



NATH SEEDS®

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

(CIN L01110MH1993PLC072842)

Date -02<sup>nd</sup> July 2020

The Manager-Listing  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai-400001

The Manager- Listing  
National Stock Exchange of India Ltd.,  
Exchange Plaza, Bandra-Kurla Complex  
Bandra (E)  
Mumbai-400051

BSE Code-537291

NSE Code-NATHBIOGEN

Subject-Notice of Annual General Meeting and Annual Report 2019-20

The Annual Report for the financial year 2019-20, including the Notice convening 26th Annual General Meeting of the members of the Company scheduled to be held on Friday, July 24, 2020 at 04:00 pm through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) is enclosed. The Company will provide to its members the facility to cast their vote(s) on all resolutions set out in the Notice by electronic means ('e-voting'). The detailed process to join meeting through VC / OAVM and e-voting, are set out in the Notice.

Thanking You

For, Nath Bio-Genes (India) Limited

Devinder Khurana  
Chief Financial Officer

Encl.: As Above.

- 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**

# ANNUAL REPORT 2019-20



NATH SEEDS®

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

हर बीज खरा, शक्ति भरा®

# 26th Annual Report 2019-2020

## Corporate Information

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### Directors

Mr. Satish Kagliwal - Managing Director  
Mrs. Jeevanlata Kagliwal  
Mrs. Sweta Kagliwal  
Mr. Kashinath Iyer  
Mr. Shrirang Agrawal  
Mr. Omprakash Sharma

### Chief Financial Officer

Mr. Devinder Khurana

### Company Secretary

Mr. Dhiraj Rathi

### Statutory Auditors

Ashok R Majethia  
Chartered Accountants  
Utsav Complex office No-7  
Bazar Peth, Dist Raigad  
Khopoli-410 203

### Registered Office

Nath House, Nath Road, Aurangabad-431005  
0240-6645555  
[investor@nathbiogenes.com](mailto:investor@nathbiogenes.com)

### Administrative Office

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

### Registrar & Transfer Agents

Big Share Service Private Limited,  
1st floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road,  
Moral, Andheri - (East), Mumbai-400059  
Tel.: 022-62638200.



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## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Sixth ANNUAL GENERAL MEETING of NATH BIO-GENES (INDIA) LIMITED will be held on Friday, 24<sup>th</sup> July 2020 at 04.00 P.M. IST through Video Conferencing (VC)/ other Audio-Visual Means (OAVM) to transact the following Business:

**1. ADOPTION OF FINANCIAL STATEMENTS.**

To receive, consider and adopt Audited Balance Sheet of the Company as at March 31, 2020 and Statement of Profit & Loss for the year ended as on that date together with the Reports of Directors and Auditors thereon.

**2. RE-APPOINTMENT OF DIRECTOR**

To appoint Mrs. Sweta Kagliwal (DIN-02052811) as Director of the Company, who retires by rotation and being eligible, offer herself for re-appointment.

By order of the Board of Directors

Date: 15.06.2020

Registered Office: Nath House

Nath Road,

Aurangabad-431005

CIN: L01110MH1993PLC072842

Satish Kagliwal

Managing Director

DIN: 00119601

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NOTES:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the AGM venue is not required and annual general meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this EGM/AGM. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.nathbiogenes.com](http://www.nathbiogenes.com) The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Bigshare Services Private Limited for assistance in this regard.
9. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with Bigshare Services Private Limited in case the shares are held by them in physical form.
10. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to RTA Bigshare Services Private Limited in case the shares are held by them in physical form.
11. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website [www.nathbiogenes.com](http://www.nathbiogenes.com) websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively.

12. 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.
13. Pursuant to Section 91 of the Companies Act, 2013, The Register of Members and Share Transfer Books of the Company will be closed from 19<sup>th</sup> July 2020 to 23<sup>rd</sup> July 2020 both days inclusive.
14. 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.
15. 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.
16. Since AGM will be held through VC/OAVM, the Route Map is not annexed in the Notice.
17. Instruction for E-Voting and joining AGM are as follows:

## 7. EVOTING INSTRUCTIONS

### THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote e-voting period begins on (Tuesday 21<sup>st</sup> July, 2020 at 09:00 A.M.) and ends on (Thursday 23<sup>rd</sup>, July, 2020 at 05:00 P.M.) The remote e-voting module shall be disabled by NSDL for voting thereafter.

And cut of Date for E voting is 17<sup>th</sup> July 2020

#### How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

- Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>
- Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

#### How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.  
*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast*

*your vote electronically.*

4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
- a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.



d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

#### **How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [nath.scrutinizer@gmail.com](mailto:nath.scrutinizer@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will

need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

In case shares are held in physical register details:

<https://www.bigshareonline.com//InvestorRegistration.aspx>

In case shares are held in demat mode:

Please contact your Depository Participant (DP) and register your email address and bank account details in your demat account, as per the process advised by your DP.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed.  
members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at ([www.nathbiogenes.com](http://www.nathbiogenes.com)) The same will be replied by the company suitably.
6. Shareholders who would like to express their views or have questions may send their questions in advance, mentioning their Name, Demat account number, Folio Number, mobile number and e-mail address at ([investor@nathbiogenes.com](mailto:investor@nathbiogenes.com)) from July 18, 2020 (9:00 a.m. IST) to July 20, 2020 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

## 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. 2 of the accompanying Notice:

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

<b>NAME OF DIRECTOR</b>	<b>Mrs. Sweta Kagliwal</b>
<b>Date of Birth</b>	04.02.1982
<b>Qualification</b>	Diploma in Business Management
<b>Expertise in specific Functional areas</b>	Wide Business experience across variety of industries
<b>Director in other Public Companies</b>	<ol style="list-style-type: none"> <li>1. Agri-Tech (India) Ltd</li> <li>2. Techindia Nirman Ltd</li> <li>3. Nath Royal Limited</li> <li>4. Nath Bio-Technologies Limited</li> <li>5. Nath Royal Seeds Limited</li> <li>6. Tapovan Paper and Board Mills Limited</li> <li>7. Global Transgenes Limited</li> </ol>
<b>Chairman/ Member of Committees of other Companies</b>	NIL
<b>No of shares held in the Company</b>	NIL

By order of the Board of Directors

Date: 15<sup>th</sup> June 2020  
Registered Office: Nath House  
Nath Road,  
Aurangabad-431005  
CIN: L01110MH1993PLC072842

Satish Kagliwal  
Managing Director  
DIN: 00119601

MD's Statement  
Nath Bio Genes  
Annual Report FY20



Dear Shareholders,

I am writing this letter to you at a time when the world is facing an unprecedented crisis in form of COVID - 19. This crisis has touched every country in the globe and has put extraordinary pressure on economies. Our thoughts remain with all those who are impacted by this crisis, particularly healthcare workers and first-line responders who are deeply impacted.

This crisis has brought a key issue to forefront – Innovation is not easy. The pandemic is unabated for last 5 months and we are still awaiting an effective

vaccine. In our 40 years of operations, we have multiple times realised this – Innovation is not easy and even more so when it involves products for consumption. Innovation in agriculture is immensely complex and requires an all-encompassing ecosystem to sustainably manage natural resources and at the same time ensure financial well-being of farmers.

Over the last 4 decades, we have put a large part of our efforts in developing a world-class R&D facility and have hired the best scientists and experts. We have focussed on developing products which provide holistic solutions to our farmers by creating a pipeline of products, which can completely transform our field potential. The efforts of our scientists and their accomplished teams can now be seen. Over the last few years Nath has been able to provide revolutionary products, across segments, to help our farmers realise their full field potential.

The well-being of our farmers forms the very core of our company. Our farmers struggle with vagaries of nature on account of climate change, multiple pest infestation and low crop yields. We have, hence, developed products which provides holistic solutions thereby ensuring full field potential. Our products have shown significantly higher yields in comparison to other products and have a much higher resistance to pests. New agriculture products in our country go through intensive government trials to ensure their safety. Our products have been consistently top ranked in these trials and have undergone thorough scrutiny before they are approved for commercial use. Our highly rated cotton products have consistently ranked amongst top 3 in ICAR trials. We have also created two verticals for Vegetable and Plant Nutrient Supplement. We propose to focus on these verticals to augment our growth.

Innovation for sustainable growth can have a far-reaching impact and we witnessed the same this year. Despite an extremely challenging environment and a nation-wide lockdown during the peak of sowing season, FY20 was one of our most profitable year. We achieved the highest ever top line of INR 280 crores and delivered positive operating cash flows. We continue to remain a long-term debt free company despite our strong growth. We were extremely happy that we met our financial guidance, which we gave at the beginning of the year. Our diversified product portfolio had strong volume growth across segments and our seeds gained market share. We are confident that we will continue to witness similar growth levels going forward.

Our people define our organisation, they represent the true Nath culture. Over the years, they have ensured the well-being of our farmers and the communities in which we operate. They were available to help and guide our farmers at an extremely crucial time during the beginning of lockdown, at a great personal risk.

They worked relentlessly and provided our farmers with all the necessary support and materials to ensure a successful sowing season, thereby ensuring our nation's food security – they are our very own “COVID-Warriors”. The well-being and safety of our employees is our primary concern and we have taken best possible precautions to ensure their well-being.

Our business model has never been more relevant, and we are even more focussed on our vision. We will continue to innovate to provide best possible products for our farmers and end-consumers. We will ensure inclusive growth for all our stakeholders and together, we will take our company to a higher growth trajectory.

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## DIRECTORS' REPORT

The Directors of the Company pleased to present the Annual Report together with the Audited Accounts of your Company for the financial year ended 31<sup>st</sup> March 2020.

### 1. FINANCIAL RESULTS

(Rs in Lacs)

Sr. No	PARTICULARS	YEAR ENDED	
		31.03.2020	31.03.2019
1.	Sales	27989.05	23092.89
2.	Profit before Interest & Depreciation	5650.71	4551.95
3.	Interest	654.60	520.46
4.	Depreciation	145.26	144.66
5.	Profit Before Tax & Extra-ordinary items	4850.85	3886.83
6.	Tax Provision (Net of Deferred Tax)	(197.56)	43.48
7.	Profit After Tax	5048.41	3843.35
8.	Extra-Ordinary Items	44.75	8.39
9.	Profit available for Appropriation	5003.65	3834.95
10	Balance carried to Balance Sheet	5003.65	3834.95

### 2. COMPANY'S PERFORMANCE AND OPERATION.

Income from operations during the financial year ended 31<sup>st</sup> March 2020 was at Rs 27989.05 Lacs as against Rs. 23092.89 Lacs representing an increase of approximately 21.20 % over the previous year. Profit after Tax for the year under review amounted to Rs 5003.65 Lacs as against Rs 3834.95 Lacs in the previous year representing an increase of 30.47 %. The increase in profits during the year under review was on account of enhanced sales, improved product mix and operational efficiencies.

### 3. DIVIDEND.

In view of the proposed growth plan, the Directors have not recommended any dividend for the financial year 2019-20.

### 4. DEPOSITS.

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

### 5. SHARE CAPITAL.

The paid-up equity share capital as on 31<sup>st</sup> March 2020 was RS 190040000/- divided into 19004000 equity shares of face value of 10/- each. There was no public issue, rights issue, bonus issue or preferential issue, etc. during the has not issued shares with differential voting rights, sweat equity shares, nor has initiated any stock options.

## **6. FINANCIAL STATEMENT.**

Full version of the Annual Report 2019-20 containing complete Balance Sheet, Statement of Profit & Loss, other statements and notes thereto, prepared as per the requirements of Schedule III to the Companies Act, 2013, Directors' Report (including Management Discussion and Analysis, Corporate Governance Report) are being sent via email to all shareholders who have provided their email address (es). Full version of Annual Report 2019-20 is also available for inspection at the registered office of the Company during working hours up to the date of ensuing Annual General Meeting (AGM). It is also available at the Company's website at [www.nathbiogenes.com](http://www.nathbiogenes.com).

## **7. TRANSFER TO RESERVES.**

The closing balance of the retained earnings of the Company for FY 2019, after all appropriation and adjustments was INR 5386131667.

## **8. STATUTORY AUDITORS AND AUDITORS REPORT.**

At the Annual General Meeting held on Authorized signatory 24<sup>th</sup> August 2017, M/s Ashok R Majethia, Chartered Accountants, were appointed as the Statutory Auditors of the Company to hold office till the conclusion of 6<sup>th</sup> Annual General Meeting to be held.

The statutory auditors report is annexed to this annual report. There are no adverse remarks on disclosure by the statutory auditors in their report. They have not reported any incident of fraud to the Audit Committee of the Company during the year under review. Pursuant to Section 139(2) of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014, the Company at its Annual General Meeting (AGM) held on 24<sup>th</sup> August 2017, had appointed M/s Ashok R Majethia, Chartered Accountants as Statutory Auditors to hold office from the conclusion of 6<sup>th</sup> AGM of the Company, subject to ratification by shareholders every year, as may be applicable. However, the Ministry of Corporate Affairs (MCA) vide its notification dated 7<sup>th</sup> May 2018 has omitted the requirement under first proviso to section 139 of the Companies Act, 2013 and rule 3(7) of the Companies (Audit and Auditors) Rules, 2014, regarding ratification of appointment of statutory auditors by shareholders at every subsequent AGM.

## **9. AUDITORS' REPORT.**

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

## **10. INTERNAL AUDITORS .**

The Board of Directors of the Company has appointed M/s. Manpreet Khurana & Co, Chartered Accountants (up-to 31<sup>st</sup> October 2019) as Internal Auditors and M/s M.K. Ghatiya and Associates, Company Secretaries (from 1<sup>st</sup> November 2019) to conduct Internal Audit of the Company for the financial year ended 31<sup>st</sup> March 2020. The Internal Audit reports are being reviewed by the Audit Committee of the Company.

## 11. SECRETARIAL AUDIT REPORT.

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) rules, 2014, the Board of Directors have appointed M/s. Neha P Agrawal Company Secretaries in Practice (C.P.No.8048) as Secretarial Auditors to conduct Secretarial Audit of the Company for the financial year ended 31st March 2020. The Secretarial Audit Report issued by M/s. Neha P Agrawal Practicing Company Secretaries in Form MR-3 is annexed to this Board's Report as **Annexure – VI**.

## 12. SUBSIDIARIES.

The Company does not have any subsidiary within the meaning of the Companies Act, 2013.

## 13. ADEQUACY OF INTERNAL FINANCIAL CONTROL SYSTEM.

According to Section 134(5)(e) of the Companies Act, 2013, the term Internal Financial Control (IFC) means the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information. Rule 8(5) (viii) of Companies (Accounts) Rules, 2014 requires the information regarding adequacy of Internal Financial Controls with reference to the financial statements to be disclosed in the Board's report. The Company has a well-placed, proper and adequate IFC system which ensures that all assets are safeguarded and protected and that the transactions are authorised, recorded and reported correctly. The Internal Auditors are an integral part of the internal control system of the Company. To maintain its objective and independence, the Internal Auditors report to the Audit Committee of the Board. The Internal Auditors monitor and evaluate the efficacy and adequacy of internal control systems in the Company.

## 14. 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, 2020 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.



## **15. DIRECTORS & KEY MANAGERIAL PERSON**

### **Director Retires by rotation**

Mrs. Sweta Kagliwal (holding DIN 02052811) retires by rotation under Section 152 of the Companies Act, 2013 and being eligible, offers herself for re-appointment.

The Key Managerial Personnel (KMP) of the Company as per Section 2(51) and 203 of the Companies Act, 2013 are as follows:

Mr. Satish Kagliwal-Managing Director  
Mr. Devinder Khurana- Chief Financial Officer  
Mr. Dhiraj Rathi- Company Secretary

## **16. DECLARATION OF INDEPENDENT DIRECTOR.**

The Independent Directors have submitted the declaration of independence, as required pursuant to section 149 (7) of the Companies Act, 2013 stating that they meet the criteria of Independence as provided in sub section (6) of Section 149.

## **17. FAMILIARIZATION PROGRAMME OF INDEPENDENT DIRECTOR.**

The details of the familiarization program for the Independent Directors is reported in the Report on Corporate Governance.

## **18. NUMBER OF MEETINGS OF THE BOARD.**

Four meeting of the Board were held during the year. The dates on which the Board meetings were held are 30th May 2019, 05<sup>th</sup> August 2019, 02<sup>nd</sup> November 2019, and 30<sup>th</sup> January 2020. The details of attendance of Board meetings and Committee meetings held during the Financial Year 2019-20 forms part of the Corporate Governance Report.

## **19. PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEE AND INDIVIDUAL DIRECTORS.**

Pursuant to applicable provisions of the Companies Act, 2013 and the Listing Regulations 2015, the Board, in consultation with its Nomination & Remuneration Committee, has formulated a framework containing, inter-alia, the criteria for performance evaluation of the entire Board of the Company, its Committees and Individual Directors, including Independent Directors. The detailed information in this regard has been given in the Corporate Governance Report.

## **20. MANAGEMENT DISCUSSION & ANALYSIS.**

The Management Discussion and Analysis has been given separately in the Annual report.

## **21. PARTICULARS OF CONTRACT OR ARRANGEMENTS PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES.**

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business. There are no material related party transactions during the year under review with the Promoters, Directors or Key Managerial Personnel. The Company has developed a Related Party Transactions framework through standard operation

procedures for the purpose of identification and monitoring of such transactions. All Related Party Transactions are placed before the Audit Committee as also to be Board for approval. The particulars of contracts or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 disclosed in **Form No. AOC – 2** and is set out as **Annexure -II** and forms part of this report.

## **22. PARTICULARS OF LOANS, AGURANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013.**

The loan given or guarantee provided, or investment made by the Company during the financial year 2019-20 as per Section 186 of the Companies Act, 2013 have been given in the Balance Sheet and Audit Report.

## **23. CORPORATE SOCIAL RESPONSIBILITY (CSR).**

The brief outline of the Corporate Social Responsibility (CSR) policy of the Company and the initiatives undertaken by the Company on CSR activities during the year under review are set out in **Annexure IV** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which is a part of this report.

## **24. INSIDER TRADING CODE.**

In compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ('the PIT Regulations') on prevention of insider trading, the Company have its Code of Conduct for regulating, monitoring and reporting of trading by Designated Persons in line with the recent amendments brought by SEBI in the PIT Regulations. The said Code lays down guidelines, which advise Designated Persons on the procedures to be followed and disclosures to be made in dealing with the shares of the Company and cautions them on consequences of non-compliances. the Company has also updated its Code of practices and procedures of fair disclosures of unpublished price sensitive information by including a policy for determination of legitimate purposes.

## **25. MATERIAL CHANGES AND COMMITMENTS.**

There are no material changes and commitments in the business operations of the Company from the financial year ended March 31, 2020 to the date of signing of the Director's Report.

## **26. RISK ASSESMENT AND MANAGEMENT.**

The Company is exposed to various business risks. These risks are driven through external factors like economic environment, competition, regulations etc. The Company has laid down a well-defined risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is being carried out to identify, evaluate, manage and monitor business and non-business risks. The Audit Committee and Board periodically review the risks and suggest steps to be taken to manage/mitigate the same through a properly defined framework. During the year, a risk analysis and assessment was conducted, and no major risks were noticed, which may threaten the existence of the Company.

## **27. POLICY AGAINST SEXUAL HARRASMENT AT WORKPLACE.**

Pursuant to the provisions of Section 4(1) of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has in place an Internal Complaints' Committee. The following is a summary of sexual harassment complaints received and disposed of during the year

No. of complaints received:	Nil
No. of complaints disposed of:	NA

## **28. ENVIRONMENTAL SAFETY.**

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner, so as to ensure safety of all concerned, compliances environmental regulations and preservation of natural resources.

## **29. COMMITTEE OF THE BOARD**

Currently the Board has Four Committees:

1. Audit Committee.
2. Stakeholders' Relationship Committee,
3. Nomination & Remuneration committee.
4. Corporate Social Responsibility Committee

A detailed note on the Board and its committees, composition and compliances, as per the applicable provisions of the Act and Rules is provided under the Corporate Governance Report.

## **30. 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 -III to this Report.

## **31. EXTRACT OF ANNUAL RETURN.**

As per the requirements of Section 92(3) of the Act and Rules framed thereunder, the extract of the annual return for FY 2020 is given in **Annexure-V** in the prescribed Form No. MGT-9, which is a part of this report.

## **32. INSURANCE**

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

## **33. INDUSTRIAL RELATION.**

The Company enjoyed cordial relations with its employees at all levels. Your Directors record their appreciation of the support and co-operation of all employees and counts on them for the accelerated growth of the Company.

### 34. ACKNOWLEDGEMENTS.

The Directors place on record their sincere appreciation for the dedication, hard work and commitment of the employees at all levels and their significant contribution to your Company's growth. Your Company is grateful to the Distributors, Dealers, and Customers for their support and encouragement. Your Directors thank the Banks, Financial Institutions, Government Departments and Shareholders and look forward to having the same support in all our future endeavors.

For and on behalf of the Board of Directors

15<sup>th</sup> June 2020  
Registered Office:  
Nath House,  
Nath Road  
Aurangabad-431005

Managing Director	Director
Satish Kagliwal	Jeevanlata Kagliwal
DIN: 00119601	DIN: 02057459

### ANNEXURE-1

#### PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 134(3) (q) AND SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES

#### (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

1. The Ratio of the remuneration of each Director to the median remuneration to the employee of the Company for the financial year 2019-20: -

Satish Kagliwal: Managing Director	12.35
------------------------------------	-------

#### Note

- i. Independent Directors have been paid sitting fees for attending meeting of the Board or its Committees as disclosed in the Corporate Governance Report. The sitting fees paid have not been included in the details mentioned above.
- ii. For Calculation of median remuneration, the employee count taken is 482 which comprises employees who have served for whole of the Financial Year 2019-20.

2. Percentage increase in remuneration of each Director, Chief financial officer, Company Secretary in Financial Year 2019-20:

Directors/CFO/CS Name	Designation	% Increase /decrease in remuneration of 2019-20
Satish Kagliwal	Managing Director	0.00 %
Devinder Khurana	Chief Financial Officer	9.26 %
Dhiraj Rathi	Company Secretary	NA

3. Percentage increase in the median remuneration of employees in the financial year 2019-20: 5.32%

4. Number of the Permanent employees on the rolls of the company as on 31.03.2020: 482

5. Average percentile increases in salaries of Employees other than Managerial personnel in the last Financial year and its comparison with the percentile increase in the Managerial Remuneration and justification thereof and any exceptional circumstances for increase in the Managerial Remuneration (if any):

The percentage increase in the salaries of employees other than the managerial personnel in the last financial year is 11.23%. The increment given to each individual employee is based on the employees' potential, experience as well as their performance and contribution to the Company's progress over a period of time.

6. Affirmation of remuneration is as per the remuneration policy of the company.

It is affirmed that the remuneration paid is as per the Nomination and Remuneration Policy adopted by the Company.

7. Top ten Employees in terms of remuneration drawn during the year 2019-20

TOP TEN EMPLOYEES-2019-20						
Sr. No.	Name	Designation	Remuneration (INR in Lakhs)	Qualification	Joining Date	Age
1	Madhav Dhande	Business Lead	₹ 61.00	M.Sc. (Agri.)	28-Jul-16	67
2	Devinder Khurana	Chief Financial Officer	₹ 59.00	CFA, CAIIB, BSc.	01-Aug-96	61
3	Ravi Kumar	Head (Vegetable Sales)	₹ 54.00	Ph.D..	21-May-19	76
4	Dr. Ish Kumar	Head R & D (Paddy)	₹ 50.00	MBA (Mkt), BSc (Agri)	01-Jan-18	45
5	Satish Kagliwal	Managing Director	₹ 48.00	MMS	01-Nov-90	62
6	Sayed Sajid Hassan	VP (International Business)	₹ 41.00	MBA, BSc (Agri)	02-Jul-19	56
7	Dr. Satish Raina	Head R & D (Cotton)	₹ 36.00	Ph.D..	01-Sep-04	72
8	Venkaatesh Kulkarni	VP (R & D)	₹ 33.00	Ph.D..	21-May-18	54
9	Mukund Katwe	Lead HR	₹ 26.25	MIRPM, LLB, HSC	16-Mar-15	58
10	Pavan Kumar	Asst. General Manager (Marketing)	₹ 24.00	BSC (Agri)	01-Apr-18	74

Notes:

1. The employees have adequate experience to discharge responsibilities assigned to them
2. None of the employees are relatives of the Directors of the Company

## Annexure – II

### Form No- AOC 2

<b>Particulars of contracts / arrangement entered into by the Company with Related Parties</b>
<b>Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules 2014.</b>
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 transaction under third proviso thereto)																																
1. Details of contract or arrangement or transactions not at arm's length basis:		All contracts / arrangements entered in to by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act 2013 are at arm's length basis.																														
2. Details of contract or arrangement or transactions at arm's length basis:		<table border="1"> <thead> <tr> <th>S. No</th> <th>Particulars</th> <th>Details</th> </tr> </thead> <tbody> <tr> <td>a)</td> <td>Name of the Related Party</td> <td>Global Transgenes Limited</td> </tr> <tr> <td>b)</td> <td>Nature of transaction</td> <td>Operational</td> </tr> <tr> <td>c)</td> <td>Duration of transaction</td> <td>NA</td> </tr> <tr> <td>d)</td> <td>Salient features of transaction including the value, if any</td> <td>Research &amp; Development</td> </tr> </tbody> </table>	S. No	Particulars	Details	a)	Name of the Related Party	Global Transgenes Limited	b)	Nature of transaction	Operational	c)	Duration of transaction	NA	d)	Salient features of transaction including the value, if any	Research & Development															
S. No	Particulars	Details																														
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S. No	Particulars	Details																														
a)	Name of the Related Party	Agri-Tech (India) Limited																														
b)	Nature of transaction	Operational																														
c)	Duration of transaction	NA																														
d)	Salient features of transaction including the value, if any	Land Purchase																														
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a)	Name of the Related Party	Paithan Mega Food Park Limited																														
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S. No	Particulars	Details																														
a)	Name of the Related Party	Nath Biotechnologies Limited																														
b)	Nature of transaction	Operational																														
c)	Duration of transaction	NA																														
d)	Salient features of transaction including the value, if any	Loan & Advance Recovered																														

## ANNEXURE III

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	91031257
Foreign Exchange Earning and Outgo:	
Earnings	60438757
Outgo	42268328

## ANNEXURE IV

### Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2019-20

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 2904.14 Lacs
3. Prescribed CSR expenditure (two percent of the amount mentioned in item 2 above)	INR 58.08 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>	59.83 Lacs Not Applicable Details given below

#### DETAILS OF AMOUNT SPENT ON CSR ACTIVITIES DURING THE FINANCIAL YEAR 2019-20

Sr. No.	CSR project or Activity Identified Sector in which the project is covered (clause no. of Schedule VII to the Companies Act, 2013,	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 lacs)	Amount spent on the Projects or Programs Sub Heads: (1) Direct Expenditure on Projects or Programs (2) Overheads (in lacs)	Cumulative Expenditure Up to the reporting period i.e. FY 2019-2020 (in lacs)	Amount Spent Direct or through Implementing Agency

	as amended)					
<b>1</b>	(i)	PAN India	Rural Transformation		INR 59.83	Self through Company Staff
<b>Total</b>					INR 59.83	

## CORPORATE SOCIAL RESPONSIBILITY AT NATH BIO-GENES (INDIA) LIMITED

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 fertilizers, are imparted.

## ANNEXURE V

Form No. MGT-9

### EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2020

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

<b>I. REGISTRATION AND OTHER DETAILS</b>	
<b>i) CIN</b>	L01110MH1993PLC072842
<b>ii) Registration Date</b>	14-07-1993
<b>iii) Name of the Company</b>	Nath Bio-Genes (India) Limited
<b>iv) Category / Sub-Category of the Company</b>	Public Company / Limited by shares
<b>v) Address of the Registered office and contact details</b>	Nath House, Nath Road, Aurangabad-431005
<b>vi) Whether listed company</b>	Yes
<b>vii) Name, Address and Contact details of Registrar and Transfer Agent,</b>	Big Share Services Pvt. Ltd, 1 <sup>st</sup> Floor, Bharat Tin Works Building, Opp Vasant oasis, Makwana Road, Marol, Andheri East, Mumbai-400 059.
<b>II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>	
<b>All the business activities contributing 10% or more of the total turnover of the company</b>	GM and Hybrid Seeds
<b>Horticulture Business</b>	100%



III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES	
Holding Company	NIL
Subsidiary Company	NIL
Associate Companies	As per Attachment A
IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)	
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
V. INDEBTEDNESS	
Indebtedness of the Company including interest outstanding/accrued but not due for payment	As per Attachment F
VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL	
A. Remuneration to Managing Director, Whole-time Directors and/or Manager	As per Attachment G
B. Remuneration to other directors	As per Attachment G
C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD	As per Attachment G
VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES	
	NIL

## Attachment A

### Particulars of Associate Companies

Sr No	Name of the Company	Address of Company	CIN	% of shares held	Applicable Section
1.	Agri-Tech (India) Limited	Nath House, Nath Road, Aurangabad	L01110MH1993PLC073268	NIL	2(6)
2.	Global Transgenes Limited	Nath House, Nath Road, Aurangabad	U73100MH2000PLC123602	NIL	2(6)
3.	Nath Biotechnologies limited	Nath House, Nath Road, Aurangabad	U01110MH1991PLC063077	NIL	2(6)
4.	Nath Royal Seeds Limited	Nath House, Nath Road, Aurangabad	U01403MH2010PLC209768	NIL	2(6)
5.	Paithan Mega Food Park Pvt. Ltd.	Dhangaon, Taluqa Paithan, District Aurangabad	U15122MH2011PTC217451	NIL	2(6)

## Attachment B

### SHARE HOLDING PATTERN as on 31<sup>st</sup> March 2020

#### Category wise shareholding

Category of Shareholders		No. of shares at the beginning of the year (As on 01.04.2019)				No. of shares at the end of the year (As on 31.03.2020)				% of change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(A)	<b>Promoter</b>									
1	<b>Indian</b>									
(a)	Individuals/ HUF	439	0	439	0.00	439	0	439	0.00	0.00
(b)	Central Govt.	0	0	0	0	0	0	0	0	0.00
(c)	Bodies Corporate	7738767	0	7738767	40.72	7941903	0	7941903	41.79	1.07
(d)	FI/ Banks	0	0	0	0	0	0	0	0	0.00
(e)	Any Others	0	0	0	0	0	0	0	0	0.00
	<b>Sub Total(A)(1)</b>	<b>7738767</b>	<b>0</b>	<b>7738767</b>	<b>40.72</b>	<b>7942342</b>	<b>0</b>	<b>7942342</b>	<b>41.79</b>	<b>1.07</b>
2	<b>Foreign</b>									
A	Individuals (NRI)	0	0	0	0	0	0	0	0	0.00
B	Bodies Corporate	0	0	0	0	0	0	0	0	0.00
C	Institutions	0	0	0	0	0	0	0	0	0.00
D	QFI	0	0	0	0	0	0	0	0	0.00
E	Any Others	0	0	0	0	0	0	0	0	0.00
	<b>Sub Total(A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
	<b>Total Shareholding of Promoters (A) = (A)(1) + (A)(2)</b>	<b>7738767</b>	<b>0</b>	<b>7738767</b>	<b>40.72</b>	<b>7942342</b>	<b>0</b>	<b>7942342</b>	<b>41.79</b>	<b>1.07</b>
(B)	<b>Public shareholding</b>									
1	<b>Institutions</b>									
(a)	Mutual Funds / UTI	1195315	1694	1197009	6.30	1190777	1694	1192471	6.27	-0.03
(b)	FI / Banks	84202	22	84224	0.44	50998	22	51020	0.26	-0.18
(c)	Alternative Investment Fund	439560	0	439560	2.31	439560	0	439560	0	0.00
(d)	Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
(e)	Insurance Companies	0	0	0	0	0	0	0	0	0.00
(f)	FII's	0	0	0	0	0	0	0	0	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
(h)										

	Foreign Portfolio Investor	600000	0	600000	3.16	32500	0	32500	0.17	-2.99
(i)	Any Other	0	550	550	0	0	550	550	0	0.00
(i-ii)	Overseas Bodies Corporate	880	0	880	0	880	0	880	0	0.00
	<b>Sub-Total (B)(1)</b>	<b>2319957</b>	<b>2266</b>	<b>2322223</b>	<b>12.21</b>	<b>1714715</b>	<b>2266</b>	<b>1716981</b>	<b>9.03</b>	<b>-3.17</b>
B 2	<b>Non-institutions</b>									
(a)	Bodies Corporate	2918579	42879	2961458	15.58	4062168	42557	4105025	21.60	6.02
(b)	Individuals									
I	Individual shareholders holding share capital up to Rs 2 lakh	3128033	273336	3401369	17.90	2517690	267308	2784998	14.65	-3.24
II	Individual shareholders holding share capital in excess of Rs. 2 lakhs.	1915945	0	1915945	10.08	1504136	0	1504136	7.91	-2.16
(c)	NBFC	945	0	945	0	945	0	945	0.01	0.00
(d)	Any Other	282987	0	282987	1.48	282987	0	282987	1.48	0.00
(d-i)	NRI	468091	15312	483403	2.54	472908	15268	488176	2.56	0.02
(d-ii)	Clearing Member	179890	0	179890	0.95	178410	0	178410	0.93	-0.02
	<b>Sub-Total (B)(2)</b>	<b>8611483</b>	<b>331527</b>	<b>8943010</b>	<b>47.05</b>	<b>9019244</b>	<b>325133</b>	<b>9344677</b>	<b>49.17</b>	<b>2.12</b>
(B)	<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>10931440</b>	<b>333793</b>	<b>11265233</b>	<b>59.27</b>	<b>10733959</b>	<b>327399</b>	<b>11061658</b>	<b>58.20</b>	<b>-1.07</b>
	<b>TOTAL (A)+(B)</b>	<b>18670207</b>	<b>333793</b>	<b>1904000</b>	<b>100</b>	<b>18676301</b>	<b>327399</b>	<b>19004000</b>	<b>100.00</b>	<b>0.00</b>
(C)	<b>Shares held by Custodians for ADRs and GDRs</b>									
1	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
2	Public	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>18670207</b>	<b>333793</b>	<b>1904000</b>	<b>100</b>	<b>18676301</b>	<b>327399</b>	<b>19004000</b>	<b>100.00</b>	<b>0.00</b>

## Attachment C

### Shareholding of Promoters & Change in Promoter Holding

Sr. No	Shareholders Name	No. of shares at the beginning of the year	No. of shares at the end of the year (As on 31.03.2020)	% of change
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		(As on 01.04.2019)						during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares *	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares *	
1	Akash Farms LLP	1838877	9.68	1.63	2042452	10.75	85.68	0.00
2	Ashu Farms LLP	2088449	10.99	50.28	2088449	10.99	75.85	0.00
3	Agri-Tech India Ltd	1495131	7.87	0.00	1495131	7.87	4.08	0
4	Tingli Finvest Pvt. Ltd	562360	2.96	0.00	562360	2.96	16.00	-0.04
5	Nath Royal Ltd.	462132	2.43	0.00	462132	2.43	0.00	0.00
6	Barkha Farms Pvt. Ltd	354030	1.86	0.00	354030	1.86	0.00	0.00
7	Ferry fax farms Pvt. Ltd.	307644	1.62	48.76	307644	1.62	48.76	0.00
8	Pithambar Farms Pvt. Ltd.	250000	1.32	0.00	250000	1.32	0.00	0.24
9	Arati Farms Pvt. Ltd.	202641	1.07	0.00	202641	1.07	0.00	0.44
10	Nath Biotechnologies Ltd.	101200	0.53	0.00	101200	0.53	0.00	0.10
11	Prabha Farms Pvt. Ltd	75271	0.40	0.00	75271	0.40	0.00	0.08
12	Paresh Farms Pvt. Ltd.	374	0.00	0.00	374	0.00	0.00	0.00
13	Jeevan Investment and Finance Pvt. Ltd	219	0.00	0.00	219	0.00	0.00	0.00
14	Jeevanlata Kagliwal	293	0.00	0.00	293	0.00	0.00	0.00
15	Nandkishor Kagliwal	146	0.00	0.00	146	0.00	0.00	0.00
	<b>TOTAL</b>	<b>7738767</b>	<b>40.72</b>	<b>15.89</b>	<b>7942342</b>	<b>41.79</b>	<b>45.77</b>	<b>29.88</b>

#### Attachment D

Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	Name	No of shares	% of Total Shares of the Company
1	Authum Investment and Infrastructure Limited	2436649	12.82
2	Aditya Birla Sun Life Trustee Private Limited	869909	4.57
3	Indgrowth Capital Fund –I	4329560	2.31
4	Satpal Khattar	400000	2.10
5	C Mackertich Private Limited	209462	1.10
6	Bakulesh Trambaklal Shah	175500	0.92
7	Colin P Shah	152345	0.80
8	Bodhivriksha Advisors LLP	150000	0.78
9	Girish Kulkarni	150000	0.78
10	Israr Ali Khan	146424	0.77

#### Attachment E

Shareholding of Directors and Key Managerial Personnel

Sr. No	Name	No of shares	% of Total Capital of the	Date	Increase of Decrease
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			company		in Shareholding
<b>A</b>	<b>Directors</b>				
<b>1</b>	Mr. Satish Kagliwal	0	0	01/04/2019	0
	Managing Director			31/03/2020	
<b>2</b>	Mrs. Jeevanlata Kagliwal	293	0.001	01/04/2019	0
	Director			31/03/2020	
<b>3</b>	Mrs. Sweta Kagliwal	0	0	01/04/2019	0
	Director			31/03/2020	
<b>4</b>	Mr. Shrirang Agrawal	0	0	01/04/2019	0
	Independent Director			31/03/2020	
<b>5</b>	Mr. Kashinath Iyer	0	0	01/04/2019	0
	Independent Director			31/03/2020	
<b>6</b>	Mr. Omprakash Sharma	0	0	01/04/2019	0
	Independent Director			31/03/2020	
<b>B</b>	<b>Key Managerial Person</b>				
<b>7</b>	Mr. Devinder Khurana	0	0	01/04/2019	0
	Chief Financial Officer			31/03/2020	
<b>8</b>	Mr. Dhiraj Rathi	0	0	01/04/2019	0
	Company Secretary			31/03/2020	

#### Attachment F

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

Indebtedness at the beginning of the financial year (01.04.2019)	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	5137.28	149.60	432.18	5719.06
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>5137.28</b>	<b>149.60</b>	<b>432.18</b>	<b>5719.06</b>
<b>Change in Indebtedness during the financial year</b>				
<b>Addition</b>	<b>1134.85</b>	<b>28.14</b>	<b>68.45</b>	<b>1231.44</b>
<b>Reduction</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Exchange Difference</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

Net Change	1134.85	28.14	68.45	1231.44
Indebtedness at the end of the financial year (31.03.2020)				
i) Principal Amount	6272.13	177.74	500.63	6950.50
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>6272.13</b>	<b>177.74</b>	<b>500.63</b>	<b>6950.50</b>

#### Attachment G

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs in Lacs)

Sr. No	Particulars of Remuneration	Satish Kagliwal	Total
1	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	48.00	48.00
2	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	Nil	Nil
3	Profits in lieu of salary under section 17(3) of the Income tax Act, 1961	Nil	Nil
4	Commission	Nil	Nil
	<b>Total</b>	<b>48.00</b>	<b>48.00</b>

#### B. Remuneration to other directors

(INR)

Sr. No	Particulars of Remuneration	Jeevanlata Kagliwal	Shrirang Agrawal	Omprakash Sharma	Sweta Kagliwal	Kashinath Iyer
1	Independent Directors	Nil	Nil	Nil	Nil	Nil
2	Fee for Attending Board Meetings	15000	20000	20000	20000	20000
3	Commission	Nil	Nil	Nil	Nil	Nil
4	Others	Nil	Nil	Nil	Nil	Nil
	<b>Total</b>	<b>15000</b>	<b>20000</b>	<b>20000</b>	<b>20000</b>	<b>20000</b>

#### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD

(Rs in lacs).

Sr. No	Particulars of Remuneration	Devinder Khurana Chief Financial Officer	Dhiraj Rathi Company Secretary	Total
1	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	59.00	4.80	63.80

2	Value of perquisites u/s 17(2) of the Income-tax Act,1961	0.00	0.00	0.00
3	Others	0.00	0.00	0.00
	Total	59.00	4.80	63.80

## Annexure-VI

FORM NO. MR -3

SECRETARIAL AUDIT REPORT

For the financial year ended 31<sup>st</sup> March, 2020

[Pursuant to section 204(1) of The Companies Act, 2013 and the Rule no. 9 of the Companies (Appointment and Remuneration Personnel Rules, 2014) and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended]

To,

The Members,

Nath Bio-Genes (India) Limited

Nath house, Nath road, Aurangabad

CIN L01110MH1993PLC072842

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 bearing CIN L01110MH1993PLC072842, ('the Company'). The 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 authorised 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 March 31, 2020 (Audit Period) generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent and in the manner reported 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 March 31, 2020 according to the provisions of –

1. The Companies Act, 2013 (the Act) and the rules made there under including any re-enactment thereof;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made under that Act;

3. The Depositories Act, 1996 and the Regulations and Bye-laws framed under that Act;
4. The Foreign Exchange Management Act, 1999 (FEMA) and the Rules and Regulations made under that Act to the extent applicable to Overseas Direct Investment (ODI), Foreign Direct Investment (FDI) and External Commercial Borrowings (ECB).
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a. Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 & 2015
  - c. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;-
  - e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
  - f. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; - **Not applicable as the company has not granted any options to its employees during the financial year under review**
  - g. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - **Not applicable as the company has not issued any debt securities during the financial year under review**
  - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not applicable as the company has not delisted its equity shares from any stock exchange during the financial year under review**
  - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - **Not applicable as the company has not bought back any of its securities during the financial year under review**
  - j. The Company has complied with the provisions of the SEBI (Depositories and Participants) Regulations, 1996 including submitting of Reconciliation of Share Capital Audit Reports
  - k. 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; and
  - l. The Memorandum and Articles of Association.



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

- a) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- b) The listing Agreement entered into by the company with BSE Limited and National Stock Exchange of India Limited.

The company has identified the following laws as specifically applicable to the company;

- a. The Seeds Act 1966
- b. Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- c. Factories Act 1948
- d. Minimum Wages Act 1923
- e. Contract Labour (Regulations & Abolition) Act 1970
- f. The Income Tax Act 1961

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

1. The board of directors of the company is duly constituted with proper balance of Executive directors, Non- executive directors, independent directors and women director.
2. Adequate notice is given to all directors to schedule the Board/ Committee Meetings, agenda and detailed notes on agenda were sent generally seven days in advance.
3. 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.
4. The status of the company during the financial year under review has been that of Listed Public Company.
5. The company has not been a holding or subsidiary of another company. The company has not been a government company or a financial company.
6. The Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings and directorships in other companies and interests in other entities.
7. Majority decision is carried through while the dissenting member's views are captured and recorded as part of the Minutes of Meeting.

8. The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;
9. As Per the SEBI Guidelines, The Registry and Share Transfer Activity is being handled by M/s Bigshare Services Private Limited.
10. The company has proper board process.
11. The Company has obtained all necessary approvals under the various provisions of the Act; and
12. There was no prosecution initiated and no fines or penalties are imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.

I further report that compliance of applicable financial laws including Direct and Indirect tax laws by the company has not been reviewed in this Audit since the same has been subject to review by the Statutory auditor and other designated professionals.

I further report that based on the information received and records maintained 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**

Practicing Company Secretary  
FCS No 7350 & CP No 8048  
UDIN:- **F007350B000367974**

Date: - June 15, 2020  
Place: - Aurangabad

Note: - This report is to be read with my letter of even date which is annexed as "ANNEXURE A" and forms an integral part of this report.

**"ANNEXURE A"**

To,  
The Members,  
Nath Bio-Genes (India) Limited  
Nath house, Nath road, Aurangabad  
CIN L01110MH1993PLC072842

My Secretarial audit report of even date is to be read along with this letter:

**Management's responsibility:-**

1. It is the responsibility of management of the company to maintain Secretarial records, devise proper systems to ensure compliance with the provisions of applicable laws and regulations and to ensure that the systems are adequate and operate effectively. My responsibility is to express an opinion on these secretarial records based on my audit.

2. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to verification of procedures on test basis

**Auditor's responsibility:-**

1. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
2. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
3. I believe that audit evidence and information obtained from the company's management is adequate and appropriate for me to provide a basis for my opinion.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

**Disclaimer:-**

5. The secretarial audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Neha P Agrawal**

Practicing Company Secretary  
FCS No 7350 & CP No 8048  
UDIN :- **F007350B000367974**

Date: - June 15, 2020  
Place: - Aurangabad

**Compliance Certificate under Regulation 17 (8) of the SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015.**

The Members,  
Nath Bio-Genes (India) Limited  
Nath house, Nath road  
Aurangabad-431005

Sub: Compliance Certificate under regulation 17(8) read with Part B of schedule II to the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

We hereby certify that:

- a. We have reviewed financial statements and the cash flow statement for the Financial Year ended 31st March 2020 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 Indian Accounting Standards (IND AS), 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 Nath Bio-Genes (India) Limited

Satish Kagliwal  
Managing Director  
DIN-00119601

Devinder Khurana  
Chief Financial Officer

## Management Discussion & Analysis Report

### INDIAN ECONOMY

The year gone by will be remembered as a difficult year for the Indian economy. After consecutive quarters of lower economic growth and the weak GDP print, it is safe to say that the Indian economy is reeling through a serious economic crisis. Our Country growth was already at a six-year-low during the pre-lockdown period. The pandemic and lockdowns beginning from fourth quarter of the year has aggravated the existing adverse economic scenario.

In the past 69 years, India has seen a recession only thrice – as per available data – in fiscal year 1958, 1966 and 1980. A monsoon shock that hit agriculture which then impacted a sizeable part of the economy, was the reason on all three occasions. India's fourth recession since independence is perhaps the worst till date as all predictions across the world shows a shrink in our economy. "About 10% of GDP in real terms could be permanently lost", says CRISIL. They mentioned in its latest report that the recession in the current fiscal is different as agriculture could soften the blow this time by growing near its trend rate, assumptions being made on the basis of normal monsoons predicted by IMD.

On the pensive note, the Fin Min on 23<sup>rd</sup> June,2020 mentioned that early green shoots of economic revival had started to emerge in the months of May and June with real activity indicators like electricity and fuel consumption, inter and intra-state movement of goods, retail financial transactions witnessing picking up. According to the Finance Ministry, the forecast of a normal monsoon should also support the rebooting of the Indian economy helped by "the recent landmark reforms announced in the sector to build efficient value chains and ensure better returns for farmers".

In the agriculture sector, which the government called the foundation of the Indian economy, procurement of wheat from farmers by government agencies touched an all-time record figure of 382 lakh metric tonnes on 16th June, surpassing the earlier record of 381.48 LMT achieved during 2012-13.

### AGRICULTURAL SECTOR IN INDIA

India has the largest arable land resource in the world. Agriculture is the livelihood of 58% of India's population. India is the largest producer of spices, pulses, milk, tea, cashew and jute, and the second largest producer of wheat, rice, fruits and vegetables, sugarcane, cotton and oilseeds. Further, India is second in the global production of fruits and vegetables and is the largest producer of mango and banana. In 2020-21, Government of India is targeting food grain production of 298 million tonnes.

Growth in Gross Value Added (GVA) by agriculture and allied sectors grew 3.7 per cent in FY20. Private final consumption expenditure was estimated at Rs 40.01 lakh crore (US\$ 572.59 billion) in H1FY20 as against Rs 38.44 lakh crore (US\$ 550 billion) in H1FY19.

India is among the 15 leading exporters of agricultural products in the world. Agricultural exports from India reached US\$ 38.54 billion in FY19 and US\$ 28.93 billion in FY20 (till January 2020). The Agriculture Export Policy, 2018 aimed to increase India's agricultural export to Rs 4,19,340 crore (US\$ 60 billion) by 2022.

During the South West Monsoon Season (June September) of 2019, the country as a whole received rainfall of 110 per cent of its long period average (LPA). After 1994 (110% of LPA), rainfall received in 2019 (110 % of LPA) is the highest season rainfall received by the country as a whole. Out of 36 meteorological subdivisions, 2 subdivisions received large excess, 10 received excess and 19 subdivisions received normal monsoon rainfall.

India has set up an ambitious goal of doubling farm income by 2022. The agriculture sector in India is expected to generate better momentum in the next few years due to increased investments in agricultural infrastructure such as irrigation facilities, warehousing and cold storage. Furthermore, the growing use of genetically modified crops will likely improve the yield for Indian farmers. India is expected to be self-sufficient in pulses in the coming few years due to concerted efforts of scientists to get early-maturing varieties of pulses and the increase in minimum support price.

As per the 4th Advance Estimates (AE) released by Ministry of Agriculture & Farmers Welfare on 23.09.2019, the total production of food grains during 2018-19 is estimated at 285.0 million tonnes which is an increase of 19.2 million tonnes over that of the previous five years' (2013-14 to 2017-18) average production. As per the first Advance estimate for 2019-20, the total production of Kharif food grains is estimated at 140.6 million tonnes.

## BUDGETARY & POLICY SUPPORT

To support the growth momentum in the Indian agriculture space as well as bring India at par with countries like China, UK & USA, the government has released several reforms & measures over the past few years. Given below are some of the salient measures announced by the Government which would favourably improve agriculture sector.

LIST OF MEASURES ANNOUNCED BY THE GOVERNMENT		
Infrastructure and Capacity Building		
Agri Infrastructure Fund	1,000	(1) In a move to strengthen infrastructure in agriculture, financing facility of Rs1 Tn will be provided for funding agriculture infrastructure projects at farm-gate and aggregation points (primary agricultural cooperative societies, farmer producer organizations, agriculture entrepreneurs and start-ups, etc.).(2) The fund will be created immediately and provide impetus for developing an affordable and financially viable post-harvest management infrastructure.
Micro Food Enterprises	100	(1) Announced a scheme worth Rs100 bn aimed at the formalization of micro-food enterprises.(2) The scheme will be launched to help almost 0.2 Mn micro-food enterprises undertake technical upgradation to meet FSSAI food standards, build brands and market their produce. (3) Existing enterprises and farmer producer organizations will also be supported under the scheme. (4) Expected to improve health and safety standards, integration with retail markets, improve incomes. Expected to also improve reach to untapped export markets in view of improved health consciousness

Fishermen	200	(1) Announced Rs200 bn for fishermen through the Pradhan Mantri Matsya Sampada Yojana (PMMSY) for integrated, sustainable, inclusive development of marines and inland fisheries. The scheme will be aimed at fixing critical gaps in the fisheries value chain. (2) Of the total amount, Rs110 bn will go for activities in marine, inland fisheries and aquaculture. The remaining Rs90bn will be for infrastructure like fishing harbours, cold chains, markets, etc. The key activities covered under the scheme will be cage culture, seaweed farming, ornamental fisheries as well as new fishing vessels, traceability, laboratory network, etc.(3) This will lead to additional fish production of 7 Mn tons over five years. It will also provide employment to over 5.5mn people and double exports in the sector to Rs1 tn. The focus will be on islands, Himalayan states, North-East and aspirational districts.
Animals	133	(1) Launched National Animal Disease Control Programme with a total outlay of Rs133.43 bn for 100% vaccination of cattle, buffalo, sheep, goat and pig population (total 530 Mn animals) for Foot and Mouth Disease (FMD) and for brucellosis.(2) To date, 15 Mn cows and buffaloes have been tagged and vaccinated.
Animal Husbandry	150	(1) Set up a new animal husbandry infrastructure development fund of Rs 150 bn. The aim is to support private investment in dairy processing, value addition and cattle feed infrastructure. Incentives will also be given fore stablishing plants for export of niche products.
Herbal Cultivation	40	(1) Allocate Rs40 bn for further herbal cultivation in the next two years. Over 1 Mn hectare of land will be covered under herbal cultivation. This will lead to Rs50 bn income generation for farmers. It will also aid a network of regional mandis for medicinal plants. (2) The National Medicinal Plants Board will bring 800-hectare area by developing a corridor of medicinal plants along the banks of Ganga.
Beekeeping	5	(1) Rs 5 bn for beekeeping initiatives in the country to develop infrastructure.(2) The plan is related to building integrated beekeeping development centres, collection, marketing and storage centres, post-harvest and value addition facilities for beekeepers.(3) Increase income for 0.2 Mn beekeepers and provide quality honey to consumers.
Extension of Operation Green to all fruits and vegetables	5	(1) Extend Operation Greens—which covers tomatoes, onions, and potatoes—to all fruits and vegetables. (2) The scheme includes 50% subsidy on transportation from surplus to deficient markets. It also has a 50% subsidy on storage, including cold storages. (3) The pilot for 6 months and will now be expanded and extended. The plan is expected to deliver better prices for farmers, reduce wastage and provide affordable produce to consumers.
Total	1,633	
<b>Governance and Legislative Reforms</b>		

Amendments to Essential Commodities Act	(1) Plans to make changes to the Essential Commodities Act to enable better price realization for farmers. Plans to deregulate agriculture food stuffs including cereals, edible oils, oilseeds, pulses, onions, and potatoes. (2) Stock limit will be imposed under very exceptional circumstances, famine with surge in prices.(3) Stock limits will not apply to processors or value chain participants, subject to their installed capacity or to any exporter subject to the export demand.
Agriculture Marketing Reforms	1) Reforms to provide marketing choices to farmers to reduce hindrance in free flow of agricultural produce and fragmentation of markets and supply chain.(2) Formulate a central law to provide adequate choices to farmers to sell produce at attractive price, barrier-free inter-state trade and framework for e-trading of agricultural produce.
Agricultural Produce Price and Quality Assurance	1) Bring in a facilitative legal framework to ensure that farmers get a predictable price and predictable sales of their produce. Farmers will be able to engage with processors, aggregators, large retailers, exporters, etc. in a fair and transparent manner. (2) Risk mitigation for farmers, assured returns and quality standardization shall form an integral part of the framework.

Source: Finance Ministry

## SEED INDUSTRY

The seed is one of the most important input in the agricultural process as it determines the potential quality and quantity of the produce expected from the crop. The seed market has been growing at a CAGR of 11% in the past 10 years, this growth momentum is expected to continue. The world seed market was valued at ~US\$ 22 Billion in 2009, which grew to US\$ 53 Billion in 2018 & is projected to reach US\$ 93 Billion by 2023.

According to Research & Markets, USA & China currently form up the majority of the seed space and account for 50% of the market share, followed by France, Brazil, India & Canada at 25% and the rest of the world at 25%. Use of innovative technologies like Transgenics, MAS, Gene Editing & RNAi might hasten the growth of the seed industry in the world, faster than what is expected, in value terms.

In India, over 35% of the total market share is captured by cotton seeds and vegetable seeds stand in the second position, followed by paddy and corn. India's Productivity and yield is much lower when compared to that of China's. Lower productivity is a result of low usage of high-quality seeds, inadequate and unbalanced use of fertilizers, lower farm mechanization, fragmented cultivation, weak credit facilities, market linkages and shortage of water.

### NBIL

Nath Bio-Genes (India) Limited is one of the oldest seed companies in the country with over 30 years of experience in manufacturing & distributing seeds to Indian farmers. Relying upon its strong R&D background, Nath Bio-Genes has produced several highly ranked cotton seeds



in the country which have done well in the ICAR trials and stood the test of time with respect to various virus tolerance as well as improved yield in spite of weather fluctuations. It is the first seed company in Asia Pacific region to get ISO 9001 certificate.

Nath strives to maintain good relations with farming community and build close contacts to work hand in hand with progressive farmers. The company has established a network of over 15,000 farmers growing seeds for the company. The Company has been awarded with the prestigious “Vasantrao Naik Prathisthan Award” for its contribution for enhancing Agricultural Productivity amongst other rewards & recognition.

## PRODUCT PORTFOLIO

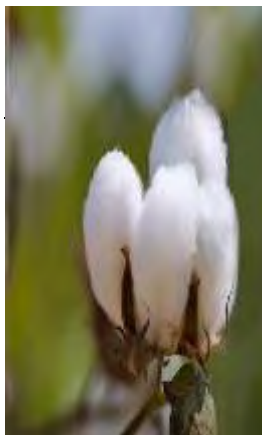
Segment	Key Products	Product Pipeline	Key Geographies
Cotton	NBC 102, NBC 1022, NBC 1111, NBC 1103, NBC 10	NBC 1821, NBC 1851, NBC 1811	Maharashtra, Gujarat, Karnataka, Andhra Pradesh, Telangana, Madhya Pradesh
Paddy	Loknath, Gorakhnath, Super Duper, Tehelka, Kabir, Gazab, Ford	Hybrid NBRH 29, Hybrid NBRH 33	Bihar, Jharkhand, Uttar Pradesh
Vegetables	Okra- NOH 05, NOH03 Tomato-NTH1831, NTH1894 Cucumber- NCH 02, NCH 1061 Bitter Gourd- NBIH- 274 Hot Pepper-NCH 811, NCH 1120s		Maharashtra, Gujarat
Win Chi Win			Maharashtra, Gujarat, Bihar, Telangana, Andhra Pradesh
Others	Maize, Mustard, Jowar, Bajra, Wheat		Maharashtra, Gujarat, Andhra Pradesh

## SEGMENT WISE STRATEGY

There are two areas which is attracting the farmer’s attention- one is big boll, and another is sucking pest tolerant. In the Cotton Industry, both areas are a reciprocal combination. If it is big boll then naturally it is susceptible to sucking pest conflict. Few companies with big boll are enjoying large market share in this industry. Nath Bio is the only company barring one or two products in the market, to focus on this

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## COTTON



unique segment which is medium boll but having high level of sucking pest tolerance.

Products in the pipeline -NBC 1821, NBC 1851 and NBC 1811 have completed 1 year of ICAR Trials post which there will be a second year of trial and then commercialisation.

In R&D, the company is developing products with:

- Medium and Large Boll
- High tolerance to sucking pests
- Wider adaptability
- Yield Superiority

Our strategy is to provide farmers with a wide range of varieties of cotton seeds suitable for diverse climatic conditions while maintaining yield superiority. The company has launched two new hybrids- Sanket and Dakash to bolster the growth in this segment. We are aiming for an Exponential growth expected in Cotton driven by our highly ranked seeds – 40-50% annual for next two years.

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## PADDY



Paddy Sales is a combination of Open Pollination and Hybrid Seeds. Hybrid Paddy sells at relatively higher margins and it is one of the major bottom line generators for the company given that paddy has the highest pie in our product portfolio.

New Products in the pipeline are Hybrid NBRH 29 and Hybrid NBRH 33 which are being tested in new regions of Bihar, Jharkhand and Uttar Pradesh. Currently Paddy as a segment is growing at a CAGR of 7-8%. Our R&D team in Andhra Pradesh is working on creating wonder products in the hybrid paddy segment which are expected to be in the market in a year or two.

In terms of R&D, the company is developing products with:

- Early maturity, fine grain and resistance to diseases and pests
- Tolerance to moisture stress
- Medium-Bold and Long Bold grain products, Medium maturity (125-135 days), embedded with BLB and BPH resistance

After launching these seeds, a stupendous growth phase will start for Paddy segment. We are aiming for a moderate growth in Paddy in the next 2 years and a high growth phase post that.

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## VEGETABLES



Vegetables is a huge segment with varieties of product offerings. In few parts of India, it is around the year crop whereas in few it is majorly a rabi focussed crop. It is a high margin segment for the company contributing 60% plus gross margins.

In terms of R&D, the company is developing:

- Multiple product varieties in the existing portfolio
- New products
- Foray into fruits as well with vegetables

Nath has launched 12 new vegetable hybrids in 5 different crops in the last 6 months. It has established a separate specialized marketing team. All this has led to doubling of revenue in last 2 years and expects to maintain same pace. This will be the second highest growth segment and the company is looking to double its vegetable sales every two years.

## WIN CHI WIN



Nath Bio-Genes has an exclusive tie-up with an MNC company to source & market Win-Chi-Win in India. It is a Plant Nutrient Supplement, which has a proven track record of increasing the yield of the crops it is used on. Win-Chi-Win is sold round-the-year, across India & Nath Bio-Genes has witnessed high demand for this product for vegetables, field, plantation & horticulture crops. However, for Nath, majority of the revenue from WCW is clocked from Q4 of the year.

The company has introduced kits for 1-acre land as a tiffin dose, as well as new SKUs: 500 ml, 1,000 ml & 4,000 ml. Nath Bio-Genes is also testing Win-Chi-Win on Biopesticide & Bio antivirus. Given the strong thrust on organic farming & a structural demand shift, especially in the urban areas, towards organic produce, products like Win-Chi-Win are expected to prosper.

## OTHERS

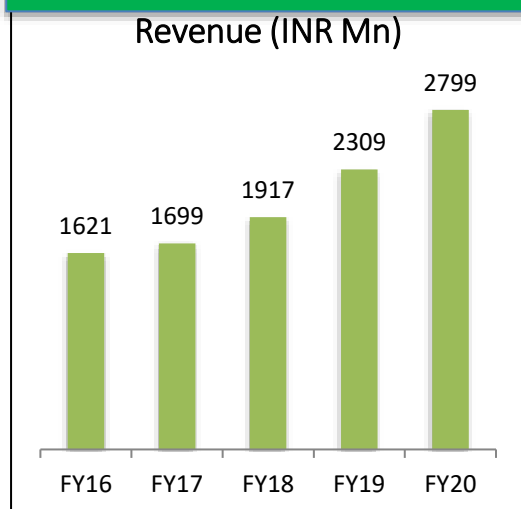


Maize, Bajra, Mustard, Jowar and Wheat are majorly covered in this segment which higher concentration from Maize, Mustard and Bajra. This segment contributes about 20% to the top line of the company and is expected to reduce as a percentage of overall revenues going forward as Vegetables and Win Chi Win take up a larger share in the product portfolio.

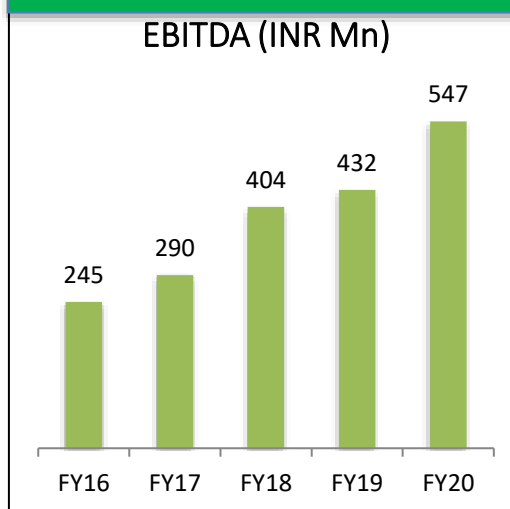
Bajra turned out to be the dark-horse in FY20, almost doubling from last year's sales of 6.68 crores to 12.17 crores this year. Wheat was also one of the jumping crops. It jumped almost 50%, from 4 to 6 crores. The company plans to deliver a growth of 35% per annum in Wheat.

## 5 YEAR PERFORMANCE

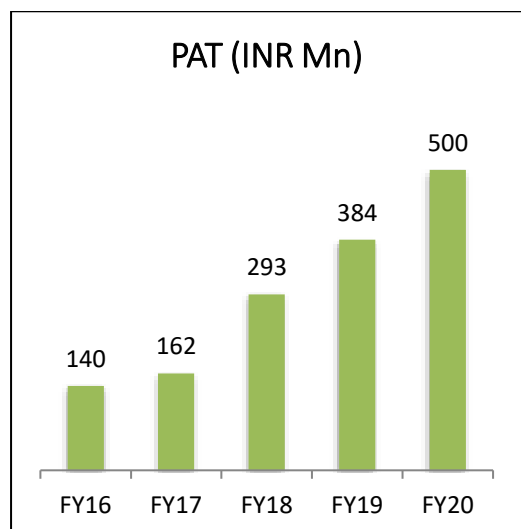
Revenue grew 73% in the last 5 years, looking to double by FY21



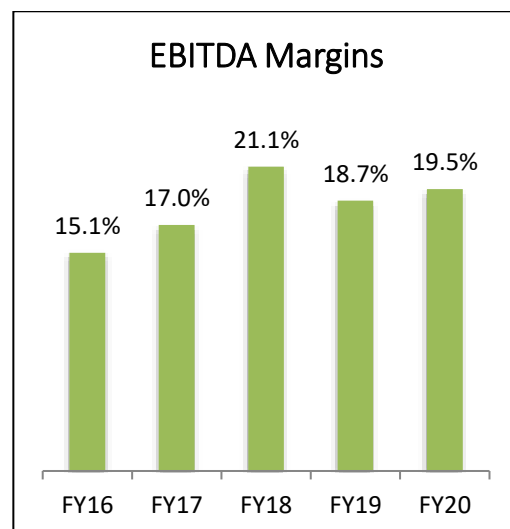
EBITDA more than doubles in the last 5 years



Profits more than triples in the last 5 years

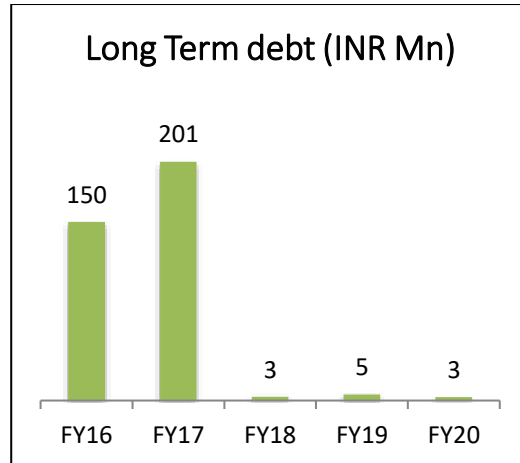
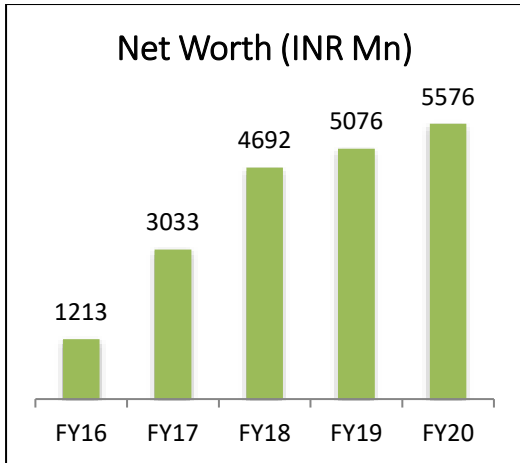


Margins expanded by 440 Basis points in the last 5 years



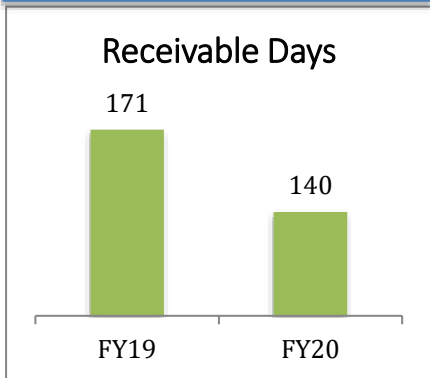
Net Worth in the last 5 years

Nil Debt at Balance Sheet

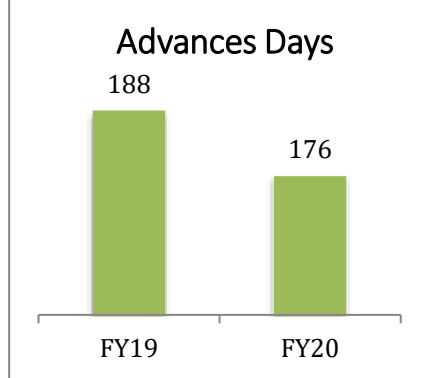


Focus on improving Working Capital Cycle from FY20 onwards

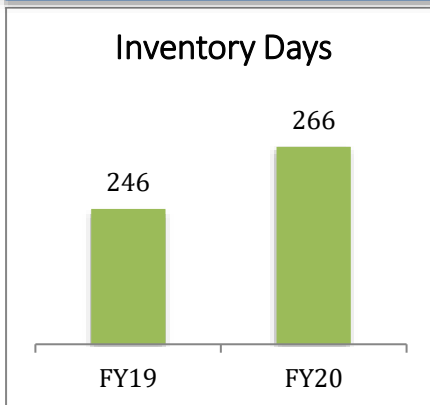
Ramping up collections from Receivables



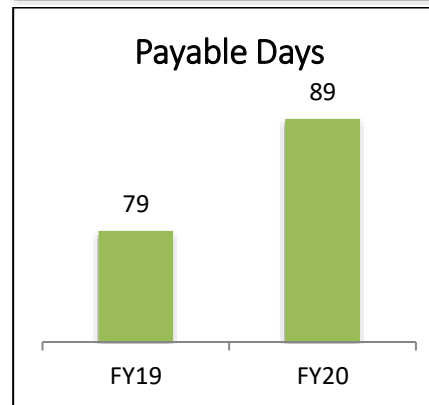
Giving lesser advances as products gain prominence



Maintaining high inventory for achieving higher sales

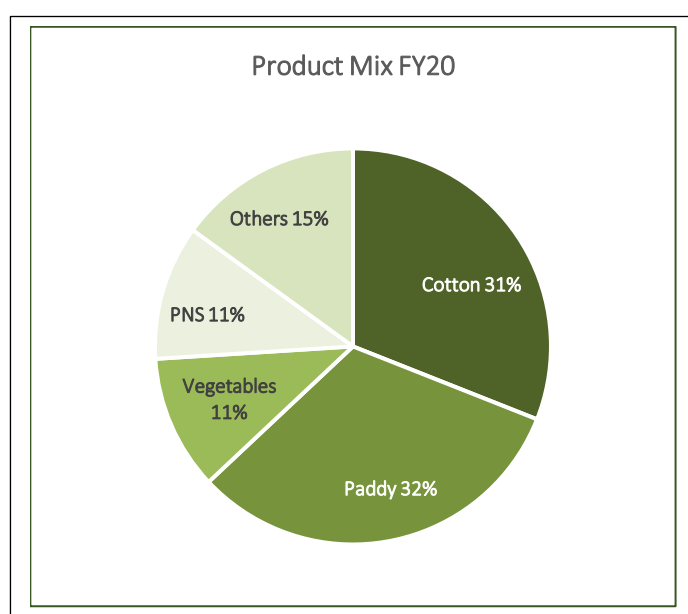


Leveraging Supplier's Balance to fund growth



## FY20 OPERATIONAL HIGHLIGHTS

Product	Volume Growth	Revenue Growth
Cotton	46%	45%
Paddy	32%	8%
Vegetable	56%	30%
Plant Nutrient Supplement	27%	24%



## FINANCIAL REVIEW

The year under review saw strong operational & financial performance by Nath Bio-Genes, in which revenues grew by 21% to INR 2,799 Million & profits after tax grew by 30% to INR 505 Million. Despite the rise in production expenses & cost of material, the company maintained gross margins above 50%. The EBITDA Margins of the company increased by 80 basis points driven largely by reduction in production costs for the year.

Nath Bio-Genes continues to maintain their strong balance sheet position, with nil long-term debt on the books. The company has also recorded a higher inventory in the balance sheet, in order to prepare for robust sales in FY21. Their working capital cycle reduced by 30 days which was largely driven by a reduction in debtor days by 36 days and advances days by 12 days. The company generated positive operating cash flows to the tune of 10Cr in FY20.

FY20 revenues were driven by four key segments all of which saw a double-digit uptick in volume growth with Vegetables clocking the highest volume growth of 56% followed by cotton with 46%, Paddy 32% and Win Chi Win of 27%. The Win Chi Win segment saw a slight decline in volumes due to the pandemic and the lockdown.

## OUTLOOK & FUTURE STRATEGIES

FY20 has been a challenging year given the macro-economic conditions and finally, the COVID-19 outbreak and its terrible impact on lives and livelihoods. The situation remains volatile with the trajectory of the virus undetermined, evolving hot spot geographies, the success of containment measures uncertain, the severity and duration of resulting economic crisis and the extent of structural damage unknown. There are many unknowns today and hence, the near-term outlook is extremely uncertain. Our focus remains on safety of our people, protecting supply lines, optimizing cost and serving the farmers of our nation.

Despite the adversity, Agri remained the least impacted sector getting extensive support from government exempting essential goods from such lockdowns. This has however helped Nath as a company to grow in these times as marginal and unorganized players were adversely impacted. Nath's unique concept of 'Nath Farm Advisors' was explored in the pandemic and it turned out to be the safety net through which the company reached out to multiple farmers across the country. Multiple relief packages announced by GOI in early April will help revive the economy. Moratorium on loans will positively impact the Agri borrowers. Apart from that, normal and timely monsoons projected by IMD with rainfall likely to be 100% of LPA will help the farmers in the sowing season.

Going forward, the company will focus on improving its market share in its key operating segments like paddy, cotton, vegetables & organic plant supplement. Nath Bio-Genes is focusing on diversifying its geographical presence across India & select markets abroad, for increasing its visibility & market share. The company constantly endeavours to introduce new & innovative seeds for the Indian market, that will allow farmers to increase their yield & productivity, while ensuring resistance to common pests & viruses that could potentially damage the crop. The company expects the combination of new & innovative seeds, with a strong marketing & distribution network to yield good results for the foreseeable future. Accordingly, the company is targeting a 25-30% revenue growth every year for the next few years, while maintaining gross margins above 50% & taking on zero long-term debt to support this growth. The company is also designing training programmes & workshops for its sales team to ensure that its high-quality, R&D-backed products reach the right sections of the country & to as many farmers as possible.

## INFRASTRUCTURE

### RESEARCH AND DEVELOPMENT

Using the best R&D expertise in the country, Nath Bio-Genes has successfully redefined product development & evaluation technologies, to create exceptionally high yielding hybrids with high levels of biotic & abiotic stress tolerance. One of its largest advantages over its peers comes from the company's proprietary collection of superior & world-class Trait Specific Elite Germplasm.

The company has:

- 26 Breeding and Evaluation R&D Stations in different Agro-Climatic conditions
- More than 300 acres of land dedicated to Research and Development, across the nation
- Collaboration with reputed International and National Centres of Excellence (NRCPB, CIMMYT, IRRI, ICRISAT Etc.)

- Team of handpicked plant breeders and biotechnologists, located at key R&D stations, across the country, guided by R&D veterans.

Facility Location	Focus Segment	Particulars
Isarwadi (Maharashtra)	Cotton, Maize, Millets, Wheat, Oil Seeds crops	This facility is (~35 kms from Aurangabad) spread over 150 acres. This farm focuses mainly on rain-fed ecosystems and seed increase
Wahegaon (Maharashtra)	Cotton	The Wahegaon Farm of over 40 acres is dedicated exclusively to irrigated and high management product development
Gevrai (Maharashtra)	Vegetables	The last one at Gevrai, (~10kms from the head office), is exclusively focused on vegetable crops research and is spread over 30 Acres. It includes several poly houses and net houses
Medchal (Andhra Pradesh)	Paddy	This is a R&D sub-station with 20 acres of dedicated Paddy Research Farms and parental line seed production
Faizabad (Uttar Pradesh)	Paddy	This is a R&D substation predominantly focused on Paddy Seeds
Abohar (Punjab)	Cotton	This is a R&D substation predominantly focused on Cotton Seeds

A fourth R&D Sub Station is being developed in Andhra Pradesh, exclusively for vegetable crops. Besides these main sub-stations, Field Trial Stations are spread all across the country, many of them on semi-permanent basis but scores of them on seasonal basis.

Nath Bio-Genes is re-engineering traditional plant breeding with tools of RGA (rapid generation advance), modern biology/molecular biology/bio-informatics, so as to breed crops of choice with high yield potential and superior adaptability.

**Newly Launched Blockbuster Seeds in Cotton:** The company has launched two high performing new cotton hybrids seeds, Sanket and Daksh. Seed development is a multi-year process and involves extensive testing by Indian Council of Agricultural Research (ICAR). This puts Nath in a strong footing for next few years to gain market share in cotton seeds industry.

1. Sanket (NBC1111) – ranked number 1 for last 2 years in South Zone: Sanket was tested over last 2 years under irrigated conditions at 18 locations across South and Central Zone. The yield from Sanket is 39% higher than Zonal BGII Bt-Cotton Hybrid check and 26% higher than the Local BGII Bt-Cotton Hybrid check. Sanket was found to have high tolerance to sucking pests, and have fabulous Boll Opening and Ease of Picking. Sanket was test marketed last year and is being launched for sales this year.
2. Daksh (NBC1103) – ranked top 3 across South and Central Zone: Daksh is predominantly for cultivation under rainfed conditions. It has been tested at 19 locations across various zones. Daksh has recorded yields which were 22%



higher than Zonal BGII check hybrids and 8% higher than Local BGII check hybrids. It is having a characteristic of excellent boll retention and opening. Daksh is being test marketed in current year.

Product Rankings			
Hybrid Cotton Seed	Year	Zone	Rank (for Yield Kg/Ha)
Sanket (NBC 1111)	2017-18	South Zone	1
		Central Zone	3
	2018-19	South Zone	1
		Central Zone	2
Daksh (NBC 1103)	2017-18	South Zone	3
		Central Zone	1
	2018-19	South Zone	2
		Central Zone	3

## PAN INDIA OPERATIONS

NBIL undertakes seed production in over 30,000 acres of land with about 25,000 loyal growers and 100 plus technically qualified organizers. Seed is produced in the states of Andhra Pradesh, Gujarat, Karnataka, Maharashtra, Rajasthan, Odisha, Uttar Pradesh, Madhya Pradesh, and Tamil Nadu which covers different agro-climatic zones of the country. The company assures that seeds of the highest quality reach its processing centres by setting rigorous field standards and quality control checks throughout the seed production process. A team of qualified production staff and quality personnel visit to monitor farms in order to ensure stringent controls. The foundation seed with highest genetic purity is sown in all crops. The company constantly strives to build and improve relationships on a personal level with the production growers & organizers to ensure loyalty and commitment. Understanding their constraints, providing them the necessary training, guidance and financial support have led to fruitful results.

## ELABORATE SEED PROCESSING FACILITIES

The company has elaborate seed processing facilities with 8-10 Processing Plants located in Maharashtra and Andhra Pradesh. The company also has processing arrangements in Gujarat, Karnataka, Tamil Nadu, Madhya Pradesh and Rajasthan on custom basis. The seeds received from growers are processed to achieve quality standards which surpass those prescribed by the regulatory authorities. All the plants are equipped with pre-cleaner, fine cleaner, grader, gravity separator, de-stoner, indented cylinder, treater, needle separator and packing machines which are fully automated. The company has independent facilities for ginning, de-linting, drying, processing, treating, packing and storage of seeds. The seed processing quality is taken to the next level by ensuring improvements in seed viability and prolonging the shelf life of seeds. All the packing material has best environmental barriers characteristics to guarantee optimal storage conditions for the seed

## **METICULOUS QUALITY ASSURANCE**

The quality policy of Nath Bio-Genes ensures meeting world class quality standards so that the farmers get optimal yields that maximize their profitability, keeping total quality management in view.

NBIL has one of the most stringent and systematic Seed Testing Laboratories at Maharashtra and Andhra Pradesh. The team conducts regular field inspection in entire production area. Also, Genetic Purity tests are conducted to check germination of lots regularly. It is a consistent endeavor to ensure that the seeds are produced under best conditions and that all seed lots are of highest genetic purity. Every seed lot that comes into the Processing Plants is sampled and tested for Physical Appearance, Moisture, Other Distinguishable Varieties presence, Physical Purity, Treatment, Genetic Purity, Germination, vigor, and Soil emergence and reported. The Genetically Modified Crops undergo the ELISA test to ensure Gene Purity. Quality Assurance is also involved in Foundation Seed Production inspection and Processing Plant inspection during processing and packing. Every year more than 1 lakh quality checks are conducted throughout the supply chain process in accordance with the International Seed Testing Association (ISTA) before packing & dispatch of seeds to marketing centers.

## **STRONG DISTRIBUTION NETWORK**

Nath Bio-Genes, led by Seed Marketing Veterans, has diversified to new geographies, both within & outside India, over the last 3-4 years. In India, the company has 16 business centres covering 143 territories & connecting with over 3500 plus distributors, in all three verticals, all across the country.

Additionally, Nath Bio-Genes has exclusive contract farmers spread over various villages in India. To improve farmer education as well communicate effectively about the company's unique seed offerings, Nath Bio-Genes has a network of almost plus 400 Nath Farm Advisors (NFA). Each of these NFAs would manage around 10-15 villages and the crop sown in the village under coverage.

With a fortified presence in India, the company has been venturing to newer geographies outside the country, possessing similar agronomical conditions as India. Nath Bio-Genes has successfully completed the testing phase of its seeds at these countries & has commenced trial marketing. For example, at Philippines & Sudan, the NBGL team spent significant time to conduct Multi Location Trials, jointly with the specific Governments & carried out elaborate Regulatory and Agronomic Trials. Pending final approvals from the government entities in these countries, Nath Bio-Genes is all set to spread its wings in other parts of Asia, Africa & the Middle East.

## **SUSTAINABILITY IN SUPPLY CHAIN**

Our main direct procurement materials include seeds from farmers located across India and Win Chi Win which is procured from abroad. The company has a chain of dealers and distributors and tie ups with logistics services to reach out to the ultimate consumer i.e. farmers

For managing the operations, the company has appointed Mr Ravinder Reddy as their supply chain head. Mr Reddy has worked across locations and has handled the supply chain management for leading seed companies like Unilever group (HLL Seeds), Pioneer Hybrid international, Cargill Seeds, Monsanto, Seminis, Advanta and Crystal Crop protection.

Long-term contracts and active supplier management for strategically important goods and services are important elements here. They serve to minimize procurement-specific risks such as supply disruptions or significant price fluctuations, as well as to safeguard the company's competitiveness and ensure smooth production processes. supply chain of high reliability and quality, and more responsive to farmer needs. The Company continues to leverage technology internally in pursuit of its goal of supply chain optimization, operational excellence, delivery of improved services to farmers and stimulating its product portfolio with new hybrids.

## **RISK MITIGATION**

Uncertainties regarding government policies on GM or Hybrid seeds: Growing regulatory norms due to rising competition in the seed space, both from domestic as well as international companies could impact operations adversely.

Mitigation: Nath Bio-Genes has a strong compliance & R&D team, which keeps abreast of the various policy changes as well as international standards on GM and/or Hybrid seeds. The company will be able to adequately mitigate any challenges arising out of policy changes, supported by its middle-management & technology teams.

Technological Efficacy: Increased usage of the same kind of technology sometimes makes the soil or viruses and pests immune to the benefits of that technology.

Mitigation: Nath Bio-Genes has invested heavily in developing its R&D infrastructure, in order to introduce several new technologies & innovations to the Indian market and reduce its dependence on any one type of technology. The company will endeavour to continue creating seeds that remain high yielding & sufficiently resistant to several pests & viruses.

Weather Fluctuations: A large section of the world's agricultural community relies upon supportive weather conditions in order to produce & maintain their crops and fields. Any adverse climatic changes could impact production of food grains, vegetables, etc to a large degree.

Mitigation: Despite the advances in irrigation, any adverse climatic conditions continue to impact food production to a large degree. While Nath Bio-Genes' sales will also be impacted by such adverse weather conditions, the company is trying to reduce the impact of weather conditions by introducing seeds that can be grown in specific conditions like drought, head wave, etc. The company aims to keep the impact of such natural factors in check by proactive & prompt responses.

## **HUMAN RESOURCES**

As Nath Bio-Genes enters its growth phase, the company is investing heavily in human resources. The company has a dedicated team of researchers & scientists that form the backbone of the company & create the large variety of products that Nath Bio-Genes deals in. The company continues to nurture this team via various international alliances and workshops with reputed research institutes worldwide. Nath Bio-Genes is also focusing on increasing its sales & marketing team in order to widen the outreach of its products. the team undergoes constant training & motivation sessions to cultivate self-development. Nath Bio-Genes also endeavours to provide a supportive work environment where employees can realize their full potential. As on March 31<sup>st</sup>, 2020 the total number of employees on the company's rolls stood at 482.

## **INTERNAL CONTROL SYSTEMS**

The Company has adequate systems of internal control and procedures covering all financial and operating functions commensurate with the size and nature of operations. The Company believes that a strong internal control framework is one of the important pillars of Corporate Governance. Continuous efforts are being made to see that the controls are designed to provide a reasonable assurance with regard to maintaining of accounting controls and assets from unauthorized use or losses. The audit committee considers all aspects of internal and advises corrective action as and when required.

## **DEALING WITH THE PANDEMIC:**

In India, the economic impact of COVID-19 is trickling on the backdrop of an already challenging macro-economic environment. In 2019, we also witnessed some weather disruptions in the form of late onset of monsoon in parts of the country, post-monsoon heavy showers and a delayed winter. Global trade dynamics, volatile commodity cycles and climate concerns continue to increase the uncertainty further. Conditions like these create challenges for companies and categories across the spectrum.

While the pandemic had triggered supply chain disruptions across the world, ours remained largely unhindered and due to our strong internal network of farmers and support from our government, our operations were impacted for a minimal time period in the last week on March. We faced a disruption in logistics and were unable to reach out to our distributors in the last week of March. However, relatively it was for a very short span of time with our government coming out with immediate exemptions and adequate relief measures.

In these times, as the economy rapidly evolves, we continue to be agile and responsive to leverage market opportunities and navigate through the challenges. By staying close to farmers and their needs, we ensure that our business continues to grow, while having a positive impact on people and the planet. Our strategy is constantly evolving to adapt to the changing conditions and forces shaping our markets and impacting our multi stakeholders.

# Business Responsibility Report 2019-20

[As per Regulation 34 (2) (f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]



Nath Bio- Genes (I) Ltd, amongst the top players in the Indian seed industry, has served Indian farmers for more than four decades. The company has played a pivotal role in shaping Indian agriculture by developing and supplying quality hybrids seeds to farmers. The company has a presence in 17 states which includes 16 branches covering over 140 sales territories and markets approximately 100 varieties of seed products to more than 5 million farmers across the country. It has over 400 plus farm advisors to provide advisory services to the farming community.

### ***Research, Reliability, and Prosperity***

*As farmers around the world continue to face the increasing challenges of climate change, we always continue to focus on new varieties of seed that address the dynamic changes related to climate, natural resources, and pest & diseases. Hence, we believe in Research, Reliability, and prosperity. We are creating brighter future for our farmers.*



Nath Bio, which does transgenic research in Cotton, Paddy and brinjal, also has crop-specific alliances with global institutions. "Our research is focused, need-based and farmer-oriented. The aim is to develop sustainable agriculture that is drought, disease and pest resistant,"

Nath Bio is also planning to enhance its presence in overseas markets. Soon, it is likely to commercialize hybrid cotton seed variety in the Philippines, Sudan, Myanmar & Uzbekistan. It is also targeting overseas markets in SAARC and East African countries.

Today Nath Bio is among the fastest and leading seed company in India offering a broad multi crop portfolio of all variety of seeds namely Cereals & Oil Seeds, Cotton, Field Crops & Vegetable Crops & Plant Nutritional Supplement.

The product innovations are backed by our strong Research & Development capabilities to meet the aspirations of the farmers & consumers. The company has developed modern infrastructure facilities, biotech lab and seed technology lab. It has a wide dealers and distribution network of PAN India marketing & Distribution network which is manned by technically and commercially skilled marketing team.

The Directors present the Business Responsibility Report of the Company for the financial year ended on 31st March 2020. The Report responds to questions on our practices and performance on key principles defined by Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, covering topics across environment, governance, and stakeholder relationships.

1.	Corporate Identity Number (CIN) of the Company	L01110MH1993PLC072842
2.	Name of the Company	Nath Bio Genes (India) Limited
3.	Address of the Registered Office	Nath House, Nath Road, Aurangabad – 431005 [Maha]
4.	Website	<a href="http://www.nathbiogenes.com">www.nathbiogenes.com</a>
5.	E-mail ID	<a href="mailto:investor@nathbiogenes.com">investor@nathbiogenes.com</a>
6.	Financial Year reported	1 <sup>st</sup> April 2019 To 31 <sup>st</sup> March 2020
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC Code: 011 Description: Seed Production
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	<b>Products / Services</b>
	Cereal Seeds	Paddy, Maize, Jowar, Bajra, Wheat
	Fiber & Oil Seeds	Cotton, Mustard Seeds
	Vegetable Seeds	Chili, Coriander, Cucumber, Okra, Tomato, Water-Melon etc.
	Plant Nutritional Supplement	Win Chi Win
9.	Total number of locations where business activity is undertaken by the Company	
	(a) Number of International Locations	Nil
	(b) Number of National Locations	The Company has 3 main Seed Processing, Packing and Cold storage plants and various R&D Center
10.	Markets served by the Company – Local/State/National/ International	Nath Bio’s has carried out business activities in over 17 Domestic locations & in addition to serving Indian markets, we exported to various countries worldwide as on 31 <sup>st</sup> March 2020.

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR)	: 1900.40 Lac's
2. Total Turnover (INR)	: 27989.05 Lac's
3. Total profit after taxes (INR)	: 5048.40 Lac's
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	: 1.18%
5. List the activities in which expenditure in 4 above has been incurred	: i] Rural Development ii] Agro-Cultivation Education

## SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies	: No
2. Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	: No
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30%-60%, More than 60%]	: No

## SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for implementation of the BR Policy / Policies	: a. Details of the Director responsible for implementation of the BR policies: - Name : Satish Kagliwal Designation : Director DIN Number : 00119601 b. Details of BR Head : Same as above
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2. Principle-wise (as per NVGs) BR Policy/policies (Replied in Y/N)

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:



No.	Questions	P	P	P	P	P	P	P	P	
		1	2	3	4	5	6	7	8	9
1.	Do you have a policy/policy for....	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
3.	Does the policy conform to any national /international standards?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
4.	Has the policy being approved by the Board?  If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
5.	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
6.	Indicate the link for the policy to be viewed online?	Policies can be viewed on the website of the company at <a href="http://www.nathbiogenes.com">http://www.nathbiogenes.com</a>								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	The Policies have been communicated to Nath Bio's Key Internal Stakeholders. The BR policies are communicated through this report. Besides, the Company continues to explore other formal channels to communicate more with relevant stakeholders.								
8.	Does the company have in-house structure to implement the policy/policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	The BR Policy has been evaluated internally.								

**Principle wise Index:**

- P1 – Ethics, Transparency and Accountability.
- P2 – Environment Sustainability
- P3 – Employee Well Being
- P4 – Stakeholder Engagement
- P5 – Human Rights Statement
- P6 – Environment Protection and Restoration
- P7 – Business Advocacy
- P8 – Corporate Social Responsibility
- P9 – Customer Satisfaction

### 3. Governance related to BR

- |    |  |   |  |
|----|--|---|--|
| i. | Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assesses the BR performance of the Company.      | : | The Managing Director and Top Management assess the BRR performance of the Company at 3 months interval.   |
| ii | Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published? | : | BR is published annually along with the Annual Report. The Company's BR Report can be viewed at Web link: <a href="http://www.nathbiogenes.com">www.nathbiogenes.com</a> |

### SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle No.	Description	Response
<b>P1 – Business should conduct and govern themselves with ethics, transparency, and accountability.</b>		
1.1	Does the policy relate to ethics, bribery, and corruption cover only the Company? Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs /Others?	: The Company is committed to build a strong ethical organization. As a result, the Company has adopted the Anti Bribery Policy & Anti-Corruption Policy which is applicable to all the employees of the Company including the board members. The policy lays emphasis on the honesty, integrity and ethical conduct of the employees and has been communicated to the employees from time to time, across all the locations.  To ensure all employees to be well-versed with our Code of conduct, a mandatory training is provided to new recruits, and refresher workshops undertaken on anti-corruption policies and procedures which is conducted for all the employees at various levels.
1.2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	: Nath Bio's Stakeholders include our investors, clients, employees, vendors, government. During the financial year, no complaint received from the such stakeholders.
<b>P2 – Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.</b>		
2.1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	: 1. Nath Bio's plant operations team has installed two Semi- Automatic Packing Machine & one FFS Machine which would result in enhancing the quality of Packing, ensure the increase of per day output and pack field crops within time bound. Those Automatic Packing Machines, Blenders & Auto Seed Treatment Machine has installed in Cotton Plant. The Installations are environment Friendly.

2. A centralized & dedicated stores ware house was created for non-seed inventory (primary, secondary packing material & seed treatment chemicals) which helps in systematic stacking of the products, proper tagging of the stacked products & correct physical verification of the inventory on periodical basis. This would result in enhancing the seed life & Productivity.
3. A huge cold storage facility has been created to store the seed, safeguard the seed from High temperature and Relative humidity and to protect the viability of the seed.
4. Nath Bio has provided Cost-Free Plant Protection Chemical **GA-3** to Cotton Seed Farmers to ward off the leaf reddening impact which is caused by physiological disorder influenced by the adverse climate condition.
5. Cyclophanes, Cyclones, Centrifans and Bag Filters are used at the Seed Processing, Blending, Delinting and Packing machines to avoid dust in the workplace and their surroundings. We collect the processing dust in a bag and use it as manure in our R & D Farms.
6. Discard of used germination papers: we do not discard used germination paper. Instead a compost pit is dug and used germination papers are decomposed and the compost used in R & D Farms.
7. Rainwater Harvesting has been implemented where we use water from constructed percolation tanks and storage tanks wherever possible. The stored rainwater after filtration is being used for plants and Laboratories.

2.2 For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional)

- a. Reduction during sourcing /production / distribution achieved since the previous year throughout the value chain? : Our strongest desire is to create brighter future for farmers through potential innovation in core crop and visualize a base that progresses us to become a market leader through our world class seed production.

Nath Bio's has rightly defined its supply chain management by placing delivery as one of the key motions for the trust of our growers and farmers. Delivery standards are highly dictated and audited and we assure that nothing goes a miss in delivery principles.

Taking up the challenges related to seed production scenario and with meticulous planning and execution, target production volumes were realized.

Introduction of certain process and matrix changes have enhanced the production volume and quality of the product.

We assure safeguarding of seeds from unforeseen climatic conditions by organizing seed production in multiple geographies.

Focused on post-harvest operational practices by using dedicated combine harvesters during harvesting. Also, Mechanical Seeds Dryer has been used during seeds processing. As a result, there has been an increase in the viability of the seeds, along with cost effectiveness.

We have reduced the manpower to over 40% by introducing mechanical grading of de-linting & processing cotton seed and sophisticated processing infrastructure which eventually saves enough time to make the seed material available for blending, treating, Labeling & packing. All these efforts so a long way towards environment protection

- b. Reduction during usage by consumer's (energy and water) has been achieved since the previous year? : The Company regularly install waste recovery conservation measure in the fields to ensure better productivity through environmental sustainability.
- 

2.3 Does the company have procedures in place for sustainable sourcing (including transportation)?

- a. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so. : We have a Responsible Supply Chain Policy. Our suppliers are categorized in three broad categories – People, Product and Services. Our Contracts have appropriate clauses and check to prevent the employment of child labor or forced them in any form. We continuously take necessary measures for the health and safety of our employees and regularly conducts training Programs.

As a seed organization we have made persistent efforts to retain our sourced seed suppliers by ensuring their continuous engagement in two seasons of seed production & by providing multiple crop seed production opportunities in multiple geographies. Resultantly, the grower base retention & loyalty, production reliability & sustainability have been ensured.

We are recruiting most of the Frontline employees and daily Labor from surrounding villages and providing employment to local people.

Similarly, we engage with local suppliers for sourcing both seed and non-seed products at a reasonable cost, high quality & timely supply.

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2.4 Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

- A If yes, what steps have been taken to improve their capacity and capability of local and small vendors? : The company recognizes that poverty in rural India gets accentuated by inadequate access to knowledge, information, quality agricultural inputs and markets. The company has unique model for creating bright future for farmer.

We have introduced direct grower procurement model in the proximity of our seed conditioning & drying facilities to effectively engage the small land holders & the neighborhood farming societies to produce quality seed for us. This initiative of ours has yielded in complete retention of these small land holders bringing hundreds of acres under seed production & we are becoming their continued & most preferred seed company.

These efforts not only support sustainable agriculture and enhance productivity, but also contribute to substantial livelihood creation.

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- 2.5 Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so. : As a Company being aware of the responsible use of finite natural resources, we have adopted a focused approach to manage the waste generated by our operations. Our Waste Management Strategy is framed around the three R's - Reduce, Reuse and Recycle.

### Principle 3 – Business should promote the well-being of all the Employees

- 3.1 Please indicate the Total number of employees. : The company has Full Time, Permanent employees and the count stands at 482 as on 31.03.2020
- 3.2 Please indicate the Total number of employees hired on temporary/contractual/casual basis. : The company has 62 contractual employees as on 31.03.2020
- 3.3 Please indicate the Number of permanent women employees. : The number of permanent women employees is 12 as on 31.03.2020
- 3.4 Please indicate the Number of permanent employees with disabilities : Nil
- 3.5 Do you have an employee association that is recognized by management? : Nil
- 3.6 What percentage of your permanent employees is members of this recognized employee association? : Nil
- 3.7 Please indicate the Number of complaints relating to child labor, forced labor, involuntary labor, sexual harassment in the last financial year and pending, as on the end of the financial year. : Nil

S. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labor/ forced labor/ involuntary labor	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

- 3.8 What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year? : Permanent employees: Employee training is a continuous process in the organization and all the employees are given mandatory safety training at the time of joining the Organization.

S. No.	Particulars	Safety (%)	Skill up-gradation (%)
1	Permanent Employees	100%	100%
2	Permanent Woman Employees	100%	100%
3	Casual/Temporary/Contractual Employees	100%	100%
4	Employees with Disabilities	100%	100%

100% of our employees were given safety & skill upgradation training in the last year.

**Principle 4 - Business should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

- 4.1 Has the company mapped its internal and external stakeholders? : Yes
- 4.2 Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders? : There are no disadvantaged, vulnerable and marginalized stakeholders identified by the Company.
- 4.3 Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so. :

Yes, as a socially responsible organization, we are committed to work for the welfare of the communities around us. The Company believes in greater engagement with its stakeholders and being sensitive towards their needs and expectations.

Stakeholders Views, Concerns, and Key Expectations have been elemental in calibrating Nath Bio's Business Strategy. The company maintains an open and constructive dialogue with all its key stakeholders, namely Investors, Shareholders, Employees, Customers, Suppliers, Government and Regulatory Authority.

Nath Bio believes that engaging with stakeholder's in a transparent manner helps in understanding their social needs and expectations, leading to sustainable decision making and enhanced stakeholders value creation.

The Company has a whistle blower policy that provides support to employees, channel partners and vendors to report significant deviations from key management policies and report any non-compliance and wrong practices.

The Company also has an investor grievance cell where the investors can raise their concerns and are resolved appropriately.

### Principle 5 - Business should respect and promote Human Rights.

- 5.1 Does the policy of the company on human rights cover only the company or extend to these Group/Joint Ventures/Suppliers/Contractors/NGOs/Others? : The policy covers the employees of the company
- 5.2 How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management? : None was received
- 

### Principle 6 - Business should respect, protect, and make efforts to restore the Environment.

- 6.1 Does the policy relate to Principle 6 cover only the company or extends to the Group/ Joint Ventures/Suppliers/Contractors/ NGOs/ others? : Protection of the environment ranks high among our corporate goals and as a responsible corporate citizen, company is committed to operate all its plants in an environmental friendly manner, while taking all precautionary measures and protecting the health and safety of its employees.
- 6.2 Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? : Research initiative is regularly under-taken to combat climatic change for developing suitable hybrids.
- 6.3 Does the company identify and assess potential environmental risks? : Yes
- 6.4 Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed? : At present the company does not have any project related to clean development mechanism.
- 6.5 Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N, if yes, please give hyperlink for web page etc. : No
- 6.6 Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported? : Yes, all the processing plants comply with the prescribed permissible limits for air emissions, effluent quality and discharge, solid and hazard waste generation, and disposal as per their regulatory authorities.
- 6.7 Number of show cause/legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year. : No pending notices as on 31.03.2020
-



## Principle 7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

- 7.1 Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with -
- The Company is associated with various trade organizations, chambers etc., as follows:  
The Company is a member of various trade bodies and chamber associations in India such as,
1. Confederation of Indian Industry
  2. The Federation Telangna Chambers of Commerce & Industry (FTCCI)
  3. National Seed Association of India
  4. The Asia & Pacific Seed of Association, Bangkok
  5. Seed Association of Maharashtra
- 7.2 Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes, specify the broad areas [Governance and Administrative, Economic Reforms, inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others].
- : Yes, we believe that it is our responsibility to help build a better business and thus a better world with opportunities for everyone. Our advocacy efforts are championed across the world by our Top Management. In an effort to drive advocacy globally and locally, we have been part of governance bodies of national and international organizations across economic, social, and environmental dimensions.

## Principle 8 - Business should support inclusive growth and equitable development

- 8.1 Does the company have specified programs / initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.
- : Nath Bio's Corporate Social Responsibility supports growth of not only rural communities where we have our operations but also encompasses the overall development of societies and human capabilities. Company is committed to continuously improving its social responsibilities, environment, and economic practices to make positive impact on the society. The CSR Policy focuses on promoting Agro-Cultivation Education, promoting preventive healthcare and sanitization during the pandemic of Covid -19, Empowerment of Women, Fostering Rural Development, environmental sustainability, ecological balance etc.
- 8.2 Are the programs/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?
- : Nath Bio Genes (India) Limited has a team for the implementation and monitoring of various CSR projects namely Sustainable Development Team. The CSR Projects directly executed through Sustainable Development Team, by various Project Team in the company supported by Sustainable Development Team or through developing partnership and sharing expertise with like minded organization.

Further, the Company has established a Foundation viz. Nath Research Foundation primarily for undertaking Research activities. The company has started CSR activities under the said Foundation. For, projects in villages, the Company engages persons/representatives from Villages/Gram Sabah's / Ward members. This helps in achieving the target as well as participation of the local representatives in formulating the various activities to obtain maximum benefit by community.

- 8.3 Have you done any impact assessment of your initiative? : We review our projects time to time. Each project has specific deliverables to be met. The internal teams ensure the implementation of the projects undertaken from time to time. The Company also takes feedback from the local persons/ representatives from Villages/Gram Sabah's / Ward members.
- 8.4 What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken? : During the year 2019-20 the company has directly spent an amount of Rs. 59.83 Lac's on various CSR activities. Details of the projects undertaken are mentioned in a separate section of the annual report.
- 8.5 Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so. : Yes, the farming community is regularly accepting our programs for better productivity.

### Principle 9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner

- 9.1 What percentage of customer complaints/consumer cases are pending as on the end of financial year? : The Company has mechanism to handle customer complaints. As on March 31, 2020 less than 1% of the complaints were pending beyond the acceptable timelines as per the Standard Operating Procedures (SOP).
- 9.2 Does the company display product information on the product label, over and above what is mandated as per local laws? : The company has displayed the labels on the packing products as per regulatory requirements; comply with the Seed Act, 1966; Seed Rules, 1968; Legal Metrology Act, 2009 and Legal Metrology (Packaged Commodities) Rules, 2011 and other local laws from time to time.
- 9.3 Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year? : We have various mechanism to receive and address complaints from stakeholders related to compliance corruption or bribery. As on 31st March 2020, no stakeholders have filed any case against the Nath Bio, nor are any cases pending regarding unfair trade practices, irresponsible advertising, and / or anti-competitive behavior.
- 9.4 Did your company carry out any consumer survey/ consumer satisfaction trends? : Customer-focused excellence demands constantly sensitivity to changing and emerging customer requirements and close attention to the voice of the customer.

We regularly undertake survey with farmers by internal team / independent organization to understand product satisfaction and their intention for coming season. We conduct Crop Tours/Survey by crops functional team with user farmers to understand product performance in farmer field conditions.

Such a Tour/ Survey enables us to comprehensively understand the farmers expectations and needs and it serves as one of the inputs to make investment decisions.

Company has provided well established system with multiple options to connect with the company such as Email, Telephone, Website, Social Media, Feedback Forms etc.

## CORPORATE GOVERNANCE REPORT

In accordance with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and some of the best practices followed internationally on Corporate Governance, the report containing the details of corporate governance systems and processes at Nath Bio-Genes (India) Limited is as under:

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE.

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

The Company has a strong legacy of fair, transparent and ethical governance practices.

The Company believes that Corporate Governance is about best practices of business to be imbibed into the culture of the organization and complying with value systems, ethical business practices, laws and regulations to achieve the main objectives of the Company.

The Company is committed to optimizing long term value for its stakeholders with a strong emphasis on the transparency of its operations and instilling pride of association. The Company follows the best practices of Corporate Governance and reporting systems in accordance with SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015.

### 2. BOARD OF DIRECTORS.

As on 31<sup>st</sup> March 2020 the Company has Six Directors comprising of two Executive Director one women director and Three Non-Executive Independent director. The composition of the Board as on 31<sup>st</sup> March 2020 is in conformity with Listing Regulations 2015 having specified combination of Executive and Non-Executive Directors.

Independent Directors are non-executive directors as defined under Regulation 16(1) (b) of the SEBI (Listing Obligations and disclosure Requirements) Regulations 2015 and Section 149(6) of the Companies Act 2013. The maximum tenure of independent directors is in compliance with the Companies Act. All the independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Section 149(6) of the Companies Act 2013.

The Company is in compliance with the requirements stipulated under Regulations 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as applicable with regard to Corporate Governance as detailed below:

### 3. NUMBER OF BOARD MEETINGS.

Four meeting of the Board were held during the year 2019-2020 The dates on which the Board meetings were held are 30<sup>th</sup> May 2019, 05<sup>th</sup> August 2019, 02<sup>nd</sup> November 2019, 30<sup>th</sup> January 2020,

Sr No	Date of Meeting/ Name of Director/ Attended Board Meeting YES/ NO	30th May 2019	05 <sup>th</sup> August 2019	02 <sup>nd</sup> November 2019	30 <sup>th</sup> January 2020
1	Mr. Satish Kagliwal	YES	YES	YES	YES
2.	Mrs. Sweta Kagliwal	YES	YES	YES	YES
3.	Mr. Shrirang Agrawal	YES	YES	YES	YES
4.	Mr. Kashinath Iyer	YES	YES	YES	YES
5.	Mr. Omprakash Sharma	YES	YES	YES	YES
6.	Mrs. Jeevanlata Kagliwal (appointed on 30 <sup>th</sup> May 2019)	NA	YES	YES	YES

#### 4. COPOSITION AND STATUS OF BOARD OF DIRECTORS.

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

Name of the Director	Category	No of Directorship in Public Companies as on 31 <sup>st</sup> March 2020		Committee Membership/Chairmanship		No of Board Meeting Attended this year	Attendance of Last AGM on 10 <sup>th</sup> August 2019
		Listed	Public	Membership	Chairmanship		
Mr. Satish Kagliwal	Managing Director					5	Yes
		3	3	7	0		
Mrs. Sweta Kagliwal	Promoter, Non - Executive	3	5	0	0	5	Yes
Mr. Shrirang Agrawal	Independent Non-Executive	3	4	6	4	5	Yes
Mr. Kashinath Iyer	Independent Non-Executive	3	2	3	5	5	Yes
Mr. Omprakash Sharma*	Independent Non-Executive	3	-	7	4	5	Yes
Mrs. Jeevanlata Kagliwal.	Promoter Executive Director	4	3	NA	NA	5	Yes

- b. Table showing details of Directors Serving Directorship in other Listed Companies As on 31<sup>st</sup> March 2020.

Sr No	Name of Director	Name of Listed Company
1	Mr. Satish Kagliwal	1. Nath Bio-Genes (India) Limited 2. Agri-Tech (India) Limited 3. Techindia Nirman Limited
2.	Mrs. Sweta Kagliwal	1. Nath Bio-Genes (India) Limited 2. Agri-Tech (India) Limited 3. Techindia Nirman Limited
3.	Mr. Shirang Shrikishan Agrawal	1. Nath Bio-Genes (India) Limited 2. Agri-Tech (India) Limited 3. Techindia Nirman Limited
4.	Mr. Kashinath Iyer	1. Nath Bio-Genes (India) Limited 2. Agri-Tech (India) Limited 3. Techindia Nirman Limited
5.	Mr. Omprakash Sharma	1. Nath Bio-Genes (India) Limited 2. Agri-Tech (India) Limited 3. Techindia Nirman Limited
6	Mrs. Jeevanlata Kagliwal	1. Nath Bio-Genes (India) Limited 2. Agri-Tech (India) Limited 3. Techindia Nirman Limited 4. Nath Industries Limited

5. DETAILS OF EQUITY SHARES HELD BY DIRECTORS.

Name of the Director	Category	No of Shares Held	% of Number of Shares Held
Mr. Satish Kagliwal	Managing Director	0	0
Mr. Shirang Agrawal	Independent Director	0	0
Mr. Kashinath Iyer	Independent Director	0	0
Mr. Omprakash Sharma	Independent Director	0	0
Mrs. Sweta Kagliwal	Non-Executive Director	0	0
Mrs. Jeevanlata Kagliwal (appointed on 30.05.2019)	Executive Director	293	0.001

6. SEPARATE MEETING OF INDEPENDENT DIRECTOR.

Independent Directors of the Company met separately on January 30, 2020 without the presence of Non-Independent Directors and Members of Management. In accordance with Schedule IV of Companies Act, 2013, following matters were, inter-alia, reviewed and discussed in the meeting:

- Performance of Non-Independent Directors and the Board of Directors as a whole.
- Performance of the Chairman of the Company taking into consideration the views of Executive and Non-Executive Directors.

- Assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably Perform their duties.

## 7. 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 Director of the company regarding Compliance of the Code of Business Conduct.

## 8. COMMITTEE OF THE BOARD.

The board has Four Committees as on 31<sup>st</sup> March 2020 namely, Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee the board constitute additional functional committees, from time to time, depending upon business needs.

### A. **Audit Committee**

The management is responsible for the Company's internal controls and the financial reporting process while the statutory auditors are responsible for performing independent audits of the Company's Financial Statements in accordance with generally accepted auditing practices and for issuing reports based on such audits. The Board of Directors has entrusted the Audit Committee to supervise these processes and thus ensure accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting. The composition, procedures, powers and role/functions of the Audit Committee constituted by the Company comply with the requirements of Regulation 18 of the SEBI (LODR) Regulations, 2015. and Section 177 of the Companies Act 2013.

#### 1. Role of Audit Committee

- Oversight of financial reporting process.
- Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval.
- Evaluation of internal financial controls and risk management Systems
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- Approve policies in relation to the implementation of the Insider Trading Code and to supervise implementation of the same.
- Review, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference.
- Review and monitor the auditor's independence and performance, and effectiveness of audit process.

2. Frequency of Meeting held.

Four Audit Committee meeting of the Board were held during the year 2019-2020. The dates on which the Board meetings were held are 29<sup>th</sup> May 2019, 05<sup>th</sup> August 2019, 01<sup>st</sup> November 2019, 29<sup>th</sup> January 2020.

3. Composition and Meetings and Attendance of Audit Committee.

Name of Director	Category	Status	No of Meetings Held and Attended	
Mr. Kashinath Iyer	Independent Director	Chairman	4	4
Mr. Satish Kagliwal	Executive Director	Member	4	4
Mr. Omprakash Sharma	Independent Director	Member	4	4

**B. Nomination and Remuneration Committee.**

Nomination and Remuneration Committee is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations and Section 178 of the Companies Act 2013.

1. Role of Nomination and Remuneration Committee.

- Recommend to the board to setup and composition of the Board and its committees.
- Recommend to the Board the appointment/re-appointment of Directors and Key Managerial Personnel.
- Support the Board and Independent Directors in evaluation of the performance of the Board, its Committees and individual Directors.
- Recommend to the Board the Remuneration Policy for Directors, executive team or Key Managerial Personnel as well as the rest of employees.
- Oversee familiarization programs.

2. Frequency of Meeting held.

One Nomination and Remuneration Committee of the Board were held during the year 2019-2020. The dates on which the Board meetings were held on 29<sup>th</sup> January 2020.

3. Composition and Meetings and Attendance of Nomination and Remuneration Committee.

Name of Director	Category	Status	No of Meetings Held and Attended	
Mr. Shrirang Agrawal	Independent Director	Chairman	1	1
Mr. Omprakash Sharma	Independent Director	Member	1	1
Mr. Kashinath Iyer	Independent Director	Member	1	1

### C. Stakeholders Relationship Committee

This Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations and Section 178 of the Companies Act.

- Consider and resolve the grievances of security holders.
- Consider and approve issue of share certificates, transfer and transmission of Securities, Etc.

#### 1. Role of Stakeholders Relationship Committee.

- Transfer, transmission, split and consolidation of investors holding
- Dematerialization/rematerialisation of shares
- Non-receipt of dividends and other corporate benefits
- Replacement of lost/mutilated/stolen share certificates
- Non-receipt of Annual Reports and change of addresses, etc.

#### 2. Frequency of Meeting held.

Four Stakeholders Relationship Committee meeting were held during the year 2019-2020. The dates on which the Board meetings were held are 29th May 2019, 05<sup>th</sup> August 2019, 01<sup>st</sup> November 2019, 29<sup>th</sup> January 2020.

#### 3. Composition and Meetings and Attendance of SR Committee Meeting.

Name of Director	Category	Status	No of Meetings Held and Attended	
Mr. Kashinath Iyer	Independent Director	Chairman	4	4
Mr. Omprakash Sharma	Independent Director	Member	4	4
Mr. Satish Kagliwal	Executive Director	Member	4	4

#### 4. Complaints Received

During the financial year 2019-20, 05 complaint was received and replied to the satisfaction of the shareholder. There were no complaints outstanding as on 31st March 2020. There were no share transfer requests pending as on 31st March 2020.

#### 5. Name and Designation of Compliance Officer \_\_\_\_\_.

Mr. Dhiraj Rathi is Company Secretary and Compliance Officer of the Company.

### D. Corporate Social Responsibility Committee.

This Committee is constituted in line with the provisions of Section 135 of the Act.



1. Role of the Committee.

- Formulate and recommend to the Board, a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act.
- Recommend the amount of expenditure to be incurred on the activities mentioned in the CSR Policy.
- Monitor the CSR Policy.

2. Frequency of Meeting held.

One Stakeholders Relationship Committee meeting were held during the year 2019-2020. The dates on which the Board meetings were held are 29<sup>th</sup> January 2020.

3. Composition and Meetings and Attendance of CSR Committee.

Name of Director	Category	Status	No of Meetings Held and Attended	
Mr. Omprakash Sharma	Independent Director	Chairman	4	4
Mr. Kashinath Iyer	Independent Director	Member	4	4
Mr. Satish Kagiwal	Executive Director	Member	4	4

**9. FAMILIARISATION PROGRAMMES FOR INDEPENDENT DIRECTOR**

Independent Directors inducted on the Board are given a formal introduction about the Company and its operations. This is enabled through a meeting with the Managing Director and Whole Time Directors. The objective is to provide them an insight about the industry in which the Company operates and comprehensive information about Company's business and management.

Various familiarization initiatives are carried out throughout the year on an on-going basis which include comprehensive update at Board and Committee meetings on Company's performance & industry scenario, and amendments in the laws and regulations applicable to the Company through presentations by Company executives.

The aim of familiarization programs is to give independent directors an update on:

- i. nature of the industry in which the Company operates;
- ii. the business model of the Company;
- iii. the roles, rights, responsibilities of independent directors; and
- iv. other relevant/ significant information pertaining to or affecting the Company to enable them take informed decisions. Independent directors on the Board of the Company have diverse background with rich experience and expertise in their respective domains. They have an aptitude to keep themselves abreast with changes in the industry and applicable regulations. The Company undertakes following initiatives to apprise them with significant and relevant information which helps in effective discharge of their duties and responsibilities as independent directors of the Company:

## **10. PERFORMANCE EVALUATION OF DIRECTORS AND FORMULATION OF THE CRITERIA FOR EVALUATION OF INDEPENDENT DIRECTOR AND THE BOARD.**

Pursuant to the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the guidance Note on Board Evaluation issued by the SEBI on 5th January 2017, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its committees. The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning etc.,

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings etc., In a separate meeting of independent directors, performance of non-independent directors, the chairman of the Company and the board as whole was evaluated, taking into account the views of executive directors and non-executive directors. The Board and the nomination and remuneration committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings etc., In the board meeting that followed the meeting of the independent directors and meeting of nomination and remuneration committee, the performance of the board, its committees, and individual directors was also discussed. The performance evaluation of the Independent Directors was completed. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

## **11. REMUNARATION OF DIRECTORS.**

The details of Remuneration paid to Executive / Independent Directors for the year 2019-20 are as follows: -

<b>Sr No</b>	<b>Name of Director</b>	<b>Designation</b>	<b>Salary (INR In Lakhs)</b>	<b>Perquisites and allowance</b>	<b>Total</b>
1.	Mr. Satish Kagliwal	Managing Director	48.00	NIL	48.00
2.	Mrs. Jeevanlata Kagliwal Appointed on 30.05.2020)	Executive Director	NIL	NIL	NIL
3.	Mrs. Sweta Kagliwal	Non-Executive Director	NIL	NIL	NIL

## Sitting Fees Paid for Meetings

Sr No	Name of Director	Designation	Remuneration	Sitting Fees
1.	Mrs. Jeevanlata Kagliwal Appointed on 30.05.2020)	Executive Director	NIL	15000
2.	Mrs. Sweta Kagliwal	Non-Executive Director	NIL	20000
3.	Mr. Shrirang Agrawal	Independent Director	NIL	20000
4..	Mr. Kashinath Iyer	Independent Director	NIL	20000
5.	Mr. Omprakash Sharma	Independent Director	NIL	20000

## 12. MANAGEMENT DISCUSSION AND ANALYSIS REPORT.

A detailed report on the Management Discussion and analysis is given separately with this report.

## 13. DETAILS OF GENERAL BODY MEETING.

### a. Annual General Meeting

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

Financial Year	Place	Date	Time
2018-2019	Nath House, Nath Road, Aurangabad (MAH) 431005	10 <sup>th</sup> August 2019	11.00 AM
2017-2018	Nath House, Nath Road, Aurangabad (MAH) 431005	04 <sup>th</sup> August 2018	11.00 AM
2016-2017	Nath House, Nath Road, Aurangabad (MAH) 431005	24 <sup>th</sup> August 2017	11.00 AM

### b. Extraordinary General Meeting

No Extraordinary General Meeting of the Members was held during the year 2019-20.

### c. Special Resolutions passed by Company During last three AGM.

1. Re-appointment of Shrirang Agrawal As Independent Director 2018-19
2. Re-appointment of Omprakash Sharma As Independent Director 2018-19
3. Re-appointment of Kashinath Iyer As Independent Director 2018-19
4. Reappointment of Managing Director 2017-18.
5. Increase in Remuneration of Managing Director 2016-17

### d. Details of special resolution passed through Postal Ballot

No Special Resolution passed through the Postal Ballot.

## 14. OTHER DISCLOURE

a. Related party transactions-

No transaction of material nature has been entered into by the Company with its Directors/management and their relatives, etc. that may have a potential conflict with the interests of the Company. The Register of Contracts containing transactions, in which Directors are interested, is placed before the Audit Committee and Board regularly. Transactions with related parties are disclosed in the Notes to Accounts in the Annual Report. In terms of SEBI (LODR) Regulations, 2015, the Audit Committee and Board of Directors of the Company have adopted a policy to determine Related Party Transactions.

b. Details of Non-Compliance and Penalties

There were no cases of non-compliance during the last three financial years.

c. Whistle Blower Policy and Vigil Mechanism.

The Board of Directors of the Company had adopted the Whistle Blower policy. The Company has established a mechanism for employees to report to the management, concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics. The employees have been appropriately communicated within the organization about the mechanism and have been provided direct access to the Chairman of the Audit Committee. The mechanism also lays emphasis on making enquiry into whistle blower complaint received by the Company. The Audit Committee reviews periodically the functioning of whistle blower mechanism. No employee has been denied access to the Audit Committee.

d. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

The Company has implemented all mandatory requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

e. Subsidiary Companies

Company does not have any Subsidiary Company

f. Policy on Determination of Materiality for Disclosures.

The Company has adopted a Policy on Determination of Materiality for Disclosures.

g. Reconciliation of Share Capital Audit Report

Regulation 76 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and SEBI Circular No D&CC / FITTC/ Cir- 16/2002 dated December 31, 2002

A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

- h. The Disclosures of the compliance with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 are as follows:

Regulation	Particulars	Compliance Status (Yes/No)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Vigil Mechanism	Yes
23	Related Party Transaction	Yes
24	Corporate Governance requirement with respect to subsidiary of Listed entity	Yes
25	Obligation with respect to Independent Director	Yes
26	Obligation with respect to directors and Senior management	Yes
27	Other Corporate Governance requirement	Yes
46	Functional Website	Yes

## 15. MEANS OF COMMUNICATION.

The quarterly, half-yearly and annual financial results of the Company are published in leading newspapers in India which include Business Standard, and Pudhari. The results are also displayed on the Company's website [www.nathbiogenes.com](http://www.nathbiogenes.com) Financial Results, Statutory Notices, Press Releases and Presentations made to the institutional investors/ analysts after the declaration of the quarterly, half-yearly and annual results are submitted to the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) as well as uploaded on the Company's website.

## 16. GENERAL SHAREHOLDERS INFORMATION

### a. Annual General Meeting

<b>Date &amp; Time</b>	<b>Friday 24<sup>th</sup> July 2020 .</b>
<b>Time</b>	04.00 PM
<b>Venue</b>	The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.

### b. Book Closure

The register of Shareholders of the Company will remain closed on as mentioned in notice c of the AGM.

### c. Financial Year

1<sup>st</sup> April to 31<sup>st</sup> March

d. Listing on Stock Exchanges and stock codes / symbol.

Stock Exchange	Trade Symbol	Address
<b>BSE Limited</b>	537291	25 <sup>th</sup> floor, P.J Towers, Dalal Street, Mumbai 400001
<b>National Stock Exchange of (India) Limited</b>	NATHBIOGEN	Exchange plaza, C-1 Blok-G, Bandra Kurla Complex Bandra (East) Mumbai-400001

e. CIN- L01110MH1993PLC072842

f. Market Price Data

High, Low (based on daily closing prices) and number of equity shares traded during each month in the year 2019-20 on BSE and National Stock Exchange of India Limited.

MONTH	BSE		NSE	
	High	Low	High	Low
<b>Apr-19</b>	485.00	442.15	483.90	435.00
<b>May-19</b>	474.85	378.00	473.80	377.50
<b>Jun-19</b>	458.00	395.00	452.00	395.50
<b>Jul-19</b>	427.85	361.00	426.85	363.25
<b>Aug-19</b>	401.05	335.00	395.50	337.00
<b>Sep-19</b>	382.00	322.05	381.70	323.50
<b>Oct-19</b>	375.00	306.10	360.75	306.20
<b>Nov-19</b>	367.95	309.00	368.10	310.30
<b>Dec-19</b>	365.00	309.65	364.00	310.00
<b>Jan-20</b>	382.00	340.05	382.65	340.40
<b>Feb-20</b>	390.10	306.95	384.45	309.80
<b>Mar-20</b>	350.05	127.30	350.00	126.25

g. Performance of the Share Price of the Company in Comparison to the BSE Sensex.



**h. Registry to an issue and Share Transfer Agents.**

Name-	Bigshare Services Private Limited
Address-	1 <sup>st</sup> Floor, Bharat Tin Woks Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East Mumbai-400059
Telephone	022-62638200
Email-	info@bigshareonline.com
Website	<a href="http://www.bigshareonline.com">www.bigshareonline.com</a>

**i. Share Transfer System.**

All share transfer and other communications regarding share certificates, change of address, dividends, etc. should be addressed to Registrar and Transfer Agents. Stakeholders Relationship Committee is authorized to approve transfer of shares in the physical segment. The Committee has delegated authority for approving transfer and transmission of shares and other related matters to the officers of the Company. Such transfers take place on weekly basis. A summary of all the transfers/ transmissions etc. so approved by officers of the Company is placed at every Committee Meeting. All share transfers are completed within statutory time limit from the date of receipt, provided the documents meet the stipulated requirement of statutory provisions in all respects. The Company obtains from a Company Secretary in practice half yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations, and files a copy of the same with the Stock Exchanges.

**j. Shareholding as on March 31, 2020.**

Distribution of Share Holding as on 31<sup>st</sup> March 2020.

Shareholding of Nominal Value (Rs.)		No. of Holders	% of Total Holders	Total Shares	% of Total
1	5000	22892	95.55	14551810	7.65
5001	10000	469	1.95	3561720	1.87
10001	20000	266	1.11	3864390	2.03
20001	30000	103	0.42	2580360	1.35
30001	40000	40	0.16	1408630	0.74
40001	50000	29	0.12	1336130	0.70
50001	100000	64	0.26	4639540	2.44
100001	9999999	95	0.39	158097420	83.19

1. Categories of Shareholding as on 31<sup>st</sup> March 2020.

Category	No. of Shares	% of Capital
<b>Indian Promoters</b>	7942342	41.79
<b>Persons acting in Concert</b>	0	0
Sub Total	<b>7942342</b>	<b>41.79</b>
<b>Non-Promoter Holding</b>		
<b>Mutual Funds</b>	1192471	6.27
<b>Alternate Investment fund</b>	439560	2.31
<b>Banks/Financial Institutions</b>	51020	0.26
<b>FII/FBI</b>	32500	0.17
Sub Total	<b>1715551</b>	<b>9.02</b>
<b>Others</b>	463772	2.44
<b>Private Corporate Bodies</b>	4105025	21.60
<b>Indian Public</b>	4289134	22.56
<b>NRI/OCB</b>	488176	2.56
Sub Total	<b>9346107</b>	<b>49.17</b>
Total	<b>19004000</b>	<b>100.00</b>

2. Top 10 Equity Shareholders as on 31<sup>st</sup> March 2020.

Sr. No.	Name	No of shares	% of Total Shares of the Company
1	Authum Investment and Infrastructure Limited	2436649	12.82
2	Aditya Birla Sun Life Trustee Private Limited	869909	4.57
3	Indgrowth Capital Fund –I	4329560	2.31
4	Satpal Khattar	400000	2.10
5	C Mackertich Private Limited	209462	1.10
6	Bakulesh Trambaklal Shah	175500	0.92
7	Colin P Shah	152345	0.80
8	Bodhivriksha Advisors LLP	150000	0.78
9	Girish Kulkarni	150000	0.78
10	Israr Ali Khan	146424	0.77

3. Dematerialization of shares and liquidity

The Company's shares are compulsorily traded in dematerialized form on NSE and BSE. Equity shares of the Company representing 98.27 percent of the Company's equity share capital are dematerialized as on March 31, 2020. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE448G01010.



**4. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:**

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence, as on March 31, 2020, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

**5. Commodity price risk or foreign exchange risk and hedging activities:**

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular date November 15, 2018 is not required to be given.

**6. Address for Correspondence.**

Nath Bio-Genes (India) Limited  
Nath House, Nath road Aurangabad-431005  
Email [ID-investor@nathbiogenes.com](mailto:ID-investor@nathbiogenes.com).  
Website-www.nathbiogenes.com  
Contact No-0240-6645555

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT.**

15<sup>th</sup> June 2020

The Members,  
Nath Bio-Genes (India) Limited  
Nath House, Nath road  
Aurangabad-431005

**Subject: Declaration regarding compliance with the Company's code of conduct for its Directors and Employees.**

Ref: Regulation 34 (3) read with Part D of Schedule V to the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

I, Satish Kagliwal, Managing Director of the Company, hereby declare that as provided under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended 31st March 2020.

For Nath Bio-Genes (India) Limited

Satish Kagliwal  
Managing Director  
DIN-00119601

**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 of,

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

We have examined the compliance of the conditions of Corporate Governance by Nath Bio-Genes (India) Limited ('the Company') for the year ended on March 31, 2019, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of 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 according to the explanations given to us, and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2020.

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

Neha P Agrawal  
FCS No. 7350, C P No: 8048

Place: Aurangabad  
Date: 15<sup>th</sup> June 2020

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS.  
*(Pursuant to clause 10 of Part C of Schedule V of LODR)*

To,  
The Members,  
Nath Bio-Genes (India) Limited  
Nath House, Nath road,  
Aurangabad-431005

In pursuance of sub clause (i) of clause 10 of Part C of Schedule V of The Securities Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirement) Regulations, 2015; (LODR) in respect of NATH BIO-GENES (INDIA) LIMITED bearing CIN : (Hereinafter called "the Company"), I hereby certify that :

On the basis of the written representation/declaration received from directors and taken on record by the Board of Directors, as on March 31, 2020, none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of the companies by the Securities Exchange Board of India (SEBI) /Ministry of Corporate Affairs or any such statutory authority.

For Neha P Agrawal  
Practicing Company Secretary  
FCS No. 7350, C P No: 8048

Place: Aurangabad  
Date: 15<sup>th</sup> June 2020

## Independent Auditors' Report

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

### Report on the Audit of the Standalone Financial Statements

#### Opinion

1. We have audited the accompanying standalone financial statements of Nath Bio-genes (India) Limited having CIN: L01110MH1993PLC072842 ("the Company"), which comprise the Standalone Balance Sheet as at 31<sup>st</sup> March 2020, the Standalone Statement of Profit and Loss (including other comprehensive income), Standalone Statement of Cash Flows and Standalone Statement of Changes in Equity for the year then ended, and notes to the Standalone financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and the other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020 and its profit (financial performance including other comprehensive income), the changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

3. We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Act and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

#### Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	Audit Procedures
Effect of Covid-19	
It is the responsibility of the management to make appropriate adjustments to the financial statements and ensure necessary disclosures specifically the impact on business due to Covid-19, subsequent risks and uncertainties, and conditions that may impact future operating results, cash flows and financial position of the entity. We are informed by the management that	The audit procedures included but were not limited to: <ul style="list-style-type: none"><li>- Obtaining a detailed insight and understanding of future business climate and demand potential.</li><li>- Existing processes and controls of the Management.</li></ul>

<p>considering the present scale of operations, seasonal product, demand in the ensuing future, the management does not perceive any risk in ensuing operations, liquidity and capital resources. We find sufficient and appropriate evidences of such management perception on record.</p> <p>It is also concluded by the management that no adjustments are required in the financial statements as it does not impact the current financial year. However, the situation with COVID-19 is still evolving. Also, the various preventive measures taken (such as lockdown restrictions by the Government of India, travel restrictions etc.) are still in force, leading to a highly uncertain economic environment. Due to these circumstances, the management's assessment of the impact on the subsequent period is dependent upon the circumstances as they evolve; and consequently, we are unable to express our opinion as to how the future prospect of the company will be impacted.</p>	<ul style="list-style-type: none"> <li>- Evaluation of the design of the controls relating to growth of marketing.</li> <li>- Probability of outcome, estimates of the timing and the amount.</li> <li>- Implementation and operating effectiveness of the key controls.</li> <li>- Minutes of the Audit Committee/ Board and discussions with the Management personnel.</li> <li>- Most possible outcomes and the reasonableness of the estimates.</li> <li>- Involvement of expert for technical guidance and evaluation of the assessments of the farming sector.</li> <li>- Evaluating appropriateness of adequate disclosures in terms of the applicable accounting standards.</li> </ul>
<b>Agricultural Activities</b>	
<p>The company is engaged in the production and processing of field crop and vegetable seeds at various pieces of lands taken on lease from various growers/farmers spread over throughout India. The company enters into seed production agreements with these farmers / growers. The company is compensating the farmers/growers for various cultivation expenses based upon the rate agreement entered in to. Thus, the company is engaged in the growing of various kinds of seeds based on the programs chalked out by the management depending on the area, climatic conditions, soil conditions, water resources, education of farmers, processing facilities etc.</p>	<p>We have performed the following principal audit procedures in relation to Agricultural Activities: -</p> <ul style="list-style-type: none"> <li>- Evaluation and understanding of Seed production agreements.</li> <li>- Verification and evaluation of the documents for existence of formers/growers on sample basis of the seeds.</li> <li>- Verification and evaluation of documents on sample basis for the existence of leasehold land.</li> <li>- Evaluation of the control / supervision over the crop.</li> <li>- Evaluating the appropriateness of the adequate disclosures in accordance with the applicable accounting standards.</li> </ul>
<b>Valuation of Biological assets:</b>	
<p>The value of Biological assets is measured at fair value less costs to sell. The fair value is determined based on the growth potential of individual standing crops. The growth potential varies depending on the geographic location and varieties of crops. The valuation requires estimates of growth, harvest, sales price and costs.</p> <p>In order to minimize the risk of vagaries of nature and other hazards, the company has entered in to production agreement with various growers to compensate them as per the rates in terms of the agreement.</p> <p>Due to the level of judgment involved in the valuation of biological assets and significance of biological assets to the Company's financial position, this is considered to be a key audit matter</p>	<p>We have performed the following principal audit procedures in relation to biological assets: -</p> <ul style="list-style-type: none"> <li>- We have tested management's controls and effectiveness of systems in place for the valuation of the biological assets.</li> <li>- We have assessed the key assumptions contained within the fair value calculations including sales price assumptions and growth assumptions.</li> <li>- We have performed the analytical review of the results of valuation to highlight those areas which warrant further audit procedures.</li> <li>- Comparison of actual production costs with provisions made towards standing</li> </ul>

	crops.
<b>Adoption of Ind AS 116 Leases</b>	
As described in Note 2(AA) to the standalone financial statements, the Company has adopted Ind AS 116 Leases (Ind AS 116) in the current year.	Our audit procedures on adoption of Ind AS 116 include:
Ind AS 116 introduces a new lease accounting model, wherein lessees are required to recognize a right-of-use (ROU) asset and a lease liability arising from a lease on the balance sheet. The lease liabilities are initially measured by discounting future lease payments during the lease term as per the contract/ arrangement. Adoption of the standard involves significant judgments and estimates including, determination of the discount rates and the lease term. Additionally, the standard mandates detailed disclosures in respect of transition.	<ul style="list-style-type: none"> <li>- Assessed and tested new processes and controls in respect of the lease accounting standard (Ind AS 116);</li> <li>- Assessed the company's evaluation on identification of leases based on the contractual agreements and our knowledge of the business;</li> <li>- Assessed the key terms and conditions of each lease with the under lying lease contracts and evaluation of the lease liability.</li> <li>- Assessed and tested the presentation and disclosures relating to Ind AS 116.</li> </ul>

#### **Information other than the Standalone Financial Statements and Auditor's Report thereon**

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
8. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

9. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
10. As part of an audit in accordance with Standard on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - a. Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - b. Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - d. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - e. Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication



### Report on Other Legal and Regulatory Requirements

14. 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 Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended :  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 33 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Ashok R Majethia  
Chartered Accountants  
FRN: 127769W

Ashok Majethia  
Proprietor  
M No: 124781

Place: Aurangabad  
Dated: 15.06.2020

## ANNEXURE “A” TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Nath Bio-genes (I) Limited on the Ind AS standalone financial statements for the year ended 31st March 2020, we report that:

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
- (b) The company has regular program of physical verification of its Property, Plant and Equipment by which Property, Plant and Equipment are verified in a phased manner over a period of three years. In accordance with this program, certain Property, Plant and Equipment 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 following pieces of land:-
  - i. at Village Dhangaon and Shahapur-Wahegaon, Tq. Paithan, Dist. Aurangabad admeasuring 35.97 hectares.
  - ii. at Wahegaon Tq Paithan Dist Aurangabad admeasuring 16.08 hectares.
  - iii. at Village Isarwadi Tq Paithan Dist Aurangabad admeasuring 5.72 hectares.
  - iv. At Gut No 130/4, Village Dhangaon Tq Paithan Dist Aurangabad admeasuring 2.02 hectares
  - v. At Gut No 53/1, and 53/5, Village Isarwadi Tq Paithan Dist Aurangabad admeasuring 3.95 hectares.
  - vi. At Gut No 45, 53/3, 53/4 and 56 Village Wahegaon Tq Paithan Dist Aurangabad admeasuring 12.02 hectares.
  - vii. Plot No 1 admeasuring 6007.16 Sq Meter and Plot No 2 admeasuring 5183.18 Sq meter at Paithan Mega Food Park Pvt Ltd, Gut No 125, Village Dhangaon, Taluka Paithan, Dist Aurangabad.
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. In view of Covid-19 lock down, the yearend inventory has not been physically verified and the same is incorporated as per records and books of account maintained by the company.
3. a.) As per the information and explanations given to us, the Company has granted non-interest bearing unsecured loans to three 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 except non-charging of interest.  
b.) 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.  
c.) In absence of repayment schedule, we are unable to comment, if there are overdue amount for more than ninety days.
4. (a) The company has not granted loans to any party covered under section 185 of the Act.  
(b) 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. (Refer Note No. 46)

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 Ind AS standalone financial statements etc., as required by the applicable accounting standards.
14. According to the information and explanations given to us, the Company has not made any preferential allotment of equity shares.
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 Ashok R Majethia  
Chartered Accountants  
FRN: 127769W

Ashok Majethia  
Proprietor  
M No: 124781

Place: Aurangabad  
Date: 15.06.2020

## ANNEXURE “B” TO THE INDEPENDENT AUDITORS' REPORT

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

1. 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, 2020 in conjunction with our audit of the Ind AS standalone financial statements of the Company for the year ended on that date.

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

2. 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

3. 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 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.
4. 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 Ind AS financial statements, whether due to fraud or error.
5. 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 of the company.

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

6. 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 standalone 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 Ind AS standalone 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 Ind AS financial statements.

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

7. 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**

8. 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, 2020, 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 Ashok R Majethia  
Chartered Accountants  
FRN: 127769W

Ashok Majethia  
Proprietor  
M No: 124781

Place: Aurangabad  
Date: 15.06.2020

**Nath Bio-Genes (India) Limited**  
**Balance Sheet as at March 31, 2020**

	Note	As at March 31, 2020 Rupees	As at March 31, 2019 Rupees
<b>Assets</b>			
<b>I) Non-Current Assets</b>			
a) Property, plant and Equipment	3	2,30,86,32,145	2,28,11,51,185
b) Other Intangible assets	3	15,16,50,300	3,60,00,000
<b>c) Financial Assets</b>			
(i) Investment	4	4,99,75,275	4,99,72,875
(ii) Loans	5	22,07,803	18,16,998
d) Deferred Tax Assets (Net)	6	69,37,293	72,40,613
e) Other Non-current Assets	7	84,41,200	1,26,57,195
		<u>2,52,78,44,016</u>	<u>2,38,88,38,866</u>
<b>II) Current Assets</b>			
a) Inventories	8	2,04,30,80,712	1,55,35,62,212
<b>b) Financial Assets</b>			
(i) Trade Receivables	9	1,07,00,27,593	1,08,02,50,247
(ii) Cash and cash equivalents	10	21,97,98,772	21,37,93,147
(iii) Loans	11	1,34,60,81,104	1,18,68,90,141
c) Current Tax Assets (Net)	12	7,60,45,528	2,16,44,281
d) Other current assets	13	1,65,79,227	1,56,55,059
		<u>4,77,16,12,936</u>	<u>4,07,17,95,088</u>
<b>Total Assets</b>		<u><b>7,29,94,56,952</b></u>	<u><b>6,46,06,33,954</b></u>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
a) Equity Share Capital	14	19,00,40,000	19,00,40,000
b) Other Equity	15	5,38,61,31,667	4,88,57,66,788
		<u><b>5,57,61,71,667</b></u>	<u><b>5,07,58,06,788</b></u>
<b>Liabilities</b>			
<b>I) Non-Current Liabilities</b>			
<b>a) Financial Liabilities</b>			
(i) Borrowings	16	29,95,664	50,45,829
(ii) Trade Payables		-	-
b) Provisions	17	2,40,90,088	1,88,77,389
		<u><b>2,70,85,752</b></u>	<u><b>2,39,23,217</b></u>
<b>II) Current Liabilities</b>			
<b>a) Financial Liabilities</b>			
(i) Borrowings	18	69,50,50,322	57,19,05,968
(ii) Trade Payables	19	68,20,57,420	50,20,13,017
b) Other current liabilities	20	28,52,38,006	27,80,33,419
c) Provisions	21	94,61,915	37,06,902
d) Current Tax Liabilities (Net)	22	2,43,91,870	52,44,643
		<u>1,69,61,99,533</u>	<u>1,36,09,03,949</u>
<b>Total Equity and Liabilities</b>		<u><b>7,29,94,56,952</b></u>	<u><b>6,46,06,33,955</b></u>

The accompanying Notes are an integral part of these Financial Statements.

In terms of our report of even date.

**For Ashok R Majethia & Co**  
Firm Registration No.: 127769W  
Chartered Accountants

**For and on behalf of the Board of Directors**

**Ashok Majethia**  
Proprietor  
Membership No.:124781

**Satish Kagliwal**  
Managing Director  
DIN No.: 00119601

**Jeevanlata Kagliwal**  
Director  
DIN No.: 02057459

Place: Aurangabad  
Date: 15 June 2020

**Devinder Khurana**  
Chief Financial Officer

**Dhiraj Rathi**  
Company Secretary

**Nath Bio-Genes (India) Limited**  
**Statement of Profit and Loss for the year ended March 31st, 2020**

	Note	Year Ended March 31, 2020 Rupees	Year Ended March 31, 2019 Rupees
Revenue from Operations (Gross)	23	2,79,89,05,145	2,30,92,89,245
Other Income	24	1,82,24,820	2,27,35,457
<b>Total Revenue</b>		<b>2,81,71,29,965</b>	<b>2,33,20,24,702</b>
<b>Expenses</b>			
Purchase of stock in trade		7,34,82,275	5,49,17,568
Production Expenses	25	1,46,28,31,349	1,08,21,37,891
Changes in Inventories of Finished Goods, Work-in-Progress and Stock in Trade	26	(48,24,61,343)	(30,46,07,046)
Employee Benefits Expense	27	18,73,71,946	16,42,81,337
Finance Costs	28	6,54,59,619	5,20,46,403
Depreciation Expense	29	1,45,25,755	1,44,65,554
Other Expenses	30	1,01,08,35,599	88,01,00,260
<b>Total Expenses</b>		<b>2,33,20,45,200</b>	<b>1,94,33,41,966</b>
<b>Profit before tax</b>		<b>48,50,84,764</b>	<b>38,86,82,736</b>
<b>Tax Expense</b>			
Income Tax			
- Current Year		16,06,378	10,97,778
- Earlier Year		-	94,70,533
- Earlier Years written back		(2,16,65,256)	(75,99,566)
Deferred Tax Charge		3,03,320	13,79,333
<b>Profit for the Year</b>		<b>50,48,40,322</b>	<b>38,43,34,658</b>
<b>Other Comprehensive Income</b>			
A. (i) Items that will not be reclassified to Profit and Loss		44,75,444	8,39,441.00
(ii) Income tax relating to items that will not be reclassified to Profit and Loss		-	-
B. (i) Items that will be reclassified to Profit and Loss		-	-
(ii) Income tax relating to items that will be reclassified to Profit and Loss		-	-
		<b>44,75,444.00</b>	<b>8,39,441.00</b>
<b>Total Comprehensive Income</b>		<b>50,03,64,878</b>	<b>38,34,95,217</b>
Earnings Per Equity Share [Nominal Value Per Share: Rs. 10 (Previous Year: Rs. 10)]			
Basic and Diluted		26.33	20.18

The accompanying Notes are an integral part of these Financial Statements.

In terms of our report of even date.

**For Ashok R Majethia & Co**  
Firm Registration No.: 127769W  
Chartered Accountants

**For and on behalf of the Board of Directors**

**Ashok Majethia**  
Proprietor  
Membership No.:124781

**Satish Kagliwal**  
Managing Director  
DIN No.: 00119601

**Jeevanlata Kagliwal**  
Director  
DIN No.: 02057459

Place: Aurangabad  
Date: 15 June 2020

**Devinder Khurana**  
Chief Financial Officer

**Dhiraj Rathi**  
Company Secretary

## Statement of Changes in Equity

## A. Equity

Particulars	Note No	As at March 31, 2020 Rupees	As at March 31, 2019 Rupees
Balance of the beginning of the year	6	19,00,40,000	19,00,40,000
Share Issued		-	-
Shares bought back during the year		-	-
Balance at the end of the year		19,00,40,000	19,00,40,000

## Statement of Changes in Other Equity for financial year ended on March 31st, 2020

## B. Other Equity

Particular	Reserves and Surplus						Total
	Capital Reserve	Security Premium Reserve	Capital Redemption Reserve	Debenture Redemption Reserve	General Reserve	Retained Earning	
<b>Balances at the beginning of the year 01.04.2019</b>	11,71,75,703	1,33,50,00,000	62,50,000	29,74,500	2,97,00,000	3,39,46,66,585	4,88,57,66,788
Changes in the accounting policies or prior period errors	-	-	-	-	-	-	-
Restated balance at the beginning of the year	11,71,75,703	1,33,50,00,000	62,50,000	29,74,500	2,97,00,000	3,39,46,66,585	4,88,57,66,788
Additions during the Year	-	-	-	-	-	50,03,64,878	50,03,64,878
Total Comprehensive Income for the year	11,71,75,703	1,33,50,00,000	62,50,000	29,74,500	2,97,00,000	3,89,50,31,464	5,38,61,31,667
Dividends	-	-	-	-	-	-	-
Transfer to Retained Earnings	-	-	-	-	-	-	-
<b>Balance at the end of the reporting period 31.03.2020</b>	11,71,75,703	1,33,50,00,000	62,50,000	29,74,500	2,97,00,000	3,89,50,31,464	5,38,61,31,667

## Statement of Changes in Other Equity for financial year ended on March 31st, 2019

## B. Other Equity

Particular	Reserves and Surplus						Total
	Capital Reserve	Security Premium Reserve	Capital Redemption Reserve	Debenture Redemption Reserve	General Reserve	Retained Earning	
<b>Balances at the beginning of the year 01.04.2018</b>	11,71,75,703	1,33,50,00,000	62,50,000	29,74,500	2,97,00,000	3,01,11,71,368	4,50,22,71,571
Changes in the accounting policies or prior period errors	-	-	-	-	-	-	-
Restated balance at the beginning of the year	11,71,75,703	1,33,50,00,000	62,50,000	29,74,500	2,97,00,000	3,01,11,71,368	4,50,22,71,571
Additions during the Year	-	-	-	-	-	38,34,95,217	38,34,95,217
Total Comprehensive Income for the year	11,71,75,703	1,33,50,00,000	62,50,000	29,74,500	2,97,00,000	3,39,46,66,585	4,88,57,66,788
Dividends	-	-	-	-	-	-	-
Transfer to Retained Earnings	-	-	-	-	-	-	-
<b>Balance at the end of the reporting period 31.03.2019</b>	11,71,75,703	1,33,50,00,000	62,50,000	29,74,500	2,97,00,000	3,39,46,66,585	4,88,57,66,788

In terms of our report of even date.

**For Ashok R Majethia & Co**  
Firm Registration No.: 127769W  
Chartered Accountants

For and on behalf of the Board of Directors

**Ashok Majethia**  
Proprietor  
Membership No.:124781

**Satish Kagliwal**  
Managing Director  
DIN No.: 00119601

**Jeevanlata Kagliwal**  
Director  
DIN No.: 02057459

Place: Aurangabad  
Date: 15 June 2020

**Devinder Khurana**  
Chief Financial Officer

**Dhiraj Rathi**  
Company Secretary



**Nath Bio-Genes (India) Limited**  
**Cash Flow Statement for the year ended March 31, 2020**

	Year ended March 31, 2020		Year ended March 31, 2019	
	Rupees	Rupees	Rupees	Rupees
<b>A. Cash flow from operating activities</b>				
Net profit before tax		<b>48,50,84,764</b>		<b>38,86,82,736</b>
<b>Adjustments for:</b>				
Depreciation expense	1,45,25,755		1,44,65,554	
Provision for Gratuity	80,71,105		5,35,562	
Provision for Compensated Absences	28,96,607		(3,32,784)	
Interest Expenses / Financial Charge	6,54,59,619		5,20,46,403	
Provision (Reversal of Provision) for Bad Debts	(32,77,336)		(29,33,660)	
Profit on sale/ disposal of fixed assets	(12,82,836)		(78,442)	
Loss on sale of fixed assets	10,14,542		-	
Expenses under Other Comprehensive Income	(44,75,444)		(8,39,441)	
Interest income	(1,30,18,886)		(1,72,85,213)	
		<b>6,99,13,126</b>		<b>4,55,77,979</b>
<b>Operating profit before working capital changes</b>		<b>55,49,97,890</b>		<b>43,42,60,715</b>
<b>Adjustments for changes in working capital:</b>				
(Increase)/ Decrease in Trade Receivables	1,34,99,990		(25,68,23,867)	
(Increase)/ Decrease in Inventories	(48,95,18,500)		(31,89,90,342)	
(Increase)/ Decrease in Loans and Advances	(15,95,81,767)		(20,45,85,845)	
(Increase)/ Decrease in Other Current / Non- Current Ass	32,91,827		83,10,305	
Increase/ (Decrease) in Trade Payables	18,00,44,402		13,60,20,316	
Increase/ (Decrease) in Liabilities and Provisions	72,04,587	(44,50,59,462)	(3,28,024)	(63,63,97,457)
<b>Operating profit after working capital changes</b>		<b>10,99,38,428</b>	-	<b>(20,21,36,742)</b>
Reversal of Provision for income tax		(2,16,65,256)		-
Income refund received / (Tax paid)		(1,51,95,143)		(2,72,20,020)
<b>Net cash from operating activities (A)</b>		<b>9,47,43,286</b>		<b>(22,93,56,762)</b>
<b>B. Cash flow from investing activities</b>				
Purchase of fixed assets	(4,23,76,973)		(22,29,55,054)	
Purchase of Intangible Assets	(11,96,57,000)		-	
Purchase of Non-Current Investments	(2,400)		(2,400)	
Sale of tangible assets	46,45,253		8,39,950	
Interest income	1,30,18,886	(14,43,72,234)	1,72,85,212	(20,48,32,292)
<b>Net cash used in investing activities (B)</b>		<b>(14,43,72,234)</b>		<b>(20,48,32,292)</b>
<b>C. Cash flow from financing activities</b>				
Interest Expenses	(6,54,59,618)		(5,20,46,403)	
Increase / (Decrease) in long term secured loan	(20,50,165)		19,44,469	
Increase / (Decrease) in Short term secured loan	11,34,84,797		23,43,79,242	
Increase / (Decrease) in Short term Unsecured loan	96,59,559		1,71,22,295	
	-	5,56,34,573	-	20,13,99,603
<b>Net cash used in financing activities (C)</b>		<b>5,56,34,573</b>		<b>20,13,99,603</b>
<b>Net Decrease in Cash and Cash Equivalents (A+B+C)</b>		<b>60,05,625</b>		<b>(23,27,89,451)</b>
Cash and cash equivalents at the beginning of the year		21,37,93,147		44,65,82,598
Cash and cash equivalents at the end of the year		21,97,98,772		21,37,93,147
<b>Net Decrease in Cash and Cash Equivalents (A+B+C)</b>		<b>60,05,625</b>		<b>(23,27,89,451)</b>

**Nath Bio-Genes (India) Limited**  
**Cash Flow Statement for the year ended March 31, 2018**

	<b>March 31, 2020</b>	<b>March 31, 2019</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>Cash and cash equivalents comprise of:</b>		
Cash on Hand	2,64,863	3,96,398
Bank Balances:		
- In Current Accounts	45,32,908	1,33,95,748
- In term deposit	21,50,01,001	20,00,01,001
<b>Cash and cash equivalents at the end of the year</b>	<b><u>21,97,98,772</u></b>	<b><u>21,37,93,147</u></b>

**Notes:**

- 1 The above Cash Flow Statement has been prepared under "Indirect Method" set out in Indian Accounting Standard - 7 on "Cash Flow Statements".
- 2 Figures in brackets indicate cash outgo.
- 3 Previous year's figures have been regrouped/ rearranged wherever necessary.

As per our report of even date.

**For Ashok R Majethia & Co**  
Firm Registration No.: 127769W  
Chartered Accountants

**For and on behalf of the Board of Directors**

**Ashok Majethia**  
Proprietor  
Membership No.:124781

**Satish Kagliwal**  
Managing Director  
DIN No.: 00119601

**Jeevanlata Kagliwal**  
Director  
DIN No.: 02057459

Place: Aurangabad  
Date: 15 June 2020

**Devinder Khurana**  
Chief Financial Officer

**Dhiraj Rathi**  
Company Secretary

## **1 General Information**

Nath Bio-Genes (India) Limited (CIN L01110MH1993PLC072842) is incorporated under the Companies Act, 1956 with its registered office at Nath House, Nath Road, Aurangabad. The company is 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 Plant 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.

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## **2 SIGNIFICANT ACCOUNTING POLICIES:**

### **A Basis of Preparation and Presentation**

i) The financial statements are prepared on historical cost basis in accordance with applicable Indian Accounting Standards (Ind AS) and on accounting principles of going concern except fixed assets which are measured at fair values. These financial statements have been prepared to comply with all material aspects with the Indian 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) Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policies hitherto in use.

iii) 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 REVENUE RECOGNITION**

i) Revenue is measured at the fair value of the consideration received or receivable where the ownership and significant risk has been transferred to the buyer.

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.

### **C PROPERTY, PLANT AND EQUIPMENTS**

i) Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at deemed cost less and accumulated depreciation. Freehold land is not depreciated.

ii) Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

iii) Furniture and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

iv) An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised to the standalone statement of profit and loss.

v) Seed Development know how acquired by the company is capitalised at the cost of acquisition.

vi) Live stock is stated at cost without any depreciation/ impairment

#### **D BIOLOGICAL ASSETS**

Recognition and measurement

The company recognises the biological asset (agricultural produce) when:

- (a) the company controls the asset as a result of past events;
- (b) it is probable that future economic benefits associated with the asset will flow to the company; and
- (c) the fair value or cost of the asset can be measured reliably

The biological asset are measured at the end of each reporting period at its fair value less costs to sell.

#### **E 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.

#### **F DEPRECIATION / AMORTIZATION**

i) Depreciation on tangible Fixed Assets is provided for on basis of useful life specified in Schedule II to the Act.

ii) Intangible assets such as Gene/Seed Development Know-How are amortized in ten equal yearly instalments 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.

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

#### **G IMPAIRMENT**

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

#### **H RESEARCH AND DEVELOPMENT EXPENDITURE:**

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

## **I INVENTORIES:**

i) Inventories comprise of Unprocessed seeds, Under- Processed Seeds, Processed Seeds, Packing Material and traded goods. Inventories are valued at the lower of cost or the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost is determined on Weighted Average basis. Cost includes all charges in bringing the goods to their present location and condition and receiving charges.

ii) The cost of Under-Processed Seeds and Processed Seeds comprises of direct labour, other direct costs and related production overheads. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

## **J 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.

## **K 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.

## **L EMPLOYEES 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) Retirement benefit costs and termination benefit**

The Company determines the present value of the defined benefit obligation and recognizes the liability or asset in the balance sheet.

The present value of the obligation is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each year

Defined benefit costs are composed of:

(a) service cost – recognized in profit or loss; service cost comprises (i) current cost which is the increase in the present value of defined benefit obligations resulting from employee service in the current period, (ii) past service cost which is the increase in the present value of defined benefit obligations resulting from employee service in the prior periods resulting from a plan amendment, and (iii) gain or loss on settlement.

(b) remeasurements of the liability or asset - recognized in other comprehensive income.

(d) remeasurements of the liability or asset essentially comprise of actuarial gains and losses (i.e. changes in the present value of defined benefit obligations resulting from experience adjustments and effects of changes in actuarial assumptions).

**Short-term benefits:** A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave and other short term benefits in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

**Other long-term benefits:** Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

### **iii) Bonus**

The company recognises a liability and expense for bonus. The company recognises a provision where contractually obliged or where there is past practice that has created a constructive obligation.

## **M BORROWING COST**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred. The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset. The Company suspends capitalisation of borrowing costs during extended periods in which it suspends active development of a qualifying asset

## **N TAXATION**

### **INCOME TAX**

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.

### **DEFERRED TAX**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### **Current and deferred tax for the period**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

The Company recognises interest levied and penalties related to Income Tax assessments in the tax expense.

### **O 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 Production Expenses. 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.

### **P 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.

### **Q USE OF ESTIMATES**

The preparation of Financial Statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of Financial Statements and the reported amounts of revenues and expenses during the reporting period. Difference between the actual results and the estimates are recognised in the period in which the results are known/ materialised.

### **R PROVISION AND CONTINGENT LIABILITIES**

**Provisions:** Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

**Contingent Liabilities:** Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

### **S CASH AND CASH EQUIVALENTS**

In the Cash Flow Statement, cash and cash equivalents includes cash on hand, demand and short term deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

## **T FINANCIAL ASSETS AT AMORTISED COST**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

## **U FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and a contractual terms of the financial assets give rise on the specified dates to cash flows that are solely payment of the principal and interest on the principal amount outstanding.

## **V FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of assets and liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

## **W FINANCIAL LIABILITIES**

Financial liabilities are measured at amortised cost using the effective interest method, if tenure repayment of such liability exceeds one year.

## **X EQUITY INSTRUMENTS**

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. The Company recognises equity instruments at proceeds received net off direct issue cost.

## **Y RECLASSIFICATION OF FINANCIAL ASSETS**

The Company determines classification of the financial assets and liabilities on initial recognitions. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the company's operations. Such changes are evident to external parties. A change in the business model occurs when a company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains and losses) or interest.

## **Z OFFSETTING OF FINANCIAL INSTRUMENTS**

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet if there is currently enforceable legal right to offset the recognized amounts and there is on intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

## **AA LEASES :**

Leases in which a substantial portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments and receipts under such leases are recognised to the Statement of Profit and Loss on a straight-line basis over the term of the lease unless the lease payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases in which case the same are recognised as an expense in line with the contractual term.



## NOTE No 3

## Property, Plant &amp; Equipment for the year ended 31.03.2020

SR. NO.	PARTICULARS	GROSS BLOCK			AS AT 31.03.2020	DEPRECIATION / AMORTISATION					NET BLOCK	
		AS AT 01.04.2019	ADDITION DURING THE YEAR	DEDUCTION DURING THE YEAR		AS AT 01.04.2019	ADJUSTMENT	FOR THE YEAR	DEDUCTION	UP TO 31.03.2020	AS AT 31.03.2020	AS AT 01.04.2019
<b>(A)</b>	<b>TANGIBLE ASSETS</b>											
1	Freehold Land	2,20,45,70,000	-	25,20,177	2,20,20,49,823	-	-	-	-	-	2,20,20,49,823	2,20,45,70,000
	Lease hold land	-	1,90,23,578	-	1,90,23,578	-	-	-	-	-	1,90,23,578	-
2	Factory Building	2,96,41,360	6,21,778	-	3,02,63,138	1,80,80,472	-	4,28,087	-	1,85,08,559	1,17,54,579	1,15,60,888
3	Live Stock	1,08,001	-	-	1,08,001	-	-	-	-	-	1,08,001	1,08,001
4	Plant & Machineries	9,00,07,225	1,08,41,358	-	10,08,48,582	6,26,24,796	-	27,22,871	-	6,53,47,667	3,55,00,915	2,73,82,428
5	Laboratory Equipment	1,69,84,145	20,44,312	-	1,90,28,457	1,37,81,801	-	2,39,708	-	1,40,21,509	50,06,948	32,02,344
6	Agricultural Equipment's	34,75,124	39,46,038	-	74,21,162	6,09,019	-	1,62,760	-	7,71,779	66,49,382	28,66,105
7	Office Equipment's	38,67,339	9,91,947	-	48,59,286	22,88,760	-	2,12,506	-	25,01,266	23,58,020	15,78,579
8	EDP Equipment's	2,93,33,076	32,12,067	43,500	3,25,01,643	2,65,69,708	-	13,14,624	11,473	2,78,72,859	46,28,783	27,63,368
9	Furniture	81,19,691	2,95,808	-	84,15,499	65,37,107	-	1,95,799	-	67,32,906	16,82,593	15,82,584
10	Motor Car & Light Vehicle	7,24,64,599	14,00,088	90,25,106	6,48,39,581	4,69,27,711	-	52,42,700	72,00,352	4,49,70,059	1,98,69,521	2,55,36,888
	<b>TOTAL (A)</b>	<b>2,45,85,70,560</b>	<b>4,23,76,973</b>	<b>1,15,88,783</b>	<b>2,48,93,58,750</b>	<b>17,74,19,375</b>	<b>-</b>	<b>1,05,19,055</b>	<b>72,11,825</b>	<b>18,07,26,805</b>	<b>2,30,86,32,145</b>	<b>2,28,11,51,185</b>
<b>(B)</b>	<b>INTANGIBLE ASSETS</b>											
	Seed Development Know How	4,00,00,000	11,95,90,000	-	15,95,90,000	40,00,000	-	40,00,000	-	80,00,000	15,15,90,000	3,60,00,000
	Brands	-	67,000	-	67,000	-	-	6,700	-	6,700	60,300	-
	<b>TOTAL (B)</b>	<b>4,00,00,000</b>	<b>11,96,57,000</b>	<b>-</b>	<b>15,96,57,000</b>	<b>40,00,000</b>	<b>-</b>	<b>40,06,700</b>	<b>-</b>	<b>80,06,700</b>	<b>15,16,50,300</b>	<b>3,60,00,000</b>
	<b>TOTAL (A) + (B)</b>	<b>2,49,85,70,560</b>	<b>16,20,33,973</b>	<b>1,15,88,783</b>	<b>2,64,90,15,750</b>	<b>18,14,19,375</b>	<b>-</b>	<b>1,45,25,755</b>	<b>72,11,825</b>	<b>18,87,33,305</b>	<b>2,46,02,82,445</b>	<b>2,31,71,51,185</b>
	<b>Previous Year</b>	<b>2,27,93,01,233</b>	<b>22,29,55,054</b>	<b>36,85,727</b>	<b>2,49,85,70,560</b>	<b>16,98,78,041</b>	<b>-</b>	<b>1,44,65,554</b>	<b>29,24,220</b>	<b>18,14,19,375</b>	<b>2,31,71,51,185</b>	

## Notes:

1. The Company has further acquired Seed Development know How (Fusion Bt Gene technology) from a related party at a consideration of Rs.11,95,90,000, at the year end, as valued by an independant valuer. The company would amortise the same in 10 equal installments from the year in which economic benefit starts arising.

2. Freehold land purchased from a related party, admeasuring 75.76 Hectares (Previous year : 57.77 Hectares) is yet to be registered in the name of Company with the Sub-Registrar of the land registry.

3. The company has acquired 2 industrial plots totally admeasuring 11190.34 Sq Mt in Paithan Mega Food Park, Tal. Paithan, Dist. Aurangabad on long term lease hold rights basis for future expansion of the processign plant.

	As at March 31, 2020 Rupees	As at March 31, 2019 Rupees
<b>4 NON CURRENT INVESTMENTS</b>		
<b>UNQUOTED; AT COST; NON-TRADE</b>		
Nath Cooperative Society (1800 (Previous year : 1560) equity shares of Rs. 10 each )	35,275	32,875
<b>UNQUOTED; AT COST; TRADE</b>		
Investment in Associate Company holding 19.98% (Previous year: 21.76%) in the paid up capital of investee company Equity shares in Paithan Mega Food Parks Pvt Ltd (49,94,000 Equity shares of Rs. 10 each)	4,99,40,000	4,99,40,000
	<b>4,99,75,275</b>	<b>4,99,72,875</b>
<b>5 OTHER NON CURRENT FINANCIAL ASSETS</b> [Unsecured, Considered Good (unless otherwise stated)]		
Security Deposits	22,07,803	18,16,998
	<b>22,07,803</b>	<b>18,16,998</b>
<b>6 DEFERRED TAX ASSETS (NET)</b>		
<b>Liability:-</b>		
WDV of Fixed Asset	48,67,833	41,12,459
	<b>48,67,833</b>	<b>41,12,459</b>
<b>Assets:-</b>		
Gratuity	66,76,647	56,37,997
Leave Encashment	22,98,514	19,01,542
Expenses disallowed u/s 43B of Income Tax Act	28,29,965	38,13,533
Total Deferred Tax assets at the year end	<b>1,18,05,126</b>	<b>1,13,53,072</b>
<b>Net Deferred Tax</b>	<b>69,37,293</b>	<b>72,40,613</b>
Less: Opening deferred tax assets	72,40,613	86,19,946
Deferred Tax Assets recognized during the year	-3,03,320	-13,79,333
In view of agriculture income earned by the company, carried forwarded business losses and unabsorbed depreciation have not been recognised for the purpose of deferred tax assets, as a matter of prudence.		
<b>7 OTHER NON-CURRENT ASSETS</b> [Unsecured, Considered Good]		
Capital Advances	84,41,200	1,25,00,000
Others	-	1,57,195
	<b>84,41,200</b>	<b>1,26,57,195</b>

**Nath Bio-Genes (India) Limited**  
**Notes to Financial Statements for the year ended March 31, 2020**

8 INVENTORIES	As at	
	March 31, 2020	March 31, 2019
Stores and Packing Materials	6,85,92,981	6,15,35,824
Processed Seeds	1,82,95,78,025	1,37,17,98,572
Unprocessed Seeds	10,04,39,816	9,89,41,562
Seed (Traded Stock)	99,14,502	59,98,427
Plant Nutrient Supplement	3,45,55,388	1,52,87,827
	<b>2,04,30,80,712</b>	<b>1,55,35,62,212</b>

There are no biological assets held as on the balance sheet date.

**9 TRADE RECEIVABLES**

i) Secured: Considered Good

Due for a period of less than six months	4,98,61,135	5,88,06,859
Due for a period of more than six months	1,22,36,207	96,03,870

ii) Unsecured: Considered Good

Due for a period of less than six months	89,70,51,094	89,45,34,536
Due for a period of more than six months	11,08,79,157	11,73,04,982

ii) Unsecured: Considered doubtful:

Due for a period of more than six months	2,87,13,855	2,54,36,519
Less: Allowances for doubtful debtors	(2,87,13,855)	(2,54,36,519)

**1,07,00,27,593**      **1,08,02,50,247**

Note:

**Movement in the allowances for doubtful debts**

Particulars		
Opening provision	2,54,36,519	2,25,02,859
Add: Allowances made during the year	32,77,336	30,12,154
Less: Written off during the year	-	78,494
Closing Provision	2,87,13,855	2,54,36,519
Trade receivables from the Related parties including Directors	-	-

**10 CASH AND BANK BALANCES**

Cash and Cash Equivalents	As at	
	March 31, 2019	March 31, 2018
Cash on Hand (includes \$ 806 and SOM 133)	2,64,863	3,96,398
Bank Balances in Current Account	45,32,908	1,33,95,748
	<b>47,97,771</b>	<b>1,37,92,146</b>
<b>Other Bank Balances</b>		
- Fixed Deposits with original maturity more than 3 months but less than 12 months	20,00,01,001	20,00,01,001
- Current Maturities of Fixed Deposits with original maturity less than 3 months	1,50,00,000	-
- Lien Marked in favour of Armour APMC	50,000	-
	<b>21,50,01,001</b>	<b>20,00,01,001</b>
	<b>21,97,98,772</b>	<b>21,37,93,147</b>

	As at March 31, 2020 Rupees	As at March 31, 2019 Rupees
<b>11 OTHER CURRENT FINANCIAL ASSETS</b> [Unsecured, Considered Good]		
Advances to a related parties	38,17,168	9,92,20,941
Advances against seed production	1,30,82,18,044	1,03,54,44,410
Advances against purchase	2,25,10,465	4,89,06,464
Advances to Staff	1,15,35,427	33,18,326
	<b>1,34,60,81,104</b>	<b>1,18,68,90,141</b>
<b>12 CURRENT TAX ASSETS (NET)</b>		
Balances with Income Tax department	2,77,64,259	2,16,44,281
Income tax MAT Receivable	4,82,81,269	-
	<b>7,60,45,528</b>	<b>2,16,44,281</b>
<b>13 OTHER CURRENT ASSETS</b> [Unsecured, Considered Good]		
VAT Receivable	26,20,318	26,20,318
GST Receivable	5,96,86,760	3,55,47,432
Less: Provision for ITC on exempt goods / services	(4,75,09,314)	(2,59,11,680)
Prepaid Expenses	17,81,463	33,98,989
	<b>1,65,79,227</b>	<b>1,56,55,059</b>

14 SHARE CAPITAL

	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised Share Capital</b>				
Equity Shares of Rs.10 each	2,05,00,000	20,50,00,000	2,05,00,000	20,50,00,000
16% Cumulative Redeemable Preference Shares of Rs.100 each	50,000	50,00,000	50,000	50,00,000
	<b>2,05,50,000</b>	<b>21,00,00,000</b>	<b>2,05,50,000</b>	<b>21,00,00,000</b>
<b>Issued, Subscribed and Paid up</b>				
Equity Shares of Rs.10 each	1,90,04,000	19,00,40,000	1,90,04,000	19,00,40,000
	<b>1,90,04,000</b>	<b>19,00,40,000</b>	<b>1,90,04,000</b>	<b>19,00,40,000</b>

(a) Reconciliation of Number of Shares

	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
<b>Equity Shares:</b>				
Balance as at the beginning of the year	1,90,04,000	19,00,40,000	1,90,04,000	19,00,40,000
Add: Shares issued during the year*	-	-	-	-
Add: Bonus Shares issued during the year	-	-	-	-
Balance as at the end of the year	<b>1,90,04,000</b>	<b>19,00,40,000</b>	<b>1,90,04,000</b>	<b>19,00,40,000</b>

(b) Rights, Preferences and Restrictions attached to Shares

The Company has one class of equity shares having a par value of Rs. 10 per share. 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 shareholders are 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 Shares held by Shareholders holding more than 5% of the aggregate shares in the Company

	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	% holding	No. of Shares	% holding
<b>Equity Shares</b>				
a) Akash Farms Pvt Ltd	20,42,452	10.75	18,38,877	9.68
b) Ashu Farms Pvt Ltd	20,88,449	10.99	20,88,449	10.99
c) Agri-Tech India Ltd	14,95,131	7.87	14,95,131	7.87
d) Aditya Birla Sunlife Mutual Fund	11,88,272	6.25	11,89,909	6.26
e) Mentor Capital Limited	-	0.00	15,91,137	8.37
f) Authum Investment and Infrastructure Limited	28,58,649	15.04	0	0

	Year Ended March 31, 2019 Rupees	Year Ended March 31, 2018 Rupees
<b>15 Other Equity</b>		
Capital Reserve	11,71,75,703	11,71,75,703
Securities Premium Reserve	1,33,50,00,000	1,33,50,00,000
Capital Redemption Reserve	62,50,000	62,50,000
Debenture Redemption Reserve	29,74,500	29,74,500
General Reserve	2,97,00,000	2,97,00,000
Retained Earnings	3,89,50,31,464	3,39,46,66,585
	<u>5,38,61,31,667</u>	<u>4,88,57,66,788</u>
<b>16 Non- Current Financial Liabilities - Borrowings</b>		
<b>SECURED LOANS</b>		
Term Loan against Vehicles	29,95,664	50,45,829
Secured by hypothecation of vehicles purchased in the name of company/ directors of the company. The loan is repayable within a period ranging from one to five years		
	<u>29,95,664</u>	<u>50,45,829</u>
<b>17 Non-Current Provisions</b>		
<b>Provisions for Employee Benefits</b>		
Gratuity	1,81,67,590	1,39,52,290
Compensated Absence	59,22,498	49,25,099
	<u>2,40,90,088</u>	<u>1,88,77,389</u>
<b>18 Current Financial Liabilities - Borrowings</b>		
<b>SECURED</b>		
a) From Consortium of Banks	62,72,13,060	51,37,28,263
(Secured by way of hypothecation of stock of seeds and trade receivables; collaterally secured by way of mortgage of land admeasuring 20503.544 Sq. and building thereupon meters situated at Gut No 64/2 (part) Itkeda, Aurangabad. Also personally guaranteed by two main promoters of the Company)		
<b>UNSECURED</b>		
a) Deposits from Dealers	5,00,63,035	4,32,17,935
b) Loans from Others	1,77,74,227	1,49,59,769
	<u>69,50,50,322</u>	<u>57,19,05,967</u>

	<b>As at March 31, 2020 Rupees</b>	<b>As at March 31, 2019 Rupees</b>
<b>19 Other Current Financial Liabilities - Trade Payable</b>		
Sundry Creditors for Seeds/Supplies	56,79,22,599	39,68,88,553
Sundry Creditors - SME Sector	44,33,254	48,30,458
Sundry Creditors for staff balances	7,69,62,414	6,94,35,698
Others Creditors	3,27,39,154	3,08,58,309
	<u>68,20,57,420</u>	<u>50,20,13,017</u>
<b>20 Other Current Financial Liabilities</b>		
<b>Current maturities of long term debts</b>		
Vehicle Loan	34,48,551	45,19,478
<b>Other Payables</b>		
Credit Balance in Debtors	6,91,54,330	5,94,78,833
Statutory Liabilities	1,65,27,605	1,77,59,119
Advance against Sales	19,61,07,520	19,62,75,989
	<u>28,52,38,006</u>	<u>27,80,33,419</u>
<b>21 Other Current Financial Liabilities - Provisions</b>		
<b>Provisions for Employee Benefits</b>		
Gratuity	67,91,837	29,36,032
Compensated Absences	26,70,078	7,70,870
	<u>94,61,915</u>	<u>37,06,902</u>
<b>22 Other Current Financial Liabilities - Tax Liabilities</b>		
Income Tax (MAT)	2,43,91,870	52,44,643
	<u>2,43,91,870</u>	<u>52,44,643</u>

	Year Ended March 31, 2020 Rupees	Year Ended March 31, 2019 Rupees
<b>23 Revenue from Operations</b>		
<b>Sale of Agriculture Produce</b>		
Commercial Seeds	2,41,02,70,956	2,02,28,93,361
Foundation Seeds	93,08,378	65,96,352
	<b>2,41,95,79,334</b>	<b>2,02,94,89,712</b>
<b>Sale of Traded Goods</b>		
Plant Nutrient Supplements	29,19,82,322	23,88,12,016
Vegetable Seeds	7,74,17,921	2,56,37,021
	<b>36,94,00,243</b>	<b>26,44,49,037</b>
<b>Other Operating Revenue:</b>		
Remnant	84,86,064	1,08,00,470
Farm Produce Sale	14,04,593	8,11,914
Income from Export Benefit Schemes	34,911	37,38,112
	<b>99,25,568</b>	<b>1,53,50,496</b>
	<b>2,79,89,05,145</b>	<b>2,30,92,89,245</b>
<b>Crop Wise sale:-</b>	<b>Rs in Lakhs</b>	<b>Rs in Lakhs</b>
Paddy	8,872.78	8,318.58
Cotton	8,507.76	5,898.69
Maize	661.23	1,707.42
Mustard	1,055.49	995.05
Vegetables	2,944.85	2,267.31
Plant Nutrient Supplement	2,909.67	2,388.12
Other Field Crops	2,938.02	1,364.22
	<b>27,889.80</b>	<b>22,939.39</b>
<b>24 Other Income</b>		
Interest Received	1,30,18,886	1,72,85,213
Profit on Sale of Fixed Assets	12,82,836	78,442
Insurance claim received	9,09,931	6,84,661
Foreign Exchange gain	22,79,559	23,52,566
Excess Provision W/back	3,16,445	18,74,865
Other Miscellaneous Income	4,17,162	4,59,711
	<b>1,82,24,820</b>	<b>2,27,35,457</b>
<b>25 Production Expenses</b>		
Seed Production Expenses	1,35,31,76,169	99,79,42,877
Lease Rent for agricultural land {Also refer note no 41(ii)}	10,96,55,180	8,41,95,014
	<b>1,46,28,31,349</b>	<b>1,08,21,37,891</b>



**Nath Bio-Genes (India) Limited**  
**Notes to Financial Statements for the year ended March 31, 2020**

	<b>Year Ended March 31, 2020 Rupees</b>	<b>Year Ended March 31, 2019 Rupees</b>
<b>26 Changes in Inventories (Increase)/ Decrease in Stocks</b>		
<b>Closing Stock</b>		
Processed Seeds	1,82,95,78,025	1,37,17,98,572
Unprocessed Seeds	10,04,39,816	9,89,41,562
Seed (Traded)	99,14,502	59,98,427
Plant Nutrient Supplement	3,45,55,388	1,52,87,827
	<b>1,97,44,87,731</b>	<b>1,49,20,26,388</b>
<b>Opening Stock</b>		
Processed Seeds	1,37,17,98,572	1,09,50,41,244
Unprocessed Seeds	9,89,41,562	7,30,44,098
Seed (Traded)	59,98,427	1,24,000
Plant Nutrient Supplement	1,52,87,827	1,92,10,000
	<b>1,49,20,26,388</b>	<b>1,18,74,19,342</b>
	<b>48,24,61,343</b>	<b>30,46,07,046</b>
<b>27 Employee Benefits Expense</b>		
Salaries, Wages and Bonus	16,02,86,065	12,98,60,115
Contribution to Provident and Other Funds	81,11,563	66,25,374
Staff Welfare Expenses	30,44,360	29,98,957
Staff Incentive	1,59,29,958	2,47,96,891
	<b>18,73,71,946</b>	<b>16,42,81,337</b>
<b>28 Finance Costs</b>		
Interest Expenses	6,33,69,114	4,93,82,887
Processing Charges	20,90,505	26,63,516
	<b>6,54,59,619</b>	<b>5,20,46,403</b>
<b>29 Depreciation Expense</b>		
Depreciation on Tangible Assets	1,05,19,055	1,44,65,554
Amortisation of Intangible Assets	40,06,700	-
	<b>1,45,25,755</b>	<b>1,44,65,554</b>

	Year Ended March 31, 2020 Rupees	Year Ended March 31, 2019 Rupees
<b>30 Other Expenses</b>		
<b>A. Seed Conditioning Expenses</b>		
Freight Inward	1,50,82,904	1,61,71,248
Labour Wages	3,33,36,945	2,54,95,186
Stores and Processing Materials consumed	10,57,10,870	13,58,48,985
Power and Fuel	1,02,35,264	95,41,579
Repairs and Maintenance (Machinery)	34,10,127	31,43,991
Repairs and Maintenance (Factory Building)	6,90,803	8,40,098
Hamali & Cartage - Processing Plant	1,34,19,334	1,06,96,823
Processing Expenses	1,78,05,537	1,79,82,409
Other Seed Conditioning Expenses	89,65,290	43,27,107
	<b>20,86,57,074</b>	<b>22,40,47,424</b>
<b>B. Administrative Expenses</b>		
Rent	2,76,37,712	2,58,93,944
Rates and Taxes	6,96,780	37,04,089
Insurance	35,57,353	37,49,938
Legal & Professional Expenses	2,72,68,706	3,13,81,361
Repairs and Maintenance - Office Building	17,47,666	17,48,712
Running and maintenance - Vehicle	2,53,32,272	2,81,30,929
Repairs and Maintenance - Others	32,09,125	25,07,756
Communication	36,87,914	39,71,530
Printing & Stationery	25,43,027	24,29,826
Auditors' Remuneration:		
Statutory Audit Fee	6,10,000	5,60,000
Tax Audit Fee	-	-
Other services	1,10,000	77,000
Directors' remuneration	48,00,000	48,00,000
Foreign Exchange Loss	-	-
Loss on sale of fixed assets	10,14,542	48,050
Miscellaneous Expenses	37,34,127	54,47,909
Bank Charges	10,84,315	12,09,101
Security Charges	33,01,712	41,15,918
Corporate Social Responsibility Expenditure (Refer Note No 47)	59,83,000	44,31,736
	<b>11,63,18,250</b>	<b>12,42,07,800</b>
<b>C. Selling Expenses</b>		
Travelling and Conveyance	4,24,41,694	3,08,92,464
Advertisement and Sales Promotion	2,60,66,314	2,41,49,437
Field Days, Visits & Campaigns	7,63,00,069	5,39,66,618
Freight Outward	6,68,82,535	5,16,26,130
Commission	12,112	1,14,000
Other selling expenses	2,96,91,923	1,73,52,683
Provisions for Bad Debts	32,77,336	30,38,805
Bad debts written off	-	78,494
Royalty	1,34,65,220	1,09,09,131
Sundry debit balances written off	2,63,691	8,46,816
	<b>25,84,00,894</b>	<b>19,29,74,578</b>
<b>D. Discount, Schemes and Incentives</b>		
Cash Discounts	3,13,63,958	2,71,54,148
Quantity Discounts	19,40,73,668	15,34,45,910
Additional Discount	11,09,90,497	6,82,64,555
	<b>33,64,28,124</b>	<b>24,88,64,613</b>
<b>E. Research and Development Expenses</b>		
Fieldwork Expenses	40,58,549	73,08,484
Laboratory Expenses	1,25,25,556	1,17,18,285
Salary, Wages and Other Expenses	4,95,53,222	4,38,71,101
Travel and Vehicle maintenance	49,42,358	48,80,866
Farm Lease Rent	35,39,490	36,51,676
Farming Expenses & Consumables	1,31,56,099	1,19,06,143
Membership and Meetings	32,55,983	66,69,291
	<b>9,10,31,257</b>	<b>9,00,05,845</b>
<b>Total (A+B+C+D+E)</b>	<b>1,01,08,35,599</b>	<b>88,01,00,260</b>

### 31 Fair Value Measurement

Particular	Carrying Amount		Fair Value	
	as at 31st March 2020	as at 31st March 2019	as at 31st March 2020	as at 31st March 2019
<b>FINANCIAL ASSETS</b>				
Financial Assets measured at amortised cost				
a) Non-Current Investment	4,99,75,275	4,99,72,875	4,99,75,275	4,99,72,875
b) Security Deposits	22,07,803	18,16,998	22,07,803	18,16,998
c) Trade Receivable	1,07,00,27,593	1,08,02,50,247	1,07,00,27,593	1,08,02,50,247
d) Cash on hand	2,64,863	3,96,398	2,64,863	3,96,398
e) Bank Balance	21,95,33,909	21,33,96,749	21,95,33,909	21,33,96,749
f) Advances to a related parties	38,17,168	9,92,20,941	38,17,168	9,92,20,941
g) Advances against seed production	1,30,82,18,044	1,03,54,44,410	1,30,82,18,044	1,03,54,44,410
h) Advances against purchase	2,25,10,465	4,89,06,464	2,25,10,465	4,89,06,464
i) Advances to Staff	1,15,35,427	33,18,326	1,15,35,427	33,18,326
j) Balances with Income Tax department	7,60,45,528	2,16,44,281	7,60,45,528	2,16,44,281
<b>FINANCIAL LIABILITIES</b>				
Financial Liabilities measured at amortised cost				
a) Non-Current Borrowings	29,95,664	50,45,829	29,95,664	50,45,829
b) Current Borrowings	69,50,50,322	57,19,05,967	69,50,50,322	57,19,05,967
c) Trade Payable	68,20,57,420	50,20,13,017	68,20,57,420	50,20,13,017
d) Current Maturity of Long term debts	34,48,551	45,19,478	34,48,551	45,19,478
e) Other Payables	28,17,89,455	27,35,13,941	28,17,89,455	27,35,13,941

The management assessed that the fair values of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short term maturities of these instruments. The fair value of financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction among willing parties, other than in a forced or liquidation sale

The Company determines fair values of financial assets and financial liabilities by discounting contractual cash inflows/ outflows using prevailing interest rates of financial instruments with similar terms. The fair value of investment is determined using quoted net assets value from the fund. Further, the subsequent measurement of all finance assets and liabilities (other than investment in mutual funds) is at amortized cost, using the effective interest method.

#### Discount rates used in determining fair value

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of the borrower which in case of financial liabilities is the weighted average cost of borrowing of the Company and in case of financial assets is the average market rate of similar credits rated instrument.

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. In addition, the Company internally reviews valuation, including independent price validation for certain instruments.

Fair value of financial assets and liabilities is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The following methods and assumptions were used to estimate fair value:-

- Fair value of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short term maturities of these instruments.
- The fair value of the Company's interest borrowing received are determined using discount rate reflects the entity's borrowing rate as at the end of the reporting period. The own non performance risk as at the end of reporting period was assessed to be insignificant.

#### Fair value hierarchy

All financial instruments for which fair value is recognized or disclosed are categorized within the fair value hierarchy described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

Level -1

Quoted (unadjusted) price is active market for identical assets or liabilities

Level 2:

Valuation technique for which the lowest level input that has a significant effect on the fair value measurement are observed, either directly or indirectly.

Level 3

Valuation technique for which the lowest level input has a significant effect on the fair value measurement is not based on observation market data.

### 32 Financial Instruments and Risk Review

#### i) Capital Management

The Company's capital management objectives are:-

The Board policy is to maintain a strong capital base so as to maintain investor, creditors and market confidence and to future development of the business. The Board of Directors monitors return on capital employed.

The Company manages capital risk by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary.

The Company uses debt ratio as a capital management index and calculates the ratio as Net debt divided by total equity. Net debt and total equity are based on the amounts stated in the financial statements.

Debt-to-equity ratio is as follows

Particular	as at 31st March 2020	as at 31st March 2019
Net Debts (A) *	48,16,95,765	36,76,78,127
Equity (B) **	5,57,61,71,667	5,07,58,06,788
Debt Ratio % (A/B)	8.64	7.24

\* Net Debts includes Non-Current borrowings, Current borrowings, Current Maturities of non current borrowing net off Current Investment and cash and cash equivalent

\*\* Equity Include Paid up Share Capital and Other Equity.

#### ii) Credit Risk

Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to contractual terms or obligations. Credit risk encompasses both, the direct risk of default and the risk of deterioration of credit worthiness as well as concentration of risks. Credit risk is controlled by analysing credit limit and creditworthiness of customers on a continuous basis to whom the credit has been granted offer necessary approvals for credit.

Financial instruments that are subject to concentration of credit risk principally consists of trade receivable investments, derivative financial instruments and other financial assets. None of the financial instruments of the Company results in material concentration of credit risk

#### Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk is as under, being the total of the carrying amount of balances with trade receivables.

As on	Amount in Rs
31st March, 2020	1,07,00,27,593
31st March, 2019	1,08,02,50,247

#### Trade receivables

Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each date of financial statement whether a financial asset or group of financial assets is impaired. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to 12 months expected credit losses or at an amount equal to the life time expected credit losses, if the credit risk on the financial asset has increased significantly since initial recognition

Before accenting any new customer, the Company uses an external/internal credit scoring system to asses potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customer are reviewed periodic basis

#### iii) Liquidity Risk

##### a) Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

##### b) Maturities of financial liabilities

The following tables detail the remaining contractual maturities for its financial liabilities with agreed repayment period. The amount disclosed in the tables have been draw up based on the undiscounted cash flow of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

Particular	31st March 2019		31st March 2019	
	Less than 1 year	More than 1 year	More than 1 year	Less than 1 year
<b>Financial Liabilities</b>				
Trade Payables	67,85,22,783	35,34,637	49,84,78,380	35,34,637
Working capital demand Loan	62,72,13,060	-	51,37,28,263	-
Loan/Term Loan (at variable rate)	2,07,69,891	34,48,551	2,00,05,598	45,19,478
<b>Total</b>	<b>1,32,65,05,735</b>	<b>69,83,188</b>	<b>1,03,22,12,241</b>	<b>80,54,115</b>

##### c) Maturities of financial assets

The details of the Company's expected maturity for financial assets is given in note no 30. The table has been drawn up on based on the undiscounted contractual maturities of the financial assets including interest that will be earned such assets.

#### iv) Market Risk

Market risk is risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market prices. Such changes in the value of financial instruments may result from changes in the foreign currency exchange rate, interest rate, credit, liquidity and other market changes.

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

		Current Year Rs.	Previous Year Rs.
<b>33</b>	<b>Contingent liabilities not provided for in respect of:-</b>		
a)	Claims against the Company not acknowledged as debts in respect of legal cases including consumer cases.	96,12,150	1,05,41,250
b)	Corporate Guarantee given in favour of IDBI Bank and Janakalyan Sahakari Bank towards Term Loan taken by Paithan Mega Food Park Pvt Ltd, (PMFPPL) a related company. The liability of the PMFPPL is Rs. 36,32,00,000 as on the year end. Further, promoters of PMFPPL have pledged their equity shares in favour of the company securing the above corporate guarantee.	43,60,00,000	43,60,00,000
<b>34</b>	Estimated value of contract in capital account remaining to be executed and not provided for (Net of advances of Rs. 3,27,93,164; Previous year Rs. 1,25,00,000)	2,43,51,964	52,00,000

**35** 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.

**36** Certain accounts of Trade Receivable, Trade Payable, Unsecured Loans, Employees, 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>37</b>	<b>Managerial Remuneration:</b>	Current Year (Rs.)	Previous year (Rs.)
	Mr. Satish Kagliwal, Managing Director :-	48,00,000	48,00,000
	Mr. Devinder Khurana, Chief Financial Officer	59,00,000	54,00,000
	Mr. Dhiraj Rathi, Company Secretary (Appointed on 31.07.2018)	4,80,000	2,00,000

**38** Disclosures as required by the Micro, Small and Medium Enterprises Development Act, 2006 are as under:-

Particulars	Amount (In Rupees) Year Ended March 31, 2020	Amount (In Rupees) Year Ended March 31, 2019
	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	44,33,254
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	8,70,090	7,95,953
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	1,00,30,437	74,45,694
The amount of interest due and payable for the period of making delay payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	6,45,626	84,62,111
Interest due and payable towards suppliers registered under MSMED Act, for payment already made	8,70,090	6,45,626
Further interest remaining due and payable for earlier years	-	-

Note:- This information has been given in respect of such vendors to the extent they could be identified as Micro and Small enterprises on the basis of information available with the Company.

**39** The Information related to Segmental Reporting as required to be disclosed in accordance with the Indian accounting standard: '108-operating Segment' are as under:-

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

Criteria	Segments
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)			0
i	External Sales/Income			
		CY	2,17,36,42,778	28,88,34,243
		PY	1,86,47,32,616	19,56,92,016
				2,46,24,77,021
ii	Inter-segment Sale	-	-	0
		CY	-	1,82,24,820
		PY	-	2,27,35,457
				1,82,24,820
iii	Other Income	-	1,82,24,820	1,82,24,820
		CY	-	-
		PY	-	2,27,35,457
				2,27,35,457
	Change in inventory	(46,56,11,343)	(1,68,50,000)	-48,24,61,343
		CY	(46,56,11,343)	-
		PY	(29,98,21,046)	(47,86,000)
				-30,46,07,046
iv	Total Revenue	CY	2,63,92,54,121	32,39,09,063
		PY	2,16,45,53,662	22,32,13,473
				2,96,31,63,184
b	Total Revenue of each segment as a percentage of total revenue of all segment	CY	89.07	10.93
		PY	90.65	9.35
				100
	Less: Production Expenses /Purchases	CY	1,53,31,95,219	10,88,29,275
		PY	1,20,28,89,875	7,00,14,568
				1,64,20,24,494
	Less: Other Expenses	CY	73,79,89,659	9,80,64,266
		PY	65,72,09,891	6,89,70,064
				83,60,53,926
				72,61,79,955
c	Segment Result [Profit/(loss)]	CY	36,80,69,243	11,70,15,521
		PY	30,44,53,896	8,42,28,841
				48,50,84,764
				38,86,82,737
d	Segment Result as a percentage of segmental result to the Profit	CY	75.88	24.12
		PY	78.33	21.67
				100

(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 production or trading, have been made by the management in the ratio of turnover and relied upon by the auditors.

**Geographical Segment:**

(Rupees)

Particulars	Year Ended March 31, 2020			Year Ended March 31, 2019		
	India	Outside India	Total	India	Outside India	Total
<b>Revenue</b>						
External Segment Revenue	2,73,84,66,388	6,04,38,757	2,79,89,05,145	2,28,04,70,184	2,88,19,061	2,30,92,89,245
<b>Total Segment Revenue</b>	<b>2,73,84,66,388</b>	<b>6,04,38,757</b>	<b>2,79,89,05,145</b>	<b>2,28,04,70,184</b>	<b>2,88,19,061</b>	<b>2,30,92,89,245</b>
<b>Other Information</b>						
Carrying Amount of Segment Assets	7,28,69,23,043	1,25,33,909	7,29,94,56,952	6,44,52,95,218	1,53,38,736	6,46,06,33,954

40 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.

41 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 farmers/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 compensated the production expenses (Refer Note No .25) based upon the agreements entered into with the farmers/ growers.

**42 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	76,50,077	62,32,882
- Employers Contribution to ESI	2,27,507	1,93,222
- Employers Contribution to Labour Welfare Fund	6,472	6,048

**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 Indian Accounting Standard 19, 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	6.82%	7.79%
Salary escalation rate	6%	6%
Expected rate of return on Plan Assets	-	-
Expected average remaining service of employee in the number of years	-	-

Disclosures for defined benefit plans based on Actuarial Reports as at 31st March 2020

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

Particulars	Current Year	Previous Year
Present value of obligations at the beginning of the year	1,68,88,322	1,63,52,760
Current Service Cost	16,89,638	14,57,370
Liability Transferred in / acquisition	12,24,981	0
Past Current Service Cost	0	0
Interest Cost	13,15,600	12,83,692
Actuarial (Gain) / Loss	44,75,444	8,39,441
Benefit paid	-6,34,558	-30,44,941
<b>Present value of obligations at the end of the year</b>	<b>2,49,59,427</b>	<b>1,68,88,322</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	6,34,558	30,44,941
Actuarial gain / (loss) on plan assets	-	-
Benefit paid	-6,34,558	-30,44,941
<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 2020**

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 end of the year	0	0
Present value of unfunded (assets) / obligations as at the end of the year	2,49,59,427	1,68,88,322
Unrecognized past service cost	0	0
Unrecognized actuarial (gain)/loss	0	0
<b>Unfunded net (Assets)/liability recognized in the Balance Sheet as at the end of the year</b>	<b>2,49,59,427</b>	<b>1,68,88,322</b>

**e) Net employee benefit expense (Recognized in employment cost) for the year ended on 31st March 2020**

Particulars	Current Year	Previous Year
Current Service Cost	16,89,638	14,57,370
Interest Cost	13,15,600	12,83,692
Expected return on plan assets	-	-
Net Actuarial (Gain) / Loss recognized in the year	44,75,444	8,39,441
Past Service cost	0	0
<b>Net Gratuity (Income) / expense</b>	<b>74,80,682</b>	<b>35,80,503</b>

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

Particulars	Current Year	Previous Year
Present value of obligation	2,49,59,427	1,68,88,322
Fair value of plan assets	-	-
(Surplus) / Deficit	2,49,59,427	1,68,88,322
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. 85,92,576 (Previous year liability Rs. 56,95,969)**

**43 Related parties disclosure**

List of related parties

a) **Associates:-**

- i) Global Transgenes Ltd.
- ii) Agri Tech (India) Ltd.
- iii) Nath Biotechnologies Ltd.
- iv) Paithan Mega Food Parks Pvt Ltd

b) **Key Management Personnel:-**

- Mr. Satish Kagliwal (Managing Director)  
 Mr. Devinder Khurana (Chief Financial Officer)  
 Mr Dhiraj Rathi (Company Secretary)

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.	Purchase of Seed	-	31,74,999
		Purchases of Gene Development Know How	11,95,90,000	-
		Purchase of Machinery and other fixed assets	68,79,659	-
		Reimbursement of expenses paid	1,15,17,324	1,08,61,000
2	Agri Tech (India) Ltd.	Incentive granted	8,81,750	8,57,285
		Amount Received	1,72,21,338	4,83,56,257
		Transfer (credit to account)	65,29,293	1,51,650
		Amount Paid	1,47,38,610	5,56,68,257
		Transfer (debit to account)	54,08,219	2,08,16,142
3	Nath Biotechnologies Ltd.	Land Purchase	-	20,21,00,000
		Transfer (debit to account)	6,81,568	91,91,979
		Amount Recovered	11,29,93,508	67,20,415
		Amount Paid	2,10,92,976	1,57,26,242
4	Paithan Mega Food Park Pvt Ltd	Transfer (credit to account)	5,76,718	5,79,871
		Warehouse Rent	1,14,28,000	1,15,00,000
		Purchase of Leasehold Land	1,90,23,578	-
		Advance given against purchase of land	40,00,000	1,25,00,000
5	Satish Kagliwal	Reimbursement of expenses paid	17,77,437	7,50,008
		Remuneration	48,00,000	48,00,000
6	Devinder Khurana	Remuneration	59,00,000	54,00,000
7	Dhiraj Rathi	Remuneration	4,80,000	2,00,000

e) Out standing balances at the year end		as on 31.03.2020 Rs.	as on 31.03.2019 Rs.
1	Global Transgenes Ltd.	1,82,07,952 Cr	4,289 Dr
2	Agri Tech (India) Ltd.	38,17,168 Dr	74,20,970 Dr
3	Nath Biotechnologies Ltd.	0	9,17,95,682 Dr
4	Paithan Mega Food Parks Pvt Ltd	80,00,000 Dr	9,93,066 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.

44 FOREIGN CURRENCY TRANSACTIONS	Current Year Rs.	Previous Year Rs.
CIF value of Imports: Purchase of Win Chi Win & Vegetable Seeds	4,01,89,823	3,59,30,548
Expenditure in Foreign Currency: -		
Travelling Expenses	5,52,494	29,36,527
Software Purchase	-	6,97,000
Software License Fee	3,60,900	-
Membership Fee	11,85,111	34,04,357
Sales Promotion	-	13,67,506
Royalty	-	3,13,817
Earning in Foreign Currency: F O B value of Exports	6,04,38,757	2,88,19,061

45	Difference in Foreign Exchange Gain (Loss) included in other income	22,79,559	23,52,566
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46 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, 2020
Investment	08.08.2016	2,50,00,00,000		
Paithan Mega Food Park Pvt. Ltd.			4,99,40,000	4,99,40,000

Name of the Party	Resolution Passed on	Limit prescribed in resolution	Loan granted during the year	Amount outstanding as on 31st March, 2020	Maximum outstanding during the year
<b>Loans and Advances</b>					
	08.08.2016	2,50,00,00,000			
Nath Bio-technologies Ltd			2,17,74,544	0	10,54,89,528
Agritech (India) Ltd.			2,01,46,829	38,17,168	1,03,33,383
				<b>38,17,168</b>	<b>11,58,22,911</b>

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

Name of the Party	Resolution Passed on	Limit prescribed in resolution	Additional Guarantee granted during the year	Amount outstanding as on 31st March, 2020	Maximum outstanding during the year
<b>Guarantee Given</b>					
	08.08.2016	2,50,00,00,000			
IDBI Bank (in favour of Paithan Mega Food Parks Limited)			-	30,00,00,000	30,00,00,000
Janakalyan Sahakari Bank (in favour of Paithan Mega Food Parks Limited)			-	13,60,00,000	13,60,00,000
				<b>43,60,00,000</b>	<b>43,60,00,000</b>



47	<p><b>OPERATING LEASE</b></p> <p>a) The Company's significant leasing arrangements are in respect of operating leases for lands and premises (Agricultural lands, office, stores, godown etc.). These leasing arrangements which are cancellable range and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as rent in the Statement of Profit and Loss.</p> <p>b) The company has taken on lease a plot of land admeasuring 11190.34 Sq Meter for a period of 99 years. The leasehold assets is reflected in the books at the historical cost of leased assets as shown under the head Property Plant and Equipment. The lease would be amortised over the period of the lease in equal instalments with effect from the financial year 2020-21.</p> <p><b>47 Expenditure on Corporate Social Responsibility Activities</b></p> <table border="1" data-bbox="105 293 1552 421"> <thead> <tr> <th></th> <th>Current Year (Rs)</th> <th>Previous Year (Rs)</th> </tr> </thead> <tbody> <tr> <td>(a) Gross amount required to be spent by the Company during the year</td> <td>58,08,281</td> <td>42,20,701</td> </tr> <tr> <td>(b) Amount spent during the year</td> <td></td> <td></td> </tr> <tr> <td>    (i) Donations</td> <td>-</td> <td>-</td> </tr> <tr> <td>    (ii) Expenditure on Rural Transformation</td> <td>59,83,000</td> <td>44,31,736</td> </tr> <tr> <td>    (iii) Other</td> <td>-</td> <td>-</td> </tr> </tbody> </table> <p>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.</p>		Current Year (Rs)	Previous Year (Rs)	(a) Gross amount required to be spent by the Company during the year	58,08,281	42,20,701	(b) Amount spent during the year			(i) Donations	-	-	(ii) Expenditure on Rural Transformation	59,83,000	44,31,736	(iii) Other	-	-										
	Current Year (Rs)	Previous Year (Rs)																											
(a) Gross amount required to be spent by the Company during the year	58,08,281	42,20,701																											
(b) Amount spent during the year																													
(i) Donations	-	-																											
(ii) Expenditure on Rural Transformation	59,83,000	44,31,736																											
(iii) Other	-	-																											
48	<p>The net profit (loss) for the purpose of measurement of basic and diluted earnings per share in terms of Indian Accounting Standard - 33 on Earnings Per Share has been calculated as under:</p> <table border="1" data-bbox="105 555 1552 741"> <thead> <tr> <th></th> <th>Current Year Rs</th> <th>Previous Year Rs.</th> </tr> </thead> <tbody> <tr> <td>Net Profit (loss) as per Profit &amp; Loss Account</td> <td>50,03,64,878</td> <td>38,34,95,217</td> </tr> <tr> <td>Less :- Dividend on Preference Shares</td> <td>-</td> <td>-</td> </tr> <tr> <td>Numerator: Profit Available for equity share holders</td> <td>50,03,64,878</td> <td>38,34,95,217</td> </tr> <tr> <td>Denominator: Weighted Average Number of Equity shares outstanding (no's)</td> <td>1,90,04,000</td> <td>1,90,04,000</td> </tr> <tr> <td>Denominator for Diluted equity share holder</td> <td>1,90,04,000</td> <td>1,90,04,000</td> </tr> <tr> <td>Basic Earnings per share is arrived at by dividing Numerator by Denominator</td> <td>26.33</td> <td>20.18</td> </tr> <tr> <td>Diluted Earnings per share is arrived at by dividing Numerator for diluted equity share holder by Denominator</td> <td>26.33</td> <td>20.18</td> </tr> <tr> <td>The nominal value per equity shares is Rupees</td> <td>10</td> <td>10</td> </tr> </tbody> </table>		Current Year Rs	Previous Year Rs.	Net Profit (loss) as per Profit & Loss Account	50,03,64,878	38,34,95,217	Less :- Dividend on Preference Shares	-	-	Numerator: Profit Available for equity share holders	50,03,64,878	38,34,95,217	Denominator: Weighted Average Number of Equity shares outstanding (no's)	1,90,04,000	1,90,04,000	Denominator for Diluted equity share holder	1,90,04,000	1,90,04,000	Basic Earnings per share is arrived at by dividing Numerator by Denominator	26.33	20.18	Diluted Earnings per share is arrived at by dividing Numerator for diluted equity share holder by Denominator	26.33	20.18	The nominal value per equity shares is Rupees	10	10	
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49	<p><b>Disclosure of Derivatives:</b></p> <table border="1" data-bbox="105 835 1552 1055"> <thead> <tr> <th rowspan="2">Particulars</th> <th rowspan="2">Foreign Currency Denomination</th> <th colspan="2">March 31, 2020</th> <th colspan="2">March 31, 2019</th> </tr> <tr> <th>Foreign Currency Amount</th> <th>Amount (In Rupees)</th> <th>Foreign Currency Amount</th> <th>Amount (In Rupees)</th> </tr> </thead> <tbody> <tr> <td>Assets (Trade Receivables)</td> <td>USD</td> <td>1,58,000</td> <td>1,19,76,400</td> <td>2,21,750</td> <td>1,53,38,736</td> </tr> <tr> <td>Assets (Advance for purchase)</td> <td>USD</td> <td>7,355</td> <td>5,57,509</td> <td>43,461</td> <td>30,06,254</td> </tr> <tr> <td>Liabilities (Trade Payable)</td> <td>Euro</td> <td>-</td> <td>-</td> <td>84,974</td> <td>66,02,684</td> </tr> </tbody> </table> <p>The foreign currency outstanding has been translated at the rates of exchange prevailing on the Balance Sheet date in accordance with Indian Accounting Standard 21 - "The Effects of Changes in Foreign Exchange".</p>	Particulars	Foreign Currency Denomination	March 31, 2020		March 31, 2019		Foreign Currency Amount	Amount (In Rupees)	Foreign Currency Amount	Amount (In Rupees)	Assets (Trade Receivables)	USD	1,58,000	1,19,76,400	2,21,750	1,53,38,736	Assets (Advance for purchase)	USD	7,355	5,57,509	43,461	30,06,254	Liabilities (Trade Payable)	Euro	-	-	84,974	66,02,684
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