



AGRINNOVATE INDIA LIMITED

ANNUAL REPORT (INCLUDING ANNUAL ACCOUNTS)

2012-13

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Corporate Information:

Board of Directors:

1. Dr. S. Ayyappan
2. Shri Arvind Kaushal
3. Shri P.K. Pujari
4. Dr. A.S. Nanda
5. Shri Dalip Singh
6. Dr. Shashank Mauria

Company Secretary:

CS Nidhi Godha

Bankers:

Central Bank of India

Statutory Auditors

M/s V. D. Aggarwal & Co., Chartered Accountants
BM-1, Dilkhush Industrial Area
G.T. Karnal Road, Azadpur,
New Delhi-110063

Registered Office:

Room No. 402, Krishi Bhawan,
New Delhi -110001

Corporate Office:

G-2, Office Block, N.A.S.C. Complex,
DPS Marg, New Delhi -110012
Ph:-011-25842122, 25842124

Dear Members,

Invitation to attend the Second Annual General Meeting on 18th September 2013

You are cordially invited to attend the Second Annual General Meeting of the Company on Wednesday, the 18th September 2013 at 10.00 A.M. in Room No. 104, D.G.'s Committee Room, Krishi Bhawan, New Delhi-110012

The notice convening the Second Annual General Meeting is attached herewith.

Yours truly,

Sd/-

Dr. S. Ayyappan

Chairman

Agrinnovate India Limited

Place: New Dehi

Date: 10.09.2013

NOTICE OF SECOND ANNUAL GENERAL MEETING

Notice is hereby given that the Second Annual General Meeting of the members of **AGRINNOVATE INDIA LIMITED** will be held on Wednesday, the 18th September 2013 at 10.00 A.M. at Room No. 104, D.G.'s Committee Room, Krishi Bhawan, New Delhi-110012 to transact the following businesses:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2013, Profit and Loss account for the year ending 31.03.2013 and the Report of Directors and Auditors thereon.
2. To fix the remuneration of Auditors.

SPECIAL BUSINESS

3. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT Shri Arvind Kaushal, Additional Secretary, DARE and Secretary, ICAR, who was appointed as an Additional Director pursuant to Article 93 of the Articles of Association of the Company read with Section 260 of the Companies Act, 1956 and who holds Office up to the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing, from the Director himself pursuant to the provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company”

4. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT Dr. Shashank Mauria, Assistant Director General, IPTM, ICAR, who was appointed as an Additional Director pursuant to Article 93 of the Articles of Association of the Company read with Section 260 of the Companies Act, 1956 and who holds Office up to the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing, from the Director himself pursuant to the provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company”

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5. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT Shri Dalip Singh, IAS, Additional Secretary, Department of Agriculture & Cooperation (DoAC), who was appointed as an Additional Director pursuant to Article 93 of the Articles of Association of the Company read with Section 260 of the Companies Act, 1956 and who holds Office up to the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing, from the Director himself pursuant to the provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company”

By order of the Board of Directors

Sd/-

Place: New Delhi

Dated: 10.09.2013

Director

Notes:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- 2. PROXY FORM DULY COMPLETED SHOULD BE DEPOSITED AT THE CORPORATE OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS (48 HOURS) BEFORE THE SCHEDULED TIME OF THE ANNUAL GENERAL MEETING. BLANK PROXY FORM IS ENCLOSED.**
3. Pursuant to Section 619(2) read with Section 224 (8) (aa) of the Companies Act, 1956, the Auditors of a Government Company shall be appointed or re appointed by the Comptroller and Auditor General (C&AG) of India and their remuneration has to be fixed by the Company in the Annual General Meeting. The appointment of Statutory Auditors of the Company for the financial year 2013-2014 is awaited from C&AG of India. The General Meeting may authorize the Board to fix an appropriate remuneration of Auditors for the year 2013-2014.
4. Form 22A duly completed indicating Consent for a Shorter Notice for the Annual General Meeting may be deposited at the Corporate Office of the Company before the scheduled time of the Annual General Meeting. Blank Form 22 A is enclosed.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

The following explanatory statement sets out the material facts relating to the business mentioned in Item No. 5 of the accompanying Notice dated 23rd August, 2012.

ITEM NO. 3

Shri Arvind Kaushal, Secretary, ICAR was appointed as an Additional Director of the Company w.e.f. 7/03/2013. Having been so appointed, Shri Arvind Kaushal holds office till the date of this Annual General Meeting by virtue of Section 260 of the Companies Act, 1956 read with Article 93 of the Articles of Association of the Company, and is eligible for re-appointment.

None of the Directors of the Company except Shri Arvind Kaushal are in any way concerned or interested in the resolution.

The Board of Directors recommends the resolution for approval of the shareholders.

ITEM NO. 4

Dr. Shashank Mauria, ADG, IPTM, ICAR was appointed as an Additional Director of the Company w.e.f. 30/11/2012. Having been so appointed, Dr. Shashank Mauria holds office till the date of this Annual General Meeting by virtue of Section 260 of the Companies Act, 1956 read with Article 93 of the Articles of Association of the Company, and is eligible for re-appointment.

None of the Directors of the Company except Dr. Shashank Mauria are in any way concerned or interested in the resolution.

The Board of Directors recommends the resolution for approval of the shareholders.

ITEM NO. 5

Shri Dalip Singh, IAS, Additional Secretary, DoAC was appointed as an Additional Director of the Company w.e.f. 11/06/2013. Having been so appointed, Shri Dalip Singh holds office till the date of this Annual General Meeting by virtue of Section 260 of the Companies Act, 1956 read with Article 93 of the Articles of Association of the Company, and is eligible for re-appointment.

None of the Directors of the Company except Shri Dalip Singh are in any way concerned or interested in the resolution.

The Board of Directors recommends the resolution for approval of the shareholders



Agrinnovate India Limited
Regd. Office: Room No. 402, Krishi Bhawan, New Delhi

PROXY FORM

Regd. Folio No

No. of Shares held

I/We _____ resident of
_____ being a member(s) of the
above named company hereby appoint _____ of
..... or failing him
..... of as my/our proxy to vote
for me/us on my/our behalf at the Second Annual General Meeting of the Company being held
on

_____ or at any adjournment thereof.

Signed this

Signed by the said

Affix
Re. 1/-

Note: The proxy in order to be effective should duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than Forty Eight Hours before the time fixed for holding the aforesaid meeting. The Proxy need not be member of the company.

FORM NO.22-A

THE COMPANIES ACT, 1956

Consent by shareholder for shorter notice

[Pursuant to section 171(2)]

To,

The Board of Directors
Agrinnovate India Limited
G-2, Office Block, N.A.S.C. Complex,
DPS Marg, New Delhi-110012

I, _____ S/o Mr. _____ resident of _____ holding _____ equity shares of Rs _____ each in the hereby give consent, pursuant to Section 171(2) of the Companies Act, 1956, to hold the Second Annual General Meeting on Wednesday, the 18th September 2013 at 10.00 A.M. at Room No. 104, D.G.'s Committee Room, Krishi Bhawan, New Delhi-110012 at shorter notice.

Signature _____

(Name)

Dated: _____

CHAIRMAN'S REPORT

Dear Members,

It's a great pleasure welcoming you to the 2nd Annual General Meeting of your company. The notice convening the meeting, the Director's Report, Annual Audited Accounts for the year ended 31 March 2013 and Auditors' Report have already been circulated and with your permission, I shall take them as read.

Performance of the Company

1. Financial Performance

The Directors of the Company wish to inform the Shareholders that the business activities of the Company have commenced.

The profit before tax stood at Rs. 4.08 crores in the previous year. After adjusting deferred tax and provision for taxes, the profit after tax for 2012-13 comes to Rs. 2.94 crores. Although the major source of Income has been interest on Term Deposits, the Company endeavours to increase its business activities and thereby business income component of profit.

Investment of Funds in Term Deposit:

The company needed to invest the surplus funds (post tax amount received on maturity of existing Term Deposits plus amount in Flexi Deposit) of around Rs 51 crores.

A Special Committee under the Chairmanship of Sh. Arvind Kaushal, Vice-Chairman (AgIn) was formed to invest Rs 51 crore. Twenty five nationalized banks were invited to submit bids. Response was received from eight banks out of 25 banks. Six valid bids received were considered for investment. The highest rate of 9.25% p.a. was offered by Vijaya Bank under a special V Vaibhav Scheme. However, the scheme was applicable for investment of Rs. 25 crore only and for a period of one year. Next best rate of 9% p.a. was offered by the Canara Bank for a period of one year.

The Committee recommended and the Board decided to invest Rs. 25.00 crore with the Vijaya Bank under special V Vaibhav Scheme at an interest rate @ 9.25% p.a. for a period of one year and Rs. 26.00 crore with Canara Bank at an interest rate @ 9.00 % p.a. for a period of one year.

2. Commercial Performance

During the year, the following proposals were initiated by the Company:

Foot and Mouth Diseases Vaccine Production:

Foot and Mouth Disease (FMD) is the most important livestock disease in the world in terms of economic impact. Considering the immense economic benefit expected out of FMD control, the Department of Animal Husbandry Dairying and Fisheries (DADF) launched Foot and Mouth Disease Control Programme (FMDCP) from X Year Plan. It is expected that by XII Year Plan the FMDCP will be expanded to cover all cattle and buffaloes (305 million) in the entire country. The animals are to be vaccinated twice a year. Therefore, FMD Vaccine demand in India is expected to be around 600 million doses per year. However, present production capacity in India is 250 million doses per year, resulting in huge demand and supply gap.

The Bangalore campus of IVRI was manufacturing FMD since 1972. In 2009, it was decided that the vaccine production activity at Hebbal, Bangalore should be stopped since IVRI Bangalore was unable to meet the bio-security guidelines due to the road expansion activities. It was also decided that FMD vaccine production should be taken up in the PPP mode following the guidelines of Govt. of India.

Expression of Interest notice was published in newspaper by IVRI/ ICAR and also posted in IVRI website inviting the firms for qualification in first week of March 2010. Request for Qualification (RFQ) documents was issued to seven interested firms. IVRI received six offers, out of which one was incomplete without the security deposit and remaining five were examined. Financial and technical capabilities of these five firms were analyzed and finally four firms were shortlisted. An RFP document was issued to the shortlisted firms by the IVRI and a pre bid meeting was held on 28th January 2011 and observations of the firms were clarified.

The issue of producing FMD Vaccine in Partnership with a private party under PPP model was discussed in a meeting held on 13 January 2012 which was chaired by the then Additional Secretary (DARE) and Secretary (ICAR). It was decided that this activity should be handed over to Agrinnovate India Limited. The same was also approved by DG (ICAR) and Honorable Minister of Agriculture.

The proposal was discussed in the Board Meetings of the Company and after much deliberations, the Company has decided to take up the establishment of facility for production of Foot and Mouth Disease Vaccine in PPP mode.

Proposal for Commercialization of tissue Culture technology of Oil Palm:

Palm oil is one of the most important vegetable oil worldwide. The current Indian demand of oil palm planting material is being met by seedling raised plants. In 2011-12, 6 million plants (seedlings) were imported in order to meet the demand of about 9 million plants. Seedling production at national level contributes only 33% of the need.

The Department of Agriculture and Cooperation, Government of India has launched special programme on Oil Palm Area Expansion (OPAE) during 2011-12 for which 8 States, namely Andhra Pradesh, Chhattisgarh, Gujarat, Karnataka, Maharashtra, Mizoram, Orissa and Tamil Nadu have been identified with additional area of 60,000 hectare as target. Oil palm cultivation is also being promoted by State and Central Govts. among farming community by offering subsidy of about Rs. 25,000/ ha for four years on plantation to farmers. Companies are also promoting plantation through buy-back arrangement. Thus, it is evident that the production of oil palm planting materials through tissue culture has tremendous potential.

The Directorate of Oil Palm Research (DOPR) had developed the technology for tissue culture of oil palm at the lab scale covering callus induction, somatic embryo formation, shooting, rooting, plantlet development etc.

Agrinnovate India Limited has licensed the Tissue Culture Technology of Oil Palm developed by DOPR, Pedavegi. The technology has been licensed to M/s Beejo Sheetal on 12/07/2013 in partnership with BCIL.

The technology has been licensed on a non-exclusive basis. The licensee would be required to refine the technology and assess the performance of TC plants vis-a-vis conventionally propagated plants. DOPR will provide the complete hand holding and training to the technical personnel.

Implementation of IAFS-II: Ministry of External Affairs (MEA) has launched Indo- Africa Forum Summit –II to strengthen Indo-Africa relations. DARE/ICAR has been entrusted establishment of soil, water and tissue testing laboratories; Farm Science Centers; and agricultural Seed production-cum-Demonstration Centers in Africa. In order to implement the three components, Agrinnovate India Limited has been contacted by DARE to act as a Consultant/ Implementing Agency.

Capacity Building Activities:

Human resource development and capacity building, both formal and non-formal, are increasingly being appreciated globally as a pre-requisite for social and economic development. Many of the developing economies especially those in Africa, Asia-Pacific region; and also other regions of the world such as Latin America are seriously deficient in the supply of trained technical manpower and professionals in agriculture sector.

The ICAR institutes have over the years developed technologies, skills and institutional capacities which in addition to raising crop productivity are reoriented towards strengthening the value chain in various commodities in direct synchrony with the demands of the industry. The network of well-equipped state-of the art laboratories and world-class faculty offer a tremendous opportunity for filling the existing global demand through a more organized/planned effort for skill development and capacity building in not only primary and secondary agriculture areas but also in frontier and next generation technologies.

In this endeavour, Agrinnovate India Limited, working more closely with the institutes, can strengthen the global leadership role of ICAR through effective transfer of technologies and the required skill sets by means of organising various training programmes for wider global community. The company has undertaken the following Capacity Building Activities:

A. Sponsored by West Africa Agricultural Productivity Programme (WAAPP) for Nigerian Nationals

A proposal was forwarded by DARE regarding intention of WAAPP to sponsor some researchers and technical staff from Nigeria for Ph.D., M.Sc., Post Graduate diploma courses and Short term Training on “Chick Vent Sexing” in India.

As requested by the WAAPP, a four weeks’ training for six trainees for 30 days on the Chick Vent Sexing has been developed and will be organised at the Central Avian Research Institute, ICAR, Izatnagar, India.

The proposals have been worked upon and detailed information regarding the programs have been sent to WAAPP. Based on our response, WAAPP has further submitted a request for organizing a three weeks short term course for five staff of the Seed Council of Nigeria on Seed Quality Assurance. A detailed proposal has been sent to WAAPP for their consideration.

B. ASEAN-India Farmers Exchange Programme

Based on the successful experiences of the first phase of the ASEAN-India Farmers Exchange Programme during the period from 14-23 April 2013 in Kuala Lumpur Malaysia, two proposals have been developed and submitted through DARE for funding under ASEAN India Cooperative Programme.

The first proposal is for visit of a delegation of 20 farmers and 10 officials from various ASEAN member states. The tentative programme proposed includes interaction with stakeholders and visits to premier institutions namely Indian Agricultural Research Institute, National Dairy Research Institute, Central Institute for Research on Goats, Indian Institute of Horticultural Research, University of Agricultural Sciences, Bengaluru and KVKs in the regions.

In the second proposal, visit of a delegation of 20 farmers and 3 officials from India to premier institutes in Thailand is proposed.

C. Training cum workshop on conventional and molecular techniques for diagnosis of trans-boundary animal diseases

A proposal for training-cum-workshop on Conventional and Molecular techniques for diagnosis of trans-boundary animal diseases has been submitted under the ASEAN Cooperation programme. The programme would be organised in cooperation with Animal Science Division of ICAR, specifically the High Security Animal Disease Laboratory, Indian Veterinary Research Institute, Bhopal. The seven-day training-cum-workshop would be organised for 20 participants in two batches of 10 participants each. The proposal has been submitted to DARE for their consideration.

3. Strengthening of Infrastructure

I am happy to inform that the Company has been allotted space in G -2, Office Block A, N.A.S.C. Complex, DPS Marg, New Delhi to house its corporate Office. The Corporate Office of the company has been shifted to NASC Complex w.e.f. 2/07/2013. Necessary intimation to the Registrar of Companies has been given. The office space shall be renovated to make it more functional and to make the best use of the space.

4. Organization Structure:

Organization Structure of the Company was discussed in Board Meetings dated 29/08/2012, 30/11/2012 and 7.03.2013. Efforts are being made to formalize the Organization Structure

taking into consideration the various activities the Company is mandated to do and the activities that Company would take up in near future.

While the organization Structure of the Company is being worked upon, the Board is pleased to inform that Dr. MM Pandey has been appointed as the CEO- Incharge for the Company (below the Board Level) w.e.f. 1/07/2013. Dr. MM Pandey is a graduate from IIT Kharagpur and also has obtained his Masters and Ph.D. from the same Institute. He has put in over 36 years in the ICAR and is well conversant with ICAR.

Dr. MM Pandey has been appointed as CEO- Incharge for a period of six months on contract basis or till regular CEO is appointed, whichever is earlier. He shall be paid remuneration as applicable to a re-employed pensioner (last pay drawn minus basic pension).

The Board is also pleased to inform that Dr. Sanjeev Saxena has been posted in the Company on secondment basis from ICAR w.e.f. 12/12/2012.

Dr. Sanjeev Saxena is a graduate from University of Delhi and has obtained his Masters and Ph.D. in Plant Physiology from the Indian Agriculture Research Institute, Pusa, New Delhi. He has put in over 28 years in the ICAR of which for the last five years, he has been working as a Principal Scientist with Intellectual Property and Technology Management Unit of ICAR.

5. Future outlook:

A. International Training Calendar:

The Company is preparing an International Training Calendar wherein details of information pertaining to the areas of excellence where ICAR institutes can offer training programs would be provided. This would greatly help in identification of niche areas and matching/marketing them as per the international demand and shall be communicated to prospective clients.

B. Scouting for Potential Technologies:

The ICAR institutions have been carrying out technology commercialization independently or through some technology commercialization agency. The technologies are from diverse sectors. For effective technology management, a compilation of promising technologies from ICAR institutes based on the commercialization potential is being prepared. The evaluation and critical examination of the technologies would reveal difference in the competitive advantage, market demand and revenue generation potential of these technologies. The revenue generation potential of technologies directly depends on their innovativeness, competitive advantage, degree of sophistication, entry barriers and cost

effective value proposition. It would be the Company's endeavor to focus on the technologies with high competitive advantage.

6. ACKNOWLEDGMENTS

I take this opportunity to express my deep appreciation for the valuable support and guidance given by the present and past Members of the Board from time to time. I also wish to place on record my sincere gratitude for the guidance and cooperation extended by the Department of Agricultural Research and Education, Government of India, ICAR, Statutory as well as Internal auditors of the Company, Officials of the C&AG and bankers of the Company.

Thanking you,

Yours truly,

Sd/-

Dr. S. Ayyappan

Chairman

Agrinnovate India Limited

Place: New Delhi

AGRINNOVATE INDIA LIMITED

DIRECTOR'S REPORT

To,
The Members,
M/s. AGRINNOVATE INDIA LIMITED.
Room No. 402, Krishi Bhawan,
New Delhi -110001

Your Directors have pleasure in presenting their 2nd Annual Report & Audited Statement of Accounts of the Company for the year ended on 31st March 2013.

1. Financial Results

The Directors of the Company appreciate the initiatives taken by the Company in right earnest and are confident that the revenue receipts would be realized very soon.

Balance Sheet as at 31st March 2013 and Profit and Loss Account for the year ending 31st March 2013 of the Company has been prepared and the same is placed for approval.

2. Performance Review

During the year, the Company initiated the following proposals:

Foot and Mouth Diseases Vaccine Production: The Company has, in-principle, decided to take up the establishment of facility for production of Foot and Mouth Disease Vaccine in PPP mode. For necessary compliances and clearances, letter to the State Government of Karnataka has been written.

Proposal for Commercialization of tissue culture technology of Oil Palm: The Company has taken up the proposal for commercialization of Tissue Culture Technology of Oil Palm developed by DOPR, Pedavegi in partnership with Biotech Consortium India Limited.

Implementation of IAFS-II: Ministry of External Affairs (MEA) has launched Indo- Africa Forum Summit –II to strengthen Indo-Africa relations. DARE/ICAR has been entrusted establishment of soil, water and tissue testing laboratories; Farm Science Centers; and agricultural Seed production-cum-Demonstration Centers in Africa. In order to implement the three components, Agrinnovate India Limited has been contacted by DARE to act as a Consultant/ Implementing Agency.

Secondment of Dr. Sanjeev Saxena: The Board is pleased to inform that Dr. Sanjeev Saxena has been appointed in the Company on secondment basis from ICAR from 12 December 2012.

Dr. Sanjeev Saxena is a graduate from University of Delhi and has obtained his Masters and Ph.D. in Plant Physiology from the Indian Agriculture Research Institute, Pusa, New Delhi. He has put in over 28 years in the ICAR of which for the last five years, he has been working as a Principal Scientist with Intellectual Property and Management Unit of ICAR.

3. Directors

During the year, the Board appointed Shri Arvind Kaushal as an Additional Director of the Company with effect from 07/03/2013.

In accordance with Article 93 of the Articles of Association of the Company, Shri Arvind Kaushal shall hold office as Additional Director up to the ensuing Annual General Meeting of the Company and is eligible for re-appointment.

The Board also appointed Dr. Sashank Mauria as an Additional Director of the Company with effect from 30/11/2012.

In accordance with Article 93 of the Articles of Association of the Company, Dr. Sashank Mauria shall hold office as Additional Director up to the ensuing Annual General Meeting of the Company and is eligible for re- appointment.

Shri Rajeev Mehrishi resigned from the office of Director on 05/11/2012, consequent to his promotion and transfer to Ministry of Overseas Affairs. The Board places on record its gratitude for the outstanding contribution made by him during his tenure with the Company.

4. Directors' Responsibility Statement

In compliance of the Provisions of Section 217(2AA) of the Companies Act, 1956, your Directors wish to place on record-

- (i) That in preparing the Annual Accounts for the year ending 31st March 2013, all the applicable accounting standards have been followed;
- (ii) That the accounting policies are adopted and consistently followed and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the State of Affairs of the Company at the end of the Financial Year.
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for preventing / detecting fraud and irregularities;
- (iv) That the Directors have prepared the Annual Accounts on going concern basis.

5. Audit Committee

The Audit Committee comprises of the following members:

- a. Mr. P.K. Pujari- Chairman
- b. Dr. A. S. Nanda – Member
- c. Shri Siraj Hussain- Member

6. Auditors

Pursuant to Section 619(2) read with Section 224 (8) (aa) of the Companies Act, 1956, the Auditors of a Government Company shall be appointed or re appointed by the Comptroller and Auditor General (C&AG) of India and their remuneration has to be fixed by the Company in the Annual General Meeting. The appointment of Statutory Auditors of the Company for the year 2013-2014 is awaited from C&AG of India. The General Meeting may authorize the Board to fix an appropriate remuneration of Auditors for the year A.Y. 2014-2015 after taking into consideration the increase in volume of work and prevailing inflation.

7. Auditor's Report

With reference to Auditor's remarks, directors would like to state that notes are self-explanatory and there is no need to give any further remarks.

8. Particulars of the employees:

In accordance with the requirements of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 & forming part of the Director's Report for the year ended 31/03/2013 is as follows:

- I. EMPLOYED THROUGHOUT THE FINANCIAL YEAR AND WERE IN RECEIPT OF REMUNERATION OF NOT LESS THAN Rs. 60, 00,000/- P.A.

CURRENT YEAR: NIL

- II. EMPLOYED FOR PART OF YEAR & IN RECEIPT OF REMUNERATION OF NOT LESS THAN Rs. 5,00,000/- P.M.

CURRENT YEAR: NIL

9. Deposits

The company has not accepted the deposits under section 58A of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rules 1975.

10. Conservation of Energy, Technology Absorption & Foreign Exchange Earnings & Outgo

Information in accordance with the provision of Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is as under: -

I. Conservation of Energy:

N. A.

II. Technology Absorption:

N. A.

III. Foreign Exchange Earnings & Outgo:

(a) Foreign Exchange Earnings: Rs. Nil

(b) Foreign Exchange Outgo: Rs. Nil

11. Appreciation

The Board gratefully acknowledges the support and guidance received from various Ministries and Departments of the Government of India, particularly the Department of Agricultural Research and Education, ICAR and Department of Agriculture and Cooperation, in Company's operations and developmental plans. The Directors express their grateful thanks also to the Comptroller and Auditor General of India, Chairman and Members of Audit Board and Statutory Auditor.

BY ORDER OF THE BOARD

PLACE: DELHI

DATE:14.08.2013

**Sd/-
CHAIRMAN**

AUDITOR'S REPORT

To,
The Shareholders of
M/s AGRINNOVATE INDIA LIMITED

Report on the Financial Statements

We have audited the attached Balance Sheet of **M/S AGRINNOVATE INDIA LIMITED** as at 31st March 2013 and the Profit & Loss Account for the year ended on that date annexed thereto and a summary of significant accounting Policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of financial positions, financial performance and cash flows of the company in accordance with the accounting standards referred to in Sub- Section (3C) of section 211 of the Companies Act, 1956. This Responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with standards on Auditing issued by the Institute of Chartered Accountant of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidences about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including assessment of the risk of the material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanation given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India

- i. In the case of Balance sheet, of the state of affairs of the company as at 31 March 2013;
- ii. In the case of statement of Profit and Loss, of the profit of the year ended on that date; and
- iii. In the case of Cash Flow Statement, of the cash Flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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 a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As Required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information & explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion proper books of accounts, as required by law, have been kept by the Company as far as appears from our examination of those books.
 - (c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with books of account.
 - (d) In our opinion, the Balance Sheet and Profit & Loss Account and Cash Flow statement dealt with by this report comply with the accounting standards referred to in sub-section 3 (C) of Section 211 of the Companies Act, 1956;
 - (e) Based on the representations made by all the Directors of the company as on 31st March, 2013 and taken on record by the Board of Directors of the company and in accordance with the information and explanations as made available, the directors of the company do not, Prima Facie have any disqualification as referred to in clause (g) of Sub Section (1) to section 274 of the Act.

**For V.D. AGGARWAL & CO.
CHARTERED ACCOUNTANTS**

PLACE : Delhi
DATE : 14.08.2013

Sd/-
CA ABHIJAI AGGARWAL
(PARTNER)
M.No.517463
FRN No. 008332N

ANNEXURE TO THE AUDITOR'S REPORT

(Annexure referred to in paragraph (1) of our report of even date as on 31st March, 2013)

- 1) a) i) The company has maintained proper records showing full particulars including quantitative details & situation of fixed assets.
b) I) All the assets were physically verified by the management during the year & no material discrepancies were noticed on such verification. In our opinion frequency of verification is reasonable with regard to size of the company & the nature of its assets.
c) i) None of the fixed assets have been disposed off during the year.
- 2) a) i) The company has neither taken nor granted any loans, secured or unsecured to/from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act 1956.
3. a) According to the information & explanations given to us, we are of the opinion that the transaction that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
4. a) i) In our opinion and according to information and explanations given to us the company has not accepted any deposit from the public under the provisions of Section 58-A & Section 58AA of the Companies Act, 1956 and Companies (Acceptance of deposits) Rules, 1975.
5. In our opinion, the company has an adequate internal audit system commensurate with size and nature of the business.
6. a) i) The Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956.
7. a) i) According to information and explanations given to us no undisputed amount payable in respect of Provident Fund, Investor Education & Protection Fund, Employees Sate Insurance, Income Tax, Sales Tax, Wealth Tax, Custom duty, Excise Duty & Cess respectively are outstanding as at 31st March, 2013 for a period of more than six months from the date they become payable.
8. a) i) The company has not been registered for a period of more than 5 years. Hence the question of whether accumulated losses at the end of financial year were not less than fifty percent of its net worth does not arise.

-
9. a)i) According to information & explanations given to us the company has not defaulted in repayment of dues to financial institution/bank/debenture holders.
10. In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. There for the provisions of clause 4(xiii) of the companies (Auditor Report) order 2003 are not applicable to the company.
- 11.a)i) In our opinion, the company is not dealing in or trading is shares, securities, debentures and others investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditors Report) order, 2003 are not applicable to the company.
- 12.a)i) As per the information & explanation given to us, the company has not given any guarantee for loans taken by others from banks/ financial institutions.
- 13.a) i) The company has not made any preferential allotment of shares during the year under consideration to parties and companies covered in the register maintained under section 301 of the Act, hence the question of whether the price at which shares have been issued is prejudicial to the interest of the company does not arise.
- 14.a) i) The company has not raised monies during the year under consideration from public issue & hence the question of disclosure & verification of end-use of such monies does not arise.
15. According to the information & explanations given to us no fraud on or by company has been noticed/reported during the course of our audit.
16. The nature of the company's business/activities during the year have been such that other provisions of Companies (Auditors Report) order 2003, are not applicable to the company.

For V.D. AGGARWAL & CO.
Chartered Accountants

Place : Delhi
Dated : 14.08.2013

ABHIJAI AGGARWAL
(PARTNER)

Agrinnovate India Limited

Balance Sheet as at 31st March 2013

(Figures in Rupees)

		Note	As at 31st March 2013	As at 31st March 2012
I.	EQUITY AND LIABILITIES			
(1)	SHAREHOLDERS' FUND			
	(a) Share Capital	2	50,00,00,000	5,00,000
	(b) Reserves & Surplus	3	2,26,27,211	(67,85,702)
			52,26,27,211	(62,85,702)
(2)	Share Application money pending allotment		-	49,95,00,000
(3)	NON-CURRENT LIABILITIES		-	-
(4)	CURRENT LIABILITIES			
	(a) Other Current Liabilities	4	2,70,113	39,907
	(b) Provisions	5	1,32,30,042	-
	TOTAL		53,61,27,366	49,32,54,205
II.	ASSETS			
	NON-CURRENT ASSETS			
(1)	(a) Fixed Assets:			
	(i) Tangible Assets	6	3,50,074	-
	(b) Long Term Loans & advances	7	-	-
(2)	Deferred Tax Assets (Net)	15	17,46,223	-
(3)	CURRENT ASSETS			
	(a) Trade Receivables	8	-	-
	(b) Cash and Cash Equivalents	9	48,52,47,976	49,32,54,205
	(c) Short-Term Loans and Advances	10	4,87,83,093	-
	Significant Accounting Policies and Notes to the Accounts	1		
	TOTAL		53,61,27,366	49,32,54,205

As per our report of even date attached;

For V. D. Aggarwal & Co.

Chartered Accountants

Firm Registration No : 008332N

Sd/-

CA. Abhijai Aggarwal

Partner

Membership No. 517463

Place : Delhi

Date : 14.08.2013

Sd/-

P. K. Pujari

Director

Sd/-

Arvind Kaushal

Director

Sd/-

Nidhi Godha

Company Secretary

Agrinnovate India Limited
Statement of Profit & Loss for the period ended on 31st March 2013

(Figures in Rupees)

	Particulars	Note No.	For the period 01.04.2012 to 31.03.2013	For the period 19.10.2011 to 31.03.2012
I.	Revenue from Operation	11	-	-
II.	Other Income	12	4,20,29,587	-
III.	TOTAL REVENUE (I+II)		4,20,29,587	-
IV.	Expenses			
	Administrative and other Expenses	13	6,21,112	39,907
	Employee Benefit Expenses	14	6,09,209	-
	Preliminary Expenses		-	67,45,795
	Depreciation	6	2,061	-
	TOTAL EXPENSES		12,32,382	67,85,702
V.	PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX (III-IV)		4,07,97,205	(67,85,702)
VI.	Exceptional Items		-	-
VII.	PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX		4,07,97,205	(67,85,702)
VIII.	Extraordinary Items		-	-
IX.	PROFIT BEFORE TAX		4,07,97,205	(67,85,702)
X.	Tax Expense:			
	(1) Current Tax		1,31,30,515	
	(2) Deferred Tax	15	17,46,223	
XI.	PROFIT FOR THE PERIOD FROM CONTINUING OPERATION (VII-VIII)		2,94,12,913	(67,85,702)
XII.	Profit from Discontinuing Operation		-	-
XIII.	Tax Expense of Discontinuing Operation		-	-
XIV.	PROFIT FROM DISCONTINUING OPERATION AFTER TAX (XII-XIII)		-	-
XV.	PROFIT FOR THE PERIOD (XI+XIV)		2,94,12,913	(67,85,702)
XVI.	BASIC AND DILUTED EARNING PER SHARE (IN RS.)		0.59	-135.71
	Significant Accounting Policies and Notes to the Accounts	1		

As per our report of even date attached;

For V. D. Aggarwal & Co.

Chartered Accountants

Firm Registration No : 008332N

CA. Abhijai Aggarwal

Partner

Membership No. 517463

Place : Delhi

Sd/-

P. K. Pujari

Director

Sd/-

Nidhi Godha

Sd/-

Arvind Kaushal

Director

Date : 14.08.2013

Company Secretary

AGRINNOVATE INDIA LIMITED
SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31.03.2013

Note no. 1

A Corporate Information

(a) The Company was Incorporated on 19th October, 2011. The Company is a 100% Government of India Company under Department of Agricultural Research & Education, Ministry of Agriculture.

b) Dr Sanjeev Saxena and Mr Ashwani Garg are employees of ICAR but looking after the affairs of the Company. No payment is made either to them or ICAR in this respect.

(c) The Authorized Share Capital of the company is Rs. 100 Crores whereas the Issued, Subscribed and Paid up Share Capital is Rs. 50 Crores.

B Basis of Presentation of Financial Statements

(a) **Accounting Convention:** - The financial statements are prepared under the historical cost convention on accrual basis and in accordance with generally accepted accounting principles and applicable accounting standard in India. The financial statements adhere to the relevant presentational requirement of the Companies Act, 1956.

(b) **Use of Estimates:** - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure thereof at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which results materialize.

C Revenue Recognition

Revenues from interest on Fixed deposit & Flexi Deposit Account are recognised on accrual basis.

E Contingent Liability & Provision

A provision is recognised when the company has a present obligation as a result of past events and it is possible that an outflow of resources will be required to settle the obligation, in respect of which reliable estimates can be made. Provisions are not discounted to its present value and are determined based on estimate required to settle the obligation at the balance sheet date these are reviewed at each balance sheet date and adjusted to reflect best estimates. During the financial year, Contingent Assets/Liabilities are neither recognised nor disclosed in the financial statements.

F Fixed Assets

Fixed Assets are shown at historical cost less accumulated depreciation. The cost includes any cost attributable of bringing the assets to its working condition for its intended use.

G Depreciation

Depreciation has been calculated on written down value method in accordance with rates mentioned in schedule XIV to the Companies Act 1956. However in case the actual cost of

individual asset is less than Rs. 5,000/-, such assets are fully depreciated in the year of purchase.

I Current Tax And Deferred Tax

Income Tax expenses comprises current Income Tax (Amount of tax for the period determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) is determined in accordance with Accounting Standard- 22 of the Institute of Chartered Accountants of India. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantially established by the Balance Sheet date. Deferred Tax Assets are recognized and carry forward 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 realized.

K Earnings Per Share

The earnings considered is ascertaining the Company's EPS comprises the net profit after tax and includes the post tax effect of any extraordinary items. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

L Auditor Remuneration

Statutory Audit	Rs. 20000
* Excluding service Tax	

M Deferred Tax

Components of Deferred Tax Assets and Deferred Tax Liabilities are as under:-

Deferred Tax Assets (a)

i) Related to Preliminary Expenses	Rs. 4047477
ii) Related to carried forward losses	Rs. 1389066
<u>ii) Related to Fixed Assets</u>	
On account of Timing Difference of W D V	Rs. NIL

Deferred Tax Liabilities (b)

i) <u>Related to Fixed Assets:</u>	
On account of Timing Difference of W D V	Rs. 54439
Net Deferred Tax Assets recognised (a)-(b)	Rs.

N Contingent liabilities

Other commitments	NIL
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Agrinnovate India Limited
Notes To Accounts

2. SHARE CAPITAL

Particulars	As at 31.03.2013	As at 31.03.2012
Authorised		
100000000 Equity Shares of Rs.10 each.	1,00,00,00,000.00	1,00,00,00,000.00
Issued, Subscribed and Paid Up		
50000000 Equity shares of Rs. 10 each fully paid up. 50000 Equity Shares of Rs. 10 each, fully Paid up As on 31-3-12	50,00,00,000.00	5,00,000.00
	50,00,00,000.00	5,00,000.00

Reconciliation of Number of Shares at the beginning and at the end of the period:

Number of shares at the beginning of the period	50,000	NIL
Add: Shares issued during the period	49950000	50000
Less: Shares bought back during the year	NIL	NIL
Number of shares at the end of the period	50000000	50000

Shareholders holding more than 5% of the shares:

Name	% of Shares	Number of Shares held as at 31.12.2013	Number of Shares held as at 31.03.2012
Government OF India	100.00	500000000	50000
		500000000	50000

3. RESERVES AND SURPLUS

Particulars	Opening Balance as at 01.04.2012	Additions during the period	Appropriations / Adjustments during the period	Balance as on 31.03.2013
Profit and Loss Account	-67,85,702.00	2,94,12,913.14	0	2,26,27,211.14

4. OTHER CURRENT LIABILITIES

Particulars	As at 31.03.2013	As at 31.03.2012
<i>Agmatel India Pvt Ltd</i>	1,33,738.00	-
<i>Kyocera Document Solution India Pvt Ltd</i>	47,775.00	-
<i>Outstanding Expenses</i>	2,515.00	-
<i>TDS Payable</i>	3,133.00	3,991.00
<i>V D Agarwal & Company</i>	22,472.00	23,825.00
<i>V Malik & Associates</i>	-	12,091.00
<i>Xerox India Limited</i>	60,480.00	0.00

	2,70,113.00	39,907.00
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5. PROVISIONS

Particulars	As at 31.03.2013	As at 31.03.2012
Provision for Tax	1,31,30,514.81	
Provision for Exps	99,527.00	-
	1,32,30,041.81	-

6. FIXED ASSETS AS AT 31.03.2013

Sr. No	Particulars	Rate	Gross Block				Depreciation			WDV as at 31.03.2013
			Balance as at 01.04.2012	Addition during the period ending 31.03.2013	Deletion during the period ending 31.03.2013	As at 31.03.2013	During the period ending 31.03.2013	Adjustment during the period	As on 31.03.2013	
	Tangible Assets									
1	Computers & Accessories	40		1,33,738		1,33,738	1,466	-	1,466	1,32,272
2	Printer	13.91		1,08,255		1,08,255	288.79		289	1,07,966
3	Microwave	13.91		6,815	-	6,815	49	-	49	6,766
4	Water dispenser	13.91	-	10,033	-	10,033	73	-	73	9,960
5	Furniture & fixtures	18.1	-	93,294	-	93,294	185	-	185	93,109
	SUB TOTAL (A)		-	3,52,135	-	3,52,135	2,061	-	2,061	3,50,074
	(Previous Year)		-	-		-	-		-	-

7. LONG TERM LOANS & ADVANCES

Particulars	As at 31.03.2013	As at 31.03.2012
(Unsecured, Unconfirmed, Considered Good)		
	-	-

8. TRADE RECEIVABLES

Particulars	As at 31.03.2013	As at 31.03.2012
Secured, Considered good : -	NIL	NIL
Unsecured, Considered Good : -		
	0.00	0.00

9. CASH AND CASH EQUIVALENTS

Particulars	As at 31.03.2013	As at 31.03.2012
Balance with Banks and	73,149.00	49,32,54,205.00
Fixed Deposit	48,51,74,750.00	-

Cash on hand	77.00	-
	48,52,47,976.00	49,32,54,205.00

10 OTHER CURRENT ASSETS

Particulars	As at 31.03.2013	As at 31.03.2012
(Unsecured, Unconfirmed, Considered Good)		
Advances recoverable in cash or kind or for value to be received		
TDS Recoverable A.Y 2013-2014	42,02,965.00	-
Advance Tax A.Y 2013-14	84,00,000.00	-
Accrued Interest on Fixed Deposit	3,61,80,128.00	-
	4,87,83,093.00	-

11. Revenue from Operation

Particulars	For the period 01.04.2012 to 31.03.2013	For the period 19.10.2011 to 31.03.2012
Sale	-	-
	-	-

12. Other Income

Particulars	For the period 01.04.2012 to 31.03.2013	For the period 19.10.2011 to 31.03.2012
Interest on Flexi Deposit	1,49,943.00	
Interest on Fixed Deposit	4,18,79,644.00	0.00
	4,20,29,587.00	-

13. ADMINISTRATIVE AND OTHER EXPENSES

Particulars	For the period 01.04.2012 to 31.03.2013	For the period 19.10.2011 to 31.03.2012
<i>Administrative Expenses</i>	2970.00	-
<i>Audit Expenses</i>	454.00	-
<i>Bank Charges</i>	298.00	-
<i>Books and Stationary</i>	33539.00	-
<i>Interest on TDS</i>	180.00	-
<i>Meeting Expenses</i>	3655.00	-
<i>Miscellaneous Expenses</i>	1264.00	-
<i>Postal Expenses</i>	207.00	-
<i>Professional Fee</i>	16000.00	28,877.00
<i>ROC Expenses</i>	31300.00	-
<i>Stamp Duty</i>	500000.00	-
<i>STATUTORY AUDIT FEE</i>	22472.00	11,030.00
<i>Travelling Expenses</i>	8773.00	-
	6,21,112.00	39,907.00

14. EMPLOYEE BENEFIT EXPENSES

Particulars	For the period 01.04.2012 to 31.03.2013	For the period 19.10.2011 to 31.03.2012
<i>Salary</i>	609209.00	-
	6,09,209.00	-

Computation of Deferred Tax as at 31 March 2013

Note15:

(Figures in Rupees)

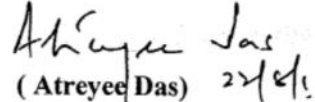
	As At 31-03-2013	As At 31-03-2012
1. On Account of Preliminary Expenses		
Preliminary expenses	40,47,477.00	53,96,636.00
	40,47,477.00	53,96,636.00
2. On Account of Carried forward loss	13,89,066.00	
	13,89,066.00	
3. On account of W D V		
as per Companies Act	3,50,073.54	-
as per Income Tax	2,95,633.83	-
Excess of Income Tax over company Act	54,439.72	-
total	53,82,103.28	53,96,636.00
Defered Tax Assets @ 32.445%	17,46,223.41	
		-
Recognised in Profit and Loss Account	(17,46,223.41)	

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF
AGRINNOVATE INDIA LIMITED FOR THE YEAR ENDED 31st MARCH 2013.**

The preparation of financial statements of **Agrinnovate India Limited** for the year ended 31st March 2013 in accordance with the financial reporting framework prescribed under the Companies Act 1956 is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 619(4) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the Standards on Auditing prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated **14.08.2013**.

I, on behalf of the Comptroller and Auditor General of India, have decided not to review the report of Statutory Auditors on the accounts of **Agrinnovate India Limited** for the year ended 31st March 2013 and as such have no comments to make under Section 619(4) of the Companies Act, 1956.

For and on the behalf of the Comptroller
and Auditor General of India


(Atreyee Das) 22/08/13

Pr. Director of Commercial Audit &
Ex-Officio Member, Audit Board-IV

Place: New Delhi.
Date: 22.08.13