

**LODHA  
& CO**

Chartered Accountants

12, Bhagat Singh Marg, New Delhi - 110 001, India  
Telephone : 91 11 23710176 / 23710177 / 23364671 / 2414  
Fax : 91 11 23345168 / 23314309  
E-mail : delhi@lodhaco.com

**AUDITOR'S CERTIFICATE - 2005-06****To the Board of Directors of Florence Investech Ltd. (formerly JK Agri Genetics Ltd.)**

We have examined the attached Balance Sheet (RECASTED) of Florence Investech Ltd. (FIL) {formerly JK Agri Genetics Ltd.} (JKAGL)} as at 31<sup>st</sup> March 2006, the Profit & Loss Account (RECASTED) and also the Cash Flow Statement (RECASTED) (together financial statements) for the 12 months period ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management, which have been prepared to give impact of the Scheme of Arrangement & Demerger in Audited Financial Statements of FIL (formerly JK Agri Genetics Ltd.) for the year ended 31<sup>st</sup> March 2006 as stated in Note No. 2 [read with Note No. 1] of Schedule 13B. Impact of the Scheme (being effective on 2<sup>nd</sup> Nov, 2012) have been given in accounts of Financial Year 2011-12 to be prepared under Companies Act, 1956 for the purpose to be placed before the members of the Company in the Annual General Meeting. As stated in the above said note impact of the Scheme have been given in the financial year 2005-06, to re-organise the Accounts for the year ended 31<sup>st</sup> March 2006 after excluding the business of Seed Undertaking which have been transferred to JK Agri Genetics Ltd. {(Formerly Florence Alumina Ltd.) (FAL)}. Our responsibility is to certify these recasted financial statements based on our verification. Our examination was made in accordance with approved standards on auditing in India and accordingly included such tests of the accounting and other records. We have also assessed the accounting principles used and significant assessment made by the Management of the Company.

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

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

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



Place: New Delhi

Date: 15-05-2013

**FLORENCE INVESTECH LIMITED (Formerly JK AGRI GENETICS LIMITED)****BALANCE SHEET (RECASTED) AS AT 31ST MARCH, 2006**

₹ in Lacs

	Schedule	As at 31.03.2006	As at 31.03.2005
<b>SOURCES OF FUNDS</b>			
SHAREHOLDERS' FUNDS			
SHARE CAPITAL	1	<b>332.89</b>	4,600.65
RESERVES AND SURPLUS	2	<b>7,159.70</b>	2,081.30
		<b>7,492.59</b>	6,681.95
SECURED LOANS	3	-	4,293.89
DEFERRED TAX LIABILITIES		-	146.31
		<b>7,492.59</b>	11,122.15
<b>APPLICATION OF FUNDS</b>			
FIXED ASSETS			
GROSS BLOCK	4	-	3,155.50
LESS: DEPRECIATION		-	483.57
NET BLOCK		-	2,671.93
INVESTMENTS	5	<b>6,681.30</b>	6,364.27
DEFERRED TAX ASSETS		<b>1.61</b>	-
CURRENT ASSETS, LOANS AND ADVANCES	6	<b>834.40</b>	5,472.31
LESS: CURRENT LIABILITIES AND PROVISIONS	7	<b>24.72</b>	3,386.36
NET CURRENT ASSETS		<b>809.68</b>	2,085.95
		<b>7,492.59</b>	11,122.15
ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	13		

Schedules 1 to 7 and 13 attached to the Balance Sheet are an integral part thereof.

**FLORENCE INVESTECH LIMITED (Formerly JK AGRI GENETICS LIMITED)****PROFIT & LOSS ACCOUNT (RECASTED) FOR THE YEAR ENDED 31ST MARCH, 2006**

₹ in Lacs

	Schedule	2005-06	2004-05
<b>INCOME</b>			
SALES AND OTHER INCOME	8a	<b>1,234.35</b>	6,979.35
INCREASE/(DECREASE) IN FINISHED GOODS	8b	-	277.55
		<b>1,234.35</b>	7,256.90
<b>EXPENDITURE</b>			
MATERIALS AND MANUFACTURING	9	-	5,053.29
EMPLOYEES COST	10	<b>3.71</b>	424.69
OTHER EXPENSES	11	<b>186.31</b>	1,327.71
		<b>190.02</b>	6,805.69
<b>OPERATING PROFIT(BEFORE INTEREST &amp; DEPRECIATION)</b>		<b>1,044.33</b>	451.21
COST OF BORROWINGS	12	-	5.41
<b>PROFIT BEFORE DEPRECIATION</b>		<b>1,044.33</b>	445.80
DEPRECIATION / AMORTISATION		-	169.51
<b>PROFIT BEFORE EXCEPTIONAL ITEM &amp; TAX</b>		<b>1,044.33</b>	276.29
EXCEPTIONAL ITEMS		-	97.24
<b>PROFIT BEFORE TAX</b>		<b>1,044.33</b>	179.05
PROVISION FOR TAXATION			
- CURRENT TAX		<b>26.46</b>	32.55
- DEFERRED TAX		<b>(1.44)</b>	22.45
<b>PROFIT AFTER TAX</b>		<b>1,019.31</b>	124.05
<b>APPROPRIATIONS</b>			
DEBENTURE REDEMPTION RESERVE		<b>318.42</b>	124.05
BALANCE CARRIED TO BALANCE SHEET		<b>700.89</b>	-
BASIC AND DILUTED EARNING PER SHARE (₹)		<b>30.62</b>	3.54
ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	13		

Schedules 8 to 13 attached to the Profit &amp; Loss Account are an integral part thereof.

**FLORENCE INVESTECH LIMITED (Formerly JK AGRI GENETICS LIMITED)**

₹ in Lacs

	As at 31.03.2006	As at 31.03.2005
<b>Schedule 1</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised:</b>		
Equity Shares - 50,00,000 shares of ₹ 10/- each (Previous Year 1,75,00,000 shares of ₹ 10/- each) {Read with Note no. 2(a)(vii) of Schedule 13B}	<b>500.00</b>	1,750.00
Preference Shares - 50,00,000 shares of ₹ 85/- each (Previous Year 50,00,000 shares of ₹ 85/- each) {Read with Note no. 2(a)(vii) of Schedule 13B}	<b>4,250.00</b>	4,250.00
	<b>4,750.00</b>	6,000.00
<b>Issued, Subscribed and Paid up:</b>		
Equity Shares	<b>332.89</b>	350.65
33,28,944 shares (Previous Year 35,06,510) of ₹ 10/- each fully paid up {Refer Note No. 2 (a), 2(b) & 2(c) below}		
Zero Coupon Redeemable Preference Shares	-	4,250.00
Nil (Previous Year 50,00,000) shares of ₹ 85/- each fully paid up (Refer Note No. 3 below)		
	<b>332.89</b>	4,600.65

**Notes:**

- 34,56,510 Equity Shares of Rs.10 each were allotted as fully paid up to the shareholders of J.K. Tyre & Industries Limited (JKTIL), without payment as per the Scheme of Arrangement & Amalgamation, in an earlier year.
- 35,06,510 equity shares of ₹ 10 each fully paid up have been reorganized and allocated pursuant to Scheme of Arrangement and Demerger and consequently the Company has issued and allotted 14,02,604 equity shares of ₹ 10/- each fully paid up to the shareholders of the Company. {Refer Note no.2(a)(vi) of Schedule 13B}
  - The Zero Coupon Redeemable Preference Shares(ZCRPS) of ₹ 4250 lacs have been converted into 8,51,346 nos. fully paid up equity share of ₹ 10/- each @ ₹ 499.21 (including premium ₹ 489.21) and have since been issued and allotted to the preference share holders of the company {Refer Note No. 2(a)(iii) & 2(a)(v) of Schedule 13B}.
  - Out of the Zero Coupon Non Convertible Bonds (ZCNCB) of ₹ 4250 lacs, the Company have transferred ₹ 1000 lacs to JK AGRI GENETICS LIMITED (formerly FLORENCE ALUMINA LIMITED) and the balance ZCNCB's of ₹ 3250 lacs have been converted into 10,74,994 nos. fully paid up equity share of ₹ 10/- each @ ₹ 302.33/- (including premium ₹ 292.33/-), which have since been issued and allotted to the Zero Coupon Non Convertible bondholders of the company {Refer Note No. 2(a)(iv) & 2(a)(v) of Schedule 13B}.
- ZCRPS amounting to ₹ 4250 lacs, appearing in the earlier year have been converted into Equity Shares as per note no.2(b) above.

₹ in Lacs

	As at 31.03.2006	As at 31.03.2005
<b>Schedule 2</b>		
<b>RESERVES AND SURPLUS</b>		
<b>I. Securities Premium</b>		
Opening Balance	-	
Add: On account of conversion of ZCRPS {Refer Note No. 2 (a) (iii) and 2 (a) (v) of Schedule 13B}	<b>4,164.87</b>	
Add: On account of conversion of ZCNCB's {Refer Note No. 2 (a) (iv) and 2 (a) (v) of Schedule 13B}	<b>3,142.50</b>	
Less: Goodwill written off {Refer Note No. 2 (a) (viii) of Schedule 13 B}	<b>2,775.94</b>	
	<b>4,531.43</b>	-
<b>II. Debenture Redemption Reserve</b>		
Opening Balance	<b>472.34</b>	348.29
Less: Transferred on account of Demerger of Seed {Refer Note 2 (a) (viii) of Schedule 13 B}	<b>472.34</b>	-
	-	348.29
Add: As per the Profit & Loss A/c	<b>318.42</b>	124.05
	<b>318.42</b>	472.34
<b>III. General Reserve</b>		
Opening Balance	<b>1,608.96</b>	1,608.96
<b>IV. Surplus in Profit &amp; Loss Account</b>	<b>700.89</b>	-
	<b>7,159.70</b>	<b>2,081.30</b>