

RJ BIO-TECH LIMITED

8TH ANNUAL REPORT 2012-2013

Board of Directors

1.	Mr. R. S. Joshi	-	Chairman and Director
2.	Mr. S. V. Shastri	-	Director
3.	Mrs. M. R. Joshi	-	Director
4.	Mr. C. P. Tripathi	-	Independent Director
5.	Mr. A. V. Dharmadhikari	-	Independent Director
6.	Mr. B. P. Singh	-	Independent Director

Registered Office:

Siddharth Arcade, Opp. Holiday Camp,
Station Road, Aurangabad. Maharashtra - 431005
Ph. (0240) 2354912 to 17 Fax: (0240) 2332111
E-mail: info@rjbiotech.com
Website: www.rjbiotech.com

Statutory Auditors:

Sunil Salunke & Associates,
5/6/3, Laxmi Sankul, First Floor,
Near Sant Eknath Rang Mandir,
Osmanpura, Aurangabad, Maharashtra - 431005

Bankers:

State Bank of India, Aurangabad

Letter to Shareholders



Raghavendra Joshi
Chairman, R J Bio-tech Limited

Your Company performed exceptionally well in the period where overall industry witnessed decline due to delayed and deficient monsoon.

Your Company's Sales and Net Profit reached all time-high of Rs.198.5 million and Rs.13 million respectively.

Growth in sales and Earnings was largely driven by aggressive marketing strategy and continuous investment into R&D Activities.

Dear Shareholders,

I have pleasure to place before you the Eighth Annual Report of your Company for the year 2012-13.

During tough times, our employee's effort was commendable and your relentless support provided us motivation. Your company achieved new high both in terms of revenue and profitability.

Slowdown of Indian economy brought up lot of challenges to corporates across the sector. Worst being delayed and deficient rainfall during the year 2012-13.

Your board's decision to continuously invest into R&D activities and aggressive marketing strategy provided edge to company during tough times where overall industry had witnessed slowdown.

There are more products in pipe-line which are set to be launched within near future and we affirm you that board will stay committed to its R & D activities.

In the era, where technology is changing the world, it becomes imperative for companies to adopt the focused strategy and continuous investment into R & D activities.

I feel privileged to inform you that your company is in the process of listing on SME platform of Bombay Stock Exchange. Your company's IPO will roll out on 10th September 2013 and close on 12th September 2013.

We are confident about the growth of the company and that it will play a larger role in second green revolution and will change the face of Indian agriculture industry through adoption of reliable agro-technologies, providing greater productivity to Indian farmers and healthy and nutritious food to every Indian.

I am grateful to the Board of Directors for their unwavering support and guidance. I take this opportunity to express my gratitude to all our stakeholders, who have reposed trust in us and their constant support.

With best wishes,

Sincerely

Sd/-

Raghavendra Joshi
Chairman, R J Bio-tech Limited

2nd September 2013
Place: Aurangabad

NOTICE

NOTICE is hereby given that the Eighth Annual General Meeting of the members of the R J Bio-tech Limited will be held on **Monday, 30th September, 2013 at 4.00 p.m.** at the Registered Office of the company at 'Siddharth Arcade', Opposite Holiday Camp, Station Road, Aurangabad – 431 005 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2013 and the Balance Sheet as at that date along with the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Raghavendra Shripatrao Joshi, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Shashikant Vinayakrao Shastri, who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit to pass with or without modification(s), the following resolution as an ordinary resolution:

“RESOLVED THAT subject to the provisions of section 225 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Ashok Patil & Associates, Chartered Accountants, be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting in place of the retiring Auditors, M/s. Sunil Salunke & Associates, Chartered Accountants, to audit the accounts of the Company for the financial year 2013-14 at a remuneration to be fixed by the Board of Directors on the recommendation of the Audit Committee of Directors.”

By order of the Board

Sd/-

MITESH GADHIYA
(Company Secretary)

02/09/2013
Aurangabad

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 to be effective must reach to the Registered Office of the company not later than 48 hours before the time fixed for the Annual General Meeting.
 3. The members desiring any information regarding accounts are requested to write to company so as to enable the management to keep the information ready.
 4. All the documents referred to in accompanying notice are open for inspection at the Registered Office of the company on all the working days except Sunday and Holiday, between 11.00 a.m. to 5.00 p.m. up to the date of Annual General Meeting.
 5. Members are requested to notify changes in their addresses, if any.
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DIRECTORS' REPORT

TO THE MEMBERS,

Your Directors have pleasure in presenting the Eighth Annual Report on the Business and Operations of Company along with the Audited Financial Accounts for the year ended 31st March 2013.

FINANCIAL RESULTS

(In 000's)

i.	Net Sales	198519	160969
ii.	Total Expenditure	162068	132567
iii.	Operating Profit	36451	28402
iv.	Less: Finance Cost	23395	20309
v.	Profit/Loss before Depreciation, Extraordinary items and Tax	13056	8093
vi.	Less: Extraordinary items & Exceptional items	17	55
vii.	Profit/Loss before Tax	13039	8038
viii.	Less: Tax	5	2613
xi.	Surplus Carried forward to Balance Sheet	13034	5425
x.	Basic Earnings per share (Face Value of Rs.10 each)	1.94	1.11

REVIEW OF OPERATIONS:

Indian Economy during Financial year 2012-13 performed short on expectation. Consumer price Index continued to surge and Reserve Bank of India's quarterly review during the year did not bring much relief to the economy. Purchasing power continued to fall on account of persistent inflation, high interest rates, rupee depreciation, policy paralysis, all together hindering the growth of economy.

Seed industry has pivotal role to play in agricultural sectors as agro- sector provides employment to more than 70% of Indian population. According to estimates of Ministry of Agriculture, agro industry has seen a decline in crop production due to delayed and deficient monsoon of 2012.

Despite all the odds and economic downturn your company during Financial year 2012-13 has managed to deliver growth and have attained a net profit of 130.34 Lakhs.

Here are the highlights of the performance as under;

- ❖ Revenue from operations/Net sales increased by 23% i.e. from 1609.69 Lakhs to 1985.19 Lakhs.
- ❖ Operating Profit increased by 28% i.e. from 284.02 Lakhs to 364.51 Lakhs.
- ❖ Profit before tax increased by 62% i.e. from 80.38 Lakhs to 130.39 Lakhs.
- ❖ Net profit for the period increased by 140% from 54.25 Lakhs to 130.34 crores.



DIVIDEND:

Your Directors have recommended retaining the profit and declaring no dividend for the financial year 2012-13. The dividend policy for the year under review has been formulated taking into consideration of growth of the company and reduce the debt servicing burden.

LISTING:

Your Directors feel privileged to say that your Company is in the process of getting listed on the SME platform of Bombay Stock Exchange. In view of the SME Listing Agreement, that the Company will have to enter into with Bombay Stock Exchange and as a matter of good corporate governance practice, we have complied with the required provisions of the SME Listing Agreement.

CORPORATE GOVERNANCE:

Company continues to excel through better corporate governance, fair & transparent practices. A detailed report on Corporate Governance is annexed as Annexure I and forms part of this report. The certificate issued by Neha P. Agrawal, Practicing Company Secretary, confirming the compliance of the conditions of Corporate Governance as stipulated under Clause 52 of the SME Listing Agreement, that the Company will have to enter into with the Bombay Stock Exchange, is annexed as Annexure II and forms part of this report.

The Board of Directors has evolved and adopted a code of conduct based on the principles of good corporate governance and best management practices. The code of conduct is available on the website of the company.

MANAGEMENT DISCUSSION AND ANALYSIS:

A detailed report on the Management Discussion and Analysis is annexed as Annexure III and forms part of this report.

FIXED DEPOSITS:

Your Company has not accepted any deposits under Section 58A of the Companies Act, 1956.



DIRECTORS:

In accordance with the provisions of the Companies Act, 1956, read with the Articles of Association of the Company, Mr. Raghavendra Joshi and Mr. Shashikant Shastri, Directors retire by rotation at the forthcoming Annual General Meeting scheduled on 30th September 2013 will be eligible for re-appointment.

The Board of Directors at their meeting held on 17th December 2012 had appointed Mr. Chandra Prakash Tripathi, Mr. Balaji Prithviraj Singh and Mr. Anil Vasant Dharmadhikari as Additional Independent Directors. The said Directors were appointed as Independent Directors in the shareholders meeting held on 28th January 2013.

Mr. Deepak Jantikar and Mr. Sanjay Shirsikar resigned from as Directors with effect from 17th December 2013. The Board places on record its sincere appreciation for the value services rendered by Mr. Deepak Jantikar and Mr. Sanjay Shirsikar.

STATUTORY AUDITORS:

M/s Sunil Salunke and Associates, Chartered Accountants, will retire at the ensuing Annual General Meeting and do not offer themselves for re-appointment. Based on the recommendation of Audit Committee, the Board recommends the appointment of M/s. Ashok Patil & Associates, Chartered Accountants as the Statutory Auditors of the Company for the Financial Year 2013-14.

Quality Fetches... High Value...

AUDITORS REPORT:

The observations of the Auditors in their report are self-explanatory and therefore, in the opinion of the Directors, do not call for further comments.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirements under Section 217(2AA) of the Companies Act, 1956, with respect to Directors Responsibility Statement, it is hereby confirmed that:

1. In preparation of the annual accounts for the year ended 31st March, 2013, the company has followed the applicable accounting standards and there are no material departures from the same.
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of state of affair of the Company as at 31st March, 2013 and of the profit of the Company for the year ended on that date.



3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting Records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors have prepared the annual accounts of the Company on a “going concern” basis.

PARTICULARS OF EMPLOYEES

There is no employee in the Company whose particulars are required to be given under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended.

THE CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information in accordance with 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 is given in Annexure IV which forms part of this Report.

INDUSTRIAL RELATIONS:

The Company enjoyed cordial relations with its employees at all levels. Your Directors appreciate the support and co-operation provided by all the employees.

ACKNOWLEDGEMENTS

Your Directors are pleased to express their gratitude for all the co-operation and assistance received from bankers, members, customers, vendors, various Government authorities and employees for the year under review.

For and on Behalf of Board

Date: 02/09/2013
Place: Aurangabad

Sd/-
RAGHAVENDRA JOSHI
(Chairman)



ANNEXURE I

CORPORATE GOVERNANCE REPORT

R J Bio-tech Limited is committed to good corporate governance and adopts best management practices. The Company is in process of getting listed on the SME platform of Bombay Stock Exchange. This Corporate Governance Report is prepared in pursuance of the SME Listing Agreement that the Company is going to enter into with the Bombay Stock Exchange.

(A) COMPOSITION OF BOARD

- i. Company's Board of Directors consists of six Directors, all of which are Non-Executive Directors.
- ii. There are three Independent Directors and three Non-Independent Directors. Mr. Raghavendra Joshi, Chairman of the company, is a Non-Independent director.

(B) NON-EXECUTIVE DIRECTORS AND DISCLOSURES

None of the Directors received remuneration or sitting fees during the previous financial year 2012-13.

(C) BOARD AND COMMITTEES

i. Board Meetings Dates

The Board of Directors met 14 times during the year under review, on 11th June 2012, 30th June 2012, 20th July 2012, 8th August 2012, 1st September 2012, 11th September 2012, 26th September 2012, 29th September 2012, 11th December 2012, 17th December 2012, 31st December 2012, 31st January 2013, 11th February 2013 and 2nd March 2013.



ii. Board Meetings Attendance

Name of Director	Category of Directorship	No of Board Meetings During the Year		Attendance of last A.G.M
		Meetings held During their Office of Directorship	Attended	
Raghavendra Shripatrao Joshi	Chairman, Non-Executive & Non-Independent	14	14	Yes
Shashikant Vinyakrao Shastri	Non-Executive & Non-Independent	14	14	Yes
Meena Raghavendra Joshi	Non-Executive & Non-Independent	14	14	Yes
Deepak Keshavrao Jantikar	Non-Executive & Non-Independent	10	10	Yes
Sanjay Prabhakar Rao Shirsikar	Non-Executive & Non-Independent	10	10	Yes
Chandra Prakash Tripathi	Non-executive & Independent	4	4	No
Balaji Prithviraj Singh	Non-executive & Independent	4	4	No
Anil Vasant Dharmadhikari	Non-executive & Independent	4	4	No

(D) CODE OF CONDUCT

- The Board has laid down a Code of Conduct for all Board Members and Senior Management of R J Bio-tech Limited.
- The Code of Conduct has been put on website for your further information.

(E) AUDIT COMMITTEE**(i) Audit Committee Composition**

The Audit Committee of the Company comprises of three members, all of whom are Non-Executive and Independent Directors. Mr. Balaji Prithviraj Singh is chairman of the Audit Committee. Mr. Mitesh Gadhiya, Company Secretary is secretary of the audit committee. The Composition of the Audit Committee meets the requirements of Section 292A of the



Companies Act, 1956 and also Clause 52 of the SME Listing Agreement that the Company is going to enter into with Bombay Stock Exchange.

(ii) Audit Committee Meetings

Name of Member	Status	No. of Meeting held During the Period of Membership of Audit Committee	No. of Meetings Attended During the Period of Membership of Audit Committee
Mr. Raghavendra Shripatrao Joshi	Former Chairman	3	3
Mr. Deepak Keshavrao Jantikar	Former Member	3	3
Mr. Shashikanth Vinayakrao Shastri	Former Member	3	3
Mr. Balaji Prithviraj Singh	Chairman	1	1
Mr. Chandra Prakash Thripathi	Member	1	1
Mr. Anil Vasant Dharmadhikari	Member	1	1

(iii) Role of Audit Committee:

The role of the audit committee includes the following:

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Directors Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report.

