

**13th**  
**A n n u a l R e p o r t**  
**2 0 0 2 - 2 0 0 3**

**H i n d u s t a n**  
**Agrigenetics Limited**

*Hybrid Seeds · Tissue Culture · Floriculture*

## Hindustan Agrigenetics Limited

### BOARD OF DIRECTORS

Shri Pritam Kapur  
Shri S.V.R. Rao  
Shri C. P. Rajendran

### AUDITORS

R. K. Gulati & Associates  
Chartered Accountants  
New Delhi

### BANKERS

State Bank of Hyderabad

### REGISTRARS

Karvy Consultants Ltd.  
25, Business Park,  
Shivaji Marg,  
New Delhi-110015

### REGISTERED OFFICE

806, Meghdoot  
94, Nehru Place,  
New Delhi-110019

### PLANT

19/D, Gundla Pochampally  
Via Hakimpet  
Secundrabad-500 014

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**NOTICE OF GENERAL MEETING**

**NOTICE** is hereby given that the 13th Annual General Meeting of the company will be held on Tuesday, the 30th September, 2003 at 3.00 P.M. at the registered office at 806, Meghdoot, 94, Nehru Place, New Delhi-110019 to transact the following business as ordinary business :

1. To receive, consider and adopt the audited annual balance sheet of the company as at 31st March, 2003 together with the reports of the Auditors and the Directors thereon.
2. To appoint a director in place of Shri C. P. Rajendran, who retires by rotation but is eligible for re-appointment.
3. To appoint the auditors. The retiring auditors of the company, M/s R. K. Gulati & Associates, Chartered Accountants, New Delhi are eligible for re-appointment.

By Order of the Board

**Place :** New Delhi  
**Dated :** 27/08/2003

(Pritam Kapur)  
Managing Director

**NOTE :**

1. A member entitled to attend and vote may appoint a proxy instead of himself/herself and such a proxy need not be a member. Proxy forms in order to be effective must be lodged with the company 48 hours before the meeting.
2. Members are requested to notify their change of address, if any, to the company atleast 10 days before the annual general meeting.
4. Members are requested to bring their copy of Annual Report at the meeting as extra copies will not be available.

**DIRECTORS' REPORT**

Dear Members,

Your directors take pleasure in presenting you this 13th report together with the audited statements of account for the financial year ended on 31st March, 2003.

**A. Financial Results**

The year under report has been closed with a net loss of Rs. 3.68 Lacs on account of establishment expenses, which loss amount together with the brought forward losses of Rs. 788.25 Lacs of the previous years thus totalling to Rs. 791.93 Lacs has been transferred to the current annual balance sheet. As a result, the net owned funds by way of Share Capital of Rs. 440.02 Lacs and secured loans of Rs. 407.55 Lacs, thus totalling to Rs. 847.57 Lacs stand almost eroded at the close of the financial year.

**B. Operations**

As reported in the previous year, the Works at Gundla Pochampally, Hyderabad remain inoperative for almost three years now with services of all workers terminated. As against cash credit limits with accumulated interest of Rs. 246.62 lacs and term loan with accumulated interest of Rs. 159.32 Lacs availed from State Bank of Hyderabad, the said bank has moved an application to Debt Recovery Tribunal at Hyderabad and accordingly the recovery proceedings thereto are in progress. The company accordingly has not accounted for any interest to those loan amounts during the current year.

**C. Observation of Auditors**

The observations of the auditors are well explained in the Notes on Account forming part of the annual balance sheet.

**D. Directors Responsibility Statement**

With business operations remaining inoperative for almost three years now, recovery of outstanding debts was found to be impossible and to account for the value of old stocks were not practicable because of their perishable nature and with numerous unnoticed claims rising up, maintenance of the books of account on a going concern basis so as that to depict the actual value of the assets of the company was found practically not possible.

**E. Directors**

Shri C. P. Rajendran is retiring by rotation but is eligible for re-appointment.

**F. Auditors**

The retiring auditors, M/s R. K. Gulati & Associates, Chartered Accountants, New Delhi are eligible for re-appointment.

**G. Personnel**

The company during the period under report did not have any persons on its rolls with an annual remuneration of Rs. 6,00,000/- or above or if employed part of the year with a remuneration of Rs. 50,000/- or above per month.

**H. Energy Conservation, Technology absorption etc.**

Since the business activities of the company remain inoperative, the matters to be reported on energy conservation, technology absorption and the other matters under the Companies (disclosure of particulars in the report of Board of Directors) Rules, 1988 are uncalled for.

**I. Acknowledgement**

At the end your directors wish to place on record their gratitude and appreciation to all who have associated with the affairs of the company.

By Order of the Board

**Place :** New Delhi

**(C.P. RAJENDRAN)**

**(PRITAM KAPUR)**

**Dated :** 27-08-2003

**Director**

**Managing Director**

**AUDITORS' REPORT  
TO THE MEMBERS OF HINDUSTAN AGRIGENETICS LIMITED**

**To  
The Shareholders of  
M/S HINDUSTAN AGRIGENETICS LIMITED.  
NEW DELHI**

- (1) I have audited the attached Balance Sheet of **M/S HINDUSTAN AGRIGENETICS LIMITED**, as at March 31,2003 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.
- (2) I conducted my audit in accordance with Auditing standards generally accepted in India. Those Standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. 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. I believe that my audit provides a reasonable basis for my opinion.
- (3) I have obtained all the information and explanation, which to the best of my knowledge and belief were necessary for the purpose of my audit;
- (4) In my opinion, proper books of account as required by law have been kept by the Company so far as it appears from my examination of those books and aforementioned Balance Sheet and Profit and Loss Account dealt with by this report are in agreement therewith.
- (5) In my opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- (6) On the basis of written representations received from the directors, I report that none of the directors is disqualified as

## Hindustan Agrigenetics Limited

on March 31, 2003 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

- (7) In my opinion and to the best of my information and according to the explanations given to me, the said accounts read together with significant accounting policies and Notes on accounts in schedule No. 18 and those appearing elsewhere in the accounts give, the informations required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2003; and
  - (b) in the case of the Profit and loss Account, of the Loss for the year ended on that date.

Disclosure of segmented performance and assets in terms of AS-17

-Deferred Tax asset has not been recognized since the company is not likely to make taxable profits in the near future.

-Failure to provide for gratuity and other retirement benefits to employees in terms of AS-15.

- (8) As required by the manufacturing and other companies (Auditor's report) order 1988 (as amended) in terms of section 227(2A) of the companies act, 1956 and in terms of the information and explanation given to me and on the basis of audit of books as I considered appropriate, I further report that:-
- (i) The Company has maintained proper records showing full particulars, including quantitative details and the situation of its fixed assets. A major portion of fixed assets have been physically verified by the management during the year. In my opinion, the frequency of verification of fixed assets by the management is reasonable, having regard to the size of the Company and the nature of its assets. The discrepancies noticed on physical verification were not materials and the same have been properly dealt in the books of account.
  - (ii) None of the fixed assets of the Company have been revalued during the year.

## Hindustan Agrigenetics Limited

- (iii) The stocks of finished goods, stores, spare parts and raw materials other than with the third parties have been physically verified by the management at reasonable intervals. Stock lying with the third parties and in transit have been verified by the management with reference to confirmations received.
- (iv) In my opinion and according to the information and explanations given to me, the procedures for physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (v) The discrepancies between the physical stocks and the book stocks which have been properly dealt with in the books of accounts, were not material.
- (vi) In my opinion, the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles, and is on the same basis as in the preceding year.
- (vii) According to information and explanation given to me, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. I have been informed that there are no companies under the same management as defined under Section 370(1-B) of the Companies Act, 1956. In terms of subsection 6 of the section 370 of the Companies Act 1956, provisions of the section are no longer applicable to the Company on or after the Commencement of the Companies (Amendment) Act 1999 of India.
- (viii) According to information and explanations given to me, the Company has not granted any unsecured interest free/interest-bearing loans to its subsidiaries and to companies which are listed in the register maintained under Section 301 of the Companies Act, 1956. The terms and conditions of such loans are, prima facie, not prejudicial to the interest of the Company. In terms of subsection 6 of the section 370 of the Companies Act 1956, provisions of the section are no longer applicable to the Company on or after the Commencement of the Companies (Amendment) Act 1999 of India.



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- (ix) In respect of loans and advances in the nature of loans not given by the Company, the parties/employees have generally repaid regularly the principal amount and interest as per terms, wherever stipulated.
- (x) The Company has adequate internal control procedures commensurate with its size and nature of its business for the purchase of stores, raw materials including components, plant and machinery, equipment and other assets and for the sale of goods.
- (xi) The transactions for purchase of goods and materials and sale of goods, materials and services, made in pursuance of contracts or agreements entered in the register maintained under Section 301 of the Companies Act, 1956, as aggregating during the year to Rs. 50,000/- or more in respect of each party, have been made at prices which are generally reasonable having regard to prevailing market prices for such goods, materials, or services or the prices at which transactions for similar goods or services have been made with other parties.
- (xii) As explained to me, the Company has a regular procedure for determination of unserviceable or damaged stores and raw material. In my opinion, adequate provision has been made in the accounts for the estimated loss on the items so determined.
- (xiii) The Company has not accepted any public deposits to which the provisions of 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 are applicable.
- (xiv) In my opinion, the Company has maintained reasonable records for the sale and disposal of realisable by-products and scrap.
- (xv) In my opinion, the Company audit is generally commensurate with its size and nature of its business.
- (xvi) As explained to me, the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 have not been prescribed for the products of the company.
- (xvii) The Company has been generally regular in depositing Provident Fund and Employees State Insurance dues with

the appropriate authorities, except that in a few cases there were minor delays in depositing the dues.

- (xviii) There are no undisputed amounts in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty which, as at the Balance Sheet date, were outstanding for a period of more than six months from the date they became payable.
- (xix) On the basis of my examination of the books of account and the information and explanations given to me, I have not come across any personal expenses which have been charged to the revenue account other than those incurred in terms of contractual obligations or in accordance with generally accepted business practices followed in India, nor have been informed of such a case by management.
- (xx) The Company is not a sick industrial company within the meaning of Section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985.

**for R.K.GULATI & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

**PLACE : NEW DELHI**  
**DATED : 27.08.2003**

**(RAKESH GULATI)**  
**PROPRIETOR**

# Hindustan Agrigenetics Limited

Hindustan Agrigenetics Limited  
94, Nehru Place,  
New Delhi-110019

## BALANCE SHEET AS AT 31ST MARCH, 2003

		As At 31.3.2003 Rs.	As At 31.3.2002 Rs.
<b><u>SOURCE OF FUND</u></b>			
SHARE CAPITAL	1	44,002,000.00	44,002,000.00
SECURED LOANS	2	40,754,645.14	40,754,645.14
		<u>84,756,645.14</u>	<u>84,756,645.14</u>
<b><u>APPLICATION OF FUNDS</u></b>			
FIXED ASSETS (NET BLOCK)	3	24,711,548.97	26,443,536.97
<b><u>CURRENT ASSETS, LOANS AND ADVANCES</u></b>			
SUNDRY DEBTORS	4	-	-
CASH & BANK BALANCES	5	185,786.60	246,251.31
OTHER CURRENT ASSETS	6	1,180,840.01	1,156,118.01
LOANS & ADVANCES	7	93,659.97	38,959.44
		<u>1,460,286.58</u>	<u>1,441,328.76</u>
LESS : CURRENT LIABILITIES & PROVISION	8	<u>22,025,811.83</u>	<u>23,370,877.30</u>
NET CURRENT ASSETS		(20,565,525.25)	(21,929,648.54)
PROFIT & LOSS A/C		79,193,322.89	78,825,458.18
MISC. EXPENSES TO THE EXTENT NOT WRITTEN OFF	9	1,417,198.53	1,417,198.53
		<u>84,768,845.14</u>	<u>84,768,845.14</u>

In terms of our report of even date  
for **R.K.GULATI & ASSOCIATES**  
Chartered Accountants

( RAKESH GULATI )  
PROPRIETOR

on behalf of the Board of Directors

PLACE: DELHI  
DATED: 27th AUGUST, 2003

(PRITAM KAPUR) (C. P. RAJENDRAN)  
DIRECTOR DIRECTOR

**Hindustan Agrigenetics Limited**

**Hindustan Agrigenetics Limited**  
 94, Nehru Place,  
 New Delhi-110019

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2003**

SCHEDULES	For the Period ended 31.3.2003 Rs.	For the Period ended 31.3.2002 Rs.
<b>INCOME:</b>	<b>13,804.00</b>	-
NET TURNOVER	-	1,704,211.65
OTHER INCOME	-	4,400.35
	<u>13,804.00</u>	<u>1,708,612.00</u>
<b>EXPENDITURE:</b>		
MATERIALS CONSUMED	-	3,412,830.00
ADMINISTRATIVE EXPENSES	10 <b>381,668.71</b>	405,201.90
SELLING & DISTRIBUTION	11 -	3,090,261.26
	<u>381,668.71</u>	<u>6,908,293.16</u>
<b>PROFIT BEFORE INTEREST &amp; DEPRECIATION</b>	<b>(367,864.71)</b>	(5,199,681.16)
INTEREST	12 -	2,293.00
DEPRECIATION	13 -	3,055,315.00
PRELIMINARY EXPENSES, RESEARCH AND DEVELOPMENT EXPENDITURE	14 -	618,957.00
	<u>(367,864.71)</u>	<u>3,676,565.00</u>
PROFIT/(LOSS) FOR THE YEAR EXTRAORDINARY ITEM (Refer Note)	<b>(367,864.71)</b>	(8,876,246.18)
	-	185,587.00
PROFIT/(LOSS) AFTER TAX INCOME TAX EXCESS PROVIDED	<b>(367,864.71)</b>	(9,061,833.18)
EARLIER YEARS	-	231,954.00
PROFIT/(LOSS)B/F FROM PREVIOUS YEAR	<b>(78,825,458.18)</b>	(89,995,579.00)
LOSS CARRIED TO THE BALANCE SHEET	<b>(79,193,322.89)</b>	(78,825,458.18)

In terms of our report of even date  
 for **R.K.GULATI & ASSOCIATES**  
 Chartered Accountants

( RAKESH GULATI )  
 PROPRIETOR

on behalf of the Board of Directors

**PLACE:** DELHI  
**DATED:** 27th AUGUST, 2003

(PRITAM KAPUR)  
 DIRECTOR

(C. P. RAJENDRAN)  
 DIRECTOR

# Hindustan Agrigenetics Limited

Hindustan Agrigenetics Limited  
94, Nehru Place,  
New Delhi-110019

## SCHEDULES TO BALANCE SHEET FOR THE PERIOD ENDED 31-03-2003

### SCHEDULE 1 : SHARE CAPITAL

	As At 31.3.2003	As At 31.3.2002
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#### **AUTHORISED**

50,00,000 EQUITY SHARE OF Rs. 10/- EACH	50,000,000.00	50,000,000.00
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#### **ISSUED**

44,00,200 EQUITY SHARE OF Rs. 10/- EACH	44,002,000.00	44,002,000.00
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#### **SUBSCRIBED AND PAID UP**

44,00,200 EQUITY SHARE OF Rs. 10/- EACH	44,002,000.00	44,002,000.00
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TOTAL	44,002,000.00	44,002,000.00
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### SCHEDULE 2 : SECURED LOANS

	As At 31.3.2003	As At 31.3.2002
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CASH CREDIT FROM STATE BANK OF HYDERABAD TERM LOAN FROM STATE BANK OF HYDERABAD	24,661,545.74	24,661,545.74
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CHENAI FINANCE CO. LTD.	15,932,041.00	15,932,041.00
	161,085.40	161,085.40

TOTAL	40,754,672.14	40,754,672.14
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### SCHEDULE 4 : SUNDRY DEBTORS - UNSECURED

	As At 31.3.2003	As At 31.3.2002
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CONSIDERED GOOD MORE THAN 6 MONTHS	-	-
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OTHERS CONSIDERED DOUBTFUL : MORE THAN 6 MONTHS	1,944,487.90	1,944,487.90
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OTHERS LESS: DOUBTFUL DEBTS PROVIDED	(1,944,487.90)	(1,944,487.90)
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TOTAL	NIL	NIL
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### SCHEDULE 5 : CASH & BANK BALANCES

	As At 31.3.2003	As At 31.3.2002
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CASH IN HAND	2,790.65	4,054.36
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BALANCE WITH BANKS IN CURRENT ACCOUNT	36,203.95	95,404.95
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IN DEPOSIT ACCOUNT	-	-
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SHARE APPLICATION MONEY IN REFUND ACCOUNT	146,792.00	146,792.00
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TOTAL	185,786.60	246,251.31
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## Hindustan Agrigenetics Limited

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<b>SCHEDULE 6 : OTHER CURRENT ASSETS</b>	<b>As At 31.3.2003</b>	<b>As At 31.3.2002</b>
DEPOSITS-OTHERS	743,704.00	743,704.00
TAX DEDUCTED AT SOURCE RECEIVABLE	-	-
H. P. INTEREST SUSPENSE	50,732.75	50,732.75
SALES TAX	386,403.26	361,681.26
<b>TOTAL</b>	<b>1,180,840.01</b>	<b>1,156,118.01</b>

<b>SCHEDULE 7 : LOANS &amp; ADVANCES UNSECURED RECOVERABLE</b>	<b>As At 31.3.2003</b>	<b>As At 31.3.2002</b>
CONSIDERED GOOD		
ROYALTY RECOVERABLE	-	-
CONSIDERED DOUBTFUL		
ADVANCES TO GROWERS & SUPPLIERS	93,659.97	1,184,056.83
ADVANCES TO EMPLOYEES	-	420,860.93
Less : Provision for doubtful debts	-	(1,565,958.32)
<b>TOTAL</b>	<b>93,659.97</b>	<b>38,959.44</b>

<b>SCHEDULE 8 : CURRENT LIABILITIES &amp; PROVISIONS</b>	<b>As At 31.3.2003</b>	<b>As At 31.3.2002</b>
SUNDRY CREDITORS		
FARMERS & OTHERS FOR GOODS	10,763,904.79	10,763,904.79
FOR EXPENSES	4,055,625.50	4,055,625.50
ADVANCE BOOKED FROM CUSTOMERS	4,802,825.32	2,906,280.00
DEALER DEPOSITS	895,000.00	895,000.00
SHARE APPLICATION MONEY REFUND A/C	153,692.00	153,692.00
TAX DEDUCTED AT SOURCE PAYABLE	33,207.74	33,207.74
OTHER LIABILITIES	1,321,556.48	4,552,104.39
<b>TOTAL</b>	<b>22,025,811.83</b>	<b>23,360,877.30</b>

### SCHEDULE 9 : MISCELLANEOUS EXPENSES

to the extent not written off, or adjusted	<b>BALANCE AS AT 31.3.2003</b>	<b>INCURRED DURING THE YEAR</b>	<b>AMOUNT WRITTEN OFF</b>	<b>AS ON 01.04.2002</b>
RESEARCH & DEVELOPMENT EXPENSES	692,580.93	-	-	692,580.93
PRELIMINARY EXPENSES	13,630.40	-	-	13,630.40
SHARE ISSUE EXPENSES	710,987.20	-	-	710,987.20
<b>TOTAL</b>	<b>1,417,198.53</b>	<b>-</b>	<b>-</b>	<b>1,417,198.53</b>

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Hindustan Agrigenetics Limited  
94, Nehru Place,  
New Delhi-110019

<b>SCHEDULE 10 : ADMINISTRATIVE EXPENSES</b>	<b>As At 31.3.2003</b>	<b>As At 31.3.2002</b>
SALARIES	-	95,173.00
STAFF WELFARE	<b>47,890.00</b>	4,097.00
CONVEYANCE & TRAVELLING	<b>61,968.00</b>	64,622.93
COMMUNICATION EXPENSES	<b>106,603.71</b>	78,546.20
PRINTING & STATIONERY	<b>2,724.00</b>	4,720.75
RENTS	-	2,000.00
REPAIRS & MAINTENANCE	<b>14,895.00</b>	300.00
AUDIT FEES	<b>16,200.00</b>	10,000.00
LEGAL EXPENSES	<b>22,200.00</b>	128,300.00
OTHER EXPENSES	<b>38,378.00</b>	17,442.02
ELECTRICITY EXPENSES	<b>70,710.00</b>	-
<b>TOTAL</b>	<b><u>381,668.71</u></b>	<b><u>405,201.90</u></b>

**Hindustan Agrigenetics Limited:**

**NOTES TO ACCOUNTS**

**SIGNIFICANT ACCOUNTING POLICIES**

**A. METHOD OF ACCOUNTING**

1. The financial statement are prepared on a going concern basis with historical costs and Comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.

The Company generally account for income and expenditure on an accrual basis except those with insignificant uncertainties.

**B. FIXED ASSETS:**

- (i) Fixed assets are stated at original cost including taxes, freight and other incidental expenses
- (ii) Expenses related to acquisition/installation, and net of capital subsidies.

**C. DEPRECIATION:**

Depreciation on fixed Assets is provided on straight-line bases as per rates prescribed Under Schedule XIV to the Computer Act, 1956.

Depreciation on structures constructed on leased lands and fixtures installed therein are charged off over the balance lease period.

Depreciation on Rose Plants is charged off over an estimated life span of 7 years as certified by management.

INVENTORIES are valued as follows:

Seed:

Raw Materials                      At lower of landed cost including apportioned procurement Expenses like freight, basis packing and market cess, and Realisable value.

Semi Finished                      at lower of landed cost and apportioned manufacturing Expenses and realisable value.



## Hindustan Agrigenetics Limited

Finished Goods at lower of landed cost, apportioned manufacturing Expenses and packing costs, or realizable value.

Tissue Culture Plantlets:

Relevant operating expenses are apportioned to total production and carried in inventory to the extent of closing stocks. Where the market value of plantlets is less than costs as determined above, the inventory is valued at market value.

Farm Produce :

Farm operating expenses are apportioned over two crops, of which expenses relating to standing crop are inventorised.

Stores & Packing items :

At Purchase Cost

### TURNOVER

SEEDS : Turnover indicated in the Profit & Loss Account is net of sales Returns, trade discounts and foreign agency & auction/ market expenditure.

MISCELLANEOUS EXPENDITURE (to the extent not written off):

- (i) Preliminary and share issue expenses are amortised over a period of 10 Years on a prorata basis beginning from the year of incurrence.
- (ii) Sales promotion and advertisement expenditure towards product launch and Seed Extension programmes are amortised over a period of 5 years from the year of incurrence.
- (iii) Financial charges such as appraisal fee paid to institutions and consultancy charges are deferred over a period of 5 year from the year of incurrence.
- (iv) Expenditure incurred on parental seed production, land preparation, testing the results and test marketing in respect of new test marketing are classified as Research & Development expenditure and amortized over 5 years.

**SCHEDULE 13**

Notes forming part of accounts for the year ended March 31.2003

**1) SHARE CAPITAL**

Out of the offer of 41.40 lacs equity shares of Rs.10/- vide prospectus dated 24.10.94, a sum of Rs. 1226.63 lacs was determined as refundable to non allottees and transferred to refund Bankers in FY 1994-95. As on 31.03.99 an account of Rs. 1,46.792 is pending encashment by investors and therefore included under both current assets and current liabilities respectively (PY Rs. 179825). The said refund order account with state bank of Hyderabad Gunfoundry remain under reconciliation.

**SECURED LOANS:**

In the year 1994-95, the company foreclosed Term loan from Risk Capital & Technology Finance Corporation Ltd. of Rs. 80 lacs together with accrued interest and royalty liabilities upto 30.03.1995. RCTC has accepted the remittance towards outstanding dues but filed an application before the Debts Recovery Tribunal, Delhi for recovery of future Royalty of Rs. 92.66 lacs and continuation of first charge on the immovable properties of the company, relating to Seeds and Tissue culture businesses.

The company made a counter claim before the Delhi High Court for refund of royalty of Rs. 28.67 lacs paid from the commencement of loan, including Rs.1.86 lacs for the FY 94-95 paid on the basis of Net Reliasable Sales as provided in RCTC loan agreement. The later amount has been shown as recoverable and included under loans & Advances.

Since the loan was repaid, option to convert upto Rs.40 lacs of the outstanding term loan of RCTC into Equity Share Capital at par within 18 months from the date of closing of public issue 31st December, 1995 Whichever is later, has lapsed.

- (i) The matter has been settled by the company on the amount already paid, hence the amount reflected as royalty receivable has been written off during the year.

## **Hindustan Agrigenetics Limited**

- (ii) Cash credit facility from State Bank of Hyderabad is primarily secured by a First charge on all movable properties of the company by way of hypothecation including raw materials, stock in process and finished goods, consumable stores, book debts and receivable, and collateral security of land at Ponnal, first charge on balance fixed assets and premises at New Delhi of the Managing Director, second charge on the immovable properties of the seeds & tissue culture division, and personal guarantees of two Directors.

The term loan from State Bank of Hyderabad, for Rs.132 lacs repayable in 20 quarterly installments of Rs. 6.60 lacs each commencing from September 1996 is secured by a first charge on the fixed assets of the company and personal guarantees of the Managing Director and two other Directors.

The State Bank of Hyderabad has filed a suit with the Debts recovery Tribunal Hyderabad, vide suit OA 273 of 2001 on 19.02.2001 claiming an amount of Rs.14130791 and Rs. 2677085 towards MTL balance and interest up to the date of filing of suit, and, Rs. 23563620.94 and interest 3953560 on Cash credit account. The company is recently in receipt of the concerned papers and is formulating its reply petition on the basis of recommendations of legal counsel. Pending the resolution thereof, interest is not provided on term loan and cash credit for the year.

- a) Hire purchase facility from Chennai Finance Ltd. is secured by hypothecation of assets acquired out of the proceeds, and guarantees by two of the Directors and former General Manager of the Company in their individual capacities.
- b) HP facility from NCC finance Ltd. is deemed by hypothecation of Allwyn Nissan Truck installed with Refrigeration equipment. This vehicle has been seized by the financial for non-payment of dues. The loan balance and the original cost of the vehicle are written off in the books in the year ended 31.03.2002.
- c) Leased Assets amounting to Rs.544849 leased from M/s NCC Finance & Chennai Finances Co. Ltd. remain pending to be transferred to the company though the lease expired on 6.10.98 and 31.3.99 respectively. Consequently no entries are incorporated in the company's books at the relevant residual value. We are informed that the transfer has taken place in view of the over dues to these concerns.

**SUNDRY DEBTORS, CASH & BANK BALANCES & OTHER CURRENT ASSETS:**

- (i) Inventory quantities and values including work in process are as certified by the management. The company has valued the stock at nil since all the seeds and other items lying in the stocks, are damaged and are unsaleable being of perishable nature.

Sundry Debtors balances and advances are subject to confirmation and reconciliation. A provision of Rs. 111.10 lakhs has been made towards unrecoverable debtors balances as a measure of abundant caution and in keeping with the requirement to reflect all such balances at realizable values.

**LOANS & ADVANCES:**

Loans and advances, balances are subject to confirmation and reconciliation. Advances to suppliers, growers and employees approximating to Rs.15.66 lacs are considered doubtful of recovery and suitably provided for.

**GOING CONCERN**

In view of its precarious financial position, the company's ability to carry on operations as a going concern and realize its assets and discharge its liabilities in the normal course of business is in jeopardy. It has practically no finances and has discharged its employees, as it could not continue to support their costs.

**CURRENT LIABILITIES & PROVISIONS**

In the absence of taxable profits no provision is made for taxation under the income Tax Act, 1961.

Sundry Creditors balances is subject to confirmation and reconciliation.

**PROFIT & LOSS :**

Material & other costs aggregating to Rs. 27.70 lakhs pertaining to discounted and damaged product lines have been charged off as extraordinary item in Profit & Loss Account.

## Hindustan Agrigenetics Limited

### DETAILS OF PAYMENTS DUE/MADE TO AUDITORS

Statutory Audit Fess	10000	5000
EXPENDITURE IN FOREIGN CURRENCY	NIL	NIL
EARNING IN FOREIGN CURRENCY	NIL	NIL
CAPACITIES		
Installed :		
Seeds Plants (MT)	3000	3000
Tissue Culture (Plantlets Nos.)	2000000	2000000
Floriculture (Nos.)	2400000	2400000
Actual Production		
Seed Plant (MT)		NIL
Tissue Culture (Plantlets Nos.)	NIL	NIL
Floriculture (Nos.)	NIL	NIL

### QUANTITATIVE DETAILS OF REVENUES

	2002-03		2001-02	
	Value	Qty.	Value	Qty.
Hybrid Seeds (Kgs)17.4.02	40247	N.A.	120234	N.A.
Foundation Seeds (Kgs)	NIL	NIL	NIL	NIL
Breeder Seeds (Kgs)	NIL	NIL	NIL	NIL
Others	NIL	NIL	133826	NIL
TC Plantlets (nos)	NIL	NIL	71940	NA
FC Flowers (Nos)	NIL	NIL	NIL	NA

### Value of Raw Material Consumed

Seeds (Kgs)	4271310	N.A.	12766881	N.A.
Cloth bags (nos)	NIL	NIL	1333163	N.A.
Gunny Bangs (nos)	NIL	NIL	89541	N.A.
Other materials				
Glassware (nos)				

### PARTICULARS OF OPENING & CLOSING STOCKS/PURCHASES & PRODUCTION

	Opg. Stocks		Purchase>Returns		Clg stocks	
	Qty	value	Qty	Value	Qty	Value
Certified Seeds						
Foundation Seeds	162991	642.78	49310	3429231	NIL	NIL
Breeder Seeds	NIL	NIL	NIL	NIL	NIL	NIL
Flowers Nos.	NIL	NIL	NIL	NIL	NIL	NIL
Plantlets	NIL	NIL	NIL	NIL	NIL	NIL

## Hindustan Agrigenetics Limited

### CONTINGENT LIABILITIES TO THE EXTENT NOT PROVIDED FOR COMPRISE OF THE FOLLOWING

Liability, if any, towards case filed by State Bank of Hyderabad at the Debts Recovery Tribunal at Rs. 4.43 crores, other than that reflected in the books under Secured Loans.

Previous years figures have been regrouped and reclassified wherever necessary.

For HINDUSTAN AGRIGENETICS LIMITED

**Date :** 27.08.2003

**Place:** Hyderabad

Pritam Kapur

Mg. Director

C. P. Rajendran

Director

**Hindustan Agrigenetics Limited**

**HINDUSTAN AGRIGENETICS LIMITED**

**Regd. Off.:** 806, Meghdoot, 94 Nehru Place, New Delhi-110019

**ATTENDANCE SLIP**

Folio No. : Shares Held:

I hereby record my presence at the Thirteenth Annual General Meeting of the Company held on Saturday 27th September 2003 at 3.00 p.m.

SIGNATURE OF ATTENDING MEMBER/PROXY

**Notes:**

1. Shareholder/Proxyholder who wish to attend the meeting must bring the attendance slip for the meeting and handover the same at the entrance duly signed.
2. A shareholder/Proxyholder desiring to attend the meeting should bring his copy of the annual report for reference at the meeting.

**HINDUSTAN AGRIGENETICS LIMITED**

**Regd. Off.:** 806, Meghdoot, 94 Nehru Place, New Delhi-110019

**PROXY FORM**

I/We.....  
of.....a member/members of the above Company  
named Company hereby appoint.....  
of.....as my/our Proxy to attend and vote for me/us on my/our  
behalf at the Thirteenth Annual General Meeting of the Company, to be  
held on 27th September 2003 and at any adjournment thereof Signed  
this.....day of.....2003.

Revenue  
Stamp

Signature

Reference Folio No.:

This form is to be used in favour of/against the resolution. Unless otherwise instructed, the Proxy will act as he thinks fit.

Notes: The Proxy Form must reach the Company's Regd. Off.: 806, Meghdoot, 94 Nehru Place, New Delhi-19, not less than 48 hours before the time of the meeting.