

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

**19th ANNUAL REPORT**

**2012 – 2013**

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# **COMPANY INFORMATION**

## **BOARD OF DIRECTORS**

Nandkishor Kagliwal  
Satish Kagliwal  
Hitesh Purohit  
Kashinath Iyer

## **CHIEF FINANCIAL OFFICER**

Devinder Khurana

## **STATUTORY AUDITORS**

Gutam N Associates  
Chartered Accountants  
2<sup>nd</sup> Floor, Shangrilla Complex,  
C.B.S. Road,  
Aurangabad-431005

## **REGISTERED OFFICE**

Nath House,  
Nath Road,  
Aurangabad-431005

## **PLANT LOCATION**

Nath Bio-Genes (India) Limited,  
Nath House, Nath Road,  
Aurangabad-431005  
Tel +91-240-2376314 Fax +91-240-2376188

## **ADMINISTRATIVE OFFICE**

1, Chateau Windsor,  
86, Veer Nariman Road,  
Churchgate,  
Mumbai-400020

## **REGISTRAR & TRANSFER AGENTS**

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

## NOTICE

Notice is hereby given that the 19<sup>th</sup> ANNUAL GENERAL MEETING of NATH BIO-GENES (INDIA) LIMITED will be held at the Registered Office of the company at Nath House, Nath Road, Aurangabad-431005 on Saturday, 17<sup>th</sup> August, 2013 at 11 a.m., to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report and Audited Profit and Loss Account for the year ended 31<sup>st</sup> March, 2013 and the Balance Sheet as at that date.
2. To appoint Auditors of the company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their Remuneration and for the purpose, to consider and if thought it, to pass with or without modification the following resolution as ordinary resolution;

“Resolved That pursuant to the provisions of Section 224 and other applicable provisions, if any of the Companies Act, 1956, M/s Gautam N Associates, Chartered Accountants, Aurangabad, the retiring Auditors be and are hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and that the Board of Directors of the Company be and is hereby authorized to fix their remuneration for the said period.”

3. To appoint Mr. Hitesh Purohit as Director of the Company, who retires by Rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS

4. TO CONSIDER AND IF THOUGHT FIT TO PASS WITH OR WITHOUT MODIFICATIONS THE FOLLOWING RESOLUTIONS AS SPECIAL RESOLUTION.

“RESOLVED THAT subject to the approval of Registrar Of Companies, Clause III (A) of the Memorandum of Association of the company be and is hereby altered, by inserting the following sub clause III A (2) in the existing main object clause of the Memorandum of Association of the Company.

To carry on, manage, supervise and control the business of transmitting, manufacturing, supplying, generating, distributing and dealing in electricity and all forms of energy and power generated by any source whether nuclear, steam, hydro or tidal, water, wind, solar, hydrocarbon fuel or any other form, kind or description.

5. TO CONSIDER AND IF THOUGHT FIT TO PASS WITH OR WITHOUT MODIFICATIONS THE FOLLOWING RESOLUTIONS AS SPECIAL RESOLUTION.

“RESOLVED THAT pursuant to the provisions of Section 149 (2A) and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification or re-

enactment thereof for the time being in force, the approval of the members be and is hereby accorded to the Company for commencement of the businesses proposed in the Clause III A (2) of the Memorandum of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds, matters and things as may be necessary and to sign and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters concerned therewith or incidental thereto.”

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Date: 29<sup>th</sup> May 2013

Registered Office: Nath House

Nath Road,  
Aurangabad-431005

Managing Director  
Satish Kagliwal

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NOTES:

1. The relevant explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item no. 4 to 5 of the notice set out above is annexed herewith.
2. 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.
3. Members are requested to notify immediately, any change in the address registered with the Company to Big Share Services Pvt. Ltd, E2/3, Ansa Industrial Estate, Sak Vihar Road, Saki Naka, Andheri (East), Mumbai – 72.
4. The Securities and Exchange Board of India has notified that the shareholders/ transferee of shares (including joint holders) holding shares in physical form are required to furnish a certified copy of their Income Tax Permanent Account Number (PAN) card to the Company / RTA while transacting in the securities market including transfer, transmission or any other corporate action. Accordingly, all the shareholders/ transferee of shares (including joint holders) in physical form are requested to furnish a certified copy of their PAN Card to the company/ RTA while transacting in the securities market including transfer, transmission or any other corporate action.
5. The shares of the company are under compulsory Demat trading. Members holding shares in physical form are requested to convert their shares into dematerialized form in their own interest and convenience purpose.
6. The Notice of the 19th Annual General Meeting and the Annual Report for 2013 will also be available, on the Company's website [www.nathbiogenes.com](http://www.nathbiogenes.com) for download by the members. The

physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during business hours.

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#### **Explanatory Statement**

##### **Item No 4:**

The Board of Directors of the Company has decided to venture in the business activity of power generation alongwith the existing main business of the company. Therefore it is proposed to insert sub clause III A (2) in the existing main object clause of the memorandum of Association of the Company.

In order to do the same it is necessary to obtain a special resolution for insertion of another main object in the main object clause of the company.

None of the Director of the company is interested in the above resolution. The Board of Directors commends the above resolution for your approval.

##### **Item No 5:**

Section 149(2A) of the Companies Act 1956 requires approval of the Members by way of special resolution for commencement of any new businesses. Accordingly, the members are requested to pass the special resolution to enable the Company to commence the businesses mentioned in the proposed new sub clause III A (2) of the Memorandum of Association of the Company.

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

NAME OF DIRECTOR	Mr. Hitesh Purohit
Date of Birth	25.06.1963
Date of Appointment	10.10.2012
Director of other companies	1. Nath Bio-Genes (India) Limited 2. Nath Securities Limited 3. N C F S Limited 4. Tapovan Farms Private Limited
Chairman/ Member of Committees of other Companies	Nath Bio-Genes (India) Limited - Audit Committee - Investor Grievance Committee
No of shares held in the Company	NIL

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Date: 29<sup>th</sup> May 2013  
Registered Office: Nath House  
Nath Road,  
Aurangabad-431005

Managing Director  
Satish Kagliwal

## DIRECTORS' REPORT

Your Directors are pleased to present the 19<sup>th</sup> Annual Report together with the Audited Accounts of your Company for the financial year ended 31<sup>st</sup> March 2013.

### FINANCIAL RESULTS

(Rs In Lacs)

Sr. No	PARTICULARS	YEAR ENDED	
		2012-13	2011-12
1.	Sales	13770.29	12391.53
2.	Profit before Interest & Depreciation		1697.91
3.	Interest	367.29	180.63
4.	Depreciation	450.98	470.00
5.	Profit Before Tax & Extra-ordinary items	1229.61	1047.28
6.	Tax Provision (Net of Deferred Tax)	(55.04)	(12.56)
7.	Profit After Tax	1174.56	1059.84
8.	Extra-Ordinary Items	0	139.78
9.	Profit available for Appropriation	1174.56	920.06
10	Balance carried to Balance Sheet	1174.56	920.06

### FINANCIAL HIGHLIGHTS AND OPERATIONS

Income from operations during the financial year ended 31<sup>st</sup> March 2013 was at Rs 13770.29 Lacs as against Rs 12391.53 Lacs representing an increase of approximately 11% over the previous year. Profit after Tax for the year under review amounted to Rs 1174.56 Lacs as against Rs 1059.84 Lacs in the previous year representing an increase of 10.82%. The increase in profits during the year under review was on account of improved product mix, operational efficiencies resulting in increased sales, reduction in input & interest costs.

### NEW PRODUCTS

Technological up-gradation remains a continual process at the NBIL, in cotton, for example, in addition to stacking GM traits for bollworm protection, we are on the constant lookout for novel germplasm resources for imparting / enhancing resistance / tolerance against some of the notorious sucking pests, as also dehydration-stress (drought). Big Boll size ( for reduced labor and ease in picking) and excellent re-flushing abilities are the additional novelties ( our new Bt-Cotton products ( for Central and South Zone) are almost invariably carrying). Jagannath-2 (mainly for irrigated high-management areas) as well as Arjun-21 ( mainly recommended for the Rain-fed cotton ecosystems), the two frontline NBIL products, have proved themselves to be second to non.

Our recent R & D Bajra product, appropriately named Big-B (NBC-1188) has been ranked among the top three Bajra products sold in Rajasthan (2012) , the hot-bed of Bajra competitors, Local news papers are full of praise for the “Dark Horse” Big-B that emerged from the lower ranks last year (2011) to occupy a prestigious position in 2012.

Similarly in Maize after comprehensive trials and testing, NBIL's Singhum (NMH-02) was launched in 2011, true to its name, performance in the Full Season segment, Bihar in particular, has been outstanding. Two more single-cross hybrids (NMH-1008 and NMH-1007) are currently under intensive multi-location testing.

Rice remains our major crop and obviously involves very intensive R & D activities. “Tehelka” is new R & D product.

## RESEARCH AND DEVELOPMENT

The company continues to provide substantial financial allocations to further strengthen its R & D programs. In fact, intensification of our R & D infrastructure ( men and materials, all over the country) was the largest in any single financial year (2011 – 12), thus far. The competitive environment in the area of hybrid seeds is rapidly growing worldwide, so also in our country as well.

It is no longer good enough to offer high yielding hybrid varieties to the Indian Farmers. It is now becoming a mandatory requirement that such hybrids carry additional built-in value through seed embedded technologies / genes providing durable protection against specific diseases, pests and vagaries of nature ( floods/ drought / heat stress etc.).

Seeds endowed with multiple value additions, in addition to high yield potential, are much in demand and eagerly sought after by the modern Indian Farmers. At NBIL, your Company has undertaken specific initiatives of reaching out even to the rain-fed and largely un-reached farmers. This is in congruence with our national priorities and commitments, as also in harmony with finding newer areas of opportunities for business. NBIL is pursuing both Genetic Engineering Technologies as well as Molecular-Aided Selection systems to enrich our crop breeding and product development programs.

## INTERNATIONAL R&D COLLABORATIONS:

Nath Bio-Genes, jointly with its sister concern Global Transgenes Ltd., have signed agreements for R & D collaboration and commercialization thereof, of Fusion-Bt. Cotton technology, with specific partners in Pakistan and Philippines. Due processes of trans-boundary regulations, in accordance to the provisions of the Cartgena Protocol, have been followed strictly for transfer of Fusion-Bt. Embedded cotton seeds. During 2011 permission was granted, by the Government of Pakistan for conducting Large Scale Trial of some of the NBIL Bt. Cotton hybrids in Pakistan.

Based on the impressive results of trial, the Bio-safety Authority of the Philippines have granted permission for Multi Location Trials to be conducted in 2012-13. These MLTs are currently in progress in Southern Philippines.

## DIRECTORS

During the year Mr. Kashinath Iyer & Mr. Hitesh Purohit have been appointed as the Independent directors of the company.

Mr. Akash Kagliwal has resigned from the Board of Directors of the company during the year & the Board acknowledges his contribution to the group.

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

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

Pursuant to clause 49 of the Listing Agreement with the Stock Exchanges, the management Discussion and Analysis Report, is annexed to this Report and forms part of this Annual Report.



## CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The Report on Corporate Governance as stipulated under Clause 49 of Listing Agreement forms part of the Annual Report. The Requisite Certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49 is attached to this report.

## DIVIDEND

Given the growth requirements of the business, it is necessary for the Company to plough back its profits into the business, and hence the Directors have not recommended any dividend for the financial year 2012-13.

## SUBSIDIARIES

There is one subsidiary company as on 31st March, 2013. The financial details of the subsidiary companies as well as the extent of holding therein are provided in a separate section of this Annual Report.

The Ministry of Corporate Affairs has, vide General Circular No. 2/2011 dated 8th February, 2011, granted general exemption for not attaching the annual accounts of the subsidiary companies with the annual accounts of holding company. However, these documents shall be made available upon request by any member of the Company interested in obtaining the same and shall also be kept for inspection at the Registered Office of your Company and that of Subsidiary Companies concerned. Further, the financial data of the Subsidiary Companies has been furnished along with the statement pursuant to Section 212 of the Companies Act, 1956 forming part of this Annual Report.

## PUBLIC DEPOSITS

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

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION FOREIGN EXCHANGE EARNING & OUTGO:

Information as required in terms of the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 in respect of conservation of energy, technology absorption and foreign exchange Earnings and outgo is as follows;

### CONSERVATION OF ENERGY:

The Company has taken necessary measures to achieve economy in consumption of energy.

### TECHNOLOGY ABSORPTION & RESEARCH AND DEVELOPMENT:

Your Company is intensely research driven & has one of the best collections of talent & germ plasm pool in the industry. Your Company is continuously developing seeds for better resistance to pests, diseases & moisture stress for higher productivity.

Expenditure on R & D	Rs. 9,06,93,877
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## FOREIGN EXCHANGE EARNING AND OUTGO:

Earnings	Rs. 45658518
Outgo	Rs. 676765

## AUDITORS

M/s Gautam N Associates, Chartered Accountants, Aurangabad Statutory Auditors of the Company, will retire at the conclusion of the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment as statutory auditors for the financial year 2013-14. The Company has received a letter dated April 1, 2013 from them to the effect that their re-appointment, if made, would be within the limit prescribed under section 224(1B) of the Companies Act, 1956, and that they are not disqualified for such re-appointment within the meaning of Section 226 of the Companies Act, 1956.

The Auditors have vide their letter dated April 22, 2013 also confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India (ICAI) and holds a valid certificate issued by the peer Review Board of the ICAI.

The Board hereby requests the members to reappoint M/s Gautam N Associates, Chartered Accountants, Aurangabad as the Auditors for the current year.

## AUDITORS REPORT

The observations of the Auditors, together with the notes to Accounts referred to in the Auditors' Report, are self-explanatory and do not call for any further explanation from the Directors.

## PARTICULARS OF EMPLOYEES

As required by Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the information be treated as NIL, as no employee is drawing salary equals to or above the limits mentioned in the said Section and Rules.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217 (2AA) of Companies Act, 1956, 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, 2013 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.