

18th  
Annual Report  
2007 - 2008

Hindustan

Agrigenetics Limited

Hybrid Seeds • Tissue Culture • Floriculture

**BORD OF DIRECTORS**

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

**AUDITORS**

R. K. Gulati & Associates  
Chartered Accountants  
New Delhi

**BANKERS**

ABN Amro Bank

**REGISTRARS**

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

**RREGISTERED 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 18th Annual General Meeting of the Company will be held on Friday, the 20th day of September, 2008, 3.00 P.M. at the Registered office at 806, Meghdoot, 94, Nehru Place, New Delhi - 110019 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited annual balance sheet of the Company as at 31st March, 2008 together with the report of the Auditors and the Directors thereon.
2. To appoint a director in place of Shri S.R.V. Rao, 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-appointemnt.

By order of the Board

(PRITAM KAPUR)  
Managing Director

Place: New Delhi

Dated:22.08.2008

**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.

## DIRECTORS' REPORT

Dear Members,

Your Board of Directors' take pleasure in presenting you this 18<sup>th</sup> report together with audited annual Statements of account as at 31<sup>st</sup> March 2008.

### A. Financial Results

As reported in the previous year, part of the land of the Floriculture unit at Dundigal has been sold and disposed of land from the proceed thereto the outstanding term loan liability of State Bank of Hyderabad has been paid off and discharged by a one time settlement. Certain other liabilities have also been paid off and settled. The left over balance amounts have been invested in securities and from those investments the Company has earned an income of Rs.8,68,330.00. After meeting the establishment expenses and a short-term capital loss on dealing in securities, the year under report has been closed with a loss of Rs.4,61,951.00. The current year's loss amount together with the brought forward loss of Rs.3,73,76,155/- of the previous year whereby totaling to Rs.3,78,38,107/- has been transferred to the annual balance sheet. The total loss amount inclusive of Deferred Revenue Expenses amount to Rs.3,92,55,305/- as against the paid up share capital of Rs.4,40,02,000/-.

### B. Operations

Your directors are working out ways and means to revive the plant of Gundla Pooampally by raising of funds from sale of part of the agricultural land.

### 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

Since the business operations continue to remain in operative for almost six years now, recovery of outstanding debts have become practically not possible and same was the case with accounting for the value of all old stocks of perishable nature and as a result maintenance of books of account on a going concern basis so as to depict the actual value of the assets of the Company was found practically not possible.

### E. Corporate Governance

The Company is regular in conducting its meeting of Board of Directors by attendance by all directors on the Board. Similarly the 17<sup>th</sup> AGM was held on 25<sup>th</sup> August 2007 with adequate number of members present at the registered office of the Company.

**F. Directors**

Shri S.V.R. Rao is retiring by rotation but is eligible for re-appointment.

**G. Auditors**

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

**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. Acknowledgment**

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.

Place: Delhi

Dated:22.08.2008

By order of the Board

(PRITAM KAPUR)

CHAIRMAN

AUDITOR'S REPORT

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

We have audited the attached Balance Sheet of **M/s HINDUSTAN AGRIGENETICS LIMITED.**, as at March 31,2008 and also the Profit & Loss Account for the year ended on that date annexed thereto and Cash Flow Statement for the year ended on that date. 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.

- (1) 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 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. We believe that our audit provides a reasonable basis in our opinion.
- (2) As required by the Companies (Auditor's Report) Order 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- (3) Further to our comments in the Annexure referred to in paragraph 2 above, we report that:
  - a) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for purpose of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of these books;

## Hindustan Agrigenetics Limited

- c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with in this report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with in this report comply with the mandatory accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- e) In our opinion, and based on information and explanations given to us, none of the directors are disqualified as on March 31, 2007 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with significant accounting policies and subject to Note 'A' (II) regarding revaluation of fixed assets, Note 'F' regarding provision for doubtful debts, Note 'H' regarding impairment of Assets and Note No. 'C' regarding contingent liability, Note 'I' (ii) regarding confirmation of sundry creditors and read with Notes on-accounts (Schedule 'O') 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:
  - (i) In so far as it relates to Balance Sheet, of the state of affairs of the Company as at March, 31, 2008;
  - (ii) In so far as it relates to the Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
  - (iii) In so far as it relates to the Cash Flow Statement, of the cash flow of the Company for the year ended on that date.

PLACE: NEW DELHI  
DATED: 22.08.2008

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

**(RAKESH GULATI)**  
**PARTNER**

**Annexure to Auditor's Report**

**Referred to in Paragraph 2 of our report of even date**

1. In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
  - (b) As explained to us, the fixed assets have not been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
  - (c) In our opinion, the Company has not disposed of substantial part of fixed assets during the year and the going concern status of the Company is not affected.
2. The Company has neither granted nor taken any loans, Secured or Unsecured to and from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the clauses 4 (iii) (b) to (d) of the Order are not applicable.
3. In our opinion and according to the information and explanations given to us, there is no adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods as the business of the company is discontinued.



## Hindustan Agrigenetics Limited

4. In respect of transactions covered under Section 301 of the Companies Act, 1956:
  - (a) In our opinion and according to the information and explanations given to us, no transactions have been made in pursuance of contracts or arrangements, that needed to be entered into in the register maintained under Section 301 of the Companies Act, 1956.
  - (b) In our opinion and according to the information and explanations given to us, there are no transactions in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 aggregating during the year to Rs. 5,00,000/- (Rupees Five Lacs only) or more in respect of any party.
5. The Company has not accepted any deposits from the public.
6. In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
7. We have been informed that the Central Government had not prescribed any maintenance of cost records under section 209 (1) (d) of the Companies Act 1956 in respect of any product the Company.
8. In respect of statutory dues:

According to the records of the Company, the company is regular in depositing the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other statutory dues. According to the information and explanations given to us, no undisputed amounts are payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> March 2008 for a period or more than six months from the date of becoming payable except the following amounts.

Nature of Statute	Nature of Dues	Amount (In Lakhs)	Period to which the amount rebates	Forum where dispute is pending
(1) Custom Duty	Penalty	Rs. 1.00 Lakhs	Non fulfillment of export obligation	Additional Secretary and Chairman of the Appellate Committee, Ministry of Commerce and Industries, New Delhi
<u>(2) Income Tax</u>				
T.D.S	Tax Deducted at Sources	Rs. 0.51 Lakhs	Not yet deposited	--

In absence of proper information as mentioned in Note 3(b) of schedule 'M' – notes on accounts, information in this para pertaining to earlier period, in respect of Custom Duty on import of capital goods, is subject to finalization of liability.

9. The Company has accumulated losses and has not incurred cash losses during the financial year covered by our audit and the accumulated losses the company are more than fifty percent of its net worth.
10. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures, and other securities.
11. In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, clause 4 (xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
12. The Company is not dealing in or trading in shares, securities debentures and other investments.

## Hindustan Agrigenetics Limited

13. The Company has not given guarantees for loans taken by others from banks or financial institutions, According to the information and explanations given to us, we are of the opinion that the terms and conditions thereof are not prima-facie prejudicial to the interest of the Company.
14. The Company has not raised any new term loans during the year.
15. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that the Company has not utilised from short term sources towards repayment of long-term borrowings.
16. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
17. The Company has not issued any debentures during the year.
18. The Company has not raised any money by way of public issue during the year.
19. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year, that causes the financial statements to be materially misstated.
20. The other provisions of the aforesaid order are not applicable in case of the company.

**For R.K.GULATI & ASSOCIATES  
CHARTERED**

**ACCOUNTANTS**

PLACE: NEW DELHI

DATED: 22.08.2008

**(RAKESH GULATI)  
PARTNER**

# Hindustan Agrigenetics Limited

Hindustan Agrigenetics Limited  
 Regd. Office: 806, Megdoot  
 94, Nehru Place  
 New Delhi- 110 019

## BALANCE SHEET AS AT 31ST MARCH, 2008

PARTICULARS	SCHEDULE	CURRENT YEAR Rs.	PREVIOUS YEAR Rs.
<b><u>SHAREHOLDERS FUND</u></b>			
SHARE CAPITAL	A	44,002,000.00	44,002,000.00
RESERVE & SURPLUS	B	15,025,500.00	15,025,500.00
		59,027,500.00	59,027,500.00
<b><u>LOANS</u></b>			
		59,027,500.00	59,027,500.00
<b><u>APPLICATION OF FUNDS</u></b>			
<b><u>FIXED ASSETS</u></b>			
GROSS BLOCK	C	33,741,100.97	33,741,100.97
LESS : DEPRECIATION		5,071,397.00	5,071,397.00
		28,669,703.97	28,669,703.97
<b>NET BLOCK</b>		<b>28,669,703.97</b>	<b>28,669,703.97</b>
INVESTMENTS	D	3,358,975.32	4,300,000.00
<b><u>CURRENT ASSETS, LOANS &amp; ADVANCES</u></b>			
SUNDRY DEBTORS	E	-	-
CASH & BANK BALANCES	F	761,757.37	511,310.35
LOANS & ADVANCES		-	-
OTHER CURRENT ASSETS	G	1,130,107.26	1,130,107.26
		1,891,864.63	1,641,417.61
<b>LESS: CURRENT LIABILITIES &amp; PROVISIONS</b>	H	<b>14,148,349.16</b>	<b>14,376,975.54</b>
<b>NET CURRENT ASSETS</b>		<b>(12,256,484.53)</b>	<b>(12,735,557.93)</b>
<b><u>MISCELLANEOUS EXPENDITURE &amp; LOSSES</u></b>			
(TO THE EXTENT, NOT WRITTEN OFF ADJUSTED)			
DEFERRED REVENUE EXPENSES	I	1,417,198.53	1,417,198.53
PROFIT & LOSS ACCOUNT		37,838,106.71	37,376,155.43
		39,255,305.24	38,793,353.96
		59,027,500.00	59,027,500.00

Note : Schedule 'A' to 'I' forms an integral part of the Balance Sheet.  
 Significant Accounting Policies - Schedule - 'M'

on behalf of the Board of Directors

Signed in terms of our report of even date  
**For R.K.GULATI & ASSOCIATES**  
 CHARTERED ACCOUNTANTS

PLACE : NEW DELHI

DATE : 22.08.2008

(PRITAM KAPUR)  
 MANAGING DIRECTOR

(C.P. RAJENDRAN)  
 DIRECTOR

(RAKESH GULATI)  
 PARTNER

# Hindustan Agrigenetics Limited

Hindustan Agrigenetics Limited  
 Regd. Office : 806, Megdoot,  
 94, Nehru Place,  
 New Delhi 110 019

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

PARTICULARS	SCHEDULE No.	CURRENT YEAR Rs.	PREVIOUS YEAR Rs.
<b><u>INCOME:</u></b>			
MISC. INCOME	J	868,329.89	50,362,682.31
		=====	=====
		868,329.89	50,362,682.31
<b><u>EXPENDITURE:</u></b>			
ADMINISTRATIVE EXPENSES	K	1,151,255.62	182,487.00
SHORT TERM CAPITAL LOSS ON MUTUAL FUNDS		177,368.55	-
		=====	=====
		1,328,624.17	182,487.00
<b>PROFIT/ (LOSS) BEFORE TAXES</b>			
		(460,294.28)	50,180,195.31
<b><u>LESS: TAXATION RESERVE</u></b>			
Deffered Tax			
Fringe Benefits Tax	1,657.00	1,657.00	762.00
		=====	=====
			762.00
<b>PROFIT/ (LOSS) AFTER TAXES</b>			
		(461,951.28)	50,179,433.31
<b>LESS: EXTRA ORDINARY/ PRIOR PERIOD ITEMS</b>			
		-	17,692.00
		=====	=====
		(461,951.28)	50,161,741.31
<b>BALANCE OF PROFIT/(LOSS) BROUGHT FORWARD FROM EARLIER YEARS</b>			
		(37,376,155.43)	(87,537,896.74)
<b>LOSS CARRIED TO THE BALANCE SHEET</b>			
		(37,838,106.71)	(37,376,155.43)
<b><u>EARNING PER SHARES</u></b>			
BASIC & DILUTED		(0.10)	11.40

Note : Schedule 'J' to 'L' forms an integral part of the Profit & Loss Account  
 Significant Accounting Policies - Schedule - 'M'

on behalf of the Board of Directors

Signed in terms of our report of even date  
 For R.K.GULATI & ASSOCIATES  
 CHARTERED ACCOUNTANTS

PLACE : NEW DELHI

DATE : 22.08.2008

(PRITAM KAPUR)  
 MANAGING DIRECTOR

(C.P. RAJENDRAN)  
 DIRECTOR

(RAKESH GULATI)  
 PARTNER

Hindustan Agrigenetics Limited  
 Regd. Office: 806, Megdoot,  
 94, Nehru Place,  
 New Delhi 110 019

SCHEDULE "A"

SHARE CAPITAL	CURRENT YEAR Rs.	PREVIOUS YEAR Rs.
<u>AUTHORISED</u>		
50,00,000 EQUITY SHARE OF Rs. 10/- EACH (PREVIOUS YEAR 50,00,000 EQUITY SHARES)	50,000,000.00 =====	50,000,000.00 =====
<u>Issued, SUBSCRIBED &amp; PAID-UP</u>		
44,00,200 EQUITY SHARE OF Rs. 10/- EACH, FULLY PAID UP, (PREVIOUS YEAR 44,00,200 EQUITY SHARES)	44,002,000.00 -----	44,002,000.00 -----
TOTAL	44,002,000.00 =====	44,002,000.00 =====

SCHEDULE "B"

<u>RESERVE AND SURPLUS</u>	CURRENT YEAR Rs.	PREVIOUS YEAR Rs.
<u>REVLUTION RESERVE</u>		
Balance b/f	15,025,500.00	
Add: Created during the year	- -----	15,025,500.00 -----
TOTAL	15,025,500.00 =====	15,025,500.00 =====

# Hindustan Agrigenetics Limited

## SCHEDULE "G"

OTHER CURRENT ASSETS	CURRENT YEAR Rs.	PREVIOUS YEAR Rs.
DEPOSITS-OTHERS	743,704.00	743,704.00
H.P. INTEREST SUSPENSE		
SALES TAX	386,403.26	386,403.26
	-----	-----
TOTAL	1,130,107.26	1,130,107.26
	=====	=====

## SCHEDULE "H"

CURRENT LIABILITIES & PROVISIONS	CURRENT YEAR Rs.	PREVIOUS YEAR Rs.
<b><u>SUNDRY CREDITORS</u></b>		
FARMERS & OTHERS FOR		
GOODS,	4,709,901.03	4,979,869.82
DUE TO DIRECTORS	239,457.41	216,572.00
FOR EXPENSES	4,072,155.50	4,072,155.50
ADVANCE BOOKED FROM		
CUSTOMERS	2,670,000.00	2,670,000.00
DEALER DEPOSITS	895,000.00	895,000.00
SHARE APPLICATION		
MONEY REFUNDA/C	153,692.00	153,692.00
TAX DEDUCTED AT SOURCE		
PAYABLE	50,769.74	33,207.74
AUDIT FEE PAYABLE	20,000.00	20,000.00
OTHER LIABILITIES	1,335,716.48	1,335,716.48
	-----	-----
	14,146,692.16	14,376,213.54
<b><u>PROVISIONS</u></b>		
Fringe Benefits tax	762.00	-
Add:- provided for the year	1,657.00	762.00
	-----	-----
	2419.00	762.00
Less:- Taxes paid	762.00	-
	-----	-----
	1,657.00	762.00
	-----	-----
TOTAL	14,148,349.16	14,376,975.54
	=====	=====

**SCHEDULE "I"**

<b>DEFERRED REVENUE EXP.</b> (to the extent not written off, or adjusted)	<b>AS ON</b> 01.04.2007	<b>INCURRED</b> DURING THE YEAR	<b>AMOUNT</b> WRITTEN OFF	<b>BALANCE</b> AS AT 31.3.2007
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>

**SCHEDULE 'J'**

<b>MISC RECEIPTS AND INCOME</b>	<b>CURRENT</b> <b>YEAR Rs.</b>	<b>PREVIOUS</b> <b>YEAR Rs.</b>
Profit on sales of agriculture land	-	33,997,655.00
Excess Provision of interest written off	-	10,092,559.74
Dividend from Mutual fund	868,329.89	-
Liabilities no longer payable written back	-	6,272,467.57
	<b>868,329.89</b>	<b>50,362,682.31</b>

**SCHEDULE "K"**

<b>ADMINISTRATIVE EXPENSES</b>	<b>CURRENT</b> <b>YEAR Rs.</b>	<b>PREVIOUS</b> <b>YEAR Rs.</b>
BANK CHARGES	3,235.79	7,200.00
AUDIT FEES	20,000.00	20,000.00
SERVICE TAX	2,472.00	-
LEGAL AND PROFESSIONAL CHARGES	321,445.00	111,000.00
PROFESSIONAL FEES	5000.00	379.00
CAR FUEL & CAR MAINTENANCE	-	17,612.00
TRAVELLING	97,512.00	19,296.00
SHORT AND EXCESS RECOVERIES	652,250.83	-
MISCELLANEOUS EXPENSES	14,840.00	-
CONSULTANCY FEES	19,500.00	-
POSTAGE & TELEGRAM	15,000.00	7,000.00
<b>TOTAL</b>	<b>1,151,255.62</b>	<b>182,487.00</b>



Hindustan Agrigenetics Limited  
 Regd. Office: 506, Megdoot,  
 94, Nehru Place,  
 New Delhi - 110 019

**SCHEDULE "C"**  
**SCHEDULE OF FIXED ASSETS AS ON 31ST MARCH 2008**

PARTICULARS OF ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Cost as on 1.4.2007	additions during the year	sales/disposal/ adjustments during the year	Cost as on 31.3.2008	As on 1.4.2007	For the year	On Sales/ Disposal/ adjustments	Up to 31.3.2008	W.D.V as on 31.3.2008	W.D.V as on 31.3.2007
Land	17,243,652.00	-	-	17,243,652.00	-	-	-	-	17,243,652.00	17,243,652.00
Bore Wells	370,590.00	-	-	370,590.00	77,689.00	-	-	77,689.00	292,901.00	292,901.00
Buildings	0.00	-	-	-	0.00	-	-	-	-	-
Seed Plant	2,115,697.97	-	-	2,115,697.97	1,018,886.00	-	-	1,018,886.00	1,096,811.97	1,096,812.00
Green House	12,215,531.00	-	-	12,215,531.00	3,452,553.00	-	-	3,452,553.00	8,762,978.00	8,762,978.00
Cold Storage Equipment	1,795,630.00	-	-	1,795,630.00	522,269.00	-	-	522,269.00	1,273,361.00	1,273,361.00
Figures for the Current Year	<b>33,741,100.97</b>	-	-	<b>33,741,100.97</b>	<b>5,071,397.00</b>	-	-	<b>5,071,397.00</b>	<b>28,669,703.97</b>	<b>28,669,704.00</b>
Figures for the Previous year	<b>24,164,627.97</b>	-	<b>5,449,027.00</b>	<b>33,741,100.97</b>	<b>8,187,887.00</b>	-	<b>3,116,490.00</b>	<b>5,071,397.00</b>	<b>28,669,703.97</b>	<b>15,976,741.00</b>

Note: (1) Depreciation has been on straight line method as per rates prescribed in schedule XIV of Companies Act 1961.

(2) However, no depreciation has been charged on the assets during the year as no commercial utilisation of the assets has been made

(3) The company has revalued the value of land in consonance with market value and the compensation package in the previous year.

# Hindustan Agrigenetics Limited

Hindustan Agrigenetics Limited  
 Regd. Office: 806, Megdoot,  
 94, Nehru Place,  
 New Delhi 110 019

## SCHEDULE "D"

INVESTMENTS	CURRENT YEAR Rs.	PREVIOUS YEAR Rs.
<u>INVESTMENTS IN MUTUAL FUNDS</u>		
AMN AMRO MIP		1,200,000.00
HDFC MIP MUTAL FUND		1,200,000.00
RELIANCE GROWTH FUND-DIV.PLAN	635,561.31	1,400,000.00
RELIANCE DIVERSIFY	349,999.98	
SUNDARAM Capex opportunity-DIVIDEND	334,711.93	
SUNDARAM SELECT FOCUS	138,702.10	
SUNDARAM BNP PARIBES		500,000.00
RELIANCE PRUDENCE FUND	1,900,000.00	
TOTAL	3,358,975.32	4,300,000.00

## SCHEDULE "E"

SUNDRY DEBTORS- UNSECURED	CURRENT YEAR Rs.	PREVIOUS YEAR Rs.
<u>CONSIDERED DOUBTFUL :</u>		
MORE THAN 6 MONTHS	1,625,589.90	1,625,589.90
OTHERS		
LESS: DOUBTFUL DEBTS PROVIDED	(1,625,589.90)	(1,625,589.90)
TOTAL		

## SCHEDULE "F"

CASH & BANK BALANCES	CURRENT YEAR Rs.	PREVIOUS YEAR Rs.
CASH IN HAND	10,305.65	1,105.65
BALANCES WITH BANKS IN CURRENT ACCOUNT	604,659.72	363,412.70
SHARE APPLICATION MONEY IN REFUND ACCOUNT	146,792.00	146,792.00
TOTAL	761,757.37	511,310.35

**SCHEDULE "L"**

EXTRA ORDINARY/ PRIOR PERIOD ITEMS	CURRENT YEAR Rs.	PREVIOUS YEAR Rs.
LOSS ON FIXED ASSETS	-	17,692.00
TOTAL	-	17,692.00

**SCHEDULE "M"**

**NOTES ON ACCOUNTS**

**(A) SIGNIFICANT ACCOUNTING POLICIES**

**I) METHOD OF ACCOUNTING**

- i) The financial statement are prepared on a going concern basis with historical costs and comply with the standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- ii) The Company generally accounts for income and expenditure on mercantile basis except those with Significant uncertainties.

**II) FIXED ASSETS**

- i) Fixed assets are stated at original cost including taxes, freight and other incidental expenses.
- ii) Expenses related to acquisition/ installation have been included and are net of capital subsidies.
- iii) The motor vehicles and motor cycles which were given to the employees for use. The employees had refused to hand over the said assets, as the company was not able to pay their salaries and other dues. The written down values thus have been adjusted against amounts due to employees.
- iv) The company has revalued its existing agricultural land situated at Village & Grampanchayat, Dundigal in Hyderabad in consonance with the Land acquisition price determined by Andhra Pradesh Government price for acquisition and the difference in value thereof credited to revaluation reserve.

III) **DEPRECIATION**

- a) Depreciation on fixed Assets is provided on straight-line bases as per rates prescribed under schedule XIV to the Companies Act, 1956 as prevailing. However, no depreciation has been provided on fixed Assets as the company has not conducted any business during the year.
- b) Depreciation on structures on leased lands and fixtures installed therein are charged over the balance lease period. No depreciation has been provided since the unit is non-operational during the year.

IV) **INVENTORIES**

The 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.

**Finished Goods:** at lower of landed cost apportioned manufacturing expenses and packing costs, or realisable value .

**Stores & Packing items**

At Purchase Cost

V) **TURNOVER**

The Company has not conducted any commercial transactions during the year.

VI) **MISCELLANEOUS EXPENDITURE** (to the extent not written off ):

- (i) Preliminary and share issue expenses are amortised over a period 10 Years on a prorata basis beginning from the year of incurrence .However, there is no amortization during the year, as no business conducted during the year.
- (ii) Sales promotion and advertisement expenditure towards product launch and Seed Extension programs are amortized over a period of 5 year from the year of incurring them.
- (iii) Financial charges such as appraisal fee paid to institution and consultancy charges are deferred over a period of 5 year from the year of incurring them.

- (iv) Expenditure incurred on parental seed production , land preparation, testing the result and test marketing in respect of new test marketing in respect of new product development are classified as Research & Development expenditure and amortized over 5 year.

VII) **TAXES ON INCOME**

- (i) Current tax is determined as the amount of tax payable in respect of taxable income in specified under Income Tax 1961 as amended.
- (ii) Deferred tax is recognised, subject to consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent periods and using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.
- (iii) Deferred tax assets are recognised and carried forward 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 in future.

B. **CONTINGENT LIABILITIES**

	<b><u>CURRENT YEAR</u></b> <b><u>(Rs.)</u></b>	<b><u>PREVIOUS YEAR</u></b> <b><u>(Rs.)</u></b>
Contingent Liabilities not Provided for in respect thereof		
- Bank	Nil	443.00 Lakhs
- Others	1.00 Lakhs	1.00 Lakhs

In respect of other liability on account of import duty on import of capital goods made in the earlier years is still subject to finalization of liability.

**C. CONTINGENT LIABILITIES TO THE EXTENT NOT PROVIDED FOR  
COMPRISES OF THE FOLLOWING :**

- a.) The Development Commissioner, Vishakhapatnam Special Economic Zone has passed an order No. 8/EOU/QPR/237/VSEZ/2004-5339 imposing a penalty of Rs one lakh for non-fulfillment of export obligation. The company has appealed to the Appellate committee for a review.
- b.) The Development Commissioner, Vishakhapatnam vide his letter No. 8/EOU/QPR/237/VSEZ/2004-5339 dated 4th August 2005 has cancelled the 'Letter of permission' and suo-moto debonded the unit from the EOU scheme. The company has been asked to self assess the duty liabilities and to pay the same. The company vide its letter of 8-03-2006 has self assessed the duty liability as nil as the capital goods are more than ten years old and have zero depreciated value. The matter is still subjudice before the authorities and no provision has been made in the books of accounts.

**D. SHARE CAPITAL**

Out of the offer of 41.4 lac Equity share of RS. 10 vide prospectus dated 24.10.94, a sum of Rs. 1,226.63 lacs was determined as refundable to non allottees and transferred to refund Bankers in FY 1994-95. As on 31.3.99 an amount of Rs. 1,46,792 is pending encashment by investors and therefore included under both current assets and current liabilities respectively (PY Rs. 1,53,692/-). The said refund order account with state bank of Hyderabad, Gunfoundry remain under reconciliation

- E. Leased Assets amounting to Rs.544849 leased from M/s NCC Finance & Chennai Finance 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.

As the company had not made the final settlement of their dues, the said companies had not transferred the title deeds in favour of the company.

**F. SUNDRY DEBTORS:**

Sundry Debtors and advances are subject to confirmation and reconciliation. A provision of Rs. 16.26 lakhs has been made towards unrecoverable debtors balances and advances.

As a measure of abundant caution and keeping with the requirement to reflect all such balances at realizable values.

**G. LOAN & ADVANCES**

Loan and advances balances are subject to confirmation and reconciliation.

**H. IMPAIRMENT OF ASSETS**

At each balance sheet an assessment is made whether any indication exists that an assets has been impaired. If any indication exists, the recoverable amount of such assets is estimated. An impairment loss is recognised wherever the carrying amount of the assets exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value, based on an appropriate discounting factor.

However, the Board has made that estimations for its assets which in their opinion, is not assets which less the residual value as appearing in books of accounts.

**I. CURRENT LIABILITIES & PROVISIONS**

- (i.) In the absence of taxable profits, no provision is made for taxation under the income tax Act, 1961.
  - (ii.) Sundry Creditors balances is subject to confirmation and reconciliation.
  - (iii) During the year, the company has settled their dues with the few creditors and differences in amounts actually paid and balances in books debited to profit & loss Account under head sheat & excess recoveries.
- J.** In accordance with accounting standard 22, Accounting for taxes on income issued by the Institute of Chartered Accountants of India, the Company has not accounted for Deferred Tax during the year, in view of the facts that Company has significant amount of carried forward losses and unabsorbed losses under Income Tax Act.

However, the Company has not recognised any deferred Tax Assts/ Liabilities as there is a uncertainty of future taxable income against which the deferred tax assets can be set off since the Company has presently not conducted any commercial activity.

- K.** Since the Company has not conducted any commercial business, there is no segmental performance and assets in terms of accounting standards AS-17, issued by the Institute of Chartered Accountants of India.

**L. RELATED PARTY DISCLOSURES UNDER ACCOUNTING STANDARD -18**

(I) (A) Enterprises in which the Company control Nil

(B) Parties in respect of which the company is a joint venture Nil

(C) **Key Management Personnel**

**Key**

Director	Sh Pritam Kapoor
Director	Sh. C.P. Rajendran
Director	Sh. S.V.R. Rao

(D) Enterprises on which key management personnel and their relatives are able to exercise significant influence Nil

(II) Transaction with and out standing balance of related parties during the year

	<u>Current Year</u>	<u>Previous</u>
<u>Year</u>		
(Rs.) (Rs.)		
a) Enterprises in which the company has control	Nil	Nil
b) Parties in respect of which the company is a joint venture	Nil	Nil
c) <u>Key Managerial Personnel</u>		
Amount payable imbursement of Expenses	239,457	216,572



d) Enterprises over which key management personnel and their relatives are able to exercise significant influences.

Balance outstanding as at  
Year End

- Payable	239,457	216,672
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(M) EARNINGS PER SHARE

Earnings per shares in calculated by dividing the profit attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as under.

	<u>Current Year</u>	<u>Previous Year</u>
(i) Profit/ (Loss) for the year Attributable to equity shareholde Rs.	(460,294)	(50,180,195)
(ii) Weighted average number of equity Shareholders during the years (NOS)Rs.	4,400,200	4,400,200
(iii) <u>Basic/ Diluted Earning Per Shares</u> Number of Equity Shares outstanding during the year	4,400,200	4,400,200
Earning per share (Rs.)	(0.10)	11.40
(iv) Nominal Value of Shares Rs.	10/-	10/-

(N) DETAILS OF PAYMENTS MADE TO AUDITORS

Statutory Audit Fees	20,000	20,000
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(O) Additional information pursuant to the provisions of paragraph 3,4B, 4C and 4D of part 11 of schedule VI of the Companies Act, 1956.

(i) CAPACITIES

	<u>Current Year</u>	<u>Previous Year</u>
<u>Installed:</u>		
Seed Plant ( MT )	3000	3000
Tissue Culture (Plant nos. )*	Nil	Nil
Floriculture (Nos. )	240000	240000

## Hindustan Agrigenetics Limited

### Actual production

Seed Plant (MT)	Nil	Nil
Tissue Culture ( Plant nos. )	Nil	Nil
Floriculture (Nos. )	Nil	Nil

\* As the plant sold by DRT in public Auction.

- (ii) Since the company has not conducted any business during the year, the informations as required pursuant to provision of paragraph 3, 4B 4C and 4D of part II are Nil.

### (ii) VALUE OF IMPORTS CALCULATED ON C & F Basis

	<u>Current Year</u>	<u>Previous Year</u>
Capital Goods	Nil	Nil
Stores & Spare Parts	Nil	Nil

### (iv) Expenditure in foregin currency ( on actual payment basis )

Foreign Travelling	Nil	Nil
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### (v) EARNINGS IN FOREIGN EXCHANGE

FOB value of exports	Nil	Nil
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- (P) Previous year figures have been regrouped and reclassified wherever necessary.

# Hindustan Agrigenetics Limited

(Q) In the opinion of Board:-

- (i) The provision of all known liabilities and Expenses have been made
- (ii) There are no contingent liabilities other than those stated in Note.

(R) **GENERAL BUSINESS PROFILE**

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

I. Registration Details NO.

4	0	9	7	9
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State code

5	5
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Balance Sheet Date

3	1	-	0	3	-	2	0	0	8
---	---	---	---	---	---	---	---	---	---

  
Date Month Year

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue					Rights Issue							
				N	I	L				N	I	L
Bonus Issue					Private Issue							
				N	I	L				N	I	L

III. Position of Mobilisation and Development of Funds (Amount in Rs. Thousands)

Total Liabilities						Total Assets									
			5	9	0	2	8				5	9	0	2	8

Sources of Funds

Paid-up-Capital						Reserves & Surplus									
			4	4	0	0	2				1	5	0	2	6
Secured Loan						Unsecured Loan									
					N	I	L						N	I	L

Application of Funds

Net Fixed Assets						Investments									
			2	8	6	7	0				3	3	5	9	
Net Current Assets						Misc. Expenditure									
			(-)	1	2	2	5	6				1	4	1	7
Accumulated Losses -															
			3	7	8	3	8						N	I	L

IV. Performance of Company (Amount in Rs. Thousands)

Turnover						Total Expenditure									
					8	6	8				1	3	2	9	
Profit/ Loss before tax						Profit/ Loss after tax									
					(-)	4	6	0				(-)	4	6	2

(Please tick Appropriate Box + for Profit, - for Loss)

Earning per share in Rs.						Dividend rate %									
			(	0	)	1	0						N	I	L

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

Item Code No.  
(ITC Code)

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Product Description

A G R I C U L T U R A L

Schedule 'A' To 'M' Forms an integral part of balance Sheet and profit & Loss account

Signed in terms of our report of even date  
For R.K.GULATI & ASSOCIATES  
CHARTERED ACCOUNTANTS

PLACE : NEW DELHI  
DATE : 22.08.2008

For and on behalf of the Board of Directors

(PRITAM KAPUR)  
MANAGING DIRECTOR

(C.P. RAJENDRAN)  
DIRECTOR

(RAKESH GULATI)  
PARTNER

# Hindustan Agrigenetics Limited

Hindustan Agrigenetics Limited  
 Regd. Office : 506, Megdoot,  
 94, Nehru Place,

New Delhi - 110 019

## CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2008

	For the year ended 31st March 2008	For the year ended 31st March 2007
<b>A. <u>CASH FLOW FROM OPERATING ACTIVITIES:</u></b>		
Net profit/(loss) before extra ordinary items & taxes	(460,294)	50,180,195
<b><u>Adjustment for:</u></b>		
Profit on sales of agriculture land	-	33,997,655
Short term capital Loss on Mutual Fund	177,369	-
Divident from Mutual Fund	868,330	-
<b>Operating Profit before working capital changes</b>	<u>(1,151,256)</u>	<u>16,182,540</u>
<b><u>Adjustment for:</u></b>		
Loans & Advances	-	1,194,660
Other Current Assets	-	50,733
Current Liabilities & Provisions	(229,521)	(8,489,660)
<b>Cash generated from Operations</b>	<u>(1,380,777)</u>	<u>8,938,273</u>
FBT Paid	(762)	-
<b>Net cash from Operating Activities (A)</b>	<u>(1,381,539)</u>	<u>8,938,273</u>
<b>B. <u>CASH FLOW FROM INVESTING ACTIVITIES:</u></b>		
Sale of Fixed Assets	-	36,312,500
Purchases of Fixed Assets	-	-
Purchases of mutual funds	(4,731,962)	(4,300,000)
Sale of Investments	5,495,619	-
Divident Received	868,330	-
<b>Net Cash Flow from Investing Activities (B)</b>	<u>1,631,986</u>	<u>32,012,500</u>

# Hindustan Agrigenetics Limited

## CASH FLOW FROM FINANCING ACTIVITIES:

Share Application Money	-	-
Repayment of Secured Loan	-	(40,593,560)
Repayment of Unsecured Loan	-	-

<b>Net Cash Flow from Financing Activities (C)</b>	<u>-</u>	<u>(40,593,560)</u>
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Net Increase in cash and cash equivalents (A) + (B) + (C)	250,447	357,213
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Cash and cash equivalents - Opening	511,310	154,097
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Cash and cash equivalents - Closing	761,757	511,310
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	250,447	357,213
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This is the Cash Flow Statement referred to in our report of even date

for R.K. GULATI & ASSOCIATES  
CHARTERED ACCOUNTANTS

PLACE : NEW DELHI

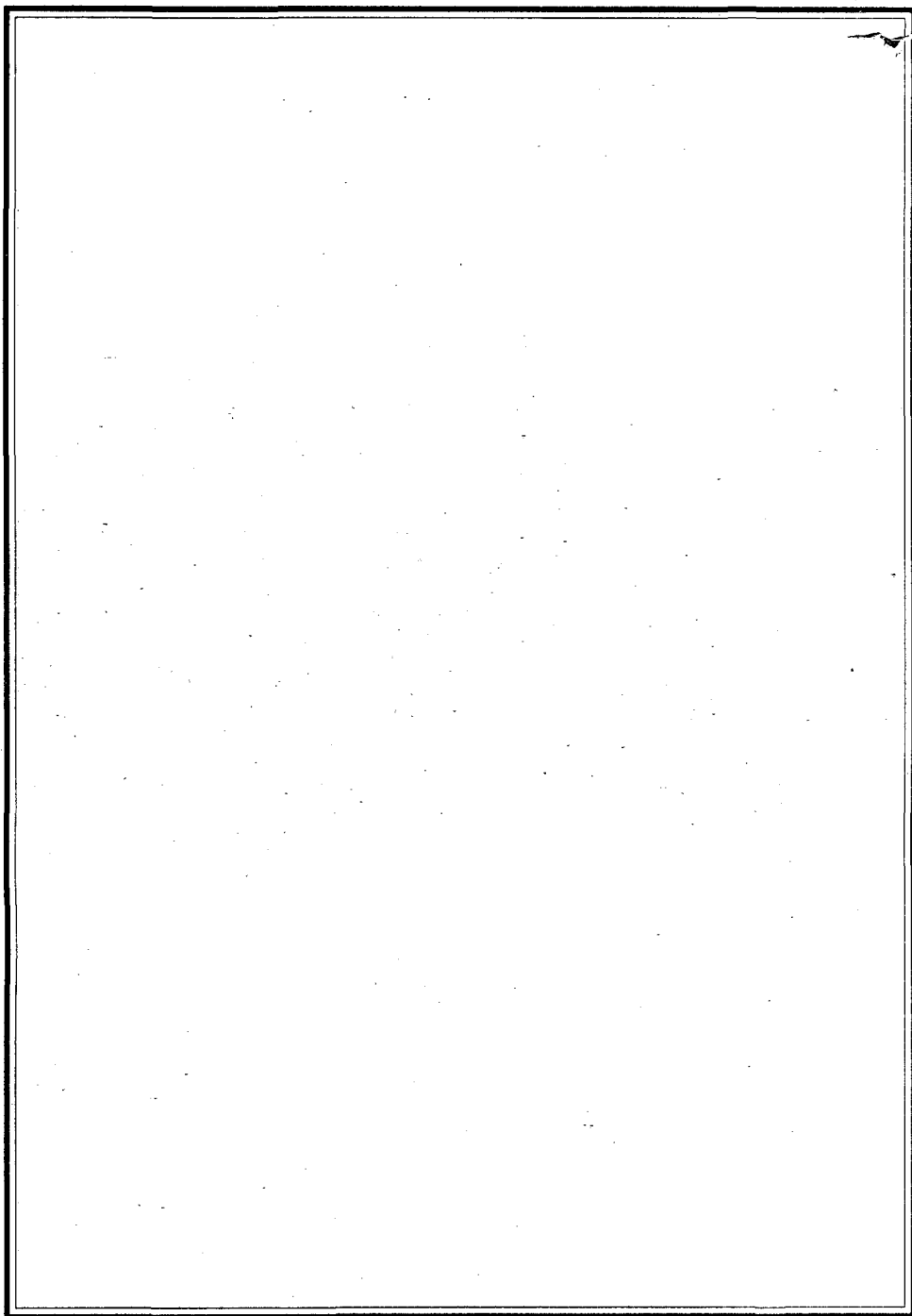
DATE : 22.08.2008

For and on behalf of the Board of Directors


(PRITAM KAPUR)  
MANAGING DIRECTOR

(C.P. RAJENDRAN)  
DIRECTOR

(RAKESH GULATI)  
PARTNER



**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 Eighteenth Annual General Meeting of the Company to be held on Saturday 20th September 2008.

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 hereby  
 appoint ..... of .....  
 ..... as my/our Proxy to attend and vote for me/us on my/  
 our behalf at the Eighteenth Annual General Meeting of the Company, to be  
 held on 20th September 2008 and at any adjournment thereof. Signed this  
 ..... day of ..... 2008

Folio No.:



Signature

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 - 110019, not less than 48 hours before the time of the meeting.

