

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting 30th the **ANNUAL REPORT** on the business and operations of your Company along with the Audited annual Accounts for the financial year ended on 31st March, 2020.

1. FINANCIAL SUMMARY/HIGHLIGHTS

The Financial of the Company as on 31st March, 2020 is as under:-

	<u>Current Year</u>	<u>(Rs Lakhs)</u> <u>Previous Year</u>
	<u>As on 31.3.2020</u>	<u>As on 31.3.2019</u>
Receipts/Income	31.95	18.65
Profit before Taxes	(36.51)	(12.97)
Less Deferred Tax	69.18	01.33
Profit/ (Loss) after Taxes	32.68	(11.64)
Share Capital	440.02	440.02

2. TRANSFER TO RESERVES

During the year under review, no amount has been transferred to reserves.

3. IMPACT OF CORONAVIRUS (COVID-19)

Corona virus (Covid - 19) outbreak is an unprecedented global situation that the world is dealing with in terms of its human and economic consequences. In the last month of FY 2020, it forced governments in several countries to enforce lockdowns of all economic activities. For the Company, the focus shifted to ensuring the health and well-being of all stakeholders. To the extent possible, Company has tried to negate the impact through remote working.

4. Extension of 30th Annual General Meeting

The 30th Annual General Meeting of the members of the company in respect of the year ended on 31st March 2020 was required to be held on or before, 30th September 2020. The company was not in a position to hold its Annual General Meeting within the stipulated time period due to spread of Novel Corona virus and consequent nationwide lockdown announced by Government of India.

Since the Board was not in position to hold the 30th AGM within due date it made an application to the Registrar of Companies, National Capital Territory of Delhi and Haryana on 08.09.2020 and same was approved by the Registrar 24.09.2020. The Ministry of Corporate Affairs also gave a similar relaxation to all companies in India by its order dated 08.09.2020 by giving a general approval for extension of holding Annual General Meeting for the FY ending 31.03.2020 upto 3 months from the due date by which the AGM ought to have been held.

5. DIVIDEND

Due to insufficient profits, the Board of Directors of your Company does not recommend the declaration of any Dividend.

6. STATE OF COMPANY'S AFFAIRS

On annual basis, revenue from operations for the financial year 2019-20 at Rs. 18.73 lakhs was higher over last year (Rs. 6.12 lakhs in 2018-19).

7. CHANGE IN THE NATURE OF BUSINESS

During the year, the Company continues to engage in the business of Hybrid seeds, Tissue culture, Floriculture and no significant changes have taken place, during the year, in the nature of business carried on by the Company.

8. MATERIAL EVENTS OCCURRING AFTER BALANCE SHEET DATE

In the opinion of the Board of Directors, no material changes and/or commitment have taken place, after the end of the financial year and till the date of Board's present report, which affect the financial position of the Company.

9. SHARE CAPITAL

During the year, no changes have taken place in the Share Capital of the Company.

10. SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint Venture or an Associate Company. During the year, no Company have become or ceased to be a subsidiary, joint venture or associate of the Company. Therefore, the provisions relating to performance reports of Subsidiary, Joint Venture or an Associate Company, as required under Rule 8(1) of the Companies (Accounts) Rules, 2014, are not applicable to the Company.

11. ADEQUATE INTERNAL FINANCIAL CONTROL WITH REFERENCE TO FINANCIAL STATEMENTS

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2019-20.

12. ORDER OF AUTHORITY

As specified in rule 8 (vii) of Companies (Accounts) Rules, 2014, no significant and material orders have been passed by any regulators or courts or tribunals etc which have the impact on the going concern status and Company's operations in future.

13. INFORMATION UNDER SECTION 197 READ WITH RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION), RULES, 2014 WITH RESPECT TO REMUNERATION

➤ As per Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 information required are given below:

(a) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Non - executive directors	Ratio to median remuneration
MS. MANNU KOHLI	NA
MR. PRANAV KAPUR	NA
MR. SUNNY SRIVASTAVA	NA

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Executive directors	Ratio to median remuneration
MR. PRITAM KAPUR	NIL
MS. CHANDNI KAPUR	NIL

- (b) The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year:

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
None	N.A.

- (c) The percentage increase in the median remuneration of employees in the financial year :
NIL
- (d) The number of employees on the rolls of Company : Four
- (e) The explanation on the relationship between average increase in remuneration and company performance : NA
- (f) Comparison of the remuneration of Key Managerial Personnel against the performance of the Company :

Aggregate remuneration of Key Managerial Personnel (KMP) in FY 2019-20	NIL
Revenue	Rs. 31.95 Lakhs
Remuneration of KMPs (as % of revenue)	7.5%
Profit Before Tax (PBT)	Rs. 32.68 Lakhs
Remuneration of KMP (as % of PBT)	7.3%

- (g) Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:

Particulars	March 31, 2020	March 31, 2019	% change
Market Capitalisation	Rs 440 lacs	Rs 440 lacs	Nil
Price Earnings ratio	-	-	-

- (h) Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer :

Particulars	March 31, 2020	(Public issue Price)	% change
Market Price (BSE)	Not quoted	10.00	NA

- (i) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: NIL

- (j) Comparison of each remuneration of the key managerial personnel against the performance of the Company:

	(Pritam Kapur) Executive Director and Managing Director	(CHANDNI KAPUR) Chief Financial Officer	(Neha Mittal) Company Secretary
Remuneration in FY 2019-20 (Rs Lakhs)	NIL	NA	NA
Revenue (Rs Lakhs)	31.95 Lakhs		
Remuneration as % of Revenue	NA	NA	NA
Profit before tax (PBT) (Rs Lakhs)	-36.51 Lakhs		
Remuneration as % of PBT	NA	NA	NA

- (k) The key parameters for any variable component of remuneration availed by the directors:

None.

- (l) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:

None.

- (m) Affirmation that the remuneration is as per the remuneration policy of the Company: The Company affirms that the remuneration is as per the remuneration policy of the Company.

- The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

No person, employed throughout the financial year, was in receipt of remuneration for that year of Rs. 60,00,000/- or more, nor was any of them, employed for a part of the financial year, was in receipt of remuneration of Rs. 5,00,000/- or more per month during any part of the year under consideration. Thus, the provisions of Rule 5(2) of Companies (Appointment and Remuneration) Rules, 2014 are not applicable.

14. DIRECTORS

a. Change in the Directors/ Key Managerial Person

During the financial year under review, Ms. Mannu Kohli stepped down as CFO and thereafter Ms. Chandni Kapur was appointed as CFO. There were no other change occurred in the composition of the Board of Directors/Key Managerial Person.

In pursuance of the provisions of Section 152 of the Act, Mr. Pranav Kapur, Ms. Mannu Kohli and Ms. Chandni Kapur, retires at the forthcoming Annual General Meeting and being eligible offer themselves for reappointment.

The Board of Directors recommends for the reappointment of the aforesaid Directors at the forthcoming Annual General Meeting.

The present Composition of the Board of Directors and Key Managerial Personnel is as follows:

Mr. Pranav Kapur, Chairman
Mr. Pritam Kapur, Managing Director
Ms. Chandni Kapur, Director and Chief Financial Officer Ms.
Mannu Kohli, Director
Ms. Neha Mittal, Company Secretary & Compliance Officer

b. Declaration of Independence

As per the Section 149(7) of the Act, the Board of Directors have received a Declaration of Independence from each of the Independent Director(s) to the effect that he/she meets the criteria of independence as provided in Section 149(6).

c. Formal Annual Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India ("SEBI") under Regulation 17 of the Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 ("Regulation 17"). The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc. The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent Directors, at which the performance of the Board, its committees and individual directors was also discussed.

15. COMMITTEES OF THE BOARD AND VIGIL MECHANISM

The details pertaining to composition of Various Committees as prescribed in the Companies Act, 2013 are included in the Corporate Governance Report which forms part of this report.

Vigil Mechanism

The Company has not borrowed money from banks & financial institutions in excess of Rs. 50 Crores. Therefore, the Company is not required to establish a Vigil Mechanism in pursuance of Section 177(9) of the Act.

16. NUMBER OF BOARD AND COMMITTEE MEETINGS

During the year under review, seven meetings of the Board of Directors of the Company were held. For details on the Board and Committee meetings, please refer to the Corporate Governance report, which forms part of this report.

17. STATUTORY AUDITORS

As per Section 139(1) of the Companies Act, 2013, a Company is required to appoint an auditor at the Annual General Meeting. The Shareholders in the 27th Annual General Meeting held on 29.09.2017 had appointed M/s Sharma Anand & Co., Chartered Accountants as the Statutory Auditors for a period of five years, subject to ratification at each Annual General Meeting.

In pursuance thereof, the appointment of the Statutory Auditors of the Company M/s Sharma Anand & Co., Chartered Accountants, are proposed to be ratified at the forthcoming Annual General Meeting. The Company has received a certificate from the Statutory Auditors in this regard. The Board of Directors recommends their ratification.

18. AUDITORS' REPORT AND ITS EXPLANATION

The comments made by the Auditors in their report have been duly explained in the attached Notes to Accounts and do not require any further explanation.

19. SECRETARIAL AUDITORS AND SECRETARIAL AUDIT REPORT

As per the provisions of Section 204 of the Act, the Board of Directors of the Company appointed M/s. G.R Gupta & Associates, Company Secretaries to conduct the Secretarial audit of the Company for the year 2019-20.

M/s. G.R Gupta & Associates, Company Secretaries conducted the Secretarial Audit and have submitted their Report to the Board of Directors, which is annexed to and forms part and parcel of this report. The comments made by the Auditors in their report are self explanatory and do not require any further explanation.

The Board of Directors have re-appointed M/s G.R Gupta & Associates, Company Secretaries to conduct the secretarial audit for the year 2020-21.

20. INTERNAL AUDITOR

As per the requirements of Section 138 of the Companies Act, 2013 a listed Company is required to get an internal audit conducted. In pursuance of Section 138 of the Act, M/s Hukam Vijay & Company, Chartered Accountants, practicing at 304 Rohini Complex, WA 121, Shakarpur, Delhi 110 092 have been appointed to conduct the Internal audit for the financial year 2020-21.

21. INTER- CORPORATE LOANS, GUARANTEES AND INVESTMENTS

There were no outstanding loans or investments or guarantees covered under the provisions of Section 186 of the Act.

22. RELATED PARTY TRANSACTIONS

During the year under review, the Company has not entered into any contract or arrangement with any Related Party. Therefore, the provisions of Section 134(3)(h) read with Rule 8 of the Companies (Accounts) Rules, 2014 requiring justification entering into such contract and arrangement and other details in specified form AOC-2 are not applicable.

23. PUBLIC DEPOSITS

The Company has neither invited or accepted any Public Deposits as per the provisions of the Companies Act, 2013 during the financial year under review neither any such deposits are unpaid or unclaimed during the year. Therefore, the provisions of Rule 8(v) and 8(vi) of the Companies (Accounts) Rules, 2014 are not applicable.

24. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

The information and details as per the provisions of Rule 8(3) of the Companies (Accounts) Rules, 2014 are as follows:

CONSERVATION OF ENERGY

During the year under review adequate energy conservation measures have been put in place. The officers of the Company are made aware, from time to time, the various methods to conserve energy including the utilizing the alternate sources of energy. No capital investment on energy conservation equipments was made by the Company during the year under review.

TECHNOLOGY ABSORPTION

The Company, is not engaged into the technology dependent business activities. However, wherever possible, continuous efforts and effective improvements were made during the year for technology absorption in respect of the business being carried on by the Company.

The Company has not imported any technology during the last three years and no expenditure has been incurred on Research & Development.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign exchange spent : NIL

Foreign exchange earned : NIL

25. CORPORATE SOCIAL RESPONSIBILITY

During the year under review, the Company has been outside the purview of Corporate Social Responsibility because company is suffering loss in year 2019-20.

26. MANAGEMENT DISCUSSION AND ANALYSIS

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

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 regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock exchange is presented in a separate section forming part of the annual report.

27. REPORT ON CORPORATE GOVERNANCE

As per the applicable SEBI Regulations and Circulars, the Company is not required, at present, to comply with the Corporate Governance provisions.

28. COMPLIANCE OF ACCOUNTING STANDARDS

As per requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 Companies Act.

29. 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 have filed a suit against the Outer Ring Road Authorities of the Government of erstwhile Andhra Pradesh at the Ranga Reddy Courts for improving the compensation given to the company for the losses suffered on account of the cost of imported green house standing on the land acquired for the construction of the ring road.

30. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Section 134(3)(c) of the Companies Act, 2013 the Directors' Responsibility Statement forms part of the Directors' Report. Your Directors give hereunder the Statement relating to the Accounts of the Company that:

- 1) All the applicable Accounting Standards have been followed in the preparation of the accompanying annual Accounts along with proper explanation relating to material departures.
- 2) The Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year 31st March, 2020 and of the Profit or Loss of the Company for the said period;
- 3) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- 4) The Directors have prepared the Annual Accounts on a going concern basis.
- 5) The Directors have laid down internal financial Controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.
- 6) The Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that system were adequate and operating effectively.

31. ACKNOWLEDGEMENT

Your Directors place on record their sincere thanks to all concerned agencies for their continued co-operation extended to the Company.

On behalf of the Board of Directors

For HINDUSTAN AGRIGENETICS LIMITED

PRITAM KAPUR
Managing Director
DIN- 00461538

PRANAV KAPUR
Chairman
DIN: 00485910

CHANDNI KAPUR
Director & CFO
DIN: 07007247

NEHA MITTAL
Company Secretary
ACS-A74177

Place: New Delhi
Date: 28.11.2020