

**AUDITOR'S CERTIFICATE-2011-12****To the Board of Directors of JK Agri Genetics Ltd. (formerly Florence Alumina Ltd.)**

We have examined the attached Balance Sheet (RECASTED) of JK Agri Genetics Ltd. (JKAGL) (formerly Florence Alumina Ltd.) as at 31<sup>st</sup> March 2012, the Statement of Profit & Loss (RECASTED) and also the Cash Flow Statement (RECASTED) (together financial statements) for the 12 months period ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management, which have been prepared to give carry over impact of the Scheme of Arrangement & Demerger in Audited Financial Statements of JKAGL for the year ended 31<sup>st</sup> March 2012 as stated in Note No. 27 [read with Note No. 26]. Impact of the Scheme (being effective on 2<sup>nd</sup> Nov, 2012) have been given in the accounts of Financial Year 2012-13 for the purpose to be prepared under Companies Act, 1956 to be placed before the members of the Company in the Annual General Meeting. As stated in the above said note impact of the Scheme have been given in the financial year 2005-06, to re-organise the Accounts for the year ended 31<sup>st</sup> March 2006 and its carry over impact in the subsequent financial years including business of Seed Undertaking which have been transferred from Florence Investech Limited (Formerly JKAGL). Our responsibility is to certify these financial statements based on our verification. Our examination was made in accordance with approved standards on auditing in India and accordingly included such tests of the accounting and other records. We have also assessed the accounting principles used and significant assessment made by the Management of the Company.

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

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

(N.K. LODHA)

Partner

Membership No. 85155



Place: New Delhi

Date: 30-3-2013

**JK AGRI GENETICS LIMITED**  
(formerly FLORENCE ALUMINA LIMITED)  
**Balance Sheet (Recasted) as at 31.03.2012**

(₹ in lacs)				
	Particulars	Note No.	As at 31.03.2012	As at 31.03.2011
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>(1) Shareholders' Funds</b>			
	(a) Share Capital	2	<b>360.39</b>	360.39
	(b) Reserves and surplus	3	<b>2,357.12</b>	1,670.93
			<b>2,717.51</b>	2,031.32
	<b>(2) Non-current Liabilities</b>			
	(a) Long-term borrowings	4	<b>1,373.04</b>	1,053.90
	(b) Other Long term liabilities	5	<b>73.33</b>	72.96
	(c) Long-term provisions	6	<b>162.94</b>	159.09
			<b>1,609.31</b>	1,285.95
	<b>(3) Current Liabilities</b>			
	(a) Short-term borrowings	7	<b>2,175.92</b>	816.27
	(b) Trade payables		<b>6,882.22</b>	2,198.69
	(c) Other current liabilities	8	<b>8,395.36</b>	8,406.30
	(d) Short-term provisions	9	<b>11.30</b>	29.30
			<b>17,464.80</b>	11,450.56
	<b>TOTAL</b>		<b>21,791.62</b>	14,767.83
<b>II.</b>	<b>ASSETS</b>			
	<b>(1) Non-current Assets</b>			
	(a) Fixed assets			
	(i) Tangible assets	10	<b>2,566.99</b>	2,482.55
	(ii) Intangible assets	10	<b>1,353.05</b>	1,486.46
	(iii) Capital work-in-progress	10	-	5.13
	(b) Deferred tax assets (net)	11	<b>1,096.98</b>	1,151.75
	(c) Long-term loans and advances	12	<b>45.63</b>	131.86
	(d) Other non-current assets	13	<b>170.95</b>	121.01
			<b>5,233.60</b>	5,378.76
	<b>(2) Current Assets</b>			
	(a) Inventories	14	<b>9,888.71</b>	5,444.87
	(b) Trade receivables	15	<b>2,338.64</b>	2,085.28
	(c) Cash & Bank Balances	16	<b>276.44</b>	421.66
	(d) Short-term loans and advances	17	<b>4,048.83</b>	1,436.47
	(e) Other Current Assets	18	<b>5.40</b>	0.79
			<b>16,558.02</b>	9,389.07
	<b>TOTAL</b>		<b>21,791.62</b>	14,767.83

Significant Accounting Policies

The accompanying Notes are an integral part of the Financial Statement (26-52)

**JK AGRI GENETICS LIMITED**  
(formerly FLORENCE ALUMINA LIMITED)  
**Statement of Profit and loss (Recasted) for the year ended 31.03.2012**

		(₹ in lacs)		
	Particulars	Note No.	2011-12	2010-11
I.	Revenue from operations	19	13,435.85	11,466.40
II.	Other income	20	35.64	29.91
III.	Total Revenue (I + II)		13,471.49	11,496.31
IV.	Expenses:			
	(a) Cost of materials consumed	21	10,134.82	5,131.27
	(b) Changes in inventories of finished goods work-in-progress and Stock-in-Trade	22	(4,436.86)	332.62
	(c) Employee benefits expense	23	2,325.43	2,010.75
	(d) Finance costs	24	532.36	318.13
	(e) Depreciation and amortization expense	10	282.94	304.84
	(f) Other expenses	25	3,891.84	3,638.03
	Total expenses		12,730.53	11,735.64
V.	Profit before exceptional and extraordinary items and tax (III-IV)		740.96	(239.33)
VI.	Exceptional items		-	-
VII.	Profit before extraordinary items and tax (V - VI)		740.96	(239.33)
VIII.	Extraordinary Items		-	-
IX.	Profit before tax (VII- VIII)		740.96	(239.33)
X	Tax expense:			
	(1) Current tax		43.63	(6.69)
	(2) MAT Credit Entitlement		(43.63)	-
	(3) Deferred tax		54.77	(124.56)
XI	Profit / (Loss) for the period		686.19	(108.08)
XVI	Earnings per equity share: Basic & Diluted		19.04	(3.00)

Significant Accounting Policies

The accompanying Notes are an integral part of the Financial Statement (26-52)

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

**Note No.2**

(₹ in lacs)

	As at 31.03.2012	As at 31.03.2011
<b>SHARE CAPITAL</b>		
<b>Authorised:</b>		
Equity Shares - 1,40,00,000 of ₹10 each (Previous year 1,40,00,000 of ₹ 10/- each) (Refer Note No. 1 below & Note no.27(iv))	<b>1,400.00</b>	1,400.00
	<b>1,400.00</b>	1,400.00
<b>Issued, Subscribed and Paid up:</b>		
Equity Shares - 36,03,906 shares (Previous Year 36,03,906 shares) of ₹ 10 each fully paid up (Refer Note No.2 below)	<b>360.39</b>	360.39
	<b>360.39</b>	360.39

**Notes:**

- Subsequent to issue & allotment (on preferential basis) of 14,50,000 equity shares of ₹ 10 each in the year 2005-06 (pre-impact of the scheme) to Florence Investech Limited (FIL)(formerly JK Agri Genetics Ltd.), FIL along with its nominees became Holding Company. However, in view of Order of Hon'ble High Court at Calcutta read with Note 27, FIL ceased to be Holding Company.
- 2103906 no. of fully paid up equity shares of ₹ 10 each since been allotted to the shareholders of the Florence Investech Limited in terms of Scheme of Arrangement and demerger.{Refer Note 27(iii)}.

**3. Details of Shareholder held more than 5% of Equity Share**

	As at 31.03.2012	As at 31.03.2011
Name of Shareholder#	No. of Shares held	No. of Shares held
Florence Investech Ltd.	1500000	1500000
Bengal & Assam Company Ltd.	797892	797892
Edgefield Securities Ltd.	217749	217749

# Pursuant to Scheme of Arrangement and Demerger (Refer Note No. 26 & 27)

**4. Reconciliation of number of shares outstanding - Equity Share**

	As at 31.03.2012	As at 31.03.2011
Shares outstanding as at the beginning of the year	<b>36,03,906</b>	36,03,906
Add: Issued during the year	-	-
Less: Bought back during the year	-	-
Shares outstanding as at the end of the year	<b>36,03,906</b>	36,03,906

- 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. 27)

**6. Terms/right attached to equity shares:**

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share and also have equal right in distribution of profit/surplus in proportion to the equity share held by shareholders.

- In the event of winding up the equity shareholders will be entitled to receive the remaining balance of assets, if any, proportionate to their individual shareholding in the paid up equity capital of the company.

**Note No.3**

(₹ in lacs)

	As at 01.04.2011	Additions	Transfers	As at 31.03.2012
<b>RESERVES AND SURPLUS</b>				
Debenture Redemption Reserve@	472.34	-	-	<b>472.34</b>
General Reserve@	1,198.59	-	-	<b>1,198.59</b>
Surplus in Profit & Loss Statement #	-	<b>686.19</b>	-	<b>686.19</b>
	<b>1,670.93</b>	<b>686.19</b>	-	<b>2,357.12</b>
Previous year	1,779.01	(108.08)	-	1,670.93

@ Refer Note No 27(vi)

# Details of Surplus in Profit & Loss Statement	As at 31.03.2012	As at 31.03.2011
Surplus in Profit and Loss Statement from Previous Year	-	-
Add: Profit / (Loss) for the year	<b>686.19</b>	(108.08)
Add: Transfer from General Reserve	-	108.08
Surplus in Profit and Loss Statement carried to Balance sheet	<b>686.19</b>	-

**Note No.4**

(₹ in lacs)

	Non Current		Current Maturities	
	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
<b>LONG TERM BORROWINGS</b>				
<b>SECURED LOANS</b>				
Zero Coupon Non-Convertible Bonds	-	-	1,000.00	1,000.00
Term Loans:				
Banks	101.19	292.89	248.01	245.50
Buyers Credit	527.33	-	67.99	-
Others	59.61	-	-	-
	<b>688.13</b>	292.89	<b>1,316.00</b>	1,245.50
<b>UNSECURED LOANS</b>				
Council of Scientific & Industrial Research (CSIR)	684.91	761.01	76.10	-
Others	-	-	-	-
	<b>684.91</b>	761.01	<b>76.10</b>	-
	<b>1,373.04</b>	1,053.90	<b>1,392.10</b>	1,245.50
Less: Amount disclosed under the head " Other Current Liabilities" (Note No.8)			<b>(1,392.10)</b>	(1,245.50)
	<b>1,373.04</b>	1,053.90	-	-

**Notes:**

- Zero Coupon Secured Non-Convertible Bonds (ZCSNCBs) of ₹ 1000 lacs (Previous year ₹ 1000 lacs) are secured/to be secured by subordinate and subservient charge created/to be created on all the movable and immovable properties of the Company, both present and future. These bonds will be redeemable in four instalments of ₹ 300 lacs each at the expiry of the 2nd & 3rd year and ₹ 200 lacs each at the expiry of the 4th & 5th year from, 1.4.2005 pursuant to the court order. (Refer Note 27(v)).
- a) Term loan of ₹ 207.01 lacs (Previous year ₹ 456.61 lacs) & Buyers Credit of ₹ 595.32 lacs (Previous year Nil) 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 Ranpur, Kota, (Rajasthan) and on entire movable fixed assets of the Company. This is further secured by second charge on the entire fixed assets financed by DBT. Term loan is repayable in 4 quarterly installments of ₹ 62.50 lacs, ₹ 62.50 lacs, ₹ 75 lacs and ₹ 7.01 lacs. Buyers credit is repayable in one Quarterly installment of ₹ 67.99 lacs, two quarterly installments of ₹ 75 lacs each, three Quarterly installment of ₹ 112.50 lacs each and one installment of ₹ 39.83 lacs commencing from January 2013.
  - b) Term Loan of ₹ 142.19 lacs ( Previous year ₹ 81.78 lacs) 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 charge on the entire fixed assets financed by DBT and repayable in 13 Quarterly installment of ₹ 10.25 lacs each and 14th installment of ₹ 8.94 lacs.
- Term loan of ₹ 59.61 lacs (Previous year Nil) is secured by First charges on the Assets created out of loan from Department of BioTechnology (DBT), Pari Passu second charge on the entire fixed Assets of the Company including the land at Dundigal Village, Ranga Reddy District (AP) with a market value of ₹ 7.78 crs 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 ₹ 5.96 lacs each commencing from September, 2016.
- Unsecured loan of ₹ 761.01 lacs taken from CSIR which is repayable in 10 equal yearly installment of ₹ 76.10 lacs each commencing from August 2012.
- Above charges are pending for modification (Refer Note No 27(a)).

**Note No.5**

	As at 31.03.2012	As at 31.03.2011
<b>OTHER LONG TERM LIABILITIES</b>		
Interest accrued but not Due	61.27	52.92
Others	12.06	20.04
	<b>73.33</b>	72.96

**Note No.6**

	As at 31.03.2012	As at 31.03.2011
<b>LONG-TERM PROVISIONS</b>		
<b>Provision for employee benefits</b>		
Gratuity	73.06	71.32
Leave encashment	89.88	87.77
	<b>162.94</b>	159.09

**Note No.7**

	<b>As at 31.03.2012</b>	As at 31.03.2011
<b>SHORT TERM BORROWINGS</b>		
<b>SECURED LOANS</b>		
Repayable on Demand from Banks	<b>2,175.92</b>	816.27
	<b>2,175.92</b>	816.27

**Notes:**

Working Capital borrowing is 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****(₹ in lacs)**

	<b>As at 31.03.2012</b>	As at 31.03.2011
<b>OTHER CURRENT LIABILITIES</b>		
Current Maturities of Long Term Debts	<b>1,392.10</b>	1,245.50
Advance from Customers	<b>6,140.23</b>	5,369.89
Interest Accrued but not due on loan	<b>22.86</b>	4.68
Other Liabilities		
Capital Payables	<b>11.25</b>	533.48
Government and Other dues	<b>53.14</b>	68.10
Others (Refer Note 48)	<b>775.78</b>	1,184.65
	<b>8,395.36</b>	8,406.30

**Note No.9**

	<b>As at 31.03.2012</b>	As at 31.03.2011
<b>SHORT TERM PROVISIONS</b>		
Provision for Retirement Benefits		
Gratuity	<b>6.15</b>	12.53
Leave Encashment	<b>5.15</b>	16.77
	<b>11.30</b>	29.30