

11th | Annual Report 2015-16



RJ GROUP
Aiming New Heights

RJ BIO-TECH LIMITED

Siddharth Arcade, Opp. Holiday Camp, Station Road, Aurangabad -431 005



11th Annual Report 2015-16

BOARD OF DIRECTORS:

₪ Mr. Raghavendra Joshi	Chairman cum Director
₪ Mrs. Meena Joshi	Director
₪ Mr. Shashikant Shastri	Director
₪ Mr. Anil Dharmadhikari	Independent Director
₪ Mr. C.P. Tripathi	Independent Director
₪ Mr. Balaji Singh	Independent Director

KEY MANAGERIAL PERSON:

₪ Mr. Mitesh Gadhiya	Compliance Officer
₪ Mrs. Aarti Pawar	Chief Financial Officer

BANKERS:

₪ State Bank of India

REGISTERED OFFICE:

Siddharth Arcade, Opp. Holiday Camp,
Station Road,
Aurangabad -431 005
Maharashtra
Tel No. 0240-2354913-17
Fax No. 0240-2332111

STATUTORY AUDITORS:

Ashok Patil & Associates
A P Heights,
Near Gopal Tea Centre
Aurangabad

REGISTRAR AND SHARE TRANSFER AGENT:

Bigshare Services Private Limited
E-2 & 3, Ansa Industrial Estate,
Saki-Vihar Road, Sakinaka, Andheri(E),
Mumbai-400072

For any Queries regarding Annual report contact:

Mr. Mitesh Gadhiya
Head, Legal & Secretarial
R J Bio-Tech Limited
Siddharth Arcade, Opp. Holiday Camp, Station Road, Aurangabad -431 005
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CHAIRMAN'S STATEMENT

Dear Shareowners,

It gives me immense pleasure to present before you the 11th Annual Report of R J Bio-tech Limited. Financial year 2015-16 was marked by a further slowdown in the Agriculture sector due to below normal monsoon and unseasonal rains. The Company navigated these challenges well and reported a good growth in its profit as compared to the previous year. The turnover of the Company increased marginally by around 13% but the Company was able to increase its profit after tax sizeably by around 55%. This was a result of focus on reduction of sales promotion expenses.

Because of the global ecological imbalance, our Country has witnessed uneven rainfall since last few years. This has a direct impact on agriculture sector, specifically seed industry. In such an unfavourable situation, we need products which are not completely dependent on rainfall. In consideration of this fact, the Company had launch two new cotton hybrids last year, which have the potential to perform well even in unfavourable climatic conditions. These products have been well accepted by the farmer community and gaining popularity amongst the farmers. In the financial year 2015-16 the production of these products was limited as we were waiting for the feedback from the farmers for these products. After having a positive feedback from the farmers, the production for these products have increased widely in the financial year 2016-17 which will add up to the turnover of the Company in the financial year 2017-18.

Considering the need of an hour, the research and development team of the Company is in process of developing more such products which shall perform well in unfavourable climatic conditions. We shall soon launch some new products.

The Company, being listed on the SME platform of Bombay Stock Exchange, is required to submit the financial result to the exchange on half yearly basis. In order to provide better transparency and reliability to the Stakeholders, the Company had decided to voluntarily submit the financial statements to the Exchange on quarterly basis instead of half yearly basis. Due to the seasonal nature of business of the Company, the quarterly financial show a lot of variation as compared to other quarters which might have a negative impact on the share price of the Company. To avoid this, the Board of Directors of the Company have decided to submit the financial statements to the exchange on half yearly basis from the financial year 2016-17.

The Company continues to operate in 10 states with more than 1500 dealers. The Company had periodic programmes in the year to educate the farmers about the biotechnology and organic farming.

I would like to take this opportunity to thank our dedicated employees who are the greatest asset of the Company and who have with their hard work and commitment taken it to this level. We also thank our stakeholders for reposing their confidence and faith in the Company. It is your trust and commitment that inspires us to set high standards of growth and performance. We look forward to continuing on the path of excellence and profitable growth into the coming years.

Sincerely,

Sd/-

Raghavendra Joshi
Chairman cum Director
R J Bio-tech Limited

NOTICE

NOTICE is hereby given that the **Eleventh Annual General Meeting** of the Members of **R J Bio-tech Limited** will be held on **Monday, 26th day of September 2016** at **11.00 A.M.** at the registered office of the Company at **Siddharth Arcade, Opp. Holiday Camp., Station Road, Aurangabad-431005** 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 2016 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 Joshi (holding DIN 00307124), who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify the appointment of M/s Ashok Patil & Associates, Chartered Accountants, Aurangabad (ICAI Registration No. 122045W) as approved by Members at the Ninth Annual General Meeting as Statutory Auditors of the Company, to hold office until the conclusion of Fourteenth Annual General Meeting and to fix their remuneration for the financial year ending 31st March, 2017.

SPECIAL BUSINESS:

4. To consider and if thought fit to pass with or without modification(s), the following resolution as an Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 196, 197 and 203 and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), read with Schedule V to the said Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and as per the Articles of Association of the Company and subject to such other approval(s) as may be required, consent of the Company be and is hereby accorded to appoint Mr. Ravi Kumar Venkata Singamsetty, as Manager of the Company under the provisions of the Act, for a period of three years w.e.f. June 1, 2016 for a remuneration as may be decided by the Board from time to time in the scale of Rs. 85,000/- (Rupees Eighty Five Thousand only) per month to Rs. 2,50,000/- (Rupees Two Lakhs Fifty Thousand only) per month or such other limit as may be ascertained under the provisions of Schedule V of the Act, payable as per rules and policies of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company or a Committee of the Board be and is hereby authorised to approve and make change the terms and conditions of appointment including remuneration and do all such other acts, deeds and things which are necessary and incidental in order to give effect to this resolution.”

By order of the Board

Date: 31st August 2016

Place: Aurangabad

Sd/-

MITESH GADHIYA

(Company Secretary)

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 Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 21st September 2016 to 26th September 2016, both days inclusive.
5. The members desiring any information regarding accounts are requested to write to company at least seven days before the date of the Meeting so as to enable the management to keep the information ready.
6. 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. Members are requested to notify changes in their addresses, if any.
7. The shareholders who attend the Meeting are requested to fill in the attendance slip and deliver the same at the entrance of the Meeting hall. The shareholders holding shares in dematerialised form should indicate the DP ID and Client ID numbers in the attendance slip.
8. The shareholders are requested to bring their copy of the Annual Report to the Meeting.
9. The Ministry of Corporate Affairs has taken a corporate “Green Initiative in the Corporate Governance” by allowing paperless compliance by companies. Accordingly, the Notice of the Annual General Meeting along with Annual Report for the year 2015-2016 is being sent by electronic mode to those members whose e-mail addresses are registered with the Company/ Depositories, unless any member has specifically requested for a physical copy of the same. In order to support the “Green Initiative”, the Members who have not yet registered their e-mail addresses are requested to register the same with R&T Agent/ Depositories.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**ITEM NO. 4**

The Members may note that based on the recommendation of Nomination and Remuneration Committee and subject to the approval of Shareholders in the ensuing Annual General Meeting, the Board of Directors of the Company at their meeting held on 30th May 2016 appointed Mr. Ravi Kumar Venkata Singamsetty, as Manager of the Company under the provisions of the Act, for a period of three years w.e.f. June 1, 2016 on maximum remuneration of Rs. 2,50,000/- (Rupees Two Lakhs Fifty Thousand only) per month or such other limit as may be ascertained under the provisions of Schedule V of the Act, payable as per rules and policies of the Company.

None of the Directors or Key Managerial Personnel and the relatives, are in any way concerned or interested in this Resolution.

Your Directors recommend the Special Resolution set out at Item no. 4 for the approval of Members

DETAILS OF MR. RAGHAVENDRA JOSHI, DIRECTOR OF THE COMPANY, SEEKING RE-APPOINTMENT IN ANNUAL GENERAL MEETING

Particulars	
Date of Birth	11/05/1960
Date of Appointment	28 th December, 2005
Qualification	Civil Engineer
Expertise in specific functional are	Mr. Joshi has a vast knowledge and wide experience in the field of agro related business & allied activities.
List of Public Companies in which outside Directorship held (including Foreign Companies)	Khadkeshwar Hatcheries Limited
	R J Feeds Limited
	Maruti Fertochem Limited
	Maruti Ferro-Tech Limited
	Maruti Phosphates Limited
Chairman/ Member of the Committee of Board of Directors of Public Companies	Kdelite Foods Limited
	R J Feeds Limited: Audit Committee – Member
	R J Feeds Limited: Nomination & Remuneration Committee – Member
Shareholding in the Company	Maruti Fertochem Limited: Shareholders / Investors Grievance Committee - Member
	30, 50, 000 Shares

DIRECTORS' REPORT

To the Members,

Your directors have pleasure in presenting the Eleventh Annual Report on the business and operations of Company and the financial accounts for the year ended 31st March 2016.

- **Financial Highlights:**

The financial highlights of your Company, for the year ended 31st March, 2016 are summarized below:

(Rs. In Lakhs)		
Particulars	2015-16	2014-15
Net Sales	3595.88	3166.83
Less: Total Expenses	3024.05	2660.86
Operating Profit	571.83	505.97
Less: Interest Expenses	343.73	359.54
Profit Before Tax	228.10	146.43
Profit After Tax	226.93	146.37
Surplus carried forward to Balance Sheet	226.93	146.37
Basic Earnings per share (In Rs.)	2.40	1.55

- **Operational review:**

Kindly refer to Management Discussion & Analysis and Corporate Governance Report annexed as ANNEXURE IV and forms part of this report

- **Dividend:**

Your Directors have recommended retaining the profit and declaring no dividend for the financial year 2015-16. The dividend policy for the year under review has been formulated taking into consideration the growth of the company and reduce the debt servicing burden.

- **Financial Statements**

Full version of the Annual Report 2015-16 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 2015-16 is also available for inspection at the registered office of the Company during working hours upto the date of ensuing Annual General Meeting (AGM). It is also available at the Company's website at [www. rjbiotech.com](http://www.rjbiotech.com)

- **Credit Rating**

During the period under review the rating committee of ICRA, after due consideration, assigned a long term credit rating of [ICRA] BB+ (pronounced as ICRA double B plus) to the line of credit facility enjoyed by the Company. The outlook on the long term rating is stable.

- **Corporate Governance:**

Company continues to adhere to better Corporate Governance, true & fair practices. A detailed report is annexed as ANNEXURE I and forms part of this report. The Certificate issued by Nitin S. Sharma, Practising Company Secretary, confirming the compliance of the conditions of Corporate Governance as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed as ANNEXURE II and forms part of this report.

- **Directors:**

Director retiring by rotation:

Mr. Raghavendra Joshi (holding DIN 00307124) retires by rotation under Section 152 of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

The brief resume of Mr. Joshi, the nature of his expertise in specific functional areas, names of the companies in which he has held directorships, committee memberships / chairmanships, his shareholding etc. are furnished in the explanatory statement to the notice of the ensuing AGM.

Declaration by Independent Directors:

Your Company has received declarations from Mr. Chandra Prakash Tripathi, Mr. Balaji Singh and Mr. Anil Dharmadhikari, Independent Directors, under provisions of Section 149(7) of the Companies Act, 2013, stating that they meet the criteria of independence as provided under sub-section (6) of Section 149 of the Companies Act, 2013

- **Key Managerial Personnel**

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

Mr. Mitesh Gadhiya Company Secretary

Mrs. Aarti Pawar Chief Financial Officer

Mr. Omprakash Jaiswal, has resigned as the Chief Executive Officer and Manager of the Company on March 31, 2016.

Mr. Ravikumar Venkata Singamsetty has been appointed as Manager with effect from 1st June 2016 subject to the approval of Shareholders in the ensuing Annual General Meeting.