

**AUDITOR'S CERTIFICATE- 2007-08****To the Board of Directors of JK Agri Genetics Ltd. (formerly Florence Alumina Ltd.)**

We have examined the attached Balance Sheet (RECASTED) of JK Agri Genetics Ltd. (JKAGL) (formerly Florence Alumina Ltd.) as at 31<sup>st</sup> March 2008, the Profit & Loss Account (RECASTED) and also the Cash Flow Statement (RECASTED) (together financial statements) for the 12 months period ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management, which have been prepared to give carry over impact of the Scheme of Arrangement & Demerger in Audited Financial Statements of JKAGL for the year ended 31<sup>st</sup> March 2008 as stated in Note No. 2 [read with Note No. 1] of Schedule 14B. Impact of the Scheme (being effective on 2<sup>nd</sup> Nov, 2012) have been given in the accounts of Financial Year 2012-13 to be prepared under Companies Act, 1956 for the purpose to be placed before the members of the Company in the Annual General Meeting. As stated in the above said note impact of the Scheme have been given in the financial year 2005-06, to re-organise the Accounts for the year ended 31<sup>st</sup> March 2006 and its carry over impact in the subsequent financial years including business of Seed Undertaking which have been transferred from Florence Investech Limited (Formerly JKAGL). Our responsibility is to certify these recasted financial statements based on our verification. Our examination was made in accordance with approved standards on auditing in India and accordingly included such tests of the accounting and other records. We have also assessed the accounting principles used and significant assessment made by the Management of the Company.

We invite attention to Note No. 2 of Schedule 13B to the Recasted Financial Statements of the year 2005-06 regarding the transfer of assets and liabilities of Seed Undertaking of Florence Investech Limited (formerly JK Agri Genetics Limited) to the Company [JK Agri Genetics Limited (formerly Florence Alumina Limited)], pursuant to the Scheme of Arrangement & Demerger between the Company and Florence Investech Limited (formerly JK Agri Genetics Ltd.), which has been approved by the Hon'ble High Court of Judicature at Calcutta operative from 1<sup>st</sup> April 2005 (appointed date), impact of which have been given in these financial statements with respect to Net difference being considered as General Reserve on transfer of Seed undertaking with the Company as stated in Note No. 2(vi) of Schedule 13B which is not in line with the Generally Accepted Accounting Principles, as has been carried out as per the Order of the Hon'ble High Court.

For LODHA & CO.,  
Chartered Accountants  
FRN - 301051E

(N.K. LODHA)

Partner

Membership No. 85155



Place: New Delhi

Date: 30-03-2013

**JK AGRI GENETICS LIMITED**  
(formerly FLORENCE ALUMINA LIMITED)

**BALANCE SHEET (RECASTED) AS AT 31ST MARCH, 2008**

₹ in Lacs

	Schedule	As at 31.03.2008	As at 31.03.2007
<b>SOURCES OF FUNDS</b>			
SHAREHOLDERS' FUNDS			
SHARE CAPITAL	1	360.39	360.39
RESERVES AND SURPLUS	2	3,808.40	3,632.34
		<b>4,168.79</b>	3,992.73
SECURED LOANS	3	2,410.47	1,944.37
UNSECURED LOANS	4	211.20	-
DEFERRED TAX LIABILITY		243.84	196.18
		<b>7,034.30</b>	6,133.28
<b>APPLICATION OF FUNDS</b>			
FIXED ASSETS			
GROSS BLOCK	5	4,321.30	3,994.19
LESS: DEPRECIATION		1,040.14	839.49
NET BLOCK		3,281.16	3,154.70
CAPITAL WORK IN PROGRESS		12.29	-
		<b>3,293.45</b>	3,154.70
CURRENT ASSETS, LOANS AND ADVANCES	6	11,102.53	8,549.46
LESS: CURRENT LIABILITIES AND PROVISIONS	7	7,361.68	5,570.88
NET CURRENT ASSETS		3,740.85	2,978.58
		<b>7,034.30</b>	6,133.28
ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	14		

Schedules 1 to 7 and 14 attached to the Balance Sheet form an integral part thereof.

**JK AGRI GENETICS LIMITED**  
(formerly FLORENCE ALUMINA LIMITED)

**PROFIT & LOSS ACCOUNT (RECASTED) FOR THE YEAR ENDED 31ST MARCH, 2008**

₹ in Lacs

	Schedule	2007-08	2006-07
<b>INCOME</b>			
SALES AND OTHER INCOME	8	<b>9,251.51</b>	8,333.01
INCREASE/(DECREASE) IN FINISHED GOODS	9	<b>1,995.64</b>	(103.68)
		<b>11,247.15</b>	8,229.33
<b>EXPENDITURE</b>			
MATERIALS AND MANUFACTURING	10	<b>6,471.02</b>	4,136.08
EMPLOYEES COST	11	<b>1,158.64</b>	881.41
OTHER EXPENSES	12	<b>2,831.84</b>	2,277.55
		<b>10,461.50</b>	7,295.04
<b>OPERATING PROFIT(BEFORE INTEREST &amp; DEPRECIATION)</b>		<b>785.65</b>	934.29
COST OF BORROWINGS	13	<b>214.51</b>	99.87
<b>PROFIT BEFORE DEPRECIATION</b>		<b>571.14</b>	834.42
DEPRECIATION / AMORTISATION	5	<b>208.19</b>	189.00
<b>PROFIT BEFORE TAX</b>		<b>362.95</b>	645.42
PROVISION FOR TAXATION			
- CURRENT TAX		<b>100.54</b>	231.72
- FRINGE BENEFIT TAX		<b>38.69</b>	30.25
- DEFERRED TAX		<b>47.66</b>	26.69
<b>PROFIT AFTER TAX</b>		<b>176.06</b>	356.76
TAX PROVISION FOR EARLIER YEARS		-	22.20
		<b>176.06</b>	334.56
<b>APPROPRIATIONS</b>			
PROFIT & LOSS BROUGHT FROM PREVIOUS YEAR		<b>384.06</b>	49.50
BALANCE CARRIED TO BALANCE SHEET		<b>560.12</b>	384.06
BASIC AND DILUTED EARNINGS PER SHARE (₹)		<b>4.89</b>	9.28
ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	14		

Schedules 8 to 14 attached to the Profit & Loss Account form an integral part thereof.

**JK AGRI GENETICS LIMITED**  
(formerly FLORENCE ALUMINA LIMITED)

₹ in Lacs

	As at 31.03.2008	As at 31.03.2007
<b>Schedule 1</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised:</b>		
Equity Shares - 1,40,00,000 shares (Previous year 1,40,00,000 shares) of ₹10 each (Refer Note No. 1 below & Note no.2(iv) of Schedule 14B)	<b>1,400.00</b>	1,400.00
	<b>1,400.00</b>	1,400.00
<b>Issued, Subscribed and Paid up:</b>		
Equity Shares - 36,03,906 shares (Previous Year 36,03,906 shares) of ₹ 10 each fully paid up (Refer Note No. 2 below)	<b>360.39</b>	360.39
	<b>360.39</b>	360.39

**Notes:**

- Subsequent to issue & allotment (on preferential basis) of 14,50,000 equity shares of ₹ 10 each in the year 2005-06 (pre-impact of the scheme) to Florence Investech Limited (FIL)(formerly JK Agri Genetics Ltd.), FIL along with its nominees became Holding Company. However, in view of Order of Hon'ble High Court at Calcutta read with Note 2 of Schedule 14B, FIL ceased to be Holding Company.
- 2103906 no. of fully paid up equity shares of ₹ 10 each since been allotted to the shareholders of the Florence Investech Limited in terms of Scheme of Arrangement and demerger.(Refer Note 2(iii) of Schedule 14 B).

	As at 01.04.2007	Additions	Transfers	As at 31.03.2008
<b>Schedule 2</b>				
<b>RESERVES AND SURPLUS</b>				
Debenture Redemption Reserve <sup>@</sup>	472.34	-	-	<b>472.34</b>
General Reserve <sup>@</sup>	2,775.94	-	-	<b>2,775.94</b>
Profit & Loss Account	384.06	<b>176.06</b>	-	<b>560.12</b>
	3,632.34	<b>176.06</b>	-	<b>3,808.40</b>
Previous Year	3,297.78	334.56	-	3,632.34

@ Refer Note 2 (vi) of Schedule 14 B.

	As at 31.03.2008	As at 31.03.2007
<b>Schedule 3</b>		
<b>LOANS</b>		
<b>SECURED LOANS</b>		
Zero Coupon Non-Convertible Bonds	<b>1,000.00</b>	1,000.00
Term Loan from Bank	<b>3.30</b>	23.34
Other Loan from Bank	<b>1,407.17</b>	921.03
	<b>2,410.47</b>	1,944.37

**Notes:**

- Zero Coupon Secured Non-Convertible Bonds (ZCSNCBs) of ₹ 1000 lacs (Previous year ₹ 1000 lacs) are secured/to be secured by subordinate and subservient charge created/to be created on all the movable and immovable properties of the Company, both present and future. These bonds will be redeemable in four instalments of Rs.300 lacs each at the expiry of the 2nd & 3rd year and ₹ 200 lacs each at the expiry of the 4th & 5th year from, 1.4.2005 pursuant to the court order. (Refer Note 2(v) of Schedule 14B)
- Loan of ₹ 3.30 lacs (Previous year ₹ 23.34 lacs) is secured by hypothecation of specified vehicles.
- Other Loan from Bank represent Working Capital borrowing which is Secured by hypothecation of stocks and book debts etc., both present and future of the Company and by a second charge on fixed assets of the Company.
- Above charges are pending for modification. (Refer Note 2(a) of Schedule 14B)

	As at 31.03.2008	As at 31.03.2007
<b>Schedule 4</b>		
<b>UNSECURED LOANS</b>		
Council of Scientific & Industrial Research (CSIR)	<b>211.20</b>	-
	<b>211.20</b>	-

**JK AGRI GENETICS LIMITED**  
(formerly FLORENCE ALUMINA LIMITED)

**Schedule 5**

**FIXED ASSETS**

₹ in Lacs

Assets	Gross Block				Depreciation / Amortisation				Net Block	
	As At 01.04.2007	Additions	Sales/ Adjustments	As At 31.03.2008	As at 01.04.2007	For the Year	On Sales / Adjustments	As at 31.03.2008	As at 31.03.2008	As at 31.03.2007
Land - Freehold	401.61	-	-	<b>401.61</b>	-	-	-	-	<b>401.61</b>	401.61
Land - Leasehold	144.09	7.00	-	<b>151.09</b>	0.59	2.70	-	3.29	<b>147.80</b>	143.50
Building	61.56	-	-	<b>61.56</b>	2.75	1.00	-	3.75	<b>57.81</b>	58.81
Plant and Machinery	308.26	222.70	1.63	<b>529.33</b>	67.45	28.70	0.82	95.33	<b>434.00</b>	240.81
Office Equipments, Furniture & Fixtures	130.38	63.85	1.05	<b>193.18</b>	17.68	10.18	0.40	27.46	<b>165.72</b>	112.70
Vehicles	202.32	53.54	21.57	<b>234.29</b>	39.24	21.16	6.32	54.08	<b>180.21</b>	163.08
<b>Intangibles:</b>										
Brand	2,700.00	-	-	<b>2,700.00</b>	675.00	135.00	-	810.00	<b>1,890.00</b>	2,025.00
Software	45.97	4.27	-	<b>50.24</b>	36.78	9.45	-	46.23	<b>4.01</b>	9.19
	3,994.19	351.36	24.25	<b>4,321.30</b>	839.49	208.19	7.54	1,040.14	<b>3,281.16</b>	3,154.70
Capital Work in Progress									<b>12.29</b>	-
Total									<b>3,293.45</b>	3,154.70
Previous Year	3,257.66	761.14	24.61	<b>3,994.19</b>	657.79	189.00	7.30	839.49	<b>3,154.70</b>	

**JK AGRI GENETICS LIMITED**  
(formerly FLORENCE ALUMINA LIMITED)

₹ in Lacs

	As at 31.03.2008	As at 31.03.2007
<b>Schedule 6</b>		
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>A. CURRENT ASSETS</b>		
1. Stores, Processing & Packing Material	500.18	413.00
2. Finished Goods	2,670.19	674.55
3. Debtors (Unsecured and considered good):		
Debts over six months (Refer Note 8 in Schedule 14B)	307.26	186.81
Other Debts	4,710.01	3,106.10
4. Cash and Bank Balances :		
Cash in hand	1.12	1.01
Balances with Scheduled Banks :		
In Current Accounts	3.58	5.41
Deposits with Banks	1,608.13	2,295.55
	<b>9,800.47</b>	<b>6,682.43</b>
<b>B. LOANS AND ADVANCES:</b>		
(Unsecured considered good)		
Advances recoverable in cash or in kind or for value to be received	640.68	1,206.26
Capital Advances	9.82	0.86
Prepaid Expenses	28.52	49.50
Inter Corporate Deposits	-	200.00
Deposit with Government Authorities and Others	34.05	60.50
Advance Payment of Income Tax	489.04	283.22
Advance Payment of Fringe Benefit Tax	99.95	66.69
	<b>1,302.06</b>	<b>1,867.03</b>
	<b>11,102.53</b>	<b>8,549.46</b>
<b>Schedule 7</b>		
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
<b>A. CURRENT LIABILITIES</b>		
Sundry Creditors (Other than pertaining to Micro & small Enterprises)*	255.66	315.90
Advance from Customers	2,830.59	2,611.27
Interest Accrued but not due on loan	6.34	-
Other Liabilities (Refer Note 16 of Schedule 14B)	3,682.28	2,231.49
	<b>6,774.87</b>	<b>5,158.66</b>
<b>* To the extent information available with the Company</b> (Refer note 10 of Schedule 14B)		
<b>B. PROVISIONS</b>		
Provision for Income Tax	375.27	274.70
Provision for Fringe Benefit Tax	94.94	62.02
Provision for Retirement Benefits	116.60	75.50
	<b>586.81</b>	<b>412.22</b>
	<b>7,361.68</b>	<b>5,570.88</b>

**JK AGRI GENETICS LIMITED**  
(formerly FLORENCE ALUMINA LIMITED)

₹ in Lacs

	2007-08	2006-07
<b>Schedule 8</b>		
<b>SALES AND OTHER INCOME</b>		
1. Sales	<b>8,864.74</b>	7,868.76
2. Other Income		
Interest on others (Tax deducted at source ₹ 22.09 lacs; Previous Year ₹ 40.64 lacs)	<b>108.23</b>	187.17
Profit on sale of Assets (Net)	-	0.93
Miscellaneous Income	<b>278.54</b>	276.15
	<b>386.77</b>	464.25
	<b>9,251.51</b>	8,333.01
<b>Schedule 9</b>		
<b>INCREASE/ (DECREASE) IN FINISHED GOODS</b>		
Closing Stock	<b>2,670.19</b>	674.55
Less : Opening Stock	<b>674.55</b>	778.23
Increase/(Decrease) in Finished Goods	<b>1,995.64</b>	(103.68)
<b>Schedule 10</b>		
<b>MATERIALS AND MANUFACTURING</b>		
Production and Purchase of Seeds	<b>5,365.31</b>	3,260.66
Processing Charges	<b>311.29</b>	210.32
Consumption of Stores, Processing & Packing Materials	<b>794.42</b>	665.10
	<b>6,471.02</b>	4,136.08
<b>Schedule 11</b>		
<b>EMPLOYEES COST</b>		
Salaries, Wages, Bonus & Retirement Benefits	<b>601.66</b>	415.17
Contribution to Provident and other Funds	<b>80.24</b>	86.70
Employees' Welfare and other Benefits	<b>476.74</b>	379.54
	<b>1,158.64</b>	881.41
<b>Schedule 12</b>		
<b>OTHER EXPENSES</b>		
Rent	<b>113.76</b>	71.43
Other Taxes	<b>4.37</b>	1.54
Insurance	<b>10.60</b>	12.51
Discount	<b>106.66</b>	55.54
Freight & Transportation	<b>288.08</b>	269.72
Advertisement	<b>819.64</b>	678.85
Directors' Fees	<b>0.03</b>	0.05
Farming Expenses	<b>602.88</b>	579.64
Travelling	<b>440.92</b>	310.29
Commission	<b>70.34</b>	39.68
Loss on Sales of Assets	<b>0.30</b>	-
Office & Godown Maintenance	<b>107.00</b>	53.28
Provision for Doubtful Debts	<b>0.36</b>	2.93
Bank Charges, Printing & Stationery, Postage, Telephone and other Miscellaneous Expenses etc.	<b>266.90</b>	202.09
	<b>2,831.84</b>	2,277.55
<b>Schedule 13</b>		
<b>INTEREST</b>		
<b>Interest on:</b>		
Term Loans	<b>7.32</b>	24.08
Others	<b>207.19</b>	75.79
	<b>214.51</b>	99.87

## Schedule 14

### ACCOUNTING POLICES AND NOTES ON ACCOUNTS OF JK AGRI GENETICS LIMITED (formerly FLORENCE ALUMINA LIMITED) FOR THE YEAR ENDED 31.03.2008

#### A. SIGNIFICANT ACCOUNTING POLICIES

**1. General:**

The Accounts of the company are prepared under Mercantile System of Accounting on Historical Cost and in accordance with the general accepted accounting principles, applicable Accounting Standards and requirement of the Companies Act, 1956 unless otherwise referred herein. Claims/Refunds not ascertainable with reasonable certainty are accounted for on settlement.

**2. Valuation of Fixed Assets:**

Fixed Assets are stated at their Original Cost, Net of Cenvat, Less Accumulated Depreciation, Addition includes Purchase Cost, Freight, Duties and other expenses including borrowing cost wherever incurred for acquisition and installation.

**3. Method of Depreciation:**

- a) Depreciation on fixed assets is calculated on straight-line method. Depreciation is provided at the rates in force as per Schedule XIV of the Companies Act, 1956.
- b) Capital expenditures on lease hold premises are charged on straight line method (SLM) over the lease period or at the rates specified in Schedule XIV of the Companies Act, 1956, whichever period is lower.
- c) Leasehold Land is being amortized over the lease period.

**4. Investments:**

Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if, such a decline is other than temporary in the opinion of the management. Current investments are carried at lower of cost and quoted / fair value computed category-wise.

**5. Foreign Currency Transactions**

Assets & Liabilities related to foreign currency transactions are translated at exchange rate prevailing at the end of the year. Exchange difference on revenue account is charged to Profit & Loss Account.

**6. Inventories:**

Inventories are valued at the lower of cost and net realisable value. The cost is computed on weighted average basis. Finished Goods and Process Stock include cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

**7. Intangible Assets:**

Intangible assets are recognized if future economic benefits are likely and cost of the asset can be measured reliably. The depreciable amount of an intangible asset is allocated on a systematic basis over the useful life of the asset.



## **8. Employee Benefits:**

### a. Defined Contribution Plan

Employee benefits in the form of Superannuation Fund, Provident Fund (PF) and ESI considered as defined contribution plan and the contributions are charged to the Profit and Loss Account of the year when the contribution to the respective funds are due.

### b. Defined Benefit Plan

Retirement benefits in the form of Gratuity, Leave Encashment and PF (funded) are considered as defined benefit obligations and are provided for on the basis of an Actuarial Valuation, using the projected unit credit method, as at the date of the Balance Sheet.

Actuarial gain/ Losses, if any, are immediately recognized in the Profit and Loss Account.

## **9. Accounting for Taxes on Income and Fringe Benefit Tax:**

Current Tax is the amount of tax payable on the estimated taxable income for the current year as per the provisions of Income Tax Act, 1961. Deferred Tax is recognized, subject to the consideration of prudence, on timing differences, being difference between taxable income and accounting income. Fringe Benefits Tax is determined at current applicable rates on expenses falling within the ambit of "Fringe Benefits" as defined in Income Tax Act, 1961.

## **10. Provisions & Contingent Liabilities:**

Provision in respect of present obligation arising out of past events is made in Accounts when reliable estimates can be made of the amount of the obligation. Contingent Liabilities (if material) are disclosed by way of Notes to Accounts. Contingent Assets are not recognized or disclosed in Financial Statements and are included, if any, in the Directors' Report.

## B. NOTES ON ACCOUNTS

1. (a) Scheme of Arrangement and Demerger (the Scheme) between the Company {JK Agri Genetics Limited (JKAGL) (formerly Florence Alumina Limited) (FAL)(Transferee)} and Florence Investech Limited (FIL)(formerly JK Agri Genetics Limited)(Transferor) has been sanctioned by the Hon'ble High Court at Calcutta vide its order dated 17<sup>th</sup> October, 2012 and the Scheme became effective on 2<sup>nd</sup> November 2012, operative from 1<sup>st</sup> April 2005, the Appointed Date.  
  
(b) Accordingly the Audited accounts of the Company for the year ended 31<sup>st</sup> March 2008 which had been approved by the Board of Directors and adopted by the Shareholders in the AGM held on 16<sup>th</sup> December 2008 have been Reorganized to give effect of the Scheme of Arrangement and Demerger approved by the Hon'ble High Court at Calcutta as stated in Note 2 Below in the accounts for the year ended 31<sup>st</sup> March 2006.
2. Pursuant to the Scheme as stated in Note No. 1(a) following was carried out in the year 2005-06 :
  - i. Name of the Company has been changed from Florence Alumina Limited to JK Agri Genetics Limited.
  - ii. The Seed undertaking of Florence Investech Ltd. as defined in the scheme has been transferred to and vested in the Company with effect from the said Appointed Date. The Scheme has accordingly been given effect to in these accounts.
  - iii. The paid up equity share capital of FIL of ₹ 350.65 lacs has been reorganized and allocated between FIL & the Company in the ratio of 2:3 (i.e. in the ratio 40:60) and accordingly the Share Capital amounting to ₹ 210.39 lacs has been allocated to the Company.
  - iv. a) An amount of authorised capital of ₹ 1,250 lacs divided into 1,25,00,000 equity shares of ₹ 10 each stands transferred from the share capital of FIL to the authorized capital of the Company.  
  
b) Transfer of authorized Capital of ₹ 4,250 lacs divided into 50,00,000 preference share capital of ₹ 85/- each will also be transferred in due course from FIL to the Company as authorized capital divided into 4,25,00,000 unclassified shares of ₹ 10 each as per the said Scheme.
  - v. The Company has issued ₹ 1000 lacs Zero Coupon Non Convertible Bonds to the Bond holders of Florence Investech Ltd as provided in the Part IV of the Scheme. The Bonds have also since been redeemed by the Company, the last date of redemption being April 01, 2010.
  - vi. The difference of ₹ 2775.94 lacs (as detailed below) between assets and liabilities (including debentures of ₹ 1000 Lacs) transferred from JKAGL (now FLORENCE INVESTECH LIMITED) at their book values w.e.f. April 01, 2005 along with Debenture Redemption Reserve of ₹472.34 lacs and paid up Equity Capital of ₹ 210.39 has been recorded as General reserve in the books of the company.
- 2(a). Certain fixed assets, licenses, approvals, charge on secured loan are pending for transfer in the name of the Company.
- 2(b). Business of Seed undertaking has been carried out by FIL (formerly JKAGL) for and on account of, and in trust for, the Company.

3. Estimated amount of contracts net of advances ₹ 6.09 lacs (Previous year ₹ 34.01 lacs) remaining to be executed on capital account.
- 4.
- In terms of disclosure requirements stated in Accounting Standard on, Intangible Assets (AS-26) issued by the Institute of Chartered Accountants of India, the management considered it appropriate to amortize " J.K.SEEDS" brand over a period of 20 years from the date of its acquisition, considering nature of business, life cycle of brand, its inherent value and expected future benefits. The carrying amount of "J.K.SEEDS" brand is ₹ 1890.00 lacs as on 31.3.2008 to be amortized over the balance period 14 years.
  - Software is amortized over a period of 5 years from the year of installation.
5. Research and Development expenses amounting to ₹ 1338.49 lacs (Previous Year ₹ 1052.46 lacs) have been included in respective revenue accounts.
6. Remuneration to Manager# :
- |  | <b>2007-08</b>      | <b>2006-07</b> |
|--|---------------------|----------------|
| Salary   | <b>13.80</b>        | 10.94          |
| Contribution to PF & Other funds*              | <b>4.31</b>         | 3.43           |
| Value of Perquisites (as per Income Tax Rules) | <b><u>22.80</u></b> | <u>18.82</u>   |
|  | <b><u>40.91</u></b> | <u>33.19</u>   |
- (# Being amount transferred from FIL)  
\*Excludes provision for Gratuity and Leave Encashment where the actuarial valuation has been done on overall Company basis.
7. Amount paid to Auditors:
- |                           | <b>2007-08</b>     | <b>2006-07</b> |
|---------------------------|--------------------|----------------|
| Statutory Auditors @      |                    |                |
| Audit Fee                 | <b>0.64</b>        | 0.87           |
| Taxation                  | <b>0.22</b>        | 0.22           |
| Certification Charges     | <b>0.22</b>        | 0.21           |
| Reimbursement of expenses | <b><u>0.00</u></b> | <u>0.09</u>    |
|                           | <b><u>1.08</u></b> | <u>1.39</u>    |
- @Includes ₹ 0.97 lacs for the current year (Previous year ₹ 1.28 lacs) transferred from FIL.
- 8.
- Debtors over six months are net of provision of ₹ 9.78 lacs (Previous Year ₹ 9.42 lacs) made for doubtful debts.
  - Some of the balances of debtors, loans & advances and creditors are in the process of confirmation/reconciliation.
- 9.
- Foreign Exchange difference (net credit) amounting ₹ 0.54 lacs (Previous year net debit ₹ 1.21 lacs) has been included in Miscellaneous Income/ Miscellaneous Expenses in Profit & Loss Account respectively.
  - The above accounts have been prepared in Confirmation with the revised AS-11, whereby exchange fluctuation on loans/liability for purchase of fixed assets from outside India is being charged to revenue which hitherto was adjusted to the cost of fixed assets. There is no material impact of the same during the Financial Year 2007-08.
10. The Company has received certain information from certain vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and to the extent information available, none of them is registered under the said Act and accordingly disclosure relating to amount unpaid as at the yearend together with interest paid/payable under this Act has not been given.

11. Employees' defined benefits :

a) Defined Benefits Plans / Long Term Compensated Absences - As per Actuarial Valuation on 31<sup>st</sup> March, 2008

(₹ in lacs)

	Gratuity Non Funded	Leave Encashment Non Funded
<b>I Expenses recognised in the Statement of Profit &amp; Loss Account for the year ended 31st March, 2008</b>		
1 Current Service Cost	10.03	20.16
2 Interest Cost	4.14	1.89
3 Expected returns on plan assets	-	-
4 Actuarial (Gain)/Losses	(0.02)	17.06
5 Total expenses	14.15	39.11
<b>II Net Asset / (Liability) recognised in the Balance sheet as at 31st March, 2008</b>		
1 Present Value of Defined Benefit Obligation as at 31st March, 2008	53.81	62.79
2 Fair Value of plan assets as at 31st March, 2008	-	-
3 Funded status (Surplus/(Deficit))	-	-
4 Net Asset / (liability) as at 31st March, 2008	(53.81)	(62.79)
<b>III Change in obligation during the Year ended 31st March, 2008</b>		
1 Present Value of Defined Benefit Obligation at the beginning of the year	51.82	23.68
2 Current Service Cost	10.03	20.16
3 Interest Cost	4.14	1.89
4 Actuarial (Gain)/Losses	(0.02)	17.06
5 Benefits Payments	(12.16)	-
6 Present Value of Defined Benefits Obligation at the end of the year	53.81	62.79
<b>IV Change in Assets during the year ended 31st March, 2008</b>		
1 Fair value of plan assets at the beginning of the year	-	-
2 Expected returns on plan assets	-	-
3 Contributions by employer	-	-
4 Actual benefits paid	-	-
5 Actuarial gains / (losses)	0.02	(17.06)
6 Fair value of plan assets at the end of the year	-	-
7 Actual return of plan assets	-	-
<b>V The major categories of plan assets as % of total plan</b>		
Mutual Fund		
<b>VI Actuarial Assumptions</b>		
1 Discount Rate	8.00%	
2 Expected rate of return on plan assets	-	
3 Mortality	LIC( 1994-96) duly modified	
4 Turnover rate	age upto 30-3%, upto 44-2%, above 44-1%	
5 Salary Escalation	5.50%	

a) Defined Benefit Plans

Amounts recognized as expense and included in the Schedule 10:

Item "Salaries, Wage, Bonus & Retirement Benefits" includes ₹ 14.15 lacs for gratuity, ₹43.95 lacs for leave encashment.

- b) Defined Contribution plans  
Amount recognized as an expense and included in the Schedule 10 "Contribution to Provident and other Funds" of Profit & Loss account Rs.80.24 Lacs
- c) The estimates of future salary increase considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors, such as demand and supply in the employment market.
- d) Provident Fund  
Pending the issuance of Guidance Note from the Institute of Actuaries of India, the company's actuary has expressed his inability to reliably measure the provident fund liability.
- e) During the year, the Company has made provision for the employee benefits in accordance with the Accounting Standard -15 (revised 2005) "Employee Benefits" (AS-15) which has become applicable to the Company and there is neither transitional provision nor any material impact on the results of the Company for the Year 2007-08

12. There are no separate reportable segments as per Accounting Standard 17 "Segment Reporting" pursuant to Scheme of Arrangement and Demerger, hence segment reporting is not being given.

13. Related Party\$:

A). Relationships

- (a) Wholly Owned Subsidiary : --
- (b) Investing Company : --
- (c) Key Management Personnel@ : Sh P S Dravid, President & Manager

B) Transactions with Related Parties during the year Nil (Previous year Nil)

@ Details of Remuneration paid to Manager is given in Note 6.

@ Transferred from FIL (formerly JKAGL)

\$ In pursuance of Scheme of Arrangement and Demerger, FIL (formerly JKAGL) ceased to be 100% Holding Company. Accordingly, related party transactions have been re-organized.

14. Earnings per Share		<b>2007-08</b>	2006-07
a) Profit after Tax (₹ in lacs)		<b>176.06</b>	334.56
b) Weighted average no. of Equity Shares (Nos.) <sup>£</sup>		<b>3603906</b>	3603906
c) Nominal Value of Equity Share (₹)		<b>10</b>	10
d) Basic and Diluted Earnings per Equity Share (₹)		<b>4.89</b>	9.28
(£ Read with Note No 2 above)			

15. Pursuant to the Accounting Standard on 'Accounting for Taxes on Income' (AS-22), Deferred Tax Liability / Assets (Net) are as under:

	<b>As at</b>		<b>₹ in Lacs</b>	
	<b>31.03.2008</b>		As at	
			31.03.2007	
1. Deferred Tax Liabilities				
i) Related to Fixed Assets		<b>296.42</b>		225.48
2. Deferred Tax Assets				
i) Provision for Doubtful Debts	<b>3.32</b>		3.20	
ii) Disallowance under Income Tax Act	<b>49.26</b>	<b>52.58</b>	<u>26.10</u>	<u>29.30</u>
Deferred Tax Liability (Net)		<b>243.84</b>		<u>196.18</u>

16. ₹ 1361.53 lacs (Previous Year ₹ 863.85 lacs) is payable being balance of FIL arises due to Scheme of Demerger & Arrangement shown in "Other Liabilities" under Current Liabilities.
17. Impairment of Assets:  
The Company carries out a periodic review of all its assets with a view to identify any impairment. Impairment of assets, if any, identified on the basis of such review is accounted for in the books as required by the Accounting Standard on Impairment of Assets (AS-28) issued by the Institute of Chartered Accountants of India. There is no Impairment of assets which has not been accounted.
18. Foreign currency exposure not hedged are ₹ Nil (Previous year ₹ 11.04 lacs) on account of net receivable (equivalent to USD Nil; Previous year USD 24,973.88) as at 31.03.2008.
19. Particulars of Production, Purchase, Sales and Stocks

Particulars		2007-08		2006-07	
		Qty (100 Qtls.)	Amount (₹ in Lacs)	Qty (100 Qtls.)	Amount (₹ in Lacs)
Installed Capacity		Not Applicable		Not Applicable	
Opening Stock	Seeds*	111.16	571.61	171.34	736.25
	Others		102.94		41.98
	Total		674.55		778.23
Production & Purchase**	Seeds*	961.63	5,119.17	518.40	3,132.84
	Others		246.14		127.82
	Total		5,365.31		3260.66
Sales	Seeds*	557.51	8,676.17	578.58	7,778.35
	Others		188.57		90.41
	Total		8,864.74		7,868.76
Closing Stock	Seeds*	515.28	2,406.99	111.16	571.61
	Others		263.20		102.94
	Total		2,670.19		674.55

\*excluding Foundation and Breeder Seeds

\*\*Net of Process loss of 123.15 (Previous year 204.02) (Quantity in 100 Qtls)

20. Production and purchase of Seeds & Others Consumed:

	2007-08		2006-07	
	Amount (₹ in Lacs)	% of total Consumption	Amount (₹ in Lacs)	% of total Consumption
Indigenous	<b>3,310.76</b>	<b>99</b>	3,327.35	99
Imported	<b>58.91</b>	<b>1</b>	36.99	1
	<b>3,369.67</b>	<b>100</b>	3,364.34	100

21. Stores, Process & Packing Materials consumed: All indigenous ₹ 794.42 lacs (Previous year ₹ 665.10 lacs)

22. CIF Value of Imports	2007-08	2006-07
Seeds	<b>58.91</b>	36.99
Capital Goods (R & D)	<b>156.96</b>	20.28
Consumables & Spare Parts ( R & D)	<b>3.76</b>	13.07

23. Expenditure in Foreign Currency (as remitted)

R & D / Technical Services	<b>18.02</b>	13.56
Travel & Others	<b>61.06</b>	7.77

24. Earnings in Foreign Exchange  
F.O.B value of exports **17.64** 41.71

25. Figures for the previous year have been regrouped, rearranged and restated wherever considered necessary.

Schedules 1 to 14 forming part of the accounts for the year ended 31<sup>st</sup> March 2008.

**JK AGRI GENETICS LIMITED**  
(formerly FLORENCE ALUMINA LIMITED)  
**Cash Flow Statement (Recasted)**  
For the year ended 31st March, 2008

₹ in Lacs

	2007-08	2006-07
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax and extraordinary items	<b>362.95</b>	645.42
Adjustment for :		
Depreciation / Amortisation	<b>208.19</b>	189.00
Interest Expenses	<b>214.51</b>	99.87
(Profit)/Loss on sale of Assets	<b>0.30</b>	(0.93)
Interest/Dividend Received	<b>(108.23)</b>	(187.17)
Provision for Doubtful Debts/Advances	<b>0.36</b>	2.93
<b>Operating Profit before working capital changes</b>	<b>678.08</b>	749.12
(Increase)/ Decrease in Trade and Other Receivables	<b>(940.98)</b>	(1,252.67)
(Increase)/ Decrease in Inventories	<b>(2,082.82)</b>	(11.73)
Increase/ (Decrease) in Trade Payables	<b>1,650.97</b>	1,256.77
<b>Cash generated from Operations</b>	<b>(694.75)</b>	741.49
Direct taxes paid	<b>(244.82)</b>	(346.67)
<b>Net Cash from Operating Activities</b>	<b>(939.57)</b>	394.82
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	<b>(363.65)</b>	(761.14)
Sale of Fixed Assets	<b>16.41</b>	18.24
Interest Received	<b>128.54</b>	177.07
Dividend Received		
<b>Net Cash from / (used in) Investing activities</b>	<b>(218.70)</b>	(565.83)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	<b>211.20</b>	-
Repayment of borrowings	<b>(20.04)</b>	(21.30)
Proceeds from short term borrowings	<b>486.14</b>	921.03
Interest Paid	<b>(208.17)</b>	(99.87)
<b>Net cash from / (Used in) financing activities</b>	<b>469.13</b>	799.86
<b>Net Increase / (Decrease) in Cash and Cash equivalents</b>	<b>(689.14)</b>	628.85
<b>Cash and Cash equivalents as at the beginning of the year</b>	<b>2,301.97</b>	1,673.12
<b>Cash and Cash equivalents as at the end of the year</b>	<b>1,612.83</b>	2,301.97
<b>Notes:</b>		
1 Cash and Cash Equivalents Include:		
- Cash, Cheques in hand and Remittances in transit	<b>1.12</b>	1.01
- Balances with Scheduled Banks	<b>1,611.71</b>	2,300.96
Cash and Cash Equivalents	<b>1,612.83</b>	2,301.97