

17th
Annual Report
2006 - 2007

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Hindustan
Agrigenetics Limited
Hybrid Seeds Tissue Culture Floriculture

Hindustan Agrigenetics Limited

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

State Bank of Hydrabad

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

CONTENS	Page No.
Notice	1
Directors Report	2
Auditors' Report and	4 - 5
Annexure to Auditors Report	6 - 9
Balance Sheet	10
Profit & Loss Account	11
Schedules	12.- 18
Significant Accounting Policies &	
Quantitative Details of Revenue Receipts etc.	18 - 25
Balance Sheet Abstract	26
Cash Flow Statement.	27 - 28
Proxy Form	29

Hindustan Agrigenetics Limited

NOTICE OF GENERAL MEETING

NOTICE is hereby given that the 17th Annual General Meeting of the Company will be hold on Friday, the 25th August, 2007 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, 2007 together with the report 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-appointemnt.

By order of the Board

(PRITAM KAPUR)
Managing Director

Place: New Delhi

Dated:14.07.2007

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.

Hindustan Agrigenetics Limited

DIRECTORS' REPORT

Dear Members,

Your directors take pleasure in presenting you this 17th report together with the audited statments of account for the financial ended on 31st March, 2007.

A. Financial Results

As per apporval accorded by you by a special resolution dated 27th May, 2006 U/s 293(1) (a) of the Companies Act, 1956, part of the farm land measuring approx. 10.65 acres situtated at the floriculture unit at Dundigal has been sold off to M/s J. K. Agrigenetics Ltd. for a total consideration of Rs. 3.69 crores. As a result the secured loan liability payable by the company to State Bank of Hyderabad, whose recovery proceddings already initiated by DRT Hyderabad, has been paid off by a one time settlement of Rs 3.00 crores arrived between the Company and the said State Bank of Hyderabad. Overdue liability payable by the Company to farmers accounted under sundry creditors against seed supplies made to the Company has been settled at Rs 17.85 lacs by mutual consensus arrived at between the company and those farmers and as a result 50% of the settled sum amounting to Rs. 8.92 lacs has been paid off to those farmers and teh balance 50% amounting to Rs. 8.93 lacs is payable by the Company. M/s Kohli Bros; Delhi, who moved a Creditors Winding up Petition before the Delhi High Court has been paid off by an out of Court settlement of Rs. 15 lacs.

Interest accrued on term loan duly waived off under the One Time Settlement increased by the profit on sale of the above mentioned farm land accounted under miscellaneous income amounted to Rs. 5,06,54,682/- which has been set off against brought forward losses of Rs. 8,75,37,897/- previous years. As a result the accumulated losses stand reduced from Rs. 8,75,37,897/- to Rs. 3,70,67,780/- against the Paid up share Capital of Rs. 4,40,02,000/-

A highway is under development near-around the floriculture unit at Dundigal and accordingly a notice has been received from Land Acquisition Department of Andhra Pradesh Government for acquisition of around 9.70 acres of land at the floriculture unit at Dundigal. The Company, however, by taking note of the increased value of its land has revalued the same and created a Revaluation Reserve of Rs. 150.26 lakhs.

B. Operations

The Company is working out ways and means to revive the unit at Gundla

Hindustan Agrigenetics Limited

Pochampally, from land acquisition proceeds to be received from the State government.

C. **Observation of Auditors**

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

D. **Directors Responsibility Statment**

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 that 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 16th AGM was held on 27th May, 2006 with adequate number of members present at the registered office of the Company.

F. **Directors**

Shri C. P. Rajendran 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 fo re-appointment.

I. **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.

J. **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.

Place: New Delhi

Dated:14.07.2007

By order of the Board

(PRITAM KAPUR)

CHAIRMAN

Hindustan Agrigenetics Limited

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, 2007 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 by 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 account 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, 2007;
 - (ii) In so far 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: 14.07.2007

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. Presently, the Company's assets are in possession of Bank.
 - (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.
4. In respect of transactions covered under Section 301 of the Companies Act, 1956:

Hindustan Agrigenetics Limited

(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 a 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 31st March 2007 for a period or more than six months from the date of becoming payable.

According to the information and explanations given to us, the details of disputed Custom Duty and Cess, which are not deposited as on 31st March 2007 on account of any disputes are given below: