

AUDITOR'S CERTIFICATE - 2005-06

To the Board of Directors of Florence Investech Ltd. (formerly JK Agri Genetics Ltd.)

We have examined the attached Balance Sheet (RECASTED) of Florence Investech Ltd. (FIL) {formerly JK Agri Genetics Ltd.} (JKAGL) as at 31st March 2006, the Profit & Loss Account (RECASTED) and also the Cash Flow Statement (RECASTED) (together financial statements) for the 12 months period ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management, which have been prepared to give impact of the Scheme of Arrangement & Demerger in Audited Financial Statements of FIL (formerly JK Agri Genetics Ltd.) for the year ended 31st March 2006 as stated in Note No. 2 [read with Note No. 1] of Schedule 13B. Impact of the Scheme (being effective on 2nd Nov, 2012) have been given in accounts of Financial Year 2011-12 to be prepared under Companies Act, 1956 for the purpose to be placed before the members of the Company in the Annual General Meeting. As stated in the above said note impact of the Scheme have been given in the financial year 2005-06, to re-organise the Accounts for the year ended 31st March 2006 after excluding the business of Seed Undertaking which have been transferred to JK Agri Genetics Ltd. {(Formerly Florence Alumina Ltd.) (FAL)}. Our responsibility is to certify these recasted financial statements based on our verification. Our examination was made in accordance with approved standards on auditing in India and accordingly included such tests of the accounting and other records. We have also assessed the accounting principles used and significant assessment made by the Management of the Company.

We invite attention to Note No. 2(a) of Schedule 13B to the Recasted Financial Statements regarding the transfer of assets and liabilities of Seed Undertaking of the Company [Florence Investech Limited (formerly JKAGL)] to the JK Agri Genetics Limited (formerly FAL), pursuant to the Scheme of Arrangement & Demerger between the Company and JK Agri Genetics Ltd. (formerly FAL), which has been approved by the Hon'ble High Court of Judicature at Calcutta operative from 1st April 2005 (appointed date), impact of which have been given in these financial statements with respect to Net difference being considered as Goodwill on transfer of Seed Undertaking to JK Agri Genetics Limited (Formerly FAL) and the same has been written off against the balance of Security Premium Account as stated in Note No. 2(a)(viii) of Schedule 13B which is not in line with the Generally Accepted Accounting Principles, as has been carried out as per the Order of the Hon'ble High Court.

For **LODHA & CO.,**
Chartered Accountants
FRN - 301051E



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



Place: New Delhi

Date: 15-05-2013

FLORENCE INVESTECH LIMITED (Formerly JK AGRI GENETICS LIMITED)

BALANCE SHEET (RECASTED) AS AT 31ST MARCH, 2006

₹ in Lacs

	Schedule	As at 31.03.2006	As at 31.03.2005
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
SHARE CAPITAL	1	332.89	4,600.65
RESERVES AND SURPLUS	2	7,159.70	2,081.30
		7,492.59	6,681.95
SECURED LOANS	3	-	4,293.89
DEFERRED TAX LIABILITIES		-	146.31
		7,492.59	11,122.15
APPLICATION OF FUNDS			
FIXED ASSETS			
GROSS BLOCK	4	-	3,155.50
LESS: DEPRECIATION		-	483.57
NET BLOCK		-	2,671.93
INVESTMENTS	5	6,681.30	6,364.27
DEFERRED TAX ASSETS		1.61	-
CURRENT ASSETS, LOANS AND ADVANCES	6	834.40	5,472.31
LESS: CURRENT LIABILITIES AND PROVISIONS	7	24.72	3,386.36
NET CURRENT ASSETS		809.68	2,085.95
		7,492.59	11,122.15
ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	13		

Schedules 1 to 7 and 13 attached to the Balance Sheet are an integral part thereof.

FLORENCE INVESTECH LIMITED (Formerly JK AGRI GENETICS LIMITED)

PROFIT & LOSS ACCOUNT (RECASTED) FOR THE YEAR ENDED 31ST MARCH, 2006

₹ in Lacs

	Schedule	2005-06	2004-05
INCOME			
SALES AND OTHER INCOME	8a	1,234.35	6,979.35
INCREASE/(DECREASE) IN FINISHED GOODS	8b	-	277.55
		1,234.35	7,256.90
EXPENDITURE			
MATERIALS AND MANUFACTURING	9	-	5,053.29
EMPLOYEES COST	10	3.71	424.69
OTHER EXPENSES	11	186.31	1,327.71
		190.02	6,805.69
OPERATING PROFIT(BEFORE INTEREST & DEPRECIATION)		1,044.33	451.21
COST OF BORROWINGS	12	-	5.41
PROFIT BEFORE DEPRECIATION		1,044.33	445.80
DEPRECIATION / AMORTISATION		-	169.51
PROFIT BEFORE EXCEPTIONAL ITEM & TAX		1,044.33	276.29
EXCEPTIONAL ITEMS		-	97.24
PROFIT BEFORE TAX		1,044.33	179.05
PROVISION FOR TAXATION			
- CURRENT TAX		26.46	32.55
- DEFERRED TAX		(1.44)	22.45
PROFIT AFTER TAX		1,019.31	124.05
APPROPRIATIONS			
DEBENTURE REDEMPTION RESERVE		318.42	124.05
BALANCE CARRIED TO BALANCE SHEET		700.89	-
BASIC AND DILUTED EARNING PER SHARE (₹)		30.62	3.54
ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	13		

Schedules 8 to 13 attached to the Profit & Loss Account are an integral part thereof.

FLORENCE INVESTECH LIMITED (Formerly JK AGRI GENETICS LIMITED)

₹ in Lacs

	As at 31.03.2006	As at 31.03.2005
Schedule 1		
SHARE CAPITAL		
Authorised:		
Equity Shares - 50,00,000 shares of ₹ 10/- each (Previous Year 1,75,00,000 shares of ₹ 10/- each) {Read with Note no. 2(a)(vii) of Schedule 13B}	500.00	1,750.00
Preference Shares - 50,00,000 shares of ₹ 85/- each (Previous Year 50,00,000 shares of ₹ 85/- each) {Read with Note no. 2(a)(vii) of Schedule 13B}	4,250.00	4,250.00
	4,750.00	6,000.00
Issued, Subscribed and Paid up:		
Equity Shares 33,28,944 shares (Previous Year 35,06,510) of ₹ 10/- each fully paid up {Refer Note No. 2 (a), 2(b) & 2(c) below}	332.89	350.65
Zero Coupon Redeemable Preference Shares Nil (Previous Year 50,00,000) shares of ₹ 85/- each fully paid up (Refer Note No. 3 below)	-	4,250.00
	332.89	4,600.65

Notes:

- 34,56,510 Equity Shares of Rs.10 each were allotted as fully paid up to the shareholders of J.K. Tyre & Industries Limited (JKTIL), without payment as per the Scheme of Arrangement & Amalgamation, in an earlier year.
- 35,06,510 equity shares of ₹ 10 each fully paid up have been reorganized and allocated pursuant to Scheme of Arrangement and Demerger and consequently the Company has issued and allotted 14,02,604 equity shares of ₹ 10/- each fully paid up to the shareholders of the Company. {Refer Note no.2(a)(vi) of Schedule 13B}
 - The Zero Coupon Redeemable Preference Shares(ZCRPS) of ₹ 4250 lacs have been converted into 8,51,346 nos. fully paid up equity share of ₹ 10/- each @ ₹ 499.21 (including premium ₹ 489.21) and have since been issued and allotted to the preference share holders of the company {Refer Note No. 2(a)(iii) & 2(a)(v) of Schedule 13B}.
 - Out of the Zero Coupon Non Convertible Bonds (ZCNCB) of ₹ 4250 lacs, the Company have transferred ₹ 1000 lacs to JK AGRI GENETICS LIMITED (formerly FLORENCE ALUMINA LIMITED) and the balance ZCNCB's of ₹ 3250 lacs have been converted into 10,74,994 nos. fully paid up equity share of ₹ 10/- each @ ₹ 302.33/- (including premium ₹ 292.33/-), which have since been issued and allotted to the Zero Coupon Non Convertible bondholders of the company {Refer Note No. 2(a)(iv) & 2(a)(v) of Schedule 13B}.
- ZCRPS amounting to ₹ 4250 lacs, appearing in the earlier year have been converted into Equity Shares as per note no.2(b) above.

₹ in Lacs

	As at 31.03.2006	As at 31.03.2005
Schedule 2		
RESERVES AND SURPLUS		
I. Securities Premium		
Opening Balance	-	
Add: On account of conversion of ZCRPS {Refer Note No. 2 (a) (iii) and 2 (a) (v) of Schedule 13B}	4,164.87	
Add: On account of conversion of ZCNCB's {Refer Note No. 2 (a) (iv) and 2 (a) (v) of Schedule 13B}	3,142.50	
Less: Goodwill written off {Refer Note No. 2 (a) (viii) of Schedule 13 B}	2,775.94	
	4,531.43	-
II. Debenture Redemption Reserve		
Opening Balance	472.34	348.29
Less: Transferred on account of Demerger of Seed {Refer Note 2 (a) (viii) of Schedule 13 B}	472.34	-
	-	348.29
Add: As per the Profit & Loss A/c	318.42	124.05
	318.42	472.34
III. General Reserve		
Opening Balance	1,608.96	1,608.96
IV. Surplus in Profit & Loss Account	700.89	-
	7,159.70	2,081.30

FLORENCE INVESTECH LIMITED (Formerly JK AGRI GENETICS LIMITED)

₹ in Lacs

	As at 31.03.2006	As at 31.03.2005
Schedule 3		
LOANS		
SECURED LOANS		
Zero Coupon Non-Convertible Bonds {Read with Note No.2(c) of Schedule 1}	-	4,250.00
Loan from Bank	-	43.89
	-	4,293.89

Notes:

1. Zero Coupon Non-Convertible Bonds (ZCNCBs) of ₹ 4250 lacs in the earlier year were secured by subordinate and subservient charge created/to be created on all the movable and immovable properties of the Company, both present and future. These Bonds were redeemable in four instalments of ₹ 1000 each at the expiry of the 4th to 7th year and ₹ 250 at the expiry of the 8th year from 1.4.2002 {Read with Note No.2(a)(iv) & (v) of Schedule 13B}.
2. Loan of Nil (Previous Year ₹ 43.89 Lacs) is secured by hypothecation of specified vehicles (Read with Note No. 2(a)(i) & (ii) Schedule 13B).

FLORENCE INVESTECH LIMITED (Formerly JK AGRI GENETICS LIMITED)

Schedule 4

FIXED ASSETS

₹ in lacs

Assets	Gross Value				Depreciation / Amortisation				Net Value	
	As At 01.04.2005	Additions	Transferred Pursuant to Scheme @	As At 31.03.2006	Upto Last Year	For the Year	Transferred Pursuant to Scheme @	Upto 31.03.2006	As at 31.03.2006	As at 31.03.2005
Land - Free Hold	2.00	-	2.00	-	-	-	-	-	-	2.00
Land - Lease Hold	18.69	-	18.69	-	0.06	-	0.06	-	-	18.63
Building	31.92	-	31.92	-	1.48	-	1.48	-	-	30.44
Plant and Machinery	177.40	-	177.40	-	32.30	-	32.30	-	-	145.10
Office Equipments, Furniture & Fixtures	44.10	-	44.10	-	9.14	-	9.14	-	-	34.96
Vehicles	135.42	-	135.42	-	17.21	-	17.21	-	-	118.21
Intangibles:				-				-		
Brand	2,700.00	-	2,700.00	-	405.00	-	405.00	-	-	2,295.00
Software	45.97	-	45.97	-	18.38	-	18.38	-	-	27.59
Total	3,155.50	-	3,155.50	-	483.57	-	483.57	-	-	2,671.93
Previous Year	3,077.66	116.47	38.63	3,155.50	319.38	169.51	5.32	483.57	2,671.93	-

@ Transferred pursuant to the Scheme of Arrangement and Demerger {Note No.2(a) (viii) of Schedule 13B}

FLORENCE INVESTECH LIMITED (Formerly JK AGRI GENETICS LIMITED)

Schedule 5 INVESTMENTS		As at 31.03.2006		As at 31.03.2005	
		Names of the Bodies Corporate	Class of Shares/ Debentures	Numbers	₹ in Lacs
LONG-TERM INVESTMENTS (Non trade)					
Fenner (India) Ltd.	Equity	-	-	2,27,066	57.38
Hifazat Chemicals Ltd. ¹ (11% Cumulative Redeemable)	Preference	-	-	33,173	-
J.K.Paper Ltd.	Equity	66,75,248	3,003.86	66,75,248	3,003.86
J K Lakshmi Cement Ltd.	Equity	68,22,521	982.67	71,21,578	729.96
Ashim Investment Co. Ltd. ²	Equity	7,58,057	109.19	-	-
Umang Dairies Ltd. ³	Equity	11,94,965	14.34	11,94,965	14.34
JK Sugar Ltd.	Equity	2,71,035	163.05	-	-
J.K.Pharmachem Ltd.	Equity	23,71,903	41.51	90,15,060	157.76
Udaipur Cement Works Ltd. ⁴	Equity	43,33,000	41.16	43,33,000	77.99
13.5% Debentures in J.K.Synthetics Ltd.	Debentures	34	-	34	-
J K Tyre and Industries Ltd. ⁵	Equity	45,25,554	1,609.19	60,34,071	2,145.59
Netflier Finco Ltd. ⁶	Equity	15,08,517	536.40	-	-
Bengal & Assam Company Ltd.	Equity	-	-	27,460	27.46
JK Agents Limited	Equity	-	-	1,20,000	120.00
R R Belts & Seals Ltd. ⁷	Equity	13,61,220	27.23	13,61,220	27.23
JK Agri Genetics Ltd. (formerly Florence Alumina Limited)	Equity	15,00,000	150.00	-	-
SHORT TERM					
ICICI Prudential Short Term Plan-Cumulative Option	Units	24,189.862	2.70	24,189.862	2.70
			6,681.30	6,364.27	
Aggregate book value of unquoted Investments			262.60	234.77	
Aggregate book value of quoted Investments			6,418.70	6,129.50	
Market value of quoted Investments			19,646.89	14,487.74	

- The value of shares had already been written off in previous years as the Company got liquidated. Now the Shares in physical quantity written off.
- Pursuant to a Scheme of Restructuring, Arrangement and Demerger of Investment Division of JK Lakshmi Cement Ltd. (JKLC) into Ashim Investment Co. Ltd (Ashim), the Company has been allotted 90 Equity shares of JKLC and 10 of Ashim for every 100 Equity shares of ₹ 10/- each of JKLC held by the Company.
- Name changed from J.K.Dairy & Foods Ltd.
- Name changed from J.K.Udaipur Udyog Ltd.
- Name changed from J.K.Industries Ltd.
- Pursuant to a Scheme of Arrangement and Demerger of Investment Division of J K Tyre and Industries Ltd. (JKTIL) into Netflier Finco Ltd. (NFL), the Company has been allotted 75 Equity shares of JKTIL and 25 of NFL for every 100 Equity Share of ₹ 10 each of JKTIL held by the Company.
- Name changed from J.K.Drugs & Pharmaceuticals Ltd.

₹ in Lacs

	As at 31.03.2006	As at 31.03.2005
Schedule 6		
CURRENT ASSETS, LOANS AND ADVANCES		
A. CURRENT ASSETS		
1. Stores, Processing & Packing Material	-	295.31
2. Finished Goods	-	2,329.26
3. Debtors (Unsecured and considered good):		
Debts over six months	-	214.11
Other Debts	-	879.35
4. Cash and Bank Balances :		
Cash in hand	-	1.38
Remittances in Transit & cheques in hand	-	177.94
Balances with Scheduled Banks :		
In Current Accounts	-	167.50
Deposits with Banks	-	840.00
	-	4,904.85
B. LOANS AND ADVANCES:		
(Unsecured considered good)		
Advances recoverable in cash or in kind		
or for value to be received (refer Note no.19 of Schedule 13B)	814.32	511.29
Deposit with Government Authorities and Others	-	38.36
Income Tax Advance Payments	20.08	17.81
	834.40	567.46
Schedule 7		
CURRENT LIABILITIES AND PROVISIONS		
A. CURRENT LIABILITIES		
Sundry Creditors (Other than pertaining to SSI Undertakings)	-	77.54
Other Liabilities	-	3,231.17
	-	3,308.71
B. PROVISIONS		
Provision for Taxation	24.72	38.39
Provision for Retirement Benefits	-	39.26
	24.72	77.65

FLORENCE INVESTECH LIMITED (Formerly JK AGRI GENETICS LIMITED)

	₹ in Lacs	
	2005-06	2004-05
Schedule 8		
(a) SALES AND OTHER INCOME		
1. Sales	-	6,614.21
2. Other Income		
Income from Long Term Investments (Non trade) - Dividends	354.45	198.05
Interest on others (Tax at source ₹ 3.44 lacs; Previous Year ₹ 1.50 lacs)	16.16	7.33
Profit on sale of Long-Term Investments	863.74	2.00
Miscellaneous Income	-	157.76
	1,234.35	365.14
	1,234.35	6,979.35
(b) INCREASE / (DECREASE) IN STOCK		
CLOSING STOCK	-	2,329.26
Less : OPENING STOCK	-	2,051.71
INCREASE/(DECREASE) IN STOCK	-	277.55
Schedule 9		
MATERIALS AND MANUFACTURING		
Production and Purchase of Seeds	-	4,083.09
Processing Charges	-	192.42
Consumption of Stores, Processing & Packing Material	-	777.78
	-	5,053.29
SCHEDULE 10		
EMPLOYEES COST		
Salaries, Wages, Bonus & Gratuity	3.71	211.31
Contribution to Provident and other Funds	-	44.34
Employees' Welfare and other Benefits	-	169.04
	3.71	424.69
Schedule 11		
OTHER EXPENSES		
Rent	-	44.22
Other Taxes	1.73	1.20
Insurance	-	13.79
Discount	-	98.82
Freight & Transportation	-	150.82
Advertisement	-	447.26
Directors' Sitting Fees	1.45	1.60
A.G.M.EXPENSES	0.62	0.40
FILING FEES	5.34	9.80
Farming Expenses	-	236.90
Travelling	-	152.57
Commission	-	25.37
Loss on Sales of Assets	-	5.60
Diminution in value of Long Term Investments	171.13	-
Auditor's Fees	0.20	1.00
Consultancy Charges	5.59	1.12
Bank Charges, Printing & Stationery, Postage, Telephone and other Miscellaneous Expenses etc.	0.25	137.24
	186.31	1,327.71
Schedule 12		
INTEREST		
Interest on:		
Banks	-	2.18
Others	-	3.23
	-	5.41

Schedule 13

ACCOUNTING POLICES AND NOTES ON ACCOUNTS OF FLORENCE INVESTECH LIMITED (formerly JK AGRI GENETICS LIMITED) FOR THE YEAR ENDED 31.03.2006

A. SIGNIFICANT ACCOUNTING POLICIES

1. Accounts are maintained on accrual basis. Claims/Refunds not ascertainable with reasonable certainty are accounted for on settlement basis.
2. Fixed assets are stated at cost.
 - a) Depreciation on fixed assets is calculated on straight-line method. Depreciation is provided at the rates in force as per Schedule XIV of the Companies Act, 1956.
 - b) Leasehold Land is being amortised over the lease period.
3. Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if, such a decline is other than temporary in the opinion of the management. Current investments are carried at lower of cost and quoted / fair value computed category-wise.
4. Assets & Liabilities related to foreign currency transactions are translated at exchange rate prevailing at the end of the year. Exchange difference on revenue account is charged to Profit & Loss Account.
5. Inventories are valued at the lower of cost and net realisable value. The cost is computed on weighted average basis. Finished Goods and Process Stock include cost of conversion and other costs incurred in bringing the inventories to their present location and condition.
6. Intangible assets are recognized if future economic benefits are likely and cost of the asset can be measured reliably. The depreciable amount of an intangible asset is allocated on a systematic basis over the useful life of the asset.
7. Gratuity and Leave encashment benefits are accounted for on the basis of actuarial valuation. Other retirement benefits are accounted on the accrual basis.
8. Current Tax is the amount of tax payable on the estimated taxable income for the current year as per the provisions of Income Tax Act, 1961. Deferred Tax is recognized, subject to the consideration of prudence, on timing differences, being difference between taxable income and accounting income. Fringe Benefits Tax is determined at current applicable rates on expenses falling within the ambit of "Fringe Benefits" as defined in Income Tax Act, 1961.
9. Provision in respect of present obligation arising out of past events are made in Accounts when reliable estimates can be made of the amount of the obligation. Contingent Liabilities (if material) are disclosed by way of Notes to Accounts. Contingent Assets are not recognized or disclosed in Financial Statements and are included, if any, in the Directors' Report.

B. NOTES ON ACCOUNTS

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

(b) Accordingly the Audited accounts of the Company for the year ended 31st March 2006 which had been approved by the Board of Directors and adopted by the Shareholders in the AGM held on 28th December, 2007 have been Reorganized to give effect to the Scheme of Arrangement and Demerger Sanctioned by the Hon'ble High Court at Calcutta as stated in Note 2 below.

2. Pursuant to the Scheme:

(a)

- i. The Company's name has been changed from JK AGRI GENETICS LIMITED to FLORENCE INVESTECH LIMITED.
- ii. The Seed undertaking of the Company as defined in the Scheme has been transferred to and vested in JK AGRI GENETICS LIMITED (formerly FLORENCE ALUMINA LIMITED) with effect from the said Appointed Date. The Scheme has accordingly been given effect to in these accounts.
- iii. Zero Coupon Redeemable Preference Shares (ZCRPS) aggregating to ₹ 4250 lacs have been converted into fully paid equity shares of ₹ 10 each after demerging the Seed undertaking.
- iv. (a) Zero Coupon Non-Convertible Bonds (ZCNCB) aggregating to ₹ 3250 lacs have been converted into fully paid Equity Shares of ₹ 10/- each after demerging the Seed Undertaking.

(b) The balance ZCNCB's aggregating to amount of ₹ 1000 lacs, are to be issued by the Transferee Company to the holder thereof as provided in Part-IV of the Scheme.

- v. The conversion of ZCRPS and ZCNCB into Equity Shares have been done after discounting thereof at the rate of 12% and the resultant discounted value of ZCRPS and ZCNCB amounting to ₹ 19,68,73,871/- and ₹ 24,85,92,471/- respectively, have been converted at the rate ₹ 231.25 per Equity Share for the purposes of ascertaining the number of Equity shares to be issued upon conversion as aforesaid. Accordingly the Company has since issued and allotted (i) 8,51,346 fully paid up Equity Shares of ₹ 10/- each upon conversion of ZCRPS aggregating to ₹ 4250 lacs, at a premium of ₹ 489.21 per Equity Share and, (ii) 10,74,994 Equity Shares of ₹ 10/- each upon conversion of ZCNCB aggregating to ₹ 3250 lacs at a premium of ₹ 292.33 per Equity Share.
- vi. The Issued & Paid up Equity Share Capital of the Company has been reorganized and allocated in the ratio of 2:3 (i.e. 40:60) between the Transferor and Transferee Company in terms of the Scheme. Consequently, for every 100 Equity Shares of the Transferor Company, the shareholders have received 40 fully paid Equity Shares of ₹ 10/- each of the Transferor Company and 60 Equity Shares of ₹ 10/- each of the Transferee Company.

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

- vii. a) The Authorized Equity Share Capital of ₹ 1250 lacs divided into 1,25,00,000 Equity Shares of ₹ 10 each stands transferred to JKAGL (formerly FAL).
- b) Entire amount of authorised Preferential Share Capital of ₹ 4250 lacs divided into 50,00,000 Preference shares of ₹ 85 each to be transferred from authorized share capital of the Company to JKAGL (Formerly FAL) as equity and unclassified shares is in the process of getting transferred from the Company to the JKAGL (formerly FAL) as authorized capital divided into 4,25,00,000 unclassified shares of ₹10 each as per the said Scheme.
- viii. The difference of ₹ 2775.94 lacs between assets and liabilities (including ZCNB of ₹ 1000 Lacs) transferred from FIL (formerly JKAGL) at their book values w.e.f. April 01, 2005 along with Debenture Redemption Reserve of ₹ 472.34 lacs and paid up Equity Capital of ₹ 210.39 lacs has been recorded as Goodwill in the books of the company and the same has been fully written off against the Balance of Security Premium Account.
- 2(b). Certain Charge(s) of secured loans, licenses, approvals, etc. are in the process of getting transferred in the name of JK AGRI GENETICS LTD (formerly FLORENCE ALUMINA LTD).
- 2(c). Business of Seed Undertaking has been carried out w.e.f. April 1, 2005 by the Company for and on behalf of JKAGL(formerly FAL).
3. Pursuant to the Scheme's impact as per Note No. 2 above, the figures for the year are not comparable with those of the previous year.
4. Estimated amount of contracts net of advances Nil (Previous year ₹ 6.31 lacs) remaining to be executed on capital account.
5. Debtors over six months are net of provision made for Doubtful Debts Nil (Previous Year ₹ 6.49 lacs)
6. Sundry Creditors pertaining to Small Scale Industrial undertakings is Nil (Previous year Nil) to the extent identified from available information.
7. Exchange difference (net) amounting to Nil (Previous Year ₹ 0.95 lacs) has been debited in respective heads of account in Profit & Loss Account.
8. Pursuant to the Accounting Standard on 'Accounting for Taxes on Income' (AS-22), Deferred Tax Liability / Assets (Net) are as under:

	As at	₹ in Lacs
	31.03.2006	As at
1 Deferred Tax liability	31.03.2006	31.03.2005
i) Related to Fixed Assets	--	(162.06)
2 Deferred Tax Assets		
i) Provision for Doubtful Debts	--	2.18
ii) Disallowance under Income Tax Act	<u>1.61</u>	<u>13.57</u>
3 Deferred Tax Asset/(liability) (Net)*	<u>1.61</u>	<u>(146.31)</u>

[*Being transferred to JKAGL (formerly FAL) amounting ₹ 146.48 lacs]

	2005-06	₹ in Lacs 2004-05
9. Remuneration to Manager @:		
Salary	1.52	8.61
Contribution to PF & Other funds	--	2.32
Value of Perquisites (as per Income Tax Rules)	<u>--</u>	<u>15.73</u>
	<u>1.52</u>	<u>26.66</u>

[@ net of ₹ 28.96 lacs transferred to JKAGL (formerly FAL)]

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

10. Related Party \$:		
A) Relationships		
(a) Wholly Owned Subsidiary	:	--
(b) Associate	:	--
(c) Key Management Personnel	:	Shri P.S. Dravid, President & Manager
B) Transactions with Related Parties during the year Nil (Previous year Nil)		

Details of Remuneration to Key Managerial Personnel is given in Note No.9

\$ In pursuance of Scheme of Arrangement and Demerger, FIL (formerly JKAGL) ceased to be 100% Holding Company. Accordingly, related party transactions have been re-organized.

	2005-06	₹ in Lacs 2004-05
11. Earning per Share		
a) Profit after Tax	1019.31	124.05
b) Weighted average no. of Equity Shares (Nos.)	3328944	3506510
c) Nominal Value of Equity Share (₹)	10	10
d) Basic and Diluted Earnings per Equity Share (₹)	30.62	3.54
12. Amount paid to Auditors @:		
Statutory Auditors		
a) For Audit Fee	0.20	0.81
b) For Taxation	--	0.17
c) For Reimbursement of expenses	--	0.02

[@ net of ₹ 0.91 Lacs transferred to JKAGL(formerly FAL)]

	2005-06	₹ in Lacs 2004-05
13. Expenditure in Foreign Currency (as remitted):		
(i) R & D / Technical Services	--	16.28
(ii) Travel & Others	--	1.71
14. Earning in Foreign currency on account of F.O.B value of exports	--	27.46
15. Research and Development expenses amounting to NIL (Previous Year ₹ 460.75 lacs) have been included in respective revenue accounts.		

16. The company has only one reportable business segment namely "Investment".
17. Particulars of Production, Purchase, Sales and Stocks (excluding foundation and breeder Seeds):

	2005-06		2004-05	
	Qty (100 Qtls.)	Amount (₹ In Lacs)	Qty (100 Qtls.)	Amount (₹ In Lacs)
Installed Capacity	Not Applicable		Not Applicable	
Opening Stock	--	--	282.58	2042.18
Production & Purchase*	--	--	745.37	3993.99
Sales	--	--	626.87	6559.86
Closing Stock	--	--	401.08	2295.13

*Net of Process Loss of Nil (Previous Year 118.46)(Quantity in 100 qtls.)

18. Stores, Processing & Packing Material consumed: All indigenous Nil (Previous Year ₹ 777.78 lacs)
19. ₹ 814.32 lacs (Previous year Nil) is receivable from JKAGL (formerly FAL) is shown in "Loans and Advances" under "Current Assets, Loans & Advances".
20. Initially JKAGL (formerly FAL) had become a Wholly owned Subsidiary (WOS) of the Company which ceased to be WOS in view of the Note No. 2 w.e.f. 1st April'2005 and accordingly Consolidation of Financial Statement has not been carried out.
21. Figures for the previous year have been regrouped, rearranged and restated wherever necessary.
22. Post demerger the Company has become Core Investment Company (CIC) and the required intimation is in the process of being filed with Reserve Bank of India (RBI).

Schedules 1 to 13 forming part of the accounts for the year ended 31st March 2006.

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

For the year ended 31st March, 2006

₹ in Lacs

	2005-2006	2004-2005
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extraordinary items	1,044.33	179.05
Adjustment for :		
Depreciation / Amortisation	-	169.51
Diminution in Value of Investments	-	97.24
Interest Expenses	-	5.41
(Profit)/Loss on sale of Assets	-	5.60
(Profit)/Loss on sale of Investments	(863.74)	(2.00)
Diminution in Value of Investments	171.13	-
Interest/Dividend Received	(370.61)	(205.38)
Operating Profit before working capital changes	(18.89)	249.43
(Increase)/ Decrease in Trade and Other Receivables	(684.84)	(118.61)
(Increase)/ Decrease in Inventories	-	(135.48)
Increase/ (Decrease) in Trade Payables	(0.05)	327.65
Cash generated from Operations	(703.78)	322.99
Direct taxes paid	(42.40)	(13.43)
Cash flow before extra ordinary items	(746.18)	309.56
Extra ordinary items	-	1.30
Net Cash from /(used in) Operating Activities	(746.18)	310.86
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	-	(116.47)
Sale of Fixed Assets	-	27.71
Purchase of Investments	(1,211.35)	(147.46)
Sale of Investments	1,586.92	147.80
Interest Received	16.16	7.33
Dividend Received	354.45	198.05
Net Cash from /(used in) Investing Activities	746.18	116.96
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	-	37.45
Repayment of borrowings	-	(9.64)
Interest Paid	-	(5.41)
Net cash from /(used in) Financing Activities	-	22.40
Net increase in Cash and Cash equivalents	-	450.22
Cash and Cash equivalents as at the beginning of the year	1,186.82	736.60
Transfer in demerger scheme	(1,186.82)	-
Cash and Cash equivalents as at the end of the year	-	1,186.82
Notes:		
1 Cash and Cash Equivalents Include:		
- Cash, Cheques in hand and Remittances in transit	-	179.32
- Balances with Scheduled Banks	-	1,007.50
Total	-	1,186.82

Notes:

- (i) Impact of Scheme which is cash neutral (Read with note no. 2 of Schedule 13) have not been disclosed above.
- (ii) Previous figures are not strictly comparable to the current year figures pursuant to the Scheme of Arrangement and Demerger (Refer note no.1 & 2 of Schedule 13B).