

12th
Annual Report
2001 - 02

H i n d u s t a n
Agrigenetics Limited
Hybrid Seeds • Tissue Culture • Floriculture

BOARD OF DIRECTORS

DIRECTORS

Shri Pritam Kapur

Shri S.V. R. Rao

Shri C.P. Rajendran

AUDITORS

Praturi & Sriram

Chartered Accountants

Hyderabad

BANKERS

States Bank of Hyderabad

REGISTRARS

Karvy Consultants Ltd.

25, Business Park

Shivaji Marg, New Delhi-110015

REGISTERED OFFICE

806, Meghdoot

94, Nehru Place

New Delhi-110016

PLANT

19/D, Gundia Pochampaly

Via Hakimpet

Secundrabad-500 014

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NOTICE OF GENERAL MEETING

NOTICE is hereby given that the 12th Annual General Meeting of the company will be held on Saturday, the 28th September, 2002 at 3.00 p.m. at the registered office at 806 Meghdoot, 94, Nehru Place, New Delhi-110019 to transact the following business:

A. Ordinary Business

1. To receive, consider and adopt the audited annual balance sheet of the company as at 31st March 2002 together with the reports of the auditors and the directors thereat.
2. To appoint a director in place of Shri. S.V.R. Rao, who retires by rotation but is eligible for re-appointment.

B. Special Business

1. To consider and if thought fit to pass with or without modifications, the following resolution as an ordinary resolution:

"RESOLVED that consent of the company under the Provisions of Section 224 (5) of the Companies Act, 1956 be and is hereby accorded to appoint M/s R.K. Gulati & Associates, Chartered Accountants, New Delhi as the statutory auditors of the company in place of the retiring auditors, M/s Praturi & Sriram, Hyderabad at a remuneration to be mutually decided between the said auditors and the Board of Directors of the company."

By Order of the Board

(Pritam Kapur)
Managing Director

Place: New Delhi
Dated: 04-09-2002

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 at its registered office.
3. Any queries relating to the annual accounts are to be sent 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.

Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956.

The company has received a special notice U/s 225 of the Act proposing the appointment of M/s R.K. Gulati & Associates, Chartered Accountants, New Delhi in place of the outgoing auditors, M/s Praturi & Sriram, Hyderabad. Since the business activities of the company with its works at Gundla Pochampally, Hyderabad remain inoperative for more than two years now, your Board is of the considered opinion, the audit of account could be conducted by a firm of Chartered Accountants from Delhi and with this object in view, recommend the resolution set forth above for adoption by the members. However, none of your directors are directly and / or indirectly interested in the above resolution.

DIRECTORS REPORT

Dear members,

Your directors take pleasure in presenting you this 12th report together with the audited statements of account for the financial year ended on 31st March, 2002.

A. **Financial Results**

The year under report has recorded revenue receipts of Rs 24.18 lacs representing sale of old inventories with other miscellaneous income as against the previous year's amount of Rs 19.41 lacs, but after accounting for the cost of inventories, establishment expenses, depreciation provision of Rs 47.87 lacs, writing off unrecoverable debts of Rs 19.45 lacs and further loss of Rs 1.86 lacs booked under damaged and un-saleable inventories, the year under report has been closed with a net loss of Rs 90.61 lacs as against the previous year's loss amount of Rs 371.70 lacs. The current year's loss of Rs 90.61 lacs reduced by Rs 2.32 lacs writing off excess income tax provision of previous years and added by the brought forward loss of Rs 699.96 lacs of the previous years, thus totaling to a gross loss amount of Rs 788.25 lacs has been transferred to the current annual balance sheet and as a result of which the net-worth of the company stands totally eroded.

B. **Operations**

The Works at Gundla Pochampally, Hyderabad remain inoperative for almost two years now with services of all workers terminated. As against a cash credit 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, but the said DRT as of date has not passed any final orders. 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 two years now, recovery of outstanding debts was found to be impossible and to account for the value of old stocks were not practiceable 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 S.V.R. Rao is retiring by rotation but is eligible for re-appointment.

F. **Auditors**

Your Board recommends appointment of M/s R.K. Gulati & Associates Chartered Accountants, New Delhi in place of the retiring auditors, M/s Praturi & Sriram, Hyderabad as per resolution in respect thereto included in the notice convening the annual general meeting.

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
Dated: 04-09-2002

(C.P. RAJENDRAN)
Director

(PRITAM KAPUR)
Managing Director

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

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

We have audited the attached Balance Sheet of M/S HINDUSTAN AGRIGENETIC LIMITED, as on 31.03.2002 and also the Profit and Loss Account of the company for the year ended on that date annexed hereto. These financial statements are the responsibility of the Company's management, and our responsibility is to express an opinion on these financial statements based on our audit.

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-statements. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Manufacturing and other companies (Auditor's Report) Order, 1988 issued by the company law Board in terms of Section 227 (4A) of the companies Act 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, we report that:

1. We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit;
2. 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;
3. The Balance Sheet and Profit and Loss account are in agreement there with the books of accounts
4. In our opinion, these financial statements have been prepared in compliance with the applicable accounting standards referred to in sub-clause 3 © of section 211 of the companies Act 1956 excepting:

-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

5. On the basis of the information and explanations given to us, and representations obtained by the company, there are no directors who, as at March 31, 2002 are disqualified under Section 274(1)(g) of the Companies Act, 1956 as amended to date, from being appointed as directors.
6. Subject to:
 - a. The company discontinuing major portion of its operations. Its net worth is completely eroded. The institutional lenders have filed suit recalling their loans together with interest and other charges. Therefore, in our opinion, the assets of the company depicted in the Balance Sheet under "going concern" assumption do not reflect the realizable value.
 - b. Provision is not made towards interest payable on term loans and working capital facilities extended by State Bank of Hyderabad, the amount whereof is not ascertainable.

The foregoing remarks, in our opinion and to the best of our information and according to explanations given to us, the said accounts read together with the Significant Accounting Policies and Notes forming Part of the Accounts thereon, give the information required by the Companies Act, 1956 in the manner so required, and give a true and fair view:

- In the case of Balance Sheet of the state of affairs of the company as at 1st March 2002; and
- In case of Profit and Loss Account of the loss for the year ended on that date.

For Praturi & Sriram
Chartered Accountants

Raja Praturi
Partner

Place: Hyderabad
Date: 03.09.2003

ANNEXURE

As required by the manufacturing and other companies (Auditor's report) order 1988 ISSUED BY THE company Law Board in terms of section 227(2A) of the companies act, 1956, we further state that:

- a) The Company has maintained reasonable records to show full particulars, including quantitative details and location of its Fixed Assets. Only a partial physical verification of fixed assets was conducted by the management during the year under review in respect of main assets only and a reconciliation with the asset records and adjustment of discrepancies if any remains pending.
- b) None of the fixed assets of the Company were revalued during the year.
- c) The company wrote off the entire value of its stock of finished goods, stores, spare parts and raw materials as no longer useful. The management assured that physical control thereof, is maintained to the extent possible and realizable value, if and when recovered would be accounted in the books.
- d) The procedures and frequency of physical verification of stocks is reasonable in relation to the size of the Company and the nature of its business and its present precarious position.
- e) The discrepancies noticed on physical verification of stocks, as compared to the books of records, have been dealt with the books of accounts adequately, except to the extent of stocks lying at third party locations such as transporters godowns etc.
- f) We have been informed that the stocks of finished goods, stores, spare parts and raw materials are no longer useful and therefore they are valued at nil.
- g) Based upon information and explanations given to us, we are informed that the company has not taken any loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
- h) In respect of loans and advances in the nature of loans given by the company, parties have repaid the principal amount as stipulated and have also been regular in the payment of interest where applicable.
- i) In our opinion and according to information and explanations given to us, the company has adequate procedures, commensurate with its size and nature of business with respect to internal control. Purchase of stores, raw materials, plant and machinery, equipment and other assets, and for sale of goods.

- j) According to information and explanations given to us, purchase 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, if any, have been made at prices which are reasonable, having regard to prevailing market prices at which transactions for similar goods or services have been made with other parties.
- k) In our opinion the company does not have an adequate system to determine unserviceable or damaged stores and raw materials.
- l) The Company has not invited or accepted any deposits from the public attracting the provisions of section 58A of the Companies Act, 1956 and the Rules framed there under.
- m) In our opinion, the records maintained by the company for sale and disposal of scrap need to be strengthened. The company's manufacturing activities do not generate any by product.
- n) **The company does not have an internal audit system commensurate with its size and nature of its business.**
- o) The Central Government has not prescribed maintenance of Cost Records under section 209 (1)(d) of the Companies Act 1956, for the products of the company.
- p) **The company has during the year deposited the payment of dues to the ESI and PF authorities with some delays.**
- q) According to information and explanations given to us, there are no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Customs Duty and Excise Duty which were outstanding for a period of more than six months from the date they became payable.
- r) To the best of our knowledge and on the basis of our examination of the books of accounts, prevailing internal controls and information and explanations given to us, there are no personal expenses charged to revenue accounts other than the expenses under service contract obligations with employees and /or accepted business practices.
- s) The company is not a sick industrial company within the meaning of clause (o) of sub section (1) of Section (3) of the Sick Industries (Special Provisions) Act, 1985. We are advised that the said Act does not apply to this company, even though the net worth is completely eroded.
- t) We are informed that the Company has no damaged trading goods requiring provision as on the Balance Sheet date.

Hindustan Agrigenetics Limited

94, Nehru Place,
New Delhi 110 019

BALANCE SHEET AS AT 31ST MARCH, 2002

SCHEDULES		AS AT 31.3.2002 RS.	AS AT 31.3.2001 RS.
<u>SOURCE OF FUND</u>			
SHARE CAPITAL	1	44,002,000.00	44,002,000.00
SECURED LOANS	2	40,754,645.14	40,754,645.00
		<u>84,756,645.14</u>	<u>84,756,645.00</u>
<u>APPLICATION OF FUNDS</u>			
FIXED ASSETS(NET BLOCK)	3	24,711,648.97	29,498,852.00
<u>CURRENT ASSETS,</u>			
<u>LOANS & ADVANCES</u>			
INVENTORIES	4	-	642,078.00
SUNDRY DEBTORS	5	-	1,717,666.00
CASH & BANK BALANCES	6	246,251.31	289,491.00
OTHER CURRENT ASSETS	7	1,180,840.01	931,185.00
LOANS & ADVANCES	8	93,659.97	185,587.00
		<u>1,520,751.29</u>	<u>3,766,007.00</u>
LESS: CURRENT LIABILITIES & PROVISION	9	<u>21,718,411.83</u>	<u>20,539,948.00</u>
NET CURRENT ASSETS		(20,197,660.54)	(16,773,941.00)
PROFIT & LOSS A/C		78,825,458.18	69,995,579.00
<u>MISC. EXPENSES TO THE</u>			
<u>EXTENT NOT W/O/F</u>	10	<u>1,417,198.53</u>	<u>2,036,154.00</u>
		<u>84,756,645.14</u>	<u>84,756,644.00</u>

In terms of our report of even date
for PRATURI & SRIRAM
Chartered Accountants

Raja Praturi
Partner

on behalf of the Board of Directors

(Pritam Kapur) (C.P. Rajendran)
Managing Director Director

Date : 03.09.2003
Place : Hyderabad

Hindustan Agrigenetics Limited
94, Nehru Place,
New Delhi 110 019

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2002

	SCHEDULES	For the Period ended 31.03.2002 RS.	For the Period ended 31.03.2001 RS.
INCOME:			
NET TURNOVER		1,704,211.65	1,407,000.00
OTHER INCOME		714,321.97	534,019.00
		<u>2,418,533.62</u>	<u>1,941,019.00</u>
EXPENDITURE:			
MATERIALS CONSUMED	12	3,412,830.00	12,746,881.00
MANUFACTURING EXPENSES	13	—	2,766,335.00
ADMINISTRATIVE EXPENSES	14	405,201.90	6,942,278.00
SELLING & DISTRIBUTION	15	2,068,294.90	7,331,014.00
		<u>5,886,326.80</u>	<u>29,786,508.00</u>
PROFIT BEFORE INTEREST & DEPRECIATION		(3,467,793.18)	(27,845,489.00)
INTEREST	16	2,293.00	5,611,922.00
DEPRECIATION	3	4,787,203.00	3,052,486.00
PRELIMINARY EXPENSES AND RESEARCH AND DEVELOPMENT EXPENDITURE	11	618,957.00	660,371.00
		<u>5,408,453.00</u>	<u>9,324,779.00</u>
PROFIT/ (LOSS) FOR THE YEAR		(8,876,246.18)	(37,170,268.00)
EXTRORDINARY ITEM (Refer Note)		185,587.00	-
PROFIT/ (LOSS) AFTER TAX		(9,061,833.18)	(37,170,268.00)
INCOME TAX EXCESS PROVIDED IN EARLIER YEARS		231,954.00	-
PROFIT/ (LOSS) B/F FROM PREVIOUS YEAR		(69,995,579.00)	(32,825,311.00)
BALANCE IN P&L ACCOUNT CARRIED TO THE BALANCE SHEET		<u>(78,825,458.18)</u>	<u>(69,995,579.00)</u>

In terms of our report of even date
for PRATURI & SRIRAM
Chartered Accountants
Raja Praturi
Partner

on behalf of the Board of Directors
(Pritam Kapur) (C.P. Rajendran)
Managing Director Director

Date : 03.09.2003
Place : Hyderabad

Hindustan Agrigenetics Limited94, Nehru Place,
New Delhi 110 019**SCHEDULES TO BALANCE SHEET FOR THE PERIOD ENDED 31ST MARCH 2002**

SCHEDULE 1 : SHARE CAPITAL	AS AT 31.3.2002	AS AT 31.3.2001
<u>AUTHORISED</u>		
50,00,000 EQUITY SHARE OF Rs. 10/- EACH <u>ISSUED</u>	50,000,000.00	50,000,000.00
44,00,200 EQUITY SHARE OF Rs. 10/- EACH <u>SUBSCRIBED AND PAID UP</u>	44,002,000.00	44,002,000.00
44,00,200 EQUITY SHARE OF Rs. 10/- EACH	44,002,000.00	44,002,000.00
TOTAL	44,002,000.00	44,002,000.00
SCHEDULE 2 : SECURED LOANS	AS AT 31.3.2002	AS AT 31.3.2001
CASH CREDIT FROM STATE BANK OF HYDERABAD TERM LOAN FROM STATE BANK OF HYDERABAD CHENAI FINANCE CO. LTD.	24,661,545.74 15,932,041.00 161,085.40	24,661,545.74 15,932,041.00 161,085.40
TOTAL	40,754,672.14	40,754,672.14
SCHEDULE 4 : INVENTORIES	AS AT 31.3.2002	AS AT 31.3.2001
RAW SEEDS <u>WORK IN PROCESS</u>	—	37,618.00
PACKING MATERIAL	—	604,460.00
TOTAL	—	642,078.00
SCHEDULE 5 : SUNDRY DEBTORS- UNSECURED	AS AT 31.3.2002	AS AT 31.3.2001
CONSIDERED GOOD MORE THAN 6 MONTHS OTHERS	—	1,717,666.00
CONSIDERED DOUBTFUL :		
MORE THAN 6 MONTHS OTHERS	1,944,487.90	8,144,129.00
LESS: DOUBTFUL DEBTS PROVIDED	(1,944,487.90)	(8,144,129.00)
TOTAL	NIL	1,717,666.00

Hindustan Agrigenetics Limited94, Nehru Place,
New Delhi 110 019

SCHEDULE 6 : CASH & BANK BALANCES	AS AT 31.3.2002	AS AT 31.3.2001
CASH IN HAND	4,054.36	20,182.00
BALANCES WITH BANKS		
IN CURRENT ACCOUNT	95,404.95	122,517.00
IN DEPOSIT ACCOUNT		
SHARE APPLICATION MONEY IN REFUND ACCOUNT	146,792.00	146,792.00
TOTAL	246,251.31	289,491.00
SCHEDULE 7 : OTHER CURRENT ASSETS	AS AT 31.3.2002	AS AT 31.3.2001
DEPOSITS-OTHERS	743,704.00	743,704.00
TAX DEDUCTED AT SOURCE RECEIVABLE	—	136,748.00
H.P. INTEREST SUSPENSE	50,732.75	50,733.00
SALES TAX	386,403.26	—
TOTAL	1,180,840.01	931,185.00
SCHEDULE 8 : LOANS & ADVANCES- UNSECURED RECOVERABLE IN	AS AT 31.3.2002	AS AT 31.3.2001
CONSIDERED GOOD		
ROYALTY RECOVERABLE	—	185,587.00
CONSIDERED DOUBTFUL		
ADVANCES TO GROWERS & SUPPLIERS	93,659.97	1,184,057.00
ADVANCES TO EMPLOYEES	—	381,901.00
Less: Provision for doubtful debts	—	(1,565,958.00)
TOTAL	93,659.97	185,587.00
SCHEDULE 9 : CURRENT LIABILITIES & PROVISIONS	AS AT 31.3.2002	AS AT 31.3.2001
SUNDRY CREDITORS		
FARMERS & OTHERS FOR GOODS	10,763,904.79	11,888,813.00
FOR EXPENSES	4,055,625.50	4,055,626.00
ADVANCE BOOKED FROM CUSTOMERS	4,802,825.32	19,450.00
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	33,208.00
OTHER LIABILITIES	1,014,156.48	3,494,160.00
TOTAL	21,718,411.83	20,539,949.00

Hindustan Agrigenetics Limited
 "94, Nehru Place,"
 New Delhi 110 019

SCHEDULE 10 : MISCELLANEOUS EXPENSE

"to the extent not
 written off, or adjusted" AS ON 01.04.2001 INCURRED DURING THE YEAR AMOUNT WRITTEN OFF AS AT 31.3.2002

RESEARCH & DEVELOPMENT EXPENSES	1,038,865.93	—	346,285.00	692,580.93
PRELIMINARY EXPENSES	49,302.40	—	35,672.00	13,630.40
SHARE ISSUE EXPENSES	947,987.20	—	237,000.00	710,987.20
TOTAL	2,036,155.53	—	618,957.00	1,417,198.53

SCHEDULE 12 : MATERIALS CONSUMED & FARM EXPENSES

	AS AT 31.3.2002	AS AT 31.3.2001
A) MATERIALS CONSUMED		6,522,773.00
OPG. STOCK OF RAW SEED	37,618.00	3,603,561.00
PURCHASE-SEED	—	4,550.00
PURCHASE-FOUNDATION SEEDS	—	—
PURCHASE-BREEDER SEEDS	—	—
PURCHASE-FLOWER SEED	—	—
PURCHASE-PLANT	—	—
SALES RETURNS (Related to earlier years)	2,770,752.00	—
CLOSING STOCK OF RAW SEED	—	(37,618.00)
	2,808,370.00	10,093,266.00
B) INC/DEC. IN FINISHED STOCKS	604,460.25	3,258,075.00
OPENING STOCKS	—	(604,460.00)
CLOSING STOCK OF PARENT SEED	—	—
	604,460.25	2,653,615.00
TOTAL	3,412,830.25	12,746,881.00

SCHEDULE 13 : MANUFACTURING EXPENSES

	AS AT 31.3.2002	AS AT 31.3.2001
PLOUGHING & LAND PREPARATION	-	55,860.00
INWARD FREIGHT	-	124,851.00
CLOTH BAGS CONSUMED	-	1,333,163.00
GUNNY BAGS CONSUMED	-	89,541.00
WAGES	-	306,287.00
REGD. & CERTN. CHARGES	-	1,000.00
TAGS & OTHER PACKING MATERIALS	-	50,332.00
CONSUMPTION OF CHEMICALS & OTHER STORES	-	355,506.00
LOCAL FREIGHT	-	94,680.00
HAMALI CHARGES	-	76,915.00
PROCESSING CHARGES	-	7,695.00
POWER CONSUMED	-	267,533.00
MARKET CESS	-	2,970.00
TOTAL	-	2,766,333.00

Hindustan Agrigenetics Limited
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SCHEDULE 14 : ADMINISTRATIVE EXPENSES	AS AT 31.3.2002	AS AT 31.3.2001
SALARIES	95,173.00	2,715,493.00
STAFF WELFARE	4,097.00	22,922.00
VEHICLE HIRE CHARGES	-	73,814.00
TRAVELLING	64,622.93	1,238,771.00
COMMUNICATION EXPENSES	78,546.20	968,267.00
PRINTING & STATIONARY	4,720.75	64,390.00
RENTS	2,000.00	713,879.00
REPAIRS & MAINTENANCE	300.00	103,331.00
AUDIT FEES	10,000.00	88,423.00
LEGAL EXPENSES	128,300.00	24,000.00
OTHER EXPENSES	17,442.02	928,986.00
TOTAL	405,201.90	6,942,276.00
SCHEDULE 15 : SELLING & DISTRIBUTION EXPENSES	AS AT 31.3.2002	AS AT 31.3.2001
SALES INCENTIVES & PROMOTION EXPENSES	-	924,733.00
DISTRIBUTION EXPENSES	72,692.00	237,600.00
FREIGHT OUTWARDS	51,115.00	429,497.00
DOUBTFUL DEBTS PROVIDED	1,944,487.90	5,739,184.00
TOTAL	2,068,294.90	7,331,014.00
SCHEDULE 16 : INTEREST	AS AT 31.3.2002	AS AT 31.3.2001
INTEREST ON TERM LOAN	—	1,801,250.00
INTEREST ON CASH CREDIT	—	3,810,672.00
OTHER INTEREST	2,293.00	—
TOTAL	2,293.00	5,611,922.00

HINDUSTAN AGRIGENETICS LIMITED
94, NEHRU PLACE, NEW DELHI-110 019

SCHEDULE "C"
SCHEDULE OF FIXED ASSETS AS ON 31ST MARCH 2002

Sl. NO.	PARTICULARS OF ASSETS	GROSS BLOCK		DEPRECIATION		On Sales Disposal	NET BLOCK	
		Cost as on 1.4.2001	additions during the year	Cost as on 31.3.2002	As on 1.4.2001		W.D.V. as on 31.3.2002	W.D.V. as on 31.3.2001
1	Land	4,240,997.00	-	4,240,997.00	-	-	4,240,997.00	4,240,997.00
2	Bore Wells	370,590.00	-	370,590.00	65,311.69	-	305,278.31	305,278.31
3	Buildings	3,426,182.00	-	3,426,182.00	2,798,734.00	-	927,448.00	927,448.00
4	Seed Plant	2,115,698.00	-	2,115,698.00	918,705.00	-	1,196,993.00	1,196,993.00
5	Tissue Culture Plant	7,999,037.00	-	7,999,037.00	4,487,209.00	-	3,511,828.00	3,511,828.00
6	Green House	12,215,531.00	-	12,215,531.00	2,872,519.00	-	9,343,012.00	9,343,012.00
7	Wooden Green House	790,661.00	-	790,661.00	179,779.00	-	610,882.00	610,882.00
8	Cold Storage	1,795,630.00	-	1,795,630.00	436,977.00	-	1,358,653.00	1,358,653.00
9	Equipment	8,396,525.00	-	8,396,525.00	5,456,841.00	-	2,939,684.00	2,939,684.00
10	Rose Plant	1,943,387.00	-	1,943,387.00	584,522.00	-	1,358,865.00	1,358,865.00
11	Electrical Installation	2,530,635.00	-	2,530,635.00	1,039,963.00	-	1,490,672.00	1,490,672.00
12	Other Plant & Machinery	583,845.00	-	583,845.00	507,320.00	-	76,525.00	76,525.00
13	Furniture & Fixtures	785,470.00	-	785,470.00	356,459.00	-	428,991.00	428,991.00
14	Motor Vehicles	47,193,188.00	-	47,193,188.00	17,694,341.00	-	29,498,847.00	29,498,847.00
15	Figures for the Current Year	48,484,568.00	-	48,484,568.00	15,149,572.00	-	33,334,996.00	33,334,996.00
16	Figures for the Previous year	-	-	-	-	-	-	-

Note: Depreciation has been on straight line method as per rates prescribed in Schedule XIV of Companies Act 1961

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 standers referred to in sub-section (3C) of section 211 of the Companies Act, 1956.

The Company generally, income and expenditure on an accrual basis except those with Significant uncertainties.

B. FIXEDASSETS:

- (i) Fixed assets are stated at original cost including taxes, freight and other incidental
- (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 as prevailing.

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

Depreciation on Rose Plants is chared 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.
Finished Goods	at lower of landed cost, apportioned manufacturing Expenses and packing costs, or rezalisable 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 institution 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 in respect of new product development are classified as Research & Development expenditure and amortized over 5 years.

SCHEDULE 18

Notes forming part of accounts for the year ended March 31,2002

1) SHARE CAPITAL

Out of the offer of 41.40 lac 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.1.86lacs for the FY 94-95 paid on the basis of Net Reliasable Sales as provided in the RCTS 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 RCTS 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.
- (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 Director.

The State Bank of Hyderabad has filed a suit with the Debts recovery Tribunal Hyderabad, vide suit OA 273 of 2001 on 19.2.2001 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 financier 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 31.3.2002.
- 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 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 & PROVISION

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.

DETAILS OF PAYMENTS DUE/MADE TO AUDITORS

Statutory Audit Fees	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

		2001 -02		2000-01	
		Value	Qty	Value	Qty
Hybrid Seeds (Kgs)	17.04.2002	40247	N.A	120234	N.A.
Foundation Seeds (Kgs)		NIL	NIL	NIL	NIL
Breeder Seeds (Kgs)		NIL	NIL	NIL	NIL
Others		NIL	NIL	133826	NA
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 Bags (nos)	NIL	NIL	89541	N.A.
Other materials				
Glassware (nos)				

PARTICULARS OF OPENING & CLOSING STOCKS/ PURCHASES & PRODUCTION

	Opg stocks		Purchases/ 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

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 HINDUSTANAGRIGENETICS LIMITED
ON BEHALF OF BOARD

Date: 03.09.2003
Place: Hyderabad

P. Kapur
Managing Director

C.P. Rajendran
Director

HINDUSTAN AGRIGENETICS LIMITED

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

ATTENDANCE SLIP

Folio No.:

Shares Held:

I hereby record my presence at the Twelvth Annual General Meeting of the Company held on Saturday 28th September 2002 at 3.00 pm

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. Office: 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 Twelfth Annual General Meeting of the Company, to be held on 28th
September 2002 and at any adjournment thereof Signed this _____ day
of _____ 2002.

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 Registered Office, 806 Meghdoot, 94 Nehru Place, New Delhi-110019, not less than 48 hours before the time of the meeting.