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JK AGRI GENETICS LTD.

Annual Report 2003 - 04

BOARD OF DIRECTORS

Bharat Hari Singhania
Chairman

J. R. C. Bhandari

Sanjay Kumar Khaitan

Sanjeev Kumar Jhunjunwala

Raghupati Singhania

Vikrampati Singhania

Swaroop Chand Sethi

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President & Manager

P. S. Dravid

Research & Development Centre

Ravalkol
Medchal Mandal
Distt. R. R. - Andhra Pradesh

Auditors

Lodha & Co.
Chartered Accountants

Divisional Office

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

Bankers

State Bank of Bikaner & Jaipur
HDFC Bank Ltd.
Central Bank of India

Registered Office

7, Council House Street
Kolkata - 700 001

Deputy Company Secretary

Rajesh Relan

Administrative Office

Link House,
3, Bahadurshah Zafar Marg,
New Delhi - 110 002.

DIRECTORS' REPORT

TO THE MEMBERS

The Directors have pleasure in presenting the Annual Report and Audited Accounts of the Company for the financial year ended 31st March, 2004.

SCHEME OF ARRANGEMENT

The Scheme of Arrangement and Amalgamation between J.K. Industries Limited (JKIL), JK Agri Genetics Limited (the Company), JK Sugar Limited and Vikrant Tyres Limited, (the Scheme) was sanctioned by the Hon'ble High Court of Calcutta on 6th May 2003 and by the Hon'ble High Court of Karnataka on 2nd September 2003, pursuant to Sections 391-394 of the Companies Act, 1956. The Scheme became effective on 5th September 2003. Consequent upon the Scheme becoming effective, the Agri-genetics Undertaking of JKIL stood transferred to and vested in the Company as a going concern on a "slump sale" basis together with certain investments w.e.f. 1st April 2002.

In terms of the Scheme, all the business activities of the Agri-genetics Undertaking carried on by JKIL from the Appointed Date upto the Effective Date is deemed to have been carried on for and on behalf of and in trust for the Company on a going concern basis and consequently all profits and losses of the Agri-genetics Undertaking and related taxes paid are deemed to be the profits, losses or taxes of the Company, as the case may be. It was therefore necessary to quantify and incorporate the impact of transfer of the Agri-genetics Undertaking to this Company together with transmission of certain investments as aforesaid w.e.f. 1st April, 2002 in the books of account of the Company. Accordingly, the impact of the Scheme as aforesaid has been incorporated in the audited accounts of the Company for the financial year ended 31st March 2003. In order to give effect of the said Scheme, the figures for the year ended 31st March 2003 have been restated in the previous year figures of the audited accounts of the Company for the year under review.

SHARE CAPITAL

To give effect to the Scheme, the Authorised Capital of the Company was increased from Rs.0.05 crores to Rs.60 crores. The Equity Shares of the Company (including the 34,56,510 Equity Shares issued pursuant to the Scheme to the Equity Shareholders of JKIL on 6th October 2003 (Record Date) have been listed on the Stock Exchanges at Mumbai and Kolkata w.e.f. 8th March 2004.

OPERATIONS

During the year under review, turnover was Rs.5618 lacs and operating profit was Rs.629 lacs. After providing for financial charges, depreciation and tax, the net profit was Rs.328 lacs. A sum of Rs.328 lacs has been transferred to Debenture Redemption Reserve

(DRR). The amount to be transferred to DRR from the current year onwards shall be lower.

The Directors regret their inability to recommend any dividend on the Equity Shares for the year under review.

During the year under review, even though there was slight delay in the onset of monsoon, it was by and large favourable in most parts of the Country. As such farmers could get bumper harvests in most of the commercial and oilseed crops. The output and price realisation were also better than previous year's which has resulted in a high degree of optimism amongst the farming community. This has not only helped the Company in improving the turnover during the year but augurs well for the coming year also. The Company continued to introduce new products in the various crops in order to enter into new market segments and providing wider options to the farming community for selection of their planting material.

One of the worst droughts in the country during the previous year 2002-03 substantially affected the sale of cotton and other seeds, resulting into lower profitability in the said year.

The farmer support services were further strengthened in order to ensure adequate returns to the farmers by use of "JK Seeds". Several new schemes were introduced for the benefit of the farmers and channel partners to build up strong brand equity for "JK Seeds".

RESEARCH AND DEVELOPMENT

In order to meet needs of farming community, besides the challenges of intense domestic and international competition, your Company has stepped up the investments in all the areas of seed research covering crop breeding, biotechnology, seed conditioning etc. The major focus of research programmes is on developing superior yielding hybrids, pest resistance and disease free quality products so as to give higher return to farmers. The Company's research products are extensively tested across the nation in multi-locational trial centres, regional testing centres and by farmers in fields under varied agro climatic conditions and farming situations before they are introduced commercially.

Recognising the importance of Biotechnology in crop improvement programmes, the Company has established state-of-the-art biotech research centre where focussed research is taken up for development of genetically modified seed which is resistant to biotic and abiotic stresses and having suitable quality traits. This centre has also taken up molecular breeding, marker assisted selection and extensive use of DNA fingerprinting technologies for improving quality of the seeds.

The Company has developed Bt Cotton seeds and is in the process of getting requisite approvals from various Government agencies.

The Company has also entered into several collaborative research programmes with leading research institutes in India and abroad to ensure integration of latest knowledge and technology in our research endeavours.

DIRECTORS & MANAGER

Shri Bharat Hari Singhania and Shri Raghupati Singhania have been appointed as Directors w.e.f. 25th August 2003. Their period of office is not liable to determination by retirement of Directors by rotation.

Shri J.R.C. Bhandari and Shri Sanjay Kumar Khaitan were appointed as additional directors w.e.f. 4th September 2003.

Shri R.N. Saraf, Shri P.K. Rustagi and Shri L.R. Puri resigned from the Board of Directors of the Company w.e.f. 4th September 2003 and Shri Vikrampati Singhania, Shri S.C. Sethi and Shri Sanjeev Kumar Jhunjunwala were appointed as Directors, respectively in the casual vacancies so caused.

The Board places on record its appreciation of the valuable services rendered by Shri R.N. Saraf, Shri P.K. Rustagi and Shri L.R. Puri during their respective tenures of office.

The Company has received from members notices pursuant to Section 257 of the Companies Act, 1956, proposing the candidature of Shri J.R.C. Bhandari and Shri Sanjay Kumar Khaitan for appointment as Directors liable to retire by rotation. The Board recommends the appointments.

Shri Sanjeev Kumar Jhunjunwala retires by rotation and being eligible, offers himself for re-appointment at the Annual General Meeting.

Shri P.S. David has been appointed as Manager of the Company for a period of three years w.e.f. 5th September 2003 subject to the approval of the members of the Company pursuant to Sections 269 and 387 of the Companies Act, 1956.

SUBSIDIARY COMPANY

The particulars required under the provisions of the Companies Act, 1956 in respect of subsidiary company are appended.

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.

PARTICULARS OF EMPLOYEES

During the year under review, the Company had no employees in the category specified under Section 217 (2A) of the Companies Act, 1956.

CORPORATE GOVERNANCE

The Company is committed to the good corporate governance practices and reaffirms its commitment.

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, 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 have been selected and applied consistently and judgements 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.

ACKNOWLEDGEMENTS

Your Directors wish to acknowledge the continued support and co-operation received from our valued Customers, Dealers, Suppliers, Shareholders and various Central and State Government agencies.

Your Directors also acknowledge and appreciate the commitment and dedication of the employees at all levels.

On behalf of the Board

The 30th June, 2004
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 Sec.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 Company has launched several new products in cotton, jowar, bajra, maize and tomato so as to augment its product line. The Company has also developed several products in all the crop categories which are under various stages of field trials so as to ensure steady pipeline of the products for the future.

The Company's state-of-art Biotechnology Research Centre has taken up projects for development of genetically modified seeds, molecular breeding and DNA fingerprinting technologies for improving the quality of the seeds.

In order to accelerate the Biotech Programme, the Company has also entered into collaborative research programmes with several research institutes in India and abroad with the objective of reaching superior products to the farmers at a fast pace which will improve their productivity.

The Expenditure incurred on R & D during the period was Rs. 331 lacs including capital expenditure of Rs. 12 lacs. The total expenditure on R & D was 5.9% of the net turnover.

C. TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

The Company has kept abreast with the latest developments for adapting the latest technology. It has entered into research collaboration with several leading institutes from India and abroad to benefit from the technology developed. These are further augmented by investing in in-house R&D infrastructure.

D. EXPORT, FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs.lacs)

Description	2003-04	2002-03
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo	12.22	5.65

MANAGEMENT DISCUSSION AND ANALYSIS**INDUSTRY OVERVIEW**

Seed being one of the basic inputs in modern agriculture, the seed industry occupies a pivotal role in agriculture sector. More so in a developing country like India where more than 70% of the seeds being used is still from farm saved seed. Thus there are tremendous growth opportunities in this Industry where present size is estimated to be Rs.2800 crores.

The Industry can be divided in three major segments:

- Hybrid Seeds of field crops (Rs.1200 crores)
- Open Pollinated (OP) varieties of field crops (Rs.900 crores)
- Vegetable Seeds (Rs.700 crores)

The Industry has become highly competitive wherein several multinationals, large business houses dealing in agri-inputs and several small players have entered in the last 5-10 years. The industry attractiveness has further increased after the release of GM seed, wherein large value additions are expected to be done through seeds.

JK SEEDS

JK Seeds had focussed on major hybrid crops viz. Jowar, Bajra, Maize, Cotton, Sunflower, Tomato and Bhendi for its research programmes for developing superior hybrids for marketing in the domestic segments. However, during the past few years, several new crops having distinct possibility of developing superior hybrid seeds viz. Rice, Wheat, Mustard and Arhar have been added in research programme. Apart from this, research work in open pollinated varieties in important crops viz. Rice, Soybean, Jowar, Cotton, Mustard and Arhar has also been initiated. Thus, JK Seeds is offering speciality hybrids and OP varieties with wide crop portfolio to meet diverse needs of Indian farming community.

JK Agri-genetics has taken several innovative steps in improving quality such as using DNA finger printing in breeder seeds purification, using DNA markers for testing genetic purity of the hybrids, latest film coating technologies in seed treatment and upgrading quality control lab to reach world class standards. In addition, the Company has been working very closely with its channel partners in order to offer right product at the right time and at the right place to the farming community. The Company offers comprehensive value added services such as offering guidance to the farmers right from selection of the seed, taking up soil

analysis, integrated pest management, integrated nutrition management which goes on upto post harvest handling and marketing of farm produce. This has created tremendous confidence in JK seeds amongst the farming community resulting into strong brand equity.

RESEARCH & DEVELOPMENT

In order to meet out the challenges posed by increasing domestic and international competition, your Company has stepped up the investments in all the areas of seed research viz. Crop Breeding, Biotechnology and Seed Conditioning. The major focus of research programmes is on developing superior yielding hybrids, having resistance to pest, disease and drought and with enhanced quality traits in end product so as to give more return to the farmers. The Company has developed vast germplasm collection which enables our scientists with rich experience and knowledge to develop world class products continuously excelling and setting new standards as demanded by the customers nation-wide. These products are extensively tested across the nation in our 19 multilocal trial centres, regional testing centres and farmers fields under varied agro climatic conditions and farming situations before launching of products.

As a result of focussed breeding efforts and rigorous evaluation process, the Company is having a robust pipeline of products in the several crops viz. Cotton, Jowar, Bajra, Maize, Rice, Tomato and Bhendi. Several promising hybrids in different crops are in advanced stage of evaluation. These products will enable the Company to achieve strong position in various mandate crops selected by the Company.

The Company has embarked on one of the latest agri-biotechnology research programme in crop improvement through molecular breeding, marker assisted selection, DNA fingerprinting and development of transgenic crops. The Company has developed Bt Cotton seeds and is in the process of getting requisite approvals from various Government agencies.

The Company has entered into several collaborative research programmes with leading research institutes in India and abroad to ensure integration of latest knowledge and technologies in all our research endeavours.

HUMAN RESOURCE DEVELOPMENT

A large pool of intellectual capital has been the driving force behind the sound and stable progress of JK Agri-Genetics. The Company puts in every effort in creating the high performing work force through sound recruitment practices. The company also strives for continuous improvement in the quality of the employees

by enhancement of skills through training & development leading to career growth of the employee and the organisational growth.

The Performance Management System of the Company is aimed at increasing employee involvement for contribution beyond their normal scope of work translating into realization of the goals set in the VISION and MISSION of the Organisation. The Cross Functional Teams formed in the Organisation have enabled the people to develop cultural sensitivity required for successful completion of projects involving diverse teams.

FINANCIAL PERFORMANCE AND INTERNAL CONTROL SYSTEMS

(Rs.in lacs)

ITEM	2003-04
1. Turnover	5618.23
2. Operating Profit (PBIDT)	628.62
3. Interest	9.04
4. Profit Before Tax	452.78
5. Provision for Tax	124.72
6. Profit after Tax	328.06

Innovative products, superior quality and value added services were key differentials, which helped in achieving this turnover.

Internal Control Systems have been the strength of the Company and it has paid rich dividends in the form of system driven processes and achievement of optimum operational efficiencies. Periodic review of Internal Control Systems by Internal Auditors and Senior management has further reinforced the systems. Internal audit reports and action taken on their observations are reviewed by the Audit Committee of the Board on regular basis.

CAUTIONARY STATEMENT

"The Management 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 expectations or projections about the future including, but not limited to statements about the Company's strategy for growth, product development, market position, expenditure 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.

CORPORATE GOVERNANCE REPORT

During the year under review, the Agri Genetics Undertaking of J.K. Industries Limited (JKIL) together with certain investments of JKIL was transferred to JK Agri Genetics Limited pursuant to the Scheme of Arrangement between JKIL and amongst others, JK Agri Genetics Limited (the Company) which became effective on 5th September 2003 and operative with effect from 1st April 2002 (the Appointed Date under the Scheme).

The Corporate Governance Report is for the year under review i.e. 1st April 2003 to 31st March 2004.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :

The Company is committed to good corporate governance practices.

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

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

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

2. BOARD OF DIRECTORS:

The Board of Directors presently consists of seven Directors, all being Non-Executive Directors (NED), out of which four are Independent Directors (IND). Other details are as given hereunder :

Director	Category	Number of Board Meetings Attended	Whether last AGM attended (held on 25.6.2003)	No. of other directorships and Committee Memberships/Chairmanships		
				Other Directorships \$	Committee Memberships *	Committee Chairmanships*
Shri Bharat Hari Singhania, appointed w.e.f. 25.8.2003	NED	3	N.A.	3	1	—
Shri Raghupati Singhania, appointed w.e.f. 25.8.2003	NED	3	N.A.	6	2	2
Shri Vikrampati Singhania, appointed w.e.f. 4.9.2003	NED	4	N.A.	2	1	1
Shri S.C. Sethi, appointed w.e.f. 4.9.2003	IND	4	N.A.	8	5	—
Shri Sanjay Kumar Khaitan, appointed w.e.f. 4.9.2003	IND	3	N.A.	4	1	1
Shri J.R.C. Bhandari, appointed w.e.f. 4.9.2003	IND	2	N.A.	2	-	1
Shri Sanjeev Kumar Jhunjunwala, appointed w.e.f. 4.9.2003	IND	1	N.A.	2	-	-
Shri L.R. Puri, ceased w.e.f. 4.9.2003	—	3	No	N.A.	N.A.	N.A.
Shri R.N. Saraf, ceased w.e.f. 4.9.2003	—	-	No	N.A.	N.A.	N.A.
Shri P.K. Rustagi, ceased w.e.f. 4.9.2003	—	4	No	N.A.	N.A.	N.A.

\$ Excludes Directorships in private limited companies, foreign companies, memberships of Managing Committees of various chambers/bodies/Section 25 Companies

* Only covers Memberships/Chairmanships of Audit Committee, Remuneration Committee and Shareholders/Investors Grievance Committee

N.A. - Not Applicable

NUMBER AND DATES OF BOARD MEETINGS HELD :- Seven Board Meetings were held during the financial year 1st April 2003 to 31st March 2004 on 25th April 2003, 23rd June 2003, 7th July 2003, 4th September 2003, 5th September 2003, 29th December 2003 and 30th January 2004.

3. AUDIT COMMITTEE :

An Audit Committee of Directors was constituted by the Board at its meeting held on 4th September 2003. The Committee consists of three Directors, all being Non-Executive Independent Directors namely Shri J.R.C. Bhandari (Chairman of the Committee), Shri Sanjay Kumar Khaitan and Shri Sanjeev Kumar Jhunjunwala.

The 'Terms of Reference' of the Audit Committee are in conformity with the provisions of Section 292A of the Companies Act, 1956 and also Clause 49 of the Listing Agreement.

One meeting of the Audit Committee was held during the year 2003-04 on 30th January 2004 which was attended by two members.

4. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE :

The Board at its Meeting held on 4th September 2003, constituted a 'Shareholders/ Investors Grievance Committee' comprising Shri S.C. Sethi (Chairman of the Committee), Shri Sanjay Kumar Khaitan and Shri Vikrampati Singhania all being Non-executive Directors.

The Company has received one complaint from a shareholder which has been settled to his satisfaction. As on date, there are no complaints pending. The Board has delegated the power of share transfer to a Committee of Directors and the share transfer formalities are attended to as required. There are no transfers of shares (held in physical form) pending for more than 20 days. Shri Rajesh Relan, Dy. Company Secretary is the Compliance Officer.

5. REMUNERATION COMMITTEE (NON-MANDATORY) :

Remuneration Committee comprising of Shri S.C. Sethi (Chairman of the Committee), Shri J.R.C. Bhandari and Shri Sanjay Kumar Khaitan, all being Non-Executive Independent Directors was constituted on 5th September 2003 to determine the remuneration of Shri P.S. Dravid who was appointed as Manager of the Company, under Section 269 of the Companies Act, 1956 for a term of three years commencing w.e.f. 5th September 2003.

6. REMUNERATION PAID TO DIRECTORS AND MANAGER :

- i) Executive Directors and Manager : Out of the total managerial remuneration paid by the Company Rs. 5.46 Lacs represents the proportionate share of the managerial remuneration for the period 1st April 2003 to 5th September 2003 paid by J.K. Industries Limited, relating to the Agri Genetics undertaking which, inter alia, has been transferred to this Company pursuant to a Scheme of Arrangement. Shri P.S. Dravid, who has been appointed as Manager under Section 269 of the Companies Act 1956 for a period of three years w.e.f. 5th September 2003 has been paid remuneration of Rs.13.20 Lacs during the financial year 2003-2004. The Company does not have any Stock Option Scheme. In the case of Manager, notice period is six months.
- ii) Non-Executive/Independent Directors : The Company has paid sitting fees aggregating to Rs.76,000/- to all the Non-Executive Directors for attending the meetings of the Board and/or Committees thereof.

Non-Executive Directors did not have any other pecuniary relationship or transaction vis-à-vis the Company during the year except as stated above.

7. GENERAL BODY MEETINGS :

Location and time for the last three Annual General Meetings :

Year	Location	Date	Time
2000-2001	7, Council House Street Kolkata - 700 001	27.08.2001	10.30 AM
2001-2002	Same as above	30.09.2002	10.00 AM
2002-2003	Same as above	25.06.2003	12.30 PM

No special resolutions were required to be put through postal ballot during the year under review.

Two special resolutions for approval under Section 372A of the Companies Act, 1956 to place funds of the Company in inter-corporate deposits and for making investments are proposed to be put through postal ballot in accordance with the procedure prescribed therefor.

8. DISCLOSURES :

- (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 disclosures as required by Accounting Standard 18 has been made in the Annual Report.

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

There is no case of non-compliance on any matter related to capital markets during the last three years.

9. MEANS OF COMMUNICATION :

The Equity Shares of the Company were listed w.e.f. 8th March 2004. Accordingly the requirements of the publication of financial results, mailing of half-yearly report to the shareholders, presentation to the institutional investors or the analysts etc., will be complied with suitably as may be deemed appropriate.

Management Discussion & Analysis forms part of the Annual Report.

10. GENERAL SHAREHOLDERS INFORMATION :

Registered Office : 7, Council House Street,
Kolkata - 700 001

Annual General Meeting (AGM) : Friday, the 10th September
Date, Time & Venue : 2004 at 11.00 AM at Shripati
Singhania Hall, Rotary Sadan,
94/2, Jawaharlal Nehru Road
(Chowringhee Road),
Kolkata-700 020

Financial Calendar

Financial Reporting for the quarter ended:

1 st Quarter ended 30 th June 2004	By end of July 2004
2 nd Quarter ended 30 th September 2004	By end of October 2004
3 rd Quarter ended 31 st December 2004	By end of January, 2005
4 th Quarter ended 31 st March 2005	By end of May/June, 2005
Annual General Meeting for the financial year 2004-05	Between August and September 2005
Date of Book Closure	6 th September to 10 th September 2004 (both days inclusive)
Listing on Stock Exchanges	The Equity Shares of the Company are listed on the Stock Exchanges at Mumbai and Kolkata. The annual listing fee for the financial year 2004-05 has been paid to both the Stock Exchanges.
Security Code for Company's Equity Shares on Stock Exchanges and ISIN No.	Mumbai - 532518 Calcutta - 10020255 The ISIN number of the Equity Shares is INE211G01012.
Stock Market Price Data	Trading in the Equity Shares of the Company commenced on 8 th March 2004. Share price witnessed high of Rs.80/- and low of Rs.22.50 at BSE between 8 th March – 31 st March 2004.

Comparison with BSE Sensex

Between 8th March and 31st March 2004, there was a fall in Company's closing share price from Rs.52.00 to Rs.30.40 (- 41.54%) as compared to the BSE Sensex which declined from 5,935 to 5,590 (- 5.81%).

Distribution of Shareholding

No. of Equity Shares Held	No. of Shares		Shareholders	
	Number	% of Total	Number	% of Total
1 - 250	4,57,546	13.05	16,970	99.60
251 - 500	1,04,206	2.97	28	0.16
501 - 1000	27,972	0.80	4	0.02
1001 - 5000	4,87,219	13.89	22	0.13
5001 - 10000	1,70,630	4.87	3	0.02
10001 & above	22,58,937	64.42	11	0.07
Total	35,06,510	100%	17,038	100%

Share Transfer System

The transfer of shares in physical form is normally processed and completed within a period of 20 days from the date of receipt thereof. In case of shares held in electronic form, the transfers are processed by NSDL/CDSL through the respective Depository Participants.

Dematerialisation of Shares and liquidity

Trading in the Equity Shares of the Company is permitted on Stock Exchanges only in dematerialised form. Shareholders may dematerialise their holdings in physical form with any one of the Depositories namely, NSDL and CDSL. As on 31st March 2004, 68.27% of the Equity Shares were held in dematerialised form. The Equity Shares of the Company are frequently traded on the Stock Exchange, Mumbai. In respect of shares held in dematerialised form, all the requests for nomination, change of address, change of bank mandate/bank particulars and rematerialisation of shares etc. are to be made only to the Depository Participant with whom the shareholders have opened their Demat Account.

Outstanding GDRs/ADRs/Warrants/Options : NIL
or any Convertible Instruments, conversion date and likely impact on equity

Plant Locations

The Company has production centres for high-yielding hybrid seeds at various places in Andhra Pradesh and other States. Processing and Research & Development Centres are located near Hyderabad.

Address for Correspondence for Share Transfer and Related Matters

1. Shri Rajesh Relan, Telephone : 011-23311112/
Dy. Company Secretary 3/4/5 (Extn. 172)
JK Agri Genetics Limited Email :-
Link House 3, Bahadur rajeshrelan@jkm.com.
Shah Zafar Marg
New Delhi 110 002

2. The Company has appointed M/s Alankit Assignments Ltd. as Registrar & Share Transfer Agent and all correspondence regarding Share Transfers and related matters can be sent to them at the following address :-

Alankit Assignments Ltd. Phone No. 011-51540060-63
205-208, Anarkali Market, Fax No. 91-11-51540064
Jhandewalan Extn., Email : alankit@alankit.com
New Delhi - 110 055. Website : www.alankit.com

AUDITOR'S COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of JK Agri Genetics Limited

We have examined the compliance of conditions of Corporate Governance by JK Agri Genetics Limited for the financial year ended 31st March 2004, 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 explanation given to us, we certify that the Company has complied with in all material respect with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per records maintained by the Company, Shareholders/ Investors Grievance Committee constituted on 4th September 2003.

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

Place : New Delhi
Date : 30th June, 2004

N. K. LODHA
Partner

Disclosure of names of persons constituting group in relation to JK Agri Genetics Limited pursuant to Regulation 3(1)(e)(i) of the SEBI (Substantial Acquisition of Shares & Takeovers) Regulations 1997.

JK Corp. Ltd., Mayfair Finance Ltd., Sidhi Vinayak Investment Ltd., Terrestrial Finance Ltd., Yashodhan Investment Ltd., J.K. Industries Ltd., Hansdeep Investment Ltd., Panchanan Investment Ltd., Radial Finance Ltd., Hidrive Finance Ltd., JK Paper Ltd., Fenner India Ltd., BMF Beltings Ltd., JK Agri Genetics Ltd., JK Sugar Ltd., Bengal & Assam Company Ltd., Nav Bharat Vanijya Ltd., Juggilal kamlapat Udyog Ltd., JK Agents Ltd., Pranav Investment (MP) Company Ltd., Param Shubham Vanijya Limited., JK Credit & Finance Ltd., Ashim Investment Company Ltd., Juggilal Kamlapat (Agency)Ltd., Orlop Investment Ltd., Ethnic Investment Ltd., Sthenic Investment Ltd., Habras International, Juggilal Kamlapat Lakshmipat and Directors of the promoter group and their relatives.