



NATH SEEDS®

**Nath Bio-Genes (I) Ltd.**

(CIN L01110MH1993PLC072842)

Date: 08.09.2017

1. The Secretary,  
Bombay Stock Exchange Ltd  
Phiroze Jeejeebhoy Towers  
Dalal Street, MUMBAI 400 001

2. The Secretary,  
National Stock Exchange of India Ltd  
Exchange Plaza, 5th Floor  
Plot No. C/1, G Block  
Bandra-Kurla Complex  
Bandra (E), MUMBAI 400 051

3. The Secretary,  
Ahmedabad Stock Exchange Ltd  
Kamdhenu Complex  
Opp Sahajanand College  
Panjarpole, AHMEDABAD 380 015

Company Code: 537291

Sub: Submission of information under 34 (1) of SEBI (LODR) Regulation, 2015.

Dear Sir,

Please find enclosed herewith The Annual Report of the Company for the year ended 31<sup>st</sup> March 2017.

The above information is being provided to you under Regulation 34 (1) of The SEBI (LODR) Regulations, 2015.

This is for your information and record purpose.

Thanking You.

Yours Faithfully,

For Nath Bio-Genes (India) Limited.

Authorized Signatory

- Nath House, Nath Road, Aurangabad - 431005 (MS) Tel : 0240-2376314/5/6/7  
Email : info@nathseeds.com www.nathbiogenes.com
- 1, Chateau Windsor, 86 Veer Nariman Road, Mumbai - 400020 (MS) Tel : 022-22871001, 22875653/4/5

**NATH  
GROUP**



**NATH BIO-GENES (INDIA) LIMITED**

**23<sup>rd</sup> ANNUAL REPORT**

**2016-2017**



## **NATH BIO-GENES (INDIA) LIMITED**

### **DIRECTORS**

Nandkishor Kagliwal - Chairman  
Satish Kagliwal - Managing Director  
Sweta Kagliwal  
Kashinath Iyer  
Shrirang Agrawal  
Omprakash Sharma

### **CHIEF FINANCIAL OFFICER**

Devinder Khurana

### **STATUTORY AUDITORS**

Gautam N Associates  
Chartered Accountants  
Plot No. 30, GNA House,  
Behind ABC Complex,  
Manmandir Travels Lane,  
Adalat Road, Aurangabad-431005

### **REGISTERED OFFICE**

Nath House  
Nath Road  
Aurangabad 431005

### **ADMINISTRATIVE OFFICE**

1, Chateau Windsor  
86, Veer Nariman Road  
Churchgate  
Mumbai – 400 020

### **REGISTRAR & TRANSFER AGENTS**

Big Share Services Private Limited,  
E2/3, Ansa Industrial Estate,  
Saki Vihar Road, Saki Naka,  
Andheri (East), Mumbai-72  
Tel +91-22-2847 0652, +91-22-4043 0200



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## NOTICE

Notice is hereby given that the Twenty Third Annual General Meeting of the members of Nath Bio-Genes (India) Limited will be held at the Registered Office of the company at Nath House, Nath Road, Aurangabad-431005 on Thursday, August 24<sup>th</sup>, 2017 at 11 a.m., to transact the following business:

### ORDINARY BUSINESS

#### 1. ADOPTION OF FINANCIAL STATEMENTS

To receive, consider and adopt Audited Balance Sheet of the Company as at March 31, 2017 and Statement of Profit & Loss for the year ended as on that date together with the Reports of Directors and Auditors thereon.

#### 2. APPOINTMENT OF AUDITORS

To appoint auditors of the Company, and to fix their remuneration and to pass the following resolution as an ordinary resolution thereof;

“RESOLVED THAT pursuant to the provisions of section 139, 142 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, pursuant to the recommendations of the Audit Committee of the Board of Directors, M/s. Ashok R Majethia & Co. Chartered Accountants, (Firm Registration No. 127769W) be and are hereby appointed as the Statutory Auditors of the Company and to hold the office from the conclusion of this Annual General Meeting till the conclusion of next 6<sup>th</sup> Annual General Meeting of the Company, subject to ratification as to the said appointment at every Annual General Meeting, and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending on March 31, 2018 as may be determined by the Audit Committee in consultation with the Auditors.

#### 3. RE-APPOINTMENT OF DIRECTOR

To appoint Mrs. Sweta Kagliwal as Director of the Company, who retires by rotation and being eligible, seeks re-appointment.

### SPECIAL BUSINESS

#### 4. INCREASE IN REMUNERATION OF MANAGING DIRECTOR

To consider and if thought fit, to pass with or without modification, the following resolution as a Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification from time to time or any re-enactment thereof for the time being in force) (the “Act”) read with Schedule V to the said Act, and recommendation of the Nomination and Remuneration Committee and Audit Committee, consent of the members of the Company be and is hereby accorded for revision of remuneration to Mr. Satish Kagliwal

(holding DIN 00119601), as Managing Director of the Company with effect from 1st April 2017, for remainder of duration of appointment up to July 31<sup>st</sup> 2018 as mentioned below: -

<b>Sr No</b>	<b>Salary &amp; Perquisites (per annum)</b>	<b>INR in Lacs</b>
1	Basic Salary	12,00,000
2	Special Allowance	10,00,000
3	Other Allowance	7,50,000
4	Conveyance Allowance	25,000
5	Medical Allowance	25,000
	<b>TOTAL</b>	<b>30,00,000</b>

RESOLVED FURTHER THAT the Board of Directors (which term shall always be deemed to include any Committee as constituted or to be constituted by the Board to exercise its powers including the powers conferred under this resolution) be and is hereby authorized to vary or increase the remuneration specified above from time to time to the extent the Board of Directors may deem appropriate, provided that such variation or increase, as the case may be, is within the overall limits as specified under the relevant provisions of the Companies Act, 2013.

By order of the Board of Directors

Date: 30.05.2017

Registered Office: Nath House

Nath Road,

Aurangabad-431005

CIN: L01110MH1993PLC072842

Satish Kagliwal

Managing Director

DIN: 00119601

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NOTES: 1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company.

2. The Proxy Forms duly completed must reach the Registered Office of the company not less than forty-eight Hours before the commencement of the meeting. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.

3. The Business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice.

4. Pursuant to Section 91 of the Companies Act, 2013, (corresponding to Section 154 of the Companies Act, 1956), The Register of Members and Share Transfer Books of the Company will be closed from 17<sup>th</sup> August 2017 to 24<sup>th</sup> August 2017 both days inclusive.

5. The relative Explanatory Statements pursuant to Section 102(1) of the Companies Act, 2013, relating to the special business to be transacted at the meeting is annexed hereto.

6. The Securities & Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in the Electronic form are therefore requested to submit their PAN to their depository Participants with whom they are maintaining their demat accounts. Members holding Physical shares can submit their PAN to the Company/Bigshare Services.

## 7. EVOTING INSTRUCTIONS

The instructions for members for voting electronically are as under:-

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on <Monday 21<sup>st</sup> August 2017 9.00 Am IST> and ends on <Wednesday 23<sup>rd</sup> August 2017 5.00 Pm IST>. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <14<sup>th</sup> July 2017> may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).



- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

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#### Explanatory Statement

(Pursuant to Section 102 of the Companies Act, 2013)

As required by Section 102 of the Companies Act, 2013 (“Act”), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 4 and 5 of the accompanying Notice:

#### ITEM NO. 2

This explanatory statement is provided though strictly not required as per Section 102 of the Act. M/s Gautam N Associates, Chartered Accountants, Aurangabad (Firm Registration No 103117W), were appointed as the statutory auditors of the Company for a period of three years at the Annual General Meeting (AGM) of the Company held on 5th July 2014, to hold office till the conclusion of the AGM to be held in the Calendar Year 2017.

In view of the above, As per provisions of Section 139(1) of the Act, Ashok R Majethia & Co. Chartered Accountants, (Firm Registration No. 127769W) being eligible and based on the recommendation of the Audit Committee, the Board of Directors has, at its meeting held on may 31<sup>st</sup>, 2017, proposed the appointment of Ashok R Majethia & Co. Chartered Accountants, (Firm Registration No. 127769W) as the statutory auditors of the Company for a period of five years to hold office from the conclusion of this AGM till the conclusion of the next 6<sup>th</sup> AGM (subject to ratification of their appointment at every AGM).

The Board commends the Resolution at Item No. 2 for approval by the Members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested in the Resolution at Item No. 2 of the accompanying Notice.

### ITEM NO 3

#### DETAILS OF DIRECTORS RETIRING BY ROTATION AND SEEKING RE-APPOINTMENT

NAME OF DIRECTOR	Mrs. Sweta Kagliwal
Date of Birth	04.02.1982
Date of Appointment	30.03.2015
Qualification	Post Graduate
Expertise in specific Functional areas	Wide Business experience across variety of industries
Chairman/ Director of other companies	<ul style="list-style-type: none"><li>• Agri-Tech (India) Ltd</li><li>• Techindia Nirman Ltd</li></ul>
Chairman/ Member of Committees of other Companies	NIL
No of shares held in the Company	Nil

### ITEM NO 4

#### INCREASE IN REMUNERATION

The members may note that based on the recommendation of the Nomination and remuneration committee, The Board of Directors at their meeting held on 29<sup>th</sup> May 2017 approved the increase in remuneration of Mr. Satish Kagliwal, Managing Director of the Company under the provisions of the Companies Act 2013, wef 1<sup>st</sup> April 2017. Mr. Satish Kagliwal was drawing a remuneration of Rs 18.00 lacs per annum.

Further the shareholders may note that Mr. Satish Kagliwal was appointed as the Managing Director of the Company from 1<sup>st</sup> August 2013 for a period of 5 years and accordingly his term of office is valid up to 31<sup>st</sup> July 2018.

Except Mr. Satish Kagliwal & Mr. Nandkishor Kagliwal, none of the Directors are interested or concerned in this resolution.

By order of the Board of Directors

Date: 30<sup>th</sup> May 2017  
Registered Office: Nath House  
Nath Road,  
Aurangabad-431005  
CIN: L01110MH1993PLC072842

Satish Kagliwal  
Managing Director  
DIN: 00119601

## Directors Report

Your Directors are pleased to present the 23<sup>rd</sup> Annual Report together with the Audited Accounts of your Company for the financial year ended 31<sup>st</sup> March 2017.

### FINANCIAL RESULTS

(Rs in Lacs)

Sr. No	PARTICULARS	YEAR ENDED	
		31.03.2017	31.03.2016
1.	Sales	16972.56	16210.59
2.	Profit before Interest & Depreciation	2951.02	2523.20
3.	Interest	965.71	623.09
4.	Depreciation	303.04	390.48
5.	Profit Before Tax & Extra-ordinary items	1675.34	1507.74
6.	Tax Provision (Net of Deferred Tax)	47.10	91.00
7.	Profit After Tax	1628.25	1416.75
8.	Extra-Ordinary Items	0	0
9.	Profit available for Appropriation	1628.25	1416.75
10	Balance carried to Balance Sheet	1628.25	1416.75

### FINANCIAL HIGHLIGHTS AND OPERATIONS

Income from operations during the financial year ended 31<sup>st</sup> March 2017 was at Rs 16972.56 Lacs as against Rs 16210.59 Lacs representing an increase of approximately 5% over the previous year. Profit after Tax for the year under review amounted to Rs 1628.25 Lacs as against Rs 1416.75 Lacs in the previous year representing an increase of 14.93 %. The increase in profits during the year under review was on account of enhanced sales, improved product mix and operational efficiencies.

### RESEARCH & DEVELOPMENT & NEW PRODUCTS

Research and Product Development programs at the NBIL have undergone major scientific up-gradation, during the last one-decade or so. Advance breeding strategies, with novel genetic resources, gene pyramiding with molecular-aided gene tracking systems, and extensive testing of genetic stocks, breeding lines and hybrids derived thereof, are generating a range of pre-determined designer products.

Consequently, our recently launched products in the Farmers' fields, or those at the penultimate stage of Demos or Large-Scale Trials, or in Multi-Location Trials, represent the new breed and benchmark of hybrid seeds: They are endowed with significant genetic enhancement for yield potential, as well as Climate Resilient capability.

NBIL continues to provide substantial financial allocations to further strengthen its R&D programs. The competitive environment in the area of hybrid seeds is rapidly growing worldwide, so also in our country as well. It is no longer good enough to offer high yielding hybrid varieties to the Indian Farmers. It is now becoming a mandatory requirement that such hybrids carry additional built-in value through seed embedded technologies/genes providing durable protection against specific diseases, pests and vagaries of nature (floods/drought/heat stress etc.)

Technological up-gradation remains a continual process at the NBIL. In cotton, in addition to stacking GM traits for bollworm protection, we are on the constant lookout for novel germplasm resources for imparting/enhancing resistance/ tolerance against some of the notorious sucking pests, as also dehydration-stress (drought). Big Boll size (for reduced labor and ease in picking) and excellent re-flushing abilities are the additional novelties our new Bt-Cotton products (for Central and South Zone) are almost invariably carrying.

**The year 2016 was a landmark for our R&D in particular.**

For the first time ever, NBIL conducted an Exclusive Multi-Location Trial of an exceptional range of Bt-cotton hybrids, at Sixteen pre-selected rain-fed locations, mainly in the states of Maharashtra, Telangana, MP and Gujarat. This exclusive trial was strictly on No Irrigation and No Spray basis. Crop growth and development was entirely dependent on rain and no irrigation, nor any external inputs for protection against insect pests.

Some of the test products emerged as the best among Bt-cotton hybrids, especially bred for enhanced tolerance against dehydration stress (drought), as also for high-level resistance against four major sucking pests of cotton. As expected, the results were remarkable at locations with minimal rainfall. In addition to our own trials, State Agricultural University trial results were equally spectacular, if not more.

NBIL's caravan of Science and Technology moves on: Not only in the areas of Molecular Breeding, but also in genetic transformation, generating our own transgenics, even in cotton. New two-gene Bt-Cotton transgenic events are getting ready for Event Selection and a Contained Open Field Trial in 2018. Attempts to correct the breakdown of resistance against Pink Bollworm in Bt-cotton are also being addressed, through new possibilities of Genome Editing.

To summarize, your company is constantly endeavoring to invest time, energy and money in Research and Development efforts to create high yield products to benefit the farming community at large.

**INTERNATIONAL COLLABORATIONS:**

Nath Bio-Genes, jointly with its sister concern Global Transgenes Ltd., had signed agreement for R & D collaboration and commercialization thereof, of Fusion-Bt. Cotton technology in Philippines. Due processes of trans-boundary regulations, in accordance to the provisions of the Cartagena Protocol, have been followed strictly for transfer of Fusion-Bt. Embedded cotton seeds.

PhilFIDA (Fibre Crops Development Authority, under Govt of The Philippines) is directly coordinating with NBIL-GTL of India, in view of our track record and scientific competence in pursuing the Fusion-Bt Technology approval process in India.

## **MANAGEMENT DISCUSSION & ANALYSIS**

A detailed report on the management discussion and analysis is provided as a separate section in this Annual Report.

## **CORPORATE GOVERNANCE**

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The Company has also implemented several best corporate governance practices as prevalent globally.

The Report on Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Companies Act, 2013 and rules made thereunder is enclosed.

The Requisite Certificate from the Auditors of the Company, Gautam N Associates, Chartered Accountants, Aurangabad conforming compliance to the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed to this Report

## **DIVIDEND**

Given the growth requirements of the business, the Directors have not recommended any dividend for the financial year 2016-17.

## **DEPOSITS**

Your company has not accepted any fixed deposits during the year under review.

## **RISK MANAGEMENT**

The company has a Risk Management Committee which has been entrusted with the responsibility to assist the Board in (a) Overseeing and approving the Company's enterprise wide risk management framework; and (b) Overseeing that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks.

## **DIRECTORS & KEY MANAGERIAL PERSON**

Mrs. Sweta Kagliwal, Director retires by rotation and being eligible offers herself for re-appointment. Pursuant to Clause 49 of the Listing Agreement, Details of Directors retiring by rotation is provided as part of the Notice of the ensuing Annual General Meeting.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Act and Clause 49 of the Listing Agreement with the Stock Exchanges. The Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual

Directors which include criteria for performance evaluation of the non-executive directors and executive directors.

#### **AUDITORS**

At the Annual General Meeting held on July 5<sup>th</sup> 2014, M/s Gautam N Associates, Chartered Accountants, Aurangabad were appointed as the Statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2017.

#### **INTERNAL AUDITORS**

The Board of Directors of the Company has appointed a professional firm of M/s. Manpreet Khurana & Co., Chartered Accountants to conduct internal audit of the Company for the financial year ended 31 March 2018.

#### **INDIAN ACCOUNTING STANDARDS - IFRS CONVERGE STANDARDS**

The Ministry of Corporate Affairs vide its notification dated 16th February, 2015 had notified the Companies (Indian Accounting Standards) Rules, 2015. In pursuance of the said notification, your Company will adopt Indian Accounting Standards with effect from 01st April, 2017 with the comparatives for the period ending 31st March, 2016. The implementation of Indian Accounting Standards (IAS) is a major change process for which the Company has set up a dedicated team and is providing desired resources for its completion within the time frame.

#### **INTERNAL FINANCIAL CONTROLS**

The internal financial controls (IFC) framework at Nath Bio-Genes (India) Ltd encompasses internal controls over financial reporting (ICOFR) as well as operational controls that have been put in place across all key business processes of the Company. The achievement of the Company's business objectives and such controls do enable the Company to adapt to changing and operating environment, to mitigate risks to acceptable levels and to support sound decision making and good governance. Details in respect of adequacy of internal financial controls with reference to the financial statements are briefly iterated below:

- a. The Company maintains all its major records in ERP System.
  
- b. The Company has appointed internal auditors to examine the internal controls, whether the workflow of the organization is being done through the approved policies of the Company. In every quarter, during the approval of financial statements, internal auditors present the internal audit report and the management comments on the internal audit observations; and
  
- c. The Board of Directors of the Company has adopted various policies such as related party transactions policy, whistle blower policy, policy to determine material subsidiaries and such other procedures for ensuring the orderly and efficient conduct of its business for safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

#### **AUDITORS' REPORT**

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

## TRANSACTIONS WITH RELATED PARTIES

Information on transactions with related parties pursuant to section 134(3)(h) of the act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Annexure IV in Form AOC 2 and the same forms part of this report.

## SECRETARIAL AUDITOR

M/s Neha P Agrawal, Practising Company Secretary has been appointed as the secretarial Auditor of the Company for the financial year 2017-18 as required under Section 204 of the Companies Act 2013 and Rules thereunder. The Secretarial Audit Report for the financial year ended March 31, 2017 is annexed herewith marked as Annexure IV to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## COMMITTEES OF THE BOARD

Currently the Board has six committees: The Audit Committee, the stakeholders' relationship committee, the nomination & remuneration committee, the corporate social responsibility committee, risk Management Committee, & whistle blower committee.

A detailed note on the Board and its committees is provided under the Corporate Governance Report section in this Annual Report. The Composition of the Committees and compliances, as per the applicable provisions of the Act and Rules are as follows:

Name of the Committee	Composition of the Committee	Highlights of Duties, responsibilities and activities
Audit Committee	K. G Iyer-Chairman Omprakash Sharma, Satish Kagliwal	<ul style="list-style-type: none"><li>All recommendations made by the Audit Committee during the year were accepted by the Board.</li><li>In accordance with the requirements of the Listing Agreement, The Company has formulated policies on related party transactions.</li></ul>
Stakeholders' Relationship Committee	K. G Iyer-Chairman Omprakash Sharma, Satish Kagliwal	<ul style="list-style-type: none"><li>The Committee reviews and ensures redressal of investor grievances.</li><li>The Committee noted that all the grievances of the investors have been resolved during the year.</li></ul>
Nomination and Remuneration Committee	K.G Iyer-Chairperson Omprakash Sharma, Nandkishor Kagiwal	<ul style="list-style-type: none"><li>To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.</li><li>To carry out evaluation of every Director's performance.</li></ul>

Corporate Social Responsibility Committee	Nandkishor Kagliwal- Chairperson Omprakash Sharma K. G. Iyer	<ul style="list-style-type: none"> <li>▪ The Board has laid out the Company's policy on CSR and the CSR activities of the Company are carried out as per instructions of the committee.</li> <li>▪ The Financial Data pertaining to the Company's CSR activities for</li> </ul>
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## **PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED**

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the standalone financial statement (Please refer to Note 12, 14, 15 and 19 to the standalone financial statement).

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Section 134 (3)(c) of the Companies Act, 2013, the Board of Directors hereby confirms that,

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures.
- ii. It has in the selection of the accounting policies, consulted the Statutory Auditors and has applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the company as at 31<sup>st</sup> March, 2017 and of the profits of the company for that period.
- iii. It has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities, to the best of its knowledge and ability. There are however, inherent limitations, which should be recognized while relying on any system of internal control and records.
- iv. It has prepared the annual accounts on a going concern basis.
- v. The Directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operation efficiently.
- vi. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in Annexure V to this Report.

## **EXTRACT OF ANNUAL RETURN**

Extract of Annual Return of the Company is annexed herewith as Annexure VI to this Report.



## **PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are provided in the Annual Report.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annual Report.

Having regard to the provisions of the first proviso to Section 136(1) of the Act and as advised, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the registered office of the Company during working hours and any member interested in obtaining such information may write to

## **INSURANCE**

All the insurable interest of the company, including Inventories, Buildings, Machinery etc, is adequately insured.

## **CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

All related party transactions that were entered during the financial year were in the ordinary course of the business of the Bank and were on arm's length basis. There were no materially significant related party transactions entered by the Bank with Promoters, Directors, Key Managerial Personnel or other persons which may have a potential conflict with the interest of the Bank. All Related Party Transactions are placed before the Audit Committee for approval. Prior omnibus approval for normal banking transactions is also obtained from the Audit Committee for the related party transactions which are of repetitive nature as well as for the normal banking transactions which cannot be foreseen and accordingly the required disclosures are made to the Committee on quarterly basis in terms of the approval of the Committee.

The policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions as approved by the Audit Committee and the Board of Directors is uploaded on the website of the Bank and the link for the same is <https://www.yesbank.in/investor-relations/corporategovernance.html>.

Since all related party transactions entered into by the Bank were in the ordinary course of business and were on an arm's length basis, form AOC-2 is not applicable to the Bank.

## **ACKNOWLEDGEMENT**

The employees of NATH BIOGENES (INDIA) LIMITED continue to work with great dedication and commitment. The Board desires to place on record its appreciation to all the employees of the company during the year under review.

The Board also acknowledges the support given by Banks, Financial Institutions and Government Authorities.

For and on behalf of the Board of Directors

30<sup>th</sup> May 2017

Registered Office:

Nath House,  
Nath Road,  
Aurangabad-431005

Chairman  
Nandkishor Kagliwal  
DIN: 01691691

Managing Director  
Satish Kagliwal  
DIN: 00119601

## ANNEXURE I

### TO DIRECTORS' REPORT

#### COMPANIES WHICH BECAME / CEASED TO BE COMPANY'S SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES:

1. Companies which have become subsidiaries during the financial year 2016-17: NIL
2. Companies which ceased to be subsidiaries during the financial year 2016-17: NIL
3. No company has become/ceased to be a joint venture or associate during the financial year 2016-17.

## ANNEXURE II

### Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2016-17

1. A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs and the composition of CSR Committee	Refer Sections: (a) Corporate Social Responsibility and (b) Disclosures: CSR&G Committee in this Report
2. Average net profit of the Company for last three financial years `	INR 2236.05 Lacs
3. Prescribed CSR expenditure (two percent of the amount mentioned in item 2 above)	INR 44.72 Lacs
4. Details of CSR spent during the financial year: <ul style="list-style-type: none"> <li>• Total amount to be spent for the financial year</li> <li>• Amount unspent, if any Not applicable</li> <li>• Manner in which the amount spent during the financial year</li> </ul>	44.72 Lacs Not Applicable Details given below

**DETAILS OF AMOUNT SPENT ON CSR ACTIVITIES DURING THE FINANCIAL YEAR 2016-17**

Sr. No.	CSR project or Activity Identified Sector in which the project is covered (clause no. of Schedule VII to the Companies Act, 2013, as amended)	Project of Program (1) Local Area or Other (2) Specify the State and district where projects or programs was undertaken	Amount Outlay (Budget) Project or Program wise (` in crore)	Amount spent on the Projects or Programs Sub Heads: (1) Direct Expenditure on Projects or Programs (2) Overheads (` in crore)	Cumulative Expenditure upto the reporting period i.e. FY 2014-2015 (` in crore)	Amount Spent Direct or through Implementing Agency
1	(iv)	PAN India	Rural Transformation		INR 44.72 Lacs	Self through Company Staff
Total					INR 44.72 Lacs	

**CORPORATE SOCIAL RESPONSIBILITY AT NBIL**

At NBIL, Corporate Social Responsibility (CSR) is being embedded in the long term business strategy of the Company. For NBIL, business priorities and social commitments are meant to co-exist in harmony for the development of people and communities at large. The Company's CSR initiatives in rural development would help elevate the quality of life of millions of farmers. We further plan to venture into healthcare, education and rural employment over a period of time.

Your Company has been making systematic efforts at educating the farming community on the best agriculture cultivation practices to aim at rural development. We combine a judicious mix of technology, material and information with specific focus on agriculture. We are continuously working on enhancing opportunities by disseminating information relevant to improving livelihood options among rural communities. We deploy locally-relevant solutions to promote agriculture and other farm based activities. We focus on building the capacity of farming communities from the time that we engage them by ensuring their participation in the resource mapping and planning exercise. Need-based training programs are conducted to further enhance the skills and knowledge of small and marginal farmers. Trainings on sustainable agricultural practices, soil and water conservation, pest management, use of fertilisers, are imparted.

## **ANNEXURE IIIA TO DIRECTORS' REPORT**

### **Policy for Selection of Directors and determining Directors' independence**

#### **Introduction**

1.1 Nath Bio-Genes (India) Ltd believes that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. Towards this, NBIL ensures constitution of a Board of Directors with an appropriate composition, size, diversified expertise and experience and commitment to discharge their responsibilities and duties effectively.

1.2 Nath Bio-Genes (India) Ltd recognizes the importance of Independent Directors in achieving the effectiveness of the Board. Nath Bio-Genes (India) Ltd aims to have an optimum combination of Executive, Non-Executive and Independent Directors.

#### **2. Scope and Exclusion:**

2.1 This Policy sets out the guiding principles for the Human Resources, Nomination and Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent directors of the Company.

#### **3. Terms and References:**

In this Policy, the following terms shall have the following meanings:

3.1 "Director" means a director appointed to the Board of a company.

3.2 "Human Resources, Nomination and Remuneration Committee" means the committee constituted by NBIL's Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Equity Listing Agreement.

3.3 "Independent Director" means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and Clause 49(II)(B) of the Equity Listing Agreement.

#### **4. Policy:**

##### **4.1 Qualifications and criteria**

4.1.1 The Human Resources, Nomination and Remuneration (HRNR) Committee, and the Board, shall review on an annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience that are relevant for the Company's global operations.

4.1.2 In evaluating the suitability of individual Board members, the HRNR Committee may take into account factors, such as: General understanding of the Company's business dynamics, global business and social perspective; Educational and professional background Standing in the profession; Personal and professional ethics, integrity and values; Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

4.1.3 The proposed appointee shall also fulfill the following requirements:

- Shall possess a Director Identification Number;
- Shall not be disqualified under the Companies Act, 2013;
- Shall give his written consent to act as a Director;
- Shall endeavor to attend all Board Meetings and wherever he is appointed as a Committee Member, the Committee Meetings;
- Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel;
- Shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every
- financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013, Equity Listing
- Agreements and other relevant laws.

4.1.4 The HRNR Committee shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.

#### **Criteria of Independence**

4.2.1 The HRNR Committee shall assess the independence of Directors at the time of appointment / re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.

4.2.2 The criteria of independence, as laid down in Companies Act, 2013 and Clause 49 of the Equity Listing Agreement, is as below:

An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director—

a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;

b. (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;

(ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;

c. who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;

d. none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

e. who, neither himself nor any of his relatives—

(i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

(ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—

(A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

(B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;

(iii) holds together with his relatives two per cent or more of the total voting power of the company; or

(iv) is a Chief Executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; or

(v) is a material supplier, service provider or customer or a lessor or lessee of the company.

f. shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, corporate social responsibility or other disciplines related to the Company's business.

g. shall possess such other qualifications as may be prescribed, from time to time, under the Companies Act, 2013.

h. who is not less than 21 years of age.

4.2.3 The Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013.

#### **4.3 Other directorships / committee memberships**

4.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as directors of the Company. The HRNR Committee shall take into account the nature of, and the time involved in a Director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

4.3.2 A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be Public Limited Companies.

4.3.3 A Director shall not serve as an Independent Director in more than 7 Listed Companies and not more than 3 Listed Companies in case he is serving as a Whole-time Director in any Listed Company.

4.3.4 A Director shall not be a member in more than 10 Committees or act as Chairman of more than 5 Committees across all companies in which he holds directorships.

For the purpose of considering the limit of the Committees, Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies, whether listed or not, shall be included and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 shall be excluded.

## **ANNEXURE III-B**

### **To DIRECTORS REPORT**

#### **Remuneration Policy for Directors, Key Managerial Personnel and other employees**

##### **1. Introduction**

1.1 Nath Bio-Genes (India) Limited (NBIL) recognizes the importance of aligning the business objectives with specific and measurable individual objectives and targets. The Company has therefore formulated the remuneration policy for its directors, key managerial personnel and other employees keeping in view the following objectives:

1.1.1 Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the company successfully.

1.1.2 Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.

1.1.3 Ensuring that remuneration involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

##### **2. Scope and Exclusion:**

2.1 This Policy sets out the guiding principles for the Human Resources, Nomination and Remuneration Committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the Company.

##### **3. Terms and References:**

In this Policy, the following terms shall have the following meanings:

3.1 "**Director**" means a director appointed to the Board of the Company.

3.2 "**Key Managerial Personnel**" means

(I) the Chief Executive Officer or the managing director or the manager;

(ii) the company secretary;

(iii) the whole-time director;

- (iv) the Chief Financial Officer; and
- (v) such other officer as may be prescribed under the Companies Act, 2013

3.3 “**Human Resources, Nomination and Remuneration Committee**” means the committee constituted by NBIL’s Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Equity Listing Agreement.

#### **4. Policy:**

##### **4.1 Remuneration to Executive Directors and Key Managerial Personnel**

4.1.1 The Board, on the recommendation of the Human Resources, Nomination and Remuneration (HRNR) Committee, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.

4.1.2 The Board, on the recommendation of the HRNR Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.

4.1.3 The remuneration structure to the Executive Directors and Key Managerial Personnel shall include the following components, as applicable: -

- (i) Basic Pay
- (ii) Perquisites and Allowances
- (iii) Stock Options
- (iv) Commission (Applicable in case of Executive Directors)
- (v) Retirement benefits
- (vi) Annual Performance Bonus

4.1.4 The Annual Plan and Objectives for Executive Directors and Senior Executives (Executive Committee) shall be reviewed by the HRNR Committee and Annual Performance Bonus will be approved by the Committee based on the achievements against the Annual Plan and Objectives.

##### **4.2 Remuneration to Non-Executive Directors**

4.2.1 The Board, on the recommendation of the HRNR Committee, shall review and approve the remuneration payable to the Non- Executive Directors of the Company within the overall limits approved by the shareholders.

4.2.2 Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof. The Non-Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

##### **4.3 Remuneration to other employees**

4.3.1 Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.



## ANNEXURE IV TO DIRECTORS' REPORT

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto;

1. Details of contracts or arrangements or transactions not on an arm's length basis:

Nath Bio-Genes (India) Limited has not entered into any contract/arrangement/transaction with its related parties which is not in ordinary course of business or at arm's length during FY 2016-2017. The Company has laid down policies and processes/procedures so as to ensure compliance to the subject section in the Companies Act 2013 and the corresponding Rules.

In addition, the process goes through internal and external checking, followed by quarterly reporting to the Audit Committee.

- (a) Name(s) of the related party and nature of relationship: Not Applicable
- (b) Nature of contracts/arrangements/transactions: Not Applicable
- (c) Duration of the contracts / arrangements/transactions: Not Applicable
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
- (e) Justification for entering into such contracts or arrangements or transactions: Not Applicable
- (f) Date(s) of approval by the Board: Not Applicable
- (g) Amount paid as advances, if any: Not Applicable
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: Not Applicable

2. Details of material contracts or arrangement or transactions on an arm's length basis:

- |   |
|---|
| <ul style="list-style-type: none"><li>(a) Name(s) of the related party and nature of relationship: Global Transgenes Ltd</li><li>(b) Nature of contracts/arrangements/transactions: Advance for R &amp; D</li><li>(c) Duration of the contracts / arrangements/transactions: 1 year</li><li>(d) Salient terms of the contracts or arrangements or transactions including the value, if any; NA</li><li>(e) Date(s) of approval by the Board: 30<sup>th</sup> May 2016</li><li>(f) Amount paid as advances: 38.41 Lacs</li></ul> |
|---|

- |  |
|--|
| <ul style="list-style-type: none"><li>(a) Name(s) of the related party and nature of relationship: Agri-Tech (India) Ltd</li><li>(b) Nature of contracts/arrangements/transactions: Advance for buying land</li><li>(c) Duration of the contracts / arrangements/transactions: 1 year</li><li>(d) Salient terms of the contracts or arrangements or transactions including the value, if any- NA</li><li>(e) Date(s) of approval by the Board: 30<sup>th</sup> May 2016</li><li>(f) Amount paid as advances: NIL</li></ul> |
|--|

(a) Name(s) of the related party and nature of relationship: Nath Bio-Technologies Ltd  
(b) Nature of contracts/arrangements/transactions: Advance  
(c) Duration of the contracts / arrangements/transactions: 1 year  
(d) Salient terms of the contracts or arrangements or transactions including the value, if any- NA  
(e) Date(s) of approval by the Board: 30<sup>th</sup> May 2016  
(f) Amount paid as advances: NIL

(a) Name(s) of the related party and nature of relationship: Nath Royal Seeds Ltd  
(b) Nature of contracts/arrangements/transactions: Advance  
(c) Duration of the contracts / arrangements/transactions: 1 year  
(d) Salient terms of the contracts or arrangements or transactions including the value, if any-  
(e) Date(s) of approval by the Board: 30<sup>th</sup> May 2016  
(f) Amount paid as advances: NIL

(a) Name(s) of the related party and nature of relationship: Paithan Mega Food Park Pvt Ltd  
(b) Nature of contracts/arrangements/transactions: Advance  
(c) Duration of the contracts / arrangements/transactions: 1 year  
(d) Salient terms of the contracts or arrangements or transactions including the value, if any-  
(e) Date(s) of approval by the Board: 30<sup>th</sup> May 2016  
(f) Amount paid as advances: NIL

Aurangabad, 30<sup>th</sup> May 2017

For and on behalf of the Board of Directors  
Satish Kagliwal  
DIN: 00119601

**ANNEXURE IV  
TO DIRECTORS' REPORT**

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

**[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,  
The Members  
Nath Bio-Genes (India) Ltd  
Nath House, Nath Road,  
Aurangabad-431005

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Nath Bio-Genes (India) Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2017 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not applicable to the Company during the Audit Period)**;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014 **(Not applicable to the Company during the Audit Period)**;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company during the Audit Period)**;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period)**; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not applicable to the Company during the Audit Period**).

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with Stock Exchanges. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**I further report that**, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

1. The Seeds Act 1966
2. Employees' Provident Funds and Miscellaneous Provisions Act, 1952
3. Factories Act 1948
4. Minimum Wages Act 1923
5. Contract Labour (Regulations & Abolition) Act 1970

**I further report that**

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

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

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

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**Neha P Agrawal**  
FCS No. 7035, C P No: 8048

Place: Aurangabad  
Date: May 30 2017

## ANNEXURE V TO DIRECTORS' REPORT

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

Conservation of Energy:

Energy conservation dictates how efficiently a company can conduct its operations. Your Company recognizes the importance of energy conservation in decreasing the detrimental effects of global warming and climate changes. Being in the field of Agriculture, we are constantly endeavoring to improve upon the agro climatic conditions. As a contentious effort, we have taken necessary measure to achieve economy in consumption of energy.

Technology Absorption & Research and Development:

The company is in the field of Technology Absorption and Research & Development since inception. Our state of the art R & D facility, at Aurangabad is constantly in the process of developing new seeds to enhance the yield to the farming community without jeopardizing the environment. We have employed state-of-the-art technology, wherever applicable.

Expenditure on R & D	8,67,43853
Foreign Exchange Earning and Outgo:	
Earnings	71093306
Outgo	21370712

## ANNEXURE VI TO DIRECTORS' REPORT

Form No. MGT-9

### EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2017

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

I. REGISTRATION AND OTHER DETAILS	
i) CIN	L01110MH1993PLC072842
ii) Registration Date	14-07-1993
iii) Name of the Company	NATH BIO-GENES (INDIA) LIMITED

iv) Category / Sub-Category of the Company	Public Company / Limited by shares
v) Address of the Registered office and contact details	Nath House, Nath Road, Aurangabad-431005
vi) Whether listed company	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent,	Big Share Services Pvt. Ltd, E2/3, Ansa Industrial Estate, Sak Vihar Road, Saki Naka, Andheri (East), Mumbai – 72
<b>II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>	
All the business activities contributing 10% or more of the total turnover of the company	
Hybrid Seed Business	100%
<b>III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES</b>	
<b>Holding Company</b>	NIL
<b>Subsidiary Company</b>	NIL
<b>Associate Companies</b>	As per Annexure A
<b>IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)</b>	
i) Category-wise Share Holding	As per Attachment B
ii) Shareholding of Promoters	As per Attachment C
iii) Change in Promoters' Shareholding	As per Attachment C
iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)	As per Attachment D
v) Shareholding of Directors and Key Managerial Personnel	As per Attachment E
<b>V. INDEBTEDNESS</b>	
Indebtedness of the Company including interest outstanding/accrued but not due for payment	As per Attachment F
<b>VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL</b>	

A. Remuneration to Managing Director, Whole-time Directors and/or Manager	As per Attachment G
B. Remuneration to other directors	As per Annexure H
C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD	As per Attachment I
<b>VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES</b>	As per Annexure J

## ANNEXURE A

### Particulars of Associate Companies

Sr No	Name of the Company	Address of Company	CIN	% of shares held	Section
1	Agri-Tech (India) Ltd	Nath House, Nath Road, Aurangabad	L01110MH1993PLC073268	NIL	2(6)
2	Global Transgenes Ltd	Nath House, Nath Road, Aurangabad	U73100MH2000PLC123602	NIL	2(6)
3	Nath Bio-Technologies Ltd	Nath House, Nath Road, Aurangabad	U01110MH1991PLC063077	NIL	2(6)
4	Nath Royal Seeds Ltd	Nath House, Nath Road, Aurangabad	U01403MH2010PLC209768	NIL	2(6)

## Attachment B

### SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category code	Category of Shareholder	No of shares at the beginning of the year (01.04.2016)			No of Shares at the end of the year (31.03.2017)		
		DEMAT	PHYSICAL	TOTAL	DEMAT	PHYSICAL	TOTAL
(A)	<b>Shareholding of Promoter and Promoter Group<sup>2</sup></b>						
<b>1</b>	<b>Indian</b>						
(a)	Individuals/ Hindu Undivided Family	439	0	439	439	0	439
(b)	Central Government/ State Government(s)	0	0	0	0	0	0
(c)	Bodies Corporate	8224105	0	8224105	8198725	0	8198725
(d)	Financial Institutions/ Banks	0	0	0	0	0	0
(e)	Any Others(Specify)	0	0	0	0	0	0
(e-i)							
(e-ii)							
	<b>Sub Total(A)(1)</b>	<b>8224544</b>	<b>0</b>	<b>8224544</b>	<b>8199164</b>	<b>0</b>	<b>8199164</b>





(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	7411364	464846	7779456	7442879	361012	7803891
	TOTAL (A)+(B)	15635908	464846	16004000	15642988	361012	16004000
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0	0
1	Promoter and Promoter Group	0	0	0	0	0	0
2	Public	0	0	0	0	0	0
	Sub-Total (C)	0	0	0	0	0	0
	GRAND TOTAL (A)+(B)+(C)	15635908	464864	16004000	15642988	361012	16004000

## Attachment C

### SHARE HOLDING PATTERN (Promoters Holding & Change in Promoter Holding)

Sr. No.	Name of the shareholder	No of shares at the beginning of the year (01.04.2016)			No of Shares at the end of the year (31.03.2017)			% of Change
		No of Shares	% of Total Shares of Company	% of Shares pledged to total shares	No of Shares	% of Total Shares of Company	% of Shares pledged to total shares	
1	Akash Farms Pvt. Ltd	1838877	11.49	86.12	1838877	11.49	99.72	-6.62
2	Ashu Farms Pvt. Ltd.	1994829	12.46	92.74	1988449	12.42	93.04	72.51
3	Agri Tech India Ltd	1978690	12.36	48.43	1978690	12.36	12.36	-51.57
4	Tingli Finvest Pvt. Ltd	614462	3.84	92.76	615839	3.84	92.56	0.00
5	Nath Royal Ltd.	462132	2.89	99.97	462132	2.89	99.97	0.00
6	Barkha Farms Pvt. Ltd	354030	2.21	0.00	354030	2.21	0.00	0.00
7	Ferry fax farms Pvt. ltd.	308644	1.93	0.00	308644	1.93	0.00	0.00
8	Pithambhar Farms Pvt. Ltd.	250000	1.56	58.56	250000	1.56	58.56	40.00
9	Arati Farms Pvt. Ltd.	250000	1.56	80.00	250000	1.56	80.00	80.00
10	Nath Biotechnologies Ltd.	101200	0.63	98.81	101200	0.63	98.81	0.00
11	Nath Securities Ltd (AFG)	0	0.00	0.00	0	0.00	0.00	0.00
12	Prabha Farms Pvt. Ltd	50029	0.31	99.94	50271	0.31	99.46	8.36
13	Tingli Finvest Pvt. Ltd	20377	0.13	0.00	0.00	0.00	0.00	0.00
14	Paresh Farms Pvt. Ltd.	374	0.00	0.00	374	0.00	0.00	0.00
15	Jeevan Investment and Finance Pvt. Ltd	219	0.00	0.00	219	0.00	0.00	0.00
16	Prabha Farms Pvt. Ltd	242	0.00	0.00	0	0.00	0.00	0.00
17	Jeevanlata Kagliwal	293	0.00	0.00	293	0.00	0.00	0.00
18	Nandkishor Kagliwal	146	0.00	0.00	146	0.00	0.00	0.00
	TOTAL	8224544	51.37	71.98	8199164	51.53	80.63	14.44

(\*) The term “encumbrance” has the same meaning as assigned to it in regulation 28(3) of the SAST Regulations, 2011

**Attachment D**

**SHARE HOLDING PATTERN (Top Ten Shareholders other than Promoters)**

SR No	Name	No of shares	% of Total Shares of the Company
1	ARC Trust Funds	2821310	17.6288
2	ROSY BLUE SECURITIES PVT LTD	99500	0.6217
3	SURYATEJ ADVISERS LLP	75000	0.4686
4	IL AND FS SECURITIES SERVICES LIMITED	56105	0.3506
5	RAMA PULP AND PAPERS LTD	50000	0.3124
6	PUJA BHATIA	50000	0.3124
7	SHASHI GUPTA	44750	0.2796
8	HRIDAYNATH CONSULTANCY PRIVATE LIMITED	42812	0.2675
9	ADI LIM BILIMORIA	41800	0.2612
10	BHAGWAN ADVANI	40707	0.2544
		<b>3321984</b>	<b>21.72</b>

**Attachment E**

**SHARE HOLDING PATTERN (Directors & Key Managerial Persons)**

Sr. No	Name	No of shares	% of Total Capital of the company	Date	Increase of Decrease in Shareholding
<b>A</b>	<b>Directors</b>				
1	Nandkishor Kagliwal	0	0	01-04-2016	0
	Chairman	0	0	31-03-2017	0
2	Satish Kagliwal	0	0	01-04-2016	0
	Managing Director	0	0	31-03-2017	0
3	Sweta Garodia	0	0	01-04-2016	0
	Non-Executive Director	0	0	31-03-2017	0
	(Appointed wef 30/03/2015)				
4	Shrirang Agrawal	0	0	01-04-2016	0
	Non-Executive Director	0	0	31-03-2017	0
5	Kashinath Iyer	0	0	01-04-2016	0
	Non-Executive Director	0	0	31-03-2017	0
6	Omprakash Sharma	0	0	01-04-2016	0
	Non-Executive Director	0	0	31-03-2017	0

<b>B</b>	<b>Key Managerial Person</b>				
7	Laveena Chanchlani	0	0	01-04-2016	0
	Company Secretary	0	0	31-03-2017	0
8	Devinder Khurana	0	0	01-04-2016	0
	Chief Financial Officer	0	0	31-03-2017	0

## Annexure F

### Indebtedness of the Company including interest outstanding/accrued but not due for payment

<b>Indebtedness at the beginning of the financial year (01.04.2016)</b>	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
i) Principal Amount	5395.34	409.14	0.00	5804.48
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total i + ii + III</b>	<b>5395.34</b>	<b>409.14</b>	<b>0.00</b>	<b>5804.48</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	880.54	182.57	0.00	1063.11
Reduction	0.00	0.00	0.00	109.47
Exchange Difference	0.00	0.00	0.00	0.00
<b>Net Change</b>	<b>880.54</b>	<b>182.57</b>	<b>0.00</b>	<b>1063.11</b>
<b>Indebtedness at the end of the financial year (31.03.2017)</b>				
i) Principal Amount	6275.88	591.71	0.00	6867.59
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total i + ii + III</b>	<b>6275.88</b>	<b>591.71</b>	<b>0.00</b>	<b>6867.59</b>

## REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### Annexure G

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

(Rs in Lacs)

Sr No	Particulars of Remuneration	Nandkishor Kagliwal	Satish Kagliwal	Total
1	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	9	9
2	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	Nil	9	9
3	Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil
	Total	Nil	18	18

**Annexure H**  
**Remuneration to other directors**

(Rs In lacs)

Sr No	Particulars of Remuneration	Shrirang Agrawal	Kashinath Iyer	Omprakash Sharma
1	Independent Directors			
	Fee for Attending Board & Committee Meetings			
	Commission	Nil	Nil	Nil
	Others	Nil	Nil	Nil
	Total	0.058	0.058	0.058

**Annexure I**

**REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

(Rs In lacs)

Sr No	Particulars of Remuneration	Devinder Khurana CFO	Laveena Chanchlani Company Secretary	Total
1	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	39.84	1.20	41.04
2	Value of perquisites u/s 17(2) of the Income-tax	0.00	0.00	0.00

	Act, 1961			
3	Others	39.84	1.20	41.04
	Total			

## Annexure J

### PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of Companies Act	Brief Description	Details of Penalty	Authority (RD/NCLT/Court)
Penalty	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL

## Management Discussion and Analysis

Building a sustainable business model has always been the endeavour of Nath Bio-Gen, and we must say that we are progressing well on this path. Financial year 2017 is the year when we can proudly say that the foundation for a long term sustainable growth has been laid. Essentially, research, production and marketing are the three cornerstones of a seed company, and we have identified and addressed the gaps in each vertical. A lot has been done and lot needs to be done. We assure our shareholders that we are not complacent and are working for the best interest of all our stakeholders.

### Research, Product Development

Research is all about self-belief. Product development cycle for a seed company is typically between 5-7 years before you start to see any results. Financial Year 2017 is a turning point as most of the products on which the company has been working for all the years have started to yield results. Your company has developed a family of products across verticals of Cotton, Paddy, Mustard, Pearl Millet, Maize, Okra, Tomato, Gourds, Chilli and crop nutrition supplements. Your company also has a strong pipeline in each of the verticals for the next 3-4 years. As aptly put by our Chief Scientist, Dr Raina, ***“Research and Product development has delivered its goods, now marketing has to get the numbers.”***

Nath Bio-Gen has built a formidable research team led by Dr. Raina and his energetic team of agricultural scientists and breeders. Company has a dedicated team of research scientists working on each crop. Company has set up 18 stations for evaluating research products across agro-climatic zones. It is not just about making high yields seeds, but creating seed embedded technologies to protect against specific biotic / abiotic stressors. Your company is working closely with number of national / international research institutions.

**Cotton:** Your company products are the industry leading in per acre yield, fibre quality, resistance across climatic conditions and soil conditions. Our claim has been vetted by number of research and testing labs across the country. Our limited foray in the segment in Financial Year 2017 yielded encouraging results, now the challenge is to ramp up production as the demand picks up.

**Paddy:** In paddy, our presence is largely in the hybrid segment. Here we compete with large MNC's and large domestic companies. We have been able to hold our turf, just on the back of product quality. Test results of our product have been encouraging and in some categories, our products are best in the industry. Hybrid seed as a category comprises just below 5% of the paddy sales. Given the superiority of hybrids over natural seeds, hybrids paddy has been witnessing superior growth over the naturals and this trend is likely to sustain. We expect to grow higher than industry, backed by our strong product portfolio.

**Mustard:** Your company's products are widely acknowledged for their leadership in the yellow mustard category. Company is harnessing its brand equity in yellow mustard in black / brown mustard, where the market size is significantly higher. Company is also working on hybrids in mustard focusing on improving oil content and improving resistance.

**Pearl Millet (Bajra):** It is a regional crop, focused largely at the state of Rajasthan, and a minor contributor in your company's revenue. Company's products are well accepted in the target

market and with new product introduction with enhanced yields, draught resistance and superior resistance, we are hopeful of gains in market share.

**Other Cereal Crops:** Apart from the above, we are also into other cereal crop like Maize, Wheat, Jowar etc. each crop has a potential to be a chart buster. Although currently these crops add a minor contribution to the sales, the research efforts are on to take each crop to its deserved height.

**Vegetables:** In house research of your company has managed to develop a balance product portfolio comprising chilli, okra, tomato, brinjal, bottle gourd, bitter gourd, sponge gourd, ridge gourd and cucumber. We would like to highlight that our products in chilli, tomato and okra are considered to be best in the industry on a range of parameters. Vegetables are grown through the year and as a result, this gives stability to the revenues. Backed on our product superiority, we expect strong growth in vegetable seeds in the years to come.

**Crop Supplements:** Win-chi-win is a bio growth enhancer for cereals, vegetables crops, fruits, etc. is a promising product which company is aggressively pursuing for growth. We believe that there is a large market for this product and market size is manifold and waiting to be tapped. Your company also has introduced “Bio-energy” and organic natural nutritional supplement recommended for both soil as well as foliar spray.

## **Marketing**

Marketing is one area which required immediate attention. Even with the best of product portfolio, company cannot achieve the desired heights without a strong marketing support. This year, company was able to attract some of the finest marketing talents in the industry. Key ones being Mr. Madhav Dhande, who has been associated with agricultural sector for over 3 decades and is considered an expert for operation, planning and forecasting. Your company needed a thought leader in marketing with fresh inputs. Some of the important changes brought in by Mr. Dhande are:-

- a. Creating a rating mechanism for distributors and focusing on the performing and good potential distributors. Number of active distributors has come down by almost 40%. This will lead to improved sales and reduced return over a period of time.
- b. Rationalizing the portfolio of products and focusing on strong and high potential. Also, identified products that have a differentiated large addressable market e.g. Win-chi-win. These are the products that can take your company to the next level.
- c. Working extensively with farmers to help them improve their yields. This not just creates goodwill but also brings down sales return over a longer period of time.
- d. Rejuvenating the sales team and bringing in fresh new talent at different levels in the marketing set up of your company.

Financial year 2017 was a formative year and the efforts of renewed marketing vigour will start bearing fruits in the years to come. In the words of our Managing Director, Mr. Satish Kagliwal, “when seed growers start approaching a company for production and when the company is able to attract talent from the competition, it is a first visible sign that something right is happening at

the core.” At Nath Bio-Gen we are undergoing a complete transformation and there is an energy, passion and focus to achieve something meaningful over the years to come.

Nath Bio-Gen is essentially a company devoted to the services of the farmers. Your company will strive to help increasing the income level of farmers and do its bit to achieve government mission of doubling farm income by 2022. We believe that seed technology has to be the forefront for government to achieve its objective.



**CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE  
UNDER REGULATION 34(3) READ WITH SCHEDULE V OF SECURITIES AND EXCHANGE  
BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS)  
REGULATIONS, 2015**

To,  
The Members  
NATH BIO-GENES (INDIA) LIMITED  
Aurangabad

We have examined the compliance of conditions of corporate governance by Nath Bio-Genes (India) Limited for the year ended on 31st March 2017, as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said Company with stock exchanges in India.

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

In our opinion and to the best of our information and explanation given to us, we certify that the company has generally complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

On the basis of the representation received from Registrar and Share Transfer agent and as per the records maintained by the Company which are presented to the Share Transfer Approval Committee, we state that no investor grievances are pending for a period exceeding one month as on 31<sup>st</sup> March 2017.

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

For Gautam N. Associates  
Chartered Accountants  
FRN 103117W

Gautam Nandawat  
Partner  
M No 32742

Place: Aurangabad  
Dated: 30.05.2017

**CEO/CFO CERTIFICATION**  
**(Pursuant to Regulation 17(8) of SEBI (LODR) Regulations, 2015)**

We hereby certify that:

a. We have reviewed financial statements and the cash flow statement for the Financial Year ended 31 March 2017 and that to the best of our knowledge and belief :

i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d. We have indicated to the auditors and the Audit Committee that there are no:

i. significant changes in internal control over financial reporting during the year;

ii. Significant changes in accounting policies during the year and that the same have been disclosing in the notes to the financial statements; and

iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the company's internal control system over financial reporting.

For an on behalf of the Board of Directors

Place: Aurangabad

Dated: 30.05.2017

Chief Financial Officer

Devinder Khurana

Managing Director

Satish Kagliwal

DIN: 00119601

**DECLARATION UNDER SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

In accordance Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I Satish Kagliwal, Managing Director of the Company hereby confirm that the Board members and the senior management personnel of the Company have affirmed compliance with the Company's Code of Conduct for the financial Year ended 31<sup>st</sup> March, 2017.

For an on behalf of the Board of Directors

Aurangabad  
Dated: 30.05.2017

Managing Director  
Satish Kagliwal  
DIN: 00119601

# CORPORATE GOVERNANCE REPORT

The detailed report on Corporate Governance as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the listing regulations').

## MANDATORY REQUIREMENTS

### 1. Company's Corporate Governance Philosophy

Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the widest sense. Your Company is committed to adopt the best Corporate Governance practices and endeavors continuously to implement the code of Corporate Governance in its true spirit.

Over the years, we have strengthened governance practices. These practices define the way business is conducted and value is generated. The Company is committed to good Corporate Governance practices that serve and protect the short and long term interests of the stakeholders. The following report on the implementation of the Corporate Governance requirements under Clause 49 of the Listing Agreement illustrates the efforts of the Company in having followed the Corporate Governance Principles.

### 2. Board Leadership

A majority of the Board are Independent Directors. At Nath Bio-Genes, it is our belief that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. The Board's actions and decisions are aligned with the Company's best interests.

### 3. The Board of Directors

#### Composition and Status of Directors

The composition of the Board of Directors and also the number of other Board of Directors or Board Committees of which he is a Member/Chairman are as under: -

Name of the Director	Category	No of Public Directorships	Committee Membership	Committee Chairmanship
Mr. Nandkishor Kagliwal	Chairman Promoter Non-Executive	5	-	-
Mr. Satish Kagliwal	Managing Director Promoter Executive	6	2	-
Mrs. Sweta Kagliwal	Promoter Non-Executive	3	-	-

Mr. Kashinath Iyer	Independent Non-Executive	5	4	4
Mr. Shrirang Agrawal	Independent Non-Executive	7	6	2
Mr. Omprakash Sharma	Independent Non-Executive	4	6	2

The present strength of the board of directors is 6. None of the directors on the board is a member in more than ten committees and they do not act as chairman of more than five committees across all companies in which they are directors.

#### **Attendance of each Director at the Board Meeting #**

During the year ended 31<sup>st</sup> March 2017, Five Board of Directors Meetings were held on 30<sup>th</sup> May 2016, 29<sup>th</sup> July 2016, 14<sup>th</sup> November 2016, 28<sup>th</sup> January 2017, & 28<sup>th</sup> March 2017. The interval between two meetings did not exceed 120 days. The attendance of each Director at Board of Directors Meetings is as under.

<b>Name of Director</b>	<b>No. of Board Meetings attended</b>	<b>Attendance at last AGM</b>
Mr. Nandkishor Kagliwal	5	Present
Mr. Satish Kagliwal	5	Present
Ms. Sweta Kagliwal	5	Present
Mr. Kashinath Iyer	5	Present
Mr. Shrirang Agrawal	5	Present

All significant information had been placed before the Board.

### **3. Code of Conduct**

The Company has formulated and adopted a code of business conduct and ethics to guide our transactions with our colleagues, communities, customers, governments, investors, regulators and society. Requisite annual affirmations of compliance with the respective code have been made by the directors and the management of the company; including a declaration signed by the Managing Director of the company regarding Compliance of the Code of Business Conduct.

### **4. Committees of the Board**

#### **A. AUDIT COMMITTEE**

##### **(i) Broad Terms of Reference**

The terms of reference of the Audit Committee include:

- To review the Company's financial reporting process and its financial statements.
- To review the accounting and financial policies and practices.
- To review the efficiency of the internal control mechanism and monitor risk management policies adopted by the Company and ensure compliance with regulatory guidelines.
- To review reports furnished by the internal and statutory auditors and ensure that suitable follow-up action is taken.
- To examine accountancy, taxation and disclosure aspects of all significant transactions.

The terms of reference of this Committee are wide enough covering the matters specified under the Listing Agreement.

**(ii) Composition**

The Audit Committee comprises of 3 Directors to include three directors namely Mr. Kashinath Iyer, Chairman, Mr. Omprakash Sharma, Committee Member & Mr. Satish Kagliwal, Committee Member. Ms. Laveena Chanchlani, company secretary of the Company is appointed as Secretary of the Committee. During the year ended 31<sup>st</sup> March 2017, four audit committee meetings were held on 30<sup>th</sup> May 2015, 29<sup>th</sup> July 2016, 14<sup>th</sup> November 2016, & 28<sup>th</sup> January 2017. The constitution of the Audit Committee and attendance of the members of the meetings was as under:

Name of Director	Status	No. of Meetings attended
Mr. Kashinath Iyer	Chairman, Independent, Non-Executive	4
Mr. Satish Kagliwal	Member, Promoter, Executive	4
Mr. Omprakash Sharma	Member, Independent, Non-Executive	3

**Disclosure of material transactions to the Board**

No transactions of material nature has been entered into by the company with the promoters, directors or the management, their subsidiaries or relatives etc. that may have a potential conflict with interest of the company. Attention of members is drawn to the disclosure of transactions with related parties set out in Note No. 39 of Financial Statements, forming part of the Annual Report.

**B. STAKEHOLDERS' RELATIONSHIP COMMITTEE**

**(i) Broad Terms of Reference**

The Stakeholders Relationship Committee comprising of three directors has been constituted with the necessary powers to carry out Share transfers, dematerialization/re-materialization of shares as well as handling shareholders/investor grievances. In short, the terms of reference of the Committee include, redressal of shareholders and investors complaints regarding transfer and transmission of shares, dematerialization of shares and issue of duplicate share certificates, non-receipt of Balance Sheet etc. The Committee oversees the performance of the Registrar and Transfer Agents of the Company and recommends measures for the overall improvement in the quality of investor services.

**(ii) Composition**

The Shareholders Investor Grievances comprises of 3 Directors to include Mr. Kashinath Iyer, Chairman, Mr. Omprakash Sharma, Committee Member & Mr. Satish Kagliwal, Committee Member. Ms. Laveena Chanchlani, company secretary of the Company is appointed as Secretary of

the Committee. During the year ended 31<sup>st</sup> March 2017, four shareholders investor grievances meetings were held on 30<sup>th</sup> May 2016, 29<sup>th</sup> July 2016, 14<sup>th</sup> November 2016, & 28<sup>th</sup> January 2017.

Name of Director	Status	No. of Meetings attended
Mr. Kashinath Iyer	Chairman, Independent, Non-Executive	4
Mr. Satish Kagliwal	Member, Promoter, Executive	4
Mr. Omprakash Sharma	Member, Independent, Non Executive	3

**(iii) Details of Shareholders' complaints**

The Company during the year received 1 complaint. There were NIL complaints pending disposal as on 31<sup>st</sup> March 2017.

**(iv) Compliance Officer**

Ms. Laveena Chanchlani has been appointed as the Company Secretary of the company & is the Compliance officer for complying with the requirements of SEBI Regulations and Listing Agreements with Stock Exchanges in India.

**C. NOMINATION & REMUNERATION COMMITTEE**

**(i) Broad Terms of Reference**

- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal.
- To carry out evaluation of every Director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- To formulate the criteria for evaluation of Independent Directors and the Board.
- To devise a policy on Board diversity.
- To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria.

**(ii) Composition**

The Nomination & Remuneration Committee includes the following persons.

Mr. Kashinath Iyer	Chairman
Mr. Omprakash Sharma	Committee Member
Mr. Nandkishor Kagliwal	Committee Member

**(iii) Managerial Remuneration**

(Rs in Lacs)

Name of the Director	Designation	Salary & Perquisite	Total
Mr. Satish Kagliwal	Managing Director	18.00	18.00

#### Sitting Fees for Board Meetings

(Amount in Rs)

Name of Director	Designation	Sitting Fee	Total Rs.
Mr. Satish Kagliwal	Managing Director	NIL	NIL
Mr. Nandkishor Kagliwal	Chairman	5850	5850
Mr. Shrirang Agrawal	Director	5850	5850
Mr. Kashinath Iyer	Director	5850	5850
Mr. Omprakash Sharma	Director	5850	5850
Mrs. Sweta Kagliwal	Director	5850	5850

The Company does not have a Stock Option or Performance Linked incentives for its Directors.

#### D. CORPORATE SOCIAL RESPONSIBILITY AND GOVERNANCE COMMITTEE

##### (i) Broad Terms of Reference

- To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy indicating activities to be undertaken by the Company in compliance with provisions of the Companies Act, 2013 and rules made thereunder.
- To recommend the amount of expenditure to be incurred on the CSR activities.
- To monitor the implementation of the CSR Policy of the Company from time to time.
- To approve the Corporate Sustainability Reports and oversee the implementation of sustainability activities.
- To oversee the implementation of policies contained in the Business Responsibility Policy Manual and to make any changes / modifications, as may be required, from time to time and to review and recommend the Business Responsibility Reports (BRR) to the Board for its approval.

##### (ii) Composition

The CSR committee was constituted to include the following members;

Mr. Nandkishor Kagliwal	Chairman
Mr. Omprakash Sharma	Committee Member
Mr. Kashinath Iyer	Committee Member

The CSR policy & the amount of expenditure incurred by the company on CSR activities as approved by the CSR committee forms part of the Boards' Report.

#### E. RISK MANAGEMENT COMMITTEE

The risk management committee (rm committee) was constituted by the board adhering to the requirements of the companies act, 2013 and clause 21 of the Securities and Exchange Board of



India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The committee's prime responsibility is to implement and monitor the risk management plan and policy of the company. The committee's constitution meets with the requirements of clause 21 of the listing agreement. The committee members met once on 28<sup>th</sup> January 2017.

### **Company Secretary**

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the directors and senior management for effective decision making at the meetings. The Company Secretary is primarily responsible to ensure compliance with the applicable statutory requirements and is the interface between the management and regulatory authorities for governance matters. Ms. Laveena Chanchlani has been employed as the Company Secretary of the Company.

All related party transactions are negotiated on an arms length basis, and are intended to further the Company's interests.

### **5. Details of General Body Meetings**

The location and time where last three Annual General Meetings of the Company were held as under:-

Financial Year	Place	Date	Time
2015-2016	Nath House, Nath Road, Aurangabad (MAH) 431005	28 <sup>th</sup> July 2016	11.00 AM
2014-2015	Nath House, Nath Road, Aurangabad (MAH) 431005	8 <sup>th</sup> August 2015	11.00 AM
2013-2014	Nath House, Nath Road, Aurangabad (MAH) 431005	5 <sup>th</sup> July 2014	11.00 AM

No Special Business was transacted at the Annual General Meeting held on 28<sup>th</sup> July 2016.

Following resolutions were passed by means of Postal Ballot in the previous year.

1. Special Resolution under Section 180(1)(a) of the Companies Act, 2013 for creation of Charge.
2. Special resolution u/s 186 of the companies Act 2013 to give loans or to give guarantees or to provide securities in connection with the loan made to any other body corporate or person or to make investments under section 186 of the companies act, 2013.
3. Special Resolution u/s Section 5 of the Companies Act, 2013 for adoption of new set of Articles of Association of company inter-alia pursuant to the Companies Act, 2013.
4. Ordinary Resolution- u/s 188 for approving related party transaction.

No Extra-Ordinary General Meeting was held during the period under review.

### **6. Means of communication**

(a) Quarterly Results: The Board of Directors of the Company approved and took on record the unaudited financial results.

(b) News Releases, Presentations: Official news, Releases are displayed on the Company's website [www.nathbiogenes.com](http://www.nathbiogenes.com).

(c) Annual Report: The Annual Report containing, inter alia, Audited Annual Accounts, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto.

(d) Designated E-mail-id: The Company has designated the following Email-id exclusively for investors.

Investor@nathbiogenes.com

## **7. Disclosures**

a. Except the details of transactions given in Note No. 39 of the Notes to Accounts, the Company had no material transaction with its promoters, directors or the management, their relatives or its subsidiaries etc. that may have had a potential conflict of interest with the Company.

b. Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any other statutory authority on any matter related to capital markets, during the last three years- Nil

c. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause-Whistle Blower Policy & Committee formulated.

## **8. Shareholders information**

### **a. Registered Office**

Nath Bio-Genes (India) Limited  
Nath House  
Nath Road, Aurangabad  
Maharashtra, 431005

### **b. Annual General Meeting**

<b>Venue</b>	<b>Nath Bio-Genes (India) Limited Nath House, Nath Road, Aurangabad</b>
<b>Date &amp; Time</b>	Thursday 24 <sup>th</sup> August 2017 11.00 AM

### **c. Book Closure**

The register of share holders of the Company will remain closed on 17<sup>th</sup> August 2017 to 24<sup>th</sup> August 2017 both days inclusive.

### **d. Financial Calendar**

- Financial Reporting for the Quarter Ending 30<sup>th</sup> June 2017 by July 2017.
- Financial Reporting for the Quarter Ending 30<sup>th</sup> September 2017 by October 2017.
- Financial Reporting for the Quarter Ending 31<sup>st</sup> December 2017 by January 2018.
- Financial Reporting for the Quarter Ending 31<sup>st</sup> March 2018 by April 2018.
- Annual General Meeting for the Year ending 31<sup>st</sup> March 2018 by September 2018.

**e. Listing on Stock Exchanges and ISIN No.**

The Company's shares are listed at the Stock Exchange, Mumbai, National Stock Exchange of India eLimited, Mumbai and the Stock Exchange Ahmadabad, under ISIN INE448G01010, by National Securities Depository Limited and Central Depository Services (India) Limited. The shares of the company fall under the category of compulsory delivery in de materialized mode by all category of investors.

**f. Listing Fee Status**

Bombay Stock Exchange	Paid for the year 2017-2018
National Stock Exchange	Paid for the year 2017-2018
Ahmedabad Stock Exchange	Paid for the year 2017-2018

**g. Stock Code**

Stock Exchange	Trade Symbol
Bombay Stock Exchange	NATHBIOGEN
National Stock Exchange	NATHBIOGEN
Ahmedabad Stock Exchange	NATHBIOGEN

**h. Registry and Transfer activity**

As per the SEBI guidelines, the Registry and Share transfer activity is being handled by M/s Big Share Services Private Limited. The Share Transfer requests received in physical form are normally registered within 30 days from the date of receipt.

**i. Distribution of Share Holding as on 31<sup>st</sup> March 2017**

Shareholding Range		Number of Shareholders	Percentage of total number of shareholders	Number of shares	Percentage of Total holding
1	5000	24682	95.0551	1737234	10.8550
5001	10000	597	2.2992	451520	2.8213
10001	20000	322	1.2401	468309	2.9262
20001	30000	130	0.5007	320385	2.0019
30001	40000	48	0.1849	171435	1.0712
40001	50000	39	0.1502	183913	1.1492
50001	100000	69	0.2657	480977	3.0054
100001	9999999	79	0.3042	12190227	76.1699

**j. Share Holding Pattern as on 31<sup>st</sup> March 2017**

Category	No. of Shares	% of Capital
<b>PROMOTER HOLDING</b>		
Indian Promoters	8199164	51.23
Persons acting in concert	0	0
<b>Sub Total</b>	<b>8199164</b>	<b>51.23</b>
<b>NON PROMOTER HOLDING</b>		
Mutual Funds	2200	0.01
Banks/Financial Institutions	17114	0.11
Foreign Institutional Investors	550	0.01
Bodies Corporate	3336670	20.85
Indian Public	4316581	26.96
NRI/OCB/Clearing member	131721	0.83
<b>Sub Total</b>	<b>7804836</b>	<b>48.87</b>
<b>Total</b>	<b>16004000</b>	<b>100.00</b>

**k. Stock Market Data**

MONTH	BSE		NSE	
	High	Low	High	Low
Apr-16	102.10	78.50	102.95	76.45
May-16	97.90	81.40	99	82.1
Jun-16	105.60	87.10	106	86.1
Jul-16	138.00	93.10	138.9	93.05
Aug-16	119.90	97.35	119	98.6
Sep-16	132.00	96.00	132.25	96.2
Oct-16	186.15	109.10	184.5	112.4
Nov-16	209.65	131.20	208.65	130
Dec-16	163.00	136.20	160	125.1
Jan-17	171.90	147.00	171.8	146.6
Feb-17	169.00	145.00	169.4	144.4
Mar-17	163.90	145.70	165	142.5

**l. Plant Location**

Nath Bio-Genes (India) Limited,  
Seed Processing Plant,  
Munipally-503224  
Tal-Armoor, Dist- Nizamabad

Nath Bio-Genes (India) Limited,  
Nath House, Nath Road,

Aurangabad – 431 005  
Phone No.: (0240) 2376314-17 Fax No. : (0240) 2376188  
Email: mail@khurana.co.in

**m. Investor Correspondence**

For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address and any other query relating to the shares of the Company, please write to;

BIG SHARE SERVICES PVT. LTD,  
1st Flr, Bharat Tin Works Building,  
Opp. Vasant Oasis Apartments,  
(next to Keys hotel),  
Marol Maroshi Road,  
Andheri East, Mumbai 400059  
For any query on Annual Report please write to;

Ms. Laveena Chanchlani  
Compliance Officer  
Nath Bio-Genes (India) Limited,  
Nath House, Nath Road,  
Aurangabad-431005  
Email: investor@nathbiogenes.com

For an on behalf of the Board of Directors

Place: Aurangabad  
Dated: 30.05.2017

Chairman  
Nandkishor Kagliwal  
DIN: 01691691

Managing Director  
Satish Kagliwal  
DIN: 00119601

## **Independent Auditor's Report**

**To,  
The Members of  
Nath Bio-genes (I) Limited  
Aurangabad**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Nath Bio-genes (I) Limited having CIN: L01110MH1993PLC072842 ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

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

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and rules made there-under.

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

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

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2017 and its profit and its cash flows for the year ended on that date.

### ***Emphasis of Matter***

We draw attention to :-

Note No 32 to the financial statements which describes that Trade Receivable, Trade Payable, Unsecured Loans, certain current account balances with banks, Deposits, Loans and Advances are subject to confirmation and reconciliation.

Our opinion is not qualified in respect of these matters.

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure "A", a statement on the matters specified in paragraph 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Statement Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

- e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017, from being appointed as a director in terms of section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and operating effectiveness of such controls, refer to our separate report in Annexure “B”; and
- g) With respect to the other matters to be included in the Auditors Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:
  - i. the company has disclosed the impact of pending litigations on its financial position in its financial statements-Refer Note No. 29 to the financial statements.
  - ii. Company does not have long term contracts or derivative contracts which require provision.
  - iii. there is no amount required to be transferred to investor education and protection fund.
  - iv. the company has provided requisite disclosure in its financial statements as to holding as well as dealing in the specified bank notes during the period from 8<sup>th</sup> November 2016 to 30<sup>th</sup> December 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note No 42 to the financial statements.

For Gautam N Associates  
Chartered Accountants  
FRN 103117W

Gautam Nandawat  
Partner  
Membership No 032742

Place: Aurangabad  
Dated: 30.05.2017



## ANNEXURE "A" TO THE AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March 2017, we report that:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
(b) The company has regular program of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and nature of its business.  
  
(c) According to the information and explanations given to us, and on the basis of our examination of the record of the company, the title deeds of the immovable properties are held in the name of the company; however, registration of title deeds is pending in respect of various pieces of land purchased in the immediate preceding financial year situated at Village Dhangaon and Shahapur-Wahegaon, Tq. Paithan, Dist. Aurangabad admeasuring 35.97 hectares and also purchased during the year situated at Wahegaon Tq Paithan Dist Aurangabad admeasuring 16.08 hectares and at Village Isarwadi Tq Paithan Dist Aurangabad admeasuring 5.72 hectares.
2. The inventory has been physically verified during the year by the management. The discrepancies noticed on verification between the physical stocks and book records were not material, which have been properly dealt with in the books of account.
3. As per the information and explanations given to us, the Company has granted non-interest bearing unsecured loans to two companies covered in the register maintained under section 189 of the Act. The terms and conditions of the grant of such loans are not prejudicial to the interest of the company looking to long term business exigencies/purposes.

No formal schedule of repayment has been made for repayment of the principal amount and as such in absence of such schedule, we are unable to comment if the same are being repaid timely.

As explained, there is no overdue amount for more than ninety days. All the loans where amount is more than rupees one lakh, reasonable steps have been taken by the company for recovery of the principal and interest, where applicable.

4. The company has not granted any loans or advances covered under section 185 of the Act. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 186 of the Act with respect to the loans except non-charging of interest.
5. The Company has not accepted deposits within the meaning of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under.
6. No maintenance of cost records has been specified by the Central Government under section 148(1) of the Act for the products of the company.

7. (a) The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities.  
  
b) There are no dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute.
8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in payment of dues to financial institution or bank or debenture holders.
9. The company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Further, the term loans were applied for the purpose for which those are raised.
10. No fraud on or by the company or any fraud on the company by its officers or employees has been noticed or reported during the year.
11. The managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.
12. The company is not a Nidhi Company as such provisions of the clause (xii) are not applicable to the company.
13. All transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and the details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
15. The company has not entered into any non-cash transactions with directors or persons connected with him.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Gautam N Associates  
Chartered Accountants  
FRN 103117W

Place: Aurangabad  
Date: 30.05.2017

Gautam Nandawat  
Partner  
M No 32742

## ANNEXURE “B” TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of Nath Bio-genes (I) Limited (“the Company”) as of 31<sup>st</sup> March, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

#### **Auditors Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

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

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

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

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Gautam N Associates  
Chartered Accountants  
FRN 103117W

Place: Aurangabad  
Date: 30.05.2017

Gautam Nandawat  
Partner  
M No 32742

NATH BIO-GENES (INDIA) LIMITED  
BALANCE SHEET AS AT 31 MARCH, 2017

PARTICULARS	NOTE NO	AS AT 31ST MARCH 2017 (Rs.)	AS AT 31ST MARCH 2016 (Rs.)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
a) Share Capital	3	1600,40,000	1600,40,000
b) Reserves & Surplus	4	12158,24,111	10529,99,520
c) Money Received against share warrant		-	-
		<b>13758,64,111</b>	<b>12130,39,520</b>
<b>(2) Share Application money pending allotment</b>			
		-	-
<b>(3) Non current Liabilities</b>			
a) Long Term Borrowings	5	2006,71,227	1500,00,000
b) Deferred Tax Liabilities		-	-
c) Other Long Term Liabilities		-	-
d) Long Term Provisions	6	200,65,199	178,64,117
		<b>2207,36,426</b>	<b>1678,64,117</b>
<b>(4) Current Liabilities</b>			
a) Short Term Borrowings	7	4860,88,491	4304,48,150
b) Trade Payables	8	4435,27,645	4795,13,516
c) Other Current Liabilities	9	3418,67,044	3540,21,016
d) Short Term Provisions	10	254,58,622	221,15,322
		<b>12969,41,802</b>	<b>12860,98,003</b>
<b>TOTAL</b>		<b>28935,42,339</b>	<b>26670,01,640</b>
<b>II. ASSETS</b>			
<b>(1) Non Current Assets</b>			
<b>a) Fixed Assets</b>			
i) Tangible Assets	11	4156,59,127	2843,90,671
ii) Intangible Assets	11	-	202,44,951
iii) Capital Work In Progress		-	-
iv) Intangible assets under development		-	-
		<b>4156,59,127</b>	<b>3046,35,622</b>
b) Non Current Investments	12	499,68,075	25,675
c) Deferred Tax Assets (Net)	13	85,40,546	86,86,266
d) Long Term Loans and Advances	14	-	1009,50,643
e) Other Non Current Assets		-	-
		<b>585,08,621</b>	<b>1096,62,584</b>
<b>(2) Current Assets</b>			
a) Current Investments	15	-	499,40,000
b) Inventories	16	13015,09,435	14073,98,050
c) Trade Receivables	17	5182,45,541	4531,14,589
d) Cash and Cash Equivalents	18	584,69,697	122,44,698
e) Short Term Loans and Advances	19	5308,43,960	3206,19,268
f) Other Current Assets	20	103,05,958	93,86,828
		<b>24193,74,592</b>	<b>22527,03,434</b>
<b>TOTAL</b>		<b>28935,42,340</b>	<b>26670,01,640</b>
NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS PER OUR ATTACHED REPORT OF EVEN DATE			
For Gautam N Associates FRN: 103117W Chartered Accountants		For and on behalf of the Board of Directors	
Gautam Nandawat Partner M No 32742	Satish Kagliwal Managing Director DIN: 00119601	Nandkishor Kagliwal Director DIN:01691691	
Place : Aurangabad Dated: 30th May 2017	Devinder Khurana Chief Finance Officer	Laveena Chanchalani Company Secretary	

NATH BIO-GENES (INDIA) LIMITED  
STATEMENT OF PROFIT AND LOSS  
FOR THE YEAR ENDED 31 MARCH, 2017

PARTICULARS	NOTE NO.	For year ended on 31st March 2017 (Rs.)	For year ended on 31st March 2016 (Rs.)
Revenue from operations	21	16972,55,788	16210,59,367
Other Income	22	65,90,952	70,81,986
		<b>17038,46,740</b>	<b>16281,41,353</b>
<b>EXPENDITURE</b>			
Purchase of stock in trade		196,52,270	436,00,859
Production Expenses	23	4773,45,660	6147,61,939
Change in Inventories	24	1040,42,305	-2442,00,309
Employees Benefits Expenses	25	1373,60,521	1363,44,163
Finance Costs	26	965,70,714	623,09,122
Depreciation and Amortization	11	303,03,746	390,48,408
Other Expenses	27	6703,43,484	8253,14,811
		15356,18,701	14771,78,994
<b>PROFIT FOR THE YEAR BEFORE PRIOR YEAR EXPENSES</b>		1682,28,040	1509,62,359
Prior Year Expenses	28	6,93,669	1,87,637
<b>PROFIT /(LOSS) BEFORE TAX</b>		1675,34,371	1507,74,722
<b>Tax Expenses</b>			
Provision for Income Tax		45,64,059	86,09,712
Provision / (Reversal of Provision) for Income Tax of earlier years		-	-13,82,131
Provision for Deferred Tax (Assets)		1,45,720	18,72,549
<b>Profit for the year</b>		<b>1628,24,592</b>	<b>1416,74,592</b>
Earning Per Shares - Basic		10.17	8.85
- Diluted		10.17	8.85
NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS PER OUR ATTACHED REPORT OF EVEN DATE			
<b>For Gautam N Associates</b> FRN: 103117W Chartered Accountants		<b>For and on behalf of the Board of Directors</b>	
<b>Gautam Nandawat</b> Partner M No 32742	<b>Satish Kagliwal</b> Managing Director DIN: 00119601	<b>Nandkishor Kagliwal</b> Director DIN:01691691	
Place : Aurangabad Dated: 30th May 2017	<b>Devinder Khurana</b> Chief Finance Officer	<b>Laveena Chanchalani</b> Company Secretary	

## NATH BIO-GENES (INDIA) LIMITED

### Note No .1 : GENERAL INFORMATION

The Company is incorporated under the Companies Act, 1956 and engaged in the business of Production, Processing, and Marketing of Hybrid and GM Seeds. The Company has a product range of Field crops, Vegetable crops and Micro Nutrient Supplements. The major Processing Plants are situated at Aurangabad (MS), and Munipalli, Nizamabad (TG). The company has a Pan India presence for sales through an extensive network of distributors.

### Note No 2-

#### SIGNIFICANT ACCOUNTING POLICIES:

##### A GENERAL

i) The financial statements are prepared on historical cost basis in accordance with applicable Accounting Standards and on accounting principles of a going concern. These financial statements have been prepared to comply with all material aspects with the accounting standards notified under section 133 of the Act, ((the "Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 and the other relevant provisions of the Act.

ii) Interest on overdue debtors is accounted for as and when received, as the collection cannot be ascertained with reasonable certainty.

iii) Sales return are accounted for / provided for in the year in which they pertain to, as ascertained till finalization of the books of account.

iv) Compensation on account of crop quality discounts are accounted for as and when settled.

v) 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 Act. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current classification of assets and liabilities.

##### B FIXED ASSETS:

1) Fixed Assets are stated at cost including freight, duties, taxes and all incidental expenses related thereto.

2) New product development expenditure is capitalized to Seed Development Know-how. The same is written off in ten equal yearly installments commencing from the year of acquisition / incurring such expenditure.

##### C CAPITAL WORK-IN-PROGRESS

Expenditure related to and incurred during the implementation of the projects is included under Capital Work-in-Progress and the same are capitalized under the appropriate heads on completion of the projects.

##### D DEPRECIATION / AMORTIZATION

i) Depreciation on Fixed Assets, except for Intangible Assets, Development and Research Assets (Seed Development Know-How & Gene Development Know-How), is provided for on basis of useful life specified in Schedule II to the Act.

ii) Intangible assets such as Brands, Trade Marks, Marketing Rights, Seed Development Know-How are amortized in ten equal yearly installments commencing from the year in which the tangible benefits start accruing to the Company from such assets.

iii) Depreciation is charged as per the provisions of Schedule II to the Act based upon useful life of assets. The useful life is adopted for the purpose of depreciation is as under.

Assets	Useful life year
i) Factory Building	30
ii) Plant & Machineries	15
iii) Laboratory Equipment	10
iv) Agricultural Equipments	15
v) Office Equipments	15
vi) EDP Equipments	3
vii) Furniture & Fixture	10
viii) Motor Car & Light Vehicle	8

##### E RESEARCH AND DEVELOPMENT EXPENDITURE:

The research expenditure incurred has been charged off to the Statement of Profit & Loss.

**F INVENTORIES:**

- i) The inventories including sales returns are valued at lower of cost and net realizable value. Cost is assigned on weighted average basis. Obsolete, defective and unserviceable stocks are provided for.
- ii) Cost of finished products comprises the cost of processing and other cost incurred in bringing the inventories to their present location & condition.

**G FOREIGN CURRENCY TRANSACTIONS:**

- i) Transactions in foreign currency are recorded at the rate prevailing on the date of the transaction.
- ii) Current Assets and Current Liabilities in foreign currency outstanding as at the year-end are stated at the rates of exchange prevailing at the close of the year. The resultant gains/losses of the year are recognized in the Statement of Profit and Loss.

**H GOVERNMENT GRANTS**

- i) Grants are accounted for where it is reasonably certain that the ultimate collection will be made.
- ii) Grants relating to Fixed Assets in the nature of Project Capital Subsidy are credited to Capital Reserve.
- iii) Others are credited to Statement of Profit and Loss.

**I RETIREMENT BENEFITS:**

Liability as at the year end in respect of retirement benefits is provided for and/or funded and charged to Statement of Profit and Loss as follows:

- i) Provident Fund / Family Pensions:

At a percentage of salary/wages for eligible employees.

- ii) Gratuity

The liability in respect of future payment of gratuity is charged and the same is provided based on the actuarial valuation.

- iii) Leave Encashment

The liability in respect of accumulated leave of the employees is provided based on the actuarial valuation.

**G BORROWING COST**

Borrowing cost directly attributable to acquisition, construction, production of qualifying assets are capitalized as a part of the cost of such assets up to the date of completion. Other borrowing costs are charged to Statement of Profit and Loss.

**K TAXATION**

- i) Provision for Current Tax is made and retained in the accounts on the basis of estimated tax liability as per applicable provisions of Income Tax Act 1961.
- ii) Deferred tax for timing difference between tax profit and book profit is accounted for using the tax rates and laws as have been enacted or substantively enacted as of the balance sheet date. Deferred tax assets are recognized to the extent there is reasonable certainty that these assets can be realized in future and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

**L AGRICULTURAL ACTIVITIES**

- i) Income from the agricultural activities is accounted for up to the stage of dispatch of goods by the Company to the customer after processing.
- ii) Expenses which are directly related to the agricultural activities have been accounted for in the books of account under the respective activities. Expenses which are not related to the specific activities are allocated on the basis of turnover (net of return and Schemes & Discounts) of Agricultural activities and Trading activities.
- iii) Certain unallocable expenses like extra-ordinary items / prior year expenses are not allocated.

**M EARNING PER SHARE**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit for the year attributable to equity share holders. The weighted average number of equity shares outstanding during the year and for all years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.



**NATH BIO-GENES (INDIA) LIMITED**

**NOTE -- 3**

**SHARE CAPITAL**

PARTICULARS	AS AT 31st MARCH 2017		AS AT 31st MARCH 2016	
	Number	Amount in Rs	Number	Amount in Rs
<b>Authorized</b>				
Equity Shares of Rs.10 each	165,00,000	1650,00,000	165,00,000	1650,00,000
16% Cumulative Redeemable Preference Shares of Rs.100 each	50,000	5,00,000	50,000	5,00,000
	165,50,000	1655,00,000	165,50,000	1655,00,000
<b>Issued, Subscribed &amp; Paid up</b>				
Equity Shares of Rs.10 each	160,04,000	1600,40,000	160,04,000	1600,40,000
<b>TOTAL</b>	160,04,000	1600,40,000	160,04,000	1600,40,000

**(a) The Reconciliation of the numbers of Shares outstanding is stated below:-**

PARTICULARS	AS AT 31st MARCH 2017		AS AT 31st MARCH 2016	
	Number	Amount in Rs	Number	Amount in Rs
<b>Equity Shares</b>				
Shares outstanding at the beginning of the year	160,04,000	1600,40,000	160,04,000	1600,40,000
Shares Issued during the year	-	-	-	-
Shares Bought-back during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>160,04,000</b>	<b>1600,40,000</b>	<b>160,04,000</b>	<b>1600,40,000</b>

(b) Equity shareholder is eligible for one vote per share held. They are eligible for dividend on the basis of their shareholding. In the case of liquidation, the equity shareholder is eligible to receive the remaining assets of the Company after distribution of all preferential amounts, if any, in proportion to their shareholding.

**(c) Details of Shareholders holding more than 5% Shares in the company**

Name of the shareholder	AS AT 31st MARCH 2017		AS AT 31st MARCH 2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding
a) Akash Farms Pvt Ltd	18,38,877	11.49	18,38,877	11.49
b) Ashu Farms Pvt Ltd	19,88,449	12.42	19,94,829	12.46
c) ARC Trust Fund	25,41,310	15.88	28,21,310	17.63
d) Agri-Tech India Ltd	19,78,690	12.36	19,78,690	12.36

**NOTE -- 4**

**RESERVES & SURPLUS**

PARTICULARS	AS AT 31ST MARCH 2017 (Rs.)	AS AT 31ST MARCH 2016 (Rs.)
<b>Capital Reserve :</b>		
	1264,00,203	1264,00,203
<b>General Reserve</b>	297,00,000	297,00,000
<b>Statement of Profit &amp; Loss</b>		
Opening Balance	8968,99,317	7552,24,725
Add: Profit for the year	1628,24,592	1416,74,592
Closing Balance	10597,23,908	8968,99,317
	12158,24,111	10529,99,520

**NATH BIO-GENES (INDIA) LIMITED**

**NOTE -- 5**

**LONG TERM BORROWINGS**

PARTICULARS	AS AT 31ST MARCH 2017 (Rs.)	AS AT 31ST MARCH 2016 (Rs.)
<b>SECURED LOANS</b>		
Term Loan against Vehicles	6,71,227	-
Secured by hypothecation of vehicles purchased in the name of company/ directors of the company.		
Term Loan from IFCI Venture Capital Funds Ltd	2000,00,000	1500,00,000
Secured by Equitable Mortgage of non-agricultural land situated at Gut No 62/3, admeasuring 2 Acre 13 Gunthas and Gut No 63 (part) admeasuring 3100 Square Meter, Itkheda, Aurangabad and also pledge of fixed deposit of Rs. 88,74,315. The Loan is personal guaranteed by two promoter directors of the Company.		
	2006,71,227	1500,00,000

## NOTE -- 6

## LONG TERM PROVISIONS

PARTICULARS	AS AT 31ST MARCH 2017 (Rs.)	AS AT 31ST MARCH 2016 (Rs.)
<b>Provisions for Employee Benefits</b>		
Gratuity	137,99,030	123,83,113
Leave encashment	62,66,169	54,81,004
	<b>200,65,199</b>	<b>178,64,117</b>

## NOTE -- 7

## SHORT TERM BORROWINGS

PARTICULARS	AS AT 31ST MARCH 2017 (Rs.)	AS AT 31ST MARCH 2016 (Rs.)
<b>SECURED</b>		
a) From bank (Secured by way of hypothecation of stock of seeds and trade receivables; collaterally secured by way of mortgage of land and building situated at Gut No 64/2 (part) Itkeda, Aurangabad. Further, loan is secured by way of pledge of stock. Also personally guaranteed by two promoter directors of the Company)	4269,17,204	3895,33,700
<b>UNSECURED</b>		
a) Deposits from Dealers	347,71,923	387,14,450
b) From Others	243,99,365	22,00,000
	<b>4860,88,491</b>	<b>4304,48,150</b>

## NOTE -- 8

## TRADE PAYABLES

PARTICULARS	AS AT 31ST MARCH 2017 (Rs.)	AS AT 31ST MARCH 2016 (Rs.)
Sundry Creditors for Seeds/Supplies	3411,52,116	3936,32,253
Sundry Creditors - SME Sector	42,43,544	73,55,926
Sundry Creditors for staff balances	615,21,995	438,18,405
Others Creditors	366,09,990	347,06,931
	<b>4435,27,645</b>	<b>4795,13,516</b>

## NOTE -- 9

## OTHER CURRENT LIABILITIES

PARTICULARS	AS AT 31ST MARCH 2017 (Rs.)	AS AT 31ST MARCH 2016 (Rs.)
<b>Current maturities of long term debts</b>		
Term Loan from Banks	500,00,000	-
Vehicle Loan	10,83,672	74,66,202
Deferred Sales Tax Loan	-	52,383
<b>Other Payables</b>		
Credit Balance in Debtors	73,07,206	567,59,128
Statutory Liabilities	192,26,957	188,72,068
Advance against Sales	2617,33,787	2708,71,235
Payable against land purchase	25,15,422	-
	<b>3418,67,044</b>	<b>3540,21,016</b>

## NATH BIO-GENES (INDIA) LIMITED

## NOTE -- 10

## SHORT TERM PROVISIONS

PARTICULARS	AS AT 31ST MARCH 2017 (Rs.)	AS AT 31ST MARCH 2016 (Rs.)
Provision for Income Tax	218,59,477	172,95,418
<b>Provisions for Employee Benefits</b>		
Gratuity	26,68,883	37,51,215
Leave encashment	9,30,262	10,68,689
	<b>254,58,622</b>	<b>221,15,322</b>

SCHEDULE -11

NATH BIO-GENES (INDIA) LIMITED

Amount in Rupees

PARTICULARS	GROSS BLOCK		DEDUCTION DURING THE YEAR	AS AT 31.03.2017	DEPRECIATION / AMORTISATION					NET BLOCK	
	AS AT 01.04.2016	ADDITION DURING			UPTO 31.03.2016	ADJUSTMENT	FOR THE PERIOD	DEDUCTION	UP TO 31.03.2017	AS AT 31.03.2017	AS AT 31.03.2016
<b>TANGIBLE ASSETS</b>											
Freehold Land	210207595	135000000	0	345207595	0	0	0	0	0	345207595	210207595
Factory Building	26238170	0	0	26238170	17002191	0	349292	0	17351483	8886687	9235979
Live Stock	61200	60000	0	121200	0	0	0	0	0	121200	61200
Plant & Machineries	81145291	1572771	0	82718062	55479103	0	2345210	0	57824313	24893748	25666187
Laboratory Equipment	15121592	0	0	15121592	12724794	0	354692	0	13079486	2042106	2396798
Agricultural Equipments	1057653	86950	0	1144603	344126	0	61714	0	405840	738763	713527
Office Equipments	3595865	119881	0	3715746	1827362	0	157597	0	1984959	1730787	1768503
EDP Equipments	26079861	658105	28571	26709395	24028875	0	1022034	4698	25046211	1663184	2050986
Furniture & Fixture	6824311	300471	0	7124782	6100441	0	105777	0	6206218	918564	723870
Motor Car & Light Vehicle	69721923	4411388	3379564	70753747	38155897	0	5662479	2521122	41297254	29456493	31566026
<b>TOTAL (A)</b>	<b>440053461</b>	<b>142209566</b>	<b>3408135</b>	<b>578854892</b>	<b>155662790</b>	<b>0</b>	<b>10058795</b>	<b>2525820</b>	<b>163195765</b>	<b>415659127</b>	<b>284390671</b>
<b>INTANGIBLE ASSETS</b>											
Brands, Trademarks and Marketing Rights	206125000	0	0	206125000	189787500	0	16337500	0	206125000	0	16337500
Seed Development Know How	174118468	0	0	174118468	170211017	0	3907451	0	174118468	0	3907451
<b>TOTAL (B)</b>	<b>380243468</b>	<b>0</b>	<b>0</b>	<b>380243468</b>	<b>359998517</b>	<b>0</b>	<b>20244951</b>	<b>0</b>	<b>380243468</b>	<b>0</b>	<b>20244951</b>
<b>GRAND TOTAL (A) + (B)</b>	<b>820296929</b>	<b>142209566</b>	<b>3408135</b>	<b>959098360</b>	<b>515661307</b>	<b>0</b>	<b>30303746</b>	<b>2525820</b>	<b>543439233</b>	<b>415659127</b>	<b>304635622</b>
PREVIOUS YEAR	606361817	216174087	2238975	820296929	478407570	0	39048408	1794671	515661307	304635622	

0

Notes:

- Intangible assets such as brands, trade marks & marketing rights are amortized in ten equal yearly instalments commencing from the year of acquisition by Nath Seeds Ltd (Demerged Company). Refer Note No 2 (D) (ii).
- Freehold land purchased from Agri Tech (India) Ltd, a related party, during the year admeasuring 22.65 Hectares (Previous year 35.97 hectares) is yet to be registered in the name of Company with the Sub-Registrar of the land registry,

## NOTE NO – 12 :

## NON CURRENT INVESTMENTS

PARTICULARS	AS AT 31ST MARCH 2017 (Rs.)	AS AT 31ST MARCH 2016 (Rs.)
<b>UNQUOTED; AT COST; NON-TRADE</b>		
Nath Cooperative Society (1800 (Previous year : 1560) equity shares of Rs. 10 each )	18,000	15,600
National Saving Certificate	10,075	10,075
<b>UNQUOTED; AT COST; TRADE</b>		
<b>Investment in Associate Company holding 21.76% (Previous year: 32.75%) in the paid up capital of investee company</b>		
Equity shares in Paithan Mega Food Parks Pvt Ltd 49,94,000 Equity shares of Rs. 10 each	499,40,000	-
	<b>499,68,075</b>	<b>25,675</b>

## NOTE -- 13

## DEFERRED TAX ASSETS

Calculation of Deferred Tax Asset as on 31.03.2017 is given as under: -	Deferred Assets (Rs.)	Deferred Tax (Rs.)
<b>Liability:-</b>		
WDV of Fixed Asset	42,70,293	13,19,521
<b>Assets:-</b>		
Gratuity	164,67,913	50,88,585
Leave Encashment	71,96,431	22,23,697
Expenses disallowed u/s 43B of Income Tax Act	82,45,258	25,47,785
Total Deferred Tax assets at the year end		85,40,546
Less: Opening deferred tax assets		86,86,266
Deferred Tax Assets recognized during the year		-1,45,720

## NOTE -- 14

## LONG TERM LOANS AND ADVANCES

PARTICULARS	AS AT 31ST MARCH 2017 (Rs.)	AS AT 31ST MARCH 2016 (Rs.)
(Unsecured, Considered good)		
Capital Advances for land purchase from a related party	-	1009,50,643
	-	<b>1009,50,643</b>

## NATH BIO-GENES (INDIA) LIMITED

## NOTE -- 15

## CURRENT INVESTMENTS

PARTICULARS	AS AT 31ST MARCH 2017 (Rs.)	AS AT 31ST MARCH 2016 (Rs.)
<b>UNQUOTED; AT COST; TRADE</b>		
<b>Investment in Associate Company holding 21.76% (Previous year: 32.75%) in the paid up capital of investee company</b>		
Equity shares in Paithan Mega Food Parks Pvt Ltd 49,94,000 Equity shares of Rs. 10 each	-	499,40,000
	-	<b>499,40,000</b>

## NOTE -- 16

## INVENTORIES

PARTICULARS	AS AT 31ST MARCH 2017 (Rs.)	AS AT 31ST MARCH 2016 (Rs.)
(As taken, valued and certified by the management)		
Stores and Packing Materials	461,44,707	479,91,017
Processed Seeds	11806,81,317	12002,41,713
Unprocessed Seeds	438,98,411	1158,86,320
Seed (Traded Stock)	68,87,000	110,20,000
Plant Nutrient Supplement	238,98,000	322,59,000
	<b>13015,09,435</b>	<b>14073,98,050</b>

## NOTE -- 17

## TRADE RECEIVABLE

PARTICULARS	AS AT 31ST MARCH 2017 (Rs.)	AS AT 31ST MARCH 2016 (Rs.)
i) Secured: Considered Good		
Due for a year of less than six months	415,81,770	581,99,598
Due for a year of more than six months	51,51,442	95,91,310
ii) Unsecured: Considered Good		
Due for a year of less than six months	3780,61,200	2866,77,424
Due for a year of more than six months	934,51,129	986,46,257
ii) Unsecured: Considered doubtful:		
Due for a year of more than six months	164,80,371	163,61,831
Less: Provision for doubtful debtors	(164,80,371)	(163,61,831)
	<b>5182,45,541</b>	<b>4531,14,589</b>

NATH BIO-GENES (INDIA) LIMITED

NOTE -- 18

CASH AND CASH EQUIVALANTS

PARTICULARS	AS AT 31ST MARCH 2017 (Rs.)	AS AT 31ST MARCH 2016 (Rs.)
Cash on hand	302,53,535	3,72,731
Balances with Banks:		
i) In Current Accounts	186,83,597	64,03,981
ii) In Fixed Deposit Accounts having original maturity beyond 12 months (The fixed deposit amounting to Rs.88,74,315 (Previous Year 54,46,233) is lien marked in favour of IFCI Venture Capital Funds Limited)	95,32,565	54,67,986
	<b>584,69,697</b>	<b>122,44,698</b>

NOTE -- 19

SHORT TERM LOANS AND ADVANCES

PARTICULARS	AS AT 31ST MARCH 2017 (Rs.)	AS AT 31ST MARCH 2016 (Rs.)
(Unsecured, Considered good)		
Advances to a related party	1238,05,319	976,42,860
Advances against seed production	3324,82,772	1766,75,129
Advances against purchase	114,07,525	130,47,210
Advances to Staff	89,93,169	16,32,450
Balances with Income Tax department	541,55,175	316,21,619
	<b>5308,43,960</b>	<b>3206,19,268</b>

NOTE -- 20

OTHER CURRENT ASSETS

PARTICULARS	AS AT 31ST MARCH 2017 (Rs.)	AS AT 31ST MARCH 2016 (Rs.)
VAT Receivable	59,66,081	51,20,920
Sundry Deposits	14,80,467	17,18,417
Insurance claim receivable	4,58,277	-
Prepaid Expenses	24,01,108	25,47,465
Others	25	25
	<b>103,05,958</b>	<b>93,86,828</b>

NOTE -- 21

REVENUE FROM OPERATIONS

PARTICULARS	For year ended on 31st March 2017 (Rs.)	For year ended on 31st March 2016 (Rs.)
<b>Sale of Agricultural Products</b>		
Commercial seeds and Remnant	15524,19,660	14648,57,984
Foundation seeds	30,71,128	32,33,382
	15554,90,788	14680,91,367
<b>Trading of agricultural products</b>	1417,65,000	1529,68,000
	<b>16972,55,788</b>	<b>16210,59,367</b>

NOTE -- 22

OTHER INCOME

PARTICULARS	For year ended on 31st March 2017 (Rs.)	For year ended on 31st March 2016 (Rs.)
Interest Received	34,610	5,99,140
Profit on Sale of Fixed Assets	88,747	37,894
Insurance claim received	8,43,700	3,67,374
Excess Provision W/back	2,44,196	13,02,589
Exports Incentives	7,87,676	-
Other Income	45,92,023	47,74,989
	<b>65,90,952</b>	<b>70,81,986</b>

NOTE -- 23

PRODUCTION EXPENSES

PARTICULARS	For year ended on 31st March 2017 (Rs.)	For year ended on 31st March 2016 (Rs.)
Land Preparation Expenses	1063,31,777	1327,12,545
Fertilizer & Pesticides	844,81,913	1097,75,013
Labour Wages	1429,30,475	1818,49,087
Lease Rent for agricultural land	700,46,100	915,98,668
Other Farm Expenses	666,48,046	888,71,460
Incentive to Growers	69,07,349	99,55,166
{Also refer note no 37(ii)}	<b>4773,45,660</b>	<b>6147,61,939</b>

NATH BIO-GENES (INDIA) LIMITED

NOTE -- 24

CHANGE IN INVENTORIES

PARTICULARS	For year ended on 31st March 2017 (Rs.)	For year ended on 31st March 2016 (Rs.)
<b>SEEDS:</b>		
<b>Closing Stock</b>		
Processed Seeds	11806,81,317	12002,41,713
Unprocessed Seeds	438,98,411	1158,86,320
Seed (Traded)	68,87,000	110,20,000
Plant Nutrient Supplement	238,98,000	322,59,000
	<b>12553,64,728</b>	<b>13594,07,033</b>
<b>Opening Stock</b>		
Processed Seeds	12002,41,713	10203,58,593
Unprocessed Seeds	1158,86,320	775,00,101
Seed (Traded)	110,20,000	36,88,000
Plant Nutrient Supplement	322,59,000	136,60,030
	<b>13594,07,033</b>	<b>11152,06,724</b>
	<b>(1040,42,305)</b>	<b>2442,00,309</b>

NOTE -- 25

EMPLOYEES BENEFITS EXPENSES

PARTICULARS	For year ended on 31st March 2017 (Rs.)	For year ended on 31st March 2016 (Rs.)
Salaries, Wages and Bonus	1266,44,224	1210,67,430
Contribution to Provident and Other Funds	49,79,966	49,24,626
Staff Welfare Expenses	37,49,689	44,83,258
Staff Incentive	19,86,642	58,68,849
	<b>1373,60,521</b>	<b>1363,44,163</b>

NOTE -- 26

FINANCE COSTS

PARTICULARS	For year ended on 31st March 2017 (Rs.)	For year ended on 31st March 2016 (Rs.)
Interest Expenses	914,60,718	563,06,552
Finance Charges	51,09,996	60,02,571
	<b>965,70,714</b>	<b>623,09,122</b>

NATH BIO-GENES (INDIA) LIMITED

NOTE -- 27

OTHER EXPENSES

PARTICULARS	For year ended on 31st March 2017 (Rs.)	For year ended on 31st March 2016 (Rs.)
<b>A. Seed Conditioning Expenses</b>		
Freight Inward, Hamali & Cartage	74,43,074	100,07,491
Stores and Processing Materials consumed	673,74,197	716,87,854
Power and Fuel	57,74,027	52,31,628
Repairs and Maintenance (Machinery)	10,85,644	16,43,763
Repairs and Maintenance (Factory Building)	4,34,834	3,70,345
Hamali & Cartage - Processing Plant	66,81,496	120,46,273
Processing Expenses	109,64,922	150,11,371
Other Seed Conditioning Expenses	74,93,733	52,24,618
	<b>1072,51,925</b>	<b>1212,23,343</b>
<b>B. Administrative Expenses</b>		
Rent	159,11,952	186,58,005
Rates and Taxes	21,21,098	12,22,105
Insurance	38,68,591	36,74,177
Legal & Professional Expenses	159,09,102	169,68,539
Repairs and Maintenance - Office Building	4,23,792	8,54,126
Running and maintenance - Vehicle	216,29,136	225,12,438
Repairs and Maintenance - Others	31,55,665	28,02,128
Communication	38,28,871	53,30,528
Printing & Stationery	26,27,911	26,47,408
Auditors' Remuneration:		
Statutory Audit Fee	6,03,750	5,15,250
Tax Audit Fee	1,03,500	1,03,050
Other services	75,000	1,14,250
Directors' remuneration	18,00,000	18,00,000
Miscellaneous Expenses	42,47,508	101,23,804
Bank Charges	7,03,038	11,69,125
Security Charges	41,06,168	10,53,278
Donation	1,50,000	53,601
Corporate Social Responsibility Expenditure (Refer Note No 45)	44,72,095	-
	<b>857,37,176</b>	<b>896,01,813</b>
<b>C. Selling Expenses</b>		
Travelling and Conveyance	217,60,250	212,23,313
Advertisement and Sales Promotion	181,15,934	178,29,475
Freight Outward	440,48,075	835,53,412
Commission	99,647	1,56,500
Other selling expenses	195,19,765	172,79,302
Bad Debts Provisions	61,69,469	16,44,480
Loss on Sale of Assets	2,35,062	13,902
Royalty	25,65,214	99,63,530
Sundry debit balances written off	9,60,584	28,59,186
	<b>1134,74,000</b>	<b>1545,23,100</b>
<b>D. Discount, Schemes and Incentives</b>		
Cash Discounts	241,82,447	234,88,112
Quantity Discounts	1333,02,258	1216,69,020
Additional Discount	1196,51,826	2036,42,515
	<b>2771,36,531</b>	<b>3487,99,647</b>
<b>E. Research and Development Expenses</b>		
Fieldwork Expenses	365,60,470	512,89,504
Salary, Wages and Other Expenses	376,22,114	485,82,908
Farming Expenses	70,40,698	66,30,159
Workshop & Meeting Exps. - Other than Fees	9,15,690	4,01,338
Sample Testing Charges	46,04,880	42,63,000
	<b>867,43,853</b>	<b>1111,66,909</b>
<b>Total (A+B+C+D+E)</b>	<b>6703,43,484</b>	<b>8253,14,811</b>

NATH BIO-GENES (INDIA) LIMITED

NOTE -- 28

PRIOR YEAR EXPENSES

PARTICULARS	For year ended on 31st March 2017 (Rs.)	For year ended on 31st March 2016 (Rs.)
<b>EXPENSES</b>		
Prior Year Expenses	6,93,669	-
	6,93,669	-
<b>INCOMES</b>		
Excess provision earlier years written back	-	-1,87,637
	-	-1,87,637
	<b>6,93,669</b>	<b>1,87,637</b>

<b>Nath Bio-Genes (India) Limited</b>		
<b>Cash Flow Statement for the year Ended 31.03.2017</b>		
<b>Particulars</b>	<b>For the year 2017-16 Rs</b>	<b>For the year 2015-16 Rs</b>
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Nett Profit before Tax & Extra Ordinary items	1675,34,371	1507,74,722
Adjustment for :		
Depreciation	303,03,746	390,48,408
Provision for Gratuity	3,33,585	8,20,328
Provision for Leave encashment	6,46,738	-9,92,307
Interest Paid / Financial Charges	965,70,714	623,09,122
Provision (Reversal of Provision) for Bad Debts	1,18,540	16,63,876
Profit on sale of Fixed Assets	-88,747	-37,894
Interest Income	-34,610	-5,99,140
<b>Operating Profit before working capital changes</b>	<b>2953,84,337</b>	<b>2529,87,115</b>
Adjustment for :		
(Increase) / Decrease in Trade Receivables	-652,49,492	-60,22,582
(Increase) / Decrease in Inventories	1058,88,615	-2370,48,852
Increase / (Decrease) in Trade Payable	-359,85,870	-360,71,662
(Increase) / Decrease in Loans & Advances	-2099,51,639	-505,73,148
(Increase) / Decrease in other current assets	-9,19,130	131,12,368
Increase / (Decrease) in other current liabilities	-557,19,060	-725,24,065
<b>Cash Generated from operation before Tax &amp; Extra Ordinary items</b>	<b>334,47,761</b>	<b>-1361,40,825</b>
Income tax Paid / (Reversal of provision of income tax)	12,990	1,11,675
<b>Net Cash Flow from Operating Activities - (A)</b>	<b>334,34,771</b>	<b>-1362,52,500</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of fixed assets	7,11,000	4,82,198
Purchase of Fixed Assets	-412,58,923	-705,88,164
Interest Received	34,610	5,99,140
Purchase of Non-current investment	-2,400	-2,400
Capital Advance given	-	-1009,50,643
<b>Net Cash Flow from Investing Activities - (B)</b>	<b>-405,15,713</b>	<b>-1704,59,869</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest Paid / Financial Charges	-965,70,714	-623,09,122
Increase / (Decrease) in Long term secured Loan	500,00,000	1500,00,000
Increase / (Decrease) in Long term secured Loan	6,71,227	-74,67,401
Increase / (Decrease) in short term secured Loan	810,00,974	2227,77,378
Increase / (Decrease) in short term unsecured Loan	182,56,838	17,88,312
Payment of Deferred Sales Tax Liability	-52,383	-15,53,498
<b>Nett Cash Flow From Financing Activities - ( C )</b>	<b>533,05,941</b>	<b>3032,35,669</b>
<b>Nett increase/Decrease in cash &amp; cash equivalent (A+B+C)</b>	<b>462,24,999</b>	<b>-34,76,700</b>
<b>Opening Cash and Cash Equivalent</b>	<b>122,44,698</b>	<b>157,21,398</b>
<b>CLOSING CASH &amp; CASH EQUIVALENT</b>	<b>584,69,697</b>	<b>122,44,698</b>
	<b>-0</b>	<b>-0</b>
The cash flow statement has been prepared as per the Indirect method prescribed in Accounting Standard - 3 "Cash Flow Statement"		
For Gautam N Associates FRN: 103117W Chartered Accountants	For and on behalf of the Board of Directors	
Gautam Nandawat Partner M No 32742	Satish Kagliwal Managing Director DIN: 00119601	Nandkishor Kagliwal Director DIN:01691691
Place : Aurangabad Dated: 30th May 2017	Devindar Khurana Chief Financial Officer	Laveena Chanchalani Company Secretary



**NATH BIO-GENES (INDIA) LIMITED**

<b>NOTE NO – 29</b> <b>Contingent liabilities not provided for in respect of:-</b>		Current Year Rs.	Previous Year Rs.
a)	Claims against the Company not acknowledged as debts in respect of legal cases including consumer cases.	137,28,579	105,20,250
b)	Corporate Guarantee given in favour of ICICI Bank towards crop loan taken by the seed growers of the company	3000,00,000	3000,00,000
c)	Corporate Guarantee given in favour of IDBI Bank towards loan taken by Paithan Mega Food Parks Ltd	2000,00,000	2000,00,000
<b>NOTE NO – 30</b> Capital commitment for land purchase		-	340,49,357

**NOTE NO – 31**  
In the opinion of the Board, Current and Non-current Assets, Loans and Advances are approximately of the value stated, if realized in the ordinary course of the business.

**NOTE NO – 32**  
Certain accounts of Trade Receivable, Trade Payable, Unsecured Loans, Employees, certain current account balances with banks, Loans and Advances (including advances given to growers and inter party transfer & balances) are subject to confirmations and reconciliations, if any. The difference as may be noticed on reconciliation will be duly accounted for on completion thereof. In the opinion of the management, the ultimate difference will not be material.

<b>NOTE NO – 33</b> Managerial Remuneration:	Current Year (Rs.)	Previous year (Rs.)
Managing Director :-		
Salary & Allowances	1800000	1800000
Contribution to Provident Fund	0	0
	<b>1800000</b>	<b>1800000</b>

**NOTE NO – 34**  
The Company has dispatched letters to certain vendors to ascertain their status under the Micro, Small and Medium Enterprises Development Act, 2006. Based upon the confirmation received from the following parties, the principal dues and interest worked out @36% p.a. thereon is as under:-

<b>Sr No</b>	<b>Name of parties</b>	<b>Amount payable Rs.</b>	<b>Interest due Rs.</b>
1	Balu Industries	8,01,750	2,46,575
2	Gubba Agro Fresh Pvt Ltd	-	1,460
3	Gubba Cold Storage Ltd	-	53,929
4	Integrated Coating & Seed Technology Pvt Ltd	-	5,57,734
5	Jagruti Offset	30,91,794	6,65,003
6	Printwell International Pvt Ltd	-	1,34,416
7	Mars Packaging Industries	3,50,000	1,26,000
	<b>Total (Net)</b>	<b>42,43,544</b>	<b>17,85,117</b>

**NOTE NO – 35**  
The Information related to Segmental Reporting as required to be disclosed in accordance with the accounting standard: 'AS 17-Segment Reporting' are as under:-

(A) Broadly the activity of the company falls within Two segments

<b>Criteria</b>	<b>Segments</b>
Product Base	1. Agricultural Activities (Seed Production) 2. Trading Activities

**(B) The financial data of both segments are as follows**

Sr No	Particulars	Amount in Rs.			
		Agriculture Activities	Trading Activity	Total	
a	Segment Revenue (Net of trade discount, Scheme and discounts)				
i	External Sales/income	CY	13176,67,257	1024,52,000	14201,19,257
		PY	11673,51,720	1049,08,000	12722,59,720
ii	Inter-segment Sale		-	-	-
			-	-	-
iii	Other Income	CY	-	65,90,952	65,90,952
		PY	-	70,81,986	70,81,986
	Change in inventory	CY	(915,48,305)	(124,94,000)	(1040,42,305)
		PY	2182,69,339	259,30,970	2442,00,309
iv	Total Revenue	CY	12261,18,952	965,48,952	13226,67,904
		PY	13856,21,059	1379,20,956	15235,42,015
b	Total Revenue of each segment as a percentage of total revenue of all segment	CY	92.70	7.30	
		PY	90.95	9.05	
	Less: Production Expenses /Purchases	CY	5334,60,857	309,11,270	5643,72,127
		PY	6862,45,793	438,04,859	7300,50,652
	Less: Other Expenses	CY	5474,98,341	425,69,397	5900,67,738
		PY	5895,47,343	529,81,661	6425,29,004
c	Segment Result [Profit/(loss)]	CY	1451,59,754	230,68,285	1682,28,040
		PY	1098,27,923	411,34,436	1509,62,359
d	Segment Result as a percentage of segmental result to the Profit	CY	86.29	13.71	
		PY	72.75	27.25	

(c) CY denotes current year and PY denotes previous year.

(d) The allocation of other expenses as mentioned in (B) (b) above, which are not directly relating to specific activity of prouction or trading, have been made by the mangement in the ratio of turnover and relied upon by the auditors.

**NOTE NO – 36**

In the opinion of the Board, fixed assets have been stated at cost, which is at least equal to or less than the realizable value if sold in the ordinary course of business. Consequently, the management is of the opinion that there is no impairment of assets.

**NOTE NO – 37**

- i The company is engaged in agricultural activities of production of seeds on lease hold land situated at various part of India.
- ii The company has entered into agreements with various growers for cultivation and production of agricultural produce in view of the fact that the company itself is unable to carry on such activities which are spread over various parts of India. The company has reimbursed the cultivation expenses based upon the agreements entered into with the growers.

**NOTE NO – 38****Employee Benefits**

The company has classified the various benefits provided to employees as under

**Defined Contribution Plans :**

During the year, the Company has recognized the following amounts in the Profit & Loss Account

	Current Year	Previous Year
- Employers Contribution to Provident Fund	42,99,272	43,22,017
- Employers Contribution to ESI	1,45,335	0
- Employers Contribution to Labour Welfare Fund	7,920	9,324

**Defined Benefit Plans**

The company has neither created fund nor contributed to Scheme framed by the Insurance Company for the defined benefit plans for the qualifying employees. The present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit credit method with actuarial valuations being carried out at each balance sheet date.

In accordance with accounting Standard 15, actuarial valuation was done in respect of the aforesaid defined benefit plan of gratuity based on the following assumptions: -

Particulars	Current Year	Previous Year
Discount Rate	7.34%	8.08%
Salary escalation rate	6%	6%
Expected rate of return on Plan Assets	-	-
Expected average remaining service of employee in the number of	-	-

Disclosures for defined benefit plans based on Actuarial Reports as at 31st March 2017

**a) Change in Present Value of Defined Benefit Obligation**

Particulars	Current Year	Previous Year
Present value of obligations at the beginning of the year	161,34,328	153,14,000
Current Service Cost	15,04,374	17,26,163
Interest Cost	13,03,654	12,25,120
Actuarial (Gain) / Loss	7,73,291	-11,29,568
Benefit paid	-32,47,734	-10,01,387
<b>Present value of obligations at the end of the year</b>	<b>164,67,913</b>	<b>161,34,328</b>

**b) Change in Fair value of plan assets**

Particular	Current Year	Previous Year
Fair Value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Employer's contributions	32,47,734	10,01,387
Actuarial gain / (loss) on plan assets	-	-
Benefit paid	-32,47,734	-10,01,387
<b>Fair value of plan assets at the end of the year</b>	<b>-</b>	<b>-</b>

**c) Percentage of each category of plan assets to total fair value of plan assets as at 31st March 2017**

Particulars	Current Year	Previous Year
Obligation on the part of the Company	100%	100%

**d) Reconciliation of the present value of defined benefit obligations and the fair value of plan assets**

Particulars	Current Year	Previous Year
Present value of funded obligations as at the end of the year	0	0
Fair value of plan assets as at the end of the year	0	0
Funded (Assets)/liability recognized in the Balance Sheet as at the	0	0
Present value of unfunded (assets) / obligations as at the end of the	164,67,913	161,34,328
Unrecognized past service cost	0	0
Unrecognized actuarial (gain)/loss	0	
<b>Unfunded net (Assets)/liability recognized in the Balance Sheet as</b>	<b>164,67,913</b>	<b>161,34,328</b>

**e) Net employee benefit expense (Recognized in employment cost) for the year ended on 31st March 2017**

Particulars	Current Year	Previous Year
Current Service Cost	15,04,374	17,26,163
Interest Cost	13,03,654	12,25,120
Expected return on plan assets	-	-
Net Actuarial (Gain) / Loss recognized in the year	7,73,291	-11,29,568
Past Service cost	0	0
<b>Net Gratuity (income) / expense</b>	<b>35,81,319</b>	<b>18,21,715</b>

**f) Detail of Present value of obligation, Plan Assets and Experience Adjustments**

Particulars	Current Year	Previous Year
Present value of obligation	164,67,913	161,34,328
Fair value of plan assets	-	-
(Surplus) / Deficit	164,67,913	161,34,328
Experience Adjustment	-	-
(Gain)/ Loss on plan liabilities	-	-
(Gain)/ Loss on plan assets	-	-

**g) Expected contributions to Gratuity Fund next year Rs. NIL (Previous Year Rs. NIL)****h) The liability for leave encashment and compensated absences as at year end is Rs. 71,96,431 (Previous year liability Rs. 65,49,693)****NOTE NO – 39**

Related parties disclosure as per Accounting Standard - 18:

List of related parties

**a) Associates:-**

- i) Global Transgenes Ltd.
- ii) Agri Tech (India) Ltd.
- iii) Nath Biotechnologies Ltd.
- iv) Nath Royal Seed Ltd

**b) Relatives**

- i) Ms. Soniya Kagliwal

**c) Key Management Personnel:-**

Mr. Satish Kagliwal (Managing Director)

d) Transactions carried out with related parties as referred to in (a) to (c) above, in the ordinary course of the business:

Amount in Rupees

Sr no	Name of party	Nature of transactions	Current year	Previous year
1	Global Transgenes Ltd.	Advance against R & D	38,41,974	124,14,609
		Reimbursement of expenses paid	140,92,000	-
		Incentive granted	10,56,900	-
2	Agri Tech (India) Ltd.	Advance granted for land purchase	-	1009,50,643
		Land Purchase	1350,00,000	2100,00,000
3	Nath Biotechnologies Ltd.	Transfer (debit to account)	276,19,193	229,49,630
		Amount Received	25,61,020	386,29,730
		Amount Paid	717,44,556	
		Transfer (credit to account)	744,82,244	-
4	Nath Royal Seed Ltd	Purchases	64,98,501	1019,35,171
5	Soniya Kagliwal	Consultancy charges paid	1,43,000	4,05,000

e) Out standing balances at the year end

	as on 31.03.2017 Rs.	as on 31.03.2016 Rs
1 Global Transgenes Ltd.	33259230 Dr	29417256 Dr
2 Agri Tech (India) Ltd.	2515422 Cr	100950643 Dr
3 Nath Biotechnologies Ltd.	90546089 Dr	68225604 Dr
4 Nath Royal Seed Ltd	6498501 Dr	10095799 Dr
5 Ms. Soniya Kagliwal	0	33750 Cr

Notes:

1 Related party relationship is as identified by the Company and relied upon by the Auditors.

2 No amounts in respect of related parties have been written off/back during the year, nor have been provided for as doubtful debts.

NOTE NO – 40	Current Year	Previous Year
	Rs.	Rs.
CIF value of Imports: Purchase of Win Chi Win & Vegetable Seeds	19916008	29109665
Expenditure in Foreign Currency: -		
Travelling Expenses	1454704	783153
Membership Fee	0	143043
Earning in Foreign Currency: F O B value of Exports	71093306	43044545

NOTE NO – 41	Current Year	Previous Year
Difference in Foreign Exchange Gain (Loss) included in other income	95431	36921

**NOTE NO – 42**  
As required by Notification no GSR 308(E) dated 30.03.2017 issued by Ministry of Corporate Affairs, the following details of Specified Bank Notes (SBN) held and transacted during the period from 08th November 2016 to 30th December 2016 are as under:-

Particulars	SBNs	Other Denomination notes	Total
Closing cash in hand as on 08.11.2016	10,01,000	3,85,985	13,86,985
Add: Permitted Receipts	-	2,46,569	2,46,569
Less: Permitted Payments	2,35,500	5,06,876	7,42,376
Less: Amount deposited in Banks	7,65,500	-	7,65,500
Closing cash in hand as on 30.12.2016	-	1,25,678	1,25,678

**NOTE NO – 43**  
Details related to Investments made, Loans and Advances given and security provided as per section 186 of the Companies Act 2013.

Name of the Party	Resolution Passed on	Limit prescribed in resolution	Investment made	Amount outstanding as on 31st March, 2017
<b>Investment</b>	08.08.2016	25000,00,000		
Paithan Mega Food Park Pvt. Ltd.			499,40,000	499,40,000

Name of the Party	Resolution Passed on	Limit prescribed in resolution	Loan granted during the year	Amount outstanding as on 31st March, 2017	Maximum outstanding during the year
<b>Loans and Advances</b>	08.08.2016	25000,00,000			
Nath Bio-technologies Ltd			905,46,089	905,46,089	905,46,089
Global Transgenes Limited			332,59,230	332,59,230	332,59,230

(i) In respect of above parties, rate of interest is Nil.

Name of the Party	Resolution Passed on	Limit prescribed in resolution	Loan granted during the year	Amount outstanding as on 31st March, 2017	Maximum outstanding during the year
<b>Guarantee Given</b>	08.08.2016	25000,00,000			
ICICI Bank Ltd (in favour of various growers)			3000,00,000	3000,00,000	3000,00,000
IDBI Bank (in favour of Paithan Mega Food Parks Limited)			2000,00,000	2000,00,000	2000,00,000

**NOTE NO – 44**  
The income tax department has carried out a survey on 21st March 2017 in which the company has declared un-accounted remnant sale of Rs. 3,00,00,000. The declared sale has been accounted for in the books of account as cash sales made by the Company during the year and reflected under the head Commercial seeds and Remnant in Note No 21. Correspondingly the balance of cash is increased to that extent.

NOTE NO – 45	Current Year (Rs)	Previous Year (Rs)
<b>Expenditure on Corporate Social Responsibility Activities</b>		
(a) Gross amount required to be spent by the Company during the year	44,72,095	42,77,460
(b) Amount spent during the year		

(i) Donations	-	-
(ii) Expenditure on Rural Transformation	44,72,095	42,77,460
(iii) Other	-	-

The company has been engaged in farmers education for imparting farming training in technology, use of upgraded seeds and methodology of seed production etc. In view of this some of such programme undertaken by the Company are classified as CSR activities.

**NOTE NO – 46**

The net profit (loss) for the purpose of measurement of basic and diluted earnings per share in terms of Accounting Standard - 20 on Earnings Per Share issued by the Institute of Chartered Accountants of India has been calculated as under:

	Current Year Rs	Previous Year Rs.
Net Profit (loss) as per Profit & Loss Account	162824592	141674592
Less :- Dividend on Preference Shares	0	0
Numerator: Profit Available for equity share holders	162824592	141674592
Denominator: Number of Equity shares outstanding (nos)	16004000	16004000
Denominator for Diluted equity share holder	16004000	16004000
Basic Earnings per share is arrived at by dividing Numerator by Denominator	10.17	8.85
Diluted Earnings per share is arrived at by dividing Numerator for diluted equity share holder by Denominator	10.17	8.85
The nominal value per equity shares is Rupees	10	10

**NOTE NO – 47**

The Company is in the process of reconciling its subsidiary ledgers with the control accounts maintained in the General Ledger. In the opinion of the management, the difference, if any, would not be material, which will be adjusted appropriately in the due course of time.

**NOTE NO – 48**

Previous year's figures have been regrouped / rearranged wherever necessary to conform to the current year's presentation.

Satish Kagliwal  
Managing Director  
DIN: 00119601

Nandkishor Kagliwal  
Director  
DIN:01691691

Devinder Khurana  
Chief Finance Officer

Laveena Chanchlani  
Company Secretary

Place : Aurangabad  
Date : 30th May 2017

**FORM A**

1.	Name of the Company	NATH BIO-GENES (INDIA) LIMITED
2.	Annual financial statements for the year ended	31 <sup>st</sup> March 2017
3.	Type of Audit qualification	NIL
4.	Frequency of qualification	NA
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the Directors report	NA
6.	Additional comments from the board/audit committee chair	NA
7.	To be signed by:	
	CEO/Managing Director	Mr. Satish Kagliwal Managing Director
	CFO	Mr. Devinder Khurana Sr. Vice President
	Auditors of the Company	For Gautam N Associates Chartered Accountants FRN 103117W  Gautam Nandawat Partner Membership No 032742
	Audit Committee Chairman	Mr. Kashinath Iyer Chairman, Audit Committee



**NATH BIO-GENES (INDIA) LIMITED**

Registered Office: Nath House, Nath Road, Aurangabad – 431005

**ATTENDANCE SLIP**

(To be handed over at the entrance of the meeting venue)

ANNUAL GENERAL MEETING – Thursday, August 24, 2017

Reg. Folio No./ DP ID & Client ID No.: \_\_\_\_\_ No. of shares held: \_\_\_\_\_

Name of the attending member (in block letters)

\_\_\_\_\_  
Name of proxy (in block letters, to be filled in by the proxy attending instead of the member)

I hereby record my presence at the Annual General Meeting of the Company at Nath House, Nath Road, Aurangabad – 431005 on Thursday, August 24, 2017 at 11.00 a.m.

Member's / Proxy's Signature

Notes:

- 1) Interested joint members may obtain attendance slips from the Registered Office of the Company.
- 2) Members / joint members / proxies are requested to bring this slip with them. Duplicate slips will not be issued at the entrance of the conference hall.
- 3) The proxy form must be deposited so as to reach the Registered Office of the Company not less than FORTY-EIGHTHOURS before the time of the Annual General Meeting.

**NATH BIO-GENES (INDIA) LIMITED**

Registered Office: Nath House, Nath Road, Aurangabad – 431005

**PROXY FORM**

Reg. Folio No. / DP ID & Client ID No.: \_\_\_\_\_ No. of shares held: \_\_\_\_\_

I/We \_\_\_\_\_ of \_\_\_\_\_ being a member / members of the above- named Company hereby appoint \_\_\_\_\_ of \_\_\_\_\_ of failing him / her \_\_\_\_\_ of \_\_\_\_\_ as my / our proxy to attend and vote for me / us on my / our behalf at the Annual General Meeting of the Company to be held at Nath House, Nath Road, Aurangabad – 431005 on Thursday, August 24, 2017 at 11.00 a.m.

Signature:

Affix ₹1/-  
Revenue  
Stamp

Date: