

Annual Report

2011-2012

Florence Investech Ltd.

BOARD OF DIRECTORS : A.K. Kinra
P.K. Rustagi
V.K. Sharma

BANKERS : Central Bank of India

AUDITORS : M/s Lodha & Co.
Chartered Accountants

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

REGISTRAR & SHARE TRANSFER AGENT : Alankit Assignments Ltd.
Alankit House
2E/21, Jhandewalan Extension,
New Delhi-110 055

ASST. COMPANY SECRETARY : Alok Dubey

Florence Investech Ltd.

Directors' Report

and Management Discussion and Analysis

TO THE MEMBERS

The Directors have pleasure in presenting the Annual Report and Audited Accounts of the Company for the twelve months period ended 30th September, 2012.

SCHEME OF ARRANGEMENT AND DEMERGER

The Company's appeal which was filed on 9th June 2010 in the Division Bench of the Hon'ble High Court, Calcutta for sanction of the Scheme of Arrangement and Demerger(Scheme) between the Company(Transferor) and Florence Alumina Ltd.[name since changed to JK Agri Genetics Ltd. - Transferee(JKAGL)] has been allowed and the Scheme was sanctioned on 10th September 2012. After the Scheme was sanctioned, a Special Leave Petition(SLP) was filed against the judgement of the Division Bench in the Hon'ble Supreme Court of India. The SLP was heard and was dismissed on 18th October 2012. The Scheme thus attained finality in view of the Order passed by the Hon'ble Supreme Court of India confirming the judgement of the Division Bench of the Hon'ble High Court at Calcutta. The Scheme became effective on 2nd November 2012 and is operative w.e.f. the Appointed Date i.e. 1st April, 2005. On the Scheme becoming effective as aforesaid, the Seed Undertaking of the Company stands transferred to and vested in the said Transferee Company.

On the Scheme becoming effective, the Company has become Core Investment Company and is exempt from the requirement of Registration with Reserve Bank of India (RBI) as Non Banking Financial Institution. Necessary steps are being taken to inform RBI in this regard.

SHARE CAPITAL

On re-organization of the Share Capital in terms of the Scheme, for every existing 100 Equity Shares of ₹ 10 each of the Company, the Shareholders as on the Record Date of 7th February 2013, have been issued 40 fully paid Equity Shares of ₹ 10 each of the Company and 60 fully paid Equity Shares of the said Transferee Company. Accordingly, the Company has allotted 14,02,604 Equity Shares of ₹ 10 each fully paid to the Shareholders of the Company upon reorganisation and allocation of the equity capital as on the said Record Date. Further, as per the directions of the Division Bench of the Hon'ble High Court at Calcutta, the Company has allotted – (i) 8,51,346 Equity Shares of ₹ 10 each (fully paid-up) upon conversion of Zero Coupon Redeemable Preference Shares amounting to ₹ 42.50 Crores i.e., @ of ₹ 499.21 per share and (ii) 10,74,994 Equity Shares of ₹ 10 each (fully paid-up) upon conversion of Zero Coupon Non-Convertible Bonds amounting to ₹ 32.50 Crores i.e., @ of ₹ 302.33 per share.

Consequently, the Company's Equity Share Capital comprising of 35,06,510 Equity Shares of ₹ 10 each (fully paid up), before giving the impact of the Scheme has become 33,28,944 Equity Shares of ₹ 10 each (fully paid-up).

DIVIDEND

Your Directors are pleased to recommend a Dividend of ₹ 1.50 per Equity Share of ₹ 10/- each (15%) on the reorganized Equity Share Capital of ₹ 332.89 Lacs for the financial year ended 30th September 2012. The dividend outgo will be ₹ 58.03 Lacs (inclusive of dividend tax of ₹ 8.10 Lacs).

FINANCIAL RESULTS

The financial results of the Company for the period ended 30th September, 2012 are as under:

	₹ / Lacs
Profit before Depreciation and Tax	654.24
Profit after Tax	644.22
Surplus brought forward	3676.92
Transfer from Debenture Redemption Reserve	590.17
Amount available for appropriation	4911.31

Appropriation:	
Statutory Reserve	902.45
Transferred pursuant to Scheme to JKAGL (net)	399.06
Transfer to General Reserve	32.21
Dividend including Dividend Tax	58.03
Surplus carried to Balance Sheet	3519.56

OVERVIEW AND OUTLOOK

Pursuant to the Scheme, the Seed Undertaking of the Company has been demerged and the investment business remains with the Company. The investment business of the Company is dependent upon prevailing economic conditions. It is widely perceived that the tight monetary policy pursued by the Reserve Bank of India for curtaining inflationary pressure has impacted economic growth. With easing of the inflationary pressure and concern for industrial and economic growth in particular, the coming days may see softening of the monetary policy. This should have positive impact on the capital market leading to better valuations.

DIRECTORS

Shri P.K. Rustagi, who was appointed as a Director of the Company w.e.f. 12th February 2013 in the casual vacancy caused by resignation of Shri S.C. Sethi, pursuant to Section 262 of the Companies Act, 1956 retires at the ensuing Annual General Meeting (AGM). Shri V.K. Sharma who was appointed by the Board as an Additional Director pursuant to Section 260 of the said Act w.e.f. 12th February 2013 will also hold office as Director upto the date of the ensuing AGM, in terms of Section 260 of the said Act.

The Company has received notices from members pursuant to Section 257 of the said Act proposing candidatures of Shri P.K. Rustagi and of Shri V.K. Sharma for appointment as Directors. The Board recommend their appointments.

The Board also appointed Shri A.K. Kinra as a Director w.e.f. 12th February 2013, in the casual vacancy caused by resignation of Shri J.R.C. Bhandari pursuant to Section 262 of the said Act.

The Board placed on record its deep appreciation for the valuable services and guidance rendered by Shri J.R.C. Bhandari, Shri S.C. Sethi, Shri Sanjeev Kumar Jhunjunwala, Dr. Raghupati Singhania, Shri Vikrampati Singhania, Shri Sanjay Kumar Khaitan and Shri Bharat Hari Singhania.

MANAGER

Shri S.K. Gupta, Manager of the Company has consented not to draw any remuneration as Manager of the Company w.e.f. 2nd November 2012 i.e., with effect from the date from which the Scheme became effective.

SUBSIDIARY COMPANY

Consequent to transfer of the Seed Undertaking of the Company to the Transferee Company i.e., Florence Alumina Ltd. (name since changed to JKAGL) and reorganisation and allocation of the share capital of the Company as aforesaid, JKAGL has ceased to be a Subsidiary Company.

AUDITORS

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

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 selected and applied are consistent 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 provision 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.

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 and Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance are made a part of this Annual Report.

RISKS AND CONCERNS

The Company is essentially an Investment Company with income mainly from the dividends receivable on investments made by it in other companies. Any adverse financial impact on the operations / business of the investee companies may impact the revenue of the Company.

ADEQUACY OF INTERNAL CONTROL SYSTEM:

The Company's internal control systems and procedures are commensurate with the size of operation and are adequate to ensure –

- Safeguarding its assets and resources against the loss, un-authorized use or disposition.
- Compliance with all statutes and regulatory policies and framework.
- All transactions are authorized, recorded and reported correctly.

CAUTIONARY STATEMENT

The statement in this Report, describing the Company's outlook, projections, estimates, expectations or predictions may be "Forward-looking Statements" within the meaning of applicable Securities Laws or Regulations. Actual results could differ materially from those expected or implied.

PARTICULARS OF EMPLOYEES

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

INFORMATION PURSUANT TO SECTION 217(1)(e) OF THE COMPANIES ACT, 1956

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

ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation to the Shareholders, Banks, Employees and various Government agencies for their co-operation and support.

On behalf of the Board

New Delhi
15th May, 2013

A.K. Kinra

P.K. Rustagi

Florence Investech Ltd.
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 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 practiced by its entire management cadre.

2. BOARD OF DIRECTORS:

The Board of Directors presently consists of three Non-Executive Directors(NED), all being Independent Directors(IND). The Board does not have a permanent Chairman. At each Board Meeting, Directors present elect one amongst themselves as Chairman of the Meeting. Attendance and other details are as given hereunder:

Name of Director	Category	Number of Board Meetings Attended 2011-12	No. of other Directorships and Committee Memberships/Chairmanships		
			Other Directorships \$	Committee Memberships**	Committee Chairmanships**
Shri Bharat Hari Singhania, Chairman*	NED	4	3	1	-
Dr. Raghupati Singhania*	NED	4	7	2	1
Shri Vikrampati Singhania*	NED	4	3	1	1
Shri S.C. Sethi*	IND	4	5	6	-
Shri Sanjay Kumar Khaitan*	IND	4	1	-	-
Shri J.R.C. Bhandari*	IND	4	3	2	2
Shri Sanjeev Kumar Jhunjunwala*	IND	-	1	-	-
Shri P.K. Rustagi #	IND	N.A.	2	1	-
Shri A.K. Kinra #	IND	N.A.	6	2	-
Shri V. K. Sharma @	IND	N.A.	-	-	-

The last Annual General Meeting held on 15th March 2012 was attended by Shri Vikrampati Singhania, Shri S.C. Sethi and Shri J.R.C. Bhandari.

* Ceased to be a Director w.e.f. 12th February 2013.

Director appointed in Casual Vacancy w.e.f. 12th February 2013.

@ Appointed as an Additional Director w.e.f. 12th February 2013.

\$ 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.

N.A. Not Applicable

Shri Bharat Hari Singhania is brother of Dr. Raghupati Singhania and father of Shri Vikrampati Singhania. There is no relationship between present Directors *interse*.

DATES AND NUMBER OF BOARD MEETINGS HELD:

Four Board Meetings were held during the financial year ended 30th September 2012 i.e., on 24th November 2011, 10th February 2012, 1st May 2012 and 1st August 2012.

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.florenceinvestech.co.in). All the Board Members and Senior Management Personnel have affirmed compliance with the Code. This Report contains a declaration to this effect signed by the Manager.

3. AUDIT COMMITTEE :

The Company has an Audit Committee of Directors. The Audit Committee as on 30th September 2012 consisted of four Directors - all being Non-Executive Independent Directors, namely - Shri J.R.C. Bhandari(Chairman), Shri Sanjay Kumar Khaitan, Shri Sanjeev Kumar Jhunjunwala and Shri S.C. Sethi. The Audit Committee of Directors has been re-constituted by the Board at its Meeting held on 12th February 2013 and presently it consists of three Non-Executive Independent Directors- namely, Shri A.K. Kinra(Chairman), Shri P.K. Rustagi and Shri V.K. Sharma.

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 Clause 49 of the Listing Agreement with the Stock Exchanges. Four meetings of the Audit Committee were held during the financial year ended 30th September 2012. Dates of the Meetings (number of Members attended) are - 24th November 2011(3), 10th February 2012(3), 1st May 2012(3) and 1st August 2012 (3).

Head of Finance, Head of Internal Audit and Representative of the Statutory Auditor attended all the Audit Committee Meetings. The Company Secretary acts as Secretary of the Committee.

4. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE:

The Company has Shareholders/Investors Grievance Committee at the Board level. The Shareholders/Investors Grievance Committee of Directors as on 30th September 2012 consisted of three Directors - all being Non-Executive Directors (out of which two were Independent Directors), namely - Shri S.C. Sethi (Chairman), Shri Sanjay Kumar Khaitan and Shri Vikrampati Singhania. The Shareholders/Investors Grievance Committee has been re-constituted by the Board at its meeting held on 12th February, 2013 and presently it consists of two Non-Executive Independent Directors, namely - Shri A.K. Kinra and Shri P.K. Rustagi. The composition of the Committee is in conformity with Clause 49 of the Listing Agreement.

Four meetings of the Shareholders/Investors Grievance Committee were held during the financial year ended 30th September 2012. Dates of the Meetings (number of Members attended) are - 24th November 2011(3), 10th February 2012(3), 1st May 2012(3) and 1st August 2012 (3).

The Company Secretary of the Company is the Compliance Officer.

During the financial year 2011-12, no complaint was received from the members. Also, no complaint pertaining to the previous financial year 2010-11 was pending at the end of the said previous financial year. As on date, there are no complaints pending.

The Board has delegated the power of share transfer to a Committee of Directors and the share transfer formalities are attended 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 2011-12, 19 Meetings of this Committee were held.

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 24th November 2011, to consider, determine and recommend remuneration of Shri S.K. Gupta as Manager of the Company for a term of three years commencing from 1st January 2012.

6. REMUNERATION PAID TO DIRECTORS AND MANAGER:

- i) **Manager:** The aggregate value of salary, perquisites and contribution to Provident Fund and Superannuation Fund to Shri P.S. Dravid, Manager (1st October 2011- 31st December 2011) is ₹ 0.83 lacs and to Shri S.K. Gupta, Manager (1st January 2012- 30th September 2012) is ₹ 2.48 lacs. No Commission was paid during the year.
- ii) **Non-Executive/Independent Directors:** The Company has paid sitting fees aggregating to ₹ 2.51 lacs to all 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-à-vis the Company during the year except as stated above.

The number of Equity Shares of ₹ 10 each (i.e., Shares) held by the present Non-Executive Directors as on 11th February 2013 (post Scheme) are: Shri P.K. Rustagi - 2 Shares, Shri A.K. Kinra - Nil Shares; Shri V. K. Sharma - Nil Shares.

The Company does not have any outstanding convertible instruments.

7. GENERAL BODY MEETINGS:

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

Year	Location	Date	Time
2008-2009	Shripati Singhanian Hall, Rotary Sadan, 94/2, Jawaharlal Nehru Road (Chowringhee Road) Kolkata - 700 020	28.01.2010	11.30 A.M.
2009-2010	Same as above	24.02.2011	11.30 A.M.
2010-2011	Same as above	15.03.2012	11.30 A.M.

No Special Resolution was passed in the AGM held in the year 2011. A Special Resolution was passed at the AGM held in the year 2010 and in the year 2012. 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 Exchanges 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 published in leading English Newspapers and also in Bengali language Newspaper (published from Kolkata). The said results are promptly furnished to the Stock Exchanges for display on their respective websites and are also displayed on the Company's website.

Management Discussion and Analysis forms part of the Annual Report.

10. GENERAL SHAREHOLDERS' INFORMATION:

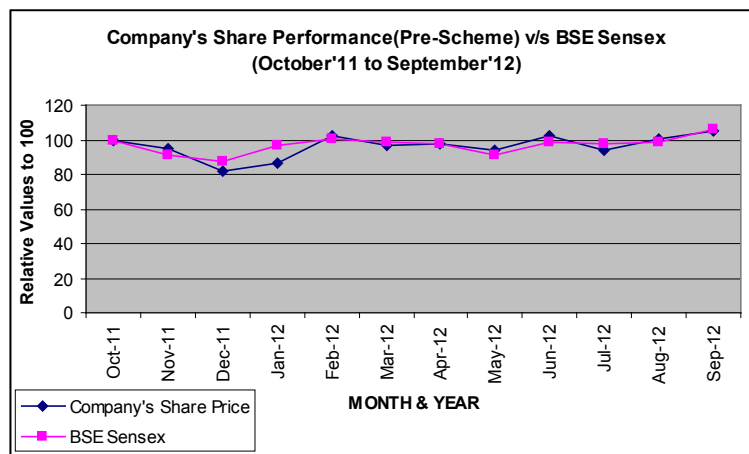
- (i) Registered Office : Link House, 3, Bahadur Shah Zafar Marg
New Delhi - 110 002
Phone: 011- 33001112
- (ii) Annual General Meeting (AGM)
- (a) Date, Time & Venue : Friday, the 28th June 2013 at 11 AM at Sri Sathya Sai International Centre, Pragati Vihar, Bhisam Pitamah Marg (Lodi Road Institutional Area), New Delhi- 110 003
- (b) As required under Clause 49(IV)(G)(i), a brief resume and other particulars of Directors retiring by rotation and/or seeking re-appointment/appointment at the aforesaid AGM are given in the Notes to the Notice convening the said Meeting.
- (iii) **Financial Calendar (tentative):**
- Financial Reporting for the quarter ending :
- 1st Quarter ending 31st December 2012
 - 2nd Quarter ending 31st March 2013
 - 3rd Quarter ending 30th June 2013
 - 4th Quarter ending 30th September 2013
- } Within 45 days of the end of the Quarter
- Within 60 days of the end of the 4th Quarter
- (iv) Annual General Meeting for the Financial Year ending 2012-13 Between January and March, 2014
- (v) Dividend Payment Date During July 2013
- (vi) Date of Book Closure 24th June to 28th June, 2013 (both days inclusive)
- (vii) Listing on Stock Exchanges The Equity Shares of the Company are listed on BSE Ltd., Mumbai (BSE) and the Calcutta Stock Exchange Ltd., Kolkata (CSE). The annual listing fee for the year 2012-13 has been paid to both the Stock Exchanges.
- (viii) Security Code for Company's Equity Shares on Stock Exchanges and ISIN BSE - 532518
CSE - 10020255

The new ISIN of the Equity Shares is INE211G01020.

(ix) Stock Market Price Data (Pre-Scheme)

BSE		
Month	High (₹)	Low (₹)
October 2011	315.40	272.05
November 2011	310.00	280.00
December 2011	310.00	204.50
January 2012	289.95	242.00
February 2012	354.00	255.00
March 2012	348.00	290.00
April 2012	328.95	294.95
May 2012	324.50	278.00
June 2012	340.00	280.00
July 2012	344.00	273.00
August 2012	344.00	276.00
September 2012	340.00	282.00

Comparison with BSE Sensex



(x) Distribution of Shareholding (post Scheme)*:

No. of Equity Shares Held	No. of Shares		Shareholders	
	Number	% of Total	Number	% of Total
1 - 250	104050	3.13	8711	98.17
251 - 500	21662	0.65	59	0.67
501 - 1000	26964	0.81	37	0.42
1001 - 5000	82957	2.49	41	0.46
5001 - 10000	94434	2.84	13	0.15
10001 & above	2998877	90.08	12	0.13
Total	3328944	100.00	8873	100.00

* Allotment of the Equity Shares made pursuant to the Scheme of Arrangement and Demerger on 11th February 2013.

(xi) Share Transfer System

The transfer/ transmission of shares in physical form is normally processed and completed within a period of 15 days from the date of receipt thereof. In case of shares held in electronic form, the transfers are processed by National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL) through the respective Depository Participants.

(xii) Dematerialization 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 11th February, 2013 (post-Scheme), 99.27% of the Equity Shares were held in dematerialised form. The Equity Shares of the Company are actively traded on the BSE. 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.

(xiii) Outstanding GDRs/ADRs/Warrants/Options or any Convertible instruments, conversion date and likely impact on equity : - NIL

(xiv) Plant Locations

Pursuant to the Scheme, the Seed Undertaking of the Company has been transferred to and vested in the Florence Alumina Ltd.(Transferee Company/name since changed to JK Agri Genetics Ltd.) and presently the Company being an investment company, does not have any plant.

(xv) Address for Correspondence for Share Transfer and Related Matters

- | | |
|---|--|
| 1. The Company Secretary
Florence Investech Limited
Secretarial Department
3rd Floor, Gulab Bhawan (Rear Block)
6A, Bahadur Shah Zafar Marg
New Delhi - 110 002
Phone No.: 91-11-30179265
Fax No.: 91-11-23716670
Email: florenceinvestor@jkm.com
Website: www.florenceinvestech.co.in | 2. Registrar & Share Transfer Agent:
Alankit Assignments Ltd.
Alankit House
2E/21, Jhandewalan Extension,
New Delhi-110 055 (India)
Phone No.: 91-11-23541234 / 42541234
Fax No.: 91-11-42541967
Contact Person: Shri J.K. Singla
Email: rta@alankit.com
Website: www.alankit.com |
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(xvi) Information in terms of Clause 5A of the Listing Agreement: As on 30th September 2011, the Company had 5,581 Equity Shares(pre-Scheme) issued in physical form, which remained unclaimed by 561 shareholders. During the year, the Company received 11 requests for dispatch of share certificates for 92 Equity Shares which have since been dispatched.

During the year, the Company transferred the balance 5,489 Equity Shares(pre-Scheme) to “Unclaimed Suspense Account” after following requisite procedure, which remained unclaimed by 550 Equity Shareholders.

Consequent to the reorganization of capital pursuant to the Scheme, the Company has 2,195 Equity Shares (Post-Scheme) issued in physical form, which remained unclaimed by 484 shareholders. The “Unclaimed Suspense Account” is held by the Company purely on behalf of the allottees and the shares held in such “Suspense Account” shall not be transferred except to the allottees as and when they approach the Company.

11. DECLARATION :

It is hereby declared that all the members of the Board and the Senior Management personnel have affirmed compliance with the “Code of Conduct for Members of the Board and Senior Management of the Company” during the Financial Year ended 30th September 2012.

(S.K. Gupta)
Manager

AUDITORS' COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE :

To

The Members of Florence Investech Ltd.

We have examined the compliance of conditions of Corporate Governance by Florence Investech Ltd. for the financial year ended 30th September 2012, 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 a review of 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
Firm Registration No : 301051E

Place : New Delhi
Dated 15th May, 2013

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

AUDITORS' REPORT

TO THE MEMBERS of FLORENCE INVESTECH LIMITED (formerly JK AGRI GENETICS LIMITED)

We have audited the attached Balance Sheet of **FLORENCE INVESTECH LIMITED (formerly JK AGRI GENETICS LIMITED)**, as at 30th September 2012, the Statement of Profit & Loss and also the Cash Flow Statement for the year ended on that date annexed thereto together with the notes referred to therein. 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.

Without qualifying our report, we invite attention to Note No.26 and 27 to the Financial Statements regarding the transfer of assets and liabilities of Seed division of Florence Investech Limited (formerly JK Agri Genetics Limited) to the Company (JK Agri Genetics Limited) (formerly Florence Alumina Limited), pursuant to the Scheme of Arrangement & Demerger between the Company and JK Agri Genetics Ltd. (formerly Florence Alumina Ltd.), which has been approved by the Hon'ble High Court of Judicature at Calcutta operative from 1st April 2005 (appointed date), impact of which have been given in these financial statements with respect to Net difference being Goodwill on transfer of Seed undertaking with the Company and same have been adjusted as stated in Note No. 27(a)(viii) to the Financial Statements which is not in line with the Generally Accepted Accounting Principles, as has been carried out as per the Order of the Hon'ble High Court.

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 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, (Amendment), 2004 (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, Statement of Profit & Loss 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, Statement of Profit & Loss 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;

In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with other 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 2012; and
- ii) In the case of Statement of Profit & Loss, of the profit for the year ended on that date; and
- iii) In the case of cash Flow Statement, of the cash flows for the year ended on that date.

For **LODHA & CO.**
Chartered Accountants
(FRN 301051E)

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

Place: New Delhi
Dated: 15th May, 2013

ANNEXURE TO THE AUDITORS' REPORT

[Referred to in paragraph (1) of our Report of even date of FLORENCE INVESTECH LIMITED (formerly JK AGRI GENETICS LIMITED) for the year ended 30th September 2012]

1.
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets (This is to be read with note no. 26 and 27).
 - (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) All the fixed assets during the period ended as stated in note no. 26 (read with note no. 27) have been transferred under the Scheme.
2. The inventories of the Company have been physically verified by the management at reasonable intervals (This is to be read with note no. 26 & 27).

In view of comment in para (a) above no comment is being offer in sub clause (b) & (c).

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 (read with Note No.27).
4. In our opinion and according to the information and explanations given to us, there is 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 year) 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 year.
7. In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
8. The rules prescribed by the Central Government for the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 are not applicable to the Company (read with Note No.26 & 27).

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 2012.
 - (b) According to the records and information and explanations given to us, there are no dues in respect of 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 and the dues in respect of Income Tax that have not been deposited with the appropriate authorities on account of dispute and the forum where the dispute is pending are as given below:-

Nature of statute	Nature of dues	Period (Financial Year)	Amount (₹ in Lacs)
Income Tax Act , 1961	Income Tax	2003 - 04	15.63
Income Tax Act , 1961	Income Tax	2007-08	27.00
Income Tax Act , 1961	Income Tax	2008-09	38.65

10. The Company does not have accumulated losses at the end of the financial year and has not incurred cash losses in the current financial year and has 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. 27).
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 read with Note No.53. However timely entries for investments have been made in the records so maintained and also the investments of the Company have been held in the name of 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. On the basis of information and explanations given to us, term loan were applied for the purpose 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 purposes.
18. According to the information and explanations given to us, during the year 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 (read with note no. 26 & 27).
19. The Company has neither issued any debentures during the current year nor the Company have outstanding as on date (read with note no. 26 & 27).
20. The Company has not raised any money through a public issue during the current year.
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
(FRN 301051E)

Place: New Delhi
Dated: 15th May 2013

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

FLORENCE INVESTECH LIMITED
(formerly JK AGRI GENETICS LIMITED)
Balance Sheet as at 30.09.2012

		(₹ in lacs)		
	Particulars	Note No.	As at 30.09.2012	As at 30.09.2011
I.	EQUITY AND LIABILITIES			
	(1) Shareholders' funds			
	(a) Share capital	2	332.89	4,600.65
	(b) Reserves and surplus	3	10,594.61	6,348.39
			10,927.50	10,949.04
	(2) Non-current liabilities			
	(a) Long-term borrowings	4	-	1,049.47
	(b) Other Long term liabilities	5	-	80.18
	(c) Long-term provisions	6	-	153.85
			-	1,283.50
	(3) Current liabilities			
	(a) Short-term borrowings	7	-	3,961.29
	(b) Trade payables		-	1,139.35
	(c) Other current liabilities	8	0.04	6,900.33
	(d) Short-term provisions	9	81.09	375.61
			81.13	12,376.58
	TOTAL		11,008.63	24,609.12
II.	ASSETS			
	(1) Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	10	-	2,614.15
	(ii) Intangible assets	10	-	1,421.08
	(b) Non-current investments	11	9,996.54	9,996.54
	(c) Deferred tax assets (net)	12	4.24	348.90
	(d) Long-term loans and advances	13	-	52.29
	(e) Other non-current assets	14	-	685.34
			10,000.78	15,118.30
	(2) Current assets			
	(a) Inventories	15	-	3,981.83
	(b) Trade receivables	16	-	3,696.45
	(c) Cash and cash equivalents	17	-	126.29
	(d) Short-term loans and advances	18	1,007.85	1,686.25
			1,007.85	9,490.82
	TOTAL		11,008.63	24,609.12

Significant Accounting Policies 1
Notes to Financial Statements 26-53
The accompanying notes are an integral part of the Financial Statements.

As per our report of even date.

For LODHA & CO.
Chartered Accountants
Firm Registration No.301051E

(N.K. LODHA)
Partner
Membership No. - 85155
New Delhi, the 15th May, 2013

S.K.GUPTA
Manager

ALOK DUBEY
Asst. Company Secretary

A.K. KINRA
P.K.RUSTAGI
V.K. SHARMA
Directors

FLORENCE INVESTECH LIMITED
(formerly JK AGRI GENETICS LIMITED)
Statement of Profit & Loss for the year ended on 30.09.2012

		(₹ in lacs)		
	Particulars	Note No.	2011-12	2010-11
I.	Revenue from operations	19	666.54	13,082.16
II.	Other Income	20	-	11.17
III.	Total Revenue (I + II)		666.54	13,093.33
IV.	Expenses:			
	(a) Cost of materials consumed	21	-	5,658.12
	(b) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	-	(329.88)
	(c) Employee benefits expense	23	3.71	2,120.26
	(d) Finance costs	24	-	294.58
	(e) Depreciation and amortization expense		-	296.58
	(f) Other expenses	25	8.59	3,955.72
	Total expenses		12.30	11,995.38
V.	Profit before exceptional and extraordinary items and tax (III-IV)		654.24	1,097.95
VI.	Exceptional items		-	-
VII.	Profit before extraordinary items and tax (V - VI)		654.24	1,097.95
VIII.	Extraordinary Items		-	-
IX.	Profit before tax (VII- VIII)		654.24	1,097.95
X	Tax expense:			
	(1) Current tax		9.05	217.30
	(2) MAT Credit Entitlement		-	(217.30)
	(3) Deferred tax		0.97	9.20
XI	Profit (Loss) for the period		644.22	1,088.75
XII	Earnings per equity share: Basic & Diluted		19.35	31.05

Significant Accounting Policies 1
Notes to Financial Statements 26-53
The accompanying notes are an integral part of the Financial Statements.

As per our report of even date.

For LODHA & CO.
Chartered Accountants
Firm Registration No.301051E

(N.K. LODHA)
Partner
Membership No. - 85155
New Delhi , the 15th May, 2013

S.K.GUPTA
Manager

ALOK DUBEY
Asst. Company Secretary

A.K. KINRA
P.K.RUSTAGI
V.K. SHARMA
Directors

NOTES TO FINANCIAL STATEMENTS

Note no.1

SIGNIFICANT ACCOUNTING POLICIES - Year ended 30th September'12

- 1.1 The financial statements have been prepared under historical cost convention on accrual basis in compliance with applicable Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and relevant provisions of the Companies Act, 1956.
- 1.2 Fixed assets are stated at cost. Cost includes all costs incurred to bring the assets to their present location and condition.
- 1.3
- 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) Capital expenditures on lease hold premises are charged on straight line method (SLM) over the lease period or at the rates specified in Schedule XIV of the Companies Act, 1956, whichever period is lower.
 - c) Leasehold Land is being amortized over the lease period.
- 1.4 Long Term Investments are stated at cost less diminution. 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.
- 1.5 Assets & liabilities related to foreign currency transactions are translated at exchange rate prevailing at the end of the year. All exchange differences are recognized in the Statement of Profit and Loss Account.
- 1.6 Inventories are valued at the lower of cost and net realizable value. The cost is computed on weighted average basis. Finished Goods, Semi Finished goods and Process Stock include cost of conversion and other costs incurred in bringing the inventories to their present location and condition.
- 1.7 The carrying amount of Assets is 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 recognized as an expense in the Statement of Profit & Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been an improvement in recoverable amount.
- 1.8 Intangible assets are recognized 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.
- 1.9 Employees Benefits:
- a) Defined Contribution Plan
Employee benefits in the form of Superannuation Fund, Provident Fund (PF) and ESI considered as defined contribution plan and the contributions are charged to the Statement of 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 recognized in the Statement of Profit and Loss.

- 1.10 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 recognized on the basis of reasonable/virtual certainty that sufficient future taxable income will be available against which the same can be realized.
- 1.11 Provision in respect of present obligation arising out of past events is 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.
- 1.12 Other Government grants are deducted from the related expenses/Credited to Statement of Profit & Loss.

Note No.2

	(₹ in lacs)	
	As at 30.09.2012	As at 30.09.2011
SHARE CAPITAL		
Authorised:		
Equity Shares - 50,00,000 of ₹10 each {Read with Note no. 27(a)(vii)} (Previous year 1,75,00,000 of ₹ 10/- each)	500.00	1,750.00
Preference Shares - 50,00,000 of ₹ 85/- each (Previous year 50,00,000 of ₹ 85/- each) {Read with Note no.27(a)(vii)}	4,250.00	4,250.00
	4,750.00	6,000.00
Issued, Subscribed and Paid up:		
Equity Shares {refer Note No. 2.2 (a) ,2.2 (b) & 2.2 (c) below} 33,28,944 shares (Previous Year 35,06,510) of ₹ 10/- each fully paid up	332.89	350.65
Zero Coupon Redeemable Preference Shares Nil (Previous Year 50,00,000) shares of ₹ 85/- each fully paid up {Refer Note No. 2.3 below}	-	4,250.00
	332.89	4,600.65

- 2.1 34,56,510 Equity Shares of ₹ 10 each were allotted as fully paid up to the shareholders of JK Tyre & Industries Limited (JKTIL), without payment as per the Scheme of Arrangement & Amalgamation, in an earlier year.
- 2.2 (a) 35,06,510 equity shares of ₹ 10 each fully paid up have been reorganized and allocated pursuant to Scheme of Arrangement and Demerger and consequently the Company has issued and allotted 14,02,604 equity shares of ₹ 10/- each fully paid up to the Share holders of the Company. {Read with Note no.27(a)(vi)}.
- (b) The Zero Coupon Redeemable Preference Shares(ZCRPS) of ₹ 4250 lacs have been converted into 8,51,346 nos. fully paid up equity share of ₹ 10/- each @ ₹ 499.21 (including premium ₹ 489.21) and have since been issued and allotted to the preference share holders of the company. {Read with Note No. 27(a)(iii) & 27(a)(v)}.
- (c) Out of the Zero Coupon Non Convertible Bonds (ZCNCB) of ₹ 4250 lacs, the Company has transferred ₹ 1000 lacs to JK AGRI GENETICS LIMITED (formerly FLORENCE ALUMINA LIMITED) and the balance ZCNCB's of ₹ 3250 lacs have been converted into 10,74,994 nos. fully paid up equity share of ₹ 10/- each @ ₹ 302.33 (including premium ₹ 292.33), which have since been issued and allotted to the Zero Coupon Non Convertible bondholders of the company. {Read with Note No. 27(a)(iv) & 27(a)(v)}.
- 2.3 ZCRPS amounting to ₹ 4250 lacs, appearing in the earlier year have been converted into Equity Shares as per note no.2.2(b) above and have nil outstanding.

2.4 **Details of Shareholders holding more than 5% of Equity Share**

Name of Shareholder	As at	As at
	30.09.2012	30.09.2011
	No. of Shares held	No. of Shares held
Bengal & Assam Company Ltd.	1,383,274	1,351,820
J K Tyre & Industries Ltd.	1,074,994	-
Edgefield Securities Limited	-	362,916
Shah Bahubali Shantilal	-	192,001

2.5 **A. Reconciliation of number of shares outstanding - Equity Share**

	As at	As at
	30.09.2012	30.09.2011
Shares outstanding as at the beginning of the year	3,506,510	3,506,510
Add: Conversion of Zero Coupon Redeemable reference Shares into Equity Shares {Refer Note no.27(a)(iii) and 27(a)(v)}	851,346	-
Add: Conversion of Zero Coupon Non Convertible bonds into Equity Shares {Refer Note no.27(a)(iv) and 27(a)(v)}	1,074,994	-
Less: Transferred to JKAGL pursuant to Scheme {Refer Note no.27(a)(vi)}	2,103,906	-
Shares outstanding as at the end of the year	3,328,944	3,506,510

B. Reconciliation of number of shares outstanding - Preference Share

	As at	As at
	30.09.2012	30.09.2011
Shares outstanding as at the beginning of the year	5,000,000	5,000,000
Add: Issued during the year	-	-
Less: Conversion of Zero Coupon Redeemable Preference Shares into Equity Shares {Refer note no.27(a)(iii) and 27(a)(v)}	5,000,000	-
Shares outstanding as at the end of the year	-	5,000,000

2.6 There is a change in the Share Capital during the year which is to be read with note no. 27, 2.5(A) & 2.5(B) and no Bonus / Buy-back of shares made in the preceding five years.

2.7 Terms/right attached to equity shares:

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

Note No.3

(₹ in lacs)

	As at 01.10.2011	Additions	Transfers/ Deductions	As at 30.09.2012
RESERVES AND SURPLUS				
Debenture Redemption Reserve	1,062.51	-	1062.51@	-
Reserve (as per RBI guidelines)	-	902.45	-	902.45
General Reserve	1,608.96	32.21	-	1,641.17
Security Premium	-	7307.37*	2775.94**	4,531.43
Surplus in Statement of Profit & Loss #	3,676.92	1,234.39	1,391.75	3,519.56
	6,348.39	9,476.42	5,230.20	10,594.61
Previous year	5,259.64	1,088.75	-	6,348.39

@ Transferred to JK Agri Genetics Ltd. (formerly Florence Alumina Ltd) pursuant to The Scheme of Arrangement & Demerger ₹ 472.34 lacs and Balance ₹ 590.17 lacs transferred to Surplus in Statement of Profit & Loss {Refer Note 27(a)(viii)}.

*On conversion of ZCNB and ZCRPS {refer Note No. Note No.27(a)(v)}

** Goodwill generated in pursuance of Scheme of Arrangement & Demerger has been written off. {(refer Note No.27(a)(viii)}

# Details of Surplus in Statement of Profit & Loss	(₹ in lacs)	
	As at 30.09.2012	As at 30.09.2011
Surplus in Statement of Profit and Loss from Previous Year	3,676.92	2,588.17
Add: Profit / (Loss) for the year	644.22	1,088.75
Add: Transferred from Debenture Redemption Reserve	590.17	
Less: Transfer in terms of the Scheme (refer Note No. 26, 27 & 28)	399.06	-
Less: Transfer to Reserve (as per RBI guidelines)*	902.45	-
Less: Transfer to General Reserve	32.21	-
Less: Proposed Dividend (@₹ 1.50 per Equity Share)	49.93	-
Less; Corporate Dividend Tax	8.10	-
Surplus in Statement of Profit and Loss carried to Balance sheet	3,519.56	3,676.92

* As per provisions of sec. 45-IC of RBI Act 1934 including for earlier period ₹ 773.61 lacs.

Note No.4

	(₹ in lacs)			
	Non Current		Current Maturities	
	As at 30.09.2012	As at 30.09.2011	As at 30.09.2012	As at 30.09.2011
LONG TERM BORROWINGS				
SECURED LOANS				
Zero Coupon Non-Convertible Bonds	-	-	-	4,250.00
Term Loans:				
Banks	-	228.85	-	291.00
Buyers Credit	-	-	-	-
Others	-	59.61	-	-
	-	288.46	-	4,541.00
UNSECURED LOANS				
Council of Scientific & Industrial Research (CSIR)	-	761.01	-	-
Others	-	-	-	-
	-	761.01	-	-
	-	1,049.47	-	4,541.00
Less: Amount disclosed under the head "Other Current Liabilities" (Note No.8)	-	-	-	(4,541.00)
	-	1,049.47	-	-

Notes:

- 4.1 Zero Coupon Non-Convertible Bonds (ZCNCBs) of ₹ 4250 lacs in an earlier year were 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 were redeemable in four instalments of ₹ 1000 each at the expiry of the 4th to 7th year and ₹ 250 at the expiry of the 8th year from 1.4.2002. {Refer Note No.27(a)(iv) & (v)}.
- 4.2 a) Term loan of ₹ 357.16 lacs in the previous year was secured against first charge of the assets purchased thereunder, hypothecation of entire intangible assets, pari passu second charge on the entire current assets viz stocks and book debts etc., both present and future, of the company and is further secured, by way of first charge on land at Dundigal village (AP) and Ranpur, Kota, (Rajasthan) and on entire movable fixed assets of the Company. This was further secured by a second charge on the entire fixed assets financed by Department of Biotechnology (DBT). Term loan repayable in 4 quarterly installments of ₹75 lacs and one Quarterly installment of ₹ 57.16 lacs.(Refer Note no.26 and 27).
- b) Term Loan of ₹ 162.69 lacs in the previous year was secured against first charge of the assets purchased thereunder, Hypothecation of entire intangible assets, parri passu second charge on entire current assets viz stock and book debts etc., both present and future, of the company and was further secured by extension of equitable mortgage on land at Ranpur, Kota(Rajasthan). This was further secured by a second charge on the entire fixed assets financed by DBT and repayable in 15 quarterly installment of ₹10.25 lacs and 12th installment of ₹ 8.94 lacs.(Refer Note no.26 and 27).

- 4.3 Term loan of ₹ 59.61 lacs in the previous year was secured by First charges on the Assets created out of loan from DBT, pari passu second charge on the entire fixed Assets of the Company including the land at Dundigal Village, Ranga Reddy District (AP) with a market value of ₹ 7.78 crs and excluding land at ICICI Knowledge Park & pari passu second charge on the current assets and repayable in 10 equal half yearly installments of ₹ 5.96 lacs each commencing from September, 2016.(Refer Note no.26 and 27)
- 4.4 Unsecured loan of ₹ 761.01 lacs in the previous year taken from CSIR repayable in 10 equal yearly installment of ₹ 76.01 lacs each commencing from October 2012.(Refer Note no.26 and 27).

Note No.5		(₹ in lacs)	
	As at 30.09.2012	As at 30.09.2011	
OTHER LONG TERM LIABILITIES			
Interest accrued but not Due	-	64.41	
Others	-	15.77	
	-	80.18	

Note No.6		(₹ in lacs)	
	As at 30.09.2012	As at 30.09.2011	
LONG-TERM PROVISIONS			
Provision for employee benefits			
Gratuity	-	71.71	
Leave encashment	-	82.14	
	-	153.85	

Note No.7		(₹ in lacs)	
	As at 30.09.2012	As at 30.09.2011	
SHORT TERM BORROWINGS			
SECURED			
Repayable on Demand from Banks @	-	3,461.29	
Others	-	500.00	
	-	3,961.29	

@ Working Capital borrowing is secured by hypothecation of current assets viz stocks and book debts etc., both present and future, of the Company and by a second charge on entire fixed assets of the Company including land at Dundigal village (AP) and Ranpur, Kota, (Rajasthan).

Note No.8		(₹ in lacs)	
	As at 30.09.2012	As at 30.09.2011	
OTHER CURRENT LIABILITIES			
Current Maturities of Long Term Debts	-	4,541.00	
Advance from Customers	-	1,162.59	
Interest Accrued but not due on loan	-	6.28	
Other Liabilities			
Capital Payables	-	7.91	
Acceptances	-	569.35	
Government and Other dues	-	59.65	
Others	0.04	553.55	
	0.04	6,900.33	

Note No.9

(₹ in lacs)

	As at 30.09.2012	As at 30.09.2011
SHORT TERM PROVISIONS		
Provision for Retirement Benefits		
Gratuity	-	16.72
Leave Encashment	-	15.87
Provision for Tax	23.06	343.02
Proposed Dividend	49.93	-
Provision for Corporate dividend tax	8.10	-
	81.09	375.61

Note No.10**FIXED ASSETS**

₹ in Lacs

Assets	Gross Carrying Value				Depreciation / Amortisation				Net Carrying Value	
	As At	Additions	Transferred Pursuant to Scheme @	As At	As at	For the	Transferred Pursuant to Scheme @	As at	As at	As at
	01.10.2011			30.09.2012	01.10.2011	Year		30.09.2012	30.09.2012	30.09.2011
(A) Tangible Assets:										
Land - Freehold	401.61	-	401.61	-	-	-	-	-	-	401.61
Land - Leasehold	134.09	-	134.09	-	3.53	-	3.53	-	-	130.56
Building #	257.66	-	257.66	-	63.88	-	63.88	-	-	193.78
Plant and Equipments #	1,869.17	-	1,869.17	-	307.06	-	307.06	-	-	1,562.11
Furniture & Fixtures	42.30	-	42.30	-	17.02	-	17.02	-	-	25.28
Office Equipments	206.33	-	206.33	-	43.69	-	43.69	-	-	162.64
Vehicles	205.25	-	205.25	-	67.08	-	67.08	-	-	138.17
Total (A)	3,116.41	-	3,116.41	-	502.26	-	502.26	-	-	2,614.15
(B) Intangible Assets										
Brand	2,700.00	-	2,700.00	-	1,282.68	-	1,282.68	-	-	1,417.32
Software	53.32	-	53.32	-	49.56	-	49.56	-	-	3.76
Total (B)	2,753.32	-	2,753.32	-	1,332.24	-	1,332.24	-	-	1,421.08
Total (A+B)	5,869.73	-	5,869.73	-	1,834.50	-	1,834.50	-	-	4,035.23
Capital Work in Progress										
Previous Year	5,670.43	400.34	201.04@@	5,869.73	1,570.51	296.58	32.59@@	1,834.50		

Includes gross value as at 30.09.2012 of Building ₹ NIL (Previous year ₹ 257.66 lacs) and Plant & Equipments ₹ NIL (Previous Year ₹1278.39 lacs) {WDV ₹ Nil (Previous year ₹193.78 lacs) and ₹ Nil (Previous year ₹ 1185.58 lacs respectively)} on leasehold premises.

@ Transferred pursuant to the Scheme of Arrangement and Demerger {Note No.26 & 27(a)(viii)}

@@ Sales/Adjustments

Note No.11

INVESTMENTS		As at 30.09.2012		As at 30.09.2011	
Names of the Bodies Corporate	Face Value Rs./Share	Numbers	₹ in Lacs	Numbers	₹ in Lacs
NON CURRENT INVESTMENTS (Other than Trade)					
Quoted Equity Share (fully paid up)					
J.K.Paper Ltd.	10/-	11,681,684	5,106.57	11,681,684	5,106.57
J K Lakshmi Cement Ltd.	5/-	13,645,040	982.67	13,645,040	982.67
Umang Dairies Ltd.	5/-	1,194,965	14.34	1,194,965	14.34
JK Sugar Ltd.	10/-	271,035	163.05	271,035	163.05
J K Tyre and Industries Ltd.	10/-	6,034,070	2,891.43	6,034,070	2,891.43
Bengal & Assam Company Ltd.	10/-	646,811	645.59	646,811	645.59
Unquoted					
J.K.Pharmachem Ltd.-Under Liquidation	10/-	2,371,903	-	2,371,903	-
Udaipur Cement Works Ltd.- BIFR Co.	10/-	4,333,000	41.16	4,333,000	41.16
Fenner (India) Ltd	10/-	3,796	1.23	3,796	1.23
JK Plant Bio Sciences Limited	10/-	5,000	0.50	5,000	0.50
JK Agri Genetics Ltd. (formerly Florence Alumina Ltd.) (Refer Note No.44)	10/-	1,500,000	150.00	1,500,000	150.00
Total Non Current Investment			9,996.54		9,996.54
Aggregate book value of unquoted investments			192.89		192.89
Aggregate book value of quoted investments			9,803.65		9,803.65
Market Value of Quoted Investments			28,351.77		16,742.66

Note No.12**DEFERRED TAX ASSET (NET)****(₹ in lacs)**

	As at 30.09.2012		As at 30.09.2011	
1. Deferred Tax Liabilities				
i) Related to Fixed Assets		-		380.52
2. Deferred Tax Assets				
i) Provision for Doubtful Debts		-	32.75	
ii) Disallowance under Income Tax Act	4.24	4.24	73.14	
iii) Unabsorbed depreciation and carried forward losses		-	617.33	
iv) Others		-	6.20	729.42
Deferred Tax (Liability) / Asset (Net)		4.24		348.90

Note No.13**(₹ in lacs)**

	As at 30.09.2012	As at 30.09.2011
LONG TERM LOANS & ADVANCES (Unsecured, considered good)		
Capital advances		4.18
Security Deposits with Govt. and Other Authorities	-	45.28
Prepaid Expenses	-	2.83
	-	52.29

Note No.14**(₹ In lacs)**

	As at 30.09.2012	As at 30.09.2011
OTHER NON-CURRENT ASSETS		
Bank Balances on Deposit Account \$	-	110.00
Mat Credit Entitlement	-	563.03
Accrued Interest	-	12.31
	-	685.34

\$ Pledged with bank, maturities more than 12 Months

Note No.15**(₹ in lacs)**

	As at 30.09.2012	As at 30.09.2011
INVENTORIES (As taken, valued and certified by Management)		
Stores, Processing & Packing Material	-	283.89
Semi Finished Goods	-	682.50
Finished Goods	-	3,015.44
	-	3,981.83

Note No.16**(₹ in lacs)**

	As at 30.09.2012	As at 30.09.2011
TRADE RECEIVABLES (Unsecured, considered good unless otherwise stated)		
Outstanding for more than six months from the date they are due for payment	-	114.28
Considered Doubtful	-	105.98
Less: Provision for doubtful Receivable	-	(105.98)
Others	-	3,582.17
	-	3,696.45

Note No.17**(₹ in lacs)**

	As at 30.09.2012	As at 30.09.2011
CASH & CASH EQUIVALENTS		
Cash & Cash Equivalents		
Cash on hand	-	2.69
Cheques on hand	-	31.35
Balances with Scheduled Banks :		
On Current Accounts	-	92.25
Deposits with original Maturities less than 3 months	-	-
Other Bank Balances		
On Deposit Accounts (With Original Maturities for more than 12 months)	-	110.00
	-	236.29
Less: Amount Disclosed under Other Non-Current Assets (Note No.14)	-	(110.00)
	-	126.29

Note No.18**(₹ in lacs)**

	As at 30.09.2012	As at 30.09.2011
SHORT TERM LOANS & ADVANCES (Unsecured, considered good unless otherwise stated)		
Others		
Advance to Suppliers	-	1,470.36
Advance to Employees	-	89.42
Prepaid Expenses	-	31.24
Deposit with Government Authorities and Others	-	86.90
CENVAT Recoverable	-	1.55
VAT Input Credit	-	0.98
Others	1,007.85	5.80
(Includes ₹ 300.00 lacs towards share application money) (Refer Note No. 40)		
	1,007.85	1,686.25

Note No.19

(₹ in lacs)

	2011-12	2010-11
REVENUE FROM OPERATIONS		
1. Sales of Products		
Seeds	-	11,360.48
Others	-	602.73
Income from Long Term Investments (Non Trade)		
- Dividends	625.99	
Interest on Deposit with Banks & others	40.55	
2. Sales of Services - Agri Related Services	-	72.48
3. Other Operating Revenues		
Income from Long Term Investments (Non Trade)		
- Dividends	-	529.17
Income from Current Investments		
- Dividends	-	52.60
Liabilities no longer required written back	-	398.28
Miscellaneous Income	-	66.42
	666.54	13,082.16

Note No.20

(₹ in lacs)

	2011-12	2010-11
OTHER INCOME		
Interest on Deposit with Banks & others	-	7.46
Foreign Exchange Fluctuation	-	3.71
	-	11.17

Note No.21

(₹ in lacs)

	2011-12	2010-11
COST OF MATERIALS CONSUMED		
Purchase of Seeds	-	4,336.06
Purchase of Other Agri Products	-	763.42
Consumption of Packing Materials	-	558.64
	-	5,658.12

Note No.22

(₹ in lacs)

	2011-12	2010-11
Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade		
Opening Stock		
- Semi Finished Goods	-	783.86
- Finished Goods	-	2,584.20
	-	3,368.06
Closing Stock		
- Semi Finished Goods	-	682.50
- Finished Goods	-	3,015.44
	-	3,697.94
(Increase)/Decrease in Stocks	-	(329.88)

Note No.23

(₹ in lacs)

	2011-12	2010-11
EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages, Allowance, Etc.	3.71	1,811.46
Contribution to Provident and other Funds	-	123.82
Employees' Welfare and other Benefits	-	184.98
	3.71	2,120.26

Note No.24**(₹ in lacs)**

	2011-12	2010-11
FINANCE COSTS		
Interest Expenses	-	233.59
Other Borrowing costs	-	16.97
Net (Gain)/Loss on Foreign Currency Transactions	-	44.02
	-	294.58

Note No.25**(₹ in lacs)**

	2011-12	2010-11
OTHER EXPENSES		
Processing Charges	-	185.80
Power & Fuel	-	25.10
Labour Expenses	-	132.54
Repair & Maintenance- Machinery	-	16.57
Rent	-	281.79
Rates & Taxes	-	3.33
Insurance	-	26.41
Discount	-	140.00
Freight & Transportation	-	442.09
Advertisement	-	682.32
Royalty	-	342.62
Directors' Fees	2.51	2.40
Farming Expenses	-	406.38
Travelling Expenses	-	686.50
Commission	-	94.82
Loss on Sales/Discard of Assets (Net)	-	1.65
Provision for Doubtful Debts & Advances	-	29.28
Bad Debts Written off	-	2.90
Printing & Stationery, Postage, Telephone and other Miscellaneous Expenses etc.	6.08	453.22
	8.59	3,955.72

26. Scheme of Arrangement and Demerger (the Scheme) between the Company {FLORENCE INVESTECH LIMITED (FIL) (formerly JK AGRI GENETICS LIMITED)(Transferor)} and JK AGRI GENETICS LIMITED (JKAGL) {(formerly FLORENCE ALUMINA LIMITED (FAL))} (Transferee) has been sanctioned by the Hon'ble High Court at Calcutta vide its order dated 17th October, 2012 and the Scheme became effective on 2nd November, 2012 operative from 1st April 2005, the Appointed Date.

27 (a). Pursuant to the Scheme:

- i. Name of the Company has been changed from JK Agri Genetics Ltd. to Florence Investech Ltd.
- ii. The Seed undertaking of the Company as defined in the Scheme has been transferred to and vested in JKAGL (formerly FAL) with effect from the said Appointed Date. The Scheme has accordingly been given effect to in these accounts.
- iii. Zero Coupon Redeemable Preference Shares (ZCRPS) aggregating to ₹ 4250 lacs have been converted into fully paid equity shares of ₹ 10 each after demerging the Seed undertaking.
- iv. (a) Zero Coupon Non-Convertible Bonds (ZCNCB) aggregating to ₹ 3250 lacs have been converted into fully paid Equity Shares of ₹ 10/- each after demerging the Seed undertaking.
(b) The balance ZCNCBs aggregating to amount of ₹ 1000 lacs, are to be issued by the Transferee Company to the holder thereof as provided in Part-IV of the Scheme.
- v. The conversion of ZCRPS and ZCNCB into Equity Shares have been done after discounting thereof at the rate of 12% and the resultant discounted value of ZCRPS and ZCNCB amounting to ₹ 19,68,73,871/- and ₹ 24,85,92,471/- respectively, have been converted at the rate ₹ 231.25 per Equity Share for the purposes of ascertaining the number of Equity shares to be issued upon conversion as aforesaid. Accordingly the Company has since issued and allotted (i) 8,51,346 fully paid up Equity Shares of ₹ 10/- each upon conversion of ZCRPS aggregating to ₹ 4250 lacs, at a premium of ₹ 489.21 per Equity Share and, (ii) 10,74,994 Equity Shares of ₹ 10/- each upon conversion of

ZCNCB aggregating to ₹ 3250 lacs at a premium of ₹ 292.33 per Equity Share.

- vi. The Issued & Paid up Equity Share Capital of the Company has been reorganized and allocated in the ratio of 2:3 (i.e 40:60) between the Transferor and Transferee Company in terms of the Scheme. Consequently, for every 100 Equity Shares of the Transferor Company, the shareholders have received 40 fully paid Equity Shares of ₹ 10/- each of the Transferor Company and 60 Equity Shares of ₹ 10/- each of the Transferee Company.

Accordingly, the Company has issued 14,02,604 fully paid up Equity Shares of ₹ 10/-each upon reorganization and allocation out of 35,06,510 fully paid up Equity Shares as on 1st April 2005.

- vii. a) The Authorized Equity Share Capital of ₹ 1,250 lacs divided into 1,25,00,000 Equity Shares of ₹ 10 each stands transferred to JKAGL (formerly FAL).
b) Entire amount of authorised Preference Share Capital of ₹ 4,250 lacs divided into 50,00,000 Preference shares of ₹ 85 each is to be transferred from authorized share capital of the Company to JKAGL (formerly FAL) as equity and unclassified shares is in the process of getting transferred from the Company to the JKAGL (formerly FAL) as authorized capital divided into 4,25,00,000 unclassified shares of ₹10 each as per the said Scheme.
- viii. The difference of ₹ 2775.94 lacs between assets and liabilities (including ZCNCB of ₹ 1000 Lacs) transferred from FIL (formerly JKAGL) at their book values w.e.f. April 01, 2005 along with Debenture Redemption Reserve of ₹ 472.34 and paid up Equity Capital of ₹ 210.39 has been recorded as Goodwill in the books of the company and the same has been fully written off against the balance of Security Premium Account.

27(b). Certain Charge(s) of secured loans, licenses, approvals, etc. are in the process of getting transferred in the name of JKAGL (formerly FAL).

27(c). Business of Seed Undertaking has been carried out w.e.f. April 1, 2005 by the Company for and on behalf of JKAGL(formerly FAL).

28. Pursuant to the aforesaid scheme, the effect on the financial statements, post appointed Date/ Period have been given in these accounts for the period from April 1, 2005 to till September 30, 2011 is as summarised below:-

Revenue items						
Particulars [Post Appointed Period(s)]	2005-06 (Apr'05- Mar'06)	2006-07 (Apr'06- Mar'07)	2007-08 (Apr'07- Mar'08)	2008-09 (18 months) (Apr'08- Sep'09)	2009-10 (Oct'09- Sept'10)	2010-11 (Oct'10- Sept'11)
Revenue	4,814.64	8,150.61	11,119.24	14,240.14	12,298.77	12,749.31
Expenses	4,631.37	7,509.53	10,768.73	15,821.37	11,943.40	12,296.87
Profit before Tax	183.27	641.08	350.51	-1,581.23	355.37	452.44
Tax Expense	134.74	288.74	194.72	-638.61	17.42	-11.78
Profit after Tax	48.53	352.34	155.79	-942.62	337.95	464.22
Tax Provision for Earlier Years	-	22.20	-	1.64	-6.69	-
Profit Transferred to Balance Sheet	48.53	330.14	155.79	-944.26	344.64	464.22

29. Estimated amount of contracts net of advances amounting to Nil (Previous year ₹ 17.10 lacs) remaining to be executed on capital account.

30. Contingent liabilities, not provided for in respect of:

- (a) Claims by certain parties against the company not accepted and not provided for ₹ Nil {Previous Year ₹ 140.83 (Net of ₹ 104.22 lacs to be indemnified by another party)}
- (b) Pending export obligation against import of capital goods under EPCG Scheme: ₹ Nil (Previous year ₹ 394.08 lacs).
- (c) Income Tax (matters in appeals) of ₹ 81.28 lacs (Previous year ₹ 192.13 lacs) & Sales tax (Matters in appeals) of ₹ Nil (Previous year ₹ 19.34 lacs).

(d) 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.

31. The company has only one reportable business segment namely "Investment".

	2011-12	₹ in lacs 2010-11
32. Remuneration to Manager:		
Salary	3.31	49.10
Contribution to PF & other Funds	-	6.87
Value of Perquisites (as per Income Tax Rules) and other allowances	-	9.55
	<u>3.31@</u>	<u>65.52</u>

@ net of ₹ 124.17 lacs transferred to JKAGL (formerly FAL).

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

33. Amount paid to Auditors towards Statutory Audit Fees ₹ 0.20 Lacs {net of ₹ 3.98 lacs transferred to JKAGL (formerly FAL)} (Previous Year ₹ 1.65 Lacs), Tax Audit fees NIL (Previous Year ₹ 0.55 Lacs), Certification & Other Charges NIL (Previous Year ₹ 0.66 Lacs) and Reimbursement of expenses NIL (Previous Year ₹ 0.20 Lacs).

34. Additions to Fixed Assets and Capital work in progress includes Machinery in stock/transit, construction/erection materials and also includes the following pre-operative expenses pending allocation:

	As at 30.09.2012	₹ in Lacs As at 30.09.2011
Office & Godown Maintenance	-	2.65
Freight & Transportation	-	0.03
Salaries	-	5.74
Miscellaneous Expenses	-	4.13
	-	<u>12.55</u>
Add: Opening Balance	-	0.40
Less: Transferred to Fixed Assets	-	<u>12.95</u>
	-	<u>-</u>

35. (a) Debtors over six months and Advances are net of provisions made for Doubtful Debts Nil and Advances Nil (Previous Year ₹ 105.98 lacs and ₹ 21.85 lacs respectively) and are after bad debts of ₹ Nil. (Previous year ₹ 11.78 Lacs).

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

36. Income tax calculation has been made considering certain expenses/adjustments available as assessed by the management.

37. Foreign Currency exposure not hedged as at Balance sheet date:

Particulars	Currency	As at 30.09.2012		As at 30.09.2011	
		Foreign Currency	₹ in Lacs	Foreign Currency	₹ in Lacs
Payable	USD	Nil	Nil	11,63,706	569.35
Advances Paid*	EURO	Nil	Nil	21,519	13.66
	USD	Nil	Nil	120	0.05
Advances Received*	USD	Nil	Nil	601	0.26

*Since the Forex Liability is crystallized to the extent advances given & received these exposures are not required to be hedged.

38. The details of amounts outstanding under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) to the extent information available with the Company are as under: (i) Principal & Interest amount due and remaining unpaid as at 30.09.2012: Nil (Previous year: Nil) (ii) Payment made beyond and appointed day during the year: Nil (Previous Year: Nil) and (iii) Interest accrued and unpaid as at 30.09.2012: Nil (Previous year : Nil).
39. The disclosures required under Accounting Standard (AS-15) "Employees Benefits" notified in the Companies (Accounting Standards) Rules, 2006 are as given below:

Defined Benefits Plans / Long Term Compensated Absences – As per Actuarial Valuation on 30th September, 2012.

₹ in lacs

		2011-12		2010-11	
		Gratuity Non Funded	Leave Encashment Non Funded	Gratuity Non Funded	Leave Encashment Non Funded
I	Expenses recognised in the Statement of Profit & Loss Account for the year ended 30th September, 2012				
	1 Current Service Cost	--	--	17.58	23.67
	2 Past Service Cost	--	--	-	-
	3 Interest Cost	--	--	5.85	5.54
	4 Expected returns on plan assets	--	--	-	-
	5 Actuarial (Gain)/Losses	--	--	4.25	(10.65)
	6 Total expenses	--	--	27.68	18.56
II	Net Asset / (Liability) recognised in the Balance sheet as at 30th September, 2012				
	1 Present Value of Defined Benefit Obligation as at 30th September, 2012	--	--	88.43	76.42
	2 Fair Value of plan assets as at 30th September, 2012	--	--	-	-
	3 Funded status Surplus/(Deficit)	--	--	-	-
	4 Net Asset / (liability) as at 30th September, 2012	--	--	(88.43)	(76.42)
III	Change in obligation during the period ended 30th September, 2012	--	--		
	1 Present Value of Defined Benefit Obligation at the beginning of the year	--	--	73.19	69.31
	2 Current Service Cost	--	--	17.58	23.67
	3 Past Service Cost	--	--	-	-
	4 Interest Cost	--	--	5.85	5.54
	5 Actuarial (Gain)/Losses	--	--	4.25	(10.65)
	6 Benefits Payments	--	--	(12.44)	(11.45)
	7 Present Value of Defined Benefits Obligation at the end of the year	--	--	88.43	76.42
IV	Change in Assets during the period ended 30th September, 2012	--	--	Nil	Nil
V	The major categories of plan assets as % of total plan	--	--	Nil	Nil
VI	Actuarial Assumptions	--	--		
	1. Discount Rate			8.00%	
	2 Expected rate of return on plan assets			-	
	3 Mortality			LIC (1994-96) duly modified	
	4 Turnover rate			Age upto 30-3%, upto 44 – 2%, above 44 –1%	
	5 Salary Escalation			5.50%	

In view of transfer of all employees to JKAGL (formerly FAL) all current year figures are NIL.

a) Defined Benefit Plans

Amounts recognized as expense and included in the Note No. 23:

Item "Salaries, Wages, Allowance, etc." includes for gratuity ₹ Nil (Previous year ₹ 27.68 lacs), for leave encashment ₹ Nil (Previous year ₹ 18.56 lacs).

- b) Defined Contribution plans
Amount recognized as an expense and included in the Note No. 23 "Contribution to Provident and other Funds" of Statement of Profit & Loss Nil (Previous year ₹ 123.82 Lacs).

40. ₹ 707.85 lacs (Previous Year Nil) is receivable from JKAGL (formerly FLORENCE ALUMINA LIMITED) is appearing under Current Asset and included in "Short-term loans and advances".

41. Related Party disclosure in accordance with Accounting Standard 18

A) Relationships

- i. Wholly Owned Subsidiary : --
ii. Associate : --
iii. Key Management Personnel (KMP) : 1. Shri P. S. Dravid, Manager
(upto December 31, 2011)
2. Shri Sanjay Kumar Gupta, Manager
(w.e.f. January 1, 2012)
iv. Relative of KMP : Smt. Surekha Dravid: Wife of Shri P.S.Dravid \$

B) Transactions with Related Parties

\$ Lease Rent ₹ Nil (Previous Year ₹12.60 Lacs)
(Read with note no.32 & 44)

42. Earnings per Share	2011-12	2010-11 (Pre Effect of the Scheme)	2010-11 (Post of Scheme)
a) Profit/(Loss) after Tax (₹ in lacs) @	644.24	1088.75	1088.75
b) Weighted average no. of Equity Shares (Nos.)	3328944	3506510	3328944*
c) Nominal Value of Equity Share (₹)	10	10	10
d) Basic and Diluted Earnings per Equity Share (₹)	19.35	31.05	32.70

@Pre tax Profit ₹ 654.24 Lacs and ₹ 1097.95 Lacs respectively.

*Previous year's figure have been restated in pursuance of Scheme of Arrangement and Demerger. (refer note no.27)

43. The Company has long-term investments aggregating of ₹ 9996.54 lacs (Previous Year amounting ₹ 9996.54 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 investments as per details given in Note no.11 hereto.

44. In view of Note No.26 (read with note no. 27), JKAGL (formerly FAL) ceased to be Wholly owned Subsidiary (WOS) of the Company with effect from 1st April'2005 and accordingly Consolidation of Financial Statements has not been carried out.

45. 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) notified by the Companies (Accounting Standards) Rules, 2006. There is no impairment of assets which has not been accounted.

46. Leases

Operating Lease

Factory Premises and Vehicles have been obtained on lease. Lease rentals in case of factory premises have escalation clause while there is no escalation clause in case of Vehicles except for change in taxes, if any. There are no significant restrictions imposed by Lease agreements. There are no sub leases.

₹ in lacs

Lease Payments	2011-12	2010-11
During the year	--	136.09
Not later than one year	--	149.61
Later than one year and not later than five years	--	52.11

47. Production and Purchase of Seeds & Others Materials Consumed:

	2011-12		2010-11	
	Amount (₹ in lacs)	% of total Consumption	Amount (₹ in lacs)	% of total Consumption
Indigenous	--	--	4,960.66	97.17
Imported	--	--	143.47	2.81
	--	--	5,104.13	100.00

The above includes ₹ Nil (Previous year ₹ 4.65 lacs) included under Farming Expenses.

48. Stores, Process & Packing Materials consumed:

	2011-12		2010-11	
	Amount (₹ in lacs)	% of total Consumption	Amount (₹ in lacs)	% of total Consumption
Indigenous	--	--	630.90	96.96
Imported	--	--	19.76	3.04
	--	--	650.66	100.00

The above includes ₹ Nil (Previous year ₹ 92.02 lacs) included under Farming Expenses

	2011-12	₹ in lacs 2010-11
49. CIF Value of Imports		
Seeds	--	126.63
Capital Goods (R & D)	--	7.16
Consumables & Spare Parts (R & D)	--	14.87
50. Expenditure in Foreign Currency (as remitted) :		
Technical Services (R&D)	--	20.70
Travelling & Others	--	9.17
51. Earnings in Foreign Exchange		
F.O.B value of exports	--	107.59
52. Current year accounts have been prepared in accordance with the Revised Schedule – VI and previous year's figures have been re-grouped/re-classified accordingly. Previous Year's figure are not strictly comparable in view of note no. 26 & 27.		
53. Post demerger the Company has become a Core Investment Company (CIC) and the required intimation is in the process of being filed with Reserve Bank of India (RBI).		

For LODHA & CO.
Chartered Accountants
Firm Registration No. 301051E

(N.K. LODHA)
Partner
Membership No. - 85155
New Delhi, the 15th May, 2013

S.K.GUPTA
Manager

ALOK DUBEY
Asst. Company Secretary

A.K. KINRA
P.K.RUSTAGI
V.K. SHARMA
Directors

FLORENCE INVESTECH LIMITED (Formerly JK AGRI GENETICS LIMITED)**Cash Flow Statement**

For the year ended 30th, September 2012

₹ in Lacs

	2011-12	2010-11
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extraordinary items	654.24	1,097.95
Adjustment for :		
Depreciation / Amortisation	-	296.58
Interest Expenses	-	233.59
(Profit)/Loss on sale of Assets	-	1.65
(Profit)/Loss on sale of Investments	-	-
Foreign Exchange Fluctuation	-	44.02
Diminution in Value of Investments	-	-
Interest/Dividend Received	(666.54)	(589.23)
Provision for Doudtful Debts/Advances	-	29.28
Bad Debts Written Off	-	2.90
Liabilities no longer required written back	-	(398.28)
Operating Profit before working capital changes	(12.30)	718.46
(Increase)/ Decrease in Trade and Other Receivables	(654.28)	(277.74)
Increase/ (Decrease) in Trade Payables	0.04	(375.23)
(Increase)/ Decrease in Inventories	-	(70.22)
Cash generated from Operations	(666.54)	(4.73)
Direct taxes paid	-	(4.86)
Net Cash from / (used in) Operating Activities	(666.54)	(9.59)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-	(368.30)
Sale of Fixed Assets	-	166.81
Purchase of Investments	-	(4,825.31)
Sale of Investments	-	2,722.60
Interest Received	40.55	0.92
Dividend Received	625.99	598.70
Net Cash from / (used in) Investing Activities	666.54	(1,704.58)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term borrowings	-	433.41
Repayment of Long Term borrowings	-	(200.02)
Proceeds from Short Term borrowings (Net)	-	1,696.00
Interest Paid	-	(207.72)
Net cash from / (used in) Financing Activities	-	1,721.67
Net Increase / (Decrease) in Cash and Cash equivalents	-	7.50
Cash and Cash equivalents as at the beginning of the year	126.29	118.79
Cash Transferred Pursuant to Scheme	(126.29)	-
Cash and Cash equivalents as at the end of the year	-	126.29

Notes:

- 1 Previous year figures are not strictly comparable to the current year figures pursuant to scheme of Arrangement and Demerger. (Refer Note no.26 and 27).
- 2 Previous year figures have been regrouped and restated wherever necessary to conform to current year classification.
- 3 Impact of Scheme which is cash neutral have not been disclosed above.

As per our report of even date

For LODHA & CO.

Chartered Accountants

Firm Registration No. 301051E

(N.K. LODHA)

Partner

Membership No. - 85155

New Delhi, the 15th May, 2013

S.K.GUPTA

Manager

ALOK DUBEY

Asst. Company Secretary

A.K. KINRA

P.K.RUSTAGI

V.K. SHARMA

Directors

Florence Investech Ltd.

NOTICE

NOTICE is hereby given that the **19th Annual General Meeting** of the Members of **Florence Investech Ltd.** will be held at **Sri Sathya Sai International Centre, Pragati Vihar, Bhisham Pitamah Marg (Lodi Road Institutional Area), New Delhi- 110 003** on Friday, the 28th June 2013 at 11 A.M. to transact the following business:

1. To receive, consider and adopt the Audited Accounts of the Company for the financial year ended 30th September 2012 and the Reports of the Directors and Auditors thereon.
2. To declare dividend.
3. To appoint Auditors and to fix their remuneration and in connection therewith to pass, with or without modifications, the following as **Ordinary Resolution**:
“RESOLVED that M/s Lodha & Co., Chartered Accountants, the retiring Auditors be and are hereby reappointed as Auditors of the Company to hold office from the conclusion of the 19th Annual General Meeting until the conclusion of the next Annual General Meeting on a remuneration of ₹ 50,000/- (Rupees Fifty Thousand only) in addition to reimbursement of travelling and other out-of-pocket expenses actually incurred by them in connection with the audit.”
4. To consider and if thought fit to pass, with or without modification(s), the following as **Ordinary Resolution**:
“RESOLVED that Shri P.K. Rustagi be and is hereby appointed as a Director of the Company.”
5. To consider and if thought fit to pass, with or without modification(s), the following as **Ordinary Resolution**:
“RESOLVED that Shri V.K. Sharma whose appointment on the Board as Additional Director determines on the date of the present Annual General Meeting, be and is hereby appointed as a Director of the Company”.

Regd. Office:
Link House,
3, Bahadur Shah Zafar Marg,
New Delhi - 110 002.

By Order of the Board

Date: 15th May 2013

Alok Dubey
Asst. 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 24th June to 28th June, 2013 (both days inclusive).
3. The Dividend of ₹ 1.50 per Equity Share of ₹ 10/- each as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid to the Members whose names are borne on the Company's Register of Members on 28th June 2013 or to their mandatees. In respect of shares held in dematerialised form, the dividend will be paid on the basis of details of beneficial ownership to be received from the Depositories for this purpose.
4. APPOINTMENT OF DIRECTORS:

Brief resumes of the Directors proposed to be appointed (Item Nos. 4 and 5 of the Notice) are given hereunder:-

- (I) Shri PK Rustagi, aged 57 years, is a Fellow member of 'The Institute of Company Secretaries of India' and also a member of 'The Institute of Cost Accountants of India'. His Director Identification Number is 00006979. He was appointed on the Board on 12th February, 2013 to fill the casual vacancy caused by resignation of Shri Swaroop Chand Sethi. He has rich experience of 35 years in Project Finance, Capital Market, Corporate Secretarial and Legal Matters. He has been associated with various Chambers of Commerce for over 20 years and is presently a member of National Council for Corporate Governance, CSR and Companies Bill of ASSOCHAM, Corporate Affairs and Capital Market Committees of the PHD Chamber of Commerce and also a member of the 'Expert Advisory Board – 2013' of 'The Institute of Company Secretaries of India'. He is also Director on the Board of BMF Investments Limited and Southern Spinners and Processors Limited. Also, Shri Rustagi is a Member of Audit Committee of Southern Spinners and Processors Limited. Shri Rustagi is not related to any Director of the Company.
- (II) Shri V.K. Sharma, aged 69 years, is a Fellow Member of 'The Institute of Chartered Accountants of India'. His Director Identification Number is 00034940. He joined the Board of the Company on 12th February 2013 as an Additional Director. He has rich experience of about 45 years in Finance, Corporate Accounts and Taxation. His other Directorships are - Nil. Shri Sharma is not related to any Director of the Company.
5. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item Nos. 4 & 5 is annexed hereto.

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No.4

Shri P.K. Rustagi was appointed as a Director of the Company in terms of Section 262 of the Companies Act, 1956 read with Article 142 of the Articles of Association of the Company in the casual vacancy caused by the resignation of Shri S.C. Sethi. Shri Rustagi holds office upto the date of ensuing Annual General Meeting. The Company has received a notice under Section 257 of the Companies Act, 1956, together with requisite deposit from a member of the Company proposing name of Shri P.K. Rustagi for appointment as a Director of the Company. Your Directors recommend this resolution for your approval. The particulars of Shri Rustagi are given in the notes appended to the Notice of this meeting.

None of the Directors, except Shri P.K. Rustagi may be deemed to be concerned or interested in the proposed resolution.

Item No. 5

Shri V.K. Sharma was appointed as an Additional Director of the Company w.e.f. 12th February 2013. Pursuant to Section 260 of the Companies Act, 1956, Shri V.K. Sharma holds office upto the date of this Annual General Meeting. The Company has received a notice under Section 257 of the Companies Act, 1956 together with requisite deposit from a member of the Company proposing the name of Shri V.K. Sharma for appointment as Director of the Company. Your Directors recommend this resolution for your approval. Brief resume of Shri V.K. Sharma is given in the notes appended to the Notice of this meeting.

None of the Directors, except Shri V.K. Sharma may be deemed to be concerned or interested in the proposed resolution.

Regd. Office:
Link House,
3, Bahadur Shah Zafar Marg,
New Delhi - 110 002

Date: 15th May 2013

By Order of the Board

Alok Dubey
Asst. Company Secretary

FOR ATTENTION OF THE SHAREHOLDERS

1. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.
2. Please Check the Pin Code in the address slip pasted on the Annual Report and advise correction, if any, therein. Also please do indicate the Pin Code Number of your delivery post office while notifying change in your address to the Company where shares are held in physical form. Members holding shares in dematerialised form should approach the Depository Participant with whom they are maintaining Account for change in address, nomination etc.
3. **NOMINATION:** Pursuant to Section 109A of the Companies Act, 1956, individual shareholders holding shares in the Company singly or jointly may nominate an individual to whom all the rights in the shares in the Company shall vest in the event of death of the sole/all joint shareholders.

IMPORTANT COMMUNICATION TO THE MEMBERS

Ministry of Corporate Affairs, Government of India, has taken a “Green Initiative” by allowing paperless compliances by companies and has issued Circulars No. 17/2011 dated 21st April 2011 and No. 18/2011 dated 29th April 2011 stating that service of documents by a company can be made through electronic mode. This “Green Initiative” of the Government is commendable and will go a long way in protecting environment on sustainable basis. Your Company accordingly supports this initiative of the Government.

For achieving this objective, Members holding shares in physical mode are requested to get their email addresses registered with the Company by writing a letter, giving e-mail address, folio no. etc, so that Annual Report and other documents can be sent through email.

Members holding shares in dematerialized mode may write to their respective Depository Participants for registering their email addresses.



Florence Investech Ltd.

Regd. Office: Link House, 3, Bahadur Shah Zafar Marg, New Delhi - 110 002

ADMISSION SLIP

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

I hereby record my presence at the 19th Annual General Meeting of the Company being held at **Sri Sathya Sai International Centre, Pragati Vihar, Bhisham Pitamah Marg (Lodi Road Institutional Area), New Delhi- 110 003 on Friday, the 28th June 2013 at 11 A.M.**

Name of the Member <i>(in block letters)</i>	
Name of the Proxy-holder/ Authorised Representative * <i>(in block letters)</i>	

* 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.

Florence Investech Ltd.

Regd. Office: Link House, 3, Bahadur Shah Zafar Marg, New Delhi - 110 002

PROXY FORM

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

I/We.....of.....being a member/members of Florence Investech Ltd. 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 19th Annual General Meeting of the Company to be held at 11 A.M., on Friday, the 28th June 2013 at Sri Sathya Sai International Centre, Pragati Vihar, Bhisham Pitamah Marg (Lodi Road Institutional Area), New Delhi- 110 003 and at any adjournment thereof.

Signed this.....day of2013

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.

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Book Post

If undelivered, please return to:

Florence Investech Ltd.

Secretarial Deptt.

Gulab Bhawan, 3rd Floor (Rear Block)

6A, Bahadur Shah Zafar Marg,

New Delhi-110 002