



ANNUAL REPORT 2014-15

**JK** *AGRI GENETICS LTD.*

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## **BOARD OF DIRECTORS**

**Bharat Hari Singhania**  
Chairman

**Dr. Raghupati Singhania**

**Sanjay Kumar Khaitan**

**Sanjeev Kumar Jhunjunwala**

**Swati Singhania**

**Abhimanyu Jhavar**

**Jatan Roop Chand Bhandari**

**Swaroop Chand Sethi**

**Vikrampati Singhania**

**Sanjay Kumar Gupta**  
(President & Director)

### **Processing Plant**

Survey No.-509/2  
Village: Gundlapochampally  
Distt. Ranga Reddy - 501 401  
Telangana

### **Administrative Office**

1-10-177, 4th Floor,  
Varun Towers, Begumpet,  
Hyderabad - 500 016  
Telangana

### **Registered Office**

7, Council House Street,  
Kolkata – 700 001  
West Bengal

### **Auditors**

Lodha & Co.  
Chartered Accountants

### **Bankers**

Axis Bank Limited  
State Bank of Mysore  
Yes Bank Limited

### **Chief Financial Officer**

Amit Agarwal

### **Company Secretary**

Anoop Singh Gusain

**Website:** [www.jkseeds.net](http://www.jkseeds.net)

**CIN:** L01400WB2000PLC091286

**E-MAIL ID:** [jkaglshareholder@jkmail.com](mailto:jkaglshareholder@jkmail.com)

# DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS

## TO THE MEMBERS

Your Directors have pleasure in presenting the Annual Report together with the Audited Financial Statements of the Company for the financial year ended 31st March, 2015.

<b>Financial Results</b>	<b>(₹ in Crore)</b>
Sales & Other Income	210.10
Profit before Finance Cost & Depreciation (PBIDT)	32.59
Profit before Depreciation	22.14
Profit Before Tax	17.19
Profit after Tax	12.22
Surplus brought forward	10.61
<b>Amount available for appropriation</b>	<b>22.83</b>
Appropriations	
Dividend (incl. tax on Dividend)	1.30
General Reserve	7.24
Surplus carried to Balance Sheet	14.29
	<b>22.83</b>

## DIVIDEND

Your Directors are pleased to recommend a dividend of ₹ 3 per Equity Share of ₹ 10 each (i.e. 30%) on the Equity Share Capital of ₹ 3.60 Crores for the financial year ended 31st March 2015. The Dividend outgo will be ₹ 1.30 Crores (inclusive of dividend tax of ₹ 0.22 Crores).

## OPERATIONS

During the year ended 31st March, 2015, the Company achieved a turnover of ₹ 210.10 crores. EBIDTA of the Company increased by 19% to ₹ 32.59 crores from ₹ 27.30 crores and Profit Before Tax increased by 19% to ₹ 17.19 crores from ₹ 14.39 crores in the previous year.

While the Company continues to develop new hybrids and strengthen its marketing, the focus has been to increase its bottom line. This has been achieved by a better product mix as well as entering newer and more profitable segments. Launches of new innovative hybrids across field crops and vegetable segments have started showing some early positive signs. The Company lays emphasis on improving its seed production techniques as well as processing plant efficiencies. All these facts helped the Company to improve its overall performance.

## RESEARCH AND DEVELOPMENT

The Company is conscious that an edge in this sector can only be achieved by developing technically superior and consumer friendly hybrids through a well-planned research programme and by continuously investing in research and development. Each crop segment typically has 5 or 6 leading hybrids that command majority of the market share. For any hybrid to be successful, it is important that it is significantly superior to the existing product in the market, both from the perspective of productivity as well as adaptability to flexible agronomic conditions. Your Company continues to focus on developing hybrids with these capabilities and characteristics through breeding, biotech R&D and transgenic research. This apart, your company has also developed key hybrids in vegetables and paddy through non transgenic methods like marker assisted breeding. Further, the biotechnology lab focuses on varieties tolerant to biotic and abiotic stresses and marker-assisted selection to speed up the breeding programme.

JK Agri Genetics invested 6% of its turnover in R&D activities and today produces and markets more than 80 of its internally developed hybrids in the areas of cotton, corn, paddy, sunflower, bajra, jowar, and in vegetable crops like okra, tomato and chillies. In the last few years the Company has established itself as one of the leading players in the area of vegetables and one of the top players in key crops like Okra and Tomato. While JK Agri Genetics' Okra is in great demand, its newly introduced heat resistant tomato has done well in India as well as in our neighbouring countries.

## INDUSTRY OVERVIEW

This is a challenging time for agriculture globally, particularly in emerging economies such as India where the demand dynamics and farming patterns are changing. Indian agriculture is really at crossroads with growth rates from 2012 onwards being 3.6%, higher than the historic growth rate of 2.8%. India has become self-reliant with grain output of approx 258 MMT, yet there are signs of weak health of this sector like persistent high food inflation and low capital productivity.

Three factors are significant (1) Low productivity states are contributing more to agricultural growth than the higher productivity states. Sustainability of this kind of growth

is very doubtful, (2) Cost of producing India's output continues to increase, both from the perspectives of cost per acre as well as cost per drop, and (3) Volatile returns from the back breaking profession of farming coupled with higher opportunity cost of land, is making agriculture less lucrative.

The Indian government too has recognised that food security is an emerging menace to the economy in the near future, given the burgeoning population and low crop productivity levels.

Agricultural input supply and marketing strategies will have to respond to these rapid changes, with newer technologies in the area of transgenics, crop protection and post harvesting techniques.

Worldwide the seed industry is valued at approximately \$ 45 billion. Top six countries including India account for nearly 67% of the global market out of which India is at 6th position with nearly a ₹12,000 crore market including hybrids and non-hybrid varieties. In the last couple of years the Indian seed industry has grown faster than the growth experienced by a number of other countries, however, agriculture in India still remains inefficient with low replacement rates and yields. In India, 70% of Agriculture is still rain fed and is dependent on the vagaries of monsoon. Multi-National companies in the seed space have large presence in India and leading Indian Companies as well as niche players continue to compete with them.

## **OPPORTUNITIES, THREATS & CONCERNS**

Over the last few years inspite of a general economic slowdown, the agricultural sector continues to be an important pillar for the Indian economy. Over 52 % of India's labour is still involved in agriculture, both for sustenance as well as commercial production. The ever growing population of India creates new markets for agricultural produce while the improving affluence of Indian population has started preferring better quality agricultural products. The advent of organised retail and distribution network are helping the agricultural community get better value for their quality products. The government's focus on the food processing industry and opportunities for agricultural exports has been opening up new markets for these products. Increasing Minimum Support Price (MSP) has been aiding farmers earn better returns.

Inspite of some of these positive cues, the agricultural sector has a whole set of complex challenges. The sector continues to be significantly dependent on the monsoons, as majority of the area is rain-fed and is dependent on timely and adequate rain fall. The effects of global warming and unseasonal rains have

a negative impact on the crops and the farmers' ability to take risks. Changing food consumption patterns as well as volatility in agricultural price has an important impact on the sowing patterns of the crops across various states of India.

Harvesting and post harvesting practices need significant improvement to avoid huge losses. The pressure on land usage for alternate purposes of real estate and industry are shrinking the availability of cultivable land in the country.

While these are challenging tasks, the opportunities in the agricultural sector are still underexploited. There are immense opportunities for improving all-round technologies in the entire supply chain right from the field to plate. High quality seeds with improved productivity as well as pest resistance capabilities continue to offer good potential. In fact seeds with the ability to perform under various abiotic stresses are the need of the hour to improve the health of the agricultural sector in India. Mechanisation and improved farming techniques including crop protection technologies would help this sector grow. The government's increasing allocation of budget for the agricultural sector augurs well for the industry. There are new growth opportunities for Indian seed companies to explore newer markets in the Africa's and Asia's that have agro-climatic conditions akin to India. The growing Indian population and increasing per capita income will need doubling of our food production over the next decade. Hence the industry is at an interesting cross road, which has its own set of challenges but also great opportunities ahead.

## **HUMAN RESOURCE DEVELOPMENT**

People are the key assets that are instrumental in driving the company's performance year on year. Their passion, commitment, sense of ownership and team work has enabled the Company to grow even in unpredictable environmental and socio-political agribusiness circumstances. Your company has been focusing on improving the talent in its management cadre by hiring people from leading Management Institutes as well as by conducting focused Management Development Programmes by Senior Faculty and Management & Technical Practitioners. Focus is also being given to functional and technical skill up-gradation of specific team members based on their needs for improvement. The Krishna-Arjuna initiative - a mentoring programme innovated by the JK Group Companies, and now internationally acclaimed, has helped to build up bonds between team members as well as provide guidance to younger members. The Company



endeavours to make each employee feel that he/she is an important part of the Company imparting customised need based training programme.

The Company strives to offer a positive, supportive, open and high performance work culture where innovation and risk taking is encouraged. Performance is recognised and employees are motivated to realise their full potential.

### **INTERNAL FINANCIAL CONTROLS**

The Company has in place adequate internal financial controls with reference to financial statements and no material reportable weakness was observed in the system. Further, the Company has in place adequate internal financial controls commensurate with the size and nature of its operations.

The Company also has robust Budgetary Control System and Management Information System (MIS) which are backbone of the Company for ensuring that your Company's assets and interests are safeguarded.

### **LISTING**

The Equity Shares of the Company have been voluntarily delisted from the Calcutta Stock Exchange Limited w.e.f. 21st August 2014. The Equity Shares of the Company, however, are continuing to be listed in BSE Ltd.

### **EXTRACT OF ANNUAL RETURN**

An Extract of the Annual Return as on 31st March 2015 in the prescribed Form MGT-9 is attached as Annexure - 1 to this report and forms part of it.

### **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

The particulars of loans, guarantees or securities and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the financial statements.

### **RELATED PARTY TRANSACTIONS**

During the financial year ended 31st March 2015, all the contracts or arrangements or transactions entered into by the Company with the Related Parties were in the ordinary course of business and on arm's length basis and were in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Agreement.

Further, the Company has not entered into any contract or arrangement or transaction with the related parties which could be considered material

in accordance with the policy of the Company on materiality of Related Party Transactions. In view of the above, disclosure in Form AOC-2 is not applicable.

The Related Party Transaction Policy as approved by the Board is available on the website of the Company.

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

With enactment of the Companies Act, 2013, the Independent Directors of the Company, namely – Shri J.R.C. Bhandari, Shri S.K. Khaitan, Shri S.K. Jhunjhunwala and Shri S.C. Sethi were appointed by the Members at the Annual General Meeting (AGM) held on 6th September 2014 under Section 149 of the Act for a term of five consecutive years commencing from the date of the AGM.

Shri Vikrampati Singhania retires by rotation and being eligible offers himself for re-appointment at the ensuing AGM.

The Board of Directors appointed Smt. Swati Singhania as an Additional Director of the Company pursuant to Section 161 of the Companies Act, 2013 (Act) effective 3rd February 2015. The Board of Directors also appointed Shri Abhimanyu Jhaver as an Additional Director pursuant to Section 161 of the Act effective 25th March 2015 and also appointed him as an Independent Director of the Company from the said date for a term of five consecutive years pursuant to the provisions of Section 149 of the Act and the Listing Agreement with Stock Exchange, subject to approval of the members of the Company at the ensuing AGM.

In terms of Section 161 of the Act, Smt. Swati Singhania and Shri Abhimanyu Jhaver will hold office as Directors up to the date of the ensuing AGM.

The Company has received from members notices in accordance with Section 160 of the Act proposing candidatures of Smt. Swati Singhania for appointment as Director, liable to retire by rotation and of Shri Abhimanyu Jhaver for appointment as Director as aforesaid.

The Board recommends appointments as aforesaid. All Independent Directors of the Company have given declarations that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and also Clause 49 of the Listing Agreement with the Stock Exchange.

Further, in terms of Section 203 of the Companies Act 2013, Shri S.K. Gupta, President & Director; Shri Amit Agarwal, Chief Financial Officer and Shri Anoop Singh Gusain, Company Secretary were appointed as Key Managerial Personnel of the Company on their

existing terms and conditions.

### **CONSERVATION OF ENERGY ETC.**

The details as required under Section 134(3)(m) read with the Companies (Accounts) Rules, 2014 is annexed to this Report as Annexure –2 and forms part of it.

### **DEPOSITS**

The Company has neither invited nor accepted any deposits from the public.

### **AUDITORS**

#### **(a) Statutory Auditors and their Report**

M/s Lodha & Co., Chartered Accountants, have been appointed as Auditors of the Company to hold the office from the conclusion of the 14th Annual General Meeting (AGM) held on 6th September 2014 until the conclusion of the 17th AGM to be held in the year 2017, subject to ratification of their appointment by the members at the respective AGMs to be held in the years 2015 and 2016. Accordingly, being eligible, matter relating to the appointment of the Auditors will be placed for ratification by members at the forthcoming AGM. The observations of the Auditors in their Report on Accounts and the financial statements, read with relevant notes are self-explanatory.

#### **(b) Secretarial Auditor and Secretarial Audit Report**

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Board of Directors appointed Shri Namoo Narain Agarwal, Company Secretary in Practice as Secretarial Auditor to carry out Secretarial Audit of the Company for the financial year 2014-15. The Report given by him for the said financial year in the prescribed format is annexed to this Report as Annexure –3. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

#### **(c) Cost Audit**

The Cost Audit for the financial year ended 31st March 2014 was conducted by M/s Vijender Sharma & Co., Cost Accountants, Delhi and as required Cost Audit Report was duly filed with Ministry of Corporate Affairs, Government of India. Pursuant to the order of the Central Government dated 30th June 2014 and also revised order dated 31st

December 2014, your Company did not fall within the ambit of Cost Audit for the financial year 2014-15.

### **PARTICULARS OF REMUNERATION**

Information in accordance with the provisions of Section 197 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 regarding remuneration and other details is annexed to this Report. However, as per the provisions of Section 136 of the said Act, the Report and Accounts are being sent to all the members of the Company and others entitled thereto, excluding the aforesaid information. Any member interested in obtaining such particulars may write to the Company Secretary at the registered office of the Company. The said information is available for inspection at the Registered Office of the Company during working hours.

### **CORPORATE SOCIAL RESPONSIBILITY**

Since inception, your Company considers itself a responsible corporate citizen and has been involved in undertaking projects and interventions for overall development and welfare of the society. It has been working closely with the farming community in areas of adult literacy, imparting agricultural knowledge and promoting preventive healthcare, rural development and livelihood enhancement projects.

The Company has framed Corporate Social Responsibility (CSR) Policy in accordance with the provisions of the Companies Act, 2013 and rules made thereunder. The contents of the CSR Policy are disclosed on the website of the Company.

The Annual Report on the CSR activities undertaken by the Company during the financial year under review, in the prescribed format is annexed to this Report as Annexure – 4.

### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS**

During the financial year under review, there were no significant and material orders passed by the regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

### **CORPORATE GOVERNANCE – including details pertaining to Board Meetings, Nomination and Remuneration Policy, Performance Evaluation, Risk Management, Audit Committee and Vigil Mechanism.**

Your Company reaffirms its commitment to good corporate governance practices. Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, a Management Discussion and Analysis, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance are made a part of this Annual Report.

The Corporate Governance Report which forms part of this Report also covers the following:

- a) Particulars of the four Board Meetings held during the financial year under review.
- b) Policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management including, inter alia, the criteria for performance evaluation of Directors.
- c) The manner in which formal annual evaluation has been made by the Board of its own performance and that of its Committees and individual Directors.
- d) The details with respect to composition of Audit Committee and establishment of Vigil Mechanism.
- e) Details regarding Risk Management

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

As required under Section 134(3)(c) of the Companies Act 2013, your Directors state that:-

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. the accounting policies have been selected and applied consistently and 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 and of the profit and loss of the Company for that period;
- c. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the said Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. the annual accounts have been prepared on a going concern basis;

- e. the internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and were operating effectively; and
- f. the proper systems to ensure compliance with the provisions of all applicable laws have been devised and that such systems were adequate and operating effectively.

#### **CAUTIONARY STATEMENT**

"Management's Discussion & Analysis Report" contains forward looking statements, which may be identified by the use of the words in that direction, or connoting the same. All statements that address expectation or projections about the future, including, but not limited to statements about the Company's strategy for growth, product development, market position, expenditures and financial results are forward looking statements. The Company's actual results, performance or achievements could thus differ materially from those projected in such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward - looking statements on the basis of any subsequent development, information or events.

#### **ACKNOWLEDGEMENTS**

Your Directors wish to acknowledge and place on record the commitment and dedication on the part of the employees of your Company in achieving good results.

Your Directors would also like to acknowledge and record their appreciation of the continued support and assistance received by the Company from its valued Customers, Dealers, Suppliers, Shareholders, Banks and various Central and State Government Agencies.

On behalf of the Board

Date: 7th August 2015  
New Delhi

(Bharat Hari Singhania)  
Chairman



**Annexure - 1**

**FORM NO. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on 31st March 2015**

**[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]**

**I. REGISTRATION AND OTHER DETAILS:**

(i) CIN : L01400WB2000PLC091286  
(ii) Registration Date : 6th March 2000  
(iii) Name of the Company : JK Agri Genetics Ltd.  
(iv) Category/Sub-Category of the Company : Public Company/ Limited by Shares  
(v) Address of the Registered Office and Contact Details : 7, Council House Street,  
Kolkata – 700 001  
Ph. No. - 033-22488343  
Fax No. - 033-22481641  
Email id: jkagshareholder@jkmail.com  
Website: www.jkseeds.net  
(vi) Whether Listed Company Yes/ No : Yes (Listed on BSE Ltd.)  
(vii) Name, Address and Contact Details of Registrar and Transfer Agent, if any- : Alankit Assignments Ltd.,  
Alankit Heights, 1E/13,  
Jhandewalan Extension,  
New Delhi- 110 055  
Ph. No.- 91-11-42541234,  
Fax No.- 91-11-41543474  
Email id: rta@alankit.com  
Website: www.alankit.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the Company:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ Service*	% to total turnover of the Company
1	Growing of non-perennial crops-Seeds	011	96%

\*As per National Industrial Classification (2008) - Ministry of Statistics and Programme Implementation.

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES - NIL**

#### IV. SHAREHOLDING PATTERN (Equity Share Capital breakup as percentage of total Equity)

##### (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (as on 1st April 2014)				No. of Shares held at the end of the year (as on 31st March 2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters**</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	57147	-	57147	1.59	57147	-	57147	1.59	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	2299533	-	2299533	63.80	2299833	-	2299833	63.81	.01
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(1):-</b>	<b>2356680</b>	<b>-</b>	<b>2356680</b>	<b>65.39</b>	<b>2356980</b>	<b>-</b>	<b>2356980</b>	<b>65.40</b>	<b>.01</b>
<b>(2) Foreign</b>									
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Other- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any others	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoter (A)**=(A)(1)+(A)(2)</b>	<b>2356680</b>	<b>-</b>	<b>2356680</b>	<b>65.39</b>	<b>2356980</b>	<b>-</b>	<b>2356980</b>	<b>65.40</b>	<b>.01</b>

\*\* The total shareholding of Promoters at (A) above includes 1557147 Equity Shares (43.20%) as on 1<sup>st</sup> April 2014, 1557447 Equity Shares (43.21%) as on 31<sup>st</sup> March 2015 and a change of 0.01% during the year, pertaining to constituents of the Promoter Group as per SEBI (Issue of Capital & Disclosure requirements) Regulations, 2009. The same does not form part of the Promoters as defined in the Companies Act, 2013.

Category of Share holders	No. of Shares held at the beginning of the year (as on 1 <sup>st</sup> April 2014)				No. of Shares held at the end of the year (as on 31 <sup>st</sup> March 2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Share holding</b>									
<b>1. Institutions</b>									
a) Mutual Funds/UTI	714	36	750	0.02	714	36	750	0.02	-
b) Banks/FI	88	180	268	0.01	88	180	268	0.01	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	15	15	30	0.00	15	15	30	0.00	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(1):-</b>	<b>817</b>	<b>231</b>	<b>1048</b>	<b>0.03</b>	<b>817</b>	<b>231</b>	<b>1048</b>	<b>0.03</b>	<b>-</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	540317	453	540770	15.01	501795	5408	507203	14.07	-0.94
ii) Overseas	217749	-	217749	6.04	217749	-	217749	6.04	-
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	268328	35409	303737	8.42	333803	28191	361994	10.04	1.62
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	167827	-	167827	4.66	138285	-	138285	3.84	-0.82
c) Others (specify)									
(i) Clearing Members	900	-	900	0.02	647	-	647	0.02	-
(ii) Directors & Relatives (other than promoter)#	3	-	3	0.00	3	-	3	0.00	-
(iii) Non-Resident Indians	14999	142	15141	0.42	19729	142	19871	0.55	0.13
(iv) Trust	51	-	51	0.00	126	-	126	0.00	-
<b>Sub-Total (B)(2):-</b>	<b>1210174</b>	<b>36004</b>	<b>1246178</b>	<b>34.58</b>	<b>1212137</b>	<b>33741</b>	<b>1245878</b>	<b>34.57</b>	<b>-0.01</b>
<b>Total Public shareholding (B)= (B)(1)+(B)(2)</b>	<b>1210991</b>	<b>36235</b>	<b>1247226</b>	<b>34.61</b>	<b>1212954</b>	<b>33972</b>	<b>1246926</b>	<b>34.60</b>	<b>-0.01</b>
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>3567671</b>	<b>36235</b>	<b>3603906</b>	<b>100.00</b>	<b>3569934</b>	<b>33972</b>	<b>3603906</b>	<b>100.00</b>	<b>-</b>

# Includes shareholding of Shri S.C. Sethi only, shareholding of other Directors & their Relatives are covered under the heading Promoters.

**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 1st April 2014)			Shareholding at the end of the year (as on 31st March 2015)			% change in shareholding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	Bengal & Assam Company Ltd.	799533	22.19	-	799533	22.19	-	-
	<b>Total:</b>	<b>799533</b>	<b>22.19</b>	<b>-</b>	<b>799533</b>	<b>22.19</b>	<b>-</b>	<b>-</b>

**(iii) Change in Promoters' Shareholding (please specify, if there is no change) : No Change****(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): -**

Sr. No.	Top 10 Shareholders*	Shareholding at the beginning of the year 01-04-2014		Cumulative Shareholding at the end of the year 31-03-2015	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Florence Investech Ltd.	1500000	41.62	1500000	41.62
2	Edgefield Securities Ltd.	217749	6.04	217749	6.04
3	Shah Bahubali Shantilal	115200	3.20	114288	3.17
4	Alchemist Capital Ltd.	105000	2.91	105000	2.91
5	Alchemist Holdings Ltd.	104528	2.90	104528	2.90
6	KDS Corporation Pvt. Ltd.	104791	2.91	89126	2.47
7	Ennar Star Trade Ltd.	60971	1.69	24444	0.67
8	Netedge Technosoft Pvt. Ltd.	19923	0.55	19923	0.55
9	Ultima Finvest Ltd.	17067	0.48	18367	0.51
10	Systematix Fincorp India Ltd.	17261	0.48	17261	0.48

\* More than 99% of the Shares of the Company are held in dematerialized form, and are widely traded on daily basis. Therefore, the date wise increase/decrease in shareholding is not indicated.

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	For each of the Directors and KMP ^	Shareholding at the beginning of the year 01-04-2014		Cumulative Shareholding at the end of the year 31-03-2015	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Shri Bharat Hari Singhania, Chairman	11272	0.31	11272	0.31
2	Dr. Raghupati Singhania, Director	3744	0.10	3744	0.10
3	Shri Swaroop Chand Sethi, Director	3	0.00	3	0.00
4	Shri Vikrampati Singhania, Director	4119	0.11	4119	0.11

^ No Change in Shareholding during the year under review.

Note: Shri Sanjay Kumar Khaitan, Shri Sanjeev Kumar Jhunjhunwala, Smt. Swati Singhania, Shri Abhimanyu Jhaver, and Shri J.R.C. Bhandari, Directors of the Company; Shri Sanjay Kumar Gupta, President & Director; Shri Amit Agarwal, Chief Financial Officer and Shri Anoop Singh Gusain, Company Secretary of the Company were not holding any shares in the Company at the beginning of the year i.e. as on 1st April 2014 and at the end of the year i.e. as on 31st March 2015. Also, there was no increase/decrease in their shareholding during the financial year.

## V. INDEBTNESS

### Indebtedness of the Company including interest outstanding/ accrued but not due for payment

(₹ In Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
(i) Principal Amount	4561.78	589.43	-	5151.21
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	20.03	61.35	-	81.38
<b>Total (i+ii+iii)</b>	<b>4581.81</b>	<b>650.78</b>	-	<b>5232.59</b>
<b>Change in indebtedness during the financial year</b>				
• Addition	1350.00	500.00	-	1850.00
• Reduction	1140.80	92.29	-	1233.09
<b>Net Change</b>	<b>209.20</b>	<b>407.71</b>	-	<b>616.91</b>
<b>Indebtedness at the end of the financial year</b>				
(i) Principal Amount	4776.15	1015.75	-	5791.90
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	14.86	42.74	-	57.60
<b>Total (i+ii+iii)</b>	<b>4791.01</b>	<b>1058.49</b>	-	<b>5849.50</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :

### A. Remuneration to Managing Director, Whole-time Director and/or Manager :

Sl. No.	Particulars of Remuneration ^	Name of Whole-time Director Sh. S.K. Gupta – President & Director*	Total Amount (₹ In Lacs)
1	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	115.49	115.49
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	12.52	12.52
2	Others (mainly contribution to Provident Fund)	7.56	7.56
	Total (A)	135.57	135.57
	Ceiling as per the Act	*Appointed w.e.f. 23rd October 2013 for a period of three years in compliance with Schedule XIII, Part II, Section II, of the Companies Act, 1956 read with General Circular No. 07/2015, dated 10th April 2015.	

^ Stock Option, Sweat Equity, Commission – NIL



B. Remuneration to other Directors:

Sl. No.	Particulars of Remuneration ^	Name of Directors					Total Amount (₹ In Lacs)
1	Independent Directors	Sh. S.C. Sethi	Sh. Sanjeev Kumar Jhunjhunwala	Sh. Sanjay Kumar Khaitan	Sh. J.R.C. Bhandari	Sh. Abhimanyu Jhaver #	
	•Fee for attending Board/ Committee Meetings	2.74	0.68	2.10	1.88	Nil	7.40
	Total (1)	2.74	0.68	2.10	1.88		7.40
2.	Other Non-Executive Directors	Sh. Bharat Hari Singhania	Dr. Raghupati Singhania	Sh. Vikrampati Singhania	Smt. Swati Singhania@		Total Amount (₹ In Lacs)
	•Fee for attending Board/ Committee Meetings	1.43	1.41	2.12	Nil		4.96
	Total (2)	1.43	1.41	2.12	Nil		4.96
	Total (B)=(1 +2)						12.36
	Total Managerial Remuneration						147.93**
	Overall Ceiling as per the Act	Shri S.K.Gupta - President & Director was appointed w.e.f. 23rd October 2013 for a period of three years in compliance with Schedule XIII, Part II, Section II, of the Companies Act, 1956 read with General Circular No. 07/2015, dated 10th April 2015. Sitting Fee paid to Non-executive Directors is as per ceiling specified in Section 197(5) of the Companies Act, 2013 and Rules made thereunder.					

^ Stock Option, Sweat Equity, Commission – NIL

# Joined the Board w.e.f. 25th March 2015 and thereafter no Board Meeting held during the period under review.

@ Joined the Board w.e.f. 3rd February 2015 and thereafter no Board Meeting held during the period under review.

\*\* Total Remuneration to Whole-time Director and other Directors (being the total of A and B), which includes sitting fees of ₹ 12.36 Lacs.

C. Remuneration to Key Managerial Personnel Other than MD/Manager/WTD:

Sl. No.	Particulars of Remuneration ^	Key Managerial Personnel		Total (₹ In Lacs)
		Shri Anoop Singh Gusain Company Secretary	Shri Amit Agarwal Chief Financial Officer	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6.32	59.08	65.40
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	1.15	3.77	4.92
2	Others (mainly contribution to Provident Fund)	0.45	2.42	2.87
	Total	7.92	65.27	73.19

^ Stock Option, Sweat Equity, Commission – NIL

**VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

There were no penalties, punishment or compounding of offences during the year ended 31st March 2015.

## Annexure - 2

### Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014.

#### CONSERVATION OF ENERGY

- (i) The steps taken or impact on conservation of energy;
  - Adoption of LED Lights in the Office premises resulting in conservation of energy.
- (ii) The steps taken by the company for utilising alternate sources of energy: NIL
- (iii) The capital investment on energy conservation equipments;
  - The company has spent ₹ 4 lacs for replacement of normal bulbs with LED lights in the office premises.

#### TECHNOLOGY ABSORPTION

- (i) The efforts made towards technology absorption;
  - The good performance and acceptance of Company's Rice hybrid and salinity and drought tolerance is a noteworthy achievement of this year. Using Biotech tools for screening and conducting quality assessment of seeds has increased the Company's accuracy and speed. The Company works closely with external experts and collaborates with globally acclaimed institutes like ICRISAT, IRRI, AVRDC, CIMMYT.
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution;
  - The company's continuing efforts and sustained spending in Research and Development to become a strong R&D driven company have yielded results by way of new promising hybrids coming into the market. Many high performing hybrids of the Company are in various stages of commercialisation.
- (iii) Particulars of imported technology : Nil
- (iv) The expenditure incurred on Research and Development  
The Capital Expenditure incurred on R&D during the period was ₹ 41.73 lacs and recurring expenditure was ₹ 1306.96 lacs.

#### FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ In Lacs)

Description	2014-15
Foreign Exchange Earnings	319.78
Foreign Exchange Outgo	414.28

## Annexure - 3

### SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2015

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To the Members,

#### JK AGRI GENETICS LIMITED

7, Council House Street,  
Kolkata – 700 001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **JK AGRI GENETICS LIMITED** (hereinafter called "the Company") for the financial year ended 31<sup>st</sup> March, 2015. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minutes books, forms and return filed and

other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that, in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2015 (Audit Period), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliances-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and return filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999- (Not applicable to the Company during the Audit Period);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- (Not applicable to the Company during the Audit Period);
  - (f) The Securities and Exchange Board of

India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- (Not applicable to the Company during the Audit Period);

- (vi) Other Laws applicable to the Company as per the representations made by the Management.

I have also examined compliance with applicable clauses of the:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India – Not applicable to the Company during the Audit Period;
- (ii) Listing Agreements entered into by the Company with Stock Exchanges.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors at least seven days in advance to schedule the Board Meetings. Agenda and detailed notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the Minutes of the Meetings of the Board of Directors or Committee of the Board, as the case may be.

**I further report that,** there are adequate systems and processes in the company commensurate with

the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that**, during the period under audit, the company has had the following specific events-

- (i) Members' approval for borrowings and creating mortgages etc. upto ₹ 250 Crores pursuant to Section 180(1)(c) and Section 180(1)(a) of the Companies Act, 2013 by means of Special Resolutions.

- (ii) Delisting of Company's Equity Shares from Calcutta Stock Exchange w.e.f. 21 August, 2014.

Place: New Delhi  
Date: 7<sup>th</sup> May 2015

Namo Narain Agarwal  
Secretarial Auditor  
FCS No. 234, CP No. 3331

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#### Annexure – 4

### ANNUAL REPORT ON THE CSR ACTIVITIES UNDERTAKEN BY THE COMPANY DURING THE FINANCIAL YEAR ENDED 31ST MARCH 2015

#### 1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects and programs-

Since inception, your Company considers itself a responsible corporate citizen and has been involved in undertaking projects and interventions for overall development and welfare of the society. It has been working closely with the farming community in areas of adult literacy, imparting agricultural knowledge and promoting preventive healthcare and rural development.

Now, as required under the provisions of Section 135 of the Companies Act 2013, the Company has framed a CSR Policy. The details of the CSR Policy have been posted on the website of the Company and the web-link for the same is <http://www.jkseeds.net/Financials/CSRPolicycontents.pdf>

Various projects/programs undertaken by the Company as per CSR Policy are in the areas of health care, promoting education including adult literacy, livelihood enhancement projects, etc.

#### 2. The Composition of the CSR Committee:

The CSR Committee comprises of the following Directors:

- Shri Vikrampati Singhania ( Chairman of the Committee), Non-Independent Director
- Shri Sanjeev Kumar Jhunjhunwala, Independent Director
- Shri Sanjay Kumar Gupta, Non-Independent Director

**3. Average Net Profit of the Company for last three financial years:** ₹ 853.37 lakhs

**4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):** ₹ 17.08 lakhs

#### 5. Details of CSR spent during the financial year

- a. Total amount to be spent for financial year** : ₹ 17.08 lakhs
- b. Amount unspent, if any** : Nil

**c. Manner in which the amount spent during the financial year is detailed below:**

S No	CSR project or activity identified	Sector in which the project is covered (Clause no. of Schedule VII to the Companies Act, 2013 as amended)	Projects or Programs:- (1) Local area or other (2) Specify the State and district where projects or Programs were undertaken	Amount outlay (budget) project or programs-wise (in ₹)	Amount spent on the projects or programs Sub-heads:(1) Direct expenditure on projects or programs (2) Overheads: (in ₹)	Cumulative expenditure upto the reporting period (in ₹)	Amount spent directly or through implementing agency
1	General health check up and consultation.	Cl. (i) Promoting health care including preventive health care	Telangana – Rangareddy. Punjab - Bhatinda.	100,000	70,679	70,679	Direct
2	Conducting farmer training programs	Cl. (ii) Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.	Haryana –Mahendragada. Rajasthan – Alwar, Jaipur & Sikkar. Andhra Pradesh – Krishna. Bihar - Patna, Vaishali, Mothihari and Bhagalpur. Chattisgarh - Raipur, Dhmatiri, Kondagoan, Mahasamund, Sarguja and Rajanandagoan. Jharkhand – Hazaribagh and Daltonganj. Maharashtra- Yavatmal, Nasik, Pune and Jalgaon. Orissa – Bhubaneswar. Telangana - Karimnagar, Khammam, Nizamabad and Warangal. Gujarat – Baroda and Sabarkate. Karnataka - Dhavangiri	12,00,000	12,33,714	12,33,714	Direct
3	Adult literacy		Telangana – Rangareddy	108,600	53,785	53,785	Direct
4	Scholarship – Support to Children from rural background in the field of education		Andhra Pradesh - Kurnool, Anantapur and Cuddapah. Karnataka - Raichur and Yadgiri. Maharashtra - Beed, Amaravathi, Yuvatmal and Jalgaon.	250,000	400,000	400,000	Direct
5	Contribution to Funds	Cl. (viii) Contribution to Funds	Contributed to Jammu and Kashmir flood victims.	50,000	48,887	48,887	Direct
<b>Total</b>				<b>17,08,600</b>	<b>18,07,065</b>	<b>18,07,065</b>	

**6. The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.**

Sd/-  
(Shri Sanjay Kumar Gupta)  
President & Director

Sd/-  
(Shri Vikrampati Singhania)  
Chairman CSR Committee



# CORPORATE GOVERNANCE REPORT

## 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Corporate Governance is an integral part of values, ethics and the best business practices followed by the Company. The core values of the Company are:

- Commitment to excellence and customer satisfaction
- Maximising long term shareholders' value
- Socially valued enterprise and
- Caring for people and environment

In a nutshell, the philosophy can be described as observing business practices with the ultimate aim of enhancing long-term shareholders' value and commitment to high standard of business ethics. The Company has in place a Code of Corporate Ethics and Conduct reiterating its commitment to maintain the highest standards in its interface with stakeholders and clearly laying down the core values and corporate ethics to be practiced by its entire management cadre.

## 2. BOARD OF DIRECTORS:

The Board of Directors consists of Ten Directors as on 31st March 2015, of which one is Executive Director (ED) and nine are Non-Executive Directors (NED), out of nine NED five are Independent Directors (IND). Four Board Meetings were held during the twelve months period from 1st April 2014 to 31st March 2015 i.e., on 27<sup>th</sup> May 2014, 7<sup>th</sup> August 2014, 1st November 2014 and 3rd February 2015. Attendance and other details are as given below:

Name of the Director	Category	Number of Board Meetings Attended	Whether last AGM attended	No. of other Directorships and Committee Memberships/ Chairmanships held in other companies		
				Directorships §	Committee Memberships**	Committee Chairmanships**
Shri Bharat Hari Singhania, Chairman	NED	4	No	4	1	-
Dr. Raghupati Singhania	NED	4	No	7	2	1
Shri S.K. Khaitan*	IND	3	Yes	-	-	-
Shri S.K. Jhunjhunwala*	IND	2	Yes	1	1	-
Smt. Swati Singhania ^	NED	-	NA	-	-	-
Shri Abhimanyu Jhaver@	IND	-	NA	2	-	-
Shri J.R.C. Bhandari*	IND	4	YES	2	1	2
Shri S.C. Sethi*	IND	4	NO	5	2	2
Shri Vikrampati Singhania	NED	4	YES	2	1	-
Shri S.K. Gupta President & Director	ED	4	YES	1	-	-

\* Pursuant to the provisions of the Companies Act, 2013, four Directors of the Company were appointed by the shareholders as Independent Directors at the Annual General Meeting (AGM) held on 6th September 2014 for a term of five consecutive years commencing from the date of AGM and the formal letter of appointment have also been issued to each of them. The terms and conditions of appointment have been disclosed on the website of the Company.

^ Appointed as an Additional Director of the Company w.e.f. 3rd February, 2015

@ Appointed as Additional/Independent Director w.e.f. 25th March 2015 for a term of five consecutive years, subject to the approval of Members of the Company.

§ Excluding private companies and companies under Section 8 of the Companies Act, 2013. Independent Directorships held by the Directors are in accordance with Clause 49 of the Listing Agreement.

\*\* Only covers Memberships/Chairmanships of Audit Committee and Stakeholders' Relationship Committee.

N.A.- Not Applicable

The Board periodically reviews Compliance Reports of all laws applicable to the Company and steps taken by the Company to rectify instances of non-compliances, if any. The Board is also satisfied that plans are in place for orderly succession for appointments to the Board and to senior management.

In terms of the provisions of Clause 49 of the Listing Agreement and contemporary practices of good Corporate Governance, the Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company and the same is available on the website of the Company. All the Board Members and Senior Management Personnel have affirmed compliance with the said Code. This Report contains a declaration to this effect signed by Shri S.K. Gupta, President & Director.

### **3. SEPARATE MEETING OF THE INDEPENDENT DIRECTORS:**

In accordance with the provision of Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, a separate meeting of the Independent Directors of the Company was held on 3rd February 2015. Shri J.R.C. Bhandari was unanimously elected as Chairman of the meeting and all the Independent Directors of the Company except Shri S.K. Jhunjhunwala were present at the said Meeting.

### **4. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:**

In accordance with the provisions of Clause 49 of the Listing Agreement, the Company has been conducting various familiarisation programmes. The details of such familiarisation programmes for Independent Directors have been disclosed on the website of the Company, the web link for which is <http://jkseeds.net/financials/FPID.pdf>

### **5. PERFORMANCE EVALUATION**

The Board of Directors has made formal annual evaluation of its own performance and that of its Committees and Individual Directors pursuant to the provisions of the Companies Act, 2013 and the corporate governance requirements as prescribed under Clause 49 of the Listing Agreement with Stock Exchange.

Performance of the Board was evaluated after seeking inputs from all the Directors on the basis of the criteria such as adequacy of its composition and structure, effectiveness of board processes,

information and functioning, etc.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as composition of committees, terms of reference of committees, effectiveness of the committee meetings, participation of the members of the committee in the meetings, etc.

The Board and the Nomination and Remuneration Committee also carried out evaluation of the performance of individual directors on the basis of criteria such as attendance and effective participation and contributions at the meetings of the Board and its committees, exercise of his/her duties with due & reasonable care, skill and diligence, etc.

In a separate meeting of the Independent Directors of the Company, performance of non-independent Directors, performance of Board as a whole and performance of Chairman was evaluated, taking into account the views of executive director of the Company. The Chairman of the Meeting of the Independent Directors apprised the Board about the evaluation carried by it and that the Independent Directors were fully satisfied in this regard.

### **6. AUDIT COMMITTEE:**

The Company has an Audit Committee of Directors, the Composition and the 'Terms of Reference' of the Committee are in conformity with the provisions of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchange.

The Committee consists of four Directors, all being Non-executive Independent Directors.

Four meetings of the audit committee were held during the financial year ended 31st March 2015. Dates of the meetings and the number of the Members attended are:

Date of the Meeting	Number of Members attended
27th May 2014	3
7th August 2014	4
1st November 2014	3
3rd February 2015	3

The names of the Members of the Committee and their attendance at the Meetings are as follows:

Name	Status	No. of Meetings attended
Shri J.R.C. Bhandari	Chairman	4
Shri S.K Khaitan	Member	3
Shri S.K Jhunjhunwala	Member	2
Shri S.C. Sethi	Member	4

All the Committee Meetings were attended by the Head of Finance Function, Internal Auditor, Company Secretary and the Statutory Auditor. The Company Secretary acts as the Secretary of the Committee.

#### 7. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Company has a Stakeholders' Relationship Committee at the Board Level which consists of three Directors all being Non-executive Directors. The composition and the 'Terms of Reference' of the Committee are in conformity with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Dates of the meetings and the number of the Members attended are:

Date of the Meeting	Number of Members attended
27th May 2014	2
7th August 2014	3
1st November 2014	3
3rd February 2015	3

The names of the Members of the Committee and their attendance at the Meetings are as follows:

Name	Status	No. of Meetings attended
Shri S.C. Sethi	Chairman	4
Shri S.K. Khaitan	Member	3
Shri Vikrampati Singhania	Member	4

Shri Anoop Singh Gusain, Company Secretary is the Compliance Officer. During the financial year ended 31st March 2015, no complaint was received from the members. Also, there is no complaint pending in respect of previous period.

The Board has earlier delegated the power of share transfer to the Committee of Directors. At

the Board meeting held on 7th August 2014, the Board constituted a Share Transfer Committee and delegated the power of Share Transfer to this Committee. Up to 7th August 2014, the share transfer formalities were attended by the Committee of Directors and w.e.f. 7th August 2014 the share transfer formalities are attended by the Share Transfer Committee as required. All valid requests for transfer of shares in physical form were processed in time and there were no pending transfers of shares. During the financial year ended 31st March 2015, 8 Meetings of the Committee of Directors and 13 Meetings of the Share Transfer Committee were held.

#### 8. NOMINATION AND REMUNERATION COMMITTEE:

The Company has a 'Nomination and Remuneration Committee' comprising of three Directors, all being Non-Executive Independent Directors. The Composition and the 'Terms of Reference' of the Committee are in conformity with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Dates of the meetings and the number of the Members attended are:

Date of the Meeting	Number of Members attended
7th August 2014	3
3rd February 2015	3

The names of the Members of the Committee and their attendance at the Meetings are as follows:

Name	Status	No. of Meetings attended
Shri J.R.C Bhandari	Chairman	2
Shri S.K. Khaitan	Member	2
Shri S.C. Sethi	Member	2

#### 9. NOMINATION AND REMUNERATION POLICY

In accordance with the provisions of the Companies Act 2013 and Clause 49 of the Listing Agreement, the Company has put in place the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and other employees of the Company including criteria for determining qualifications, positive

attributes, independence of a Director as well as a policy on Board Diversity. The policy provides as follows:

- (i) The Nomination and Remuneration Committee of Directors (the Committee) shall take into consideration the following criteria for recommending to the Board for appointment as a Director of the Company:
  - (a) Qualifications & experience.
  - (b) Positive attributes like - respect for Company's core values, professional integrity, strategic capability with business vision, etc.
  - (c) In case the proposed appointee is an Independent Director, he should fulfill the criteria for appointment as Independent Director as per the applicable laws & regulations.
  - (d) The incumbent should not be disqualified for appointment as Director pursuant to the provisions of the Act or other applicable laws & regulations.
- (ii) The Committee will recommend to the Board appropriate compensation to Executive Directors subject to the provisions of the Act, Listing Agreement with Stock Exchange and other applicable laws & regulations. The Committee shall periodically review the compensation of such Directors in relation to other comparable companies and other factors, the Committee deems appropriate. Proposed changes, if any, in the compensation of such Directors shall be reviewed by the Committee subject to approval of the Board.
- (iii) The Board will review the performance of a Director as per the structure of performance evaluation adopted by the Board for Directors including Executive Directors.
- (iv) The Committee will review from time to time Board diversity to bring in professional performance in different areas of operations, transparency, corporate governance, financial management, risk assessment & mitigation strategy and human resource management in the Company. The Company will keep succession planning and board diversity in mind in recommending any new name of Director for appointment to the Board.
- (v) The eligibility criteria for appointment of Key Managerial Personnel (KMPs) and other senior management personnel shall vary for different positions depending

upon the job description of the relevant position. In particular, the position of KMPs shall be filled by senior personnel having relevant qualifications and experience. The Compensation structure for KMPs and other senior management personnel shall be as per Company's remuneration structure taking into account factors such as level of experience, qualification and suitability which shall be reasonable and sufficient to attract, retain and motivate them. The remuneration would be linked to appropriate performance benchmarks. The remuneration may consist of fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

#### **10. REMUNERATION PAID TO DIRECTORS:**

- i) Executive Director: The remuneration comprising of salary, perquisites and contribution to Provident Fund and Superannuation Fund for the financial year ended 31st March 2015 to Shri S.K. Gupta, President & Director is ₹135.57 Lacs.

The Company does not have any Stock Option Scheme. In case of President & Director, notice period is six months.

- ii) Non-executive Directors: The Company has paid sitting fees aggregating to ₹12.36 Lacs to all Non-executive Directors for attending the meetings of the Board and/or Committees thereof.

No other payments were made to Non-Executive Directors and such Directors did not have any other material pecuniary relationship or transaction vis-à-vis the Company during the year except as stated above.

The number of Equity Shares of ₹10 each (i.e. Shares) held by the Non-Executive Directors as on 31st March 2015 are: Shri Bharat Hari Singhania – 11,272 Shares; Dr. Raghupati Singhania – 3,744 Shares; Shri Vikrampati Singhania – 4,119 Shares; Smt. Swati Singhania- Nil Shares; Shri Abhimanyu Jhaver- Nil Shares; Shri S.C. Sethi – 3 Shares; Shri J.R.C. Bhandari - Nil Shares; Shri S.K. Khaitan – Nil Shares and Shri S.K. Jhunjunwala – Nil Shares.

The Company does not have any

outstanding convertible instruments.

## 11. GENERAL BODY MEETINGS:

Location and time for the last three Annual General Meetings (AGM) of the Company were:

Financial Year	Location	Date	Time
2011-2012	7, Council House Street, Kolkata – 700 001	14.08.2012	10.00 A.M.
2012-2013	Shripati Singhania Hall, Rotary Sadan, 94/2, Jawahar Lal Nehru Road (Chowringhee Road), Kolkata – 700 020	07.09.2013	11.30 A.M.
2013-2014	Same as above	06.09.2014	11.30 A.M.

Details of Special Resolution (SR) passed: Seven SRs were passed at AGM held in the year 2014. No SR was passed in the AGM held in the year 2012 and 2013.

Two Special Resolutions were passed by way of Postal Ballot during the financial year ended 31st March 2015. The Company extended e-voting facility through Central Depository Services (India) Ltd., as an alternate for its Members to enable them to cast their vote electronically instead of dispatching physical postal ballot forms. Shri Pranav Kumar, Partner, M/s Pranav Kumar & Associates, Company Secretaries was appointed as Scrutinizer for conducting the postal ballot/e-voting process. After receiving the Scrutinizer's Report, it was announced that the following Special Resolutions were passed with requisite majority, on 5th September, 2014:-

- (i) Confirmation of Corporate Guarantee not exceeding ₹ 20 Crores approved by the Board of Directors of the Company at its Meeting held on 23rd October, 2013 in favour of Yes Bank/ ICICI Bank/ other banks in terms of Section 372A of the Companies Act, 1956. The voting pattern on the said resolution is as under:-
- % of total valid votes cast in favour of the Resolution: 99.99%
  - % of total valid votes cast against the Resolution: 0.01%
- (ii) Authorisation to the Board of Directors of the Company to give any loan to any person or other body corporate; give any guarantee or provide security in connection with a loan to any other body corporate or person; and acquire by way of subscription, purchase or

otherwise, the securities of any other body corporate, in one or more tranches upto an amount, the aggregate outstanding of which should not exceed, at any given time ₹150 Crores in terms of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014. The voting pattern on the said resolution is as under:-

- % of total valid votes cast in favour of the Resolution: 99.99%
- % of total valid votes cast against the Resolution: 0.01%

## 12. DISCLOSURE:

**(i) Related Party Transactions:** Disclosures on materially significant related party transactions that may have potential conflict with the interests of Company at large: None

Suitable disclosure as required by Accounting Standard (AS-18) – Related Party Transactions has been made in the Annual Report.

All the Related Party Transactions are dealt with in accordance with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The Company has also formulated a policy on the materiality of Related Party Transactions and also on dealing with Related Party Transactions. This Policy is available on the website of the Company and the web link for the same is <http://jkseeds.net/financials/RelatedPartyTransactionsPolicy.pdf>

**(ii) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:**

There were no cases of non-compliance of any matter related to capital markets during the last three years.

**(iii) Vigil Mechanism/Whistle Blower Policy:** The Board of Directors of the Company at its meeting held on 7th August 2014 has established a Policy on Vigil Mechanism for the Directors and Employees of the Company to report their genuine concerns or grievances relating to actual or suspected fraud, unethical behaviour, violation of the Company's Code of Conduct or Ethics Policy, and any other event which would adversely affect the interests of the business



of the Company. Whistle Blowers may send their concerns/complaints to the Chairman of Audit Committee in a sealed envelope marked confidential, for appropriate action.

The details of establishment of such mechanism have been also disclosed on the website of the Company. It is affirmed that no personnel has been denied access to the Audit Committee.

**(iv) Prevention of Sexual Harassment of Women at Workplace:** Your Company is sensitive to women employees at workplace. As required under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has a formal policy to ensure safety of women and prevention of sexual harassment and has set up Internal Complaints Committee (ICC) at its work places to redress the complaints of women employees.

During the year, no complaint has been filed with ICC with allegation of Sexual Harassment.

**(v) Risk Management:** The Company has an elaborate risk management system to inform Board Members about risk assessment and minimization procedures. A Risk Management Committee headed by Whole-time Director evaluates the efficacy of the framework relating to risk identification and its mitigation. Board Members are accordingly informed.

### 13. MEANS OF COMMUNICATION:

Quarterly, half-yearly and annual results are published in leading English Newspapers and also in a Bengali language Newspaper (published from Kolkata). The said results are promptly furnished to the Stock Exchanges for display on their respective websites and are also displayed on the Company's website - 'www.jkseeds.net'.

Management Discussion and Analysis forms part of the Annual Report.

### 14. GENERAL SHAREHOLDERS' INFORMATION:

(i) Registered Office : 7, Council House Street, Kolkata-700 001.  
Phone No: 033-22486181

(ii) Annual General Meeting (AGM)

(a) Date, Time & Venue : 11<sup>th</sup> September, 2015  
at Shripati Singhanian Hall, Rotary Sadan, 94/2, Jawahar Lal Nehru Road (Chowringhee Road), Kolkata-700020 at 11.30 A.M.

(b) A brief resume and other particulars of Directors seeking appointment or re-appointment at the aforesaid AGM are given in the Notes to the Notice convening the said Meeting.

(iii) Financial Calendar (tentative)

Financial Reporting:

- |  |   |  |
|--|---|--|
| <ul style="list-style-type: none"> <li>• 1st Quarter ending June 30, 2015</li> <li>• 2nd Quarter ending September 30, 2015</li> <li>• 3rd Quarter ending December 31, 2015</li> <li>• Annual and 4<sup>th</sup> Quarter ending March 31 2016</li> <li>• Annual General Meeting for the financial year 2015-16</li> </ul> | } | <p>Within 45 days of the end of the quarter</p> <p>Within 60 days of the end of the 4th quarter</p> <p>Between July and September 2016</p> |
|--|---|--|

iv) Dividend Payment Date

Within three weeks of Conclusion of AGM

(v) Date of Book Closure

5th September 2015 to 11th September, 2015 (both days inclusive)

(vi) Listing on Stock Exchanges

The Equity Shares of the Company are listed on BSE Ltd. The annual listing fee for the financial year 2015-16 has been paid to the aforesaid Stock Exchange.

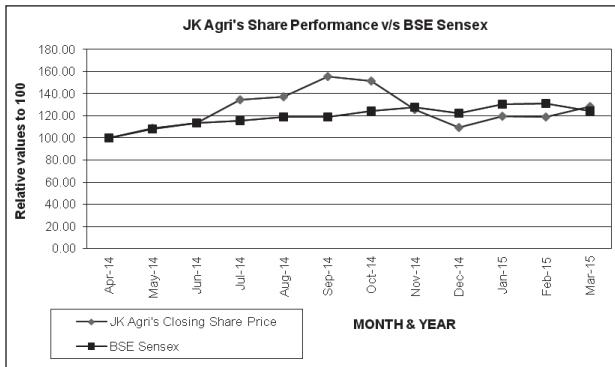
(vii) Security Code for Company's Equity Shares on Stock Exchange and ISIN

BSE – 536493  
ISIN – INE690O01011

(viii) Stock Market Price Data

Month	BSE	
	High (₹)	Low (₹)
April 2014	478.00	331.00
May 2014	420.00	277.50
June 2014	514.00	374.00
July 2014	619.00	420.00
August 2014	614.00	475.00
September 2014	629.45	465.05
October 2014	584.60	480.00
November 2014	538.50	430.00
December 2014	449.00	358.00
January 2015	465.90	400.00
February 2015	458.80	406.00
March 2015	490.00	400.00

JK Agri Genetics Ltd's (JK Agri's) Share Performance v/s BSE Sensex (April 2014 – March 2015)



(ix) Distribution of Shareholding (as on 31.3.2015):

No. of Equity Shares Held	No. of Shares		Shareholders	
	Number	% of Total	Number	% of Total
1-250	133023	3.70	7959	96.60
251-500	41190	1.14	119	1.44
501-1000	41230	1.14	58	0.70
1001-5000	171681	4.76	70	0.85
5001-10000	123818	3.44	16	0.19
10001 & above	3092964	85.82	18	0.22
Total	3603906	100	8240	100

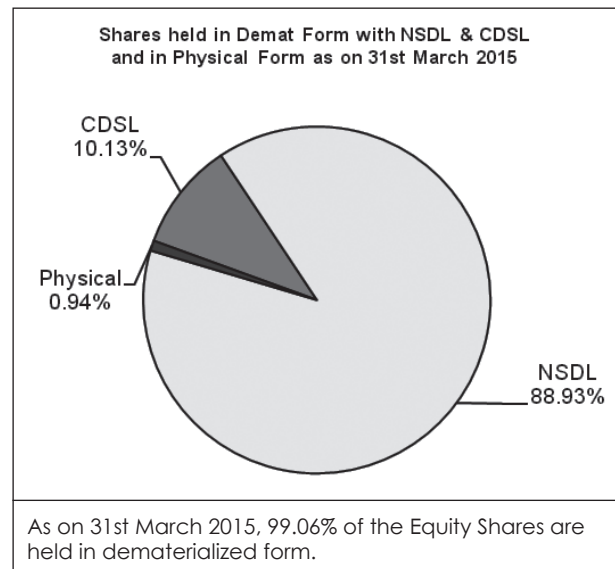
(x) Share Transfer System

The transfer/transmission of shares in physical form is normally processed and completed within a period of 15 days from the date of receipt thereof. In case of shares in dematerialized form,

the transfers are processed by National Securities Depository Limited (NSDL) /Central Depository Services (India) Limited (CDSL) through the respective Depository Participants.

(xi) Dematerialisation of Shares and liquidity

Trading in the Equity Shares of the Company is permitted only in dematerialised form. Shareholders may dematerialise their holdings with any one of the Depositories – namely, NSDL and CDSL. The Equity Shares of the Company are actively traded on BSE. In respect of shares held in demat form, all the requests for nomination, change of address and rematerialisation, etc. are to be made only to the Depository Participant with whom the shareholders have opened their Demat Account.



(xii) Outstanding GDRs/ADRs/ Warrants/ Options or any Convertible instruments, conversion date and likely impact on equity. Nil

(xiii) Plant Locations

The Company has Production Centres to produce high-yielding hybrid seeds at various locations in Andhra Pradesh, Telangana and other States. Besides, the Company has state-of-the-art Biotechnology R&D Centre and Seed Processing Plant at Hyderabad in the State of Telangana and another Seed Processing Plant at Kota in the State of Rajasthan.

(xiv) Address for Correspondence for Share Transfer and Related Matters

1. Company Secretary,  
JK Agri Genetics Ltd.  
Secretarial Department, Gulab Bhawan  
6A, Bahadur Shah Zafar Marg, New Delhi -110 002.  
Phone No.: 91-11-30179891,  
Fax No.: 91-11-23322059  
Email:jkaglshareholder@jkmil.com  
Website : www.jkseeds.net

2. Registrar & Share Transfer Agent  
Alankit Assignments Ltd., Alankit Heights,  
1E/13, Jhandewalan Extension,  
New Delhi-110 055 (India)  
Phone No. :91-11-42541234,91-11-42541960  
Fax No : 91-11-23552001  
Contact Person: Shri J.K. Singla,  
Email: rta@alankit.com  
Website: www.alankit.com

(xv) Information in terms of Clause 5A of the Listing Agreement: As on 31st March 2014, the Company had 3287 Equity Shares, which remained unclaimed by 528 Equity Shareholders. Pursuant to the Scheme of Arrangement and Demerger, 5070 Equity Shares which were issued in physical form in respect of 801 Shareholders, and which were remain unclaimed by the allottees, were also transferred to Unclaimed Suspense Account on 25th July 2014 after sending three reminders to the said shareholders for providing the contact address and other details. During the year, the Company received 14 requests for dispatch of share certificates for 90 Equity Share which have since been dispatched. Accordingly, as on 31st March, 2015, the Company has 8267 Equity Shares which remained unclaimed by 1315 Equity Shareholders.

The "Unclaimed Suspense Account" is held by the Company purely on behalf of the allottees and the Shares held in such Suspense Account shall not be transferred except to the allottees as and when they approach the Company.

### 15. DECLARATION:

It is hereby declared that all the members of the Board and the Senior Management personnel have affirmed compliance with the "Code of Conduct for Members of the Board and Senior Management of JK Agri Genetics Ltd." during the Financial Year ended 31st March 2015.

(S.K. Gupta)  
President & Director

### 16. AUDITOR'S COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE:

To

The Members of JK Agri Genetics Ltd.

We have examined the compliance of conditions of Corporate Governance by JK Agri Genetics Ltd. for the financial year ended 31st March 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For Lodha & Co.  
Chartered Accountants  
Firm Registration No: 301051E

(N.K. Lodha)

Place: New Delhi

Partner

Dated: 7<sup>th</sup> August 2015

Membership No. 85155

## **Independent Auditors' Report**

### **To the members of JK Agri Genetics Ltd.**

#### **Report on the financial statements**

We have audited the accompanying financial statements of **JK Agri Genetics Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent ; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and

matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015, and its profit and its cash flows for the

year ended on that date.

### **Emphasis of Matters**

We draw attention to the following matter in the Notes to the financial statements:

Note No 32 (a) regarding pending realization from one government party amounting to ₹ 1938.23 Lacs (shown under exceeding six months) plus security deposit amounting to ₹ 121.68 lacs, where management is confident about the realisability / recovery.

Our opinion is not modified in respect of this matter.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us during the course of audit, we give in the Annexure a statement on the matters specified in the paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies

(Accounts) Rules, 2014.

- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – refer Note no. 27(A) & 28 to the financial statements.
  - ii. The Company did not have any such long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For LODHA & CO.,  
Chartered Accountants  
Firm's Registration No. 301051E

(N. K. LODHA)

Partner

Place: New Delhi

Date: 7<sup>th</sup> May, 2015

Membership No. 85155



**Annexure referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date for the year ended 31st March 2015.**

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
(b) The fixed assets have been physically verified by the management according to the programme of periodical physical verification in phased manner which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets. The discrepancies noticed on such physical verification were not material.
2. (a) The inventories of the Company have been physically verified by the management at reasonable intervals. In respect of stock lying with third parties, the same have been substantially confirmed/checked with subsequent receipts.  
(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.  
(c) In our opinion and according to information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on such physical verification of inventory as compared to book records were not material.
3. The Company has not granted any loan secured or unsecured to any companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of Clause 3(iii) (a) & (b) of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Based on the audit procedure performed and on the basis of information and explanations provided by the management, during the course of audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 73 to 76 or any other relevant provisions of the Act. We have been informed that no order has been passed by the Company Law Board or National Company Tribunal or Reserve Bank of India or any Court or other tribunal in this regard.
6. According to the information and explanations given to us, maintenance of cost records has not been specified by the Central Government under sub section (1) of section 148 of the Companies act 2013 for the products of the company.
7. (a) According to the records of the Company and information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, VAT, cess and other material statutory dues with the appropriate authorities to the extent applicable and there were no undisputed statutory dues payable for a period of more than six months from the date they became payable as at 31st March, 2015.  
(b) According to the records and information & explanations given to us, there are no dues in respect of Wealth Tax, Service Tax, duty of Custom, duty of Excise, VAT or cess that have not been deposited with the appropriate authorities to the extent applicable on account of any dispute and the dues in respect of Income tax and Sales tax that have not been deposited with the appropriate authorities on

account of dispute and the forum where the dispute is pending are given below:-

Name of the statute	Nature of the dues	Period (Financial Year)	Amount (₹ in Lacs)	Forum where dispute is pending
Income tax Act, 1961	Income tax	2007-2008	132.40	ITAT
		2008-2009	76.91	Commissioner (Appeal)
		2009-2010	90.58	Commissioner (Appeal)
		2010-2011	276.05	Commissioner (Appeal)
		2011-12	5.36	Commissioner (Appeal)
UP Sales Tax Act	Sales Tax	2006-2007	5.85	Dy. Commissioner (Appeal)
		2007-2008	1.05	Dy. Commissioner (Appeal)

For LODHA & CO.  
Chartered Accountants  
Firm Registration No.301051E  
(N.K.LODHA)

Place: New Delhi

Date: 7<sup>th</sup> May, 2015

Partner

Membership No.85155

Refer Note No -27 (A) & 28

- (c) According to the records of the Company and information and explanations given to us, there were no amount due to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act and Rules made there under.
8. The Company does not have accumulated losses at the end of the financial year and has not incurred cash losses in the current financial year & in the immediately preceding financial year.
9. In our opinion, on the basis of audit procedure and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The company does not have any dues to financial institutions or debenture holders.
10. According to the information and explanations given to us, corporate guarantee has been issued by the company for loan taken by others {Refer Note No 27 (B)} from banks, the terms and conditions whereof are not, prima facie, prejudicial to the interest of the company.
11. On the basis of information and explanations given to us, term loan were applied for the purpose for which the loans were obtained.
12. Based on the audit procedure performed and on the basis of information and explanations provided by the management, no fraud on or by the Company has been noticed or reported during the course of our audit.

# BALANCE SHEET (As at 31<sup>st</sup> MARCH, 2015)

₹ in Lacs

Particulars	Note no.	31.03.2015	31.03.2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share capital	2	<b>360.39</b>	360.39
(b) Reserves and surplus	3	<b>5,428.48</b>	4,336.74
		<b>5,788.87</b>	4,697.13
<b>(2) Non-current Liabilities</b>			
(a) Long-term borrowings	4	<b>1,979.01</b>	1,488.69
(b) Other long term liabilities	5	<b>34.52</b>	551.28
(c) Long-term provisions	6	<b>272.95</b>	231.22
		<b>2,286.48</b>	2,271.19
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	7	<b>2,667.50</b>	2,860.53
(b) Trade payables		<b>5,801.20</b>	5,126.09
(c) Other current liabilities	8	<b>6,845.27</b>	7,210.91
(d) Short-term provisions	9	<b>162.06</b>	121.18
		<b>15,476.03</b>	15,318.71
<b>TOTAL</b>		<b>23,551.38</b>	22,287.03
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	10	<b>2,092.31</b>	2,356.55
(ii) Intangible assets	10	<b>955.27</b>	1,081.43
(b) Deferred tax assets (net)	11	<b>188.18</b>	685.40
(c) Long-term loans and advances	12	<b>913.28</b>	549.68
		<b>4,149.04</b>	4,673.06
<b>(2) Current Assets</b>			
(a) Inventories	13	<b>9,664.46</b>	9,360.20
(b) Trade receivables	14	<b>8,509.48</b>	6,133.18
(c) Cash and cash equivalents	15	<b>302.89</b>	1,307.43
(d) Short-term loans and advances	16	<b>915.99</b>	806.61
(e) Other current assets	17	<b>9.52</b>	6.55
		<b>19,402.34</b>	17,613.97
<b>TOTAL</b>		<b>23,551.38</b>	22,287.03

Significant Accounting Policies 1

The accompanying Notes are an integral part of the Financial Statement (25 - 49)

As per our report of even date.

For LODHA & CO.

Chartered Accountants

Firm Registration No. 301051E

N.K. Lodha  
Partner

Membership No. 85155  
New Delhi, the 7<sup>th</sup> May, 2015

AMIT AGARWAL  
Chief Financial  
Officer

ANOOP SINGH GUSAIN  
Company Secretary

BHARAT HARI SINGHANIA  
Dr. RAGHUPATI SINGHANIA  
SANJAY KUMAR KHAITAN  
SANJEEV KUMAR JHUNJHUNWALA  
SWATI SINGHANIA  
ABHIMANYU JHAVAR  
J.R.C.BHANDARI  
SWAROOP CHAND SETHI  
VIKRAMPATI SINGHANIA  
SANJAY KUMAR GUPTA

Chairman  
Directors

# STATEMENT OF PROFIT AND LOSS (FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015)

₹ in Lacs

Particulars	Note No.	2014-15	2013-14
<b>Revenue from operations</b>	18	<b>20,982.51</b>	18,845.10
Other income	19	<b>27.20</b>	39.25
<b>Total Revenue (I)</b>		<b>21,009.71</b>	18,884.35
<b>Expenses:</b>			
(a) Cost of materials consumed	20	<b>9,283.69</b>	5,992.25
(b) (Increase)/decrease in inventories of finished goods work-in-progress and Stock-in-Trade	21	<b>(308.27)</b>	2,389.83
(c) Employee benefits expense	22	<b>2,487.11</b>	2,705.77
(d) Other Expenses	24	<b>6,287.81</b>	5,066.34
<b>Total Expenses (II)</b>		<b>17,750.34</b>	16,154.19
<b>Profit Before Interest, Depreciation and Tax (PBIDT) (I-II)</b>		<b>3,259.37</b>	2,730.16
Finance costs	23	<b>1,045.08</b>	1,013.19
Depreciation and amortization expense		<b>495.20</b>	278.19
Profit before exceptional and extraordinary Items and Tax		<b>1,719.09</b>	1,438.78
Exceptional items		-	-
Profit before extraordinary items and tax		<b>1,719.09</b>	1,438.78
Extraordinary Items		-	-
Profit before tax		<b>1,719.09</b>	1,438.78
Tax expense:			
(1) Current tax		<b>361.85</b>	306.44
(2) MAT Credit Entitlement		<b>(361.85)</b>	(306.44)
(3) Deferred tax		<b>497.22</b>	252.96
<b>Profit/ (Loss) for the period</b>		<b>1,221.87</b>	1,185.82
Earnings per equity share:			
Cash		<b>61.44</b>	47.64
Basic & Diluted		<b>33.90</b>	32.90

Significant Accounting Policies

The accompanying Notes are an integral part of the Financial Statement. (25 - 49)

As per our report of even date.

For LODHA & CO.

Chartered Accountants

Firm Registration No. 301051E

N.K. Lodha

Partner

Membership No. 85155

New Delhi, the 7<sup>th</sup> May, 2015

AMIT AGARWAL  
Chief Financial  
Officer

ANOOP SINGH GUSAIN  
Company Secretary

BHARAT HARI SINGHANIA  
Dr. RAGHUPATI SINGHANIA  
SANJAY KUMAR KHAITAN  
SANJEEV KUMAR JHUNJHUNWALA  
SWATI SINGHANIA  
ABHIMANYU JHAVAR  
J.R.C. BHANDARI  
SWAROOP CHAND SETHI  
VIKRAMPATI SINGHANIA  
SANJAY KUMAR GUPTA

Chairman  
Directors

## Note no.1

### SIGNIFICANT ACCOUNTING POLICIES: 31st March 2015

#### 1.1 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, 2013 unless otherwise referred herein. Claims/Refunds not ascertainable with reasonable certainty are accounted for on settlement.

#### 1.2 Revenue Recognition:

Revenue is recognized based on the nature of activity when consideration can be reasonable measured and there exists reasonable certainty of its recovery. Revenues from sale of goods are recognized on dispatch which coincides with transfer of significant risks & rewards to customer and is net of sales returns and sales tax, wherever applicable.

#### 1.3 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.

#### 1.4 Method of Depreciation:

A) Depreciation on fixed assets is calculated on straight line method and as per the useful life as prescribed in Schedule II of The Companies Act 2013. B) Buildings on lease hold premises are charged over the lease period or as per the useful life as prescribed in Schedule II of the Companies Act, 2013, whichever period is lower. C) Leasehold Land is being amortized over the lease period. D) The intangible assets are amortized over the expected duration of benefit from those assets.

#### 1.5 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.

#### 1.6 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.

#### 1.7 R&D Expenditure:

Revenue Expenditure on Research and Development is charged to Profit & Loss Statement and Capital Expenditure is added to Fixed Assets.

#### 1.8 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.

#### 1.9 Impairment:

The carrying amount of Assets are reviewed at each Balance Sheet date to assess impairment, if any based on internal/external factors. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value being higher of value in use and net selling price. An impairment loss is recognized as an expense in the Profit & Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been an improvement in recoverable amount.

#### 1.10 Intangible Assets:

Intangible assets are recognized if future economic benefits are likely and cost of the asset can be measured reliably.

#### 1.11 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.

c. Short term compensated absences are provided based on past experience of the leave availed. Actuarial gain/ Losses, if any, are immediately recognized in the Profit and Loss Account.

#### 1.12 Accounting for Taxes on Income:

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.

#### 1.13 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.

#### 1.14 Use of Estimates and Assumptions:

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and the estimates are recognised in the period in which the results are known / materialised.

#### 1.15 Government Grants:

Capital Subsidy related to specific fixed assets is reduced from the Gross value of the respective fixed assets. Revenue grants from Government related to revenue expenditure are deducted from the related expenses/Credited to Profit & Loss Account.

#### 1.16 Lease:

Lease which does not transfer substantially all the risks and rewards of ownership is classified as Operating Lease and is recognized as expenses as and when incurred over the lease-terms.

### Note No. 2

	As at <b>31.03.2015</b>	(₹ in Lacs) As at 31.03.2014
<b>SHARE CAPITAL</b>		
<b>Authorised:</b>		
Equity Shares - 1,40,00,000 of ₹ 10 each	<b>1,400.00</b>	1,400.00
Previous year 1,40,00,000 of ₹ 10 each	<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	<b>360.39</b>	360.39
	<b>360.39</b>	360.39

#### 2.1. Details of Shareholder who held more than 5% of Equity Share

Name of Shareholder	As at <b>31.03.2015</b> No. of Shares held	As at 31.03.2014 No. of Shares held
Bengal & Assam Co. Ltd	<b>7,99,533</b>	7,99,533
Florence Investech Ltd	<b>15,00,000</b>	15,00,000
Edgefield Securities Ltd.	<b>2,17,749</b>	2,17,749



## 2.2. Reconciliation of number of share outstanding - Equity Share

	As at 31.03.2015	As at 31.03.2014
Shares outstanding as at the beginning of the year	36,03,906	36,03,906
Add:	-	-
Less:	-	-
Shares outstanding as at the end of the year	36,03,906	36,03,906

2.3 There is no change in the Share Capital during the year and no Bonus / Right Buy-back in the preceding five years.

2.4 Terms/rights attached to equity shares:

- a. The Company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share.
- b. In the event of winding up the equity shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- c. The Dividend proposed by the Board of Directors is subject to the approval of share holders in the ensuing Annual General Meeting except in the case of interim dividend.

### Note No.3

	As at 31.03.2015	As at 31.03.2014
<b>(₹ in lacs)</b>		
<b>RESERVES AND SURPLUS</b>		
<b>General Reserve</b>		
Opening Balance	3,275.94	2,775.94
Addition during the year	724.06	500.00
	<b>4,000.00</b>	3,275.94
<b>Surplus in the Statement of Profit &amp; Loss</b>		
Opening Balance	1,060.80	480.39
Addition during the year	1,221.87	1,185.82
Less: Appropriation		
Transfer to General Reserve	(724.06)	(500.00)
Proposed Dividend @ ₹3.00 (Previous year ₹ 2.50) per Equity Share	(108.12)	(90.10)
Corporate Dividend Tax	(22.01)	(15.31)
Closing Balance	1,428.48	1,060.80
<b>Total</b>	<b>5,428.48</b>	4,336.74

### Note No.4

	Non Current		Current Maturities*	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
<b>LONG TERM BORROWINGS</b>				
<b>SECURED LOANS</b>				
Term Loans:				
Banks	1,200.00	876.34	812.05	728.31
Others	86.94	96.60	9.66	-
	<b>1,286.94</b>	972.94	<b>821.71</b>	728.31
<b>UNSECURED LOANS</b>				
Council of Scientific & Industrial Research (CSIR)	442.07	515.75	73.68	73.68
Bengal & Assam Company Ltd.	250.00	-	250.00	-
	<b>692.07</b>	515.75	<b>323.68</b>	73.68
	<b>1,979.01</b>	1,488.69	<b>1,145.39</b>	801.99
Less: Amount disclosed under the head "Other Current Liabilities" (Note No.8)			<b>1,145.39</b>	801.99
	<b>1,979.01</b>	1,488.69	-	-

\* Payable during next 12 months

Notes:

1. a) Term loan of ₹ Nil (Previous year ₹ 44.46 lacs) taken from bank was secured against first charge of the assets purchased thereunder, hypothecation of entire intangible assets, second charge on the entire current assets viz stocks and book debts etc., both present and future, of the company and was further secured by way of first Charge on entire fixed assets including land at Dundigal Village, Telangana of the Company excluding certain specified Assets. Charge been vacated.
  - b) Term Loan of ₹ 19.19 lacs (Previous year ₹ 60.19 lacs) taken from bank is secured against first charge of the assets purchased thereunder, Hypothecation of entire intangible assets, second charge on entire current assets viz stock and book debts etc., both present and future, of the company and is further secured by extension of equitable mortgage on land at Ranpur, Kota (Rajasthan). Balance amount of term loan is repayable in one Quarterly installments of ₹ 10.25 lacs and another Quarterly installment of ₹ 8.94 lacs.
  - c) Term Loan of ₹ 642.86 lacs (Previous year ₹ 1500.00 lacs) taken from bank is secured by subservient charge on entire current and movable fixed assets (both Present and future) and repayable in 2 equal Quarterly installments of ₹ 214.29 lacs and one Quarterly installment of ₹ 214.28 lacs.
  - d) Corporate loan of ₹ 1350 lacs (Previous year ₹ Nil) taken from bank is secured by second charge on the the entire current assets of the company viz., stocks & book debts, etc., both present & future, First charge on the entire fixed assets of the Company including land at Dundigal village, Telangana and Land at Ranpur, Kota Rajasthan, excluding certain specified assets. It is further secured by Hypothecation of entire intangible assets of the Company including the Brand and Patents. It is repayable in 4 years with 3 Quarterly Installment of ₹ 50 lacs each in FY 2016, 4 Quarterly installment of ₹ 100 lacs each in FY 2017, 4 equal installment of ₹ 125 lacs each in FY 2018 and 2 equal installment of ₹ 150 lacs each in FY 2019.
- 2 Term loan of ₹ 96.60 lacs (previous year ₹ 96.60 lacs) taken from Biotechnology Industry Research Assistance Council (BIRAC) (earlier department of Bio-technology (DBT)) is secured by first charge on the Assets created out of the loan, Pari Passu second charge on the entire fixed Asset of the Company including the land at Dundigal village, Telangana and excluding certain specified assets & Pari Passu second charge on the current assets and is repayable in 10 equal half yearly installments of ₹ 9.66 lacs each commencing from March, 2016.
- 3 a) Unsecured loan of ₹ 515.75 lacs (Previous year ₹ 589.43 lacs) taken from CSIR is repayable in 7 equal yearly installments of ₹ 73.68 lacs each.
  - b) Unsecured loan of ₹ 500 lacs (Previous year Nil) taken from Bengal & Assam company Ltd. (A Related Party) is repayable in 2 equal yearly installments of ₹ 250 lacs each, starting from April, 2015.

**Note No.5**

	<b>As at</b>	<b>(₹ in lacs)</b>
	<b>31.03.2015</b>	As at 31.03.2014
<b>OTHER LONG TERM LIABILITIES</b>		
Interest accrued but not Due	<b>23.02</b>	38.60
Others	<b>11.50</b>	512.68
	<b>34.52</b>	551.28

**Note No.6**

**LONG-TERM PROVISIONS**

**Provision for employee benefits**

Gratuity	<b>126.26</b>	107.36
Leave encashment	<b>146.69</b>	123.86
	<b>272.95</b>	231.22

**Note No.7****(₹ in lacs)**

	<b>As at 31.03.2015</b>	<b>As at 31.03.2014</b>
<b>SHORT TERM BORROWINGS SECURED LOANS</b>		
Repayable on Demand from Banks #	<b>2,667.50</b>	2,860.53
	<b>2,667.50</b>	2,860.53

# Working Capital borrowing is Secured by hypothecation of entire current assets viz stocks and book debts etc., both present and future, of the Company and by a second pari passu charge on entire fixed assets of the Company including land at Dundigal village, Telangana and land at Ranpur, Kota, (Rajasthan) and excluding certain specified fixed assets.

**Note No.8****OTHER CURRENT LIABILITIES**

Current Maturities of Long Term Borrowings	<b>1,145.39</b>	801.99
Interest Accrued but not due on loan	<b>221.80</b>	154.17
Advance from Customers	<b>3,723.18</b>	4,650.19
Security Deposits	<b>18.75</b>	18.97
Unclaimed Dividend	<b>0.68</b>	-
Unpaid Fractional Shares Balance (₹1.87)		-
Other Liabilities		
Government and Other dues	<b>124.08</b>	97.69
Others	<b>1,611.39</b>	1,487.90
	<b>6,845.27</b>	7,210.91

**Note No.9****SHORT TERM PROVISIONS**

Provision for Retirement Benefits		
Gratuity	<b>14.27</b>	5.56
Leave Encashment	<b>17.66</b>	10.21
Proposed Dividend	<b>108.12</b>	90.10
Provision for Corporate Dividend Tax	<b>22.01</b>	15.31
	<b>162.06</b>	121.18

**Note No.10****FIXED ASSETS****(₹ in Lacs)**

Assets	Gross Value				Depreciation / Amortisation				Net Value	
	As At 01.04.14	Additions	Sales/ Adjustments	As At 31.03.15	As at 01.04.14	For the Year	On Sales/ Adjustments	As at 31.03.15	As at 31.03.15	As at 31.03.14
<b>Tangible Assets:</b>										
Land - Freehold	401.61	-	-	<b>401.61</b>	-	-	-	-	<b>401.61</b>	401.61
Land - Leasehold	134.09	-	-	<b>134.09</b>	9.75	2.45	-	12.20	<b>121.89</b>	124.34
Building #	274.95	33.25	-	<b>308.20</b>	95.92	19.52	-	115.44	<b>192.76</b>	179.03
Plant and Equipments @	1,859.66	17.55	-	<b>1,877.21</b>	474.87	245.61	-	720.48	<b>1,156.73</b>	1,384.79
Furniture & Fixtures	34.90	4.27	0.48	<b>38.69</b>	18.04	4.26	0.26	22.04	<b>16.65</b>	16.86
Office Equipments	225.58	30.12	2.60	<b>253.10</b>	147.65	57.07	0.69	204.03	<b>49.07</b>	77.93
Vehicles	239.95	29.46	36.98	<b>232.43</b>	67.96	28.72	17.85	78.83	<b>153.60</b>	171.99
	<b>3,170.74</b>	<b>114.65</b>	<b>40.06</b>	<b>3,245.33</b>	<b>814.19</b>	<b>357.63</b>	<b>18.80</b>	<b>1,153.02</b>	<b>2,092.31</b>	<b>2,356.55</b>
Previous Year	3,165.09	127.33	121.68	3,170.74	700.93	142.73	29.47	814.19	2,356.55	2,464.16
<b>Intangibles:</b>										
Brand	2,700.00	-	-	<b>2,700.00</b>	1,620.00	135.00	-	1,755.00	<b>945.00</b>	1,080.00
Software	53.32	11.41	-	<b>64.73</b>	51.89	2.57	-	54.46	<b>10.27</b>	1.43
	<b>2,753.32</b>	<b>11.41</b>	-	<b>2,764.73</b>	<b>1,671.89</b>	<b>137.57</b>	-	<b>1,809.46</b>	<b>955.27</b>	<b>1,081.43</b>
Previous Year	2,753.32	-	-	2,753.32	1,536.43	135.46	-	1,671.89	1,081.43	1,216.89

# Includes gross value as at 31.03.2015 of ₹ 273.09 lacs (Previous year) ₹ 273.09 lacs) (WDV ₹ 160.35 lacs (Previous Year ₹ 177.37 lacs) on leasehold premises.

@ includes gross value as at 31.03.2015 of ₹ 1263.36 lacs (Previous year ₹ 1247.96 lacs) (WDV ₹ 908.34 lacs (Previous year ₹ 989.46 lacs) on leasehold premises.

Note No.1. As specified in Schedule II of the Companies Act, 2013, w.e.f. 01.04.2014 the Company has revised depreciation rate on all the fixed assets as per the useful life. On account of this the depreciation is higher by ₹ 207.67 lacs (Including ₹ 128.10 lacs relating to R&D Fixed Assets). Based on Current Estimates carrying value after retaining residual value of certain Fixed Assets amounting to ₹ 83.24 lacs (Including ₹ 61.61 lacs relating to R&D Fixed Assets) whose useful life is already exhausted as on 1st April, 2014 has also been charged to Statement of Profit & Loss.

**Note No.11****DEFERRED TAX ASSET (NET)**

	As at		(₹ in lacs)	
	31.03.2015		As at 31.03.2014	
1. Deferred Tax Assets				
i) Expenses / Provisions allowable	<b>158.62</b>		142.93	
ii) Unabsorbed depreciation and carried forward losses	<b>360.00</b>		939.59	
<b>Sub-Total</b>		<b>518.62</b>		1,082.52
2. Deferred Tax Liabilities				
i) Related to Fixed Assets	<b>330.44</b>	<b>330.44</b>	397.12	397.12
Deferred Tax (Liability) / Asset (Net) #		<b>188.18</b>		685.40

# Deferred tax assets on unabsorbed depreciation and business losses have been based on management's opinion that there is virtual certainty and sufficient taxable income will be generated / available against which such deferred tax assets can be realized.

**Note No.12**

	As at		As at	
	31.03.2015		31.03.2014	
<b>LONG TERM LOANS &amp; ADVANCES</b>				
(Unsecured, considered good)				
Deposit with Government & Others		<b>46.39</b>		43.44
Capital Advance		-		1.20
MAT Credit Entitlement		<b>866.89</b>		505.04
		<b>913.28</b>		549.68

**Note No.13****INVENTORIES**

(As certified by Management)

Stores, Processing & Packing Material	<b>631.01</b>	635.02
Semi Finished Goods	<b>3,948.27</b>	4,159.56
Finished Goods	<b>5,085.18</b>	4,565.62
	<b>9,664.46</b>	9,360.20

**Note No.14****TRADE RECEIVABLES**

(Unsecured, considered good unless otherwise stated)

Outstanding for period exceeding six months from the date they are

due for payment	<b>3,871.79</b>	2,546.96
Considered Doubtful	<b>101.19</b>	101.19
Less: Provision for doubtful Receivable	<b>(101.19)</b>	(101.19)
Others	<b>4,637.69</b>	3,586.22
	<b>8,509.48</b>	6,133.18

**Note No.15****CASH & CASH EQUIVALENTS****Cash & Cash Equivalents**

Cash on hand	<b>2.21</b>	1.29
Cheques on hand	<b>8.52</b>	15.69
Balances with Scheduled Banks :		
On Current Accounts	<b>23.86</b>	50.93
On Deposit account maturity within 3 months of acquisition	-	1,000.00

	As at <b>31.03.2015</b>	(₹ in lacs) As at 31.03.2014
<b>Other Bank Balances</b>		
On Deposit Accounts maturity after 3 months but before 12 months*	<b>267.62</b>	239.52
Unclaimed Dividend Accounts	<b>0.68</b>	-
Fractional shares Balance Account (₹1.87)		-
	<b>302.89</b>	1,307.43

\* Includes ₹ 27.38 lacs (Previous year ₹ 14.15 lacs) Pledged.

#### Note No.16

##### SHORT TERM LOANS & ADVANCES

(Unsecured, considered good unless otherwise stated)

##### Others

Advance to Suppliers	<b>360.86</b>	242.65
Advance to Employees	<b>30.65</b>	35.11
Prepaid Expenses	<b>55.47</b>	40.56
Deposit with Government Authorities & Others	<b>219.99</b>	230.08
Advance payment of Income Tax	<b>226.50</b>	230.75
{Net of Provisions (Incl. Interest) ₹1217.26 Lacs (Previous Year ₹ 848.15 Lacs)}		
Others	<b>22.52</b>	27.46
	<b>915.99</b>	806.61

#### Note No.17

##### OTHER CURRENT ASSETS

Interest Accrued	<b>9.52</b>	6.55
	<b>9.52</b>	6.55

#### Note No.18

##### REVENUE FROM OPERATIONS

	<b>2014-15</b>	2013-14
1. Sales : Seeds	<b>20,078.58</b>	18,255.37
Others	<b>633.46</b>	453.93
2. Other Operating Revenues		
Liabilities no longer required written back	<b>129.62</b>	31.66
Insurance Claims	<b>9.82</b>	18.80
Miscellaneous Income	<b>131.03</b>	85.34
	<b>20,982.51</b>	18,845.10

#### Note No.19

##### OTHER INCOME

Interest on Deposit with Banks & others	<b>25.93</b>	39.25
Foreign Exchange Fluctuation	<b>1.27</b>	-
	<b>27.20</b>	39.25

**Note No.20**

(₹ in lacs)

	<u>2014-15</u>	2013-14
<b>COST OF MATERIALS CONSUMED</b>		
Purchase of Seeds	<b>8,135.59</b>	4,951.14
Purchase of Other Agri Products	<b>372.04</b>	262.18
Consumption of Consumables Including Packing Materials	<b>776.06</b>	778.93
	<u><b>9,283.69</b></u>	<u>5,992.25</u>

**Note No.21****Changes in Inventories of Finished Goods work-in-progress and Stock-in-Trade****Opening Stock**

Semi Finished Goods		
Seeds	<b>4,159.56</b>	6,910.89
Finished Goods	<b>4,565.62</b>	4,204.12
	<u><b>8,725.18</b></u>	<u>11,115.01</u>

**Closing Stock**

Semi Finished Goods		
Seeds	<b>3,948.27</b>	4,159.56
Finished Goods	<b>5,085.18</b>	4,565.62
	<u><b>9,033.45</b></u>	<u>8,725.18</u>
(Increase)/Decrease in Stocks	<u><b>(308.27)</b></u>	<u>2,389.83</u>

**Note No.22****EMPLOYEE BENEFIT EXPENSES**

Salaries, Wages, Allowance, Etc.	<b>2,078.94</b>	2,281.63
Contribution to Provident and other Funds	<b>111.05</b>	125.45
Employees' Welfare and other Benefits	<b>297.12</b>	298.69
	<u><b>2,487.11</b></u>	<u>2,705.77</u>

**Note No.23****FINANCE COST**

Interest Expenses	<b>1,025.97</b>	997.41
Other Borrowing costs	<b>19.11</b>	15.78
	<u><b>1,045.08</b></u>	<u>1,013.19</u>

**Note No.24****OTHER EXPENSES**

Processing Charges	<b>285.44</b>	143.20
Power & Fuel	<b>48.68</b>	45.30
Repair & Maintenance - Machinery	<b>11.10</b>	16.66
Labour Expenses	<b>232.35</b>	179.65
Rent	<b>247.13</b>	241.39
Rates & Taxes	<b>1.85</b>	3.08
Insurance	<b>46.62</b>	42.98
Discount	<b>350.51</b>	288.48
Freight & Transportation	<b>874.83</b>	581.29
Advertisement & Sales Promotion	<b>1,360.06</b>	1,044.12
Royalty	<b>892.53</b>	545.81
Directors' Fees	<b>12.36</b>	2.23
Farming Expenses	<b>424.14</b>	315.01
Travelling	<b>583.66</b>	566.98
Commission	<b>364.92</b>	442.49
Loss on Sales/Discard of Assets (Net of profit of ₹ 2.25 lacs (PY ₹ 2.60 lacs ))	<b>2.86</b>	9.46
Provision for Doubtful Debts & Advances	-	46.92
Foreign Exchange Fluctuation (Net)	-	0.89
Printing & Stationery, Postage, Telephone and other	<b>548.77</b>	550.40
Miscellaneous Expenses etc.		
	<u><b>6,287.81</b></u>	<u>5,066.34</u>



## NOTES ON ACCOUNTS:

25. Pursuant to the Scheme of Arrangement and Demerger transfer of authorized Capital of ₹ 4250 lacs divided into 50,00,000 preference share capital of ₹ 85/- each is pending for transfer from Florence Investech Limited to the Company as authorized capital divided into 4,25,00,000 unclassified shares of ₹ 10 each as per the Scheme.
26. Estimated amount of contracts net of advances amounting to ₹ 1.85 lacs (Previous year ₹ 2.74 lacs) remaining to be executed on capital account.
27. (A) Contingent liabilities, not provided for in respect of :
- (i) Claims by certain parties against the company not accepted and not provided for ₹ 126.58 lacs (Net of ₹ 99.00 lacs indemnified by another party) (Previous Year ₹ 164.30 lacs (Net of ₹ 99.00 lacs indemnified by another party)).
  - (ii) Pending export obligation against import of capital goods under EPCG Scheme (Guarantee given ₹ 129.24 lacs): ₹ Nil (Previous year ₹ 0.37 lacs).
  - (iii) Income Tax (matters in appeals) of ₹ 581.30 lacs (Previous year ₹ 512.89 lacs) & Sales tax (Matters in appeals) of ₹ 6.90 lacs (Previous year ₹ 6.90 lacs).  
In respect of certain disallowances and additions made by the Income Tax authorities, appeals are pending before the Appellate Authorities and adjustment, if any, will be made after the same are finally determined.
- (B) Company acted as a facilitator and has extended a gurantee to Yes Bank Limited ₹ 3040.44 lacs (Previous year ₹ 1752.94 lacs) and by ICICI Bank Ltd ₹ 130.03 lacs (Previous year ₹ 1,000.38 lacs) for loans that these banks have provided to the farmers.
28. The Company has challenged the notice of the Income Tax assessing officer for reopening of the income tax assessment order for the year ended 31.03.2009 (Assessment year 2009-10), in High Court of Calcutta. Hon'ble High court of Calcutta vide its order dated 26.03.2015 has granted interim stay.
29. (a) In terms of disclosure requirements stated in Accounting Standard on Intangible Assets (AS-26) notified by the Companies (Accounting Standards) Rules, 2006 the management considered it appropriate to amortize "J.K.SEEDS" brand over a period of 20 years (balance 7 years as on Balance Sheet date) 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 as on 31st March, 2015 is ₹ 945 lacs which is to be amortized in over the balance period of 7 years.
- (b) Software is amortized over a period of 5 years from the year of installation.

30. Expenditure on Research and Development (R&D) activities during the year:

Particulars	(₹ in lacs)	
	2014-15	2013-14
<b>Recurring Expenses*</b>		
Employees Cost	479.53	507.36
Rent	34.93	36.50
Travelling Expenses	42.87	51.11
Electricity Charges	34.93	44.70
Farming Expenses	424.14	315.01
Bank Charges, Printing & Stationery, Postage, & Other Miscellaneous Expenses	120.50	97.55
Depreciation #	170.06	36.95
<b>Total Recurring Expenses</b>	<b>1306.96</b>	1089.18
<b>Capital Expenditure</b>		
Building	33.24	-
Equipment's	8.49	6.97
<b>Total Capital Expenditure</b>	<b>41.73</b>	6.97
<b>Total R &amp; D Expenses (incl. Capital Expenditure)</b>	<b>1348.69</b>	1096.15

\* Included in respective accounts

# Refer Foot note no.1 of Note no.10

31. Amount paid to Auditors:

Statutory Auditors	(₹ in lacs)	
	2014-15	2013-14
Audit Fee	1.50	1.50
Taxation	0.50	0.50
Certification & Other Charges	0.93	9.94
Reimbursement of expenses	0.14	0.68
	<u>3.07</u>	<u>12.62</u>

Cost Auditors:

Cost audit fees ₹ 0.45 lacs pertaining to previous year (Previous year ₹ 1.24 lacs); ₹ Nil (Previous Year ₹ 0.27 lacs) lacs towards Certification and other charges and ₹ 0.35 lacs (Previous year ₹ 0.18 lacs) towards reimbursement of expenses.

32. (a) Debtors over six months are net of provision made for doubtful Debts of ₹ 101.19 lacs (Previous year ₹ 101.19 Lacs) and are after bad debts of Debtors ₹ Nil (Previous year ₹ 16.14 lacs).

Overdue Receivables exceeding six months includes ₹ 1938.23 lacs from Rajasthan state government along with Security Deposit given amounting to ₹ 121.68 lacs included in the heading "Deposit with Government Authorities and other" in Note no.16. In view of the fact that the materials supplied having met all the quality specifications, and part payments has also been received, the receivable is considered good.

(b) Advance to suppliers are net of provision made for Doubtful advances of ₹ 40.53 lacs (Previous year ₹ 40.53 lacs and are after bad loans of ₹ Nil lacs (Previous year ₹ 7.58 lacs).

(c) Some of the balances of debtors, loans & advances and current liabilities are in the process of confirmation/reconciliation.

33. (a) Income tax calculation has been made considering certain expenses/adjustments available as assessed by the management.

(b) The Company has filed a Writ Petition before the Hon'ble High Court of Calcutta seeking directions for acceptance of revised Income Tax returns by the Income Tax Department, ("the Department") for the Financial years 2005-06 to 2010-11, which had been treated a Nonest by the department vide its Notice dated 17th February, 2014. The above revised returns were filed by the Company with the Department pursuant to the Scheme of Arrangement and Demerger (the Scheme) approved by Hon'ble High court of Calcutta on 17th October, 2012, giving impact of the Scheme from 1st April, 2005, during the financial year 2012-13.

34. Foreign Currency exposure not hedged as at Balance sheet date:

Foreign Currency exposure unhedged net receivable ₹ 4.38 lacs – US \$ 7000 (Previous year ₹ 6.61 lacs – US \$ 11000) and net payable ₹ 37.63 lacs – US \$ 60125 (Previous year ₹ 79.59 lacs – US \$ 64032 & EURO 49780)

35. The details of amounts outstanding under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) to the extent information available with the Company are as under: (i) Principal & Interest amount due and remaining unpaid as at 31.03.2015: Nil (Previous year: Nil) (ii) Payment made beyond and appointed day during the year: Nil (Previous Year: Nil) and (iii) Interest accrued and unpaid as at 31.03.2015: Nil (Previous year: Nil).

36. Production and Purchase of Seeds & Others Consumed:

	2014-15		2013-14	
	Amount (₹ in lacs)	% of total Consumption	Amount (₹ in lacs)	% of total Consumption
Indigenous	<b>8119.39</b>	<b>95.42</b>	4,890.48	93.76
Imported	<b>389.93</b>	<b>4.58</b>	325.53	6.24
Total	<b>8509.32</b>	<b>100.00</b>	5,216.01	100.00

An amount of ₹ 1.69 lacs (Previous year ₹ 2.69 lacs) included above is grouped under Farming Expenses.

37. Stores, Consumables, Packing Materials & Others consumed:

	2014-15		2013-14	
	Amount (₹ in lacs)	% of total Consumption	Amount (₹ in lacs)	% of total Consumption
Indigenous	<b>838.57</b>	<b>99.06</b>	834.73	99.67
Imported	<b>7.96</b>	<b>0.94</b>	2.78	0.33
Total	<b>846.53</b>	<b>100.00</b>	837.51	100.00

An amount of ₹ 70.47 lacs (Previous year ₹ 58.58 lacs) included above is grouped under Farming Expenses.

38 CIF Value of Imports		<b>(₹ in lacs)</b>
	<b>2014-15</b>	2013-14
Seeds	<b>366.57</b>	277.45
Consumables & Spare Parts (R & D)	<b>7.53</b>	3.89
Total	<b>374.10</b>	281.34

39. A. Expenditure in Foreign Currency (as remitted) :

Others	<b>34.74</b>	27.37
Total	<b>34.74</b>	27.37

B. Remittance in foreign Currency on account of Dividend for the year 2013-14 (Previous year 2012-13)

i. Number of Non-resident shareholders	<b>1</b>	1
ii. Number of Equity Shares held by them	<b>217749</b>	217749
iii. Amount of Dividend Remitted.	<b>5.44</b>	-

40. Earnings in Foreign Exchange

F.O.B value of exports	<b>319.78</b>	160.31
Other	<b>-</b>	2.86
	<b>319.78</b>	163.17

41. The disclosures required under Accounting Standard (AS-15) "Employees Benefits" notified in the Companies (Accounting Standards) Rules, 2006 are as given below:

Defined benefits plans/ long terms Compensated Absences - As per Acturial Valuation on 31st March, 2015

(i)		<b>(₹ in lacs)</b>			
		<b>2014-15</b>		2013-14	
		<b>Gratuity</b>	<b>Leave</b>	Gratuity	Leave
		<b>Non</b>	<b>Encashment</b>	Non	Encashment
		<b>Funded</b>	<b>Non Funded</b>	Funded	Non Funded

**I Expenses recognised in the Statement of Profit & Loss Account for the Period ended 31st March, 2015**

1 Current Service Cost	<b>24.62</b>	<b>33.26</b>	22.79	28.94
2 Past Service Cost	-	-	-	-
3 Interest Cost	<b>8.79</b>	<b>7.79</b>	8.89	7.79
4 Expected returns on plan assets	-	-	-	-
5 Actuarial (Gain)/Losses	<b>6.30</b>	<b>(2.86)</b>	(0.87)	(8.02)
6 Total expenses	<b>39.71</b>	<b>38.19</b>	30.81	28.71

**II Net Asset / (Liability) recognised in the Balance sheet as at 31st March, 2015**

1 Present Value of Defined Benefit Obligation as at 31st March, 2015	<b>140.53</b>	<b>124.38</b>	112.92	100.15
2 Fair Value of plan assets as at 31st March, 2015	-	-	-	-
3 Funded status Surplus/(Deficit)	-	-	-	-
4 Net Asset / (liability) as at 31st March, 2015	<b>(140.53)</b>	<b>(124.38)</b>	(112.92)	(100.15)

(₹ in lacs)

	2014-15		2013-14	
	Gratuity Non Funded	Leave Encashment Non Funded	Gratuity Non Funded	Leave Encashment Non Funded
<b>III Change in obligation during the period ended 31st March, 2015</b>				
1 Present Value of Defined Benefit Obligation at the beginning of the year	112.92	100.15	98.82	86.59
2 Current Service Cost	24.62	33.26	22.79	28.94
3 Past Service Cost	-	-	-	-
4 Interest Cost	8.79	7.79	8.89	7.79
5 Actuarial (Gain)/Losses	6.30	(2.86)	(0.87)	(8.02)
6 Benefits Payments	(12.10)	(13.96)	(16.71)	(15.15)
7 Present Value of Defined Benefits Obligation at the end of the year	140.53	124.38	112.92	100.15
<b>IV Change in Assets during the period ended 31st March, 2015</b>	Nil	Nil	Nil	Nil
<b>V The major categories of plan assets as % of total plan</b>	Nil	Nil	Nil	Nil
<b>VI Actuarial Assumptions</b>				
1. Discount Rate	7.78%		9.00%	
2. Expected rate of return on plan assets	-		-	
3. Mortality	IALM (2006-2008)		IALM (2006-2008)	
4. Turnover rate	Age upto 30-8%, upto 44 – 7%, above 44 –5.5% 5.00%		Age upto 30-3%, upto 44 – 2%, above 44 –1% 6.50%	
5. Salary Escalation				

Note: a) Defined Benefit Plans

Amounts recognized as expense and included in the Note 22: item "Salaries, Wages, Allowance, etc" includes ₹ 39.71 lacs (Previous year ₹ 30.81 lacs) for gratuity, ₹ 38.19 lacs (Previous year, ₹ 28.71 lacs) for leave encashment.

b) Defined Contribution Plans

Amount recognized as an expense and included in the Note 22 "Contribution to Provident and other Funds" of Statement of Profit & Loss ₹ 111.04 lacs (Previous year ₹ 125.45 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) Experience Adjustment:

(₹ in lacs)

Particulars	Gratuity			Leave Encashment		
	2014-15	2013-14	2012-13	2014-15	2013-14	2012-13
Present Value of Defined Value of Obligation	140.53	112.92	98.82	124.37	100.15	86.59
Fair Value of Planned Assets	-	-	-	-	-	-
Surplus / (Deficit)	(140.53)	(112.92)	(98.82)	(124.37)	(100.15)	(86.59)
Expected Adjustment of Plan Liabilities (Gain) / Loss	0.10	(1.52)	1.26	(10.88)	(9.89)	3.01
Expected Adjustment of Plan Assets (Gain) / Loss	-	-	-	-	-	-

42. There is only one business segment – Agri &amp; Allied products.

43.Related Party :

A). Relationships

Key Management Personnel	: Shri Sanjay Kumar Gupta, President & Whole Time Director : Shri Amit Agarwal, Chief Financial Officer ^ : Shri Anoop Singh Gusain, Company Secretary ^
Associates	: Florence Investech Ltd (FIL) ^ : Bengal & Assam Company Ltd (BACL) ^

^ Pursuant to the Companies Act, 2013

I. The following transactions were carried out with related parties in the ordinary course of business:

Nature of Transaction	(₹ in lacs) Amount
Loans Received from BACL	500.00
Loans Repaid to FIL	500.00
Interest Paid to FIL	38.63
Interest Paid to BACL	13.64
Sharing of Expenses Received from FIL	2.19

Remuneration paid to Whole time Director ₹ 135.57 lacs (Previous year ₹ 57.79 lacs for the period 23rd October 2013 to 31st March, 2014). Remuneration paid to Chief Financial Officer ₹ 65.27 lacs & Company Secretary ₹ 7.92 lacs.

	(₹ in Lacs)	
44. Earnings per Share	2014-15	2013-14
a) Profit/(Loss) after Tax (₹ in lacs)	<b>1221.87</b>	1185.82
b) Weighted average no. of Equity Shares (Nos.)	<b>3603906</b>	3603906
c) Nominal Value of Equity Share (₹)	<b>10</b>	10
d) Earnings per Equity Share (₹)		
- Cash	<b>61.44</b>	47.64
- Basic & Diluted	<b>33.90</b>	32.90

45. 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.

46. Leases

Operating Lease

Factory Premises and Vehicles have been obtained on lease. Lease rentals in case of factory premises on cancellable lease have escalation clause while there is no escalation in case of Vehicles except for change in taxes, if any. There are no significant restrictions imposed by Lease agreements. There are no sub leases.



	<b>As at</b>	<b>(₹ in Lacs)</b>
<b>Lease Payments</b>	<b>31.3.2015</b>	As at 31.3.2014
Lease Payments during the year	<b>145.79</b>	145.66
Not later than one year	<b>145.34</b>	143.90
Later than one year and not later than five years	<b>558.30</b>	744.30

47. CSR expenses amounting to ₹ 18.07 lacs (Previous Year Nil) have been included in Miscellaneous Expenses under the head "Other Expenses" in note no.24.

48. Previous year's figures have been re-grouped/re-classified/recast wherever necessary.

49. Figures less than ₹ 500/- has been shown at actuals in Bracket.

for LODHA & CO.

*Chartered Accountants*

Firm Registration No.301051E

N.K. Lodha

Partner

Membership No. 85155

New Delhi, the 7<sup>th</sup> May, 2015

AMIT AGARWAL  
*Chief Financial  
Officer*

ANOOP SINGH GUSAIN  
*Company Secretary*

BHARAT HARI SINGHANIA *Chairman*  
Dr. RAGHUPATI SINGHANIA *Directors*  
SANJAY KUMAR KHAITAN  
SANJEEV KUMAR JHUNJHUNWALA  
SWATI SINGHANIA  
ABHIMANYU JHAVAR  
J.R.C.BHANDARI  
SWAROOP CHAND SETHI  
VIKRAMPATI SINGHANIA  
SANJAY KUMAR GUPTA

## Cash Flow Statement

For the period ended 31st March, 2015

	2014-15	(₹ in Lacs) 2013-14
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax and extraordinary items	1,719.09	1,438.78
Adjustment for :		
Depreciation / Amortisation	495.20	278.19
Interest Expenses	1,045.08	1,013.19
(Profit)/Loss on sale of Assets	2.86	9.46
Foreign Exchange Fluctuation	0.40	(2.33)
Interest Received	(25.93)	(39.25)
Provision for Doubtful Debts/Advances	-	46.92
Liabilities no longer required written back	(129.62)	(31.66)
<b>Operating Profit before working capital changes</b>	<b>3,107.08</b>	2,713.30
(Increase)/ Decrease in Trade and Other Receivables	(2,491.66)	1,570.46
(Increase)/ Decrease in Inventories	(304.26)	2,204.52
Increase/ (Decrease) in Trade Payables	(417.53)	(2,738.61)
<b>Cash generated from Operations</b>	<b>(106.37)</b>	3,749.67
Direct taxes Net	(350.34)	(230.22)
<b>Net Cash from Operating Activities</b>	<b>(456.71)</b>	3,519.45
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(124.87)	(127.16)
Sale of Fixed Assets	18.41	82.75
Interest Received	22.96	42.09
<b>Net Cash from / (used in) Investing activities</b>	<b>(83.50)</b>	(2.32)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term borrowings	1,850.00	36.99
Repayment of Long Term borrowings	(1,016.28)	(514.68)
Proceeds/(Repayments) from Short Term borrowings (Net)	(193.03)	(1,053.96)
Interest Paid	(1,000.29)	(923.35)
Dividend Paid (Including Dividend Distribution Tax)	(105.41)	-
<b>Net cash from / (Used in) financing activities</b>	<b>(465.01)</b>	(2,455.00)
<b>Net Increase / (Decrease) in Cash and Cash equivalents</b>	<b>(1,005.22)</b>	1,062.13
<b>Cash and Cash equivalents as at the beginning of the year</b>	<b>1,307.43</b>	245.30
<b>Cash and Cash equivalents as at the end of the year</b>	<b>302.21</b>	1,307.43

### Notes:

1. Cash and Bank Balances Include:		
- Cash, Cheques in hand and Remittances in transit	10.73	16.98
- Balances with Scheduled Banks including deposits#	291.48	1,290.45
Cash and Bank Balances	302.21	1,307.43

# Excludes earmarked balance in Unclaimed Dividend Account.

As per our report of even date

for LODHA & CO.

Chartered Accountants

Firm Registration No.301051E

N.K. Lodha

Partner

Membership No. 85155

New Delhi, the 7<sup>th</sup> May, 2015

AMIT AGARWAL  
Chief Financial  
Officer

ANOOP SINGH GUSAIN  
Company Secretary

BHARAT HARI SINGHANIA  
Dr. RAGHUPATI SINGHANIA  
SANJAY KUMAR KHAITAN  
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SWATI SINGHANIA  
ABHIMANYU JHAVAR  
J.R.C.BHANDARI  
SWAROOP CHAND SETHI  
VIKRAMPATI SINGHANIA  
SANJAY KUMAR GUPTA

Chairman  
Directors

## Particulars of Employees

The details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, are as under:

- a) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year: Non-executive Directors did not draw any remuneration from the Company except sitting fee.

S. No.	Non-executive Directors	Ratio to median remuneration
1	Shri Bharat Hari Singhania, Chairman	0.45
2	Dr. Raghupati Singhania	0.44
3	Shri S.K. Khaitan	0.66
4	Shri S.K. Jhunjhunwala	0.21
5	Smt. Swati Singhania*	Not Applicable
6	Shri Abhimanyu Jhaver**	Not Applicable
7	Shri J.R.C. Bhandari	0.59
8	Shri S.C. Sethi	0.86
9	Shri Vikrampati Singhania	0.66
	<b>Executive Director</b>	
10	Shri Sanjay Kumar Gupta	42.76

\* (Joined the Board w.e.f. 3<sup>rd</sup> February 2015 and thereafter no Board Meeting held during the period under review).

\*\* (Joined the Board w.e.f. 25<sup>th</sup> March 2015 and thereafter no Board Meeting held during the period under review).

- b) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year: Non-executive Directors did not draw any remuneration from the Company except sitting fee.

S. No.	Name	% Increase in Remuneration
1	Shri Bharat Hari Singhania, Chairman	297.22
2	Dr. Raghupati Singhania	370.00
3	Shri S.K. Khaitan	950.00
4	Shri S.K. Jhunjhunwala	750.00
5	Smt. Swati Singhania*	Not Applicable
6	Shri Abhimanyu Jhaver**	Not Applicable
7	Shri J.R.C. Bhandari	487.50
8	Shri S.C. Sethi	389.29
9	Shri Vikrampati Singhania	428.75
10	Shri Sanjay Kumar Gupta, President & Director	16.23
11	Shri Amit Agarwal, Chief Financial Officer	4.63
12	Shri Anoop Singh Gusain, Company Secretary	14.43

\* (Joined the Board w.e.f. 3<sup>rd</sup> February 2015 and thereafter no Board Meeting held during the period under review).

\*\* (Joined the Board w.e.f. 25<sup>th</sup> March 2015 and thereafter no Board Meeting held during the period under review).

- c) The percentage increase in the median remuneration of employees in the financial year: 10%
- d) The number of permanent employees on the rolls of company:- 445
- e) The explanation on the relationship between average increase in remuneration and company performance: Increments are given keeping in view the overall performance of the employees, Company's growth, economic scenario, prevailing conditions in the market and industry trends etc.
- f) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company:

(₹ in Lacs)

Aggregate remuneration of Key Managerial Personnel (KMP)	208.76
Revenue	21009.71
Remuneration of KMP (as % of revenue)	0.99%
Profit Before Tax (PBT)	1719.09
Remuneration of KMP (as % of PBT)	12.14%

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

Particulars	31.03.2015	31.03.2014	% Change
Market Capitalisation (₹ In lacs)	16502.29	13948.92	18.31
Price Earnings Ratio	13.51	11.76	14.88

- h) Percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer: The Company has not come out with any public offer since its inception. Pursuant to the Scheme of Arrangement and Demerger sanctioned by the Hon'ble High Court of Calcutta, the equity shares of the Company were listed and permitted for trading on BSE Limited w.e.f. 30<sup>th</sup> September 2013.

Particulars	31.03.2015	30.09.2013	% Change
Market Quotation of Shares	457.90	210.00	118.04

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

Particulars	2014-15
Increase in Managerial Remuneration	16.23%
Other Employees	11%

j) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company;

	Shri Sanjay Kumar Gupta, President & Director	Shri Amit Agarwal, Chief Financial Officer	Shri Anoop Singh Gusain, Company Secretary
Remuneration in FY 2014-15 (₹ in Lacs)	135.57	65.27	7.92
Revenue (₹ in Lacs)	21009.71		
Remuneration as % of revenue	0.65	0.31	0.03
Profit Before Tax (PBT) (₹ in Lacs)	1719.09		
Remuneration as % of PBT	7.89	3.79	0.46

k) No variable component of remuneration was availed by the directors during the financial year ended 31<sup>st</sup> March 2015.

l) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: None

m) The Company affirms that the remuneration is as per the remuneration policy of the company.

n) The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in a separate annexure forming part of this Report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company during working hours. Any member interested in obtaining a copy of the same may write to the Company Secretary.





