Rs. 73.59 million. The difference was attributable to an decrease in inventories of Rs. 10.28 million, an decrease in trade and other receivables of Rs. 33.80 million, and an increase in trade payables and provisions of Rs. 35.03 million. These were partially offset by a payment of Rs. 31.62 million in in income taxes.

Cash Flows from Investment Activities

Our Company's net cash from investing activities was Rs. 3.53 million, Rs. (1.21) million, Rs. (362.56) million and Rs. (317.83) million in Fiscal 2004, 2005 and 2006 and the seven months period ended October 31, 2006, respectively.

Our Company's net cash from investing activities reflects investments consisting of (i) purchase/sale of fixed assets; (ii) purchase/sale of investments; (iii) loans to subsidiaries and others; (iv) dividend received; and (v) interest received.

Cash Flows from Financing Activities

Our Company's net cash from financing activities was Rs. (55.98) million, Rs. (21.53) million and Rs. 239.08 million and Rs. 647.55 million in Fiscal 2004, 2005 and 2006 and the seven month period ended October 31, 2006, respectively.

The net cash provided by financing activities in the seven month period ended October 31, 2006 mainly comprised of proceeds from an allotment of Equity Shares to UPL.

The net cash provided by financing activities in the fiscal year ended March 31, 2006 comprised of a Rs. 290 million increase in proceeds from short term borrowings, which was partially offset by a Rs. 0.63 million decrease in interest paid and a Rs. 50.29 million decrease in dividend paid (including dividend distribution tax).

The net cash provided by financing activities in Fiscal 2005 comprised of a Rs. 0.16 million decrease in interest paid and a Rs. 21.37 million decrease in dividend paid (including dividend distribution tax).

The net cash provided by financing activities in Fiscal 2004 comprised of a Rs. 2.68 million decrease in interest paid and a Rs. 53.30 million decrease in dividend paid (including dividend distribution tax).

Capital Expenditures

Our Company needs to make investments in plant and machinery on a recurring basis. In the seven month period ended October 31, 2006, our Company invested Rs. 14.3 million in plant and machinery and Rs. 58.0 million for acquisition of Caravan Seeds. In Fiscal 2006, our Company invested Rs. 3.9 million in fixed assets including Rs. 2.0 million for a research station and Rs. 1.1 million for plant and machinery.

Indebtedness

As of October 31, 2006, our Company had secured and unsecured indebtedness of Rs. 29.4 million and Rs. 345.4 million, respectively. All of such indebtedness is payable within one year. For a description of the restrictive covenants of such indebtedness, see the section entitled "Our Indebtedness".

We believe that our relationships with our lenders are good, and we have in the past obtained consents from them to undertake various actions and have informed them of our activities from time to time. Compliance with the various terms is, however, subject to interpretation and we cannot assure you that we have requested or received all consents from our lenders that are required by our financing documents. As a result, it is possible that a lender could assert that we have not complied with all terms under our existing financial documents. Any failure to comply with the requirement to obtain a consent, or other condition or covenant under our financing agreements that is not waived by our lenders or is not otherwise cured by us, may lead to a termination of our credit facilities, acceleration of all amounts due under such facilities and trigger cross default provisions under certain of our other financing agreements, and may adversely affect our ability to conduct business and operations or implement our business plans.

Contingent Liabilities

Our Company's contingent liabilities consist of: (i) income tax matters pending with authorities at various levels; and (ii) claims against Advanta India not acknowledged as debts. As of October 31, 2006, our Company had an aggregate amount of Rs. 105.89 million in contingent liabilities outstanding, which is comprised of: (i) Rs. 99.65 million in income tax matters pending with authorities at various levels; and (ii) Rs. 6.24 million in claims against the Company not acknowledged as debts.

Debtors Days

Sundry Debtors

The following table presents the details of our Company's sundry debtors.

	As at October 31, 2006	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at March 31, 2003	As at March 31, 2002
Outstanding over six months						
Secured						
Considered good	0.19	0.08	0.06	0.05	2.75	2.83
Unsecured						
Considered good	0.85	0.40	0.99	5.83	10.88	7.56
Considered doubtful	3.50	3.24	2.64	0.05	5.35	5.32
	4.54	**3.72**	**3.69**	**5.93**	**18.98**	**15.71**
Provision for doubtful debts	3.50	3.24	2.64	0.05	5.35	5.32
	1.04	**0.48**	**1.05**	**5.88**	**13.63**	**10.39**
Other debts						
Considered good						
Secured	3.78	2.11	2.08	1.41	0.76	0.73
Unsecured	277.76	48.62	33.18	26.82	60.02	46.10
	281.54	**50.73**	**35.26**	**28.23**	**60.78**	**46.83**
Total	**282.58**	**51.21**	**36.31**	**34.11**	**74.41**	**57.22**

Our Company does not generally experience material losses from unpaid customer debts. However, from the table given above one can make following observations:

- In Fiscal 2004, our Company undertook initiatives to improve on collection of accounts receivable.
- Over the last three fiscal years, the amount of unsecured debt has been increasing due to the growth of our business.

Foreign currency risk

To the extent that our income and expenditure are not denominated in the same currency, exchange rate fluctuations could cause some of our costs to increase more than the proportionate revenues. Our future expenditures may be denominated in currencies other than Indian rupees, the Australian dollar, the Thai baht or the U.S. dollar. Therefore, declines in the value of any of these currencies against such other currencies could increase our costs.

Equity price risk

Equity price risk arises when we are exposed to changes in the fair value of any traded equity instruments that we may hold due to changes in the equity markets. Our exposure to changes in equity prices is not material to our financial position or results of operations.

Inflation

In recent years, although India has experienced fluctuation in inflation rates, inflation has not had material impact on our Company's business and results of operations. According to the Office of the Economic Advisor, Department of Industrial Policy and Promotion, the inflation rate in India was approximately 3.7%, 3.4%, 5.4%, 6.4% and 4.5% in the Fiscal 2002, 2003, 2004, 2005 and 2006, respectively. Inflation in Australia and Thailand has had no material impact on their respective businesses. According to Central Intelligence Agency's World Factbook, the inflation rate in Australia was approximately 2.8%, 2.8%, 2.3% and 2.7% in fiscal years 2002, 2003, 2004 and 2005, respectively; the inflation rate in Thailand was approximately 0.6%, 1.8%, 2.8% and 4.8% in fiscal years 2002, 2003, 2004 and 2005, respectively; and the inflation rate in Argentina was approximately 13.4%, 6.1% and 12.3% in fiscal years 2003, 2004 and 2005, respectively.

Unusual or Infrequent Events or Transactions

Except as described in this Red Herring Prospectus, there have been no other events or transactions to our knowledge, which may be described as "unusual" or "infrequent".

Known Trends or Uncertainties

Except as described in "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this Red Herring Prospectus, to our knowledge, there are no known trends or uncertainties that have or had or expected to have any material adverse impact on our revenues or income from continuing operations.

Future Relationship between Cost and Income

Except as described in "Risk Factors", "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations", to our knowledge there are no known factors that will have a material adverse impact on our operations and finances.

Seasonality of Business

Our business operations may be materially and adversely affected by seasonal and weather factors, which can materially and adversely affect the quality and quantity of seeds produced. The weather can also affect the presence of disease and pests. Any sudden changes in the local weather could potentially affect a substantial portion of our production in any year and have a material and adverse affect our business, results of operations and financial condition.

Competitive Conditions

Refer to the sections titled "Business – Competition", "Industry" and "Risk Factors" regarding competition on pages 74, 39and xii of this Red Herring Prospectus.

Double Taxation

Our Company has three Operating Subsidiaries in Australia, Argentina and Thailand. Distribution of dividend from the aforesaid overseas Operating Subsidiary companies may be subject to double taxation at various levels of distribution of dividend as per the local laws of the respective countries and after considering the agreements for the Avoidance of Double Taxation and the prevention of fiscal evasion with respect to taxes on income entered into between the respective countries. In a hypothetical situation if all the aforesaid operating subsidiary companies distribute dividend equivalent to Rs. 100 each aggregating to Rs. 300 to their respective holding companies, who in turn distribute the entire dividend income to the ultimate parent company in India then the ultimate parent company would receive dividend equivalent to approximately Rs. 239 and would be eligible for tax credit equivalent to approximately Rs. 26.

Significant Developments after the Date of the Last Financial Statement

Advanta Africa (Proprietory) Limited ceased to be our Subsidiary with effect from February 14, 2007. Except as stated above and elsewhere in this Red Herring Prospectus, to our knowledge no circumstances have arisen since October 31, 2006, which is the date of the last financial statements as disclosed in this Red Herring Prospectus, that materially and adversely affect or are likely to affect our Company's profitability, our Company's financial condition or our Company's ability to pay its material liabilities within the next 12 months.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS OF PACIFIC SEEDS AUSTRALIA, PACIFIC SEEDS THAILAND AND ADVANTA ARGENTINA

You should read the following discussion and analysis of our financial condition and results of operations together with our financial statements included in this Red Herring Prospectus, along with the section titled "Summary Financial Information" beginning on page 6. You should also read the section titled "Risk Factors" beginning on page xii of this Red Herring Prospectus, which discusses a number of factors and contingencies that could impact our financial condition, results of operations and cash flows. The following discussion relates to our Operating Subsidiaries, Pacific Seeds Australia, Pacific Seeds Thailand and Advanta Argentina, and is based on their respective restated financial statements, which have been prepared in accordance with Indian GAAP, the accounting standards referred to in Section 211(3C) of the Companies Act and the other applicable provisions of the Companies Act. The following discussion is also based on internally prepared statistical information and on publicly available information.

The fiscal year of each of our Operating Subsidiaries, Pacific Seeds Australia, Pacific Seeds Thailand and Advanta Argentina, ends on December 31, so all references to a particular fiscal year of any of these companies are to the 12-month period ended December 31. All references to Rupee amounts in the context of our Operating Subsidiaries are converted on the basis of published currency exchange rates of the respective currencies as of March 31, 2006 and are provided for convenience purposes only.

Certain industry, technical and financial terms used in this discussion shall have the meanings ascribed to them in the section entitled "Definitions and Abbreviations" beginning on page i of this Red Herring Prospectus.

Results of Operations

Pacific Seeds Australia

In Rs. million

	For the seven month period ended October 31, 2006	For the year ended		
		December 31, 2005	December 31, 2004	December 31, 2003
Total Income				
Sales	1,402.17	2,114.24	1,781.53	1,657.43
% of total income	*96.28%*	*97.48%*	*98.31%*	*97.89%*
Other Income	54.11	54.72	30.54	35.75
% of total income	*3.72%*	*2.52%*	*1.69%*	*2.11%*
Total Expenditure				
Personnel Expenses	222.70	250.26	264.74	239.61
% of total sales	*15.88%*	*11.84%*	*14.86%*	*14.46%*
Operating and other expenses	1,141.54	1,528.32	1,402.11	1,186.50
% of total sales	*81.41%*	*72.29%*	*78.70%*	*71.59%*
(Increase)/ Decrease in inventories	(68.63)	121.27	(50.02)	44.82
Depreciation/ Amortisation	28.45	36.66	31.21	26.85
% of total sales	*2.03%*	*1.73%*	*1.75%*	*1.62%*

In Rs. million

	For the seven month period ended October 31, 2006	For the year ended		
		December 31, 2005	December 31, 2004	December 31, 2003
Financial Expenses	15.96	42.50	16.18	10.47
% of total sales	*1.14%*	*2.01%*	*0.91%*	*0.63%*
Profit/(Loss) before tax	**116.26**	**189.95**	**147.85**	**184.93**
% of total sales	*8.29%*	*8.98%*	*8.30%*	*11.16%*
Provision for current tax	1.46	38.68	54.23	26.13
Deferred tax	34.17	(3.56)	(19.98)	25.93
Tax Expense	35.63	35.12	34.25	52.06
% of Profit before tax	*30.65%*	*18.49%*	*23.17%*	*28.15%*
Net Profit/ (Loss)	**80.63**	**154.83**	**113.60**	**132.87**

Ten months ended October 31, 2006

Income: During the ten months ended October 31, 2006, total income was Rs. 1,456.28 million, which included sales of Rs. 1,402.17 million and other income of Rs. 54.11 million.

Sales revenue: Revenue from the sales of products produced by Pacific Seeds Australia was Rs. 1,402.17 million in the ten months ended October 31, 2006. During this period our major crops, canola, sunflower, field corn and sorghum, constituted 29.2%, 20.5%, 13.4% and 13.4%, respectively, of the total sales.

Other Income: Other income consists principally of royalties received from licensing of seeds, interest income and profit on sale of assets. For the ten month period ended October 31, 2006, other income stood at Rs. 54.11 million.

Expenditure: Pacific Seeds Australia's expenditure, other than tax expense, consists of personnel expenses, operating and other expenses, increase in inventories, depreciation/amortization and financial expenses. For the ten month period ended October 31, 2006, total expenditure stood at Rs. 1,340.02 million. As a percentage of total sales, total expenditure marginally increased from 93.6% in the fiscal year ended December 31, 2005 to 95.6% in the ten months ended October 31, 2006.

Personnel Expenses: Personnel expenses consist principally of salaries, wages and bonuses, contributions to provident fund, gratuity and other funds and workmen and other staff welfare expenses. Personnel expenses were Rs. 222.70 million in the ten months ended October 31, 2006. As a percentage of total sales, personnel expenses increased from 11.8% in the fiscal year ended December 31, 2005 to 15.9% in the ten months ended October 31, 2006, which was principally due to higher levels of remuneration per employee.

Operating and Other Expenses: Pacific Seeds Australia's operating and other expenses include, among other things: (i) consumption of stores and spares; (ii) raw materials consumed; (iii) commission; (iv) freight and forwarding charges; (v) advertising and sales promotion; (vi) traveling and conveyance, and (vii) lease rent. Such expenses were Rs. 1,141.54 million in the ten months ended October 31, 2006. As a percentage of total sales, operating and other expenses increased from 72.3% in the fiscal year ended December 31, 2005 to 81.4% in the ten months ended October 31, 2006, which was principally due to higher closing inventory levels caused by the seasonality of our business.

Depreciation/Amortization: Depreciation/amortization was Rs. 28.45 million in the ten months ended October 31, 2006.

Financial Expenses: Financial expenses consist principally of interest charges and bank charges. Pacific Seeds Australia's financial expenses were Rs. 15.96 million in the ten months ended October 31, 2006. As a percentage of total sales, financial expenses decreased from 2.0% in the fiscal year ended December 31, 2005 to 1.1% in the ten months ended October 31, 2006.

Profit Before Tax: Profit before tax was Rs. 116.26 million in the ten months ended October 31, 2006. For the reasons discussed above, as a percentage of total sales, profit before tax has decreased from 9.0% in the fiscal year ended December 31, 2005 to 8.3% in the ten months ended October 31, 2006.

Tax Expense: Tax expense was Rs. 35.63 million in the ten months ended October 31, 2006. Tax expense as a percentage of profit before tax increased from 18.5% in the fiscal year ended December 31, 2005 to 30.7% in the ten months ended October 31, 2006, which is principally due to the incurrence of a deferred tax liability of Rs. 34.17 million.

Net Profit: Pacific Seeds Australia's net profit was Rs. 80.63 million in the ten months ended October 31, 2006. For the reasons discussed above, as a percentage of total sales, net profit decreased from 7.3% in the fiscal year ended December 31, 2005 to 5.8% in the ten months ended October 31, 2006.

Fiscal year ended December 31, 2005 compared with the fiscal year ended December 31, 2004

During the fiscal year ending December 31, 2005, we achieved significant increase in domestic sales of canola and Elite grain sorghum seeds.

Income: Total income increased by Rs. 356.89 million or 19.7%, from Rs. 1,812.07 in the fiscal year ended December 31, 2004 to Rs. 2,168.96 million in the fiscal year ended December 31, 2005. This was principally due to a 18.7% increase in sales revenue of products produced by the Company from Rs. 1,781.53 million in the fiscal year ended December 31, 2004 to Rs. 2,114.24 million in the fiscal year ended December 31, 2005.

Sales revenue: Revenue from the sales of products produced by Pacific Seeds Australia increased by Rs. 332.71 million or 18.7% from Rs. 1,781.53 million in the fiscal year ended December 31, 2004 to Rs. 2,114.24 million in the fiscal year ended December 31, 2005. This was primarily due to increased export sales of sunflower and canola seeds and increased sales of Elite-treated grain sorghum seeds in the Australian market.

Other Income: Pacific Seeds Australia's other income increased by Rs. 24.18 million or 79.2% from Rs. 30.54 million in the fiscal year ended December 31, 2004 to Rs. 54.72 million in the fiscal year ended December 31, 2005. This was principally due to increases in gains from currency exchange, royalties received from licensing of canola and field corn seeds, profit on sale of assets and interest income.

Expenditure: Pacific Seeds Australia's expenditure, other than tax expense, increased by Rs. 314.79 million or 18.9% from Rs. 1,664.22 million in the fiscal year ended December 31, 2004 to Rs. 1,979.01 million in the fiscal year ended December 31, 2005. As a percentage of total sales, total expenditure increased marginally from 93.4% in the fiscal year ended December 31, 2004 to 93.6% in the fiscal year ended December 31, 2005

Personnel Expenses: Personnel expenses decreased by Rs.14.48 million or 5.5% from Rs. 264.74 million in the fiscal year ended December 31, 2004 to Rs. 250.26 million in the fiscal year ended December 31, 2005. As a percentage of total sales, personnel expenses fell from 14.9% in the fiscal year ended December 31, 2004 to 11.8% in the fiscal year ended December 31, 2005.

Operating and Other Expenses: Pacific Seeds Australia's operating and other expenses increased by Rs. 126.21 million or 9% from Rs. 1,402.11 million in Fiscal 2004 to Rs. 1,528.32 million in the fiscal year ended December 31, 2005. This was principally due to increases in raw materials consumed and freight and forwarding charges as a result of the growth of the business. As a percentage of total sales, operating and other expenses decreased from 78.7% in the fiscal year ended December 31, 2004 to 72.3% in the fiscal year ended December 31, 2005.

Depreciation/Amortization: Depreciation/amortization increased by Rs. 5.45 million, or 17.5%, from Rs.31.21 million in the fiscal year ended December 31, 2004 to Rs. 36.66 million in the fiscal year ended December 31, 2005. This was due to amortization of small-value assets in the fiscal year ended December 31, 2005.

Financial Expenses: Pacific Seeds Australia's financial expenses increased by Rs. 26.32 million, or 162.67%, from Rs. 16.18 million in the fiscal year ended December 31, 2004 to Rs. 42.50 million in the fiscal year ended December 31, 2005. This was principally due to increased interest expense incurred on additional term loans taken and bank borrowings made during an internal restructuring and an increase in bank charges as a result of higher sales activities.

Profit Before Tax: For the reasons discussed above, profit before tax increased by Rs. 42.10 million, or 28.5%, from Rs. 147.85 million in the fiscal year ended December 31, 2004 to Rs. 189.95 million in the fiscal year ended December 31, 2005.

Tax Expense: Tax expense increased marginally by Rs.0.87 million or 2.5%, from Rs.34.25 million in the fiscal year ended December 31, 2004 to Rs. 35.12 million in the fiscal year ended December 31, 2005. Tax expense as a percentage of profit before tax decreased from 23.2% in the fiscal year ended December 31, 2004 to 18.5% in fiscal year ended December 31, 2005.

Net Profit: For the reasons discussed above, Pacific Seeds Australia's net profit increased by Rs. 41.23 million, or 36.3%, from Rs. 113.60 million in the fiscal year ended December 31, 2004 to Rs. 154.83 million in the fiscal year ended December 31, 2005.

Fiscal year ended December 31, 2004 compared with the fiscal year ended December 31, 2003

During the fiscal year ending December 31, 2004, Pacific Seeds Australia successfully recovered from a breakdown of blackleg resistance in canola varieties in 2003, which significant affected business operations.

Income: Total income increased by Rs. 118.89 million, or 7.0%, from Rs. 1,693.18 million in the fiscal year ended December 31, 2003 to Rs. 1,812.07 million in the fiscal year ended December 31, 2004. This was principally due to a 7.5% increase in sales revenue of products produced by the Company from Rs. 1,657.43 million in the fiscal year ended December 31, 2003 to Rs. 1,781.53 million in the fiscal year ended December 31, 2004.

Sales revenue: Revenue from the sales of products produced by Pacific Seeds Australia increased by Rs. 124.10 million, or 7.0%, from Rs. 1,657.43 million in the fiscal year ended December 31, 2003 to Rs. 1,781.53 million in the fiscal year ended December 31, 2004. This was primarily due to ongoing conversion of sales from bare grain sorghum to Elite-treated grain sorghum seeds in the domestic market and an increase in the export sales of canola seeds.

Other Income: Pacific Seeds Australia's other income decreased by Rs. 5.21 million, or 14.6%, from Rs. 35.75 million in the fiscal year ended December 31, 2003 to Rs. 30.54 million in the fiscal year ended December 31, 2004. This was principally due to a decrease in income from currency exchange, which was partially offset by an increase in royalties received for licensed canola and sunflower seeds.

Expenditure: Pacific Seeds Australia's expenditure, other than tax expenses, increased by Rs. 155.97 million, or 10.3%, from Rs. 1,508.25 million in the fiscal year ended December 31, 2003 to Rs. 1,664.22 million in the fiscal year ended December 31, 2004. As a percentage of total sales, expenditure increased from 91.0% in the fiscal year ended December 31, 2003 to 93.4% in the fiscal year ended December 31, 2004.

Personnel Expenses: Personnel expenses increased by Rs. 25.13 million, or 10.5%, from Rs. 239.61 million in the fiscal year ended December 31, 2003 to Rs. 264.74 million in the fiscal year ended December 31, 2004. This was principally due to an increase in additional incentive payments and some exceptional redundancy payments. As a percentage of total sales, personnel expenses increased slightly from 14.5% in the fiscal year ended December 31, 2003 to 14.9% in the fiscal year ended December 31, 2004.

Operating and Other Expenses: Pacific Seeds Australia's operating and other expenses increased by Rs. 215.61 million, or 18.2%, from Rs. 1,186.50 million in the fiscal year ended December 31, 2003 to Rs. 1,402.11 million in the fiscal year ended December 31, 2004. As a percentage of total sales, operating and other expenses increased from 71.6% in the fiscal year ended December 31, 2003 to 78.7% in the fiscal year ended December 31, 2004. This was principally due to increases in overall production levels in the fiscal year ended December 31, 2004 without a corresponding increase in sales volume, which resulted in an increase in inventories.

Depreciation/Amortization: Depreciation/amortization increased by Rs. 4.36 million, or 16.2%, from Rs. 26.85 million in the fiscal year ended December 31, 2003 to Rs. 31.21 million in the fiscal year ended December 31, 2004.

Financial Expenses: Financial expenses increased by Rs. 5.71 million, or 54.5%, from Rs. 10.47 million in the fiscal year ended December 31, 2003 to Rs. 16.18 million in the fiscal year ended December 31, 2004. This was principally due to refinancing of the company's debt and increases in bank charges as a result of increased sales activities.

Profit Before Tax: For the reasons discussed above, profit before tax decreased by Rs. 37.08 million, or 20.0%, from Rs. 184.93 million in the fiscal year ended December 31, 2003 to Rs. 147.85 million in the fiscal year ended December 31, 2004.

Tax expense: Tax expense decreased by Rs. 17.81 million, or 34.2%, from Rs. 52.06 million in the fiscal year ended December 31, 2003 to Rs. 34.25 million in the fiscal year ended December 31, 2004. Tax expense as a percentage of profit before tax decreased from 28.% in the fiscal year ended December 31, 2003 to 23.2% in fiscal year ended December 31, 2004.

Net Profit: For the reasons discussed above, Pacific Seeds Australia's net profit decreased by Rs. 19.27 million, or 14.5%, from Rs. 132.87 million in the fiscal year ended December 31, 2003 to Rs. 113.60 million in the fiscal year ended December 31, 2004.

Pacific Seeds Thailand

In Rs. million

	For the seven month period ended October 31, 2006	For the year ended		
		December 31, 2005	December 31, 2004	December 31, 2003
Total Income				
Sales	435.43	458.83	485.71	439.60
% of total income	*96.88%*	*95.60%*	*97.73%*	*96.83%*
Other Income	14.03	21.13	11.30	14.40
% of total income	*3.12%*	*4.40%*	*2.27%*	*3.17%*
Total Expenditure				
Personnel Expenses	48.09	60.02	60.68	54.29
% of total sales	*11.04%*	*13.08%*	*12.49%*	*12.35%*
Operating and other expenses	344.41	293.73	358.82	290.01
% of total sales	*79.10%*	*64.02%*	*73.88%*	*65.97%*
(Increase)/ Decrease in inventories	(60.05)	54.18	(62.42)	(2.03)
Depreciation/ Amortisation	11.56	12.20	11.48	11.16
% of total sales	*2.65%*	*2.66%*	*2.36%*	*2.54%*
Financial Expenses	2.91	7.59	6.34	10.29
% of total sales	*0.67%*	*1.65%*	*1.31%*	*2.34%*
Profit/(Loss) before tax	**102.54**	**52.24**	**122.11**	**90.28**
% of total sales	*23.55%*	*11.39%*	*25.14%*	*20.54%*
Provision for current tax	28.97	17.12	37.43	19.18
Deferred tax	(4.54)	(6.43)	(3.86)	4.18
Total Provision	24.43	10.69	33.57	23.36
% of Profit before tax	*23.82%*	*20.46%*	*27.49%*	*25.88%*
Net Profit/ (Loss)	**78.11**	**41.55**	**88.54**	**66.92**

Ten months ended October 31, 2006

Income: Total income was Rs. 449.46 million in the ten months ended October 31, 2006, which comprised Rs. 435.43 million in sales of products and Rs. 14.03 million in other income.

Sales revenue: Revenue from the sales of products produced by Pacific Seeds Thailand was Rs. 435.43 million. During this period our major crops, sweet corn, sunflower, field corn and sorghum, constituted 34.6%, 15.1%, 25.2% and 14.4%, respectively, of the total sales.

Other Income: Pacific Seeds Thailand's other income consists principally of royalties received on licensed seeds, profit on sale of assets, currency exchange gain, sales on scrap and interest income. Other income was Rs. 14.03 million in the ten months ended October 31, 2006.

Expenditure: Pacific Seeds Thailand's expenditure consists of personnel expenses, operating and other expenses, increase in inventories, depreciation/amortization and financial expenses. Pacific Seeds Thailand's expenditure was Rs. 346.92 million. As a percentage of total sales, expenditure decreased from 93.2% in the fiscal year ended December 31, 2005 to 79.7% in the ten months ended October 31, 2006, which was principally due to sales of higher margin products (*e.g.* sweet corn and baby corn).

Personnel Expenses: Personnel expenses were Rs. 48.09 million in the ten months ended October 31, 2006. As a percentage of total sales, personnel expenses decreased from 13.1% in the fiscal year ended December 31, 2005 to 11.0% in the ten months ended October 31, 2006.

Operating and Other Expenses: Pacific Seeds Thailand's operating and other expenses were Rs. 344.41 million in the ten months ended October 31, 2006. As a percentage of total sales, operating and other expenses increased from 64.0% in the fiscal year ended December 31, 2005 to 79.1% in the ten months ended October 31, 2006, which was principally due to the seasonality of our business.

Depreciation/Amortization: Depreciation/amortization was Rs. 11.56 million in the ten months ended October 31, 2006.

Financial Expenses: Pacific Seeds Thailand's financial expenses were Rs. 2.91 million in the ten months ended October 31, 2006. As a percentage of total sales, financial expenses decreased from 1.7% in the fiscal year ended December 31, 2005 to 0.7% in the ten months ended October 31, 2006.

Profit Before Tax: Profit before tax was Rs. 102.54 million in the ten months ended October 31, 2006. For the reasons discussed above, as a percentage of total sales, profit before tax increased from 11.4% in the fiscal year ended December 31, 2005 to 23.6% in the ten months ended October 31, 2006.

Tax expense: Tax expense was Rs. 24.43 million in the ten months ended October 31, 2006. Tax expense as a percentage of profit before tax increased from 20.5% in the fiscal year ended December 31, 2005 to 23.8% in the ten months ended October 31, 2006.

Net Profit: Pacific Seeds Thailand's net profit was Rs. 78.11 million in the ten months ended October 31, 2006. For the reasons discussed above, as a percentage of sales, net profit increased from 9.1% in the fiscal year ended December 31, 2005 to 17.9% in the ten months ended October 31, 2006.

Fiscal year ended December 31, 2005 compared with the fiscal year ended December 31, 2004

Income: Total income decreased by Rs.17.05 million, or 3.4%, from Rs. 497.01 million in the fiscal year ended December 31, 2004 to Rs. 479.96 million in the fiscal year ended December 31, 2005. This was principally due to a 5.5% decrease in sales revenue of products produced by the Company from Rs. 485.71 million in the fiscal year ended December 31, 2004 to Rs. 458.83 million in the fiscal year ended December 31, 2005, which was partially offset by a Rs. 9.83 million increase in other income from Rs. 11.30 million in the fiscal year ended December 31, 2004 to Rs. 21.13 million in the fiscal year ended December 31, 2005.

Sales revenue: Revenue from the sales of products produced by Pacific Seeds Thailand decreased by Rs. 26.88 million, or 5.5%, from Rs. 485.71 million in the fiscal year ended December 31, 2004 to Rs. 458.83 million in the fiscal year ended December 31, 2005. This was primarily due to lower sales of sweet corn as a result of lower than anticipated yields.

Other Income: Pacific Seeds Thailand's other income consists principally of royalties received on licensed seeds, profit on sale of assets, currency exchange gain, sales on scrap and interest income. Other income increased by Rs. 9.83 million or 87.0% from Rs. 11.30 million in the fiscal year ended December 31, 2004 to Rs. 21.13 million in the fiscal year ended December 31, 2005. This was principally due to increases in royalties received on licensed seeds, sales of scrap and currency exchange gain.

Expenditure: Pacific Seeds Thailand's expenditure, other than tax expenses, increased by Rs. 52.82 million, or 14.1%, from Rs. 374.9 million in the fiscal year ended December 31, 2004 to Rs. 427.72 million in the fiscal year ended December 31, 2005.

Personnel Expenses: Pacific Seeds Thailand's personnel expenses consist principally of salaries, wages and bonuses, contributions to workmen fund, provident fund and gratuity and other staff welfare expenses. Personnel expenses decreased marginally by Rs. 0.66 million, or 1%, from Rs. 60.68 million in the fiscal year ended December 31, 2004 to Rs. 60.02 million in the fiscal year ended December 31, 2005. As a percentage of total sales, personnel expenses increased from 12.5% in the fiscal year ended December 31, 2004 to 13.1% in the fiscal year ended December 31, 2005.

Operating and Other Expenses: Pacific Seeds Thailand's operating and other expenses include, among other things: (i) consumption of raw materials, packing materials and traded goods; (ii) brokerage and discounts; (iii) provision for stock damage; (iv) power and fuel; (v) freight and forwarding charges; (vi) advertising and sales promotion; and (vii) traveling and conveyance. Operating and other expenses decreased by Rs. 65.09 million, or 18.1%, from Rs. 358.82 million in the fiscal year ended December 31, 2004 to Rs. 293.73 million in the fiscal year ended December 31, 2005. This was principally due to decreased consumption of raw materials, packing materials and traded goods as a result of decreased production activities, which was partially offset by an increase for provision of stock damage due to drought conditions during 2005. As a percentage of total sales, operating and other expenses decreased from 73.9% in the fiscal year ended December 31, 2004 to 64.0% in the fiscal year ended December 31, 2005.

Depreciation/Amortization: Depreciation/amortization increased by Rs. 0.72 million, or 6.3%, from Rs. 11.48 million in the fiscal year ended December 31, 2004 to Rs. 12.20 million in the fiscal year ended December 31, 2005. This was due to increased capital expenditure in the fiscal year ended December 31, 2005.

Financial Expenses: Financial expenses consist of interest expenses on subsidiary company loans and bank loans and bank charges. Pacific Seeds Thailand's financial expenses increased by Rs. 1.25 million, or 19.7%, from Rs. 6.34 million in the fiscal year ended December 31, 2004 to Rs. 7.59 million in the fiscal year ended December 31, 2005. This was principally due to increased interest rates on outstanding loans from banks and subsidiary companies in the fiscal year ended December 31, 2005.

Profit Before Tax: For the reasons discussed above, profit before tax decreased by Rs. 69.87 million, or 57.2%, from Rs. 122.11 million in the fiscal year ended December 31, 2004 to Rs. 52.24 million in the fiscal year ended December 31, 2005.

Tax expense: Tax expense decreased by Rs. 22.88 million, or 68.2%, from Rs. 33.57 million in the fiscal year ended December 31, 2004 to Rs. 10.69 million in the fiscal year ended December 31, 2005. Tax expense as a percentage of profit before tax decreased from 27.5% in the fiscal year ended December 31, 2004 to 20.5% in fiscal year ended December 31, 2005.

Net Profit: For the reasons discussed above, Pacific Seeds Thailand's net profit decreased by Rs. 46.99 million, or 53.1%, from Rs. 88.54 million in the fiscal year ended December 31, 2004 to Rs. 41.55 million in the fiscal year ended December 31, 2005.

Fiscal year ended December 31, 2004 compared with the fiscal year ended December 31, 2003

Income: Total income increased by Rs. 43.01 million, or 9.5%, from Rs. 454.00 million in the fiscal year ended December 31, 2003 to Rs. 497.01 million in the fiscal year ended December 31, 2004. This was principally due to a 10.5% increase in sales revenue of products produced by the Company from Rs. 439.60 million in the fiscal year ended December 31, 2003 to Rs. 485.71 million in the fiscal year ended December 31, 2004.

Sales revenue: Revenue from the sales of products produced by Pacific Seeds Thailand increased by Rs. 46.11 million, or 10.5%, from Rs. 439.60 million in the fiscal year ended December 31, 2003 to Rs. 485.71 million in the fiscal year ended December 31, 2004. This was primarily due to a substantial increase in sweet corn seed sales.

Other Income: Pacific Seeds Thailand's other income decreased by Rs. 3.10 million, or 21.5%, from Rs. 14.40 million in the fiscal year ended December 31, 2003 to Rs. 11.30 million in the fiscal year ended December 31, 2004. This was principally due to a decrease in royalties received on licensing of seed and decreases in the sale of scrap and profit on sale of assets.

Expenditure: Pacific Seeds Thailand's expenditure, other than tax expenses, increased by Rs. 11.18 million, or 3.1%, from Rs. 363.72 million in the fiscal year ended December 31, 2003 to Rs. 374.90 million in the fiscal year ended December 31, 2004.

Personnel Expenses: Personnel expenses increased by Rs. 6.39 million, or 11.8%, from Rs. 54.29 million in the fiscal year ended December 31, 2003 to Rs. 60.68 million in the fiscal year ended December 31, 2004. This was principally due to higher levels of bonuses paid in the fiscal year ended December 31, 2004 than in the previous fiscal year. As a percentage of total sales, personnel expenses remained relatively constant at 12.4% in the fiscal year ended December 31, 2003 compared to 12.5% in the fiscal year ended December 31, 2004.

Operating and Other Expenses: Pacific Seeds Thailand's operating and other expenses increased by Rs. 68.81 million, or 23.7%, from Rs. 290.01 million in the fiscal year ended December 31, 2003 to Rs. 358.82 million in the fiscal year ended December 31, 2004. This was principally due to increases in the consumption of raw materials, packing materials and traded goods as a result of increased production activities, freight and forwarding charges and brokerage and discounts. As a percentage of total sales, operating and other expenses increased from 66.0% in the fiscal year ended December 31, 2003 to 73.9% in the fiscal year ended December 31, 2004.

Depreciation/Amortization: Depreciation/amortization increased by Rs. 0.32 million, or 2.9%, from Rs. 11.16 million in the fiscal year ended December 31, 2003 to Rs. 11.48 million in the fiscal year ended December 31, 2004. This was due to increased capital investment in fiscal year ended December 31, 2004.

Financial Expenses: Financial expenses decreased by Rs. 3.95 million, or 38.4%, from Rs. 10.29 million in the fiscal year ended December 31, 2003 to Rs. 6.34 million in the fiscal year ended December 31, 2004. This was principally due to a decrease in the amount of borrowing from subsidiary companies in fiscal year ended December 31, 2004.

Profit Before Tax: For the reasons discussed above, profit before tax increased by Rs. 31.83 million, or 35.3%, from Rs. 90.28 million in the fiscal year ended December 31, 2003 to Rs. 122.11 million in the fiscal year ended December 31, 2004.

Tax expense: Tax expense increased by Rs. 10.21 million, or 43.7%, from Rs. 23.36 million in the fiscal year ended December 31, 2003 to Rs. 33.57 million in the fiscal year ended December 31, 2004. Tax expense as a percentage of profit before tax increased from 25.9% in the fiscal year ended December 31, 2003 to 27.5% in fiscal year ended December 31, 2004.

Net Profit: For the reasons discussed above, Pacific Seeds Thailand's net profit increased by Rs. 21.62 million, or 32.3%, from Rs. 66.92 million in the fiscal year ended December 31, 2003 to Rs. 88.54 million in the fiscal year ended December 31, 2004.

Advanta Argentina

In Rs. million

	For the seven month period ended October 31, 2006	**For the year ended**		
		December 31, 2005	**December 31, 2004**	**December 31, 2003**
Total Income				
Sales	353.85	370.17	313.04	223.34
% of total income	*97.82%*	*94.70%*	*79.02%*	*75.30%*
Other Income	7.89	20.71	83.13	73.27
% of total income	*2.18%*	*5.30%*	*20.98%*	*24.70%*

In Rs. million

	For the seven month period ended October 31, 2006	For the year ended		
		December 31, 2005	December 31, 2004	December 31, 2003
Total Expenditure				
Raw Material consumed	201.04	155.74	165.97	81.71
% of total sales	*56.82%*	*42.07%*	*53.02%*	*36.59%*
Personnel Expenses	64.60	74.52	56.59	52.66
% of total sales	*18.26%*	*20.13%*	*18.08%*	*23.58%*
Operating and other expenses	113.10	306.54	103.68	75.16
% of total sales	*31.96%*	*82.81%*	*33.12%*	*33.65%*
(Increase)/ Decrease in inventories	(51.67)	(6.83)	0.35	4.62
Depreciation/ Amortisation	10.52	14.56	12.61	13.05
% of total sales	*2.97%*	*3.93%*	*4.03%*	*5.84%*
Financial Expenses	1.94	4.38	2.65	4.44
% of total sales	*0.55%*	*1.18%*	*0.85%*	*1.99%*
Profit/(Loss) before tax	**22.21**	**(158.03)**	**54.32**	**64.97**
% of total sales	*6.28%*	*(42.69)%*	*17.35%*	*29.09%*
Provision for tax	5.35	6.18	5.43	5.02
% of Profit before tax	*24.09%*	*(3.91)%*	*10.00%*	*7.73%*
Net Profit/ (Loss)	**16.86**	**(164.21)**	**48.89**	**59.95**

Ten months ended October 31, 2006

Income. Total income of Advanta Argentina was Rs. 361.74 million in the ten months ended October 31, 2006, which consisted of Rs. 353.85 million in sales revenue and Rs. 7.89 million in other income.

Sales revenue: Revenue from the sales of products produced by Advanta Argentina was Rs. 353.85 million in the ten months ended October 31, 2006. During this period our major crops; sunflower and grain sorghum constituted 64.6% and 22.7% of the total sales respectively.

Other Income: Advanta Argentina's other income is comprised principally of service income and processing revenue. Advanta Argentina's other income was Rs. 7.89 million in the ten months ended October 31, 2006.

Expenditure: Advanta Argentina's expenditure consists of raw materials consumption, personnel expenses, operating and other expenses, decrease in inventories, depreciation/amortization and financial expenses. Advanta Argentina's expenditure was Rs. 339.53 million in the ten months ended October 31, 2006. As a percentage of total sales, expenditure decreased from 148.3% in the fiscal year ended December 31, 2005 to 95.9% in the ten months ended October 31, 2006. The principal reason for a high expenditure during the fiscal year ended December 31, 2005 was a charge of Rs. 201.51 million on the profits for litigation provision. No further charge was created during the period ended October 31, 2006. This provision has been created for compensation for damages for breach of contract. As of October 31, 2003 this provision stood at Rs. 249.15 million.

Raw materials consumed: Raw materials consumed was Rs. 201.04 million in the ten months ended October 31, 2006. As a percentage of sales, raw materials consumed increased from 42.1% in the fiscal year ended December 31, 2005 to 56.8% in the ten months ended October 31, 2006, which was principally due to the seasonality of our business.

Personnel Expenses: Personnel expenses were Rs. 64.60 million in the ten months ended October 31, 2006. As a percentage of total sales, personnel expenses decreased from 20.1% in the fiscal year ended December 31, 2005 to 18.3% in the ten months ended October 31, 2006.

Operating and Other Expenses: Advanta Argentina's operating and other expenses include, among other things: (i) legal and professional fees; (ii) litigations; (iii) freight and forwarding charges; (iv) travelling and conveyance; (v) commission; (vi) communication costs; (vii) advertising and sales promotion; and (vii) miscellaneous expenses. The same amounted to Rs. 113.10 million in the ten months ended October 31, 2006. As a percentage of total sales, operating and other expenses decreased from 82.8% in the fiscal year ended December 31, 2005 to 32.9% in the ten months ended October 31, 2006, which was principally due to a provision of Rs. 201.51 million for litigation-related expenditures created in fiscal year ended December 31, 2005.

Depreciation/Amortization: Depreciation/amortization was Rs. 10.52 million in the ten months ended October 31, 2006.

Financial Expenses: Financial expenses were Rs. 1.94 million in the ten months ended October 31, 2006. As a percentage of total sales, financial expenses decreased from 1.2% in the fiscal year ended December 31, 2005 to 0.5% in the ten months ended October 31, 2006.

Profit Before Tax: Profit before tax was Rs. 22.21 million in the ten months ended October 31, 2006. In the fiscal year ended December 31, 2005 Advanta Argentina made a loss. As a percentage of sales, profit before tax was 6.3% in the ten months ended October 31, 2006.

Tax expense: Tax expense was Rs. 5.35 million or 24.1% of the profit before tax in the ten months ended October 31, 2006.

Net Profit: Advanta Argentina's net profit was Rs. 16.86 million or 4.8% of the total sales in the ten months ended October 31, 2006.

Fiscal year ended December 31, 2005 compared with the fiscal year ended December 31, 2004

Income: Total income of Advanta Argentina decreased by Rs. 5.29 million, or 1.3%, from Rs. 396.17 million in the fiscal year ended December 31, 2004 to Rs. 390.88 million in the fiscal year ended December 31, 2005. This was principally due to a 75.1% decrease in other income from Rs. 83.13 million in the fiscal year ended December 31, 2004 to Rs. 20.71 million in the fiscal year ended December 31, 2005, which was partially offset by a 18.2% increase in sales revenue of products produced by the Company from Rs. 313.04 million in the fiscal year ended December 31, 2004 to Rs. 370.17 million in the fiscal year ended December 31, 2005.

Sales revenue: Revenue from the sales of products produced by Advanta Argentina increased by Rs. 57.13 million or 18.2% from Rs. 313.04 million in the fiscal year ended December 31, 2004 to Rs. 370.17 million in the fiscal year ended December 31, 2005 This was principally due to the increases in (i) sales of sunflower and grain sorghum seeds and (ii) royalties received from licensing of seeds.

Other Income: Advanta Argentina's other income is comprised principally of service income and processing revenue. Advanta Argentina's other income decreased by Rs.62.42 million or 75.1% from Rs. 83.13 million in the fiscal year ended December 31, 2004 to Rs. 20.71 million in the fiscal year ended December 31, 2005. This was principally due to the write-back of impairment and other provisions aggregating Rs.69.78 million during the fiscal year ended December 31, 2004.

Expenditure: Advanta Argentina's expenditure, other than tax expenses, increased by Rs. 207.06 million, or 60.6%, from Rs. 341.85 million in the fiscal year ended December 31, 2004 to Rs. 548.91million in the fiscal year ended December 31, 2005.

Raw materials consumed: Raw materials consumed decreased by Rs. 10.23 million, or 6.2%, from Rs. 165.97 million in the fiscal year ended December 31, 2004 to Rs. 155.74 million in the fiscal year ended December 31, 2005. This was principally due to the carrying over of raw materials from the fiscal year ended December 31, 2004. As a percentage of total sales, raw materials consumed decreased from 53.0% in the fiscal year ended December 31, 2004 to 42.1% in the fiscal year ended December 31, 2005.

Personnel Expenses: Personnel expenses increased by Rs. 17.93 million, or 31.7%, from Rs. 56.59 million in the fiscal year ended December 31, 2004 to Rs. 74.52 million in the fiscal year ended December 31, 2005. This was principally due to an increase in the number of employees and the payment of bonuses in the fiscal year ended December 31, 2005. As a percentage of total sales, personnel expenses increased from 18.1% in the fiscal year ended December 31, 2004 to 20.1% in the fiscal year ended December 31, 2005.

Operating and Other Expenses: Advanta Argentina's operating and other expenses increased by Rs. 202.86 million, or 195.7%, from Rs. 103.68 million in the fiscal year ended December 31, 2004 to Rs. 306.54 million in the fiscal year ended December 31, 2005. This was principally due to an increase in provision for litigation. As a percentage of total sales, operating and other expenses increased from 33.1% in the fiscal year ended December 31, 2004 to 82.8% in the fiscal year ended December 31, 2005.

Depreciation/Amortization: Depreciation/amortization increased by Rs. 1.95 million, or 15.5%, from Rs. 12.61 million in the fiscal year ended December 31, 2004 to Rs. 14.56 million in the fiscal year ended December 31, 2005. This was principally due to amortization of additional capital expenditure in the fiscal year ended December 31, 2005 and the effect on amortization of the disposal of certain fixed assets in the fiscal year ended December 31, 2004.

Financial Expenses: Financial expenses increased by Rs. 1.73 million, or 65.3%, from Rs. 2.65 million in the fiscal year ended December 31, 2004 to Rs. 4.38 million in the fiscal year ended December 31, 2005. This was principally due to an increase in bank charges as a result in changes in regulatory changes.

Profit Before Tax: For the reasons discussed above, profit before tax decreased by Rs. 212.35 million, from a profit before tax of Rs. 54.32 million in the fiscal year ended December 31, 2004 to a loss before tax of Rs. 158.03 million in the fiscal year ended December 31, 2005.

Tax expense: Tax expense increased by Rs. 0.75 million, or 13.8%, from Rs. 5.43 million in the fiscal year ended December 31, 2004 to Rs. 6.18 million in the fiscal year ended December 31, 2005. Tax expense amounted to 10.0% of profit before tax during the fiscal year ended December 31, 2004.

Net Profit: For the reasons discussed above, Advanta Argentina's net profit of Rs. 48.89 million in the fiscal year ended December 31, 2004 became a net loss of Rs. 164.21 million in the fiscal year ended December 31, 2005. Net Profit amounted to 15.62% of total sales during the fiscal year ended December 31, 2004.

Fiscal year ended December 31, 2004 compared with the fiscal year ended December 31, 2003

Income: Total income increased by Rs. 99.56 million, or 33.6%, from Rs. 296.61 million in the fiscal year ended December 31, 2003 to Rs. 396.17 million in the fiscal year ended December 31, 2004. This was principally due to a 40.2% increase in sales revenue of products produced by the Company from Rs. 223.34 million in the fiscal year ended December 31, 2003 to Rs. 313.04 million in the fiscal year ended December 31, 2004 and a 13.5% increase in other income from Rs. 73.27 million in the fiscal year ended December 31, 2003 to Rs. 83.13 million in the fiscal year ended December 31, 2004.

Sales revenue: Rrevenue from the sales of products produced by Advanta Argentina increased by Rs. 89.70 million or 40.2% increase in sales revenue of products produced by the Company from Rs. 223.34 million in the fiscal year ended December 31, 2003 to Rs. 313.04 million in the fiscal year ended December 31, 2004. This was principally due to a substantial increase in sales activities in the fiscal year ended December 31, 2004.

Other Income: Advanta Argentina's other income increased by Rs. 9.86 million, or 13.5%, from Rs. 73.27 million in the fiscal year ended December 31, 2003 to Rs. 83.13 million in the fiscal year ended December 31, 2004. This was principally due to the write-back of impairment and other provisions aggregating Rs.69.78 million during the fiscal year ended December 31, 2004.

Expenditure: Advanta Argentina's expenditure, other than tax expenses, increased by Rs. 110.21 million, or 47.6%, from Rs. 231.64 million in the fiscal year ended December 31, 2003 to Rs. 341.85 million in the fiscal year ended December 31, 2004.

Raw materials consumed: Raw materials consumed increased by Rs. 84.26 million, or 103.1%, from Rs. 81.71 million in the fiscal year ended December 31, 2003 to Rs. 165.97 million in the fiscal year ended December 31, 2004. As a percentage of total sales, raw materials consumed increased from 36.6% in the fiscal year ended December 31, 2003 to 53.0% in the fiscal year ended December 31, 2004. This was principally due to increased production activities.

Personnel Expenses: Personnel expenses increased by Rs. 3.93 million, or 7.5%, from Rs. 52.66 million in the fiscal year ended December 31, 2003 to Rs. 56.59 million in the fiscal year ended December 31, 2004. This was principally due to an increase in the number of employees hired in the fiscal year ended December 31, 2004 to handle the growing business activities. As a percentage of total sales, personnel expenses decreased from 23.6% in the fiscal year ended December 31, 2003 to 18.1% in the fiscal year ended December 31, 2004.

Operating and Other Expenses: Operating and other expenses increased by Rs. 28.52 million, or 38.0%, from Rs. 75.16 million in the fiscal year ended December 31, 2003 to Rs. 103.68 million in the fiscal year ended December 31, 2004. This was principally due to an increase in litigations and related professional fees and expenses incurred in connection with growing business activities. As a percentage of total sales, operating and other expenses remained constant 33.7% in the fiscal year ended December 31, 2003 to 33.1% in the fiscal year ended December 31, 2004.

Depreciation/Amortization: Depreciation/amortization remained constant at Rs. 12.61 million in the fiscal year ended December 31, 2004 as against Rs. 13.05 million in the fiscal year ended December 31, 2003.

Financial Expenses: Financial expenses decreased by Rs. 1.79 million, or 40%, from Rs. 4.44 million in the fiscal year ended December 31, 2003 to Rs. 2.65 million in the fiscal year ended December 31, 2004. This was principally due to a decrease in bank charges.

Profit Before Tax: For the reasons discussed above, profit before tax decreased by Rs. 10.65 million, or 16.4%, from Rs. 64.97 million in the fiscal year ended December 31, 2003 to Rs. 54.32 million in the fiscal year ended December 31, 2004.

Tax Expenses: Tax expense increased by Rs. 0.41 million, or 8.2%, from Rs. 5.02 million in the fiscal year ended December 31, 2003 to Rs. 5.43 million in the fiscal year ended December 31, 2004. Tax expense as a percentage of profit before tax increased from 7.7% in the fiscal year ended December 31, 2003 to 10.0% in fiscal year ended December 31, 2004.

Net Profit: For the reasons discussed above, Advanta Argentina's net profit decreased by Rs. 11.06 million, or 18.4%, from Rs. 59.95 million in the fiscal year ended December 31, 2003 to Rs. 48.89 million in the fiscal year ended December 31, 2004.

OUR INDEBTEDNESS

Details of secured loans

As of the date of this Red Herring Prospectus the Company has no secured borrowings.

Details of unsecured loans

The details of unsecured borrowings of our Company as of the Red Herring Prospectus are as follows:

S. No.	Nature of Borrowing/debt	Amount	Outstanding	Interest and Repayment
1	Unsecured term loan availed through credit arrangement letter dated September 11, 2006 with UTI Bank Limited.	Rs. 300 million	Rs. 300 million	**Interest:** BPLR – 4.00% per annum presently 9.00% per annum payable monthly. Interest to be reset at annual intervals. **Repayment:** Bullet repayment at the end of 42 months. Put option is available every year after a notice of 45 days by the borrower.

II. Advanta Holdings B.V. (formerly, Brainsurgeon Holding B.V.) has availed of a dollar loan facility from Export-Import Bank of India ("Exim Bank") for an amount aggregating USD 36 million (Rs. 1,606.23 million) to partly finance the acquisition by Advanta Holdings B.V. of the entire shareholding in Advanta Netherlands Holdings B.V. In terms of the dollar loan agreement dated March 25, 2006 and the deed of hypothecation of movable assets dated March 25, 2006, the borrowing has been secured, inter alia, by the following:

(a) a first charge over the entire fixed assests of lands and other immovable properties and movable assets, including movable fixed assets and current assets, both present and future, owned by the Company, Advanta Holdings B.V., Advanta Netherlands Holdings B.V. and the Operating Subsidiaries;

(b) a first charge by way of hypothecation over the present and future cash flows of the Company, Advanta Holdings B.V., Advanta Netherlands Holdings B.V. and the Operating Subsidiaries;

(c) a first charge over the intellectual property rights of the Company, Advanta Holdings B.V., Advanta Netherlands Holdings B.V. and the Operating Subsidiaries now existing and which may be acquired/ owned by them in the future; and

(d) a pledge of equity shares held by UPL and its associates aggregating to 51% of the total equity capital of the Company, by the Company in the share capital of Advanta Holdings B.V. by Advanta Holdings B.V. in the share capital of Advanta Netherlands Holdings B.V. and by Advanta Netherlands Holdings B.V. in each of the Operating Subsidiaries.

Further, each of UPL, Bio-win Corporation, Advanta Holdings B.V. and the Company has undertaken not to dispose of their respective shareholdings in their respective subsidiaries except for the purpose of restructuring. In the event of an initial public offering of equity shares by Advanta Holdings B.V. or by Advanta Netherlands Holdings B.V., EXIM Bank has an option to convert up to Euro 5 million into equity on mutually agreeable terms.

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as described below, there are no outstanding litigations, suits or civil proceedings, or criminal proceedings, or prosecutions, or tax liabilities by or against us, our Subsidiaries, against our Directors, or our Promoters or our Promoter Group companies, and there are no defaults, non-payment of statutory dues, overdues to banks/ financial institutions, defaults against banks/ financial institutions, defaults in dues payable to holders of any debentures, bonds or fixed deposits, and arrears on preference shares issued by the Company, defaults in creation of full security as per terms of issue/ other liabilities, proceedings initiated for economic/ civil/ and other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of part 1 of Schedule XIII of the Companies Act) that would result in material adverse effect on our consolidated business taken as a whole. None of the aforesaid persons / companies is on RBI's list of wilful defaulters.

Litigation Against the Company

Criminal Cases

- The State of Rajasthan has filed a criminal case No. 480 of 2004 before the Chief Judicial Magistrate, Karauli, against the Company and others in respect of the alleged violations of the provisions of sections 3 and 7 of the Essential Services Maintenance Act, 1968 and Section 7(B) (19) of the Seeds Act, 1966. The Chief Judicial Magistrate passed an order dated September 3, 2004 taking cognizance of the offences. The Company and others have filed criminal miscellaneous petition No. 1448 of 2005 in the Rajasthan High Court against this order. The Rajasthan High Court has stayed the operation of the order dated September 3, 2004. The matter is pending.

Consumer Cases

1. There are nine complaints before various Consumer Disputes Redressal Forums against the Company in respect of the loss suffered on account of the alleged poor germination/ low yield of sunflower seeds supplied by the Company. The total amount claimed as compensation in these cases aggregates approximately Rs. 0.66 million. These complaints are in various stages of pendency.
2. There are six complaints before various Consumer Disputes Redressal Forums against the Company in respect of the loss suffered on account of the alleged poor germination of bajra seeds supplied by the Company. The total amount claimed as compensation in these cases aggregates approximately Rs. 0.43 million. These complaints are in various stages of pendency.
3. There are 15 complaints before various Consumer Disputes Redressal Forums against the Company in respect of the loss suffered on account of the alleged poor germination of maize seeds supplied by the Company. The total amount claimed as compensation in these cases aggregates approximately Rs. 0.83 million. These complaints are in various stages of pendency.
4. Further, there are seven complaints before various Consumer Disputes Redressal Forums against the Company in respect of the loss suffered on account of the alleged poor germination of other seeds supplied by the Company. The total amount claimed as compensation in these cases aggregates approximately Rs. 0.76 million. These complaints are in various stages of pendency.

Civil suit

1. Balaji Agro Traders Limited filed original suit No. 402 of 1994 in the court of the Principal Civil Judge against the Company in respect of an amount aggregating approximately Rs. 0.22 million. The court passed an order dated February 28, 2002 holding that Balaji Agro Traders was entitled to receive an amount aggregating approximately Rs. 0.22 million from the Company. The Company filed a regular first appeal No. 917 of 2002 before the Karnataka High Court against this order dated February 28, 2002. The High Court passed an order dated September 26, 2002 staying the execution of the decree for a period of two months from September 25, 2002. The appeal is pending.
2. The Andhra Pradesh State Electricity Board has demanded an amount aggregating approximately Rs. 3.01 million from the Company being the charges for electricity allegedly due from the Company against a back dated bill in respect of the period during which the Company's electiricity meter was defective. Aggreived by this demand, the Company has filed writ petition No. 8799 of 2004 before the Andhra Pradesh High Court. The Company has also paid an amount aggregating Rs. 1 million under protest. The writ petition has not been posted for hearing.

3. Reliable Services and Suppliers had filed a suit before the Civil Judge Senior Division at Pune against USBPL for recovery of an amount aggregating approximately Rs. 1.65 million. Subsequent to the amalgamation of USBPL with our Company, the suit is pending against the Company.

Tax Proceedings

Income Tax

1. The Company has filed the four appeals before the Income Tax authorities (the Income Tax Appellate Tribunal and the Commissioner of Income Tax (Appeals)) pertaining to the assesment years 1999-2000 to 2003-2004 for amounts aggregating approximately Rs. 73.44 million, in respect of the disallowance of the Company's claim that its income attributable to certain activities in the process of production of basic/hybrid seeds is exempt from income tax and the disallowance of 25 per cent of royalty expenses claimed as business expenditure.

Employee related dispute

1. Deepak Mullick, the former Managing Director of our Company, ceased to be our Managing Director with effect from June 7, 2006. In terms of an agreement dated June 7, 2006 between our Company and Deepak Mullick, he was entitled to receive from the Company his salary, perquisites and house rent from the date of such cessation till March 31, 2007, subject to compliance of certain conditions stipulated in the agreement. Subsequent to this, certain disagreements have arisen between the Company and Deepak Mullick in relation to compliance of the said conditions and payment as aforesaid and past dues in relation to period before June 7, 2006 and certain other claims. Deepak Mullick also filed a complaint dated June 20, 2006 against certain employees of the Company with the Jeevan Beema Nagar Police Station, Bangalore, alleging that the said employees had committed trespass by entering his office and retaining in their custody certain of his personal documents. The said employees have, by their letter dated June 21, 2006, replied to the complaint. Deepak Mullick has filed a complaint before the Regional Provident Fund Commissioner alleging that his provident fund account of approximately Rs. 9.7 million has not been settled. The Regional Provident Fund Commissioner has issued a show cause notice dated January 24, 2007 against the trustees of Advanta India Management Staff Provident Fund. The Advanta India Management Staff Provident Fund has made full payment of Rs. 9.7 million in this regard. As of the date of this Red Herring Prospectus, the matter has not been fully settled.

Litigation by the Company

1. The Company has filed original suit No. 1575 of 2002 in the court of the City Civil Judge at Bangalore against B.N. Shivanna and others for the recovery of an amount aggregating approximately Rs. 7.1 million that was allegedly illegally received by certain of the defendants by cheating and deceiving the Company. The Company also filed an interlocutory application for the attachment of the one of the defendant's property and the court has passed an order attaching certain properties belonging to that defendant. The Company has also filed writ petition No. 1437 of 2006 before the Karnataka High Court seeking directions for the speedy disposal of the suit. The suit and the writ petition are pending.
2. The Company has filed criminal contempt petition No. 7 of 2002 before the Karnataka High Court against B.N. Shivanna in respect of the alleged willful criminal contempt of that Court by wilfully committing forgery to fabricate a court order to deceive and cheat the Company. The Karnataka High Court passed an order dated August 18, 2004 holding the accused guilty of criminal contempt of court and sentenced him to simple imprisonment for six months and a fine of Rs. 2000. The accused filed appeal No. 1038 of 2004 before the Supreme Court of India against the order dated August 18, 2004. The appeal is pending.
3. The Company has filed criminal complaint No. 8178 of 2002 against B.N. Shivanna and others in the Court of the Additional Chief Judicial Magistrate at Bangalore on the grounds of the alleged acts of cheating and forgery committed by the accused. The criminal case is pending.
4. The Company has filed a complaint dated December 11, 2002 against B.N. Shivanna before the Karnataka State Bar Council seeking to remove him from the bar on the grounds of professional misconduct inasmuch as he had allegedly committed acts of cheating and misappropriation against the Company in his capacity as an Advocate of the Company. The State Bar Council passed an order dated July 31, 2005 debarring him and removing him from the rolls of the State Bar Council. The accused has filed a disciplinary appeal No. 59 of 2005 before the Discliplinary Committee of the Bar Council of India. The appeal is pending.
5. The Company has filed original suit No. 258 of 2001 against Shriram Agro Services Centre in the court of the Civil Judge

(Senior Division) at Hubli for the recovery of an amount aggregating approximately Rs. 0.88 million being the consideration for the sale of hybrid seeds that is allegedly due to the Company. The suit is pending disposal.

6. The Company has filed a suit against the Uttar Pradesh Beej Vikas Nigam for recovery of an amount aggregating approximately Rs. 2.59 million being the consideration for the sale of seeds that is allegedly due to the Company. The suit is pending disposal.

7. The Company has filed criminal complaint No. 25507 of 2005 in the court of the Additional Chief Metropolitan Magistrate at Bangalore under section 138 of the Negotiable Instruments Act, 1882 for dishonour of cheques against "The Source" and its proprietor in respect of an amount aggregating approximately Rs. 1.12 million, being the amount allegedly payable as refund to the Company in respect of jute bags that were not supplied by The Source. The Additional Chief Metropolitan Magistrate passed an order dated December 23, 2006 in favour of the Company and has granted time till December 16, 2007 for the execution of the same.

8. The Company had filed criminal complaint No. 33211 of 2003 in the court of the Metropolitan Magistrate at Bangalore under section 138 of the Negotiable Instruments Act, 1882 for dishonour of cheques against Agro Distributors and another in respect of an amount aggregating approximately Rs. 1.50 million, being the consideration for the sale of hybrid seeds that is allegedly due to the Company. The Company has filed an application for withdrawal of the complaint. The application and the complaint are pending.

9. Further, the Company has filed six criminal complaints in various courts under section 138 of the Negotiable Instruments Act, 1882 for dishonour of cheques against its customers in respect of an amount aggregating approximately Rs. 1.60 million, being the consideration for the sale of hybrid seeds that is allegedly due to the Company. These complaints are in various stages of pendency.

10. An insurance claim was raised by the Company with United India Insurance Company Limited ("**Insurer**") pursuant to a marine transit policy taken by the Company in respect of bajra hybrid seeds, valuing approximately Rs. 3 million, damaged during transit. The Insurer vide letter dated April 1, 2005 rejected the claim of the Company on the grounds that the transit in question was allegedly with respect to inter depot transfer which was not covered in the policy, and that the seed were of no value of the date of the loss as due to the alleged expiration of validation of seeds. The Company has filed complaint No. 581 of 2006 against the Insurer before the State Consumer Disputes Redressal Forum at Bangalore. The complaint is pending disposal.

Litigation Against our Subsidiaries

Advanta Holdings B.V.

Litigation: Nil

Advanta Netherlands Holdings B.V.

Litigation:

- A former employee of Advanta Netherlands Holdings B.V. has claimed a transaction bonus in connection with the transfer of Advanta Netherlands Holdings B.V. to the UPL group in February 2006. The amount involved is EUR 15,000 (Rs. 0.81 million) as well as interest since February 2006 including costs of the litigation and legal fees. In terms of an agreement between Advanta Netherlands Holdings B.V. and Fox Paine and Company, LLC, the former shareholder of Advanta Netherlands Holdings B.V., Fox Paine and Company, LLC would be liable for the costs.

Advanta Netherlands Holdings B.V. and Advanta Finance B.V.

- Limagrain Verneuil Holding S.A. has, by its letter dated December 15, 2006, claimed an amount aggregating EUR 553,000 (Rs. 29.80 million) jointly from Advanta Finance B.V. and Advanta Netherlands Holdings B.V., being the amount allegedly payable by Advanta Finance B.V. and Advanta Netherlands Holdings B.V. in respect of certain tax liabilities incurred prior to the transfer of Advanta B.V. and certain non-sugarbeet businesses to Limagrain Verneuil Holding S.A. Advanta Finance B.V. and Advanta Netherlands Holdings B.V., by their letter dated December 29, 2006, have disputed the claim.

Advanta International B.V.

Litigation: Nil

Pacific Seeds Holding (Thailand) Limited

Litigation: Nil

Pacific Seeds Australia

Litigation

- There are two claims against Pacific Seeds Australia for the alleged lost income aggregating approximately AU$ 652 (Rs. 0.02 million). The claims are pending.
- There is one dispute involving Pacific Seeds Australia in respect of payment for seeds purchased by Pacific Seeds Pty Ltd. The dispute is pending.
- There is one claim against Pacific Seeds Australia in respect of an amount aggregating USD 0.62 million (Rs. 27.66 million) for the alleged supply of poor quality seed. The Company has paid the amount and settled the claim. Pacific Seeds Australia has claimed an amount aggregating approximately USD 0.68 million (Rs. 30.34 million) against its supplier for supplying the low quality seeds. A letter of demand for the same has been forwarded by Pacific Seeds Australia.

Pacific Seeds Thailand

Litigation

- Pacific Seeds Thailand has instituted a suit in the Intelligence Court in respect of the alleged infringement of trademark where the amount claimed is approximately THB 0.14 million (Rs. 0.16 million). The case is pending.

Advanta Argentina

Litigation

- There is one suit against Advanta Argentina for an amount aggregating approximately AR$ 58.02 million (Rs. 858.77 million) being damages in respect of the alleged breach of contract by Advanta Argentina. The matter is pending.
- There are 26 labour cases against Advanta Argentina for an amount aggregating approximately AR$ 0.08 million (Rs. 1.18 million). These cases are pending.
- Advanta Argentina has filed a suit for an amount aggregating approximately USD 4 million (Rs. 178.47 million) in respect of the alleged misappropriation of certain germplasm belonging to Advanta Argentina. The defendants in this case have filed a counterclaim against Advanta Argentina for an amount aggregating USD 2.65 million (Rs. 118.24 million). Advanta Argentina has also filed a suit against the state regulatory authority for granting proprietary title to the germplasm that was allegedly misappropriated from it. The state regulatory authority has revoked Advanta Argentina's title to the said germplasm on the ground that the same was allegedly wrongly classified. The Company has filed suit against this revocation. All suits are pending.
- Advanta Argentina has filed a suit to render accounts with regard to the royalties due to it for the sale of certain sunflower, corn and sorghum hybrid seeds. The matter is pending.

Litigation Against our Directors

Nil

Litigation Against our Promoters

United Phosphorus Limited

Litigation

- One consumer complaint has been filed against UPL in respect of the loss suffered on account of the alleged damage caused to potatoes. The total amount claimed as compensation in this case is approximately Rs. 1.90 million. This complaint is pending.
- Twelve other consumer complaints have been filed against UPL in respect of an amount aggregating approximately Rs. 1.25 million claimed as compensation in these cases. These cases are pending.
- Two consumer complaints have been filed against UPL where the amount involved cannot be quantified. These complaints are pending.
- One civil suit has been filed against UPL in respect of an amount aggregating approximately Rs. 3.80 million being the compensation allegedly payable by UPL to the claimant in respect of certain consumer complaints involving UPL's products.

- One civil suit has been filed against UPL in respect of an amount aggregating approximately Rs. 0.48 million being the consideration allegedly payable by UPL for certain job work assigned by UPL. The suit is pending.
- One civil suit has been filed against UPL on the grounds that a joint venture agreement between UPL and the claimant is valid and an amount aggregating approximately Rs. 30.00 million is payable by UPL. The suit is pending.
- Twelve other civil suits have been filed against UPL in respect of an amount aggregating approximately Rs. 3.22 million. These suits are pending.
- One civil appeal has been filed by UPL againt an order of attachment of one of UPL's bank account passed by a district court.

Litigation Against our Promoter Group

SWAL Corporation Limited

- The Haldia Development Authority has claimed an amount aggregating approximately Rs. 16.41 million from SWAL Corporation Limited being the water charges and penalty allegedly payable by SWAL Corporation Limited in respect of the period during which the meter was dysfunctional. The SWAL Corporation Limited has contested the claim.

Ultima Search

- Maharashtra Seeds Corporation has filed a consumer complaint against Ultima Search in respect of an amount aggregating approximately Rs. 0.13 million being the compensation payable for the alleged damage caused to certain property belonging to Maharashtra Seeds on account of the malfunctioning of a fumigant sold by Ultima Search.

Uniphos Enterprises Limited

- There are eight income tax related disputes pending against Uniphos Enterprises Limited in respect of an amount aggregating approximately Rs. 235.20 million.

Nivi Trading Limited

- There are two income tax related disputes pending against Nivi Trading Limited in respect of an amount aggregating approximately Rs. 0.80 million.

Agrinet Solutions Limited

- There is one income tax related dispute pending against Agrinet Solutions Limited in respect of an amount aggregating approximately Rs. 0.60 million.

Demuric Holdings Private Limited

- There is one income tax related dispute pending against Demuric Holdings Private Limited in respect of an amount aggregating approximately Rs. 3.78 million.

Enviro Technology Limited

- There are five income tax related disputes pending against Enviro Technology Limited in respect of an amount aggregating approximately Rs. 4.61 million.

Bharuch Enviro Infrastructure Limited

- There are five income tax related disputes pending against Bharuch Enviro Infrastructure Limited in respect of an amount aggregating approximately Rs. 14.95 million.

Uniphos Agro Industries Limited

- There is income tax related dispute pending against Uniphos Agro Industries Limited in respect of an amount aggregating approximately Rs. 0.63 million.

Bloom Packaging Private Limited

- There are seven income tax related disputes pending against Bloom Packaging Private Limited in respect of an amount aggregating approximately Rs. 30.13 million.
- There is one customs related dispute pending against Bloom Packaging Private Limited in respect of an amount aggregating approximately Rs. 80 million.

Esthetic Finvest Private Limited

- There are two income tax related disputes pending against Esthetic Finvest Private Limited in respect of an amount aggregating approximately Rs. 3.53 million.

Shatataraka Holdings Private Limited

- There are four income tax related disputes pending against Shatataraka Holdings Private Limited in respect of an amount aggregating approximately Rs. 3.37 million.

R. Shroff Consultants Private Limited

- There are three income tax related disputes pending against R. Shroff Consultants Private Limited in respect of an amount aggregating approximately Rs. 0.08 million.

United Phosphorus Limited, Australia

- There is one claim filed by an employee against United Phosphorus Limited, Australia, pending before the Industrial Relations Commission aggregating USD 0.40 million.

Cerexagri B.V.

- There is one dispute involving Cerexagri B.V. in respect of an amount aggregating approximately 0.1 EUR;

Cerexagri, Inc.

- There is dispute involving Cerexagri Inc. in respect of an amount aggregating approximately USD 0.3 million;
- There are two other disputes involving Cerexagri Inc. where the amount involved cannot be quantified;

Cerexagri S.A.

- There are six disputes involving Cerexagri S.A. in respect of an amount aggregating EUR 0.31 million;
- There is one other dispute involving Cerexagri S.A. where the amount involved cannot be quantified;

Safepack Products Limited, Israel

- There is one dispute involving Safepack Products Limited, Israel in respect of an amount aggregating approximately EUR 0.25 million.

Contingent Liabilities of our Promoter, United Phosphorus Limited (as at March 31, 2006)

Particulars	Amount (Rs. in million)
Disputed Income Tax Liability (excluding interest)	3.50
Disputed Excise Duty Liability (excluding interest)	285.30
Disputed Sales Tax Liability	160.10
Disputed Custom Duty Liability	13.80
Bills/cheques purchased/discounted with the banks and remaining unpaid as at the date of the Balance Sheet	148.10
Bills discounted under Letter of Credit and remaining unpaid at the date of the Balance Sheet	146.10
Guarantees given by UPL's bankers on behalf of UPL to third parties	112.20
Corporate guarantees given on behalf of subsidiary companies:	
● Bio-win Corporation Limited	167.30
● United Phosphorus Limited (U.K.)	621.40
● United Phosphorus Limited (Hong Kong)	227.60
Claims against UPL not acknowledged as debts	33.20

Contingent Liabilities of our Promoter Group (as at date for their last respective audited financial statements)

Uniphos Enterprises Limited

Name of the Statute	Nature of the Dues	Amount (Rs. in million.)	Forum where dispute is pending
Income Tax Act	Income Tax	235.24	Various Appellate Authorities
General Law	Guarantee to HDFC Ltd. under employee Housing Loan Scheme	0.28	Nil

Nivi Trading Limited

Name of the Statute	Nature of the Dues	Amount (Rs.)	Forum where dispute is pending
Income Tax Act	Income Tax	1,37,289/-	ITAT, Mumbai
Income Tax Act	Income Tax	6,62,339/-	CIT (A), Mumbai

SWAL Corporation Limited, India

Claim not acknowledged as debt: Rs.19.23 Million

Agrinet Solutions Limited, India

Name of the Statute	Nature of the Dues	Amount (Rs. In million)	Forum where dispute is pending
Income Tax Act	Income Tax	0.60	ITAT

Demuric Holdings Private Limited

Name of the Statute	Nature of the Dues	Amount (Rs.)	Forum where dispute is pending
Income Tax Act	Income Tax	37,84,627/-	ITAT, Ahmedabad
Income Tax Act	Income Tax	63,325/-	ITAT, Ahmedabad

Enviro Technology Limited

Income tax liability raised by Income Tax department and disputed: Rs.4.61 million

Bharuch Enviro Infrastructure Limited

Income Tax Liability on demand raised by the Income Tax department: Rs.14.95 million

Djai Power Limited

Guarantee to bank: Rs.5.5 million

UPL Environmental Engineers Limited (formerly known as Associated Environment Engineers Limited)

Bank Guarantee given on behalf of the company: Rs.18.75 million

Uniphos Agro Industries Limited

Name of the Statute	Nature of the Dues	Amount (Rs.)	Forum where dispute is pending
Income Tax Act	Income Tax	6,26,037	CIT Appeals

Bloom Packaging Private Limited

Name of the Statute	Nature of the Dues	Amount (Rs. in Million)	Forum where dispute is pending
Income Tax Act	Income Tax	439	Income Tax authorities
Indian Customs Act	Custom Duty - EPCG – Bank Guarantee	80	Nil

Esthetic Finvest Private Limited

Appeal before ITAT, Ahmedabad: Rs. 35,29,104

Shatataraka Holdings Private Limited

Appeal before ITAT, Ahmedabad: Rs.33,71,267

R. Shroff Consultants Private Limited

Income tax liability raised by Income Tax department and disputed: Rs. 81,399

Bio-win Corporation Limited, Mauritius

Guarantee in favour of trustees for notes issued by UPL aggregating JPY 8,800 Million (Rs. 3,339.60 million)

United Phosphorus Limited, Australia

Claim filed by Employee with Industrial Relations commission aggregating USD 0.40 million (Rs. 17.85 million).

GOVERNMENT APPROVALS AND LICENSES

On the basis of the indicative list of approvals provided below, we can undertake this Issue and the current business activities of Advanta India and no further major approvals from any Government authority are required to continue these activities. It must be distinctly understood that, in granting these licenses, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf.

Approvals granted

Certifications

1. Certificate of Importer-Exporter Code dated February 15, 1999 issued by the Joint Director General of Foreign Trade, Ministry of Commerce, Government of India; the Company has been allotted Importer-Exporter Code No. 0794000894.
2. Registration Certificate issued by the Senior Labour Inspector, Government of Karnataka under the Karnataka Shops and Establishments Act, 1961 in favour of the Company for its corporate office. This certificate shall remain valid till December 31, 2008.
3. Registration-cum-Membership Certificate dated October 27, 1997 issued by the Agricultural and Processed Food Products Export Development Authority, Government of India registering the Company as a manufacturer cum exporter of vegetable seeds and non-basmati rice; the Company has been granted registration No. 30386. The manufacturer status in respect of vegetable seeds is valid till April 10, 2008.
4. Certificate of renewal of registration as seed importer dated April 11, 2005 issued by National Seeds Corporation Limited registering the Company as a seed importer in accordance with the 'New Policy on Seed Development' of the Government of India. The Company has been allotted renewal No. R-II 13 0272 2005. This certificate shall remain valid till April 10, 2008.
5. License No. JDA/DHR/Sd 62/2004-05 dated September 10, 2004 issued by the Joint Director of Agriculture, Government of Karnataka, granting license to the Company to sell, export, import and store seeds. This license is valid till September 8, 2007.
6. License No. 47 dated October 5, 1999 issued by the Directorate of Agriculture, Government of Andhra Pradesh granting license to the Company to carry on the business of a dealer in seeds. This license is valid till October 4, 2008.
7. Certificate of Accreditation dated March 23, 2004 issued by the International Seed Testing Association accrediting the Company's seed testing laboratory with effect from December 16, 2003.
8. Certificate No. 00024-2004-AE-HYD-RvA dated March 3, 2004 issued by Det Norske Veritas certifying that the environment management system of the Company is in conformity with the environment management systems standard ISO 14001: 1996 in respect of all activities related to seed conditioning and development of hybrid seeds including sunflower, maize, cotton, sorghum, pearl millette, rice and rapeseed mustard. This certificate shall remain valid till March 3, 2007. The Company does not intend to renew the same.
9. Certificate No. 00070-2006-AE-CAL-RvA dated March 3, 2004 issued by Det Norske Veritas certifying that the environment management system of the Company is in conformity with the environment management systems standard ISO 14001: 2004 in respect of all activities related to seed conditioning and development of hybrid seeds including sunflower, maize, cotton, sorghum, pearl millette, rice and rapeseed mustard. This certificate shall remain valid till March 3, 2007. The Company does not intend to renew the same.
10. Certificate No. 042373-2006-AQ-BOM-UKAS dated April 14, 2006 issued by Det Norske Veritas certifying that the management system of the Company is in conformity with management systems standard ISO 9001: 2000 in respect of product or services related to research, development and production of parent seed and hybrid seeds, seed conditioning and marketing of hybrid seeds including sunflower, maize, cotton, sorghum, pearl millette, rice and rapeseed mustard. This certificate shall remain valid till March 3, 2009.
11. License No. RYP/199 dated May 19, 2006 issued by the Licensing Authority (Seed) & APEO, IAPD, Raipur, granting license to the Company to sell, export, import and store seeds. This license is valid till May 18, 2009.
12. License No. 407 dated April 28, 2006 issued by the Additional Director of Agriculture, Commissionerate of Agriculture, Government of Andhra Pradesh, granting license to the Company to sell and store seeds. This license is valid till April 27, 2009.

13. License No. 0820 dated April 04, 2006 issued by the Licensing Authority, Government of Madhya Pradesh granting license to the Company to carry on business as a dealer in seeds. This license is valid till April 3, 2009.
14. License No. 243 dated May 08, 2006 issued by the Licensing Authority (I. & QC), Commissionerate of Agriculture, Maharashtra granting license to the Company to sell and store seeds. This license is valid till May 7, 2009.
15. License No. AKL 2312 dated April 11, 2006 issued by the Agricultural Development Officer, Zilla Parishad, Akola granting license to the Company to sell and store seeds. This license is valid till April 10, 2009.
16. License No. 0101/0019/S dated December 12, 2005 issued by the Licensing Authority & Superintending Agricultural Officer, Konkan division, Thane to sell, import, export and store seeds. The license is valid till December 5, 2008.
17. License No. 870/2006 dated February 27, 2006 issued by the Licensing Authority (Seed) & Deputy Director Agriculture, (Extension) Jaipur granting license to the Company to sell, export, import and store seeds. The license is valid till February 26, 2009.
18. License No. 441 dated January 12, 2006 issued by the Licensing Authority-cum-Joint Director Agriculture (HYVP), Punjab granting license to the Company to sell, export, import and store seeds. The license is valid till January 11, 2009.
19. License No. S-1951 dated December 21, 2005 issued by the Licensing Authority, District Horticulture Officer, Hisar granting license to the Company to sell, export, import and store seeds. The license is valid till December 20, 2008.

Taxation Related Approvals

20. Certificate of Registration dated March 23, 1994 issued by the Assistant Commissioner of Commercial Taxes, Bangalore, registering the Company as a dealer under section 7 of the Central Sales Tax Act, 1956 engaged in the business of cultivating, producing, processing and selling of certified and truthfully labelled seeds treated with poison of all varieties.
21. Certificate of Registration dated March 11, 2003 issued by the Commercial Taxes Officer, Jaipur, registering the Company as a dealer under the Rajasthan Sales Tax Act, 1994 with effect from March 1, 2003; the Company has been registered as a wholesaler and retailer of seeds, oilseeds, pesticides, chemicals and fertilizers. The Company was allotted registration No. RST 1426/07686.
22. Certificate of Registration dated March 11, 2003 issued by the Sales Tax Officer, Jaipur, registering the Company as a dealer under section 7 of the Central Sales Tax Act, 1956 engaged in the business of wholesaler and retailer of seeds, oilseeds, pesticides, chemicals and fertilizers. The Company was allotted registration No. CST 1426/07686 (Central).
23. Provisional VAT Registration Certificate dated April 6, 2003 issued by the Additional Commissioner of Commercial Taxes, Bangalore registering the Company under the Karnataka Value Added Tax Act, 2003 with effect from April 1, 2003; the Company was allotted Tax Identification No. (TIN) 29220012404.
24. Value Added Tax Registration Certificate dated March 25, 2005 issued by the Commercial Tax Officer, Hyderabad, registering the Company under the Andhra Pradesh Value Added Tax Act, 2005 with effect from April 1, 2005; the Company was allotted VAT registration No. (TIN) 28300210448.
25. Letter of Allotment issued by the Income Tax Department issuing PAN card to the company under the Income Tax Act, 1961. The PAN allotted to the company is AAACU7680D.
26. Certificate of Registration dated December 19, 2006 issued by the Service Tax Officer, Mumbai registering the company under the Finance Act, 1994. The Service Tax Code of the company is AAACU7680DS7001.
27. Value Added Tax Registration Certificate dated March 3, 2006 issued by the Excise & Taxation Officer, Bhatinda registering the Company under the Punjab VAT Act, 2005 with effect from February 15, 2006 with liability to pay tax from January 25, 2006; the Company was allotted Registration No. (TRN) 03142013599.
28. Value Added Tax Registration Certificate dated September 14, 2006 issued by the Assistant Commissioner of Commercial Tax, Ahmedabad registering the Company under the Gujarat VAT Act, 2003; the Company was allotted local Tax Identification No. (TIN) 24074502342 & Central Tax Identification No. (TIN) 24574502342.
29. Value Added Tax Registration Certificate dated May 24, 2006 registering the Company under the Chattisgarh VAT Act, 2005; the Company was allotted Tax Identification No. (TIN) 22911304956.
30. Voluntary Registration Certificate registering the Company under the Rajasthan Sales Tax Act, 1994 with effect from March 03, 2006; the Company has been given Central Tax Identification No. (TIN) 08191660894.
31. Value Added Tax Registration Certificate issued by the Andhra Pradesh Commercial Taxes Department registering the Company under the Andhra Pradesh VAT Act, 2005; the Company was given Tax Identification No. (TIN) 28601578138 & Central Tax Identification No. (TIN) 8601578138.

32. Registration Certificate dated September 09, 2006 issued by the Commercial Tax Officer registering the Company under the Tamil Nadu General Sales Tax Act, 1959; the Company was allotted Registration No. (RC) 2204055.

33. Value Added Tax Registration Certificate dated March 03, 2006 issued by the Assessing Authority registering the Company under the Haryana VAT Act, 2003 with effect from January 13, 2006; the Company was allotted Tax Identification No. (TIN) 06561534963.

34. Registration Certificate issued by the Maharashtra Department of Sales Tax registering the company under the Maharashtra VAT Act 2005 with effect from April 1, 2006; the Company has been allotted VAT Tax Identification No. (TIN) 27050511547V & CST Tax Identification No. (TIN) 27050511547C.

35. Value Added Tax Registration Certificate issued by the Deputy Commissioner of Commercial Taxes, Patna registering the Company under the Bihar VAT Ordinance 2005 with effect from December 23, 2005; the Company has been allotted Tax Identification No. (TIN) 10050361091.

Intellectual Property

36. Certificate of Registration of Trade Mark dated February 2, 2005 issued by the Trade Marks Registry, Mumbai, registering the Company's logo in class 31 under Trade Mark No. 643450 with effect from October 19, 1994 in respect of agricultural seeds.

37. Certificate of Registration of Trade Mark dated November 28, 2005 issued by the Trade Marks Registry, Mumbai, registering the Company's logo in class 5 under Trade Mark No. 643449 with effect from October 19, 1994 in respect of pesticides.

Factory Approvals

Kurnool Factory

38. License No. 20318 to work a factory issued by the Inspector of Factories, Kurnool, to the Company's factory at Kurnool bearing Registration No. 26752 employing not more than 250 workers and using power up to a specifed limit for operating this factory.

39. Authorization No. 32-G-1006/PCB/RO/KNL/HWM/2005 dated December 28, 2004 authorizing the Company to operate a facility for collection, reception and storage of hazardous wastes, namely, Thirum received HDPF bags and waste oils on their premises at Kurnool and also transport the same from the premises. The authorization shall remain valid till March 31, 2009.

40. Consent Order No. 32-G-1000/APPCB/RO/KNL//W&A/2005-1769 granting consent to operate under Section 21 of the Air (Prevention and Control of Pollution) Act, 1981 to the Company's factory till March 31, 2009. The factory is authorized to produce seed to the tune of 20 MT per day.

41. Consent Order No. 32-G-1000/APPCB/RO/KNL//W&A/2005-1769 granting consent to operate under Section 25 of the Water (Prevention and Control of Pollution) Act, 1974 to the Company's factory till March 31, 2009. The factory is authorized to produce seed to the tune of 20 MT per day.

Medak District Factory

42. Consent Order No. APPCB/PTN/PTN/476/RO/2003/A/570-680 dated December 17, 2005 granting consent to operate under Section 21 of the Air (Prevention and Control of Pollution) Act, 1981 to the Company's factory till January 31, 2007. The factory is authorized to produce maize, millet, bajra, jowar and sunflower seeds up to 250 MTM.

43. Consent Order No. APPCB/PTN/PTN/476/RO/W/2003/570-679 dated December 17, 2005 granting consent to operate Section 25 of the Water (Prevention and Control of Pollution) Act, 1974 to the Company's factory till January 31, 2007. The factory is authorized to produce maize, millet, bajra, jowar and sunflower seeds up to 250 MTM.

Approvals pending

Intellectual Property

1. The Company filed an application No. 805016 dated June 5, 1998 before the Trade Marks Registry, Mumbai seeking registration of the Company's logo comprising three leaves device and the words "ITC ZENECA LTD." in respect of agricultural seeds and other goods in class 31. The Company filed an application dated October 19, 2001 with an amendment in the label deleting the words "ITC ZENECA LTD." while retaining the three leaves device.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Board has, pursuant to resolution passed at its meeting held on September 13, 2006, authorised the Issue subject to the approval by the shareholders of the Company under Section 81(1A) of the Companies Act.

The shareholders have authorised the Issue by a special resolution in accordance with Section 81(1A) of the Companies Act, passed at the Annual General Meeting of the Company held on September 20, 2006 at Bangalore.

Prohibition by SEBI, RBI or governmental authorities

Our Company, our Directors, our Promoters, directors of our Promoters, our Promoter Group companies, associates of our Promoter Group companies and companies with which our Company's Directors are associated as directors/promoters have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

Neither we nor our Promoters, relatives of our Promoters or Promoter Group companies or associate companies have been detained as wilful defaulters by the RBI or government authorities. There are no violations of securities laws committed by any of them in the past or pending against them.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with Clause 2.2.2 of the SEBI Guidelines:

- In compliance with Clause 2.2.2 of the SEBI Guidelines and Rule 19(2)(b) of the SCRR, the proposed Issue is being made through the book-building process, with at least 60% of the Issue being allotted to QIBs, failing which the full subscription monies will be refunded. Non-Institutional Bidders and Retail Individual Bidders will be allocated up to 10% and 30% of the Issue respectively.
- The minimum post-issue face value capital of the Company will be Rs. 10 crores.

DISCLAIMER CLAUSE

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, YES BANK LIMITED, UBS SECURITIES INDIA PRIVATE LIMITED AND SSKI CORPORATE FINANCE PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000 AS FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, YES BANK LIMITED, UBS SECURITIES INDIA PRIVATE LIMITED AND SSKI CORPORATE FINANCE PRIVATE LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 28, 2006 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992 WHICH READS AS FOLLOWS:

"(I) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIALS, MORE PARTICULARLY REFERRED TO IN THE ANNEXURE, IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE.

(II) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:

A) THE DRAFT RED HERRING PROSPECTUS FORWARDED TO SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

B) ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC. ISSUED BY SEBI, THE GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

C) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE.

(III) BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID.

(IV) WHEN UNDERWRITTEN, WE SHALL SATISFY OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.

(V) WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF ITS SECURITIES AS PART OF PROMOTERS CONTRIBUTION SUBJECT TO LOCK-IN AND THE SECURITIES PROPOSED TO FORM PART OF THE PROMOTERS CONTRIBUTION SUBJECT TO LOCK-IN, WILL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS."

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of section 60B of the Companies Act. All legal requirements pertaining to the issue will be complied with at the time of registration of the Prospectus with the RoC in terms of section 56, section 60 and section 60B of the Companies Act.

The filing of the Draft Red Herring Prospectus does not, however, absolve the Company from any liabilities under section 63 and section 68 of the Companies Act or from the requirement of obtaining such statutory and other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the Book Running Lead Managers, any irregularities or lapses in the Red Herring Prospectus.

Disclaimer from the Company and the BRLMs

Investors that bid in the Issue will be required to confirm and will be deemed to have represented to the Company, and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of the Company and will not Issue, sell, pledge or transfer the Equity Shares of the Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of the Company. The Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of the Company.

The Company, the Directors and the BRLMs accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at instance of the abovementioned entities and anyone placing reliance on any other source of information, including our website, www.advantaindia.com, would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into among the BRLMs and the Company dated September 28, 2006 and the Underwriting Agreement to be entered into among the Underwriters and the Company.

All information shall be made available by the Company and BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at bidding centres etc.

Neither the Company, nor the Syndicate is liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India) and authorised to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under the applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to permitted Non-Residents including Eligible NRIs, FIIs and eligible foreign investors. This Red Herring Prospectus does not, however, constitute an invitation to subscribe to Equity Shares Issued hereby in any other jurisdiction to any person to whom it is unlawful to make an Issue or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been or will be taken to permit a public issuing in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus had been filed with SEBI for observations. Accordingly, the Equity Shares, represented thereby may not be Issued or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the Company's affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the "Securities Act"), or any state securities laws in the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold only outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

Disclaimer clause of the BSE

BSE has given vide its letter dated November 16, 2006, permission to the Company to use BSE's name in the Red Herring Prospectus as one of the stock exchanges on which the Company's securities are proposed to be listed. BSE has scrutinised the Draft Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to us. BSE does not in any manner:

(i) Warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus; or

(ii) Warrant that this Company's securities will be listed or will continue to be listed on BSE; or

(iii) Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed to mean that the Draft Red Herring Prospectus has been cleared or approved by BSE. Every Person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such Person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer clause of the NSE

As required, a copy of the Draft Red Herring Prospectus has been submitted to NSE. NSE has given in its letter ref.: NSE/LIST/ 33924-7 dated November 27, 2006, permission to the Company to use NSE's name in the Red Herring Prospectus as one of the stock exchanges on which our further securities are proposed to be listed. The NSE has scrutinised the Draft Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Company. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed to mean that the Draft Red Herring Prospectus has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus; nor does it warrant that the Company's securities will be listed or will continue to be listed on the NSE; nor does it take any responsibility for the financial or other soundness of the Company, its promoters, its management or any scheme or project of this Company.

Every Person who desires to apply for or otherwise acquires any of our securities may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against NSE whatsoever by reason of any loss which may be suffered by such Person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Filing

A copy of the Draft Red Herring Prospectus was filed with SEBI at Division of Issues and Listing, World Trade Centre, 29th Floor, Cuffe Parade, Mumbai - 400 005.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, will be delivered for registration to the RoC and a copy of the Prospectus required to be filed under Section 60 of the Companies Act will be delivered for registration with RoC situated at Bangalore.

Listing

Applications will be made to the BSE and the NSE for permission for listing of the Equity Shares being issued through this Red Herring Prospectus.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by any of the Stock Exchanges, the Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Red Herring Prospectus. If such money is not repaid within eight days after the Company becomes liable to repay it (i.e. from the date of refusal or within 15 days from the date of Bid/Issue Closing Date, whichever is earlier), then the Company shall, on and from expiry of 8 days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

The Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at both the Stock Exchanges mentioned above are taken within seven working days of finalisation of the basis of allotment for the Issue.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, which is reproduced below:

"Any person who:

(a) Makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or

(b) Otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name,

shall be punishable with imprisonment for a term which may extend to five years."

Consents

Consents in writing of: (a) the Directors, the Company Secretary and Compliance Officer, the auditors, the legal advisors, the Bankers to the Company; and (b) the Book Running Lead Managers, the Syndicate Member, the Bankers to the Issue/Escrow Collection Banks and the Registrar to the Issue to act in their respective capacities, have been obtained and would be filed along with a copy of the Red Herring Prospectus with the RoC as required under Sections 60 and 60B of the Companies Act and such consents have not been withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

In accordance with the Companies Act, 1956 and the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000, S.V. Ghatalia & Associates, Chartered Accountants, the Company's Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in the Red Herring Prospectus and such consent and report has not been withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

Expert Opinion

We have not obtained any expert opinions.

Issue Related Expenses

The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. The estimated expenses of the Issue are as follows:

Activity	Expense (in Rs. million)	Expense (% of total expenses)	Expense (% of Issue Size)
Lead management fee and underwriting commissions*	[●]	[●]	[●]
Advertising and marketing expenses*	[●]	[●]	[●]
Printing and stationery*	[●]	[●]	[●]
Registrar's fee*	[●]	[●]	[●]
Legal Fees*	[●]	[●]	[●]
Total estimated Issue expenses*	[●]	[●]	[●]

* *Will be completed after finalisation of the Issue Price.*

Fees Payable to the Book Running Lead Managers and Syndicate Member

The total fees payable to the Book Running Lead Managers and the Syndicate Member (including underwriting commission and selling commission) will be as stated in the Engagement Letter with the BRLMs, a copy of which is available for inspection at the Registered Office of the Company located at 405, 4th Floor, 'A' Wing, Carlton Towers No. 1, Airport Road, Bangalore - 560 008, India.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue for processing of application, data entry, printing of CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Memorandum of Understanding signed with the Company, a copy of which is available for inspection at the Registered Office of the Company.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or allotment advice by registered post/speed post/under certificate of posting.

Particulars regarding Public or Rights Issues during the Last Five Years

We have not made any public or rights issues during the last five years.

Issues otherwise than for Cash

Except as stated in the section entitled "Capital Structure" on page 18 of this Red Herring Prospectus and "History and Certain Corporate Matters" on page 83 of this Red Herring Prospectus, the Company has not issued any Equity Shares for consideration otherwise than for cash.

Commission and Brokerage paid on Previous Issues of the Equity Shares

Since this is the initial public issue of the Company's Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since the Company's inception.

Companies under the Same Management

There is no other company under the same management within the meaning of erstwhile Section 370 (1B) of the Companies Act, other than the subsidiaries, joint ventures, associates, Promoters and Promoter group companies, details of which companies are provided in the sections entitled "History and Certain Corporate Matters" and "Our Promoter" and "Our Promoter Group" beginning on pages 83, 105 and 111 of this Red Herring Prospectus.

Promise vs. Performance – Last Issue of Group/Associate Companies

There has been no public issue by any of the Group/Associate Companies in the past except as mentioned in the section titled "Our Promoter" and "Our Promoter Group" beginning on pages 105 and 111 in this Red Herring Prospectus.

Outstanding Debentures or Bonds

The Company does not have any outstanding debentures or bonds.

Outstanding Preference Shares

The Company does not have any outstanding preference shares.

Stock Market Data of our Equity Shares

This being an initial public issue of the Company, the Equity Shares are not listed on any stock exchange.

Purchase of Property

Except as stated in the "Objects of Issue" in this Red Herring Prospectus, and save in respect of the property purchased or acquired or to be purchased or acquired in connection with the business or activities contemplated by the objects of the Issue, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Red Herring Prospectus, other than property, in respect of which:

- The contract for the purchase or acquisition was entered into in the ordinary course of business, nor was the contract entered into in contemplation of the Issue, nor is the issue contemplated in consequence of the contract; or
- The amount of the purchase money is not material.

Except as stated in this Red Herring Prospectus, the Company has not purchased any property in which any of its Promoter and/or Directors, have any direct or indirect interest in any payment made thereunder.

Mechanism for Redressal of Investor Grievances

The Memorandum of Understanding between the Registrar to the Issue and the Company will provide for retention of records with the Registrar to the Issue for a period of at least one year from the last date of dispatch of letters of allotment, demat credit, refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was submitted.

Disposal of Investor Grievances by the Company

The Company estimates that the average time required by the Company or the Registrar to the Issue for the redressal of routine investor grievances shall be ten working days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, the Company will seek to redress these complaints as expeditiously as possible.

The Company has appointed K. Suresh as the Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue-related problems. He can be contacted at the following address:

K. Suresh, Chief Financial Officer
405, 4th Floor, 'A' Wing
Carlton Towers No. 1, Airport Road
Bangalore - 560 008, Karnataka, India
Tel: (+91 80) 2520 9941
Fax: (+91 80) 2520 7510
E-mail: ipo@advantaindia.com

Changes in Auditors

S.V. Ghatalia & Associates, Chartered Accountants, have been appointed as the statutory auditors of Advanta India with effect from September 20, 2006 pursuant to the resignation of our then statutory auditors were Lovelock & Lewes, Chartered Accountants. S.V. Ghatalia & Associates, Chartered Accountants, who are also the auditors of UPL, were appointed as our Auditors in order to ensure alignment of our accounting practices with those of our Promoter, UPL and better co-ordination in preparation of our financial statements and that of our Promoters.

Capitalisation of Reserves or Profits

Except as disclosed in this Red Herring Prospectus, have have not capitalised our reserves or profits at any time during the last five years.

Revaluation of Assets

Since incorporation, the Company has not revalued its assets.

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, our Memorandum and Articles, the terms of this Red Herring Prospectus and the Prospectus, Bid cum Application Form, the CAN and other terms and conditions as may be incorporated in the allotment advices and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to applicable laws, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, Stock Exchanges, RoC, RBI and/ or other authorities, as in force on the date of the Issue and to the extent applicable.

Authority for the Issue

The Board has, pursuant to resolution passed at its meeting held on September 13, 2006, authorised the Issue subject to the approval by the shareholders of the Company under Section 81(1A) of the Companies Act.

The shareholders have authorised the Issue by a special resolution in accordance with Section 81(1A) of the Companies Act, passed at the General Meeting of the Company held on September 20, 2006 at Bangalore.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of our Memorandum and Articles and shall rank pari-passu with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by the Company after the date of Allotment.

Mode of Payment of Dividend

We shall pay dividends to our shareholders as per the provisions of the Companies Act.

Face Value and Issue Price

The face value of the Equity Share is Rs. 10 each and the Issue Price is Rs. [●] per Equity Share. At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with SEBI Guidelines

We shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholder

Subject to applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the listing agreement executed with the Stock Exchanges, and our Company's Memorandum and Articles.

For a detailed description of the main provisions of our Articles relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to the section titled "Main Provisions of Our Articles of Association" on page 422 of this Red Herring Prospectus.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI

Guidelines, the trading of our Equity Shares shall only be in dematerialised form. Since trading of our Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be only in electronic form in multiples of 1 Equity Share subject to a minimum Allotment of 10 Equity Shares.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Bangalore, India.

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 109B of the Companies Act, any Person who becomes a nominee by virtue of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- To register himself or herself as the holder of the Equity Shares; or
- To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialised form, there is no need to make a separate nomination with us. Nominations registered with respective depository participant of the applicant would prevail. If the investors require to change their nomination, they are requested to inform their respective depository participant.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Fresh Issue, including devolvement of underwriters within 60 days from the Bid/Issue Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under Section 73 of the Companies Act.

Further in terms of Clause 2.2.2A of the SEBI Guidelines, we shall ensure that the number of prospective allottees to whom Equity Shares will be Allotted will not be less than 1,000.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws in the United States and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold outside the United States in offshore transactions in compliance with Regulation S under the Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Arrangements for disposal of odd lots

Since the market lot for our Equity Shares will be one, no arrangements for disposal of odd lots are required.

ISSUE STRUCTURE

The present Issue of 3,380,000 Equity Shares Rs. 10 each, at a price of Rs. [●] for cash aggregating Rs. [●] million is being made through the 100% Book Building Process.

	QIBs	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares*	At least 2,028,000 Equity Shares	Up to 338,000 Equity Shares or Issue size less allocation to QIB Bidders and Retail Individual Bidders.	Up to 1,014,000 Equity Shares or Issue size less allocation to QIB Bidders and Non-Institutional Bidders.
Percentage of Issue Size available for Allotment / allocation	At least 60% of Issue Size being allocated. However, up to 5% of the QIB Portion shall be available for allocation proportionately to Mutual Funds only.	Up to 10% of Issue or the Issue less allocation to QIB Bidders and Retail Individual Bidders.	Up to 30% of Issue or the Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Basis of Allotment/ Allocation, if respective category is oversubscribed	Proportionate as follows: (a) 101,400 Equity Shares shall be allocated on a proportionate basis to Mutual Funds; and (b) 1,926,600 Equity Shares shall be Allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares in multiples of 10 Equity Shares so that the Bid Amount exceeds Rs. 100,000.	Such number of Equity Shares in multiples of 10 Equity Shares so that the Bid Amount exceeds Rs. 100,000.	10 Equity Shares.
Maximum Bid	Such number of Equity Shares in multiples of 10 Equity Shares not exceeding the Issue, subject to applicable limits	Such number of Equity Shares in multiples of 10 Equity Shares not exceeding the Issue, subject to applicable limits	Such number of Equity Shares whereby the Bid amount does not exceed Rs.100,000
Mode of allotment	Compulsorily in dematerialised form	Compulsorily in dematerialised form	Compulsorily in dematerialised form
Bid Lot	10 Equity Shares	10 Equity Shares	10 Equity Shares
Allotment Lot	1 Equity Share subject to a minimum allotment of 10 Equity Shares	1 Equity Share subject to a minimum allotment of 10 Equity Shares	1 Equity Share subject to a minimum allotment of 10 Equity Shares
Who can Apply **	Public financial institutions as specified in Section 4A of the Companies Act, FIIs registered with SEBI, scheduled	NRIs, Resident Indian individuals, HUF (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts.	Individuals (including HUFs, NRIs) applying for Equity Shares such that the Bid Amount does not exceed Rs. 100,000 in value.

	QIBs	Non-Institutional Bidders	Retail Individual Bidders
	commercial banks, mutual funds registered with SEBI, multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million in accordance with applicable law.		
Terms of Payment	QIB Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Member.	Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Member.	Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Member.
Margin Amount	At least 10% of Bid Amount	Full Bid Amount on bidding	Full Bid Amount on bidding

* Subject to valid Bids being received at or above the Issue Price. As the Issue constitutes less than 25% of the post Issue paid-up capital of the Company, in terms of Rule 19(2)(b) of the Securities Contract Regulation Rules, 1957, the Issue is being made through the 100% Book Building Process where at least 60% of the Issue would be Allotted on a proportionate basis to QIBs. 5% of the QIB Portion would be available for allocation to Mutual Funds only and the remaining QIB Portion would be available for allocation to the QIB Bidders, including Mutual Funds, subject to valid **ids** being received at or above the Issue Price. Further, up to 10% of the Issue would be available for allocation on a proportionate basis to Non-Institutional Bidders and up to 30% of the Issue would be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

** In case the Bid cum Application Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.

Bidding/ Issue Programme

BID/ISSUE OPENS ON	**: MONDAY,**	**MARCH 26,**	**2007**
BID/ISSUE CLOSES ON	**: FRIDAY,**	**MARCH 30,**	**2007**

Bids and any revision in Bids shall be accepted **only between 10 a.m. and 3 p.m**. (Indian Standard Time) during the Bidding/ Issue Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form except that on the Bid/ Issue Closing Date, the Bids shall be accepted **only between 10 a.m. and 1 p.m.** (Indian Standard Time) and uploaded until such time as permitted by the BSE and the NSE on the Bid/ Issue Closing Date.

In case of revision in the Price Band, the Bidding/ Issue Period will be extended for three additional working days after revision of Price Band subject to the Bidding/ Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding/ Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release, and also by indicating the change on the web site of the BRLMs and at the terminals of the Syndicate.

ISSUE PROCEDURE

Book Building Procedure

In terms of Rule 19(2)(b) of the Securities Contract Regulation Rules, 1957, this being an Issue for less than 25% of the post-Issue capital, the Issue would be made through the 100% Book Building Process where at least 60% of the Issue would be Allotted on a proportionate basis to QIBs. 5% of the QIB Portion would be available for allocation to Mutual Funds only and the remaining QIB Portion would be available for allocation to the QIB Bidders including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, up to 10% of the Issue would be available for allocation on a proportionate basis to Non-Institutional Bidders and up to 30% of the Issue would be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

Bidders are required to submit their Bids through the Syndicate. Further, QIB Bids can be submitted only through the Syndicate Member. In case of QIB Bidders, the Company in consultation with the BRLMs may reject Bids at the time of submission of Bid cum Application Form provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, the Company would have a right to reject the Bids only on technical grounds.

Bid cum Application Form

Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of this Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids. Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the Bid cum Application Form to a member of the Syndicate, the Bidder is deemed to have authorised the Company to make the necessary changes in the Red Herring Prospectus and the Bid cum Application Form as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

Category	Colour of Bid cum Application Form
Indian Public, NRIs applying on non repatriation basis	White
Non-Residents, Eligible NRIs. FVCIs, FIIs etc. applying on repatriable basis	Blue

Who can Bid?

- Indian nationals resident in India who are majors, or in the names of their minor children as natural/legal guardians in single or joint names (not more than three);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: “Name of Sole or First bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*”. Bids by HUFs would be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in the equity shares;
- Mutual Funds registered with SEBI;
- Indian Financial Institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Guidelines and regulations, as applicable;
- Venture Capital Funds registered with SEBI;
- Foreign Venture Capital Investors registered with SEBI;
- State Industrial Development Corporations;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts/societies and who are authorised under their constitution to hold and invest in equity shares;

- Eligible NRIs on a repatriation basis or a non-repatriation basis subject to applicable laws;
- FII registered with SEBI;
- Scientific and/or Industrial Research Organisations authorised to invest in equity shares;
- Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- A permitted by the applicable laws, Provident Funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in equity shares;
- Pension Funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in equity shares; and
- Multilateral and Bilateral Development Financial Institutions;

Note: The BRLMs and Syndicate Member shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLMs and the Syndicate Member may subscribe for Equity Shares in the Issue, including in the QIB Portion and Non-Institutional Portion where the allocation is on a proportionate basis.

The information below is given for the benefit of the Bidders. The Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

Bids by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand is greater than 101,400 Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion.

As per the current regulations, the following restrictions are applicable for investments by Mutual Funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

Bids by NRIs

1. Bid cum Application Forms have been made available for NRIs at our registered /corporate office, members of the Syndicate and the Registrar to the Issue.
2. NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. The NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians.

Bids by FIIs

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of our post-Issue issued capital Equity Shares. In respect of an FII investing in the Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our Company's our total issued capital or 5% of our Company's total issued capital in case such sub-account is a foreign corporate or an individual. Under the current foreign investment policy applicable to us foreign equity participation up to 100% is permissible under the automatic route. As of now, the aggregate FII holding in the Company cannot exceed 24% of the Company's total issued capital. With the approval of the Board and the shareholders by way of a special resolution, the aggregate FII holding can go up to 100%. However, as on this date, no such resolution has been recommended to the shareholders of the Company for adoption.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII or its sub account may issue, deal or hold, off shore derivative instruments such as Participatory Notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "know your client" requirements. An FII or sub-account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

Bids by SEBI registered Venture Capital Funds and Foreign Venture Capital Investors

As per the current regulations, the following restrictions are applicable for SEBI registered Venture Capital Funds and Foreign Venture Capital Investors:

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Accordingly, whilst the holding by any individual venture capital fund registered with SEBI in one company should not exceed 25% of the corpus of the venture capital fund, a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one company. Further, Venture Capital Funds and Foreign Venture Capital Investors can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer.

Maximum and Minimum Bid Size

(a) For Retail Individual Bidders: The Bid must be for a minimum of 10 Equity Shares and in multiples of10 Equity Shares thereafter, so as to ensure that the Bid Price payable by the Bidder does not exceed Rs. 100,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Price does not exceed Rs. 100,000. In case the Bid Price is over Rs. 100,000 due to revision of the Bid or revision of the Price Band or on exercise of Cut-off option, the Bid would be considered for allocation under the Non-Institutional Bidders portion. The Cut-off option is an option given only to the Retail Individual Bidders indicating their agreement to Bid and purchase at the final Issue Price as determined at the end of the Book Building Process.

(b) For Other Bidders (Non-Institutional Bidders and QIBs): The Bid must be for a minimum of such number of Equity Shares in multiples of 10 Equity Shares so that the Bid Amount exceeds Rs. 100,000 and in multiples of 10 Equity Shares thereafter. A Bid cannot be submitted for more than the Issue Size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **Under existing SEBI guidelines, a QIB Bidder cannot withdraw its Bid after the Bid/ Issue Closing Date and is required to pay QIB Margin upon submission of Bid.**

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 1,00,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs. 1,00,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off'.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Red Herring Prospectus.

Information for the Bidders:

(a) The Company will file the Red Herring Prospectus with the RoC at least 3 (three) days before the Bid/Issue Opening Date.

(b) The Company and the BRLMs shall declare the Bid/ Issue Opening Date, Bid/ Issue Closing Date and Price Band at the time of filing this Red Herring Prospectus with RoC and also publish the same in three widely circulated newspapers (one each in English, Hindi and Kannada). This advertisement, subject to the provisions of Section 66 of the Companies Act shall be in the format prescribed in Schedule XX–A of the SEBI DIP Guidelines, as amended vide SEBI Circular No. SEBI/CFD/DIL/DIP/14/2005/25/1 dated January 25, 2005.

(c) The members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid cum Application Form to potential investors.

(d) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Red Herring Prospectus and/ or the Bid cum Application Form can obtain the same from our registered office or from any of the members of the Syndicate and should approach any of the BRLMs or Syndicate Member or their authorised agent(s) to register their bids.

(e) The Members of the Syndicate shall accept Bids from the Bidders during the Issue Period in accordance with the terms of the Syndicate Agreement.

(f) The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms should bear the stamp of the members of the Syndicate. Bid cum Application Forms, which do not bear the stamp of the members of the Syndicate, will be rejected.

(g) The Bidding/ Issue Period shall be for a minimum of three working days and not exceeding seven working days. In case the Price Band is revised, the revised Price Band and the Bidding/ Issue Period will be published in three national newspapers (one each in English and Hindi) and one Kannada newspaper and the Bidding/ Issue Period may be extended, if required, by an additional three working days, subject to the total Bidding/ Issue Period not exceeding 10 working days.

(h) The Price Band has been fixed at Rs. 600 to Rs. 650 per Equity Share of Rs. 10 each, Rs. 600 being the lower end of the Price Band and Rs. 650 being the higher end of the Price Band. The Bidders can bid at any price with in the Price Band, in multiples of Rs. 1 (One).

(i) The Company in consultation with the BRLMs, reserves the right to revise the Price Band, during the Bidding Period, in accordance with SEBI Guidelines. The higher end of the Price Band should not be more than 20% of the lower end of the Price Band. Subject to compliance with the immediately preceding sentence, the lower end of the Price Band can move up or down to the extent of 20% of the lower end of the Price Band disclosed in the Red Herring Prospectus.

(j) In case of revision in the Price Band, the Bidding/ Issue Period will be extended for three additional working days after revision of Price Band subject to a maximum of 10 working days. Any revision in the Price Band and the revised Bidding/ Issue Period, if applicable, will be widely disseminated by notification to BSE and NSE, by issuing a public notice in three widely circulated newspapers (one each in English and Hindi) and one Kannada newspaper, and also by indicating the change on the websites of the BRLMs and at the terminals of the Syndicate Member.

(k) The Company, in consultation with the BRLMs, can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Bidders.

Method and Process of Bidding

(a) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled "Bids at Different Price Levels" on page 405 within the Price Band and specify the demand (i.e. the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation/ Allotment and the rest of the Bid(s), irrespective of the Bid Price, will become automatically invalid.

(b) The Bidder cannot Bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any member of the Syndicate. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph titled "Bids at Different Price Levels and Revision of Bids" on page 405.

(c) The Members of the Syndicate will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, ("TRS"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.

(d) During the Bidding/Issue Period, Bidders may approach the members of the Syndicate to submit their Bid. Every member of the Syndicate shall accept Bids from all clients / investors who place orders through them and shall have the right to vet the Bids, subject to the terms of the Syndicate Agreement and the Red Herring Prospectus.

(e) Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the paragraph titled "Terms of Payment and Payment into the Escrow Accounts" on page 410.

Bids at Different Price Levels and Revision of Bids

(a) The Bidder can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders applying for a maximum Bid in any of the bidding options not exceeding Rs. 100,000 may bid at Cut-off Price. However, Bidding at the Cut-off Price is prohibited for QIB and Non-Institutional Bidders bidding in excess of Rs. 100,000 and such Bids shall be rejected.

(b) Retail Individual Bidders who bid at the Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at the Cut-off Price shall deposit the Bid Price based on the higher end of the Price Band in the Escrow Account. In the event the Bid Price is higher than the subscription amount payable by the Retail Individual Bidders, who Bid at the Cut-off Price (i.e. the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), the Retail Individual Bidders, who Bid at the Cut-off Price, shall receive the refund of the excess amounts from the Escrow Account.

(c) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders who had Bid at the Cut-off Price could either (i) revise their Bid or (ii) make additional payment based on the higher end of the Revised Price Band (such that the total amount i.e. original Bid Price plus additional payment does not exceed Rs. 1,00,000, if such Bidder wants to continue to Bid at the Cut-off Price), with the Syndicate Member to whom the original Bid was submitted. In case the total amount (i.e. original Bid Price plus additional payment) exceeds Rs. 1,00,000 for Retail Individual Bidders the Bid will be considered for allocation under the Non-Institutional Portion in terms of this Red Herring Prospectus. If, however, such Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the higher end of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of Allotment, such that the no additional payment would be required from such Bidder and such Bidder is deemed to have approved such revised Bid at the Cut-off Price.

(d) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have Bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account.

(e) In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain 10 Equity Shares irrespective of whether the Bid Price payable on such minimum application is not in the range of Rs. 5,000 to Rs. 7,000.

(f) During the Bidding/ Issue Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid cum Application Form.

(g) Revisions can be made in both the desired number of Equity Shares and the Bid price by using the Revision Form. Apart from mentioning the revised options in the revision form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate will not accept incomplete or inaccurate Revision Forms.

(h) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom he or she had placed the original Bid.

(i) Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.

(j) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this Red Herring Prospectus. In case of QIB Bidders, the members of the Syndicate shall collect the payment in the form of cheque or demand draft for the incremental amount in the QIB Margin Amount, if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIB Bidders.

(k) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. **It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.**

Bids and revisions of Bids must be:

(a) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable (white colour for Resident Indians, pink colour for NRIs and FIIs and applying on repatriation basis).

(b) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected.

(c) For Retail Individual Bidders, the Bid must be for a minimum of 10 Equity Shares and in multiples of 10 Equity Shares thereafter subject to a maximum Bid Amount of Rs. 100,000.

(d) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares in multiples of 10 Equity Shares so that the Bid exceeds or equal to Rs. 100,000 and in multiples of 10 Equity Shares thereafter. Bids cannot be made for more than the Issue Size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws or regulations.

(e) NRIs for a Bid of up to Rs. 100,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Price of more than Rs. 100,000 would be considered under Non-Institutional Portion for the purposes of allocation; by other eligible Non Resident Bidders for a minimum of such number of Equity Shares and in multiples of 10 Equity Shares thereafter so that the Bid exceeds Rs. 100,000.

(f) Bids by Non Residents, NRIs, FIIs and Foreign Venture Capital Funds registered with SEBI on a repatriation basis shall be in the names of individuals, or in the names of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

(g) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).

(h) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Electronic Registration of Bids

(a) The Members of the Syndicate will register the Bids using the on-line facilities of BSE and NSE. There will be at least one on-line connectivity in each city, where a stock exchange is located in India and where Bids are being accepted.

(b) The BSE and NSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the Members of the Syndicate and their authorised agents during the Bidding Period. The Syndicate Member can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for book building on a regular basis. On the Bid Closing Date, the Members of the Syndicate shall upload the Bids till such time as may be permitted by the Stock Exchanges. This information will be available with the BRLMs on a regular basis.

(c) The aggregate demand and price for Bids registered on the electronic facilities of BSE and NSE will be uploaded on a regular basis, consolidated and displayed on-line at all bidding centres and the website of BSE and NSE. A graphical representation of consolidated demand and price would be made available at the bidding centres during the Bidding Period.

(d) At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:

- Name of the investor.

- Investor Category – Individual, Corporate, NRI, FII, or Mutual Fund etc.
- Numbers of Equity Shares bid for.
- Bid price.
- Bid cum Application Form number.
- Whether Margin Amount has been paid upon submission of Bid cum Application Form.
- Depository Participant Identification Number and Client Identification Number of the beneficiary account of the Bidder.

(e) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate. The registration of the Bid by the member of the Syndicate does not guarantee that the Equity Shares shall be allocated/Allotment either by the members of the Syndicate or our Company.

(f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(g) In case of QIB Bidders, members of the syndicate also have the right to accept the bid or reject it. However, such rejection should be made at the time of submission of the bid and only after assigning a reason for such rejection in writing. In case on Non-Institutional Bidders and Retail Individual Bidders who Bid, Bids would not be rejected except on the technical grounds listed on page 412 of this Red Herring Prospectus.

(h) The permission given by BSE and NSE to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/ or the BRLMs are cleared or approved by BSE and NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of the Company, our Promoter, our management or any scheme or project of our Company.

(i) It is also to be distinctly understood that the approval given by BSE and NSE should not in any way be deemed or construed that this Red Herring Prospectus has been cleared or approved by the BSE and NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the BSE and NSE.

(j) Only bids that are uploaded on the online IPO system of the NSE and BSE shall be considered for allocation/ Allotment. In case of discrepancy of data between the BSE or the NSE and the members of the Syndicate, the decision of the BRLMs based on the physical records of Bid cum Application Forms shall be final and binding on all concerned.

GENERAL INSTRUCTIONS

Do's:

(a) Check if you are eligible to apply;

(b) Read all the instructions carefully and complete the applicable Bid cum Application Form;

(c) Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialised form only;

(d) Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a member of the Syndicate;

(e) Ensure that you have been given a TRS for all your Bid options;

(f) Submit revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;

(g) Where Bid(s) is/ are for Rs. 50,000/- or more, each of the Bidders, should mention their Permanent Account Number (PAN) allotted under the IT Act. The copies of the PAN Card or PAN allotment letter should be submitted with the Bid cum Application Form. If you have mentioned "Applied for" or "Not Applicable", in the Bid cum Application Form in the section dealing with PAN number, ensure that you submit Form 60 or 61, as the case may be, together with permissible documents as address proof;

(h) Ensure that the Demographic Details (as defined hereinbelow) are updated, true and correct in all respects;

(i) Ensure that the name(s) given in the Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form.

Don'ts:

(a) Do not bid for lower than the minimum Bid size;

(b) Do not bid/ revise Bid price to less than the lower end of the Price Band or higher than the higher end of the Price Band;

(c) Do not bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate;

(d) Do not pay the Bid Price in cash, by money order or by postal order or by stockinvest;

(e) Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate only;

(f) Do not bid at the Cut-off Price (for QIB Bidders and Non-Institutional Bidders);

(g) Do not fill up the Bid cum Application Form such that the Equity Shares bid for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;

(h) Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.

Instructions for Completing the Bid cum Application Form

Bidders can obtain Bid cum Application Forms and / or Revision Forms from the members of the Syndicate.

Bidder's Depository Account and Bank Details

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Bank Account details would be used for giving refunds to the Bidders. Hence, Bidders are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in despatch/ credit of refunds to Bidders at the Bidders sole risk and neither the BRLMs or the Registrar or the Escrow Collection Banks nor the Company shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the CANs/Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid cum Application Form, the Bidder would be deemed to have authorised the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

In case of Bidders receiving refunds through electronic transfer of funds, delivery of refund orders/allocation advice/CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Bidder in the Bid cum Application Form would be used only to ensure

dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk and neither the Company, the Registrar, Escrow Collection Bank(s) nor the BRLMs shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories, which matches three parameters, namely, names of the Bidders (including the order of names of jointholders), the Depository Participant's Identity (DP ID) and the beneficiary's identity, then such Bids are liable to be rejected.

The Company Shareholders in its absolute discretion, reserve the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/CANs/allocation advice/ refunds through electronic transfer of funds, the Demographic Details given on the Bid cum Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar shall use Demographic Details as given in the Bid cum Application Form instead of those obtained from the depositories.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. The Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Non Residents, NRIs, FIIs and foreign venture capital funds and all Non Residents, NRI, FII and foreign venture capital funds applicants will be treated on the same basis with other categories for the purpose of allocation.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum of Association and Articles of Association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

In case of Bids made pursuant to a power of attorney by FIIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

In case of Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

In case of Bids made by provident funds with minimum corpus of Rs. 250 million (subject to applicable law) and pension funds with minimum corpus of Rs. 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

The Company in its absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that the Company and the BRLMs may deem fit.

PAYMENT INSTRUCTIONS

Escrow Mechanism

The Company shall open Escrow Accounts with one or more Escrow Collection Bank(s) for the collection of the Bid Amount payable upon submission of the Bid cum Application Form and for amounts payable pursuant to allocation in the Issue.

The Escrow Collection Banks will act in terms of this Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Bank (s) for and on behalf of the Bidders shall maintain the monies in the Escrow Account. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds equivalent to the size of the Issue from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Banker(s) to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account are per the terms of the Escrow Agreement and the Red Herring Prospectus.

The Bidders should note that the Escrow Mechanism is not prescribed by SEBI and has been established as an arrangement between the Company, the members of the Syndicate, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Bidders.

Terms of Payment and Payment into the Escrow Accounts

Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/or on allocation/Allotment as per the following terms.

1. Each category of Bidders i.e. QIB Bidders, Non-Institutional Bidders and Retail Individual Bidders, shall provide the applicable Margin Amount, with the submission of the Bid cum Application Form draw a cheque or demand draft for the maximum amount of his/ her Bid in favour of the Escrow Account of the Escrow Collection Bank(s) (for details refer to the paragraph 3 below) and submit the same to the member of the Syndicate to whom the Bid is being submitted. Bid cum Application Forms accompanied by cash shall not be accepted. The Margin Amount payable by each category of Bidders is mentioned under the section titled "Issue Structure" on page 399. The maximum Bid price has to be paid at the time of submission of the Bid cum Application Form based on the highest bidding option of the Bidder.
2. Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Price, any difference between the amount payable by the Bidder for Equity Shares allocated at the Issue Price and the Margin Amount paid at the time of Bidding, shall be payable by the Bidder no later than the Pay-in-Date, which shall be a minimum period of 2 (two) days from the date of communication of the allocation list to the members of the Syndicate by the BRLMs. If the payment is not made favouring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be cancelled.
3. The payment instruments for payment into the Escrow Account should be drawn in favour of:
   - In case of Resident QIB Bidders: "Advanta IPO – QIB – R"
   - In case of non-resident QIB Bidders: "Advanta IPO – QIB – NR"
   - In case of Resident Non-Institutional and Retail Bidders: "Advanta IPO – R"
   - In case of Non Resident Non-Institutional and Retail Bidders: "Advanta IPO – NR"
4. In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.

5. In case of Bids by FIIs, the payment should be made out of funds held in Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to Special Rupee Account.
6. Where a Bidder has been allocated a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the balance amount payable on the Equity Shares allocated\ will be refunded to the Bidder from the Refund Account.
7. On the Designated Date and no later than 15 days from the Bid/ Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on Bidding, if any, after adjusting for allocation/Allotment to the Bidders.
8. Payments should be made by cheque, or demand draft drawn on any Bank (including a Co-operative Bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ Stockinvest/ Money Orders/ Postal Orders will not be accepted.

Payment by Stockinvest

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the option to use the stockinvest instrument in lieu of cheques or bank drafts for payment of Bid money has been withdrawn. Hence, payment through stockinvest would not be accepted in this Issue.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

1. All applications with the same name and age will be accumulated and taken to a separate process file which would serve as a multiple master.
2. In this master, a check will be carried out for the same PAN. In cases where the PAN is different, the same will be deleted from this master.
3. The Registrar will obtain, from the depositories, details of the applicant's address based on the DP ID and Beneficiary Account Number provided in the Bid-cum-Application Form and create an address master.
4. The addresses of all the applications in the multiple master will be strung from the address master. This involves putting the addresses in a single line after deleting non-alpha and non-numeric characters i.e. commas, full stops, hash etc. Sometimes, the name, the first line of address and pin code will be converted into a string for each application received and a photo match will be carried out amongst all the applications processed. A print-out of the addresses will be taken to check for common names. The applications with same name and same address will be treated as multiple applications.
5. The applications will be scrutinised for DP ID and Beneficiary Account Numbers. In case applications bear the same DP ID and Beneficiary Account Numbers, these will be treated as multiple applications.
6. Subsequent to the aforesaid procedures, a print-out of the multiple master will be taken and the applications physically verified to tally signatures as also father's/ husband's names. On completion of this, the applications will be identified as multiple applications.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

The Company reserves the right to reject, in our absolute discretion, all or any multiple Bids in any or all categories.

Permanent Account Number or PAN

Where Bid(s) is/ are for Rs. 50,000 or more, the Bidder or in the case of a Bid in joint names, each of the Bidders, should mention his/ her Permanent Account Number (PAN) allotted under the I.T. Act. **The copy of the PAN card or PAN allotment letter is required to be submitted with the Bid-cum-Application Form**. Applications without this information and documents will be considered incomplete and are liable to be rejected. **It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground**. In case the Sole/First Bidder and Joint Bidder(s) is/are not required to obtain PAN, each of the Bidder(s) shall mention "Not Applicable" and in the event that the sole Bidder and/ or the joint Bidder(s) have applied for PAN which has not yet been allotted each of the Bidder(s) should Mention "Applied for" in the Bid cum Application Form. Further, where the Bidder(s) has mentioned "Applied for" or "Not Applicable", the Sole/First Bidder and each of the Joint Bidder(s), as the case may be, would be required to submit Form 60 (Form of declaration to be filed by a person who does not have a permanent account number and who enters into any transaction specified in rule 114B), or, Form 61 (form of declaration to be filed by a person who has agricultural income and is not in receipt of any other income chargeable to income tax in respect of transactions specified in rule 114B), as may be applicable, duly filled along with a copy of any one of the following documents in support of the address: (a) Ration Card (b) Passport (c) Driving License (d) Identity Card issued by any institution (e) Copy of the electricity bill or telephone bill showing residential address (f) Any document or communication issued by any authority of the Central Government, State Government or local bodies showing residential address (g) Any other documentary evidence in support of address given in the declaration. **It may be noted that Form 60 and Form 61 have been amended vide a notification issued on December 1, 2004 by the Ministry of Finance, Department of Revenue, Central Board of Direct Taxes. All Bidders are requested to furnish, where applicable, the revised Form 60 or 61, as the case may be.**

UNIQUE IDENTIFICATION NUMBER - MAPIN

Unique Identification Number ("UIN")

With effect from July 1, 2005, SEBI had decided to suspend all fresh registrations for obtaining UIN and the requirement to contain/ quote UIN under the SEBI MAPIN Regulations/Circulars vide its circular MAPIN/Cir-13/2005. However, in a recent press release dated December 30, 2005, SEBI has approved certain policy decisions and has now decided to resume registrations for obtaining UINs in a phased manner. The press release states that the cut-off limit for obtaining UIN has been raised from the existing limit of trade order value of Rs. 100,000 to Rs. 500,000 or more. The limit will be reduced progressively. For trade order value of less than Rs. 500,000 an option will be available to investors to obtain either the PAN or UIN. These changes are, however, not effective as of the date of this Red Herring Prospectus and SEBI has stated in the press release that the changes will be implemented only after necessary amendments are made to the SEBI MAPIN Regulations.

GROUNDS FOR REJECTIONS

In case of QIB Bidders, the Company in consultation with the BRLM may reject Bids provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders and Retail Individual Bidders who Bid, the Company has a right to reject Bids based on technical grounds.

Bidders are advised to note that Bids are liable to be rejected *inter alia* on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares bid for;
- Age of First Bidder not given;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;

- PAN photocopy/PAN communication/ Form 60 or Form 61 declaration along with documentary evidence in support of address given in the declaration, not given if Bid is for Rs. 50,000 or more;
- GIR number furnished instead of PAN;
- Bids for lower number of Equity Shares than specified for that category of investors;
- Bids at a price less than lower end of the Price Band;
- Bids at a price more than the higher end of the Price Band;
- Bids at Cut-off Price by Non-Institutional and QIB Bidders;
- Bids for number of Equity Shares which are not in multiples of 10 Equity Shares;
- Category not ticked;
- Multiple Bids as defined in this Red Herring Prospectus;
- In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- Bids accompanied by Stockinvest/money order/postal order/cash;
- Signature of sole and / or joint Bidders missing;
- Bid cum Application Forms does not have the stamp of the BRLMs or the Syndicate Member;
- Bid cum Application Forms does not have Bidder's depository account details;
- Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of jointholders), the Depositary Participant's Identity (DP ID) and the beneficiary's account number;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bids by QIBs not submitted through members of the Syndicate;
- Bids by OCBs;
- Bids by US persons; and
- Bids by any persons outside India if not in compliance with applicable foreign and Indian laws.

Price Discovery and Allocation

(a) After the Bid/Issue Closing Date, the BRLMs will analyse the demand generated at various price levels.

(b) The Company, in consultation with the BRLMs, shall finalise the "Issue Price".

(c) The Allotment to QIBs will be atleast 60% of the Issue and allocation to Non-Institutional and Retail Individual Bidders will be up to 10% and 30% of the Issue, respectively, on a proportionate basis, in a manner specified in the SEBI Guidelines and this Red Herring Prospectus, in consultation with the Designated Stock Exchange, subject to valid bids being received at or above the Issue Price.

(d) Under-subscription, if any, in the Non-Institutional category and the Retail Individual category would be met with spill over from any other category at the sole discretion of the Company in consultation with the BRLMs. However, if the aggregate demand by Mutual Funds is less than 101,400 Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be Allotted proportionately to the QIB Bidders.

(e) Allocation to Eligible NRIs, FIIs, foreign venture capital funds registered with SEBI applying on repatriation basis will be subject applicable law and the terms and conditions stipulated by the RBI.

Signing of Underwriting Agreement and RoC Filing

(a) The Company, the BRLMs and the Syndicate Member shall enter into an Underwriting Agreement on finalisation of the Issue Price.

(b) After signing the Underwriting Agreement, the Company would update and file the updated Red Herring Prospectus with RoC, which then would be termed 'Prospectus'. The Prospectus would have details of the Issue Price, Issue size, underwriting arrangements and would be complete in all material respects.

(c) The Company will file a copy of the Prospectus with the RoC in terms of Section 56, Section 60 and Section 60B of the Companies Act.

(d) The Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of CAN

(a) Upon approval of the basis of Allotment by the Designated Stock Exchange, the BRLMs or Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated/ Allotted Equity Shares in the Issue. The approval of the basis of Allotment by the Designated Stock Exchange for QIB Bidders may be done simultaneously with or prior to the approval of the basis of allocation for the Retail and Non-Institutional Bidders. However, investors should note that the Company shall ensure that the date of Allotment of the Equity Shares to all investors in this Issue shall be done on the same date.

(b) The BRLMs or members of the Syndicate would dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares allocated to such Bidder. Those Bidders who have not paid the entire Bid Amount into the Escrow Account at the time of bidding shall pay in full the amount payable into the Escrow Account by the Pay-in Date specified in the CAN.

(c) Bidders who have been allocated/Allotted Equity Shares and who have already paid the Bid Amount into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realisation of his or her cheque or demand draft paid into the Escrow Account. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for the Allotment to such Bidder.

(d) The Issuance of CAN is 'Subject to "Allotment Reconciliation and Revised CANs" as set forth herein.

Notice to QIBs: Allotment Reconciliation and Revised CANs

After the Bid/Issue Closing Date, an electronic book will be prepared by the Registrar on the basis of Bid applications received. Based on the electronic book, QIBs will be sent a CAN on or prior to April 9, 2007, indicating the number of Equity Shares that may be Allotted to them. This CAN is subject to the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the physical book prepared by the Registrar. Subject to SEBI Guidelines, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, etc., and these rejected applications will be reflected in the reconciliation and basis of Allotment as approved by the Designated Stock Exchange and specified in the physical book. As a result, a revised CAN may be sent to QIBs and the allocation of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. It is not necessary that a revised CAN will be sent. QIBs should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased Allotment of Equity Shares. The CAN will constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the QIB to pay the entire Issue Price for all the Equity Shares allocated to such QIB. The revised CAN, if issued, will supersede in entirety the earlier CAN.

Designated Date and Allotment of Equity Shares

(a) The Company will ensure that the Allotment of Equity Shares is done within 15 days of the Bid/Issue Closing Date. After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, the Company would ensure the credit to the successful Bidders depository account. Allotment of the Equity Shares to the allottees shall be within two working days of the date of Allotment.

(b) In accordance with the SEBI Guidelines, Equity Shares will be issued, and Allotment shall be made only in the dematerialised form to the allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/Allotted to them pursuant to this Issue.

BASIS OF ALLOTMENT

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.
- The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to 1,014,000 Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.
- If the aggregate demand in this category is greater than 1,014,000 Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of 10 Equity Shares. For the method of proportionate basis of Allotment, refer below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Issue size less Allotment to QIBs and Retail Portion shall be available for Allotment to Non-Institutional Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to 338,000 Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.
- In case the aggregate demand in this category is greater than 338,000 Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of 10 Equity Shares. For the method of proportionate Basis of Allotment refer below.

C. For QIBs

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all the QIB Bidders will be made at the Issue Price.
- The QIB Portion shall be available for Allotment to QIB Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- Allotment shall be undertaken in the following manner:

  (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion shall be determined as follows:

    (i) In the event that Mutual Fund Bids exceeds 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion.

    (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid bids received above the Issue Price.

    (iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;

(b) In the second instance Allotment to all QIBs shall be determined as follows:

(i) In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.

(ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.

(iii) Under-subscription below 5% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

- The aggregate Allotment to QIB Bidders shall not be less than 2,028,000 Equity Shares.

Illustration of Allotment to QIBs and Mutual Funds ("MF")

A. Issue Details

Sr. No.	Particulars	Issue details
1	Issue size	200 million equity shares
2	Allocation to QIB (60%)	120 million equity shares
	Of which:	
	a. Allocation to MF (5%)	6 million equity shares
	b. Balance for all QIBs including MFs	114 million equity shares
3	No. of QIB applicants	10
4	No. of shares applied for	500 million equity shares

A1-A5: (QIB bidders other than MFs), MF1-MF5 (QIB bidders which are Mutual Funds)

B. Details of QIB Bids

S.No.	Type of QIB bidders#	No. of shares bid for (in million)
1	A1	50
2	A2	20
3	A3	130
4	A4	50
5	A5	50
6	MF1	40
7	MF2	40
8	MF3	80
9	MF4	20
10	MF5	20
	Total	**500**

C. **Details of Allotment to QIB Bidders/ Applicants**

(Number of equity shares in million)

Type of QIB bidders	Shares bid for	Allocation of 6 million Equity Shares to MF proportionately (please see note 2 below)	Allocation of balance 114 million Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
(I)	(II)	(III)	(IV)	(V)
A1	50	0	11.40	0
A2	20	0	4.56	0
A3	130	0	29.64	0
A4	50	0	11.40	0
A5	50	0	11.40	0
MF1	40	1.2	9.12	10.32
MF2	40	1.2	9.12	10.32
MF3	80	2.4	18.24	20.64
MF4	20	0.6	4.56	5.16
MF5	20	0.6	4.56	5.16
	500	**6**	**114**	**51.64**

Please note:

1. The illustration presumes compliance with the requirements specified in this Red Herring Prospectus in the section titled "Issue Structure" beginning on page 399 of this Red Herring Prospectus.
2. Out of 120 million Equity Shares allocated to QIBs, 6 million (i.e. 5%) will be allocated on proportionate basis among 5 Mutual Fund applicants who applied for 200 shares in QIB category.
3. The balance 114 million Equity Shares (i.e. 120 - 6 (available for MFs)) will be allocated on proportionate basis among 10 QIB applicants who applied for 500 Equity Shares (including 5 MF applicants who applied for 200 Equity Shares).
4. The figures in the fourth column titled "Allocation of balance 114 million Equity Shares to QIBs proportionately" in the above illustration are arrived as under:
   - For QIBs other than Mutual Funds (A1 to A5)= No. of shares bid for (i.e. in column II) X 114 / 494
   - For Mutual Funds (MF1 to MF5)= [(No. of shares bid for (i.e. in column II of the table above) less Equity Shares allotted (i.e. column III of the table above)] X 114/494
   - The numerator and denominator for arriving at allocation of 114 million shares to the 10 QIBs are reduced by 6 million shares, which have already been Allotted to Mutual Funds in the manner specified in column III of the table above.

Method of Proportionate Basis of Allotment in the Issue

In the event of the Issue being over-subscribed, the Company shall finalise the basis of Allotment in consultation with the Designated Stock Exchange. The Executive Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLMs, and the Registrar to the Issue shall be responsible for ensuring that the basis of Allotment is finalised in a fair and proper manner.

The Allotment shall be made in multiples of 1 Equity Share subject to a minimum Allotment of 10 Equity Shares, on a proportionate basis as explained below:

a) Bidders will be categorised according to the number of Equity Shares applied for.

b) The total number of Equity Shares to be Allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.

c) Number of Equity Shares to be Allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.

d) In all Bids where the proportionate Allotment is less than 10 Equity Shares per Bidder, the Allotment shall be made as follows:

- The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and
- Each successful Bidder shall be Allotted a minimum of 10 Equity Shares.

e) If the proportionate Allotment to a Bidder is a number that is more than 10 but is not a multiple of one (which is the market lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower whole number. Allotment to all Bidders in such categories would be arrived at after such rounding off.

f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the Allotted shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

PAYMENT OF REFUND

Bidders must note that on the basis of name of the Bidders, Depository Participant's name, DP ID, Beneficiary Account Number provided by them in the Bid-cum-Application Form, the Registrar will obtain, from the Depositories, the Bidders' bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf. Hence Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Bidders' sole risk and neither the Company, the Registrar, Escrow Collection Bank(s), Bankers to the Issue nor the BRLMs shall be liable to compensate the Bidders for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

Mode of making refunds

The payment of refund, if any, would be done through various modes as given hereunder:

1. ECS – Payment of refund would be done through ECS for applicants having an account at any of the following fifteen centres: Ahmedabad, Bangalore, Bhubaneshwar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna and Thiruvananthapuram. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of the abovementioned fifteen centres, except where the applicant, being eligible, opts to receive refund through NEFT, direct credit or RTGS.

2. Direct Credit – Applicants having bank accounts with the Refund Banker(s), as mentioned in the Bid cum Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company.

3. RTGS – Applicants having a bank account at any of the abovementioned fifteen centres and whose refund amount exceeds Rs. 1 million, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to

receive refund through RTGS are required to provide the IFSC code in the Bid-cum-Application Form. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

4. NEFT (National Electronic Fund Transfer) – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency.

5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be despatched "under certificate of posting" for value up to Rs. 1,500 and through Speed Post/ Registered Post for refund orders of Rs. 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

The Company shall ensure dispatch of Allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchanges within two working days of date of Allotment of Equity Shares.

In case of applicants who receive refunds through ECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 15 days from the Bid/ Issue Closing Date. A suitable communication shall be sent to the bidders receiving refunds through this mode within 15 days of Bid/ Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

The Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue. The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within seven working days of Allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Guidelines, the Company further undertakes that:

- Allotment of Equity Shares shall be made only in dematerialised form within 15 (fifteen) days of the Bid/Issue Closing Date;
- Dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 15 (fifteen) days of the Bid/Issue Closing Date would be ensured; and
- The Company shall pay interest at 15% (fifteen) per annum for any delay beyond the 15 (fifteen)-day time period as mentioned above, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within the 15 (fifteen)-day time prescribed above as per the guidelines issued by the Government of India, Ministry of Finance pursuant to their letter No. F/8/S/79 dated July 31, 1983, as amended by their letter No. F/14/SE/85 dated September 27, 1985, addressed to the stock exchanges, and as further modified by SEBI's Clarification XXI dated October 27, 1997, with respect to the SEBI Guidelines.

UNDERTAKINGS BY OUR COMPANY

We undertake the following:

- That the complaints received in respect of this Issue shall be attended to by us expeditiously;

- That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within seven working days of finalisation of the basis of Allotment;
- That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Issuer.
- That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of the Bid/ Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.
- That the certificates of the securities/ refund orders to the non-resident Indians shall be despatched within specified time; and
- That no further issue of Equity Shares shall be made till the Equity Shares offered through this Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.

The Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

Utilisation of Issue proceeds

Our Board certify that:

- All monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;
- Details of all monies utilised out of Issue shall be disclosed under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilised;
- Details of all unutilised monies out of the Issue, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilised monies have been invested.

Withdrawal of the Issue

The Company in consultation with the BRLMs reserves the right not to proceed with the Issue at anytime including after the Bid/ Issue Opening Date, without assigning any reason thereof. In terms of the SEBI Guidelines, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

As per the provisions of Section 68B of the Companies Act, the Allotment of Equity Shares in this Issue shall be only in a dematerialised form, (i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among the Company, the respective Depositories and the Registrar to the Issue:

a) Agreement dated January 24, 2007 with NSDL, the Company and the Registrar to the Issue;

b) Agreement dated December 7, 2006 with CDSL, the Company and the Registrar to the Issue.

All Bidders can seek allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

a) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.

b) The Bidder must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's Identification Number) appearing in the Bid cum Application Form or Revision Form.

c) Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.

d) Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of jointholders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.

e) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected.

f) The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.

g) Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

h) The trading of the Equity Shares of the Company would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of bid form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, refund orders etc.

MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION OF ADVANTA INDIA LIMITED

Capitalized terms used in this section have the meaning that has been given to such terms in the Articles of Association of Advanta India Limited.

Pursuant to Schedule II of the Companies Act and the SEBI Guidelines, the main provisions of the Articles of Association of Advanta India Limited are set forth below:

PROHIBITION OF INVESTMENT OF FUNDS IN COMPANY'S OWN SHARES

Article 4 provide that "Except as provided by Section 77 of the Act, no part of the Funds of the Company shall be employed in the purchase of or in loans on the security of the shares of the Company."

ALLOTMENT OF SHARES

Article 6 provides that "Subject to the provision of the Act and these present, the shares in the capital of the Company shall be under the control of the Directors who may allot, or otherwise dispose of the same at such times and to such persons, either at a par or at a premium and in such manner and upon such terms and consideration as they may think proper.

PROVIDED THAT the option or right to call on shares shall not be given to any person except with the sanction of the Company in General Meeting."

FURTHER ISSUE OF SHARES

Article 7 provides that,

"1) The Board of Directors may at any time increase the subscribed capital of the Company by issue of new shares out of the unissued part of the authorised capital of the company. Subject to any directions to the contrary that may be given by the Company in General Meeting

(a) Such new shares shall be offered to such persons who, as at the date of the offer are holders of the equity shares of the Company, in proposition, as nearly as circumstances admit, to the capital paid-up on those shares at that date.

(b) The offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer it not accepted will be deemed to have been declined.

(c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice referred to in Article 6(b) shall contain a statement of this right.

(d) After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of .the Directors be conveniently offered under this article.

2) Notwithstanding anything contained in sub-clause (1) the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub-clause (1) hereof) in any manner whatsoever:

(a) If a special resolution to that effect is passed by the Company in General Meeting; or

(b) Where no such resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.

3) Nothing in clause (c) of clause (1) hereof shall be deemed:

(a) To extend the time within which the offer should be accepted; or

(b) To authorize any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

4) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debentures issued by the Company:

(i) To convert such debentures or loans into shares in the Company; or

(ii) To subscribe for shares in the Company

PROVIDED THAT the terms of issue of such debentures or the terms of such loans are in conformity with those stipulated under the proviso to sub-section 3 of section 81 (1A) of the Act."

Article 8 provides that,

1) The right attached to any class of shares (unless otherwise provided by the terms of the issue of the shares of the class) may, subject to the provisions of Sections 106 and 107 of that Act be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate General Meeting of the holders of the shares of that class. To every such separate General Meeting the provisions of these clauses relating to General Meeting shall mutatis mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class.

2) The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not unless otherwise expressly provided by the terms of the issue of the shares of the class be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

3) The Company shall not issue any shares (not being Preference Shares) which carry voting right or rights in the Company as to dividend, capital or otherwise which disproportionate to the rights attached to the holders of other shares not being Preference Shares."

POWER TO PAY COMMISSION

Article 9 provides that, "The Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in, debentures or debenture-stock of the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares in, debentures or debenture-stock of the Company but so that if the commission in respect of shares shall be paid or payable out of the capital, the statutory conditions and requirements shall be observed and complied with and the amount or rate of commission shall not exceed the rate of commission as may be prescribed by the Act or any Statutory or other regulations as may be in force from time to time. The commission may be paid or satisfied in cash or in shares, debenture or debenture-stock of the Company or partly in one way and partly in the other. In addition to the payment of commission, the Company can also pay on any issue of shares or debentures. Brokerage not exceeding such rate as may be prescribed."

LIABILITY OF JOINTHOLDERS OF SHARES

Article 10 provides that, "The joint-holders of a share or shares be severally as well as jointly liable for the payment of all instalments and calls due in respect of such share or shares."

TRUST NOT RECOGNISED

Article 11 provides that, "Save as otherwise provide by these Articles the Company shall be entitled to treat the registered holder of any shares or debentures as the absolute owner thereof and accordingly the Company shall not except as ordered by a Court of competent jurisdiction or by the statute be required or bound to recognise any equitable, contingent, future or partial interest, lien, pledge, or charge in any share or debenture or (except only as by these presents otherwise provided for) any other right in respect of any shares or debenture except an absolute right to the entirely thereof in the registered holder."

ISSUE OTHER THAN FOR CASH

Article 12 provides that, "The Directors may allot and issue shares in the capital of the Company as payment or part payment for any property sold or goods transferred or machinery or appliances supplied, or for services rendered or to be rendered to the Company in or about the formation or promotion of the Company or the acquisition and/or conduct of its business; and any shares which may be so allotted may be issued as fully paid-up shares, and if so issued, shall be deemed to be fully paid-up shares provided that the said power vested in the directors by this article shall not be exercised except by the unanimous consent of all the Directors and in the absence of such unanimity, with the previous sanction of a special resolution passed at a general meeting of the Company."

ISSUE OF SHARES AT A DISCOUNT

Article 13 provides that, "With the previous authority of the Company in general meeting and upon otherwise complying with Section 79 of the Act, the Board may issue at a discount shares of a class already issued."

ACCEPTANCE OF SHARES

Article 14 provides that, "An application signed by or on behalf of the applicant for shares in the Company, followed by an allotment of any shares therein, shall be acceptance of shares within the meeting of these articles and every person who thus or otherwise accepts any shares and whose name is on the register shall for the purpose of these Articles be a member."

DEBENTURES

Article 15 provides that, "Unless otherwise provided, the provisions of these Articles relating to Transfer and Transmission of Shares, Share Certificates, Lien, Calls and Forfeiture shall mutatis mutandis apply to Debentures."

SHARE CERTIFICATES

Article 16 provides that,

"(1) Every person whose name is entered as a member in the Register shall be entitled to receive without payment:

(a) One Certificate for all his shares; or

(b) Where the shares so allotted at any one time exceed the number of shares fixed as market lot in accordance with the usage of the Stock Exchange, at the request of the shareholder, several Certificates one each per marketable lot and one for the balance

(2) The Company shall within three months after the allotment and within two months after the application for the registration of the transfer of any shares complete and have ready for delivery, the Certificates for all the shares and debentures so allotted.

(3) Every Certificate shall be under the seal and shall specify the shares or debentures to which it relates and the amount paid-up thereon.

CERTIFICATE FOR JOINTHOLDERS

Article 17 provides that, "In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one Certificate for the same share or shares and the delivery of a Certificate for the share or shares to one of several jointholders shall be sufficient delivery to all such holders; subject as aforesaid, where more than one share is so held, the jointholders shall be entitled to apply jointly for the issue of several Certificates in accordance with Article 16 above.

ENDORSEMENT OF TRANSFER

Article 18 provides that, "In respect of any transfer of shares registered in accordance with the provisions of these Articles, the Board may, at their discretion, direct an endorsement of the transfer and the names of the transferee/s and other particulars, on the existing Share Certificate and authorise any Director or Officer of the Company to authenticate such endorsement on behalf of the Company or direct the issue of a fresh Share Certificate, in lieu of and in cancellation of the existing Certificate, in the name of the transferee/s.

LOST CERTIFICATE

Article 19 provides that, "If a Certificate is lost or destroyed, the Company may upon such evidence and proof of such loss or destruction, and such indemnity as the Board may require and on payment of such fee as may be prescribed, issue a duplicate Certificate. Any duplicate Certificate shall be marked as such."

SPLITTING AND CONSOLIDATION OF SHARE CERTIFICATE

Article 20 provides that, "Any person (whether the register holder of the shares or not) being in possession of any Share Certificate or Share Certificates for the time being, may surrender the said Share Certificate to the Company and apply to the Company for the issue of two or more fresh Share Certificates comprising the same shares bearing the same distinctive numbers as were comprised in the said Certificates and in such separate lots as he may desire, in lieu of such Share Certificates so surrendered, or for the consolidation of the shares comprised in such surrendered Certificates into one Certificate or if any Share Certificate is worn out or defaced or if there is no further space on the back of the Certificate for endorsements of transfers, for issue of a fresh Certificate in lieu of such Certificate, and the Directors may, at their discretion, in lieu of and in cancellation of Certificates so surrendered issue one or more such Share Certificates as the case may be in the name of the person or persons in whose name the Original Certificates stood and the new Certificates so issued shall be delivered to the person who surrendered the original Certificates or to his order."

ISSUE OF CERTIFICATES

Article 21 provides that,

"Every certificate shall be issued without the payment of fees if the Directors decide, or on the payment of such fees (not exceeding Rs. 2/- for each certificate) as the Directors shall prescribe.

PROVIDED THAT no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no space on the back thereof for endorsement of transfer.

PROVIDED THAT notwithstanding what is stated above the Directors shall comply with such rules or regulations or requirements of any Stock Exchange or the rules made under the Act or rules made under the Securities Contract (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.Every Certificate of title to the share or shares shall be issued only in accordance with the provisions of Companies (Issue of Share Certificates) Rules 1960 or any amendment thereof or any provision of law applicable thereto, for the time being in force."

COMPANY'S LIEN ON SHARES

Article 22 provides that, "The Company shall have a first and paramount lien upon all the shares other than fully paid shares registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for his debts liabilities and moneys due to the Company solely and jointly with any other person to or with the Company whether the period for the payment, fulfillment or discharge thereof shall have actually arrived or not and such lien shall extend to all dividends from time to time declared in respect of such shares. The Directors may, however, at any time declare any share to be wholly or partly exempt from the provisions of these articles. Unless otherwise agreed the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares."

CALLS

Article 25 provides that,

"1) Subject to the provisions of Section 91 of the Act, the Board of Directors may from time make such calls as they think fit upon the members in respect of all moneys unpaid on the shares held by them respectively and not by the conditions of allotment thereof, made payable at fixed times, and each member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board of Directors.

2) Not less than fourteen days notice of any call shall be given specifying the time and place of payment provided that before the time for payment of such call the Directors may notice in writing to the members extend the time for payment thereof.

3) If by their terms of any share or otherwise any amount is made payable at any fixed time or by instalments at fixed times whether on account of the shares or by way of premium every such amount or instalment shall be payable as it were a call duly made by the Directors and of which due notice had been given and all the provisions herein contained in respect of calls shall relate to such amount or instalment accordingly.

4) A call may be revoked or postponed at the discretion of the Board."

SUMS PAYABLE AT FIXED TIMES TO BE TREATED AS CALLS

Article 27 provides that, "The provisions of these regulations as to payment of interest shall apply in the case on nonpayment of any sum which, by the terms of issue of a share, become payable at a fixed time, whether on account of the amount of the share or by way of premium, as if the same had become payable by virtue of a call duly made and notified."

PAYMENT OF CALL IN ADVANCE

Article 28 provides that, "The Board, may, if they think fit, receive from any member willing to advance the same all or any part of the moneys uncalled and unpaid upon any shares held by him and upon all or any of the moneys so advanced may (until the same would, but for such advance become presently payable) pay interest at such rate (not exceeding without the sanction of the Company in General Meeting 21% per annum) as may be agreed upon between the members paying the sum in advance and the Directors but shall not in respect of such advances confer a right to the dividend or to participate in profits or to any voting rights. The Board may at any time repay the amount so advanced, upon giving to such member not less than one month notice in writing."

PARTIAL PAYMENT NOT TO PRECLUDE FORFEITURE

Article 29 provides that, "Neither a judgement nor a decree in favour of the Company for call or other moneys due in respect of any share nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time be due from any member in respect of any share either by way of principal or interest nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided."

LIABILITY OF JOINTHOLDERS OF SHARE

Article 31 provides that, "The jointholders of a share or shares shall be severally as well as jointly liable for the payment of all instalment and calls and interest and expenses, if any due in respect of such share or shares."

TRANSFER OF SHARES

Article 32 provides that,

"1) The instrument of transfer of any shares in the Company shall be executed both by the transferor and the transferee and the transferor shall be deemed to remain holder of the shares until the name of the transferee is entered in the register in respect thereof. The instrument of transfer shall be in respect of only one class of shares.

2) The Board shall not register an transfer of shares unless a proper instrument of transfer duly stamped and executed by the transferor and the transferee has been delivered to the Company along with the Certificate or if no such Certificate is in existence, along with the letter of allotment of shares and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares. Provided that where it is proved to the satisfaction of the Board that an instrument of transfer signed by the transferor and the transferee has been lost, the Company may, if the Board think fit, on an application in writing made by the transferee and bearing the stamp required on an instrument of transfer, register the transfer on such terms as to indemnity as the Board may think fit.

3) An application for the registration of the transfer of any share or shares may be made either by the transferor or the transferee; provided that where such application is made by the transferor, no registration shall in the case of partly paid shares be effected unless the Company gives notice of the application to the transferee. The Company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice, but subject to other provisions of these Articles relating to the transfer of shares enter in the Register the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.

4) For the purpose of Clause (1) notice to the transferee shall be deemed to have been duly given if despatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been delivered at the time at which it would have been delivered in the ordinary course of post.

5) Nothing in Clause (2) shall prejudice any power of the Board to register as a shareholder any person to whom the right to any share has been transmitted by operation of law.

6) Nothing in this Article shall prejudice the power of the Board to refuse to register the transfer of any shares to a transferee whether a member or not."

FORM OF TRANSFER

Article 33 provides that, "Shares in the Capital of the Company shall be transferred by an instrument of transfer in writing signed by the transferor and the transferee duly stamped and such instrument of transfer shall be in the prescribed form and shall in all respects comply with the provisions of Section 108 of the Companies Act and the Rules prescribed thereunder."

BOARD'S RIGHT TO REFUSE TO REGISTER

Article 34 provides that,

"1) Subject to the Provisions of Clause 32 and subject to the provisions of Section 111A of the Act the Board may at any time decline to register any transfer of or transmission of right to any shares whether fully paid-up or not and whether the transferee is a member of the Company or not and may also decline whether in pursuance of any power of the Company under these Articles of otherwise to register any transfer of shares on which the Company has a lien.

Provided further that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any person or persons indebted to the Company on any account whatsoever except in exercise of the lien on partly paid shares for arrears of calls thereon in terms of Article 22.

2) If the Board refuses to register transfer or transmission of right to, any shares they shall within one month from the date on which the instrument of transfer or the intimation of such transmission was delivered to the Company send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission as the case may be giving reasons for such refusal and where applicable, comply with the provisions of Section 22 A of the Securities Contracts (Regulation) Act.

3) In case of such refusal by the Board, the decision of the Board shall be subject to Section 111 A.

4) The provisions of this Clause shall apply to transfers of stock also."

TRANSFER FEE

Article 35 provides that, "No fee shall be charged by the Company for transfer of shares or transmission of shares or for registration of any Power of Attorney, Probates, Letters of Administration or similar documents or for issue of fresh Share Certificate in lieu of surrendered Certificates for consolidation, splitting or otherwise."

REGISTER OF MEMBERS

Article 36 provides that, "The Company shall keep one or more books to be called the "Register of Members" and therein shall be entered the particulars of shares required by the Act to be entered in such Register."

CLOSURE OF REGISTER OF MEMBERS AND REGISTER OF DEBENTUREHOLDERS

Article 38 provides that, "The Board may after giving not less than 7 days previous notice by advertisement in some newspaper circulating in the district in which the Registered Office of the Company is situated close the Register of Members or the Register of Debenture holders for any period or periods not exceeding in the aggregate 45 days in each year but not exceeding 30 days at any one time."

FORFEITURE OF SHARES

IF CALL OR INSTALLMENT NOT PAID, NOTICE MAY BE GIVEN

Article 43 provides that, "If a member fails to pay any call or instalment of a call on the day appointed for the payment thereof, the Director may at any time thereafter during such time as any part of such a call or instalment remains unpaid serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued. The Directors may accept in the name and for the benefit of the Company and upon such terms and conditions as may be agreed, the surrender of any shares liable to forfeiture and so far as the law permits of any other shares."

IF NOTICE NOT COMPLIED WITH SHARES MAY BE FORFEITED

Article 45 provides that, "If the requirement of any such notice as aforementioned are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares, and not actually paid before the forfeiture."

SALE OF FORFEITED SHARES

Article 47 provides that,

"1) A forfeited or surrendered share shall be deemed to be the property of the Company and may be sold or otherwise disposed of on such terms and in such manner as the Directors may think fit, and at any time before a sale or disposition, the forfeiture may be cancelled on such terms as the Directors may think fit.

2) Where any share is so sold or dispose of by the Board and the certificate in respect thereof is not delivered up to the Company by the former holder of such share the Board may issue a new certificate for such share distinguishing it in such manner as it may think fit from the certificate not so delivered up."

LIABILITY AFTER FORFEITURE

Article 48 provides that, "A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares; but shall, notwithstanding the forfeiture remain liable to pay and shall forthwith pay to the Company all moneys, which at the date of forfeiture were presently payable by him to the Company in respect of the shares, whether such claim be barred by limitation on the date of the forfeiture or not but his liability shall cease if and when the Company received payment in full of all such moneys in respect of the shares."

NON-PAYMENT OF SUMS PAYABLE AT FIXED TIMES

Article 50 provides that, "The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a share, become payable at a fixed time, whether on account of the amount of the share, or by way of premium or otherwise as if the same have been payable by virtue of a call duly made and notified."

CONVERSION OF SHARES INTO STOCK AND RE-CONVERSION

Article 52 provides that, "The Directors may, with the previous sanction of the Company in general meeting, convert all or any fully paid-up shares into stock and may with the like sanction re-convert any stock into fully paid-up shares of any determination."

ISSUE OF SHARE WARRANTS

Article 54 provides that,

"1) The Company may issue share warrants subject to and in accordance with provisions of Section 114 and 115 and accordingly, the Board may in their discretion, with respect to any share which is fully paid-up, on application in writing signed by the person registered as holder of the share and authenticated by such evidence, if any, as the Board may, from time to time, require as to the identity of the person signing the application and on receiving the Certificate, if any of the share, and the amount is the stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant and may provide by coupons or otherwise for the payments of the future dividends on the shares specified in the share warrant.

2) A share warrant shall entitle the bearer to the shares included in it and the shares shall be transferred by the delivery of the share warrant and the provisions of the Articles of the Company with respect to transfer and transmission of shares shall not apply thereto.

3) The bearer of a share warrant shall, on surrender of the warrant to the Company for cancellation and on payment of such fee as the Board may from time to time prescribe, be entitled to have his name entered as a member in the Registrar of Members in respect of the shares included in the warrant."

POWER TO INCREASE OR REDUCE CAPITAL

Article 60 provides that,

"1) The Company in general meeting may from time to time alter the conditions of its Memorandum of Association as follows:

a) increase its share capital by such amount as it thinks expedient by issuing new shares:

b) consolidate and sub-divide all or any of its share capital into shares of larger amount than its existing shares:

c) convert all or any of its fully paid-up shares into stock, and re-convert that stock into fully paid-up shares of any denomination:

d) sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum, so however that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced shares shall be the same as it was in the case of the shares from which the reduced share is derived:

e) cancel shares, which at the time of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

2) The Resolution whereby any share is sub-divided may determine may determine that, as between the holders of the shares resulting from such sub-division one or more of such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the others."

ON WHAT CONDITIONS NEW SHARES MAY BE ISSUED

Article 61 provides that, "Except so far as otherwise provided by the conditions of issue or by these Articles, the new shares shall be subject to the same provisions with reference to the payment of calls, lien, transfer, transmission, forfeiture and otherwise as the shares in the original share capital.

REDUCTION OF CAPITAL ETC. BY COMPANY

Article 62 provides that, "The Company may by special resolution reduce in any manner and with and subject to any incident authorized and consent required by law:

a) its share capital;

b) any Capital Redemption Fund; or

c) any Share Premium Account.

ANNUAL GENERAL MEETING

Article 64 provides that,

"1) The Company shall in each year, hold in addition to any other General Meetings, a General Meeting which shall be called as its Annual General Meeting at intervals and in accordance with the provisions specified below:

a) Every Annual General Meeting shall be held within six months after the expiry of each financial year of the Company and not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next.

b) The Company may holds its first Annual General Meeting within a period not more than eighteen months from the date of incorporation; and if such a meeting is held within that period, it shall not be necessary for the Company to hold any Annual General Meeting in the year of its incorporation or in the following year. Subject however, to the power of the Registrar of Companies to extend the time by a period not exceeding three months within which such a meeting (not being the first Annual General Meeting) can be held.

c) Every Annual General Meeting shall be called for at a time during business hours on a day that is not a public holiday and shall be held either at the Registered Office of the Company or at some other place within the city, town or village in which the Registered Office of the Company is situate, and the notice calling such meeting shall specify it as the Annual General Meeting.

Provided, however the Company may by resolution passed in one Annual General Meeting fix the time for its subsequent Annual General Meetings."

2) All other General Meetings shall be referred to as Extraordinary General Meetings."

Article 65 provides that, "Extraordinary General Meetings may be held either at the Registered Office of the Company or at such convenient place as the Board of Directors or the Managing Directors (subject to any direction of the Board of Directors) may deem fit.

QUORUM

Article 70 provides that, "Five members entitled to be present and present in person shall be a quorum for a General Meeting and no business shall be transacted at any general meeting unless the requisite quorum is present at the commencement of the business."

QUESTIONS AT GENERAL MEETING HOW DECIDED

Article 75 provides that, "At any general meeting a resolution put to vote at the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded in accordance with the provisions of Section 179 of the Act. Unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried unanimously, or by a particular majority, or lost and an entry to that effect in the books of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution."

VOTES

Article 79 provides that, "Every member of the Company holding any Equity Shares shall have a right to vote in respect of such shares on every resolution placed before the meeting. On a show of hands, every such member present in person shall have one vote. On a poll, his voting right in respect of such shares shall be in proportion to his share of the paid-up Equity Capital of the Company."

JOINTHOLDERS

Article 82 provides that, "In the case of jointholders, the vote of the first named of such jointholders who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the votes of the other jointholders."

NO MEMBER ENTITLED TO VOTE WHILE CALL DUE TO COMPANY

Article 84 provides that, "No member shall be entitled to vote either personally or by proxy, at any general meeting in respect of any shares registered in his name unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has and has exercised any right of lien."

REMUNERATION OF DIRECTORS

Article 92 provides that, "Every Director (including the ex-officio Director) shall be paid a sitting fee of such sum and subject to the ceiling as may be prescribed by the Central Government from time to time for each meeting of the Board of Directors or of any Committee thereof attended by him and shall be paid in addition thereto all travelling, hotel and other expenses properly incurred by him in attending and returning from meetings of the Board of Directors or of any Committee thereof or General Meetings of the Company or in connection with the business of the Company to and from any place. The Board may, from time to time, decide quantum of sitting fees payable to a Director for attendance at the Board Meeting or of any Committee thereof within the overall maximum limits prescribed apart from travelling and other expenses."

DIRECTOR AND MANAGING DIRECTOR MAY CONTRACT WITH COMPANY

Article 100 provides that, "Subject to the Provisions of the Act, the Directors and the Managing Director shall not be disqualified by reason of their office as such from contracting with the Company either as Vendor, Purchaser, Lender, Agent, Broker or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company with any Director or the Managing Director or with any company or partnership of or in which any Director or the Managing Director shall be member or otherwise interested be avoided, nor shall any Director or the Managing Director so contracting or being such member or so interested be liable to account to the Company for any profit realized by such contract or arrangement by reason only of such Director or the Managing Director holding that office or of the fiduciary relation thereby established but the nature of the interest must be disclosed by him or them at the meeting of the Directors at which the contract or arrangement is determined, if the interest then exists of in any other case at the first meeting of the Directors after the acquisition of the interest. Provided nevertheless that no Director shall vote as a Director in respect of any contract or arrangement in which he is so interested so aforesaid and if he does so, his vote shall not be counted but he shall be entitled to be present at the meeting during the transaction of the business in relation to which he is precluded from voting although he shall not be counted for the purpose of ascertaining whether there is quorum of Directors present. This proviso shall not apply to any contract by or on behalf of the Company to give to the Directors or the Managing Director or any of them any security by way of indemnity against any loss which they or any of them suffer by becoming sureties for the Company. A general notice that the Managing Director or any Director is a Director or a member of any specified company or is a member of any specified firm and is to be regarded as interested in any subsequent transaction with such company or firm shall as regards any such transaction be sufficient disclosure under this article and after such general notice it shall not be necessary to give any special notice relating to any particular transaction with such company or firm."

POWER TO BORROW

Article 126 provides that, "The Board of Directors may from time to time but with such consent of the Company in General Meeting as may be required under Section 293 of the Act, by resolution passed at a Meeting of the Board raise any money or any moneys or sums of money for the purpose of the Company; provided that the moneys to be borrowed together with money already borrowed by the Company apart from temporary loans obtained from the Company's bankers in the ordinary course of business shall not without the sanction of the Company at a General Meeting exceed the aggregate of the said paid-up capital of the Company and its free reserves that is to say reserves not set apart for any specific purposes and in particular, but subject to the Provisions of Section 293 the Board may from time to time at their discretion raise or borrow or secure the payment of any sum or sums of money for the purpose of the Company, at such times and in payment of any sum or sums of money for the purpose of the Company, at such times and in such manner and upon such terms and conditions as they fit by the issue of debentures, perpetual or otherwise including debenture convertible into shares of this or any other Company or perpetual annuities, debenture stock, by Promissory Notes, or by opening current accounts, or by receiving deposits and advances with or without security, or by issue of bonds and in security of any such money so borrowed, raised or received, to mortgage, pledge or charge, the whole or any part of the undertaking property, rights assets or revenue of the Company present and future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may be expedient and to purchase, redeem or pay off any such securities.

Provided that the Directors may by resolution at a meeting of the Board delegate the power to borrow money otherwise than on debentures to a Committee of Directors or the Managing Director subject to limits up to which the money may be so borrowed as may be specified in the said resolution."

ISSUE AT DISCOUNT, ETC. OR WITH SPECIAL PRIVILEGES

Article 129 provides that, "Any bonds, mortgages debentures, debenture-stock or other securities may be issue at a discount, premium or otherwise or with any special privileges as to assignment, redemption, surrender, drawing or in exchange or allotment of shares or otherwise, and any debenture or debenture-stock created by the Company may be so framed that the same shall be assignable free from any equities between the Company and the original or any intermediate holders."

APPLICATION OF PROFIT

Article 143 provides that, "The profit of the Company, subject to any special right relating thereto created or authorised to be created by these present, and subject to the provisions of these present as to the Reserve Fund, shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively."

DECLARATION OF DIVIDEND

Article 144 provides that, "The Company in General Meeting may declare dividend but no dividend shall exceed the amount recommended by the Board."

INTERIM DIVIDEND

Article 145 provides that, "The Board may from time to time pay to the members such interim dividends as appear to them to be justified by the profits of the Company.

DIVIDEND TO BE PAID OUT OF PROFITS ONLY

Article 146 provides that, "No dividend shall be payable except out of the profits of the year or any other undistributed profits except as provided by Section 205 and 208."

METHOD OF PAYMENT DIVIDEND

Article 148 provides that,

"1) Subject to the rights of persons if any entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amount paid-up or credited as paid-up on the shares in respect whereof the dividend is paid.

2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purpose of these regulations as paid on the share.

3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly."

WINDING UP

Article 183 provides that, "If the Company shall be wound up and the assets available for distribution amongst members as such shall be insufficient to repay the whole of the paid-up capital or capital deemed to be paid-up, such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid-up or deemed to be paid-up at the commencement of the winding up, on the shares held by them respectively; and if in a winding up the assets available for distribution amongst the members shall be more than sufficient to repay the whole of the capital paid-up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital paid-up or deemed to be paid-up at the commencement of the winding up on the shares held by them respectively. Where capital is paid-up on any shares in advance of calls upon the footing that the same shall carry interest, such capital shall be excluded and shall be repayable in full before any distribution is made on the paid-up capital or capital deemed to be paid-up together with interest at the rate agreed upon. The provisions of this article shall be subject to any special rights or liabilities attached to any special class of shares forming part of the capital of the Company."

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These contracts, copies of which have been attached to the copy of this Red Herring Prospectus, delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our from our Company between 10.00 am to 4.00 pm on working days from the date of this Red Herring Prospectus until the Bid Closing Date/Issue Closing Date.

Material Contracts

1. Engagement Letters for appointment of YES Bank, UBS and SSKI as BRLMs.
2. Memorandum of Understanding amongst our Company and the BRLMs.
3. Memorandum of Understanding executed by our Company and the Registrar to the Issue.

Material Documents

1. Pre-Issue Placement Subscription Agreements and Agreements to Sell.
2. Business transfer agreement dated April 26, 2006.
3. Agreement dated June 6, 2006 between the Company and V.R. Kaundinya, Managing Director
4. Certified true copies of the Memorandum and Articles of Association of the Company as amended from time to time.
5. Shareholders' resolution dated September 20, 2006 in relation to this Issue and other related matters.
6. Resolutions of the Board of Directors dated September 13, 2006 in relation to this Issue and other related matters.
7. Reports of the statutory Auditors dated September 28, 2006 prepared as per Indian GAAP and mentioned in this Red Herring Prospectus, and consents of the Auditor, for inclusion of their report on accounts in the form and context in which they appear in this Red Herring Prospectus.
8. Consents of BRLMs, Syndicate Member, Registrar to the Issue, Escrow Collection Bank(s)/ Banker to the Issue, Domestic Legal Counsel to the Company, International Legal Counsel to the Underwriters, Directors, Company Secretary and Compliance Officer, as referred to, in their respective capacities.
9. Initial listing applications dated October 4, 2006 filed with NSE and BSE.
10. In-principle listing approvals dated November 27, 2006 and November 16, 2006 from NSE and BSE, respectively.
11. Tripartite agreement between NSDL, our Company and the Registrar to the Issue.
12. Tripartite agreement between CDSL, our Company and the Registrar to the Issue.
13. Due diligence certificate dated September 28, 2006 to SEBI from YES Bank, UBS and SSKI.
14. SEBI observation letter No. CFD/DIL/SM/ISSUES/86583/2007 dated February 15, 2007.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in the interest of the Company or if required by the other parties, without reference to the shareholders subject to compliance of the applicable laws.

DECLARATION

We, the Directors of the Company, hereby declare that all relevant provisions of the Companies Act, 1956 and the guidelines issued by the Government or the guidelines issued by the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956 or the Securities and Exchange Board of India Act, 1992 or rules made thereunder or guidelines issued, as the case may be. We further certify that all the statements in this Red Herring Prospectus are true and fair.

SIGNED BY THE DIRECTORS OF THE COMPANY

Mr. Jai R Shroff
Chairman

Mr. Vikram R Shroff

Mr. V R Kaundinya
Managing Director

Hardeep Singh

Dr. Vasant P. Gandhi

Mr. Vinod Sethi

SIGNED BY THE CHIEF FINANCIAL OFFICER

Mr. K Suresh

Date: March 14, 2007

Place: Mumbai