



JK AGRI GENETICS LTD.

Annual Report 2008 - 09

BOARD OF DIRECTORS

Bharat Hari Singhania
Chairman

J. R. C. Bhandari

Sanjeev Kumar Jhunjhunwala

Sanjay Kumar Khaitan

Raghupati Singhania

Vikrampati Singhania

Swaroop Chand Sethi

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
AXIS Bank Ltd.

Registered Office
7, Council House Street,
Kolkata – 700 001

Company Secretary
Anand Kumar Das

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 eighteen months period ended 30th September, 2009.

OPERATIONS

The financial year of the Company was extended by six months thus covering eighteen months period ended 30th September, 2009. The turnover during the period was Rs. 151.27 crores. Due to adverse climatic conditions during the period there was an operating loss of Rs. 72 lacs and the Loss before Tax was Rs. 7.35 crores.

This eighteen months period comprised of two major Khariff selling seasons and one Rabi (winter) & summer season. Whilst both the rainy (Khariff) seasons were marked with fluctuating climatic conditions, the major agricultural areas in the country witnessed one of the worst droughts during Khariff, 2009. This resulted in sharp decline of sowing of major cereal crops viz. Rice, Bajra etc. Even though there was reduction in the off take of cereal crops, the Company was able to maintain a modest growth by increasing sales of other crops viz. Maize & Bt Cotton. The profitability was however affected due to resultant build up of inventories and obsolescence losses.

The recently released Maize and Bajra hybrids are delivering promising yields across the country. The Company has also launched several new hybrids in vegetable crops viz. Tomato, Chilli, Bhendi & Brinjal.

The Company has entered the energy crop sector through development of hybrids in Sweet Sorghum which are gaining acceptance and good response from farmers as also from industry.

RESEARCH AND DEVELOPMENT

The Company lays great emphasis on R&D programs. It has successfully integrated plant breeding and biotechnology based research techniques to develop superior hybrids, suitable for various markets and agro climatic segments across various geographies.

The Company focuses its research efforts on some of the major market segments which require superior products in its mandate crops. Even though your Company has the distinction of being the first Indian Company to commercialise indigenously developed

Bt Cotton technology, it faces major challenges due to delay in deregulation of the second generation stacked gene Bt Cotton technology. With a view to increase the presence in the markets, the Company has developed collaborative linkages for accessing latest technology not only with several national and international institutes, but also with some of the major agri-biotech global players. This would enable the Company to incorporate latest technology traits in its present and newly developed products to fulfill the changing needs of the farmer and end consumers alike.

RESTRUCTURING

A Scheme of Arrangement and Demerger (Scheme) between JK Agri Genetics Ltd. and Florence Alumina Ltd. has been filed in the Hon'ble High Court at Calcutta for sanction thereof pursuant to Sections 391-394 of the Companies Act, 1956. The Scheme envisages transfer of Seed undertaking of the Company to Florence Alumina Ltd. with effect from the Appointed Date i.e., 1st April 2005. The Scheme was approved by the requisite majority of the equity shareholders of the said two Companies at their respective meetings held on 13th September 2006 at Kolkata under the directions of the said Court. However the impact of the Scheme will be given in the accounts only after the Scheme is sanctioned and becomes effective pursuant to Sections 391-394 of the Companies Act, 1956.

DIRECTORS

Shri Sanjay Kumar Khaitan and Shri Sanjeev Kumar Jhunjhunwala retire by rotation and being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting.

SUBSIDIARY COMPANY

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

AUDITORS

M/s Lodha & Co., Chartered Accountants, Auditors of the Company, retire and are eligible for reappointment. The observations of the Auditors in their report on

Accounts read with the relevant notes are self-explanatory.

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 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 alongwith proper explanation relating to material departures;
- ii) the accounting policies have been selected and applied consistently 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.

ACKNOWLEDGEMENTS

Your Directors wish to acknowledge the continued support and co-operation received from our valued

Customers, Dealers, Suppliers, Shareholders, Banks 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

Date: 28th November, 2009 **Bharat Hari Singhania**
New Delhi **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(l)(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 Rs.76.12 lacs and recurring expenditure was Rs.1741.07 lacs. The total expenditure on R&D was 12.01% of the net turnover.

C. TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

With the increasing fuel prices the energy crop sector is going to play a vital role. Being proactive in its approach Company has come up with two Sweet Sorghum hybrids. New products were launched in Bajra, Maize, Paddy and Jowar. Similarly, products for new segments were launched in vegetables like Tomato, Chilli and Bhendi.

D. EXPORT, FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. in Lacs)

Description	2008-09	2007-08
Foreign Exchange Earnings		
Export sales – FOB value	116.62	17.64
Others	61.09	-
Foreign Exchange Outgo	127.59	298.71

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

The Seed Industry has registered healthy growth during the last several years despite fluctuations in monsoon. One of the major contributing factors for this growth has been the launch of transgenic technology of Bt Cotton during 2002. Even though farmers were cautious while accepting this new technology in the initial stage, there has been rapid growth in the sale of Hybrid Bt Cotton seed since 2004-05 and almost 80% of the area under cotton has now been covered by Bt Cotton hybrids. Even within this segment, rapid acceptance of latest technologies with value added traits (stacked gene products) by the farmers has been remarkable. The increased consumption of Bt Cotton hybrid seeds coupled with high price has resulted in a compounded growth of 25% in case of Bt Cotton and 10% overall growth in the seed industry.

The other driver of growth has been Hybrid Maize wherein the consumption has almost tripled and the seed value has been increased by more than 7 times which works out to 35% compounded annual growth rate over 7 years period. The major reasons for this are better price realisation for the Maize grain, and higher productivity obtained by the farmers by single cross maize hybrids. Apart from this, there has been moderate growth in few other hybrid crops viz. Rice, Bajra and some of the Vegetable crops, during this period.

This clearly indicates the eagerness of farmers to adopt new technologies, experiment with new innovative hybrids in order to improve their productivity and income levels. The Seed industry accordingly has been making heavy investments in R&D, Biotechnology, Processing Plants and other infrastructural facilities, to offer world class products to Indian farmers at reasonable prices. The trend is expected to continue with more and more crops getting approved under GM crops category. The recent clearance of Bt Brinjal by the Genetic Engineering Approval Committee (GEAC) is likely to pave the way for entry of several GM food crops in the years to come. It is expected to fuel further growth of seed industry.

The Indian Seed Industry which has reached a turnover level of 1.2 billion USD (Rs.5500 crores) is 6th largest in the world and is growing at 10-12%, even though there are large areas where farmers are using their own seeds. Therefore, the potential in this sector is large.

Despite this growth, there were some setbacks because of peculiar situation faced during Kharif, 2009 season. The country witnessed one of the severest droughts of the last few decades, which resulted in steep reduction in the areas of some of the crops like Bajra & Rice. This was followed by floods in the later part of the season. The Rabi season is expected to be good as a result of improved availability of water due to late rains and floods.

JK SEEDS

After three years of commercialisation of the Bt Cotton technology, the Company has now received event based clearance from GEAC wherein the process of launch of the new Bt Cotton hybrids has been simplified and made almost similar to that of non-transgenic products. As a result of which, the Company could launch several new innovative Bt Cotton hybrids during 2009. The Company has now got complete portfolio of products to meet the needs of all the major market segments in Bt Cotton.

The Company has successfully developed a maize hybrid which has been well appreciated by the farmers across the country. The Company has also achieved market leadership in Jowar and has further consolidated its position in Bajra. JK Seeds has extended its distribution channels to cover almost all the geographies of Indian markets and has now initiated the exports to several adjoining and Asian countries which are having similar agro-climatic conditions like India.

RESEARCH & DEVELOPMENT

Research & Development and Innovation would play key role in driving the success of a seed enterprise worldwide. Almost all the MNCs who have heavily invested in research have entered India. To meet increasing competition Indian companies are gearing up by investing in R&D and other infrastructural facilities.

At JK Agri Genetics, R&D has always been a major thrust area since its inception. The Company has several well spread out breeding and multi-location trial centres, across the country with the objective to cover all the major agro-climatic zones.

The Company has also initiated line development programs at its breeding centres in order to develop

novel plant types in different crops. This is expected to give strategic advantage to the Company in the long run.

The breeding programs are complemented by biotechnology based research program by developing an in depth understanding of effect of various contributing genes to the diverse traits related to disease, insect resistance, drought tolerance, yield enhancement and quality related factors etc.

OPPORTUNITIES, THREATS AND CONCERNS

In the predominant agricultural country like India which has diversity of climates and soils for production of various agricultural crops comprising of food, feed, fiber and oil/fuel crops, the major challenge is improving crop productivity which will not only enhance farmer income, but also give competitive advantage to the Indian agriculture. The present level of low yields in agriculture offers tremendous opportunity for yield improvement by using good quality hybrid seeds coupled with GM technologies. There is an opportunity to accelerate growth in the farming sector which has remained stagnant for over past two decades. However, several other factors like floods, drought and macro economic factors like demand and supply of end products will have an impact on this industry. The low entry barrier, entry of several MNCs from across the globe into this market are also major challenges.

HUMAN RESOURCE DEVELOPMENT

During the year a number of key HR initiatives were taken up to link business objectives with employee performance. Developing CFTs (Cross Functional Teams) helped better understand employee potentials. It also provides directions for Job Rotations, Job Enlargement and motivating employees by internal recruitments/promotions & Career development.

Development of Online Portal for all interested candidates willing to join JKAL resulted in reduction of recruitment cost & enhanced our Brand Name in the Industry. The Company continues to invest not only in intensive technical training but also by exposing its people to leadership programmes.

FINANCIAL PERFORMANCE AND INTERNAL CONTROL SYSTEMS

(Rs. in Lacs)

PARTICULARS	2008-09 (18 months)	2007-08 (12 months)
1. Turnover	15,127.30	9,655.21
2. Operating Profit/(Loss) (PBIT)	(71.73)	1,181.11
3. Interest	337.58	99.32
4. Profit/(Loss) Before Tax	(735.04)	873.60
5. Provision for Tax and adjustment for earlier year tax	(611.86)	228.84
6. Profit/(Loss) after Tax	(123.18)	644.76

Innovative products, superior quality and value added services were key differentiators, which helped in achieving this turnover. However, higher seed procurement cost, reduced demand of Bajra impacted profitability for the year under reference.

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 efficiency. 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

"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.

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 Company reaffirms its commitment of the good Corporate Governance practices. 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). The Chairman is Non-Executive. Attendance and other details are as given hereunder:

Director	Category	Number of Board Meetings Attended	No. of other Directorships and Committee Memberships/ Chairmanships		
			Other Directorships\$	Committee Memberships*	Committee Chairmanships*
Shri Bharat Hari Singhania, Chairman	NED	6	4	1	-
Dr. Raghupati Singhania	NED	5	7	2	1
Shri Vikrampati Singhania	NED	5	2	1	1
Shri S. C. Sethi	IND	6	5	6	-
Shri Sanjay Kumar Khaitan	IND	5	-	-	-
Shri J.R.C. Bhandari	IND	5	3	2	2
Shri Sanjeev Kumar Jhunjhunwala	IND	2	2	-	-

- The last Annual General Meeting held on 17.12.2008 was attended by Shri Vikrampati Singhania, Shri S.C. Sethi and Shri J.R.C. Bhandari.

\$ 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

Shri Bharat Hari Singhania is brother of Dr. Raghupati Singhania and father of Shri Vikrampati Singhania.

NUMBER AND DATES OF BOARD MEETINGS HELD:- Six Board Meetings were held during the eighteen months period from 1st April 2008 to 30th September 2009 i.e., on 30th April 2008, 31st July 2008, 24th October 2008, 28th January 2009, 30th April 2009 and 30th July 2009.

The Board periodically reviews Compliance Reports of all laws applicable to the Company and has put in place procedure to review steps to be taken by the Company to rectify instances of non-compliances, if any. Pursuant to the provisions of Clause 49 of the Listing Agreement, 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). All the Board Members and Senior Management Personnel have affirmed compliance with the Code. This Report contains a declaration to this effect signed by President & Manager.

3. AUDIT COMMITTEE :

The Company has an Audit Committee of Directors which consists of four Directors – all of them are Non-Executive Independent Directors, namely Shri J.R.C. Bhandari (Chairman of the Committee), Shri Sanjay Kumar Khaitan, Shri Sanjeev Kumar Jhunjhunwala and Shri S.C. Sethi.

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

Six meetings of the Audit Committee were held during the eighteen months period ended 30th September 2009. Dates of the meetings and the (number of the Members attended the meetings) are: 30th April 2008 (4), 31st July 2008 (3), 24th October 2008 (3), 28th January 2009 (3), 30th April 2009 (2) and 30th July 2009 (3).

All the Committee Meetings were attended by the Statutory Auditor.

4. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE :

The Company has Shareholders/ Investors Grievance Committee at the Board level which consists of three Directors, namely Shri S.C. Sethi (Chairman of the Committee), Shri Sanjay Kumar Khaitan, both being Non-Executive Independent Directors and Shri Vikrampati Singhania, Non-Executive Director. The composition of the Committee is in conformity with Clause 49(IV)(G)(iii) of the Listing Agreement.

Six meetings of the said committee were held during the eighteen months period ended 30th September 2009. Dates of the meetings and the (number of the Members attended the meetings) are: 30th April 2008 (3), 31st July 2008 (2), 24th October 2008 (3), 28th January 2009 (2), 30th April 2009 (3) and 30th July 2009 (3).

Shri Anand Kumar Das, Company Secretary is the Compliance Officer.

During the financial year 2008-09, no grievance was received from members. Also, no grievance pertaining to the previous financial year 2007-08 was pending at the end of the said previous financial year. As on date there are no grievances pending.

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 2008-09, 31 Meetings of this Committee were held. Shri Anand Kumar Das, Company Secretary acts as the Compliance Officer.

5. REMUNERATION COMMITTEE (Non-mandatory)

Remuneration Committee comprising of Shri J.R.C. Bhandari (Chairman of the Committee), Shri Sanjay Kumar Khaitan and Shri S.C. Sethi, all being Non-Executive Independent Directors was constituted on 30th July 2009, to consider, determine and recommend remuneration of Shri P.S. Dravid as Manager of the Company for a term of three years commencing from 5th September 2009.

6. REMUNERATION PAID TO DIRECTORS AND MANAGER:

i) **Manager :** The aggregate value of salary, perquisites and contribution to Provident Fund and Superannuation Funds for the eighteen months period ended 30th September, 2009 to Shri P.S. Dravid, Manager is Rs.70.30 lacs. No Commission was paid during the year.

ii) Non-Executive/Independent Directors :

The Company has paid sitting fees aggregating to Rs.2.70 lacs to all the Non-Executive Directors for attending the meetings of the Board/ Committees thereof.

No other payments were made to Non-Executive Directors and such Directors did not have any other pecuniary relationship or transactions vis-a-vis the Company during the year except as stated above.

The number of Equity Shares held by the Non-Executive Directors as on 30th September, 2009 are: Shri Bharat Hari Singhania - 18,788 Equity Shares; Dr. Raghupati Singhania - 6240 Equity Shares; Shri Vikrampati Singhania - 6,866 Equity Shares; Shri S.C. Sethi-30 Equity Shares; Shri J.R.C. Bhandari- Nil Equity Share, Shri Sanjay Kumar Khaitan- Nil Equity Share and Shri Sanjeev Kumar Jhunjhunwala- Nil Equity Share. None of the Directors hold convertible instruments.

7. GENERAL BODY MEETINGS :

Location and time for the last three Annual General Meetings (AGMs) :

Year	Location	Date	Time
2005-2006	Shripati Singhania Hall, Rotary Sadan, 94/2, Jawaharlal Nehru Road (Chowringhee Road), Kolkata -700 020	06.09.2006*	10.30 A.M.
2006-2007	Same as above	28.12.2007	11.30 A.M.
2007-2008	Same as above	17.12.2008	11.30 A.M.

*The AGM was adjourned and was held on 28.12.2007 at 10.30 A.M. at the same venue.

A Special Resolution was passed in the AGM held in 2006. No Special Resolution was passed in the AGM held in 2007 and 2008. No Special Resolutions were required to be put through postal ballot during the year.

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 disclosure as required by Accounting Standard (AS-18) - Related Party Transactions 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 was no case of non-compliance on any matter related to capital markets during the last three years.

- (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 normally published in leading Newspapers, namely Business Standard (English Language) and Bartaman/Sangbad Pratidin (Bengali Language) and are also promptly furnished to the Stock Exchanges for display on their respective websites. The results are also displayed on the Company's website www.jkseeds.net

Management Discussion & Analysis forms part of the Annual Report.

10. GENERAL SHAREHOLDERS' INFORMATION :

Registered Office : 7, Council House Street,
Kolkata - 700 001
Ph:033-22486181

Annual General
Meeting (AGM)

- (a) Date, Time & Venue : Thursday, the 28th January 2010 at 11.30 A.M. at Shripati Singhania Hall, Rotary Sadan, 94/2, Jawahar Lal Nehru Road (Chowringhee Road), Kolkata - 700 020.

- (b) As required under clause 49(IV)(G)(i), a brief resume and other particulars of Directors retiring by rotation and seeking re-appointment at the aforesaid AGM are given in the Notes to the Notice convening the said Meeting.

Financial Calendar (tentative) :

Financial Reporting for the quarter ending :

1st Quarter ending By the end of January 2010
31st December 2009

2nd Quarter ending By the end of April 2010
31st March 2010

3rd Quarter ending By the end of
30th June 2010 July 2010

4th Quarter ending By the end of November/
30th September 2010 December 2010

Annual General Meeting for the Between February and
financial year 2009-10 March 2011

Date of Book Closure 25th January to 28th January
2010 (both days inclusive)

Listing on Stock Exchanges The Equity Shares of the Company are listed on Bombay Stock Exchange Ltd., Mumbai (BSE) and the Calcutta Stock Exchange Ltd., Kolkata (CSE). The annual listing fee for the year 2009-10 has been paid to both the Stock Exchanges.

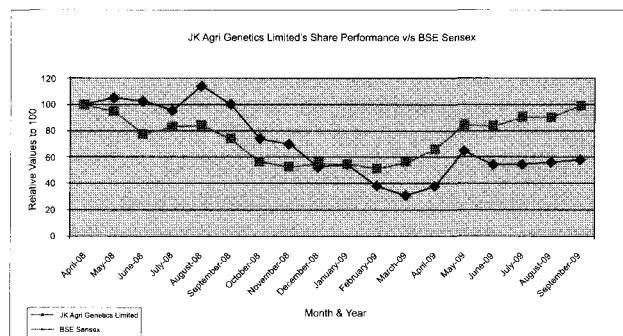
Security Code for BSE - 532518
Company's Equity Shares on Stock CSE - 10020255
Exchanges and
ISIN No.

The ISIN number of the Equity Shares is INE211G01012.

Stock Market Price Data

Bombay Stock Exchange Ltd.(BSE)		
Month	High (Rs.)	Low (Rs.)
April 2008	325.00	267.00
May 2008	353.80	270.00
June 2008	308.90	270.25
July 2008	292.90	225.00
August 2008	339.00	255.25
September 2008	322.95	260.00
October 2008	294.90	162.35
November 2008	223.90	165.10
December 2008	197.95	136.25
January 2009	219.00	125.00
February 2009	160.00	106.50
March 2009	116.00	65.00
April 2009	120.00	80.00
May 2009	184.00	90.00
June 2009	198.50	144.45
July 2009	164.00	131.00
August 2009	159.25	129.15
September 2009	174.15	142.65

Comparison with BSE Sensex



Distribution of Shareholding (as on 30.09.2009)

No. of Equity Shares Held	No. of Shares		Shareholders	
	Number	% of Total	Number	% of Total
1 - 250	233086	6.65	11047	96.77
251 - 500	58637	1.67	150	1.31
501 - 1000	69777	1.99	93	0.82
1001 - 5000	195302	5.57	83	0.72
5001 - 10000	104008	2.97	17	0.15
10001 & above	2845700	81.15	26	0.23
Total	3506510	100.00	11416	100.00

Share Transfer System

The transfer/ transmission of shares in physical form is normally processed and completed within a period of 15 to 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 30th September 2009, 95.76% of the Equity Shares were held in dematerialised form. The Equity Shares of the Company are actively traded on the Bombay Stock Exchange Ltd. 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 Centres are located near Hyderabad (Andhra Pradesh) and Kota (Rajasthan), besides a state-of-the-art Biotechnology R&D Centre at Hyderabad.

Address for Correspondence for Share Transfer and Related Matters

- Shri Anand Kumar Das
Company Secretary
JK Agri Genetics Limited
Secretarial Department
3rd Floor, Gulab Bhawan (Rear Block)
6A, Bahadur Shah Zafar Marg,
New Delhi 110 002
Ph. : 91-11-23311112-5 (Extn. 172)
Fax: 91-11-23716670, 23739475
Email : jkagls shareholder@jkmil.com
website : www.jkseeds.net
- Registrar & Share Transfer Agent :-
Alankit Assignments Ltd.
Alankit House
2E/21, Jhandewalan Extension,
New Delhi-110055 (India)
Ph : 91-11-23541234,42541234
Fax : 91-11-42541967
Email : rta@alankit.com
Website : www.alankit.com

11. DECLARATION :

This is to confirm that all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for Directors and Senior Management adopted by the Board.

(PS David)
President & Manager

12. AUDITORS' 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 (eighteen months) ended 30th September 2009, 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

N. K. LODHA
Partner

Place: New Delhi

Membership No. - 85155

Date: 28th November, 2009

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 Lakshmi Cement Ltd., JK Tyre & Industries Ltd., JK Paper Ltd., Fenner (India) Ltd., BMF Investments Ltd., Southern Spinners and Processors Ltd., Modern Cotton Yarn Spinners Ltd., Florence Alumina Ltd., JK Plant Bio Sciences Research Ltd., Natext BioSciences Pvt. Ltd., JK Sugar Ltd., Bengal & Assam Company Ltd., Nav Bharat Vanijya Ltd., Juggilal Kamlapat Udyog Ltd., Pranav Investment (M.P.) Company Ltd., Param Shubham Vanijya Ltd., J.K. Credit & Finance Ltd., Accurate Finman Services Ltd., Bhopal Udyog Ltd., Sago Trading Ltd., Rouncy Trading Pvt. Ltd., J.K. Risk Managers and Insurance Brokers Ltd., J.K. Enviro-Tech Ltd., Panchmahal Properties Ltd., Acorn Engineering Ltd., Elate Builders Pvt. Ltd., LVP Foods Pvt. Ltd., ClinRx Research Pvt. Ltd., Saptrishi Consultancy Services Ltd., Dwarkesh Energy Ltd., Hansdeep Industries and Trading Company Ltd., M/s Habras International, M/s Juggilal Kamlapat Lakshmipat and Directors of the promoter group and their relatives.

AUDITORS' REPORT

TO THE MEMBERS

We have audited the attached Balance Sheet of JK AGRI GENETICS LIMITED, as at 30th September, 2009 the Profit & Loss Account and also the Cash Flow Statement for the eighteen months period ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 (as amended) (The order) issued by the Central Government of India in terms of section 227 (4A) of The Companies Act, 1956 (The Act), we enclose in the Annexure, a statement on the matters specified in paragraphs 4 & 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, 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 purpose 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, Profit & Loss Account and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in section 211(3C) of the Companies Act, 1956;
- e) As per the information & explanations given to us, none of the directors of the Company is disqualified from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes thereon, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

- i) In the case of Balance Sheet, of the state of affairs of the Company as at 30th September, 2009;
- ii) In the case of Profit & Loss Account, of the loss for the eighteen months period ended on that date; and
- iii) In the case of Cash Flow Statement, of the cash flows for the eighteen months period ended on that date.

For LODHA & CO.
Chartered Accountants

N. K. LODHA

Partner

Place: New Delhi

Dated: 28th November 2009

Membership No.85155

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph (1) of our Report of even date of JK AGRI GENETICS LIMITED for the eighteen months period ended 30th September, 2009)

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, they have substantially confirmed these.
(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) 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 Rs 5 lacs in respect of each party during the financial period) have been made at prices which are generally reasonable having regard to prevailing market prices at the relevant time.
6. According to the information and explanations given by the management, the Company has not accepted any deposits from the public covered under Section 58A and 58AA of the Act during the current period.
7. In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
8. According to the information and explanations given by the management, the Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of the Company's products.
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 material undisputed statutory dues payable for a period of more than six months from the date they became payable as at 30th September 2009.
(b) According to the records and information and explanations given to us, there are no dues in respect of Income Tax, Wealth Tax, Service

Tax, Sales Tax, Custom Duty, Excise Duty and Cess that have not been deposited with the appropriate authorities on account of any dispute.

10. The Company does not have accumulated losses at the end of the financial year and has incurred cash losses in the current financial period and has not incurred cash losses 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. (Read with note no.1 of schedule 3)
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, the Company has not given any

guarantee for the loans taken by others from banks or financial institutions.

16. In our opinion, on the basis of information and explanations given to us, term loan were applied for the purposes 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, 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 period; however the Company has outstanding Zero Coupon Non convertible Bonds of Rs.4,250 lacs. Refer Note No.1 of Schedule 3.
20. The Company has not raised any money through a public issue during the current period.
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

N. K. LODHA
Partner

Place: New Delhi
Date: 28th November 2009 Membership No.: - 85155

BALANCE SHEET (As AT 30TH SEPTEMBER, 2009)

			Rs. in Lacs
	Schedule	30.09.2009	31.03.2008
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
SHARE CAPITAL	1	4,600.65	4,600.65
RESERVES AND SURPLUS	2	4,195.76	4,318.94
		8,796.41	8,919.59
SECURED LOANS	3	6,412.28	5,660.47
UNSECURED LOANS	4	549.90	211.20
DEFERRED TAX LIABILITY (NET)		-	247.96
		15,758.59	15,039.22
APPLICATION OF FUNDS			
FIXED ASSETS			
GROSS BLOCK	5	4,413.52	4,321.30
LESS: DEPRECIATION		1,330.33	1,040.14
NET BLOCK		3,083.19	3,281.16
CAPITAL WORK IN PROGRESS		25.32	12.29
		3,108.51	3,293.45
INVESTMENTS	6	8,325.65	6,655.30
DEFERRED TAX ASSET (NET)		399.70	-
CURRENT ASSETS, LOANS AND ADVANCES	7	7,009.00	11,138.69
LESS: CURRENT LIABILITIES AND PROVISIONS	8	3,084.27	6,048.22
NET CURRENT ASSETS		3,924.73	5,090.47
		15,758.59	15,039.22

ACCOUNTING POLICIES AND NOTES ON ACCOUNTS 15

Schedules 1 to 8 and 15 attached to the Balance Sheet form an integral part thereof.

As per our report of even date

for LODHA & CO.,

Chartered Accountants

N.K. LODHA

Partner

New Delhi, the 28th November, 2009

P.S. DRAVID

Manager

ANAND KUMAR DAS

Company Secretary

BHARAT HARI SINGHANIA

J.R.C. BHANDARI

SANJAY KUMAR KHAITAN

RAGHUPATI SINGHANIA

VIKRAMPATI SINGHANIA

Chairman

Directors

PROFIT AND LOSS ACCOUNT (FOR THE PERIOD ENDED 30TH SEPTEMBER, 2009)

		Rs. in Lacs	
	Schedule	2008-09 (18 Months)	2007-08 (12 Months)
INCOME			
SALES AND OTHER INCOME	9	15,127.30	9,655.21
INCREASE/(DECREASE) IN FINISHED GOODS	10	(20.32)	1,995.64
		<u>15,106.98</u>	<u>11,650.85</u>
EXPENDITURE			
MATERIALS AND MANUFACTURING	11	8,961.87	6,471.02
EMPLOYEES COST	12	2,160.36	1,162.35
OTHER EXPENSES	13	4,056.48	2,836.37
		<u>15,178.71</u>	<u>10,469.74</u>
OPERATING PROFIT/(LOSS)(BEFORE INTEREST & DEPRECIATION)		<u>(71.73)</u>	<u>1,181.11</u>
COST OF BORROWINGS	14	337.58	99.32
PROFIT/(LOSS) BEFORE DEPRECIATION		<u>(409.31)</u>	<u>1,081.79</u>
DEPRECIATION / AMORTISATION		325.73	208.19
PROFIT/(LOSS) BEFORE TAX		<u>(735.04)</u>	<u>873.60</u>
PROVISION FOR TAXATION			
- CURRENT TAX		135.10	143.70
- MAT CREDIT ENTITLEMENT		(135.10)	-
- FRINGE BENEFITS TAX		34.16	38.69
- DEFERRED TAX		(647.66)	46.45
PROFIT/(LOSS) AFTER TAX		<u>(121.54)</u>	<u>644.76</u>
ADJUSTMENT FOR EARLIER YEAR TAX (NET)		1.64	-
		<u>(123.18)</u>	<u>644.76</u>
APPROPRIATIONS			
DEBENTURE REDEMPTION RESERVE		-	85.17
BALANCE CARRIED TO BALANCE SHEET		<u>(123.18)</u>	<u>559.59</u>
		<u>(123.18)</u>	<u>644.76</u>
BASIC AND DILUTED EARNINGS PER SHARE (Rs.)		<u>(3.51)</u>	<u>18.39</u>

ACCOUNTING POLICIES AND NOTES ON ACCOUNTS 15

Schedules 9 to 15 attached to the Profit & Loss Account form an integral part thereof.

As per our report of even date

for LODHA & CO.,

Chartered Accountants

N.K. LODHA
Partner

New Delhi, the 28th November, 2009

P.S. DRAVID
Manager

ANAND KUMAR DAS
Company Secretary

BHARAT HARI SINGHANIA Chairman

J.R.C. BHANDARI
SANJAY KUMAR KHAITAN
RAGHUPATI SINGHANIA
VIKRAMPATI SINGHANIA

Directors

Schedule 1	30.09.2009	Rs. in Lacs 31.03.2008
SHARE CAPITAL		
Authorised:		
Equity Shares - 1,75,00,000 of Rs. 10 each	1,750.00	1,750.00
Preference Shares - 50,00,000 of Rs. 85 each	4,250.00	4,250.00
	<u>6,000.00</u>	<u>6,000.00</u>
Issued, Subscribed and Paid up:		
Equity Shares - 35,06,510 of Rs. 10 each fully paid up	350.65	350.65
Zero Coupon Preference Shares 50,00,000 of Rs. 85 each fully paid up	4,250.00	4,250.00
	<u>4,600.65</u>	<u>4,600.65</u>

Pursuant to the Scheme of Arrangement & Amalgamation, in an earlier year;

- 34,56,510 Equity Shares of Rs. 10 each were allotted as fully paid up to the shareholders of JK Tyre & Industries Limited (JKTIL), without payment.
- 50,00,000 Zero Coupon Redeemable Preference Shares (ZCRPS) of Rs. 85 each were allotted as fully paid up to JKTIL, without payment. These Shares are redeemable in five annual instalments of Rs. 15, Rs. 20, Rs. 20, Rs. 20 and Rs. 10 respectively commencing from 1st April, 2010.

	01.04.2008	Additions	Transfers	30.09.2009
Schedule 2				
RESERVES AND SURPLUS				
Debenture Redemption Reserve	1,011.12	-	-	1,011.12
General Reserve	1,608.96	-	-	1,608.96
Profit & Loss Account	1,698.86	(123.18)	-	1,575.68
	<u>4,318.94</u>	<u>(123.18)</u>	-	<u>4,195.76</u>
			30.09.2009	31.03.2008

Schedule 3

LOANS

SECURED LOANS

Zero Coupon Non-Convertible Bonds	4,250.00	4,250.00
Term Loan from Bank	-	3.30
Other Loan from Bank	2,162.28	1,407.17
	<u>6,412.28</u>	<u>5,660.47</u>

Notes:

- Zero Coupon Secured Non-Convertible Bonds (ZCSNCBs) of Rs. 4250 lacs are 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 are redeemable in four instalments of Rs. 1000 each at the expiry of the 4th to 7th year and Rs. 250 at the expiry of 8th year from 1.4.2002. The terms of these ZCSNCBs are proposed to be revised pursuant to a Scheme of Arrangement and Demerger filed with Hon'ble High Court at Calcutta, the impact of which have not been given in these Accounts pending sanction of the scheme by Hon'ble High Court of Calcutta. (Please see Note B1 in Schedule 15).
- Loan of Rs. Nil (Previous year Rs. 3.30 lacs) is secured by hypothecation of specified vehicles.
- Other Loan from Bank represent Working Capital borrowing which is secured by hypothecation of stocks and book debts etc., both present and future of the Company and by a second charge on fixed assets of the Company.

	30.09.2009	31.03.2008
Schedule 4		
UNSECURED LOANS		
Council of Scientific & Industrial Research (CSIR)	549.90	211.20
	<u>549.90</u>	<u>211.20</u>

Schedule 5
FIXED ASSETS

Rs. in Lacs

Assets	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01.04.08	Additions	Sales/ Adjustments	As at 30.09.09	As at 01.04.08	For the Year	On Sales/ Adjustments	As at 30.09.09	As at 30.09.09	As at 31.03.08
Land - Free Hold	401.61	-	-	401.61	-	-	-	-	401.61	401.61
Land - Lease Hold	151.09	-	-	151.09	3.29	4.25	-	7.54	143.55	147.80
Building	61.56	34.32	-	95.88	3.75	10.27	-	14.02	81.86	57.81
Plant and Machinery	529.33	51.98	4.84	576.47	95.33	56.94	3.05	149.22	427.25	434.00
Office Equipments,										
Furniture & Fixtures	193.18	44.92	17.59	220.51	27.46	16.97	4.68	39.75	180.76	165.72
Vehicles	234.29	77.29	93.86	217.72	54.08	33.34	27.81	59.61	158.11	180.21
Intangibles:										
Brand	2,700.00	-	-	2,700.00	810.00	202.68	-	1,012.68	1,687.32	1,890.00
Software	50.24	-	-	50.24	46.23	1.28	-	47.51	2.73	4.01
	4,321.30	208.51	116.29	4,413.52	1,040.14	325.73	35.54	1,330.33	3,083.19	3,281.16
Capital work in progress									25.32	12.29
Total									3,108.51	3,293.45
Previous year	3,994.19	351.36	24.25	4,321.30	839.49	208.19	7.54	1,040.14		

Schedule 6
INVESTMENTS

Names of the Bodies Corporate

Class of
Shares/
Debentures

30.09.2009
Numbers Rs. in lacs
31.03.2008
Numbers Rs. in lacs

LONG-TERM INVESTMENTS (Non trade)

Quoted

JK Paper Ltd.	Equity	6,675,248	3,003.86	6,675,248	3,003.86
JK Lakshmi Cement Ltd.	Equity	6,822,520	982.67	6,822,520	982.67
Ashim Investment Co. Ltd.*	Equity	-	-	758,057	109.19
Umang Dairies Ltd.	Equity	1,194,965	14.34	1,194,965	14.34
JK Sugar Ltd.	Equity	271,035	163.05	271,035	163.05
JK Tyre & Industries Ltd.	Equity	6,034,070	2,891.43	4,525,554	1,609.19
Netflir Finco Ltd.*	Equity	-	-	1,508,517	536.40
Bengal & Assam Company Ltd.*	Equity	646,811	645.59	-	-

Unquoted

J.K. Pharmachem Ltd.	Equity	2,371,903	41.51	2,371,903	41.51
Udaipur Cement Works Ltd.	Equity	4,333,000	41.16	4,333,000	41.16
13.5% Debentures in J.K. Synthetics Ltd.	Debentures	-	-	34	-
Fenner (India) Ltd.	Equity	3,796	1.23	3,796	1.23

Subsidiary Companies

Wholly owned - Unquoted

Florence Alumina Ltd.	Equity	1,500,000	150.00	1,500,000	150.00
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SHORT TERM (Non trade - unquoted)

ICICI Prudential Short Term Plan	Units	24,189.862	2.70	24,189.862	2.70
-Cumulative Option					
Reliance Money Manager Fund	Units	23,702.064	237.27	-	-
Principal ultra short term Fund-Dividend	Units	1,505,410.09	150.84	-	-
Reinvestment Daily					

		8,325.65	6,655.30
Aggregate book value of unquoted Investments		624.71	236.60
Aggregate book value of quoted Investments		7,700.94	6,418.70
Market value of quoted Investments		21,572.05	16,355.40

* Pursuant to a Scheme of Merger and Amalgamation Netflir Finco Ltd (NFL) and Ashim Investment Co. Ltd. (Ashim) has got merged with Bengal and Assam Company Ltd. The company has been allotted 295513 shares in lieu of 758057 shares of Ashim and 351298 shares in lieu of 1508517 shares of NFL.

Investments purchased and sold during the year : Reliance money manager fund-Retail Options Units 16,014,1712.

	30.09.2009	Rs. in lacs 31.03.2008
Schedule 7		
CURRENT ASSETS, LOANS AND ADVANCES		
A. CURRENT ASSETS		
1. Stores, Processing & Packing Material	244.80	500.18
2. Finished Goods	2,649.87	2,670.19
3. Debtors (Unsecured and considered good):		
Debts over six months (Note B9 in Schedule 15)	243.09	307.26
Other Debts	2,326.67	4,710.01
4. Cash and Bank Balances :		
Cash in hand	1.24	1.12
Balances with Scheduled Banks :		
In Current Accounts	0.83	2.70
Deposits with Banks	-	1,455.00
	<u>5,466.50</u>	<u>9,646.46</u>
B. LOANS AND ADVANCES:		
(Unsecured considered good)		
Advances recoverable in cash or in kind		
or for value to be received		
	563.43	764.25
Capital Advances	-	9.82
Prepaid Expenses	22.33	28.52
Inter Corporate Deposits	-	-
Deposit with Government Authorities and Others	70.81	34.05
Advance Payment of Income Tax	605.29	555.64
Mat Credit Entitlement	135.10	-
Advance Payment of Fringe Benefit Tax	145.54	99.95
	<u>1,542.50</u>	<u>1,492.23</u>
	<u>7,009.00</u>	<u>11,138.69</u>

Schedule 8

CURRENT LIABILITIES AND PROVISIONS

A. CURRENT LIABILITIES

Sundry Creditors (Other than pertaining to Micro & Small Enterprises)*	213.10	255.66
Advance from Customers	309.19	2,830.59
Interest Accrued but not due on loan	28.13	6.34
Other Liabilities	1,716.71	2,320.40

* To the extent information available with the Company
(refer note B12 Schedule 15)

<u>2,267.13</u>	<u>5,412.99</u>
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B. PROVISIONS

Provision for Income Tax	558.79	423.69
Provision for Fringe Benefit Tax	129.10	94.94
Provision for Retirement Benefits	129.25	116.60
	<u>817.14</u>	<u>635.23</u>
	<u>3,084.27</u>	<u>6,048.22</u>

	2008-09 (18 Months)	Rs. in lacs 2007-08 (12 Months)
Schedule 9		
SALES AND OTHER INCOME		
1. Sales	14,007.92	8,973.63
2. Other Income		
Income from Long Term Investments (Non trade)		
- Dividends	766.36	416.41
- Profit on sale (Previous Year Rs.38/-)	0.04	-
Income from Current Investments - Dividend	4.00	-
Interest on Deposit with Banks & others	50.20	95.52
(Tax at source Rs.10.29 lacs; Previous Year Rs. 19.31 lacs)		
Miscellaneous Income	298.78	169.65
	1,119.38	681.58
	15,127.30	9,655.21
Schedule 10		
INCREASE/(DECREASE) IN FINISHED GOODS		
Closing Stock	2,649.87	2,670.19
Less : Opening Stock	2,670.19	674.55
Increase/(Decrease) in Finished Goods	(20.32)	1,995.64
Schedule 11		
MATERIALS AND MANUFACTURING		
Production and Purchase of Seeds	7,399.02	5,365.31
Processing Charges	611.78	311.29
Consumption of Stores, Processing & Packing Material	951.07	794.42
	8,961.87	6,471.02
SCHEDULE 12		
EMPLOYEES COST		
Salaries, Wages, Bonus & Retirement Benefits	1,149.34	605.37
Contribution to Provident and other Funds	140.50	80.24
Employees' Welfare and other Benefits	870.52	476.74
	2,160.36	1,162.35
Schedule 13		
OTHER EXPENSES		
Rent	173.73	113.76
Other Taxes	0.54	4.37
Insurance	19.09	10.60
Discount	264.80	106.66
Freight & Transportation	502.42	288.08
Advertisement	1,004.79	819.64
Directors' Fees	2.70	1.45
Farming Expenses	602.73	602.88
Travelling	719.70	440.92
Commission	134.98	70.34
Loss on Sales of Assets	0.53	0.30
Office & Godown Maintenance	108.91	107.00
Provision for Doubtful Debts & Advances	37.12	0.36
Bank Charges, Printing & Stationery, Postage, Telephone and other Miscellaneous Expenses etc.	484.44	270.01
	4,056.48	2,836.37
Schedule 14		
INTEREST		
Interest on :		
Term Loans	21.94	7.32
Others	315.64	92.00
	337.58	99.32

Schedule 15

ACCOUNTING POLICES AND NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. Accounts are maintained on accrual basis. Claims/Refunds not ascertainable with reasonable certainty are accounted for on settlement basis.
2. Fixed assets are stated at cost.
 - 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) Leasehold Land is being amortised over the lease period.
3. 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.
4. Assets & Liabilities related to foreign currency transactions are translated at exchange rate prevailing at the end of the year. All exchange differences are recognised in the Profit and Loss Account.
5. 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.
6. 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 recognised as an expense in the Profit & Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been an improvement in recoverable amount.
7. Intangible assets are recognised 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.
8. Employees Benefits:
 - a. Defined Contribution Plan
Employee benefits in the form of Superannuation Fund, Provident Fund (PF) and ESI are 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 recognised in the Profit and Loss Account.
9. 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, for timing differences. However, deferred tax asset is recognised on the basis of reasonable/virtual certainty that sufficient future taxable income will be available against which the same can be realised.
10. Provision in respect of present obligation arising out of past events are 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.

B. NOTES ON ACCOUNTS

1. The Company has filed a Scheme of Arrangement and Demerger under Sections 391-394 of the Companies Act, 1956 ('the Scheme') with Hon'ble High Court at Calcutta, pursuant to which it is proposed to demerge Seed Undertaking into a separate entity w.e.f. the Appointed Date i.e. 1st April, 2005. Pending approval, no impact of the said Scheme has been given in these accounts.
2. The Company has changed its accounting year ending 31st March to 30th September and accordingly the accounts of the current period have been prepared for eighteen months from 1st April, 2008 to 30th September, 2009. Therefore, the figures of current period are not comparable with the figures of previous year.
3. Estimated amount of contracts net of advances amounting to Rs. Nil lacs (Previous year Rs. 6.09 lacs) remaining to be executed on capital account.
4. Contingent liability in respect of claims by certain parties against the company not accepted and not provided for Rs. 168.76 lacs (Net of Rs. 144.26 lacs to be indemnified by another party) (Previous Year - Nil)
5. (a) In terms of disclosure requirements stated in Accounting Standard on Intangible Assets (AS-26) issued by the Institute of Chartered Accountants of India, the management considered it appropriate to amortize "J.K.SEEDS" brand over a period of 20 years 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 is Rs. 1,687.32 lacs as on 30.09.2009 to be amortised over the balance period of 12½ years.
(b) Software is amortized over a period of 5 years from the year of installation.
6. Research and Development Revenue expenses amounting to Rs. 1,741.07 lacs (Previous Year Rs. 1,338.49 lacs) have been included in respective revenue accounts.

Particulars	Rs. in Lacs	
	2008-09 (18 Months)	2007-08 (12 Months)
Recurring Expenses		
Employees Cost	754.29	440.91
Travelling Expenses	104.24	119.84
Farming Expenses	602.73	602.88
Office & Godown rent, Maintenance & Other		
Miscellaneous Expenses	212.76	144.27
Depreciation	67.05	30.59
Total Recurring Expenses	<u>1,741.07</u>	<u>1,338.49</u>
Capital Expenditure		
Land	-	6.99
Building	26.01	-
Equipments	50.11	191.71
Total Capital Expenditure	<u>76.12</u>	<u>198.70</u>
Total R & D Expenses (including Capital Expenditure)	<u>1,817.19</u>	<u>1,537.19</u>

	Rs. in Lacs	
	2008-09 (18 Months)	2007-08 (12 Months)
7. Remuneration to Manager:		
Salary	27.26	15.95
Contribution to PF & other Funds*	7.36	4.31
Value of Perquisites (as per Income Tax Rules)	35.68	22.80
	<u>#70.30</u>	<u>43.06</u>

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

Requisite approval of shareholders for appointment and remuneration (Rs.3.92 Lacs) of Manager is to be taken at forthcoming AGM.

	Rs. in Lacs	
	2008-09 (18 Months)	2007-08 (12 Months)
8. Amount paid to Auditors:		
Statutory Auditors		
Audit Fee	1.42	0.73
Taxation	0.34	0.22
Certification Charges	2.06	0.22
Reimbursement of expenses	0.53	—
	<u>4.35</u>	<u>1.17</u>

9. (a) Debtors over six months and advances are net of provisions made for Doubtful Debts Rs.30.40 lacs and Advances Rs.16.50 lacs (Previous Year Rs.9.78 lacs & Nil respectively).

(b) Some of the balances of debtors, loans & advances and creditors are in the process of confirmation/reconciliation.

10. 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.

11. Foreign Exchange Difference (net Debit) amounting to Rs.4.46 lacs (Previous year net credit Rs. 0.54 lacs) has been included in Miscellaneous Expenses / Miscellaneous income in Profit & Loss Account respectively.

12. Based on the information so far available with the Company in respect of MSME (as defined in The Micro, Small and Medium Enterprises Development Act, 2006) there are no delays in payment of dues of such enterprises during the year and there is no such dues payable at the year end.

13. The disclosures required under Accounting Standard (AS-15) "Employees Benefits" notified in the Companies (Accounting Standards) Rules, 2006 are as given below:

(a) Defined Benefits Plans / Long Term Compensated Absences - As per Actuarial Valuation on 30th September, 2009.

	2008-09 (18 Months)		Rs. in Lacs 2007-08 (12 Months)	
	Gratuity	Leave	Gratuity	Leave
	Non Funded	Encashment Non Funded	Non Funded	Encashment Non Funded
I. Expenses recognised in the Statement of Profit & Loss Account for the Period ended 30th September, 2009				
1. Current Service Cost	19.13	23.12	10.03	20.16
2. Interest Cost	6.45	7.54	4.14	1.89
3. Expected Returns on plan assets	-	-	-	-
4. Actuarial (Gain)/Losses	14.35	(26.98)	(0.02)	17.06
5. Total expenses	39.93	3.68	14.15	39.11
II. Net Asset/(Liability) recognised in the Balance sheet as at 30th September, 2009				
1. Present Value of Defined Benefit Obligation as at 30th September, 2009	61.45	57.01	53.81	62.79
2. Fair Value of plan assets as at 30th September, 2009	-	-	-	-
3. Funded status Surplus/(Deficit)	-	-	-	-
4. Net Asset/(liability) as at 30th Sep., 2009	(61.45)	(57.01)	(53.81)	(62.79)
III. Change in obligation during the period ended 30th September, 2009				
1. Present Value of Defined Benefit Obligation at the beginning of the year	53.81	62.79	51.82	23.68
2. Current Service Cost	19.13	23.12	10.03	20.16
3. Interest Cost	6.45	7.54	4.14	1.89
4. Actuarial (Gain)/Losses	14.35	(26.98)	(0.02)	17.06
5. Benefits Payments	(32.29)	(9.46)	(12.16)	-
6. Present Value of Defined Benefits Obligation at the end of the year	61.45	57.01	53.81	62.79
IV Change in Assets during the period ended 30th September, 2009	Nil	Nil	Nil	Nil
V The major categories of plan assets as % of total plan	Nil	Nil	Nil	Nil
VI Actuarial Assumptions				
1. Discount Rate	8.00%		8.00%	
2. Expected rate of return on plan assets	-		-	
3. Mortality	LIC (1994-96) duly modified		LIC (1994-96) duly modified	
4. Turnover rate	age upto 30-3%, upto 44-2%, above 44-1%		age upto 30-3%, upto 44-2%, above 44-1%	
5. Salary Escalation	5.50%		5.50%	

(a) Defined Benefit Plans

Amounts recognised as expense and included in the Schedule 12:

Item "Salaries, Wage, Bonus & Retirement Benefits" includes Rs.39.93 lacs (Previous year Rs.14.15 lacs) for gratuity, Rs. 3.68 lacs (Previous year 43.95 lacs) for leave encashment.

Items "Contribution to Provident and Other Funds" is Rs.30.13 lacs (Previous year Rs.24.14 lacs) for PF funded.

(b) Defined Contribution plans

Amount recognised as an expense and included in the Schedule 12 "Contribution to Provident and other Funds" of Profit & Loss account Rs.110.37 lacs (Previous year Rs. 56.10 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) Provident Fund

During the year Company has transferred provident funds accumulations of the employees from its trust managed fund to Regional Provident Fund Commissioner, Hyderabad.

14. Segment information for the period ended 30th September, 2009.

PARTICULARS	Rs. in Lacs					
	2008-09 (18 Months)			2007-08 (12 Months)		
	Seeds	Invest-ments	Total	Seeds	Invest-ments	Total
Revenue						
Sales	14,007.92	—	14,007.92	8,993.31	-	8,993.31
Other Income	298.78	866.84	1,165.62	149.97	531.61	681.58
Total Revenue	14,306.70	866.84	15,173.54	9,143.28	531.61	9,674.89
Less: Intersegment Revenues			46.24			19.68
Net Sales/Other Income from operations			15,127.30			9,655.21
Results						
Segment Results (PBIT)	(1,258.06)	860.60	(397.46)	445.47	527.45	972.92
Less: Interest			337.58			99.32
Add: Unallocable Income net of Unallocable Expenditure			—			—
Profit / (Loss) before Tax			(735.04)			873.60
Other Information						
Segment Assets	8,388.56	9,168.67	17,557.23	12,123.78	8,308.07	20,431.85
Unallocable Assets			1,285.63			655.59
Total Assets			18,842.86			21,087.44
Segment Liabilities	9,358.56	—	9,358.56	11,401.25	—	11,401.25
Unallocable Liabilities			687.89			518.63
Total Liabilities			10,046.45			11,919.88
Capital Expenditure	208.51	—	208.51	351.36	—	351.36
Depreciation	325.73	—	325.73	208.19	—	208.19

Note: Business Segments have been identified in line with the Accounting Standard on Segment Reporting (AS-17). The Company's income from sale of seeds and services are mainly from customers located in India. The conditions prevailing in India being uniform, no separate geographical Segment disclosure is considered necessary.

15. Related Party disclosure in accordance with Accounting Standard 18

(A) Relationships

- (i) Wholly Owned Subsidiary : Florence Alumina Ltd.
(ii) Associate : -
(iii) Key Management Personnel : Shri P.S. David, President & Manager

(B) Transactions with Related Parties

Rs. in lacs

S. No.	Nature of transaction	2008-09		
		Subsidiary	Associate	Key Management Personnel
1.	Loans / Advances Paid	3.28 (-)	- (-)	- (-)
2.	Loans / Advances Recovered	3.28 (-)	- (-)	- (-)

Previous year's figures are in brackets.

Details of Remuneration paid to Key Management Personnel is given in note no. 7

16. Earnings per Share

	2008-09 (18 Months)	2007-08 (12 Months)
a) Profit after Tax (Rs. in lacs)	(123.18)	644.76
b) Weighted average no. of Equity Shares (Nos.)	3506510	3506510
c) Nominal Value of Equity Share (Rs.)	10	10
d) Basic and Diluted Earnings per Equity Share (Rs.)	(3.51)	18.39

17. Pursuant to the Accounting Standard on 'Accounting for Taxes on Income' (AS-22), Deferred Tax Liability / Asset (net) are as under:

Rs. in lacs

	30.09.2009		31.03.2008	
1. Deferred Tax Liabilities				
(i) Related to Fixed Assets		313.15		296.42
2. Deferred Tax Assets				
(i) Provision for Doubtful Debts	10.33		3.32	
(ii) Disallowance under Income Tax Act	54.80		45.14	
(iii) Unabsorbed depreciation and carried forward losses	647.72	712.85	-	48.46
3. Deferred Tax Liability / (Asset) (Net)		(399.70)		247.96

In view of the management, deferred tax asset (net) as above is realisable.

18. 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.

19. Foreign currency exposure not hedged are Rs.1,71,743/- (Previous year Nil) on account of net receivable (equivalent to USD 3,575; Previous year USD Nil) as at 30.09.2009.

20. Particulars of Production, Purchase, Sales and Stocks:

Particulars	2008-09 (18 Months)		2007-08 (12 Months)	
	Qty (100 Qtls.)	Amount (Rs. In Lacs)	Qty (100 Qtls.)	Amount (Rs. In Lacs)
Installed Capacity	Not Applicable		Not Applicable	
Opening Stock				
Seeds*	515.28	2,406.99	111.16	571.61
Others		263.20		102.94
Total		2,670.19		674.55
Production & Purchase**				
Seeds*	753.36	6,715.67	961.63	5,119.17
Others		683.35		246.14
Total		7,399.02		5,365.31
Sales				
Seeds*	935.65	13,070.71	557.51	8,676.17
Others		809.86		188.57
Services		127.35		108.89
Total		14,007.92		8,973.63
Closing Stock				
Seeds*	332.99	2,325.67	515.28	2,406.99
Others		324.20		263.20
Total		2,649.87		2,670.19

*excluding Foundation and Breeder Seeds.

** Net of Process loss/shortage of 301.29 (Previous year 123.15) (Quantity in 100 Qtls.)

21. Production and Purchase of Seeds & Others Consumed:

	2008-09 (18 Months)		2007-08 (12 Months)	
	Amount (Rs.in lacs)	% of total Consumption	Amount (Rs.in lacs)	% of total Consumption
Indigenous	7,378.56	99.45	3,310.76	98.25
Imported	40.78	0.55	58.91	1.75
	7,419.34	100.00	3,369.67	100.00

22. Stores, Process & Packing Materials consumed:

	2008-09 (18 Months)		2007-08 (12 Months)	
	Amount (Rs.in lacs)	% of total Consumption	Amount (Rs.in lacs)	% of total Consumption
Indigenous	1,087.84	99.43	887.43	99.58
Imported	6.28	0.57	3.76	0.42
	1,094.12	100.00	891.19	100.00

The above includes Rs.143.05 lacs (Previous year Rs.96.77 lacs) included under Farming Expenses.

	Rs. in lacs	
	2008-09	2007-08
	(18 Months)	(12 Months)
23. CIF Value of Imports		
Seeds	40.78	58.91
Capital Goods	45.72	156.96
Consumables & Spare Parts	6.28	3.76
24. Expenditure in Foreign Currency (as remitted):		
R & D / Technical Services	15.20	18.02
Travel & Others	19.61	61.06
25. Earnings in Foreign Exchange		
F.O.B value of exports	116.62	17.64
Others	61.09	0.00

26. The Company has long-term investments aggregating of Rs. 7934.84 lacs in quoted/unquoted equity shares in certain companies. The market price of quoted investments in certain cases has fallen below the book value. However, considering the long-term nature of the investments, and intrinsic value of investee Company's assets, no provision is considered necessary by the management, at present, for diminution in the value of such investments. The aggregate market value of all the quoted investments however is well above the aggregate book value of the quoted investment as per details given in Schedule 6 hereto.

27. In view of inadequate available profits, Debenture Redemption Reserve amounting to Rs. 47.47 lacs is yet to be created.

28. Figures for the previous year have been regrouped/rearranged and/or recast wherever necessary, to conform to current Period's presentation.

Schedules 1 to 15 forming part of the accounts for the year ended 18 months period ended 30th September, 2009.

for LODHA & CO.,
Chartered Accountants

N.K. LODHA
Partner

New Delhi, the 28th November, 2009

P.S. DRAVID
Manager

ANAND KUMAR DAS
Company Secretary

BHARAT HARI SINGHANIA *Chairman*
J.R.C. BHANDARI
SANJAY KUMAR KHAITAN
RAGHUPATI SINGHANIA *Directors*
VIKRAMPATI SINGHANIA

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS PER SCHEDULE VI PART IV OF THE COMPANIES ACT, 1956

I. REGISTRATION DETAILS

Registration no.	92885
State Code	21
Balance Sheet Date	30.09.2009

II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousands)

Right Issue	Nil
Private Placement	Nil
Bonus Issue	Nil

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs.Thousands)

Total Liabilities	1,575,859
Total Assets	1,575,859
SOURCES OF FUNDS	
Paid-up Capital	460,065
Reserves & Surplus	419,576
Deferred Tax Liabilities	—
Secured Loans	641,228
Unsecured Loans	54,990
APPLICATION OF FUNDS	
Net Fixed Assets	310,851
Investments	832,565
Deferred Tax Assets	39,970
Net Current Assets	392,473
Misc. Expenditure	Nil
Accumulated Losses	Nil

IV. PERFORMANCE OF THE COMPANY (Amount in Rs. Thousands)

Turnover Including other Income	1,512,730
Total Expenditure	1,586,234
Profit/(Loss) Before Tax	(73,504)
Profit/(Loss) After Tax	(12,318)
Earning Per Share (Rs.)	(3.51)
Dividend Rate (%)	Nil

V. GENERIC NAME OF PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY

(As per Monetary Terms)	
Item Code No.	(Not applicable)
Product Description	Hybrid Seeds

BHARAT HARI SINGHANIA *Chairman*

J.R.C. BHANDARI

SANJAY KUMAR KHAITAN

RAGHUPATI SINGHANIA *Directors*

VIKRAMPATI SINGHANIA

New Delhi, the 28th November, 2009

P.S. DRAVID
Manager

ANAND KUMAR DAS
Company Secretary

Cash Flow Statement

For the period ended 30th September, 2009

	2008-09 (18 Months)	Rs. in Lacs 2007-08 (12 Months)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extraordinary items	(735.04)	873.60
Adjustment for :		
Depreciation / Amortisation	325.73	208.19
Interest Expenses	337.58	99.32
(Profit)/Loss on sale of Assets	0.53	0.30
(Profit)/Loss on sale of Investments	(0.04)	-
Interest/Dividend Received	(820.56)	(511.93)
Provision for Doubtful Debts/Advances	37.12	0.36
Operating Profit before working capital changes	(854.68)	669.84
(Increase)/ Decrease in Trade and Other Receivables	2,446.63	(940.98)
(Increase)/ Decrease in Inventories	275.70	(2,082.82)
Increase/ (Decrease) in Trade Payables	(3,155.00)	1,153.60
Cash generated from Operations	(1,287.35)	(1,200.36)
Direct taxes paid (including FBT)	(96.88)	(275.14)
Net Cash from Operations Activities	(1,384.23)	1,475.50
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(211.72)	(363.66)
Sale of Fixed Assets	80.22	16.41
Purchase of Investments	(2,070.35)	-
Sale of Investments	400.04	26.00
Interest Received	64.52	117.59
Dividend Received	890.05	399.78
Net Cash from/(used in) Investing activities	(847.24)	196.12
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Long Term borrowings	338.70	211.20
Repayment of Long Term borrowings	(3.30)	(20.04)
Proceeds from short term borrowings (Net)	755.11	486.14
Interest Paid	(315.79)	(92.98)
Net cash from/(used in) financing activities	774.72	584.32
Net Increase/(Decrease) in Cash and Cash equivalents	(1,456.75)	(695.06)
Cash and Cash equivalents as at the beginning of the year	1,458.82	2,153.88
Cash and Cash equivalents as at the end of the year	2.07	1,458.82
Notes:		
1 Cash and Cash Equivalents Include:		
- Cash, Cheques in hand and Remittances in transit	1.24	1.12
- Balances with Scheduled Banks	0.83	1,457.70
Cash and Cash Equivalents	2.07	1,458.82

As per our report of even date
for LODHA & CO.,
Chartered Accountants

N.K. LODHA
Partner

New Delhi, the 28th November, 2009

P.S. DRAVID
Manager

ANAND KUMAR DAS
Company Secretary

BHARAT HARI SINGHANIA Chairman
J.R.C. BHANDARI
SANJAY KUMAR KHAITAN
RAGHUPATI SINGHANIA Directors
VIKRAMPATI SINGHANIA

Statement pursuant to Section 212 of the Companies Act, 1956

1	Name of the wholly owned Subsidiary Company	Florence Alumina Ltd.
2	Financial year of the Subsidiary Company ended on	31st March, 2009
3	Shares of the Subsidiary Company held on the above date and extent of holding	
	a) Equity Shares	1500000
	b) Extent of Holding	100%
4	The net aggregate amount of the Subsidiary Profit/(Loss) so far as it is concerned with the members of J K Agri Genetics Limited	
	(i) Not dealt within the Company's accounts	
	a) For the Financial year of the Subsidiary (in lacs)	Profit of Rs. 9.95 lacs
	b) For the previous Financial years of the Subsidiary since it became Holding Company's Subsidiary (in lacs)	Profit of Rs. 8.58 lacs
	(ii) Dealt within the Holding Company's accounts	
	a) For the Financial year of the Subsidiary (in lacs)	NIL
	b) For the previous Financial years of the Subsidiary since it became Holding Company's Subsidiary (in lacs)	NIL
5	Changes in the interest of Holding Company between the end of the Financial year of the Subsidiary and the end of the Holding Company's Financial year - increase %	-

BHARAT HARI SINGHANIA *Chairman*

J.R.C. BHANDARI

SANJAY KUMAR KHAITAN

RAGHUPATI SINGHANIA *Directors*

VIKRAMPATI SINGHANIA

P.S. DRAVID

ANAND KUMAR DAS

New Delhi, the 28th November, 2009

Manager

Company Secretary

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors of JK AGRI GENETICS LIMITED on Consolidated Financial Statements of JK AGRI GENETICS LIMITED & its Subsidiary.

We have examined the attached Consolidated Balance Sheet of JK AGRI GENETICS LIMITED and its subsidiary as at 30th September 2009, the Consolidated Profit & Loss Account and also the Consolidated Cash Flow Statement for the eighteen months ended on that date.

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The financial statements of subsidiary namely Florence Alumina Limited have been audited by us, whose financial statements as at 31st March, 2009 reflect total assets of Rs. 170.30 lacs and total revenue of Rs. 15.03 lacs for the year then ended.

We report that the consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard (AS) 21 "Consolidated Financial Statements" issued by The Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of JK Agri Genetics Limited & its Subsidiary included in the Consolidated Financial Statements.

On the basis of the information and explanation given to us and on consideration of the separate audit report on individual audited financial statements of the

company and its subsidiary included in the Consolidated Financial Statements, we are of the opinion that the said Consolidated Financial Statements read together with notes thereon, give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) In the case of Consolidated Balance Sheet, of the consolidated state of affairs of JK Agri Genetics Limited and its subsidiary as at 30th September, 2009;
- ii) In the case of Consolidated Profit & Loss Account, of the consolidated results of operations (loss) of JK Agri Genetics Limited and its subsidiary for the eighteen months ended on that date; and
- iii) In the case of Consolidated Cash Flow Statement, of the consolidated cash flows of JK Agri Genetics Limited and its subsidiary for the eighteen months ended on that date.

for LODHA & CO.
Chartered Accountants

N. K. LODHA
Partner

Place : New Delhi

Dated : 28th November 2009 Membership No. - 85155

CONSOLIDATED BALANCE SHEET (As at 30th SEPTEMBER, 2009)

Rs. in Lacs

	30.09.2009	31.03.2008
SOURCES OF FUNDS		
SHAREHOLDERS' FUNDS		
SHARE CAPITAL	4,600.65	4,600.65
RESERVES AND SURPLUS	4,216.41	4,329.64
	<u>8,817.06</u>	<u>8,930.29</u>
SECURED LOANS	6,412.28	5,660.47
UNSECURED LOANS	549.90	211.20
DEFERRED TAX	-	247.96
	<u>15,779.24</u>	<u>15,049.92</u>
APPLICATION OF FUNDS		
FIXED ASSETS		
GROSS BLOCK	4,413.52	4,321.30
LESS: DEPRECIATION	1,330.33	1,040.14
NET BLOCK	<u>3,083.19</u>	<u>3,281.16</u>
CAPITAL WORK IN PROGRESS	25.32	12.29
	<u>3,108.51</u>	<u>3,293.45</u>
GOODWILL ON CONSOLIDATION	0.35	0.35
INVESTMENTS	8,175.65	6,505.30
DEFERRED TAX ASSET	399.70	-
CURRENT ASSETS, LOANS AND ADVANCES	7,189.80	11,304.69
LESS: CURRENT LIABILITIES AND PROVISIONS	<u>3,094.77</u>	<u>6,053.87</u>
NET CURRENT ASSETS	<u>4,095.03</u>	<u>5,250.82</u>
	<u>15,779.24</u>	<u>15,049.92</u>

As per our report of even date

for LODHA & CO.,
Chartered Accountants

N.K. LODHA
Partner

New Delhi, the 28th November, 2009

P.S. DRAVID
Manager

ANAND KUMAR DAS
Company Secretary

BHARAT HARI SINGHANIA Chairman
J.R.C. BHANDARI
SANJAY KUMAR KHAITAN
RAGHUPATI SINGHANIA Directors
VIKRAMPATI SINGHANIA

CONSOLIDATED PROFIT AND LOSS ACCOUNT (FOR THE PERIOD ENDED 30TH SEPTEMBER, 2009)

	Rs. in Lacs	
	2008-09 (18 Months)	2007-08 (12 Months)
INCOME		
SALES AND OTHER INCOME	15,142.33	9,667.92
INCREASE/(DECREASE) IN FINISHED GOODS	(20.32)	1,995.64
	<u>15,122.01</u>	<u>11,663.56</u>
EXPENDITURE		
MATERIALS AND MANUFACTURING	8,961.87	6,471.02
EMPLOYEES COST	2,160.36	1,162.35
OTHER EXPENSES	4,057.01	2,836.64
	<u>15,179.24</u>	<u>10,470.01</u>
OPERATING PROFIT/(LOSS) (BEFORE INTEREST & DEPRECIATION)	<u>(57.23)</u>	<u>1,193.55</u>
COST OF BORROWINGS	337.58	99.32
PROFIT/(LOSS) BEFORE DEPRECIATION	<u>(394.81)</u>	<u>1,094.23</u>
DEPRECIATION / AMORTISATION	325.73	208.19
PROFIT/(LOSS) BEFORE TAX	<u>(720.54)</u>	<u>886.04</u>
PROVISION FOR TAXATION		
- CURRENT TAX	139.65	147.56
- MAT CREDIT ENTITLEMENT	(135.10)	-
- FRINGE BENEFITS TAX	34.16	38.69
- DEFERRED TAX	(647.66)	46.45
PROFIT/(LOSS) AFTER TAX	<u>(111.59)</u>	<u>653.34</u>
ADJUSTMENT FOR EARLIER YEAR TAX (NET)	1.64	-
	<u>(113.23)</u>	<u>653.34</u>
APPROPRIATIONS		
DEBENTURE REDEMPTION RESERVE	-	85.17
BALANCE CARRIED TO BALANCE SHEET	<u>(113.23)</u>	<u>568.17</u>
	<u>(113.23)</u>	<u>653.34</u>
BASIC AND DILUTED EARNINGS PER SHARE (Rs.)	(3.23)	18.63

As per our report of even date

for LODHA & CO.,

Chartered Accountants

N.K. LODHA

Partner

New Delhi, the 28th November, 2009

P.S. DRAVID

Manager

ANAND KUMAR DAS

Company Secretary

BHARAT HARI SINGHANIA

Chairman

J.R.C. BHANDARI

SANJAY KUMAR KHAITAN

RAGHUPATI SINGHANIA

VIKRAMPATI SINGHANIA

Directors

NOTES ON ACCOUNTS

1. The accounts have been prepared to comply with the requirements of Accounting Standard on 'Consolidated Financial Statements' (AS-21), issued by the Institute of Chartered Accountants of India, to include all material items.
2. Consolidated Financial Statements (CFS) comprise the financial statements of JK Agri Genetics Limited (Parent Company) and its 100% Subsidiary Florence Alumina Ltd. (Incorporated in India), as on 30.09.2009. The accounts of Florence Alumina Ltd. are for the 12 months period (i.e. from 1st April, 2008 to 31st March, 2009). There are no significant transactions or other material events that have occurred between the Balance Sheet date of Parent Company and its Subsidiary.
3. The Consolidated Financial Statements have been prepared based on a line-by-line consolidation using uniform accounting policies for like transactions and other events in similar circumstances. The effects of intra group transactions are eliminated in consolidation.
4. In view of insignificant/negligible transactions of the subsidiary company, the accounts of which are annexed elsewhere, notes and schedules are not prepared.
5. The difference between the Cost of Investment in the Subsidiary and the share of Net Assets at the time of acquisition of shares in the Subsidiary is identified in the financial statements as Goodwill.

6. Earnings per Share	2008-09 (18 Months)	2007-08 (12 Months)
a) Profit/(Loss) after Tax (Rs. in lacs)	(113.23)	653.34
b) Weighted average no. of Equity Shares (Nos.)	3506510	3506510
c) Nominal Value of Equity Share (Rs.)	10	10
d) Basic and Diluted Earnings per Equity Share (Rs.)	(3.23)	18.63

for LODHA & CO.,
Chartered Accountants

N.K. LODHA
Partner

New Delhi, the 28th November, 2009

P.S. DRAVID
Manager

ANAND KUMAR DAS
Company Secretary

BHARAT HARI SINGHANIA *Chairman*
J.R.C. BHANDARI
SANJAY KUMAR KHAITAN
RAGHUPATI SINGHANIA *Directors*
VIKRAMPATI SINGHANIA

Consolidated Cash Flow Statement

For the period ended 30th September, 2009

	2008-09 (18 Months)	Rs. in Lacs 2007-08 (12 Months)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extraordinary items	(720.54)	886.04
Adjustment for :		
Depreciation / Amortisation	325.73	208.19
Interest Expenses	337.58	99.38
(Profit)/Loss on sale of Assets	0.53	0.30
(Profit)/Loss on sale of Investments	(0.04)	-
Interest/Dividend Received	(835.59)	(524.64)
Interest on Income Tax	0.23	-
Provision for Doubtful Debts/Advances	37.12	0.36
Operating Profit before working capital changes	(854.98)	669.63
(Increase)/ Decrease in Trade and Other Receivables	2,446.63	(940.99)
(Increase)/ Decrease in Inventories	275.70	(2,082.83)
Increase/ (Decrease) in Trade Payables	(3,154.92)	1,153.29
Cash generated from Operations	(1,287.57)	(1,200.90)
Direct taxes paid (Including FBT)	(99.57)	(279.63)
Net Cash generated from Operations	(1,387.14)	(1,480.53)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(211.72)	(363.66)
Sale of Fixed Assets	80.22	16.41
Purchase of Investments	(2,070.35)	-
Sale of Investments	400.04	26.00
Interest Received	85.47	128.54
Dividend Received	890.05	399.78
Net Cash used in Investing activities	(826.29)	207.07
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	338.70	211.20
Repayment of borrowings	(3.30)	(20.04)
Proceeds from short term borrowings	755.11	486.14
Interest Paid	(315.79)	(92.98)
Net cash used in financing activities	774.72	584.32
Net increase in Cash and Cash equivalents	(1,438.71)	(689.14)
Cash and Cash equivalents as at the beginning of the year	1,612.83	2,301.97
Cash and Cash equivalents as at the end of the year	174.12	1,612.83
Notes:		
1 Cash and Cash Equivalents Include:		
- Cash, Cheques in hand and Remittances in transit	1.24	1.12
- Balances with Scheduled Banks	172.88	1,611.71
Total	174.12	1,612.83

As per our report of even date

for LODHA & CO.,
Chartered Accountants

N.K. LODHA
Partner

New Delhi, the 28th November, 2009

P.S. DRAVID
Manager

ANAND KUMAR DAS
Company Secretary

BHARAT HARI SINGHANIA Chairman
J.R.C. BHANDARI
SANJAY KUMAR KHAITAN
RAGHUPATI SINGHANIA Directors
VIKRAMPATI SINGHANIA

FLORENCE ALUMINA LIMITED

DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the Annual Report and Audited Accounts of the Company for the financial year ended on 31st March 2009.

FINANCIAL HIGHLIGHTS

Profit for the Year is Rs.14,50,403/-. Taking into account the profit of Rs.10,34,680/- brought forward from previous year and the tax, the surplus of Rs. 20,29,897/- has been carried to the Balance Sheet.

SCHEME OF ARRANGEMENT AND DEMERGER

A Scheme of Arrangement and Demerger (Scheme) between JK Agri Genetics Ltd. and Florence Alumina Ltd. has been filed in the Hon'ble High Court at Calcutta for sanction thereof pursuant to Sections 391-394 of the Companies Act 1956. The Scheme envisages transfer of Seed undertaking of JK Agri Genetics Ltd. to the Company with effect from the Appointed Date i.e., 1st April 2005. The Scheme was approved by the requisite majority of the equity shareholders of the said two companies at their respective meetings held on 13th September 2006 at Kolkata under the directions of the said Court. However the impact of the Scheme will be given in the accounts only after the Scheme is sanctioned and becomes effective pursuant to Sections 391-394 of the Companies Act 1956. The Scheme was last heard by the Hon'ble High Court at Calcutta on 18th April, 2008 and the Judgment is awaited.

DIRECTORS

Shri A.K. Kinra and Shri P.K. Rustagi retire by rotation and being eligible, offer themselves, for re-appointment at the Annual General Meeting.

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.

AUDITORS

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

COMPLIANCE OF SECTION 383A OF THE COMPANIES ACT

As required under proviso to Section 383A(1) of the Companies Act, 1956, Compliance Certificate from a practising Company Secretary is annexed to this report.

PARTICULARS OF EMPLOYEES

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

INFORMATION PURSUANT TO SECTION 217(1)(e)

The requirement of furnishing particulars of energy conservation, technology absorption, etc. is not applicable to the Company. There has been no foreign exchange income or outgo during the year.

ACKNOWLEDGMENT :-

Your Directors wish to acknowledge their appreciation for the support and cooperation received from the Central and State Government agencies, Banks and Shareholders.

By Order of the Board
P.K. Rustagi
V.K. Sharma
Directors

New Delhi

Date: 18th August 2009

SECRETARIAL COMPLIANCE CERTIFICATE

Corporate Identity Number	U64202WB2000PLC091286
Company Registration No.	21-91286
Authorised Capital	Rs. 150,00,000
Paid up Capital	Rs. 150,00,000

To,

The Members,

Florence Alumina Limited
Kolkata

Year ended on 31st March, 2009

I have examined the registers, records, books and papers of **Florence Alumina Limited (the Company)** as required to be maintained under the Companies Act 1956, (the Act) and the rules made thereunder and also the provisions contained in the

Memorandum and Articles of Association of the Company for the financial year ended on 31st March 2009.

In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year:-

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, within the time prescribed under the Act and the rules made there under.
3. The Company is a Public Company and has much more than the minimum prescribed paid up capital and requisite number of members.
4. The Board of Directors duly met four times on 25th June, 24th September, 17th December, 2008 and 5th February, 2009, in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed, including the circular resolutions passed, if any, in the Minutes Book maintained for the purpose.
5. The Company was not required to close/has not closed its Register of Members, during the financial year.
6. The Annual General Meeting for the financial year ended on 31.03.2008 was held on 16th December 2008 after giving proper notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra-ordinary General Meeting was held during the relevant financial year.
8. The Company advanced a loan amounting to Rs. Nil during the year to its directors and / or persons or firms or companies referred in section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of section 297 of the Act.
10. The Company made necessary entries in the register maintained under section 301 of the Act. Not Applicable
11. As there were no instances falling within the purview of section 314 of the Act, no approval was required to be obtained by the company.
12. The Company has not issued any duplicate share certificate during the financial year.
13. The Company has:
 - (i) delivered all share certificates required for transfer of shares received and after allotment of shares during the financial year- Not Applicable.
 - (ii) not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
 - (iii) not posted warrants to any member of the Company as no dividend was declared during the financial year.
 - (iv) not transferred any amount on account of unpaid dividend, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund as the same were not applicable.
 - (v) duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted and the appointment of Directors have been duly made.
15. There was no requirement of appointment of Managing Director / Whole- time Directors / Manager as the provisions of section 269 read with Schedule XIII to the Act are not applicable.
16. The Company has not appointed any sole-selling agent during the financial year.
17. The Company has obtained all necessary approvals of the Central Government/ Company Law Board/ Regional Director / Registrar of Companies and / or such other authorities prescribed under various provisions of the Act as detailed below:-
 - Extension of period for holding Annual General Meeting by 3 months under section 166(1) of the Act, vide letter dated 30.07.2008 of Registrar of Companies, West Bengal.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has issued / allotted NIL equity share of Rs. 10 each during the financial year and complied with the provisions of the Act.
20. The Company has bought back NIL shares during the financial year.
21. The Company redeemed NIL preference shares / debentures during the financial year and complied with the provisions of the Act.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited or accepted any deposits including any unsecured loans falling within the purview of section 58A or 58AA of the Act during the financial year and hence no compliance was required in this behalf.
24. The Company did not borrow any amount during the relevant financial year. Accordingly, no resolution was required to be passed u/s 293(1)(a) of the Act.
25. The Company has not made any loans and investments or given guarantee or provided securities to other bodies corporate.

26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the relevant financial year.
31. No Show cause notice has been received in the name of the Company during the relevant financial year.
32. The Company has not received any money as security from its employees during the relevant financial year.
33. No employee's or employer's contribution to provident fund was required to be deposited with prescribed authorities pursuant to section 418 of the Act, during the relevant financial year as the same was not applicable.

New Delhi

Dated: 18th August, 2009

(**Namo Narain Agarwal**)

Company Secretary
FCS 234 CP No. 3331

Annexure - A

Registers as maintained by the Company

1. Minutes Books u/s 193
2. Members Register u/s 150
3. Register of Directors u/s 303
4. Register of Contracts in which Directors are interested u/s 301
5. Register of Directors' shareholding u/s 307.
6. Register of transfer of shares
7. Books of Account u/s 209

Annexure - B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2009: -

Sl. No.	Form No./ Returns	Particulars	Date of Filing	Whether filed within prescribed time
1.	Form 61	Extension of period for holding of AGM by 3 months under section 166(1) of the Act.	08.07.2008	Not Applicable
2.	Form 66	Compliance Certificate under section 383A of the Act	14.01.2009	YES
3.	Forms 23AC & 23ACA	Annual Accounts alongwith Auditors'/ Directors' Report etc. for the year ended on 31.03.2008 filed under Section 220 of the Act	15.01.2009	YES
4.	Form 20B	Annual Return filed under Section 159 of the Act for AGM held on 16.12.2008	07.02.2009	YES

AUDITORS' REPORT

To the Members of FLORENCE ALUMINA LIMITED

We have audited the attached Balance Sheet of FLORENCE ALUMINA LIMITED as at 31st March 2009, the Profit & Loss Account and also the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order 2003 (As amended) The order issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956 (The Act), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us during the course of audit, we enclose in the Annexures, a statement of the matters specified in paragraph 4 and 5 of the said order.
2. Further to our comments in the annexure referred to in paragraph 1 above, 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, Profit & Loss Account and Cash Flow Statement dealt with by this Report are in agreement with the books of account of the company;
 - d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) According to the information and explanations provided to us, none of the directors of the company is disqualified as on 31st March 2009 from being appointed as Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) in the case of Balance Sheet, of the state of affairs of the Company as at 31.03.2009;
- ii) in the case of Profit & Loss Account, of the Profit for the year ended on that date; and
- iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **LODHA & CO.**
Chartered Accountants

N. K. LODHA
Partner

Place : New Delhi
Dated : 18th August, 2009

Membership No. - 85155

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph (1) of our Report of even date of FLORENCE ALUMINA LIMITED for the year ended 31st March, 2009)

- (i) As per explanations and information given to us, Company has no Fixed Assets, hence provisions of clauses 4(i)(a) to (c) of the Order are not applicable to the Company.
- (ii) As per explanations and information given to us, Company does not have any inventory, hence provisions of clauses 4(ii)(a) to (c) of the Order are not applicable to the Company.

- (iii) The Company has neither granted nor taken any loans, secured or unsecured, to and from companies, firms or other parties as covered in the register maintained under Section 301 of the companies Act, 1956. Accordingly, the provisions of the clauses 4 (iii)(b) to (d) and (f) & (g) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase and sale of goods and services. During the course of our audit in accordance with the auditing standards generally accepted in India, we have not observed any continuing failure to correct major weaknesses in internal control systems.
- (v) According to the information and explanations given to us and based upon audit procedures performed, we are of the opinion that there are no transactions that need to be entered into a register required to be maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4 (v) (b) of the Order are not applicable.
- (vi) The Company has not accepted any deposits from the public in terms of section 58A and 58AA of the Companies Act, 1956 and the rules framed thereunder and the directives issued by Reserve Bank of India. We have been informed that no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this regard.
- (vii) Internal audit systems in the Company are commensurate with its size and nature of its business.
- (viii) According to information and explanations given to us, The Central Government has not prescribed for maintenance of cost records under section 209(1)(d) of The Companies Act, 1956.
- (ix) A) In our opinion and according to the information & explanations given to us, the company is generally regular in depositing undisputed statutory dues including Income Tax, Wealth Tax, Cess, Investor Education and Protection Fund, Provident Fund, Employees' State Insurance, Sales-tax, Service Tax, Custom Duty & Excise Duty and other material statutory dues with the appropriate authorities to the extent applicable and there are no undisputed statutory dues payable for a period of more than six months from the date they became payable as at 31st March, 2009.
- B) According to the records and information and explanations given to us, there are no dues in respect of Income Tax & Wealth Tax, Investor Education and Protection Fund, Cess, Sales Tax, Customs Duty, Excise Duty and Service Tax that have not been deposited with the appropriate authority on account of any dispute.
- (x) The company does not have any accumulated losses as at the end of the current financial year. The company has not incurred cash losses during the current financial year and in the immediately preceding financial year.
- (xi) The company does not have any dues from financial institution or bank or debenture holders hence clause 4 (xi) is not applicable to the company.
- (xii) 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.
- (xiii) The Company is not a Chit Fund or a Nidhi / Mutual Benefit Fund / Society therefore, the provisions of clause 4(xiii) of the said Order are not applicable to the Company.
- (xiv) The company is not dealing or trading in shares, securities, debenture and other instruments hence this clause is not applicable to the company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) On the basis of information and explanations given to us, the Company has not taken any term loan during the year.
- (xvii) On the basis of information and explanation given to us, and on an overall examination of the financial statements of the company, no fund raised on short term basis have been used for long-term investment.
- (xviii) The Company has not made preferential allotment of shares to any parties or companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- (xix) No debentures have been issued/ outstanding during the year. Hence the provisions of clause 4(xix) of the Order are not applicable.
- (xx) The Company has not raised any money through public issue during the year.
- (xxi) 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 year nor have we been informed of any such case by the management.

For **LODHA & CO.**
Chartered Accountants

N. K. LODHA
Partner
Membership No. - 85155

Place : New Delhi
Dated : 18th August, 2009

FLORENCE ALUMINA LIMITED

Balance Sheet as at 31st March, 2009

		Rupees	
	Schedule	31.03.2009	31.03.2008
SOURCES OF FUNDS			
SHARE HOLDERS' FUNDS			
Share Capital	A	15,000,000	15,000,000
Reserves & Surplus			
Surplus in Profit & Loss A/C		<u>2,029,897</u>	<u>1,034,680</u>
		<u>17,029,897</u>	<u>16,034,680</u>
APPLICATION OF FUNDS			
Fixed Assets		-	-
Investments		-	-
CURRENT ASSETS, LOANS AND ADVANCES			
a) Sundry Debtors		-	-
b) Cash & Bank Balance	B	17,204,992	15,401,460
c) Loans & Advances	C	<u>875,314</u>	<u>1,198,046</u>
		<u>18,080,306</u>	<u>16,599,506</u>
LESS: CURRENT LIABILITIES & PROVISIONS	D	<u>1,050,409</u>	<u>564,826</u>
NET CURRENT ASSETS		<u>17,029,897</u>	<u>16,034,680</u>
PROFIT AND LOSS ACCOUNT		-	-
		<u>17,029,897</u>	<u>16,034,680</u>

Significant Accounting Policies and Notes on Accounts

Schedules A to D and G attached to the Balance Sheet are an integral part thereof.
As per our report of even date
For **LODHA & CO.**

Chartered Accountants

N. K. Lodha V.K. Sharma
Partner P.K. Rustagi
New Delhi *Directors*
18th August, 2009

Profit and Loss Account For the Year ended 31st March, 2009

		Rupees	
	Schedule	2008-09	2007-08
INCOME			
Other Income	E	<u>1,503,011</u>	<u>1,271,100</u>
		<u>1,503,011</u>	<u>1,271,100</u>
EXPENDITURE			
Other Expenses	F	<u>52,608</u>	<u>27,309</u>
		<u>52,608</u>	<u>27,309</u>
Profit before Tax		<u>1,450,403</u>	<u>1,243,791</u>
Provision for Tax			
Current Tax		<u>455,186</u>	<u>386,039</u>
Deferred Tax		-	-
Fringe Benefits Tax		-	-
Profit after Tax		<u>995,217</u>	<u>857,752</u>
Profit/(Loss) Brought Forward from Previous Year		<u>1,034,680</u>	<u>176,928</u>
Balance Carried to Balance Sheet		<u>2,029,897</u>	<u>1,034,680</u>
Basic / Diluted Earning per Share (Rs.)		<u>0.66</u>	<u>0.57</u>

Significant Accounting Policies and Notes on Accounts

Schedules E to G attached to the Profit & Loss Account are an integral part thereof.
As per our report of even date

For **LODHA & CO.**

Chartered Accountants

N. K. Lodha V.K. Sharma
Partner P.K. Rustagi
New Delhi *Directors*
18th August, 2009

	Rupees	
	31.03.2009	31.03.2008
Schedule - A		
SHARE CAPITAL		
Authorised :		
Equity Shares - 15,00,000 shares of Rs.10/- each (Previous Year 15,00,000 shares of Rs.10/- each)	15,000,000	15,000,000
	<u>15,000,000</u>	<u>15,000,000</u>
Issued, Subscribed & Paid up:		
Equity Shares - 15,00,000 shares of Rs.10/- each (Previous Year 15,00,000 shares of Rs.10/- each)	15,000,000	15,000,000
	<u>15,000,000</u>	<u>15,000,000</u>

Note:

100 % Equity Shares are held by JK Agri Genetics Ltd., the Holding Company.

Schedule - B

CASH AND BANK BALANCE

Cash in hand (as Certified by Management)	-	-
Balances with Scheduled Banks		
Central Bank of India - Delhi	504,992	88,109
Fixed Deposit with Bank	<u>16,700,000</u>	<u>15,313,351</u>
	<u>17,204,992</u>	<u>15,401,460</u>

Schedule - C

LOANS AND ADVANCES

(Unsecured and considered good)		
Loans	-	-
Advances recoverable in cash or in kind or for value to be received	815	815
Interest Receivable	28,191	619,532
Advance Tax including TDS	<u>846,308</u>	<u>577,699</u>
	<u>875,314</u>	<u>1,198,046</u>

Schedule - D

CURRENT LIABILITIES & PROVISIONS

A) CURRENT LIABILITIES		
Other Liabilities	65,485	35,088
B) PROVISION FOR TAX	<u>984,924</u>	<u>529,738</u>
Total (A+B)	<u>1,050,409</u>	<u>564,826</u>

	Rupees	
	2008-09	2007-08

Schedule - E

Other Income		
Interest from Bank on Fixed Deposit	1,503,011	1,271,100
(Includes tax at source Rs. 1,55,180/-, Previous Year Rs. 2,78,350/-)		
TOTAL	<u>1,503,011</u>	<u>1,271,100</u>

Schedule - F

ADMINISTRATIVE, SELLING & OTHER EXPENSES

Audit Fee	11,030	11,236
Legal & Professional Charges	14,192	5,625
Directors Fee	3,000	3,250
Interest on Income Tax	22,689	5,527
Filing Fee	1,530	1,530
Bank Charges	<u>167</u>	<u>141</u>
	<u>52,608</u>	<u>27,309</u>

FLORENCE ALUMINA LIMITED

Schedule – G

ACCOUNTING POLICIES AND NOTES ON ACCOUNTS I. SIGNIFICANT ACCOUNTING POLICIES

1. Significant Accounting Policies adopted in preparation and presentation of financial statements.
 - 1.1 Accounting Concepts:
The Accounts of the Company are prepared under Mercantile System of Accounting on Historical Cost and in accordance with generally accepted accounting principles, applicable Accounting Standards and requirement of the Companies Act, 1956 unless otherwise referred herein.
 - 1.2 Valuation of 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.
 - 1.3 Method of Depreciation:
Depreciation on all Fixed Assets are calculated under Straight Line Method on single shift basis at the rate specified in Schedule XIV to the Companies Act, 1956. Depreciation includes amount written off in respect of leasehold land over the period of lease. Depreciation are calculated on pro-rata basis on additions and deletions of Fixed Assets during the year except for assets costing Rs. 5000/- or less on which 100% Depreciation are provided. Depreciation on individual items of plant and machinery costing Rs. 5000/- or less is being provided at normal applicable rates, whenever aggregate cost of such items constitute more than 10% of the total cost of plant and machinery in accordance with amendments of Schedule XIV to the Companies Act, 1956 vide Notification No. 101(E) dated 1.3.1995.
 - 1.4 Treatment of Contingent Liabilities:
Contingent Liabilities are not provided for and are disclosed by way of Notes of Accounts.
 - 1.5 Current Tax is the amount of tax payable on the estimated taxable income for the current year as per the provision 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

II. NOTES TO ACCOUNTS

1. Contingent Liability : NIL
2. Disclosure as required under Accounting Standard 18 "Related Party Disclosure" is as under:
 - A. List of Related Parties (as certified by the management)
 - i) Parties where control exists:
JK Agri Genetics Limited – Holding Company.
Transaction during the year-Advance received & Repayment Rs. 113,429/- (Previous year - NIL)
Closing Balance at the year end- Rs. Nil (Previous year - NIL)
3. Earning Per Share:

	31.03.2009	31.03.2008
(a) Profit / (Loss) after tax	995217	857752
(b) Weighted average no. of Equity shares	1500000	1500000
(c) Nominal value of Equity shares (Rs.)	10	10
(d) Earning per Share – Total - Basic & Diluted - per Equity share (Rs.)	0.66	0.57
4. There are no separate reportable segments as per Accounting Standard 17 "Segment Reporting", hence segment reporting is not being given.
5. No Deferred Tax Assets/Liabilities (Net) is required to be created.
6. The above Accounts have been prepared without incorporating the impact of the Scheme of Arrangement & Demerger between JK Agri Genetics Limited and the Company u/s 391-393 of the Companies Act, 1956 filed and pending for approval with the Hon'ble High Court at Calcutta pursuant to which the Seed Undertaking of JK Agri Genetics Limited is proposed to be transferred to the Company w.e.f. appointed date i.e. 1st April, 2005.
7. The Company is a Small and Medium Sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under the Companies Act, 1956. Accordingly, the Company has complied with the Accounting Standards as applicable to a Small and Medium - Sized Company.
8. Figures for the Previous Year have been regrouped/ rearranged/recast wherever considered necessary.

Signature to Schedule A to G.
As per our report of even date

For **LODHA & CO.**
Chartered Accountants
N. K. Lodha
Partner
New Delhi
18th August, 2009

V.K. Sharma
PK. Rustagi
Directors

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS PER SCHEDULE VI, PART (IV) OF THE COMPANIES ACT, 1956

I REGISTRATION DETAILS	
Registration No.	91286
State Code	21
Balane Sheet Date	31.03.2009
II CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousand)	
Public Issue	Nil
Rights Issue	Nil
Private Placement	Nil
Bonus Issue	Nil
III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousand)	
Total Liabilities	18080
Total Assets	18080
SOURCE OF FUNDS	
Paid-up Capital	15000
Reserves & Surplus	2030
Secured Loan	Nil
Unsecured Loan	Nil
APPLICATION OF FUNDS	
Net Fixed Assets	Nil
Investments	Nil
Net Current Assets	17030
Misc. Expenditure	Nil
Accumulated Profit/(Loss)	Nil
IV PERFORMANCE OF THE COMPANY (Amount in Rs. Thousand)	
Turnover including Other Income	1,503
Total Expenditure	53
Profit / (Loss) before Tax	1,450
Profit / (Loss) after Tax	995
Basic / Diluted Earning per Share (Rs.)	0.66
Dividend Rate (%)	Nil
V GENERIC NAMES OF PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY	
(As per Monetary terms)	
Item Code No.	Nil
Product Description	N.A.
New Delhi	V.K. Sharma
18th August, 2009	PK. Rustagi Directors

Cash Flow Statement as required by Accounting Standard on Cash flow Statement AS-3 is as under:

	(Rupees)	
	2008-2009	2007-2008
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax	1,450,403	1,243,791
Adjustment for :		
Interest Income	(1,503,011)	(1,271,100)
Interest on Income Tax	22,689	5,527
Liabilities no longer required written back	-	-
Operating Profit before working capital changes	(29,919)	(21,782)
(Increase)/ Decrease in Trade and Other Receivables	-	(815)
(Increase)/ Decrease in Inventories	-	-
Increase/ (Decrease) in Trade Payables	7,708	(31,488)
Cash generated from Operations	(22,211)	(54,085)
Direct taxes paid	(268,609)	(449,363)
Cash flow before extra ordinary items	(290,820)	(503,448)
Cash generated from Operations	(290,820)	(503,448)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Interest Received	2,094,352	1,095,139
Net Cash used in Investing activities	2,094,352	1,095,139
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Net cash used in financing activities	-	-
Net increase in Cash and Cash equivalents	1,803,532	591,691
Cash and Cash equivalents as at the beginning of the year	15,401,460	14,809,769
Cash and Cash equivalents as at the end of the year	17,204,992	15,401,460

As per our report of even date
For **LODHA & CO.**

Chartered Accountants
N. K. Lodha
Partner

New Delhi
18th August, 2009

V.K. Sharma
P.K. Rustagi
Directors



Link House, 3 Bahadur Shah Zafar Marg, New Delhi - 110 002

NOTICE

NOTICE is hereby given that the 16th 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 Thursday, the 28th January 2010 at 11.30 A.M. to transact the following business:

1. To receive, consider and adopt the Audited Accounts for the year ended 30th September 2009 (eighteen months) and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Sanjay Kumar Khaitan who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Sanjeev Kumar Jhunjhunwala who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration from the conclusion of the 16th Annual General Meeting until the conclusion of the next Annual General Meeting. M/s Lodha & Co., Chartered Accountants, the retiring Auditors are eligible for re-appointment.
5. To consider and if thought fit to pass, with or without modifications, the following as Special Resolution:

"RESOLVED that pursuant to the provisions of Sections 269, 387 and 198 read with Schedule XIII and other applicable provisions, if any, of the Companies Act 1956 or any statutory modification or re-enactment thereof, the re-appointment of Shri P.S. Dravid as Manager of the Company under the designation 'President' for a period of 3 (three) years with effect from 5th September 2009, 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 in any financial year, the remuneration comprising salary, perquisites and benefits approved herein be paid as minimum remuneration to the said Manager subject to approvals, if any as may be required.

RESOLVED FURTHER that the Board of Directors (including a Committee thereof) be and is hereby authorised to vary and/or revise the remuneration of the Manager within the overall limits approved herein and to settle any question or difficulties in connection therewith or incidental thereto."

Regd. Office :

7, Council House Street,
Kolkata 700 001

Date: 28th November 2009

By Order of the Board

Anand Kumar Das
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.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 25th January to 28th January, 2010 (both days inclusive).
3. RE-APPOINTMENT OF DIRECTORS:

Brief resumes of the Directors proposed to be re-appointed (Item Nos. 2 and 3 of the Notice) are given hereunder:

- I. Shri Sanjay Kumar Khaitan, aged 43 years, holds Bachelors Degree in Commerce and is a Law Graduate and an advocate. His Director Identification Number is 00156816. He is Director of the Company w.e.f. 4th September 2003. His Directorships in other Companies in terms of Sections 275 and 278 of the Companies Act, 1956 is Nil. Shri Khaitan is not related to any Director of the Company.
 - II. Shri Sanjeev Kumar Jhunjhunwala, aged 44 years, holds Masters Degree in Commerce and is an industrialist. His Director Identification Number is 00177747. He is Director of the Company w.e.f. 4th September 2003. He is also Director on the Boards of Motilal Padampat Udyog Limited and M.P. Chini Industries Limited (Directorships held are as per Sections 275 and 278 of the Companies Act, 1956). In terms of Clause 49 of the Listing Agreement, Chairmanship/ Membership of Shri Jhunjhunwala in Committees of Directors in other Companies is NIL. Shri Jhunjhunwala is not related to any Director of the Company.
4. The relevant explanatory statement pursuant to Section 173(2) of the Companies Act 1956 in respect of Special Resolution at Item No. 5 of the Notice is annexed hereto.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 5

The Board of Directors of the Company at its meeting held on 30th July 2009 has re-appointed Shri P.S. Dravid as Manager of the Company under the designation 'President' for a term of three years commencing 5th September 2009, subject to requisite approvals.

As required under para (B) and (C) of Section II of Part II of the Schedule XIII to the Companies Act 1956, the relevant details to be sent along with the notice calling the general meeting 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 Agri-Genetics Undertaking together with certain investments of J.K. Industries Limited (JKIL) [name since changed to JK Tyre & Industries Limited] was transferred to the Company as a going concern pursuant to the Scheme of Arrangement and Amalgamation between J.K. Industries Limited, JK Agri Genetics Limited, JK Sugar Limited and Vikrant Tyres Limited sanctioned by the Hon'ble High Courts at Calcutta and Bangalore which became effective on 5th September 2003 and operative w.e.f. 1st April 2002.

The commercial production in Agri-Genetics Undertaking of JKIL commenced in March 1990.

- (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 30th September 2009 (eighteen months)	Rs. in Lacs
- Sales and other Income	15127.30
- Operating Profit/(Loss) (before Interest, Depreciation and Tax)	(71.73)
- Profit/(Loss) before Tax	(735.04)
- Profit/(Loss) after Tax	(121.54)

- (5) Export performance and net foreign exchange collaborations:

Though the Company has foreign exchange earnings aggregating to Rs. 177.71 lacs from exports and other income, it has been so far concentrating on Indian market to establish domestic leadership position in this sector.

- (6) Foreign Investments of Collaborators, if any : Not Applicable.

II. INFORMATION ABOUT THE APPOINTEE :

- (1) Background details :

Shri P.S. Dravid is an Agricultural Engineering Graduate from IIT, Kharagpur [B.Tech (Hons)] and holds Cert. P.M.A. from IIM, Ahmedabad. He is also holding PGD in Computer Programming. He has experience of over 36 years in Seed and other Agri input industries in research, production, marketing, general management and administration.

Shri P.S. Dravid has been with JK Agri Genetics for the past 20 years as a profit centre head. He was instrumental in establishing this unit. Under the leadership of Shri P.S. Dravid, the Company has launched several innovative products and technologies, established a strong marketing and distribution network across the country and enjoys a strong brand equity amongst the farming community. As a result of efforts made by Shri P.S. Dravid and his team, the Company has initiated several innovative research projects in agri biotech sector covering Genetically Modified crops, as well as molecular breeding in the recent past. The Company also holds the distinction of being the First Indian Company to have commercialized Bt. Cotton, developed through Indigenous technology.

- 2) Past Remuneration: The Remuneration of Shri P.S. Dravid as approved by the shareholders at the Annual General Meeting of the Company held on 6th September 2006 for the three years tenure as Manager under the designation 'President' w.e.f. 5th September 2006 is as under:-

(A) Salary : Rs. 1,10,000/- per month in the range of Rs.1,00,000/- to Rs. 1,50,000/- per month (maximum) with suitable increases as may be determined by Shri Vikrampati Singhania or Shri S.C. Sethi, Directors, from time to time.

(B) Perquisites comprising provision of residential accommodation or house rent allowance together with furnishings, gas, electricity & water; reimbursement of medical expenses incurred and leave travel assistance for self and family; club fees; premium on personal accident insurance, car with driver, telephone at residence etc.

and other perquisites, benefits and allowances as may be agreed to between the Company through Shri Vikrampati Singhania or Shri S.C. Sethi, Directors and the Manager, subject to a ceiling of Rs. 25.00 Lacs per annum;

The perquisites will be evaluated as per the actual cost or the Income-Tax Rules, as applicable.

- (C) (i) Contribution to Provident Fund and Superannuation Fund or annuity fund as per rules of the Company.

(ii) Gratuity as per rules of the Company.

(iii) Encashment of unavailed leave at the end of the tenure.

The items referred to in (C) above shall not be included in the computation of limit of perquisites as mentioned in (B) above.

- (D) In the event of inadequacy or absence of profits in any financial year, the Manager would be paid the said remuneration by way of minimum remuneration subject to approvals as may be required.

(3) Recognition or Awards :

- (i) Awarded Silver Medal for the first rank at IIT, Kharagpur.
- (ii) Awarded Merit Scholarship during 1968-72 at IIT, Kharagpur.
- (iii) Awarded GSFC Merit Scholarship at IIM, Ahmedabad.

(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 indepth understanding of agri-business sector. As Shri P.S. Dravid 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 30th July 2009 approved the terms of remuneration of Shri P.S. Dravid for the three years tenure commencing 5th September 2009 as under:-

- (A) Salary : Rs. 1,80,000/- per month in the range of Rs.1,75,000/- to Rs. 2,75,000/- per month (maximum) with suitable increases as may be determined by Shri Vikrampati Singhania or Shri S.C. Sethi, Directors, from time to time.
- (B) Perquisites comprising provision of residential accommodation or house rent allowance together with furnishings, gas, electricity & water; reimbursement of medical expenses incurred and leave travel assistance for self and family; club fees; premium on personal accident insurance, car with driver, telephone at residence etc. and other perquisites, benefits and allowances as may be agreed to between the Company through Shri Vikrampati Singhania or Shri S.C. Sethi, Directors and the Manager, subject to a ceiling of Rs. 31.91 Lacs per annum.

The perquisites will be evaluated as per the actual cost or the Income-Tax Rules, as applicable.

- (C) (i) Contribution to Provident Fund and Superannuation Fund or annuity fund as per rules of the Company.

- (ii) Gratuity as per rules of the Company.
- (iii) Encashment of unavailed leave at the end of the tenure.

The items referred to in (C) above shall not be included in the computation of limit of perquisites as mentioned in (B) above.

- (D) In the event of inadequacy or absence of profits in any financial year, the Manager would be paid the said remuneration by way of minimum remuneration subject to the approvals as may be required.

- (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 P.S. Dravid 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 remuneration proposed, Shri P.S. Dravid does not have any other pecuniary relationship.

III. OTHER INFORMATION :

- (1) Reason of loss or inadequate profits :

JK Agri Genetics Ltd. is engaged in research & development, production, processing and marketing of Hybrid Seeds in major agricultural field and vegetable crops viz. Cotton, Jowar, Bajra, Maize, Rice, Sunflower, Wheat, Mustard and vegetable crops viz. Tomato, Bhendi, Chilli, Brinjal, Gourds, Melons, Cucumber etc. Over the past 19 years, the Company has developed several superior hybrids in various crops mentioned above which have been very well appreciated by the farmers. Thus, within a short span of time, the Company has emerged as one of the leading Seed Companies in India.

Development of Hybrid Seeds is not only a very time consuming process but has also to be backed by thorough research. The Company has accordingly been putting lot of emphasis not only on merely being a seed producer but also being an agri-biotech and research based enterprise. 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 trial centres and also a dedicated biotechnology research centre.

In the recent past, the Company had to further strengthen its research & development facilities so as to have its presence in the wide portfolio of crops/seeds mentioned above.

The Company has distinction of being the first Indian Company to commercialise indigenously developed Bt Cotton for which it bagged

All this has entailed heavy establishment expenses in terms of research & development expenses.

In view of the aforesaid and very high expenditure on research & development, without commensurate return in the initial period, the Company has incurred loss. Further, the profitability of the Company during the financial year ended 30th September 2009 suffered owing to drought during Khariff season, resulting in sharp decline of sowing of major cereal crops, build up of inventories and obsolescence losses.

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

Following steps have been taken for improvement in the performance and to overcome these losses speedily:

- Improve the operational efficiencies by balancing demand and supply.
- State-of-the-art processing infrastructure for improving seed quality.
- Innovative products in major crop segments, offering superior value proposition to customers.
- Incorporating latest technology traits in its products.
- Increased emphasis on Rabi (winter) and summer crops markets and vegetable seed segments to counter the risks of vagaries of monsoon.

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.

The proposed remuneration of Shri P.S. David has been approved by the Remuneration Committee constituted in terms of Schedule XIII to the Companies Act at its meeting held on 30th July 2009. The Company has not made any default in payment of any of its debts. The specified information required to be given to the shareholders alongwith the notice is given herewith in the preceding paragraphs. The Resolution is therefore recommended to the shareholders for approval by means of a Special Resolution.

None of the Directors of the Company may be deemed to be concerned or interested in the proposed Resolution. This may also be treated as an abstract of the terms of re-appointment of Shri P.S. David pursuant to Section 302 of the Companies Act 1956.

By Order of the Board

Regd. Office:

7, Council House Street,
Kolkata 700 001

Date: 28th November 2009

Anand Kumar Das
Company Secretary



JK AGRI GENETICS LTD.

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

ADMISSION SLIP

Folio No. or DP Id # / Client-Id #	
No. of Shares held	

I hereby record my presence at the 16th 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 Thursday, the 28th January 2010 at 11.30 A.M.**

Name of the Member (in block letters)	
Name of the 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 *

- Notes:**
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 given below at the Company's Registered Office at least 48 hours before the Meeting.



JK AGRI GENETICS LTD.

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

PROXY FORM

Folio No. or DP Id # / Client-Id #	
No. of Shares held	

I / We of being a member / members of JK Agri Genetics Limited hereby appoint Shri/Smt./Km.....of..... or failing him/ her Shri/Smt./Km.....of..... or failing him/ her Shri/Smt./Km.....of..... as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the 16th Annual General Meeting of the Company to be held on Thursday, the 28th January 2010 at 11.30 A.M. and at any adjournment thereof.

Signed this.....day of2010

Signature(s)

Affix
Revenue
Stamp

Applicable for investors holding shares in dematerialised form.

Note: The proxy, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the Meeting.

