

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
2nd 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 19th 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, 17th 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 31st 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: 29th May 2013

Registered Office: Nath House

Nath Road,
Aurangabad-431005

Managing Director
Satish Kagliwal

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 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.

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: 29th May 2013
Registered Office: Nath House
Nath Road,
Aurangabad-431005

Managing Director
Satish Kagliwal

DIRECTORS' REPORT

Your Directors are pleased to present the 19th Annual Report together with the Audited Accounts of your Company for the financial year ended 31st 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 31st 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 Cartagena 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

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 31st 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.

INSURANCE

All the insurable interest of the company, including Inventories, Buildings, Machinery etc, is adequately insured.

INDUSTRIAL RELATIONS

Industrial relations remained cordial throughout the year under review.

ACKNOWLEDGEMENT

Your Directors record their gratitude to the Financial Institutions, Banks and other Government departments for their continued assistance and co-operation extended to your Company during the year under report.

Your Directors also wish to place on record, their appreciation for the dedicated services of the employees of your Company at all levels.

By order of the Board of Directors

29^h May 2013
Place: Aurangabad

Chairman
Nandkishor Kagliwal

Mananging Director
Satish Kagliwal

MANAGEMENT DISCUSSION & ANALYSIS REPORT

A. INDUSTRY SCENARIO

India's economic security continues to be predicated upon the agriculture sector, and the situation is not likely to change in the foreseeable future. Even now, agriculture supports 58% of the population, as against about 75% at the time of independence. In the same period, the contribution of agriculture and allied sector to the Gross Domestic Product (GDP) has fallen from 61 to 19%. As of today, India supports 16.8% of world's population on 4.2% of world's water resources and 2.3% of global land. And per caput availability of resources is about 4 to 6 times less as compared to world average. This will decrease further due to increasing demographic pressure and consequent diversion of the land for non-agricultural uses.

Around 51% of India's geographical area is already under cultivation as compared to 11% of the world average. The present cropping intensity of 136% has registered an increase of only 25% since independence. Further, rain fed dry lands constitutes 65% of the total net sown area. There is also an unprecedented degradation of land (107 million ha) and groundwater resource, and also fall in the rate of growth of total factor productivity. This deceleration needs to be arrested and agricultural productivity has to be doubled to meet growing demands of the population by 2050. Efficiency-mediated improvement in productivity is the most viable option to raise production.

The country recorded impressive achievements in agriculture during three decades since the onset of green revolution in late sixties. This enabled the country to overcome widespread hunger and starvation; achieve self-sufficiency in food; reduce poverty and bring economic transformation in millions of rural families. The situation, however, started turning adverse for the sector around mid-nineties, with slowdown in growth rate of output, which then resulted in stagnation or even decline in farmers' income leading to agrarian distress, which is spreading and turning more and more serious.

Natural resource base of agriculture, which provides for sustainable production, is shrinking and degrading, and is adversely affecting production capacity of the ecosystem. However, demand for agriculture is rising rapidly with increase in population and per caput income and growing demand from industry sector. There is, thus, an urgent need to identify severity of problem confronting agriculture sector to restore its vitality and put it back on higher growth trajectory. The problems, however, are surmountable, particularly when new tools of science and technology have started offering tremendous opportunities for application in agriculture.

We at Nath Bio-Genes (India) Limited are also working on the same lines to enhance productivity and improve yield through better hybrids and products.

B. OPPORTUNITIES, GROWTH, THREAT, & CHALLENGES

Over the years the Indian economy has undergone a structural change in its sectoral composition: from a primary agro-based economy during 1970s, the economy has emerged as predominant in the service sector since the 1990s. This structural change and uneven pattern of growth of agriculture, industry and services sector in the post reforms period is likely to appear substantial changes in the production and demand linkages among various sectors, and in turn, could have significant implication for the growth and development process of the economy. 'Agriculture-industry' linkage has been deteriorating over the years and there has been directional change in

the inter-linkages between the agriculture and industry sectors. Both the production and demand linkages were primarily from the industry to agriculture sector in the pre-reform period, which changed to from agriculture to industry in the post-reform period. Further, while the linkage was primarily through the production channel in the 1960s through 1980s, it translates primarily through the demand channel since 1990s. This has led to reduction in emphasis on the agriculture sector thereby creating gaps in production areas. The weather has also been playing truant over the last year or two thereby creating further damage to the agriculture sector.

C. INTERNAL CONTROLS

Your company has successfully implemented ERP package and is in the process of comprehensive review of its internal control systems. A System Auditor System has been introduced to provide online checks & controls in the ERP System. This would provide assurance regarding efficiency of operations, reliability of financial reporting and compliance with applicable laws.

D. FINANCIAL PERFORMANCE

SALES:

The Sales and other Income of your Company for the year ended 31st March 2013 was at Rs 13770.29 Lacs (Previous Year Rs 12391.53 Lacs).

EXPENDITURE:

Your Company continued its focus on coast management initiatives.

PROFIT:

Profit after Tax for the year under review amounted to Rs 1174.56 Lacs.

E. HUMAN RESOURCES

Your company will continue to invest in its people. We are developing a programme of recognition and rewards directly linked to performance. It shall be our continued endeavor to provide each employee the opportunity to realize his / her full potential. A structured recruitment process has helped your Company attract the right talent.

CORPORATE GOVERNANCE REPORT

The detailed report on Corporate Governance as per the format prescribed by SEBI and incorporated in clause 49 of the Listing Agreement is listed below:

MANDATORY REQUIREMENTS

1. Company's Corporate Governance Philosophy

Your Company is committed to adopt the best Corporate Governance practices and endeavors continuously to implement the code of Corporate Governance in its true spirit. The philosophy of your Company in relation to Corporate Governance is to ensure transparency in all its operations, make disclosures and enhance shareholders' value without compromising in any way in complying with the laws and regulations.

The Company is committed to good Corporate Governance practices that serve and protect the short and long term interests of the stakeholders. The following report on the implementation of the Corporate Governance requirements under Clause 49 of the Listing Agreement illustrates the efforts of the Company in having followed the Corporate Governance Principles.

2. The Board of Directors

Composition and Status of Directors

The composition of the Board of Directors and also the number of other Board of Directors or Board Committees of which he is a Member/Chairman are as under: -

Name of the Director	Category	No of Public Directorships	Committee Membership	Committee Chairmanship
Mr. Satish Kagliwal	Promoter Executive	6	2	-
Mr. Nandkishor Kagliwal	Promoter Chairman Executive	6	--	-
Mr. Akash Kagliwal*	Promoter Non-Executive	10	6	-
Mr. Samadullah Baig*	Professional Executive	2	-	-
Mr. Kashinath Iyer	Independent Non-Executive	4	4	4
Mr. Hitesh Purohit	Independent Non-Executive	3	2	-
Mr. Pondicherry Ravendernath	Independent Nominee	3	-	-

*Mr. Akash Kagliwal & Mr. Samadullah Baig have resigned from the Board with effect from 10th October 2012

The present strength of the Board of Directors is 5.

Attendance of each Director at the Board Meeting

During the year ended 31st March 2013, Six Board of Directors Meetings were held on 30th April 2012, 31st July 2012, 4th August 2012, 10th October 2012, 12th January 2013, & 24th January 2013. The interval between two meetings did not exceed four months. The attendance of each Director at Board of Directors Meetings is as under.

Name of Director	No. of Board Meetings attended
Mr. Satish Kagliwal	6
Mr. Nandkishor Kagliwal	6
Mr. Akash Kagliwal	4
Mr. Samadullah Baig	4
Mr. Kashinath Iyer	2
Mr. Hitesh Purohit	2

All the directors were present at the last AGM

All significant information had been place before the Board.

3. Code of Conduct

The Company has formulated and adopted a code of business conduct and ethics to guide our transactions with our colleagues, communities, customers, governments, investors, regulators and society. Requisite annual affirmations of compliance with the respective code have been made by the directors and the management of the company; including a declaration signed by the Managing Director of the company regarding Compliance of the Code of Business Conduct.

4. Committees of the Board

A. AUDIT COMMITTEE

(i) Broad Terms of Reference

The terms of reference of the Audit Committee include:

- To review the Company's financial reporting process and its financial statements.
- To review the accounting and financial policies and practices.
- To review the efficacy of the internal control mechanism and monitor risk management policies adopted by the Company and ensure compliance with regulatory guidelines.
- To review reports furnished by the internal and statutory auditors and ensure that suitable follow-up action is taken.
- To examine accountancy, taxation and disclosure aspects of all significant transactions.

The terms of reference of this Committee are wide enough covering the matters specified under the Listing Agreement.

(ii) Composition

The Audit Committee was reconstituted pursuant to the change in the Board of Directors of the Company & comprises of three directors namely Mr. Kashinath Iyer, Chairman, Mr. Hitesh Purohit, Committee Member & Mr. Satish Kagliwal, Committee Member. During the year ended 31st March 2013, four audit committee meetings were held on 30th April 2012, 31st July 2012, 10th October 2012, & 24th January 2013. The constitution of the Audit Committee and attendance of the members of the meetings was as under:

Name of Director	Status	No. of Meetings attended
Mr. Akash Kagliwal*	Chairman, Promoter Non Executive	3
Mr. Samadullah Baig*	Member, Professional Executive	3
Mr. Satish Kagliwal	Member, Promoter, Executive	4
Mr. Kashinath Iyer	Chairman, Independent, Non- Executive	1
Mr. Hitesh Purohit	Member, Independent, Non-Executive	1

Mr. Samadullah Baig & Mr. Akash Kagliwal ceased to be the members of the Audit committee due to their resignation from the Directship. Further Mr. Kashinath Iyer & M. Hitesh Purohit, both Independent Directors were appointed on the Board and Audit Committee was reconstituted on the 10th of October 2012.

B. SHARE TRANSFER APPROVAL COMMITTEE & SHAREHOLDERS INVESTOR GRIEVANCES COMMITTEE.

(i) Broad Terms of Reference

The Shareholders Investor Grievances & Share Transfer Approval Committee comprising of three directors has been constituted with the necessary powers to carry out Share transfers, dematerialization/re-materialization of shares as well as handling shareholders/investor grievances. In short, the terms of reference of the Committee include, redressal of shareholders and investors complaints regarding transfer and transmission of shares, dematerialization of shares and issue of duplicate share certificates, non-receipt of Balance Sheet etc. The Committee oversees the performance of the Registrar and Transfer Agents of the Company and recommends measures for the overall improvement in the quality of investor services.

(ii) Composition

The Audit Committee was reconstituted pursuant to the change in the Board of Directors of the Company & comprises of three directors namely Mr. Kashinath Iyer, Chairman, Mr. Hitesh Purohit, Committee Member & Mr. Satish Kagliwal, Committee Member. During the year ended 31st March 2013, four audit committee meetings were held on 30th April 2012, 31st July 2012, 10th October 2012, & 24th January 2013.

Name of Director	Status	No. of Meetings attended
Mr. Akash Kagliwal*	Chairman, Promoter Non Executive	3
Mr. Samadullah Baig*	Member, Professional Executive	3
Mr. Satish Kagliwal	Member, Promoter, Executive	4
Mr. Kashinath Iyer	Chairman, Independent, Non- Executive	1
Mr. Hitesh Purohit	Member, Independent, Non-Executive	1

Mr. Samadullah Baig & Mr. Akash Kagliwal ceased to be the members of the Investor Grievance committee due to their resignation from the Directship. Further Mr. Kashinath Iyer & M. Hitesh Purohit, both Independent Directors were appointed on the Board and Share Transfer Approval Committee & Shareholders Investor Grievances Committee was reconstituted on the 10th of October 2012.

(iii) Details of Shareholders' complaints

The Company during the year received no complaints. There were NIL complaints pending disposal as on 31st March 2013.

(iv) Compliance Officer

Ms. Laveena Chanchlani has been appointed as the Company Secretary of the company & is the Compliance officer for complying with the requirements of SEBI Regulations and Listing Agreements with Stock Exchanges in India.

C. REMUNERATION COMMITTEE

(i) Composition

There is no specific remuneration committee constituted in the company. Following are details of remuneration paid / payable to the Directors for the year ended 31st March 2013.

(ii) Managerial Remuneration

(Rs in Lacs)

Name of the Director	Designation	Salary	Perquisites and allowances	Total
Mr. Satish Kagliwal	Managing Director	8.5	3.5	12
Mr. Nandkishor Kagliwal	Chairman	Nil	Nil	Nil
Mr. Samadullah Baig	Technical Director	3.51	Nil	3.51

(iii) Sitting Fees for Board Meetings

(Amount in Rs)

Name of Director	Designation	Sitting Fee	Total Rs.
Mr. Satish Kagliwal	Managing Director	0	0
Mr. Akash Kagliwal	Director	1000	1000
Mr. Nandkishor Kagliwal	Chairman	1000	1000
Mr. Samadullah Baig	Technical Director	1000	1000

The Company does not have a Stock Option or Performance Linked incentives for its Directors.

(i) Disclosure of material transactions to the Board

No transactions of material nature has been entered into by the company with the promoters, directors or the management, their subsidiaries or relatives etc. that may have a potential conflict with interest of the company

5. Details of General Body Meetings

The location and time where last three Annual General Meetings of the Company were held as under:-

Financial Year	Place	Date	Time
2011-2012	Nath House, Nath Road, Aurangabad (MAH) 431005	1 st Sept 2012	11.00 AM
2010-2011	Nath House, Nath Road, Aurangabad (MAH) 431005	30 th Sept 2011	11.00 AM
2009-2010	Nath House, Nath Road, Aurangabad (MAH) 43100	25 th Aug 2010	4.00 PM

No special resolution was put through postal ballot at the last Annual General Meeting. No votes are proposed to be conducted through postal ballot this year.

6. Means of communication

(a) Quarterly Results: The Board of Directors of the Company approved and took on record the unaudited financial results.

(b) News Releases, Presentations: Official news, Releases are displayed on the Company's website www.nathbiogenes.com.

(c) Annual Report: The Annual Report containing, inter alia, Audited Annual Accounts, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto.

(d) Designated E-mail-id: The Company has designated the following Email-id exclusively for investors.

Investor@nathseeds.com

7. Disclosures

a. Except the details of transactions given in Note No. 37 of the Notes to Accounts, the Company had no material transaction with it's promoters, directors or the management, their relatives or its subsidiaries etc. that may have had a potential conflict of interest with the Company.

b. Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any other statutory authority on any matter related to capital markets, during the last three years- Nil

c. The Company has not established any mechanism as referred under Whistle Blower policy.

d. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause-No non-mandatory requirements were adopted.

8. Shareholders information

a. Registered Office

Nath Bio-Genes (India) Limited
Nath House
Nath Road, Aurangabad
Maharashtra, 431005

b. Annual General Meeting

Venue	Nath Bio-Genes (India) Limited Nath House, Nath Road, Aurangabad
Date & Time	17th August 2013, 11.00 AM

c. Book Closure

Since the shares of the Company have not yet been listed pursuant to the Scheme of Reconstruction & Re-arrangement, the Company has not closed its books this year.

d. Financial Calendar

- Financial Reporting for the Quarter Ending 30th June 2013 by July 2013.
- Financial Reporting for the Quarter Ending 30th September 2013 by October 2013.
- Financial Reporting for the Quarter Ending 31st December 2013 by January 2014.
- Financial Reporting for the Quarter Ending 31st March 2014 by April 2014.
- Annual General Meeting for the Year ending 31st March 2014 by September 2014.

e. Listing on Stock Exchanges and ISIN No.

The Company has received in-principal Approval for listing from the Stock Exchange, Mumbai, National Stock Exchange of India Limited, Mumbai. The Company's shares are listed on Ahmedabad Stock Exchange, Ahmadabad, under ISIN No. INE448G01010, by National Securities Depository Limited and Central Depository Services (India) Limited. The shares of the company fall under the category of compulsory delivery in de-materialized mode by all category of investors. However the Listing procedure for BSE and NSE is still in the process.

f. Listing Fee Status

Bombay Stock Exchange
National Stock Exchange
Ahmedabad Stock Exchange

Currently N.A
Currently N.A
Paid for the year 2013-2014

g. Stock Code

Stock Exchange	Stock Code	Trade Symbol
Bombay Stock Exchange	NYA*	NYA
National Stock Exchange	NYA	NYA
Ahmedabad Stock Exchange	39390	Nath Bio-Genes (India) Limited

*Not Yet Allotted

h. Registry and Transfer activity

As per the SEBI guidelines, the Registry and Share transfer activity is being handled by M/s Big Share Services Private Limited. The Share Transfer requests received in physical form are normally registered within 30 days from the date of receipt.

i. Distribution of Share Holding as on 31st March 2013

Shareholding Range		Number of Shareholders	Percentage of total number of shareholders	Number of shares	Percentage of Total holding
1	5000	30191	95.79579	2208770	13.80136
5001	10000	703	2.230613	485111	3.031186
10001	20000	362	1.148623	476156	2.975231
20001	30000	121	0.383932	286473	1.790009
30001	40000	33	0.104709	113975	0.712166
40001	50000	19	0.060287	84529	0.528174
50001	100000	40	0.12692	273678	1.71006
100001	9999999	47	0.149131	12075308	75.45181

j. Share Holding Pattern as on 31st March 2013

Category	No. of Shares	% of Capital
PROMOTER HOLDING		
Indian Promoters	8610990	53.81
Persons acting in Concert	0	0
Sub Total	8610990	53.81
NON PROMOTER HOLDING		
Mutual Funds	2684	0.02
Banks/Financial Institutions	3844041	24.00
Foreign Institutional Investors	550	0.01
Bodies Corporate	760787	4.75

Indian Public	2745117	17.15
NRI/OCB	39831	0.25
Sub Total	7393010	46.19
Total	16004000	100.00

k. Plant Location

Nath Bio-Genes (India) Limited,
Nath House, Nath Road,
Aurangabad – 431 005
Phone No.: (0240) 2376314-17 Fax No. : (0240) 2376188
Email: mail@khurana.co.in

l. Investor Correspondence

For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address and any other query relating to the shares of the Company, please write to;

Big Share Services Pvt. Ltd,
E2/3, Ansa Industrial Estate
Sak Vihar Road, Saki Naka,
Andheri (East), Mumbai – 72

For any query on Annual Report please write to;

Ms. Laveena Chanchlani
Compliance Officer
Nath Bio-Genes (India) Limited,
Nath House, Nath Road,
Aurangabad-431005
Email: investor@nathseeds.com

For an on behalf of the Board of Directors

Place: Aurangabad
Dated: 29.05.2013

Managing Director
Satish Kagliwal

Director
Nandkishor Kagliwal

**AUDITOR'S CERTIFICATE ON COMPLIANCE OF CONDITIONS OF
CORPORATE GOVERNANCE**

To,
The Members
NATH BIO-GENES (INDIA) LIMITED
Aurangabad

We have examined the compliance of conditions of corporate governance by Nath Bio-Genes (India) Limited for the year ended on 31st March 2013, as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchanges in India.

The Compliance of conditions of the Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and explanation given to us, we certify that the company has generally complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

On the basis of the representation received from Registrar and Share Transfer agent and as per the records maintained by the Company which are presented to the Share Transfer Approval Committee, we state that no investor grievances are pending for a period exceeding one month as on 31st March 2013.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Gautam N. Associates
FRN 103117W
Chartered Accountants

Gautam Nandawat
Partner
M No 32742

Place: Aurangabad
Dated: 29.05.2013

**CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)
CERTIFICATION**

To the Board of Directors of Nath Bio-Genes (India) Limited

Dear Sirs,

SUB: CEO/CFO Certificate

(Issued in accordance with the provisions of Clause 49 of the Listing Agreement)

We Satish Kagliwal, Managing Director and Devinder Khurana, Vice President Finance of Nath Bio-Genes (India) Limited, to the best of our knowledge and belief, certify that:

We have reviewed the financial statements, read with cash flow statement of Nath Bio-Genes (India) Limited for the year ended March 31, 2013 and that to the best of our knowledge and belief, we state that:

- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) These statements present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the company's code of conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company if any, and the steps taken or proposed to be taken for rectifying these deficiencies.

We have indicated to the auditors and the Audit committee;

- (i) That there are no significant changes in internal control over the financial reporting during the year;
- (ii) significant changes in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
- (iii) That there are no frauds of which we have become aware and the involvement therein, if any of the management or an employee.

For an on behalf of the Board of Directors

Aurangabad
Dated: 29.05.2013

Managing Director	Vice President (Finance)
Satish Kagliwal	Devinder Khurana

DECLARATION UNDER CLAUSE 49 OF THE LISTING AGREEMENT

In accordance with Sub Clause I (D) of Clause 49 of the Listing Agreement with the Stock Exchanges, I Satish Kagliwal, Managing Director of the Company hereby confirm that the Board members and the senior management personnel of the Company have affirmed compliance with the Company's Code of Conduct for the financial Year ended 31st March, 2013.

For an on behalf of the Board of Directors

Aurangabad
Dated: 29.05.2013

Managing Director
Satish Kagliwal

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Nath Bio-Genes (India) Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Nath Bio-Genes (India) Limited** (“the Company”), which comprise the Balance Sheet as at 31st March, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (“the Act”). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

- a) *In terms of Note No 26D, Trade discount amounting to Rs. 11,38,48,232 (Previous year Rs. 9,21,14,473) has been shown debited in the Statement of Profit and Loss which should have been netted off from the Sales. Had this treatment been made, the sales for the year would have been Rs.1,26,31,81,592 (Previous year Rs. 1,14,70,38,809) instead of Rs. 1,37,70,29,824 (Previous year Rs. 1,23,91,53,282.*

Emphasis of Matter Paragraphs and Other Matter Paragraphs

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to:-

- a) Note No 30 to the financial statements regarding certain Creditors, Unsecured Loans, certain current account balances with banks, Deposits, Loans and Advances being subject to confirmation and reconciliation.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required under provisions of section 227(3) of the Companies Act, 1956, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;

c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from branches not visited by us;

d. except for the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act;

e. on the basis of written representations received from the directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For Gautam N Associates
Chartered Accountants
FR Number – 103117W

(Gautam Nandawat)
Partner
Membership No 032742

Place: Aurangabad
Date: 29th May 2013

**Annexure referred to in Para 3 of our report of even date to the Members of Nath Bio-Genes
(India) Limited for the period ended on 31st March 2013**

- i) a) The Company has maintained fixed assets records showing full particulars including quantitative details and situation of its fixed assets including in respect of intangible assets
- b) As explained to us, some of the fixed assets have been physically verified by the management during the year according to the phased program of verification, which in our opinion, should be such so as to cover more items of fixed assets with more frequency having regard to the size of the Company and nature of its fixed assets. As explained, discrepancies as may be noticed on reconciliation with the fixed assets records as and when updated will be appropriately adjusted and accounted for.
- c) The Company has not disposed off substantial part of its fixed assets during the year.
- ii) a) The Inventory has been physically verified during the year by the management. In our opinion, the frequency of verifications is reasonable.
- b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company is maintaining records of inventory. The discrepancies noticed on verification between the physical stock and book records have been properly dealt with in the books of the account.
- iii) a) The Company has taken loans from eight companies covered in the register maintained under section 301 of the Act. The maximum amount involved during the year was Rs. 8,62,44,724 and the year end balance of loans taken from such parties was Rs. 82,40,870. There five one Company covered in the register maintained under section 301 of Act, to which the Company has granted loans. The maximum amount involved during the year was Rs. 7,04,39,353 and the year end balance of loans granted to such parties was Rs. NIL.
- b) In our opinion, the terms and conditions including non charging of interest on which the loans/ advances have been taken from / granted to companies, firms or other parties listed in the register maintained under section 301 of the Act, are, prima facie not considered to be prejudicial to the interest of the Company for the reasons stated in the Note No 18 to the Financial Statements.
- c) The company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest, wherever applicable.
- d) There are no overdue amounts of loans taken from or granted to companies, firms or other parties listed in the register maintained under section 301 of the Act.

- iv) In our opinion and according to the information and explanations given to us, internal control procedures are commensurate with the size of the Company and nature of its business with regard to purchase of inventory, production of seeds, fixed assets and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.
- v) a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Act, have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Act and exceeding the value of rupees five lacs in respect of each party during the year could not be compared being specialized in nature.
- vi) The Company has not accepted deposit within the meaning under section 58A and 58AA of the Act and Rules framed there under accepted during the year.
- vii) In our opinion, the Company's internal audit system needs to be strengthened by expanding the scope and coverage.
- viii) The Central Government has not prescribed for maintenance of cost records under Section 209(1)(d) of the Act, for the products of the Company.
- ix) a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Investor Education and Protection Fund, Provident Fund Employee State Insurance and other statutory dues applicable to it. The outstanding statutory dues as at the last day of the financial year concerned are as follows:

Sr No	Name of the Statute	Nature of the dues	Amount (Rs)	Remarks
1.	Income Tax Act, 1961	TDS	35,22,140	Since Paid
2	Employees' Provident Fund & Misc Provisions Act, 1952	Employee's Provident Fund	7,49,743	Since paid
3	Employees' Provident Fund & Misc Provisions Act, 1952	Employer's Provident Fund	3,90,659	Since Paid

- b) According to the information and explanations given to us, there are no dues of Wealth Tax, Sales Tax, Custom Duty, cess, etc. as at 31st March 2013, which have not been deposited on account of any dispute.
- x) The Company does not have accumulated losses as at 31st March 2013. The Company has not incurred cash losses during the financial year ended on that date as well as in the immediately preceding financial year.

- xi) The Company has not defaulted in repayment of dues to Banker and Financial Institutions.
- xii) In our opinion, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund/society.
- xiv) In our opinion, the Company is not dealing or trading in shares, securities, debenture and other investments.
- xv) As per the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.
- xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that generally no funds raised on short-term basis have been used for long-term investment and vice versa.
- xviii) According to the information and explanations given to us, the Company has not made preferential allotment of shares during the year to companies covered in the register maintained under section 301 of the Act.
- xix) According to the information and explanations given to us, during the year covered by our audit report, the Company has not issued any debentures.
- xx) The Company has not raised any money by public issues during the year.
- xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the period, nor have we been informed of any such case by the management.

For Gautam N Associates
Firm Registration No 103117W
Chartered Accountants

Sd/-

(Gautam Nandawat)
Partner
M No 32742

Place: Aurangabad
Dated: 29th May 2013

**NATH BIO-GENES (INDIA) LIMITED
BALANCE SHEET AS AT 31 MARCH 2013**

	NOTE NO	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
a) Share Capital	3	16,00,40,000	16,00,40,000
b) Reserves & Surplus	4	41,47,01,081	29,72,44,068
c) Money Received against share warrant		-	-
		57,47,41,081	45,72,84,068
(2) Share Application money pending allotment			
		-	-
(3) Non current Liabilities			
a) Long Term Borrowings	5	1,22,41,767	77,38,004
b) Deferred Tax Liabilities		-	-
c) Other Long Term Liabilities		-	-
d) Long Term Provisions	6	1,46,87,000	1,41,29,000
		2,69,28,767	2,18,67,004
(4) Current Liabilities			
a) Short Term Borrowings	7	16,42,40,652	8,16,46,979
b) Trade Payables	8	27,61,42,350	16,36,04,549
c) Other Current Liabilities	9	38,43,62,174	47,45,99,378
d) Short Term Provisions	10	29,19,711	5,50,000
		82,76,64,887	72,04,00,905
TOTAL		1,42,93,34,735	1,19,95,51,978
II. ASSETS			
(1) Non Current Assets			
a) Fixed Assets			
i) Tangible Assets	11	6,74,30,886	5,86,80,901
ii) Intangible Assets	11	11,64,65,030	14,99,89,377
iii) Capital Work In Progress		-	-
iv) Intangible assets under development		-	-
		18,38,95,916	20,86,70,278
b) Non Current Investments	12	4,99,58,475	50,56,075
c) Deferred Tax Assets (Net)	13	90,30,101	86,24,461
d) Long Term Loans and Advances	14	-	1,50,00,000
e) Other Non Current Assets		-	-
		5,89,88,576	2,86,80,536
(2) Current Assets			
a) Current Investments		-	-
b) Inventories	15	77,17,45,334	65,75,56,828
c) Trade Receivables	16	20,98,61,693	12,45,20,284
d) Cash and Cash Equivalents	17	2,47,75,918	3,29,09,272
e) Short Term Loans and Advances	18	16,53,88,122	13,45,55,152
f) Other Current Assets	19	1,46,79,176	1,26,59,628
		1,18,64,50,243	96,22,01,164
TOTAL		1,42,93,34,735	1,19,95,51,977
Cash Flow Statement	1	0	0
NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS PER OUR ATTACHED REPORT OF EVEN DATE			
For Gautam N Associates		For and on behalf of the Board	
FRN: 103117W			
Chartered Accountants			
Sd/-	Sd/-	Sd/-	
Gautam Nandawat Partner M No 32742	Satish Kagliwal Managing Director	Nandkishor Kagliwal Director	
Place : Aurangabad Dated: 29th May 2013			

NATH BIO-GENES (INDIA) LIMITED

**STATEMENT OF PROFIT AND LOSS
FOR THE PERIOD ENDED 31ST MARCH, 2013**

PARTICULARS	NOTE NO.	For year ended on 31st March 2013 (Rs.)	For year ended on 31st March 2012 (Rs.)
REVENUE			
Revenue from operations	20	1,37,70,29,824	1,23,91,53,282
Other Income	21	58,02,467	90,80,097
		1,38,28,32,290	1,24,82,33,379
EXPENDITURE			
Purchase of stock in trade		8,95,67,347	6,11,04,134
Production Expenses	22	44,13,32,403	37,12,94,678
Change in Inventories	23	(10,85,88,616)	(2,32,29,166)
Employees Benefits Expenses	24	10,22,19,353	9,21,80,552
Finance Costs	25	3,67,29,762	1,80,63,270
Depreciation and Amortisation	11	4,50,98,797	4,69,99,560
Other Expenses	26	65,35,11,901	57,70,91,911
		1,25,98,70,947	1,14,35,04,940
PROFIT FOR THE YEAR BEFORE PRIOR PERIOD EXPENSES		12,29,61,343	10,47,28,439
Prior period expenses	27	-	1,39,78,140
PROFIT /(LOSS) BEFORE TAX		12,29,61,343	9,07,50,299
Tax Expenses			
Provision for Income Tax		10,35,064	5,50,000
Provision for Income Tax earlier years		47,75,809	-
Provision for Wealth Tax		99,171	70,597
Provision for Deferred Tax (Assets)		(4,05,640)	(18,76,661)
Profit for the year		11,74,56,939	9,20,06,363
Earning Per Shares - Basic		7.34	5.75
- Diluted		7.34	5.75
Cash Flow Statement	1		
NOTES FORMING PART OF THE FINANCIAL STATEMENTS			
AS PER OUR ATTACHED REPORT OF EVEN DATE			
For Gautam N Associates	For and on behalf of the Board		
FRN : 103117W			
Chartered Accountants			
Sd/-	Sd/-	Sd/-	
Gautam Nandawat	Satish Kagliwal	Nandkishor Kagliwal	
Partner	Managing Director	Director	
M No 32742			
Place : Aurangabad			
Dated: 29th May 2013			

Nath Bio-Genes (India) Limited

NOTE NO 1
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March 2013

	2012-2013
	Rs
A) CASH FLOW FROM OPERATING ACTIVITIES	
Net Profit before Tax & Extra Ordinary items	12,29,61,343
Adjustment for :	
Depreciation	4,50,98,797
Interest Paid / Financial Charges	3,67,29,762
Expenses Written Off	0
Less : Interest Received	0
Operating Profit before working capital changes	20,47,89,903
Adjustment for :	
(Increase) / Decrease in Trade Receivables	-8,53,41,409
(Increase) / Decrease in Inventories	-11,41,88,506
(Increase) / Decrease in Other Current Assets	-20,19,548
(Increase) / Decrease in Short Term Loans & Advances	-3,08,32,970
(Increase) / Decrease in Long Term Loans & Advances	1,50,00,000
Increase / (Decrease) in Trade Payable	11,25,37,801
Increase / (Decrease) in Other Current Liability	-9,02,35,129
Increase / (Decrease) in Short Term Provisions	23,69,711
Cash Generated from operation before Tax & Extra Ordinary item	1,20,79,853
Income Tax	55,04,404
Extra Ordinary Items	0
Net Cash Flow from Operating Activities - (A)	65,75,449
B) CASH FLOW FROM INVESTING ACTIVITIES	
Sale of fixed assets	8,28,582
Purchase of Fixed Assets	-2,11,55,017
Interest Received	0
(Increase) / Decrease in Non Current Investments	-4,49,02,400
Net Cash Flow from Investing Activities - (B)	-6,52,28,835
C) CASH FLOW FROM FINANCING ACTIVITIES	
Interest Paid / Financial Charges	-3,67,29,762
(Increase) / Decrease in Deferred Tax Assets	-4,05,640
Increase / (Decrease) in Long Term Borrowings	45,03,763
Increase / (Decrease) in Short Term Borrowings	8,25,93,672
Proceeds from share capital/share application	0
Increase / (Decrease) in Long Term Provisions	5,58,000
Net Cash Flow From Financing Activities - (C)	5,05,20,033
Net increase/Decrease in cash & cash equivalent (A+B+C)	-81,33,354
Opening Cash and Cash Equivalent	3,29,09,272
CLOSING CASH & CASH EQUIVALENT	2,47,75,918

NATH BIO-GENES (INDIA) LIMITED

Note No 2-

SIGNIFICANT ACCOUNTING POLICIES:

A GENERAL

i) The Financial Statements are prepared on the basis of historical cost convention, on the accounting principles of a going concern and in accordance with the applicable accounting standards. All the expenses and incomes to the extent considered payable and receivable, respectively, unless specifically stated to be otherwise, are accounted for on accrual basis.

ii) Interest on overdue debtors is accounted for as and when received, as the collection cannot be ascertained with reasonable certainty.

iii) Sales return are accounted for / provided for in the year in which they pertain to, as ascertained till finalization of the books of account.

iv) Compensation on account of crop quality discounts and claims for non-fulfilment of supply commitments etc are accounted for as and when settled.

B FIXED ASSETS:

1) Fixed Assets are stated at cost including freight, duties, taxes and all incidental expenses related thereto.

2) New product development expenditure is capitalized to Seed Development Know-how. The same is written off in ten equal yearly instalments commencing from the year of acquisition / incurring such expenditure.

C CAPITAL WORK-IN-PROGRESS

Expenditure related to and incurred during the implementation of the projects including advances is included under Capital Work-in-Progress and the same are capitalized under the appropriate heads on completion of the projects.

D DEPRECIATION / AMORTIZATION

i) Depreciation on Fixed Assets, except for Intangible Assets, Development and Research Assets (Seed Development Know-How & Gene Development Know-How), is provided for on written down value method at the rates specified in Schedule XIV to the Companies Act 1956 (hereinafter referred to as the "Act")

ii) Intangible assets such as Brands, Trade Marks, Marketing Rights, Seed Development Know-How are amortized in ten equal yearly instalments commencing from the year in which the tangible benefits start accruing to the Company from such assets.

E RESEARCH AND DEVELOPMENT EXPENDITURE:

i) The research expenditure incurred has been charged off to the Statement of Profit & Loss.

ii) Certain expenses to the extent of 20% are transferred to Research and Development expenses as considered expedient by the management. Refer Note No 40

F INVENTORIES:

i) The inventories including sales returns are valued at lower of cost and net realizable value except as stated here below. Cost is assigned on weighted average basis. Obsolete, defective and unserviceable stocks are provided for.

ii) Cost of finished products comprises the cost of processing and other cost incurred in bringing the inventories to their present location & condition.

iii) Breeder seeds and seed parental lines are valued by the management on an estimated basis considering their production potentiality and relied upon by the auditors being a technical matter.

G FOREIGN CURRENCY TRANSACTIONS:

i) Transactions in foreign currency are recorded at the rate prevailing on the date of the transaction.

ii) Current Assets and Current Liabilities in foreign currency outstanding as at the year-end are stated at the rates of exchange prevailing at the close of the year. The resultant gains/losses of the year are recognized in the Statement of Profit and Loss.

H GOVERNMENT GRANTS

i) Grants are accounted for where it is reasonably certain that the ultimate collection will be made.

ii) Grants relating to Fixed Assets in the nature of Project Capital Subsidy are credited to capital reserve.

iii) Others are credited to Statement of Profit and Loss.

I RETIREMENT BENEFITS:

Liability as at the year end in respect of retirement benefits is provided for and/ or funded and charged to Statement of Profit and Loss as follows:

i) Provident Fund / Family Pensions:

At a percentage of salary/wages for eligible employees.

ii) Gratuity

The liability in respect of future payment of gratuity is charged and the same is provided based on the actuarial valuation.

iii) Leave Encashment

The liability in respect of accumulated leave of the employees is provided based on the actuarial valuation.

J BORROWING COST

Borrowing cost directly attributable to acquisition, construction, production of qualifying assets are capitalized as a part of the cost of such assets up to the date of completion. Other borrowing costs are charged to Statement of Profit and Loss.

K TAXATION

i) Provision for Current Tax is made and retained in the accounts on the basis of estimated tax liability as per applicable provisions of Income Tax Act 1961.

ii) Deferred tax for timing difference between tax profit and book profit is accounted for using the tax rates and laws as have been enacted or substantively enacted as of the balance sheet date. Deferred tax assets are recognized to the extent there is reasonable certainty that these assets can be realized in future and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

L AGRICULTURAL ACTIVITIES

i) Income from the agricultural activities is accounted for up to the stage of dispatch of goods.

ii) Expenses which are directly related to the agricultural activities have been accounted for in the books of account under the respective activities. Expenses which are not related to the specific activities are allocated on the basis of turnover (net of return and Schemes & Discounts) of Agricultural activities and Trading activities.

iii) Certain unallocable expenses like extra-ordinary items / prior period expenses are not allocated.

NATH BIO-GENES (INDIA) LIMITED

NOTE -- 3

SHARE CAPITAL

PARTICULARS	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
AUTHORIZED :		
1,65,00,000 Equity Shares of Rs.10 each	16,50,00,000	16,50,00,000
50,000, 16% Cum. Redeemable Preference Shares of Rs.100 each	50,00,000	50,00,000
	17,00,00,000	17,00,00,000
ISSUED, SUBSCRIBED AND PAID UP :		
Opening balance : 64,34,000 Equity Shares of Rs 10 each fully paid up	16,00,40,000	6,43,40,000
Add: Issued during the year 95,70,000 Equity Shares of Rs 10 each fully paid up	-	9,57,00,000
Closing Balance: 1,60,04,000 Equity Shares of Rs 10 each fully paid up	16,00,40,000	16,00,40,000

(1) 9,57,00,000 equity shares were issued at par pursuant to the scheme of arrangement u/s 391 of the Act. as approved by the Hon'ble Bombay High Court, judicature at Mumbai.

(2) List of shareholders having 5% or more shares in the company:-

	No of Shares	No of Shares
a) Akash Farms Pvt Ltd	18,65,930	18,65,930
b) Ashu Farms Pvt Ltd	18,50,000	18,50,000
c) Nath Royal Ltd	10,81,543	10,81,543
d) ARC Trust Fund	38,41,753	48,00,000
e) Agri-Tech India Ltd	9,58,247	-
	95,97,473	95,97,473

NOTE -- 4

RESERVES & SURPLUS

PARTICULARS	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
Capital Reserve	12,64,00,203	12,64,00,203
General Reserve	2,97,00,000	2,97,00,000
Statement of Profit & Loss		
Opening Balance	14,11,43,939	4,91,37,502
Add: Profit for the year	11,74,56,939	9,20,06,363
Closing Balance	25,86,00,878	14,11,43,865
	41,47,01,081	29,72,44,068

NOTE -- 5

LONG TERM BORROWINGS

PARTICULARS	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
SECURED LOANS		
Term Loan against Vehicles Secured by hypothecation of vehicles purchased in the name of company/ directors of the company.	1,04,80,323	57,15,135
UNSECURED LOANS		
Deferred Sales Tax Loan	17,61,444	20,22,869
	1,22,41,767	77,38,004

NATH BIO-GENES (INDIA) LIMITED

NOTE -- 6

LONG TERM PROVISIONS

PARTICULARS	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
Provisions for Employee Benefits		
Gratuity	97,32,000	95,09,000
Leave encashment	49,55,000	46,20,000
	1,46,87,000	1,41,29,000

NOTE -- 7

SHORT TERM BORROWINGS

PARTICULARS	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
SECURED		
a) From bank (Secured against pledge of stock of seeds)	13,69,84,195	1,15,80,167
UNSECURED		
a) Deposits from Dealers	2,42,81,957	2,14,79,457
b) From Others	29,74,500	-
b) From related parties	-	4,85,87,355
	16,42,40,652	8,16,46,979

NOTE -- 8

TRADE PAYABLES

PARTICULARS	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
Sundry Creditors for Seeds/Supplies	23,67,35,868	13,69,07,225
Sundry Creditors - SME Sector	29,40,174	2,75,657
Sundry Creditors for staff balances	2,31,83,467	1,91,14,146
Others Creditors	1,32,82,840	73,07,521
	27,61,42,350	16,36,04,549

NOTE -- 9

OTHER CURRENT LIABILITIES

PARTICULARS	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
Current maturities of long term debts		
Term Loan from Banks	-	1,68,00,000
Vehicle Loan	85,06,272	52,68,563
Deferred Sales Tax Loan	5,62,646	12,59,511
Other Payables		
Credit Balance in Debtors	5,17,56,224	11,33,67,204
Statutory Liabilities	81,72,161	70,56,280
Advance against Sales	31,53,64,871	33,08,47,819
	38,43,62,174	47,45,99,378

NOTE -- 10

SHORT TERM PROVISIONS

PARTICULARS	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
Provision for Income Tax	10,22,711	5,50,000
Provisions for Employee Benefits		
Gratuity	12,82,000	-
Leave encashment	6,15,000	-
	29,19,711	5,50,000

NATH BIO-GENES (INDIA) LIMITED, AURANGABAD

Amount in Rupees

SCHEDULE OF FIXED ASSETS AND DEPRECIATION FOR THE PERIOD OF 01.04.12 TO 31.03.2013

SR. NO.	PARTICULARS	RATE OF DEPN %	GROSS BLOCK		DEDUCTION DURING THE YEAR	AS AT 31.03.2013	DEPRECIATION / AMORTISATION				NET BLOCK	
			AS AT 01.04.2012	ADDITION DURING			UPTO 31.03.2012	FOR THE PERIOD	DEDUCTION	UP TO 31.03.2013	AS AT 31.03.2013	AS AT 31.03.2012
(A)	TANGIBLE ASSETS											
1	FREE HOLD LAND	0.00	207595	0	0	207595	0	0	0	0	207595	207595
2	FACTORY BUILDING	10.00	22755772	1389878	0	24145650	14643198	860449		15503647	8642003	8112574
3	FARM SHED	100.00	200172	0	0	200172	200172	0		200172	0	0
4	LIVE STOCK	0.00	61200	0	0	61200					61200	61200
5	PLANT & MACHINERY	13.91	72575317	1329129	1352227	72552219	44787813	3926555	1002906	47711462	24840757	27787504
6	LABORATORY EQUIPMENT	13.91	16821265	0	1968895	14852370	13316472	435489	1678047	12073914	2778456	3504793
7	AGRICULTURE EQUIPMENT	13.91	215695	459985		675680	101210	52548		153758	521922	114485
8	OFFICE EQUIPMENT	13.91	2386857	392625		2779481	1124993	206796		1331789	1447692	1261864
9	E.D.P.EQUIPMENT	40.00	21178387	1901653	19100	23060939	18728382	1301804	10998	20019188	3041751	2450005
10	FURNITURE & FIXTURE	18.10	6247570	75326		6322896	5717120	96051		5813171	509725	530450
11	MOTOR CAR & LIGHT VEHICLE	25.89	35222470	15606423	775341	50053552	20572039	4696758	595030	24673767	25379785	14650431
	TOTAL (A)		177872300	21155017	4115563	194911754	119191399	11576450	3286981	127480868	67430886	58680901
(B)	INTANGIBLE ASSETS											
12	BRANDS, TRADEMARKS AND MARKETING RIGHTS		206125000	0	0	206125000	125337500	16112500	0	141450000	64675000	80787500
13	SEED DEVELOPMENT KNOW HOW		174118468	0	0	174118468	104916591	17411847	0	122328438	51790030	69201877
	TOTAL (B)		380243468	0	0	380243468	230254091	33524347	0	263778438	116465030	149989377
	GRAND TOTAL (A) + (B)		558115768	21155017	4115563	575155222	349445490	45100797	3286981	391259306	183895916	208670278
	PREVIOUS YEAR		537978728	24732924	4595884	558115768	305083727	46999560	2637797	349445490	208670278	

NOTE NO – 12 :
DEFERRED TAX ASSETS

Calculation of Deferred Tax Asset as on 31.03.2013 is given as under: -	Deferred Assets (Rs.)	Tax amount (Rs.)
WDV of Fixed Asset	72,79,607	22,49,399
Gratuity	1,10,14,000	34,03,326
Leave Encashment	55,70,000	17,21,130
Expenses disallowed u/s 43B of Income Tax Act	53,60,020	16,56,246
Total Deferred Tax assets at the year end		90,30,101
Less: Opening deferred tax assets		86,24,461
Deferred Tax Assets recognised during the year		4,05,640

NOTE -- 13

NON CURRENT INVESTMENTS

PARTICULARS	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
UNQUOTED; AT COST; NON-TRADE		
Nath Cooperative Society	8,400	6,000
National Saving Certificate	10,075	10,075
UNQUOTED; AT COST; TRADE		
Investment in subsidiary holding 99.88% shares (Previous year 40% shares)		
Equity shares in Paithan Mega Food Parks Pvt Ltd	4,99,40,000	50,40,000
4994000 Equity shares (Previous year 504000 Equity Shares) of Rs. 10 each		
	4,99,58,475	50,56,075

NOTE -- 14

LONG TERM LOANS AND ADVANCES

PARTICULARS	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
(Unsecured, Considered good)		
Capital Advances for land purchase to a related party	0	15000000
	0	15000000

NATH BIO-GENES (INDIA) LIMITED

NOTE -- 15

INVENTORIES

PARTICULARS	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
(As taken, valued and certified by the management)		
Stores and Packing Materials	4,34,06,410	3,78,06,520
Processed Seeds	67,71,40,670	59,89,79,419
Unprocessed Seeds	2,31,37,254	1,05,35,112
Seed (Traded Stock)	29,66,000	24,78,000
Micro Nutrient Supplement	2,50,95,000	77,57,777
	77,17,45,334	65,75,56,828

The inventories including sales returns are valued at lower of cost and net realizable value

NOTE -- 16

TRADE RECEIVABLE

PARTICULARS	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
i) Secured: Considered Good		
Due for a period of less than six months	6,03,92,516	65,36,567
Due for a period of more than six months	80,31,048	16,58,498
ii) Unsecured: Considered Good		
Due for a period of less than six months	11,35,23,857	8,95,67,095
Due for a period of more than six months	2,79,15,272	2,67,58,124
ii) Unsecured: Considered doubtful:		
Due for a period of more than six months	1,47,75,027	1,17,74,838
Less: Provision for doubtful debtors	(1,47,76,027)	(1,17,74,838)
	20,98,61,693	12,45,20,284

NOTE -- 17

CASH AND CASH EQUIVALANTS

PARTICULARS	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
Cash on hand	7,41,303	7,08,122
Balances with Banks:		
i) In Current Accounts	2,34,21,012	2,40,25,897
ii) In Fixed Deposit Accounts having original maturity beyond 12 months	6,13,603	81,75,253
	2,47,75,918	3,29,09,272

NOTE -- 18

SHORT TERM LOANS AND ADVANCES

PARTICULARS	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
(Unsecured, Considered good)		
Advances to a related party	4,24,52,968	2,65,50,000
Advances against seed production	8,21,33,878	7,22,87,722
Advances against purchase	32,03,143	-
Advances to Staff	69,57,689	29,33,410
Income Tax deducted at source/Tax paid	3,06,40,445	3,27,84,020
	16,53,88,122	13,45,55,152

NOTE -- 19

OTHER CURRENT ASSETS

PARTICULARS	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
VAT Receivable	54,41,304	34,41,092
Sundry Deposits	77,53,276	80,73,439
Interest receivable	-	14,952
Insurance claim receivable	15,823	35,548
Prepaid Expenses	14,68,772	10,94,596
	1,46,79,176	1,26,59,628

NOTE -- 20

REVENUE FROM OPERATIONS

PARTICULARS	For year ended on 31st March 2013 (Rs.)	For year ended on 31st March 2012 (Rs.)
Sale of Agricultural Products		
Commercial seeds and Remnant	1,35,46,96,859	1,10,25,94,055
Foundation seeds	60,99,065	60,27,227
	1,36,07,95,924	1,10,86,21,282
Trading of agricultural produce	1,62,33,900	13,05,32,000
	1,37,70,29,824	1,23,91,53,282

NOTE -- 21

OTHER INCOME

PARTICULARS	For year ended on 31st March 2013 (Rs.)	For year ended on 31st March 2012 (Rs.)
Interest Received	1,18,106	6,19,313
Profit on Sale of Assets	58,593	1,47,779
Insurance claim received	11,89,729	-
Excess Provision W/back	1,63,929	54,80,605
Other Income	42,72,109	28,32,399
	58,02,467	90,80,097

NOTE -- 22

PRODUCTION EXPENSES

PARTICULARS	For year ended on 31st March 2013 (Rs.)	For year ended on 31st March 2012 (Rs.)
Land Preparation Expenses	9,71,52,884	3,69,33,447
Fertilizer & Pesticides	6,60,42,004	7,75,47,415
Labour Wages	12,33,07,262	11,55,27,573
Lease Rent for agricultural land	8,31,24,515	6,90,91,470
Other Farm Expenses	6,72,34,048	4,81,71,944
Incentive to Growers	44,71,690	2,40,22,829
{Also refer note no 35(ii)}	44,13,32,403	37,12,94,678

NOTE -- 23

CHANGE IN INVENTORIES

PARTICULARS	For year ended on 31st March 2013 (Rs.)	For year ended on 31st March 2012 (Rs.)
SEEDS:		
Closing Stock		
Processed Goods	67,71,40,670	59,89,79,419
Unprocessed Goods	2,31,37,254	1,05,35,112
Seed (Traded)	29,66,000	24,78,000
Micro Nutrient Supplement	2,50,95,000	77,57,777
	72,83,38,924	61,97,50,308
Opening Stock		
Processed Goods	59,89,79,419	56,20,67,418
Unprocessed Goods	1,05,35,112	1,91,07,724
Seed (Traded)	24,78,000	49,68,000
Micro Nutrient Supplement	77,57,777	1,03,78,000
	61,97,50,308	59,65,21,142
	10,85,88,616	2,32,29,166

NOTE -- 24

EMPLOYEES BENEFITS EXPENSES

PARTICULARS	For year ended on 31st March 2013 (Rs.)	For year ended on 31st March 2012 (Rs.)
Salaries, Wages and Bonus	8,47,83,735	8,03,07,795
Contribution to Provident and Other Funds	36,05,767	29,51,002
Staff Welfare Expenses	29,00,943	22,21,522
Staff Incentive	1,09,28,908	67,00,233
	10,22,19,353	9,21,80,552

NOTE -- 25

FINANCE COSTS

PARTICULARS	For year ended on 31st March 2013 (Rs.)	For year ended on 31st March 2012 (Rs.)
Interest Expenses	3,36,30,440	1,72,38,225
Finance Charges	30,99,323	8,25,044
	3,67,29,762	1,80,63,270

NOTE -- 26

OTHER EXPENSES

PARTICULARS	For year ended on 31st March 2013 (Rs.)	For year ended on 31st March 2012 (Rs.)
A. Seed Conditioning Expenses		
Freight Inward, Hamali & Cartage	1,72,15,660	1,66,75,428
Stores and Processing Materials consumed	6,21,77,631	6,32,14,290
Power and Fuel	42,93,225	33,98,833
Repairs and Maintenance (Machinery)	14,46,637	7,65,902
Repairs and Maintenance (Factory Building)	13,91,304	8,01,636
Hamali & Cartage - Processing Plant	69,56,770	12,91,348
Processing Expenses	80,70,469	29,47,828
Other Seed Conditioning Expenses	82,22,033	51,64,163
	10,97,73,728	9,42,59,428
B. Administrative Expenses		
Rent	91,90,671	67,25,372
Rates and Taxes	13,95,310	9,13,314
Insurance	19,80,363	16,37,423
Legal & Professional Expenses	44,05,442	38,49,877
Repairs and Maintenance - Office Building	8,68,725	4,36,670
Running and maintenance - Vehicle	1,73,17,319	1,50,51,529
Repairs and Maintenance - Others	18,54,699	27,32,381
Communication	53,44,390	43,64,154
Printing & Stationery	38,16,013	8,29,586
Auditors' Remuneration:		
Statutory Audit Fee	3,65,170	3,08,990
Tax Audit Fee	84,270	84,270
Reimbursement of Expenses		-
Directors' remuneration	15,56,001	18,68,813
Miscellaneous Expenses	61,36,855	28,21,202
Security Charges	16,06,483	32,10,827
Loss on Sale of Assets	55,175	2,88,824
	5,59,76,885	4,51,23,231
C. Selling Expenses		
Travelling and Conveyance	1,77,26,885	1,73,12,109
Advertisement and Sales Promotion	3,15,52,443	3,06,61,600
Freight Outward	4,51,00,180	3,95,21,584
Commission	36,667	3,96,168
Other selling expenses	56,72,687	46,37,159
Bad Debts Provisions	30,01,189	31,68,381
Bad Debts	35,47,556	96,256
Sundry debit balances written off	97,704	11,95,535
	10,67,35,310	9,69,88,792
D. Discount, Schemes and Incentives		
Trade Discounts	11,38,48,232	9,21,14,473
Cash Discounts	68,95,253	1,12,81,037
Quantity Discounts	5,43,46,470	4,40,66,603
Additional Discount	11,52,42,144	12,13,54,760
	29,03,32,100	26,88,16,873
E. Research and Development Expenses		
R & D Farmer Advisory Expenses	3,34,91,998	2,92,99,266
Research and Development Expenses	3,83,32,494	2,90,87,006
R & D Field Visits & Campaigns	92,53,144	78,17,181
R & D Field Day Expenses	63,09,698	33,73,417
Farming Expenses	12,53,289	10,15,942
Large Scale Trial Expenses	92,350	5,24,676
Workshop & Meeting Exps. - Other than Fees	17,78,985	5,19,935
Fees for Workshops & Meetings	1,66,946	2,10,165
Crop Seminar Expenses	14,975	56,000
	9,06,93,877	7,19,03,588
Total (A+B+C+D+E)	65,35,11,901	57,70,91,911

NOTE -- 27

PRIOR PERIOD EXPENSES

PARTICULARS	For year ended on 31st March 2013 (Rs.)	For year ended on 31st March 2012 (Rs.)
EXPENSES		
Interest on CC loan**	-	1,27,92,000
Office Rent	-	64,500
Advance Payment of Income Tax	-	-
R&D Farmer Advisory Services	-	11,21,640
	-	1,39,78,140

NATH BIO-GENES (INDIA) LIMITED

NOTE NO – 28:			
Contingent liabilities not provided for in respect of:-		Current Year	Previous year
a)	Claims against the Company not acknowledged as debts in respect of consumer legal cases.	Rs. 8,64,500	Amount unascertainable
b)	The liability on account of damages u/s 14B of the Employees Provident Fund and Misc Provisions Act, 1952, which is being contested by the Company in appeal.	Rs. 25,45,425	Rs. 25,45,425

NOTE NO – 29
In the opinion of the Board, Current and Non-current Assets, Loans and Advances are approximately of the value stated, if realized in the ordinary course of the business.

NOTE NO – 30
Certain accounts of Sundry Debtors, Creditors, Unsecured Loans, Employees Account, certain current account balances with banks, Loans and Advances (including advances given to growers and inter party transfer & balances) are subject to confirmations and reconciliation's, if any. The difference as may be noticed on reconciliation will be duly accounted for on completion thereof. In the opinion of the management, the ultimate difference will not be material.

NOTE NO – 31		Current Year	Previous year
Managerial Remuneration:			
a)	Technical Director :-		
	Salary & Allowances	330675	663817
	Contribution to Provident Fund	20330	38448
		351005	702265
b)	Managing Director :-		
	Salary & Allowances	1204996	1204996
	Contribution to Provident Fund	0	0
		1204996	1204996
	Total	1556001	1907261

NOTE NO – 32
The Company has dispatched letters to certain vendors to ascertain their status under the Micro, Small and Medium Enterprises Development Act, 2006. Based upon the confirmation received from the following parties, the principal dues and interest worked out @18% p.a. thereon are as under:-

Sr No	Name of parties	Amount payable Rs.	Interest due Rs.
1	Balu Industries	135772	119384
2	Gubba Agro Fresh Pvt Lt	171202	105350
3	Gubba Cold Storage Ltd	27909	4334
4	Gubba Green Cold Pvt Ltd	18639	1322
5	Incotech India Pvt Ltd	1289330	57111
6	Jagruti Offset	697322	50401
7	Marks Packaging Industries	400000	102000
8	Printwell International Pvt Ltd	200000	91548
9	Zaware Creative Enterprises Pvt Ltd	0	162321
	Total (Net)	2940174	693771

NOTE NO – 33
The Information related to Segmental Reporting as required to be disclosed in accordance with the accounting standard: 'AS 17-Segment Reporting' are as under:-

Broadly the activity of the company falls within Two segments

Criteria	Segments
Product Base	1. Agricultural Activities (Seed Production) 2. Trading Activities

The financial data of all segments are as follows

Sr No	Particulars	Amount in Rs.		
		Agriculture Activities	Trading Activity	Total
A	Segment Revenue (Net of trade discount)			
i	External Sales/income	962506724	124191000	1,08,66,97,724
ii	Inter-segment Sale	0	0	0
	Other Income	0	5802467	58,02,467
	Change in inventory	90763393	17825223	10,85,88,616
iii	Total Revenue	1053270117	147818690	1201088807
B	Total Revenue of each segment as a percentage of total revenue of all segment	88	12	
	Less: Production Expenses /Purchases	503422035	89655347	59,30,77,382
	Less: Other Expenses	429617137	55432945	48,50,50,082
C	Segment Result [Profit/(loss)]	120230945	2730398	12,29,61,343

D	Segment Result as a percentage of segmental result to the Profit	97.78	2.22
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NOTE NO – 34 :

In the opinion of the Board, fixed assets have been stated at cost, which is at least equal to or less than the realizable value if sold in the ordinary course of business. Consequently, the management is of the opinion that there is no impairment of assets.

NOTE NO – 35:

- i The company is engaged in agricultural activities of production of seeds on lease hold land situated at various part of India.
- ii The company has entered into agreements with various growers for cultivation and production of agricultural produce in view of the fact that the company itself is unable to carry on such activities which are spread over various parts of India. The company has reimbursed the cultivation expenses based upon the agreement entered into with the growers.

NOTE NO – 36 :

Employee Benefits

The company has classified the various benefits provided to employees as under

Defined Contribution Plans :

During the year, the Company has recognized the following amounts in the Profit & Loss Account

		Current Year	Previous Year
-	Employers Contribution to Provident Fund	35,63,662	29,03,060
-	Employers Contribution to ESI	32,025	38,726
-	Employers Contribution to Labour Welfare	10,080	9,216

Defined Benefit Plans

The company has neither created fund nor contributed to Scheme framed by the Insurance Company for the defined benefit plans for the qualifying employees. The present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit credit method with actuarial valuations being carried out at each balance sheet date.

In accordance with accounting Standard 15, actuarial valuation was done in respect of the aforesaid defined benefit plan of gratuity based on the following assumptions: -

Particulars	Current Year	Previous Year
Discount Rate	8%	8%
Salary escalation rate	6%	6%
Expected rate of return on Plan Assets	-	-
Expected average remaining service of employee in the	-	-

Disclosures for defined benefit plans based on Actuarial Reports as at 31st March 2013

a) Change in Present Value of Defined Benefit Obligation

Particulars	Current Year	Previous Year
Present value of obligations at the beginning of the year	95,09,000	80,13,000
Current Service Cost	11,74,488	9,84,448
Interest Cost	7,30,638	6,24,684
Actuarial (Gain) / Loss	3,51,934	2,95,777
Benefit paid	-7,52,060	-4,08,909
Present value of obligations at the end of the year	1,10,14,000	95,09,000

b) Change in Fair value of plan assets

Particular	Current Year	Previous Year
Fair Value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Employer's contributions	7,52,060	4,08,909
Actuarial gain / (loss) on plan assets	-	-
Benefit paid	-7,52,060	-4,08,909
Fair value of plan assets at the end of the year	-	-

c) Percentage of each category of plan assets to total fair value of plan assets as at 31st March 2013

Particulars	Current Year	Previous Year
Obligation on the part of the Company	100%	100%

d) Reconciliation of the present value of defined benefit obligations and the fair value of plan assets

Particulars	Current Year	Previous Year
Present value of funded obligations as at the end of the year	0	0
Fair value of plan assets as at the end of the year	0	0
Funded (Assets)/liability recognized in the Balance Sheet as	0	0
Present value of unfunded (assets) / obligations as at the end	1,10,14,000	95,09,000
Unrecognized past service cost	0	0
Unrecognized actuarial (gain)/loss	0	0
Unfunded net (Assets)/liability recognized in the Balance	1,10,14,000	95,09,000

e) Net employee benefit expense (Recognized in employment cost) for the year ended on 31st March 2013

Particulars	Current Year	Previous Year
Current Service Cost	11,74,488	9,84,448
Interest Cost	7,30,638	6,24,684
Expected return on plan assets	-	-
Net Actuarial (Gain) / Loss recognized in the year	3,51,934	2,95,777
Past Service cost	0	0
Net Gratuity (income) / expense	22,57,060	19,04,909

f) Detail of Present value of obligation, Plan Assets and Experience Adjustments

Particulars	Current Year	Previous Year
Present value of obligation	1,10,14,000	95,09,000
Fair value of plan assets	-	-
(Surplus) / Deficit	1,10,14,000	95,09,000
Experience Adjustment	-	-
(Gain)/ Loss on plan liabilities	-	-
(Gain)/ Loss on plan assets	-	-

g) Expected contributions to Gratuity Fund next year Rs. NIL (Previous Year Rs. NIL)

h) The liability for leave encashment and compensated absences as at year end is Rs. 55,70,000 (Previous year liability Rs. 4620,000)

NOTE NO – 37:

Related parties disclosure as per Accounting Standard - 18:

List of related parties

a) **Associates:-**

- i) Global Transgenes Ltd.
- ii) Agri Tech (India) Ltd.
- iii) Nath Biotechnologies Ltd.
- iv) Nath Seeds Ltd.
- v) Nath Royal Seed Ltd

b) **Relatives**

Ms. Soniya Kagliwal

c) **Key Management Personnel:-**

Mr. Satish Kagliwal (Managing Director)
Mr. S. U. Baig, (Technical Director)

d) **Subsidiary Company**

Paithan Mega Food Park Pvt Ltd

e) Transactions carried out with related parties as referred to in (a) to (c) above, in the ordinary course of the business:

Sr no	Name of party	Nature of transactions	Amount in Rupees	
			Current year	Previous year
1	Global Trangenetics Ltd.	Amount Paid	10321705	13148947
		Amount Received	36880671	11178322
		Transfer (debit to account)	10321705	369515
		Transfer (credit to account)	10425	6156050
2	Agri Tech (India) Ltd.	Transfer (debit to account)	76163733	25406203
		Transfer (credit to account)	1500000	44002111
		Amount Paid	28224228	19800634
		Amount Received	43200000	6629967
3	Nath Biotechnologies Ltd.	Transfer (debit to account)	2436185	7185300
		Transfer (credit to account)	8177236	17352938
		Unsecured loan taken	5262606	25601000
		Repayment of Unsecured Loan	13881275	42505870
		Amount Paid	458169	0
4	Nath Seeds Ltd.	Transfer (debit to account)	79962615	292335428
		Transfer (credit to account)	0	0
		Reimbursement of expenses paid	117303244	219448031
		Production Incentive	1108350	16630027
		Amount Paid	79962615	257748021
5	Nath Royal Seed Ltd	Amount Paid	0	160899998
		Purchases	160205460	9719994
		Amount Received	0	177449402
		Transfer (debit to account)	0	67703091
		Transfer (credit to account)	0	66101675
6	Soniya Kagliwal	Consultancy charges paid	216000	233500
		Transfer (credit to account)	668250	0
		Conveyance Reimb paid	108000	36000
7	Paithan Mega Food Park Pvt Ltd	Advance given	171681	
		Investments in equity shares	49940000	5040000

		as on 31.03.2013 Rs.	as on 31.03.2012 Rs
e) Out standing balances at the year end			
1	Global Transgenes Ltd.	8240870 Cr	19589718 Cr
2	Agri Tech (India) Ltd.	39558613 Dr	20129348 Cr
3	Nath Biotechnologies Ltd.	2894354 Dr	441433 Cr
4	Nath Seeds Ltd.	0	38448979 Dr
5	Nath Royal Seed Ltd	0	24667982 Cr
6	Ms Soniya Kagliwal		42750 Cr

Notes:

- 1 Related party relationship is as identified by the Company and relied upon by the Auditors.
- 2 No amounts in respect of related parties have been written off/back during the year, nor have been provided for as doubtful debts.

NOTE NO – 38 :	Current Year Rs.	Previous Year Rs.
CIF value of Imports: – Purchase of Win Chi Win & Vegetable Seeds	30814055	12656911
Expenditure in Foreign Currency: - Travelling & Others	676765	504894
Earning in Foreign Currency:- F O B value of Exports	45658518	20097794

NOTE NO – 39 :			
Difference in Foreign Exchange Gain included in other income		920531	9263
NOTE NO – 40:			
Research & Development Expenditure comprises 20% of the following expenses under the various head allocated as deemed to be expedient by the management.			
		Current Year	Previous Year
		Rs	Rs
a	Payment to and provisions for employee		
	Salaries, wages and bonus	17448292	12910127
	Contribution to provident and other funds	802552	747363
	Staff Welfare Expenses	301020	247775
b	Other Seed Conditioning Expenses	9516537	7032525
c	Administration and Selling Expenses		
	Miscellaneous Expenses	3236602	2063794
	Travelling and Conveyance	4308286	3821304
	Rates & Taxes	161051	193724
	Rent	2297668	1592346
	Total	38072008	28608958
NOTE NO – 41 :			
The net profit (loss) for the purpose of measurement of basic and diluted earnings per share in terms of Accounting Standard - 20 on Earnings Per Share issued by the Institute of Chartered Accountants of India has been calculated as under:			
		Current Year Rs	Previous Year
			Rs.
	Net Profit (loss) as per Profit & Loss Account	117456939	92006363
	Less :- Dividend on Preference Shares	0	0
	Numerator: Profit Available for equity share holders	117456939	92006363
	Denominator: Number of Equity shares outstanding (nos)	16004000	16004000
	Denominator for Diluted equity share holder	16004000	16004000
	Basic Earnings per share is arrived at by dividing Numerator by Denominator	7.34	5.75
	Diluted Earnings per share is arrived at by dividing Numerator for diluted equity share holder by Denominator	7.34	5.75
	The nominal value per equity shares is Rupees	10	10
NOTE NO – 42 :			
Previous year's figures have been regrouped / rearranged wherever necessary to conform to the current year's presentation.			

Sd/-

Sd/-

Satish Kagliwal
Managing DirectorNandkishore Kagliwal
DirectorPlace : Aurangabad
Date : 29th May 2013

Eighteenth Annual Report 2012-2013		
Nath Bio-Genes (India) Limited		
Statement Pursuant to Section 212 of the Companies Act,1956,		
relating to subsidiary Companies		
1	Name of the Subsidiary	Paithan Mega Food Park Pvt. Ltd.
2	Shares of the subsidiary ended on	31st March,2013
3	Shares of the Subsidiary held by the company on the above date:	
	a) Number of Shares	49,94,000
	b) Paid up Face Value of Shares (in Lacs)	494.40
	b) Extent Of holding	99.88%
4	Net aggregate amount of profits/ (losses)of the subsidiary for the above financial year of the subsidiary, so far as they concern members of the company:	
	a) dealt with in the accounts of the company for the year ended 31st March,2013 (Rs. In Lacs)	RS. Nil
	b) not dealt with in the accounts of the company for the year ended 31st March,2013 (Rs. In Lacs)	RS. Nil
5	Net aggregate amount of profits/ (losses)for previous financial years of the subsidiary, since it became a subsidiary so far as they concern members of the company:	
	a) dealt with in the accounts of the company for the year ended 31st March, 2013 (Rs. In Lacs)	Rs. Nil
	b) not dealt with in the accounts of company for the year ended 31st March, 2013 (Rs. In Lacs)	Rs. Nil

Satish Kagliwal
Managing Director

Nandkishor Kagliwal
Chairman

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Nath Biogenes (India) Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Nath Biogenes (India) Limited** ("the Company"), which comprise the Consolidated Balance Sheet as at 31st March, 2013, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

- a) *In terms of Note No 26D, Trade discount amounting to Rs. 11,38,48,232 (Previous year Rs. 9,21,14,473) has been shown debited in the Statement of Profit and Loss which should have been netted off from the*

Sales. Had this treatment been made, the sales for the year would have been Rs. 1,26,31,81,592 (Previous year Rs. 1,14,70,38,809) instead of Rs. 1,37,70,29,824 (Previous year Rs. 1,23,91,53,282.

Emphasis of Matter Paragraphs and Other Matter Paragraphs

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to:-

- a) Note No 30 to the financial statements which describes non-calling of confirmations from Sundry Debtors, Creditors, Unsecured Loans, Employees Account, Loans and Advances (including advances given to growers and inter transfer party balances.

Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required under provisions of section 227(3) of the Companies Act, 1956, we report that:

- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from branches not visited by us;

d. except for the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act;

e. on the basis of written representations received from the directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For Gautam N Associates
Chartered Accountants
FR Number – 103117W

Sd/-

(Gautam Nandawat)
Partner
Membership No 032742

Place: Aurangabad
Date: 29th May 2013

**Annexure referred to in Para 3 of our report of even date to the Members of Nath Bio-Genes (India)
Limited for the period ended on 31st March 2013**

- i) a) The Company has maintained fixed assets records showing full particulars including quantitative details and situation of its fixed assets including in respect of intangible assets
- b) As explained to us, some of the fixed assets have been physically verified by the management during the year according to the phased program of verification, which in our opinion, should be such so as to cover more items of fixed assets with more frequency having regard to the size of the Company and nature of its fixed assets. As explained, discrepancies as may be noticed on reconciliation with the fixed assets records as and when updated will be appropriately adjusted and accounted for.
- c) The Company has not disposed off substantial part of its fixed assets during the year.
- ii) a) The Inventory has been physically verified during the year by the management. In our opinion, the frequency of verifications is reasonable.
- b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company is maintaining records of inventory. The discrepancies noticed on verification between the physical stock and book records have been properly dealt with in the books of the account.
- iii) a) The Company has taken loans from eight companies covered in the register maintained under section 301 of the Act. The maximum amount involved during the year was Rs. 8,62,44,724 and the year end balance of loans taken from such parties was Rs. 82,40,870. There five one Company covered in the register maintained under section 301 of Act, to which the Company has granted loans. The maximum amount involved during the year was Rs. 7,04,39,353 and the year end balance of loans granted to such parties was Rs. NIL.
- b) In our opinion, the terms and conditions including non charging of interest on which the loans/ advances have been taken from / granted to companies, firms or other parties listed in the register maintained under section 301 of the Act, are, prima facie not considered to be prejudicial to the interest of the Company for the reasons stated in the Note No 18 to the Financial Statements.
- c) The company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest, wherever applicable.
- d) There are no overdue amounts of loans taken from or granted to companies, firms or other parties listed in the register maintained under section 301 of the Act.
- iv) In our opinion and according to the information and explanations given to us, internal control procedures are commensurate with the size of the Company and nature of its business with regard to purchase of inventory, production of seeds, fixed assets and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.
- v) a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Act, have been so entered.

- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Act and exceeding the value of rupees five lacs in respect of each party during the year could not be compared being specialized in nature.
- vi) The Company has not accepted deposit within the meaning under section 58A and 58AA of the Act and Rules framed there under accepted during the year.
- vii) In our opinion, the Company's internal audit system needs to be strengthened by expanding the scope and coverage.
- viii) The Central Government has not prescribed for maintenance of cost records under Section 209(1)(d) of the Act, for the products of the Company.
- ix) a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Investor Education and Protection Fund, Provident Fund Employee State Insurance and other statutory dues applicable to it. The outstanding statutory dues as at the last day of the financial year concerned are as follows:

Sr No	Name of the Statute	Nature of the dues	Amount (Rs)	Remarks
1.	Income Tax Act, 1961	TDS	35,22,140	Since Paid
2	Employees' Provident Fund & Misc Provisions Act, 1952	Employee's Provident Fund	7,49,743	Since paid
3	Employees' Provident Fund & Misc Provisions Act, 1952	Employer's Provident Fund	3,90,659	Since Paid

- b) According to the information and explanations given to us, there are no dues of Wealth Tax, Sales Tax, Custom Duty, cess, etc. as at 31st March 2013, which have not been deposited on account of any dispute.
- x) The Company does not have accumulated losses as at 31st March 2013. The Company has not incurred cash losses during the financial year ended on that date as well as in the immediately preceding financial year.
- xi) The Company has not defaulted in repayment of dues to Banker and Financial Institutions.
- xii) In our opinion, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund/society.
- xiv) In our opinion, the Company is not dealing or trading in shares, securities, debenture and other investments.
- xv) As per the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.

- xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that generally no funds raised on short-term basis have been used for long-term investment and vice versa.
- xviii) According to the information and explanations given to us, the Company has not made preferential allotment of shares during the year to companies covered in the register maintained under section 301 of the Act.
- xix) According to the information and explanations given to us, during the year covered by our audit report, the Company has not issued any debentures.
- xx) The Company has not raised any money by public issues during the year.
- xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the period, nor have we been informed of any such case by the management.

For Gautam N Associates
Firm Registration No 103117W
Chartered Accountants

Sd/-

(Gautam Nandawat)
Partner
M No 32742

Place: Aurangabad
Dated: 29th May 2013

NATH BIO-GENES (INDIA) LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2013

	NOTE NO	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
a) Share Capital	3	16,00,40,000	16,00,40,000
b) Reserves & Surplus	4	41,47,01,081	29,72,44,068
c) Money Received against share warrant		-	-
		57,47,41,081	45,72,84,068
(2) Share Application money pending allotment			
		-	-
(3) Non current Liabilities			
a) Long Term Borrowings	5	1,22,41,767	77,38,004
b) Deferred Tax Liabilities		-	-
c) Other Long Term Liabilities		-	-
d) Long Term Provisions	6	1,46,87,000	1,41,29,000
		2,69,28,767	2,18,67,004
(4) Current Liabilities			
a) Short Term Borrowings	7	17,11,55,652	8,16,46,979
b) Trade Payables	8	27,61,42,350	16,36,04,549
c) Other Current Liabilities	9	53,09,40,469	47,45,99,378
d) Short Term Provisions	10	29,19,711	5,50,000
		98,11,58,181	72,04,00,905
TOTAL		1,58,28,28,028	1,19,95,51,978
II. ASSETS			
(1) Non Current Assets			
a) Fixed Assets			
i) Tangible Assets	11	25,98,18,451	5,86,80,901
ii) Intangible Assets	11	11,64,65,030	14,99,89,377
iii) Capital Work In Progress		-	-
iv) Intangible assets under development		-	-
		37,62,83,481	20,86,70,278
b) Non Current Investments	12	18,475	50,56,075
c) Deferred Tax Assets (Net)	13	90,30,101	86,24,461
d) Long Term Loans and Advances	14	-	1,50,00,000
e) Other Non Current Assets		-	-
		90,48,576	2,86,80,536
(2) Current Assets			
a) Current Investments		-	-
b) Inventories	15	77,17,45,334	65,75,56,828
c) Trade Receivables	16	20,98,61,693	12,45,20,284
d) Cash and Cash Equivalents	17	2,48,01,005	3,29,09,272
e) Short Term Loans and Advances	18	16,52,16,441	13,45,55,152
f) Other Current Assets	19	2,58,71,499	1,26,59,628
		1,19,74,95,972	96,22,01,164
TOTAL		1,58,28,28,029	1,19,95,51,977
Cash Flow Statement	1	(0)	0
NOTES FORMING PART OF THE FINANCIAL STATEMENTS			
AS PER OUR ATTACHED REPORT OF EVEN DATE			
For Gautam N Associates		For and on behalf of the Board	
FRN: 103117W			
Chartered Accountants			
	Sd/-	Sd/-	
Gautam Nandawat	Satish Kagliwal	Akash Kagliwal	
Partner	Managing Director	Director	
M No 32742			
Place : Aurangabad			
Dated: 29 May 2013			

NATH BIO-GENES (INDIA) LIMITED

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE PERIOD ENDED 31ST MARCH, 2013**

PARTICULARS	NOTE NO.	For year ended on 31st March 2013 (Rs.)	For year ended on 31st March 2012 (Rs.)
REVENUE			
Revenue from operations	20	1,37,70,29,824	1,23,91,53,282
Other Income	21	58,02,467	90,80,097
		1,38,28,32,290	1,24,82,33,379
EXPENDITURE			
Purchase of stock in trade		8,95,67,347	6,11,04,134
Production Expenses	22	44,13,32,403	37,12,94,678
Change in Inventories	23	(10,85,88,616)	(2,32,29,166)
Employees Benefits Expenses	24	10,22,19,353	9,21,80,552
Finance Costs	25	3,67,29,762	1,80,63,270
Depreciation and Amortisation	11	4,50,98,797	4,69,99,560
Other Expenses	26	65,35,11,901	57,70,91,911
		1,25,98,70,947	1,14,35,04,940
PROFIT FOR THE YEAR BEFORE PRIOR PERIOD EXPENSES		12,29,61,343	10,47,28,439
Prior period expenses	27	-	1,39,78,140
PROFIT /(LOSS) BEFORE TAX		12,29,61,343	9,07,50,299
Tax Expenses			
Provision for Income Tax		10,35,064	5,50,000
Provision for Income Tax earlier years		47,75,809	-
Provision for Wealth Tax		99,171	70,597
Provision for Deferred Tax (Assets)		(4,05,640)	(18,76,661)
Profit for the year		11,74,56,939	9,20,06,363
Earning Per Shares - Basic		7.34	5.75
- Diluted		7.34	5.75
Cash Flow Statement	1		
NOTES FORMING PART OF THE FINANCIAL STATEMENTS			
AS PER OUR ATTACHED REPORT OF EVEN DATE			
For Gautam N Associates		For and on behalf of the Board	
FRN : 103117W			
Chartered Accountants			
	Sd/-	Sd/-	
Gautam Nandawat	Satish Kagliwal	Akash Kagliwal	
Partner	Managing Director	Director	
M No 32742			
Place : Aurangabad			
Dated: 29 May 2013			

Nath Bio-Genes (India) Limited

**NOTE NO 1
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March 2011**

	2012-2013
	Rs
A) CASH FLOW FROM OPERATING ACTIVITIES	
Net Profit before Tax & Extra Ordinary items	12,29,61,343
Adjustment for :	
Depreciation	4,50,98,797
Interest Paid / Financial Charges	3,67,29,762
Expenses Written Off	0
Less : Interest Received	0
Operating Profit before working capital changes	20,47,89,903
Adjustment for :	
(Increase) / Decrease in Trade Receivables	-8,53,41,409
(Increase) / Decrease in Inventories	-11,41,88,506
(Increase) / Decrease in Other Current Assets	-1,32,11,871
(Increase) / Decrease in Short Term Loans & Advances	-3,06,61,289
(Increase) / Decrease in Long Term Loans & Advances	1,50,00,000
Increase / (Decrease) in Trade Payable	11,25,37,801
Increase / (Decrease) in Other Current Liability	5,63,18,078
Increase / (Decrease) in Short Term Provisions	23,69,711
Cash Generated from operation before Tax & Extra Ordinary item	14,76,12,418
Income Tax	55,04,404
Extra Ordinary Items	0
Net Cash Flow from Operating Activities - (A)	14,21,08,014
B) CASH FLOW FROM INVESTING ACTIVITIES	
Sale of fixed assets	8,28,582
Purchase of Fixed Assets	-21,35,42,582
Interest Received	0
(Increase) / Decrease in Non Current Investments	50,37,600
Net Cash Flow from Investing Activities - (B)	-20,76,76,400
C) CASH FLOW FROM FINANCING ACTIVITIES	
Interest Paid / Financial Charges	-3,67,29,762
(Increase) / Decrease in Deferred Tax Assets	-4,05,640
Increase / (Decrease) in Long Term Borrowings	45,03,763
Increase / (Decrease) in Short Term Borrowings	8,95,08,672
Proceeds from share capital/share application	0
Increase / (Decrease) in Long Term Provisions	5,58,000
Net Cash Flow From Financing Activities - (C)	5,74,35,033
Net increase/Decrease in cash & cash equivalent (A+B+C)	-81,33,354
Opening Cash and Cash Equivalent	3,29,09,272
CLOSING CASH & CASH EQUIVALENT	2,47,75,918

NATH BIO-GENES (INDIA) LIMITED

Note No 2-

SIGNIFICANT ACCOUNTING POLICIES:

A GENERAL

i) The Financial Statements are prepared on the basis of historical cost convention, on the accounting principles of a going concern and in accordance with the applicable accounting standards. All the expenses and incomes to the extent considered payable and receivable, respectively, unless specifically stated to be otherwise, are accounted for on accrual basis.

ii) Interest on overdue debtors is accounted for as and when received, as the collection cannot be ascertained with reasonable certainty.

iii) Sales return are accounted for / provided for in the year in which they pertain to, as ascertained till finalization of the books of account.

iv) Compensation on account of crop quality discounts and claims for non-fulfillment of supply commitments etc are accounted for as and when settled.

B FIXED ASSETS:

1) Fixed Assets are stated at cost including freight, duties, taxes and all incidental expenses related thereto.

2) New product development expenditure is capitalized to Seed Development Know-how. The same is written off in ten equal yearly installments commencing from the year of acquisition / incurring such expenditure.

C CAPITAL WORK-IN-PROGRESS

Expenditure related to and incurred during the implementation of the projects including advances is included under Capital Work-in-Progress and the same are capitalized under the appropriate heads on completion of the projects.

D DEPRECIATION / AMORTIZATION

i) Depreciation on Fixed Assets, except for Intangible Assets, Seed Development Know-How is provided for on written down value method at the rates specified in Schedule XIV to the Companies Act 1956 (hereinafter referred to as the "Act")

ii) Intangible assets such as Brands, Trade Marks, Marketing Rights, Development and Research Assets (Seed Development Know-How & Gene Development Know-How) are amortized in ten equal yearly installments commencing from the year in which the tangible benefits start accruing to the Company from such assets.

E RESEARCH AND DEVELOPMENT EXPENDITURE:

i) The research expenditure incurred has been charged off to the Statement of Profit & Loss.

ii) Certain expenses to the extent of 20% are transferred to Research and Development expenses as considered expedient by the management. Refer Note No 40

F INVENTORIES:

i) The inventories including sales returns are valued at lower of cost and net realizable value except as stated here below. Cost is assigned on weighted average basis. Obsolete, defective and unserviceable stocks are provided for.

ii) Cost of finished products comprises the cost of processing and other cost incurred in bringing the inventories to their present location & condition.

iii) Breeder seeds and seed parental lines are valued by the management on an estimated basis considering their production potentiality and relied upon by the auditors being a technical matter.

G FOREIGN CURRENCY TRANSACTIONS:

i) Transactions in foreign currency are recorded at the rate prevailing on the date of the transaction.

ii) Current Assets and Current Liabilities in foreign currency outstanding as at the year-end are stated at the rates of exchange prevailing at the close of the year. The resultant gains/losses of the year are recognized in the Statement of Profit and Loss.

H GOVERNMENT GRANTS

i) Grants are accounted for where it is reasonably certain that the ultimate collection will be made.

ii) Grants relating to Fixed Assets in the nature of Project Capital Subsidy are credited to capital reserve.

iii) Others are credited to Statement of Profit and Loss.

I RETIREMENT BENEFITS:

Liability as at the year end in respect of retirement benefits is provided for and/ or funded and charged to Statement of Profit and Loss as follows:

i) Provident Fund / Family Pensions:

At a percentage of salary/wages for eligible employees.

ii) Gratuity

The liability in respect of future payment of gratuity is changed and the same is provided based on the actuarial valuation.

iii) Leave Encashment

The liability in respect of accumulated leave of the employees is provided based on the actuarial valuation.

J BORROWING COST

Borrowing cost directly attributable to acquisition, construction, production of qualifying assets are capitalized as a part of the cost of such assets up to the date of completion. Other borrowing costs are charged to Statement of Profit and Loss.

K TAXATION

i) Provision for Current Tax is made and retained in the accounts on the basis of estimated tax liability as per applicable provisions of Income Tax Act 1961.

ii) Deferred tax for timing difference between tax profit and book profit is accounted for using the tax rates and laws as have been enacted or substantively enacted as of the balance sheet date. Deferred tax assets are recognized to the extent there is reasonable certainty that these assets can be realized in future and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

L AGRICULTURAL ACTIVITIES

i) Income from the agricultural activities is accounted for up to the stage of dispatch of goods.

ii) Expenses which are directly related to the agricultural activities have been accounted for in the books of account under the respective activities. Expenses which are not related to the specific activities are allocated on the basis of turnover (net of return and Schemes & Discounts) of Agricultural activities and Trading activities.

iii) Certain unallocable expenses like extra-ordinary items / prior period expenses are not allocated.

NATH BIO-GENES (INDIA) LIMITED

**NOTE – 3
SHARE CAPITAL**

PARTICULARS	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
AUTHORIZED :		
1,65,00,000 Equity Shares of Rs.10 each	16,50,00,000	16,50,00,000
50,000, 16% Cum. Redeemable Preference Shares of Rs.100 each	50,00,000	50,00,000
	17,00,00,000	17,00,00,000
ISSUED, SUBSCRIBED AND PAID UP :		
Opening balance : 64,34,000 Equity Shares of Rs 10 each fully paid up	16,00,40,000	6,43,40,000
Add: Issued during the year 95,70,000 Equity Shares of Rs 10 each fully paid up	-	9,57,00,000
Closing Balance: 1,60,04,000 Equity Shares of Rs 10 each fully paid up	16,00,40,000	16,00,40,000

(1) 9,57,00,000 equity shares were issued at par pursuant to the scheme of arrangement u/s 391 of the Act. as approved by the Hon'ble Bombay High Court, judicature at Mumbai.

(2) List of shareholders having 5% or more shares in the company:-

	No of Shares	No of Shares
a) Akash Farms Pvt Ltd	18,65,930	18,65,930
b) Ashu Farms Pvt Ltd	18,50,000	18,50,000
c) Nath Royal Ltd	10,81,543	10,81,543
d) ARC Trust Fund	38,41,753	48,00,000
e) Agri-tech India Ltd	9,58,247	-
	95,97,473	95,97,473

**NOTE – 4
RESERVES & SURPLUS**

PARTICULARS	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
Capital Reserve	12,64,00,203	12,64,00,203
General Reserve	2,97,00,000	2,97,00,000
Statement of Profit & Loss		
Opening Balance	14,11,43,939	4,91,37,502
Add: Profit for the year	11,74,56,939	9,20,06,363
Closing Balance	25,86,00,878	14,11,43,865
	41,47,01,081	29,72,44,068

NATH BIO-GENES (INDIA) LIMITED

**NOTE – 5
LONG TERM BORROWINGS**

PARTICULARS	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
SECURED LOANS		
Term Loan against Vehicles Secured by hypothecation of vehicles purchased in the name of company/ directors of the company.	1,04,80,323	57,15,135
UNSECURED LOANS		
Deferred Sales Tax Loan	17,61,444	20,22,869
	1,22,41,767	77,38,004

NOTE – 6

LONG TERM PROVISIONS

PARTICULARS	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
Provisions for Employee Benefits		
Gratuity	97,32,000	95,09,000
Leave encashment	49,55,000	46,20,000
	1,46,87,000	1,41,29,000

NOTE – 7

SHORT TERM BORROWINGS

PARTICULARS	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
SECURED		
a) From bank (Secured against pledge of stock of seeds)	13,69,84,195	1,15,80,167
UNSECURED		
a) Deposits from Dealers	2,42,81,957	2,14,79,457
b) From Others	29,74,500	-
b) From related parties	69,15,000	4,85,87,355
	17,11,55,652	8,16,46,979

NOTE – 8

TRADE PAYABLES

PARTICULARS	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
Sundry Creditors for Seeds/Supplies	23,67,35,868	13,69,07,225
Sundry Creditors - SME Sector	29,40,174	2,75,657
Sundry Creditors for staff balances	2,31,83,467	1,91,14,146
Others Creditors	1,32,82,840	73,07,521
	27,61,42,350	16,36,04,549

NOTE – 9

OTHER CURRENT LIABILITIES

PARTICULARS	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
Current maturities of long term debts		
Term Loan from Banks	-	1,68,00,000
Vehicle Loan	85,06,272	52,68,563
Deferred Sales Tax Loan	5,62,646	12,59,511
Other Payables		
Credit Balance in Debtors	5,17,56,224	11,33,67,204
Payable for land purchase	14,24,33,500	-
Payable to a related party	30,46,335	-
Others	8,55,801	-
Minority Interest	60,000	-
Statutory Liabilities	83,54,820	70,56,280
Advance against Sales	31,53,64,871	33,08,47,819
	53,09,40,469	47,45,99,378

NOTE – 10

SHORT TERM PROVISIONS

PARTICULARS	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
Provision for Income Tax	10,22,711	5,50,000
Provisions for Employee Benefits		
Gratuity	12,82,000	-
Leave encashment	6,15,000	-
	29,19,711	5,50,000

NATH BIO-GENES (INDIA) LIMITED, AURANGABAD

Amount in Rupees

SCHEDULE OF FIXED ASSETS AND DEPRECIATION FOR THE PERIOD OF 01.04.12 TO 31.03.2013

SR. NO.	PARTICULARS	RATE OF DEPN %	GROSS BLOCK		DEDUCTION DURING THE YEAR	AS AT 31.03.2013	DEPRECIATION / AMORTISATION				NET BLOCK	
			AS AT 01.04.2012	ADDITION DURING			UPTO 31.03.2012	FOR THE PERIOD	DEDUCTION	UP TO 31.03.2013	AS AT 31.03.2013	AS AT 31.03.2012
(A)	TANGIBLE ASSETS											
1	FREE HOLD LAND	0.00	207595	192387565	0	192595160	0	0	0	0	192595160	207595
2	FACTORY BUILDING	10.00	22755772	1389878	0	24145650	14643198	860449		15503647	8642003	8112574
3	FARM SHED	100.00	200172	0	0	200172	200172	0		200172	0	0
4	LIVE STOCK	0.00	61200	0	0	61200					61200	61200
5	PLANT & MACHINERY	13.91	72575317	1329129	1352227	72552219	44787813	3926555	1002906	47711462	24840757	27787504
6	LABORATORY EQUIPMENT	13.91	16821265	0	1968895	14852370	13316472	435489	1678047	12073914	2778456	3504793
7	AGRICULTURE EQUIPMENT	13.91	215695	459985		675680	101210	52548		153758	521922	114485
8	OFFICE EQUIPMENT	13.91	2386857	392625		2779481	1124993	206796		1331789	1447692	1261864
9	E.D.P.EQUIPMENT	40.00	21178387	1901653	19100	23060939	18728382	1301804	10998	20019188	3041751	2450005
10	FURNITURE & FIXTURE	18.10	6247570	75326		6322896	5717120	96051		5813171	509725	530450
11	MOTOR CAR & LIGHT VEHICLE	25.89	35222470	15606423	775341	50053552	20572039	4696758	595030	24673767	25379785	14650431
	TOTAL (A)		177872300	213542582	4115563	387299319	119191399	11576450	3286981	127480868	259818451	58680901
(B)	INTANGIBLE ASSETS											
12	BRANDS, TRADEMARKS AND MARKETING RIGHTS		206125000	0	0	206125000	125337500	16112500	0	141450000	64675000	80787500
13	SEED DEVELOPMENT KNOW HOW		174118468	0	0	174118468	104916591	17411847	0	122328438	51790030	69201877
	TOTAL (B)		380243468	0	0	380243468	230254091	33524347	0	263778438	116465030	149989377
	GRAND TOTAL (A) + (B)		558115768	213542582	4115563	767542787	349445490	45100797	3286981	391259306	376283481	208670278
	PREVIOUS YEAR		537978728	24732924	4595884	558115768	305083727	46999560	2637797	349445490	208670278	

Notes:

- Intangible assets such as brands, trade marks & marketing rights are amortized in ten equal yearly instalments commencing from the year of acquisition by Nath Seeds Ltd (Demerged Company). Refer Note No 2 (D) (ii).

NOTE NO – 12 :
DEFERRED TAX ASSETS

Calculation of Deferred Tax Asset as on 31.03.2013 is given as under: -	Deferred Assets (Rs.)	Tax amount (Rs.)
WDV of Fixed Asset	72,79,607	22,49,399
Gratuity	1,10,14,000	34,03,326
Leave Encashment	55,70,000	17,21,130
Expenses disallowed u/s 43B of Income Tax Act	53,60,020	16,56,246
Total Deferred Tax assets at the year end		90,30,101
Less: Opening deferred tax assets		86,24,461
Deferred Tax Assets recognised during the year		4,05,640

NOTE – 13
NON CURRENT INVESTMENTS

PARTICULARS	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
UNQUOTED; AT COST; NON-TRADE		
Nath Cooperative Society	8,400	6,000
National Saving Certificate	10,075	10,075
UNQUOTED; AT COST; TRADE		
Equity shares in Paithan Mega Food Parks Pvt Ltd 504000 Equity Shares of Rs. 10 each	-	50,40,000
	18,475	50,56,075

NOTE – 14
LONG TERM LOANS AND ADVANCES

PARTICULARS	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
(Unsecured, Considered good)		
Capital Advances for land purchase to a related party	0	15000000
	0	15000000

NATH BIO-GENES (INDIA) LIMITED

NOTE – 15
INVENTORIES

PARTICULARS	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
(As taken, valued and certified by the management)		
Stores and Packing Materials	4,34,06,410	3,78,06,520
Processed Seeds	67,71,40,670	59,89,79,419
Unprocessed Seeds	2,31,37,254	1,05,35,112
Seed (Traded Stock)	29,66,000	24,78,000
Micro Nutrient Supplement	2,50,95,000	77,57,777
	77,17,45,334	65,75,56,828

The inventories including sales returns are valued at lower of cost and net realizable value

NOTE – 16
TRADE RECEIVABLE

PARTICULARS	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
i) Secured: Considered Good		
Due for a period of less than six months	6,03,92,516	65,36,567
Due for a period of more than six months	80,31,048	16,58,498
ii) Unsecured: Considered Good		
Due for a period of less than six months	11,35,23,857	8,95,67,095
Due for a period of more than six months	2,79,15,272	2,67,58,124
ii) Unsecured: Considered doubtful:		
Due for a period of more than six months	1,47,75,027	1,17,74,838
Less: Provision for doubtful debtors	(1,47,76,027)	(1,17,74,838)
	20,98,61,693	12,45,20,284

NOTE – 17

CASH AND CASH EQUIVALANTS

PARTICULARS	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
Cash on hand	7,41,303	7,08,122
Balances with Banks:		
i) In Current Accounts	2,34,46,100	2,40,25,897
ii) In Fixed Deposit Accounts having original maturity beyond 12 months	6,13,603	81,75,253
	2,48,01,005	3,29,09,272

NOTE – 18

SHORT TERM LOANS AND ADVANCES

PARTICULARS	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
(Unsecured, Considered good)		
Advances to a related party	4,24,52,968	2,65,50,000
Advances against seed production	8,19,62,197	7,22,87,722
Advances against purchase	32,03,143	-
Advances to Staff	69,57,689	29,33,410
Income Tax deducted at source/Tax paid	3,06,40,445	3,27,84,020
	16,52,16,441	13,45,55,152

NOTE – 19

OTHER CURRENT ASSETS

PARTICULARS	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
VAT Receivable	54,41,304	34,41,092
Sundry Deposits	77,53,276	80,73,439
Interest receivable	-	14,952
Preliminary and pre-operative expenses of subsidiary company	1,11,92,323	-
Insurance claim receivable	15,823	35,548
Prepaid Expenses	14,68,772	10,94,596
	2,58,71,499	1,26,59,628

NOTE – 20

REVENUE FROM OPERATIONS

PARTICULARS	For year ended on 31st March 2013 (Rs.)	For year ended on 31st March 2012 (Rs.)
Sale of Agricultural Products		
Commercial seeds and Remnant	1,19,28,46,759	1,10,25,94,055
Foundation seeds	60,99,065	60,27,227
	1,19,89,45,824	1,10,86,21,282
Trading of agricultural produce	17,80,84,000	13,05,32,000
	1,37,70,29,824	1,23,91,53,282

NOTE – 21

OTHER INCOME

PARTICULARS	For year ended on 31st March 2013 (Rs.)	For year ended on 31st March 2012 (Rs.)
Interest Received	1,18,106	6,19,313
Profit on Sale of Assets	58,593	1,47,779
Insurance claim received	11,89,729	-
Excess Provision W/back	1,63,929	54,80,605
Other Income	42,72,109	28,32,399
	58,02,467	90,80,097

NOTE – 22
PRODUCTION EXPENSES

PARTICULARS	For year ended on 31st March 2013 (Rs.)	For year ended on 31st March 2012 (Rs.)
Land Preparation Expenses	9,71,52,884	3,69,33,447
Fertilizer & Pesticides	6,60,42,004	7,75,47,415
Labour Wages	12,33,07,262	11,55,27,573
Lease Rent for agricultural land	8,31,24,515	6,90,91,470
Other Farm Expenses	6,72,34,048	4,81,71,944
Incentive to Growers	44,71,690	2,40,22,829
{Also refer note no 35(ii)}	44,13,32,403	37,12,94,678

NOTE – 23
CHANGE IN INVENTORIES

PARTICULARS	For year ended on 31st March 2013 (Rs.)	For year ended on 31st March 2012 (Rs.)
SEEDS:		
Closing Stock		
Processed Goods	67,71,40,670	59,89,79,419
Unprocessed Goods	2,31,37,254	1,05,35,112
Seed (Traded)	29,66,000	24,78,000
Micro Nutrient Supplement	2,50,95,000	77,57,777
	72,83,38,924	61,97,50,308
Opening Stock		
Processed Goods	59,89,79,419	56,20,67,418
Unprocessed Goods	1,05,35,112	1,91,07,724
Seed (Traded)	24,78,000	49,68,000
Micro Nutrient Supplement	77,57,777	1,03,78,000
	61,97,50,308	59,65,21,142
	10,85,88,616	2,32,29,166

NOTE – 24
EMPLOYEES BENEFITS EXPENSES

PARTICULARS	For year ended on 31st March 2013 (Rs.)	For year ended on 31st March 2012 (Rs.)
Salaries, Wages and Bonus	8,47,83,735	8,03,07,795
Contribution to Provident and Other Funds	36,05,767	29,51,002
Staff Welfare Expenses	29,00,943	22,21,522
Staff Incentive	1,09,28,908	67,00,233
	10,22,19,353	9,21,80,552

NOTE – 25
FINANCE COSTS

PARTICULARS	For year ended on 31st March 2013 (Rs.)	For year ended on 31st March 2012 (Rs.)
Interest Expenses	3,36,30,440	1,72,38,225
Interest on Income Tax	-	-
Finance Charges	30,99,323	8,25,044
	3,67,29,762	1,80,63,270

NOTE – 26
OTHER EXPENSES

PARTICULARS	For year ended on 31st March 2013 (Rs.)	For year ended on 31st March 2012 (Rs.)
A. Seed Conditioning Expenses		
Freight Inward, Hamali & Cartage	1,72,15,660	1,66,75,428
Stores and Processing Materials consumed	6,21,77,631	6,32,14,290
Power and Fuel	42,93,225	33,98,833
Repairs and Maintenance (Machinery)	14,46,637	7,65,902
Repairs and Maintenance (Factory Building)	13,91,304	8,01,636
Hamali & Cartage - Processing Plant	69,56,770	12,91,348
Processing Expenses	80,70,469	29,47,828
Other Seed Conditioning Expenses	82,22,033	51,64,163

	10,97,73,728	9,42,59,428
B. Administrative Expenses		
Rent	91,90,671	67,25,372
Rates and Taxes	13,95,310	9,13,314
Insurance	19,80,363	16,37,423
Legal & Professional Expenses	44,05,442	38,49,877
Repairs and Maintenance - Office Building	8,68,725	4,36,670
Running and maintenance - Vehicle	1,73,17,319	1,50,51,529
Repairs and Maintenance - Others	18,54,699	27,32,381
Communication	53,44,390	43,64,154
Printing & Stationery	38,16,013	8,29,586
Auditors' Remuneration:		
Statutory Audit Fee	3,65,170	3,08,990
Tax Audit Fee	84,270	84,270
Directors' remuneration	15,56,001	18,68,813
Miscellaneous Expenses	61,36,855	28,21,202
Security Charges	16,06,483	32,10,827
Loss on Sale of Assets	55,175	2,88,824
	5,59,76,885	4,51,23,231
C. Selling Expenses		
Travelling and Conveyance	1,77,26,885	1,73,12,109
Advertisement and Sales Promotion	3,15,52,443	3,06,61,600
Freight Outward	4,51,00,180	3,95,21,584
Commission	36,667	3,96,168
Other selling expenses	56,72,687	46,37,159
Bad Debts Provisions	30,01,189	31,68,381
Bad Debts	35,47,556	96,256
Sundry debit balances written off	97,704	11,95,535
	10,67,35,310	9,69,88,792
D. Discount, Schemes and Incentives		
Trade Discounts	11,38,48,232	9,21,14,473
Cash Discounts	68,95,253	1,12,81,037
Quantity Discounts	5,43,46,470	4,40,66,603
Additional Discount	11,52,42,144	12,13,54,760
	29,03,32,100	26,88,16,873
E. Research and Development Expenses		
R & D Farmer Advisory Expenses	3,34,91,998	2,92,99,266
Research and Development Expenses	3,83,32,494	2,90,87,006
R & D Field Visits & Campaigns	92,53,144	78,17,181
R & D Field Day Expenses	63,09,698	33,73,417
Farming Expenses	12,53,289	10,15,942
Large Scale Trial Expenses	92,350	5,24,676
Workshop & Meeting Exps. - Other than Fees	17,78,985	5,19,935
Fees for Workshops & Meetings	1,66,946	2,10,165
Crop Seminar Expenses	14,975	56,000
	9,06,93,877	7,19,03,588
Total (A+B+C+D+E)	65,35,11,901	57,70,91,911

NOTE -- 27

PRIOR PERIOD EXPENSES

PARTICULARS	For year ended on 31st March 2013 (Rs.)	For year ended on 31st March 2012 (Rs.)
EXPENSES		
Interest on CC loan**	-	1,27,92,000
Office Rent	-	64,500
Advance Payment of Income Tax	-	-
R&D Farmer Advisory Services	-	11,21,640
	-	1,39,78,140

** The Company has accounted for additional liability on account of interest payable to Bank.

NATH BIO-GENES (INDIA) LIMITED

NOTE NO – 28:		Current Year	Previous year
Contingent liabilities not provided for in respect of:-			
a)	Claims against the Company not acknowledged as debts in respect of consumer legal cases.	Rs. 8,64,500	Amount unascertainable
b)	The liability on account of damages u/s 14B of the Employees Provident Fund and Misc Provisions Act, 1952, which is being contested by the Company in appeal.	Rs. 25,45,425	Rs. 25,45,425

NOTE NO – 29
In the opinion of the Board, Current and Non-current Assets, Loans and Advances are approximately of the value stated, if realized in the ordinary course of the business.

NOTE NO – 30
Certain accounts of Sundry Debtors, Creditors, Unsecured Loans, Employees Account, certain current account balances with banks, Loans and Advances (including advances given to growers and inter party transfer & balances) are subject to confirmations and reconciliation's, if any. The difference as may be noticed on reconciliation will be duly accounted for on completion thereof. In the opinion of the management, the ultimate difference will not be material.

NOTE NO – 31		Current Year	Previous year
Managerial Remuneration:			
a)	Technical Director :-		
	Salary & Allowances	330675	663817
	Contribution to Provident Fund	20330	38448
		351005	702265
b)	Managing Director :-		
	Salary & Allowances	1204996	1204996
	Contribution to Provident Fund	0	0
		1204996	1204996
	Total	1556001	1907261

NOTE NO – 32
The Company has dispatched letters to certain vendors to ascertain their status under the Micro, Small and Medium Enterprises Development Act, 2006. Based upon the confirmation received from the following parties, the principal dues and interest worked out @18% p.a. thereon are as under:-

Sr No	Name of parties	Amount payable Rs.	Interest due Rs.
1	Balu Industries	135772	119384
2	Gubba Agro Fresh Pvt Lt	171202	105350
3	Gubba Cold Storage Ltd	27909	4334
4	Gubba Green Cold Pvt Ltd	18639	1322
5	Incotech India Pvt Ltd	1289330	57111
6	Jagruti Offset	697322	50401
7	Marks Packaging Industries	400000	102000
8	Printwell International Pvt Ltd	200000	91548
9	Zaware Creative Enterprises Pvt Ltd	0	162321
	Total (Net)	2940174	693771

NOTE NO – 33
The Information related to Segmental Reporting as required to be disclosed in accordance with the accounting standard: 'AS 17-Segment Reporting' are as under:-

Broadly the activity of the company falls within Two segments

Criteria	Segments
Product Base	1. Agricultural Activities (Seed Production) 2. Trading Activities

The financial data of all segments are as follows

Sr No	Particulars	Amount in Rs.		
		Agriculture Activities	Trading Activity	Total
A	Segment Revenue (Net of trade discount)			
i	External Sales/income	962506724	124191000	1,08,66,97,724
ii	Inter-segment Sale	0	0	0
	Other Income	0	5802467	58,02,467
	Change in inventory	90763393	17825223	10,85,88,616
iii	Total Revenue	1053270117	147818690	1201088807
B	Total Revenue of each segment as a percentage of total revenue of all segment			
		88	12	
	Less: Production Expenses /Purchases	503422035	89655347	59,30,77,382
	Less: Other Expenses	429617137	55432945	48,50,50,082
C	Segment Result [Profit/(loss)]	120230945	2730398	12,29,61,343
D	Segment Result as a percentage of segmental result to the Profit	97.78	2.22	

NOTE NO – 34 :

In the opinion of the Board, fixed assets have been stated at cost, which is at least equal to or less than the realizable value if sold in the ordinary course of business. Consequently, the management is of the opinion that there is no impairment of assets.

NOTE NO – 35:

- i The company is engaged in agricultural activities of production of seeds on lease hold land situated at various part of India.
- ii The company has entered into agreements with various growers for cultivation and production of agricultural produce in view of the fact that the company itself is unable to carry on such activities which are spread over various parts of India. The company has reimbursed the cultivation expenses based upon the agreement entered into with the growers.

NOTE NO – 36 :**Employee Benefits**

The company has classified the various benefits provided to employees as under

Defined Contribution Plans :

During the year, the Company has recognized the following amounts in the Profit & Loss Account

				Current Year	Previous Year
-		Employers Contribution to Provident Fund		35,63,662	29,03,060
-		Employers Contribution to ESI		32,025	38,726
-		Employers Contribution to Labour Welfare		10,080	9,216

Defined Benefit Plans

The company has neither created fund nor contributed to Scheme framed by the Insurance Company for the defined benefit plans for the qualifying employees. The present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit credit method with actuarial valuations being carried out at each balance sheet date.

In accordance with accounting Standard 15, actuarial valuation was done in respect of the aforesaid defined benefit plan of gratuity based on the following assumptions: -

Particulars	Current Year	Previous Year
Discount Rate	8%	8%
Salary escalation rate	6%	6%
Expected rate of return on Plan Assets	-	-
Expected average remaining service of employee in the	-	-

Disclosures for defined benefit plans based on Actuarial Reports as at 31st March 2013

a) Change in Present Value of Defined Benefit Obligation

Particulars	Current Year	Previous Year
Present value of obligations at the beginning of the year	95,09,000	80,13,000
Current Service Cost	11,74,488	9,84,448
Interest Cost	7,30,638	6,24,684
Actuarial (Gain) / Loss	3,51,934	2,95,777
Benefit paid	-7,52,060	-4,08,909
Present value of obligations at the end of the year	1,10,14,000	95,09,000

b) Change in Fair value of plan assets

Particular	Current Year	Previous Year
Fair Value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Employer's contributions	7,52,060	4,08,909
Actuarial gain / (loss) on plan assets	-	-
Benefit paid	-7,52,060	-4,08,909
Fair value of plan assets at the end of the year	-	-

c) Percentage of each category of plan assets to total fair value of plan assets as at 31st March 2013

Particulars	Current Year	Previous Year
Obligation on the part of the Company	100%	100%

d) Reconciliation of the present value of defined benefit obligations and the fair value of plan assets

Particulars	Current Year	Previous Year
Present value of funded obligations as at the end of the year	0	0
Fair value of plan assets as at the end of the year	0	0
Funded (Assets)/liability recognized in the Balance Sheet as at	0	0
Present value of unfunded (assets) / obligations as at the end	1,10,14,000	95,09,000
Unrecognized past service cost	0	0
Unrecognized actuarial (gain)/loss	0	
Unfunded net (Assets)/liability recognized in the Balance	1,10,14,000	95,09,000

e) Net employee benefit expense (Recognized in employment cost) for the year ended on 31st March 2013

Particulars	Current Year	Previous Year
Current Service Cost	11,74,488	9,84,448
Interest Cost	7,30,638	6,24,684
Expected return on plan assets	-	-
Net Actuarial (Gain) / Loss recognized in the year	3,51,934	2,95,777
Past Service cost	0	0
Net Gratuity (income) / expense	22,57,060	19,04,909

f) Detail of Present value of obligation, Plan Assets and Experience Adjustments

Particulars	Current Year	Previous Year
Present value of obligation	1,10,14,000	95,09,000
Fair value of plan assets	-	-
(Surplus) / Deficit	1,10,14,000	95,09,000
Experience Adjustment	-	-
(Gain)/ Loss on plan liabilities	-	-
(Gain)/ Loss on plan assets	-	-

g) Expected contributions to Gratuity Fund next year Rs. NIL (Previous Year Rs. NIL)

h) The liability for leave encashment and compensated absences as at year end is Rs. 55,70,000 (Previous year liability Rs. 4620,000)

NOTE NO – 37:

Related parties disclosure as per Accounting Standard - 18:

List of related parties

a) **Associates:-**

- i) Global Transgenes Ltd.
- ii) Agri Tech (India) Ltd.
- iii) Nath Biotechnologies Ltd.
- iv) Nath Seeds Ltd.
- v) Nath Royal Seed Ltd

b) **Relatives**

Ms. Soniya Kagliwal

c) **Key Management Personnel:-**

Mr. Satish Kagliwal (Managing Director)
Mr. S. U. Baig, (Technical Director)

d) **Subsidiary Company**

Paithan Mega Food Park Pvt Ltd

		Transfer (credit to account)	0	66101675
6	Soniya Kagliwal	Consultancy charges paid	216000	233500
		Transfer (credit to account)	668250	0
		Conveyance Reimb paid	108000	36000
7	Paithan Mega Food Park Pvt Ltd	Advance given	171681	
		Investments in equity shares	49940000	5040000

		as on 31.03.2013 Rs.	as on 31.03.2012 Rs
e)	Out standing balances at the year end		
1	Global Transgenes Ltd.	8240870 Cr	19589718 Cr
2	Agri Tech (India) Ltd.	39558613 Dr	20129348 Cr
3	Nath Biotechnologies Ltd.	2894354 Dr	441433 Cr
4	Nath Seeds Ltd.	0	38448979 Dr
5	Nath Royal Seed Ltd	0	24667982 Cr
6	Ms Soniya Kagliwal		42750 Cr

Notes:

1 Related party relationship is as identified by the Company and relied upon by the Auditors.

2 No amounts in respect of related parties have been written off/back during the year, nor have been provided for as doubtful

NOTE NO – 38 :	Current Year Rs.	Previous Year Rs.
CIF value of Imports: – Purchase of Win Chi Win & Vegetable Seeds	30814055	12656911
Expenditure in Foreign Currency: - Travelling & Others	676765	504894
Earning in Foreign Currency:- F O B value of Exports	45658518	20097794
NOTE NO – 39 :		
Difference in Foreign Exchange Gain / (Loss)	920531	9263

NOTE NO – 40:

Research & Development Expenditure comprises 20% of the following expenses under the various head allocated as deemed to be expedient by the management.

	Current Year Rs	Previous Year Rs
a Payment to and provisions for employee		
Salaries, wages and bonus	17448292	12910127
Contribution to provident and other funds	802552	747363
Staff Welfare Expenses	301020	247775
b Other Seed Conditioning Expenses	9516537	7032525
c Administration and Selling Expenses		
Miscellaneous Expenses	3236602	2063794
Travelling and Conveyance	4308286	3821304
Rates & Taxes	161051	193724
Rent	2297668	1592346
Total	38072008	28608958

NOTE NO – 41 :

The net profit (loss) for the purpose of measurement of basic and diluted earnings per share in terms of Accounting Standard - 20 on Earnings Per Share issued by the Institute of Chartered Accountants of India has been calculated as under:

	Current Year Rs	Previous Year Rs.
Net Profit (loss) as per Profit & Loss Account	117456939	92006363
Less :- Dividend on Preference Shares	0	0
Numerator: Profit Available for equity share holders	117456939	92006363
Denominator: Number of Equity shares outstanding (nos)	16004000	16004000
Denominator for Diluted equity share holder	16004000	16004000
Basic Earnings per share is arrived at by dividing Numerator by Denominator	7.34	5.75
Diluted Earnings per share is arrived at by dividing Numerator for diluted equity share holder by Denominator	7.34	5.75
The nominal value per equity shares is Rupees	10	10

NOTE NO – 42 :

Previous year's figures have been regrouped / rearranged wherever necessary to conform to the current year's presentation.

Sd/-

Satish Kagliwal
Managing Director

Sd/-

Akash Kagliwal
Director

Place : Aurangabad
Date : 29th May 2013

NATH BIO-GENES (INDIA) LTD.

Registered Office: Nath House, Nath Road, Aurangabad-431 005

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting venue)

19th ANNUAL GENERAL MEETING Saturday August 17, 2013

Reg. Folio No./DP ID & Client ID No.: _____ No. of Shares held: _____

Name of the attending member (in block letters)

Name of proxy (in block letters, to be filled in by the proxy attending instead of the member)

I hereby record my presence at the 19th Annual General Meeting of the Company at Nath House, Nath Road, Aurangabad-431 005, on Saturday, August 17, 2013 at 11.00 a.m.

Member's/ Proxy's Signature

- Notes:** 1) Interested joint members may obtain attendance slips from the Registered Office of the Company
- 2) Members/joint members/proxies are requested to bring this slip with them. Duplicate slips will not be issued at the entrance of the Auditorium.
- 3) The proxy form must be deposited so as to reach the Registered office of the Company not less than FORTY-EIGHT HOURS before the time of the Annual General Meeting.
-

NATH BIO-GENES (INDIA) LTD.

Registered Office: Nath House, Nath Road, Aurangabad-431 005

PROXY FORM

Reg. Folio No./DP ID & Client ID No.: _____ No. of Shares held: _____

I/We _____ of _____ being a member/members of the above-named Company hereby appoint _____ of _____ or failing him/her _____ of _____ as my/our proxy to attend and vote for me/us on my/our behalf at the 19th Annual General Meeting of the Company to be held at Nath House, Nath Road, Aurangabad-431 005, on Saturday, August 17, 2013 at 11.00 a.m.

Signature:

Revenue Stamp Rs. One

Date: 29th May, 2013