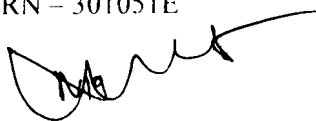


AUDITOR'S CERTIFICATE- 2007-08**To the Board of Directors of Florence Investech Ltd. (formerly JK Agri Genetics Ltd.)**

We have examined the attached Balance Sheet (RECASTED) of Florence Investech Ltd. (FIL) (formerly JK Agri Genetics Ltd.) (JKAGL) as at 31st March 2008, 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 carry over impact of the Scheme of Arrangement & Demerger in Audited Financial Statements of FIL (formerly JK Agri Genetics Ltd.) for the year ended 31st March 2008 as stated in Note No. 2 [read with Note No. 1] of Schedule 9B. Impact of the Scheme (being effective on 2nd Nov, 2012) have been given in the 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 and its carry over impact in the subsequent financial years 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 of the year 2005-06 regarding the transfer of assets and liabilities of Seed Undertaking of the Company [Florence Investech Limited (formerly JKAGL)] to JK Agri Genetics Limited (formerly Florence Alumina Limited)], pursuant to the Scheme of Arrangement & Demerger between the Company [Florence Investech Limited (formerly JKAGL)] and JK Agri Genetics Limited (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 Ltd. (formerly FAL) and the same has been written off against the balance of Security Premium Accounts 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, 2008**

₹ in Lacs

	Schedule	As at 31.03.2008	As at 31.03.2007
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
SHARE CAPITAL	1	332.89	332.89
RESERVES AND SURPLUS	2	7,843.57	7,354.60
		8,176.46	7,687.49
APPLICATION OF FUNDS			
INVESTMENTS	3	6,655.30	6,681.30
DEFERRED TAX ASSETS		4.12	5.40
CURRENT ASSETS, LOANS AND ADVANCES	4	1,563.64	1,016.50
LESS: CURRENT LIABILITIES AND PROVISIONS	5	46.60	15.71
NET CURRENT ASSETS		1,517.04	1,000.79
		8,176.46	7,687.49
ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	9		

Schedules 1 to 5 and 9 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, 2008**

₹ in Lacs

	Schedule	2007-08	2006-07
INCOME			
INCOME FROM OPERATIONS	6	531.61	233.77
		531.61	233.77
EXPENDITURE			
EMPLOYEES COST	7	3.71	3.71
OTHER EXPENSES	8	4.81	19.55
		8.52	23.26
PROFIT BEFORE TAX		523.09	210.51
PROVISION FOR TAXATION			
- CURRENT TAX		32.84	19.40
- DEFERRED TAX		1.28	(3.79)
PROFIT AFTER TAX		488.97	194.90
APPROPRIATIONS			
DEBENTURE REDEMPTION RESERVE		85.17	135.19
BALANCE CARRIED TO BALANCE SHEET		403.80	59.71
BASIC AND DILUTED EARNINGS PER SHARE (₹)		14.69	5.85
ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	9		

Schedules 6 to 9 attached to the Profit & Loss Account are an integral part thereof.

FLORENCE INVESTECH LIMITED (Formerly JK AGRI GENETICS LIMITED)

₹ in Lacs

	As at 31.03.2008	As at 31.03.2007
Schedule 1		
SHARE CAPITAL		
Authorised:		
Equity Shares - 50,00,000 shares of ₹10/- each (Previous Year 50,00,000 shares of ₹ 10/- each) (Refer Note no. 2(a)(vii) of Schedule 9B)	500.00	500.00
Preference Shares - 50,00,000 shares of ₹ 85/- each (Previous Year 50,00,000 shares of ₹ 85/- each) (Refer Note no. 2(a)(vii) of Schedule 9B)	4,250.00	4,250.00
	4,750.00	4,750.00
Issued, Subscribed and Paid up:		
Equity Shares {Refer Note No. 2 (a), 2(b) & 2(c) below} 33,28,944 shares (Previous Year 33,28,944) of ₹ 10/- each fully paid up	332.89	332.89
	332.89	332.89

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 9B)
 - 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 9B}.
 - 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 9B}.

₹ in Lacs

	As at 01.04.2007	Additions	Transfers	As at 31.03.2008
Schedule 2				
RESERVES AND SURPLUS				
Debenture Redemption Reserve	453.61	85.17	-	538.78
General Reserve	1,608.96	-	-	1,608.96
Profit & Loss Account	760.60	403.80	-	1,164.40
Security Premium*	4,531.43	-	-	4,531.43
	7,354.60	488.97	-	7,843.57
Previous Year	7,159.70	194.90	-	7,354.60

* Refer Note No. 2 (a)(viii) of Schedule 9B

FLORENCE INVESTECH LIMITED (Formerly JK AGRI GENETICS LIMITED)

Schedule 3		As at 31.03.2008		As at 31.03.2007	
		Numbers	₹ in lacs	Numbers	₹ in lacs
INVESTMENTS	Class of Shares/ Debentures				
Names of the Bodies Corporate					
LONG-TERM INVESTMENTS (Non trade)					
Quoted					
J.K.Paper Ltd.	Equity	66,75,248	3,003.86	66,75,248	3,003.86
J K Lakshmi Cement Ltd.	Equity	68,22,520	982.67	68,22,520	982.67
Ashim Investment Co. Ltd.	Equity	7,58,057	109.19	7,58,057	109.19
Umang Dairies Ltd.	Equity	11,94,965	14.34	11,94,965	14.34
JK Sugar Ltd.	Equity	2,71,035	163.05	2,71,035	163.05
J K Tyre and Industries Ltd.	Equity	45,25,554	1,609.19	45,25,554	1,609.19
Netflier Finco Ltd.	Equity	15,08,517	536.40	15,08,517	536.40
Unquoted					
J.K.Pharmachem Ltd.	Equity	23,71,903	41.51	23,71,903	41.51
Udaipur Cement Works Ltd.	Equity	43,33,000	41.16	43,33,000	41.16
13.5% Debentures in J.K.Synthetics Ltd.	Debentures	34	-	34	-
Fenner (India) Ltd*	Equity	3,796	1.23	13,61,220	27.23
Jk Agri Genetics Ltd. (Formerly Florence Alumina Limited)	Equity	15,00,000	150.00	15,00,000	150.00
SHORT TERM (Non trade - unquoted)					
ICICI Prudential Short Term Plan-Cumulative Option	Units	24,189.862	2.70	24,189.862	2.70
		6,655.30			6,681.30
Aggregate book value of unquoted Investments		236.60			262.60
Aggregate book value of quoted Investments		6,418.70			6,418.70
Market value of quoted Investments		16,355.40			16,161.55

* During the year, 13,00,000 Equity Shares were sold. Further, Pursuant to scheme of amalgamation, 3,796 Equity shares of Fenner (India) Ltd. were received in lieu of 61,220 shares of R R Belts & Seals Ltd.

	₹ in Lacs	
	As at 31.03.2008	As at 31.03.2007
Schedule 4		
CURRENT ASSETS, LOANS AND ADVANCES		
A. CURRENT ASSETS	-	-
B. LOANS AND ADVANCES:		
Advances recoverable in cash or in kind or for value to be received (refer note no.5 of Schedule 9B)	1,491.30	976.99
Income Tax Advance Payments	72.34	39.51
	1,563.64	1,016.50
Schedule 5		
CURRENT LIABILITIES AND PROVISIONS		
A. CURRENT LIABILITIES	-	-
B. PROVISIONS		
Provision for Taxation	46.60	15.71
	46.60	15.71

	₹ in Lacs	
	2007-08	2006-07
Schedule 6		
INCOME FROM OPERATIONS		
Income from Long Term Investments (Non trade) - Dividends	416.41	160.77
Interest on others	115.20	73.00
Profit on sale of Long-Term Investments {₹ 38.49(Previous Year Nil)}	-	-
	531.61	233.77
Schedule 7		
EMPLOYEES COST		
Salaries, Wages, Bonus & Gratuity	3.71	3.71
	3.71	3.71
Schedule 8		
OTHER EXPENSES		
Directors' Sitting Fees	1.45	1.72
A.G.M.EXPENSES	0.15	0.84
FILING FEES	2.12	0.89
Auditor's Fees	0.20	0.20
Legal Expenses	-	5.50
Consultancy Charges	0.64	10.15
Miscellaneous Expenses etc.	0.25	0.25
	4.81	19.55

Schedule 9

ACCOUNTING POLICES AND NOTES ON ACCOUNTS OF FLORENCE INVESTECH LIMITED (formerly JK AGRI GENETICS LIMITED) FOR THE YEAR ENDED 31.03.2008

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 amortized over the lease period.
3. Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if, such a decline is other than temporary in the opinion of the management. Current investments are carried at lower of cost and quoted / fair value computed category-wise.
4. Assets & liabilities related to foreign currency transactions are translated at exchange rate prevailing at the end of the year. All exchange differences are recognized in the Profit and Loss Account.
5. Inventories are valued at the lower of cost and net realizable 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. Employee Benefits:
 - a. Defined Contribution Plan

Employee benefits in the form of Superannuation Fund, Provident Fund (PF) and ESI considered as defined contribution plan and the contributions are charged to the Profit and Loss Account of the year when the contribution to the respective funds are due.
 - b. Defined Benefit Plan

Retirement benefits in the form of Gratuity, Leave Encashment and PF (funded) are considered as defined benefit obligations and are provided for on the basis of an Actuarial Valuation, using the projected unit credit method, as at the date of the Balance Sheet.

Actuarial gain/ Losses, if any, are immediately recognized in the Profit and Loss Account.

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 2008 which had been approved by the Board of Directors and adopted by the Shareholders in the AGM held on 17th December, 2008 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 as stated in Note No. 1(a) following was carried out in the year 2005-06 :

(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 ZCNCBs aggregating to amount of ₹ 1000 lacs, are to be issued by the Transferee Company to the holder thereof as provided in Part-IV of the Scheme.
- v. The conversion of ZCRPS and ZCNCB into Equity Shares have been done after discounting thereof at the rate of 12% and the resultant discounted value of ZCRPS and ZCNCB amounting to ₹ 19,68,73,871/- and ₹ 24,85,92,471/- respectively, have been converted at the rate ₹ 231.25 per Equity Share for the purposes of ascertaining the number of Equity shares to be issued upon conversion as aforesaid. Accordingly the Company has since issued and allotted (i) 8,51,346 fully paid up Equity Shares of ₹ 10/- each upon conversion of ZCRPS aggregating to ₹ 4250 lacs, at a premium of ₹ 489.21 per Equity Share and, (ii) 10,74,994 Equity Shares of ₹ 10/- each upon conversion of ZCNCB aggregating to ₹ 3250 lacs at a premium of ₹ 292.33 per Equity Share.
- vi. The Issued & Paid up Equity Share Capital of the Company has been reorganized and allocated in the ratio of 2:3 (i.e. 40:60) between the Transferor and Transferee Company in terms of the Scheme. Consequently, for every 100 Equity Shares of the Transferor Company, the shareholders have received 40 fully paid Equity Shares of ₹ 10/- each of the Transferor Company and 60 Equity Shares of ₹ 10/- each of the Transferee Company.

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

vii. a) The Authorized Equity Share Capital of ₹ 1,250 lacs divided into 1,25,00,000 Equity Shares of ₹ 10 each stands transferred to JKAGL (formerly FAL)

b) Entire amount of authorised Preferential Share Capital of ₹ 4,250 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 ZCNCB of ₹ 1000 Lacs) transferred from FIL (formerly JKAGL) at their book values w.e.f. April 01, 2005 along with Debenture Redemption Reserve of ₹ 472.34 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 JKAGL (formerly FAL).

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. The details of amounts outstanding under the Micro, Small and Medium Enterprises Development Act 2006 (MSMED Act) to the extent information available with the Company are as under: (i) Principal & interest amount due and remaining unpaid as at 31ST Mar, 2008: Nil (Previous Year Nil) (ii) Payment made beyond and appointed day during the year: Nil (Previous Year Nil) and (iii) Interest accrued and unpaid as at 31.03.2008: Nil (Previous Year Nil).

4. Related Party disclosure in accordance with Accounting Standard 18.

A) Relationships \$

i. Wholly Owned Subsidiary : --

ii. Associate : --

iii. Key Management Personnel (KMP) : Sh. P S Dravid, President & Manager

B) Transactions with Related Parties during the year Nil (Previous year Nil)

\$ In pursuance of Scheme of Arrangement and Demerger, FIL (formerly JKAGL) ceased to be 100% Holding Company w.e.f. 1st April,2005. Accordingly, related party transactions have been re-organized.

5. ₹ 1361.53 lacs (Previous year ₹ 863.85) is receivable from JKAGL (formerly FAL) is shown in "Loans and Advances" under "Current Assets, Loans & Advances".

		₹ in Lacs	
		2007-08	2006-07
6.	Earnings per Share		
	a) Profit after Tax (₹ in lacs)	488.97	194.90
	b) Weighted average no. of Equity Shares (Nos.)	3328944	3328944
	c) Nominal Value of Equity Share (₹)	10	10
	d) Basic and Diluted Earnings per Equity Share (₹)	14.69	5.85

7. Amount paid to Auditors @:
- | | 2007-08 | ₹ in Lacs
2006-07 |
|---|----------------|-----------------------------|
| Statutory Auditors | | |
| a) For Audit Fee | 0.20 | 0.20 |
| b) For Taxation | -- | -- |
| c) For Reimbursement of expenses | -- | -- |
| [@₹ 0.97 Lacs (Previous year ₹ 1.28 lacs) transferred to JKAGL (formerly FAL).] | | |
8. Pursuant to the Accounting Standard on 'Accounting for Taxes on Income' (AS-22), Deferred Tax Liability / Asset (net) are as under:
- | | As at
31.03.2008 | ₹ in Lacs
As at
31.03.2007 |
|-----------------------------------|-----------------------------------|---|
| 1 Deferred Tax liability | - | - |
| 2 Deferred tax Assets | | |
| Disallowance under Income Tax Act | 4.12 | 5.40 |
| 3 Deferred Tax Asset (Net) | <u>4.12</u> | <u>5.40</u> |
9. Remuneration to Manager @:
- | | 2007-08 | ₹ in Lacs
2006-07 |
|--------|--------------------|-----------------------------|
| Salary | <u>2.15</u> | <u>1.75</u> |
| | <u>2.15</u> | <u>1.75</u> |
- Excludes provision for Gratuity and Leave Encashment where the actuarial valuation has been done on overall Company basis.
- [@ ₹ 40.91 Lacs (Previous year ₹ 33.19 lacs) transferred to JKAGL (formerly FAL)]
10. The Company has long-term investments aggregating of ₹ 6652.60 lacs in quoted/ unquoted equity shares in certain companies. The market price of the quoted investments in certain cases has fallen below the book value. However, considering the long-term nature of the investments and intrinsic value of investee company's assets, no provision is considered necessary by the management, at present, for diminution in the value of such investments. The aggregate market value of all the quoted investments however is well above the aggregate book value of the quoted investments as per the details given in Schedule 3 hereto.
11. The company has only one reportable business segment namely "Investment".
12. Figures for the previous year have been regrouped/rearranged and/or restated where ever necessary, to conform to current year's presentation.
13. 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 9 forming part of the accounts for the year ended 31st March 2008.

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

For the year ended 31st March, 2008

₹ in Lacs

	2007-08	2006-07
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extraordinary items	523.09	210.51
Adjustment for :		
Interest/Dividend Received	(531.61)	(233.77)
Operating Profit before working capital changes	(8.52)	(23.26)
(Increase)/ Decrease in Trade and Other Receivables	(497.68)	(49.53)
Cash generated from Operations	(506.20)	(72.79)
Direct taxes paid	(34.79)	(47.84)
Net Cash from / (used in) Operating Activities	(540.99)	(120.63)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Investments	26.00	-
Interest Received	115.20	73.00
Dividend Received	399.79	47.63
Net Cash from / (used in) Investing activities	540.99	120.63
C. CASH FLOW FROM FINANCING ACTIVITIES		
Net cash from / (used in) Financing Activities	-	-
Net Increase / (Decrease) in Cash and Cash equivalents	-	-
Cash and Cash equivalents as at the beginning of the year	-	-
Cash and Cash equivalents as at the end of the year	-	-