



NATH BIO-GENES (INDIA) LIMITED

22nd ANNUAL REPORT

2015-2016



NATH SEEDS®



NATH BIO-GENES (INDIA) LIMITED

DIRECTORS

Nandkishor Kagliwal
Satish Kagliwal
Sweta Kagliwal
Kashinath Iyer
Shrirang Agrawal
Omprakash Sharma

CHIEF FINANCIAL OFFICER

Devinder Khurana

STATUTORY AUDITORS

Gautam N Associates
Chartered Accountants
Shangri-La Complex, 2nd Floor
C.B.S. Road, Aurangabad – 431005

REGISTERED OFFICE

Nath House
Nath Road
Aurangabad 431005

ADMINISTRATIVE OFFICE

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

REGISTRAR & TRANSFER AGENTS

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



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NOTICE

Notice is hereby given that the Twenty Second Annual General Meeting of the members of Nath Bio-Genes (India) Limited will be held at the Registered Office of the company at Nath House, Nath Road, Aurangabad-431005 on Thursday, July 28th, 2016 at 11 a.m., to transact the following business:

ORDINARY BUSINESS

1. ADOPTION OF FINANCIAL STATEMENTS

To receive, consider and adopt Audited Balance Sheet of the Company as at March 31, 2016 and Statement of Profit & Loss for the year ended as on that date together with the Reports of Directors and Auditors thereon.

2. APPOINTMENT OF AUDITORS

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

“RESOLVED THAT pursuant to the provisions of section 139, 142 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, pursuant to the recommendations of the Audit Committee of the Board of Directors, and pursuant to the resolution passed by the members at the AGM held on 5th July 2014, the appointment of M/s Gautam N Associates, Chartered Accountants, Aurangabad (Firm Registration No 103117W) as the Auditors of the Company to hold office till the conclusion of the AGM to be held in the Calendar Year 2018 be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending on March 31, 2016 as may be determined by the Audit Committee in consultation with the Auditors.

3. RE-APPOINTMENT OF DIRECTOR

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

By order of the Board of Directors

Date: 30.05.2016

Registered Office: Nath House

Nath Road,

Aurangabad-431005

CIN: L01110MH1993PLC072842

Satish Kagliwal

Managing Director

DIN: 00119601

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

2. The Proxy Forms duly completed must reach the Registered Office of the company not less than forty-eight hours before the commencement of the meeting. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of

the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.

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

4. Pursuant to Section 91 of the Companies Act, 2013, (corresponding to Section 154 of the Companies Act, 1956), The Register of Members and Share Transfer Books of the Company will be closed from 21st July 2016 to 28th July 2016 both days inclusive.

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

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

7. EVOTING INSTRUCTIONS

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

- (i) The voting period begins on <Monday 25th July 2016, (9.00 am IST)> and ends on <Wednesday 27th July 2016, (5.00 pm IST)>. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <Thursday 21st July 2016> may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Log on to the e-voting website www.evotingindia.com
- (iii) Click on Shareholders
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

	<ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/Postal Ballot Form/mail) in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xix) above to cast vote.
- (B) The voting period begins on <Date and Time> and ends on <Date and Time>. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <Record Date>, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

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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 and 3 of the accompanying Notice:

ITEM NO. 2

This explanatory statement is provided though strictly not required as per Section 102 of the Act. M/s Gautam N Associates, Chartered Accountants, Aurangabad (Firm Registration No 103117W), Chartered Accountants, Aurangabad were appointed as the statutory auditors of the Company for a period of three years at the Annual General Meeting (AGM) of the Company held on 5th July 2014, to hold office to hold office till the conclusion of the AGM to be held in the Calendar Year 2018.

As per provisions of Section 139(1) of the Act, their appointment for the above tenure is subject to ratification by members at every AGM, Accordingly, ratification of the members is being sought for appointment of statutory auditors as per the proposal contained in the Resolution set out at item no. 2 of the Notice.

The Board commends the Resolution at item No. 2 for approval by the Members. None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs is concerned or interested in the Resolution at Item No. 2 of the accompanying Notice.

ITEM NO 3

DETAILS OF DIRECTORS RETIRING BY ROTATION AND SEEKING RE-APPOINTMENT

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

By order of the Board of Directors

Date: 30th May 2016
Registered Office: Nath House
Nath Road,
Aurangabad-431005
CIN: L01110MH1993PLC072842

Satish Kagliwal
Managing Director
DIN: 00119601

DIRECTORS' REPORT

Your Directors are pleased to present the 22nd Annual Report together with the Audited Accounts of your Company for the financial year ended 31st March 2016.

FINANCIAL RESULTS

(Rs in Lacs)

Sr. No	PARTICULARS	YEAR ENDED	
		31.03.2016	31.03.2015
1.	Sales	16210.59	18532.69
2.	Profit before Interest & Depreciation	2535.14	3533.17
3.	Interest	623.09	459.19
4.	Depreciation	390.48	438.70
5.	Profit Before Tax & Extra-ordinary items	1521.57	2635.28
6.	Tax Provision (Net of Deferred Tax)	104.81	95.54
7.	Profit After Tax	1416.76	2539.74
8.	Extra-Ordinary Items	0	0
9.	Profit available for Appropriation	1416.76	2539.74
10	Balance carried to Balance Sheet	1416.76	2539.74

FINANCIAL HIGHLIGHTS AND OPERATIONS

Income from operations during the financial year ended 31st March 2016 was at INR 16210.59 Lacs as against INR 18532.69 Lacs representing a decrease of approximately 12.5% over the previous year. Profit after Tax for the year under review amounted to INR 1416.76 Lacs as against INR 2539.74 Lacs in the previous year representing a decrease of 44.21%. The decrease in sales and profit during the year under review is basically due to the overall draught situation in the country resulting in excessive sales return and reduction in margins to the company. However, the monsoon forecast for the coming year is good and your company is also geared up with products to operationally gain from the same.

RESEARCH & DEVELOPMENT & NEW PRODUCTS

Your Company remains committed towards strengthening its Research & Development programs. In spite of rather difficult conditions existing in seed business, your company has allocated significant resources to provide further impetus to the research initiatives. The competitive scenario in hybrid seeds industry keeps intensifying over time. In order to enhance competitive ability, your Company has made persistent efforts to offer high yielding hybrid varieties of seeds which carry built-in added value through seed embedded technologies/genes, thereby providing durable protection to the Indian farmers against specific diseases, pests and vagaries of nature.

The modern Indian farmers prefer seeds of high potential yield with multiple layers of value addition. Your Company has over the years reached out to farmers in the rain-fed & relatively un-reached regions across the Country and delivered quality seeds. NBIL is pursuing both Genetic

Engineering Technologies as well as Molecular-Aided Selection systems to augment its crop breeding and product development programs.

Cotton: NBIL possibly is the sole company in India which offers a choice between Bt-Cotton seed technologies. Your Company provides a wide range of Bt-Cotton hybrids to suit the farmer requirements across various Cotton growing agro-climatic ecologies in India. NBIL has incorporated the exclusive Fusion-Bt technology of the Chinese Academy of Sciences (used predominantly all over China and exclusively licensed to Nath Bio-Genes). In addition, your company has also started offering BG-II version.

The seed industry is intensely research-oriented, where it is typical for a new trait to be developed over a number of years. Your Company's proficiency in the business depends on its ability to constantly hone in on commercially viable crop characteristics that will address present challenges while delivering substantive gains in yields and farm income. This is also the root of research philosophy of NBIL.

Being an important member in the crop-hierarchy of India, Cotton has seen extensive work by your Company's team of scientists. Attention is focused on developing/imparting those characteristics that are generally absent from the market at present. These cover resistances / tolerance to Bollworms and major Sucking Pests, which have emerged as potent threats in recent times. Additionally, given the variability of the monsoon and the lack of plentiful access to water resources in the country, most crops are found suffering from a variety of agro-climatic stress. It is imperative that the hybrid incorporate a certain degree of sustainability to dehydration (drought) and heat stress. Your company has been engaged over the years to enhance useful traits against such known challenges. Some of the qualities that have been incorporated in our products include: -

- Big boll size mitigates need for intensive labor involvement/promotes easy picking.
- Re-flushing ability – in those cases where the farmer would prefer re-flushing (fresh crop of bolls formation) rather than take up a new Rabi crop.
- Re-Structure the plant-type that suits high-density planting, synchronous boll bursting and, thereby, more suited to machine harvesting.

Such traits and characteristics have been assimilated into NBC-101 (re-flushing), NBC-10 and NBC-102 (drought tolerance), which are NBIL's frontline hybrids in Cotton. It is crucial to nurture farmer trust by way of consistent delivery of promised performance. In a competitive landscape, products that provide an edge have earned a distinct share and farmer following. Your Company maintains a deep pipeline of products, each catering to specific requirements. The leading candidates such as NBC-10, NBC-102 and NBC-1022 have all demonstrated superiority in multi-location and large scale trials.

Maize: Within Maize, the emphasis of your Company has been on full-season maturity hybrids, which includes both the single cross/modified single cross segments. Consistent performance in the field and better yields are important attributes in this crop. The acceptability and success of Singhum (NMH-02) and NMH-1008 has been particularly encouraging in the target markets of Bihar, Maharashtra, A.P. and even Karnataka.