

# Annual Report

## 2019 - 20



# WE ARE JK SEEDS

**JK** AGRICULTURAL GENETICS LTD





## VISION & MISSION

Our **VISION** is to be “A trusted, purposeful, innovative enterprise”.

Our **MISSION** is to emerge as a leading agriculture company.

Deliver quality products and services through research and collaborations.

Help grow farmer income by being a customer centric organisation.

Sustained commitment to community, environment, health & safety.

*Harvesting happiness  
through innovation*

**JK** AGRI GENETICS LTD.



Caring for **PEOPLE**.

**INTEGRITY**, Openness, Fairness & Trust.

Commitment to **EXCELLENCE**.

**JK** AGRI GENETICS LTD.



# TRUST & TOGETHERNESS



Great  
Place  
To  
Work®  
Certified  
MAR 2020–FEB 2021  
INDIA



Goal Udghosh, launch of new commercial units



Diversity at workplace



Skill enhancement and professional development program

**JK** AGRI GENETICS LTD.



High quality innovative products



*Harvesting happiness  
through innovation*



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# Board OF Directors



**Bharat Hari Singhania**  
Chairman



**Dr. Raghupati Singhania**



**Sanjay Kumar Khaitan**



**Sanjeev Kumar Jhunjunwala**



**Swati Singhania**



**Abhimanyu Jhaver**



**Ajay Srivastava**



**Amar Singh Mehta**



**Vikrampati Singhania**  
Managing Director



**Dr. Gyanendra Shukla**  
President & Director



**Processing Plant**

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

**Administrative Office**

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

**Registered Office**

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

**Bankers**

Axis Bank Limited  
IDFC Bank Limited  
Yes Bank Limited

**Auditors**

BGJC & Associates LLP  
Chartered Accountants

**Chief Financial Officer**

G. Sravana Kumar

**Company Secretary**

Anoop Singh Gusain

**Website:** [www.jkagri.com](http://www.jkagri.com)

**CIN:** L01400WB2000PLC091286

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

**JK AGRI GENETICS LTD.**

## DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS

### TO THE MEMBERS

Your Directors have pleasure in presenting the Annual Report together with the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March 2020.

### FINANCIAL RESULTS

	(₹ in Crore)
Sales & Other Income	180.51
Profit before Finance Cost & Depreciation (PBITD)	(3.80)
Profit after Tax	(10.76)
Surplus brought forward	<u>46.16</u>
Surplus carried to Balance Sheet	<u>34.75</u>

### DIVIDEND

Considering the financials of the Company, no Dividend has been recommended by the Board for the Financial Year 2019-20 ended 31<sup>st</sup> March 2020.

### PREFERENTIAL ALLOTMENT OF EQUITY SHARES & CONVERTIBLE WARRANTS

For meeting working capital requirements of the Company and for other general corporate purposes, the Company has made preferential allotment of 5,50,000 Equity Shares of ₹10/- each and 4,83,057 Fully Convertible Warrants "Warrants" (to be convertible at an option of Warrant holder in one or more tranches, within 18 (Eighteen) months from its allotment date i.e., 4<sup>th</sup> March 2020 into equivalent number of fully paid up Equity Shares of face value of ₹10/- each) to the Promoter and Promoter Group, at a price of ₹484/- per Equity Share/ Warrant, based on a price prescribed under relevant SEBI Regulations, aggregating to ₹50 Crore.

Pursuant to the above allotment of Equity Shares, the issued, subscribed and paid-up equity share capital of the Company has increased from ₹3,60,39,060/- comprising of 36,03,906 Equity Shares of ₹10/- each to ₹4,15,39,060/- comprising of 41,53,906 Equity Shares of ₹10/- each.

In respect of Warrants, the Company has received an amount of ₹5.85 Crore upfront representing 25% of the warrant price at the time of allotment of warrants and the balance 75% i.e., ₹17.53 Crore will be payable at the time of exercise of the warrants which is exercisable within a period of 18 months from the date of allotment.

### OPERATIONS

Your company's performance for the year 2019-2020 should be seen in the overall context of the Covid-19 situation, especially the impact in the last quarter of the financial year. The Company was set to achieve better revenues if lockdown would not have happened in the last few days of the financial year. In fact, till February, the revenues of the Company were ahead of the previous year. During the lockdown significant high-value material like vegetables and export were stuck in transit due to supply chain disruptions therefore could not be sold.

Overall, the field crop business fared well whereas vegetables continue to be subdued. Maize business had a double-digit growth whereas Jowar, Bajra and Rice had marginal degrowth. As part of its product portfolio restructuring program, the Company had also dropped some low margin, slow-moving high-volume products even at the cost of short term drop in overall revenue. Our newly launched products in Rice, Maize, Mustard, Millets, Sorghum Sudan grass and Cotton have been perceived well in the market and are expected to contribute significantly to the turnover and profitability of the Company in the upcoming years.

The domestic cotton business has stabilised, and we believe that new products introduced in recent years will bring us back on the growth path. In the medium-term, Covid-19 driven subdued demand pattern may lower the sentiments for the Cotton crop in India. Pink bollworm & un-authorised technologies like herbicide tolerant cotton are also spreading even though the rate of expansion has slowed down owing to the crack down by the Government. In the Short-term Government's MSP based procurement of Cotton may provide stability to the crop.

Seed exports of field crops have also started ramping up and we have recorded a small growth in spite of multiple headwinds including currency and trade issues. Company is pursuing to increase its share of exports in the forthcoming years, as we secure more approvals in new and existing markets. Though the Company expects some temporary headwinds due to ongoing pandemic but these are surmountable and long term prospects of the Company would not be influenced by these events.

The vegetable seed business is also undergoing