



# 12<sup>th</sup> | Annual Report 2016-17



**RJ GROUP**  
*Aiming New Heights*

## **RJ BIO-TECH LIMITED**

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

**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:**

✂ Miss. Neha Dilip Agrawal	Compliance Officer and Company Secretary
✂ Mrs. Aarti Pawar	Chief Financial Officer
✂ Mr. Ravi kumar Venkata Singamsetty	Manager

**BANKERS:**

✂ State Bank of India
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**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  
1<sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis  
Makwana Road, Marol, Andheri East  
Mumbai-400059

**For any Queries regarding Annual report contact:**

Miss. Neha Dilip Agrawal  
Company Secretary & Compliance Officer  
R J Bio-Tech Limited  
Siddharth Arcade, Opp. Holiday Camp, Station Road, Aurangabad -431 005  
Tel No. 0240-2354912-17  
Fax No. 0240-2332111  
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## CHAIRMAN'S STATEMENT

**Dear Shareowners,**

This is the second time I am communicating with you regarding the financial year 2016-17. I thank you very much for your trust and continued support. In continuation to my communication in May 2017, I would like to put before you the 12<sup>th</sup> Annual Report of R J Bio-tech Limited and share with you, the performance highlights and financial indicators of the company during the financial year 2016-2017 as well as the future outlook.

The slowdown in agriculture sector due to below average rainfall continued this year too. The entire agriculture industry has been suffering due to the inadequate rains for last 2-3 years. Many potential areas in the country were draught declared. In the year 2016-17, though the rains were good in the north, but were very bad in South Indian states where we have high volume pockets. Owing to this, your company marks a fall in sales during the FY 2016-17 witnessing high return of sales from market adding burden to transport overheads. This coupled with the finance cost further led to a loss of Rs.15.01 Cr for the fiscal 2017.

Your company has taken the necessary corrective actions to control and avoid further losses; and taking each and every decision very carefully. Continuous efforts are taken to place your company in a very comfortable position in terms of reputation, revenue generation and attractive returns to your investment.

I believe and hope you also agree that, only profit earning cannot be the benchmark for the company's performance evaluation. There are other factors also which has to be considered while evaluating performance of the company.

On the brighter side, I am glad to inform you that, the sale of our BT Cotton has increased three folds in the FY 16-17 owing to tremendous positive response from farmers. I am confident to generate 30% of the revenue from BT Cotton sale in FY 2017-18. We have put these two Hybrids in four states & as on date, the crop is of 75 days. The farmers are very happy with the initial reports. These Hybrids have the potential to turn around the company single handedly.

I also wish to share with you that, out of the four released unique hybrids of Maize (Corn), RJ 2020 has been "Notified" by Indian Council of Agricultural Research (ICAR), Government of India for its consistent performance over the other Competitors' hybrids. This hybrid along with other three hybrids will contribute 30% of the revenue of the Company in Kharif and Rabi Season.

Another good news is about our R&D Head at Hyderabad, Dr. Narendra Kulkarni, eminent Rice Breeder & Senior Scientist. Dr. Kulkarni has been awarded Best Scientist Award by the Indian Institute of Rice Research, GOI. He has been working on Rice for last 35 years in Rice Breeding & he has released many elite varieties & hybrids of Rice and Maize. Many of them have topped in all India trials. We are very proud to have him in RJ Bio-Tech family.

I would also like to highlight on your company's contribution in R&D to strengthen its base. Your company RJ Bio-Tech has spent almost 20 Cr. of rupees on research for product development and consistently working on crop improvement with the team of our renowned scientists and senior breeders assisted by Jr. Breeders.

In vegetable segment, our R&D team has released a Chilly hybrid "Sanjeevani" five years ago and now it has become farmers' choice in Chilly growing area of Andhra Pradesh and Telangana. It would be one of the top Grossers in the segment. Similarly other vegetable products are also catching market and I am hopeful that the Vegetable segment will contribute to 20% to revenue of the Company. The growth of the company is sustainable.

Your company is in talks with top Indian conglomerates for supplying our Rice and Cotton products developed by our R &D and are expected to be marketed by them once the trails are successful during coming season. These companies currently don't have Rice & Cotton in their product basket.

The Union Budget 2017 has been very encouraging for the farming community as the Central government has allocated Rs.1.87 lac Cr. towards rural, agricultural and allied sectors to achieve the target of doubling their income in next five years. Higher credit target enhances the access to funds for the farming community. Additionally, increased allocations towards irrigation programmes would have an impact over long term with creation of such infrastructure reducing dependence on monsoons. The Centre has also enhanced focus on Crop Insurance which will secure their crop from natural calamities and make them financially stable. All these factors will motivate the farming community to confidently carry out the farming activities. This will create more demand for the high yielding and improved seeds and will help in boosting the sale of your company. Secondly the post demonetization effect is expected to bring long-term benefits by growth in economy between 6.75% and 7.5% in 2017-18.

Your company continues to strengthen its bond with the Distributors and Dealers network in the operating states represented by experienced marketing team of your company. The company also continues to take promotional activities by organizing field day and other related activities at village level for deep penetration in the market to boost the sales. Your company also fulfills its Corporate Social Responsibility (CSR) by organizing blood donation camp with enthusiastic participation of voluntary donors to help the needy patients.

Your Company has been on a continuous basis reviewing and streamlining its various operational and business risks involved in its business though we are bound to bend before the Nature.

Finally, I would like to thank you for your faith and confidence in the Company. I would also like to thank the government, distributors and dealers, farmers for their continued support to the Company and also to the dedicated employees, all being biggest strengths for your company.

Yours sincerely,

**Sd/-**  
**Raghavendra Joshi**  
**(Chairman)**

## NOTICE

NOTICE is hereby given that the **Twelfth Annual General Meeting** of the Members of **R J Bio-tech Limited** will be held on **Friday, 29<sup>th</sup> day of September 2017** 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 31<sup>st</sup> March 2017 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. Shashikant Shastri (holding DIN 00307652), 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 31<sup>st</sup> March, 2018.

**By order of the Board**

**Sd/-**

**Neha Agrawal**  
**(Company Secretary)**

**Date: 31<sup>st</sup> August 2017**

**Place: Aurangabad**

### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTER 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. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder
3. 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.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 24<sup>th</sup> September 2017 to 29<sup>th</sup> September 2017, 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 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 electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding the shares in physical form can submit their PAN details to the Company
8. 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.
9. The shareholders are requested to bring their copy of the Annual Report to the Meeting.
10. 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 2016-2017 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.
11. The Notice of the 12<sup>th</sup> Annual General Meeting and the Annual Report 2016-17 will also be available on the Company's website [www.rjbiotech.com](http://www.rjbiotech.com) for being downloaded. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days till the date of the meeting.

**DETAILS OF MR. SHASHIKANT SHASTRI, DIRECTOR OF THE COMPANY, SEEKING RE-APPOINTMENT IN ANNUAL GENERAL MEETING**

Particulars	
Date of Birth	19 <sup>th</sup> August 1960
Date of Appointment	25 <sup>th</sup> June 2007
Qualification	Diploma in Mechanical Engineering
Expertise in specific functional are	Mr. Shashikant Shastri has a vast knowledge and wide experience in purchase management and setting up market of the product.
List of Public Companies in which outside Directorship held (including Foreign Companies)	Maruti Fertochem Limited Maruti Ferro-Tech Limited Maruti Phosphates Limited
Chairman/ Member of the Committee of Board of Directors of Public Companies	Maruti Fertochem Limited Shareholders / Investors Grievance Committee - Member
Shareholding in the Company	50000

## DIRECTORS' REPORT

### To the Members,

Your directors have pleasure in presenting the Twelfth Annual Report on the business and operations of Company and the financial accounts for the year ended 31<sup>st</sup> March 2017.

- **Financial Highlights:**

The financial highlights of your Company, for the year ended 31<sup>st</sup> March, 2017 are summarized below:

(Rs. In Lakhs)

Particulars	2016-2017	2015-2016
Net Sales	1573.83	3595.88
Less: Total Expenses	2721.13	3024.05
Operating Profit	-1507.39	571.83
Less: Interest Expenses	360.09	343.73
Profit Before Tax	-1501.68	228.10
Profit After Tax	-1501.70	226.93
Surplus carried forward to Balance Sheet	-1501.70	226.93
Basic Earnings per share (In Rs.)	-15.86	2.40

- **Operational review:**

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

- **Dividend:**

There is no profit during financial year 2016-17 to the company. Board of Directors has not recommended dividend for the period.

- **Share Capital**

The paid up equity share capital as on 31<sup>st</sup> March, 2017 was Rs. 9,46,76,000/- divided into 94,67,600 equity shares of face value of Rs. 10/- each. There was no public issue, rights issue, bonus issue or preferential issue, etc. during the year. The Company has not issued shares with differential voting rights, sweat equity shares, nor has it granted any stock options.

- **Financial Statements**

Full version of the Annual Report 2016-17 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 2016-17 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)

- **Subsidiaries**

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

- **Credit Rating**

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

- **Particulars of remuneration of Directors / KMP / Employees**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rules 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached to this Report as ANNEXURE IV.

- **The conservation of Energy and Technology Absorption, Foreign Earnings and Outgo:**

Information in accordance with the provisions of Section 134 (3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is given in ANNEXURE V which forms part of this Report

- **Statutory Auditors:**

In the Ninth Annual General Meeting of the Company, M/s Ashok Patil & Associates, Chartered Accountants (ICAI Registration No. 122045W), were appointed as the Statutory Auditors of the Company to hold office until the conclusion of the Fourteenth Annual General Meeting subject to ratification of the members in every Annual General Meeting. Board recommends their ratification as statutory auditors for Financial Year 2017-18.

- **Statutory Auditors Comments on their Report:**

The Statutory Auditors have made certain. The disclaimer made by the Statutory Auditors in the Auditors Report is as follows:

1. Point No. 4(i) of auditor's report says that : As per the information & explanations given, management has sent balance confirmations to outstanding debtors, due to ongoing season, confirmations are still awaited. In the absence of unavailability of confirmations we are unable to confirm or verify by alternative means accounts receivable included in the Balance Sheet at a total amount of Rs.21,08,43,295/- (before provision for bad & doubtful debts of Rs. 210,84,300/-) as at March 31, 2017. As result of this matter, we were unable to determine whether any adjustment might have been found necessary in respect of records receivables in the balance sheet, and the corresponding element making up the statement of profit and loss and cash flow statement.