

**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, Tomato, Okra, Chillies and other vegetable seeds. The company's manufacturing facilities are located at Survey no. 509/2, Village: Gundlapochampally, District: Medchal - 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 11<sup>th</sup> June, 2020.

**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:**

Implementation of Ind AS – 116.

Ind AS 116 supersedes Ind AS 17 Leases including evaluating the substance of transactions involving the legal form of a lease.

The Company adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of 1 April 2019.

**Right of Use Assets**

The Company recognises a right-of-use asset, on a lease-by-lease basis, to measure that right-of-use asset an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.

The cost of right-of-use assets includes the amount of lease liabilities recognised. Initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment test.

**Lease Liabilities**

The Company recognise a lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on a lease by lease basis.

**Short-term Leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**Significant judgment in determining the lease term of contracts with renewal options**

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

**(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 reasonable 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 remittances in transit for the purpose of meeting short-term cash commitments.

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

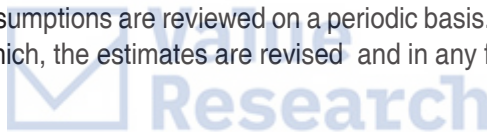
Financial statements have been presented in Indian Rupees(₹), which is the Company's functional and presentation currency.

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 01.04.2019	Additions / Adjustments	Disposals Adjustments	As At 31.03.2020	As At 01.04.2019	Charged for the Year	Disposal	As At 31.03.2020	As At 31.03.2020	As At 31.03.2019
<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>	24.03 (16.02)	8.01 (8.01)	-	<b>32.04</b> <b>(24.03)</b>	<b>459.96</b> <b>(467.97)</b>	467.97 (475.98)
Building #	194.88 (184.03)	- (11.02)	17.74 (0.17)	<b>177.14</b> <b>(194.88)</b>	57.45 (42.61)	11.09 (14.84)	11.88 -	<b>56.66</b> <b>(57.45)</b>	<b>120.48</b> <b>(137.43)</b>	137.43 (141.42)
Right To Use of Assets	-	564.65	-	<b>564.65</b>	-	155.53	-	<b>155.53</b>	<b>409.12</b>	-
Plant and Equipments @	1,054.69 (1,035.05)	1.75 (20.86)	2.56 (1.22)	<b>1,053.88</b> <b>(1,054.69)</b>	431.01 (314.40)	108.98 (117.41)	2.25 (0.80)	<b>537.74</b> <b>(431.01)</b>	<b>516.14</b> <b>(623.68)</b>	623.68 (720.65)
Furniture & Fixtures	22.55 (19.93)	1.05 (2.91)	- (0.29)	<b>23.60</b> <b>(22.55)</b>	6.86 (4.87)	2.25 (2.07)	- (0.08)	<b>9.11</b> <b>(6.86)</b>	<b>14.49</b> <b>(15.69)</b>	15.69 (15.06)
Office Equipments	167.92 (158.53)	11.89 (12.89)	4.43 (3.50)	<b>175.38</b> <b>(167.92)</b>	86.96 (49.78)	29.57 (38.99)	3.81 (1.81)	<b>112.72</b> <b>(86.96)</b>	<b>62.66</b> <b>(80.96)</b>	80.96 (108.75)
Vehicle	152.80 (180.96)	8.24 (39.51)	55.22 (67.67)	<b>105.82</b> <b>(152.80)</b>	51.71 (51.13)	14.50 (22.68)	23.13 (22.10)	<b>43.08</b> <b>(51.71)</b>	<b>62.74</b> <b>(101.09)</b>	101.09 (129.83)
Previous Year	<b>3,103.60</b> (3,089.26)	<b>587.58</b> (87.19)	<b>79.95</b> (72.85)	<b>3,611.23</b> (3,103.60)	<b>658.02</b> (478.81)	<b>329.93</b> (204.00)	<b>41.07</b> (24.79)	<b>946.88</b> (658.02)	<b>2,664.35</b> (2,445.58)	<b>2,445.58</b> (2,610.45)

**Note:**

Figures in brackets represent amounts pertaining to previous year.

On Lease hold premises

# Net carrying Amount of ₹ 79.34 lacs as at 31.03.2020 (Previous year ₹ 94.90 lacs).

@ Net carrying Amount of ₹ 464.93 lacs as at 31.03.2020 (Previous year ₹ 561.53 lacs)

**Note-3**

**Other Intangible Assets**

(₹ In Lacs)

Assets	Gross Block				Accumulated Depreciation				Net Carrying Amount	
	As At 01.04.2019	Additions / Adjustments	Disposals Adjustments	As At 31.03.2020	As At 01.04.2019	Charged for the Year	Disposal	As At 31.03.2020	As At 31.03.2020	As At 31.03.2019
<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)	10.63	-	<b>235.74</b> <b>(225.11)</b>	94.67 (49.43)	45.52 (45.24)	-	139.19 (94.67)	<b>96.54</b> <b>(130.44)</b>	130.44 (175.68)
	<b>1,035.11</b>	<b>10.63</b>	-	<b>1,045.74</b>	<b>94.67</b>	<b>45.52</b>	-	<b>139.19</b>	<b>906.55</b>	<b>940.44</b>
Previous Year	(1,035.11)	-	-	(1,035.11)	(49.43)	(45.24)	-	(94.67)	(940.44)	(985.68)

**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 31.03.2020	(₹ In Lacs) As at 31.03.2019
<b>Non Current Financial Assets - Loans</b> (Unsecured, considered good)		
Deposit with Government & Others	40.20	45.02
Other Loans and Advances to Employees	0.04	0.39
	<u>40.24</u>	<u>45.41</u>
<b>Note No. 5</b> <b>Non Current Financial assets - Others</b>		
Bank Balance in Deposit Account (Ref Note no.11)	-	0.18
	<u>-</u>	<u>0.18</u>
<b>Note No. 6</b> <b>Deferred Tax (Liabilities)/ Assets (Net)</b>		
1. Deferred Tax Liabilities Related to Property, Plant and Equipments and Intangibles	257.88	383.73
2. Deferred Tax Assets Expenses / Provisions Allowable	291.46	379.92
Unabsorbed Depreciation & Brought forward Business Losses	508.37	-
Deferred Tax (Liability) / Asset (Net)	541.95	(3.81)
MAT Credit Entitlement	1,074.01	1,074.01
<b>Deferred Tax (Liability) / Asset (Net)</b>	<u>1,615.96</u>	<u>1,070.20</u>
<b>Note No. 7</b> <b>Other Non Current Assets</b>		
Prepaid Expenses	0.94	1.49
	<u>0.94</u>	<u>1.49</u>
<b>Note No. 8</b> <b>Inventories</b>		
Stores, Processing & Packing Material	834.34	907.72
Semi Finished Goods	3,801.93	4,839.08
Finished Goods*	5,339.43	7,385.21
	<u>9,975.70</u>	<u>13,132.01</u>
* Includes Stock in Transit ₹113.70 lacs (Previous year ₹ 76.50 lacs)		
<b>Note No. 9</b> <b>Trade Receivables (Unsecured)</b>		
Considered Good #	5,732.45	6,823.27
Which have significant increase in Credit Risk	1,935.97	1,632.74
Credit Impaired	-	-
<b>Total</b>	<u>7,668.42</u>	<u>8,456.01</u>
Less: Allowance for Doubtful Debts	1,198.72	1,156.81
	<u>6,469.70</u>	<u>7,299.20</u>

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



**Note No. 10**

(₹ In Lacs)

	As at 31.03.2020	As at 31.03.2019
<b>Cash &amp; Cash Equivalents</b>		
Cash on hand	0.75	1.24
Cheques on hand	-	0.83
Balances with Scheduled Banks :		
On Current Accounts	3,095.82	26.52
	<u>3,096.57</u>	<u>28.99</u>

**Note No. 11**

**Bank Balance other than Cash and Cash Equivalents**

On Deposit Accounts maturing after 3 months but before 12 months*	113.65	460.14
On Deposit Accounts maturing after 12 months*	-	0.18
Unclaimed dividend accounts	7.19	5.48
Fractional shares Balance Account	1.97	1.97
	<u>122.81</u>	<u>467.77</u>
Less: Amount disclosed under Other Non Current Financial Assets (Note No.5)	-	0.18
	<u>122.81</u>	<u>467.59</u>

\* Includes ₹ 104.12 lacs (Previous year ₹ 146.51 lacs) Pledged

**Note No. 12**

**Financial Assets - Loans**

Unsecured		
Deposit with Government Authorities & Others #	256.89	245.62
Which have Significant increase in Credit Risk	52.34	52.34
Credit Impaired	-	-
Total	<u>309.23</u>	<u>297.96</u>
Less: Allowance for Doubtful Advances	52.34	52.34
	<u>256.89</u>	<u>245.62</u>

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

**Note No. 13**

**Other Financial Assets**

Interest Accrued	5.29	7.76
Others	45.03	73.86
	<u>50.32</u>	<u>81.62</u>

**Note No. 14**

**Current Tax Assets (Net)**

Advance payment of Income Tax	426.66	350.22
Net of provision (Incl. Interest) ₹ 2191.94 lacs (Previous year ₹ 2191.94 lacs)	<u>426.66</u>	<u>350.22</u>



Note No. 15	(₹ In Lacs)	
	As at 31.03.2020	As at 31.03.2019
<b>Other Current Assets</b>		
Trade Advances	148.09	245.04
Prepaid Expenses	56.51	66.90
Others	6.88	0.86
	<u>211.48</u>	<u>312.80</u>

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
	<u>1,400.00</u>	<u>1,400.00</u>
<b>Issued, Subscribed and Paid up:</b>		
Equity Shares - 41,53,906 shares (Previous Year 36,03,906 shares) of ₹ 10/- each fully paid up	415.39	360.39
	<u>415.39</u>	<u>360.39</u>

16.1. Reconciliation of number of share outstanding		
- Equity Share		
Shares outstanding as at the beginning of the year	36,03,906	36,03,906
Add: Shares issued during the year	5,50,000	-
Less: Bought back during the year	-	-
Shares outstanding as at the end of the year	<u>41,53,906</u>	<u>36,03,906</u>

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	27,39,533	7,99,533
Florence Investech Ltd.	-	15,00,000
Edgefield Securities Ltd.	2,17,749	2,17,749

- 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 31.03.2020		As at 31.03.2019	
	Non Current	Current*	Non Current	Current*
<b>Non Current Borrowings</b>				
<b>SECURED LOANS</b>				
Term Loans:				
Banks	1,050.00	300.00	1,350.00	150.00
Others	36.39	27.82	58.69	27.82
	<b>1,086.39</b>	<b>327.82</b>	1,408.69	177.82
<b>UNSECURED LOANS</b>				
Council of Scientific & Industrial Research (CSIR)	59.15	73.68	119.21	73.68
	<b>59.15</b>	<b>73.68</b>	119.21	73.68
	<b>1,145.54</b>	<b>401.50</b>	1,527.90	251.50

\*Amount disclosed under Note No.23

Notes:

1. Term loan from Bank of ₹1350.00 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 14 Quarterly installments (6 Equal quarterly Installments of ₹75.00 lacs and next 8 Equal quarterly Installments of ₹112.50 lacs).
2. Term loan others of ₹64.20 lacs (net of ₹5.34 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 5 equal half yearly installments by 2022-23.
3. Unsecured Loan of ₹132.83 lacs (Net of ₹14.53 lacs for deferred Government Grants) taken from CSIR is repayable in 2 equal yearly installments by 2021-22.

**Note No. 18**

(₹ In Lacs)

	As at 31.03.2020	As at 31.03.2019
<b>Other Financial Liabilities</b>		
Lease Liability	290.16	-
Interest accrued but not due	-	2.86
	<b>290.16</b>	<b>2.86</b>

**Note No. 19**

**LONG-TERM PROVISIONS**

**Provision for employee benefits**

Leave encashment	145.11	158.12
	<b>145.11</b>	<b>158.12</b>

<b>Note No. 20</b>	<b>(₹ In Lacs)</b>	
	<b>As at</b>	<b>As at</b>
	<b>31.03.2020</b>	<b>31.03.2019</b>
<b>Other Non Current Liabilities</b>		
Government Grants	18.15	39.47
Others	4.54	8.93
	<u>22.69</u>	<u>48.40</u>

<b>Note No. 21</b>		
<b>Financial Liabilities - Borrowings</b>		
<b>SECURED LOANS</b>		
Repayable on Demand from Banks #	1,995.21	1,746.56
Buyer's Credit #	173.68	-
<b>UNSECURED LOANS</b>		
Short Term loan from Bank	-	2,000.00
	<u>2,168.89</u>	<u>3,746.56</u>

# Working Capital borrowings are secured by hypothecation of entire current assets viz stocks and book debts etc., both present and future, of the Company and by a second charge on entire fixed assets of the Company including land at Dundigal village, Telangana and Ranpur, Kota, (Rajasthan) and excluding certain specified Fixed assets.

**Note No. 22**  
**Trade Payables**

a) Micro Enterprises & Small Enterprises	119.34	-
b) Others	5,102.95	7,092.77
	<u>5,222.29</u>	<u>7,092.77</u>

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

Current Maturities of Long Term Borrowings	401.50	251.50
Interest Accrued but not due on loan	156.89	302.02
Security Deposits	24.28	24.73
Lease Liability	147.08	-
Unclaimed Dividend	7.19	5.48
Unpaid Fractional Shares Balance	1.97	1.97
	<u>738.91</u>	<u>585.70</u>

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

Advance from Customers	4,381.41	3,580.68
<b>Other Liabilities</b>		
Government and Other dues	102.15	88.49
Government Grants	21.32	21.32
Others	443.93	489.46
	<u>4,948.81</u>	<u>4,179.95</u>



<b>Note No. 25</b>	<b>As at</b>	<b>(₹ In Lacs)</b>
	<b>31.03.2020</b>	<b>As at 31.03.2019</b>
<b>Provisions</b>		
Provision for Retirement Benefits		
Gratuity	-	55.98
Leave Encashment	38.57	43.67
Others	35.50	32.13
	<u>74.07</u>	<u>131.78</u>
	<u>2019-20</u>	<u>2018-19</u>
<b>Note No. 26</b>		
<b>Revenue from Operations</b>		
1. Sales : Seeds	17,411.16	18,437.27
Others	350.06	389.93
2. Other Operating Revenue	236.13	240.73
	<u>17,997.35</u>	<u>19,067.93</u>
<b>Note No. 27</b>		
<b>Other Income</b>		
Interest on Deposit with Banks & others	54.29	51.62
Foreign Exchange Fluctuation	-	35.20
	<u>54.29</u>	<u>86.82</u>
<b>Note No. 28</b>		
<b>Cost of Material Consumed</b>		
Purchase of Seeds	6,295.11	7,303.16
Purchase of Other Agri Products	219.26	248.78
Consumption of Packing Materials & Others	805.87	834.07
Processing Charges	106.26	397.67
Power & Fuel	48.55	53.86
Repair & Maintenance- Machinery	20.97	20.06
Labour expenses	203.59	226.10
	<u>7,699.61</u>	<u>9,083.70</u>
<b>Note No. 29</b>		
<b>Changes in Inventories of Finished Goods work-in-progress and Stock-in-Trade</b>		
<b>Opening Stock</b>		
- Semi Finished Goods	4,839.08	7,206.37
- Finished Goods	7,385.21	5,302.00
	<u>12,224.29</u>	<u>12,508.37</u>
<b>Closing Stock</b>		
- Semi Finished Goods	3,801.93	4,839.08
- Finished Goods	5,339.43	7,385.21
	<u>9,141.36</u>	<u>12,224.29</u>
(Increase)/Decrease in Stocks	<u>3,082.93</u>	<u>284.08</u>

**Note No. 30**

(₹ In Lacs)

	<u>2019-20</u>	<u>2018-19</u>
<b>Employee Benefit Expenses</b>		
Salaries, Wages, Allowance, etc.	2,774.17	2,796.07
Contribution to Provident and other Funds	150.88	136.12
Employees' Welfare and other Benefits	242.88	239.39
	<u>3,167.93</u>	<u>3,171.58</u>

**Note No. 31**

**Finance Cost**

Interest Expenses	863.70	932.30
Other Borrowing costs	15.53	21.53
	<u>879.23</u>	<u>953.83</u>

**Note No. 32**

**Depreciation and Amortization Expense**

Depreciation on Property, Plant and Equipments	329.94	204.00
Amortization of Intangible Assets	44.51	45.24
	<u>374.45</u>	<u>249.24</u>

**Note No. 33**

**Other Expenses**

	<u>2019-20</u>	<u>2018-19</u>
Rent	164.96	340.75
Rates & Taxes	0.47	1.00
Insurance	72.37	32.99
Freight & Transportation	872.41	879.97
Advertisement & Sales Promotion	935.71	1,013.93
Royalty	84.78	196.72
Directors' Fees	18.69	12.53
Farming Expenses	469.36	464.81
Travelling	732.97	728.87
Commission	402.66	276.34
Loss on Sales/Discard of Assets (Net)	13.82	6.96
Foreign Exchange Fluctuation	31.69	-
Provisions/Allowances for Doubtful Debts	62.51	90.12
Printing & Stationery, Postage, Telephone and other	618.61	810.10
Miscellaneous Expenses etc.		
	<u>4,481.01</u>	<u>4,855.09</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 ₹321.34 lacs (Previous Year ₹247.90 lacs (Net of ₹82.02 lacs indemnified by another party)).
- (ii) Income Tax (matters in appeals) of ₹25.65 lacs (Previous year ₹216.07 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 ₹1749.32 lacs (Previous year ₹4249.75 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 ₹3.52 lacs (Previous year ₹1.78 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	2019-20	(₹ In Lacs) 2018-19
<b>Recurring Expenses*</b>		
Employees Cost	575.28	609.10
Farming Expenses	469.36	464.81
Other Expenses	269.56	286.25
<b>Total Recurring Expenses</b>	<b>1,314.20</b>	<b>1,360.16</b>
<b>Total Capital Expenditure</b>	<b>1.58</b>	<b>9.71</b>
<b>Total R &amp; D Expenses (incl. Capital Expenditure)</b>	<b>1,315.78</b>	<b>1,369.87</b>

\*Included in respective account

**Note No. 39**

**Amount paid to Auditors:**

**Statutory Auditors**

Audit Fee	5.00	5.00
Taxation	1.00	1.00
Certification & Other Charges	6.14	1.78
Reimbursement of expenses	0.21	0.13
<b>Total</b>	<b>12.35</b>	<b>7.91</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 17<sup>th</sup> February, 2014. The above revised returns were filed by the Company with the Department pursuant to the Scheme of Arrangement and Demerger (the Scheme) approved by Hon'ble High court of Calcutta on 17<sup>th</sup> October, 2012, giving impact of the Scheme from 1<sup>st</sup> April, 2005, during the financial year 2012-13.

**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 31st March 2020 ₹ 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 2020 - Nil (previous year - Nil).

**Note No. 42**

Foreign Currency exposure not hedged as at Balance sheet Date:

Net receivable ₹114.75 Lacs - US\$ 152310 (Previous year ₹147.64 lacs – US \$ 213410), Net payable Nil (Previous year ₹40.99 lacs – US\$ 59250) and Buyers Credit ₹173.68 lacs – US\$ 97049.30 & Euro 121000 (Previous Nil)

**Note No. 43**

**Retirement benefit obligations:**

**A Expenses Recognised for Defined Contribution Plan**

Particulars	(₹ In Lacs)	
	2019-20	2018-19
Company's contribution to PF	150.88	136.12
Company's Contribution to ESI	9.07	15.21

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, 2020 and March 31, 2019, 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)	
	2019-20	2018-19	2019-20	2018-19
<b>Present Value of obligation as on 1st April'19</b>	<b>244.18</b>	218.37	<b>168.29</b>	154.90
<b>Current Service Cost</b>	<b>30.91</b>	33.14	<b>35.46</b>	37.02
Interest Cost	17.01	15.93	11.72	11.30
Benefits Paid	(56.28)	(42.99)	(48.32)	(31.48)
Remeasurement - actuarial loss/(gain) arising from	-	-	-	-
-Change in demographic assumptions	-	-	-	-
-Change in financial assumptions	12.11	3.53	9.13	2.54
-Experience Variance	(52.93)	16.20	(19.31)	(5.99)
-Liability in Transfer	7.75	-	-	-
<b>Present Value of obligation as on 31<sup>st</sup> March'2020</b>	<b>202.75</b>	244.18	<b>156.97</b>	168.29



**II. Change in Fair Value Plan Assets**

Particulars	(₹ In Lacs)			
	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2019-20	2018-19	2019-20	2018-19
Fair Value of Plan Assets at the beginning of year	188.20	175.72	-	-
Acquisition / Transfer in / Transfer out	-	-	-	-
Expected Return on Plan Assets	13.11	12.82	-	-
Employer Contribution	55.98	42.65	-	-
Benefit Paid	(56.28)	(42.99)	-	-
Actuarial gain / (Loss)	-	-	-	-
Fair Value of Plan Assets at the end of year	201.01	188.20	-	-
Present Value of Obligation	202.75	244.18	-	-
Net funded status of plan	(1.74)	(55.98)	-	-
Actual Returns on Plan Assets	13.11	12.82	-	-

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

Particulars	(₹ In Lacs)			
	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2019-20	2018-19	2019-20	2018-19
Current Service Cost	30.91	33.14	35.46	37.02
Net Interest cost/ (income) on the net defined benefit liability/ (assets)	17.01	15.93	11.72	11.30
Past service cost	-	-	-	-
Re – measurement (or Actuarial) (gain)/ loss arising from:	(13.11)	(12.82)	-	-
-Change in demographic assumptions	-	-	-	-
-Change in financial assumptions	12.11	3.53	9.13	2.54
-Experience variance (i.e actual experience vs assumptions)	(52.93)	16.20	(19.31)	(5.99)
Less: Recognised in Other Comprehensive Income (OCI)	40.82	(19.73)	-	-
<b>Expenses recognised in P&amp;L For the year ended 31<sup>st</sup> March'2020</b>	<b>34.81</b>	<b>36.25</b>	<b>37.00</b>	<b>44.87</b>

**IV. Recognised in Other Comprehensive Income**

Particulars	(₹ In Lacs)
	Gratuity
Remeasurement - Actuarial loss / (gain) For the year ended 31 <sup>st</sup> March, 2019	19.73
Remeasurement - Actuarial loss / (gain) For the year ended 31 <sup>st</sup> March, 2020	(40.82)



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)	
	2019-20	2018-19	2019-20	2018-19
Attrition / Withdrawal rate (per Annum)	19.50%	19.50%	19.50%	19.50%
Discount rate (per annum)	5.60%	6.95%	5.60%	6.95%
Salary growth rate (per annum)	6.50%	6.50%	6.50%	6.50%
Mortality Rate (% of IALM 2012-14 (PY 2006-08))	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	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
<b>Gratuity :-</b>				
Discount Rate	1.00%	9.93	1.00%	10.68
	-1.00%	(9.13)	-1.00%	(9.85)
Salary Growth Rate	1.00%	9.75	1.00%	10.63
	-1.00%	(9.14)	-1.00%	(9.98)
<b>Leave Encashment :-</b>				
Discount Rate	1.00%	7.71	1.00%	7.68
	-1.00%	(6.87)	-1.00%	(7.08)
Salary Growth Rate	1.00%	7.36	1.00%	7.64
	-1.00%	(6.88)	-1.00%	(7.17)

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):	(₹ In Lacs)	
	Gratuity	Leave encashment
1 Year	35.06	31.70
2 to 5 years	119.94	90.08
6 to 10 years	76.53	56.14
More than 10 Years	40.85	31.83

**VII. Statement of Employee benefit provision**

Particulars	(₹ In Lacs)	
	2019-20	2018-19
Gratuity	-	55.98
Leave encashment	156.97	168.29



**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 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
Current	-	55.98	31.69	36.12
Non current	-	-	125.28	132.17
Total	-	55.98	156.97	168.29

**IX. Employee benefit expense.**

(₹ In Lacs)

Particulars	2019-20	2018-19
Salary and Wages	2,704.10	2,713.81
Costs-defined benefit	70.07	82.26
Costs-defined contribution plan	150.88	136.12
Employees Welfare Expenses	242.88	239.39
Total	3,167.93	3,171.58

**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:**

2019-20

2018-19

Weighted average shares outstanding	36,45,983	36,03,906
Profit after tax (in Lacs)	(10,75.87)	497.54
Basic Earnings per equity share (₹): (Face value of ₹ 10 each)	(29.51)	13.81
Diluted Earnings per equity share (₹): (Face value of ₹ 10 each)	(29.51)	13.81

**Note No. 46**

**Dividends**

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

(₹ In Lacs)

	2019-20	2018-19
For the year ended March 31, 2019: ₹1.5 per equity share, (31st March, 2018: ₹4 per equity share.)	54.06	144.16
Dividend Distribution Tax thereon	11.11	29.63
<b>Total</b>	<b>65.17</b>	<b>173.79</b>

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.

	<u>2019-20</u>	<u>(₹ In Lacs)</u> <u>2018-19</u>
For the year ended 31st March, 2020 No Dividend (31 <sup>st</sup> March, 2019: 15% i.e. ₹1.5 per equity share)	-	54.06
<b>Total</b>	<u>-</u>	<u>54.06</u>

**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**

The Company has adopted Ind AS 116 'Leases' effective April 1, 2019 and applied the Standard to its leases. This has resulted in recognizing a Right-of-Use Asset and a corresponding Lease liability of ₹564.65 lacs as at April 1, 2019.

<b>Particulars</b>	<b>(₹ In Lacs)</b>	
	<b>Land</b>	<b>Right to Use Building</b>
Cost/Deemed Cost At April 1, 2019	12.17	552.48
Accumulated Depreciation and impairment At April 1, 2019	-	-
Net Book Value At April 1, 2019	12.17	552.48
At 31 <sup>st</sup> March,2020	8.79	400.33
Lease Liability At April 1, 2019	12.17	552.48
At 31 <sup>st</sup> March,2020	7.45	429.79

**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>Particulars</b>	<b>(₹ In Lacs)</b>	
	<u>2019-20</u>	<u>2018-19</u>
Gross amount required to be spent by the company during the year	26.00	27.50
Amount spent during the year	16.95	52.50
Promotion of Education	5.27	13.51
Health Care	1.41	4.93
Others	10.27	34.06

**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 result 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	As at
	31.03.2020	31.03.2019
Change in USD	2%	2%
Effect on profit / (loss) before tax	1.18	2.12
Change in USD	-2%	-2%
Effect on profit / (loss) before tax	-1.18	-2.12

**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	(₹ In Lacs) As at
	31.03.2020	31.03.2019
<b>Loans in Rupees</b>		
- Fixed Rate	370.72	279.40
- Floating Rate	3,345.21	5,246.56
<b>Total</b>	<b>3,715.93</b>	<b>5,525.96</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	(₹ In Lacs) As at
	31.03.2020	31.03.2019
<b>Change in Basis Points</b>	<b>25</b>	<b>25</b>
Effect on profit before tax	(8.36)	(13.12)
Change in Basis Points	-25	-25
<b>Effect on profit before tax</b>	<b>8.36</b>	<b>13.12</b>

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 2020</b>					
Secured	-	-	-	-	-
Unsecured	2,223.56	1,151.15	534.49	3,759.22	7,668.42
<b>Total</b>	<b>2,223.56</b>	<b>1,151.15</b>	<b>534.49</b>	<b>3,759.22</b>	<b>7,668.42</b>
Provision/ Allowances for doubtful Debts				(1,198.72)	(1,198.72)
<b>Net total</b>	<b>2,223.56</b>	<b>1,151.15</b>	<b>534.49</b>	<b>2,560.50</b>	<b>6,469.70</b>
<b>As at 31st March 2019</b>					
Secured	-	-	-	-	-
Unsecured#	3,250.89	882.73	883.65	3,438.74	8,456.01
<b>Total</b>	<b>3,250.89</b>	<b>882.73</b>	<b>883.65</b>	<b>3,438.74</b>	<b>8,456.01</b>
Provision/Allowances for doubtful Debts				(1,156.81)	(1,156.81)
<b>Net total</b>	<b>3,250.89</b>	<b>882.73</b>	<b>883.65</b>	<b>2,281.93</b>	<b>7,299.20</b>

# Discount provision of ₹1276.97 lacs previously under Current liabilities is netted off from receivables.

**50.2b.** Advance to suppliers are net of provision/loss allowances made for Doubtful advances of ₹34.12 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:

- i) 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.
- ii) 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. During the Current year the arbitration



was adjudged against the Company on grounds of limitation. The Company is of the opinion, in spite of the facts placed before the Arbitrator, the order was passed without considering the facts placed. In view of this the Company has filed an application u/s 34 of The Arbitration and Conciliation Act with The Learned Commercial Court, Jaipur. The management has taken legal opinion based on which, they are confident about the realisation / recovery, hence no provision is made.

- iii) 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.

Last 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.

During the year the Company has filed a writ petition before Allahabad High Court Lucknow bench against UPSDC and Director of Agriculture UP State.

Meanwhile the Company continuous to make representations to UPSDC seeking payment of the outstanding against which UPSDC have paid part amount of ₹2.61 Lakhs through RTGS. The Company has requested UPSDC for particulars under which the payments were made. Awaiting their response.

On the facts of the case, Company has a good case to recover.

**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 2020</b>					
	Borrowings	3,715.93	2,570.38	1,145.55	-	3,715.93
	Trade payables	5,222.29	5,222.29	-	-	5,222.29
	Other liabilities	627.56	337.40	290.16	-	627.56
	<b>Total</b>	<b>9,565.78</b>	<b>8,130.07</b>	<b>1,435.71</b>	-	<b>9,565.78</b>
<b>2</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>12,955.79</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 31.03.2020	As at 31.03.2019
Borrowings	3,715.93	5,525.96
Less: Cash and Cash equivalents (Incl. Bank Balances)	3,219.39	496.58
<b>Net debt</b>	<b>496.54</b>	<b>5,029.37</b>
Equity Share Capital	415.39	360.39
Other Equity	10,666.31	8,586.92
<b>Total Capital</b>	<b>11,081.70</b>	<b>8,947.31</b>
<b>Capital and net debt</b>	<b>11,578.25</b>	<b>13,976.68</b>
<b>Gearing ratio</b>	<b>4%</b>	<b>36%</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

(₹ In Lacs)

Particulars	As at 31st March 2020		As at 31st March 2019	
	Carrying Amount	Fair Value	Carrying amount	Fair Value
Financial Assets at Amortized cost				
Trade Receivable	6,469.70	6,469.70	7,299.20	7,299.20
Others	3,566.84	3,566.84	869.41	869.41
<b>Total</b>	<b>10,036.54</b>	<b>10,036.54</b>	<b>8,168.61</b>	<b>8,168.61</b>
Financial Liabilities at Amortized Costs				
Borrowings	3,715.93	3,715.93	5,525.96	5,525.96
Trade payables	5,222.29	5,222.29	7,092.77	7,092.77
Others	627.56	627.56	337.06	337.06
<b>Total</b>	<b>9,565.78</b>	<b>9,565.78</b>	<b>12,955.79</b>	<b>12,955.79</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)**

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 (Resigned w.e.f. 22.05.2019)
Dr.Gyanendra Shukla	:	President & Whole Time Director (Appointed w.e.f. 23.05.2019)

Executives

Shri Appala Raju Narava	:	Chief Financial Officer (Resigned w.e.f. 12.06.2019)
Shri G. Sravana Kumar	:	Chief Financial Officer (Appointed w.e.f. 25.07.2019)
Shri Anoop Singh Gusain	:	Company Secretary

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

JK Agri Genetics Limited - Employees Gratuity Fund.

**c) Holding Company**

Bengal & Assam Company Ltd (BACL)\*

**d) Fellow Subsidiaries**

J.K. Fenner (India) Limited (JKFIL) w.e.f. 24.05.2019\*  
JK Tyre and Industries Limited (JKTIL) w.e.f. 24.05.2019\*

**e) Associates of Holding Company**

JK Paper Limited (JKPL)\*  
JK Lakshmi Cements Ltd. (JKLC)\*  
J.K. Risk Managers & Insurance Brokers Ltd. (JKR) \*



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

Particulars	2019-2020						2018-19
	JKFIL	JKTIL	JKPL	JKLC	JKR	Trust	Trust
Gratuity Trust	-	-	-	-	-	55.98	42.65
Sharing of Expenses	-	0.09	0.76	9.43	-	-	-
Rent Paid	17.32	0.71	-	14.50	-	-	-
Sharing of Expenses Received	0.12	-	1.00	0.38	0.06	-	-
Internal Audit Expenses	-	9.31	-	-	-	-	-
Receivable / (Payable)	0.11	-	0.06	(2.81)	-	-	-

ii) Remuneration Paid to KMPs

Particulars	2019-20	2018-19
Short Term Employee benefits**	343.33	294.86
Sitting Fees to Non Executive Directors	18.69	12.53

\* The Scheme, of Arrangement between Florence Investech Limited (Florence), BMF Investments Ltd. (BMF), J. K. Fenner (India) Ltd. (FIL) and Bengal & Assam Company Ltd. (BACL) and their respective Shareholders sanctioned by the Honble Benches of the National Company Law Tribunal (NCLT) at Kolkata and Chennai by their respective orders dated 5<sup>th</sup> November 2018 and 3<sup>rd</sup> May 2019, became effective on 24/05/2019: "Pursuant to the said Scheme:

1. Florence and BMF stand amalgamated with BACL and stand dissolved. Accordingly, the shareholdings in JK Agri Genetics Limited (company) held by Florence and BMF stand transferred to and vested with BACL, resulting into increase of the holding of BACL in JK Agri Genetics Limited (Company) from 22. 19% to 63. 81%.

2. The Company, has. become a subsidiary of BACL w.e.f. 24<sup>th</sup> May 2019. Consequently, all subsidiaries of BACL Fellow Subsidiaries (related party) of the Company w. e. f. 24<sup>th</sup> May 2019.

\*\* 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 :-

Particulars	2019-20	2018-19
Current Tax	-	130.74
Deferred tax (relating to origination and reversal of temporary difference)	(557.65)	(42.39)
<b>MAT</b>		
MAT Credit Entitlement	-	28.66
MAT Credit Utilisation	-	-

ii. Income Tax recognized in other Comprehensive Income :-

Particulars	2019-20	2018-19
Deferred Tax (Gain)/Loss on defined benefit	(11.89)	5.75



iii. Reconciliation of effective tax rate		(₹ In Lacs)	
Particulars	2019-20	2018-19	
Accounting Profit/(Loss) before income tax	(1,633.52)	557.23	
At applicable Statutory Income tax rate	29.120%	27.820%	
Computed Income Tax Expense/(Income)	-	155.02	
<b>Increase / (Reduction) in taxes on account of :</b>			
In House R&D Expenses u/s 35(2AB)	-	(89.93)	
Other Additions /(Deductions) as per IT Act	-	36.99	
Income Tax Expenses / (Income) reported in Profit & Loss	-	102.08	
Effective Tax Rate	0.00%	18.32%	

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

Particulars	2019-20	2018-19	
Opening Balance	3.81	51.95	
Deferred Tax Expense recognised in Statement of Profit and Loss	(557.65)	(42.39)	
Other comprehensive income	11.89	(5.75)	
<b>Total</b>	<b>(541.95)</b>	<b>3.81</b>	

**v. Deferred Tax:**

Deferred Tax relates to the followings:

Particulars	2019-20	2018-19	
Book base and tax base of Property Plant and Equipments	257.88	379.92	
(Disallowance) / Allowance (net) under Income Tax & Others	(291.46)	(383.73)	
Unabsorbed Depreciation & Business Losses	(508.37)	-	
Closing Balance	(541.95)	(3.81)	

**Note No. 55**

Changes in liabilities arising from financing activities:

Particulars	2018-19	Cash Flows	Non Cash Items	2019-20
			Fair Value Changes	
Long Term Borrowings	1779.40	(251.50)	19.13	1,547.04
Short Term Borrowings	3746.56	(1586.14)	8.47	2168.89
Interest Paid	304.88	(1027.21)	-	156.90
<b>Total</b>	<b>5830.84</b>	<b>(2864.84)</b>	<b>27.60</b>	<b>3872.83</b>

**Note No. 56**

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

**Note No. 57**

**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. 58**

Covid-19 continues to rapidly spread throughout the country since a national lockdown was announced in the end march. After a brief lockdown of the company’s plant and operations across the country, the Business Continuity team was able to quickly secure required permissions to restart the operations in early April. The company has considered the possible effects that may result from the pandemic relating to Covid 19 on the carrying amounts of Property, Plant and Equipment, Inventories, Receivables and other current assets.

The Company has performed a sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to the future economic conditions.

**Note No. 59**

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

As per our report of even date.

For BGJC & Associates LLP  
Chartered Accountants  
ICAI Firm Registration No. 003304N / N500056

Darshan Chhajer  
Partner  
Membership No. 088308

New Delhi, the 11 June 2020

G.SRAVANA KUMAR  
Chief Financial Officer

ANOOP SINGH GUSAIN  
Company Secretary

BHARAT HARI SINGHANIA	Chairman
DR. RAGHUPATI SINGHANIA	Directors
SANJAY KUMAR KHAITAN	
SANJEEV KUMAR JHUNJHUNWALA	
SWATI SINGHANIA	
ABHIMANYU JHAVER	
AJAY SRIVASTAVA	
AMAR SINGH MEHTA	
VIKRAMPATI SINGHANIA	Managing Director
DR. GYANENDRA SHUKLA	President & Director

