

JKAGL:SECTL:SE:2019

Date: 1<sup>st</sup> August 2019

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

Scrip Code: 536493

Through: BSE Listing Centre

Re: Intimation of 19<sup>th</sup> AGM, Book Closure and Cut-off Date for E-voting  
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Dear Sir,

(1) We have to inform you that the 19<sup>th</sup> Annual General Meeting (AGM) of the Company will be held on Tuesday, the 27<sup>th</sup> August 2019 at Shripati Singhanian Hall, Rotary Sadan, 94/2, Jawahar Lal Nehru Road (Chowringhee Road), Kolkata-700 020.

Pursuant to Regulation 42 of the Listing Regulations, Share Transfer Books of the Company will be closed from 21<sup>st</sup> August 2019 to 27<sup>th</sup> August 2019 (both days inclusive) for the purpose of AGM and payment of dividend. The dividend @ 15 % (Rs. 1.50 per equity share) on 36,03,906 fully paid Equity Shares of Rs. 10/- each of the Company for the Financial Year ended 31<sup>st</sup> March 2019, as recommended by the Board of Directors at its meeting held on 10<sup>th</sup> May 2019, if declared by the Members at the AGM will be credited/dispatched to the Members within three weeks of the aforesaid AGM.

(2) Further, pursuant to Regulation 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) read with Schedule III of the said Regulations, we submit herewith Annual Report for the Financial Year 2018-19 ended 31<sup>st</sup> March 2019 and the Notice convening the 19<sup>th</sup> AGM, forming part of Annual Report, being dispatched/sent to the Shareholders.

(3) The Company has fixed 20<sup>th</sup> August 2019 as the cut-off date for ascertaining the names of the Members, holding shares either in physical form or in dematerialised form, who will be entitled to cast their votes electronically in respect of the business to be transacted at the 19<sup>th</sup> AGM of the Company.

Thanking you,

Yours faithfully,  
For JK Agri Genetics Ltd.

  
Anoop Singh Gusain  
Company Secretary and  
Compliance Officer

Encl: a.a.

CC: - National Securities Depository Ltd. Mumbai  
- Central Depository Services (India) Ltd., Mumbai  
- Alankit Assignments Ltd., R & T Agents



# Annual Report

## 2018-19





## CONTENTS

Directors' Report and Management Discussion & Analysis ...	3-21
Corporate Governance Report .....	22-31
Auditors' Report .....	32-39
Balance Sheet and Statement of Profit & Loss .....	40-67
Cash Flow Statement .....	68
Notice .....	69-84

## **Board of Directors**

**Bharat Hari Singhania**  
Chairman

**Dr. Raghupati Singhania**

**Sanjay Kumar Khaitan**

**Sanjeev Kumar Jhunjunwala**

**Swati Singhania**

**Abhimanyu Jhaver**

**Ajay Srivastava**

**Amar Singh Mehta**

**Vikrampati Singhania**  
Managing Director

**Dr. Gyanendra Shukla**  
President & Director

### **Processing Plant**

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

### **Administrative Office**

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

### **Registered Office**

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

### **Auditors**

BGJC & Associates LLP  
Chartered Accountants

### **Bankers**

Axis Bank Limited  
IDFC Bank Limited  
Yes Bank Limited

### **Chief Financial Officer**

Appala Raju Narava

### **Company Secretary**

Anoop Singh Gusain

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

**CIN:** L01400WB2000PLC091286

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

## 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 2019.

### FINANCIAL RESULTS

	(₹ in Crore)
Sales & Other Income	191.55
Profit before Finance Cost & Depreciation (PBIDT)	17.60
Profit after Tax	4.98
Surplus brought forward	<u>42.92</u>
Surplus carried to Balance Sheet	<u>46.16</u>

### DIVIDEND

Your Directors are pleased to recommend a dividend of ₹ 1.50 per Equity Share of ₹10/- each (15%) for the Financial Year ended 31<sup>st</sup> March 2019. The Dividend outgo subject to approval at the ensuing Annual General Meeting will be ₹65.17 Lacs (inclusive of Dividend Distribution Tax of ₹11.11 Lacs).

### OPERATIONS:

During the year, the Company recorded a mixed performance where the field crop business continued to grow on the strength of its new launches in Paddy & Bajra Seeds which continue to get traction in the market in all the key areas. The Company is on track to launch new hybrids in Maize and Paddy which will be catering to segments where its presence was not significant. The Company has also been able to improve the realisations and deepen distribution reach in important markets. The field crop business has also seen the emergence of fodder portfolio where the Company has significantly grown the business and launched many new crops to broaden the portfolio. Exports of field crops have also started ramping up and the Company is very hopeful that it will be able to increase its share of exports.

The cotton business has been a mixed bag where the domestic business faced headwinds, but the export business continued to look up. Now, there are 3 countries where the Company's 'X' gene Bt. Cotton technology is commercialised. The cotton seeds scenario in the Country continues to face multiple challenges like poor sentiments, continuous droughts leading to poor yields. Factors like Pink bollworm

which is spreading unabated is increasing the cost of cultivation for the farmer. Un-authorised technologies like herbicide tolerant cotton is also spreading even though the rate of expansion has come down owing to the crack down by the Government. Government has increased the MSP of Cotton, but for a major part of the procurement season, the open market prices were below MSP. There has been a steep decline in the cotton production in the country in the year 2018-19 and this should lead to reduction in the inventory overhang and the prices may see an upsurge.

An uptick in prices and a good monsoon would help revive the industry and rekindle the interest of the farmer. The pricing of the GM Cotton hybrid seeds continues to suffer as Government continues to reduce prices year on year, putting pressure on the margins of the cotton seed business.

The headwinds continue to challenge the vegetable seeds industry. The poor realisation at the farm gate have roiled the farmers no end. The aggregators in the supply chain have suffered huge losses and as a result the Company is no longer willing to invest capital leading to the shrinkage in the overall market size of vegetable seeds as farmer moves to relatively safer crops like cereals. The Company is hoping that resumption of the border trade with neighbours and some necessary steps like imposition of anti-dumping duty on imports of tomato paste will help revive the sentiments which are at an all time low. The Company has launched two new hybrids in Okra which will strengthen its strong standing in the Okra Seed market. Exports of Vegetable Seeds continue to grow and the Company is optimistic about the future growth opportunities in the promising field.

The Company is hopeful that the oncoming season of 2019-20 should see a revival which will also help the company launch its new hybrids in a more conducive environment.

### RESEARCH AND DEVELOPMENT

R&D continues to be the driving force of the Company. While the primary focus of the teams have been the domestic market, however, the teams have also started working on hybrids suitable for similar agro climatic conditions beyond the Indian borders. The R&D has sharpened the focus on developing hybrids with tolerance to biotic stress. The teams continue



to focus on tomato, okra & chilli in vegetables crops and hybrid rice, bajra and cotton in field crops. To improve the probability of outcome in the shortest possible time, the Scientists have been using marker assisted breeding techniques across crops. The teams also work on production research to improve the cost effectiveness of multiplication. Before commercialisation of any crops, field trials are done across 11 multi-location trial centres for vegetable crops and 30 multi-location trial centres for field crop. This increases the probability of getting it right before commercial launch.

## INDUSTRY OVERVIEW

Indian agriculture has been a key contributor to India's growth story but has it really changed for the farmers of today? While agriculture's contribution to the country's GDP has come down over the years to only 14 per cent now, it continues to be one of biggest

employers. India may be the fastest growing large economy in the world, but there is a clear dichotomy of India's growth story. India produced a record food grain output of 285 Million tons, while horticulture production at 314.67 mt, has outstripped food grains production for the sixth straight year. However agriculture continues to be in the slow lane even when the rest of the economy is moving ahead at a much quicker pace. The difference is even more stark when prices are considered in tandem with output. The country's farm sector output may have grown by just 2.7 per cent year-on-year in October-December 2018, the lowest in 11 quarters. But what is more worrying is that growth in real terms (at constant prices, adjusted for inflation) is more than the growth in nominal terms (at current prices). In other words, farmers received lower market prices for agricultural commodities than prices paid for the purchase of inputs.

The sharp hike in minimum support prices (MSPs) last year was expected to lift rural income and revive the agriculture sector. However, the sector has remained in duress. The effectiveness of MSPs and government's price support schemes (PM-AASHA)

hinges on procurement, which unfortunately remains low. As a result, market prices are 10-20% lower than MSPs.

Despite the government's support mechanisms, whether it is greater impetus on irrigation, soil health cards, or Kisan call centres to help farmers with more information, agriculture activity continues to be influenced by weather conditions and farm produce realizations. Deficient northeast monsoon rains and dry conditions have led to reduction in cultivation this rabi season by 4%. This comes on the back of an already subdued performance in FY19, when deficient rains, weak demand and input cost pressures adversely impacted agri firms' earnings.

India's 263 million farmers wait for monsoon rains to plant crops such as rice, cane, corn, cotton and soybean because nearly half of the country's farmland lacks irrigation. Although monsoon rains in India are expected to be normal in 2019, there is a probability of El Nino this year, which could lead to delayed onset of monsoons and affect distribution.

Unless farm produce prices rise and realizations improve, the expected rural recovery is likely to remain elusive. A case in point is the MSP hike in the last crop (kharif) season. For all the positive impact, the MSP hike has brought limited relief. Procurement constraints, weak exports and lacklustre global agri-commodity prices rendered the MSP hike ineffective, which in turn affected our agri export, as prices are not competitive.

Attack of a new Pest "Fall Army Worm" on Maize has worsened the situation. Maize is one of the three crops of the minimum support price (MSP) regime that thousands of farmers have embraced. Now the vulnerability of maize has also been exposed with the FAW attack upsetting the precarious economy of small and marginal farmers.

It is also important to understand the demand-side dynamics by involving the end-user industries in planning agricultural production, crop portfolio and supportive policies. Moreover, innovation and technology can help support farmers to improve their crop yields and secure higher income levels, while helping them navigate worsening climate-related risks.

But Govt.'s policy stance dominated by food security further aggravates the situation even after we have become a net exporter of food grains. Higher production

### FARM SECTOR GROWTH (% YEAR-ON-YEAR)

QUARTER	2011-12 PRICES	CURRENT PRICES
Jan-Mar 2016	1.07	7.94
Apr-Jun 2016	4.6	14
Jul-Sep 2016	6.04	14.03
Oct-Dec 2016	6.82	10.1
Jan-Mar 2017	7.45	11.84
Apr-Jun 2017	4.16	2.78
Jul-Sep 2017	4.48	7.3
Oct-Dec 2017	4.58	9.12
Jan-Mar 2018	6.53	7.74
Apr-Jun 2018	5.07	6.83
Jul-Sep 2018	4.15	3.37
Oct-Dec 2018	2.67	2.04

*Note: Farm sector includes agriculture, forestry & fishing  
Source: Central Statistics Office*

could mean farmers continue to get hit by low crop prices, a major cause for concern in rural India in the past two years. It is high time that farmers' income become the central policy theme, as rightly taken up by the government. The income support scheme under PM-KISAN is a good beginning. Although it was introduced in the interim budget, already 50% of the amount earmarked for this year has been distributed. So this policy, either in this form or some other will most probably continue. This will help to achieve agri-GDP growth at 4-5% on a sustainable basis. At the same time, it is also essential to push exports more aggressively to avoid a supply glut in the domestic market.

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

### **Opportunities**

Emergence of contract farming led by organised retail, and also helped by the proliferation of a large number of start-ups is improving the supply chain network between the farmers and retailers, and has the potential to significantly impact India's agriculture in the medium to long term. The constant increase in MSP will enable the farmer gets assured remunerative price for his produce, encouraging him to increase planting and production.

Improvement in the health of the general economy and increased income levels are also changing the food preferences leading to growth of consumption of agricultural produce. Increasing affluence has a positive impact on the consumption of vegetables. The government's push for value addition in agriculture by giving incentives to promote down-stream food processing has also positively contributed to the consumption of agricultural output.

We are very hopeful that the above mentioned factors will help in the growth of seed Industry.

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

Vagaries of monsoon including lower precipitation, uneven distribution continue to have impact on the Agriculture.

With the rainfall faltering year on year the government has realised the importance of irrigation projects and some large development under the Accelerated Irrigated Benefits Programme (AIBP) have taken place. In fact there has been significant progress in expediting completion of unfinished projects in the last 2-3 years, with coverage area on an annual basis more

than doubling. But still the unpredictability of monsoon will remain, especially so because of prevailing El Nino conditions this year. In 3 out of the past 10 years, monsoon has been lower by 12-20% in the El Nino years.

The government's emphasis on increasing the MSPs will also have an impact on the procurement of the seeds, by way of increasing the procurement costs.

Emergence of new diseases and pests can potentially harm the farming community. An example may be Fall Army Worm which is on its way to becoming a menace in some crops. It is times like this when the lack of new technologies is felt the most.

All the above factors pose a challenge to the sustainable and healthy growth of the industry.

## **HUMAN RESOURCE DEVELOPMENT**

The role of HR has changed over the years. More than ever it operates in partnership with senior management across all functions. It has a key role in strategic development of the goals of the Company and helps its teams to build capabilities to deliver. The success of HR Strategy will depend on our ability to retain, motivate, develop and continue to attract employees with the skills and experience to help the Company master challenges and make the most of opportunities. Investing in employees remains of paramount importance.

The Company has been working with internal and external faculty including exposing people across segments to training programmes at leading institutions like Indian Institutes of Management (IIMs) at Lucknow, Kozhikode, Bengaluru, etc. The team also closely works with internal mentors and has been participating in quality initiatives.

Various performance parameters like TNS survey, Great Place to Work have always helped to add value and identify scope of improvement.

Increase in the TNS survey score from 81 to 89 with 98% of employee participation has proven that the Employee Engagement levels have increased continuously.

Great Place to Work survey Trust Index scores had indicated a positive move from 69 to 75 showcasing an increase in the employee satisfaction levels.

With an objective to motivate employees, improve the Performance levels and help the Organization to



achieve and exceed the budgeted financial and Non – financial parameters, Agri Business Performance Incentive Plan (ABPIP) had been introduced for all the employees across all departments and levels.

UDAAN (An Inter-Company Competition) has showcased high spirit & involvement of the employees in the conceptualization and implementation of the new innovative initiatives for the improvement of the business operations & processes.

Various teams have also been involved in CSR activities undertaken by the Company like farmer education, creating livelihood opportunities and promoting girl child education in Rural India.

The HR team aims at building capabilities across the organisation to achieve a sustainable growth agenda. The Company continues to work towards providing an encouraging work culture where performance and innovation are encouraged and recognised.

#### KEY CHANGES IN FINANCIAL INDICATORS

No.	Particular	Units	As at 31.03.2019	As at 31.03.2018
1	Debtors Turnover	Times	1.98	2.04
2	Inventory Turnover	Times	1.53	1.37
3	Interest Coverage Ratio	Times	1.85	3.38
4	Current Ratio	Times	1.36	1.21
5	Debt Equity Ratio	Times	0.62	0.54
6	Operating Profit Margin	%	9.35%	13.63%
7	Net Profit Margin	%	2.91%	8.15%
8	Return on Network	%	5.56%	13.88%

#### INTERNAL CONTROL SYSTEMS

The Company has in place Internal Control Systems commensurate with the nature of its business, size and complexity of its operations. These systems are regularly tested for their effectiveness by Statutory as well as Internal Auditor. The Internal Auditor reviews on regular basis to check its adequacy and also to verify all statutory compliances. Based on the Internal Audit Programme approved by the Audit Committee of the Board, the Internal Auditor carry out regular internal audits covering all offices, factory and key areas of business. Reports of the Internal Auditor are placed before the Audit Committee on quarterly basis for review. There are adequate checks & balances in

place, wherein deviation from the systems laid-out are clearly identified and corrective actions are taken in the respective areas, wherever required.

#### INTERNAL FINANCIAL CONTROLS

The Company has laid down Internal Financial Controls Systems, Policies and Procedures with reference to Financial Statements. The systems, policies and procedures are reviewed from time to time and are updated. These are designed to ensure adherence to the Company's policies, safeguarding of its assets & interests, prevention & detection of frauds & errors, accuracy & completeness of financial records and proper conduct of business of the Company. The Company also has a robust management Information System which not only facilitates speedy business decisions but also helps in timely preparation and sharing of reliable financial information across various levels in the Company. No material reportable weakness was observed in the system during the previous financial year.

#### EXTRACT OF ANNUAL RETURN

The extract of the Annual Return as on 31<sup>st</sup> March 2019 in the prescribed Form MGT-9 is attached as **Annexure - 1** to this report and forms part of it.

#### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of loans given, guarantees or securities provided and investments made as required under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to Financial Statements.

#### RELATED PARTY TRANSACTIONS

During the Financial Year ended 31<sup>st</sup> March 2019, 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.

## **COST RECORDS**

Maintenance of cost records, as specified by the Central Government under sub-section (1) of section 148 of the Companies Act 2013, is not required by the Company.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Dr. Raghupati Singhania, Director of the Company retires by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting (AGM). The Board recommend his re-appointment.

The first term of office of Shri Sanjay Kumar Khaitan and Shri Sanjeev Kumar Jhunjunwala as Independent Directors of the Company shall determine on 5<sup>th</sup> September 2019. Similarly, the first term of office of Shri Abhimanyu Jhaver as Independent Director of the Company shall determine on 24<sup>th</sup> March 2020. They are eligible for re-appointment as Independent Directors of the Company for a second term of upto five consecutive years. The Board of Directors have recommended for the approval of the Members through Special Resolution at the ensuing AGM re-appointments of Shri Sanjay Kumar Khaitan, Shri Sanjeev Kumar Jhunjunwala and Shri Abhimanyu Jhaver as Independent Directors of the Company for a second term as mentioned in the Notice of ensuing AGM.

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 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the year, Shri Amit Agarwal ceased to be Chief Financial Officer (Key Managerial Personnel) of the Company w.e.f. 3<sup>rd</sup> January 2019. The Board of Directors at its meeting held on 30<sup>th</sup> January 2019 appointed Shri Appala Raju Narava, General Manager (Finance and Accounts) of the Company as Chief Financial Officer (KMP) of the Company w.e.f. 30<sup>th</sup> January 2019.

Shri S.K. Gupta, President & Director has resigned from the Board w.e.f. 22<sup>nd</sup> May 2019. Shri Gupta was also member of Corporate Social Responsibility Committee and Audit Committee of Directors.

Further, the Board of Directors of the Company on recommendation of the Nomination and Remuneration Committee appointed Dr. Gyanendra Shukla as Additional Director of the Company w.e.f. 23<sup>rd</sup> May

2019 pursuant to Section 161 of the Companies Act, 2013 (Act), and he shall hold office as Director up to the date of the ensuing AGM. The Board also appointed him as Whole-time Director of the Company with the designation 'President & Director' for a term of three years commencing 23<sup>rd</sup> May 2019, subject to requisite approval of Members of the Company at the ensuing AGM. The Company has received requisite Notice under Section 160 of the Act from a Member proposing his name for appointment as Director at the ensuing AGM. The Board recommends his appointment.

There were no other changes in the Directors/ Key Managerial Personnel of the Company, during the period under review.

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

The details as required under Section 134(3)(m) read with the Companies (Accounts) Rules, 2014 are 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 BGJC & Associates LLP, Chartered Accountants (ICAI Firm Registration Number- 003304N), were appointed as Statutory Auditors of the Company for a term of two consecutive years to hold office from conclusion of the 17<sup>th</sup> AGM till the conclusion of the 19<sup>th</sup> AGM to be held in the year 2019. Accordingly, the term of office of said Auditors shall expire at the conclusion of the ensuing AGM. The Board of Directors of the Company have recommended re-appointment of M/s BGJC & Associates LLP, Chartered Accountants as the Statutory Auditors of the Company for second term of five consecutive years, commencing from the conclusion of 19<sup>th</sup> AGM till the conclusion of 24<sup>th</sup> AGM. Requisite Resolution regarding their re-appointment is included in the Notice of ensuing AGM for approval by the Members.

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 Namo Narain Agarwal, Company Secretary in

Practice as Secretarial Auditor to carry out Secretarial Audit of the Company for the Financial Year 2018-19.

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 qualifications, reservations or adverse remarks.

### **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 (Act) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed to this Report as **Annexure - 4**. Further, Particulars of Employees pursuant to Rule 5(2) & (3) of the above Rules forms part of this Report. However, in terms of provisions of Section 136 of the 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. The said information is available for inspection at the Registered Office of the Company during business hours on working days of the Company up to the ensuing AGM. Any member interested in obtaining such particulars may write to the Company Secretary.

### **CORPORATE SOCIAL RESPONSIBILITY**

Your Company believes in the process of giving back to the society and aims to contribute to sustainable growth of the society at large. Besides undertaking projects for overall development and welfare of the society, your Company has been working closely with the farming community in areas of imparting agricultural knowledge, promoting preventive healthcare, skill 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 at [www.jkagri.com](http://www.jkagri.com)

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**

### **CHANGE IN THE NATURE OF BUSINESS**

During the Financial Year under review, there was no change in the nature of business

### **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 could impact the going concern status of the Company and its future operations.

### **COMPLIANCE OF SECRETARIAL STANDARDS**

Based on the Secretarial Audit Report of the Secretarial Auditors, the Company has duly complied with the applicable Secretarial Standards on Meetings of Board of Directors and General Meetings issued by the Institute of Company Secretaries of India.

### **CORPORATE GOVERNANCE**

Your Company reaffirms its commitment to best 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 Report. The Corporate Governance Report also covers the following:

- (a) Particulars of the four Board Meetings held during the financial year under review.
- (b) Salient features of the Nomination and Remuneration Policy, including changes therein.
- (c) The manner in which formal annual evaluation of the performance of the Board of Directors, of its Committees and of individual Directors has been made.
- (d) The details with respect to Composition of Audit Committee and establishment of Vigil Mechanism.
- (e) Details regarding Risk Management.
- (f) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

### **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 of Directors

Date: 23<sup>rd</sup> May 2019

Place: 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 2019

*[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/  
Non-Government Company
- (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.jkagri.com
- (vi) Whether Listed Company (Yes / No) : Yes (Listed on BSE Ltd.)
- (vii) Name, Address and Contact Details of Registrar and Transfer Agent : Alankit Assignments Ltd.  
Alankit Heights, 3E/7,  
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 Break-up 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 1 <sup>st</sup> April 2018)				No. of Shares held at the end of the year (as on 31 <sup>st</sup> March 2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters**									
(1) Indian									
a) Individual/ HUF	45161	-	45161	1.25	45161	-	45161	1.25	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	2311819	-	2311819	64.15	2311819	-	2311819	64.15	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)	2356980	-	2356980	65.40	2356980	-	2356980	65.40	-
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any others	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)**=(A)(1)+(A)(2)	2356980	-	2356980	65.40	2356980	-	2356980	65.40	-

\*\*The total shareholding of Promoters at (A) above includes 1557447 Equity Shares (43.21%) as on 1<sup>st</sup> April 2018 and also as on 31<sup>st</sup> March 2019, 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 1 <sup>st</sup> April 2018)				No. of Shares held at the end of the year (as on 31 <sup>st</sup> March 2019)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Share holding										
1. Institutions										
a)	Mutual Funds/UTI	207	36	243	0.01	207	36	243	0.01	-
b)	Banks/FI	88	180	268	0.01	88	180	268	0.01	-
c)	Central Govt.	9	-	9	-	9	-	9	-	-
d)	State Govt.(s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	15	15	30	0.00	15	15	30	0.00	-
g)	FIs	-	-	-	-	-	-	-	-	-
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1)	319	231	550	0.02	319	231	550	0.02	-
2. Non-Institutions										
a)	Bodies Corp.									
	i) Indian	312549	326	312875	8.68	303377	323	303700	8.42	-0.26
	ii) Overseas	217749	-	217749	6.04	217749	-	217749	6.04	-
b)	Individuals									
	i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	477994	24969	502963	13.96	486525	22025	508550	14.11	0.15
	ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	185678	-	185678	5.15	172517	-	172517	4.79	-0.36
c)	Others (specify)									
	(i) NRI	26846	139	26985	0.75	43721	139	43860	1.22	0.47
	(ii) Trust	126	-	126	0.00	-	-	-	-	-
	Sub-Total (B)(2)	1220942	25434	1246376	34.58	1223889	22487	1246376	34.58	-
	Total Public shareholding (B)= (B)(1)+(B)(2)	1221261	25665	1246926	34.60	1224208	22718	1246926	34.60	-
	C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	3578241	25665	3603906	100.00	3581188	22718	3603906	100.00	-

**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 1 <sup>st</sup> April 2018)			Shareholding at the end of the year (as on 31 <sup>st</sup> March 2019)			% 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):**

Sl. No.	Top 10 Shareholders*	Shareholding at the beginning of the year 1 <sup>st</sup> April 2018		Cumulative Shareholding at the end of the year 31 <sup>st</sup> March 2019	
		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 ^	115615	3.21	115615	3.21
4	Alchemist Holdings Ltd. ^	104528	2.90	104528	2.90
5	Alchemist Capital Ltd. ^	105000	2.91	100999	2.80
6	Rahul Bhandare@	5000	0.14	21000	0.58
7	Ultima Finvest Ltd.^	18367	0.51	18367	0.51
8	Nirmal Bang Securities Pvt. Ltd. @	139	0.01	14285	0.40
9	Namita Bhandare@	4650	0.13	14000	0.39
10	Krishnagopal Motilal Chandak.^	13500	0.37	13500	0.37
11	Preeti Krishna gopal Chandak**	17958	0.50	4558	0.13
12	Mohan Gupta**	15000	0.72	735	0.02
13	Mentor Capital Ltd. **	13257	0.37	NIL	NIL

\* 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 2018 and 31<sup>st</sup> March 2019.

@ Top Ten Shareholders only as on 31<sup>st</sup> March 2019.

\*\* Top Ten Shareholders only as on 1<sup>st</sup> April 2018.

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

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year 1 <sup>st</sup> April 2018		Cumulative Shareholding at the end of the year 31 <sup>st</sup> March 2019	
		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 Vikrampati Singhania, Managing Director	4119	0.11	4119	0.11

*Note: Shri Sanjay Kumar Khaitan, Shri Sanjeev Kumar Jhunjhunwala, Smt. Swati Singhania, Shri Abhimanyu Jhaver, Shri Ajay Srivastava and Shri Amar Singh Mehta, Directors of the Company; Shri Sanjay Kumar Gupta, President & Director; Shri Amit Agarwal (ceased to be Chief Financial Officer w.e.f. 3<sup>rd</sup> January 2019), Shri Appala Raju Narava, General Manager (F&A) (appointed as Chief Financial Officer w.e.f. 30<sup>th</sup> January 2019) 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 2018/ date of appointment and at the end of the year i.e. as on 31<sup>st</sup> March 2019/ Date of Cessation. 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	4402.83	294.72	-	4697.55
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	25.10	4.41	-	29.51
<b>Total (i+ii+iii)</b>	<b>4427.93</b>	<b>299.13</b>	<b>-</b>	<b>4727.06</b>
<b>Change in indebtedness during the financial year</b>				
• Addition	936.57	-	-	936.57
• Reduction	-	74.77	-	74.77
<b>Net Change</b>	<b>936.57</b>	<b>(74.77)</b>	<b>-</b>	<b>861.80</b>
<b>Indebtedness at the end of the financial year</b>				
(i) Principal Amount	5343.92	221.04	-	5564.96
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	20.58	3.31	-	23.89
<b>Total (i+ii+iii)</b>	<b>5364.50</b>	<b>224.35</b>	<b>-</b>	<b>5588.85</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 Managing Director Sh. Vikrampati Singhania*	Name of Whole-time Director Sh. S.K. Gupta	Total Amount (₹ In Lacs)
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	178.60	178.60
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	Nil	1.44	1.44
2	Others (mainly contribution to Provident Fund)	Nil	10.62	10.62
<b>Total (A)</b>		Nil	190.66	190.66
Ceiling as per the Act		In compliance with Section 196, 197, 198 read with Schedule V of the Companies Act, 2013		

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

\* Shri Vikrampati Singhania who has been Managing Director of J.K. Fenner (India) Ltd., was appointed as Managing Director of the Company w.e.f., 7<sup>th</sup> May 2018. Shri Singhania has opted not to draw any remuneration from the Company as it does not have adequate profits for Financial Year 2018-19.

### B. Remuneration to other Directors:

Sl. No.	Particulars of Remuneration^	Name of Directors					Total Amount (₹ In Lacs)
1	Independent Directors	Sh. Sanjeev Kumar Jhunjunwala	Sh. Sanjay Kumar Khaitan	Sh. Abhimanyu Jhaver	Sh. Ajay Srivastava	Sh. Amar Singh Mehta	
	Fee for attending Board/ Committee Meetings	2.00	1.00	0.60	0.90	3.30	7.80
	Total (1)	2.00	1.00	0.60	0.90	3.30	7.80
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	1.40	1.80	0.33	1.20		4.73
	Total (2)	1.40	1.80	0.33	1.20		4.73
Total (B)=(1+2)							12.53
Total Managerial Remuneration (A+B)							203.19
Overall Ceiling as per the Act		In compliance with Section 196, 197, 198 read with Schedule V of the Companies Act, 2013					

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

\* Shri Vikrampati Singhania appointed as Managing Director of the Company w.e.f., 7<sup>th</sup> May 2018. Sitting Fees paid to Shri Singhania is in respect of period from 01-04-2018 to 07-05-2018.



**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*	Shri Appala Raju Narava Chief Financial Officer*	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	13.04	77.12	9.25	99.41
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.62	0.27	0.28	1.17
2	Others (mainly contribution to Provident Fund)	0.58	2.72	0.34	3.64
	<b>Total</b>	<b>14.24</b>	<b>80.11</b>	<b>9.87</b>	<b>104.22</b>

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

\* Shri Amit Agarwal was Chief Financial Officer of the Company upto 3<sup>rd</sup> January 2019. Shri Appala Raju Narava appointed as Chief Financial Officer of the Company w.e.f. 30<sup>th</sup> January 2019.

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

There were no penalties, punishment or compounding of offences during the year ended 31<sup>st</sup> March 2019.

On behalf of the Board of Directors

Date : 23<sup>rd</sup> May 2019  
Place : New Delhi

Bharat Hari Singhania  
Chairman

## 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: Nil
- (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:
  - We have commercially launched new okra hybrid tolerant to YVMV and ELCV tolerance to meet the present high demand market requirement.
  - Joined the Bitter Gourds consortium at AVRDC last year and as a result we are able to identify market potential new hybrid which will go for MLT testing this year.
  - We have identified hybrids in chilli which is ChiLCV tolerant to meet the thrust area of commercial chilli cultivation.
  - Working on acquiring new maize lines from Suwan Farm, KU, Thailand.
  - Working on acquiring new Rice germplasm of Non-HRDC from IRRI with biotic and abiotic stresses along with marker data.
  - Started implementing software for breeding and data management of R&D and Product Development.
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution;
  - New product development will enhance revenue growth and import substitution.
- (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 ₹ 9.71 Lacs and recurring expenditure was ₹ 1360.16 Lacs.

#### FOREIGN EXCHANGE EARNINGS AND OUTGO

₹ In Lacs

Description	2018-19
Foreign Exchange Earnings	1326.56
Foreign Exchange Outgo	234.56

On behalf of the Board of Directors

Date : 23<sup>rd</sup> May 2019  
Place : New Delhi

Bharat Hari Singhania  
Chairman

## ANNEXURE - 3 TO DIRECTORS' REPORT

### SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2019

*[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'). 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 2019** (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 2019 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 and 2018;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014- (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 and 2018 - (Not applicable to the Company during the Audit Period); and
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosures) Regulations, 2015.
- (vi) Management has identified and confirmed the following laws as being specifically applicable to the company and complied with:-
  1. Andhra Pradesh (Agricultural Produce and Livestock) Markets Act, 1966
  2. Seed Act, 1966, Seed Rules, 1968 & Seed (Control) Order, 1983
  3. The Protection of Plant Varieties & Farmers' Rights Act, 2001

I have also examined compliance with the Secretarial Standard 1 and Secretarial Standard 2 issued by the Institute of Company Secretaries of India.

During the period under review, the Company has generally 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 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.

This report is to be read alongwith the following-

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. Wherever 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 2019

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 for the financial year 2018-19 ended 31<sup>st</sup> March 2019:**

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, 0.34; Dr. Raghupati Singhania, 0.44; Shri S.K. Khaitan, 0.24; Shri S.K. Jhunjhunwala, 0.49; Smt. Swati Singhania, 0.29; Shri Abhimanyu Jhaver, 0.15; Shri Ajay Srivastava, 0.22; and Shri A.S. Mehta, 0.80 (b) Executive Directors: Shri Vikrampati Singhania\* and Shri Sanjay Kumar Gupta, 46.50.

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, -33.33%; Dr. Raghupati Singhania, -5.26%; Shri S.K. Khaitan, 42.86%; Shri S.K. Jhunjhunwala, -16.67%; Smt. Swati Singhania, 0.00%; Shri Abhimanyu Jhaver, -40.00%; Shri Ajay Srivastava, 28.57%; Shri A.S. Mehta, 900.00% (appointed as Director w.e.f. 6th February 2018); Shri Vikrampati Singhania\*; Shri Sanjay Kumar Gupta, President & Director, 11.92%; Shri Anoop Singh Gusain, Company Secretary, 11.95%; Shri Appala Raju Narava#

The percentage increase in the median remuneration of employees -9.00%. The number of permanent employees on the rolls of Company - 415.

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 8.75%. While, there was an increase of 11.92% in the managerial remuneration during the current financial year.

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

\* Shri Vikrampati Singhania was appointed as Managing Director of the Company w.e.f. 7<sup>th</sup> May 2018 (sitting fees paid to Shri Singhania is in respect of period from 1/4/2018 to 7/5/2018).

# Shri Appala Raju Narava, General Manager (Finance & Accounts) was appointed as Chief Financial Officer of the Company w.e.f. 30<sup>th</sup> January 2019.

Note: Where the remuneration of Directors/KMPs is only for part of the year, the ratio of their remuneration to median remuneration of the employees and percentage increase in remuneration is not comparable and hence, not stated.

On behalf of the Board of Directors

Date : 23<sup>rd</sup> May 2019

Place : New Delhi

Bharat Hari Singhania

Chairman

## **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 2019**

**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://jkagri.com/financials/CSRPolyContents.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 Jhunjunwala, Independent Director
- Shri Sanjay Kumar Gupta, Non-Independent Director

## 3. Average Net Profit of the Company for last three financial years: ₹1372.87 Lacs

## 4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹27.46 Lacs

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

a. Total amount to be spent for financial year : ₹ 27.50 Lacs

b. Amount unspent, if any : Nil

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

SI 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, Eye Camp and consultancy	Cl.(i) Promoting health care including preventive health care	Rajasthan-Bharatpur, Hanumangarh, Haryana-Hisar, Sirsa, Fatehabad Punjab-Bathinda	5.00	4.93	12.91	Directly
2	Conducting farmer training programmes in villages to bring awareness on the best agrarian and farming practices which leads 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.	Andhra Pradesh-East Godavari, Guntur Bihar-Patna, Purnia, Samastipur Chhattisgarh- Kanker, Surguja Gujrat-Rajkot, Tapi, Vadodra, Karnataka-Belgaum, Mysore, Madhya Pradesh-Barwani, Khandwa Maharashtra-Thane,Jalgaon, Nagpur Telangana-Adilabad, Karimnagar Uttar Pradesh-Bharatpur, Ghazipur Himachal Pradesh-Manali, Mandi, Odisha-Bargarh, Bolangir, Cuttack Rajasthan-Bhilwara, Chittorgarh, Pali	13.50	13.51	81.73	Directly
3	Scholarship to needy and deserving students, providing infrastructure to the schools etc.		Bihar- Saran, Haryana- Yamunanagar, Kurukshetra, Ambala, Punjab-Bathinda, Himachal Pradesh- Shimla, Chhattisgarh-Kanker, Mahasamund, Korea	9.00	9.06	28.62	Directly
<b>Total</b>				<b>27.50</b>	<b>27.50</b>	<b>123.26*</b>	

\* The above mentioned cumulative total includes only the above mentioned projects. There were additional projects which are not included in total.

## 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: Not Applicable

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

Date: 10<sup>th</sup> May 2019

S.K. Gupta  
President & Director

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 on 31<sup>st</sup> March 2019, the Board of Directors of the Company consists of Ten Directors comprising of two Executive Directors (ED) and eight Non-executive Directors (NED) out of which five are Independent Directors (IND). Four Board Meetings were held during the Financial Year 2018-19 ended 31<sup>st</sup> March 2019 i.e., on 7<sup>th</sup> May 2018, 7<sup>th</sup> August 2018, 15<sup>th</sup> October 2018 and 30<sup>th</sup> January 2019. Attendance and other details as on 31<sup>st</sup> March 2019 of the Directors are given below:

Name of the Director	DIN	Category	Number of Board Meetings Attended	Whether last AGM attended	No. of other Directorships and Committee Memberships/ Chairmanships held in other Companies		
					Director-ships \$	Committee Memberships ^	Committee Chairmanships ^
Shri Bharat Hari Singhania, Chairman	00041156	NED	3	No	4	1	-
Dr. Raghupati Singhania	00036129	NED	4	Yes	8	4	2
Shri S.K. Khaitan*	00156816	IND	2	Yes	1	1	-
Shri S.K. Jhunjhunwala*	00177747	IND	3	No	2	2	-
Smt. Swati Singhania	00095409	NED	4	No	-	-	-
Shri Abhimanyu Jhaver*	02330095	IND	2	No	-	-	-
Shri Ajay Srivastava*	00049912	IND	3	No	-	-	-
Shri A.S. Mehta*	00030694	IND	4	Yes	4	4	-
Shri Vikrampati Singhania, Managing Director®	00040659	Executive	4	Yes	2	-	-
Shri S.K. Gupta President & Director	01797850	Executive	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).

@ Shri Vikrampati Singhania was appointed as Managing Director of the Company w.e.f. 7<sup>th</sup> May 2018.

\$ 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.

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

**Names of the Listed Companies where Directors of the Company are Directors and their category of Directorship (as on 31<sup>st</sup> March 2019)**

SI No.	Name of Director	Name of the Listed Company	Category of Directorship
1.	Shri Bharat Hari Singhania	JK Lakshmi Cement Ltd.	Executive
		JK Agri Genetics Ltd.	Non-Executive
		JK Paper Ltd.	Non-Executive
		Bengal & Assam Company Ltd.	Non-Executive
		JK Tyre & Industries Ltd.	Executive
2.	Dr. Raghupati Singhania	JK Tyre & Industries Ltd.	Executive
		JK Lakshmi Cement Ltd.	Non-Executive
		Bengal & Assam Company Ltd.	Non-Executive
		JK Agri Genetics Ltd.	Non-Executive
		DCM Ltd.	Independent
3.	Shri S.K. Khaitan	Radico Khaitan Ltd.	Independent
		Bengal & Assam Company Ltd.	Independent
4.	Shri S.K. Jhunjhunwala	JK Agri Genetics Ltd.	Independent
		Bengal & Assam Company Ltd.	Independent
5.	Shri A.S. Mehta	JK Agri Genetics Ltd.	Independent
		Florence Investech Ltd.	Independent
		JK Paper Ltd.	Executive

Note: Other Directors do not hold any directorship in any other listed company.

The Board confirms that in its opinion, all the Independent Directors fulfill the conditions specified in Listing Regulations and are independent of the management of the Company.

The Board has identified the following as core skills/expertise/competencies required in the context of the Company's business and sector for it to function effectively-

(i) financial and accounting knowledge; (ii) strategic expertise; (iii) risk governance; (iv) legal & corporate governance expertise; (v) technology/ knowledge pertaining to agri industry; (vi) commercial experience; (vii) community service, sustainability and corporate social responsibility and (viii) quality and safety

experience.

All these skills/expertise/competencies are available with the Board of Directors of the Company.

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. With a view to foster an improved compliance reporting and monitoring in the Company, the Company implemented a web based legal compliance tool called "Compliance Manager" developed by Ernst & Young (EY), which is working effectively. Further, legal risks are monitored and mitigated through regular review of changes in the regulatory framework. 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. 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, Whole time 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. None of the other Directors are related to each other within the meaning of the Companies Act 2013.

The number of Equity Shares of ₹10/- each (i.e. Shares) held by the Non-executive Directors as on 31<sup>st</sup> March 2019 are: Shri Bharat Hari Singhania – 11,272 Shares and Dr. Raghupati Singhania – 3,744 Shares. Smt. Swati Singhania, Shri Abhimanyu Jhaver, Shri Ajay Srivastava, Shri S.K. Khaitan, Shri S.K. Jhunjhunwala and Shri Amar Singh Mehta do not hold any Shares in the Company. 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 30<sup>th</sup> January 2019. Shri Sanjeev Kumar Jhunjhunwala was unanimously elected as Chairman of the meeting and two other 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://jkagri.com/financials/FPID.pdf>

### **5. PERFORMANCE EVALUATION**

As required, the Nomination and Remuneration Committee of Directors specified the manner for

effective evaluation of performance of the Board, its Committees and individual Directors in accordance with the provisions of the Companies Act, 2013 and the Listing Regulations.

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 Act 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 the Board as a whole and performance of Chairman were evaluated, taking into account the views of Executives and Non-executive Directors 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 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, out of which three are Independent Directors and one is Executive Director. Four meetings of the Audit Committee were held during the financial year ended 31<sup>st</sup> March 2019.

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

Date of Meetings	Number of Members attended
7 <sup>th</sup> May 2018	3
7 <sup>th</sup> August 2018	3
15 <sup>th</sup> October 2018	3
30 <sup>th</sup> January 2019	3

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

Name	Status	No. of Meetings attended
Shri S.K. Khaitan	Chairman	1
Shri S.K. Jhunjhunwala	Member	3
Shri S.K. Gupta	Member	4
Shri A.S. Mehta	Member	4

The Audit Committee Meetings were attended by the Chief Financial Officer, Internal Auditor, Company Secretary and the Statutory Auditor. 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, out of which two are Non-Executive Directors and one is Executive Director. 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 2018	2
7 <sup>th</sup> August 2018	3
15 <sup>th</sup> October 2018	2
30 <sup>th</sup> January 2019	2

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

Name	Status	No. of Meetings attended
Shri A.S. Mehta	Chairman	4
Shri S.K. Khaitan	Member	1
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 2019, the Company has received one complaint from the shareholder and the same has been resolved to the satisfaction of shareholder. Also, there are no complaints pending in respect of previous period.

The Board has delegated the power of transfer of Shares and related matters to a '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 2019, 19 meetings of 'Share Transfer Committee' were held.

#### 8. NOMINATION AND REMUNERATION COMMITTEE:

The Company has a Nomination and Remuneration Committee comprising of three Directors, all being 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> May 2018	2
30 <sup>th</sup> January 2019	3

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

Name	Status	No. of Meetings attended
Shri S.K. Jhunjhunwala	Chairman	2
Shri S.K. Khaitan	Member	NIL
Shri Vikrampati Singhania*	Member	NIL
Shri A.S. Mehta	Member	2

\* Shri Vikrampati Singhania ceased to be a member of the Committee w.e.f. 7<sup>th</sup> May 2018

#### 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 is available at the website of the Company and the web link is <http://jkagri.com/financials/Nomination%20&%20Remuneration%20Policy.pdf>

The salient features of the policy are 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 the Board of Directors, its Committees and individual Directors as per the manner of performance evaluation specified by the Committee from time to time.
- (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 Directors:** The remuneration comprising of salary, perquisites and contribution to Provident Fund and Superannuation Fund for the Financial Year ended 31<sup>st</sup> March 2019 to Executive Directors are as follows:

Shri Vikrampati Singhania who has been Managing Director of J.K. Fenner (India) Ltd., was appointed as Managing Director of the Company w.e.f 7<sup>th</sup> May 2018. Shri Singhania has opted not to draw any remuneration from the Company, as it does not have adequate profits for Financial Year 2018-19.

Shri S.K. Gupta, President & Director : ₹ 190.66 Lacs.

The Company does not have any Stock Option Scheme. For more details about components of remuneration, please refer to Form MGT-9, which form part of the Directors Report.

In case of Managing Director, the tenure of office is 5 years from the date of appointment, notice period is 6 months and severance fee is equal to the remuneration for the unexpired residue of his term or for three years whichever is shorter and in case of President & Director, the tenure of office is 3 years from the date of appointment and notice period is 3 months.

- (ii) **Non-executive Directors:** During the financial year 2018-19, the Company paid sitting fees aggregating to ₹ 12.53 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
2015-2016	Shripati Singhanian Hall, Rotary Sadan, 94/2, Jawahar Lal Nehru Road (Chowringhee Road), Kolkata – 700 020	09.09.2016	11.30 A.M.
2016-2017	Same as above	25.08.2017	11.00 A.M.
2017-2018	Same as above	05.09.2018	11.00 A.M.

Details of Special Resolution (SR) passed: One SR was passed at the AGM held in the year 2016, no SR was passed at AGM held in the year 2017 and three SR were passed at the AGM held in the year 2018. No SR was required to put through Postal Ballot during the financial year ended 31<sup>st</sup> March 2019. There is no immediate proposal for passing any resolution through postal ballot.

## 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 Ind AS – 24 – 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://jkagri.com/financials/RelatedPartyTransactionsPolicy.pdf>

**(ii) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority,**

**on any matter related to capital markets, during the last three years:** *There 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 behavior, 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 have 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, disposed of or pending with ICC with allegation of Sexual Harassment. Further, there were no complaints pending as on the end of the financial year 31<sup>st</sup> March 2019.

**(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:**

**Input Cost:** If commodity prices rise then the procurement prices of our seeds can also rise as the producing farmers expectations of the revenue / unit land also rises and vice versa.

**Output/Sales:** If commodity prices rise than the demand for seed of that commodity may go up leading to demand / availability mismatch. However, in case of seeds there is no institutional hedging mechanism available except better forecasting.

**(vii) Details of utilization of funds raised through preferential allotment as specified under Regulation 32 (7A):** During the financial year, the Company has not raised any funds through Preferential Allotment or through Qualified Institutions Placement.

**(viii) Certificate:** The Company has received a certificate dated 1<sup>st</sup> May 2019 from Shri Namo Narain Aggarwal, Company Secretary in Practice (FCS 234, CP No. 3331) that none of the directors on the board of JK Agri Genetics Ltd. has been debarred or disqualified from being appointed or continuing as directors of the Companies by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority.

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

**(x) Credit Ratings: List of all Credit Ratings obtained by the Company along with revisions thereto during the financial year ended 31st March 2019, for all debt instruments of the Company or any fixed deposit programme or any scheme or proposal of the Company involving mobilization of funds, whether in India or abroad:**

Ratings to various facilities of the Company by Rating Agency are as under:

Sl. No.	Facility	Rating Agency	Ratings Assigned
1	Long Term Bank facilities	CARE Ratings Limited	CARE A-; Stable (Single A Minus; Outlook: Stable)
2	Short Term Bank Facilities	CARE Ratings Limited	CARE A2 (A Two)

During the year under review there has been no change in the Credit ratings of both Long Term Bank Facilities and Short Term bank Facilities.

**(xi)** There were no instances where the Board had not accepted any recommendation of any Committees of the Board during the financial year ended 31<sup>st</sup> March 2019.

**(xii) Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:** Details relating to fees paid to the Statutory Auditors are given in Note No. 39 to the Financial Statements.

### 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.

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

Management Discussion and Analysis forms part of the Annual Report.

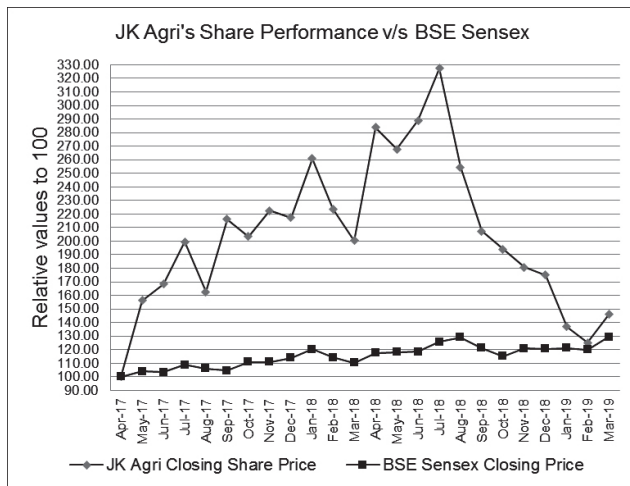
### 14. GENERAL SHAREHOLDERS' INFORMATION:

(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:	27 <sup>th</sup> August 2019 at Shripati Singhanian Hall, Rotary Sadan, 94/2, Jawahar Lal Nehru Road (Chowringhee Road), Kolkata – 700020 at 11.30 A.M.
	(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>• 1<sup>st</sup> Quarter ending June 30, 2019</li> <li>• 2<sup>nd</sup> Quarter ending September 30, 2019</li> <li>• 3<sup>rd</sup> Quarter ending December 31, 2019</li> <li>• Annual and 4<sup>th</sup> Quarter ending March 31, 2020</li> <li>• Annual General Meeting for the financial year 2019-20</li> </ul>	Within 45 days of the end of the quarter  Within 60 days of the end of the 4th quarter Between July and September 2020

(iv)	<b>Dividend Payment Date</b>	Within three weeks of conclusion of AGM
(v)	<b>Date of Book Closure</b>	As in the AGM Notice
(vi)	<b>Name and address of Stock Exchange where equity shares of the Company are listed</b>	The Equity Shares of the Company are listed on BSE Ltd. – Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001 The annual listing fee for the financial year 2019-20 has been paid to the said Stock Exchange. The securities of the Company are not suspended from trading.
(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 (2018-19)	BSE	
	High (₹)	Low (₹)
April 2018	1590.00	1111.00
May 2018	1638.00	1355.00
June 2018	1890.00	1230.00
July 2018	1883.00	1401.00
August 2018	1925.00	1395.10
September 2018	1480.00	1120.00
October 2018	1339.50	975.00
November 2018	1099.50	975.25
December 2018	1079.00	926.15
January 2019	1019.50	751.00
February 2019	848.00	621.10
March 2019	825.00	652.00

**JK Agri Genetics Ltd's (JK Agri's) Share Performance v/s BSE Sensex (April 2018 – March 2019)**

**(ix) Distribution of Shareholding (as on 31<sup>st</sup> March 2019)**

No. of Equity Shares Held	No. of Shares		Shareholders	
	Number	% of Total	Number	% of Total
1-250	173515	4.81	8159	95.68
251-500	60147	1.67	162	1.90
501-1000	60451	1.68	82	0.96
1001-5000	207900	5.77	91	1.07
5001-10000	119526	3.32	17	0.20
10001 & above	2982367	82.75	16	0.19
Total	3603906	100	8715	100

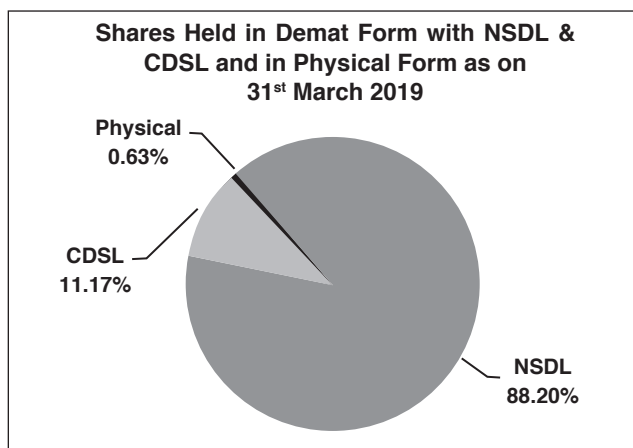
**(x) Share Transfer System**

All valid requests 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.





As on 31<sup>st</sup> March 2019, 99.37% of the Equity Shares are held in dematerialized form.

**(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 2019, 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, 6A,  
Bahadur Shah Zafar Marg, New Delhi -110 002.  
Phone No.: 91-11-30179891  
Fax No. : 91-11-23716607  
Email: jkaglshareholder@jkgmail.com  
Website : www.jkagri.com

2. Registrar & Share Transfer Agent  
Alankit Assignments Ltd., Alankit Heights  
3E/7, 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 2019 is in compliance with the requirements of Regulation 34 and Schedule V of 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 results are published in newspapers and uploaded on Company's website (www.jkagri.com). 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 submits his Internal Audit report to the Audit Committee on quarterly basis.

**(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 2018, the Company had 8084 Equity Shares, which were unclaimed by 1,294 Equity Shareholders. These were lying in dematerialised mode in the suspense account. Out of the above, the Company received 10 requests for 65 Equity Shares for despatch, during the year. These have since been despatched. As on 31<sup>st</sup> March 2019, the Company has 8019 Equity Shares which remain unclaimed by 1284 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 2019, 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. Independent Auditor's Certificate on Corporate Governance

### To the Members of JK Agri Genetics Limited

We have been requested by JK Agri Genetics Limited ("the Company"), having its registered office at 7, Council House Street, Kolkata -700001, West Bengal, to certify the compliance of conditions of Corporate Governance by the Company, for the year ended March 31, 2019, as per Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

This Certificate is issued in accordance with the terms of our engagement letter dated September 5, 2018.

### Management's Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

### Auditor's Responsibility

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant

records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India ('ICAI'), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable.

We state that such compliance is neither an assurance to the future viability of the Company nor as to the efficiency or effectiveness with which the management has conducted the affairs of the Company.

### Restriction on Use

The certificate is issued solely for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose.

For BGJC & Associates LLP  
Chartered Accountants  
ICAI Firm Registration No.003304N

Place : New Delhi  
Date : May 10, 2019

Darshan Chhajer  
Partner  
Membership No. 088308



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

### Report on the Audit of Annual Financial Statements

#### Opinion

We have audited the accompanying annual financial statements of JK Agri Genetics Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income) for the year ended on that date, the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the annual financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid annual financial statements give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 ("the Act") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income for the year ended on that date, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the annual financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Forming an Opinion and Reporting on Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the independence requirements

that are relevant to our audit of the annual financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Information other than the financial statements and auditor's report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTER	RESPONSE TO KEY AUDIT MATTER
<p><b>Valuation of trade receivables</b></p> <p>Trade receivables comprise a significant portion of the liquid assets of the Company.</p> <p>Accordingly, the estimation of the allowance for trade receivables is a significant judgement area and is therefore considered a key audit matter.</p>	<p><b>Principal Audit Procedures</b></p> <p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <ul style="list-style-type: none"> <li>Evaluated and tested the controls for managing trade receivables and subsequent recovery.</li> <li>Validated the assumptions underlying the ECL policy.</li> </ul>

	<ul style="list-style-type: none"> <li>Assessed the recoverability of long outstanding and made provisions where considered doubtful for recovery.</li> <li>Evaluated the status of disputes and possibility of recovery, where ever consider doubtful.</li> <li>In case of arbitration cases specific letters were sent to the lawyers and based on their reply, assessed management's Judgment for recoverability.</li> <li>Independent confirmations were called and alternate audit procedures applied in case of non replies.</li> <li>Assessed the appropriateness and completeness of the related disclosure.</li> </ul> <p><b>Conclusion</b> Our procedures did not identify any material exceptions.</p>
<p><b>Existence of inventory</b></p> <p>Inventory comprises a significant portion of the liquid assets of the Company. Various procedures are involved in validating inventory quantities across locations.</p>	<p><b>Principal Audit Procedures</b></p> <p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <ul style="list-style-type: none"> <li>Identified and assessed slow moving material for valuation and the process of revalidation to identify obsolesce.</li> <li>Over all Inventory reconciliation.</li> <li>Reviewed the policy of physical verification of inventory and its operational implementation. Personal presence at critical locations.</li> <li>Independent and signed confirmations from C&amp;F agents for physical inventory.</li> <li>Assessed the appropriateness and completeness of the related disclosure.</li> </ul> <p><b>Conclusion</b> There were no significant exceptions noted from these procedures.</p>

### Emphasis of Matter

We draw attention to the following matter in the Note no. 50.2c(ii) to the Ind AS financial statements:

Regarding overdue trade receivables ₹ 1823.61 lakhs & security deposit ₹ 121.68 lakhs from Rajasthan government, where petition filed by the company for arbitration was allowed by Hon'ble High Court of Rajasthan, Jaipur and the Court had appointed a retired Supreme Court judge as arbitrator. The arbitration proceedings have concluded and award is awaited.

Considering the above facts, the management is confident about the realizability/recovery hence no provision is made.

Our opinion is not modified in respect of this matter.

### Responsibilities of the Management and Those Charged with Governance for the Annual Financial Statements

Company's Board of Directors is responsible for the preparation and presentation of these annual financial statements that give a true and fair view of

the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with Indian Accounting Standards and other accounting principles generally accepted in India. The Board of Directors of the Company is responsible for maintenance of the 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 annual financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the annual financial statements by the Board of Directors of the Company, as aforesaid.

In preparing the annual financial statements, the Board of Directors of the Company is responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors of the Company is also responsible for overseeing the financial reporting process of the Company.

### **Auditor's Responsibilities for the Audit of the Annual Financial Statements**

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material

misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, for the purpose of expressing an opinion on effectiveness of the Company's internal financial controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the Company to express an opinion on the annual financial statements.

Materiality is the magnitude of misstatements in the

annual financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

Based on our professional judgment, we determined overall and performance materiality for the financial statements. Profit before tax was used as a benchmark for materiality because it is one of the main measures used by users of financial statements to monitor the performance of the Company.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

- (1) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (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, Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid Ind AS financial statements read with Note 1 to 58 theretocomply with the Indian Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure 2".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us the remuneration paid by the company to its director's during the year is in accordance with the provisions of section 197 of the Act.
- h. 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 Ind AS financial statements – Refer Note no. 34 on Contingent Liabilities to the Ind AS financial statements;
  - (ii) The Company did not have any long-term contracts including derivative contracts Hence, the question of any material foreseeable losses does not arise;

- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For BGJC& Associates LLP  
Chartered Accountants  
ICAI Firm Registration No.003304N

Darshan Chhajer

Place: New Delhi

Partner

Date: May 10, 2019

Membership No. 088308

## **ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT**

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of JK Agri Genetics Limited on the financial statements for the year ended March 31, 2019]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) During the year, the fixed assets of the Company have been physically verified by the management and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of immovable properties recorded in the books of account of the Company are held in the name of the Company.
- (ii) The inventory, except goods in transit, has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. As informed, no material discrepancies were noticed on physical verification carried out during the year.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph (a), (b) and (c) of the Order are not applicable to the Company.

- (iv) According to the information and explanation given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Section 185 and 186 of the Act.

- (v) 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 provisions of Sections 73 to 76 of the Act and the rules framed there under. Further, as informed, no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in this regard.

- (vi) The Central Government of India has not prescribed the maintenance of cost records for any of the products/activities of the Company under sub-section (1) of Section 148 of the Act and the rules framed there under.

- (vii) (a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it.

### **AND**

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, goods and services tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us, there are no dues in respect of income tax, sales tax, service tax, value added tax, goods and services tax, customs duty or excise duty that have not been deposited on account of any dispute.
- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial



institution(s), bank(s), government(s) or dues to debenture holder(s).

- (ix) The Company has not raised the money by way of initial public issue offer / further public offer. Money raised through the term loans during the year were utilized for the purposes for which they were raised.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (xi) According to the information and explanations given to us, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanation given to us, all transactions entered into by the Company

with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the information and explanation given to us the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For BGJC and Associates LLP  
Chartered Accountants  
ICAI Firm Registration No. 003304N

Place: New Delhi  
Date: May 10, 2019

Darshan Chhajer  
Partner  
Membership No. 088308



## **ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT**

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of JK Agri Genetics Limited on the financial statements for the year ended March 31, 2019]

### **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, 2019** in conjunction with our audit of the 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 specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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, 2019, 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 the Chartered Accountants of India.

For BGJC and Associates LLP  
Chartered Accountants  
ICAI Firm Registration No.003304N

Place: New Delhi  
Date: May 10, 2019

Darshan Chhajer  
Partner  
Membership No. 088308

## BALANCE SHEET (As at 31st MARCH, 2019)

(₹ In Lacs)

Sl. No.	Particulars	Note No.	As at 31.03.2019	As at 31.03.2018
<b>A</b>	<b>ASSETS</b>			
<b>1</b>	<b>NON-CURRENT ASSETS</b>			
(a)	Property, Plant and Equipment	2	2,445.58	2,610.45
(b)	Intangible Assets	3	940.44	985.68
(c)	Financial Assets			
(i)	Loans	4	45.41	42.83
(ii)	Other Financial Assets	5	0.18	0.17
(d)	Deferred Tax Asset (Net)	6	1,070.20	993.40
(e)	Other Non-Current Assets	7	1.49	10.70
			<u>4,503.30</u>	<u>4,643.23</u>
<b>2</b>	<b>CURRENT ASSETS</b>			
(a)	Inventories	8	13,132.01	13,417.90
(b)	Financial Assets			
(i)	Trade Receivables	9	8,576.17	10,819.61
(ii)	Cash and Cash Equivalents	10	28.99	27.64
(iii)	Bank Balances other than (ii) above	11	467.59	440.87
(iv)	Loans	12	245.62	258.90
(v)	Other Financial Assets	13	81.62	59.05
(c)	Current Tax Assets (Net)	14	350.22	314.27
(d)	Other Current Assets	15	312.80	229.29
			<u>23,195.02</u>	<u>25,567.53</u>
			<u>27,698.32</u>	<u>30,210.76</u>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>EQUITY</b>			
(a)	Equity Share Capital	16	360.39	360.39
(b)	Other Equity		8,586.92	8277.15
			<u>8,947.31</u>	<u>8,637.54</u>
	<b>LIABILITIES</b>			
<b>1</b>	<b>NON-CURRENT LIABILITIES</b>			
(a)	Financial Liabilities			
(i)	Borrowings	17	1,527.90	254.89
(ii)	Other Financial Liabilities	18	2.86	6.75
(b)	Provisions	19	158.12	141.14
(c)	Other Non-Current Liabilities	20	48.40	79.95
			<u>1,737.28</u>	<u>482.73</u>
<b>2</b>	<b>CURRENT LIABILITIES</b>			
(a)	Financial Liabilities			
(i)	Borrowings	21	3,746.56	3,827.65
(ii)	Trade Payables	22	7,092.77	9,323.88
(iii)	Other Financial Liabilities	23	585.70	816.64
(b)	Other Current Liabilities	24	5,456.92	7,009.53
(c)	Provisions	25	131.78	112.79
			<u>17,013.73</u>	<u>21,090.49</u>
			<u>27,698.32</u>	<u>30,210.76</u>

Significant accounting policies

The accompanying notes are an integral part of financial statements

As per our report of even date.

For BGJC &amp; Associates LLP

Chartered Accountants

ICAI Firm Registraion No. 003304N

Darshan Chhajer

Partner

Membership No. 088308

BHARAT HARI SINGHANIA

DR. RAGHUPATI SINGHANIA

SANJEEV KUMAR JHUNJHUNWALA

ABHIMANYU JHAVER

AJAY SRIVASTAVA

AMAR SINGH MEHTA

VIKRAMPATI SINGHANIA

Chairman

Directors

Managing Director

New Delhi, the 10<sup>th</sup> May 2019

APPALA RAJU NARAVA  
Chief Financial Officer

ANOOPI SINGH GUSAIN  
Company Secretary

SANJAY KUMAR GUPTA

President &amp; Director

## STATEMENT OF PROFIT AND LOSS (FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019)

(₹ In Lacs)

Sl. No.	Particulars	Note No.	2018-19	2017-18
I	<b>Revenue from operations</b>	26	<b>19,067.93</b>	20,233.94
II	Other income	27	<b>86.82</b>	54.64
III	<b>Total Income (I + II)</b>		<b>19,154.75</b>	20,288.58
IV	<b>Expenses:</b>			
	Cost of materials consumed	28	<b>8,386.01</b>	10,910.89
	(Increase) / decrease in inventories of finished goods work-in-progress and Stock-in-Trade	29	<b>284.08</b>	(1,914.68)
	Employee benefits expense	30	<b>3,171.58</b>	2,992.52
	Finance costs	31	<b>953.83</b>	809.18
	Depreciation and amortization expense	32	<b>249.24</b>	275.32
	Other expenses	33	<b>5,552.78</b>	5,561.36
	<b>Total expenses (IV)</b>		<b>18,597.52</b>	18,634.59
V	<b>Profit before Exceptional Items and Tax (III-IV)</b>		<b>557.23</b>	1,653.99
VI	Exceptional items		-	-
VII	<b>Profit Before tax (V+VI)</b>		<b>557.23</b>	1,653.99
VIII	Tax expense:			
	(1) Current tax		<b>130.74</b>	409.84
	(2) MAT Credit Entitlement		<b>(28.66)</b>	-
	(3) Deferred tax Liability / (Asset)		<b>(42.39)</b>	45.54
IX	<b>Profit for the Year (VII-VIII)</b>		<b>497.54</b>	1,198.61
X	<b>Other Comprehensive Income</b>			
	<b>Items that will not be reclassified to profit or Loss</b>			
	- Re-measurment (Losses)/Gain on Defined Benefit Plans		<b>(19.73)</b>	(4.00)
	- Income tax effect		<b>5.75</b>	1.38
	<b>Total Other Comprehensive income (X)</b>		<b>(13.98)</b>	(2.62)
XI	<b>Total Comprehensive income for the year (IX + X)</b>		<b>483.56</b>	1,195.99
XII	Earnings per equity share: (₹)			
	Basic & Diluted (₹)	45	<b>13.81</b>	33.26

Significant accounting policies

1

The accompanying notes are an integral part of financial statements

As per our report of even date.

For BGJC &amp; Associates LLP

Chartered Accountants

ICAI Firm Registraion No. 003304N

Darshan Chhajer

Partner

Membership No. 088308

BHARAT HARI SINGHANIA	Chairman
DR. RAGHUPATI SINGHANIA	Directors
SANJEEV KUMAR JHUNJHUNWALA	
ABHIMANYU JHAVER	
AJAY SRIVASTAVA	
AMAR SINGH MEHTA	
VIKRAMPATI SINGHANIA	Managing Director

APPALA RAJU NARAVA  
Chief Financial Officer

ANOOP SINGH GUSAIN  
Company Secretary

SANJAY KUMAR GUPTA President &amp; Director

New Delhi, the 10<sup>th</sup> May 2019

(₹ In Lacs)

## I Share Capital

Particulars	As at 31.03.2019	As at 31.03.2018
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
36,03,906 Equity Shares of ₹ 10/- each fully paid up		
Balance at the beginning of year	360.39	360.39
Changes in equity share capital during year	-	-
Balance at the end of reporting year	360.39	360.39

## II Other Equity

(₹ In Lacs)

Particulars	Reserve & Surplus		Other Comprehensive Income that will not be reclassified to P&L	Total
	General Reserve	Retained Earning		
			Re-measurement of Net Defined Benefit Plans	
<b>Balance As at 31st March, 2018</b>	<b>4,000.00</b>	<b>4,292.37</b>	<b>(15.22)</b>	<b>8,277.15</b>
Profit for the year	-	497.54	-	497.54
Other Comprehensive income (Net of Taxes)	-	-	(13.98)	(13.98)
Dividends (Including Corporate Dividend Tax)	-	(173.79)	-	(173.79)
<b>Balance As at 31st March, 2019</b>	<b>4,000.00</b>	<b>4,616.12</b>	<b>(29.20)</b>	<b>8,586.92</b>

As per our report of even date.

For BGJC & Associates LLP  
Chartered Accountants  
ICAI Firm Registraion No. 003304N

Darshan Chhajer  
Partner  
Membership No. 088308

BHARAT HARI SINGHANIA Chairman  
DR. RAGHUPATI SINGHANIA  
SANJEEV KUMAR JHUNJHUNWALA  
ABHIMANYU JHAVER Directors  
AJAY SRIVASTAVA  
AMAR SINGH MEHTA  
VIKRAMPATI SINGHANIA Managing Director

New Delhi, the 10<sup>th</sup> May 2019 APPALA RAJU NARAVA Chief Financial Officer ANOOP SINGH GUSAIN Company Secretary SANJAY KUMAR GUPTA President & Director

## **Note No.1**

### **1.1 The Company overview:**

JK Agri Genetics Limited (JKAGL) is a public limited company incorporated and domiciled in India and its shares are publicly traded on the Bombay Stock Exchange ('BSE'), in India. The Registered office of the company is situated at 7, Council House Street, Kolkata-700 001, West Bengal (India).

JKAGL is engaged in research and development, production, processing and marketing of Cotton, Maize, Paddy, Pearl Millet, Sorghum, Mustard, Wheat, Sorghum Sudan grass, Fodder beet, Tomato, Okra, Chillies and other vegetable seeds. The company's manufacturing facilities are located at Survey no. 509/2, Village: Gundlapochampally, District: Ranga Reddy - 501401 Telangana and at Ranpur, Kota, Rajasthan.

These financial statements were approved and adopted by board of directors of the Company in their meeting held on 10<sup>th</sup> May, 2019.

### **1.2 Basis of preparation of financial statements:**

#### **(i) Statement of compliance:**

These financial statements have been prepared in accordance with Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2017 and relevant provisions of the Companies Act, 2013.

#### **(ii) Basis of preparation:**

The financial statements have been prepared under historical cost convention on accrual basis, except for the items that have been measured at fair value as required by relevant Ind AS. The financial statements correspond to the classification provisions contained in Ind AS-1 (Presentation of Financial Statements)

#### **(iii) Basis of measurement:**

The financial statements have been prepared under historical cost convention on accrual basis, except for the items that have been measured at fair value as required by relevant Ind AS.

#### **(iv) Current & Non-Current Classifications.**

All Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of product & activities of the Company and their realisation in cash and cash equivalent, the Company has determined its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### **1.3 Significant accounting policies:**

#### **(i) Property, plant and equipment:**

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Expenditure during construction / erection period is included under capital work-in-progress and is allocated to the respective property, plant and equipment on completion of construction / erection.

Depreciation is calculated on straight line method and as per the useful life as prescribed in Schedule II of The Companies Act 2013. Buildings on lease hold Land 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. Leasehold Land considered as operating lease is being amortized over the lease period.

The residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

The cost and related accumulated depreciation are eliminated from the financial statements, upon sale and disposition of the assets and the resultant gains or losses are recognised in the statement of profit and loss.

#### **(ii) Intangible assets:**

Separately purchased intangible assets are initially measured at cost. Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. The useful life of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their expected useful life.



The amortisation period and the amortisation method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively. Indefinite life intangibles mainly consist of brands. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues, if not, it is impaired or changed prospectively based on revised estimates.

**(iii) Research and Development Costs**

Revenue Expenditure on Research and Development is charged to Statement of Profit and Loss and Capital Expenditure is added to Property, plant and equipment.

**(iv) Lease:**

Lease is classified as Operating Lease, when substantial risks and rewards of ownership are not transferred - rentals thereon are recognised as expense over the lease term. Leases under which, the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalised at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments are apportioned between finance charges and reduction of the lease liability, so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the statement of profit and loss.

**(v) Inventories:**

Inventories are valued at 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.

**(vi) Borrowing cost:**

Borrowing Cost is charged to Statement of Profit and Loss statement except meant for acquisition of qualifying assets, which is capitalised, using the effective interest method till the date of commercial use.

**(vii) Employee benefit:**

**a. Defined Contribution Plan**

Employee benefits in the form of Provident Fund (PF) and Employee state Insurance (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 (funded) and Leave Encashment 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. Actuarial Gains or Losses through re-measurement of the net obligation of a defined benefit liability or asset is recognised in Other Comprehensive Income. Such re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

**c. Short-term Employee Benefits.**

Short term benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

**d. Long-term Employee Benefit.**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date.

Annual leaves can either be availed or encashed subject to restriction on the maximum accumulation of leaves.

**(viii) Taxes on Income**

**a. Current tax:**

Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**b. Deferred tax:**

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are applicable at the reporting date.

Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized under Other Comprehensive Income (OCI).

Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

The break-up of the major components of the deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities.

**(ix) Financial Instruments:**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**a. Financial assets**

Financial assets include cash and cash equivalents, trade and other receivables.

Financial Assets are measured at amortised cost or fair value through Other Comprehensive Income or fair value through Statement of Profit or Loss, depending on its business model for managing those financial assets and the assets contractual cash flow characteristics.

Subsequent measurements of financial assets are dependent on initial classification. For impairment purposes significant financial assets are tested on an individual basis, other financial assets are assessed collectively in groups that share similar credit risk characteristics.

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial assets expire or it transfers the financial assets and the transfer qualifies for the derecognition under Ind AS 109.

The company assesses impairment based on the expected credit losses (ECL) model to all its financial assets measured at amortised cost.

**b. Financial liabilities**

Financial liabilities include loans and borrowings, trade and other payables and other eligible liabilities.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and other payables, net of directly attributable transaction costs. After initial recognition, financial liabilities are classified under one of the following two categories:

**Financial liabilities at amortised cost:** After initial recognition, such financial liabilities are subsequently measured at amortised cost by applying the Effective Interest Rate (EIR) method to the gross carrying amount of the financial liability. The EIR amortisation is included in finance expense in the Statement of Profit and Loss.

**Financial liabilities at fair value through profit or loss:** Financial liabilities which are designated as such on initial recognition, or which are held for trading. Fair value gains / losses attributable to changes in own credit risk is recognised in OCI. These gains / losses are not subsequently transferred to Statement of Profit and Loss. All other changes in fair value of such liabilities are recognised in the Statement of Profit and Loss.

The Company derecognises a financial liability when the obligation specified in the contract is discharged, cancelled or expires.

**(x) Revenue:**

The Company's revenue is derived from the single performance obligation. Revenue is recognized

based on the nature of activity when, the promised goods or services are transferred to the customer and consideration can be reasonably measured or 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 discounts.

**(xi) Grants:**

Grants and subsidies from the Government are recognised when there is reasonable assurance that the grant / subsidy will be received and all attaching conditions will be complied with. Revenue Grants are recognised in the Statement of Profit and Loss. Capital Grants relating to specific assets are recognised in the balance sheet as deferred income and credited in statement of profit and loss on a systematic basis over the useful life of the related asset.

**(xii) Impairment:**

The carrying amount of Property, plant and equipments and Intangible assets are reviewed at each Balance Sheet date to assess impairment if any, based on internal / external factors. An asset is treated as impaired, when the carrying cost of asset exceeds its recoverable value, being higher of value in use and net selling price. An impairment loss is recognised as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed, if there has been an improvement in recoverable amount.

**(xiii) Earnings per share (EPS):**

Basic earnings per share is calculated by dividing the profit or loss for the period attributable to the equity holders of the company by the weighted average number of ordinary shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**(xiv) Cash and cash equivalents:**

Cash and cash equivalents include cash on hand and at bank, Cheques on hand and Remittances in transit for the purpose of meeting short-term cash commitments.

**(xv) Foreign currency transactions and translation**

Financial statements have been presented in Indian Rupees (₹), which is the Company's functional and presentation currency.

Monetary 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.

**1.4 Significant accounting judgements, estimates and assumptions:**

The Preparation of these financial statements requires managements judgements, estimates and assumptions that affect the application of accounting policies, the accounting disclosures made and the reported amounts of assets, liabilities, income and expenses.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are made in the period, in which, the estimates are revised and in any future periods, effected pursuant to such revisions.

**Note-2**  
**Property, Plant and Equipment**

(₹ In Lacs)

Assets	Gross Block				Accumulated Depreciation				Net Carrying Amount	
	As At 01.04.2018	Additions / Adjustments	Disposals Adjustments	As At 31.03.2019	As At 01.04.2018	Charged for the Year	Disposal	As At 31.03.2019	As At 31.03.2019	As At 31.03.2018
<b>Trangible Assets:</b>										
Land - Freehold	1,018.76 (1,018.76)	- -	- -	<b>1,018.76</b> <b>(1,018.76)</b>	- -	- -	- -	- -	<b>1,018.76</b> <b>(1,018.76)</b>	1,018.76 (1,018.76)
Land - Leasehold	492.00 (492.00)	- -	- -	<b>492.00</b> <b>(492.00)</b>	16.02 (8.01)	8.01 (8.01)	- -	<b>24.03</b> <b>(16.02)</b>	<b>467.97</b> <b>(475.98)</b>	475.98 (483.99)
Building #	184.03 (183.36)	11.02 (0.67)	0.17 -	<b>194.88</b> <b>(184.03)</b>	42.61 (23.37)	14.84 (19.24)	- -	<b>57.45</b> <b>(42.61)</b>	<b>137.43</b> <b>(141.42)</b>	141.42 (159.99)
Plant and Equip-ments @	1,035.05 (1,016.61)	20.86 (19.71)	1.22 (1.27)	<b>1,054.69</b> <b>(1,035.05)</b>	314.40 (173.33)	117.41 (141.26)	0.80 (0.19)	<b>431.01</b> <b>(314.40)</b>	<b>623.68</b> <b>(720.65)</b>	720.65 (843.28)
Furniture & Fixtures	19.93 (19.20)	2.91 (0.92)	0.29 (0.19)	<b>22.55</b> <b>(19.93)</b>	4.87 (2.74)	2.07 (2.21)	0.08 (0.08)	<b>6.86</b> <b>(4.87)</b>	<b>15.69</b> <b>(15.06)</b>	15.06 (16.46)
Office Equip-ments	158.53 (113.12)	12.89 (47.02)	3.50 (1.61)	<b>167.92</b> <b>(158.53)</b>	49.78 (17.45)	38.99 (32.68)	1.81 (0.35)	<b>86.96</b> <b>(49.78)</b>	<b>80.96</b> <b>(108.75)</b>	108.75 (95.67)
Vehicle	180.96 (153.63)	39.51 (42.10)	67.67 (14.77)	<b>152.80</b> <b>(180.96)</b>	51.13 (27.03)	22.68 (26.68)	22.10 (2.58)	<b>51.71</b> <b>(51.13)</b>	<b>101.09</b> <b>(129.83)</b>	129.83 (126.60)
Previous Year	<b>3,089.26</b> (2,996.68)	<b>87.19</b> (110.42)	<b>72.85</b> (17.84)	<b>3,103.60</b> (3,089.26)	<b>478.81</b> (251.93)	<b>204.00</b> (230.08)	<b>24.79</b> (3.20)	<b>658.02</b> (478.81)	<b>2,445.58</b> (2,610.45)	<b>2,610.45</b> (2,744.75)

**Note:**

Figures in brackets represent amounts pertaining to previous year.

On Lease hold premises

# Net carrying Amount of ₹ 94.90 lacs as at 31.03.2019 (Previous year ₹ 99.64 lacs).

@ Net carrying Amount of ₹ 561.53 lacs as at 31.03.2019 (Previous year ₹ 624.89 lacs)

**Note-3**  
**Other Intangible Assets**

(₹ In Lacs)

Assets	Gross Block				Accumulated Depreciation				Net Carrying Amount	
	As At 01.04.2018	Additions / Adjustments	Disposals Adjustments	As At 31.03.2019	As At 01.04.2018	Charged for the Year	Disposal	As At 31.03.2019	As At 31.03.2019	As At 31.03.2018
<b>Intan-gibles:</b>										
Brand @	810.00 (810.00)	- -	- -	<b>810.00</b> <b>(810.00)</b>	- -	- -	- -	- -	<b>810.00</b> <b>(810.00)</b>	810.00 (810.00)
Software#	225.11 (225.11)	- -	- -	<b>225.11</b> <b>(225.11)</b>	49.43 (4.19)	45.24 (45.24)	- -	94.67 (49.43)	<b>130.44</b> <b>(175.68)</b>	175.68 (220.92)
	<b>1,035.11</b>	-	-	<b>1,035.11</b>	<b>49.43</b>	<b>45.24</b>	-	<b>94.67</b>	<b>940.44</b>	<b>985.68</b>
Previous Year	(1,035.11)	-	-	(1,035.11)	(4.19)	(45.24)	-	(49.43)	(985.68)	(1,030.92)

**Note:**

Figures in brackets represent amounts pertaining to previous year.

@ The indefinite life intangible assets (J.K. SEEDS - Brand), no indication of impairment noticed.

# Being amortized over a period of 5 Years, being useful life as determined.

**Note No. 4**

	As at <b>31.03.2019</b>	(₹ In Lacs) As at 31.03.2018
<b>Non Current Financial Assets - Loans</b>		
(Unsecured, considered good)		
Deposit with Government & Others	45.02	39.38
Other Loans and Advances to Employees	0.39	3.45
	<u>45.41</u>	<u>42.83</u>

**Note No. 5**
**Non Current Financial assets - Others**

Bank Balance in Deposit Account (Ref Note no.11)	0.18	0.17
	<u>0.18</u>	<u>0.17</u>

**Note No. 6**
**Deferred Tax (Liabilities)/ Assets (Net)**

1. Deferred Tax Liabilities		
Related to Property, Plant and Equipments and Intangibles	383.73	468.30
2. Deferred Tax Assets		
Expenses / Provisions Allowable	379.92	416.35
Deferred Tax (Liability) / Asset (Net)	(3.81)	(51.95)
MAT Credit Entitlement	1,074.01	1,045.35
<b>Deferred Tax (Liability) / Asset (Net)</b>	<u>1,070.20</u>	<u>993.40</u>

**Note No. 7**
**Other Non Current Assets**

Capital Advances	-	8.43
Prepaid Expenses	1.49	2.27
	<u>1.49</u>	<u>10.70</u>

**Note No. 8**
**Inventories**

Stores, Processing & Packing Material	907.72	909.53
Semi Finished Goods	4,839.08	7,206.37
Finished Goods*	7,385.21	5,302.00
	<u>13,132.01</u>	<u>13,417.90</u>

\* Includes Stock in Transit ₹76.50 lacs (Previous year ₹ 66.56 lacs)

**Note No. 9**
**Trade Receivables (Unsecured)**

Considered Good #	8,100.24	10,289.90
Which have significant increase in Credit Risk	1,632.74	1,596.40
Credit Impaired	-	-
<b>Total</b>	<u>9,732.98</u>	<u>11,886.30</u>
Less: Allowance for Doubtful Debts	1,156.81	1,066.69
	<u>8,576.17</u>	<u>10,819.61</u>

# Includes Government outstanding of ₹ 1823.61 lacs (Refer Note no.50.2c (ii))

**Note No. 10**
**(₹ In Lacs)**

As at <u>31.03.2019</u>	As at <u>31.03.2018</u>
----------------------------	----------------------------

**Cash & Cash Equivalents**

Cash on hand	1.24	0.47
Cheques on hand	0.83	0.65
Balances with Scheduled Banks : On Current Accounts	<u>26.92</u>	<u>26.52</u>
	<u>28.99</u>	<u>27.64</u>

**Note No. 11**
**Bank Balance other than Cash and Cash Equivalents**

On Deposit Accounts maturing after 3 months but before 12 months*	460.14	437.93
On Deposit Accounts maturing after 12 months*	0.18	0.17
Unclaimed dividend accounts	5.48	2.94
Fractional shares Balance Account (Previous year ₹ 1.87)	<u>1.97</u>	<u>          </u>
	<u>467.77</u>	<u>441.04</u>
Less: Amount disclosed under Other Non Current Financial Assets (Note No.5)	<u>0.18</u>	<u>0.17</u>
	<u>467.59</u>	<u>440.87</u>

\* Includes ₹ 146.51 lacs (Previous year ₹ 139.23 lacs) Pledged

**Note No. 12**
**Financial Assets - Loans**

Unsecured		
Deposit with Government Authorities & Others #	245.62	258.90
Which have Significant increase in Credit Risk	52.34	52.34
Credit Impaired	-	-
Total	<u>297.96</u>	<u>311.24</u>
Less: Allowance for Doubtful Advances	<u>52.34</u>	<u>52.34</u>
	<u>245.62</u>	<u>258.90</u>

# Includes Government Deposit of ₹ 121.68 lacs (Refer Note no.50.2c (ii))

**Note No. 13**
**Other Financial Assets**

Interest Accrued	7.76	3.25
Other Income Receivables	<u>73.86</u>	<u>55.80</u>
	<u>81.62</u>	<u>59.05</u>

**Note No. 14**
**Current Tax Assets (Net)**

Advance payment of Income Tax	350.22	314.27
Net of provisions (incl. interest) ₹ 2191.94 Lacs (Previous year ₹ 2061.21 Lacs)	<u>350.22</u>	<u>314.27</u>



**Note No. 15**

	As at <b>31.03.2019</b>	(₹ In Lacs) As at <b>31.03.2018</b>
<b>Other Current Assets</b>		
Trade Advances	245.04	184.63
Prepaid Expenses	66.90	43.80
Others	0.86	0.86
	<b>312.80</b>	<b>229.29</b>

**Note No. 16**
**Share Capital**
**Authorised:**

Equity Shares - 1,40,00,000 of ₹10 each (Previous year 1,40,00,000 of ₹ 10 each)	1,400.00	1,400.00
	<b>1,400.00</b>	<b>1,400.00</b>

**Issued, Subscribed and Paid up:**

Equity Shares - 36,03,906 shares (Previous Year 36,03,906 shares) of ₹ 10/- each fully paid up	360.39	360.39
	<b>360.39</b>	<b>360.39</b>

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

Shares outstanding as at the beginning of the year	3,603,906	3,603,906
Add: Shares issued during the year	-	-
Less: Bought back during the year	-	-
Shares outstanding as at the end of the year	<b>3,603,906</b>	<b>3,603,906</b>

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

	No. of Shares held	No. of Shares held
Bengal & Assam Co. Ltd	799,533	799,533
Florence Investech Ltd.	1,500,000	1,500,000
Edgefield Securities Ltd.	217,749	217,749

**16.3 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. 17**  
**Financial Borrowings**

(₹ In Lacs)

	As at 31.03.2019		As at 31.03.2018	
	Non Current	Current*	Non Current	Current*
<b>Non Current Borrowings</b>				
<b>SECURED LOANS</b>				
Zero Coupon Non-Convertible Bonds				
Term Loans:				
Banks	1,350.00	150.00	-	450.00
Others	58.69	27.82	79.33	27.82
	<b>1,408.69</b>	<b>177.82</b>	79.33	477.82
<b>UNSECURED LOANS</b>				
Council of Scientific & Industrial Research (CSIR)	119.21	73.68	175.56	73.68
	<b>119.21</b>	<b>73.68</b>	175.56	73.68
	<b>1,527.90</b>	<b>251.50</b>	254.89	551.50

\*Amount disclosed under Note No.23

**Notes:**

1. Term loan from Bank of ₹ 1500 lacs taken from bank is secured by First pari passu charge on the immovable fixed assets of the Company and second pari passu charge on the current assets. Repayable in 16 Quarterly installments (Initial 8 Equal quarterly Installments of ₹ 75.00 lacs and next 8 Equal quarterly Installments of ₹112.50 lacs) Repayment starts from December 2019.
2. Term loan others of ₹ 86.51 lacs (net of ₹ 10.73 lacs for deferred Government grants) 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 7 equal half yearly installments by 2022-23.
3. Unsecured Loan of ₹ 192.89 lacs (Net of ₹ 28.15 lacs for deferred Government Grants) taken from CSIR is repayable in 3 equal yearly installments by 2021-22.

**Note No. 18**

(₹ In Lacs)

	As at 31.03.2019	As at 31.03.2018
<b>Other Financial Liabilities</b>		
Interest accrued but not due	2.86	6.75
	<b>2.86</b>	<b>6.75</b>

**Note No. 19**

**LONG-TERM PROVISIONS**

**Provision for employee benefits**

Leave encashment	158.12	141.14
	<b>158.12</b>	<b>141.14</b>

**Note No. 20**
**(₹ In Lacs)**

	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
<b>Other Non Current Liabilities</b>		
Government Grants	<b>39.47</b>	60.79
Others	<b>8.93</b>	19.16
	<b>48.40</b>	79.95

**Note No. 21**
**Financial Liabilities - Borrowings**
**SECURED LOANS**

Repayable on Demand from Banks #	<b>1,746.56</b>	1,710.47
Buyer's Credit #	-	117.18

**UNSECURED LOANS**

Short Term loan from Bank	<b>2,000.00</b>	2,000.00
	<b>3,746.56</b>	3,827.65

# 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. 22**
**Trade Payables**

a) Micro Enterprises & Small Enterprises	-	0.21
b) Others	<b>7,092.77</b>	9,323.67
	<b>7,092.77</b>	9,323.88

**Note No. 23**
**Other Financial Liabilities**

Current Maturities of Long Term Borrowings	<b>251.50</b>	551.50
Interest Accrued but not due on loan	<b>302.02</b>	239.93
Security Deposits	<b>24.73</b>	22.27
Unclaimed Dividend	<b>5.48</b>	2.94
Unpaid Fractional Shares Balance (Previous year ₹ 1.87)	<b>1.97</b>	
	<b>585.70</b>	816.64

**Note No. 24**
**Other Current Liabilities**

Advance from Customers	<b>3,310.85</b>	4,835.02
Other Liabilities		
Government and Other dues	<b>88.49</b>	88.57
Government Grants	<b>21.32</b>	21.32
Others	<b>2,036.26</b>	2,064.62
	<b>5,456.92</b>	7,009.53

**Note No. 25**
**(₹ In Lacs)**

As at 31.03.2019	As at 31.03.2018
---------------------	---------------------

**Provisions**

Provision for Retirement Benefits

Gratuity

Leave Encashment

**55.98**

42.65

**43.67**

41.07

Others

**32.13**

29.07

**131.78**
**112.79**
**Note No. 26**
**Revenue from Operations**

 1. Sales : Seeds  
               Others

**18,437.27**

19,713.86

**389.93**

374.77

2. Other Operating Revenue

**240.73**

145.31

**19,067.93**
**20,233.94**
**Note No. 27**
**Other Income**

Interest on Deposit with Banks &amp; others

**51.62**

54.51

Foreign Exchange Fluctuation

**35.20**

0.13

**86.82**
**54.64**
**Note No. 28**
**Cost of Material Consumed**

Purchase of Seeds

**7,303.16**

9,972.35

Purchase of Other Agri Products

**248.78**

209.75

Consumption of Packing Materials &amp; Others

**834.07**

728.79

**8,386.01**
**10,910.89**
**Note No. 29**
**Changes in Inventories of Finished Goods  
work-in-progress and Stock-in-Trade  
Opening Stock**

- Semi Finished Goods

**7,206.37**

5,613.01

- Finished Goods

**5,302.00**

4,980.68

**12,508.37**
**10,593.69**
**Closing Stock**

- Semi Finished Goods

**4,839.08**

7,206.37

- Finished Goods

**7,385.21**

5,302.00

**12,224.29**
**12,508.37**

(Increase)/Decrease in Stocks

**284.08**
**(1,914.68)**
**Note No. 30**
**Employee Benefit Expenses**

Salaries, Wages, Allowance, etc.

**2,796.07**

2,672.90

Contribution to Provident and other Funds

**136.12**

128.83

Employees' Welfare and other Benefits

**239.39**

190.79

**3,171.58**
**2,992.52**

**Note No. 31**

	As at <u>31.03.2019</u>	(₹ In Lacs) As at <u>31.03.2018</u>
<b>Finance Cost</b>		
Interest Expenses	932.30	780.48
Other Borrowing costs	<u>21.53</u>	<u>28.70</u>
	<b>953.83</b>	<b>809.18</b>

**Note No. 32**
**Depreciation and Amortization Expense**

Depreciation on Property, Plant and Equipments	204.00	230.08
Amortization of Intangible Assets	<u>45.24</u>	<u>45.24</u>
	<b>249.24</b>	<b>275.32</b>

**Note No. 33**
**Other Expenses**

	<u>2018-19</u>	(₹ In Lacs) <u>2017-18</u>
Processing Charges	397.67	262.35
Power & Fuel	53.86	48.20
Repair & Maintenance- Machinery	20.06	13.94
Labour expenses	226.10	243.73
Rent	340.75	294.34
Rates & Taxes	1.00	0.43
Insurance	32.99	58.40
Freight & Transportation	879.97	787.91
Advertisement	1,013.93	1,146.54
Royalty	196.72	260.02
Directors' Fees	12.53	17.81
Farming Expenses	464.81	482.13
Travelling	728.87	739.85
Commission	276.34	374.74
Loss on Sales/Discard of Assets (Net)	6.96	2.33
Provisions/Allowances for Doubtful Debts	90.12	19.32
Bad Debts and Advances Written off	-	218.78
Less : Withdrawal from Provision/allowances for doubtful debts	-	211.97
Debtors and Advances Writtenoff (Net)	-	6.81
Printing & Stationery, Postage, Telephone and other	810.10	802.51
Miscellaneous Expenses etc.	<u>5,552.78</u>	<u>5,561.36</u>



**Note No. 34**
**Contingent liabilities, not provided for in respect of :**

- (i) Claims by certain parties against the company not accepted and not provided for ₹ 247.90 lacs (Net of ₹ 82.02 lacs indemnified by another party) (Previous Year ₹ 239.11 lacs (Net of ₹ 99.94 lacs indemnified by another party)).
- (ii) Income Tax (matters in appeals) of ₹ 216.07 lacs (Previous year ₹ 221.43 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.

**Note No. 35**

Company acted as a facilitator and has extended guarantees to Yes Bank Limited ₹ 4249.75 lacs (Previous year ₹ 3707.95 lacs) for loans provided to the farmers, grouped under trade payables / trade advances.

**Note No. 36**

Estimated amount of contracts net of advances amounting to ₹ 1.78 lacs (Previous year ₹ 6.18 lacs) remaining to be executed on capital account.

**Note No. 37**

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.

**Note No. 38**
**Expenditure on Research and Development (R&D) activities during the year:**

Particulars	2018-19	(₹ In Lacs) 2017-18
<b>Recurring Expenses*</b>		
Employees Cost	609.10	570.24
Farming Expenses	464.81	482.13
Other Expenses	286.25	377.11
<b>Total Recurring Expenses</b>	<b>1,360.16</b>	<b>1,429.48</b>
<b>Total Capital Expenditure</b>	<b>9.71</b>	<b>5.33</b>
<b>Total R &amp; D Expenses (incl. Capital Expenditure)</b>	<b>1,369.87</b>	<b>1,434.81</b>

\*Included in respective account

**Note No. 39**
**Amount paid to Auditors:**
**Statutory Auditors**

Audit Fee	5.00	2.75
Taxation	1.00	0.75
Certification & Other Charges	1.78	0.60
Reimbursement of expenses	0.13	0.08
<b>Total</b>	<b>7.91</b>	<b>4.18</b>

**Note No. 40**

- 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 17th 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.

**Note No. 41**

Based on information available with the Company in respect of MSME ('The Micro Small & Medium Enterprises Development Act 2006'). The details are as under:

- i) Principal and Interest amount due and remaining unpaid as at 31<sup>st</sup> March 2019 ₹ Nil (previous year ₹ Nil).
- ii) Interest paid in terms of section 16 of the MSME Act during the year - Nil (previous year - Nil).
- iii) The amount of Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified – Nil (previous year - Nil).
- iv) Payment made beyond the appointed day during the year - Nil (previous year - Nil).
- v) Interest Accrued and unpaid as at 31<sup>st</sup> March 2019 - Nil (previous year - Nil).

**Note No. 42**

Foreign Currency exposure not hedged as at Balance sheet Date:

Net receivable ₹147.64 Lacs - US\$ 213410 (Previous year ₹ 687.77 lacs – US \$ 216712 & AED 3082800), Net payable ₹ 40.99 lacs – US\$ 59250 (Previous year ₹ 0.01 lacs – Euro 20) and Buyers Credit ₹ Nil (Previous year ₹ 117.18 lacs - US \$ 180170)

**Note No. 43**
**Retirement benefit obligations:**
**A Expenses Recognised for Defined Contribution Plan**

Particulars	(₹ In Lacs)	
	2018-19	2017-18
Company's contribution to PF	136.12	128.83
Company's Contribution to ESI	15.21	15.78

Below tables sets forth the changes in the projected benefit obligation and plan assets and amounts recognised in the standalone Balance Sheet as at March 31, 2019 and March 31, 2018, being the respective measurement dates:

**I. Change in Present Value of Defined Benefit Obligation during the year**

Particulars	(₹ In Lacs)			
	Gratuity (Funded)		Leave Encashment (unFunded)	
	2018-19	2017-18	2018-19	2017-18
<b>Present Value of obligation as on 1st April'18</b>	<b>218.37</b>	195.23	<b>154.90</b>	151.59
<b>Current Service Cost</b>	<b>33.14</b>	28.86	<b>37.02</b>	18.38
Interest Cost	15.93	13.40	11.30	10.41
Benefits Paid	(42.99)	(23.11)	(31.48)	(23.98)
Remeasurement - actuarial loss/(gain) arising from	-	-	-	-
-Change in demographic assumptions	-	0.40	-	(0.52)
-Change in financial assumptions	3.53	9.20	2.54	6.42
-Experience Variance	16.20	(5.61)	(5.99)	(7.40)
<b>Present Value of obligation as on 31st March'19</b>	<b>244.18</b>	218.37	<b>168.29</b>	154.90

## II. Change in Fair Value Plan Assets

Particulars	(₹ In Lacs)			
	Gratuity (Funded)		Leave Encashment (unFunded)	
	2018-19	2017-18	2018-19	2017-18
Fair Value of Plan Assets at the beginning of year	175.72	-	-	-
Acquisition / Transfer in / Transfer out	-	-	-	-
Expected Return on Plan Assets	12.82	2.71	-	-
Employer Contribution	42.65	195.23	-	-
Benefit Paid	(42.99)	(22.22)	-	-
Actuarial gain / (Loss)	-	-	-	-
Fair Value of Plan Assets at the end of year	188.20	175.72	-	-
Present Value of Obligation	244.18	218.37	-	-
Net funded status of plan	(55.98)	(42.65)	-	-
Actual Returns on Plan Assets	12.82	2.71	-	-

## III. Expenses recognised in Statement of Profit and Loss

Particulars	(₹ In Lacs)			
	Gratuity (Funded)		Leave Encashment (unFunded)	
	2018-19	2017-18	2018-19	2017-18
Current Service Cost	33.14	28.86	37.02	18.38
Net Interest cost/ (income) on the net defined benefit liability/ (assets)	15.93	13.40	11.30	10.41
Past service cost	-	-	-	-
Re – measurement (or Actuarial) (gain)/ loss arising from:	(12.82)	(2.71)	-	-
-Change in demographic assumptions	-	0.40	-	(0.52)
-Change in financial assumptions	3.53	9.20	2.54	6.42
-Experience variance (i.e actual experience vs assumptions)	16.20	(5.61)	(5.99)	(7.40)
Less: Recognised in Other Comprehensive Income (OCI)	(19.73)	(4.00)	-	-
<b>Expenses recognised in P&amp;L For the year ended 31<sup>st</sup> March'19</b>	<b>36.25</b>	<b>39.54</b>	<b>44.87</b>	<b>27.29</b>

## IV. Recognised in Other Comprehensive Income

Particulars	(₹ In Lacs)
	Gratuity
Remeasurement - Actuarial loss / (gain) For the year ended 31 <sup>st</sup> March, 2018	4.00
Remeasurement - Actuarial loss / (gain) For the year ended 31 <sup>st</sup> March, 2019	19.73

**V. The Principal actuarial assumptions used for estimating the Company's defined obligations are set out below.**

**Financial Assumptions**

(₹ In Lacs)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2018-19	2017-18	2018-19	2017-18
Attrition / Withdrawal rate (per Annum)	19.50%	19.50%	19.50%	19.50%
Discount rate (per annum)	6.95%	7.30%	6.95%	7.30%
Salary growth rate (per annum)	6.50%	6.50%	6.50%	6.50%
Mortality Rate (% of IALM 06-08)	100%		100%	
Withdrawal rates, based on age: (per annum)	19.50%	19.50%	19.50%	19.50%

**VI. Sensitivity analysis**

(₹ In Lacs)

Particulars	Change in assumption	Effect on obligation	Change in assumption	Effect on obligation
	31.03.2019		31.03.2018	
Gratuity :-				
Discount Rate	1.00%	10.68	1.00%	10.03
	-1.00%	(9.85)	-1.00%	(9.25)
Salary Growth Rate	1.00%	10.63	1.00%	10.01
	-1.00%	(9.98)	-1.00%	(9.40)
Leave Encashment :-				
Discount Rate	1.00%	7.68	1.00%	7.00
	-1.00%	(7.08)	-1.00%	(6.46)
Salary Growth Rate	1.00%	7.64	1.00%	7.00
	-1.00%	(7.17)	-1.00%	(6.56)

Sensitivities due to mortality & withdrawals are not material & hence impact of change not calculated.

**Estimate of expected benefit payments**

Expected cash flow over the next (valued on undiscounted basis):	Gratuity	(₹ In Lacs)
		Leave encashment
1 Year	59.48	36.11
2 to 5 years	140.25	101.85
6 to 10 years	92.03	63.92
More than 10 Years	50.80	37.70

**VII. Statement of Employee benefit provision**

Particulars	2018-19	(₹ In Lacs)
		2017-18
Gratuity	55.98	42.65
Leave encashment	168.29	154.90

### VIII. Current and non-current provision for Gratuity and Leave Encashment

The following table sets out the funded status of the plan and the amounts recognised in the Company's balance sheet

(₹ In Lacs)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Current	55.98	42.65	36.12	33.76
Non current	-	-	132.17	121.14
Total	55.98	42.65	168.29	154.90

### IX. Employee benefit expense.

(₹ In Lacs)

Particulars	2018-19	2017-18
Salary and Wages	2,713.81	2,606.28
Costs-defined benefit	82.26	66.62
Costs-defined contribution plan	136.12	128.83
Employees Welfare Expenses	239.39	190.79
Total	3,171.58	2,992.52

### Note No. 44

#### Segment Information:

The Company is engaged primarily into Agri & Allied products. The Company has only one business segment as identified by management namely "Agri & Allied products". Segments have been identified taking into account nature of product and differential risk and returns of the segment.

### Note No. 45

#### Earning Per Equity Share:

	2018-19	2017-18
Weighted average shares outstanding	3,603,906	3,603,906
Profit after tax (in Lacs)	497.54	1,198.61
Basic Earnings per equity share (₹): (Face value of ₹ 10 each)	13.81	33.26
Diluted Earnings per equity share (₹): (Face value of ₹ 10 each)	13.81	33.26

### Note No. 46

#### Dividends

The following dividends were declared and paid by the company during the year:

(₹ In Lacs)

	2018-19	2017-18
For the year ended March 31, 2018: ₹4 per equity share, (31st March, 2017: ₹4 per equity share.)	144.16	144.16
Dividend Distribution Tax thereon	29.63	29.34
Total	173.79	173.50

The following dividends were proposed by the board of directors in their meeting subject to approval of



shareholders at the Annual General Meeting and are not recognised as a liability. Dividend would attract dividend distribution tax when declared or paid.

	<b>2018-19</b>	<b>(₹ In Lacs) 2017-18</b>
For the year ended 31st March, 2019: 15% i.e. ₹1.50 per equity share, (31 <sup>st</sup> March, 2018: 40% i.e. ₹4 per equity share)	<b>54.06</b>	144.16
<b>Total</b>	<b>54.06</b>	<b>144.16</b>

**Note No. 47**

Royalty payable on BG II Cotton Sales has been provided as per the Central Government Notification No.S.O.1108(E) Dated 12.03.2018.

**Note No. 48**

**Lease**

**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.

The lease rentals charged during the year for cancellable and non cancellable operating lease are as follows

	<b>2018-19</b>	<b>(₹ In Lacs) 2017-18</b>
<b>Particulars</b>		
Lease Rental Expenses	<b>173.58</b>	163.83
(b) The company does not have any non-cancellable agreements.		

**Note No. 49**

Details of expenditure on Corporate Social Responsibility Activities as per section 135 of Companies Act, 2013 read with schedule III are as below

	<b>2018-19</b>	<b>(₹ In Lacs) 2017-18</b>
<b>Particulars</b>		
Gross amount required to be spent by the company during the year	<b>27.50</b>	28.27
Amount spent during the year	<b>52.50</b>	28.57
Promotion of Education	<b>13.51</b>	13.61
Health Care	<b>4.93</b>	4.20
Others	<b>34.06</b>	10.76

**Note No. 50**

**Financial Risk Management Objectives and Policies.**

The Company's Financial Risk Management is an integral part of how to plan and execute its Business Strategies. The Company's Financial Risk Management Policy is set by the Board. The Company's activities are exposed to a variety of financial risks from its operations. The key financial risks include market risk (including foreign currency risk, interest rate risk and commodity risk etc.), credit risk and liquidity risk.

**50.1 Market Risk:** Market risk is the risk of loss of future earnings, fair values or future cash flows that may results from change in the price of a financial instrument. The value of a financial instrument may change as result of change in the interest rates, foreign currency exchange rates, equity prices and other market changes may affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments and deposits, foreign currency receivables, payables and loans and borrowings. Market risk comprises mainly three types of risk:

Interest rate risk, currency risk and other price risk such as equity price risk and commodity risk. The Company has an elaborate risk management system to inform Board Members about risk management and minimization procedures.

**a) Foreign Currency Risk :**

Foreign Currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company makes certain imports and exports in foreign currency & therefore is exposed to Foreign Exchange Risk. The Company evaluates exchange rate exposure arising from foreign currency transactions. The Company has not undertaken any hedging activities for foreign exchange.

Particulars	As at 31.03.2019	As at 31.03.2018
Change in USD	2%	2%
Effect on profit / (loss) before tax	2.12	11.41
Change in USD	-2%	-2%
Effect on profit / (loss) before tax	-2.12	-11.41

**b) Interest Rate Risk :-**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Any changes in the interest rates environment may impact future rates of borrowing. The Company mitigates this risk by maintaining a proper blend of Fixed & Floating Rate Borrowings. The following Table shows the blend of Company's Fixed & Floating Rate Borrowings in Indian Rupee:

Particulars	As at 31.03.2019	(₹ In Lacs) As at 31.03.2018
<b>Loans in Rupees</b>		
- Fixed Rate	279.40	2,473.56
- Floating Rate	5,246.56	2,160.47
<b>Total</b>	<b>5,525.96</b>	<b>4,634.03</b>

The Company regularly scans the Market & Interest Rate Scenario to find appropriate Financial Instruments & negotiates with the Lenders in order to reduce the effect Cost of Funding.

**Interest Rate Sensitivity:** The following table demonstrates the sensitivity to a reasonably possible change in interest rates on financial assets affected. With all other variables held constant, the Company's profit / (Loss) before tax is affected through the impact on finance cost with respect to our borrowing, as follows:

Particulars	As at 31.03.2019	(₹ In Lacs) As at 31.03.2018
<b>Change in Basis Points</b>	25	25
Effect on profit before tax	(13.12)	(5.40)
Change in Basis Points	-25	-25
<b>Effect on profit before tax</b>	13.12	5.40

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

**(c) Commodity Price Risk and Sensitivity:**

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.

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

## 50.2 Credit Risk:

Credit risk is the risk that counterparty might not honor its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables).

**Trade Receivables:** Customer credit risk is managed based on company's established policy, procedures and controls. The company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Credit risk is reduced by receiving pre-payments and export letter of credit to the extent possible. The Company has a well defined sales policy to minimize its risk of credit defaults. Outstanding customer receivables are regularly monitored and assessed. Impairment analysis is performed based on historical data at each reporting date on an individual basis. However a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively.

**50.2a.** The ageing of the trade receivables are given below.

(₹ In Lacs)

Particulars	Neither due not impaired	Upto 6 months	6 to 12 months	Above 12 months	Total
<b>As at 31st March 2019</b>					
Secured	-	-	-	-	-
Unsecured	4,209.43	1,165.91	901.29	3,456.35	9,732.98
<b>Total</b>	<b>4,209.43</b>	<b>1,165.91</b>	<b>901.29</b>	<b>3,456.35</b>	<b>9,732.98</b>
Provision/ Allowances for doubtful Debts				(1,156.81)	(1,156.81)
<b>Net total</b>	<b>4,209.43</b>	<b>1,165.91</b>	<b>901.29</b>	<b>2,299.54</b>	<b>8,576.17</b>
<b>As at 31st March 2018</b>					
Secured	-	-	-	-	-
Unsecured	6,317.64	1,562.47	586.18	3,420.01	11,886.30
<b>Total</b>	<b>6,317.64</b>	<b>1,562.47</b>	<b>586.18</b>	<b>3,420.01</b>	<b>11,886.30</b>
Provision/Allowances for doubtful Debts				(1,066.69)	(1,066.69)
<b>Net total</b>	<b>6,317.64</b>	<b>1,562.47</b>	<b>586.18</b>	<b>2,353.32</b>	<b>10,819.61</b>

**50.2b.** Advance to suppliers are net of provision/loss allowances made for Doubtful advances of ₹13.52 lacs (Previous year ₹ 13.52 lacs).

**50.2c.** ECL impairment loss allowance (or reversal) recognized during the period as income/ expense in the Statement of Profit and Loss under the head 'Other expenses'. The balance sheet presentation for financial instruments is described below:

- Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.
- Financial Assets includes ₹ 1823.61 lacs towards Trade Receivables and Security Deposit of ₹ 121.68 lacs shown under the heading "Deposit with Government Authorities and others" from Rajasthan Government. In view of the fact that the materials supplied met all the quality specifications and was accepted by the government, the receivable is considered good and recoverable. Last year the Hon'ble High Court of Rajasthan, Jaipur, allowed our petition file under sec 11 of the Arbitration and Conciliation Act, 1996 and appointed Retired Supreme Court Judge as arbitrator. During the year Arbitrations Proceeding have taken place and the Hon'ble Arbitrator has asked us to approach the Rajasthan High Court for seeking extension of eight weeks for the award of judgement. The Same is being done.
- The Company has initiated legal proceedings on Uttar Pradesh Seed Development Corporation (UPSDC) for recovery of the overdue outstanding of ₹ 952 lacs for which we have also made expected credit loss allowance in the books of accounts. Company filed an application in Hon'ble High Court of Uttar Pradesh to appoint an arbitrator and thereby notices have been issued to UPSDC.

During the year the Hon'ble Court after hearing the parties, disposed off the application on the ground that the dispute is not covered by the arbitration as payment was not stopped on account of any issue relating to quality or supply time.

In the Affidavit filed by UPSDC there is an admission by the UPSDC that there is no dispute with respect to "quality" and "supply time, and payment has been stopped on account of pending enquiry by the Government of Uttar Pradesh.

On the facts of the case, Company has a good case to recover the amount and will file further proceedings before the appropriate forum for recovery of the outstanding amount.

**50.2d.** Some of the balances of debtors, loans & advances and current liabilities are in the process of confirmation/reconciliation.

### 50.3 Liquidity Risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due. The Company relies on a mix of borrowings and operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowings facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

### Maturity Profile of Financial Liabilities:

The following Table provides undiscounted cash flows towards financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date

(₹ In Lacs)

Sl. No	Particulars	Carrying amount	Due within 1 year	Due between 1-5 years	Due after 5 years	Total
<b>1</b>	<b>As on 31st March 2019</b>					
	Borrowings	5,525.96	3,998.06	1,527.90	-	5,525.96
	Trade payables	7,092.77	7,092.77	-	-	7,092.77
	Other liabilities	337.06	334.20	2.86	-	337.06
	<b>Total</b>	<b>12,955.79</b>	<b>11,425.03</b>	<b>1,530.76</b>	<b>-</b>	<b>12,955.79</b>
<b>2</b>	<b>As on 31st March 2018</b>					
	Borrowings	4,634.03	4,379.14	254.89	-	4,634.03
	Trade payables	9,323.88	9,323.88	-	-	9,323.88
	Other liabilities	271.90	265.15	6.75	-	271.90
	<b>Total</b>	<b>14,229.81</b>	<b>13,968.17</b>	<b>261.64</b>	<b>-</b>	<b>14,229.81</b>

### Note No. 51

#### Capital Risk Management:

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Company also proposes to maintain an optimal structure to reduce the cost of capital. For the purpose of the Company's capital management, capital includes issued capital, securities premium and all other equity reserves. Net debt includes, interest bearing loans and borrowings, less cash and cash equivalents.

Particulars	(₹ In Lacs)	
	As at 31.03.2019	As at 31.03.2018
Borrowings	5,525.96	4,634.03
Less: Cash and Cash equivalents (Incl. Bank Balances)	496.58	468.51
<b>Net debt</b>	<b>5,029.37</b>	<b>4,165.52</b>
Equity Share Capital	360.39	360.39
Other Equity	8,586.92	8,277.15
<b>Total Capital</b>	<b>8,947.31</b>	<b>8,637.54</b>
<b>Capital and net debt</b>	<b>13,976.69</b>	<b>12,803.06</b>
<b>Gearing ratio</b>	<b>36%</b>	<b>33%</b>

The Company monitors capital using a gearing ratio, which is Net Debt divided by Total Capital plus Net Debt. Net Debt is calculated as total borrowings including short term and current maturities of long term debt.

## Note No. 52

### Fair Value of Financial Assets and Liabilities:

Set out below, is a comparison by class of the carrying amounts and fair value of the financial instruments of the Companies

Particulars	As at 31st March 2019		As at 31st March 2018	
	Carrying Amount	Fair Value	Carrying amount	Fair Value
Financial Assets at Amortized cost				
Trade Receivable	8,576.17	8,576.17	10,819.61	10,819.61
Others	869.41	869.41	829.46	829.46
<b>Total</b>	<b>9,445.58</b>	<b>9,445.58</b>	<b>11,649.07</b>	<b>11,649.07</b>
Financial Liabilities at Amortized Costs				
Borrowings	5,525.96	5,525.96	4,634.03	4,634.03
Trade payables	7,092.77	7,092.77	9,323.88	9,323.88
Others	337.06	337.06	271.90	271.90
<b>Total</b>	<b>12,955.79</b>	<b>12,955.79</b>	<b>14,229.81</b>	<b>14,229.81</b>

### Fair Valuation Techniques:

The Company maintains policies and procedures to value Financial Assets & Financial Liabilities using the best and most relevant data available. The Fair Values of the Financial Assets and Liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company has disclosed financial instruments such as cash and cash equivalents, other bank balances, trade receivables, trade payables and other financial liability at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short term nature.

The Company does not have any asset or liabilities that can be grouped into Level 1 to Level 3 for Fair value measurement

**Note No. 53**
**Related Party Disclosure**
**List of Related Parties :**
**a) Key Management Personnel (KMP)- as per Companies Act, 2013 :**
Non Executive Directors

Shri Bharat Hari Singhania	:	Chairman
Dr. Raghupati Singhania	:	Non Independent
Shri Sanjay Kumar Khaitan	:	Independent
Shri Sanjeev Kumar Jhunjhunwala	:	Independent
Smt. Swati Singhania	:	Non Independent
Shri Abhimanyu Jhaver	:	Independent
Shri Amar Singh Mehta	:	Independent
Shri Ajay Srivastava	:	Independent

Executive Directors

Shri Vikrampati Singhania @	:	Managing Director
Shri Sanjay Kumar Gupta	:	President & Whole Time Director

Executives

Shri Amit Agarwal #	:	Chief Financial Officer
Shri Appala Raju Narava \$	:	Chief Financial Officer
Shri Anoop Singh Gusain	:	Company Secretary

@ Managing Director w.e.f. 7.05.2018

# Resigned w.e.f. 03.01.2019

\$ Appointed w.e.f. 30.01.2019

**b) Post-Employment Benefit Plan Entities:**

JK Agri Genetics Limited - Employees Gratuity Fund.

**c) Enterprises which hold more than 20% shares in the Company**

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

**d) Other Related Parties:**

Pushpawati Singhania Hospital & Research Institute (PSRI)

i. The following transactions were carried out with related parties in the ordinary course of business and on arm's length basis:

<b>Particulars</b>	<b>2018-19</b>	<b>(₹ In Lacs) 2017-18</b>
Contribution to PSRI	<b>25.00</b>	-
Amount Paid to Employees Gratuity Fund	<b>42.65</b>	195.23

**ii) Remuneration Paid to KMPs**

<b>Particulars</b>	<b>2018-19</b>	<b>(₹ In Lacs) 2017-18</b>
Short Term Employee benefits*	<b>294.86</b>	273.56
Sitting Fees to Non Executive Directors	12.53	17.81

\* As the liability for Gratuity and Leave Encashment are provided on actuarial basis for the Company as a whole, The Amount pertaining to KMPs are not included above.



**Note No. 54**
**Income Tax Expense.**
**i. Amount recognized in statement of profit and loss :-**

	<b>2018-19</b>	<b>(₹ In Lacs)</b> <b>2017-18</b>
<b>Particulars</b>		
Current Tax	<b>130.74</b>	409.84
Deferred tax (relating to origination and reversal of temporary difference)	<b>(42.39)</b>	45.54
<b>MAT</b>		
MAT Credit Entitlement	<b>28.66</b>	-
MAT Credit Utilisation	<b>-</b>	97.97

**ii. Income Tax recognized in other Comprehensive Income :-**

	<b>2018-19</b>	<b>2017-18</b>
<b>Particulars</b>		
Deferred Tax (Gain)/Loss on defined benefit	<b>5.75</b>	1.38

**iii. Reconciliation of effective tax rate**

	<b>2018-19</b>	<b>2017-18</b>
<b>Particulars</b>		
Accounting Profit/(Loss) before income tax	<b>557.23</b>	1,653.99
At applicable Statutory Income tax rate	<b>27.820%</b>	34.608%
Computed Income Tax Expense/(Income)	<b>155.02</b>	572.41
<b>Increase / (Reduction) in taxes on account of :</b>		
In House R&D Expenses u/s 35(2AB)	<b>(89.93)</b>	(103.43)
Other Additions /(Deductions) as per IT Act	<b>36.99</b>	(13.60)
Income Tax Expenses / (Income) reported in Profit & Loss	<b>102.08</b>	455.38
Effective Tax Rate	<b>18.32%</b>	27.53%

**iv. Reconciliation of deferred tax Asset / (Liability) (Net):**

	<b>2018-19</b>	<b>2017-18</b>
<b>Particulars</b>		
Opening Balance	<b>51.95</b>	7.79
Deferred Tax Expense recognised in Statement of Profit and Loss	<b>(42.39)</b>	45.54
Other comprehensive income	<b>(5.75)</b>	(1.38)
<b>Total</b>	<b>3.81</b>	51.95

**v. Deferred Tax:**

Deferred Tax relates to the followings:

	<b>2018-19</b>	<b>2017-18</b>
<b>Particulars</b>		
Book base and tax base of Property Plant and Equipments (Disallowance) / Allowance (net) under Income Tax & Others	<b>379.92</b> <b>(383.73)</b>	416.35 (468.30)
Closing Balance	<b>(3.81)</b>	(51.95)

**Note No. 55**

Hon'ble Supreme Court has pronounced a judgement in Feb., 2019 making clarification with respect to the definition of Wages for the purpose of Employees Provident Fund contribution. Further petitions have been filed with the Supreme Court seeking additional clarifications and there has been no clarity either from Govt., or from

other concerned authorities.

In light of the above, the Company has not made any provision of the same in the financial statements. However, appropriate accounting treatment will be given in its ensuing Financial Statements as and when clarification is received.

#### Note No. 56

During the year the Company has received a grant of ₹ 11.10 lacs (Previous year ₹ 14.80 lacs) from BIRAC, the same is netted from other expenses.

#### Note No. 57

Previous year's figures have been re-grouped/re-classified/recast wherever necessary and figures less than ₹ 500 have been shown as actuals in bracket.

#### Note No. 58

##### Impairment Testing of Intangible Assets

The Brands are considered to have an Indefinite useful life on the basis of the expected longevity and tested for impairment annually, in case there is any indication for impairment of carrying value. Based on internal analysis and relevant factors, the Management is of the opinion that, the brand is expected to continue to generate cash flows for an undetermined period.

#### Note No. 59

Changes in liabilities arising from financing activities:

(₹ In Lacs)

Particulars	2017-18	Cash Flows	Non Cash Items	2018-19
			Fair Value Changes	
Long Term Borrowings	806.39	973.01	(24.50)	1,779.40
Short Term Borrowings	3827.65	(81.09)	-	3746.56
Interest Paid	246.68	(895.63)	-	304.88
<b>Total</b>	<b>4880.71</b>	<b>(3.71)</b>	<b>(24.50)</b>	<b>5830.84</b>

#### Note No. 60

Standards issued but not yet effective

Ind AS 116 Leases

Ind AS 116 was notified on 30<sup>th</sup> March 2019 and requires Lessee to recognise the right of use an asset for the lease term in Balance Sheet. This standard will come into force from accounting period commencing on or after 1<sup>st</sup> April, 2019 the company is evaluating the requirements of the amendments and the effects on the financial statements is being evaluated.

As per our report of even date.

For BGJC & Associates LLP

Chartered Accountants

ICAI Firm Registraion No. 003304N

Darshan Chhajer

Partner

Membership No. 088308

BHARAT HARI SINGHANIA	Chairman
DR. RAGHUPATI SINGHANIA	
SANJEEV KUMAR JHUNJHUNWALA	Directors
ABHIMANYU JHAVER	
AJAY SRIVASTAVA	
AMAR SINGH MEHTA	
VIKRAMPATI SINGHANIA	Managing Director

New Delhi, the 10<sup>th</sup> May 2019

APPALA RAJU NARAVA  
Chief Financial Officer

ANOOP SINGH GUSAIN  
Company Secretary

SANJAY KUMAR GUPTA President & Director

## CASH FLOW STATEMENT (FOR THE PERIOD ENDED 31ST MARCH, 2019)

	2018-19	(₹ In Lacs) 2017-18
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax and extraordinary items	557.23	1,653.99
Adjustment for :		
Depreciation / Amortisation	249.24	275.32
Interest Expenses	953.83	809.18
(Profit)/Loss on sale of Assets	6.96	2.33
Foreign Exchange Fluctuation	0.67	2.32
Interest Income	(51.62)	(54.51)
Provision for Doubtful Debts/Advances	90.38	19.32
Bad Debts and Advances Written off	-	6.81
Liabilities no longer required written back	(81.75)	(54.41)
<b>Operating Profit before working capital changes</b>	<b>1,724.94</b>	<b>2,660.35</b>
(Increase)/ Decrease in Trade and Other Receivables	2,079.69	(1,065.50)
(Increase)/ Decrease in Inventories	285.89	(2,168.08)
Increase/ (Decrease) in Trade and Other Payables	(3,690.86)	881.90
<b>Cash generated from Operations</b>	<b>399.66</b>	<b>308.67</b>
Direct taxes Net	(166.69)	(352.99)
<b>Net Cash from Operating Activities</b>	<b>232.97</b>	<b>(44.32)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(95.62)	(174.50)
Sale of Fixed Assets	41.10	12.31
Interest Received	47.11	61.97
<b>Net Cash from / (used in) Investing activities</b>	<b>(7.41)</b>	<b>(100.22)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term borrowings	1,500.00	-
Repayment of Long Term borrowings	(551.49)	(587.59)
Proceeds/(Repayments) from Short Term borrowings (Net)	(81.09)	1,631.20
Interest Paid	(895.63)	(788.43)
Dividend Paid (Including Dividend Distribution Tax)	(173.79)	(173.50)
<b>Net cash from / (Used in) financing activities</b>	<b>(202.00)</b>	<b>81.68</b>
<b>Net Increase /(Decrease) in Cash and Cash equivalents</b>	<b>23.56</b>	<b>(62.86)</b>
<b>Cash and Cash equivalents as at the beginning of the year</b>	<b>465.57</b>	<b>528.43</b>
<b>Cash and Cash equivalents as at the end of the year</b>	<b>489.13</b>	<b>465.57</b>

### Notes:

- Cash and Bank Balances Include:
 

- Cash, Cheques in hand and Remittances in transit	28.99	27.64
- Balances with Scheduled Banks including deposits#	460.14	437.93
Cash and Bank Balances	489.13	465.57

# Excludes earmarked balance in Unclaimed Dividend Account ₹ 5.48 lacs & Fractional Shares Balance ₹ 1.97 lacs (Previous year Unclaimed Dividend ₹ 2.94 lacs) (Refer Note no.11)

As per our report of even date.

For BGJC & Associates LLP  
Chartered Accountants  
ICAI Firm Registraion No. 003304N

Darshan Chhajer  
Partner  
Membership No. 088308

BHARAT HARI SINGHANIA	Chairman
DR. RAGHUPATI SINGHANIA	
SANJEEV KUMAR JHUNJHUNWALA	Directors
ABHIMANYU JHAVER	
AJAY SRIVASTAVA	
AMAR SINGH MEHTA	
VIKRAMPATI SINGHANIA	Managing Director

New Delhi, the 10 <sup>th</sup> May 2019	APPALA RAJU NARAVA Chief Financial Officer	ANOOP SINGH GUSAIN Company Secretary	SANJAY KUMAR GUPTA President & Director
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## NOTICE

NOTICE is hereby given that the **19<sup>th</sup> Annual General Meeting** of the Members of **JK Agri Genetics Limited** will be held at **Shripati Singhania Hall, Rotary Sadan, 94/2, Jawahar Lal Nehru Road (Chowringhee Road), Kolkata -700 020** on Tuesday, **27<sup>th</sup> August 2019 at 11.30 A.M.** to transact the following business:

1. To receive, consider and adopt the audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March 2019 and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Dr. Raghupati Singhania (DIN:00036129), who retires by rotation and being eligible, has offered himself for re-appointment.
4. To consider and if thought fit to pass, the following as an **Ordinary Resolution**:  
 “RESOLVED that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act 2013 and the Rules made thereunder as amended from time to time, M/s BGJC & Associates LLP, Chartered Accountants, New Delhi (Firm Registration No. 003304N) be and are hereby re-appointed as Statutory Auditors of the Company for second term of five consecutive years, to hold office from the conclusion of this AGM till the conclusion of the AGM to be held in the year 2024, on a remuneration of ₹ 5,00,000/- (Rupees Five Lac only) per annum, up to the conclusion of the next AGM, excluding GST and reimbursement of travelling and other out-of-pocket expenses actually incurred by them in connection with the audit and the Board of Directors of the Company be and is hereby authorised to fix the remuneration for the remaining tenure of the Auditors.”

### As Special Business

5. To consider and if thought fit to pass, the following as an **Ordinary Resolution**:  
 “RESOLVED that Dr. Gyanendra Shukla (DIN:02922133) whose appointment on the Board as Additional Director determines on the date of the present Annual General Meeting, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”
6. To consider and if thought fit to pass, the following as a **Special Resolution**:  
 “RESOLVED that pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable

provisions, if any, of the Companies Act, 2013 (the Act) and Schedule V thereto and the Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the appointment of Dr. Gyanendra Shukla (DIN: 02922133) as Whole-time Director of the Company with the designation ‘President & Director’ for a period of three years w.e.f. 23<sup>rd</sup> May 2019, be and is hereby approved on the terms of remuneration set out in the Statement under Section 102 of the Act annexed hereto which shall be deemed to form part hereof and in the event of inadequacy or absence of profits under Sections 197 and 198 of the said Act in any financial year or years, the remuneration comprising salary, performance linked incentive, perquisites, allowances and benefits, as approved herein be paid as minimum remuneration to the said Whole-time Director for a period not exceeding three years in the aggregate subject to requisite approvals under the said Act.

RESOLVED FURTHER that the Chairman/ Managing Director of the Company be and are hereby severally authorised to vary and/or revise the remuneration of the said Whole-time Director within the overall limits approved herein and to settle any question or difficulty in connection therewith and incidental thereto.”

7. To consider and if thought fit to pass, the following as a **Special Resolution**:  
 “RESOLVED that pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 and other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, Shri S.K. Khaitan (DIN: 00156816), who holds office of Independent Director up to 5<sup>th</sup> September 2019, be and is hereby re-appointed as an Independent Director of the Company for another term of four consecutive years with effect from 6<sup>th</sup> September 2019.”

8. To consider and if thought fit to pass, the following as a **Special Resolution:**

“RESOLVED that pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 and other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, Shri S.K. Jhunjunwala (DIN: 00177747), who holds office of Independent Director up to 5<sup>th</sup> September 2019, be and is hereby re-appointed as an Independent Director of the Company for another term of four consecutive years with effect from 6<sup>th</sup> September 2019.”

9. To consider and if thought fit to pass, the following as a **Special Resolution:**

“RESOLVED that pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 and other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, Shri Abhimanyu Jhaver (DIN: 02330095), who holds office of Independent Director up to 24<sup>th</sup> March 2020, be and is hereby re-appointed as an Independent Director of the Company for another term of five consecutive years with effect from 25<sup>th</sup> March 2020.”

Regd. Office:

7, Council House Street,  
Kolkata-700 001

CIN: L01400WB2000PLC091286

Website: www.jkagri.com

Email: jkagls@shareholder@jkmail.com

Phone: +9133-22486181,

Fax: +9133-22481641

Date: 20<sup>th</sup> July 2019

By Order of the Board

Anoop Singh Gusain

Company Secretary

#### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. INSTRUMENT APPOINTING PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR MEMBER.

2. The Statement pursuant to Section 102 of the Companies Act, 2013 (Act) and Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 setting out the material facts concerning Item Nos. 3 to 9 of the Notice, is annexed hereto.
3. Corporate Members intending to send their Authorised Representatives to attend the Annual General Meeting (AGM) are requested to send a duly certified copy of their Board Resolution authorising such representatives to attend and vote at the AGM.
4. Relevant documents referred to in the accompanying Notice, shall be available for inspection at the Registered Office of the Company and the copies thereof at the Administrative Office of the Company during normal business hours (between 11.00 AM to 1.00 PM) on all working days upto and including the date of the AGM and also at the venue of the Meeting.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from 21<sup>st</sup> August 2019 to 27<sup>th</sup> August 2019 (both days inclusive).
6. The Dividend of ₹1.50/- per Equity Share of ₹10/- each (15%) as recommended by the Board of



Directors, if declared at the AGM, will be paid within three weeks of the date of the AGM to the Members whose names are borne on the Company's Register of Members on 27<sup>th</sup> August 2019 or to their mandatees. In respect of shares held by the Members in dematerialised form, the Dividend will be paid on the basis of details of beneficial ownership to be received from the Depositories for this purpose.

7. In furtherance of the Go Green Initiative of the Government, electronic copy of the Annual Report for the Financial Year 2018-19, including the Notice of the 19<sup>th</sup> AGM of the Company along with Admission Slip and Proxy Form are being emailed to all the Members whose email addresses are registered with the Company/Depository Participants. These documents will also be available on the Company's website [www.jkagri.com](http://www.jkagri.com). Physical copies of the aforesaid documents may be sent on request by any such Member.
8. Physical copy of the Annual Report for the Financial Year 2018-19, including the Notice of the 19<sup>th</sup> AGM of the Company along with Admission Slip and Proxy Form are being sent to those Members who have not registered their email addresses with the Company/Depository Participants. We request such members to register their e-mail address for receiving all communications including Annual Report, Notices, Circulars, etc. from the Company electronically.
9. **Remote e-voting procedure: -**

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with relevant rules thereunder, Secretarial Standards on General Meetings and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide Members, facility to exercise their right to vote at the 19<sup>th</sup> AGM by electronic means and the business may be transacted through remote e-voting services provided by Central Depository Services (India) Limited (CDSL). Remote e-voting is optional. The facility for voting by ballot/polling paper shall also be made available at the AGM and the Members attending the AGM who have not already cast their vote by remote e-voting shall be able to exercise their right to cast vote at the AGM.

#### **The instructions for Members for remote**

#### **e-voting are as under:**

- (i) The e-voting period begins on Saturday, 24<sup>th</sup> August 2019 (10:00 A.M.) and ends on Monday, 26<sup>th</sup> August 2019 (5:00 P.M.) During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on Tuesday, 20<sup>th</sup> August 2019 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Members who have already voted prior to the AGM date may attend the AGM but shall not be entitled to vote again at the AGM.
- (iii) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period and Click on "Shareholders/Members".
- (iv) Now Enter your User ID
  - (a) For CDSL: 16 digits beneficiary ID,
  - (b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - (c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the character displayed on the image verification and click on Login.
- (vi) Members holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted earlier for any company, then your existing password is to be used.



- (vii) If you are a first time user, follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name in Capital letters followed by 8 digits of the sequence number in the PAN field. The sequence number is printed on the Address Slip on the envelope or e-mail text, as the case may be.</li> <li>In case the sequence number is less than 8 digits, enter the applicable number of 0's before the sequence number and after the first two characters of the name in Capital letters eg., if your name is Ramesh Kumar and sequence number is 1, then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company's records in order to login. If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</p>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided

that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN relevant for JK Agri Genetics Limited.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Members can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Members and Custodians:

- Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.

(xx) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date may follow the same instructions as mentioned above for e-voting.

(xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section. The contact details of official responsible to address grievances connected with remote e-voting are Shri Rakesh Dalvi, Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compound, N M Joshi Marg, Lower Parel (E), Mumbai – 400013.; Phone No. 1800225533 or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

(xxii) The voting rights of Members shall be in proportion to their shares of the paid-up

equity share capital of the Company as on the cut-off date and a person who is not a Member as on the cut-off date should treat the Notice for information purpose only.

(xxiii) The Company has appointed Shri P.K. Sarawagi, of M/s P.K Sarawagi & Associates, Practicing Company Secretary, as Scrutinizer to scrutinise the voting (at AGM venue) and e-voting process in a fair and transparent manner.

(xxiv) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through e-voting in the presence of at least two witnesses not in employment of the Company and make, not later than 48 hours of conclusion of the Meeting, a consolidated Scrutiniser’s Report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorised by him in writing, who shall countersign the same. The Chairman or a person authorised by him in writing shall declare the result of the voting forthwith.

10. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date and who has not cast vote by remote e-voting, and being present at the AGM either personally or through proxy, only shall be entitled to vote at the AGM. Ballot papers will be available at the venue of the AGM.

11. The results declared along with the consolidated Scrutiniser’s Report shall be placed on the Company’s website [www.jkagri.com](http://www.jkagri.com) and on the website of CDSL e-voting [www.evotingindia.com](http://www.evotingindia.com) and shall simultaneously be forwarded to the Stock Exchange. The result of the Voting will also be displayed at the Notice Board at the Registered and the Administrative Office of the Company.

## **STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013**

### **Item No. 4**

The term of Office of Company’s Statutory Auditors, M/s. BGJC & Associates LLP, Chartered Accountants, who were appointed as Statutory Auditors of the Company for a term of two consecutive years, to hold Office from conclusion of 17<sup>th</sup> Annual General Meeting

(AGM) held on 25<sup>th</sup> August 2017 till the conclusion of 19<sup>th</sup> AGM to be held in the year 2019, expires at the conclusion of this AGM.

The Board, based on the recommendations of Audit Committee of Directors, has recommended re-appointment of M/s. BGJC & Associates LLP, Chartered Accountants, as Statutory Auditors of the Company for a second term of five consecutive years, from conclusion of this AGM till the conclusion of the 24<sup>th</sup> AGM to be held in the year 2024, for approval of the Members, at a remuneration as mentioned in the Resolution.

M/s. BGJC & Associates LLP, Chartered Accountants, have given their consent and confirmed their eligibility for the above re-appointment, pursuant to Sections 139 and 141 of the Companies Act, 2013 (Act) read with Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Keeping in view performance of M/s. BGJC & Associates LLP, Chartered Accountants, during above period and also their profile and experience, the Board considers that Company's continued association with M/s. BGJC & Associates LLP, Chartered Accountants, will be in the interest of the Company and recommends the Resolution set out at Item No. 4 of the Notice for approval of the Members.

The above may be treated as disclosures under Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise, in the aforesaid Resolution.

#### **Item Nos. 5& 6**

The Board of Directors of the Company has appointed Dr. Gyanendra Shukla as an Additional Director of the Company w.e.f. 23<sup>rd</sup> May 2019 pursuant to Section 161 of the Act. He was also appointed as a Whole-time Director with the designation 'President & Director' of the Company for a period of three (3) years w.e.f. 23<sup>rd</sup> May 2019 pursuant to Sections 196, 197, 198, 203 of the Act or any statutory modification or re-enactment thereof and Schedule V thereto, on the terms and remuneration determined by the Nomination & Remuneration Committee of Directors, set out hereunder, subject to the approval of Members and such other approval (s), as may be required.

In terms of Section 161 of the Companies Act 2013, (Act), Dr. Shukla shall hold office of Director upto the

date of this AGM of the Company. The Company has received a notice pursuant to Section 160 of the Act from a member proposing the name of Dr. Shukla for appointment as a Director of the Company at the forthcoming AGM of the Company.

In terms of Schedule V to the Companies Act, 2013, the relevant details are as under:

#### **I. GENERAL INFORMATION:**

- (1) Nature of Industry: Agri-Genetics which produces high yielding Hybrid Seeds.
- (2) Date or expected date of commencement of commercial production: The commercial production commenced in March 1990. However, the Seed Undertaking got transferred to and vested in this Company pursuant to the Scheme of Arrangement and Demerger, sanctioned by the Hon'ble High Court, Calcutta. The Scheme is operative w.e.f. 1<sup>st</sup> April 2005.
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable.
- (4) Financial Performance based on given indicators:

Particulars for the financial year ended 31 <sup>st</sup> March 2019		₹ in Lacs
-	Net Sales and other Income	19154.75
-	Operating Profit (Before Interest, Depreciation and Tax)	1760.30
-	Profit before Tax	557.23

- (5) Foreign investments or collaborators, if any: Not Applicable.

#### **II. INFORMATION ABOUT THE APPOINTEE:**

- (1) Background, Recognition or Awards details: Dr. Gyanendra Shukla, aged 52 years, is a Ph.D. in Botany/Genetics (from CSJM University, Kanpur) and holds MBA degree (from S.P. Jain Institute of Management and Research, Mumbai) in addition to M.Sc. – Agriculture (from G.B. Pant University, Uttarakhand).

Dr. Shukla has been a Senior Global executive with commercial and technical experience of more than 30 years with Agriculture input businesses (Crop Protection, Seeds & Biotech Traits) of leading Multinational companies like Monsanto, Hoechst (Now Bayer CropScience) and Ciba-Geigy (Now Syngenta) and has handled multiple leadership roles across geographies and functions. His vast experience encompasses

leading business operations and delivering results in highly complex socio-political and economic environments across Asia-Pacific and Africa. He is known for acquiring, nurturing diverse talent and creating conducive environment for success of the teams.

(2) Past Remuneration: Not Applicable

(3) Job Profile and his suitability: Dr. Gyanendra Shukla, Whole-time Director of the Company is vested with powers of management subject to the control, direction and superintendence of the Board of Directors and the Chairman of the Company.

His job responsibilities require high level of policy planning, vision and strategy, techno-commercial skills, analytical ability, communication and leadership skills. It also calls for in-depth understanding of agri-business sector. As Dr. Shukla possesses all these competencies in abundant measure, he is ideally suited for the job.

(4) Remuneration proposed: The Nomination and Remuneration Committee and the Board of Directors of the Company at their respective meetings held on 23<sup>rd</sup> May 2019 have approved the following terms of remuneration for the three years tenure of Dr. Gyanendra Shukla commencing 23<sup>rd</sup> May 2019.

(A) Salary: ₹8 Lacs per month in the salary range of ₹8 Lacs to ₹17 Lacs per month with such increments as may be decided by the Chairman/ Managing Director of the Company from time to time.

(B) Perquisites, allowances and benefits : Perquisites comprising provision of residential accommodation or house rent allowance in lieu thereof together with furnishings, reimbursement of medical expenses incurred including hospitalization and surgical charges for self and family and travel relating thereto and leave travel including foreign travel for self and family, club fees, premium on personal accident insurance, car(s) with driver, telephone etc., and such other perquisites, benefits and allowances as may be decided by the Chairman/ Managing Director of the Company. The perquisites shall be evaluated as per the actual cost or the Income-tax Rules, as applicable.

The above perquisites, allowances and benefits will be as per the schemes, policies and the rules of the Company as applicable from time to time subject to any change as may be decided by

the Chairman/ Managing Director of the Company.

(C) Performance Linked Incentive

(D) Contribution to Provident Fund, Superannuation Fund or Annuity Fund, as per Rules of the Company.

(E) Gratuity at the rate of 15 days salary for each completed year of service.

(F) Encashment of unavailed leave as per Rules of the Company.

(G) The Board or a Committee thereof may, from time to time, increase, or vary the salary range, subject to the overall ceiling prescribed under the Companies Act, 2013.

(H) In the event of inadequacy or absence of profits under Sections 197, 198 and other applicable provisions of the Companies Act, 2013 in any financial year or years, the Whole-time Director shall be entitled to such remuneration as he may be then drawing, as specified in paras A, B and C above, as minimum remuneration and be also entitled to perquisites mentioned in paras D, E and F above.

(5) Comparative remuneration profile with respect to Industry, size of the Company, profile of the position and person: The executive remuneration in the industry is on the rise. The Nomination and Remuneration Committee of the Company constituted by the Board in terms of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 perused remuneration of managerial persons prevalent in the industry and other companies comparable with the size of the Company, industry benchmarks in general, profile and responsibilities of Dr. Shukla and other relevant factors like determining his remuneration as proposed.

(6) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any: Besides the remuneration proposed herein, Dr. Gyanendra Shukla does not have any other pecuniary relationship with the Company. Dr. Shukla is not related to any other Director and Key Managerial Personnel of the Company, within the meaning of the Act.

### III OTHER INFORMATION:

- **Reasons for inadequate profit** – JK Agri Genetics Limited has been engaged primarily



in agriculture business (seeds-research & development, production, processing and marketing of field crops and vegetable seeds). Global commodity prices continue to remain depressed and inadequate rains continue to have impact on farmers income and industry. Seed is a momentum business with a research cycle of 5-7 years and hence it is important that company continues to invest in people & research to leverage the market condition when tide turn favourable.

- **Steps taken or proposed to be taken for improvement and expected increase in the productivity and profits in measurable terms** – Company is taking several steps to improve efficiency of research, production, inventory management (including portfolio rationalization) and go to market approach. Additionally, we continue to look for the export opportunities especially in the small holder markets in south Asian and African countries.

The Company has not made any default in repayment of any of its debts (including public deposits) or debentures or interest payable thereon in the preceding Financial Year.

The Board recommends the Resolution as set out at Item No. 5 for approval of the members by means of an Ordinary Resolution and at Item No. 6 for approval of the members by means of a Special Resolution.

Except Shri Gyanendra Shukla and their relatives to the extent of their shareholding, if any, in the Company, none of the other Directors or Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise, in the aforesaid Resolutions.

#### **Item Nos. 7, 8 & 9**

At the 14<sup>th</sup> Annual General Meeting (AGM) of the Company held on 6<sup>th</sup> September 2014, the Members approved appointment of Shri S.K. Khaitan (DIN:00156816) and Shri S.K. Jhunjunwala (DIN: 00177747) as Independent Directors of the Company pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 (the Act) for a term of five consecutive years from the date of above AGM upto 19<sup>th</sup> AGM of the Company to be held in the year 2019. Accordingly, their present term as Independent Directors will determine on 5<sup>th</sup> September 2019. Further, Shri Abhimanyu Jhaver (DIN: 02330095) was also appointed as Independent Director of

the Company for a term of five consecutive years commencing from 25<sup>th</sup> March 2015. Accordingly, the present term of Shri Jhaver as Independent Director will determine on 24<sup>th</sup> March 2020. They are eligible for re-appointment as Independent Directors of the Company for another term of upto a maximum of five consecutive years on passing of a special resolution by the Company.

Brief profile of the said Independent Directors including their vast experience and knowledge is provided in the Annexure to the Notice.

The Board, based on the performance evaluation and recommendation of the Nomination and Remuneration Committee of Directors, re-appointed Shri S.K. Khaitan and Shri S.K. Jhunjunwala for another term of four consecutive years each and Shri Abhimanyu Jhaver for a term of five consecutive years as Independent Directors of the Company, subject to requisite approval of the Members.

The Company has received requisite consent from all of them to act as Independent Directors and declarations confirming that they meet the criteria of Independence as prescribed under Section 149(6) of the Act and Regulation 16 of the SEBI Listing Regulations and that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge duties with an objective independent judgment and without any external influence. They have also confirmed that they are not disqualified to be re-appointed as Directors in terms of Section 164 of the Act and not debarred from holding the office of Director by virtue of any SEBI order or order of any other Authority.

In the opinion of the Board, these directors fulfill all conditions for re-appointment as Independent Directors as specified in the Act and Listing Regulations and are independent of the management. Further, they possesses appropriate skills, experience and knowledge and given their background and experience and contributions made by them during their tenure, the Board is of the opinion that their continued association would be in the best interest of the Company.

The Board recommends the Special Resolutions as set out at Item Nos. 7, 8 and 9 of the Notice for approval of the Members by means of Special Resolutions.

Copies of the draft letters of appointment of Shri S.K. Khaitan, Shri S.K. Jhunjunwala and Shri Abhimanyu Jhaver setting out the terms and conditions of their

appointment are available for inspection by the members at the registered office of the Company during normal business hours on all working days upto and including the date of ensuing AGM, and also at the venue of the Meeting.

Except Shri S.K. Khaitan, Shri S.K. Jhunjhunwala and Shri Abhimanyu Jhaver for themselves and through their relatives to the extent of their shareholding, if any, in the Company, none of the Directors or Key Managerial Personnel of the Company and/or their relatives are in anyway concerned or interested financially or otherwise in the aforesaid Resolutions.

Regd. Office:

7, Council House Street,  
Kolkata-700 001  
CIN: L01400WB2000PLC091286

Website: www.jkagri.com

Email: jkagls shareholder@jkmil.com

Phone: +9133-22486181, Anoop Singh Gusain

Fax: +9133-22481641 Company Secretary

Date: 20<sup>th</sup> July 2019

### **Annexure**

#### **Details of Directors seeking appointment/re-appointment at the AGM**

Name	Dr. Raghupati Singhania	Shri S.K. Khaitan	Shri S.K. Jhunjhunwala	Shri Abhimanyu Jhaver
DIN	00036129	00156816	00177747	02330095
Age (Years)	72	53	54	46
Qualification	Bachelors' Degree in Science	Bachelors' Degree in Commerce and Law Graduate	Master's Degree in Commerce	B.Com; MBA- International Busines, UK
Experience (including expertise in specific functional area)/ Brief Resume	Industrialist with over 50 years of experience in managing various industries.	Advocate with rich experience in commercial, legal and board matters.	Industrialist and Managing Director of Morning Glory Infra Ltd.	Industrialist with rich experience in production of pharma formulations, logistics and distribution network in India and neighboring countries.
Date of Appointment on the Board	30 <sup>th</sup> March 2013	30 <sup>th</sup> March 2013	12 <sup>th</sup> February 2013	25 <sup>th</sup> March 2015
Directorships held in other public companies (as per Section 165 of the Companies Act 2013 excluding private and other companies)	<ul style="list-style-type: none"> <li>• JK Tyre &amp; Industries Ltd.</li> <li>• J.K. Fenner (India) Ltd.</li> <li>• JKT&amp;I Employees Welfare Association Ltd.</li> <li>• Cavendish Industries Ltd.</li> <li>• JK Lakshmi Cement Ltd.</li> <li>• Bengal &amp; Assam Company Ltd.</li> <li>• DCM Ltd.</li> <li>• Radico Khaitan Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>• Bengal &amp; Assam Company Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>• Morning Glory Infra Ltd.</li> <li>• Bengal &amp; Assam Company Ltd.</li> </ul>	NIL



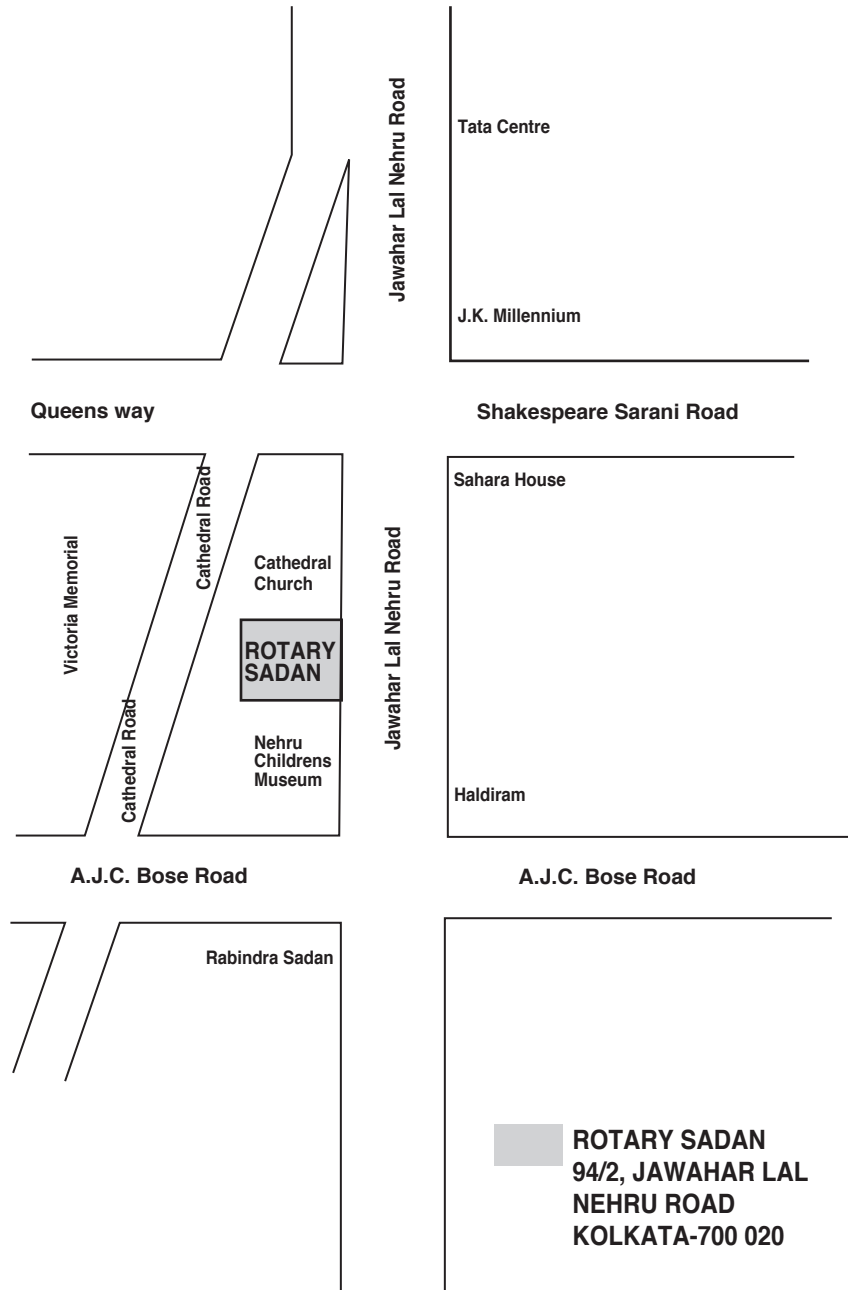
Memberships/ Chairmanships of committees of other public companies [includes only Audit Committee and Stakeholders' Relationship Committee in terms of Regulation 26 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]	<b>Membership:</b> <ul style="list-style-type: none"> <li>JK Lakshmi Cement Ltd. – Audit Committee</li> <li>Radico Khaitan Ltd. – Audit Committee</li> </ul> <b>Chairmanship:</b> <ul style="list-style-type: none"> <li>JK Lakshmi Cement Ltd. – Stakeholders Relationship Committee</li> <li>Bengal &amp; Assam Company Ltd. – Stakeholders Relationship Committee</li> </ul>	<b>Membership :</b> <ul style="list-style-type: none"> <li>Bengal &amp; Assam Company Ltd. – Audit Committee</li> </ul>	<b>Membership :</b> <ul style="list-style-type: none"> <li>Bengal &amp; Assam Company Ltd. – Audit Committee</li> <li>Morning Glory Infra Ltd. – Audit Committee</li> </ul>	Nil
Number of Equity Shares held in the Company	3744	Nil	Nil	Nil
No. of Board Meetings attended during the Financial Year 2018-19	4/4	2/4	3/4	2/4
Terms & conditions of re-appointment/ appointment	As per Item No.3 of this Notice.	As per resolution No. 7 and statement u/s 102 of the Companies Act, 2013 of this Notice.	As per resolution No. 8 and statement u/s 102 of the Companies Act, 2013 of this Notice.	As per resolution No. 9 and statement u/s 102 of the Companies Act, 2013 of this Notice.
Details of remuneration last drawn	Please refer Form No. MGT-9 forming part of Directors' Report			
Remuneration proposed to be paid	Sitting fee for attending Board Meetings and Commission on Net Profits, if any.	Sitting fee for attending Board and Committee Meetings and Commission on Net Profits, if any.	Sitting fee for attending Board and Committee Meetings and Commission on Net Profits, if any.	Sitting fee for attending Board Meetings and Commission on Net Profits, if any.
Relationships with other Directors /KMP	Dr. Raghupati Singhania is brother of Shri Bharat Hari Singhania.	Not related to any Director/KMP	Not related to any Director/KMP	Not related to any Director/KMP

## FOR ATTENTION OF THE MEMBERS

1. Members/Proxies should bring the Admission Slip enclosed herewith duly filled in for attending the Meeting.
2. Please Check the Pincode in the address slip pasted on the envelope and advise correction, if any, therein. Also, please do indicate the Pincode Number of your delivery post office while notifying change in your address to the Company where shares are held in physical form.
3. Members having multiple folios are requested to write to Company/RTA for consolidation of the folios to save the administrative or servicing cost.
4. **Dividend Warrants:**  
As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is mandatory for the Company to print the bank account details of the investors on dividend payment instrument. Accordingly, the Members are requested to register/ update their correct bank account details with the Company/ RTA Depository Participant, as the case may be alongwith MICR/ NECS details to enable the Company to directly credit the dividend amount in their Bank Account.
5. Investor Grievances and related correspondence should be addressed to the Company's Registrar and Share Transfer Agents: Alankit Assignments Ltd., at Alankit Heights, 3E/7, Jhandewalan Extension, New Delhi – 110 055 or E-mail: rta@alankit.com which will be promptly responded by the RTA. Please write to the Company Secretary at Secretarial Department at Gulab Bhawan (Rear Wing), 3<sup>rd</sup> Floor, 6A, Bahadur Shah Zafar Marg, New Delhi- 110 002 or E-mail: anoops@jksmail.com in case RTA's response is not received within a week's time. Members holding shares in dematerialised mode should approach the Depository Participant with whom they are maintaining Account for registration of change in address, bank mandate, nomination, etc.
6. **Unclaimed Dividends- Transfer to Investor Education and Protection Fund**
  - (a) The unclaimed dividend will be transferred to the Investor Education and Protection Fund (IE & PF) on expiry of 7 years from the date the dividend became due for payment.
  - (b) The unclaimed Dividend for the Financial Year 2013-14 ended 31<sup>st</sup> March 2014 will become due for transfer to IE & PF on 18<sup>th</sup> September 2021.
- (c) Members who have not claimed their dividend for the Financial Year 2013-14 (the year of declaration of maiden dividend) onwards may send their unclaimed dividend warrants to the Company Secretary for revalidation at the address given at Point No. 5 above.
7. **Nomination:** Pursuant to Section 72 of the Companies Act, 2013, individual Members holding Shares in the Company singly or jointly may nominate an individual to whom all the rights in the Shares in the Company shall vest in the event of death of the sole/all joint Holders. Members holding shares in physical form may send their nomination in the prescribed Form SH-13, duly filed in, to the Secretarial Department at the address mentioned above. Members holding shares in dematerialised form are requested to contact their Depository Participant for recording their nomination.
8. **Dematerialisation of Shares and Liquidity:** As per Regulation 40 of Listing Regulations, as amended, shares of listed companies can be transferred only in dematerialized form with effect from 1<sup>st</sup> April 2019, except in case of request received for transmission or transposition of securities. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form. Members can contact the Company's Registrars and Share Transfer Agent, Alankit Assignments Ltd., Alankit Heights, 3E/7, Jhandewalan Extension, New Delhi – 110 055 (RTA) for assistance in this regard. Dematerialisation facility is available both on NSDL and CDSL. Company's ISIN is INE690O01011.
9. Members are requested to quote their Folio No./ DP ID-Client ID and details of shares held in physical/demat mode, e-mail IDs and Telephone No. for prompt reply to their communications.
10. This Notice also contains a route map of the venue of AGM.

### Route map to the venue of the AGM

Shripati Singhanian Hall, Rotary Sadan, 94/2, Jawahar Lal Nehru Road (Chowringhee Road) Kolkata – 700 020





Regd. Office: 7, Council House Street, Kolkata-700 001  
(CIN: L01400WB2000PLC091286), Website: www.jkagri.com  
Email: jkagshareholder@jkmall.com, Phone: +9133-22486181, Fax: +9133-22481641

### ADMISSION SLIP

Folio No. or DP ID / Client ID	
No. of Equity Shares held	

I hereby record my presence at the **19<sup>th</sup> Annual General Meeting** of the Company being held at **Shripati Singhania Hall, Rotary Sadan, 94/2, Jawahar Lal Nehru Road (Chowringhee Road), Kolkata – 700 020** on **Tuesday, 27<sup>th</sup> August 2019** at **11.30 A.M.**

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

\* Strike out whichever is not applicable

\_\_\_\_\_  
Signature of the Member/ Proxy/ Authorised Representative\*

**Note:** 1. A member/ proxy/ authorised representative wishing to attend the meeting must complete this Admission Slip before coming to Meeting and hand it over at the entrance.  
2. If you intend to appoint a Proxy, please complete, stamp, sign and deposit the Proxy Form at the Company's Registered Office at least 48 hours before the meeting.



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Email: jkagshareholder@jkmall.com, Phone: +9133-22486181, Fax: +9133-22481641

### PROXY FORM

**[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]**

Name of the Member(s):	
Registered Address:	
E-Mail ID:	
Folio No./DPID/Client ID:	

I /We, being the member(s) of JK Agri Genetics Ltd., holding ..... shares, hereby appoint:

- Name : \_\_\_\_\_

Address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_

Signature : \_\_\_\_\_, or failing him / her
- Name : \_\_\_\_\_

Address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_

Signature : \_\_\_\_\_, or failing him / her
- Name : \_\_\_\_\_

Address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_

Signature : \_\_\_\_\_

as my/ our proxy to attend and vote (on a poll) for me/us and on my/ our behalf at the 19<sup>th</sup> Annual General Meeting of the Company, to be held on Tuesday, the 27<sup>th</sup> August 2019 at 11.30 A.M. at Shripati Singhania Hall, Rotary Sadan, 94/2, Jawahar Lal Nehru Road (Chowringhee Road) Kolkata – 700 020 and at any adjournment thereof in respect of the resolutions as are indicated below:

Resolution No.	Resolution Description
1	Consideration and Adoption of the Financial Statements for the financial year ended 31 <sup>st</sup> March 2019 and the Reports of the Directors and Auditors thereon.
2	Declaration of Dividend.
3	Re-appointment of Dr. Raghupati Singhania (DIN: 00036129), who retires by rotation.
4	Re-appointment of the Auditors and fixing their remuneration.
5	Appointment of Dr. Gyanendra Shukla (DIN: 02922133) as Director
6	Appointment of Dr. Gyanendra Shukla (DIN: 02922133) as Whole-time Director
7	Re-appointment of Shri S.K. Khaitan (DIN: 00156816) as an Independent Director.
8	Re-appointment of Shri S.K. Jhunjhunwala (DIN: 00177747) as an Independent Director.
9	Re-appointment of Shri Abhimanyu Jhaver (DIN: 02330095) as an Independent Director.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019

Affix  
revenue  
stamp

\_\_\_\_\_  
Signature of Members

\_\_\_\_\_  
Signature of Proxy holder(s)

**Note:** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.



Regd. Office: 7, Council House Street, Kolkata-700 001  
(CIN: L01400WB2000PLC091286), Website: [www.jkagri.com](http://www.jkagri.com)  
Email: [jkaglshareholder@jkmail.com](mailto:jkaglshareholder@jkmail.com), Phone: +9133-22486181, Fax: +9133-22481641,

## E-COMMUNICATION REGISTRATION FORM

Dear Shareholders,

Pursuant to the provisions of the Companies Act, 2013 read with relevant Rules issued thereunder, the Company is permitted to serve various notices/documents under the said Act, through electronic mode to those shareholders who have registered their e-mail address either with the Company or with the Depository.

To support this 'Green Initiative' the Members holding shares in physical form are requested to fill-in the appended form and send back to the Company. Members holding shares in dematerialized form are requested to approach the concerned Depository Participant to record/update in their e-mail address.

Anoop Singh Gusain  
Company Secretary

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## E-COMMUNICATION REGISTRATION FORM

(For Members holding Equity Shares in physical mode)

Folio No. : .....

Name of the 1st Registered Holder : .....

Name of the Joint Holder(s) : .....

Registered Address : .....

E-mail Id (to be registered) : .....

I/We Member(s) of JK Agri Genetics Ltd. agree to receive communication from the Company in electronic mode.

Please register my/our above e-mail ID in your records for sending communication in electronic form.

Date:

Signature:

Note: Member(s) are requested to complete this Form and send to the Company Secretary at the above address or send the scanned copy of this Form duly completed at the email id [jkaglshareholder@jkmail.com](mailto:jkaglshareholder@jkmail.com)



## NOTES

[illegible]





Gulab Bhawan, 3rd Floor (Rear Block) 6A, Bahadur Shah Zafar Marg, New Delhi - 110002  
Ph.: 011 30179891, Email: [jkaglshareholder@jkmail.com](mailto:jkaglshareholder@jkmail.com), [www.jkagri.com](http://www.jkagri.com)