

JKAGL: SECTL: SE: 2016

Date: 15<sup>th</sup> September 2016

BSE Ltd.  
Phiroze Jeejeebhoy Towers  
Dalal Street, Fort  
Mumbai-400 001

Scrip Code: 536493

Through: BSE Listing Centre

Re: Annual Report for Financial Year 2015-16

Dear Sir,

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we submit herewith Annual Report for Financial Year 2015-16, as approved and adopted by the shareholders of the Company in the Annual General Meeting held on Friday, 9<sup>th</sup> September 2016 at Kolkata.

Thanking You,

Yours faithfully,  
For JK Agri Genetics Ltd.



Anoop Singh Gusain  
Company Secretary and  
Compliance Officer





Annual  
Report  
2015-16

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## **Board of Directors**

**Bharat Hari Singhania**  
Chairman

**Dr. Raghupati Singhania**

**Sanjay Kumar Khaitan**

**Sanjeev Kumar Jhunjunwala**

**Swati Singhania**

**Abhimanyu Jhaver**

**Jatan Roop Chand Bhandari**

**Swaroop Chand Sethi**

**Vikrampati Singhania**

**Sanjay Kumar Gupta**  
President & Director

### **Processing Plant**

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

### **Administrative Office**

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

### **Registered Office**

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

### **Auditors**

Lodha & Co.  
Chartered Accountants

### **Bankers**

Axis Bank Limited  
State Bank of Mysore  
Yes Bank Limited

### **Chief Financial Officer**

Amit Agarwal

### **Company Secretary**

Anoop Singh Gusain

**Website:** [www.jkseeds.net](http://www.jkseeds.net)

**CIN:** L01400WB2000PLC091286

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

## DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS

### TO THE MEMBERS

Your Directors have pleasure in presenting the Annual Report together with the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March 2016.

<b>FINANCIAL RESULTS</b>	<b>(₹ in Crore)</b>
Sales & Other Income	190.20
Profit before Finance Cost & Depreciation (PBIDT)	24.15
Profit before Depreciation	13.09
Profit before Tax	9.08
Profit after Tax	8.02
Surplus brought forward	14.28
<b>Amount available for appropriation</b>	<b><u>22.30</u></b>
Appropriations	
- Dividend (incl. tax on Dividend)	1.30
- General Reserve	-
- Surplus carried to Balance Sheet	21.00
	<b><u>22.30</u></b>

### DIVIDEND

Your Directors are pleased to recommend a dividend of ₹ 3/- per Equity Share of ₹ 10/- each (i.e. 30%) on the Equity Share Capital of ₹ 3.60 crores for the financial year ended 31<sup>st</sup> March 2016. The Dividend outgo will be ₹ 1.30 crores (inclusive of dividend tax of ₹ 0.22 crores).

### OPERATIONS

During the year ended 31<sup>st</sup> March 2016, the Company achieved a turnover of ₹ 190.20 crores. EBIDTA of the Company during the year was ₹ 24.15 crores and Profit before Tax was ₹ 9.08 crores.

Operations of the Company were negatively impacted due to two years of continuous failed monsoons leading to failure of four crop cycles. Not only has this led to hardships for the farmer but also has substantially reduced his affordability and cash flow. On top of it, regulatory uncertainty added to the challenges faced in the year gone by. Combination of all these led to a slow-down in the industry and slow recovery of

payments from the farmers. Hopefully, the expected good monsoon this year will help companies involved in the Agri economy as well as the farming community.

### RESEARCH AND DEVELOPMENT

Over the years R&D spend of the Company has been significant. During the year 2015-16 around 7% of its turnover was invested in R&D activities. The Company has developed and markets a number of its own hybrids across the crops of Cotton, Corn, Paddy, Sunflower, Bajra, Jowar etc. Over the last few years the vegetable breeding programme has also produced leading hybrids in the areas of Okra, Tomato and Chillies amongst others.

With this portfolio of products, the Company has been able to access new market segments across the country. Apart from being an important player in cereal and cash crops, the Company is emerging as a strong player in the field of vegetables with some leading hybrids in Okra and Tomato having significant market shares in various regions of India and neighbouring countries.

The Company continues to focus on its research programme as its backbone for growth. In order to speed up the product development cycle and stay ahead of competition, your Company is using advanced techniques like Double Haploid, Embryo Rescue, DNA based methods etc. Farmers' growing expectations towards disease and pest tolerance has created new avenues in Vegetable Hybrid development, where desired characters are being successfully transferred from wild species into new hybrids.

To build a continuous pipe-line of products, a dedicated team of scientists at different locations are working on more than 100 hybrids that have new improved attributes which are in different stages of evaluation right from Multi-location testing to minikit trials and demonstration plots.

### INDUSTRY OVERVIEW

The poor monsoons over the last two years during Kharif coupled with unseasonal rains in the Rabi season has created havoc in the agricultural economy

leading to dwindling productivity and large crop losses. The deficit monsoon during the year gone by has compounded the problems of the farming community, who were already reeling under the pressures of the previous bad monsoons. Since a large part of Indian agriculture is still rain-dependent, water scarcity has a significant impact on the crop output in these areas. Two years of back to back rain fall deficit coupled with lower subsidies and relatively non-remunerative prices for their produce has put financial pressure on the farmers. The skewed crop patterns and absence of advanced agronomy practices have added to the problems of the farmers in States like Haryana, Punjab, Eastern Uttar Pradesh, etc. where they continue to grow water intensive crops.

Also during the year, pests like White Fly in Punjab and Pink Bollworm in Gujarat caused extensive damage to the cotton crops in these states, resulting in significant losses to the farmers. This along with lack of farm credit has resulted in trying times for the farmers and has reduced their overall affordability. During the year the Government also regulated the Cotton seed pricing by fixing the maximum sales price.

Given the growing population in India, the Indian Government understands the significance of these challenges and its impact on food security. Keeping this in mind, the Government has started a number of schemes to help the farmers, some of the significant ones being:

- Soil Health Card
- Pradhan Mantri Fasal Bima Yojana
- Rashtriya Krishi Vikas Yojana
- Pradhan Mantri Krishi Sinchai Yojana
- National Agricultural Market

The intent to move subsidies for input and food grain into direct cash transfer mechanism is also under consideration, which should help plug subsidy leakages and ensure greater availability of funds in the hands of the farmer as well as for strategic public investments in the areas of irrigation, grain storage systems and cold storages. Government's initiative of crop insurance will also go a long way in providing stability to the farming community.

All these initiatives augur well for the industry in the long run.

## **OPPORTUNITIES, THREATS, RISK AND CONCERNS**

### **Opportunities**

The global population currently stands at 7.2 billion, and is expected to rise to 9.3 billion by 2050. This will lead to an increased demand for food. Increasing demand for food along with reducing arable land will put pressure on Nations across the globe to increase their Food productivity, in turn creating a demand for high quality hybrid seeds.

Around 25% of the global crop output is lost due to attacks by pests, weeds and diseases, causing stress for the farming community. This offers an opportunity for improved technologies, both GM and non-GM to face these challenges. Global water shortage is also pushing companies to develop new technologies for crops to consume less water in the fields.

The opportunities in the agricultural sector are still under exploited. There are immense opportunities for improving all-round technologies in the entire supply chain right from field to plate. High quality seeds with improved productivity as well as pest resistance capabilities continue to offer good potential. In fact, seeds with the ability to perform under various abiotic stresses are the need of the hour to improve the health of the agricultural sector in India. Mechanisation and improved farming techniques including crop protection technologies would help this sector grow. The Government's increasing budget allocation for the agricultural sector augurs well for the industry. There are new growth opportunities for Indian seed companies to explore markets in the Africa's and Asia's that have agro-climatic conditions akin to India. The growing Indian population and increasing per capita income will need doubling of our food production over the next decade. Hence, the industry is at an interesting crossroad, which has its own set of challenges but also great opportunities ahead.

### **Threats, Risk and Concerns**

High reliance on rainfall for irrigation in India, frequent intervention by the Government both at State and Central levels, increasing weather variability and depressed commodity prices globally, overall economic conditions, ever increasing cost of manpower, unavailability of skilled labour, lack of liquidity in the hands of farmer, withdrawal of government led subsidy schemes, continue to pose challenge to the entire Agriculture Sector including seed industry.

Even the supply of unprocessed seeds, our basic raw material is also subject to production risk due to its heavy dependence on climatic conditions. Failure to get the raw material owing to bad monsoon may impact our sale and market share. Better and timely production planning, focus on geographical diversity for production has enabled the Company to minimize the production related risk.

Rising competition intensity, rapid introduction of superior Hybrids, shifting crop by the farmer to the alternative crops exposes the company to market volatility and risk.

Your Company has been trying to mitigate its market and weather related risk by diversifying into large number of crops, which can be sold both in Kharif and Rabi season.

#### **HUMAN RESOURCE DEVELOPMENT**

Apart from R&D, the other important pillar is the people in your Company. Your Company has been focussing in improving the quality of talent by hiring people from good management institutes as well as by conducting focussed Management Development Programmes by senior faculties in both the areas of Management and Technical Skills. The Company is also strengthening employee involvement through communication meetings, cross functional teams, Young Leader Forums, Suggestion Schemes, etc. Members of the team also create a sense of community by involving them in various CSR activities of the Company. In the mission of creating sustainability and building a strong agile culture, the Company participates in employee surveys conducted by external agencies and also benchmarks itself with other competitors and best work places. The Company continues to endeavour to offer a motivating but challenging work environment where performance is recognised and employees are motivated to realise their full potential.

#### **INTERNAL FINANCIAL CONTROLS**

The Company has in place adequate internal financial controls with reference to financial statements and no material reportable weakness was observed in the system. Further, the Company has in place adequate internal financial controls commensurate with the size and nature of its operations.

The Company also has robust Budgetary Control System and Management Information System (MIS)

which are backbone of the Company for ensuring that your Company's assets and interests are safeguarded.

#### **EXTRACT OF ANNUAL RETURN**

An Extract of the Annual Return as on 31<sup>st</sup> March 2016 in the prescribed Form MGT-9 is attached as **Annexure - 1** to this report and forms part of it.

#### **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

The particulars of loans, guarantees or securities and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the financial statements.

#### **RELATED PARTY TRANSACTIONS**

During the financial year ended 31<sup>st</sup> March 2016, all the contracts or arrangements or transactions entered into by the Company with the Related Parties were in the ordinary course of business and on arm's length basis and were in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, the Company has not entered into any contract or arrangement or transaction with the related parties which could be considered material in accordance with the policy of the Company on materiality of Related Party Transactions. In view of the above, disclosure in Form AOC-2 is not applicable.

The Related Party Transaction Policy as approved by the Board is available on the website of the Company.

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Shri Bharat Hari Singhania and Dr. Raghupati Singhania retire by rotation and being eligible offer themselves for re-appointment at the forthcoming AGM.

The Board of Directors of the Company re-appointed Shri S.K. Gupta as Whole-time Director of the Company with the designation "President & Director" for a term of three years commencing 1<sup>st</sup> September 2016, subject to the approval of the members of the Company at the forthcoming AGM and other requisite approval, as required.

All Independent Directors of the Company have given declarations that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **CONSERVATION OF ENERGY ETC.**

The details as required under Section 134(3)(m) read with the Companies (Accounts) Rules, 2014 is annexed to this Report as **Annexure – 2** and forms part of it.

### **DEPOSITS**

The Company has neither invited nor accepted any deposits from the public.

### **AUDITORS**

#### **(a) Statutory Auditors and their Report**

M/s Lodha & Co., Chartered Accountants, have been appointed as Auditors of the Company to hold the office from the conclusion of the 14<sup>th</sup> Annual General Meeting (AGM) held on 6<sup>th</sup> September 2014 until the conclusion of the 17<sup>th</sup> AGM to be held in the year 2017, subject to ratification of their appointment by the members at the respective AGMs to be held in the years 2015 and 2016. Accordingly, being eligible, matter relating to the appointment of the Auditors will be placed for ratification by members at the forthcoming AGM. The observations of the Auditors in their Report on Accounts and the financial statements, read with relevant notes are self-explanatory.

#### **(b) Secretarial Auditor and Secretarial Audit Report**

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Board of Directors appointed Shri Namu Narain Agarwal, Company Secretary in Practice as Secretarial Auditor to carry out Secretarial Audit of the Company for the financial year 2015-16. The Report given by him for the said financial year in the prescribed format is annexed to this Report as **Annexure –3**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

### **PARTICULARS OF REMUNERATION**

Disclosure of the ratio of the remuneration of each director to the median employee's remuneration and other requisite details pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended is annexed to this Report as **Annexure - 4**. Further, Particulars of Employees pursuant to Rule 5(2) & (3) of the above Rules, form part of this report. However, in terms of provisions of Section 136 of the said Act, the Report and Accounts are being sent to all the members of the Company and others entitled thereto, excluding the said particulars of employees. Any member interested in obtaining such particulars may write to the Company Secretary. The said information is available for inspection at the Registered Office of the Company during working hours.

### **CORPORATE SOCIAL RESPONSIBILITY**

Since inception, your Company considers itself a responsible corporate citizen and has been involved in undertaking projects and interventions for overall development and welfare of the society. It has been working closely with the farming community in areas of imparting agricultural knowledge and promoting preventive healthcare, rural development and livelihood enhancement projects.

The Company has requisite Corporate Social Responsibility (CSR) Policy in accordance with the provisions of the Companies Act, 2013 and rules made thereunder. The contents of the CSR Policy are disclosed on the website of the Company.

The Annual Report on the CSR activities undertaken by the Company during the financial year under review, in the prescribed format is annexed to this Report as **Annexure-5**

### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS**

During the financial year under review, there were no significant and material orders passed by the regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.



**CORPORATE GOVERNANCE-including details pertaining to Board Meetings, Nomination and Remuneration Policy, Performance Evaluation, Risk Management, Audit Committee and Vigil Mechanism.**

Your Company reaffirms its commitment to good corporate governance practices. Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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.

The Corporate Governance Report which forms part of this Report also covers the following:

- (a) Particulars of the four Board Meetings held during the financial year under review.
- (b) Policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management including, *inter alia*, the criteria for performance evaluation of Directors.
- (c) The manner in which formal annual evaluation has been made by the Board of its own performance and that of its Committees and individual Directors.
- (d) The details with respect to Composition of Audit Committee and establishment of Vigil Mechanism.
- (e) Details regarding Risk Management.

**DIRECTORS' RESPONSIBILITY STATEMENT**

As required under Section 134(3)(c) of the Companies Act 2013, your Directors state that:-

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) 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 and loss of the Company for that period;
- (c) proper and sufficient care has been taken for the 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;

- (d) the annual accounts have been prepared on a going concern basis;
- (e) the internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and were operating effectively; and
- (f) the proper systems to ensure compliance with the provisions of all applicable laws have been devised and that such systems were adequate and operating effectively.

**CAUTIONARY STATEMENT**

"Management's Discussion & 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.

**ACKNOWLEDGEMENTS**

Your Directors wish to acknowledge and place on record the commitment and dedication on the part of the employees of your Company in achieving good results.

Your Directors would also like to acknowledge and record their appreciation of the continued support and assistance received by the Company from its valued Customers, Dealers, Suppliers, Shareholders, Banks and various Central and State Government Agencies.

On behalf of the Board

Date : 2<sup>nd</sup> August 2016  
New Delhi

Bharat Hari Singhania  
Chairman

## ANNEXURE - 1 TO DIRECTORS' REPORT

**FORM NO. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on 31<sup>st</sup> March 2016**

*[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]*

### I. REGISTRATION AND OTHER DETAILS:

- (i) CIN : L01400WB2000PLC091286
- (ii) Registration Date : 6<sup>th</sup> March 2000
- (iii) Name of the Company : JK Agri Genetics Ltd.
- (iv) Category/Sub-Category of the Company : Public Company/ Limited by Shares
- (v) Address of the Registered Office and Contact Details : 7, Council House Street, Kolkata-700 001  
 Ph. No. - 033-22486181  
 Fax No. - 033-22481641  
 Email id: jkaglshareholder@jkmail.com  
 Website: www.jkseeds.net
- (vi) Whether Listed Company (Yes / No) : Yes (Listed on BSE Ltd.)
- (vii) Name, Address and Contact Details of Registrar and Transfer Agent, if any- : Alankit Assignments Ltd.  
 Alankit Heights, 1E/13,  
 Jhandewalan Extension,  
 New Delhi- 110 055  
 Ph. No.- 91-11-42541234  
 Fax No.- 91-11-41543474  
 Email id: rta@alankit.com  
 Website: www.alankit.com

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ Service*	% to total turnover of the Company
1	Growing of non-perennial crops - Seeds	011	98%

\*As per National Industrial Classification (2008) – Ministry of Statistics and Programme Implementation.

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES - NIL

#### IV. SHAREHOLDING PATTERN (Equity Share Capital breakup as percentage of total Equity)

##### (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (as on 1st April 2015)				No. of Shares held at the end of the year (as on 31st March 2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters**</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	57147	-	57147	1.59	45161	-	45161	1.25	-0.34
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	2299833	-	2299833	63.81	2311819	-	2311819	64.15	0.34
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(1)</b>	<b>2356980</b>	<b>-</b>	<b>2356980</b>	<b>65.40</b>	<b>2356980</b>	<b>-</b>	<b>2356980</b>	<b>65.40</b>	<b>-</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any others	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(2):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoter (A)**=(A)(1)+(A)(2)</b>	<b>2356980</b>	<b>-</b>	<b>2356980</b>	<b>65.40</b>	<b>2356980</b>	<b>-</b>	<b>2356980</b>	<b>65.40</b>	<b>-</b>

\*\*The total shareholding of Promoters at (A) above includes 1557447 Equity Shares (43.21%) as on 1st April 2015 and also as on 31st March 2016, pertaining to constituents of the Promoter Group as per SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009. The same does not form part of the Promoters as defined in the Companies Act, 2013.

Category of Shareholders	No. of Shares held at the beginning of the year (as on 1st April 2015)				No. of Shares held at the end of the year (as on 31st March 2016)				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>B. Public Share holding</b>										
<b>1. Institutions</b>										
a) Mutual Funds/UTI	714	36	750	0.02	207	36	243	0.01	-0.01	
b) Banks/FI	88	180	268	0.01	88	180	268	0.01	-	
c) Central Govt.	-	-	-	-	-	-	-	-	-	
d) State Govt.(s)	-	-	-	-	-	-	-	-	-	
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-	
f) Insurance Companies	15	15	30	0.00	15	15	30	0.00	-	
g) FII's	-	-	-	-	-	-	-	-	-	
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-	
i) Others	-	-	-	-	-	-	-	-	-	
<b>Sub-Total (B)(1):</b>	<b>817</b>	<b>231</b>	<b>1048</b>	<b>0.03</b>	<b>310</b>	<b>231</b>	<b>541</b>	<b>0.02</b>	<b>-0.01</b>	
<b>2. Non-Institutions</b>										
a) Bodies Corp.										
i) Indian	501795	5408	507203	14.07	449524	332	449856	12.48	-1.59	
ii) Overseas	217749	-	217749	6.04	217749	-	217749	6.04	-	
b) Individuals										
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	333803	28191	361994	10.04	352653	27122	379775	10.54	0.50	
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	138285	-	138285	3.84	176515	-	176515	4.90	1.06	
c) Others(specify)										
(i) Clearing Members	647	-	647	0.02	559	-	559	0.02	-	
(ii) Directors & Relatives (other than promoter)#	3	-	3	0.00	3	-	3	0.00	-	
(iii) Non-Resident Indians	19729	142	19871	0.55	21663	139	21802	0.60	0.05	
(iv) Trust	126	-	126	0.00	126	-	126	0.00	-	
<b>Sub-Total (B)(2):</b>	<b>1212137</b>	<b>33741</b>	<b>1245878</b>	<b>34.57</b>	<b>1218792</b>	<b>27593</b>	<b>1246385</b>	<b>34.58</b>	<b>0.01</b>	
<b>Total Public shareholding (B)= (B)(1)+(B)(2)</b>	<b>1212954</b>	<b>33972</b>	<b>1246926</b>	<b>34.60</b>	<b>1219102</b>	<b>27824</b>	<b>1246926</b>	<b>34.60</b>	<b>-</b>	
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-	
<b>Grand Total (A+B+C)</b>	<b>3569934</b>	<b>33972</b>	<b>3603906</b>	<b>100.00</b>	<b>3576082</b>	<b>27824</b>	<b>3603906</b>	<b>100.00</b>	<b>-</b>	

# Includes shareholding of Shri S.C. Sethi only, shareholding of other Directors & their Relatives are covered under the heading Promoters.

**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 1 <sup>st</sup> April 2015)			Shareholding at the end of the year (as on 31 <sup>st</sup> March 2016)			% change in shareholding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	Bengal & Assam Company Ltd.	799533	22.19	-	799533	22.19	-	-
<b>Total</b>		<b>799533</b>	<b>22.19</b>	<b>-</b>	<b>799533</b>	<b>22.19</b>	<b>-</b>	<b>-</b>

**(iii) Change in Promoters' Shareholding (please specify, if there is no change) : No Change**

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.	Top 10 Shareholders*	Shareholding at the beginning of the year 1 <sup>st</sup> April 2015		Cumulative Shareholding at the end of the year 31 <sup>st</sup> March 2016	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Florence Investech Ltd.^	1500000	41.62	1500000	41.62
2	Edgefield Securities Ltd.^	217749	6.04	217749	6.04
3	Bahubalibhai Shantilal Shah ^	114288	3.17	115615	3.21
4	Alchemist Capital Ltd. ^	105000	2.91	105000	2.91
5	Alchemist Holdings Ltd. ^	104528	2.90	104528	2.90
6	KDS Corporation Pvt. Ltd. ^	89126	2.47	89126	2.47
7	Mohan Gupta@	-	-	26000	0.72
8	NetedgeTechnosoft Pvt. Ltd. ^	19923	0.55	19923	0.55
9	Ultima Finvest Ltd. ^	18367	0.51	18367	0.51
10	Krishnagopal Motilal Chandak@	13500	0.37	13500	0.37
11	Ennar Star Trade Ltd. **	24444	0.67	11042	0.31
12	Systematix Fincorp India Ltd.**	17261	0.48	-	-

\* More than 99% of the Shares of the Company are held in dematerialised form, and are widely traded on daily basis. Therefore, the date wise increase/decrease in shareholding is not indicated.

^^ Common Top Ten Shareholders as on 1<sup>st</sup> April 2015 and 31<sup>st</sup> March 2016.

@ Top Ten Shareholders only as on 31<sup>st</sup> March 2016.

\*\* Top Ten Shareholders only as on 1<sup>st</sup> April 2015.

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	For each of the Directors and KMP <sup>^</sup>	Shareholding at the beginning of the year 1 <sup>st</sup> April 2015		Cumulative Shareholding at the end of the year 31 <sup>st</sup> March 2016	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Shri Bharat Hari Singhania, Chairman	11272	0.31	11272	0.31
2	Dr. Raghupati Singhania, Director	3744	0.10	3744	0.10
3	Shri Swaroop Chand Sethi, Director	3	0.00	3	0.00
4	Shri Vikrampati Singhania, Director	4119	0.11	4119	0.11

<sup>^</sup> No Change in Shareholding during the year under review.

Note: Shri Sanjay Kumar Khaitan, Shri Sanjeev Kumar Jhunjhunwala, Smt. Swati Singhania, Shri Abhimanyu Jhaver, and Shri J.R.C. Bhandari, Directors of the Company; Shri Sanjay Kumar Gupta, President & Director; Shri Amit Agarwal, Chief Financial Officer and Shri Anoop Singh Gusain, Company Secretary of the Company were not holding any shares in the Company at the beginning of the year i.e. as on 1<sup>st</sup> April 2015 and at the end of the year i.e. as on 31<sup>st</sup> March 2016. Also, there was no increase/decrease in their shareholding during the financial year.

**V. INDEBTNESS**
**Indebtedness of the Company including interest outstanding/ accrued but not due for payment**

(₹ In Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
(i) Principal Amount	4776.15	1015.75	-	5791.90
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	14.86	42.74	-	57.60
<b>Total (i+ii+iii)</b>	<b>4791.01</b>	<b>1058.49</b>	<b>-</b>	<b>5849.50</b>
<b>Change in indebtedness during the financial year</b>				
• Addition	192.49	1000.00	-	1192.49
• Reduction	826.22	342.26	-	1168.48
<b>Net Change</b>	<b>(633.73)</b>	<b>657.74</b>	<b>-</b>	<b>24.01</b>
<b>Indebtedness at the end of the financial year</b>				
(i) Principal Amount	4137.71	1692.07	-	5829.78
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	19.57	24.16	-	43.73
<b>Total (i+ii+iii)</b>	<b>4157.28</b>	<b>1716.23</b>	<b>-</b>	<b>5873.51</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :

### A. Remuneration to Managing Director, Whole-time Director and/or Manager :

Sl. No.	Particulars of Remuneration <sup>^</sup>	Name of Whole-time Director Shri S.K. Gupta-President & Director*	Total Amount (₹ In Lacs)
1	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	124.33	124.33
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	12.15	12.15
2	Others (mainly contribution to Provident Fund)	8.28	8.28
<b>Total (A)</b>		<b>144.76</b>	<b>144.76</b>
Ceiling as per the Act		*Appointed w.e.f. 23 <sup>rd</sup> October 2013 for a period of three years in compliance with Schedule XIII, Part II, Section II, of the Companies Act, 1956 read with General Circular No. 07/2015, dated 10 <sup>th</sup> April 2015.	

<sup>^</sup> Stock Option, Sweat Equity, Commission – NIL

### B. Remuneration to other Directors:

Sl. No.	Particulars of Remuneration <sup>^</sup>	Name of Directors					Total Amount (₹ In Lacs)
1	Independent Directors	Sh. S.C. Sethi	Sh. Sanjeev Kumar Jhunjunwala	Sh. Sanjay Kumar Khaitan	Sh. J.R.C. Bhandari	Sh. Abhimanyu Jhaver	
	• Fee for attending Board/ Committee Meetings	3.36	2.30	2.70	2.30	1.30	11.96
	Total (1)	3.36	2.30	2.70	2.30	1.30	11.96
2.	Other Non-executive Directors	Sh. Bharat Hari Singhania	Dr. Raghupati Singhania	Sh. Vikrampati Singhania	Smt. Swati Singhania		Total Amount (₹ In Lacs)
	• Fee for attending Board/ Committee Meetings	1.60	1.60	2.53	0.90		6.63
	Total (2)	1.60	1.60	2.53	0.90		6.63
<b>Total (B)=(1+2)</b>							<b>18.59</b>
<b>Total Managerial Remuneration</b>							<b>163.35**</b>
Overall Ceiling as per the Act	* Shri SK Gupta, President & Director was appointed w.e.f. 23 <sup>rd</sup> October 2013 for a period of three years in compliance with Schedule XIII, Part II, Section II, of the Companies Act, 1956 read with General Circular No. 07/2015, dated 10 <sup>th</sup> April 2015. Sitting Fee paid to Non-executive Directors is as per ceiling specified in Section 197(5) of the Companies Act, 2013 and Rules made thereunder.						

<sup>^</sup> Stock Option, Sweat Equity, Commission – NIL

\*\* Total Remuneration to Whole-time Director and other Directors (being the total of A and B), which includes sitting fees of ₹ 18.59 Lacs.

**C. Remuneration to Key Managerial Personnel Other than MD/Manager/WTD:**

Sl. No.	Particulars of Remuneration <sup>^</sup>	Key Managerial Personnel		Total (₹ In Lacs)
		Shri Anoop Singh Gusain Company Secretary	Shri Amit Agarwal Chief Financial Officer	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	8.02	64.36	72.38
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.55	4.07	4.62
2	Others (mainly contribution to Provident Fund)	0.48	2.69	3.17
	<b>Total</b>	<b>9.05</b>	<b>71.12</b>	<b>80.17</b>

<sup>^</sup> Stock Option, Sweat Equity, Commission – NIL

**VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

There were no penalties, punishment or compounding of offences during the year ended 31<sup>st</sup> March 2016.

**ANNEXURE - 2 TO DIRECTORS' REPORT**

**Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014.**

**CONSERVATION OF ENERGY**

- (i) The steps taken or impact on conservation of energy :
  - Capacitors have been installed in Research farms for optimizing consumption of energy.
- (ii) The steps taken by the Company for utilising alternate sources of energy : NIL
- (iii) The capital investment on energy conservation equipments : Nil

**TECHNOLOGY ABSORPTION**

- (i) The efforts made towards technology absorption :
  - Automation of Secondary packing at one of the unit at the processing plant at Hyderabad.
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution :
  - Reduction in the labour Cost and other overheads and increase in packing efficiency.
- (iii) Particulars of imported technology : Nil
- (iv) The expenditure incurred on Research and Development :
  - The Capital Expenditure incurred on R&D during the period was ₹ 0.19 lacs and recurring expenditure was ₹ 1343.38 lacs.

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

₹ in lacs

Description	2015-16
Foreign Exchange Earnings	857.85
Foreign Exchange Outgo	484.44



## ANNEXURE - 3 TO DIRECTORS' REPORT

### SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2016

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members,  
**JK Agri Genetics Limited,**  
7, Council House Street,  
Kolkata - 700 001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **JK Agri Genetics Limited** (hereinafter called 'the Company') for the financial year ended 31<sup>st</sup> March 2016. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31<sup>st</sup> March 2016** (Audit Period), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the

extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999-(Not applicable to the Company during the Audit Period);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- (Not applicable to the Company during the Audit Period);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- (Not applicable to the Company during the Audit Period),
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- (Not applicable to the Company during the Audit Period); and
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.
- (vi) Management has identified and confirmed the following laws as being specifically applicable to the company and complied with:-
  - (a) Andhra Pradesh (Agricultural Produce and Livestock) Markets Act, 1966
  - (b) Seed Act, 1966, Seed Rules, 1968 & Seed (Control) Order, 1983
  - (c) Protection of Plant Varieties & Farmers Rights Act, 2001

I have also examined compliance with the applicable clauses of the following:

- (i) Mandatory Secretarial Standard 1 and Secretarial Standard 2 issued by the Institute of Company Secretaries of India with effect from the dates of their applicability.
- (ii) The Listing Agreement entered into by the Company with the Stock Exchange.

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

**I further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with provisions of the Act.

Adequate notice is given to all directors at least seven days in advance to schedule the Board Meetings. Agenda and detailed notes on agenda are sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the Meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the Minutes of the Meetings of the Board of Directors or Committee of the Board, as the case may be.

**I further report that**, based on review of compliance mechanism established by the Company and on the basis of compliance certificates issued by the Company Executives and taken on record by the Board of Directors and Audit Committee at their meetings, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that**, during the audit period, the Company had no specific event / action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above.

Place : New Delhi  
Date : 10<sup>th</sup> May 2016

Namo Narain Agarwal  
Secretarial Auditor  
FCS No. 234, CP No. 3331

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

*'Annexure A'*

To,  
The Members,  
**JK Agri Genetics Limited**,  
7, Council House Street,  
Kolkata - 700 001

My report of even date on Secretarial audit for the financial year ended 31<sup>st</sup> March 2016 is to be read along with this letter stating that -

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : New Delhi  
Date : 10<sup>th</sup> May 2016

Namo Narain Agarwal  
Secretarial Auditor  
FCS No. 234, CP No. 3331

## **ANNEXURE - 4 TO DIRECTORS' REPORT**

**Disclosure pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 as amended vide MCA Notification dated 30<sup>th</sup> June 2016, for the financial year 2015-16 ended 31<sup>st</sup> March 2016:**

The ratio of the remuneration of each director to the median remuneration of the employees of the Company - (a) Non-executive Directors did not draw any remuneration from the Company except sitting fee: Shri Bharat Hari Singhania, Chairman, 0.47; Dr. Raghupati Singhania, 0.47; Shri S.K. Khaitan, 0.79; Shri S.K. Jhunjhunwala, 0.67; Smt. Swati Singhania, 0.26; Shri Abhimanyu Jhaver, 0.38; Shri J.R.C. Bhandari, 0.67; Shri S.C. Sethi, 0.99; and Shri Vikrampati Singhania, 0.74 (b) Executive Director: Shri Sanjay Kumar Gupta, 42.45.

The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any - Non-executive Directors did not draw any remuneration from the Company except sitting fee: Shri Bharat Hari Singhania, Chairman, 11.89%; Dr. Raghupati Singhania, 13.48%; Shri S.K. Khaitan, 28.57%; Shri S.K. Jhunjhunwala, 238.24%; Shri J.R.C. Bhandari, 22.34%; Shri S.C. Sethi, 22.81%; Shri Vikrampati Singhania, 19.39%; Shri Sanjay Kumar Gupta, President & Director, 6.78%; Shri Amit Agarwal, Chief Financial Officer, 8.96%; Shri Anoop Singh Gusain, Company Secretary, 14.27%. Smt. Swati Singhania, Director, joined the Board w.e.f. 3<sup>rd</sup> February 2015 and Shri Abhimanyu Jhaver, Director, joined the Board w.e.f. 25<sup>th</sup> March 2015 and No Sitting Fee was paid to them during the previous financial year 2014-15.

The percentage increase in the median remuneration of employees - 9%. The number of permanent employees on the rolls of Company – 437.

Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration – On an average, employee received an annual increment of 9.52%. While, there was an increase of 6.78% in the managerial remuneration during the current financial year.

The Company affirms that the remuneration is as per the remuneration policy of the Company.

## **ANNEXURE - 5 TO DIRECTORS' REPORT**

### **ANNUAL REPORT ON THE CSR ACTIVITIES UNDERTAKEN BY THE COMPANY DURING THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2016**

#### **1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects and programs-**

Since inception, your Company considers itself a responsible corporate citizen and has been involved in undertaking projects and interventions for overall development and welfare of the society. It has been working closely with the farming community in areas of imparting agricultural knowledge and promoting preventive healthcare and rural development.

Now, as required under the provisions of Section 135 of the Companies Act 2013, the Company has framed a CSR Policy. The details of the CSR Policy have been posted on the website of the Company and the web-link for the same is <http://www.jkseeds.net/Financials/CSRPolicycontents.pdf>.

Various projects/programs undertaken by the Company as per CSR Policy are in the areas of health care, promoting education, livelihood enhancement projects, etc.

#### **2. The Composition of the CSR Committee:**

The CSR Committee comprises of the following Directors:

- Shri Vikrampati Singhania (Chairman of the Committee), Non-Independent Director
- Shri Sanjeev Kumar Jhunjhunwala, Independent Director
- Shri Sanjay Kumar Gupta, Non-Independent Director

**3. Average Net Profit of the Company for last three financial years : ₹ 1423.32 Lacs**

**4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) : ₹ 28.47 Lacs**

**5. Details of CSR spent during the financial year**

**a. Total amount to be spent for financial year : ₹ 28.47 Lacs**

**b. Amount unspent, if any : ₹ 6.03 Lacs**

**c. Manner in which the amount spent during the financial year is detailed below:**

S No.	CSR project or activity identified	Sector in which the project is covered (Clause no. of Schedule VII to the Companies Act, 2013 as amended)	Projects or Programs:- (1) Local area or other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or programs-wise (in ₹ Lacs)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads: (in ₹ Lacs)	Cumulative expenditure upto the reporting period (in ₹ Lacs)	Amount spent directly or through implementing agency
1	General health check up and consultancy.	Cl. (i) Promoting health care including preventive health care	Telangana – Rangareddy. Haryana –Hisar.	7.50	1.47	1.47	Direct
2	Conducting farmer training programmes in villages to bring awareness on the best agrarian and farming practices which lead to improvement in the yields in the crop giving rise to increase in their income levels.	Cl. (ii) Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.	Chhattisgarh - Ambikapur, Raipur, Surguja, Durg, Rajnandgaon and Mahasamund. Gujarat–Baroda, Rajkot, Vadodara, Himatnagar. Telangana- Adilabad Jharkhand- Hazaribagh, Singhbhum, Gumla, Ranchi, Latehar, Deoghar, Daltonganj. Maharashtra – Nasik, Aurangabad, Jalgaon, Malegaon. Orissa – Bargarh, Nabarangpur. Uttar Pradesh – Bareilly	14.00	18.77	18.77	Direct
3	Scholarship to needy and deserving students, providing infrastructure to the schools etc.		Maharashtra – Jalgaon, Wardha, Nagpur, Chandrapur, Vidarbha. Andhra Pradesh – Kurnool, Anantapur, Cuddapah	7.00	2.20	2.20	Direct
<b>Total</b>				<b>28.50</b>	<b>22.44</b>	<b>22.44</b>	

**6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report:**

The activities undertaken by the Company for CSR are ongoing activities. During the reporting period, some of the identified activities planned along with farmer fairs got delayed. The Company is committed towards providing benefits to the community and will intensify the undertaken CSR activities in the coming years.

**7. The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.**

Sd/-

Sanjay Kumar Gupta  
President & Director

Sd/-

Vikrampati Singhania  
Chairman CSR Committee

## 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 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:

As at 31<sup>st</sup> March 2016, the Board of Directors of the Company consists of Ten Directors comprising of one Executive Director (ED) and nine Non-executive Directors (NED); out of which five are Independent Directors (IND). Four Board Meetings were held during the financial year ended 31<sup>st</sup> March 2016 i.e., on 7<sup>th</sup> May 2015, 7<sup>th</sup> August 2015, 27<sup>th</sup> October 2015 and 10<sup>th</sup> February 2016. Attendance and other details as on 31<sup>st</sup> March 2016 of the Directors are given below:

Name of the Director	Category	Number of Board Meetings Attended	Whether last AGM attended	No. of other Directorships and Committee Memberships/ Chairmanships held in other Companies		
				Directorships \$	Committee Memberships <sup>^</sup>	Committee Chairmanships <sup>^</sup>
Shri Bharat Hari Singhania, Chairman	NED	4	Yes	4	1	-
Dr. Raghupati Singhania	NED	4	Yes	7	4	2
Shri S.K. Khaitan*	IND	4	No	1	1	-
Shri S.K. Jhunjunwala*	IND	4	Yes	1	1	-
Smt. Swati Singhania	NED	3	No	-	-	-
Shri Abhimanyu Jhaver* <sup>@</sup>	IND	4	No	-	-	-
Shri J.R.C. Bhandari*	IND	4	Yes	2	3	2
Shri S.C. Sethi*	IND	4	No	4	2	2
Shri Vikrampati Singhania	NED	4	Yes	1	-	-
Shri S.K. Gupta President & Director	ED	4	Yes	1	-	-

\* The appointment of Independent Directors is in accordance with the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

<sup>@</sup> Appointed as Independent Director w.e.f. 25<sup>th</sup> March 2015 for a term of five consecutive years at the AGM held on 11<sup>th</sup> September 2015 and the formal letter of appointment have been issued to him. The terms and conditions of appointment have been disclosed on the website of the Company.

\$ Excluding private companies and companies under Section 8 of the Companies Act, 2013. Independent Directorships held by the Directors are in accordance with the Listing Regulations.

<sup>^</sup> Only covers Memberships/Chairmanships of Audit Committee and Stakeholders Relationship Committee.

The Board periodically reviews Compliance Reports of all laws applicable to the Company and steps taken by the Company to rectify instances of non-compliances, if any. The Board is also satisfied that plans are in place for orderly succession for appointments to the Board and to senior management.

In terms of Regulation 17(5) of the Listing Regulations and contemporary practices of good Corporate Governance, a Code of Conduct was laid down by the Board for all the Board Members and Senior Management of the Company. The said Code is available on the website of the Company ([www.jkseeds.net](http://www.jkseeds.net)). All the Board Members and Senior Management Personnel have affirmed compliance with the said Code. This Report contains a declaration to this effect signed by Shri S.K. Gupta, President & Director.

Relationship between Directors Inter-se: Shri Bharat Hari Singhania and Dr. Raghupati Singhania are brothers, Shri Vikrampati Singhania is son of Shri Bharat Hari Singhania and Smt. Swati Singhania is wife of Shri Vikrampati Singhania.

The number of Equity Shares of ₹ 10 each (i.e. Shares) held by the Non-executive Directors as on 31<sup>st</sup> March 2016 are: Shri Bharat Hari Singhania-11,272 Shares; Dr. Raghupati Singhania – 3,744 Shares; Shri Vikrampati Singhania -4,119 Shares; Shri S.C. Sethi-3 Shares; Smt. Swati Singhania, Shri Abhimanyu Jhaver, Shri J.R.C. Bhandari, Shri S.K. Khaitan and Shri S.K. Jhunjhunwala do not hold any Shares. The Company does not have any outstanding convertible instruments.

### **3. SEPARATE MEETING OF THE INDEPENDENT DIRECTORS:**

In accordance with the provision of Schedule IV to the Companies Act, 2013 and Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 10<sup>th</sup> February 2016. Shri J.R.C. Bhandari was unanimously elected as Chairman of the meeting and all the Independent Directors of the Company were present at the said Meeting.

### **4. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:**

In accordance with the provisions of Regulation 25(7) of the Listing Regulations, the Company has been conducting various familiarisation programmes. The details of such familiarisation programmes for

Independent Directors have been disclosed on the website of the Company, the web link for which is <http://jkseeds.net/financials/FPID.pdf>

### **5. PERFORMANCE EVALUATION**

The Board of Directors has made formal annual evaluation of its own performance and that of its Committees and Individual Directors pursuant to the provisions of the Companies Act, 2013 and the corporate governance requirements as prescribed under the Listing Regulations.

Performance of the Board was evaluated after seeking inputs from all the Directors on the basis of the criteria such as adequacy of its composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as composition of committees, terms of reference of committees, effectiveness of the committee meetings, participation of the members of the committee in the meetings, etc.

The Board and the Nomination and Remuneration Committee also carried out evaluation of the performance of individual directors on the basis of criteria such as attendance and effective participation and contributions at the meetings of the Board and its committees, exercise of his/her duties with due & reasonable care, skill and diligence, etc.

In a separate meeting of the Independent Directors of the Company, performance of non-independent Directors, performance of Board as a whole and performance of Chairman was evaluated, taking into account the views of executive director of the Company. The Chairman of the meeting of the Independent Directors apprised the Board about the evaluation carried by it and that the Independent Directors were fully satisfied in this regard.

### **6. AUDIT COMMITTEE:**

The Company has an Audit Committee of Directors, the Composition and the 'Terms of Reference' of the Committee are in conformity with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

The Committee consists of four Directors, all being Non-executive Independent Directors. Four meetings of the audit committee were held during the financial year ended 31<sup>st</sup> March 2016.

Dates of the meetings and the number of the Members attended:

Date of Meetings	Number of Members attended
7 <sup>th</sup> May 2015	4
7 <sup>th</sup> August 2015	4
27 <sup>th</sup> October 2015	4
10 <sup>th</sup> February 2016	4

The names of the Members of the Committee and their attendance at the Meetings:

Name	Status	No. of Meetings attended
Shri J.R.C. Bhandari	Chairman	4
Shri S.K Khaitan	Member	4
Shri S.K Jhunjhunwala	Member	4
Shri S.C. Sethi	Member	4

All the Committee Meetings were attended by the Head of Finance Function, Internal Auditor, Company Secretary and the representative of Statutory Auditors. The Company Secretary acts as the Secretary of the Committee.

#### 7. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Company has a Stakeholders' Relationship Committee at the Board Level which consists of three Directors all being Non-executive Directors. The Composition and the 'Terms of Reference' of the Committee are in conformity with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

Dates of the meetings and the number of the Members attended:

Date of the Meetings	Number of Members attended
7 <sup>th</sup> May 2015	3
7 <sup>th</sup> August 2015	3
27 <sup>th</sup> October 2015	3
10 <sup>th</sup> February 2016	3

The names of the Members of the Committee and their attendance at the Meetings:

Name	Status	No. of Meetings attended
Shri S.C. Sethi	Chairman	4
Shri S.K. Khaitan	Member	4
Shri Vikrampati Singhania	Member	4

Shri Anoop Singh Gusain, Company Secretary, is the Compliance Officer. During the financial year ended 31<sup>st</sup> March 2016, the Company received one complaint from the shareholder and the same has since been resolved to the satisfaction of the shareholder. Also, there are no complaints pending in respect of previous period.

The Board has delegated the power of share transfer to the Share Transfer Committee 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 ended 31<sup>st</sup> March 2016, 16 meetings of this Committee were held.

#### 8. NOMINATION AND REMUNERATION COMMITTEE:

The Company has a 'Nomination and Remuneration Committee' comprising of three Directors, all being Non-executive Independent Directors. The Composition and the 'Terms of Reference' of the Committee are in conformity with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

Dates of the meetings and the number of the Members attended:

Date of the Meetings	Number of Members attended
7 <sup>th</sup> August 2015	3
10 <sup>th</sup> February 2016	3

The names of the Members of the Committee and their attendance at the Meetings:

Name	Status	No. of Meetings attended
Shri J.R.C Bhandari	Chairman	2
Shri S.K. Khaitan	Member	2
Shri S.C. Sethi	Member	2

#### 9. NOMINATION AND REMUNERATION POLICY

In accordance with the provisions of the Companies Act, 2013 and the Listing Regulations, the Company has put in place the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and other employees of the Company including criteria for determining qualifications, positive attributes, independence of a Director as well as a policy on Board Diversity. The policy provides as follows:

- (i) The Nomination and Remuneration Committee of Directors (the Committee) shall take

into consideration the following criteria for recommending to the Board for appointment as a Director of the Company: (a) Qualifications & experience. (b) Positive attributes like - respect for Company's core values, professional integrity, strategic capability with business vision, etc. (c) In case the proposed appointee is an Independent Director, he should fulfill the criteria for appointment as Independent Director as per the applicable laws & regulations. (d) The incumbent should not be disqualified for appointment as Director pursuant to the provisions of the Act or other applicable laws & regulations.

- (ii) The Committee will recommend to the Board appropriate compensation to Executive Directors subject to the provisions of the Act, Listing Regulations and other applicable laws & regulations. The Committee shall periodically review the compensation of such Directors in relation to other comparable companies and other factors, the Committee deems appropriate. Proposed changes, if any, in the compensation of such Directors shall be reviewed by the Committee subject to approval of the Board.
- (iii) The Board will review the performance of a Director as per the structure of performance evaluation adopted by the Board for Directors including Executive Directors.
- (iv) The Committee will review from time to time Board diversity to bring in professional performance in different areas of operations, transparency, corporate governance, financial management, risk assessment & mitigation strategy and human resource management in the Company. The Company will keep succession planning and board diversity in mind while recommending any new name of Director for appointment to the Board.
- (v) The eligibility criteria for appointment of Key Managerial Personnel (KMPs) and other senior management personnel shall vary for different positions depending upon the job description of the relevant position. In particular, the position of KMPs shall be filled by senior personnel having relevant qualifications and experience. The Compensation structure for KMPs and other senior management personnel shall be as per Company's remuneration structure taking into account factors such as level of experience, qualification and suitability which shall be reasonable and

sufficient to attract, retain and motivate them. The remuneration would be linked to appropriate performance benchmarks. The remuneration may consist of fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

#### 10. REMUNERATION PAID TO DIRECTORS:

- (i) Executive Director: The remuneration comprising of salary, perquisites and contribution to Provident Fund and Superannuation Fund for the financial year ended 31<sup>st</sup> March 2016 to Shri S.K. Gupta, President & Director is ₹ 144.76 Lacs.

The Company does not have any Stock Option Scheme. In case of President & Director, notice period is six months.

- (ii) Non-executive Directors: During the financial year 2015-16 the Company paid sitting fees aggregating to ₹18.59 Lacs to all the Non-executive Directors for attending the meetings of the Board and/or Committees thereof.

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

#### 11. GENERAL BODY MEETINGS:

Location and time for the last three Annual General Meetings (AGM) of the Company:

Financial Year	Location	Date	Time
2012-2013	Shripati Singhania Hall, Rotary Sadan, 94/2, Jawahar Lal Nehru Road (Chowringhee Road), Kolkata-700 020	07.09.2013	11.30 A.M.
2013-2014	Same as above	06.09.2014	11.30 A.M.
2014-2015	Same as above	11.09.2015	11.30 A.M.

Details of Special Resolution (SR) passed: No SR was passed at the AGM held in the year 2013, Seven SRs were passed at AGM held in the year 2014 and No SR was passed at the AGM held in the year 2015. No SR was required to put through Postal Ballot during the financial year ended 31<sup>st</sup> March 2016.



## 12. DISCLOSURE:

**(i) Related Party Transactions:** Disclosures on materially significant related party transactions 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 have been made in the Annual Report.

All the Related Party Transactions are dealt with in accordance with the provisions of the Companies Act, 2013 and Regulation 23 of the Listing Regulations.

The Company has also formulated a policy on the materiality of Related Party Transactions and also on dealing with Related Party Transactions. This Policy is available on the website of the Company and the web link for the same is

<http://jkseeds.net/financials/RelatedPartyTransactionsPolicy.pdf>

**(ii) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange(s) or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:**

There were no cases of non-compliance of any matter related to capital markets during the last three years.

**(iii) Vigil Mechanism/Whistle Blower Policy:** The Board of Directors of the Company at its meeting held on 7th August 2014 had established a Policy on Vigil Mechanism for the Directors and Employees of the Company to report their genuine concerns or grievances relating to actual or suspected fraud, unethical behaviour, violation of the Company's Code of Conduct or Ethics Policy and any other event which would adversely affect the interests of the business of the Company. Whistle Blowers may send their concerns/complaints to the Chairman of Audit Committee in a sealed envelope marked confidential, for appropriate action.

The details of establishment of such mechanism have been also disclosed on the website of the Company. It is affirmed that no personnel has been denied access to the Audit Committee.

**(iv) Prevention of Sexual Harassment of Women at Workplace:** Your Company is sensitive to women employees at workplace. As required under the

Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has a formal policy to ensure safety of women and prevention of sexual harassment and has set up Internal Complaints Committee (ICC) at its work places to redress the complaints of women employees.

During the year, no complaint has been filed with ICC with allegation of Sexual Harassment.

**(v) Risk Management:** The Company has an elaborate risk management system to inform Board Members about risk assessment and minimization procedures. A Risk Management Committee headed by Whole-time Director evaluates the efficacy of the framework relating to risk identification and its mitigation. Board Members are accordingly informed.

**(vi) Disclosure of commodity price risks and commodity hedging activities:** Commodity price fluctuations can have an impact on the demand of seeds for particular crop. Therefore, we track the commodity price movements very closely and take advance production decisions accordingly. Also, we have arrangement of controlled atmosphere storage facilities to ensure that the excess seed, if any, can be carried forward to the next season safely. In case of shortages, we have contacts with a number of vendors who can supply material at a short notice.

In addition to the above, Company also maintains a strategic buffer inventory to ensure that such disruptions do not impact the business significantly.

**(vii)** The Company does not have any subsidiary; therefore the policy for determining 'material' subsidiary is not required.

## 13. MEANS OF COMMUNICATION:

Quarterly, half-yearly and annual results are published in leading English Newspapers and also in a Bengali language Newspaper (published from Kolkata). The said results are promptly furnished to the Stock Exchange for display on its website and are also displayed on the Company's website - [www.jkseeds.net](http://www.jkseeds.net)

No presentation was made to institutional investors or to the analysts.

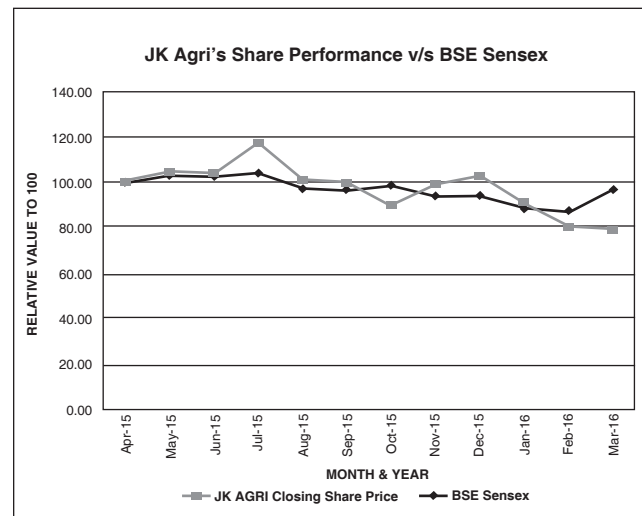
Management Discussion and Analysis forms part of the Annual Report.

**14. GENERAL SHAREHOLDERS' INFORMATION:**

(i)	<b>Registered Office:</b>	7, Council House Street, Kolkata-700 001. Phone No: 033-22486181
(ii)	<b>Annual General Meeting (AGM)</b>	
	(a) Date, Time & Venue:	9 <sup>th</sup> September 2016 at Shripati Singhania Hall, Rotary Sadan, 94/2, Jawahar Lal Nehru Road (Chowringhee Road), Kolkata – 700 020 at 11.30 AM
	(b) A brief resume and other particulars of Directors seeking appointment or re-appointment at the aforesaid AGM are given in the Notes to the Notice convening the said Meeting.	
(iii)	<b>Financial Calendar (tentative)</b> Financial Reporting: <ul style="list-style-type: none"> <li>• 1st Quarter ending June 30, 2016</li> <li>• 2nd Quarter ending September 30, 2016</li> <li>• 3rd Quarter ending December 31, 2016</li> <li>• Annual and 4th Quarter ending March 31, 2017</li> <li>• Annual General Meeting for the financial year 2016-17</li> </ul>	<p>Within 45 days of the end of the quarter</p> <p>Within 60 days of the end of the 4th quarter Between July and September 2017</p>
(iv)	<b>Dividend Payment Date</b>	Within three weeks of conclusion of AGM
(v)	<b>Date of Book Closure</b>	3 <sup>rd</sup> September 2016 to 9 <sup>th</sup> September 2016 (both days inclusive)
(vi)	<b>Name and address of Stock Exchange where equity shares of the Company are listed</b>	<p>The Equity Shares of the Company are listed on BSE Ltd.-Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400 001</p> <p>The annual listing fee for the financial year 2016-17 has been paid to the said Stock Exchange.</p> <p>The securities of the Company are not suspended from trading.</p>
(vii)	<b>Security Code for Company's Equity Shares on Stock Exchange and ISIN</b>	BSE – 536493 ISIN – INE690O01011

**(viii) Stock Market Price Data**

Month (2015-16)	BSE	
	High (₹)	Low (₹)
April 2015	590.00	431.20
May 2015	545.00	480.00
June 2015	545.00	461.00
July 2015	565.00	471.50
August 2015	620.00	452.25
September 2015	520.00	430.00
October 2015	560.00	402.00
November 2015	550.00	405.00
December 2015	524.80	446.10
January 2016	525.00	412.00
February 2016	510.50	355.00
March 2016	448.00	333.00

**JK Agri Genetics Ltd's (JK Agri's) Share Performance v/s BSE Sensex (April 2015 – March 2016)**


**(ix) Distribution of Shareholding (as on 31<sup>st</sup> March 2016)**

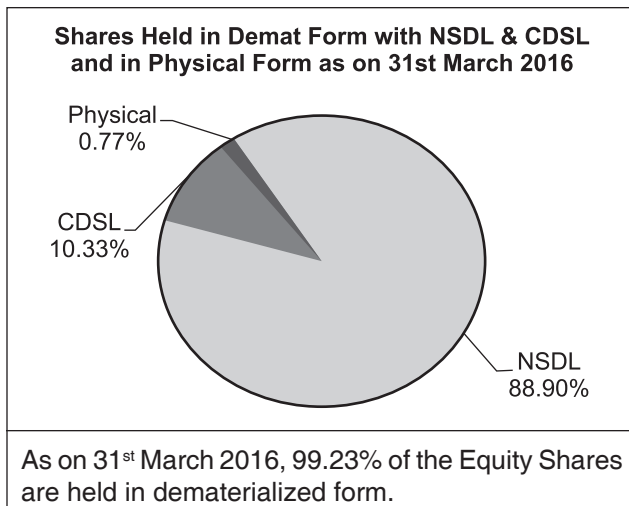
No. of Equity Shares Held	No. of Shares		Shareholders	
	Number	% of Total	Number	% of Total
1-250	144976	4.02	7901	96.44
251-500	49630	1.38	140	1.71
501-1000	38222	1.06	53	0.65
1001-5000	144645	4.01	61	0.74
5001-10000	140902	3.91	20	0.24
10001 & above	3085531	85.62	18	0.22
Total	3603906	100	8193	100

**(x) Share Transfer System**

All valid request for transfer/transmission of shares held in physical form are processed within a period of 15 days from the date of receipt thereof. In case of shares in dematerialised form, the transfers are processed by National Securities Depository Limited (NSDL) /Central Depository Services (India) Limited (CDSL) through the Depository Participants with whom the shareholders have opened their demat account.

**(xi) Dematerialisation of Shares and liquidity**

The Equity Shares of the Company are actively traded on BSE. Trading in the Equity Shares of the Company is permitted only in dematerialised form. Shareholders may therefore, in their own interest, dematerialise their holdings in physical form with any one of the Depositories – namely, NSDL and CDSL. In respect of shares held in demat form; all the requests for nomination, change of address, ECS, Bank mandate and rematerialisation, etc. are to be made only to the Depository Participant with whom the shareholders have opened their Demat Account.



**(xii) Outstanding GDRs/ADRs/ Warrants/ Options or any Convertible instruments, conversion date and likely impact on equity:** Nil

**(xiii) Commodity price risk or foreign Exchange risk and hedging activities**

During the financial year ended 31<sup>st</sup> March 2016, the Company has appropriately managed the forex risk by means including natural hedging opportunities available in the business.

**(xiv) Plant Locations**

The Company has Production Centres to produce high-yielding hybrid seeds at various locations in Andhra Pradesh, Telangana and other States. Besides, the Company has state-of-the-art Biotechnology R&D Centre and Seed Processing Plant at Hyderabad in the State of Telangana and another Seed Processing Plant at Kota in the State of Rajasthan.

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

1. Company Secretary  
JK Agri Genetics Ltd.  
Secretarial Department  
Gulab Bhawan (Rear Block), 3<sup>rd</sup> Floor,  
6A, Bahadur Shah Zafar Marg,  
New Delhi -110 002.  
Phone No.: 91-11-30179891  
Fax No. : 91-11-23716607  
Email: jkaglshareholder@jkmail.com  
Website : www.jkseeds.net

2. Registrar & Share Transfer Agent  
Alankit Assignments Ltd.  
Alankit Heights, 1E/13, Jhandewalan Extension,  
New Delhi-110 055 (India)  
Phone No. :91-11-42541234,91-11-23541234  
Fax No : 91-11-41543474  
Contact Person: Shri J.K. Singla  
Email: rta@alankit.com  
Website: www.alankit.com

**(xvi)** This Corporate Governance Report of the Company for the financial year ended 31<sup>st</sup> March 2016 are in compliance with the requirements of Corporate Governance under Clause 49 of the Listing Agreement with the Stock Exchange and also with the Listing Regulations, as applicable.

**(xvii)** Adoption of discretionary requirements specified in Part E of Schedule II of the Listing Regulations- (a) The Board: The Chairman of the Company is Non-Executive (b) Shareholder Rights: Half-yearly and

other quarterly financial statements are published in newspapers and uploaded on Company's website ([www.jkseeds.net](http://www.jkseeds.net)). At present, the half-yearly financial performance and the summary of the significant events in last six months are not sent to each household of shareholders; (c) Modified opinion(s) in audit report: The Company already has a regime of un-qualified financial statements. Auditors have raised no qualification on the financial statements; (d) Separate posts of Chairperson and CEO: Shri Bharat Hari Singhania, Non-executive Director, is the Chairman of the Company. (e) Reporting of Internal Auditor: The Internal Auditor of the Company reports to the Whole-time Director of the Company. However, his Internal Audit Reports are placed before the Audit Committee.

**(xviii)** The Company has complied with all the applicable requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

**(xix)** Information in terms of Schedule V(F) of the Listing Regulations:

As on 1<sup>st</sup> April 2015, the Company had 8,267 Equity Shares, which were unclaimed by 1,315 Equity Shareholders. These were lying in dematerialised mode in the suspense account. Out of the above the Company received 9 requests for 79 Equity Shares for despatch, during the year. These have since been despatched. As on 31<sup>st</sup> March 2016, the Company has 8,188 Equity Shares which remain unclaimed by 1,306 Equity Shareholders.

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares. 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.

#### **15. DECLARATION:**

This is to confirm that for the financial year ended 31<sup>st</sup> March 2016, all the members of the Board and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct for Members of the Board and Senior Management adopted by the Board.

S.K. Gupta  
President & Director

#### **16. AUDITOR'S COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE:**

To

The Members of JK Agri Genetics Ltd.

We have examined the compliance of regulations of Corporate Governance by JK Agri Genetics Ltd. ('Company') for the financial year ended 31<sup>st</sup> March 2016, as stipulated in Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. ("Listing Regulations").

The compliance of regulations 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 regulations of Corporate Governance as stipulated in the above mentioned Listing Regulations.

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: 12<sup>th</sup> May 2016

N.K. Lodha  
Partner  
Membership No. 85155

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF JK AGRI GENETICS  
LIMITED**

**Report on the Financial Statements**

We have audited the accompanying standalone financial statements of JK Agri Genetics Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements 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, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016, and its profit and its cash flows for the year ended on that date.

**Emphasis of Matters**

We draw attention to the following matter in the Notes to the financial statements:

Note No. 33(a) regarding pending realization from government parties amounting to ₹ 2,422.19 Lacs (shown under exceeding six months) plus security deposit amounting to ₹ 121.68 Lacs, are considered good as stated in the said note.

Our opinion is not qualified in respect of this matter.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of 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 explanations given to us during the course of audit, we give in the **Annexure 'A'** a statement on the matters specified in the paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and 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 it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) As required by section 143(3)(i) of the Companies Act, 2013, and based on the checking of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, our report on the Internal Financial Controls over Financial Reporting is as per **Annexure 'B'**.

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – refer Note no. 28(A) & 29 to the standalone financial statements.
  - ii. The Company did not have any such long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

(N.K. Lodha)

Partner

Place : New Delhi

Date : 12<sup>th</sup> May 2016

Membership No. 85155

### **Annexure - A referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date on the Standalone Financial Statements of JK Agri Genetics Ltd. for the year ended 31<sup>st</sup> March 2016.**

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 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, title deeds of immovable properties are held in the name of the Company.

2. The inventory of the Company (except stock lying with the third parties and in transit) has been physically verified by the management at reasonable intervals and the procedures of physical verification of inventory followed by the Management are reasonable in relation to the size of the Company and nature of its business. The discrepancies noticed on such physical verification of inventory as compared to book records were not material.
3. The Company has not granted any loan secured or unsecured to any companies, firms or other parties covered in the register maintained under Section 189 of Companies Act, 2013. Accordingly, the provisions of paragraph 3(iii) of the order are not applicable.
4. According to the information, explanations and representations provided by the management and based upon audit procedures performed, we are of the opinion that in respect of loans, investments, guarantees and security the Company have complied with the provisions of the Section 185 and 186 of the Companies Act, 2013.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 73 to 76 or any other relevant provisions under the Act. We have been informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or other Tribunal in this regard.
6. According to the information & explanations given to us, maintenance of cost records has not been specified by Central Government under sub section (1) of section 148 of the Companies Act, 2013 for the products of the company.
7. (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, employees' state insurance, income tax, sales tax, service tax, custom duty, excise duty, cess 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 become payable as at 31<sup>st</sup> March, 2016.

- (b) According to the records and information & explanations given to us, there are no dues in respect of service tax, duty of custom and duty of excise or value added tax that have not been deposited with the appropriate authorities on account of any dispute and the dues in respect of income tax and sales tax that have not been deposited with the appropriate authority on account of dispute and the forum where the dispute is pending are given below: -

Nature of statute	Nature of dues	Amount (Rs. in lacs)	Period to which the amount relates (F.Y.)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	132.40	2007-2008	ITAT, Kolkata
		76.91	2008-2009	Commissioner (Appeals)
		90.58	2009-2010	Commissioner (Appeals)
		276.05	2010-2011	Commissioner (Appeals)
		5.36	2011-2012	Commissioner (Appeals)
UP Sales Tax Act	Sales Tax	5.85	2006-2007	Tribunal
		1.40	2006-2007	Dp. Commissioner

Refer Note No. 28(A) & 29

8. In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of loans and borrowings to financial institutions, banks, government or dues to debenture holders.
9. During the year, no monies have been raised by public offer of shares. Money raised on term loans have been applied for the purposes for which loans were raised.
10. Based on the audit procedure performed and on the basis of information and explanations provided by the management, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the course of the audit.

11. On the basis of records and information and explanations made available, managerial remuneration which has been paid or provided is in accordance with the requisite approvals mandated under Section 197 read with Schedule V of the Act. (Read with Note No. 44)
12. In our opinion and according to information & explanation given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the order is not applicable.
13. As per the information and explanations and records made available by the management of the Company and audit procedure performed, for the related parties transactions entered during the year, the Company has complied with the provisions of Section 177 and 188 of the Act, where it applicable. As explained and as per records / details of related parties transactions are disclosed as per the applicable Accounting Standards.
14. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully / partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
15. On the basis of records made available to us and according to information and explanations given to us, the Company has not entered into non-cash transactions with the directors or persons connected with him. Accordingly, we are not offering comment with respect to compliance of section 192 of the Act.
16. The Company is not required to be registered under 45-IA of the Reserve Bank of India Act 1934.

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

(N.K. Lodha)

Place : New Delhi  
Date : 12<sup>th</sup> May 2016

Partner  
Membership No. 85155

## **ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF JK AGRI GENETICS LIMITED**

### **Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of JK Agri Genetics Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards



and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

(N.K. Lodha)

Partner

Place : New Delhi  
Date : 12<sup>th</sup> May 2016

Membership No. 85155

**BALANCE SHEET (AS AT 31ST MARCH, 2016)**
**(₹ In Lacs)**

Particulars	Note No.	As at 31.03.2016	As at 31.03.2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share capital	2	360.39	360.39
(b) Reserves and surplus	3	6,100.09	5,428.48
		<u>6,460.48</u>	<u>5,788.87</u>
<b>(2) Non-current Liabilities</b>			
(a) Long-term borrowings	4	2,457.49	1,979.01
(b) Other Long term liabilities	5	25.67	34.52
(c) Long-term provisions	6	311.82	272.95
		<u>2,794.98</u>	<u>2,286.48</u>
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	7	2,648.62	2,667.50
(b) Trade payables	7a	6,021.42	5,801.20
(c) Other current liabilities	8	6,495.96	6,845.27
(d) Short-term provisions	9	170.38	162.06
		<u>15,336.38</u>	<u>15,476.03</u>
<b>TOTAL</b>		<u>24,591.84</u>	<u>23,551.38</u>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	10	1,887.05	2,092.31
(ii) Intangible assets	10	819.32	955.27
(b) Deferred tax assets (net)	11	81.68	188.18
(c) Long-term loans and advances	12	1,111.24	913.28
(d) Other Non Current Assets	13	0.15	-
		<u>3,899.44</u>	<u>4,149.04</u>
<b>(2) Current Assets</b>			
(a) Inventories	14	9,767.98	9,664.46
(b) Trade receivables	15	8,152.59	8,509.48
(c) Cash and Bank Balance	16	405.63	302.89
(d) Short-term loans and advances	17	2,344.73	915.99
(e) Other Current Assets	18	21.47	9.52
		<u>20,692.40</u>	<u>19,402.34</u>
<b>TOTAL</b>		<u>24,591.84</u>	<u>23,551.38</u>

**Significant Accounting Policies**

The accompanying Notes are an integral part of the Financial Statement (26 to 50)

1

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 12<sup>th</sup> May, 2016

AMIT AGARWAL  
Chief Financial Officer

ANOOP SINGH GUSAIN  
Company Secretary

BHARAT HARI SINGHANIA  
DR. RAGHUPATI SINGHANIA  
SANJAY KUMAR KHAITAN  
SANJEEV KUMAR JHUNJHUNWALA  
SWATI SINGHANIA  
ABHIMANYU JHAVER  
J.R.C. BHANDARI  
SWAROOP CHAND SETHI  
VIKRAMPATI SINGHANIA  
SANJAY KUMAR GUPTA  
Chairman  
Directors

## STATEMENT OF PROFIT AND LOSS (FOR THE YEAR ENDED 31ST MARCH, 2016)

Particulars	Note No.	(₹ In Lacs)	
		2015-16	2014-15
<b>Revenue from operations</b>	19	<b>18,876.99</b>	20,982.51
Other income	20	<b>142.57</b>	27.20
<b>Total Revenue (I)</b>		<b>19,019.56</b>	21,009.71
<b>Expenses:</b>			
(a) Cost of materials consumed	21	<b>8,449.57</b>	9,283.69
(b) (Increase) / decrease in inventories of finished goods work-in-progress and Stock-in-Trade	22	<b>(202.74)</b>	(308.27)
(c) Employee benefits expense	23	<b>2,643.89</b>	2,487.11
(d) Other expenses	25	<b>5,713.70</b>	6,287.81
<b>Total Expenses (II)</b>		<b>16,604.42</b>	17,750.34
<b>Profit Before Interest, Depreciation and Tax (PBIDT) (I-II)</b>		<b>2,415.14</b>	3,259.37
Finance costs	24	<b>1,105.96</b>	1,045.08
Depreciation and amortization expense	10	<b>400.94</b>	495.20
Profit before exceptional and extraordinary Items and Tax		<b>908.24</b>	1,719.09
Exceptional items		-	-
Profit before extraordinary items and tax		<b>908.24</b>	1,719.09
Extraordinary items		-	-
Profit Before tax		<b>908.24</b>	1,719.09
Tax expense:			
(1) Current tax		<b>191.88</b>	361.85
(2) MAT Credit Entitlement		<b>(191.88)</b>	(361.85)
(3) Deferred tax		<b>106.50</b>	497.22
<b>Profit/ (Loss) for the period</b>		<b>801.74</b>	1,221.87
Earnings per equity share:			
Cash		<b>36.33</b>	61.44
Basic & Diluted		<b>22.25</b>	33.90

### Significant Accounting Policies

The accompanying Notes are an integral part of the Financial Statement (26 to 50)

1

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 12<sup>th</sup> May, 2016

AMIT AGARWAL  
Chief Financial Officer

ANOOP SINGH GUSAIN  
Company Secretary

BHARAT HARI SINGHANIA  
DR. RAGHUPATI SINGHANIA  
SANJAY KUMAR KHAITAN  
SANJEEV KUMAR JHUNJHUNWALA  
SWATI SINGHANIA  
ABHIMANYU JHAVER  
J.R.C. BHANDARI  
SWAROOP CHAND SETHI  
VIKRAMPATI SINGHANIA  
SANJAY KUMAR GUPTA

Chairman  
Directors

**Note no.1****SIGNIFICANT ACCOUNTING POLICIES: 31<sup>st</sup> March 2016****1.1 General:**

The Accounts of the company are prepared under Mercantile System of Accounting on Historical Cost and in accordance with the general accepted accounting principles, applicable Accounting Standards specified u/s 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 unless otherwise referred herein. Claims/Refunds not ascertainable with reasonable certainty are accounted for on settlement.

**1.2 Revenue Recognition:**

Revenue is recognized based on the nature of activity when consideration can be reasonable measured and there exists reasonable certainty of its recovery. Revenues from sale of goods are recognized on dispatch which coincides with transfer of significant risks & rewards to customer and is net of sales returns and sales tax, wherever applicable.

**1.3 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.

**1.4 Method of Depreciation:**

A) Depreciation on fixed assets is calculated on straight line method and as per the useful life as prescribed in Schedule II of The Companies Act 2013. B) Buildings on lease hold premises are charged over the lease period or as per the useful life as prescribed in Schedule II of the Companies Act, 2013, whichever period is lower. C) Leasehold Land is being amortized over the lease period. D) The intangible assets are amortized over the expected duration of benefit from those assets.

**1.5 Investments:**

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.

**1.6 Foreign Currency Transactions**

Assets & Liabilities related to foreign currency transactions are translated at exchange rate prevailing at the end of the year. Exchange difference on revenue account is charged to Statement of Profit & Loss.

**1.7 R&D Expenditure:**

Revenue Expenditure on Research and Development is charged to Statement of Profit & Loss and Capital Expenditure is added to Fixed Assets.

**1.8 Inventories:**

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.

**1.9 Impairment:**

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 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.

**1.10 Intangible Assets:**

Intangible assets are recognized if future economic benefits are likely and cost of the asset can be measured reliably.

**1.11 Employee 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 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.

**1.12 Accounting for Taxes on Income:**

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, subject to the consideration of prudence, on timing differences, being difference between taxable income and accounting income.

**1.13 Provisions & Contingent Liabilities:**

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.

**1.14 Use of Estimates and Assumptions:**

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and the estimates are recognised in the period in which the results are known / materialised.

**1.15 Government Grants:**

Capital Subsidy related to specific fixed assets is reduced from the Gross value of the respective fixed assets. Revenue grants from Government related to revenue expenditure are deducted from the related expenses/Credited to Statement of Profit & Loss.

**1.16 Lease:**

Lease which does not transfer substantially all the risks and rewards of ownership is classified as Operating Lease and is recognized as expenses as and when incurred over the lease-terms.

**Note No. 2**

	<b>As at</b>	<b>(₹ In Lacs)</b>
	<b>31.03.2016</b>	<b>As at 31.03.2015</b>
<b>SHARE CAPITAL</b>		
<b>Authorised:</b>		
Equity Shares - 1,40,00,000 of ₹10 each	<b>1,400.00</b>	1,400.00
Previous year 1,40,00,000 of ₹10 each	<b>1,400.00</b>	1,400.00
<b>Issued, Subscribed and Paid up:</b>		
Equity Shares - 36,03,906 shares (Previous Year 36,03,906 shares) of ₹ 10/- each fully paid up	<b>360.39</b>	360.39
	<b>360.39</b>	360.39

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

Name of Shareholder	As at 31.03.2016 No. of Shares held	As at 31.03.2015 No. of Shares held
Bengal & Assam Co. Ltd	<b>7,99,533</b>	7,99,533
Florence Investech Ltd.	<b>15,00,000</b>	15,00,000
Edgefield Securities Ltd.	<b>2,17,749</b>	2,17,749

**2.2. Reconciliation of number of share outstanding - Equity Share**

	As at 31.03.2016	As at 31.03.2015
Shares outstanding as at the beginning of the year	36,03,906	36,03,906
Add: Shares issued during the year	-	-
Less: Bought back during the year	-	-
Shares outstanding as at the end of the year	36,03,906	36,03,906

2.3. There is no change in the Share Capital during the year and no Bonus / Right Buy-back in the preceding five years.

2.4. Terms/right attached to equity shares:

- The Company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share.
- In the event of winding up the equity shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportionate to the number of equity shares held by the shareholders.
- The Dividend proposed by the Board of Directors is subject to the approval of share holders in the ensuing Annual General Meeting except in the case of interim dividend.

**Note No. 3**
**(₹ In Lacs)**

	As at 31.03.2016	As at 31.03.2015
<b>RESERVES AND SURPLUS</b>		
<b>General Reserve</b>		
Opening Balance	4,000.00	3,275.94
Addition during the year	-	724.06
	<u>4,000.00</u>	<u>4,000.00</u>
<b>Surplus in the Statement of Profit &amp; Loss</b>		
Opening Balance	1,428.48	1,060.80
Addition during the year	801.74	1,221.87
Transfer to General Reserve	-	(724.06)
Proposed Dividend @ ₹ 3.00 (Previous year ₹ 3.00) per equity share	(108.12)	(108.12)
Corporate Dividend Tax	(22.01)	(22.01)
Closing Balance	<u>2,100.09</u>	<u>1,428.48</u>
<b>Total</b>	<u>6,100.09</u>	<u>5,428.48</u>

**Note No. 4**

	Non Current		Current maturities*	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
<b>LONG TERM BORROWINGS</b>				
<b>SECURED LOANS</b>				
Term Loans:				
Banks	950.00	1,200.00	400.00	812.05
Others	139.09	86.94	-	9.66
	<u>1,089.09</u>	<u>1,286.94</u>	<u>400.00</u>	<u>821.71</u>
<b>UNSECURED LOANS</b>				
Council of Scientific & Industrial Research (CSIR)	368.40	442.07	73.68	73.68
Bengal & Assam Company Ltd.	1,000.00	250.00	250.00	250.00
	<u>1,368.40</u>	<u>692.07</u>	<u>323.68</u>	<u>323.68</u>
	<u>2,457.49</u>	<u>1,979.01</u>	<u>723.68</u>	<u>1,145.39</u>
Less: Amount disclosed under the head "Other Current Liabilities" (Note No.8)			<u>723.68</u>	<u>1,145.39</u>
	<u>2,457.49</u>	<u>1,979.01</u>	<u>-</u>	<u>-</u>

\* Payable during next 12 months

**Notes:**

1. a) Term Loan of ₹ Nil (Previous year ₹19.19 lacs) taken from bank is secured against first charge of the assets purchased thereunder, Hypothecation of entire intangible assets, second charge on entire current assets viz stock and book debts etc., both present and future, of the company and is further secured by extension of equitable mortgage on land at Ranpur, Kota (Rajasthan). Charge been vacated.
- b) Term Loan of ₹ Nil (Previous year ₹ 642.86 lacs) taken from bank is secured by subservient charge on entire current and movable fixed assets (both Present and future). Charge been vacated.
- c) Corporate loan of ₹ 1350 lacs (Previous year ₹ 1350 lacs) taken from bank is secured by second charge on the entire current assets of the company viz., stocks & book debts, etc., both present and future, first charge on the entire fixed assets of the Company including land at Dundigal village, Telangana and Land at Ranpur, Kota Rajasthan, excluding certain specified assets. It is further secured by Hypothecation of entire intangible assets of the Company including the Brand and Patents. It is repayable in 3 years, 4 Quarterly installments of ₹ 100 lacs each in FY 2017, 4 equal installments of ₹125 lacs each in FY 2018 and 3 equal installments of ₹150 lacs each in FY 2019.
2. Term loan of ₹ 139.09 lacs (Previous year ₹ 96.60 lacs) taken from Biotechnology Industry Research Assistance Council (BIRAC) is secured by First Charge on movable properties of the Company including its movable Plant and Machinery, spares, tools and accessories and other movables, both present and future (Except Book debts) and is repayable in 10 equal half yearly installments of ₹ 13.90 lacs each commencing from October, 2017.
3. a) Unsecured loan of ₹ 442.08 lacs (Previous year ₹ 515.75 lacs) taken from CSIR is repayable in 6 equal yearly installments of ₹ 73.68 lacs each.
- b) Unsecured loan of ₹ 250 lacs (Previous year ₹ 500 lacs) taken from Bengal & Assam company Ltd. (A Related Party) is repayable in April, 2016. Since paid.
- c) Unsecured loan of ₹ 1000 lacs (Previous year ₹ Nil) taken from Bengal & Assam company Ltd. (A Related Party) is repayable in May, 2017.

**Note No. 5**

	<b>As at</b>	<b>(₹ In Lacs)</b>
	<b>31.03.2016</b>	<b>As at</b>
		<b>31.03.2015</b>
<b>OTHER LONG TERM LIABILITIES</b>		
Interest accrued but not Due	<b>7.53</b>	23.02
Others	<b>18.14</b>	11.50
	<b>25.67</b>	34.52

**Note No. 6**

**LONG-TERM PROVISIONS**

**Provision for employee benefits**

Gratuity	<b>149.96</b>	126.26
Leave encashment	<b>161.86</b>	146.69
	<b>311.82</b>	272.95

**Note No. 7**
**(₹ In Lacs)**

	As at 31.03.2016	As at 31.03.2015
<b>SHORT TERM BORROWINGS</b>		
<b>SECURED LOANS</b>		
Repayable on Demand from Banks #	<u>2,648.62</u>	<u>2,667.50</u>
	<u>2,648.62</u>	<u>2,667.50</u>

#Working Capital borrowings are Secured by hypothecation of entire 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, Telangana and Ranpur, Kota, (Rajasthan) and excluding certain specified Fixed assets.

**Note No. 7a**
**TRADE PAYABLE**

a) Total Outstanding dues of Micro Enterprises & Small Enterprises	-	-
b) Total Outstanding dues of Creditors other than Micro Enterprises & Small Enterprises	<u>6,021.42</u>	<u>5,801.20</u>
	<u>6,021.42</u>	<u>5,801.20</u>

**Note No. 8**
**OTHER CURRENT LIABILITIES**

Current Maturities of Long Term Borrowings	723.68	1,145.39
Interest Accrued but not due on loan	207.56	221.80
Advance from Customers	4,356.64	3,723.18
Security Deposits	19.25	18.75
Unclaimed Dividend	1.34	0.68
Unpaid Fractional Shares Balance (₹ 1.87) (Previous year ₹ 1.87)		
Other Liabilities		
Government and Other dues	76.45	124.08
Others	<u>1,111.04</u>	<u>1,611.39</u>
	<u>6,495.96</u>	<u>6,845.27</u>

**Note No. 9**
**SHORT TERM PROVISIONS**

Provision for Retirement Benefits		
Gratuity	18.13	14.27
Leave Encashment	22.12	17.66
Proposed Dividend	108.12	108.12
Provision for Corporate Dividend Tax	<u>22.01</u>	<u>22.01</u>
	<u>170.38</u>	<u>162.06</u>

**Note No.10**
**FIXED ASSETS**
**₹ in Lacs**

Assets	Gross Value				Depreciation / Amortisation				Net Value	
	As At 01.04.2015	Additions	Sales/ Adjustments	As At 31.03.2016	As at 01.04.2015	For the Year	On Sales / Adjustments	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
<b>Tangible Assets:</b>										
Land - Freehold	401.61	-	-	401.61	-	-	-	-	401.61	401.61
Land - Leasehold	134.09	-	-	134.09	12.20	2.45	-	14.65	119.44	121.89
Building#	308.20	2.95	-	311.15	115.44	24.60	-	140.04	171.11	192.76
Plant and Equipments@	1,877.21	9.85	37.23	1,849.83	720.48	187.16	34.60	873.04	976.79	1,156.73
Furniture & Fixtures	38.69	9.28	12.66	35.31	22.04	3.17	4.86	20.35	14.96	16.65
Office Equipments	253.10	12.47	22.71	242.86	204.03	17.67	15.85	205.85	37.01	49.07
Vehicles	232.43	52.04	19.18	265.29	78.83	28.10	7.77	99.16	166.13	153.60
	<u>3,245.33</u>	<u>86.59</u>	<u>91.78</u>	<u>3,240.14</u>	<u>1,153.02</u>	<u>263.15</u>	<u>63.08</u>	<u>1,353.09</u>	<u>1,887.05</u>	<u>2,092.31</u>
Previous Year	3,170.74	114.65	40.06	3,245.33	814.19	357.63	18.80	1,153.02	2,092.31	2,356.55
<b>Intangibles:</b>										
Brand	2,700.00	-	-	2,700.00	1,755.00	135.00	-	1,890.00	810.00	945.00
Software	64.73	1.84	-	66.57	54.46	2.79	-	57.25	9.32	10.27
	<u>2,764.73</u>	<u>1.84</u>	<u>-</u>	<u>2,766.57</u>	<u>1,809.46</u>	<u>137.79</u>	<u>-</u>	<u>1,947.25</u>	<u>819.32</u>	<u>955.27</u>
Previous Year	2,753.32	11.41	-	2,764.73	1,671.89	137.57	-	1,809.46	955.27	1,081.43

# Includes gross value as at 31.03.2016 of ₹ 276.04 lacs (Previous year ₹ 273.09 lacs) {WDV ₹ 149.29 lacs (Previous year ₹ 160.35 lacs)} on leasehold premises.

@ Includes gross value as at 31.03.2016 of ₹ 1271.89 lacs (Previous Year ₹ 1263.36 lacs) {WDV ₹ 815.67 lacs (Previous year ₹ 908.34 lacs)} on leasehold premises.



	(₹ In Lacs)	
	As at 31.03.2016	As at 31.03.2015
<b>Note No.11</b>		
<b>DEFERRED TAX ASSET (NET)</b>		
1. Deferred Tax Assets		
i) Expenses / Provisions allowable	202.56	158.62
ii) Unabsorbed depreciation and carried forward losses	158.99	360.00
<b>Sub-Total</b>	<b>361.55</b>	<b>518.62</b>
2. Deferred Tax Liabilities		
i) Related to Fixed Assets	279.87	330.44
Deferred Tax (Liability) / Asset (Net) #	<u>81.68</u>	<u>188.18</u>

# Deferred tax assets on unabsorbed depreciation and business losses have been recognized based on management's opinion that there is virtual certainty that sufficient taxable income will be generated / available against which such deferred tax assets can be realized.

	As at 31.03.2016	As at 31.03.2015
<b>Note No.12</b>		
<b>LONG TERM LOANS &amp; ADVANCES</b>		
(Unsecured, considered good)		
Deposit with Government & Others	46.40	46.39
Capital Advances	0.88	-
MAT Credit Entitlement	1,058.77	866.89
Other Loans and Advances*	5.19	-
	<u>1,111.24</u>	<u>913.28</u>

\* Includes Prepaid Expenses and Loans to Employees

**Note No. 13**  
**OTHER NON-CURRENT ASSETS**

(Unsecured, considered good)		
Bank Balance in Deposit Account (Ref Note no.16)	0.15	-
	<u>0.15</u>	<u>-</u>

**Note No. 14**  
**INVENTORIES**

(As certified by Management)		
Stores, Processing & Packing Material	531.79	631.01
Semi Finished Goods	4,158.22	3,948.27
Finished Goods*	5,077.97	5,085.18
	<u>9,767.98</u>	<u>9,664.46</u>

\* Includes Stock in Transit ₹ 18.10 lacs (Previous year ₹ 40.65 lacs)

**Note No. 15**  
**TRADE RECEIVABLES**

(Unsecured, considered good unless otherwise stated)		
Outstanding for period exceeding six months from the date they are due for payment	3,949.11	3,871.79
Considered Doubtful	131.19	101.19
Less: Provision for doubtful Receivable	(131.19)	(101.19)
Others	4,203.48	4,637.69
	<u>8,152.59</u>	<u>8,509.48</u>

	<b>As at</b>	<b>(₹ In Lacs)</b>
	<b>31.03.2016</b>	<b>As at</b>
		<b>31.03.2015</b>
<b>Note No.16</b>		
<b>CASH &amp; BANK BALANCE</b>		
<b>Cash &amp; Cash Equivalents</b>		
Cash on hand	2.09	2.21
Cheques on hand	5.00	8.52
Balances with Scheduled Banks :		
On Current Accounts	88.73	23.86
<b>Other Bank Balances</b>		
On Deposit Accounts maturing after 3 months but before 12 months*	308.47	267.62
On Deposit Accounts maturing after 12 months*	0.15	-
Unclaimed dividend accounts	1.34	0.68
Fractional shares Balance Account (₹ 1.87) (Previous year ₹ 1.87)		
	<b>405.78</b>	<b>302.89</b>
Less: Amout disclosed under Other Non Current Assets (Note No.13)	0.15	-
	<b>405.63</b>	<b>302.89</b>
* Includes ₹ 60.98 lacs (Previous year ₹ 27.38 lacs) Pledged		
<b>Note No.17</b>		
<b>SHORT TERM LOANS &amp; ADVANCES</b>		
(Unsecured, considered good unless otherwise stated)		
<b>Others</b>		
Inter Corporate Deposit*	1,000.00	-
Advance to Suppliers	688.31	360.86
Advance to Employees	39.31	30.65
Prepaid Expenses	54.73	55.47
Deposit with Government Authorities	251.76	219.99
Advance payment of Income Tax	291.72	226.50
{Net of Provisions (Incl. Interest) ₹ 1412.03 Lacs (Previous Year ₹ 1217.26 Lacs)}		
Others	18.90	22.52
	<b>2,344.73</b>	<b>915.99</b>
* Given to M/S. BMF Investment Limited to meet their Short/Medium term requirements		
<b>Note No.18</b>		
<b>OTHER CURRENT ASSETS</b>		
Interest Accrued	21.47	9.52
	<b>21.47</b>	<b>9.52</b>
<b>Note No.19</b>		
<b>REVENUE FROM OPERATIONS</b>		
	<b>2015-16</b>	<b>2014-15</b>
1. Sales : Seeds	18,177.56	20,078.58
Others	452.17	633.46
2. Other Operating Revenues		
Liabilities no longer required written back	90.66	129.62
Insurance Claims	9.05	9.82
Miscellaneous Income	147.55	131.03
	<b>18,876.99</b>	<b>20,982.51</b>

(₹ In Lacs)

	<u>2015-16</u>	<u>2014-15</u>
<b>Note No. 20</b>		
<b>OTHER INCOME</b>		
Interest on Deposit with Banks & others	142.57	25.93
Foreign Exchange Fluctuation	-	1.27
	<u>142.57</u>	<u>27.20</u>
<b>Note No. 21</b>		
<b>COST OF MATERIALS CONSUMED</b>		
Purchase of Seeds	7,452.23	8,135.59
Purchase of Other Agri Products	270.81	372.04
Consumption of Packing Materials & Others	726.53	776.06
	<u>8,449.57</u>	<u>9,283.69</u>
<b>Note No. 22</b>		
<b>Changes in Inventories of Finished Goods work-in-progress and Stock-in-Trade</b>		
<b>Opening Stock</b>		
- Semi Finished Goods		
Seeds	3,948.27	4,159.56
- Finished Goods	5,085.18	4,565.62
	<u>9,033.45</u>	<u>8,725.18</u>
<b>Closing Stock</b>		
- Semi Finished Goods		
Seeds	4,158.22	3,948.27
- Finished Goods	5,077.97	5,085.18
	<u>9,236.19</u>	<u>9,033.45</u>
(Increase)/Decrease in Stocks	<u>(202.74)</u>	<u>(308.27)</u>
<b>Note No. 23</b>		
<b>EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, Wages, Allowance, etc.	2,265.79	2,110.36
Contribution to Provident and other Funds	116.64	111.05
Employees' Welfare and other Benefits	261.46	265.70
	<u>2,643.89</u>	<u>2,487.11</u>
<b>Note No. 24</b>		
<b>FINANCE COST</b>		
Interest Expenses	1,078.79	1,025.97
Other Borrowing costs	27.17	19.11
	<u>1,105.96</u>	<u>1,045.08</u>

(₹ In Lacs)

	<u>2015-16</u>	<u>2014-15</u>
<b>Note No. 25</b>		
<b>OTHER EXPENSES</b>		
Processing Charges	<b>132.32</b>	285.44
Power & Fuel	<b>43.64</b>	48.68
Repair & Maintenance- Machinery	<b>11.91</b>	11.10
Labour expenses	<b>215.07</b>	232.35
Rent	<b>273.82</b>	247.13
Rates & Taxes	<b>0.62</b>	1.85
Insurance	<b>40.74</b>	46.62
Discount	<b>277.78</b>	350.51
Freight & Transportation	<b>755.54</b>	874.83
Advertisement	<b>1,271.31</b>	1,360.06
Royalty	<b>697.98</b>	892.53
Directors' Fees	<b>18.59</b>	12.36
Farming Expenses	<b>470.29</b>	424.14
Travelling	<b>548.39</b>	583.66
Commission	<b>173.74</b>	364.92
Loss on Sales/Discard of Assets (Net of Profit of ₹ 4.89 lacs (PY ₹ 2.25 lacs)	<b>1.10</b>	2.86
Foreign Exchange Fluctuation (Net)	<b>5.98</b>	-
Provision for Doubtful Debts & Advances	<b>30.00</b>	-
Printing & Stationery, Postage, Telephone and other and other Miscellaneous Expenses etc.	<b>744.88</b>	548.77
	<b><u>5,713.70</u></b>	<b><u>6,287.81</u></b>

26. Pursuant to the Scheme of Arrangement and Demerger transfer of authorized Capital of ₹ 4250 lacs divided into 50,00,000 preference share capital of ₹ 85/- each is pending for transfer from Florence Investech Limited to the Company as authorized capital divided into 4,25,00,000 unclassified shares of ₹ 10 each as per the Scheme.

27. Estimated amount of contracts net of advances amounting to ₹ 19.93 lacs (Previous year ₹ 1.85 lacs) remaining to be executed on capital account.

28. (A) Contingent liabilities, not provided for in respect of :

(i) Claims by certain parties against the company not accepted and not provided for ₹ 120.72 lacs (Net of ₹ 99.00 lacs indemnified by another party) (Previous Year ₹ 126.58 lacs (Net of ₹ 99.00 lacs indemnified by another party)).

(ii) Pending export obligation against import of capital goods under EPCG Scheme (Guarantee given ₹ 129.24 lacs): ₹ Nil (Previous year ₹ Nil).

(iii) Income Tax (matters in appeals) of ₹ 606.95 lacs (Previous year ₹ 581.30 lacs) & Sales tax (Matters in appeals) of ₹ 7.25 lacs (Previous year ₹ 6.90 lacs).

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.

(B) Company acted as a facilitator and has extended guarantees to Yes Bank Limited ₹ 2859.33 lacs (Previous year ₹ 3040.44 lacs) and ICICI Bank Ltd ₹ Nil lacs (Previous year ₹ 130.03 lacs) for loans provided to the farmers.

29. The Company has challenged the notice of the Income Tax assessing officer for reopening of the income tax assessment order for the year ended 31.03.2009 (Assessment year 2009-10), in High Court of Calcutta. Hon'ble High court of Calcutta vide its order dated 26.03.2015 has granted interim stay.

30. (a) In terms of disclosure requirements stated in Accounting Standard on Intangible Assets (AS-26) notified

by the Companies (Accounting Standards) Rules, 2006 the management considered it appropriate to amortize “J.K.SEEDS” brand over a period of 20 years (balance 6 years as on Balance Sheet date) 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 as on 31st March, 2016 is ₹ 810 lacs which is to be amortized in over the balance period of 6 years.

(b) Software is amortized over a period of 5 years from the year of installation.

31. Expenditure on Research and Development (R&D) activities during the year:

Particulars	₹ in lacs	
	2015-16	2014-15
<b>Recurring Expenses*</b>		
Employees Cost	507.08	479.53
Farming Expenses	470.29	424.14
Other Expenses	366.01	403.29
<b>Total Recurring Expenses</b>	<b>1343.38</b>	<b>1306.96</b>
<b>Capital Expenditure</b>	<b>0.19</b>	<b>41.73</b>
<b>Total R &amp; D Expenses (incl. Capital Expenditure)</b>	<b>1343.57</b>	<b>1348.69</b>

\* Included in respective accounts

32. Amount paid to Auditors:

	₹ in lacs	
	2015-16	2014-15
Audit Fee	2.75	1.50
Taxation	0.75	0.50
Certification & Other Charges	0.70	0.93
Reimbursement of expenses	0.13	0.14
	<b>4.33</b>	<b>3.07</b>

33. a) Debtors over six months are net of provision made for doubtful Debts of ₹ 131.19 lacs (Previous year ₹ 101.19 Lacs).

Overdue Receivables exceeding six months includes ₹ 2422.19 lacs from state governments (Including ₹ 1938.23 lacs from Rajasthan Government along with Security Deposit given amounting to ₹ 121.68 lacs included in the heading “Deposit with Government Authorities and other” in Note no.17 and where part payment been received). In view of the fact that the materials supplied having met all the quality specifications and accepted by the governments, these receivable are considered good and fully receivable.

b) Advance to suppliers are net of provision made for Doubtful advances of ₹ 40.53 lacs (Previous year ₹ 40.53 lacs).

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

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

b) The Company has filed a Writ Petition before the Hon'ble High Court of Calcutta seeking directions for acceptance of revised Income Tax returns by the Income Tax Department, (“the Department”) for the Financial years 2005-06 to 2010-11, which had been treated as Nonest by the department vide its Notice dated 17<sup>th</sup> February, 2014. The above revised returns were filed by the Company with the Department pursuant to the Scheme of Arrangement and Demerger (the Scheme) approved by Hon'ble High court of Calcutta on 17<sup>th</sup> October, 2012, giving impact of the Scheme from 1<sup>st</sup> April , 2005, during the financial year 2012-13.

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

Foreign Currency exposure unhedged net receivable ₹ 183.15 lacs – US \$ 276100 (Previous year ₹ 4.38 lacs – US \$ 7000) and net payable ₹ 0.50 lacs – US \$ 753 (Previous year ₹ 37.63 lacs – US \$ 60125)

36. 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 31.03.2016: Nil (Previous year: Nil) (ii) Payment made beyond the appointed day during the year: Nil (Previous Year: Nil) and (iii) Interest accrued and unpaid as at 31.03.2016: Nil (Previous year: Nil).

37. Production and Purchase of Seeds & Others Consumed:

	2015-16		2014-15	
	Amount (₹ in lacs)	% of total Consumption	Amount (₹ in lacs)	% of total Consumption
Indigenous	<b>7243.80</b>	<b>93.78</b>	8119.39	95.42
Imported	<b>480.80</b>	<b>6.22</b>	389.93	4.58
<b>Total</b>	<b>7724.60</b>	<b>100.00</b>	8509.32	100.00

An amount of ₹1.56 lacs (Previous year ₹1.69 lacs) included above is grouped under Farming Expenses.

38. Stores, Consumables, Packing Materials & Others consumed:

	2015-16		2014-15	
	Amount (₹ in lacs)	% of total Consumption	Amount (₹ in lacs)	% of total Consumption
Indigenous	<b>803.44</b>	<b>97.49</b>	838.57	99.06
Imported	<b>20.66</b>	<b>2.51</b>	7.96	0.94
<b>Total</b>	<b>824.10</b>	<b>100.00</b>	846.53	100.00

An amount of ₹ 97.57 lacs (Previous year ₹ 70.47 lacs) included above is grouped under Farming Expenses.

39. CIF Value of Imports

	₹ in lacs	
	2015-16	2014-15
Seeds	<b>450.22</b>	366.57
Consumables & Spare Parts (R & D)	<b>19.06</b>	7.53
<b>Total</b>	<b>469.28</b>	374.10

40. A. Expenditure in Foreign Currency (as remitted) :

Others	<b>8.63</b>	34.74
<b>Total</b>	<b>8.63</b>	34.74

B. Remittance in foreign Currency on account of Dividend for the year 2014-15 (Previous year 2013-14)

i. Number of Non-resident shareholders	<b>1</b>	1
ii. Number of Equity Shares held by them	<b>217749</b>	217749
iii. Amount of Dividend Remitted.	<b>6.53</b>	5.44

41. Earnings in Foreign Exchange

	₹ in lacs	
	2015-16	2014-15
F.O.B value of exports	831.14	319.78
Other	26.71	--
	<u>857.85</u>	<u>319.78</u>

42. 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 31<sup>st</sup> March, 2016.

(i)

	₹ in lacs			
	2015-16		2014-15	
	Gratuity Non Funded	Leave Encashment Non Funded	Gratuity Non Funded	Leave Encashment Non Funded
<b>I Expenses recognised in the Statement of Profit &amp; Loss Account for the Period ended 31<sup>st</sup> March, 2016</b>				
1 Current Service Cost	27.45	44.77	24.62	33.26
2 Past Service Cost	--	--	--	--
3 Interest Cost	10.96	9.22	8.79	7.79
4 Expected returns on plan assets	--	--	--	--
5 Actuarial (Gain)/Losses	4.75	(20.55)	6.30	(2.86)
6 Total expenses	43.16	33.44	39.71	38.19
<b>II Net Asset / (Liability) recognised in the Balance sheet as at 31<sup>st</sup> March, 2016</b>				
1 Present Value of Defined Benefit Obligation as at 31 <sup>st</sup> March, 2016	168.10	139.45	140.53	124.38
2 Fair Value of plan assets as at 31 <sup>st</sup> March, 2016	--	--	--	--
3 Funded status Surplus/(Deficit)	--	--	--	--
4 Net Asset / (liability) as at 31 <sup>st</sup> March, 2016	(168.10)	(139.45)	(140.53)	(124.38)
<b>III Change in obligation during the period ended 31<sup>st</sup> March, 2016</b>				
1 Present Value of Defined Benefit Obligation at the beginning of the year	140.53	124.38	112.92	100.15
2 Current Service Cost	27.45	44.77	24.62	33.26
3 Past Service Cost	--	--	--	--
4 Interest Cost	10.96	9.22	8.79	7.79
5 Actuarial (Gain)/Losses	4.75	(20.55)	6.30	(2.86)
6 Benefits Payments	(15.59)	(18.37)	(12.10)	(13.96)
7 Present Value of Defined Benefits Obligation at the end of the year	168.10	139.45	140.53	124.38
<b>IV Change in Assets during the period ended 31<sup>st</sup> March, 2016</b>	Nil	Nil	Nil	Nil
<b>V The major categories of plan assets as % of total plan</b>	Nil	Nil	Nil	Nil
<b>VI Actuarial Assumptions</b>				
1. Discount Rate	7.80%		7.78%	
2. Expected rate of return on plan assets	-		-	
3. Mortality	100% of IALM (2006-2008)		IALM (2006-2008)	
4. Turnover rate	Age upto 30-8%, upto 44 – 7%, above 44 –5.5%		Age upto 30-8%, upto 44 – 7%, above 44 –5.5%	
5. Salary Escalation	5.00%		5.00%	

Note:

a) Defined Benefit Plans

Amounts recognized as expense and included in the Note 23:

Item “Salaries, Wages, Allowance, etc” includes ₹ 43.16 lacs (Previous year ₹ 39.71 lacs) for gratuity ₹ 33.44 lacs (Previous year ₹ 38.19 lacs) for leave encashment.

b) Defined Contribution Plans

Amount recognized as an expense and included in the Note 23 “Contribution to Provident and other Funds” of Statement of Profit & Loss ₹ 116.64 lacs (Previous year ₹ 111.04 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) Experience Adjustment:

(₹ in Lacs)

Particulars	Gratuity				Leave Encashment			
	2015-16	2014-15	2013-14	2012-13	2015-16	2014-15	2013-14	2012-13
Present Value of Defined Value of Obligation	<b>168.10</b>	140.53	112.92	98.82	<b>139.45</b>	124.37	100.15	86.59
Fair Value of Planned Assets	-	-	-	-	-	-	-	-
Surplus / (Deficit)	<b>(168.10)</b>	(140.53)	(112.92)	(98.82)	<b>(139.45)</b>	(124.37)	(100.15)	(86.59)
Expected Adjustment of Plan Liabilities (Gain) / Loss	<b>5.03</b>	(0.10)	(1.52)	1.26	<b>(20.55)</b>	(10.88)	(9.89)	3.01
Expected Adjustment of Plan Assets (Gain)/ Loss	-	-	-	-	-	-	-	-

43. There is only one business segment – Agri & Allied products.

44. Related Party:

Relationships

Key Management Personnel : Shri Sanjay Kumar Gupta, President & Whole Time Director \$  
: Shri Amit Agarwal, Chief Financial Officer  
: Shri Anoop Singh Gusain, Company Secretary

Associates : Florence Investech Ltd (FIL)  
: Bengal & Assam Company Ltd (BACL)

Other Related parties where Directors are interested : Pushpawati Singhanian Research Institute (PSRI)

The following transactions were carried out with related parties in the ordinary course of business:

(₹ in lacs)

Nature of Transaction	2015-16	2014-15
Loans Received from BACL	<b>1000.00</b>	500.00
Loans Paid to BACL	<b>250.00</b>	--
Loans Repaid to FIL	--	500.00
Interest Paid to FIL	--	38.63
Interest Paid to BACL	<b>151.21</b>	13.64
Sharing of Expenses Received from FIL	--	2.19
Contribution to PSRI	<b>50.00</b>	--

Remuneration paid to Whole-time Director ₹ 144.76 lacs (Previous year ₹ 135.57 lacs). Remuneration paid to Chief Financial Officer ₹ 71.12 lacs (Previous year ₹ 65.27 lacs) & Company Secretary ₹ 9.05 lacs (Previous year ₹ 7.92 lacs)



\$ Appointed w.e.f. 23rd October 2013 for a period of three years in compliance with Schedule XIII, Part II, Section II, of the Companies Act, 1956 read with General Circular No. 07/2015, dated 10th April 2015.

#### 45. Earnings per Share

	<u>2015-16</u>	<u>2014-15</u>
a) Profit/(Loss) after Tax (₹ in lacs)	<b>801.74</b>	1221.87
b) Weighted average no. of Equity Shares (Nos.)	<b>3603906</b>	3603906
c) Nominal Value of Equity Share (₹)	<b>10</b>	10
d) Earnings per Equity Share (₹)		
- Cash	<b>36.33</b>	61.44
- Basic & Diluted	<b>22.25</b>	33.90

#### 46. 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.

#### 47. Leases

##### Operating Lease

Factory Premises and Vehicles have been obtained on lease. Lease rentals in case of factory premises on cancellable lease have escalation clause while there is no escalation 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.

	<u>As at</u> <u>31.3.2016</u>	<u>₹ in Lacs</u> <u>As at</u> <u>31.3.2015</u>
<b>Lease Payments</b>		
Lease Payments during the year	<b>146.99</b>	145.79
Not later than one year	<b>155.95</b>	145.34
Later than one year and not later than five years	<b>441.65</b>	558.30

48. CSR expenses amounting to ₹ 22.44 lacs (Previous Year ₹18.07 lacs) have been included in Miscellaneous Expenses under the head "Other Expenses" in note no. 25.

49. Previous year's figures have been re-grouped/re-classified/recast wherever necessary.

50. Figures less than ₹ 500/- has been shown at actuals in Bracket.

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 12<sup>th</sup> May, 2016

AMIT AGARWAL  
Chief Financial Officer

ANOOP SINGH GUSAIN  
Company Secretary

BHARAT HARI SINGHANIA  
DR. RAGHUPATI SINGHANIA  
SANJAY KUMAR KHAITAN  
SANJEEV KUMAR JHUNJHUNWALA  
SWATI SINGHANIA  
ABHIMANYU JHAVER  
J.R.C. BHANDARI  
SWAROOP CHAND SETHI  
VIKRAMPATI SINGHANIA  
SANJAY KUMAR GUPTA

Chairman  
Directors

**Cash Flow Statement** for the period ended 31st March, 2016

**(₹ In Lacs)**

	<b>2015-16</b>	<b>2014-15</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax and extraordinary items	<b>908.24</b>	1,719.09
Adjustment for :		
Depreciation / Amortisation	<b>400.94</b>	495.20
Interest Expenses	<b>1,105.96</b>	1,045.08
(Profit)/Loss on sale of Assets	<b>1.10</b>	2.86
Foreign Exchange Fluctuation	<b>1.64</b>	0.40
Interest Received	<b>(142.57)</b>	(25.93)
Provision for Doubtful Debts/Advances	<b>30.00</b>	-
Liabilities no longer required written back	<b>(90.66)</b>	(129.62)
<b>Operating Profit before working capital changes</b>	<b>2,214.65</b>	3,107.08
(Increase)/ Decrease in Trade and Other Receivables	<b>(1,040.73)</b>	(2,491.66)
(Increase)/ Decrease in Inventories	<b>(103.53)</b>	(304.26)
Increase/ (Decrease) in Trade Payables	<b>458.18</b>	(417.53)
<b>Cash generated from Operations</b>	<b>1,528.57</b>	(106.37)
Direct taxes Net	<b>(257.10)</b>	(350.34)
<b>Net Cash from Operating Activities</b>	<b>1,271.47</b>	(456.71)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	<b>(96.79)</b>	(124.87)
Sale of Fixed Assets	<b>27.60</b>	18.41
Interest Received	<b>130.62</b>	22.96
<b>Net Cash from /(used in) Investing activities</b>	<b>61.43</b>	(83.50)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term borrowings	<b>1,192.49</b>	1,850.00
Repayment of Long Term borrowings	<b>(1,135.72)</b>	(1,016.28)
Proceeds/(Repayments) from Short Term borrowings (Net)	<b>(18.88)</b>	(193.03)
Interest Paid	<b>(1,138.58)</b>	(1,000.29)
Dividend Paid (Including Dividend Distribution Tax)	<b>(130.13)</b>	(105.41)
<b>Net cash from / (Used in) financing activities</b>	<b>(1,230.82)</b>	(465.01)
<b>Net Increase /(Decrease) in Cash and Cash equivalents</b>	<b>102.08</b>	(1,005.22)
<b>Cash and Cash equivalents as at the beginning of the year</b>	<b>302.21</b>	1,307.43
<b>Cash and Cash equivalents as at the end of the year</b>	<b>404.29</b>	302.21

**Notes:**

1 Cash and Bank Balances Include:

- Cash, Cheques in hand and Remittances in transit	<b>7.09</b>	10.73
- Balances with Scheduled Banks including deposits#	<b>397.20</b>	291.48
<b>Cash and Bank Balances</b>	<b>404.29</b>	302.21

# Excludes earmarked balance in Unclaimed Dividend Account.

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 12<sup>th</sup> May, 2016

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