

# ANNUAL REPORT

## 2013-14



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## **BOARD OF DIRECTORS**

**Bharat Hari Singhania**  
Chairman

**Jatan Roop Chand Bhandari**

**Sanjeev Kumar Jhunjunwala**

**Sanjay Kumar Khaitan**

**Dr. Raghupati Singhania**

**Vikrampati Singhania**

**Swaroop Chand Sethi**

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

### **Processing Plant**

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

### **Administrative Office**

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

### **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 Accounts of the Company for the financial year ended 31st March, 2014.

<b>Financial results</b>	<b>(₹ in Crore)</b>
Sales & Other Income	188.84
Profit before Finance Cost & Depreciation (PBIDT)	27.30
Profit before Depreciation	17.17
Profit after Tax	11.86
Surplus brought forward	4.80
Amount available for appropriation	<u>16.66</u>
Appropriations	
Dividend (incl. tax on Dividend)	1.05
General Reserve	5.00
Surplus carried to Balance Sheet	10.61
	<u>16.66</u>

## DIVIDEND

Your Directors are pleased to recommend a maiden dividend of ₹ 2.5 per Equity Share of ₹ 10 each (i.e. 25%) on the Equity Share Capital of ₹ 3.60 Crores. The Dividend outgo will be ₹ 1.05 Crores (inclusive of dividend tax of ₹ 0.15 Crores).

## LISTING

As the members are aware, 36,03,906 Equity Shares of ₹ 10 each of the Company were listed with BSE Ltd. and the Calcutta Stock Exchange Ltd. pursuant to their respective approvals dated 26th September 2013 and 24th September 2013.

## OPERATIONS

During the year ended 31st March, 2014 the Company achieved a turnover of ₹ 188.84 Crores. EBIDTA of the Company increased by 26% from ₹ 21.67 Crores to ₹ 27.30 Crores and Profit Before Tax increased by 36% from ₹ 10.58 Crores to ₹ 14.39 Crores.

The Company continues to develop new hybrids and also increase its distribution depth and width across the country. The endeavour of the marketing team is to increase penetration of the Company's hybrids in the market by demonstrating its superiority and benefits to the farming community. The Company is pursuing innovative farm productivity enhancing techniques and is working closely with its increasing network of channel partners to reach the target customers. Continuous emphasis on distribution, logistics as well as better management of seed production techniques, is helping the company drive efficiencies.

Introduction of new products both for Kharif and Rabi seasons as well as introduction of newer products in vegetable seeds is helping the company gain momentum. The Company continues to focus on field crops like Cotton, Paddy, Maize, Bajra and Jowar, apart from Okra, Tomato and Chillies in the vegetable segment.

## RESEARCH AND DEVELOPMENT

Your Company continues to strengthen its base in developing its future capabilities and competencies in breeding, biotech R&D and transgenic research. Your company believes that in the competitive arena this capability will help differentiate the company and its products from others. The dedicated team of Scientists is working closely with a number of National & International Research Institutes, e.g. ICRISAT, CIMMYT, IRRI, etc.

Apart from working on transgenic technology, the Company has been working on development of hybrids through non-transgenic methods like marker assisted breeding, etc. This has led to development of value added products in field crops as well as vegetables. Developed using molecular markers and due to its uniqueness in tolerating multiple abiotic stresses, the launch of its new rice hybrid is an important milestone for the company. A number of products in Cotton, Maize and Bajra are also undergoing trials. Products in Okra and Tomato are also showing great potential due to their ability to tolerate diseases. Such multi-pronged research is creating the platform for your Company's growth in the coming years.

## INDUSTRY OVERVIEW

Indian agriculture has come a long way since the Green Revolution of the late 1960s. India presents an interesting scenario: both GDP and food grain production in the country have risen faster than the growth in population over the last 50 years. However, now the situation is becoming alarming as the agricultural growth has been static in recent years. The enormity of the problem is indicated by the fact that during the 7 year period 2006-07 to 2012-13, our food grain production has grown at a CAGR of only 2.4%. The total estimated demand for food grains will touch 298 million tons by 2020. To achieve the forgoing amount of production the compounded annual growth rate of 2.2% in agricultural sector has to be maintained over next 7 years. For this, agricultural growth needs to be in the forefront of our national GDP growth agenda.

Indian seed Industry is one of the most mature and vibrant ones in the world, currently occupying 6th position with nearly ₹ 12,000 Crore turnover. During the past 5 years the Indian Seed Industry has been growing at a CAGR of 10% compared to global growth of 6-7%. In value terms the major growth has come from increased adoption of BT cotton hybrids, single cross corn hybrids and hybrid vegetables. The volume growth has mainly come through increased Seed Replacement Rates in crops like Paddy and Wheat.

India has the second largest agricultural land and has favourable climatic conditions to support this growth. It has over 15 major climatic zones and possesses 46 different soil types. India is the largest producer of pulses, milk, tea, cashew and jute; and the second largest producer of wheat, rice, fruits and vegetables, sugarcane, cotton and oilseeds. All in all with its land resources and the growing role of farm input companies, India will continue to play a major role in world agriculture.

## OPPORTUNITIES, THREATS & CONCERNS

The large population of India is the key driver of demand for agricultural products. Rising urban and rural incomes have also aided demand growth. The growth of organised procurement and retail as well as growing consumption of packaged and processed food would also fuel demand. The potential to not only export processed food but also the improvement in infrastructure is allowing fresh farm produce to be exported to other countries. Apart from being one of the largest consumers of agricultural products, India is also among the top 10 leading exporters

of agricultural products in the world. The continued focus and incentives under various national and state Government schemes, like Rashtriya Krishi Vikas Yojana as well as focus for improvement in farm productivity under the aegis of National Food Security Mission is helping increase production and productivity. Improved rural lending facilities as well as improved infrastructure to store and distribute produce will also help this process.

While there are number of opportunities, they continue to be inherent concerns and threats for the seeds industry. The vagaries of weather and inconsistent monsoon across the country continue to be the major challenge. The growing unavailability of water either through rivers or bore-wells is also threatening productivity. Pest attacks and rising temperatures also have an impact on agricultural production. The inconsistent Government policies and regulations on GM crops is also a matter of concern.

## HUMAN RESOURCE DEVELOPMENT

The real strength of your Company lies in the hands of its teams and people. The backbone of the Company, whether be it in R&D or in the field, is based on the dedication of its teams. The company has adopted a robust, progressive and dynamic culture and focuses on organisational development, engagement and Talent Management of its employees through a structured mechanism for identification, reviewing, implementing and rewarding the identified talent. The Company identifies "High Talent" through assessment centres and provides high potential employees a cross-functional exposure creating a growth path for them. People are sponsored to various internal and external training programmes including leading Business schools to hone their technical as well as general management skills. The Company also runs a special programme under the group's "Krishna-Arjuna" initiative which serves as the mentoring and guidance platform.

## INTERNAL CONTROL SYSTEMS

The Company has a structured Internal Audit system. All the functions of the Company are reviewed periodically. The system ensures that the Company achieves its targets and complies with the applicable laws and regulations and checks efficiency of operations and reliability of financial reporting.

Financial Statements on quarterly and on annual basis are placed before the Audit Committee consisting

of Independent Directors before submission to the Board for approval. Audit Committee meets every quarter to review the Audit Report and action taken on the findings of Internal Audit Reports are discussed and wherever required action is taken to enhance effectiveness of the internal control system.

## **DIRECTORS**

Shri Bharat Hari Singhania and Dr. Raghupati Singhania who were appointed as Directors of the Company w.e.f. 30th March 2013, in the casual vacancy caused by resignation of Shri A.K. Kinra and Shri P.K. Rustagi respectively pursuant to Section 262 of the Companies Act, 1956 retire by rotation and being eligible offer themselves for re-appointment at the ensuing Annual General Meeting (AGM).

The Board of Directors appointed Shri S.K. Gupta as an Additional Director pursuant to Section 161 of the Companies Act, 2013 and also appointed him as Whole-time Director with the designation 'President & Director' for a period of three years w.e.f. 23rd October, 2013 subject to the approval of shareholders and other necessary approvals as may be required. In terms of the said Section Shri S.K. Gupta will hold office as Director upto the date of the ensuing AGM.

The Company has received from members, notices in accordance with Section 160 of the Companies Act, 2013 proposing candidatures of Shri Bharat Hari Singhania, Dr. Raghupati Singhania and Shri S.K. Gupta for appointment as Directors as aforesaid.

Shri JRC Bhandari, Shri S.C. Sethi, Shri S.K. Khaitan and Shri S.K. Jhunjhunwala whose period of office is liable to determination by retirement of Directors by rotation are proposed to be appointed as Independent Directors of the Company, each for a term of five consecutive years commencing from the date of ensuing AGM. The Company has also received declarations from the said directors about their independence pursuant to Section 149 of the Companies Act, 2013.

The Board recommends appointments as aforesaid.

## **AUDITORS**

M/s Lodha & Co., Chartered Accountants, Auditors of the Company, retire and are eligible for re-appointment. The observations of the Auditors in their report on Accounts read with the relevant notes are self-explanatory.

## **COST AUDIT**

The Cost Audit for the financial year ended 31st March 2013 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. The Audit of the cost accounts of the Company for the financial year ended 31st March 2014 is being conducted by the said firm and the Report will also be filed.

## **PARTICULARS OF EMPLOYEES**

Particulars of employees required under Section 217 (2A) of the Companies Act, 1956 are given in the enclosed statement forming part of the Report. However, as per the provisions of Section 219 (1) (b) (IV) of the Companies Act, 1956, the Report and Accounts are being sent to all shareholders of the Company excluding aforesaid information. Any shareholder interested in obtaining such particulars may write to the Secretary at the Company's New Delhi address

## **CORPORATE SOCIAL RESPONSIBILITY**

The Company has always been life sensitive towards its social responsibility and has been undertaking various programmes like, Adult Literacy, Medical Camp and Health awareness, etc. Pursuant to the provisions of the Companies Act, 2013 and Rules thereto, a Corporate Social Responsibility (CSR) Committee of the Board has been constituted to monitor CSR related activities in terms of the said provisions and Rules, comprising of Shri Vikrampati Singhania (Chairman of the Committee), Shri S.K. Jhunjhunwala and Shri S.K. Gupta, as members.

## **CORPORATE GOVERNANCE**

Your Company reaffirms its commitment to good corporate governance practices. Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, 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.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

As required under Section 217 (2AA) of the Companies Act, 1956, your Directors state that:

- (i) in the preparation of Annual Accounts, the applicable accounting standards have been

followed along with proper explanation relating to material departures;

- (ii) the accounting policies selected and applied are consistent 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 or loss of the Company for that period;
- (iii) proper and sufficient care has been taken for 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; and
- (iv) the annual accounts have been prepared on a going concern basis.

#### CAUTIONARY STATEMENT

“Management’s Discussion and 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: 27<sup>th</sup> May 2014  
New Delhi

Bharat Hari Singhania  
Chairman

### ANNEXURE TO THE DIRECTORS’ REPORT

#### A. ENERGY CONSERVATION

Your Company is not covered under the schedule of Industries required to furnish information under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of the Board of Directors), Rules 1988.

#### B. RESEARCH & DEVELOPMENT EXPENSES

The Capital Expenditure incurred on R & D during the period was ₹ 6.97 lacs and recurring expenditure was ₹ 1089.18 lacs.

#### C. TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

The good performance and acceptance of Company’s Rice hybrids with salinity and drought tolerance was 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. Many high performing hybrids of the Company are ready for commercialization.

#### D. EXPORT, FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in Lacs)

Description	2013-14	2012-13
Foreign Exchange Earnings (on account of Export sales- FOB value)	160.31	173.14
Others	2.86	-
Total Foreign Exchange Earnings	163.17	173.14
Foreign Exchange Outgo	308.71	334.01

# 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

## 2. BOARD OF DIRECTORS:

The Board of Directors presently consists of Eight Directors, of which one is Executive Director(ED) and seven are Non-Executive Directors(NED), out of which four are Independent Directors(IND). Four Board Meetings were held during the twelve months period from 1<sup>st</sup> April 2013 to 31<sup>st</sup> March 2014 i.e., on 21<sup>st</sup> May 2013, 8<sup>th</sup> August 2013, 23<sup>rd</sup> October 2013 and 10<sup>th</sup> February 2014. 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		
				Directorships §	Committee Memberships*	Committee Chairmanships*
Shri Bharat Hari Singhania, Chairman	NED	4	Yes	4	1	-
Dr. Raghupati Singhania	NED	4	No	7	2	1
Shri Vikrampati Singhania	NED	4	Yes	2	1	-
Shri S.C. Sethi	IND	4	Yes	5	3	3
Shri S.K. Khaitan	IND	2	No	-	-	-
Shri J.R.C. Bhandari	IND	4	No	2	1	2
Shri S.K. Jhunjhunwala	IND	1	No	1	1	-
Shri S.K.Gupta @ President & Director	ED	2	Yes	1	-	-

§ As per Section 275 read with Section 278 of the Companies Act, 1956.

\* Only covers Memberships/Chairmanships of Audit Committee and Shareholders/ Investors Grievance Committee.

@ Appointed as Additional and Whole-time Director with the designation "President & Director" w.e.f. 23rd October 2013.

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.

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 ([www.jkseeds.net](http://www.jkseeds.net)). 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. AUDIT COMMITTEE:

The Company has an Audit Committee of Directors, the 'Terms of Reference' and also the composition of which are in conformity with the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of



the Listing Agreement with the Stock Exchanges.

The 'Terms of Reference' of the Committee have since been revised by the Board of Directors at its Meeting held on 27th May 2014, in accordance with the provisions of Section 177 of the Companies Act, 2013 and the revised Clause 49 of the Listing Agreement.

The Committee consists of four Directors, all being Non-executive Independent Directors. The composition of the Committee is also in conformity with the provisions of the Companies Act, 2013 and also the revised Listing Agreement

Four meetings of the audit committee were held during the financial year ended 31<sup>st</sup> March 2014. Dates of the meetings and the number of the Members attended are:

Date of the Meeting	Number of Members attended
21st May 2013	4
8th August 2013	2
23rd October 2013	3
10th February 2014	2

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	2
Shri S.K Jhunjhunwala	Member	1
Shri S.C. Sethi	Member	4

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

#### 4. STAKEHOLDERS RELATIONSHIP COMMITTEE

As at 31<sup>st</sup> March 2014, the Company had a Shareholders/Investors Grievance Committee consisting of three Directors all being Non-executive Directors. The composition of the Committee was in conformity with Clause 49 of the Listing Agreement.

The Board of Directors at its meeting held on 27th May, 2014 has rechristened the Committee as 'Stakeholders Relationship Committee' and the 'Terms of Reference' of the Committee have also been revised in accordance with the provisions of Section 178 of the Companies Act, 2013 and the revised Clause 49 of the Listing Agreement. The composition of the Committee is in conformity with

the provisions of the Companies Act, 2013 and also the revised Listing Agreement.

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

Date of the Meeting	Number of Members attended
21st May 2013	3
8th August 2013	2
23rd October 2013	3
10th February 2014	2

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	2
Shri Vikrampati Singhania	Member	4

Shri Anoop Singh Gusain, Company Secretary is the Compliance Officer. During the financial year ended 31st March 2014, no complaint was received from the members. Also, there is no complaint pending in respect of previous period.

The Board has delegated the power of share transfer to a Committee of Directors and the share transfer formalities are attended 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 2014, 18 Meetings of this Committee were held.

#### 5. NOMINATION AND REMUNERATION COMMITTEE:

The Board at its meeting held on 23<sup>rd</sup> October 2013 constituted a Remuneration Committee comprising of Shri J.R.C. Bhandari (Chairman of the Committee), Shri S.K. Khaitan and Shri S.C. Sethi, all being Non-Executive Independent Directors. The meeting of the Committee was held on the same day to consider, determine and recommend remuneration of Shri S.K. Gupta, Whole-time Director of the Company to the Board and was attended by all the above mentioned members.

The Board of Directors at its meeting held on 27<sup>th</sup> May, 2014 has rechristened the Committee as 'Nomination and Remuneration Committee' and the 'Terms of Reference' of the Committee have also been revised in accordance with the provisions of Section 178 of the

Companies Act, 2013 and the revised Clause 49 of the Listing Agreement with the Stock Exchanges. The composition of the Committee is in conformity with the provisions of the Companies Act, 2013 and also the revised Listing Agreement.

#### 6. 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 2014 to Shri S.K. Gupta, President & Director is ₹ 57.79 Lacs. The remuneration to Shri S.K. Gupta is for the period from 23rd October 2013 to 31st March 2014 i.e., from the date of his appointment as "President & Director".

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

ii) Non-executive Directors: The Company has paid sitting fees aggregating to ₹ 2.23 Lacs to all the 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 2014 are: Shri Bharat Hari Singhania – 11,272 Shares; Dr. Raghupati Singhania – 3,744 Shares; Shri Vikrampati Singhania – 4,119 Shares; Shri S.C. Sethi – 3 Shares; Shri J.R.C. Bhandari - Nil Shares; Shri S.K. Khaitan – Nil Shares and Shri S.K. Jhunjhunwala – Nil Shares.

The Company does not have any outstanding convertible instruments.

#### 7. GENERAL BODY MEETINGS:

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

Financial Year	Location	Date	Time
2010-2011	7, Council House Street, Kolkata – 700 001	03.09.2011	10.00 A.M.
2011-2012	Same as above	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.

No Special Resolution was passed in the previous 3 AGMs. No Special Resolution was required to be put through postal ballot during the year.

**8. (a)** Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. 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.

**8. (b)** 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.

**8. (c)** The Company has strengthened its risk management system and has further laid down procedures to inform Board Members about risk assessment and minimization procedures. These procedures are being periodically reviewed to ensure that executive management controls risk through means of a properly defined framework.

#### 9. 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.

#### 10. 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 6<sup>th</sup> September, 2014 at Shripati Singhania Hall, Rotary Sadan, 94/2, Jawahar Lal Nehru Road (Chowringhee Road), Kolkata – 700 020 at 11.30 A.M.

(b) As required under Clause 49(IV)(G)(i), 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:

- 1st Quarter ending June 30, 2014
- 2nd Quarter ending September 30, 2014
- 3rd Quarter ending December 31, 2014
- Annual and 4<sup>th</sup> Quarter ending March 31, 2015
- Annual General Meeting for the financial year 2014-15



Within 45 days of the end of the quarter

Within 60 days of the end of the 4th quarter

Between July and September 2015

(iv) Dividend Payment Date

Within three weeks of AGM

(v) Date of Book Closure

28<sup>th</sup> August 2014 to 6<sup>th</sup> September 2014 (both days inclusive)

(vi) Listing on Stock Exchanges

The Equity Shares of the Company are listed on BSE Ltd. and The Calcutta Stock Exchange Ltd. (CSE). The annual listing fee for the financial year 2014-15 has been paid to both the aforesaid Stock Exchanges.

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

BSE – 536493

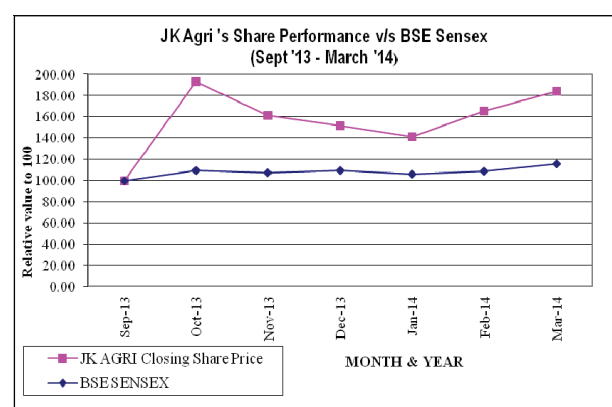
CSE – 10020262

ISIN – INE690001011

(viii) Stock Market Price Data

JK Agri Genetics Ltd's (JK Agri's) Share Performance v/s BSE Sensex (September 2013 – March 2014)

Month	BSE	
	High (₹)	Low (₹)
September-2013*	210.00	200.00
October-2013	501.50	220.50
November-2013	423.90	317.00
December-2013	359.95	285.00
January-2014	345.00	245.00
February-2014	379.90	281.00
March-2014	418.00	311.10



\* Trading in the Equity Shares of the Company commenced w.e.f. 30th September, 2013.

(ix) Distribution of Shareholding (as on 31.3.2014):

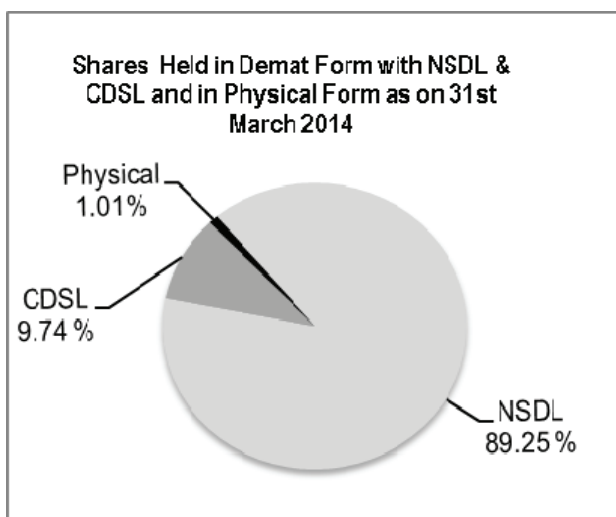
No. of Equity Shares Held	No. of Shares		Shareholders	
	Number	% of Total	Number	% of Total
1-250	137634	3.819	9047	97.332
251-500	33367	0.926	96	1.033
501-1000	41790	1.16	60	0.646
1001-5000	131506	3.649	59	0.635
5001-10000	87587	2.43	13	0.14
10001 & above	3172022	88.016	20	0.215
Total	3603906	100.00	9295	100.00

(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 electronic 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.



As on 31st March 2014, 98.99% of the Equity Shares are held in dematerialized form.

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

(xiii) Plant Locations

The Company has Production Centres to produce high-yielding hybrid seeds at various locations in Andhra Pradesh 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

Andhra Pradesh 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 (Rear Wing), 3<sup>rd</sup> Floor  
6A, Bahadur Shah Zafar Marg,  
New Delhi - 110 002.  
Phone No.: 91-11-30179891  
Fax No. : 91-11-23322059  
Email: jkagls shareholder@jkgmail.com  
Website : www.jkseeds.net

2. Registrar & Share Transfer Agent  
Alankit Assignments Ltd.  
Alankit House  
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:

Consequent to the sanction of the Scheme of Arrangement & Demerger between JK Agri Genetics Ltd. (name changed to Florence Investech Ltd. – Transferor Co.) and Florence Alumina Ltd. (name changed to JK Agri Genetics Ltd.- Transferee Co.), the share capital of the Transferor Co. was re-organised in the ratio of 2:3.

Accordingly, the Unclaimed 5489 Equity Shares lying in the Unclaimed Suspense Account of the transferor Co. which remain unclaimed by 550 Equity Shareholders were also re-organised in the ratio of 2:3.

The Company has opened an “Unclaimed Suspense Account” in its name and 3293 Equity Shares in physical form which remain unclaimed by 529 Shareholders and 21 shareholders holding fractional entitlements, were transferred to the said demat account on 24/10/2013.

During the year, the Company received one request for despatch of Share Certificate for 6 Equity Shares which have since been despatched. Accordingly, as on 31st March 2014, the company has 3287 Equity Shares, which remain unclaimed.

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.

#### **11 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 2014.

(S.K. Gupta)

President & Director

#### **12 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 2014, 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: 27<sup>th</sup> May, 2014

Membership No. 85155

## **Independent Auditors' Report**

### **To the members of JK Agri Genetics Ltd. (formerly Florence Alumina Ltd.)**

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

We have audited the accompanying financial statements of **JK Agri Genetics Ltd. (formerly Florence Alumina Ltd.)**, which comprise the balance sheet as at 31st March 2014, and the statement of the profit and loss and 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**

Management is responsible for the preparation of these financial statements that give a true and the 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 Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and 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 conducted our audit in accordance with the Standards on Auditing issued by Institute of Chartered Accountant of India. Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain the reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected

depend on the auditor's judgment, including assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

#### **Opinion**

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

- a. In the case of the balance sheet, of the state of the affairs of the company as at 31st March 2014,
- b. In case of the statement of the profit and loss, of the profit for the year ended on , that date, and
- c. In case of the cash flow statement, of the cash flows for the year ended on that date.

#### **Report on other legal and the regulatory requirements:**

1. As required by the Companies (Auditor's Report) Order, 2003("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give the Annexure a statement on the, matters specified in the paragraphs 4 and 5 of the order.

2. As required by section 227(3) of the Act, we report that:
- a. We have 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 appears from our examination of those books;
  - c. The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement referred to in this report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet, the Statement of Profit & Loss and the Cash Flow Statement comply with the Accounting Standards notified under Companies Act, 1956 read with General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of Companies Act, 2013; and
  - e. On the basis of the written representations received from the Directors and taken on records by the Board of Directors, we report that none of the directors of the Company is disqualified as on 31st March 2014 from being appointed as a Director of the Company in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For LODHA & CO.,  
Chartered Accountants  
Firm Registration Number: 301051E

N.K. LODHA  
(Partner)  
Membership No: 85155

Place: New Delhi

Date: 27<sup>th</sup> May 2014

**Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date**

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.  
(c) As per the records and information and explanations given to us, fixed assets disposed off during the period were not substantial.
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 neither granted nor taken any loan secured or unsecured to and from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of Clause 4(iii) (b) to (d), (f) & (g) 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. According to the information and explanations provided by the management and based upon audit procedures performed, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section; and the transactions made in pursuance of such contracts or arrangements (exceeding the value of ₹ 5 lacs in respect of each party during the financial year) have been made at prices which are generally reasonable having regard to prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has complied with the directive issued by the Reserve Bank of India and the provisions of Section 58A and 58AA of the Act or any other relevant provisions of the Act and the rules framed there under with regard to deposit accepted from the public. 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.
7. In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company as prescribed by

the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate and complete.

- 9 (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, Investor Education and Protection Fund, Employees' State Insurance, Sales Tax, Wealth Tax, Income Tax, Service Tax, Custom Duty, Excise Duty, 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 31<sup>st</sup> March, 2014.
- (b) According to the records and information & explanations given to us, there are no dues in respect of Wealth Tax, Service Tax, Custom Duty, Excise Duty and 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	69.36	Commissioner (Appeal)
		2008-2009	76.91	Commissioner (Appeal)
		2009-2010	90.58	Commissioner (Appeal)
		2010-2011	276.05	Commissioner (Appeal)
UP Sales Tax Act	Sales Tax	2006-2007	5.85	Dy. Commissioner (Appeal)
		2007-2008	1.05	Dy. Commissioner (Appeal)



10. 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.
11. 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 financial institutions or banks or debenture holders.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The company is not a chit fund or a nidhi/mutual benefit fund/society and therefore, the provisions of clause 4 (xiii) of the said Order are not applicable to the company.
14. According to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments; therefore the provisions of clause 4(xiv) of the said Order are not applicable to the Company.
15. According to the information and explanations given to us, corporate guarantee issued by the company for loan taken by others {Refer Note No.28 (C)} from banks is not prejudicial to the interest of the company.
16. On the basis of information and explanations given to us, term loan were applied for the purpose for which the loans were obtained.
17. On the basis of information and explanations given to us and on overall examination of financial statements of the Company, we are of the opinion that no funds raised on short-term basis have been used for long-term investment.
18. According to the information and explanations given to us, during the year the Company has not made any preferential allotment of shares to any parties or companies covered in the register maintained under Section 301 of the Act.
19. The Company has not issued any debenture during the current year. The Company does not have outstanding debentures at the year end.
20. The Company has not raised any money through a public issue during the current year.
21. 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.

For LODHA & CO.  
Chartered Accountants  
Firm Regn.No.301051E

(N.K.LODHA)

Place: New Delhi

Partner

Date: 27<sup>th</sup> May 2014

Membership No.85155

## BALANCE SHEET (As at 31st MARCH, 2014)

		₹ in Lacs	
Particulars	Note no.	31.03.2014	31.03.2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share capital	2	360.39	360.39
(b) Reserves and surplus	3	4,336.74	3,256.33
		<u>4,697.13</u>	<u>3,616.72</u>
<b>(2) Non-current Liabilities</b>			
(a) Long-term borrowings	4	1,488.69	2,278.69
(b) Other long term liabilities	5	551.28	565.67
(c) Long-term provisions	6	231.22	203.70
		<u>2,271.19</u>	<u>3,048.06</u>
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	7	2,860.53	3,914.50
(b) Trade payables		5,126.09	7,815.28
(c) Other current liabilities	8	7,210.91	6,901.74
(d) Short-term provisions	9	121.18	16.69
		<u>15,318.71</u>	<u>18,648.21</u>
<b>TOTAL</b>		<u>22,287.03</u>	<u>25,312.99</u>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	10	2,356.55	2,464.16
(ii) Intangible assets	10	1,081.43	1,216.89
(b) Deferred tax assets (net)	11	685.40	938.36
(c) Long-term loans and advances	12	549.68	200.24
		<u>4,673.06</u>	<u>4,819.65</u>
<b>(2) Current Assets</b>			
(a) Inventories	13	9,360.20	11,564.72
(b) Trade receivables	14	6,133.18	5,142.94
(c) Cash and cash equivalents	15	1,307.43	245.30
(d) Short-term loans and advances	16	806.61	3,531.00
(e) Other current assets	17	6.55	9.38
		<u>17,613.97</u>	<u>20,493.34</u>
<b>TOTAL</b>		<u>22,287.03</u>	<u>25,312.99</u>

Significant Accounting Policies 1

The accompanying Notes are an integral part of the Financial Statement (25 to 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 27<sup>th</sup> May, 2014

AMIT AGARWAL  
Chief Financial  
Officer

ANOOP SINGH GUSAIN  
Company Secretary

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

Chairman  
Directors

## STATEMENT OF PROFIT AND LOSS (FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014)

			₹ in Lacs	
Particulars	Note No.	2013-14	2012-13	
I. <b>Revenue from operations</b>	18	<b>18,845.10</b>	18,473.56	
II. Other income	19	<b>39.25</b>	27.77	
III. <b>Total Revenue (I + II)</b>		<b>18,884.35</b>	18,501.33	
IV. <b>Expenses:</b>				
(a) Cost of materials consumed	20	<b>5,992.25</b>	10,818.03	
(b) Changes in inventories of finished goods work-in-progress and Stock-in-Trade	21	<b>2,389.83</b>	(1,676.75)	
(c) Employee benefits expense	22	<b>2,705.77</b>	2,647.23	
(d) Finance costs	23	<b>1,013.19</b>	806.46	
(e) Depreciation and amortization expense		<b>278.19</b>	302.56	
(f) Other expenses	24	<b>5,066.34</b>	4,545.96	
<b>Total Expenses</b>		<b>17,445.57</b>	17,443.49	
V. Profit before exceptional and extraordinary Items and tax (III-IV)		<b>1,438.78</b>	1,057.84	
VI. Exceptional items		-	-	
VII. Profit before extraordinary items and tax (V - VI)		<b>1,438.78</b>	1,057.84	
VIII. Extraordinary Items		-	-	
IX. Profit before tax (VII- VIII)		<b>1,438.78</b>	1,057.84	
X. Tax expense:				
(1) Current tax		<b>306.44</b>	154.97	
(2) MAT Credit Entitlement		<b>(306.44)</b>	(154.97)	
(3) Deferred tax		<b>252.96</b>	158.62	
XI. <b>Profit/ (Loss) for the period</b>		<b>1,185.82</b>	899.22	
XII. Earnings per equity share: Basic & Diluted		<b>32.90</b>	24.95	

Significant Accounting Policies

1

The accompanying Notes are an integral part of the Financial Statement. (25 to 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 27<sup>th</sup> May, 2014

AMIT AGARWAL

Chief Financial  
Officer

ANOOP SINGH GUSAIN

Company Secretary

BHARAT HARI SINGHANIA

J.R.C. BHANDARI

SANJAY KUMAR KHAITAN

Dr. RAGHUPATI SINGHANIA

VIKRAMPATI SINGHANIA

SWAROOP CHAND SETHI

SANJEEV KUMAR JHUNJHUNWALA

SANJAY KUMAR GUPTA

Chairman

Directors

## Note no.1

### SIGNIFICANT ACCOUNTING POLICIES: 31<sup>st</sup> March 2014

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

#### 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. The depreciable amount of an intangible asset is allocated on a systematic basis over the useful life of the asset.

#### 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 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.

#### 1.15 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 31.03.2014	(₹ in Lacs) As at 31.03.2013
<b>SHARE CAPITAL</b>		
<b>Authorised:</b>		
Equity Shares - 1,40,00,000 of ₹ 10 each	1,400.00	1,400.00
Previous year 1,40,00,000 of ₹ 10 each	<u>1,400.00</u>	<u>1,400.00</u>
<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	360.39	360.39
	<u>360.39</u>	<u>360.39</u>

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

Name of Shareholder	As at 31.03.2014 No. of Shares held	As at 31.03.2013 No. of Shares held
Bengal & Assam Co. Ltd	7,99,533	7,97,892
Florence Investech Ltd	15,00,000	15,00,000
Edgefield Securities Ltd.	2,17,749	2,17,749

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

	As at 31.03.2014	As at 31.03.2013
Shares outstanding as at the beginning of the year	36,03,906	15,00,000
Add: Shares issued during the year (Refer note no.25)	-	21,03,906
Less: Bought back during the year	-	-
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. (Read with note no.25)
- 2.4. Terms/right attached to equity shares:  
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.
- 2.5. 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 proportionate to the number of equity shares held by the shareholders.
- 2.6. 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**

	(₹ in lacs)	
	As at 31.03.2014	As at 31.03.2013
<b>RESERVES AND SURPLUS</b>		
<b>General Reserve</b>		
Opening Balance	2,775.94	-
Addition during the year (Refer note no.25)	500.00	2,775.94
	<b>3,275.94</b>	<b>2,775.94</b>
<b>Surplus in the Statement of Profit &amp; Loss</b>		
Opening Balance	480.39	50.13
Addition during the year	1,185.82	899.22
Less: Profit/(Loss) from 01.04.2005 to 31.03.2012	-	(941.30)
Transfer from Debenture Redemption reserve	-	472.34
Less: Appropriation		
Transfer to General Reserve	(500.00)	-
Proposed Dividend @ ₹ 2.50 (Previous year Nil) per equity share	(90.10)	-
Corporate Dividend Tax	(15.31)	-
Closing Balance	<b>1060.80</b>	<b>480.39</b>
<b>Total</b>	<b>4,336.74</b>	<b>3,256.33</b>

**Note No.4**

	(₹ in lacs)			
	Non Current		Current Maturities*	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
<b>LONG TERM BORROWINGS</b>				
<b>SECURED LOANS</b>				
Term Loans:				
Banks	876.34	1,629.65	728.31	416.00
Others	96.60	59.61	-	-
	<b>972.94</b>	<b>1,689.26</b>	<b>728.31</b>	<b>416.00</b>
<b>UNSECURED LOANS</b>				
Council of Scientific & Industrial Research (CSIR)	515.75	589.43	73.68	73.68
	<b>515.75</b>	<b>589.43</b>	<b>73.68</b>	<b>73.68</b>
Less: Amount disclosed under the head "Other Current Liabilities" (Note No.8)	<b>1,488.69</b>	<b>2,278.69</b>	<b>801.99</b>	<b>489.68</b>
	<b>1,488.69</b>	<b>2,278.69</b>	<b>801.99</b>	<b>489.68</b>
	<b>1,488.69</b>	<b>2,278.69</b>	<b>-</b>	<b>-</b>

\* Payable during next 12 months

Notes:

1. a) Term loan of ₹ 44.46 lacs (Previous year ₹ 444.46 lacs) taken from bank is secured against first charge of the assets purchased thereunder, hypothecation of entire intangible assets, pari passu second charge on the entire current assets viz stocks and book debts etc., both present and future, of the company and is further secured, by way of first charge on land at Dundigal village (AP) and on entire movable fixed assets of the Company. This is further secured by second Pari Passu charge on the entire fixed assets financed by Department of Biotechnology (DBT). Balance Term loan is repayable in 1 Installment of ₹ 44.46 lacs.
- b) Term Loan of ₹ 60.19 lacs (Previous year ₹ 101.19 lacs) taken from bank is secured against first charge of the assets purchased thereunder, Hypothecation of entire intangible assets, pari passu 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). This is further secured by second Pari Passu charge on the entire fixed assets financed by DBT and balance amount of term loan is repayable in 5 equal Quarterly installments of ₹ 10.25 lacs each and 6th installment of ₹ 8.94 lacs.
- c) Term Loan of ₹ 1500.00 lacs (Previous year ₹ 1500.00 lacs) taken from bank is secured by subservient charge on entire current and movable assets (both Present and future) and repayable in 6 equal Quarterly installments of ₹ 214.29 lacs and one quarterly installments of ₹ 214.26 lacs commencing from July 2014.
2. Term loan of ₹ 96.60 lacs (Previous year ₹ 59.61 lacs) taken from 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, Ranga Reddy District (AP) and excluding land at ICICI Knowledge Park & 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. Unsecured loan of ₹ 589.43 lacs (Previous year ₹ 663.11 lacs) taken from CSIR is repayable in 8 equal yearly installments of ₹ 73.68 lacs each

**Note No.5**

	<b>As at</b>	<b>(₹ in lacs)</b>
	<b>31.03.2014</b>	As at 31.03.2013
<b>OTHER LONG TERM LIABILITIES</b>		
Interest accrued but not Due	<b>38.60</b>	54.37
Others (Includes ₹ 500 lacs payable to Florence Investech Ltd.)	<b>512.68</b>	511.30
	<b>551.28</b>	565.67

**Note No.6**

**LONG-TERM PROVISIONS**

**Provision for employee benefits**

Gratuity	<b>107.36</b>	94.29
Leave encashment	<b>123.86</b>	109.41
	<b>231.22</b>	203.70

**Note No.7**

**SHORT TERM BORROWINGS**

**SECURED LOANS**

Repayable on Demand from Banks #	<b>2,860.53</b>	3,914.50
	<b>2,860.53</b>	3,914.50

# Working Capital borrowings are Secured by hypothecation of current assets viz stocks and book debts etc., both present and future, of the Company and by a second charge on entire fixed assets of the Company including land at Dundigal village (AP) and Ranpur, Kota, (Rajasthan).

**Note No.8**

	As at 31.03.2014	(₹ in lacs) As at 31.03.2013
<b>OTHER CURRENT LIABILITIES</b>		
Current Maturities of Long Term Borrowings	801.99	489.68
Interest Accrued but not due on loan	154.17	48.56
Advance from Customers	4,650.19	5,178.77
Security Deposits	18.97	23.50
Other Liabilities		
Government and Other dues	97.69	61.26
Others	1,487.90	1,099.97
	<b>7,210.91</b>	<b>6,901.74</b>

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

Provision for Retirement Benefits		
Gratuity	5.56	4.52
Leave Encashment	10.21	12.17
Proposed Dividend	90.10	-
Provision for Corporate Dividend Tax	15.31	-
	<b>121.18</b>	<b>16.69</b>

**Note No.10****FIXED ASSETS**

Assets	Gross Value				Depreciation / Amortisation				Net Value	
	As At	Additions	Sales/ Adjustments	As At	As at	For the	On Sales/ Adjustments	As at	As at	As at
	01.04.13			31.03.14	01.04.13	Year		31.03.14	31.03.14	31.03.13
<b>Tangible Assets:</b>										
Land - Freehold	401.61	-	-	401.61	-	-	-	-	401.61	401.61
Land - Leasehold	134.09	-	-	134.09	7.23	2.52	-	9.75	124.34	126.86
Building #	268.05	5.04	-	273.09	87.84	7.88	-	95.72	177.37	180.21
Plant and Equipments #	1,904.64	19.07	52.17\$	1,871.54	456.26	99.57	0.72	555.11	1,316.43	1,448.38
Furniture & Fixtures	38.27	4.19	3.29	39.17	16.71	2.27	1.27	17.71	21.46	21.56
Office Equipments	208.33	4.47	1.51	211.29	57.90	10.39	0.35	67.94	143.35	150.43
Vehicles	210.10	94.56	64.71	239.95	74.99	20.10	27.13	67.96	171.99	135.11
	<b>3,165.09</b>	<b>127.33</b>	<b>121.68</b>	<b>3,170.74</b>	<b>700.93</b>	<b>142.73</b>	<b>29.47</b>	<b>814.19</b>	<b>2,356.55</b>	<b>2,464.16</b>
Previous Year*		3,223.41	58.32	3,165.09		728.96	28.03	700.93	2,464.16	
<b>Intangibles:</b>										
Brand	2,700.00	-	-	2,700.00	1,485.00	135.00	-	1,620.00	1,080.00	1,215.00
Software	53.32	-	-	53.32	51.43	0.46	-	51.89	1.43	1.89
	<b>2,753.32</b>	-	-	<b>2,753.32</b>	1,536.43	<b>135.46</b>	-	<b>1,671.89</b>	<b>1,081.43</b>	<b>1,216.89</b>
Previous Year*	-	2,753.32	-	2,753.32	-	1,536.43	-	1,536.43	1,216.89	

# Includes gross value as at 31.03.2014 of Building ₹ 273.09 lacs (Previous year ₹ 268.05 lacs) and Plant & Equipments ₹ 1290.49 lacs (Previous Year ₹ 1288.80 lacs) {WDV ₹ 177.37 lacs (Previous year ₹ 180.21 lacs) and ₹ 1034.27 lacs (Previous year ₹ 1098.09 lacs respectively)} on leasehold premises.

\$ Includes Capital Subsidy of ₹ 50 lacs under Reform Link Investment Scheme on certain processing plant and machinery at Hyderabad which has been adjusted from the cost of respective Machinery.

\* Note No. 25

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

	As at 31.03.2014	(₹ in lacs) As at 31.03.2013
1. Deferred Tax Assets		
i) Expenses / Provisions allowable	142.93	119.98
ii) Unabsorbed depreciation and carried forward losses	939.59	1,214.50
<b>Sub-Total</b>	<b>1,082.52</b>	<b>1334.48</b>
2. Deferred Tax Liabilities		
i) Related to Fixed Assets	397.12	396.12
Deferred Tax (Liability) / Asset (Net) #	<b>685.40</b>	<b>938.36</b>

# Deferred tax assets on unabsorbed depreciation and business losses have been recognized 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**

	<b>As at</b>	<b>(₹ in lacs)</b>
	<b>31.03.2014</b>	As at 31.03.2013
<b>LONG TERM LOANS &amp; ADVANCES</b>		
(Unsecured, considered good)		
Deposit with Government & Others	<b>43.44</b>	43.90
Capital Advance	<b>1.20</b>	1.37
MAT Credit Entitlement	<b>505.04</b>	154.97
	<b>549.68</b>	200.24

**Note No.13**

<b>INVENTORIES</b>		
(As certified by Management)		
Stores, Processing & Packing Material	<b>635.02</b>	449.71
Semi Finished Goods	<b>4,159.56</b>	6,910.89
Finished Goods	<b>4,565.62</b>	4,204.12
	<b>9,360.20</b>	11,564.72

**Note No.14**

<b>TRADE RECEIVABLES</b>		
(Unsecured, considered good unless otherwise stated)		
Outstanding for period exceeding six months from the date they are due for payment	<b>2,546.96</b>	3,035.77
Considered Doubtful	<b>101.19</b>	96.67
Less: Provision for doubtful Receivable	<b>(101.19)</b>	(96.67)
Others	<b>3,586.22</b>	2,107.17
	<b>6,133.18</b>	5,142.94

**Note No.15**

<b>CASH &amp; CASH EQUIVALENTS</b>		
<b>Cash &amp; Cash Equivalent</b>		
Cash on hand	<b>1.29</b>	2.35
Cheques on hand	<b>15.69</b>	6.97
Balances with Scheduled Banks :		
On Current Accounts	<b>50.93</b>	26.35
On Deposit account maturity within 3 months of acquisition	<b>1,000.00</b>	-
<b>Other Bank Balances</b>		
On Deposit Accounts maturity after 3 months but before 12 months	<b>239.52</b>	209.63
	<b>1,307.43</b>	245.30

**Note No.16****(₹ in lacs)**

As at 31.03.2014	As at 31.03.2013
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**SHORT TERM LOANS & ADVANCES**

(Unsecured, considered good unless otherwise stated)

**Others**

Advance to Suppliers	242.65	2,825.19
Loans/Advance to Staff	35.11	71.57
Prepaid Expenses	40.56	35.84
Deposit with Government Authorities	230.08	216.35
Advance payment of Income Tax	230.75	350.59
{Net of Provisions ₹ 848.15 Lacs (Previous Year ₹ 498.08 Lacs)}		
Others	27.46	31.46
	<u>806.61</u>	<u>3,531.00</u>

**Note No.17****OTHER CURRENT ASSETS**

Interest Accrued	6.55	9.38
	<u>6.55</u>	<u>9.38</u>

**Note No.18**

2013-14	2012-13
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**REVENUE FROM OPERATIONS**

1. Sales : Seeds	18,255.37	17,840.87
Others	453.93	450.13
2. Other Operating Revenues		
Liabilities no longer required written back	31.66	55.68
Insurance Claims	18.80	20.01
Miscellaneous Income	85.34	106.87
	<u>18,845.10</u>	<u>18,473.56</u>

**Note No.19****OTHER INCOME**

Interest on Deposit with Banks & others	39.25	27.77
	<u>39.25</u>	<u>27.77</u>

**Note No.20****COST OF MATERIALS CONSUMED**

Purchase of Seeds	4,951.14	9,881.74
Purchase of Other Agri Products	262.18	260.21
Consumption of Packing Materials & Others	778.93	676.08
	<u>5,992.25</u>	<u>10,818.03</u>

	2013-14	(₹ in lacs) 2012-13
<b>Note No.21</b>		
<b>Changes in Inventories of Finished Goods work-in-progress and Stock-in-Trade</b>		
<b>Opening Stock</b>		
Semi Finished Goods		
Seeds	6,910.89	4,817.39
Finished Goods	4,204.12	4,620.87
	<u>11,115.01</u>	<u>9,438.26</u>
<b>Closing Stock</b>		
Semi Finished Goods		
Seeds	4,159.56	6,910.89
Finished Goods	4,565.62	4,204.12
	<u>8,725.18</u>	<u>11,115.01</u>
(Increase)/Decrease in Stocks	<u>2,389.83</u>	<u>(1,676.75)</u>
<b>Note No.22</b>		
<b>EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, Wages, Allowance, Etc.	2,281.63	2,263.48
Contribution to Provident and other Funds	125.45	143.76
Employees' Welfare and other Benefits	298.69	239.99
	<u>2,705.77</u>	<u>2,647.23</u>
<b>Note No.23</b>		
<b>FINANCE COST</b>		
Interest Expenses	997.41	717.12
Other Borrowing costs	15.78	70.69
Net (Gain)/Loss on Foreign Currency Transaction	-	18.65
	<u>1,013.19</u>	<u>806.46</u>
<b>Note No.24</b>		
<b>OTHER EXPENSES</b>		
Processing Charges	143.20	97.87
Power & Fuel	45.30	32.86
Repair & Maintenance- Machinery	16.66	17.48
Rent	241.39	244.30
Rates & Taxes	3.08	3.89
Insurance	42.98	39.46
Discount	288.48	182.70
Freight & Transportation	581.29	515.64
Advertisement	1,032.63	1,004.27
Royalty	545.81	653.28
Directors' Fees	2.23	0.32
Farming Expenses	315.01	383.31
Travelling	566.98	546.75
Commission	442.49	125.82
Loss on Sales/Discard of Assets (Net of profit of ₹ 2.60 lacs (PY ₹ 1.94 lacs))	9.46	15.35
Provision for Doubtful Debts & Advances	46.92	-
Bad Debts Written off	-	0.79
Foreign Exchange Fluctuation (Net)	0.89	31.23
Printing & Stationery, Postage, Telephone and other Miscellaneous Expenses etc.	741.54	650.64
	<u>5,066.34</u>	<u>4,545.96</u>

## NOTES ON ACCOUNTS:

25. Scheme of Arrangement and Demerger (The Scheme) between the Company {JK Agri Genetics Limited (JKAGL) (formerly Florence Alumina Limited) (FAL) (Transferee)} and Florence Investech Limited (formerly JK Agri Genetics Limited)(Transferor) has been Sanctioned by the Hon'ble High Court at Calcutta vide its order dated 17<sup>th</sup> October, 2012 and the Scheme became effective on 2nd November 2012, operative from 1<sup>st</sup> April 2005, the Appointed Date. Accordingly impact was given in the accounts for the year ended 31.03.2013.
- 26.
- Name of the Company had been changed from Florence Alumina Limited to JK Agri Genetics Limited
  - Pursuant to the Scheme 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.
  - Certain fixed assets, licences, approval, charges on secured loans are pending for transfer in the name of the Company.
27. Estimated amount of contracts net of advances amounting to ₹ 2.74 lacs (Previous year ₹ 3.77 lacs) remaining to be executed on capital account.
- 28.
- (A) Contingent liabilities, not provided for in respect of :
- Claims by certain parties against the company not accepted and not provided for ₹ 164.30 lacs (Net of ₹ 99.00 lacs indemnified by another party) (Previous Year ₹ 157.84 lacs(Net of ₹ 99.00 lacs indemnified by another party)).
  - Pending export obligation against import of capital goods under EPCG Scheme (Guarantee given ₹ 129.24 lacs): ₹ 0.37 lacs (Previous year ₹ 160.68 lacs).
  - Income Tax (matters in appeals) of ₹ 512.89 lacs (Previous year ₹ 371.62 lacs) & Sales tax (Matters in appeals) of ₹ 6.90 lacs (Previous year ₹ 6.90 lacs).
- (B) 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.
- (C) Company acted as a facilitator and has extended a guarantee to Yes Bank Limited ₹ 1752.94 lacs (Previous year - Nil) and by ICICI Bank Ltd ₹ 1,000.38 lacs (Previous year Nil) for loans that these banks have provided to the farmers.
29. MAT Credit Entitlement (Net of Provision for Taxation) amounting to ₹ 43.63 lacs accrued and accounted for. (Refer Note no.25)
30. (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 8 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, 2014 is ₹ 1080 lacs which is to be amortized in over the balance period of 8 years.
- (b) Software is amortized over a period of 5 years from the year of installation.
31. Research and Development Revenue expenses as assessed and ascertained by the management are amounting to ₹ 1089.18 lacs (Previous Year ₹ 1152.98 lacs) and the same have been included in respective revenue heads of accounts.

Particulars	(₹ in lacs)	
	2013-14	2012-13
<b>Recurring Expenses</b>		
Employees Cost	<b>507.36</b>	509.84
Rent	<b>36.50</b>	36.82
Travelling Expenses	<b>51.11</b>	48.18
Electricity Charges	<b>44.70</b>	31.24
Farming Expenses	<b>315.01</b>	383.31
Bank Charges, Printing & Stationery, Postage, & Other Miscellaneous Expenses	<b>97.55</b>	83.90
Depreciation	<b>36.95</b>	59.69
<b>Total Recurring Expenses</b>	<b>1089.18</b>	1152.98
<b>Capital Expenditure</b>		
Building	-	22.54
Equipments	<b>6.97</b>	6.60
<b>Total Capital Expenditure</b>	<b>6.97</b>	29.14
<b>Total R &amp; D Expenses (incl. Capital Expenditure)</b>	<b>1096.15</b>	1182.12

32. Remuneration to Manager/Director:

	2013-14@	2012-13\$
Salary	<b>26.45</b>	18.85
Contribution to PF & other Funds	<b>3.17</b>	1.85
Value of Perquisites (as per Income Tax Rules) and other allowances	<b>28.17</b>	32.58
	<b>57.79</b>	53.28#

Excludes provision for Gratuity and Leave Encashment where the actuarial valuation has been done on overall Company basis.

@ for the period 23rd October, 2013 to 31st March, 2014. Appointment and payment to a Whole Time Director is subjected to the approval in the ensuing General Meeting.

# Transferred from Florence Investech Limited formerly (JKAGL){Excludes ₹ 71.82 lacs Pertaining to period 1st October, 2011 to 31st March, 2012.}

\$ for the period 1st April, 2012 to 1st November, 2012.

33. Amount paid to Auditors:

	2013-14	2012-13
Statutory Auditors		
Audit Fee	<b>1.50</b>	1.49
Taxation	<b>0.50</b>	0.56
Certification & Other Charges	<b>9.94</b>	6.92
Reimbursement of expenses	<b>0.68</b>	-
	<b>12.62</b>	8.97\$

\$ Excludes ₹ 2.90 lacs transferred from Florence Investech Limited (formerly JKAGL) for the period 1st October, 2011 to 31st March, 2012

Cost Auditors:	<b>2013-14</b>	2012-13
Cost Audit Fees	<b>1.24</b>	-

Cost audit fees includes ₹ 0.27 lacs towards Certification and other charges and Rs.0.18 lacs towards reimbursement of expenses.

34. a) Debtors over six months are net of provision made for doubtful Debts of ₹ 101.19 lacs (Previous year ₹ 96.67 Lacs) and are after bad debts of Debtors ₹ 16.14 lacs (Previous year nil). Overdue Receivables exceeding six months includes ₹ 19.38 Crores from Rajasthan state government. 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 ₹ 21.85 lacs and are after bad loans of ₹ 7.58 lacs (Previous year nil)
- c) Some of the balances of debtors, loans & advances and current liabilities are in the process of confirmation/reconciliation.
35. Income tax calculation has been made considering certain expenses/adjustments available as assessed by the management.
36. Foreign Currency exposure not hedged as at Balance sheet date:

Particulars	Currency	31.03.2014		31.03.2013	
		Foreign Currency	₹ in Lacs	Foreign Currency	₹ in Lacs
Payable	USD	<b>64032.00</b>	<b>38.48</b>	29025.22	15.79
	EURO	<b>49780.00</b>	<b>41.11</b>	695.00	0.48
Receivable	USD	<b>11000.00</b>	<b>6.61</b>	14000.00	7.61
Advances Paid*	EURO	<b>375.00</b>	<b>0.23</b>	19944.00	12.66
Advances Received*	USD	<b>601.00</b>	<b>0.26</b>	601.00	0.26

\*Since the Forex Liability is crystallized to the extent advances given & received, these exposure are not required to be hedged.

37. 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 31.03.2014: 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 31.03.2014: Nil (Previous year : Nil).

38. Production and Purchase of Seeds & Others Consumed:

	2013-14		2012-13	
	Amount (₹ in lacs)	% of total Consumption	Amount (₹ in lacs)	% of total Consumption
Indigenous	<b>4,890.48</b>	<b>93.76</b>	9799.87	96.59
Imported	<b>325.53</b>	<b>6.24</b>	346.00	3.41
Total @	<b>5,216.01</b>	<b>100.00</b>	10145.87	100.00

@ An amount of ₹ 2.69 lacs (Previous year ₹ 3.92 lacs) included above is grouped under Farming Expenses.

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

	2013-14		2012-13	
	Amount (₹ in lacs)	% of total Consumption	Amount (₹ in lacs)	% of total Consumption
Indigenous	<b>834.73</b>	<b>99.67</b>	750.41	98.00
Imported	<b>2.78</b>	<b>0.33</b>	16.02	2.00
	<b>837.51</b>	<b>100.00</b>	766.43	100.00

An amount of ₹ 58.58 lacs (Previous year ₹ 90.35 lacs) included above is grouped under Farming Expenses.

40. CIF Value of Imports

	2013-14	(₹ in lacs) 2012-13
Seeds	<b>277.45</b>	291.47
Consumables & Spare Parts (R & D)	<b>3.89</b>	17.55
Total	<b>281.34</b>	309.02

41. Expenditure in Foreign Currency (as remitted) :

	2013-14	2012-13
Technical Services (R&D)	-	5.59
Travelling & Others	<b>27.37</b>	19.40
Total	<b>27.37</b>	24.99

42. Earnings in Foreign Exchange

	2013-14	2012-13
F.O.B value of exports	<b>160.31</b>	173.14
Other	<b>2.86</b>	-
	<b>163.17</b>	173.14

43. 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 Term Compensated Absences – As per Actuarial Valuation on 31st March, 2014.

(i)	2013-14		2012-13	
	Gratuity Non Funded	Leave Encashment Non Funded	Gratuity Non Funded	Leave Encashment Non Funded
<b>I. Expenses recognised in the Statement of Profit &amp; Loss Account for the Period ended 31st March, 2014</b>				
1 Current Service Cost	<b>22.79</b>	<b>28.94</b>	19.93	23.28
2 Past Service Cost	-	-	-	-
3 Interest Cost	<b>8.89</b>	<b>7.79</b>	6.34	5.74
4 Expected returns on plan assets	-	-	-	-
5 Actuarial (Gain)/Losses	<b>(0.87)</b>	<b>(8.02)</b>	1.65	3.36
6 Total expenses	<b>30.81</b>	<b>28.71</b>	27.92	32.38
<b>II. Net Asset / (Liability) recognised in the Balance sheet as at 31st March, 2014</b>				
1. Present Value of Defined Benefit Obligation as at 31st March, 2014	<b>112.92</b>	<b>100.15</b>	98.82	86.59
2. Fair Value of plan assets as at 31st March, 2014	-	-	-	-
3. Funded status Surplus/(Deficit)	-	-	-	-
4. Net Asset / (liability) as at 31st March, 2014	<b>(112.92)</b>	<b>(100.15)</b>	(98.82)	(86.59)

	2013-14		2012-13	
	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, 2014</b>				
1. Present Value of Defined Benefit Obligation at the beginning of the year	98.82	86.59	79.22	71.72
2. Current Service Cost	22.79	28.94	19.93	23.28
3. Past Service Cost	-	-	-	-
4. Interest Cost	8.89	7.79	6.34	5.74
5. Actuarial (Gain)/Losses	(0.87)	(8.02)	1.65	3.36
6. Benefits Payments	(16.71)	(15.15)	(8.32)	(17.51)
7. Present Value of Defined Benefits Obligation at the end of the year	112.92	100.15	98.82	86.59
<b>IV Change in Assets during the period ended 31st March, 2014</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	9.00%		8.00%	
2. Expected rate of return on plan assets	-		-	
3. Mortality	LIC (1994-96) duly modified Age upto 30-3%, upto 44 – 2%, above 44 –1%		LIC (1994-96) duly modified Age upto 30-3%, upto 44 – 2%, above 44 –1%	
4. Turnover rate	6.50%		5.50%	
5. Salary Escalation				

Note: a) Defined Benefit Plans

Amounts recognized as expense and included in the Note 22:

Item "Salaries, Wages, Bonus & Retirement Benefits" includes ₹ 30.81 lacs (Previous year ₹ 27.92 lacs) for gratuity, ₹ 28.71 lacs (Previous year, ₹ 32.38 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 ₹ 125.45 lacs (Previous year ₹ 127.87 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

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

44. There is only one business segment – Agri & Allied products.

45. Related Party :

A) Relationships

Key Management Personnel :

Shri Sanjay Kumar Gupta, President & Director#

(Appointed on 23rd October, 2013)

# Remuneration: Refer Note no.32 (remuneration to Manager/Director)



46. Earnings per Share	<b>2013-14</b>	2012-13
a) Profit/(Loss) after Tax (₹ in lacs)	<b>1185.82</b>	899.22
b) Weighted average no. of Equity Shares (Nos.)	<b>3603906</b>	3603906
c) Nominal Value of Equity Share (₹)	<b>10</b>	10
d) Basic and Diluted Earnings per Equity Share (₹)	<b>32.90</b>	24.95

47. 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.

48. 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>As at</b>
	<b>31.3.2014</b>	<b>31.3.2013</b>
<b>Lease Payments</b>		
Lease Payments during the year	<b>145.66</b>	150.46
Not later than one year	<b>143.90</b>	146.48
Later than one year and not later than five years	<b>744.30</b>	639.56

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

For LODHA & CO.

*Chartered Accountants*

Firm Registration No. 301051E

BHARAT HARI SINGHANIA *Chairman*

J.R.C. BHANDARI *Directors*

SANJAY KUMAR KHAITAN

N.K.LODHA

Dr. RAGHUPATI SINGHANIA

Partner

VIKRAMPATI SINGHANIA

Membership No. 85155

AMIT AGARWAL

ANOOP SINGH GUSAIN

SWAROOP CHAND SETHI

New Delhi, the 27<sup>th</sup> May, 2014

*Chief Financial Officer*

*Company Secretary*

SANJEEV KUMAR JHUNJHUNWALA

SANJAY KUMAR GUPTA

## Cash Flow Statement

For the period ended 31st March, 2014

	2013-14	(₹ in Lacs) 2012-13
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax and extraordinary items	1,438.78	1,057.84
Adjustment for :		
Depreciation / Amortisation	278.19	302.56
Interest Expenses	1,013.19	787.81
(Profit)/Loss on sale of Assets	9.46	15.35
Foreign Exchange Fluctuation	(2.33)	0.22
Interest/Dividend Received	(39.25)	(27.77)
Provision for Doubtful Debts/Advances	46.92	-
Liabilities no longer required written back	(31.66)	(55.68)
<b>Operating Profit before working capital changes</b>	<b>2,713.30</b>	<b>2,080.33</b>
(Increase)/ Decrease in Trade and Other Receivables	1,570.46	(1,921.76)
(Increase)/ Decrease in Inventories	2,204.52	(1,676.02)
Increase/ (Decrease) in Trade Payables	(2,738.61)	928.27
<b>Cash generated from Operations</b>	<b>3,749.67</b>	<b>(589.18)</b>
Direct taxes Net	(230.22)	(348.37)
<b>Net Cash from Operating Activities</b>	<b>3,519.45</b>	<b>(937.55)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(127.16)	(105.11)
Sale of Fixed Assets	82.75	14.94
Interest Received	42.09	23.79
<b>Net Cash from / (used in) Investing activities</b>	<b>(2.32)</b>	<b>(66.38)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term borrowings	36.99	2,015.69
Repayment of Long Term borrowings	(514.68)	(2,012.45)
Proceeds/(Repayments) from Short Term borrowings (Net)	(1,053.96)	1,738.57
Interest Paid	(923.35)	(769.02)
<b>Net cash from / (Used in) financing activities</b>	<b>(2,455.00)</b>	<b>972.79</b>
<b>Net Increase / (Decrease) in Cash and Cash equivalents</b>	<b>1,062.13</b>	<b>(31.14)</b>
<b>Cash and Cash equivalents as at the beginning of the year</b>	<b>245.30</b>	<b>199.04</b>
<b>Cash received on account of Scheme of Arrangement &amp; Demerger</b>	<b>-</b>	<b>77.40</b>
<b>Cash and Cash equivalents as at the end of the year</b>	<b>1,307.43</b>	<b>245.30</b>
<b>Notes:</b>		
1. Cash and Cash Equivalents Include:		
- Cash, Cheques in hand and Remittances in transit	16.98	9.32
- Balances with Scheduled Banks	1,290.45	235.98
Cash and Cash Equivalents	1,307.43	245.30

As per our report of even date

for LODHA & CO.

Chartered Accountants

Firm Regn No.301051E

N.K. LODHA

Partner

Membership No. 85155

New Delhi, the 27<sup>th</sup> May, 2014

AMIT AGARWAL

Chief Financial  
Officer

ANOOP SINGH GUSAIN

Company Secretary

BHARAT HARI SINGHANIA

J.R.C. BHANDARI

SANJAY KUMAR KHAITAN

Dr. RAGHUPATI SINGHANIA

VIKRAMPATI SINGHANIA

SWAROOP CHAND SETHI

SANJEEV KUMAR JHUNJHUNWALA

SANJAY KUMAR GUPTA

Chairman

Directors



## NOTICE

NOTICE is hereby given that the 14<sup>th</sup> Annual General Meeting of the Members of **JK Agri Genetics Limited** will be held at **Shripati Singhania Hall, Rotary Sadan, 94/2, Jawahar Lal Nehru Road (Chowringhee Road), Kolkata -700 020 on Saturday, 6<sup>th</sup> September 2014 at 11.30 A.M.** to transact the following business:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31<sup>st</sup> March 2014 and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend.
3. To appoint Auditors and to fix their remuneration and in connection therewith to pass, with or without modification(s), the following as Ordinary Resolution:

RESOLVED that pursuant to the provisions of Section 139 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules 2014, M/s Lodha & Co., Chartered Accountants, New Delhi (Registration Number - 301051E), the retiring Auditors be and are hereby appointed as Auditors of the Company for a term of three consecutive years to hold office from the conclusion of the 14<sup>th</sup> Annual General Meeting (AGM) until the conclusion of the 17<sup>th</sup> AGM, subject to ratification of the appointment by the members at the AGM to be held in the years 2015 and 2016, on a remuneration of ₹ 1,50,000/- (Rupees One Lac and Fifty Thousand only) up to the conclusion of the next AGM in addition to reimbursement of travelling and other out-of-pocket expenses actually incurred by them in connection with the audit and the remuneration for the remaining tenure be fixed by the members at the respective AGMs to be held in the year 2015 and 2016.”

4. To consider and if thought fit to pass, with or without modification(s), the following as Ordinary Resolution:  
“RESOLVED that Shri Bharat Hari Singhania be and is hereby appointed as a Director of the Company.”
5. To consider and if thought fit to pass, with or without modification(s), the following as Ordinary Resolution:  
“RESOLVED that Dr. Raghupati Singhania be and is hereby appointed as a Director of the Company.”
6. To consider and if thought fit to pass, with or without modification(s), the following as Ordinary Resolution:  
“RESOLVED that Shri S.K. Gupta whose appointment on the Board as Additional Director determines on the date of the present Annual General Meeting, be and is hereby appointed as a Director of the Company liable to retire by rotation.”
7. To consider and if thought fit to pass, with or without modification(s), the following as Special Resolution:  
“RESOLVED that pursuant to the provisions of Sections 269, 309, 198, Schedule XIII and other applicable provisions, if any, of the Companies Act 1956 or any statutory modification(s) or re-enactment(s) thereof, the appointment of Shri S.K. Gupta as Whole-time Director with the designation ‘President & Director’ of the Company for a period of three years with effect from 23<sup>rd</sup> October 2013, be and is hereby approved on the terms of remuneration as are set out in the explanatory statement annexed hereto which shall be deemed to form part hereof and in the event of inadequacy or absence of profits under Sections 349 and 350 of the said Act in any financial year or years, the remuneration comprising salary, perquisites, allowances and benefits as approved herein be paid as minimum remuneration to the said Whole-time Director for a period not exceeding three years in the aggregate, subject to requisite approvals under the said Act.

RESOLVED further that the Chairman of the Company be and is hereby authorised to vary and/or revise the remuneration of the said Whole-time Director within the overall limits approved herein and to settle any question or difficulties in connection therewith or incidental thereto.”

8. To consider and if thought fit to pass, with or without modification(s), the following as Special Resolution:  
“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule IV to the Companies Act 2013, Shri J.R.C. Bhandari, Director of the Company, whose period of office is liable to determination by retirement of directors by rotation, be and is hereby appointed with immediate effect, as an Independent Director of the Company for a term of five consecutive years.”
9. To consider and if thought fit to pass, with or without modification(s), the following as Special Resolution:  
“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the

Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule IV to the Companies Act 2013, Shri S.C. Sethi, Director of the Company, whose period of office is liable to determination by retirement of directors by rotation, be and is hereby appointed with immediate effect, as an Independent Director of the Company for a term of five consecutive years."

10. To consider and if thought fit to pass, with or without modification(s), the following as Special Resolution:

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule IV to the Companies Act 2013, Shri S.K. Khaitan, Director of the Company, whose period of office is liable to determination by retirement of directors by rotation, be and is hereby appointed with immediate effect, as an Independent Director of the Company for a term of five consecutive years."

11. To consider and if thought fit to pass, with or without modification(s), the following as Special Resolution:

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule IV to the Companies Act 2013, Shri S.K. Jhunjhunwala, Director of the Company, whose period of office is liable to determination by retirement of directors by rotation, be and is hereby appointed with immediate effect, as an Independent Director of the Company for a term of five consecutive years."

12. To consider and if thought fit to pass, with or without modification(s), the following as Special Resolution:

"RESOLVED that in supersession of the Ordinary Resolution passed by the Company under Section 293(1)(d) of the Companies Act, 1956 at the Extra-ordinary General Meeting held on 6th October 2012, consent of the Company be and is hereby accorded pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 or any statutory modification(s) or re-enactment(s) thereof, to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any Committee constituted by the Board to exercise the powers conferred herein) for borrowing moneys (apart from temporary loans from time to time obtained from the Company's bankers in the ordinary course of business) where the money to be borrowed, together with the money already borrowed by the Company from any one or more banks/ financial institutions/ other lending institutions/ bodies, whether in India or abroad, in excess of the aggregate of paid-up share capital and free reserves, as the Board may, from time to time, deem necessary for the purpose of the Company, provided that the sum or sums so borrowed and remaining outstanding at any one time on account of principal shall not exceed in the aggregate ₹ 250 Crores (Rupees Two Hundred and Fifty Crores only)."

13. To consider and if thought fit to pass, with or without modification(s), the following as Special Resolution:

"RESOLVED that in supersession of the Ordinary Resolution passed by the Company under Section 293(1)(a) of the Companies Act, 1956 at the Extra-ordinary General Meeting held on 6th October 2012, consent of the Company be and is hereby accorded in terms of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 or any statutory modification(s) or re-enactment(s) thereof, to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any Committee constituted by the Board to exercise the powers conferred herein) to mortgage and/or charge (by way of first, second or other subservient charge as may be agreed to between the Company and the lenders and/or trustees for debentures/bonds), all the immovable and movable properties, present and future, pertaining to any one or more of the Company's undertakings and any other existing or future units of the Company, wheresoever's situate, and the whole or substantially the whole of any one or more of the said undertakings of the Company, to or in favour of any financial institutions, banks and other lending institutions or funds, trustees for debentures/bonds to secure their respective Rupee and foreign currency loans or other financial assistance lent, granted and advanced or agreed to be lent, granted and advanced to the Company or the debentures/ bonds or other financial instruments issued and allotted or as may be issued by the Company and subscribed to or agreed to be subscribed to by such institutions/banks/ funds, or any other persons, of such amount or amounts outstanding at any time not exceeding ₹ 250 Crores (Rupees Two Hundred and Fifty Crores only) in the aggregate on account of principal, together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the trustees, costs, charges and other monies payable by the Company to the respective financial institutions, banks and other lending institutions and holders of debenture/ bonds and/or trustees under the Loan/ Subscription Agreement(s) entered into/ to be entered into by the Company in respect of the said term loans, debentures/ bonds or other financial instruments or assistance.

RESOLVED further that the Board of Directors of the Company including a Committee thereof be and are hereby authorized to finalise with the financial institutions, banks and other lending institutions or trustees for debentures/ bonds, the documents for creating mortgage(s) and/ or charge(s) as aforesaid and to do all such acts, deeds, matters and things as may be necessary for giving effect to the above resolution."

14. To consider and if thought fit to pass, with or without modification(s), the following as Ordinary Resolution:

“RESOLVED that in supersession of the Ordinary Resolution passed by the Company under Section 293(1)(e) of the Companies Act, 1956 at the Extra-ordinary General Meeting held on 6th October 2012, consent of the Company be and is hereby accorded in terms of Section 181 and other applicable provisions, if any, of the Companies Act, 2013 or any statutory modification(s) or re-enactment(s) thereof, to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include any Committee constituted by the Board to exercise the powers conferred herein) to contribute in any financial year to bonafide charitable and other funds sum or sums aggregating ₹ 200 lacs (Rupees Two Hundred Lacs only) or five per cent of the average net profits of the Company for the three immediately preceding financial years, whichever is higher, in any financial year.”

Regd. Office:

7, Council House Street, Kolkata-700 001

CIN: L01400WB2000PLC091286

Website: www.jkseeds.net

Email: jkaglshareholder@jksmail.com

Phone: +9133-22488343, Fax: +9133-22481641

Date: 25<sup>th</sup> July, 2014

By Order of the Board

Anoop Singh Gusain  
Company Secretary

#### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.

A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. Statement pursuant to Section 102(1) of the Companies Act, 2013 is annexed.

3. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days during business hours up to the date of the Meeting.

4. The Register of Members and Share Transfer Books of the Company will remain closed from 28<sup>th</sup> August, 2014 to 6<sup>th</sup> September, 2014 (both days inclusive).

5. The Dividend of ₹ 2.50/- per Equity Share of ₹10 each (25%) as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid to the Members whose names are borne on the Company's Register of Members on 6<sup>th</sup> September 2014 or to their mandatees. In respect of shares held in dematerialized form, the dividend will be paid on the basis of details of beneficial ownership to be received from the Depositories for this purpose.

6. In furtherance of the Go Green Initiative of the Government, electronic copy of the Annual Report for 2013-14 is being sent to all the members whose email IDs are registered with the Company/Depository Participants. Physical copy of the Annual Report for 2013-14 may be sent on request by any Member.

7. Electronic copy of the Notice of the 14<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Admission Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants.

8. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

9. Voting through electronic means

i. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement with the Stock Exchanges, the Company is pleased to provide members, facility to exercise their right to vote at the 14<sup>th</sup> Annual General Meeting by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL). E-voting is optional.

The instructions for members for voting electronically are as under:-

(i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the period from 31<sup>st</sup> August, 2014 (10.00 A.M.) to 2<sup>nd</sup> September, 2014 (5.30 P.M.) and Click on “Shareholders” tab.

- (ii) Select “JK Agri Genetics Ltd.” from the drop down menu and click on “SUBMIT”
- (iii) Shareholders maintaining their holding in Demat form should enter their User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DPID followed by 8 Digits Client ID). Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Enter the characters displayed on the image verification and Click on Login.
- (v) Members holding shares in demat form and had logged on to www.evotingindia.com and voted earlier for any company, then your existing password is to be used.
- (vi) For first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department</p> <ul style="list-style-type: none"> <li>• Physical Shareholders who have not updated their PAN with the Company are requested to use the first two letters of their name in Capital Letter followed by 8 digits folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0’s after the folio number. For Example: if your name is Ramesh Kumar with folio number 1234 then enter RA12340000 in the PAN field</li> <li>• Demat Shareholders who have not updated their PAN with their Depository Participant are requested to use the first two letters of their name in Capital Letter followed by 8 digit CDSL/ NSDL client id. For example: in case of name is Rahul Mishra and Demat A/c No. is 12058700 00001234 then default value of PAN is ‘RA00001234.</li> </ul>
Date of Birth or Dividend Bank details or Number of Shares	<ul style="list-style-type: none"> <li>• Enter the Date of Birth or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on 25<sup>th</sup> July, 2014 in the Dividend Bank details field.</li> </ul>

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided such company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on “JK Agri Genetics Ltd.” On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take printout of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xv) If Demat account holder has forgotten the password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
  - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (xvi) The voting period begins on 31<sup>st</sup> August, 2014 (10.00 A.M.) and ends on 2<sup>nd</sup> September, 2014 (5.30 P.M.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form as on the cut off date 25<sup>th</sup> July, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (xvii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (xviii) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut off date of 25<sup>th</sup> July, 2014.
- (xix) The Company has appointed Shri P.K. Sarawagi of P. Sarawagi & Associates, Practicing Company Secretary as Scrutinizer and Shri Pranav Kumar, Partner, M/s Pranav Kumar & Associates, Company Secretaries, as Alternate Scrutinizer for conducting the e-voting process in a fair and transparent manner.
- (xx) The Scrutinizer shall within a period not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witness not in the employment of the Company and make a Scrutinizer Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (xxi) The Results shall be declared after the AGM of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.jkseeds.net](http://www.jkseeds.net) and on the website of CDSL within two days of passing of the resolutions at the AGM of the Company.

#### **APPOINTMENT OF DIRECTORS:**

Brief resumes of the Directors proposed to be appointed (Item Nos. 4, 5, 6, 7, 8, 9, 10 and 11 of the Notice) are given hereunder:

- Shri Bharat Hari Singhania, aged 76 years, is an Industrialist with over 56 years of experience in managing various industries including cement, automotive tyres, paper, jute, synthetics, high yielding hybrid seeds, etc. He is a graduate in Commerce. His Director Identification No. is 00041156. He joined the Board of Directors of the Company on 30<sup>th</sup> March, 2013 as a Director in Casual Vacancy. He is the Chairman & Managing Director of JK Lakshmi Cement Ltd., Managing Director of JK Tyre & Industries Ltd., Chairman of JK Paper Ltd. and Bengal & Assam Company Ltd., and Director of Rockwood Properties Pvt. Ltd., Tanvi Commercial Pvt. Ltd., Hari Shankar Singhania Holdings Pvt. Ltd., HSS Stock Holdings Pvt. Ltd. and Member of Managing Committee of Pushpawati Singhania Research Institute for Liver, Renal and Digestive Diseases. (Directorships held are as per Section 165 of the Companies Act, 2013). Shri Bharat Hari Singhania is a member of the Shareholders/Investors' Grievance Committee of JK Lakshmi Cement Ltd. (Chairmanship/Membership of Shri Singhania in Committees of Directors in other Companies are in terms of Clause 49 of the Listing Agreement). He holds 11,272 Shares of the company.
- Dr. Raghupati Singhania, aged 67 years, is an Industrialist with over 46 years of experience in managing various industries including automotive tyres and tubes, power transmission systems, v-belts, conveyor belt, automotive belts, oil seals, industrial electronics, material handling systems, bulk drugs and hybrid seeds. He is a graduate in Science and has been conferred Doctorate of Science by Mohanlal Sukhadia University, Udaipur for his outstanding contribution in education, training and research in the field of elastomer, polymers and tyres. His Director Identification No. is 00036129. He joined the Board of Directors of the Company on 30<sup>th</sup> March, 2013 as a Director in Casual Vacancy. He is Chairman & Managing Director of JK Tyre & Industries Ltd., Chairman of J.K. Fenner (India) Ltd., and JKT&I Employees Welfare Association Ltd., and also a Director of JK Lakshmi Cement Ltd., Bengal & Assam Company Ltd., DCM Engineering Ltd., Radico Khaitan Ltd., Radical Agro Products Pvt. Ltd., RPS Securities Pvt. Ltd., Tanvi Commercial Pvt. Ltd., Hari Shankar Singhania Holdings Pvt. Ltd., and President, Managing Committee of Hari Shankar Singhania Elastomer and Tyre Research Institute, Member, Managing Committee of Pushpawati Singhania Research Institute for Liver, Renal & Digestive Diseases and Vice Chairman, Managing Committee of Automotive Tyre Manufacture's Association. (Directorships held are as per Section 165 of the Companies Act, 2013). Dr. Raghupati Singhania is the Chairman of the Shareholders/Investors' Grievance Committee of JK Lakshmi Cement Ltd. and a Member of the Audit Committee of JK Lakshmi Cement Ltd. and Radico Khaitan Ltd. (Chairmanship/Membership of Dr. Singhania in Committees of Directors in other Companies are in terms of Clause 49 of the Listing Agreement). He holds 3,744 Shares of the company.
- Shri S.K. Gupta, aged 45 years, is a Science Graduate from National Dairy Research Institute (NDRI), Karnal and also holds PG Diploma in Management from IIM, Ahmedabad. His Director Identification No. is 01797850. He has over 20 years of rich experience in agri products and related industry in various capacities. He is a Director of JK Plant Bio Sciences Research Ltd. Shri S.K. Gupta joined as Chief Operating Officer (COO) on 16th May 2008



and was elevated to the position of President on 5th March 2011. Shri Gupta is not related to any Director of the Company. He holds Nil shares in the Company.

- Shri J.R.C. Bhandari, aged 80 years, holds Master's Degree in Commerce. His Director Identification Number is 00292314. He is a retired Senior Company Executive having rich and varied experience in the field of Accounts & Finance. He joined the Board of Directors of the Company on 12th February 2013. He is also a Director on the Board of Ultima Finvest Ltd. and Bengal & Assam Company Ltd. (Directorships held are as per Section 165 of the Companies Act, 2013). Shri Bhandari is the Chairman of Audit Committee of Bengal & Assam Company Ltd. and Ultima Finvest Ltd. Shri Bhandari is also a member of Shareholders/Investors Grievance Committee of Bengal & Assam Company Ltd. (Chairmanship/Membership of Shri Bhandari in Committees of Directors in other Companies are in terms of Clause 49 of the Listing Agreement). Shri Bhandari is not related to any Director of the Company. He holds Nil Shares in the Company.
  - Shri S.C. Sethi, aged 77 years, is M.Com, LL.B. He also holds a post graduate diploma in Business Administration and a diploma in Company Secretaryship from the then Department of Company Affairs, Central Government. His Director Identification Number is 00328990. He has rich experience of over 54 years in various JK Group Companies and other organizations. He joined the Board of Directors of the Company on 12<sup>th</sup> February 2013. He is also Whole-time Director of JK Tyre & Industries Ltd. (JK Tyre) and a Director of Bhopal Udyog Ltd., JKT&I Employees Welfare Association Ltd., Nav Bharat Vanijya Ltd. and JK Plant Bio Sciences Research Ltd. He is also Member of the Managing Committee of Hari Shankar Singhania Elastomer and Tyre Research Institute. (Directorships held as per Section 165 of the Companies Act, 2013). Shri Sethi is a member of Audit Committee and Shareholders/Investors Grievance Committee of JK Tyre, Chairman of Audit Committee and Member of Shareholders/Investor Grievance Committee of Nav Bharat Vanijya Ltd., Chairman of Audit Committee and Member of Shareholders/Investors Grievance Committee of Bhopal Udyog Ltd. (Chairmanship/Membership of Shri Sethi in Committees of Directors in other companies are in terms of Clause 49 of the Listing Agreement). Shri Sethi is not related to any Director of the Company. He holds 3 shares in the Company.
  - Shri S.K. Khaitan, aged 48 years, holds Bachelor's Degree in Commerce and is a Law Graduate and an advocate with rich experience in commercial, legal and Board Matters. His Director Identification Number is 00156816. He joined the Board of Directors of the Company on 30<sup>th</sup> March 2013. Shri Khaitan is a Director of Debikay Investment Pvt. Ltd., Sanman Gems Pvt. Ltd., SRK Home & Style Pvt. Ltd., Sadhana Estates & Agriculture Pvt. Ltd. and UT Pumps & Systems Pvt. Ltd. (Directorships held as per Section 165 of the Companies Act, 2013). In terms of Clause 49 of the Listing Agreement, Chairmanship/Membership of Shri Khaitan in Committees of Directors in other Company is NIL. Shri Khaitan is not related to any Director of the Company. He holds Nil Shares in the Company.
  - Shri S.K. Jhunjhunwala, aged 49 years, holds Masters Degree in Commerce and is an Industrialist. His Director Identification Number is 00177747. He joined the Board of Directors of the Company on 12<sup>th</sup> February 2013. He is Managing Director of Morning Glory Infra Ltd. and also Director of Motilal Padampat Udyog Pvt. Ltd., Rave@Moti Entertainment Pvt. Ltd. and Kapilesh Tradelink Pvt. Ltd. (Directorships held in other companies are as per Section 165 of the Companies Act, 2013). In terms of Clause 49 of the Listing Agreement, Chairmanship/Membership of Shri Jhunjhunwala in Committees of Directors in other Company is NIL. Shri Jhunjhunwala is not related to any Director of the Company. He holds Nil Shares in the Company.
10. Relationships between directors inter-se: Shri Bharat Hari Singhania and Dr. Raghupati Singhania are brothers and Shri Vikrampati Singhania is son of Shri Bharat Hari Singhania.

## **STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013**

### **Item No. 4**

Shri Bharat Hari Singhania was appointed a Director of the Company w.e.f., 30<sup>th</sup> March, 2013 in terms of Section 262 of the Companies Act, 1956 read with Article 142 of the Articles of Association of the Company in the casual vacancy caused by resignation of Shri A.K. Kinra. Shri Bharat Hari Singhania holds office upto the date of this Annual General Meeting (AGM). The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 from a member together with requisite deposit proposing the name of Shri Bharat Hari Singhania for appointment as a Director of the Company at the ensuing AGM of the Company. Requisite confirmation in the prescribed form received from the said Director that he stands free from any disqualification pursuant to the Section 164 read with the Companies (Appointment and Qualification of Directors) Rules, 2014. Brief resume of Shri Bharat Hari Singhania is given in the notes appended to the Notice of this meeting.

Except Shri Bharat Hari Singhania, being the appointee, Dr. Raghupati Singhania and Shri Vikrampati Singhania, Directors of the Company, being relatives of Shri Bharat Hari Singhania, none of the Directors, Key Managerial Personnel of the Company,

and/or their relatives may be deemed to be concerned or interested, financially or otherwise, in the aforesaid resolution.

The Board recommends the Ordinary Resolution for approval by the Shareholders.

#### Item No. 5

Dr. Raghupati Singhania was appointed a Director of the Company w.e.f., 30th March, 2013 in terms of Section 262 of the Companies Act, 1956 read with Article 142 of the Articles of Association of the Company in the casual vacancy caused by resignation of Shri P.K. Rustagi. Dr. Raghupati Singhania holds office upto the date of this Annual General Meeting (AGM). The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 from a member together with requisite deposit proposing the name of Dr. Raghupati Singhania for appointment as a Director of the Company at the ensuing AGM of the Company. Requisite confirmation in the prescribed form received from the said Director that he stands free from any disqualification pursuant to the Section 164 read with the Companies (Appointment and Qualification of Directors) Rules, 2014. Brief resume of Dr. Raghupati Singhania is given in the notes appended to the Notice of this meeting.

Except Dr. Raghupati Singhania, being the appointee and Shri Bharat Hari Singhania, Director of the Company, being relative of Dr. Raghupati Singhania, none of the Directors, Key Managerial Personnel of the Company, and/or their relatives may be deemed to be concerned or interested, financially or otherwise, in the aforesaid resolution.

The Board recommends the Ordinary Resolution for approval by the Shareholders.

#### Item No. 6

Shri S.K. Gupta was appointed as an Additional Director of the Company w.e.f. 23rd October, 2013. In terms of Section 161 of the Companies Act, 2013, Shri S.K. Gupta shall hold office of Director upto the date of this Annual General Meeting (AGM) of the Company. The Company has received a notice pursuant to Section 160 of the said Act from a member together with requisite deposit proposing the name of Shri S.K. Gupta for appointment as a Director of the Company at the ensuing AGM of the Company. Requisite confirmation in the prescribed form received from the said Director that he stands free from any disqualification pursuant to the Section 164 read with the Companies (Appointment and Qualification of Directors) Rules, 2014. Brief resume of Shri S.K. Gupta is given in the notes appended to the Notice of this meeting.

Except Shri S.K. Gupta, being the appointee, none of the Directors, Key Managerial Personnel of the Company, and/or their relatives may be deemed to be concerned or interested, financially or otherwise, in the aforesaid resolution.

The Board recommends the Ordinary Resolution for approval by the Shareholders.

#### Item No. 7

The Board of Directors has appointed Shri S.K. Gupta as Whole-time Director with the designation 'President & Director' of the Company for a term of three years commencing 23rd October 2013 on the terms and remuneration setout hereunder subject to the approval of shareholders and such other necessary approvals, as may be required.

In terms of Schedule XIII to the Companies Act 1956, the relevant details are as under:-

#### I. GENERAL INFORMATION:

(1) Nature of Industry: Agri-Genetics which produces high yielding Hybrid Seeds.

(2) Date or expected date of commencement of commercial production:

The commercial production commenced in March 1990. It may however be noted that the Seed Undertaking got transferred to and vested in this Company pursuant to the Scheme of Arrangement and Demerger, sanctioned by the Hon'ble High Court, Calcutta. The Scheme is operative w.e.f 1st April 2005.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable.

(4) Financial Performance based on given indicators:

Particulars for the financial year ended 31st March 2014	₹ in Crores
- Sales and other Income	188.84
- Operating Profit (Before Interest, Depreciation and Tax)	27.30
- Profit before Tax	14.39

(5) Export performance and net foreign exchange earnings:

There is foreign exchange earnings aggregating to ₹ 163.17 lacs from exports, etc. for the financial year ended 31st March, 2014. The Company has so far been concentrating on Indian market to establish domestic leadership position in this sector.

(6) Foreign investments or collaborators, if any: Not Applicable.

## II. INFORMATION ABOUT THE APPOINTEE:

(1) Background details:

Shri S.K. Gupta, aged 44 years, is a Science Graduate from National Dairy Research Institute (NDRI), Karnal and also holds PG Diploma in Management from IIM, Ahmedabad. He has over 20 years of rich experience in agri products and related industry in various capacities.

Shri S.K. Gupta joined as Chief Operating Officer (COO) on 16th May 2008 and was elevated to the position of President on 5th March 2011.

(2) Past Remuneration:

As President of the Company, Shri S.K. Gupta was drawing the following remuneration:- Salary: ₹ 3 Lacs per month and Perquisites valuing ₹6.12 Lacs per month. In addition, Shri Gupta was also entitled to the retirement benefits such as contribution to Provident Fund, Superannuation Fund or Annuity Fund as per rules of the Company and Gratuity at the rate of 15 days salary for each completed year of service and Encashment of unavailed leave as per rules of the Company.

(3) Recognition or Awards:

Shri S.K. Gupta has been a National Talent Search Examination Scholar. Shri S.K. Gupta has also been among the top 10 students in his batch at IIM (Ahmedabad). Shri S.K. Gupta also got Silver Medal and Merit Scholarship at NDRI, Karnal.

(4) Job Profile and his suitability:

The job requires high level of policy planning, vision and strategy, techno-commercial skills, analytical ability, communication and leadership skills. It also calls for in-depth understanding of agri-business sector. As Shri S.K. Gupta possesses all these competencies in abundant measure, he is ideally suited for the job.

(5) Remuneration proposed:

The Remuneration Committee and the Board of Directors of the Company at their respective meetings held on 23rd October 2013 approved the terms of remuneration for the three years tenure of Shri S.K. Gupta commencing 23rd October 2013 as under:-

(A) Salary: ₹ 5,00,000/- per month in the salary range of ₹ 5,00,000/- to ₹8,00,000/- per month with such increments as may be decided by the Chairman of the Company from time to time.

(B) Perquisites, allowances and benefits: Perquisites comprising provision of residential accommodation or house rent allowance in lieu thereof together with furnishings, re-imbursment of medical expenses incurred including hospitalization and surgical charges for self and family and travel relating thereto and leave travel including foreign travel for self and family, club fees, premium on personal accident insurance, car(s) with driver, telephone etc., and such other perquisites, benefits and allowances as may be decided by the Chairman of the Company. The perquisites shall be evaluated as per the actual cost or Income-tax Rules, as applicable.

The above perquisites, allowances and benefits will be as per the schemes, policies and the rules of the Company as applicable from time to time subject to any change as may be decided by the Chairman of the Company

(C) Contribution to Provident Fund, Superannuation Fund or Annuity Fund as per rules of the Company.

(D) Gratuity at the rate of 15 days salary for each completed year of service.

(E) Encashment of unavailed leave as per Rules of the Company.

(F) The Board or a Committee thereof may, from time to time, increase, or vary the salary range subject to the overall ceiling prescribed under the Companies Act.

(G) In the event of inadequacy or absence of profits under Sections 349 and 350 of the Companies Act in any financial year or years, the Whole-time Director shall be entitled to such remuneration as he may be then drawing, as specified in paras A and B above, as minimum remuneration and be also entitled to perquisites mentioned in paras C, D and E above

The terms of remuneration set out hereinabove may also be treated an abstract of memorandum of interest under Section 302 of the Companies Act, 1956.

(6) Comparative remuneration profile with respect to Industry, size of the Company, profile of the position and person:

The executive remuneration in the industry is on the rise. The 'Remuneration Committee' constituted by the Board in terms of the said Schedule perused the remuneration of managerial personnel in other companies, industry benchmarks in general, profile and responsibilities of Shri S.K. Gupta and other factors, before approving the remuneration as proposed hereinbefore.

(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.

Besides the proposed remuneration, Shri S.K. Gupta does not have any pecuniary relationship with the Company or with the managerial personnel.

### III. OTHER INFORMATION:

(1) Reasons of inadequate profits:

JK Agri Genetics Limited is engaged in research & development, production, processing and marketing of Hybrid Seeds in major agricultural field and vegetable crops. Over the 23 years, the Company has developed several superior hybrids in various crops and emerged as one of the leading Seed Companies in India.

Development of Hybrid Seeds is time consuming process and is also to be backed by exhaustive research. The Company has well developed infrastructure with sizable investment, a large germplasm collection, a very capable and strong R&D team. The Company also carries out research through collaborations with national and international research institutions / strategic partners. It has also been investing in biotechnology research projects to introgress new technologies to bring down the product development cycle time. The Company has since established an extensive network of research centres covering all the agro-climatic zones in the country with a number of multinational trail centres and also a dedicated biotechnology research centre. All this has entailed heavy establishment expenses.

In view of the aforesaid and very high expenditure on research & development the profit of the Company for the financial year ended 31st March 2013 has been inadequate. However the continued focus of the Company in this area will yield positive results and the Company's profitability will see improved levels.

(2) Steps taken or proposed to be taken for improvement:

With a view to improve overall financial health of the Company and also to diversify and broad base its portfolio of hybrid, high yielding seeds and also to improve overall profitability, the Company has been continuously taking several steps. All such steps have been holding the Company in good stead and will continue to give positive results on sustainable basis in future also. Some of the key steps have been in the areas of – development of number of hybrid BT Cotton for meeting the growing demand of farming community spread across different climatic zones, education of farmers with a view to improve productivity and prosperity of farmers, development of state-of-the-art processing infrastructure for improving seeds quality, strengthened its marketing and distribution network, continuous focus on research and development, etc.

All these initiatives are expected to lead to much improved performance, after the initial phase of consolidation of research products is over.

(3) Expected increase in productivity and profits in measurable terms:

As a result of all these measures, the Company is expected to have growth in its turnover with better productivity and profitability in the years to come.

Shri S.K. Gupta does not hold any Equity Share in the Company.

The Resolution is recommended to the shareholders for passing as Special Resolution.

Except Shri S.K. Gupta being the appointee, none of the Directors, Key Managerial Personnel and/or their relatives are in any way concerned or interested, financially or otherwise, in the aforesaid Resolution.

#### Item No. 8

Shri J.R.C. Bhandari was appointed as a Director liable to retire by rotation at the Annual General Meeting (AGM) held on 7<sup>th</sup> September, 2013. The Board of Directors of the Company has recommended appointment of Shri Bhandari as an Independent Director for a term of 5 consecutive years from this AGM in terms of Section 149 of the Companies Act, 2013 (the Act), as mentioned in the Resolution.

Shri J.R.C. Bhandari has given requisite declaration that he meets the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Act and Clause 49 of the Listing Agreement and has given his consent to act as Independent Director of the Company. Shri J.R.C. Bhandari is also not disqualified from being appointed as Director in terms of Section 164 of the Act.

In the opinion of the Board, Shri J.R.C. Bhandari fulfils the conditions specified in the Act in respect of his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter of appointment of Shri J.R.C. Bhandari as an Independent Director setting out the terms and conditions would be available for inspection by the Members at the Registered Office of the Company. Brief resume of Shri J.R.C. Bhandari is given in the notes appended to the Notice of the meeting.

Except Shri J.R.C. Bhandari, being the appointee, none of the Directors, Key Managerial Personnel of the Company, and/or their relatives may be deemed to be concerned or interested, financially or otherwise, in the aforesaid resolution.

The Board recommends the Special Resolution for approval by the Shareholders.

#### Item No. 9

Shri S.C. Sethi was appointed as a Director liable to retire by rotation at the Annual General Meeting (AGM) held on 7<sup>th</sup> September, 2013. The Board of Directors of the Company has recommended appointment of Shri S.C. Sethi as an Independent Director for a term of 5 consecutive years from this AGM in terms of Section 149 of the Companies Act, 2013 (the Act), as mentioned in the Resolution.

Shri S.C Sethi has given requisite declaration that he meets the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Act and Clause 49 of the Listing Agreement and has given his consent to act as Independent Director of the Company. Shri S.C. Sethi is also not disqualified from being appointed as Director in terms of Section 164 of the Act.

In the opinion of the Board, Shri S.C. Sethi fulfils the conditions specified in the Act in respect of his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter of appointment of Shri S.C. Sethi as an Independent Director setting out the terms and conditions would be available for inspection by the Members at the Registered Office of the Company Brief resume of Shri S.C. Sethi is given in the notes appended to the Notice of the meeting.

Except Shri S.C. Sethi, being the appointee, none of the Directors, Key Managerial Personnel of the Company, and/or their relatives may be deemed to be concerned or interested, financially or otherwise, in the aforesaid resolution.

The Board recommends the Special Resolution for approval by the Shareholders.

#### **Item No. 10**

Shri S.K. Khaitan was appointed as a Director liable to retire by rotation at the Annual General Meeting (AGM) held on 7<sup>th</sup> September, 2013. The Board of Directors of the Company has recommended appointment of Shri S.K. Khaitan as an Independent Director for a term of 5 consecutive years from this AGM in terms of Section 149 of the Companies Act, 2013 (the Act), as mentioned in the Resolution.

Shri S.K. Khaitan has given requisite declaration that he meets the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Act and Clause 49 of the Listing Agreement and has given his consent to act as Independent Director of the Company. Shri S.K. Khaitan is also not disqualified from being appointed as Director in terms of Section 164 of the Act.

In the opinion of the Board, Shri S.K. Khaitan fulfils the conditions specified in the Act in respect of his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter of appointment of Shri S.K. Khaitan as an Independent Director setting out the terms and conditions would be available for inspection by the Members at the Registered Office of the Company. Brief resume of Shri S.K. Khaitan is given in the notes appended to the Notice of the meeting.

Except Shri S.K. Khaitan, being the appointee, none of the Directors, Key Managerial Personnel of the Company, and/or their relatives may be deemed to be concerned or interested, financially or otherwise, in the aforesaid resolution.

The Board recommends the Special Resolution for approval by the Shareholders.

#### **Item No. 11**

Shri S.K. Jhunjunwala was appointed as a Director liable to retire by rotation at the Annual General Meeting (AGM) held on 7<sup>th</sup> September, 2013. The Board of Directors of the Company has recommended appointment of Shri Jhunjunwala as an Independent Director for a term of 5 consecutive years from this AGM in terms of Section 149 of the Companies Act, 2013 (the Act), as mentioned in the Resolution.

Shri S.K. Jhunjunwala has given requisite declaration that he meets the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Act and Clause 49 of the Listing Agreement and has given his consent to act as Independent Director of the Company. Shri S.K. Jhunjunwala is also not disqualified from being appointed as Director in terms of Section 164 of the Act.

In the opinion of the Board, Shri S.K. Jhunjunwala fulfils the conditions specified in the Act in respect of his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter of appointment of Shri S.K. Jhunjunwala as an Independent Director setting out the terms and conditions would be available for inspection by the Members at the Registered Office of the Company. Brief resume of Shri S.K. Jhunjunwala is given in the notes appended to the Notice of the meeting.

Except Shri S.K. Jhunjunwala, being the appointee, none of the Directors, Key Managerial Personnel of the Company, and/or their relatives may be deemed to be concerned or interested, financially or otherwise, in the aforesaid resolution.

The Board recommends the Special Resolution for approval by the Shareholders.

**Item No. 12**

The Company at its Extra-ordinary General Meeting held on 6<sup>th</sup> October 2012 had authorised the Board of Directors of the Company, by an Ordinary Resolution passed under Section 293(1)(d) of the Companies Act 1956, to borrow moneys in excess of the paid-up capital of the Company and its free reserves upto an amount not exceeding ₹ 250 Crore, at any point of time (apart from temporary loans obtained from the company's bankers in the ordinary course of business).

Pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013, the Board can exercise borrowing powers, in excess of the paid-up share capital and free reserves of the Company, with the approval of Members of the Company by way of Special Resolution. The resolution is accordingly recommended as a Special Resolution under the Act.

None of the Directors, Key Managerial Personnel of the Company, and /or their relatives may be deemed to be concerned or interested, financially or otherwise, in the aforesaid resolution.

The Board recommends the Special Resolution for approval by the Shareholders.

**Item No. 13**

The Company at its Extra-ordinary General Meeting held on 6<sup>th</sup> October, 2012 had authorized the Board of Directors of the Company, by an Ordinary Resolution passed under Section 293(1)(a) of the Companies Act, 1956, to create mortgage and/or charge on the immovable and movable properties of the Company in favour of the lenders to secure their financial assistance not exceeding ₹ 250 Crores, in the aggregate on account of principal, together with interest thereon.

Pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 (the 'Act'), the Board can exercise power to create mortgage and/or charge on the immovable and movable properties of the Company, with the approval of Members of the Company by way of Special Resolution. The resolution is accordingly recommended as a Special Resolution under the Act.

None of the Directors, Key Managerial Personnel of the Company, and /or their relatives may be deemed to be concerned or interested, financially or otherwise, in the aforesaid resolution.

The Board recommends the Special Resolution for approval by the Shareholders.

**Item No. 14**

The Company at its Extra-ordinary General Meeting of the Company held on 6<sup>th</sup> October 2012, had authorised the Board of Directors of the Company, by Ordinary Resolution, pursuant to Section 293(1)(e) of the Companies Act 1956, to contribute in any financial year to charitable and other funds not directly relating to the business of the Company or welfare of its employees, sum or sums aggregating ₹100 Lacs or 5% of the average net profits as determined under section 349 and 350 of the Companies Act, 1956 or any modification or re-enactment thereof, during the three financial years immediately preceding the relevant financial year, whichever is greater.

Pursuant to provisions of Section 181 of the Companies Act 2013, the Board of Directors of the Company may now contribute to bona fide charitable and other funds, in any financial year, exceeding 5% of its average net profits for the three immediately preceding financial years, with prior permission of the Company in general meeting.

It was considered necessary to take approval of the shareholders to contribute to bona fide charitable and other funds, sum or sums upto ₹ 200 Lacs or 5% of average net profits of the Company for the three immediately preceding financial years, whichever is higher, in any financial year. The resolution is accordingly recommended as a Ordinary Resolution under the Act.

None of the Directors, Key Managerial Personnel of the Company, and /or their relatives may be deemed to be concerned or interested, financially or otherwise, in the aforesaid resolution.

The Board recommends the Ordinary Resolution for approval by the Shareholders.

Regd. Office:

7, Council House Street, Kolkata-700 001

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Email: jkaglshareholder@jksmail.com

Phone: +9133-22488343, Fax: +9133-22481641

Date: 25<sup>th</sup> July, 2014

By Order of the Board

Anoop Singh Gusain  
Company Secretary

## FOR ATTENTION OF THE SHAREHOLDERS

1. **Members/Proxies should bring the Admission Slip sent herewith duly filled in for attending the Meeting.**
2. Please Check the Pin Code in the address slip pasted on the envelope and advise correction, if any, therein. Also please do indicate the Pin Code Number of your delivery post office while notifying change in your address to the Company where shares are held in physical form.
3. Shareholders seeking transfer of shares in physical form should furnish copy of PAN card of the Transferee to the Company/RTA for registration of transfer of Shares.
4. Multiple folios: Shareholders having multiple folios are requested to write to Company/RTA for consolidation of the folios.
5. **Dividend Warrants, Share Transfer etc.:**

Members are requested to furnish to the Company their Bank particulars to enable the Company to directly credit the dividend amount in their Bank Account through Electronic Clearing Services. Members are also requested to advise details of their Bank Account i.e. name and address of their Bank, Account No. and name of Account Holder(s) along with photocopy of cheque duly cancelled for printing the relevant particulars on the Dividend Warrants, as deemed appropriate, to avoid fraudulent encashment of Dividend Warrants.

Requests for transfer of Equity Shares and related correspondence should be addressed to the Company's Registrar and Share Transfer Agents: Alankit Assignments Ltd., Alankit Heights, IE/13, Jhandewalan Extension, New Delhi – 110 055. Members holding shares in dematerialised mode should approach the Depository Participant with whom they are maintaining Account for change in address, bank mandate, nomination, etc.

6. **Nomination:** Pursuant to Section 72 of the Companies Act, 2013, individual Shareholders holding Shares in the Company singly or jointly may nominate an individual to whom all the rights in the Shares in the Company shall vest in the event of death of the sole/all joint Shareholders.
7. **Dematerialisation of Shares and Liquidity:** Members may in their own interest consider dematerialisation of their shareholding in the Company held in physical form. Dematerialisation facility is available both on NSDL and CDSL. Company's ISIN No. is INE690001011.
8. Pursuant to Section 101 of the Companies Act 2013 and the Rules made thereunder, the Company is permitted to send various notices/ documents under the Companies Act 2013, to its shareholders, through electronic mode. We request the Members to support this initiative and register their E-mail addresses in respect of shares held in: (1) dematerialised mode, with their Depository Participants; and (2) physical mode with Alankit Assignments Ltd. (RTA). Please quote the following particulars in the E-mail Registration Request: Folio No./ DP ID- Client ID, PAN, Name(s) of Registered Holder(s), Address, Telephone and E-mail Address (to be registered for sending future communications through E-mail) and send the same under your signature(s).



(Formerly Florence Alumina Ltd.)

Regd. Office: 7, Council House Street, Kolkata-700 001

(CIN: L01400WB2000PLC091286), Website: www.jkseeds.net

Email: jkagshareholder@jkmail.com, Phone: +9133 22488343, Fax: +9133 22481641

#### ADMISSION SLIP

Folio No. / DP ID / Client ID #	
No. of Equity Shares held	

I hereby record my presence at the 14<sup>th</sup> Annual General Meeting of the Company being held at Shripati Singhania Hall, Rotary Sadan, 94/2, Jawahar Lal Nehru Road (Chowringhee Road), Kolkata – 700 020 on Saturday, the 6<sup>th</sup> September 2014 at 11.30 A.M.

Name of the Member (in block letters)	
Name of Proxy-holder/ Authorised Representative* (in block letters)	

\* Strike out whichever is not applicable

# Applicable for investors holding shares in dematerialised form.

Signature of the Member/ Proxy/ Authorised Representative\*

- Note:**
- 1. A member/ proxy/ authorised representative wishing to attend the meeting must complete this Admission Slip before coming to Meeting and hand it over at the entrance.**
  - 2. If you intend to appoint a Proxy, please complete, stamp, sign and deposit the Proxy Form at the Company's Registered Office at least 48 hours before the meeting.**







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Regd. Office: 7, Council House Street, Kolkata-700 001

(CIN: L01400WB2000PLC091286), Website: www.jkseeds.net

Email: jkaglshareholder@jkmail.com, Phone: +9133 22488343, Fax: +9133 22481641,

### Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s):	
Registered Address:	
E-Mail ID:	
Folio No./DPID/Client ID:	

I/We, being the member(s) of ..... shares of JK Agri Genetics Ltd., hereby appoint:

(1) Name: \_\_\_\_\_ Address: \_\_\_\_\_

E Mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him;

(2) Name: \_\_\_\_\_ Address: \_\_\_\_\_

E Mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him;

(3) Name: \_\_\_\_\_ Address: \_\_\_\_\_

E Mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him;

as my/ our proxy to attend and vote (on a poll) for me/us and on my/ our behalf at the 14<sup>th</sup> Annual General Meeting of the Company, to be held on Saturday, the 6<sup>th</sup> September 2014 at 11.30 A.M. at Shripati Singhania Hall, Rotary Sadan, 94/2, Jawahar Lal Nehru Road (Chowringhee Road) Kolkata – 700 020 and at any adjournment thereof in respect of the resolutions as are indicated below:

Resolutions	For	Against
1. Adoption of audited Financial Statements for the financial year ended 31 <sup>st</sup> March 2014.		
2. Declaration of Dividend for the financial year ended 31 <sup>st</sup> March 2014.		
3. Appointment of Auditors and fixing their remuneration.		
4. Appointment of Shri Bharat Hari Singhania as a Director of the Company.		
5. Appointment of Dr. Raghupati Singhania as a Director of the Company.		
6. Appointment of Shri S.K. Gupta as a Director of the Company liable to retire by rotation.		
7. Appointment of Shri S.K. Gupta as Whole-time Director, for a period of three years.		
8. Appointment of Shri J.R.C. Bhandari as an Independent Director.		
9. Appointment of Shri S.C. Sethi as an Independent Director.		
10. Appointment of Shri S.K. Khaitan as an Independent Director.		
11. Appointment of Shri S.K. Jhunjhunwala as an Independent Director.		
12. Special Resolution under Section 180(1)(c) of the Companies Act, 2013 for borrowing money up to Rs. 250 Crores.		
13. Special Resolution under Section 180(1)(a) of the Companies Act, 2013 for creation of charge/mortgage on the properties of the Company.		
14. Ordinary Resolution under Section 181 of the Companies Act, 2013 for contribution to bonafide and charitable funds.		

Signed this \_\_\_\_\_ Day of \_\_\_\_\_ 2014

Signature of Shareholder

Signature of Proxy holder(s)

Affix revenue stamp
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**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.**

