

## OMEGA AG-SEEDS (PUNJAB) LIMITED

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### REPORT OF THE BOARD OF DIRECTORS ON CORPORATE GOVERNANCE

Corporate Governance is the application of best management practices, compliance of law and adherence to ethical standards to achieve the Company's objective of enhancing Shareholders' value and discharge of social responsibility. The Corporate Governance structure in the company assigns responsibilities and entrusts authority among different participants in the organization viz. the Board of Directors, the Senior Management, Employees etc. The Company had adopted Corporate Governance and disclosure practices keeping in view the Company's size, complexity and corporate traditions. The Company is fully committed to follow the procedures and practices in conformity with the clause 49 of the Listing Agreement of the Stock Exchanges, as applicable.

Your Directors present the Company's Report on Corporate Governance as under:

#### MANDATORY REQUIREMENTS

##### 1) Company's Philosophy on Corporate Governance

Corporate governance is a synonym for sound management, transparency and disclosure. The Company's philosophy of corporate governance envisages the highest level of transparency, accountability and equity in all its dealings with shareholders, employees, government and lenders. The Company's guiding principles are focused to achieve the highest standards of corporate governance. In compliance with the disclosure requirements of Clause 49 of the Listing Agreement executed with the Stock Exchanges, the details are set out below:

##### 2) Board of Directors

###### Composition:

The Board has an optimum combination of Executive and Non-Executive Directors and is in conformity with Clause 49 of the Listing Agreement entered in to with the Stock Exchange in which Company's shares are listed.

Presently the Board consists of 6 directors, whose composition is as under:

Sl.No.	Name	Designation	Category
1	Mr. N.V.R Mohan Rao	Managing Director	Promoter
2	Mr.N. V. Raghunadh	Director	Promoter
3	Mr.N.N.Parek	Director	Independent
4	Mrs. Leena.N. Parekh	Director	Independent
5	Mr. Obulreddy Puppala	Director	Independent
6	Mr.Rakesh Jain	Director	Independent

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### Conduct of the Board Meetings;

During the year ended 31<sup>st</sup> March, 2013, Six Board Meetings were held on the following dates: 14<sup>th</sup> May 2012, 14<sup>th</sup> August 2012, 29<sup>th</sup> September 2012, 14<sup>th</sup> November 2012, 14<sup>th</sup> February 2013, 22<sup>nd</sup> March 2013.

The Directors attendance at the Board Meetings, number of directorships and committee memberships held by them in other companies are given hereunder:

Name of the Director	No. of Board Meetings Attended	Attendance at the last AGM	No. of other directorships in other public companies	Committee positions held in other public companies	
				Chair-person	Member
Mr. N.V.R. Mohan Rao	6	Yes	Nil	Nil	Nil
Mr. N.V. Raghunadh	6	Yes	Nil	Nil	Nil
Mr. N.N. Parek	1	Yes	1	Nil	Nil
Mrs. Leena. N. Parekh	1	Yes	Nil	Nil	Nil
Mr. Obulreddy Puppala	6	No	4	Nil	Nil
Mr. Rakesh Jain	6	Yes	Nil	Nil	Nil

\*\* As at 31<sup>st</sup> March, 2013 (Committee positions include only Audit and Investors' Grievance Committees).

The following directors attended the last Annual General Meeting held on 29<sup>th</sup> September, 2012.

1. Mrs. L.N. Pareskh
2. Mr. N.V.R. Mohan Rao
3. Mr. N.V. Raghunadh
4. Mr. N.N. Parek
5. Mr. Rakesh Jain

### 1) COMMITTEES OF THE BOARD

#### a) AUDIT COMMITTEE

The Audit Committee to oversee audit functions of the Company and it comprises the following three directors as on 31.03.2013

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Sl.No	Name	Nature of Directorship
1	Mr. N.V.R. Mohan Rao	Promoter
2	Mr. Obulreddy Puppala	Independent
3	Mr.Rakesh Jain	Independent

The attendance of members of the above committee at their meetings are furnished below:

Sl.No	Name	No. of meetings of audit committee attended
1	Mr. N.V.R. Mohan Rao	4
2	Mr. Obulreddy Puppala	4
3	Mr.Rakesh Jain	4

### a) SHAREHOLDERS/INVESTORS GRIEVANCES COMMITTEE

The Committee comprises the following members as on 31/03/2013

Sl.No	Name	Nature of Directorship
1	Mr.N.V. Raghunadh	Promoter
2	Mr. Obulreddy Puppala	Independent
3	Mr.Rakesh Jain	Independent

The attendance of members of the above committee at their meetings are furnished below:

Sl.No	Name	No. of meetings of Shareholders/Investors Grievances Committee attended
1	Mr.N.V. Raghunadh	4
2	Mr. Obulreddy Puppala	4
3	Mr.Rakesh Jain	4

Under Clause 49 of Listing Agreement, constitution of remuneration committee is not a mandatory requirement. However company has constituted Remuneration committee to decide on remuneration to Directors.

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### a) REMUNERATION COMMITTEE

The Committee comprises the following members as on 31/03/2013

Sl.No	Name	Nature of Directorship
1	Mr. N.V. Raghunadh	Promoter
2	Mr. Obulreddy Puppala	Independent
3	Mr.Rakesh Jain	Independent

The attendance of members of the above committee at their meetings are furnished below:

Sl.No	Name	No. of meetings of Remuneration committee attended
1	Mr. N.V. Raghunadh	2
2	Mr. Obulreddy Puppala	2
3	Mr.Rakesh Jain	2

### 4) CODE OF CONDUCT AND ETHICS FOR DIRECTORS AND SENIOR MANAGEMENT:

The Company has laid down a code of conduct for all Board members and senior management personnel of the company. The Code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them.

### 5) DETAILS OF GENERAL BODY MEETINGS HELD:

The location and time of the last three Annual General Meetings were held as under

Financial Year	Date	Time	Venue
2011-2012	29.09.2012	10.00 A.M	Hotel Megacity, 3-6-335 to339, Basheerbagh Cross Roads, Hyderabad.
2010-2011	29.09.2011	10.00 A.M	Jullundhur Hotel, SCO-1052-53, Opp: ISBT, Sector 22/B, Chandigarh
2009-2010	30.09.2010	10.00 A.M	Jullundhur Hotel, SCO-1052-53, Opp: ISBT, Sector 22/B, Chandigarh

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### 1) SPECIAL RESOLUTIONS PASSED DURING THE PREVIOUS 3 AGM'S:

#### a) The following special resolution was passed in the previous Annual General Meeting held on 29-09-2012

- i) Amendment of Memorandum of Association to alter the object clause relating to inserting the new clause after clause III(A)(2).
- ii) Create, offer, follow on offer, issue and allotment of such number of Equity shares, Global Depository Receipts, American Depository Receipts, Foreign Currency Convertible Bonds, and /or any other financial instruments convertible into Equity Shares.

#### b) The following special resolution was passed in the previous Annual General Meeting held on 29-09-2011

Amendment of Articles to alter the Article relating to Authorised capital due to increase of authorized capital.

#### c) The following special resolution was passed in the previous Annual General Meeting held on 30-09-2010:

- i) "RESOLVED THAT subject to provisions of the Securities Contracts (Regulation) Act 1956, Listing Agreements with the Stock Exchanges and Guidelines/Rules of the Securities Exchange Board of India and/or other applicable laws regulations and guidelines and subject to such approvals and sanctions as may be required, the Board of Directors(hereinafter referred to as "the Board" which term shall include a committee of Directors) be and is hereby authorized to delist Equity Shares of the Company from the Stock Exchange at Ludhiana, Delhi, Kanpur, Mangalore, Hyderabad and Ahmedabad at one time from time to time.
- ii) RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to apply to such stock Exchange/SEBI and take all the required steps in terms of guidelines laid down by SEBI for voluntary delisting of Equity shares of the Company from Stock Exchanges of Ludhiana, Delhi, Kanpur, Mangalore, Hyderabad and Ahmedabad and to decide/settle all the matter related to delisting of shares and also to do all such acts/deeds and things as may be required by the relevant Competent authority for and on behalf of the board.
- iii) RESOLVED FURTHER THAT the Board of Directors may authorise any one of its committees or anyone of its Directors to do all such acts/deeds and things to give effect to the above said resolution."

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### 2) Common Agency/Share Transfer Agent

The company has appointed M/s. Bigshare Services Private Limited, Mumbai as Common Agency for share transfer work in both physical form as well as electronic. The address of Transfer Agency is given below:

M/s. Bigshare Services Private Limited  
E-2/3, Ansa Industrial Estate, Sakivihar Road,  
Saki Naka, Andheru (E),  
Mumbai-400072,  
Phone NO. 022-28473747, 28475207 Fax: 022-28525207  
E mail: bigshare@bom7.vsnl.net.in

### 3) COMMUNICATION TO SHAREHOLDERS

Company provides information relating to the company mainly through the annual reports which includes the directors report, audited accounts, cash flow statements etc. The shareholders are also intimated the quarterly and yearly and annual performance through intimation to stock exchanges.

### 4) GENERAL INFORMATION TO SHAREHOLDERS

- |                                              |   |                                                                                                                                                               |
|----------------------------------------------|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a) Date of Incorporation                     | : | 24 <sup>th</sup> November 1992                                                                                                                                |
| b) Registered Office                         | : | 6-3-1099/1/3, Flat No. 203, 2 <sup>nd</sup> Floor,<br>Bhavya's Varun, Saram Villa,<br>Rajbhavan Road, Somajiguda,<br>Hyderabad-500082, Andhra Pradesh, India. |
| c) Date and time of the 21 <sup>st</sup> AGM | : | 30 <sup>th</sup> September 2013                                                                                                                               |
| d) Venue of the 21 <sup>st</sup> AGM         | : | Hotel Meghacity, 3-6-335 to 339,<br>Basheerbagh Cross Roads,<br>Hyderabad-500001                                                                              |
| e) Financial Calendar                        | : | 1 <sup>st</sup> April, 2012 to 31 <sup>st</sup> March, 2013                                                                                                   |
| f) Date of Book Closure                      | : | 25 <sup>th</sup> Septemebr, 2013 to<br>30 <sup>th</sup> September, 2013 (Both days inclusive)                                                                 |
| g) Dividend Payment date                     | : | Not Applicable                                                                                                                                                |
| h) Listing of Equity shares on               | : |                                                                                                                                                               |

## OMEGA AG-SEEDS (PUNJAB) LIMITED

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- Stock Exchange at : The Bombay Stock Exchange Limited  
PhirozeJeejeebhoy Towers, Dalal Street,  
Mumbai-400001
- Stock Code : **519479**
- i) The Company ISIN Number : **INE112B01013**
- j) Listing on Stock Exchange : The Bombay Stock Exchange Limited,  
Mumbai.

Stock Market Price data for the year 2012-13.

Month	High	Low
April, 2012	29.55	21.45
May, 2012	23.00	17.05
June, 2012	20.90	14.45
July, 2012	16.25	12.95
August, 2012	15.24	11.84
September, 2012	15.30	11.30
October, 2012	15.15	11.90
November, 2012	16.80	11.50
December, 2012	13.00	10.22
January, 2013	12.31	9.75
February, 2013	11.68	7.29
March, 2013	8.80	7.25

## OMEGA AG-SEEDS (PUNJAB) LIMITED

Distribution of shareholding of the company as on 31/03/2013, Category wise, is as below:

Category of Shareholder	No. of	Total No. of Shareholders	Total Shares Shareholding as a % of Total No. of Shares
<b>(A) Shareholding of Promoter and Promoter Group</b>			
<b>(1) Indian</b>			
Individuals / Hindu Undivided Family	2	1596200	20.19
Central Government / State Government(s)	1	799700	10.12
<b>Sub Total</b>	<b>3</b>	<b>2395900</b>	<b>30.31</b>
<b>(2) Foreign</b>			
<b>Total shareholding of Promoter and Promoter Group (A)</b>	<b>3</b>	<b>2395900</b>	<b>30.31</b>
<b>(B) Public Shareholding</b>			
<b>(1) Institutions</b>			
Financial Institutions / Banks	1	47000	0.59
<b>Sub Total</b>	<b>1</b>	<b>47000</b>	<b>0.59</b>
<b>(2) Non-Institutions</b>			
Bodies Corporate	45	2275816	28.79
<b>Individuals</b>			
Individual shareholders holding nominal share capital up to Rs. 1 lakh	796	666116	8.43
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	55	2470201	31.25
<b>Any Others (Specify)</b>	<b>10</b>	<b>48967</b>	<b>0.62</b>
Clearing Members	1	3000	0.04
Non Resident Indians	7	8301	0.11
Directors & their Relatives & Friends	2	37666	0.48
<b>Sub Total</b>	<b>906</b>	<b>5461100</b>	<b>69.09</b>
<b>Total Public shareholding (B)</b>	<b>907</b>	<b>5508100</b>	<b>69.69</b>
<b>Total (A)+(B)</b>	<b>910</b>	<b>7904000</b>	<b>100</b>



## OMEGA AG-SEEDS (PUNJAB) LIMITED

Distribution of Share Holding of the company as on 31.03.2013, value wise is as below:

Shareholding of Nominal value Rs.	Shareholders		Shares	
	Number	% of total holders	Number	% of total capital
Upto 5000	556	61.0989%	165349	2.0920%
5001 to 10000	146	16.044%	126421	1.5995%
10001 to 20000	61	6.7033%	110136	1.2796%
20001 to 30000	30	3.2967%	79812	1.0098%
30001 to 40000	16	1.7582%	58170	0.7360%
40001 to 50000	12	1.3187%	56561	0.7156%
50001 to 100000	20	2.1978%	144202	1.8244%
100001 to and above	69	7.5824%	7172349	90.7433%
<b>Total</b>	<b>910</b>	<b>100%</b>	<b>7904000</b>	<b>100%</b>

### Shareholding pattern of the Company as on 31<sup>st</sup> of March 2013

Category	Number of Shares held	% of Total Shareholding
A. Promoters (Incl. Persons Acting in Concert)	23,95,900	30.31
B. Non Promoters	55,08,100	69.69 %
i. Institutions	47,000	0.59%
ii. Corporate Bodies	22,75,816	28.79%
iii. Public (individuals other than above)	31,85,284	40.31 %
<b>Total (A+B)</b>	<b>7904000</b>	<b>100%</b>

By Order of the Board  
For Omega AG Seeds (Punjab) Limited  
Sd/-  
[N.V.R. Mohan Rao]  
Managing Director

Place : Hyderabad  
Date : 5<sup>th</sup> September, 2013

## **OMEGA AG-SEEDS (PUNJAB) LIMITED**

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### **AUDITORS RREPORT ON CORPORATE GOVERNANCE**

To

#### **THE MEMBERS OF OMEGA AG-SEEDS (PUNJAB) LIMITED**

We have reviewed the implementation of Corporate Governance procedures by Omega Ag-Seeds( Punjab) Limited, during the year ended 31<sup>st</sup> March 2013, as stipulated in clause 49 of the listing agreement of the said Company with the stock exchanges, with the relevant records on corporate governance, as approved by the board of Directors. The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implantation thereof, adopted by the company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor a expression of opinion of the financial statements of the company.

As per schedule of implementation stipulated in clause 49 of the listing agreement with stock exchanges, the company is supposed to comply with all the conditions by 31<sup>st</sup> March 2013. During the year, the company initiated steps to cmply with the requirement of clause 49 of the listing agreements.

On the basis of our review and according to the information and explanations to us, the conditions for corporate governance, as stipulated in corporate governance clause of the listing agreement with the stock exchanges have been complied with in all material respects by the company and that no investor grievances is/ are pending for a period of exceeding one month against the company as per the records maintained by the company.

We further state that such compliance is neither an assurance as to the true viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For **SANKARAM & ASSOCIATES**

Chartered Accountants  
Firm Reg. No. 003581S

Sd/-

**(M. PALA SANKARAM)**

Proprietor.

M.No. 027068

Date: 30.05.2013

HYDERABAD