

23rd
Annual Report
2012 - 2013

Hindustan Agrigenetics Limited
Hybrid Seeds □ Tissue Culture □ Floriculture

23rd Annual General Meeting

Date : 28th September, 2013

Day : Saturday

Time : 3.00 PM

Venue : 806 Meghdoot
94, Nehru Place
New Delhi 110 019

BOARD OF DIRECTORS

Shri Pritam Kapur, Chairman and Managing Director

Shri S. V. R. Rao

Shri C. P. Rajendran

Shri Vinod Malhotra

AUDITORS

R. K. Gulati & Associates

Chartered Accountants

New Delhi

BANKERS

Royal Bank of Scotland (RBS)

REGISTRARS

Karvy Consultants Ltd.

17-24, Vithal Rao Nagar,

Madhapur, Hyderabad 500 081

REGISTERED OFFICE

806, Meghdoot,

94, Nehru Place,

New Delhi - 110019

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 23rd Annual General Meeting of the Company will be held on Saturday, the 28th day of September, 2013 at 3.00 P.M. at the Registered Office of the Company at 806 Meghdoot, 94 Nehru Place, New Delhi 110 019 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited annual balance sheet of the Company as on 31st March, 2013 together with the reports of the Auditors and the Directors thereon.
2. To appoint a director in place of Mr. Vinod Malhotra, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint the auditors and fix their remuneration. The retiring auditors of the Company, M/s R. K.Gulati & Associates, Chartered Accountants, New Delhi are eligible for re-appointment.

NOTES FOR MEMBER'S ATTENTION:

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 of the Company.***
2. ***Proxy forms in order to be effective must be lodged with the Company 48 hours before the meeting.***
3. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of Board Resolution authorizing their representative to attend and vote at the meeting, on their behalf.
4. The register of Members and Share Transfer Books of the Company will remain closed from 10th September 2013 till the date of the Annual General Meeting i.e. Saturday the 28th September 2013 (both days inclusive) in connection with the Annual General Meeting.
5. Pursuant to Clause-49 of the listing Agreement, the particulars of director seeking appointment/re-appointment at the meeting are annexed.
6. Members are requested to bring their copy of Annual Report to the meeting.
7. Entry in the Meeting Hall shall be strictly restricted to the Members/Valid Proxies only, carrying the attendance slips.
8. The Ministry of Corporate Affairs, Government of India, vide circular No. 17/2011 allowed services of documents by electronic mode (email) as a green initiative. Members are requested to register their email address with the Company and/or Registrar/Share Transfer Agent for the purpose of service of documents under section 53 of the Companies Act. 1956.

INFORMATION AS REQUIRED TO BE FURNISHED IN PURSUANCE OF CLAUSE-49
OF THE LISTING AGREEMENT WITH STOCK EXCHANGES

Mr. Vinod Malhotra, Independent Director of the Company retires by rotation at the forthcoming Annual General Meeting and is eligible for re-appointment. The Brief particulars of Mr. Vinod Malhotra, proposed to be re-appointed are as given below:

Mr. Vinod Malhotra

Age : 65 years

Qualification and Experience:

Shri Vinod Malhotra, aged about 65 yrs is a Post Graduate from Michigan University and did his Graduation in Mechanical Engineering from IIT Roorkee. Mr Malhotra possesses to his credit 18 yrs of rich work experience in various managerial capacities in Canada, the Middle East and in India. He has also been the Managing Director of a Hospitality Business Company in India for over 11 years and has rich experience in running the Business of a Company In India.

Membership/Chairmanship of Committees:

Investor's Grievances Committee	: Chairman
Share Transfer Committee	: Member
Audit Committee	: Member

Shareholding in the Company : Nil
(As on 31st March, 2013)

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the 23rd Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March 2013.

a. Financial Results

	Current Year	(Rs Lakhs)
	As on 31.3.2013	Previous Year
	As on 31.3.2012	
Receipts/Income	13.82	54.66
Profit before Taxes	(11.92)	31.20
Less Deferred Tax	-	10.65
Profit/ (Loss) after Taxes	(11.92)	20.54
Share Capital	440.02	440.02

b. Dividend:

Keeping in view the financial results and status of the company, it is not proposed to declare any dividend.

c. Public Deposits:

The Company has neither invited nor accepted any deposits from the public within the meaning of Section 58A of the Companies Act, 1956 during the year under review.

d. Directors and Induction of new Directors

During the year under review, there was no change in the composition of the Board of Directors of the Company.

Mr. Vinod Malhotra, independent Director retires by rotation and being eligible offers himself for re-appointment.

e. Director's responsibility statement

In compliance with Section 217(2AA) of the Companies Act; the Directors to the best of their knowledge and belief confirm that:

- (i) In the preparation of Annual Accounts the applicable accounting standards have been followed and that there are no material departures.
- (ii) The directors have selected such accounting policies as mentioned in the Notes to Accounts of the Annual Accounts and applied them consistently and which give a fair and reasonable view of the affairs of the company at the end of the year on 31st March 2013;

- (iii) Proper and adequate care has been taken for the maintenance of accounting records in accordance with the provisions of the Companies Act of 1956. For safeguarding the assets of the company and for detecting fraud and other irregularities;
- (iv) The Annual Accounts have been prepared on a going concern basis.

f. Management Discussion and Analysis

The Company has taken steps for applying to the Bombay Stock Exchange for revocation of its suspension and is taking steps to comply with the various listing requirements.

The operations of the company remain suspended. However, the company is investigating other avenues for its revival.

The management Discussion and Analysis Report for the year under review as stipulated under clause 49 of the Listing Agreement with the Stock exchange is presented in a separate section forming part of the annual report.

g. Corporate Governance

Your Company is committed to maintain the highest standards of ethics and governance, resulting in enhanced transparency for the benefit of all stakeholders. As per clause 49 of the Listing Agreement with the Stock exchanges and the requirements set out by the Securities and Exchange Board of India's Corporate Governance Practices, the company has implemented all the stipulations prescribed. The Company has adopted a code of conduct applicable to the Board and senior management. The Company fully complies with the governance practices as enunciated in the listing agreement.

The report on Corporate Governance as stipulated under clause 49 of the Listing Agreement 9 Annexure-II) forms part of this report. The requisite certificate from M/s Vinod Aggarwal & Associates, Company Secretaries, confirming compliance with the conditions of corporate governance as stipulated under the aforesaid clause 49, is attached to this report.

h. Compliance of Accounting standards

As per requirements of the Listing Agreement with Stock Exchange and Accounting Standards of The Institute of Chartered Accountants of India, your company has made proper disclosures in financial statements in respect of Consolidated Financial Statements, Related Party Transactions and Deferred Taxation. The Company has duly adopted all the applicable Accounting Standards in pursuance to the provisions of the provisions of Section 211 (3A) of the Companies Act, 1956.

i. Statutory Information under Section 217 of the Companies Act 1956

(i) Particulars of Employees

There are no employees whose income needs to be disclosed as required under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

(ii) Energy Conservation

Improvement of methods of energy conservation and optimum utilization of energy in all operation, continued to receive close attention. Company is always conscious to conserve energy through improved methods and design. In this regard company has introduced energy saving features in the system and monitors by which users saves the power consumption to a considerable extent.

(iii) Foreign Exchange Earnings and Expenditure

During the year, the foreign exchange earnings and expenditure were NIL.

j. Stock Exchange/Compliance of Listing Agreement

The Company is in correspondence with the Bombay Stock Exchange for complying with the various requirements in accordance with the Listing Agreement.

k. Secretarial Compliance Report

As per the requirements of Section 383A (1) of the Companies Act, 1956 a Secretarial Compliance Report has been obtained from M/s Vinod Aggarwal & Associates, practicing Company Secretaries, a copy of the same is attached with this report.

l. Auditor's report and observations

The observations made in the Auditor's report are self explanatory and do not contain any reservations, qualifications or adverse remarks and, therefore need no further clarifications/explanations as required under Section 217(3) of the Companies Act, 1956.

m. Auditors

The Auditors M/s R.K. Gulati & Associates retire at the conclusion of the forthcoming General Meeting and being eligible, offer themselves for reappointment.

n. Filing of case in respect of compensation for Acquisition of Green House by the Outer Ring Road Authority

The land of the company situated at Dundgal, Hyderabad had been acquired by the Government. However, the compensation received from the Government in

respect to such land was not fair and adequate. The Board of Directors has decided to file a suit against the Government for better compensation.

o. Acknowledgements

The Board of Directors wishes to express its appreciation of all those who are connected with the company for their services.

For and Behalf of the Board

Place: New Delhi
Date: 02.09.2013

Pritam Kapur
Chairman

Annexure-I to the Director's Report-

Management Discussion and Analysis

a. Macro Economic Overview

During the year under review, inflation continued to be an area of concern and the real earnings of the farmers and other rural population continued to be under pressure. This resulted in their having to cut back on their expenses, particularly the input expenses for their agriculture.

b. Industry Structure and Developments

The seed business of the country continues to be very competitive. However, many industry leaders who were major producers of GM seeds are facing pressure as the pests seem to have developed resistance to the bt genes transferred in the seeds. Hence there is a renewed thrust on R&D to develop next generation of bt genes. The government has expressed its concern to the seed industry to ensure quality of seeds in the wake of news of suicides by farmers.

c. Opportunities and Threats

The entry barriers to the seed business have become high as the market is now dominated by propriety brands of seeds and technology of public bred seeds is unable to compete. On the other hand, with competition intensifying there may be new opportunities in the business of providing services such as extension services to large players.

d. Business opportunities under examination

In view of the high technology barriers for entry in seed industry, your company has been examining other opportunities in the agriculture space. The company started some trials for production of specialty crops for extraction of valuable derivatives to ascertain the suitability of the agro climatic conditions for their high yields. Other business opportunities are also under examination.

e. Resources and liquidity

The company has invested its liquid resources mostly in debt based Mutual Funds with a view to use the income so earned to meet the day to day expenses of the company. In addition, to keep the R&D farms in good order, the land is being used for production of seeds and selling them in the nearby market.

f. Risks and concerns

The main risk of seed business continues to be the dependence of business on monsoon. Lack or excess of rainfall has the effect of changing the sowing pattern

and crops sown with an immediate impact on seed demand. This can result in shortages or in carry over, both of which have an impact on the business.

g. Internal Control Systems and Adequacy

The Company has adequate internal control procedures commensurate with its size and nature of the business. These business control procedures ensure efficient use and protection of the resources and compliance with the policies, procedures and statutes.

h. Human Resources

The company currently has no employees and the executive director of the Company is looking after the various statutory and other requirements as also looking at the possibilities of starting the business once again. However in view of reverses suffered in the past it is proposed to be cautious in undertaking any new venture.

i. Future outlook

As mentioned earlier, the business is quite dependant on monsoon and its progress. At the time of writing this review, there are reports that many districts of the country are facing drought and sowings have been adversely affected. From this we may surmise that the business outlook of the seed industry for the coming year is somewhat bearish.

For and on behalf of the Board

Pritam Kapur
(Chairman and Managing Director)

C.P.Rajendran
(Director)