

1 General Information

Nath Bio-Genes (India) Limited (CIN L01110MH1993PLC072842) is incorporated under the Companies Act, 1956 with its registered office at Nath House, Nath Road, Aurangabad. The company is engaged in the business of Production, Processing, and Marketing of Hybrid and GM Seeds. The Company has a product range of Field crops, Vegetable crops and Plant Nutrient Supplements. The major Processing Plants are situated at Aurangabad (MS), and Munipalli, Nizamabad (TG). The company has a Pan India presence for sales through an extensive network of distributors.

The financial statement for the year ended 31st March 2018 are approved by the Board of Directors and authorised for issue on 30th May 2018.

2 SIGNIFICANT ACCOUNTING POLICIES:

A Statement of Compliance

The company has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101, First Time Adoption of Indian Accounting Standard. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. Reconciliations and descriptions of the effect of the transitions have been summarised in the annexed notes no 31.

B Basis of Preparation and Presentation

i) The financial statements are prepared on historical cost basis in accordance with applicable Indian Accounting Standards (Ind AS) and on accounting principles of going concern except fixed assets which are measured at fair values. These financial statements have been prepared to comply with all material aspects with the Indian accounting standards notified under section 133 of the Act, (the "Act") read with Rule 7 of the Companies (Accounts) Rules, 2014, and the other relevant provisions of the Act.

ii) Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policies hitherto in use.

iii) As the quarter and year figures are taken from the source and rounded to the nearest digits, the figures already reported for all the quarters during the year might not always add up to the year figures reported in this statement.

iv) All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current classification of assets and liabilities.

C REVENUE RECOGNITION

i) Revenue is measured at the fair value of the consideration received or receivable where the ownership and significant risk has been transferred to the buyer.

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 are accounted for as and when settled.

D PROPERTY, PLANT AND EQUIPMENTS

i) Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at deemed cost less accumulated depreciation. Freehold land is not depreciated.

ii) Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

iii) Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

iv) An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

v) New product development expenditure is capitalized to Gene/Seed Development Know-how. The same is written off in ten equal yearly installments commencing from the year in which the tangible benefits start accruing to the Company.

E CAPITAL WORK-IN-PROGRESS

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

F DEPRECIATION / AMORTIZATION

- i) Depreciation on tangible Fixed Assets is provided for on basis of useful life specified in Schedule II to the Act.
- ii) Intangible assets such as Gene/Seed 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.
- iii) Depreciation is charged as per the provisions of Schedule II to the Act based upon useful life of assets. The useful life is adopted for the purpose of depreciation is as under.

| Assets | Useful life year |
|---------------------------------|-------------------------|
| i) Factory Building | 30 |
| ii) Plant & Machineries | 15 |
| iii) Laboratory Equipment | 10 |
| iv) Agricultural Equipments | 15 |
| v) Office Equipments | 15 |
| vi) EDP Equipments | 3 |
| vii) Furniture & Fixture | 10 |
| viii) Motor Car & Light Vehicle | 8 |

G IMPAIRMENT

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

H RESEARCH AND DEVELOPMENT EXPENDITURE:

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

I INVENTORIES:

- i) Inventories comprise of Unprocessed seeds, Under- Processed Seeds, Processed Seeds, Packing Material and traded goods. Inventories are valued at the lower of cost or the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost is determined on Weighted Average basis. Cost includes all charges in bringing the goods to their present location and condition and receiving charges.
- ii) The cost of Under-Processed Seeds and Processed Seeds comprises of direct labour, other direct costs and related production overheads. Net realizable value is the estimated selling price in the ordinary course of business less the

J 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.

K 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.

L EMPLOYEES 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) Retirement benefit costs and termination benefit

The Company determines the present value of the defined benefit obligation and recognizes the liability or asset in the balance sheet.

The present value of the obligation is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each year

Defined benefit costs are composed of:

(a) service cost – recognized in profit or loss; service cost comprises (i) current cost which is the increase in the present value of defined benefit obligations resulting from employee service in the current period, (ii) past service cost which is the increase in the present value of defined benefit obligations resulting from employee service in the prior periods resulting from a plan amendment, and (iii) gain or loss on settlement.

(b) remeasurements of the liability or asset - recognized in other comprehensive income.

(d) remeasurements of the liability or asset essentially comprise of actuarial gains and losses (i.e. changes in the present value of defined benefit obligations resulting from experience adjustments and effects of changes in actuarial assumptions).

Short-term benefits: A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave and other short term benefits in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Other long-term benefits: Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date

iii) Bonus

The company recognises a liability and expense for bonus. The company recognises a provision where contractually obliged or where there is past practice that has created a constructive obligation.

M BORROWING COST

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred. The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset. The Company suspends capitalisation of borrowing costs during extended periods in which it suspends active development of a qualifying asset

N TAXATION

INCOME TAX

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.

DEFERRED TAX

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and deferred tax for the period

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

The Company recognises interest levied and penalties related to Income Tax assessments in the tax expense.

O AGRICULTURAL ACTIVITIES

- i) Income from the agricultural activities is accounted for up to the stage of dispatch of goods by the Company to the customer after processing.
- 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.

P EARNING PER SHARE

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit for the year attributable to equity share holders. The weighted average number of equity shares outstanding during the year and for all years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

Q USE OF ESTIMATES

The preparation of Financial Statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of Financial Statements and the reported amounts of revenues and expenses during the reporting period. Difference between the actual results and the estimates are recognised in the period in which the results are known/ materialised.

R PROVISION AND CONTINGENT LIABILITIES

Provisions: Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

S CASH AND CASH EQUIVALENTS

In the Cash Flow Statement, cash and cash equivalents includes cash on hand, demand and short term deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

T FINANCIAL ASSETS AT AMORTISED COST

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

U FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and a contractual terms of the financial assets give rise on the specified dates to cash flows that are solely payment of the principal and interest on the principal amount outstanding.

V FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of assets and liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

W FINANCIAL LIABILITIES

Financial liabilities are measured at amortised cost using the effective interest method, if tenor of repayment of such liability exceeds one year.

X EQUITY INSTRUMENTS

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. The Company recognises equity instruments at proceeds received net off direct issue cost.

Y RECLASSIFICATION OF FINANCIAL ASSETS

The Company determines classification of the financial assets and liabilities on initial recognitions. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the company's operations. Such changes are evident to external parties. A change in the business model occurs when a company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains and losses) or interest.

Z OFFSETTING OF FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet if there is currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

NOTE No 3

Property, Plant & Equipment for the year ended 31.03.2018

| SR. NO. | PARTICULARS | GROSS BLOCK | | DEDUCTION DURING THE YEAR | AS AT 31.03.2018 | DEPRECIATION / AMORTISATION | | | | | NET BLOCK | |
|------------|---------------------------|-----------------------|--------------------|---------------------------|-----------------------|-----------------------------|------------|------------------|------------------|---------------------|-----------------------|-----------------------|
| | | AS AT 01.04.2017 | ADDITION DURING | | | UPTO 31.03.2017 | ADJUSTMENT | FOR THE PERIOD | DEDUCTION | UP TO 31.03.2018 | AS AT 31.03.2018 | AS AT 01.04.2017 |
| (A) | TANGIBLE ASSETS | | | | | | | | | | | |
| 1 | Freehold Land | 2,00,24,70,000 | - | - | 2,00,24,70,000 | - | - | - | - | - | 2,00,24,70,000 | 2,00,24,70,000 |
| 2 | Factory Building | 2,62,38,170 | - | - | 2,62,38,170 | 1,73,51,483 | - | 340280 | - | 1,76,91,763 | 85,46,407 | 88,86,687 |
| 3 | Live Stock | 1,21,200 | 55,000 | 1,21,200 | 55,000 | - | - | - | - | - | 55,000 | 1,21,200 |
| 4 | Plant & Machineries | 8,27,18,062 | 25,67,558 | - | 8,52,85,620 | 5,78,24,313 | - | 2334752 | - | 6,01,59,065 | 2,51,26,554 | 2,48,93,748 |
| 5 | Laboratory Equipment | 1,51,21,592 | 48,712 | - | 1,51,70,304 | 1,30,79,486 | - | 356247 | - | 1,34,35,733 | 17,34,571 | 20,42,106 |
| 6 | Agricultural Equipments | 11,44,603 | - | - | 11,44,603 | 4,05,840 | - | 62242 | - | 4,68,082 | 6,76,521 | 7,38,763 |
| 7 | Office Equipments | 37,15,746 | 35,000 | - | 37,50,746 | 19,84,959 | - | 153294 | - | 21,38,253 | 16,12,493 | 17,30,787 |
| 8 | EDP Equipments | 2,67,09,395 | 16,05,760 | 29,750 | 2,82,85,405 | 2,50,46,211 | - | 592386 | 28,262 | 2,56,10,335 | 26,75,070 | 16,63,184 |
| 9 | Furniture & Fixture | 71,24,782 | 7,82,669 | - | 79,07,451 | 62,06,218 | - | 127797 | - | 63,34,015 | 15,73,436 | 9,18,564 |
| 10 | Motor Car & Light Vehicle | 7,07,53,747 | 34,94,560 | 52,54,373 | 6,89,93,934 | 4,12,97,254 | - | 5540143 | 27,96,603 | 4,40,40,794 | 2,49,53,140 | 2,94,56,493 |
| | TOTAL (A) | 2,23,61,17,297 | 85,89,259 | 54,05,323 | 2,23,93,01,233 | 16,31,95,765 | - | 95,07,141 | 28,24,865 | 16,98,78,041 | 2,06,94,23,192 | 2,07,29,21,532 |
| (B) | INTANGIBLE ASSETS | | | | | | | | | | | |
| | Seed Development Know How | - | 4,00,00,000 | - | 4,00,00,000 | - | - | - | - | - | 4,00,00,000 | - |
| | TOTAL (B) | - | 4,00,00,000 | - | 4,00,00,000 | - | - | - | - | - | 4,00,00,000 | - |
| | TOTAL (A) + (B) | 2,23,61,17,297 | 4,85,89,259 | 54,05,323 | 2,27,93,01,233 | 16,31,95,765 | - | 95,07,141 | 28,24,865 | 16,98,78,041 | 2,10,94,23,192 | 2,07,29,21,532 |

Notes:

- The Company has acquired Gene Development know How (Cotton Seed) from a related party at a consideration of Rs. 4,00,00,000. The company would amortised the same in 10 equal installments from the year in which economic benefit starts arising.
- Freehold land purchased from a related party, admeasuring 57.77 Hectares is yet to be registered in the name of Company with the Sub-Registrar of the land registry.

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Property, Plant & Equipment for the year ended 31.03.2017

| SR. No. | PARTICULARS | GROSS BLOCK | | | DEPRECIATION / AMORTISATION | | | | | NET BLOCK | | |
|------------------------------|--|-----------------------|---------------------|---------------------------|-----------------------------|---------------------|--------------|--------------------|------------------|---------------------|-----------------------|-----------------------|
| | | AS AT 01.04.2016 | ADDITION DURING | DEDUCTION DURING THE YEAR | AS AT 31.03.2017 | UPTO 31.03.2016 | ADJUSTMENT | FOR THE YEAR | DEDUCTION | UP TO 31.03.2017 | AS AT 31.03.2017 | AS AT 01.04.2016 |
| (A) TANGIBLE ASSETS | | | | | | | | | | | | |
| 1 | Freehold Land | 1,86,74,70,000 | 13,50,00,000 | - | 2,00,24,70,000 | - | - | - | - | - | 2,00,24,70,000 | 1,86,74,70,000 |
| 2 | Factory Building | 2,62,38,170 | - | - | 2,62,38,170 | 1,70,02,191 | - | 3,49,292 | - | 1,73,51,483 | 88,86,687 | 92,35,979 |
| 3 | Live Stock | 61,200 | 60,000 | - | 1,21,200 | - | - | - | - | - | 1,21,200 | 61,200 |
| 4 | Plant & Machineries | 8,11,45,291 | 15,72,771 | - | 8,27,18,062 | 5,54,79,103 | - | 23,45,210 | - | 5,78,24,313 | 2,48,93,748 | 2,56,66,187 |
| 5 | Laboratory Equipment | 1,51,21,592 | - | - | 1,51,21,592 | 1,27,24,794 | - | 3,54,692 | - | 1,30,79,486 | 20,42,106 | 23,96,798 |
| 6 | Agricultural Equipments | 10,57,653 | 86,950 | - | 11,44,603 | 3,44,126 | - | 61,714 | - | 4,05,840 | 7,38,763 | 7,13,527 |
| 7 | Office Equipments | 35,95,865 | 1,19,881 | - | 37,15,746 | 18,27,362 | - | 1,57,597 | - | 19,84,959 | 17,30,787 | 17,68,503 |
| 8 | EDP Equipments | 2,60,79,861 | 6,58,105 | 28,571 | 2,67,09,395 | 2,40,28,875 | - | 10,22,034 | 4,698 | 2,50,46,211 | 16,63,184 | 20,50,986 |
| 9 | Furniture & Fixture | 68,24,311 | 3,00,471 | - | 71,24,782 | 61,00,441 | - | 1,05,777 | - | 62,06,218 | 9,18,564 | 7,23,870 |
| 10 | Motor Car & Light Vehicle | 6,97,21,923 | 44,11,388 | 33,79,564 | 7,07,53,747 | 3,81,55,897 | - | 56,62,479 | 25,21,122 | 4,12,97,254 | 2,94,56,493 | 3,15,66,026 |
| | TOTAL (A) | 2,09,73,15,866 | 14,22,09,566 | 34,08,135 | 2,23,61,17,297 | 15,56,62,790 | - | 1,00,58,795 | 25,25,820 | 16,31,95,765 | 2,07,29,21,532 | 1,94,16,53,076 |
| (B) INTANGIBLE ASSETS | | | | | | | | | | | | |
| | Brands, TradeMarks, and Marketing Rights | 20,61,25,000 | - | - | 20,61,25,000 | 18,97,87,500 | 18,97,87,500 | 1,63,37,500 | - | 20,61,25,000 | - | 1,63,37,500 |
| | Gene Development Know How | 17,41,18,468 | - | - | 17,41,18,468 | 17,02,11,017 | 17,02,11,017 | 39,07,451 | - | 17,41,18,468 | - | 39,07,451 |
| | TOTAL (B) | 38,02,43,468 | - | - | 38,02,43,468 | 35,99,98,517 | - | 2,02,44,951 | - | 38,02,43,468 | - | 2,02,44,951 |
| | TOTAL (A+B) | 2,47,75,59,334 | 14,22,09,566 | 34,08,135 | 2,61,63,60,765 | 51,56,61,307 | - | 3,03,03,746 | 25,25,820 | 54,34,39,233 | 2,07,29,21,532 | 1,96,18,98,027 |
| Notes: | | | | | | | | | | | | |

- Freehold land purchased from Agri Tech (India) Ltd, a related party, during the year admeasuring 21.80 Hectares (Previous year 35.97 hectares) is yet to be registered in the name of Company with the Sub-Registrar of the land registry,
- The Company has elected to measure land and plant & machinery at fair value at the date of transition to Ind AS (April 01, 2016) and use those fair values as their deemed cost. This valuation is based on the report of an independent third party valuer. The carrying amounts of land and Plant & Machinery under the previous GAAP are as follows:

| Description of assets | Carrying value Rs | Fair Value Rs |
|-----------------------|-------------------|----------------|
| Freehold land | 21,02,07,595 | 1,86,74,70,000 |
| Plant & Machineries | 8,11,45,291 | 8,11,45,291 |
| Lab Equipment | 1,51,21,592 | 1,51,21,592 |

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Nath Bio-Genes (India) Limited
Notes to Financial Statements for the year ended March 31, 2018

| | As at March 31, 2018 Rupees | As at March 31, 2017 Rupees | As at April 1, 2016 Rupees |
|--|-----------------------------------|-----------------------------------|----------------------------------|
| 4 NON CURRENT INVESTMENTS | | | |
| UNQUOTED; AT COST; NON-TRADE | | | |
| Nath Cooperative Society (1800 (Previous year : 1560) equity shares of Rs. 10 each) | 20,400 | 18,000 | 15,600 |
| National Saving Certificate | 10,075 | 10,075 | 10,075 |
| UNQUOTED; AT COST; TRADE | | | |
| Investment in Associate Company holding 21.76% (Previous year: 32.75%) in the paid up capital of investee company Equity shares in Paithan Mega Food Parks Pvt Ltd (49,94,000 Equity shares of Rs. 10 each) | 4,99,40,000 | 4,99,40,000 | - |
| | 4,99,70,475 | 4,99,68,075 | 25,675 |
| 5 OTHER NON CURRENT FINANCIAL ASSETS [Unsecured, Considered Good (unless otherwise stated)] | | | |
| Security Deposits | 18,15,183 | 14,80,467 | 17,18,417 |
| | 18,15,183 | 14,80,467 | 17,18,417 |
| 6 DEFERRED TAX ASSETS (NET) | | | |
| Liability:- | | | |
| WDV of Fixed Asset | 17,02,937 | 13,19,521 | 8,67,639 |
| | 17,02,937 | 13,19,521 | 8,67,639 |
| Assets:- | | | |
| Gratuity | 50,53,003 | 50,88,585 | 49,85,507 |
| Leave Encashment | 18,62,885 | 22,23,697 | 20,23,855 |
| Expenses disallowed u/s 43B of Income Tax Act | 34,06,996 | 25,47,785 | 25,44,542 |
| Total Deferred Tax assets at the year end | 1,03,22,884 | 98,60,067 | 95,53,904 |
| Net Deffered Tax | 86,19,946 | 85,40,546 | 86,86,265 |
| Less: Opening deferred tax assets | 85,40,546 | 86,86,265 | 1,05,58,815 |
| Deferred Tax Assets recognized during the year | 79,400 | -1,45,719 | -18,72,550 |
| 7 OTHER NON-CURRENT ASSETS [Unsecured, Considered Good] | | | |
| Capital Advances | | - | - |
| Others | 1,55,195 | - | 10,09,50,643 |
| | 1,55,195 | - | 10,09,50,643 |

Nath Bio-Genes (India) Limited
Notes to Financial Statements for the year ended March 31, 2018

| 8 INVENTORIES | As at | | |
|------------------------------|-----------------------|-----------------------|-----------------------|
| | March 31, 2018 | March 31, 2017 | April 1, 2016 |
| Stores and Packing Materials | 4,71,52,528 | 4,61,44,707 | 4,79,91,017 |
| Processed Seeds | 1,09,50,41,244 | 1,18,06,81,317 | 1,20,02,41,713 |
| Unprocessed Seeds | 7,30,44,098 | 4,38,98,411 | 11,58,86,320 |
| Seed (Traded Stock) | 1,24,000 | 68,87,000 | 1,10,20,000 |
| Plant Nutrient Supplement | 1,92,10,000 | 2,38,98,000 | 3,22,59,000 |
| | 1,23,45,71,870 | 1,30,15,09,435 | 1,40,73,98,050 |

9 NON CURRENT INVESTMENTS

UNQUOTED; AT COST; TRADE

| | | | |
|---|----------|----------|--------------------|
| Investment in Associate Company Equity shares in Paithan Mega Food Parks Pvt Ltd (49,94,000 Equity shares of Rs. 10 each) | - | - | 4,99,40,000 |
| | - | - | 4,99,40,000 |

10 TRADE RECEIVABLES

| | | | |
|--|---------------------|---------------------|---------------------|
| i) Secured: Considered Good | | | |
| Due for a period of less than six months | 3,75,82,494 | 4,15,81,770 | 5,81,99,598 |
| Due for a period of more than six months | 83,92,304 | 51,51,442 | 95,91,310 |
| | | | - |
| ii) Unsecured: Considered Good | | | |
| Due for a period of less than six months | 67,99,89,083 | 37,80,61,200 | 28,66,77,424 |
| Due for a period of more than six months | 9,45,28,838 | 9,34,51,129 | 9,86,46,257 |
| ii) Unsecured: Considered doubtful: | | | |
| Due for a period of more than six months | 2,25,02,859 | 1,64,80,371 | 1,63,61,831 |
| Less: Allowances for doubtful debtors | (2,25,02,859) | (1,64,80,371) | (1,63,61,831) |
| | 82,04,92,719 | 51,82,45,541 | 45,31,14,589 |

Note:

Movement in the allowances for doubtful debts

| Particulars | | | |
|--------------------------------------|-------------|-------------|-------------|
| Opening provision | 1,64,80,371 | 1,63,61,831 | 1,46,97,955 |
| Add: Allowances made during the year | 1,26,11,562 | 95,68,205 | 33,08,356 |
| Less: Written off during the year | 65,89,074 | 94,49,665 | 16,44,480 |
| Closing Provision | 2,25,02,859 | 1,64,80,371 | 1,63,61,831 |

Trade receivables from the Related parties
including Directors

- - -

11 CASH AND BANK BALANCES

Cash and Cash Equivalents

| | | | |
|----------------------------------|--------------------|--------------------|------------------|
| Cash on Hand | 3,91,965 | 3,02,53,535 | 3,72,731 |
| Bank Balances in Current Account | 2,32,13,903 | 1,86,83,597 | 64,03,981 |
| | 2,36,05,868 | 4,89,37,132 | 67,76,712 |

Other Bank Balances

| | | | |
|---|---------------------|--------------------|--------------------|
| - Fixed Deposits with original maturity more than 3 months but less than 12 months | 42,29,76,730 | - | - |
| - Current Maturities of Fixed Deposits with original maturity more than than 12 months | - | 95,32,565 | 54,67,986 |
| | 42,29,76,730 | 95,32,565 | 54,67,986 |
| | 44,65,82,598 | 5,84,69,697 | 1,22,44,698 |

Nath Bio-Genes (India) Limited
Notes to Financial Statements for the year ended March 31, 2018

| | Year Ended March 31, 2018 Rupees | Year Ended March 31, 2017 Rupees | Year Ended April 1, 2016 Rupees |
|--|--|--|---------------------------------------|
| 12 OTHER CURRENT FINANCIAL ASSETS | | | |
| [Unsecured, Considered Good] | | | |
| Advances to a related parties | 7,41,77,746 | 12,38,05,319 | 9,76,42,860 |
| Advances against seed production | 88,52,30,564 | 33,24,82,772 | 17,66,75,129 |
| Advances against purchase | 1,67,97,018 | 1,14,07,525 | 1,30,47,210 |
| Advances to Staff | 61,00,783 | 89,93,169 | 16,32,450 |
| Balances with Income Tax department | 4,30,38,346 | 5,41,55,175 | 3,16,21,619 |
| | 1,02,53,44,457 | 53,08,43,960 | 32,06,19,268 |

Note:-

13 OTHER CURRENT ASSETS
[Unsecured, Considered Good]

| | | | |
|----------------------------|--------------------|------------------|------------------|
| VAT Receivable | 47,83,624 | 59,66,081 | 51,20,920 |
| GST Receivable | 78,60,961 | - | - |
| Insurance Claim Receivable | - | 4,58,277 | - |
| Prepaid Expenses | 24,28,714 | 24,01,133 | 25,47,490 |
| | - | - | - |
| | 1,50,73,299 | 88,25,491 | 76,68,410 |



14 SHARE CAPITAL

| Authorised Share Capital | As at March 31, 2018 | | As at March 31, 2017 | |
|--|----------------------|---------------------|----------------------|---------------------|
| | No. of Shares | Amount | No. of Shares | Amount |
| Equity Shares of Rs.10 each | 2,05,00,000 | 20,50,00,000 | 1,65,00,000 | 16,50,00,000 |
| 16% Cumulative Redeemable Preference Shares of Rs.100 each | 50,000 | 50,00,000 | 50,000 | 50,00,000 |
| | 2,05,50,000 | 21,00,00,000 | 1,65,50,000 | 17,00,00,000 |
| Issued, Subscribed and Paid up | | | | |
| Equity Shares of Rs.10 each | 1,90,04,000 | 19,00,40,000 | 1,60,04,000 | 16,00,40,000 |
| | 1,90,04,000 | 19,00,40,000 | 1,60,04,000 | 16,00,40,000 |

(a) Reconciliation of Number of Shares

| Equity Shares: | As at March 31, 2018 | | As at March 31, 2017 | |
|--|----------------------|---------------------|----------------------|---------------------|
| | No. of Shares | Amount | No. of Shares | Amount |
| Balance as at the beginning of the year | 1,60,04,000 | 16,00,40,000 | 1,60,04,000 | 16,00,40,000 |
| Add: Shares issued during the year* | 30,00,000 | 3,00,00,000 | - | - |
| Add: Bonus Shares issued during the year | - | - | - | - |
| Balance as at the end of the year | 1,90,04,000 | 19,00,40,000 | 1,60,04,000 | 16,00,40,000 |

* The company has issued, allotted 30,00,000 equity shares to the Qualified Institutional Buyers on 31.01.2018 with rights, preferences, and restrictions ranking parri passu with existing equity shareholders. These shares have been listed on the Bombay Stock Exchange and National Stock Exchange on 06th February 2018.

(b) Rights, Preferences and Restrictions attached to Shares

The Company has one class of equity shares having a par value of Rs. 10 per share. Equity shareholder is eligible for one vote per share held. They are eligible for dividend on the basis of their shareholding. In the case of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, if any, in proportion to their shareholding.

(c) Details of Shares held by Shareholders holding more than 5% of the aggregate shares in the Company

| Equity Shares | As at March 31, 2018 | | As at March 31, 2017 | |
|-------------------------------------|----------------------|-----------|----------------------|-----------|
| | No. of Shares | % holding | No. of Shares | % holding |
| a) Akash Farms Pvt Ltd | 18,38,877 | 9.68 | 18,38,877 | 11.49 |
| b) Ashu Farms Pvt Ltd | 20,88,449 | 10.99 | 19,88,449 | 12.42 |
| c) ARC Trust Fund | - | - | 25,41,310 | 15.88 |
| d) Agri-Tech India Ltd | 14,95,131 | 7.87 | 19,78,690 | 12.36 |
| e) Aditya Birla Sunlife Mutual Fund | 9,60,000 | 5.05 | - | - |
| f) J M Financial Services Ltd | 14,88,765 | 7.83 | - | - |


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Nath Bio-Genes (India) Limited
Notes to Financial Statements for the year ended March 31, 2018

| | Year Ended March 31, 2018 Rupees | Year Ended March 31, 2017 Rupees | Year Ended April 1, 2016 Rupees |
|--|--|--|---------------------------------------|
| 15 Other Equity | | | |
| Capital Reserve | 11,71,75,703 | 11,71,75,703 | 11,71,75,703 |
| Securities Premium Reserve | 1,33,50,00,000 | - | - |
| Capital Redemption Reserve | 62,50,000 | 62,50,000 | 62,50,000 |
| Debenture Redemption Reserve | 29,74,500 | 29,74,500 | 29,74,500 |
| General Reserve | 2,97,00,000 | 2,97,00,000 | 2,97,00,000 |
| Retained Earnings | 3,01,11,71,368 | 2,71,69,86,314 | 2,55,41,61,722 |
| | 4,50,22,71,571 | 2,87,30,86,517 | 2,71,02,61,925 |
| 16 Non- Current Financial Liabilities - Borrowings | | | |
| SECURED LOANS | | | |
| Term Loan against Vehicles | 31,01,359 | 6,71,227 | - |
| Secured by hypothecation of vehicles purchased in the name of company/ directors of the company. The loan is repayable within a period ranging from one to five years | | | |
| Term Loan from IFCI | - | 20,00,00,000 | 15,00,00,000 |
| Secured by Equitable Mortgage of non-agricultural land situated at Gut No 62/3, admeasuring 2 Acre 13 Gunthas and Gut No 63 (part) admeasuring 3100 Square Meter, Itkheda, Aurangabad and also pledge of fixed deposit of Rs. 88,74,315. The Loan is personally guaranteed by two promoter directors of the Company | | | |
| | 31,01,359 | 20,06,71,227 | 15,00,00,000 |
| 17 Non-Current Provisions | | | |
| Provisions for Employee Benefits | | | |
| Gratuity | 1,36,83,877 | 1,37,99,030 | 1,23,83,113 |
| Compensated Absence | 50,98,491 | 62,66,169 | 54,81,004 |
| | 1,87,82,368 | 2,00,65,199 | 1,78,64,117 |
| 18 Current Financial Liabilities - Borrowings | | | |
| SECURED | | | |
| a) From Consortium of Banks (Secured by way of hypothecation of stock of seeds and trade receivables; collaterally secured by way of mortgage of land admeasuring 20503.544 Sq and building thereupon meters situated at Gut No 64/2 (part) Itkheda, Aurangabad. Also personally guaranteed by two promoter directors of the Company) | 27,93,49,021 | 42,69,17,204 | 38,95,33,700 |
| UNSECURED | | | |
| a) Deposits from Dealers | 3,88,18,433 | 3,47,71,923 | 3,87,14,450 |
| b) Loans from Companies | - | 2,21,62,389 | - |
| c) Loans from Others# | 22,36,976 | 22,36,976 | 22,00,000 |
| | 32,04,04,430 | 48,60,88,492 | 43,04,48,150 |

Nath Bio-Genes (India) Limited
Notes to Financial Statements for the year ended March 31, 2018

| | Year Ended March 31, 2018 Rupees | Year Ended March 31, 2017 Rupees | Year Ended April 1, 2016 Rupees |
|---|--|--|---------------------------------------|
| 19 Other Current Financial Liabilities - Trade Payable | | | |
| Sundry Creditors for Seeds/Supplies | 28,98,50,864 | 34,11,52,116 | 39,36,32,253 |
| Sundry Creditors - SME Sector | 26,90,732 | 42,43,544 | 73,55,926 |
| Sundry Creditors for staff balances | 4,59,60,665 | 6,15,21,995 | 4,38,18,405 |
| Others Creditors | 2,74,90,439 | 3,66,09,990 | 3,47,06,931 |
| | <u>36,59,92,700</u> | <u>44,35,27,645</u> | <u>47,95,13,516</u> |
| 20 Other Current Financial Liabilities | | | |
| Current maturities of long term debts | | | |
| Term Loan from IFCI | - | 5,00,00,000 | - |
| Vehicle Loan | 23,28,944 | 10,83,672 | 74,66,202 |
| Deferred Sales Tax Loan | - | - | 52,383 |
| Other Payables | | | |
| Credit Balance in Debtors | 60,81,352 | 73,07,206 | 5,67,59,128 |
| Statutory Liabilities | 1,78,82,080 | 1,92,26,957 | 1,88,72,068 |
| Advance against Sales | 23,15,13,544 | 26,17,33,787 | 27,08,71,235 |
| Payable from a related party | 2,05,55,522 | 25,15,422 | - |
| | <u>27,83,61,443</u> | <u>34,18,67,044</u> | <u>35,40,21,016</u> |
| 21 Other Current Financial Liabilities - Provisions | | | |
| Provisions for Employee Benefits | | | |
| Gratuity | 26,68,883 | 26,68,883 | 37,51,215 |
| Compensated Absences | 9,30,262 | 9,30,262 | 10,68,689 |
| | <u>35,99,145</u> | <u>35,99,145</u> | <u>48,19,904</u> |
| 22 Other Current Financial Liabilities - Tax Laibilities | | | |
| Current Tax | 2,94,95,918 | 2,18,59,477 | 1,72,95,418 |
| | <u>2,94,95,918</u> | <u>2,18,59,477</u> | <u>1,72,95,418</u> |

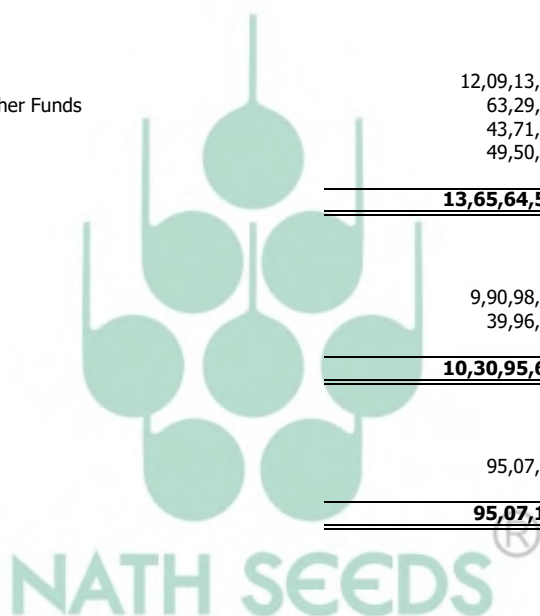
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Nath Bio-Genes (India) Limited
Notes to Financial Statements for the year ended March 31, 2018

| | Year Ended March 31, 2018 Rupees | Year Ended March 31, 2017 Rupees |
|--|---|---|
| 23 Revenue from Operations | | |
| Sale of Agriculture Produce | | |
| Commercial Seeds | 1,71,28,15,410 | 1,54,46,10,201 |
| Foundation Seeds | 37,18,790 | 30,71,128 |
| Trading of Plant Nutrient Supplement | 19,61,00,000 | 14,17,65,000 |
| Other Operating Revenue: | | |
| Remnant | 27,97,597 | 78,09,459 |
| Farm Produce Sale | 8,91,084 | 641,755 |
| Income from Export Benefit Schemes | 1,85,151 | 787,676 |
| | 1,91,65,08,033 | 1,69,86,85,219 |
| Crop wise sale of Agriculture Produce | Rs in Lakhs | Rs in Lakhs |
| Paddy | 7,768.59 | 6,433.48 |
| Cotton | 3,954.05 | 3,415.04 |
| Maize | 1,689.85 | 1,657.21 |
| Vegetables | 1,531.68 | 1,204.59 |
| Plant Nutrient Supplement | 1,929.72 | 1,226.81 |
| Other Field Crops | 254.26 | 1,508.97 |
| | 17,128.15 | 15,446.10 |
| 24 Other Income | | |
| Interest Received | 49,90,155 | 8,52,103 |
| Profit on Sale of Fixed Assets | 3,18,882 | 88,747 |
| Insurance claim received | 2,92,743 | 8,43,700 |
| Foreign Exchange gain | - | 95,431 |
| Excess Provision W/back | 34,04,375 | 2,44,196 |
| Other Miscellaneous Income | 4,35,204 | 30,37,344 |
| | 94,41,359 | 51,61,521 |
| 25 Production Expenses | | |
| Land Preparation Expenses | 15,35,55,621 | 10,63,31,777 |
| Fertilizer & Pesticides | 12,34,84,870 | 8,44,81,913 |
| Labour Wages | 20,41,43,981 | 14,29,30,475 |
| Lease Rent for agricultural land | 6,18,76,274 | 7,00,46,100 |
| Other Farm Expenses | 9,05,36,048 | 6,66,48,046 |
| Incentive to Growers | 65,90,412 | 69,07,349 |
| {Also refer note no 41(ii)} | | |
| | 64,01,87,206 | 47,73,45,660 |

Nath Bio-Genes (India) Limited
Notes to Financial Statements for the year ended March 31, 2018

| | Year Ended March 31, 2018 Rupees | Year Ended March 31, 2017 Rupees |
|---|---|---|
| 26 Changes in Inventories (Increase)/ Decrease in Stocks | | |
| Closing Stock | | |
| Processed Seeds | 1,09,50,41,244 | 1,18,06,81,317 |
| Unprocessed Seeds | 7,30,44,098 | 4,38,98,411 |
| Seed (Traded) | 1,24,000 | 68,87,000 |
| Plant Nutrient Supplement | 1,92,10,000 | 2,38,98,000 |
| | 1,18,74,19,342 | 1,25,53,64,728 |
| Opening Stock | | |
| Processed Seeds | 1,18,06,81,317 | 1,20,02,41,713 |
| Unprocessed Seeds | 4,38,98,411 | 11,58,86,320 |
| Seed (Traded) | 68,87,000 | 1,10,20,000 |
| Plant Nutrient Supplement | 2,38,98,000 | 3,22,59,000 |
| | 1,25,53,64,728 | 1,35,94,07,033 |
| | (6,79,45,386) | (10,40,42,305) |
| 27 Employee Benefits Expense | | |
| Salaries, Wages and Bonus | 12,09,13,384 | 12,66,44,224 |
| Contribution to Provident and Other Funds | 63,29,468 | 49,79,966 |
| Staff Welfare Expenses | 43,71,679 | 37,49,689 |
| Staff Incentive | 49,50,000 | 19,86,642 |
| | 13,65,64,530 | 13,73,60,521 |
| 28 Finance Costs | | |
| Interest Expenses | 9,90,98,770 | 9,14,60,718 |
| Finance Charges | 39,96,839 | 51,09,996 |
| | 10,30,95,609 | 9,65,70,714 |
| 29 Depreciation Expense | | |
| Depreciation on Tangible Assets | 95,07,141 | 1,00,58,795 |
| | 95,07,141 | 1,00,58,795 |



Nath Bio-Genes (India) Limited
Notes to Financial Statements for the year ended March 31, 2018

| | Year Ended March 31, 2018 Rupees | Year Ended March 31, 2017 Rupees |
|--|--|--|
| 30 Other Expenses | | |
| A. Seed Conditioning Expenses | | |
| Freight Inward, Hamali & Cartage | 84,34,650 | 74,43,074 |
| Stores and Processing Materials consumed | 6,69,36,034 | 6,73,74,197 |
| Power and Fuel | 72,76,835 | 57,74,027 |
| Repairs and Maintenance (Machinery) | 19,33,984 | 10,85,644 |
| Repairs and Maintenance (Factory Building) | 6,58,327 | 4,34,834 |
| Hamali & Cartage - Processing Plant | 78,89,585 | 66,81,496 |
| Processing Expenses | 75,02,495 | 1,09,64,922 |
| Other Seed Conditioning Expenses | 80,48,455 | 74,93,733 |
| | 10,86,80,366 | 10,72,51,925 |
| B. Administrative Expenses | | |
| Rent | 1,79,88,469 | 1,59,11,952 |
| Rates and Taxes | 35,01,256 | 21,21,098 |
| Insurance | 35,53,669 | 38,68,591 |
| Legal & Professional Expenses | 3,50,59,535 | 1,59,09,102 |
| Repairs and Maintenance - Office Building | 6,35,715 | 4,23,792 |
| Running and maintenance - Vehicle | 2,24,69,298 | 2,16,29,136 |
| Repairs and Maintenance - Others | 31,66,346 | 31,55,665 |
| Communication | 40,98,399 | 38,28,871 |
| Printing & Stationery | 39,42,439 | 26,27,911 |
| Auditors' Remuneration: | | |
| Statutory Audit Fee | 5,25,000 | 6,03,750 |
| Tax Audit Fee | 1,25,000 | 1,03,500 |
| Other services | | 75,000 |
| Directors' remuneration | 30,00,000 | 18,00,000 |
| Foreign Exchange Loss | 4,38,000 | - |
| Miscellaneous Expenses | 23,17,551 | 50,99,839 |
| Bank Charges | 8,38,363 | 7,03,038 |
| Security Charges | 44,00,991 | 41,06,148 |
| Corporate Social Responsibility Expenditure (Refer Note No 47) | 40,59,843 | 44,72,095 |
| | 11,01,19,873 | 8,64,39,487 |
| C. Selling Expenses | | |
| Travelling and Conveyance | 2,55,28,763 | 2,17,60,250 |
| Advertisement and Sales Promotion | 1,64,11,697 | 1,81,15,934 |
| Field Days, Visits & Campaigns | 1,30,70,087 | - |
| Freight Outward | 4,87,32,611 | 4,40,48,075 |
| Commission | 1,49,965 | 99,647 |
| Other selling expenses | 1,51,58,041 | 1,95,11,123 |
| Provisions for Bad Debts | 1,26,11,562 | 61,69,469 |
| Loss on Sale of Assets | 7,47,504 | 2,35,062 |
| Royalty | 44,29,242 | 25,65,214 |
| Sundry debit balances written off | 27,52,189 | 9,60,584 |
| | 13,95,91,661 | 11,34,65,358 |
| D. Discount, Schemes and Incentives | | |
| Cash Discounts | 2,91,70,723 | 2,41,82,447 |
| Quantity Discounts | 8,94,02,802 | 13,33,02,258 |
| Additional Discount | 8,52,33,597 | 11,96,51,826 |
| | 20,38,07,122 | 27,71,36,531 |
| E. Research and Development Expenses | | |
| Fieldwork Expenses | 3,02,51,440 | 3,65,60,470 |
| R & D Expenses | 49,48,529 | 46,04,880 |
| Salary, Wages and Other Expenses | 3,58,98,722 | 3,76,22,114 |
| Farming Expenses | 62,02,693 | 70,40,698 |
| Workshop & Meeting Exps. - Other than Fees | 14,85,879 | 9,15,690 |
| | 7,87,87,263 | 8,67,43,852 |
| Total (A+B+C+D+E) | 64,09,86,285 | 67,10,37,153 |

31 First Time adoption of Ind AS

Transition to Ind AS .

These are the Company's first financial statement prepared in accordance with Ind AS.

The accounting policies set out in Note 1, have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of opening Ind AS balance sheet as at April 1, 2016. In preparing its opening balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes

29.1 emptions and exceptions availed

Ind AS optional exemptions cost.

29.1.1. Deemed cost:- Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as for the previous GAAP and use that as its deemed cost as at date of transition after making necessary adjustments for decommissioning liabilities. The exemption can also be used for intangible assets covered by Ind -38 Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying values as at April 1, 2016.

29.1.2 Leases: Appendix -C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected not to be material. The Company has elected to apply this exemption for such contracts / arrangements, wherever applicable.

29.1.3. Decommissioning liability included in the cost of property, plant and equipment: An entity need not to comply with the requirements of Appendix A of Ind AS -16 changes in Existing Decommissioning, Restoration similar liabilities for liabilities occurred before the date of transition to Ind AS. An entity can measure the liability as at the date transition. The Company has elected to measure such liabilities as on the date of transition and on the basis of such evaluations no liabilities need to be recognised, wherever applicable.

29.2. Ind AS mandatory exceptions

29.2.1. De-recognition of financial assets and liabilities: Ind As 101 requires a first time adopter to apply the de-recongnition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply AS 109 to financial assets and Financial liabilities de-recognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS, wherever applicable.

29.2.2 Classification and measurement of financial assets: Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date transition to Ind AS.

29.2.3. Impairment of financial assets: An entity shall determine the approximate credit risk at the date that financial instruments were initially recognized and compare that to the credit risk at the date of transition to Ind. This should be based on reasonable and supportable information that is available without undue cost or efforts. If any entity is unable to make this determination without undue cost or effort, it shall recognise a loss allowance at an amount equal to lifetime expected credit losses at each reporting date until that financial instrument is de-recognised. The Company has this exception to analyse credit risk of the financial assets as the date of transition instead of the date of initial recognition.



**Ind AS Reconciliation
Balance Sheet**

| Particulars | Previous GAP As at March 31, 2017 Rupees | Transition Effect As at March 31, 2017 Rupees | Ind AS As at March 31, 2017 Rupees | Previous GAP As at April 1, 2016 Rupees | Transition Effect As at April 1, 2016 Rupees | Ind AS As at April 1, 2016 Rupees |
|---|---|--|---|--|---|--|
| Assets | | | | | | |
| I) Non-Current Assets | | | | | | |
| a) Property, plant and Equipment | 41,56,59,126 | 1,65,72,62,406 | 2,07,29,21,532 | 28,43,90,671 | 1,65,72,62,405 | 1,94,16,53,076 |
| b) Capital Work in Progress | - | - | - | - | - | - |
| c) Investment Property | - | - | - | - | - | - |
| d) Goodwill | - | - | - | - | - | - |
| e) Other Intangible assets | - | - | - | 2,02,44,951 | - | 2,02,44,951 |
| f) Intangible assets under development | - | - | - | - | - | - |
| g) Biological Assets other than bearer plants | - | - | - | - | - | - |
| h) Financial Assets | - | - | - | - | - | - |
| (i) Investment | 4,99,68,075 | - | 4,99,68,075 | 25,675 | - | 25,675 |
| (ii) Trade Receivables | - | - | - | - | - | - |
| (iii) Loans | 14,80,467 | - | 14,80,467 | 17,18,417 | - | 17,18,417 |
| (iv) Others | - | - | - | - | - | - |
| i) Deferred Tax Assets (Net) | 85,40,546 | - | 85,40,546 | 86,86,265 | - | 86,86,265 |
| j) Other Non-current Assets | - | - | - | 10,09,50,643 | - | 10,09,50,643 |
| | 47,56,48,215 | 1,65,72,62,406 | 2,13,29,10,620 | 41,60,16,624 | 1,65,72,62,405 | 2,07,32,79,029 |
| II) Current Assets | | | | | | |
| a) Inventories | 1,30,15,09,435 | - | 1,30,15,09,435 | 1,40,73,98,050 | - | 1,40,73,98,050 |
| b) Financial Assets | - | - | - | - | - | - |
| (i) Investment | - | - | - | 4,99,40,000 | - | 4,99,40,000 |
| (ii) Trade Receivables | 51,82,45,541 | - | 51,82,45,541 | 45,31,14,590 | - | 45,31,14,590 |
| (iii) Cash and cash equivalents | 5,84,69,697 | - | 5,84,69,697 | 1,22,44,698 | - | 1,22,44,698 |
| (iv) Bank balances other than (iii) above | - | - | - | - | - | - |
| (v) Loans | 53,08,43,960 | - | 53,08,43,960 | 32,06,19,268 | - | 32,06,19,268 |
| (vi) Others | - | - | - | - | - | - |
| c) Current Tax Assets (Net) | - | - | - | - | - | - |
| d) Other current assets | 88,25,491 | - | 88,25,491 | 76,68,410 | - | 76,68,410 |
| | 2,41,78,94,125 | - | 2,41,78,94,124 | 2,25,09,85,017 | - | 2,25,09,85,017 |
| Total Assets | 2,89,35,42,340 | 1,65,72,62,406 | 4,55,08,04,743 | 2,66,70,01,641 | 1,65,72,62,405 | 4,32,42,64,046 |
| Equity and Liabilities | | | | | | |
| Equity | | | | | | |
| a) Equity Share Capital | 16,00,40,000 | - | 16,00,40,000 | 16,00,40,000 | - | 16,00,40,000 |
| b) Other Equity | 1,21,58,24,111 | 1,65,72,62,406 | 2,87,30,86,517 | 1,05,29,99,520 | 1,65,72,62,405 | 2,71,02,61,925 |
| | 1,37,58,64,111 | 1,65,72,62,406 | 3,03,31,26,517 | 1,21,30,39,520 | 1,65,72,62,405 | 2,87,03,01,925 |
| Liabilities | | | | | | |
| I) Non-Current Liabilities | | | | | | |
| a) Financial Liabilities | | | | | | |
| (i) Borrowings | 20,06,71,227 | - | 20,06,71,227 | 15,00,00,000 | - | 15,00,00,000 |
| (ii) Trade Payables | - | - | - | - | - | - |
| (iii) Other financial liabilities | - | - | - | - | - | - |
| b) Provisions | 2,00,65,199 | - | 2,00,65,199 | 1,78,64,117 | - | 1,78,64,117 |
| c) Deferred tax liabilities (Net) | - | - | - | - | - | - |
| d) Other non-current liabilities | - | - | - | - | - | - |
| | 22,07,36,426 | - | 22,07,36,426 | 16,78,64,117 | - | 16,78,64,117 |
| II) Current Liabilities | | | | | | |
| a) Financial Liabilities | | | | | | |
| (i) Borrowings | 48,60,88,491 | - | 48,60,88,491 | 43,04,48,150 | - | 43,04,48,150 |
| (ii) Trade Payables | 44,35,27,645 | - | 44,35,27,645 | 47,95,13,516 | - | 47,95,13,516 |
| (iii) Other financial liabilities | - | - | - | - | - | - |
| b) Other current liabilities | 34,18,67,044 | - | 34,18,67,043 | 35,40,21,016 | - | 35,40,21,016 |
| c) Provisions | 35,99,145 | - | 35,99,145 | 48,19,904 | - | 48,19,904 |
| d) Current Tax Liabilities (Net) | 2,18,59,477 | - | 2,18,59,477 | 1,72,95,418 | - | 1,72,95,418 |
| | 1,29,69,41,802 | - | 1,29,69,41,801 | 1,28,60,98,004 | - | 1,28,60,98,004 |
| Total | 2,89,35,42,339 | 1,65,72,62,406 | 4,55,08,04,743 | 2,66,70,01,641 | 1,65,72,62,405 | 4,32,42,64,046 |
| | - | 0 | 0 | - | 0 | - |

Notes to the reconciliations

(i) These financial statements of Company for the year ended March 31, 2018 have been prepared in accordance with Ind AS. For the purposes of transitions to the Ind AS, the company has followed the guidance prescribed in AS 101, First time adoption of Indian Accounting Standards, with April 1, 2016 as the transition date and IGAAP as per previous GAAP.

(ii) The Company has elected to measure its land and plant & machinery at fair value at the date of transition to Ind AS. Gain on such fair valuation has been recognised in the opening retained earnings as at April 01, 2016. The Company has depreciated the fair value of plant and machinery over the technically assessed useful lives of the assets which is reflected in the Statement of Profit and Loss

**Ind AS Reconciliation
Statement of Profit and Loss**

| | Previous GAP As at March 31, 2017 Rupees | Transition Effect As at March 31, 2017 Rupees | Ind AS As at March 31, 2017 Rupees |
|---|---|--|---|
| Revenue from Operations (Gross) | 1,69,86,85,219 | - | 1,69,86,85,219 |
| Other Income | 51,61,521 | - | 51,61,521 |
| Total Revenue | 1,70,38,46,740 | | 1,70,38,46,740 |
| Expenses | | | |
| Purchase of stock in trade | 1,96,52,270 | - | 1,96,52,270 |
| Cost of Materials Consumed | 47,73,45,660 | - | 47,73,45,660 |
| Changes in Inventories of Finished Goods and Work-in- Progress | 10,40,42,305 | - | 10,40,42,305 |
| Employee Benefits Expense | 13,73,60,521 | - | 13,73,60,521 |
| Finance Costs | 9,65,70,714 | - | 9,65,70,714 |
| Depreciation Expense | 3,03,03,746 | - | 3,03,03,746 |
| Other Expenses | 67,03,43,484 | 6,93,669 | 67,10,37,153 |
| Total Expenses | 1,53,56,18,700 | | 1,53,63,12,370 |
| Profit Before Exceptional items and Tax | 16,82,28,040 | -6,93,669 | 16,75,34,371 |
| Exceptional Items | 6,93,669 | -6,93,669 | - |
| Profit before tax | 16,75,34,371 | -0 | 16,75,34,371 |
| Tax Expense | | | |
| Income Tax | | | |
| - Current Year | 45,64,059 | - | 45,64,059 |
| - Earlier Years | - | - | - |
| Deferred Tax Charge | 1,45,720 | - | 1,45,720 |
| Profit for the Year | 16,28,24,592 | | 16,28,24,592 |
| Other Comprehensive Income | | | |
| A. (i) Items that will not be reclassified to Profit a | - | - | - |
| (ii) Income tax relating to items that will not be reclassified to Profit and Loss | - | - | - |
| B. (i) Items that will be reclassified to Profit and l | - | - | - |
| (ii) Income tax relating to items that will be reclassified to Profit and Loss | - | - | - |
| Total Comprehensive Income | 16,28,24,592 | - | 16,28,24,592 |

Notes to the reconciliations

Other Expenses:-

Exceptional items as reported as at 31st March 2017 amounting to Rs. 6,93,669 have been re-classified and are shown under relevant head of expenditure during the year.

32 Fair Value Measurement

| Particular | Carrying Amount | | | Fair Value | | |
|--|-----------------------|-----------------------|----------------------|-----------------------|-----------------------|----------------------|
| | as at 31st March 2018 | as at 31st March 2017 | as at 1st April 2016 | as at 31st March 2018 | as at 31st March 2017 | as at 1st April 2016 |
| FINANCIAL ASSETS | | | | | | |
| Financial Assets measured at amortised cost | | | | | | |
| a) Non-Current Investment | 4,99,70,475 | 4,99,68,075 | 25,675 | 4,99,70,475 | 4,99,68,075 | 25,675 |
| b) Security Deposits | 18,15,183 | 14,80,467 | 17,18,417 | 18,15,183 | 14,80,467 | 17,18,417 |
| c) Trade Receivable | 82,04,92,719 | 51,82,45,541 | 45,31,14,589 | 82,04,92,719 | 51,82,45,541 | 45,31,14,589 |
| d) Cash on hand | 3,91,965 | 3,02,53,535 | 3,72,731 | 3,91,965 | 3,02,53,535 | 3,72,731 |
| e) Bank Balance | 44,61,90,633 | 2,82,16,161 | 1,18,71,967 | 44,61,90,633 | 2,82,16,161 | 1,18,71,967 |
| f) Advances to a related parties | 7,41,77,746 | 12,38,05,319 | 9,76,42,860 | 7,41,77,746 | 12,38,05,319 | 9,76,42,860 |
| g) Advances against seed production | 88,52,30,564 | 33,24,82,772 | 17,66,75,129 | 88,52,30,564 | 33,24,82,772 | 17,66,75,129 |
| h) Advances against purchase | 1,67,97,018 | 1,14,07,525 | 1,30,47,210 | 1,67,97,018 | 1,14,07,525 | 1,30,47,210 |
| i) Advances to Staff | 61,00,783 | 89,93,169 | 16,32,450 | 61,00,783 | 89,93,169 | 16,32,450 |
| FINANCIAL LIABILITIES | | | | | | |
| Financial Liabilities measured at amortised cost | | | | | | |
| a) Non- Current Borrowings | 31,01,359 | 20,06,71,227 | 15,00,00,000 | 31,01,359 | 20,06,71,227 | 15,00,00,000 |
| b) Current Borrowings | 32,04,04,430 | 48,60,88,492 | 43,04,48,150 | 32,04,04,430 | 48,60,88,492 | 43,04,48,150 |
| c) Trade Payable | 36,59,92,700 | 44,35,27,645 | 47,95,13,516 | 36,59,92,700 | 44,35,27,645 | 47,95,13,516 |
| d) Current Maturity of Long term debts | 23,28,944 | 5,10,83,672 | 75,18,585 | 23,28,944 | 5,10,83,672 | 75,18,585 |
| e) Other Payables | 27,60,32,499 | 29,07,83,372 | 34,65,02,431 | 27,60,32,499 | 29,07,83,372 | 34,65,02,431 |

The management assessed that the fair values of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short term maturities of these instruments. The fair value of financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction among willing parties, other than in a forced or liquidation sale.

The Company determines fair values of financial assets and financial liabilities by discounting contractual cash inflows/ outflows using prevailing interest rates of financial instruments with similar terms. The fair value of investment is determined using quoted net assets value from the fund. Further, the subsequent measurement of all finance assets and liabilities (other than investment in mutual funds) is at amortized cost, using the effective interest method.

Discount rates used in determining fair value

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of the borrower which in case of financial liabilities is the weighted average cost of borrowing of the Company and in case of financial assets is the average market rate of similar credits rated instrument.

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. In addition, the Company internally reviews valuation, including independent price validation for certain instruments.

Fair value of financial assets and liabilities is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The following methods and assumptions were used to estimate fair value:-

- Fair value of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short term maturities of these instruments.
- The fair value of the Company's interest borrowing received are determined using discount rate reflects the entity's borrowing rate as at the end of the reporting period. The own non performance risk as at the end of reporting period was assessed to be insignificant.

Fair value hierarchy

All financial instruments for which fair value is recognized or disclosed are categorized within the fair value hierarchy described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

Level -1
 Quoted (unadjusted) price is active market for identical assets or liabilities

Level 2:
 Valuation technique for which the lowest level input that has a significant effect on the fair value measurement are observed, either directly or indirectly.

Level 3
 Valuation technique for which the lowest level input has a significant effect on the fair value measurement is not based on observation market data.

33 Financial Instruments and Risk Review

i) Capital Management

The Company's capital management objectives are:-

The Board policy is to maintain a strong capital base so as to maintain investor, creditors and market confidence and to future development of the business. The Board of Directors monitors return on capital employed.

The Company manages capital risk by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary.

The Company uses debt ratio as a capital management index and calculates the ratio as Net debt divided by total equity. Net debt and total equity are based on the amounts stated in the financial statements.

Debt-to-equity ratio is as follows

| Particular | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|------------------|-----------------------|-----------------------|----------------------|
| Net Debts (A) * | -12,07,47,864 | 67,93,73,693 | 52,57,82,037 |
| Equity (B) ** | 4,69,23,11,571 | 3,03,31,26,517 | 2,87,03,01,925 |
| Debt Ratio (A/B) | -2.57 | 22.40 | 18.32 |

* Net Debts includes Non-Current borrowings, Current borrowings, Current Maturities of non current borrowing net off Current Investment and cash and cash equivalent

** Equity Include Paid up Share Capital and Other Equity.

ii) Credit Risk

Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to contractual terms or obligations. Credit risk encompasses both, the direct risk of default and the risk of deterioration of credit worthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limit and creditworthiness of customers on a continuous basis to whom the credit has been granted offer necessary approvals for credit.

Financial instruments that are subject to concentration of credit risk principally consists of trade receivable investments, derivative financial instruments and other financial assets. None of the financial instruments of the Company results in material concentration of credit risk

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk is as under, being the total of the carrying amount of balances with trade receivables.

| As on | Amount in Rs |
|------------------|--------------|
| 31st March, 2018 | 82,04,92,719 |
| 31st March, 2017 | 51,82,45,541 |
| 1st April, 2016 | 45,31,14,590 |

Trade receivables

Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each date of financial statement whether a financial asset or group of financial assets is impaired. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to 12 months expected credit losses or at an amount equal to the life time expected credit losses, if the credit risk on the financial asset has increased significantly since initial recognition

Before accending any new customer, the Company uses an external/internal credit scoring system to asses potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customer are reviewed periodic basis

iii) Liquidity Risk

a) Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

b) Maturities of financial liabilities

The following tables detail the remaining contractual maturities for its financial liabilities with agreed repayment period. The amount disclosed in the tables have been draw up based on the undiscounted cash flow of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

| Particular | 31st March 2018 | | 31st March 2017 | | 1st April 2016 | |
|-----------------------------------|---------------------|--------------------|-----------------------|---------------------|-----------------------|---------------------|
| | Less than 1 year | More than 1 year | Less than 1 year | More than 1 year | Less than 1 year | More than 1 year |
| Financial Liabilities | | | | | | |
| Trade Payables | 30,57,33,705 | 6,02,58,996 | 44,35,27,645 | 12,17,82,649 | 47,95,13,516 | 11,22,50,316 |
| Working capital demand Loan | 27,93,49,021 | - | 42,69,17,204 | - | 38,95,33,700 | - |
| Loan/Term Loan (at variable rate) | 53,38,335 | 23,28,944 | 22,50,70,592 | 5,10,83,672 | 15,22,00,000 | 75,18,585 |
| Total | 59,04,21,061 | 6,25,87,940 | 1,09,55,15,440 | 17,28,66,321 | 1,02,12,47,216 | 11,97,68,901 |

c) Maturities of financial assets

The following table details the Company's expected maturity for financial assets. The table has been drawn up on based on the undiscounted contractual maturities of the financial assets including interest that will be earned such assets.

iv) Market Risk

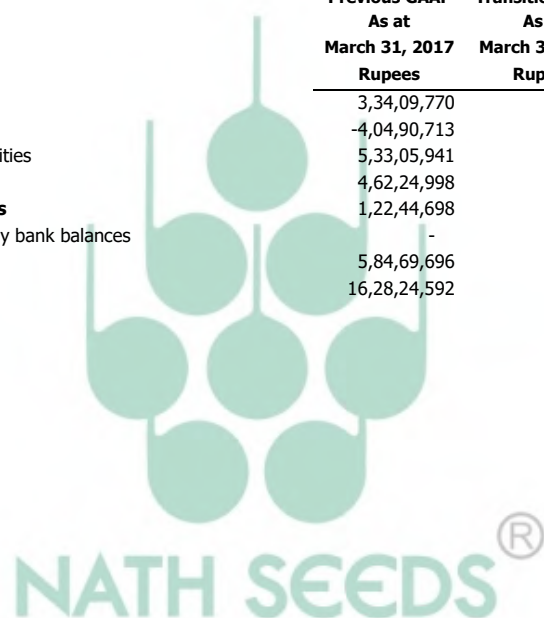
Market risk is risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market prices. Such changes in the value of financial instruments may result from changes in the foreign currency exchange rate, interest rate, credit, liquidity and other market changes.

Ind AS Reconciliation**Reconciliation of Net Profit and Equity as reported under previous GAAP and Ind AS I as under :**

| | Net Profit | | |
|---|-----------------------|------------------------------|-----------------------|
| | Reconciliation | Equity Reconciliation | |
| | As at | As at | As at |
| | March 31, 2017 | March 31, 2017 | April 1, 2016 |
| | Rupees | Rupees | Rupees |
| Net Profit/Equity as per previous Indian GAAP | 16,28,24,592 | 1,21,58,24,111 | 1,05,29,99,520 |
| Adjustment for proposed dividend (including tax thereon) | - | - | - |
| Impact on remeasurement of leasehold land | - | - | - |
| Fair value of Investments | - | - | - |
| Measurement of financial liabilities at amortised cost and impact of related derivatives contract | - | - | - |
| Fair value of the Property, plant and equipment | - | 1,65,72,62,406 | 1,65,72,62,405 |
| Deferred Taxes | - | - | - |
| Net Profit for the period as per Ind AS | 16,28,24,592 | 2,87,30,86,517 | 2,71,02,61,925 |
| Other Comprehensive Income (Net of Taxes) | - | - | - |
| Total Comprehensive Income (Net of Taxes) | 16,28,24,592 | 2,87,30,86,517 | 2,71,02,61,925 |

Statement of Cash Flows

| | Previous GAAP | Transition Effect | Ind AS |
|--|-----------------------|--------------------------|-----------------------|
| | As at | As at | As at |
| | March 31, 2017 | March 31, 2017 | March 31, 2017 |
| | Rupees | Rupees | Rupees |
| Net Cash Flow from Operating Activities | 3,34,09,770 | - | 3,34,09,770 |
| Net Cash Flow from Investing Activities | -4,04,90,713 | - | -4,04,90,713 |
| Net Cash Flow (used in) Financing Activities | 5,33,05,941 | - | 5,33,05,941 |
| Net Cash Inflow | 4,62,24,998 | - | 4,62,24,998 |
| Opening Cash and Cash Equivalents | 1,22,44,698 | - | 1,22,44,698 |
| Exchange fluctuation on foreign currency bank balances | - | - | - |
| Closing Cash and Cash Equivalents | 5,84,69,696 | - | 5,84,69,696 |
| Profit for the Year | 16,28,24,592 | - | 16,28,24,592 |



NATH BIO-GENES (INDIA) LIMITED

| | | | | |
|--------------|--|--|---|---|
| 34 | Contingent liabilities not provided for in respect of:- | | Current Year Rs. | Previous Year Rs. |
| | a) | Claims against the Company not acknowledged as debts in respect of legal cases including consumer cases. | 4,46,41,176 | 1,37,28,579 |
| | b) | Corporate Guarantee given in favour of ICICI Bank towards crop loan taken by the seed growers of the company | - | 30,00,00,000 |
| | c) | Corporate Guarantee given in favour of IDBI Bank towards loan taken by Paithan Mega Food Parks Ltd | 30,00,00,000 | 20,00,00,000 |
| 35 | 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. | | | |
| 36 | Certain accounts of Trade Receivable, Trade Payable, Unsecured Loans, Employees, Loans and Advances (including advances given to growers and inter party transfer & balances) are subject to confirmations and reconciliations, 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. | | | |
| 37 | Managerial Remuneration: | | Current Year (Rs.) | Previous year (Rs.) |
| | Mr. Satish Kagliwa, Managing Director :- | | | |
| | Salary & Allowances | | 30,00,000 | 18,00,000 |
| | Contribution to Provident Fund | | - | - |
| | | | 30,00,000 | 18,00,000 |
| | Mr. Devinder Khurana, Chief Financial Officer | | | |
| | Salary & Allowances | | 48,00,000 | 39,84,000 |
| | Contribution to Provident Fund | | - | - |
| | | | 48,00,000 | 39,84,000 |
| 38 | 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 @36% p.a. thereon is as under:- | | | |
| | Particulars | | Amount (In Rupees) Year Ended March 31, 2018 | Amount (In Rupees) Year Ended March 31, 2017 |
| | Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end | | 26,90,732 | 42,43,544 |
| | Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end | | 12,01,607 | 17,85,117 |
| | Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year | | 33,37,797 | 49,58,658 |
| | Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | | - | - |
| | Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | | - | - |
| | Interest due and payable towards suppliers registered under MSMED Act, | | 12,01,607 | 17,85,117 |
| | Further interest remaining due and payable for earlier years | | 84,62,111 | 72,60,504 |
| | Note:- This information has been given in respect of such vendors to the extent they could be identified as Micro and Small enterprises on the basis of information available with the Company. | | | |
| 39 | The Information related to Segmental Reporting as required to be disclosed in accordance with the accounting standard: 'AS 17-Segment Reporting' are as under:- | | | |
| | (A) Broadly the activity of the company falls within Two segments | | | |
| | Criteria | Segments | | |
| | Product Base | 1. Agricultural Activities (Seed Production) 2. Trading Activities | | |
| | (B) The financial data of both segments are as follows | | | |
| | | Amount in Rs. | | |
| Sr No | Particulars | Agriculture Activities | Trading Activity | Total |
| a | Segment Revenue (Net of trade discount, Scheme and discounts) | | | 0 |
| i | External Sales/income | | | |
| | | 1,56,49,41,911 | 14,77,59,000 | 1,71,27,00,911 |
| | | 1,31,76,67,257 | 10,24,52,000 | 1,42,01,19,257 |
| ii | Inter-segment Sale | - | - | 0 |
| iii | Other Income | | | |
| | | - | 94,41,359 | 94,41,359 |
| | | - | 65,90,952 | 65,90,952 |
| | Change in inventory | | | |
| | | 5,64,94,386 | 1,14,51,000 | 6,79,45,386 |
| | | (9,15,48,305) | (1,24,94,000) | -10,40,42,305 |
| iv | Total Revenue | | | |
| | | 1,62,14,36,297 | 16,86,51,359 | 1,79,00,87,656 |
| | | 1,22,61,18,952 | 9,65,48,952 | 1,32,26,67,904 |
| b | Total Revenue of each segment as a percentage of total revenue of all segment | | | |
| | | 90.58 | 9.42 | 100 |
| | | 92.70 | 7.30 | 100 |
| | Less: Production Expenses /Purchases | | | |
| | | 67,63,82,240 | 5,78,59,558 | 73,42,41,798 |
| | | 53,34,60,857 | 3,09,11,270 | 56,43,72,127 |
| | Less: Other Expenses | | | |
| | | 56,59,72,321 | 5,34,38,088 | 61,94,10,410 |
| | | 54,74,98,341 | 4,25,69,397 | 59,00,67,738 |
| c | Segment Result [Profit/(loss)] | | | |
| | | 37,90,81,736 | 5,73,53,712 | 43,64,35,448 |
| | | 14,51,59,754 | 2,30,68,285 | 16,82,28,039 |
| d | Segment Result as a percentage of segmental result to the Profit | | | |
| | | 86.86 | 13.14 | 100 |
| | | 86.29 | 13.71 | 100 |
| | (c) CY denotes current year and PY denotes previous year. | | | |
| | (d) The allocation of other expenses as mentioned in (B) (b) above, which are not directly relating to specific activity of prouction or trading, have been made by the mangement in the ratio of turnover and relied upon by the auditors. | | | |

Geographical Segment:
(Rupees)

| Particulars | Year Ended March 31, 2018 | | | Year Ended March 31, 2017 | | |
|-----------------------------------|---------------------------|--------------------|-----------------------|---------------------------|--------------------|-----------------------|
| | India | Outside India | Total | India | Outside India | Total |
| Revenue | | | | | | |
| External Segment Revenue | 1,86,66,33,812 | 4,98,74,221 | 1,91,65,08,033 | 1,62,75,91,913 | 7,10,93,306 | 1,69,86,85,219 |
| Total Segment Revenue | 1,86,66,33,812 | 4,98,74,221 | 1,91,65,08,033 | 1,62,75,91,913 | 7,10,93,306 | 1,69,86,85,219 |
| Other Information | | | | | | |
| Carrying Amount of Segment Assets | 5,69,10,12,568 | 2,10,36,367 | 5,71,20,48,935 | 4,52,81,54,282 | 2,26,50,461 | 4,55,08,04,743 |

40 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.

41 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 agreements entered into with the growers.

42 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 | 61,59,685 | 42,99,272 |
| - Employers Contribution to ESI | 1,69,783 | 1,45,335 |
| - Employers Contribution to Labour Welfare Fund | 7,920 | 7,920 |

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 Indian Accounting Standard 19, 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 | 7.85% | 7.34% |
| Salary escalation rate | 6% | 6% |
| Expected rate of return on Plan Assets | - | - |
| Expected average remaining service of employee in the number of years | - | - |

Disclosures for defined benefit plans based on Actuarial Reports as at 31st March 2018

a) Change in Present Value of Defined Benefit Obligation

| Particulars | Current Year | Previous Year |
|--|--------------------|--------------------|
| Present value of obligations at the beginning of the year | 1,64,67,913 | 1,61,34,328 |
| Current Service Cost | 16,20,459 | 15,04,374 |
| Past Current Service Cost | 5,57,693 | 0 |
| Interest Cost | 12,08,745 | 13,03,654 |
| Actuarial (Gain) / Loss | -4,92,932 | 7,73,291 |
| Benefit paid | -30,09,118 | -32,47,734 |
| Present value of obligations at the end of the year | 1,63,52,760 | 1,64,67,913 |

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 | 30,09,118 | 32,47,734 |
| Actuarial gain / (loss) on plan assets | - | - |
| Benefit paid | -30,09,118 | -32,47,734 |
| 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 2018

| 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 the end of the year | 0 | 0 |
| Present value of unfunded (assets) / obligations as at the end of the year | 1,63,52,760 | 1,64,67,913 |
| Unrecognized past service cost | 0 | 0 |
| Unrecognized actuarial (gain)/loss | 0 | 0 |
| Unfunded net (Assets)/liability recognized in the Balance Sheet as at the end of | 1,63,52,760 | 1,64,67,913 |

e) Net employee benefit expense (Recognized in employment cost) for the year ended on 31st March 2018

| Particulars | Current Year | Previous Year |
|--|------------------|------------------|
| Current Service Cost | 16,20,459 | 15,04,374 |
| Interest Cost | 12,08,745 | 13,03,654 |
| Expected return on plan assets | - | - |
| Net Actuarial (Gain) / Loss recognized in the year | -4,92,932 | 7,73,291 |
| Past Service cost | 0 | 0 |
| Net Gratuity (income) / expense | 23,36,272 | 35,81,319 |

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

| Particulars | Current Year | Previous Year |
|----------------------------------|--------------|---------------|
| Present value of obligation | 1,63,52,760 | 1,64,67,913 |
| Fair value of plan assets | - | - |
| (Surplus) / Deficit | 1,63,52,760 | 1,64,67,913 |
| 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. 60,28,752 (Previous year liability Rs. 71,96,341)

43 Related parties disclosure

List of related parties

a) **Associates:-**

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

b) **Relatives**

- i) Ms. Soniya Kagliwal

c) **Key Management Personnel:-**

- i) Mr. Satish Kagliwal (Managing Director)
- ii) Mr. Devinder Khurana (Chief Financial Officer)

d) 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 Transgenes Ltd. | Advance against R & D | - | 38,41,974 |
| | | Purchases of Gene Development Know How | 4,00,00,000 | - |
| | | Reimbursement of expenses paid | 92,30,000 | 1,40,92,000 |
| | | Incentive granted | 6,92,000 | 10,56,900 |
| 2 | Agri Tech (India) Ltd. | Amount Received | 15,81,89,262 | - |
| | | Transfer (credit to account) | 62,68,378 | - |
| | | Amount Paid | 13,93,07,459 | - |
| | | Transfer (debit to account) | 71,10,080 | - |
| 3 | Nath Biotechnologies Ltd. | Land Purchase | - | 13,50,00,000 |
| | | Transfer (debit to account) | 3,07,92,479 | 2,76,19,193 |
| | | Amount Received | 3,10,16,650 | 25,61,020 |
| | | Amount Paid | 2,87,70,125 | 7,17,44,556 |
| 4 | Nath Royal Seed Ltd | Transfer (credit to account) | 4,49,14,296 | 7,44,82,244 |
| | | Purchases | - | 64,98,501 |
| | | Amount Received | 2,10,000 | - |
| | | Transfer (credit to account) | 71,797 | - |
| 5 | Paithan Mega Food Park Pvt Ltd | Amount Paid | 82,750 | - |
| | | Transfer (debit to account) | 69,04,806 | - |
| 6 | Devinder Khurana | Warehouse Rent | 9,93,066 | - |
| 7 | Soniya Kagliwal | Remuneration | 48,00,000 | 39,84,000 |
| | | Consultancy charges paid | - | 1,43,000 |

e) Out standing balances at the year end

| | as on 31.03.2018 Rs. | as on 31.03.2017 Rs. |
|-----------------------------------|-------------------------|-------------------------|
| 1 Global Transgenes Ltd. | 25,62,242 Cr | 3,32,59,230 Dr |
| 2 Agri Tech (India) Ltd. | 2,05,55,523 Cr | 25,15,422 Cr |
| 3 Nath Biotechnologies Ltd. | 7,41,77,747 Dr | 9,05,46,089 Dr |
| 4 Nath Royal Seed Ltd | 1,32,04,260 Dr | 64,98,501 Dr |
| 5 Paithan Mega Food Parks Pvt Ltd | 9,93,066 Cr | 0 |

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.

44 FOREIGN CURRENCY TRANSACTIONS

| | Current Year Rs. | Previous Year Rs. |
|---|---------------------|----------------------|
| CIF value of Imports: Purchase of Win Chi Win & Vegetable Seeds | 1,99,18,684 | 1,99,16,008 |
| Expenditure in Foreign Currency: - Travelling Expenses | 7,18,220 | 14,54,704 |
| Earning in Foreign Currency: F O B value of Exports | 4,98,74,221 | 7,10,93,306 |

45 Difference in Foreign Exchange Gain (Loss) included in other income

| | Current Year Rs. | Previous Year Rs. |
|---|---------------------|----------------------|
| Difference in Foreign Exchange Gain (Loss) included in other income | -4,38,000 | 95,431 |

46 Details related to Investments made, Loans and Advances given and security provided as per section 186 of the Companies Act 2013.

| Name of the Party | Resolution Passed on | Limit prescribed in resolution | Investment made | Amount outstanding as on 31st March, 2018 |
|--|----------------------|--------------------------------|-----------------|---|
| Investment Paithan Mega Food Park Pvt. Ltd. | 08.08.2016 | 2,50,00,00,000 | 4,99,40,000 | 4,99,40,000 |

| Name of the Party | Resolution Passed on | Limit prescribed in resolution | Loan granted during the year | Amount outstanding as on 31st March, 2018 | Maximum outstanding during the year |
|---|----------------------|--------------------------------|------------------------------|---|-------------------------------------|
| Loans and Advances Nath Bio-technologies Ltd Nath Royal Seeds Ltd | 08.08.2016 | 2,50,00,00,000 | 5,95,62,604 1,32,04,260 | 7,41,77,747 1,32,04,260 | 7,41,77,747 1,32,04,260 |

(i) In respect of above parties, rate of interest is Nil.

| Name of the Party | Resolution Passed on | Limit prescribed in resolution | Additional Guarantee granted during the year | Amount outstanding as on 31st March, 2018 | Maximum outstanding during the year |
|---|----------------------|--------------------------------|--|---|-------------------------------------|
| Guarantee Given IDBI Bank (in favour of Paithan Mega Food Parks Limited) | 08.08.2016 | 2,50,00,00,000 | 10,00,00,000 | 30,00,00,000 | 30,00,00,000 |

47 **Expenditure on Corporate Social Responsibility Activities**

| | Current Year (Rs) | Previous Year (Rs) |
|--|-------------------|--------------------|
| (a) Gross amount required to be spent by the Company during the year | 39,60,823 | 44,72,095 |
| (b) Amount spent during the year | | |
| (i) Donations | - | - |
| (ii) Expenditure on Rural Transformation | 40,59,843 | 44,72,095 |
| (iii) Other | - | - |

The company has been engaged in farmers education for imparting farming training in technology, use of upgraded seeds and methodology of seed production etc. In view of this some of such programme undertaken by the Company are classified as CSR activities.

48 The net profit (loss) for the purpose of measurement of basic and diluted earnings per share in terms of Indian Accounting Standard - 33 on Earnings Per Share has been calculated as under:

| | Current Year Rs | Previous Year Rs. |
|---|-----------------|-------------------|
| Net Profit - (loss) as per Profit & Loss Account | 294185054 | 162824592 |
| Less :- Dividend on Preference Shares | 0 | 0 |
| Numerator: Profit Available for equity share holders | 294185054 | 162824592 |
| Denominator: Weighted Average Number of Equity shares outstanding (nos) | 16497151 | 16004000 |
| Denominator for Diluted equity share holder | 16497151 | 16004000 |
| Basic Earnings per share is arrived at by dividing Numerator by Denominator | 17.83 | 10.17 |
| Diluted Earnings per share is arrived at by dividing Numerator for diluted equity share holder by Denominator | 17.83 | 10.17 |
| The nominal value per equity shares is Rupees | 10 | 10 |

Weighted Average Number of Shares

| | No of shares | Days | Weight |
|--------------------------|--------------|------|-----------------|
| Opening number of shares | 16004000 | 305 | 13373205 |
| Issued shares on | 19004000 | 60 | 3123945 |
| | | | <u>16497151</u> |

49 **Disclosure of Derivatives:**

| Particulars | Foreign Currency Denomination | Foreign Currency Amount | | Foreign Currency Amount | |
|-----------------------------|-------------------------------|-------------------------|-------------|-------------------------|-------------|
| | | March 31, 2018 | (In Rupees) | March 31, 2017 | (In Rupees) |
| Assets (Trade Receivables) | USD | 3,28,423 | 2,10,36,367 | 3,46,813 | 2,26,50,461 |
| Liabilities (Trade Payable) | Euro | 37,373 | 30,52,361 | 58,756 | 51,98,041 |

The foreign currency outstanding has been translated at the rates of exchange prevailing on the Balance Sheet date in accordance with Indian Accounting Standard 21 - "The Effects of Changes in Foreign Exchange".

50 The Company is in the process of reconciling its subsidiary ledgers with the control accounts maintained in the General Ledger. In the opinion of the management, the difference, if any, would not be material, which will be adjusted appropriately in the due course of time.

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

Nandkishor Kagliwal
Chairman
DIN:01691691

Satish Kagliwal
Managing Director
DIN: 00119601

Devinder Khurana
Chief Finance Officer

Laveena Chanchlani
Company Secretary

Place : Aurangabad
Date : 30th May 2018