

Plandai Biotechnology, Inc.  
Form 10-Q/A  
June 06, 2013  
**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

**FORM 10-Q/A**

(MARK ONE)

**QUARTERLY REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

**FOR THE QUARTERLY PERIOD ENDED: December 31, 2012**

**TRANSITION REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

*Commission file number 000-51206*

**PLANDAÍ BIOTECHNOLOGY, INC.**  
(Name of small business issuer in its charter)

**Nevada** **45-3642179**  
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

**2226 Eastlake Avenue East #156, Seattle, WA** **98102**  
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (425) 466-0212

Securities registered under Section 12(b) of the Exchange Act: **None**

Securities registered under Section 12(g) of the Exchange Act: **Common stock, par value \$0.0001 per share**  
(Title of Class)

N/A

(Former name, former address and former fiscal year, if changed since last report)

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Indicate by check mark whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No "

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No "

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.

Large accelerated filer	..	Accelerated filer	..
Non-accelerated filer	..	Smaller reporting company	x

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes .. No x

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: As of May 31, 2013, the issuer had 110,645,300 shares of its common stock issued and outstanding.

### Explanatory Note

Plandai Biotechnology, Inc.(the "Company") is filing this Amendment No. 1 (the "Amended Report") to its Quarterly Report on Form 10-Q/A for the quarterly period ended December 31, 2012, originally filed with the US Securities and Exchange Commission ("SEC") on February 14, 2013 (the "Original Filing"), to amend and restate its consolidated balance sheet at December 31, 2012, consolidated statement of operations for the for the three and six month periods ended December 31, 2013, and the consolidated statements of cash flows for the six month period ended December 31, 2012, to correct errors associated with the inclusion of incorrect financial results in the aforementioned consolidated financial statements.

Also, the Company failed to include in the MD&A section a discussion of the financial results for the three months ended December 31, 2012. In addition to omitting a discussion of the three months ended December 31, 2012 from the MD&A section, the Company's discussion for the six months ended December 31, 2012 was based on the incorrect

financial results referred to above.

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In addition to the comments presented above, the Original Filing was submitted by the Company to the SEC under the assumption that it was reviewed by its prior independent registered public accounting firm. The amended Form 10-Q/A filed herein has been reviewed by the current independent registered public accounting firm.

Except as discussed above, we have not modified or updated disclosures present in the Original Filing, except as required to reflect the effects of the restatement in this Amended Report. Accordingly, this Amended Report does not reflect events occurring after our Original Filing or modify or update those disclosures affected by subsequent events, except as specifically referenced herein. Information not affected by the restatement is unchanged and reflects the disclosures made at the time the Original Filing.

The following items have been amended as a result of the restatement.

Consolidated Balance Sheets - December 31, 2012 (as restated)

Consolidated Statement of Operations - Three and six months ended December 31, 2012 (as restated)

Consolidated Statement of Cash Flows - Six months ended December 31, 2012 (as restated)

Notes to Consolidated Financial Statements

Item 2. Management Discussion and Analysis

This Quarterly Report on Form 10-Q/A should be read in conjunction with our filings on Form 10-Q for the quarterly period ended March 31, 2013.

**PART 1 – FINANCIAL INFORMATION**

**Item 1. Financial Statements**

**PLANDAI BIOTECHNOLOGY, INC.****CONSOLIDATED BALANCE SHEETS**

	<b>December 31, 2012</b>	<b>June 30, 2012</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>ASSETS</b>		
Current Assets:		
Cash	\$1,385,912	\$5,112
Prepaid Expense	63,201	22,068
Accounts Receivable	12	-
<b>Total Current Assets</b>	<b>1,449,125</b>	<b>27,180</b>
Deposits on Equipment		
Other Assets	19,450	-
Fixed Assets – Net	6,229,808	5,813,990
<b>Total Assets</b>	<b>\$8,752,825</b>	<b>\$6,057,007</b>
<b>LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities:</b>		
Accounts Payable	\$84,594	\$64,322
Accrued Expenses	55,189	28,219
Accrued Interest	2,789	-
Notes Payable	-	-



-	
Current Related Party Payables	58,730 7,940
<b>Total Current Liabilities</b>	<b>102 100,481</b>
Loans from Related Parties	578,772 402,903
Credit Line	1,735,005 614,168
Long Term Debt, Net of Discount	7,319,289 5,228,990
<b>Total Liabilities</b>	<b>9,974,368 6,346,542</b>

**STOCKHOLDERS'**

**DEFICIT**

Common Stock, authorized 500,000,000 shares, \$0.0001 par value \$.0001, 110,895,300 shares issued and outstanding as of December 3, 2012 and June 30, 2012	11,090
Additional Paid-In	7,894,278

Capital		
Retained	(8,815,738)	(8,134,698)
Deficit		
Cumulative		
Foreign		
Current	(6,147)	4,225
Translation		
Adjustment		
<b>Total</b>		
<b>Stockholders'</b>	(225,105)	
<b>Deficit</b>		
Non-controlling	(310,452)	(64,430)
Interest		
<b>Stockholders'</b>		
<b>Deficit</b>		
<b>Allocated</b>	(1,221,543)	(289,535)
<b>to</b>		
<b>Plandai</b>		
<b>Biotechnology</b>		
<b>Total</b>		
<b>Liabilities</b>		
<b>and</b>	\$8,752,825	\$6,057,007
<b>Stockholders'</b>		
<b>Deficit</b>		

The accompanying notes are an integral part of these financial statements.

**PLANDAI BIOTECHNOLOGY, INC.****STATEMENTS OF OPERATIONS**

(UNAUDITED)

	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>December 31,</b>		<b>December 31,</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
<b>Revenues</b>	\$ 131,999	\$ 13,896	\$ 249,903	\$ 14,776
Cost of Goods	250,527	36,416	375,129	58,200
<b>Gross Profit</b>	(118,528)	(22,520)	(125,226)	(43,424)
<b>Expenses:</b>				
Payroll	125,493	4,167	170,465	4,431
Accounting Fees	13,447	560	59,854	1,300
Utilities	5,378	2,570	19,237	9,480
Research	22,919	-	23,514	-
Insurance	17,998	-	72,959	-
Professional Services	82,301	18,610	150,799	46,174
Depreciation	31,817	-	46,680	-
General & Administrative	18,103	21,647	155,289	22,816
<b>Total Expenses</b>	317,456	47,554	698,797	84,201
<b>Operating Income (Loss)</b>	(435,984)	(70,074)	(824,023)	(127,625)
Interest Expense	(68,343)	-	(105,692)	-
Other Income/(Expense)	-	-	2,653	-
<b>Net Income (Loss)</b>	\$ (504,327)	\$ (70,074)	\$ (927,062)	\$ (127,625)
Loss Allocated to Non-controlling Interest	\$ 135,357	\$ -	\$ 246,022	\$ -
<b>Net Loss, Adjusted</b>	\$ (368,970)	\$ (70,074)	\$ (681,040)	\$ (127,625)
<b>Other Comprehensive Income (loss):</b>				
Foreign Currency Translation Adjustment	(9,782)	(1,051)	(9,372)	(1,051)
<b>Comprehensive Income (Loss)</b>	(378,752)	(71,125)	(690,412)	(128,676)
<b>Basic &amp; diluted loss per share</b>	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.00)

**Weighted Avg. Shares Outstanding**

110,895,300 81,707,650 110,895,300 78,853,825

The accompanying notes are an integral part of these financial statements.

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**PLANDAI BIOTECHNOLOGY, INC.****CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>For the six months ended December 31,</b>	<b>For the six months ended December 31,</b>
	<b>2012</b>	<b>2011</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net Loss	\$(681,040)	\$(127,625)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	46,680	119
Loss Allocated to Non-controlling Owners	(246,022)	-
Foreign Currency Translation Adjustment	(9,372)	(1,051)
Forgiveness of Interest	4,426	
Increase in Prepaid Expenses	(41,133)	-
Increase in Accounts Receivable	(12)	-
Increase in Other Assets	(19,450)	-
Increase in Accounts Payable and Accrued Expenses	20,272	4,498
Increase in Related Party Payables	150,790	-
Increase in Notes Payable-Current	42,789	-
Increase in Accrued Interest	26,970	-
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(705,102)</b>	<b>(39,520)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Deposits on Equipment	(415,818)	-
Purchase of Fixed Assets	(885,285)	(230)
<b>Net Cash Used in Investing Activities</b>	<b>(1,301,103)</b>	<b>(230)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Increase in Long-term Debt, Net of Discount	2,090,299	-
Net Borrowings under Credit Line	1,120,837	-
Loans from Related Parties	175,869	41,295
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>3,387,005</b>	<b>41,295</b>
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	<b>1,380,800</b>	<b>1,545</b>
Cash and Cash Equivalents at Beginning of Period	5,112	172
<b>Cash and Cash Equivalents at End of Period</b>	<b>1,385,912</b>	<b>\$1,717</b>
<b>SUPPLEMENTAL CASH FLOW INFORMATION:</b>		
Cash paid during the period for:		
Interest	\$ --	\$--
Income taxes	\$ --	\$--

The accompanying notes are an integral part of these financial statements.



**PLANDAI BIOTECHNOLOGY, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED DECEMBER 31, 2012**

**(UNAUDITED)**

**NOTE 1 - NATURE OF OPERATIONS AND GOING CONCERN**

Plandai Biotechnology, Inc.'s (the "Company") consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. The financial statements do not include any adjustment relating to recoverability and classification of recorded amounts of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company's continued existence is dependent upon its ability to continue to execute its operating plan and to obtain additional debt or equity financing. There can be no assurance the necessary debt or equity financing will be available, or will be available on terms acceptable to the Company.

Plandai Biotechnology, Inc., through its recent acquisition of Global Energy Solutions, Ltd. and its subsidiaries, focuses on the farming of whole fruits, vegetables and live plant material and the production of proprietary functional foods and botanical extracts for the health and wellness industry. Its principle holdings consist of land, farms and infrastructure in South Africa. The Company is actively pursuing additional financing and has had discussions with various third parties, although no firm commitments have been obtained. Management believes these efforts will generate sufficient cash flows from future operations to pay the Company's obligations and realize positive cash flow. There is no assurance any of these transactions will occur.

These financial statements should be read in conjunction with the Company's annual report for the year ended June 30, 2012 previously filed on Form 10-K. In management's opinion, all adjustments necessary for a fair statement of the results for the interim periods have been made. All adjustments made were of a normal recurring nature.

**Organization and Basis of Presentation**

On November 17, 2011, the Company, through its wholly-owned subsidiary, Plandai Biotechnologies, Inc., consummated a share exchange with Global Energy Solutions, Inc. ("GES"), an Irish corporation. Under the terms of the share exchange, GES received 76,000,000 shares of the Company's common stock that had been previously issued to Plandai in exchange for 100% of the issued and outstanding capital of GES. Concurrent with the share exchange, the Company sold its subsidiary, Diamond Ranch, Ltd., together with its wholly-owned subsidiary, Executive Seafood, Inc., to a former officer and director of Diamond Ranch. Under the terms of the sale, the purchasers assumed all associated debt as consideration. During the three months ended December 31, 2011 and through the date of the share exchange, Diamond Ranch, Ltd. and Executive Seafood, Inc. had negligible revenues from operations, generated a net loss of \$126,000, and as of December 31, 2011, liabilities exceeded assets by over \$5,000,000. The Company subsequently changed its name to Plandai Biotechnology, Inc.

For accounting purposes, the share exchange has been treated as a reverse merger since the acquired entity now forms the basis for operations and the transaction resulted in a change in control, with the acquired company electing to become the successor issuer for reporting purposes. The accompanying financial statements have been prepared to reflect the assets, liabilities and operations of Plandai Biotechnology, Inc. exclusive of Diamond Ranch Foods since the acquisition and sale were executed simultaneously. For equity purposes, the shares issued to acquire GES (76,000,000 shares) have been shown to be issued and outstanding since inception, with the previous balance outstanding (25,415,300 shares common) treated as a new issuance as of the date of the share exchange. The additional paid-in capital and retained deficit shown are those of GES and its subsidiary operations.

In management's opinion, all adjustments necessary for a fair statement of the results for the presented periods have been made. All adjustments made were of a normal recurring nature. As a result of the share exchange, the Company changed its fiscal year end to coincide with that of GES, which is June 30. The accompanying financial statements therefore represent the results of operations for the three and six months ended December 31, 2012.



## **NOTE 2 – SUMMARY OF ACCOUNTING POLICIES**

This summary of accounting policies for Plandai Biotechnology, Inc. and its wholly-owned subsidiaries, is presented to assist in understanding the Company's financial statements. The accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

### **Use of Estimates**

The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. In preparing the financial statements, management is required to make estimates and assumptions that effect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the balance sheet and statement of operations for the year then ended. Actual results may differ from these estimates. Estimates are used when accounting for allowance for bad debts, collect ability of accounts receivable, amounts due to service providers, depreciation and litigation contingencies, among others.

### **Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents to the extent the funds are not being held for investment purposes.

### **Revenue recognition**

The Company presently derives its revenue from the sale of timber and agricultural products produced on its farm and tea estate holdings in South Africa. The Company follows paragraph 605-10-S99-1 of the FASB Accounting Standards Codification for revenue recognition. The Company will recognize revenue when it is realized or realizable and earned. The Company considers revenue realized or realizable and earned when all of the following criteria are met: (i) persuasive evidence of an arrangement exists, (ii) the product has been shipped or the services have been rendered to the customer, (iii) the sales price is fixed or determinable, and (iv) collectability is reasonably assured. There are no price incentives and the product can only be returned if defective. As the Company does not believe defective merchandise is likely an allowance has not been recognized. Revenue is recognized on a gross basis with corresponding costs of goods as a reduction to revenue in cost of sales.

### **Concentration of Credit Risk**

The Company has no significant off-balance sheet concentrations of credit risk such as foreign exchange contracts, options contracts or other foreign hedging arrangements.

### **Property and equipment**

Property and equipment are stated at cost less accumulated depreciation and amortization. The Company provides for depreciation and amortization using the straight-line method over the estimated useful lives of the related assets, which range from three to five years. Maintenance and repair costs are expensed as they are incurred while renewals and improvements which extend the useful life of an asset are capitalized. At the time of retirement or disposal of property and equipment, the cost and related accumulated depreciation and amortization are removed from the accounts and any resulting gain or loss is reflected in the results of operations.

### **Impairment of Long-Lived Assets**

In accordance with ASC Topic 360, formerly SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*, the Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of these assets may not be fully recoverable. The assessment of possible impairment is based on the Company's ability to recover the carrying value of its asset based on estimates of its undiscounted future cash flows. If these estimated future cash flows are less than the carrying value of the asset, an impairment charge is recognized for the difference between the asset's estimated fair value and its carrying value. As of the date of these financial statements, the Company is not aware of any items or events that would cause it to adjust the recorded value of its long-lived assets for impairment.

### **Off-Balance Sheet Arrangements**

We have no off-balance sheet arrangements.

### **Emerging Growth Company**

We qualify as an “emerging growth company” under the 2012 JOBS Act. Section 107 of the JOBS Act provides that an emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. As an emerging growth company, we can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to take advantage of the benefits of this extended transition period.

### **Fair Value of Financial Instruments**

Fair value of certain of the Company’s financial instruments including cash and cash equivalents, accounts receivable, account payable, accrued expenses, notes payables, and other accrued liabilities approximate cost because of their short maturities. The Company measures and reports fair value in accordance with ASC 820, *Fair Value Measurements and Disclosure* defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles and expands disclosures about fair value investments.

Fair value, as defined in ASC 820, is the price 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. The fair value of an asset should reflect its highest and best use by market participants, principal (or most advantageous) markets, and an in-use or an in-exchange valuation premise. The fair value of a liability should reflect the risk of nonperformance, which includes, among other things, the Company’s credit risk.

Valuation techniques are generally classified into three categories: the market approach; the income approach; and the cost approach. The selection and application of one or more of the techniques may require significant judgment and are primarily dependent upon the characteristics of the asset or liability, and the quality and availability of inputs. Valuation techniques used to measure fair value under ASC 820 must maximize the use of observable inputs and minimize the use of unobservable inputs. ASC 820 also provides fair value hierarchy for inputs and resulting measurement as follows:

Level 1

Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities; The Company values its available for sale securities using Level 1.

Level 2

Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data for substantially the full term of the assets or liabilities; and

Level 3

Unobservable inputs for the asset or liability that are supported by little or no market activity and that are significant to the fair values.

Fair value measurements are required to be disclosed by the Level within the fair value hierarchy in which the fair value measurements in their entirety fall. Fair value measurements using significant unobservable inputs (in Level 3 measurements) are subject to expanded disclosure requirements including a reconciliation of the beginning and

ending balances, separately presenting changes during the period attributable to the following: (i) total gains or losses for the period (realized and unrealized), segregating those gains or losses included in earnings, and a description of where those gains or losses included in earnings are reported in the statement of income.

### **Advertising**

Advertising costs are expensed as incurred.

### **Principles of Consolidation**

Plandai Biotechnology, Inc. and its subsidiaries, are encompassed in the following entities, which have been consolidated in the accompanying financial statements:

Global Energy Solutions, Ltd. 100% owned by Plandai Biotechnology, Inc.

Dunn Roman Holdings—Africa, Ltd. 82% owned by Plandai Biotechnology, Inc.

Breakwood Trading 22 (Pty) Ltd. 04% owned by Dunn Roman Holdings-Africa

Green Gold Biotechnologies (Pty) Ltd. 04% owned by Dunn Roman Holdings-Africa

Subsequent to June 30, 2012, the Company determined that the entity, Global Energy Solutions, was unnecessary to operations and decided to dissolve that corporation, resulting in the stock of Dunn Roman Holdings-Africa being held directly by Plandai. All liabilities were either satisfied or forgiven and all bank accounts closed. There were no operations in Global Energy Solutions during the three months ended December 31, 2012. Currently, Global Energy Solutions is subject to a “voluntary strikeoff,” which is a suspension of operations that corporate entities go through in Ireland lasting approximately 60 days before dissolution becomes effective.

All intercompany balances have been eliminated in consolidation.

### **Foreign Currency Translation**

Financial Accounting Statement No. 52, Foreign Currency Translation (FAS 52), sets forth the appropriate accounting treatment under U.S. GAAP for companies that consolidate the results of foreign operations denominated in local currencies. FAS 52 requires that all assets and liabilities be translated at the current spot rate at the date of translation. Equity items, other than retained earnings, are translated at the spot rates in effect on each related transaction date. Retained earnings are translated at the weighted-average rate for the relevant year and income statement items are translated at the average rate for the period, except where specific identification is practicable. The resulting adjustment is not recognized in current earnings, but rather as a component of other comprehensive income.

### **Non-Controlling Interest**

Statement of Financial Accounting Standards No. 160, *Non-controlling Interests in Consolidated Financial Statements*, establishes standards for accounting for noncontrolling interest, sometimes called a minority interest, which is that portion of equity in a subsidiary not attributable, directly or indirectly, to a parent. FAS 160 requires that the minority portion of equity and net income/loss from operations of consolidated entities be reflected in the financial statements. The Company previously adopted FAS 160 and has reflected the impact in the accompanying consolidated financial statements.

**NOTE 3 – NOTE PAYABLE - CURRENT**

Note payable, current, represents short term financing of the company's insurance policy covering its South African operations. The total premium is due at the inception of the contract; however, the Company has elected to finance the principle. The unamortized portion of the premium is recorded as Prepaid Expense and the unpaid balance of the premium is recorded as Notes Payable-Current. The Company had a current notes payable balance at December 31, 2012 and 2011 of \$42,789 and \$0, respectively.

#### **NOTE 4 – LOANS FROM RELATED PARTIES**

As of December 31, 2012, the Company has outstanding loans to various related parties in the amount of \$578,772. These loans were provided for short-term working capital purposes, bear interest at 4%, and become payable once the Company's obligation to the Land & Agriculture Bank of South Africa has been repaid. Accordingly, this balance has been classified as a long liability as of December 31, 2012. During the six months ended December 31, 2012, the Company and the note holders agreed forgive \$4,426 in interest expense, which was reflected as an increase in paid in capital since the note holders were related parties.

#### **NOTE 5 - LINE OF CREDIT**

During the year ended June 30, 2012, the company entered into a line of credit agreement for \$500,000 which was later increased to \$1,000,000. The line of credit matures on January 5, 2014 and bears interest at the rate of ten percent (10%) per annum. As of December 31, 2012, the balance drawn down on the credit line was \$752,503 and accrued interest was \$54,525.

The remaining balance of line of credit, \$982,502, relates to borrowings under the credit facility provided by the Land and Agriculture Bank of South Africa (see Note 6).

#### **NOTE 6 – LONG-TERM DEBT**

In June 2012, the Company, through the majority-owned subsidiaries of Dunn Roman Holdings, Inc., executed final loan documents on a 100 million Rand (approx. \$13 million USD) financing with the Land and Agriculture Bank of South Africa. The total loan is comprised of multiple agreements totaling, between Green Gold Biotechnologies (Pty) Ltd. and Breakwood Trading 22(Pty) Ltd., 100 million rand. The loans all bear interest at the rate of prime plus 0.5% per annum and are all due in seven years. In addition, the loans have a 25-month "holiday" in which no payments or interest are due until 25 months after the first drawn down of funds. The loans are collateralized by the assets and operations, including the Senteeko lease, agriculture production and receivables of Dunn Roman Holdings, which is the African operating arm of Plandaí. In addition, Dunn Roman Holdings was required to grant a 15% profit share agreement to the Land Bank which extends through the duration of the loan agreements (7 years unless pre-paid). The profit share agreement extends only to profits generated by Dunn Roman Holdings exclusive of operations of Plandaí and outside of South Africa. By way of loan covenants, the borrowing entities are required to maintain a debt to equity ratio of 1.5:1, interest coverage ratio of 1.5:1, and security coverage ratio of 1:1.

As of December 31, 2012, a total of \$7,904,289 has been drawn down against the loans by Green Gold Biotechnologies (Pty) Ltd., which was used to purchased fixed assets that will be employed in South Africa to

produce the company's botanical extracts.

During the year ended June 30, 2012, the Company issued 1,500,000 shares of restricted common stock to three individuals in exchange for shares of Dunn Roman Holdings stock which had been previously issued. The acquired Dunn Roman shares were then provided to thirds parties in order to comply with the BEE provisions associated with the loan from the Land Bank of South Africa, which required that 15% of Dunn Roman be black owned. The Company has therefore, determined to treat the value of the shares issued to acquire the Dunn Roman stock (\$585,000) as a cost of securing the financing and recorded as a loan discount which will be amortized over the life of the loan (7 years).

As of December 31, 2012, the loan balance was:

Loan Principle \$7,904,289

Less: Discount (585,000)

Net Loan per Books \$7,319,289



**NOTE 7 – CURRENCY ADJUSTMENT**

The Company's principle operations are located in South Africa and the primary currency used is the South African Rand. Accordingly, the financial statements are first prepared in using Rand and then converted to US Dollars for reporting purposes, with the average conversion rate being used for income statement purposes and the closing exchange rate as of December 31, 2012 applied to the balance sheet. Differences resulting from the fluctuation in the exchange rate are recorded as an offset to equity in the balance sheet. As of December 31, 2012, the cumulative currency translation adjustments were \$10,447.

**NOTE 8 – FIXED ASSETS**

Fixed assets, stated at cost, less accumulated depreciation at December 31, 2012 and June 30, 2012 consisted of the following:

	December 31,	June 30,
	2012	2012
Fixed Assets	\$ 1,101,122	\$ 215,837
Less: accumulated depreciation	(46,680)	-
	\$ 1,054,442	\$ 215,837

Depreciation expense for the six months ended December 31, 2012 was \$46,680. Depreciation expense for the year ended June 30, 2012 was \$0. The Company had not begun depreciating the leasehold improvements because they had not been completed as of June 30, 2012. Once completed the company began to amortize over the life of the lease.

**NOTE 9 – DEPOSIT ON EQUIPMENT**

Deposit on Equipment consists of machinery and equipment necessary for production. A deposit of \$6,229,808 has been paid via a loan from Land Bank described in Note 6, of which \$415,818 was paid in the six months ended December 31, 2012. However, delivery is not expected for several months.

**NOTE 10 – MINORITY INTEREST**

Plandaí owns 82% of Dunn Roman Holdings—Africa, which in turn owns 74% each of Breakwood Trading 22 (Pty, Ltd. and Green Gold Biotechnologies (Pty), Ltd., in order to be compliant with the Black Economic Empowerment rules imposed by the South African Land Bank. While the Company, under the Equity Method of Accounting, is required to consolidate 100% of the operations of its majority-owned subsidiaries, that portion of subsidiary net equity attributable to the minority ownership, together with an allocated portion of net income or net loss incurred by the subsidiaries, must be reflected on the consolidated financial statements. On the balance sheet, minority interest has been shown in the Equity Section, separated from the equity of Plandaí, while on the income statement, the minority shareholder allocation of net loss has been shown in the Consolidated Statement of Operations.

#### **NOTE 11 – RELATED PARTY TRANSACTION**

The Company had the following related party transactions during the six months ended December 31, 2012:

- Payables totaling \$158,730 which consists primary of amounts owed to a company controlled by an officer and director of the company which paid certain expenses on behalf of the company.
- As of December 31, 2012, the Company has outstanding loans from the Company's chief executive officer in the amount of \$578,772. These loans were provided for short-term working capital purposes and bear interest at a rate of 4%. The loans cannot be called until the Company's obligations under the Land & Agriculture Bank of South Africa have been met.
- The Company leases its South African Office space from a trust, of which one of the beneficiaries serves on the Board of Directors of Dunn Roman Holding—Africa, Ltd., a subsidiary of the Company. The lease agreement call for monthly payments of R16,000 (approximately\$xx.xxx. During the six months ended December 31, 2012, a total of R96,000 (\$11,400) was paid in rent expense.
- In June 2012, the Company ordered machinery and equipment from CRS Technology, Inc., a company controlled by an officer and director of the Company. A deposit of approximately \$5,632,240 was paid from proceeds from the Land and Agriculture Bank of South Africa (see Note 6).

**NOTE 12 – SEGMENT INFORMATION****Geographical Locations**

The following information summarizes the financial information regarding Plandai Biotechnology Inc. and its three South African Subsidiaries as of and for the six months ended December 31, 2012:

	South Africa	United States
Assets	\$ 8,752,655	\$ 169
Liabilities	9,051,639	928,004
Revenues	249,903	-
Expenses	\$ 509,764	\$ 290,366

**NOTE 13 – SUBSEQUENT EVENTS**

Management was evaluated subsequent events pursuant to the requirements of ASC Topic 855 and has determined that no material subsequent events exist through the date of this filing.

**NOTE 14 – RESTATEMENT**

This Amendment to the Company's Form 10-Q, which was filed on February 14, 2013, restates the consolidated balance sheet at December 31, 2012, consolidated statement of operations for the three and six month periods ended December 31, 2012, and the consolidated statement of cash flows for the six month period ended December 31, 2012, to correct errors associated with the inclusion of incorrect financial results in the aforementioned consolidated financial statements. The effect of the correction of these errors was to increase net loss by \$18,265 for the three and six month periods ended December 31, 2012, respectively.

The following table presents the effect of restatement on the consolidated balance sheets, consolidated statements of operations, and consolidated statements of cash flows:

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Balance Sheet at December 31, 2012

	Original	Change	Restated
Total assets	\$ 8,752,824	\$	1 \$ 8,752,825
Total liabilities	\$ 9,974,367	\$	1 \$ 9,974,368
Stockholders' deficit	\$(1,221,543)	\$	- \$(1,221,543)

**NOTE 14 – RESTATEMENT (continued)**

**Statement of Income**  
**For the three months ended December 31, 2012**

	Original	Change	Restated
<b>Revenues</b>	\$ 131,999	\$ -	\$ 131,999
<b>Cost of goods</b>	250,527	-	250,527
<b>Gross profit</b>	(88,528)	(30,000)	(118,528)
<b>Expenses</b>			
Payroll	125,493	-	125,493
Accounting fees	13,447	-	13,447
Utilities	5,378	-	5,378
Research	22,919	-	22,919
Insurance	17,998	-	17,998
Professional services	82,301	-	82,301
Depreciation	31,817	-	31,817
General and administrative	104,915	(86,812)	18,103
<b>Total expenses</b>	350,778	(33,322)	317,456
<b>Operating loss</b>	(439,306)	3,322	(435,984)
Interest expense	(68,343)	-	(68,343)
Other income	-	-	-
<b>Net loss</b>	(507,649)	3,322	(504,327)
<b>Loss allocated to non-controlling interest</b>	146,969	(11,612)	135,357
<b>Net loss, adjusted</b>	(360,680)	(8,290)	(368,970)
Other comprehensive loss			
Foreign currency translation adjustment	193	(9,975)	(9,782)
<b>Comprehensive loss</b>	\$ (360,487)	\$ (18,265)	\$ (378,752)
Basic and diluted loss per share	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted ave. shares outstanding	110,895,300	110,895,300	110,895,300



**NOTE 14 – RESTATEMENT (continued)**

**Statement of Income**  
**For the six months ended December 31, 2012**

	Original	Change	Restated
<b>Revenues</b>	\$ 249,903	\$ -	\$ 249,903
<b>Cost of goods</b>	375,129	-	375,129
<b>Gross profit</b>	(145,226)	20,000	(125,226)
<b>Expenses</b>			
Payroll	170,465	-	170,465
Accounting fees	59,854	-	59,854
Utilities	19,237	-	19,237
Research	23,514	-	23,514
Insurance	72,959	-	72,959
Professional services	150,799	-	150,799
Depreciation	46,680	-	46,680
General and administrative	211,115	(55,826)	155,289
<b>Total expenses</b>	649,438	49,359	698,797
<b>Operating loss</b>	(839,664)	15,641	(824,023)
Interest expense	(105,692)	-	(105,692)
Other income	2,702	(49)	2,653
<b>Net loss</b>	(942,656)	15,594	(927,062)
<b>Loss allocated to non-controlling interest</b>	264,287	(18,265)	246,022
<b>Net loss, adjusted</b>	(678,369)	(2,671)	(681,040)
Other comprehensive loss			
Foreign currency translation adjustment	622	(9,994)	(9,372)
<b>Comprehensive loss</b>	\$ (672,147)	\$ (18,265)	\$ (690,412)
Basic and diluted loss per share	\$ (0.01)	\$ (0.00)	\$ (0.01)
Weighted average shares outstanding	110,895,300	110,895,300	110,895,300





**NOTE 14 – RESTATEMENT (continued)**Statement of Cash Flows  
For the three months ended December 31, 2012

	Original	Change	Restated
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net Loss	\$ (678,369)	\$ (2,671)	\$ (681,040)
Adjustment to reconcile net loss to net cash used in operating activities			
Depreciation	46,680	-	46,680
Loss allocated to non-controlling owners	(264,287)	18,265	(246,022)
Foreign currency translation adjustment	6,222	(15,594)	(9,372)
Forgiveness of interest	4,426	-	4,426
Prepaid expenses	(41,133)	-	(41,133)
Accounts receivable	(12)	-	(12)
Other assets	(19,450)	-	(19,450)
Accounts payable and accrued expenses	20,272	-	20,272
Related party payables	150,790	-	150,790
Notes payable current	42,789	-	42,789
Accrued Interest	26,970	-	26,970
<b>Net cash used in operating activities</b>	<b>(705,102)</b>	<b>-</b>	<b>(705,102)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Deposits on equipment	(415,818)	-	(415,818)
Purchase of fixed assets	(885,285)	-	(885,285)
<b>Net cash used in investing activities</b>	<b>(1,301,103)</b>	<b>-</b>	<b>(1,301,103)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase in long-term debt, net of discounts	2,090,299	-	2,090,299
Net borrowings under line of credit	1,120,837	-	1,120,837
Loans from related parties	175,869	-	175,869
<b>Net cash provided by financing activities</b>	<b>3,387,005</b>	<b>-</b>	<b>3,387,005</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,380,800</b>		<b>1,380,800</b>
Cash and cash equivalents at beginning of period	5,112	-	5,112
Cash and cash equivalents at end of period	\$ 1,385,912	\$ -	\$ 1,385,912
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>			
Cash paid during the period for			
Interest	\$ -	\$ -	\$ -

Income taxes	\$	-	\$	-	\$	-
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## **ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

This statement includes projections of future results and "forward looking statements" as that term is defined in Section 27A of the Securities Act of 1933 as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934 as amended (the "Exchange Act"). All statements that are included in this Quarterly Report, other than statements of historical fact, are forward looking statements. Although management believes that the expectations reflected in these forward looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct.

### **BUSINESS**

Plandai Biotechnology, Inc., (the "Company") through its recent acquisition of Global Energy Solutions, Ltd. and its subsidiaries, focuses on the farming of whole fruits, vegetables and live plant material and the production of proprietary functional foods and botanical extracts for the health and wellness industry. Its principle holdings consist of land, farms and infrastructure in South Africa.

The Company was incorporated, as Jerry's Inc., in the State of Florida on November 30, 1942. The company catered airline flights and operated coffee shops, lounges and gift shops at airports and other facilities located in Florida, Alabama and Georgia. The company's airline catering services included the preparation of meals in kitchens located at, or adjacent to, airports and the distribution of meals and beverages for service on commercial airline flights. The company also provided certain ancillary services, including, among others, the preparation of beverage service carts, the unloading and cleaning of plates, utensils and other accessories arriving on incoming aircraft, and the inventory management and storage of airline-owned dining service equipment. In March of 2004 we moved our domicile to Nevada and changed our name to Diamond Ranch Foods, Ltd. Diamond Ranch Foods, Ltd. was engaged in the meat processing and distribution industry. Operations consisted of packing, processing, custom meat cutting, portion controlled meats, private labeling, and distribution of our products to a diversified customer base, including, but not limited to; in-home food service businesses, retailers, hotels, restaurants and institutions, deli and catering operators, and industry suppliers. On November 17, 2011, the Company, through its wholly-owned subsidiary, Plandai Biotechnologies, Inc. consummated a share exchange with Global Energy Solutions Corporation Limited, an Irish corporation. Under the terms of the Share Exchange, GES received 76,000,000 shares of Diamond Ranch that had been previously issued to Plandai Biotechnologies, Inc. in exchange for 100% of the issued and outstanding capital of GES. On November 21, 2011, the Company filed an amendment to the articles of incorporation to change the name of the company to Plandai Biotechnology, Inc.

We will continue to seek to raise additional capital through the sale of common stock to fund the expansion of our company. There can be no assurance that we will be successful in raising the capital required and without additional funds we would be unable to expand our plant, acquire other companies, or further implement our business plan. In April 2012, through our subsidiary companies, we secured a 100 million Rand (approximately \$13 million) financing with the Land and Agriculture Bank of South Africa which will be used to build infrastructure and further operations.

### **DISPOSITION OF SUBSIDIARY**

On November 17, 2011, the Company sold its subsidiary, Diamond Ranch, Ltd., together with its wholly-owned subsidiary, Executive Seafood, Inc. to the former officer and director of Diamond Ranch. Under the terms of the sale, the purchaser assumed all associated debt as consideration. During the three and six months prior to their disposition, Diamond Ranch, Ltd. and Executive Seafood, Inc. had negligible revenues from operations, generated a net loss of \$126,000, and as of the date of disposition, liabilities exceeded assets by over \$5,000,000.

As a result of the Share Exchange Agreement and disposition of Diamond Ranch, Ltd., the operations of Plandai Biotechnology, Inc. for all periods presented consists exclusively of Plandai Biotechnologies, Inc., and its subsidiaries exclusive of Diamond Ranch.

## **PRODUCTS AND SERVICES**

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Plandaí Biotechnologies has a proprietary technology that extracts a high level of bio-available compounds from organic matter including green tea leaves and most other organic materials. Numerous documented scientific studies have been conducted over the past ten years using this technology that releases bioavailable antioxidants and other phytonutrients in form the body can easily absorb. The Company intends to use its notarial leases to focuses on the farming of whole fruits, vegetables and live plant material and the production of Phytofare™ functional foods and botanical extracts for the health and wellness industry using its proprietary extraction technology.

The company is presently developing for market two unique extracts: Phytofare™ Green Tea Catechin Extract and Phytofare™ Citrus Limonoid Glycoside Complex.

## **COMPETITION**

The Company faces competition from a variety of sources. There are several large producers of farm products including green tea and there are numerous companies that develop and market nutraceutical products that include bio-available compounds including those from green tea extract. Many of these competitors benefit from established distribution, market-ready products, and greater levels of financing. Plandaí intends to compete by producing higher quality and higher concentration extracts, producing at lower costs, and controlling a vertically integrated market that includes all stages from farming through production and marketing.

## **CUSTOMERS**

Plandaí will market to end users as well as other nutraceutical companies that require high-quality bio-available extracts for their products. In addition, the Company anticipates having surplus farm products including avocado, and macadamia nuts.

## **RESULTS OF OPERATIONS**

### **THREE MONTHS ENDED DECEMBER 31, 2012 COMPARED TO THREE MONTHS ENDED DECEMBER 31, 2011**

#### **SALES**

Revenue increased from \$13,896 to \$131,999 for the three months ended December 31, 2012 compared to the same period in 2011. The \$118,103 increase in revenue is primarily attributable to the sales of avocados, macadamia nuts and timber from the company's tea estate in South Africa.

Sales of Phytofare™ extracts are not expected to commence until Fall 2013, when the commercial-grade extraction facility is completed.

## **EXPENSES**

For the three months period ended December 31, 2012 and 2011, the Company reported \$125,493 and \$4,167 of payroll expenses, respectively. The increase is attributable to the farm workers hired to begin cultivating the farm land.

For the three months period ended December 31, 2012 and 2011, the Company reported \$82,301 and \$18,610 of professional fees, respectively. The increase is primarily attributable to legal fees.

For the three months period ended December 31, 2012 and 2011, the Company reported \$18,103 and \$21,647 of general and administration fees, respectively. The decrease was due to less travel costs.

## **OTHER**

For the three months ended December 31, 2012 and 2011, the Company reported interest expense of \$68,343 and \$0, respectively, an increase of \$68,343. The increase was due to the interest accrued on the Land Bank credit line.

## **SIX MONTHS ENDED DECEMBER 31, 2012 COMPARED TO SIX MONTHS ENDED DECEMBER 31, 2011**

### **SALES**

Revenues increased from \$14,776 to \$249,903 for the six months ended December 31, 2012, compared to the same period in 2011. The \$235,127 increase in revenue is primarily attributable to the sales of avocados, macadamia nuts and timber from the company's tea estate in South Africa.

Sales of Phytofare™ extracts are not expected to commence until Fall 2013, when the commercial-grade extraction facility is completed.

### **EXPENSES**

For the six months period ended December 31, 2012 and 2011, the Company reported \$170,465 and \$4,431 of payroll expenses, respectively. The increase is attributable to the farm workers hired to begin cultivating the farm land.

For the six months period ended December 31, 2012 and 2011, the Company reported \$150,799 and \$46,174 of professional fees, respectively. The increase is primarily attributable to legal fees.

Selling, general and administrative expenses increased \$132,473 from \$22,816 to \$155,289 for the six months ended December 31, 2012, as compared to the same period in 2011. The increase was primarily due to the Company's managing the rehabilitation of the tea estate.

### **OTHER**

For the six months ended December 31, 2012 and 2011, the Company reported interest expense of \$105,692 and \$0, respectively, an increase of \$105,692. The increase was due to the interest accrued on the Land Bank credit line.

## **LIQUIDITY AND CAPITAL RESOURCES**

For the six months ended December 31, 2012, the Company's cash used in operating activities totaled \$705,102, which was primarily attributable to a loss from operations, and cash used in investing activities was \$1,301,103 which consisted of the purchase of fixed assets and deposits on equipment. Cash provided by financing activities was \$3,387,005, generated by draw downs on a line of credit and advances on the loan from the Land and Agriculture Bank of South Africa. As of December 31, 2012, the Company had current assets of \$1,449,125 compared to current liabilities of \$341,302. For the six months ended December 31, 2011, the Company's cash used in operating activities totaled \$39,520, which was primarily attributable to a loss from operations, and cash used in investing activities was \$230 which consisted of the purchase of fixed assets. Cash provided by financing activities was \$41,295, which was from loans from related parties.

## **PLAN OF OPERATION**

The Company's long-term existence is dependent upon our ability to execute our operating plan and to obtain additional debt or equity financing to fund payment of obligations and provide working capital for operations. In April 2012, the Company through majority-owned subsidiaries of Dunn Roman Holdings Africa (Pty) Limited, executed final loan documents on a 100 million Rand (approx. \$13 million USD) financing with the Land and Agriculture Bank of South Africa and has begun rehabilitating the Senteeko Tea Estate so that it can begin yielding green tea feedstock by Autumn 2013. The company has also commenced construction of the factory and associated equipment necessary to begin the extraction process on live botanical matter, including green tea and citrus, with a goal to have the factory completed by the end of Spring, 2013. Once the facility is tested and operational, the



company will commence processing citrus material for its Phytofare™ Citrus Limonoid Glucoside Complex in Fall 2013 until the green tea is ready to harvest.

Management anticipates that it will require additional infusions of capital in order to meet the Company's long terms and short term operational objectives. Discussions are underway to license aspects of the technology, borrow funds, and secure grants for research and development, a combination of which enable the Company to continue implementing its business plan.

## **CRITICAL ACCOUNTING POLICIES**

The preparation of our financial statements in conformity with accounting principles generally accepted in the United States requires us to make estimates and judgments that affect our reported assets, liabilities, revenues, and expenses, and the disclosure of contingent assets and liabilities. We base our estimates and judgments on historical experience and on various other assumptions we believe to be reasonable under the circumstances. Future events, however, may differ markedly from our current expectations and assumptions. While there are a number of significant accounting policies affecting our financial statements, we believe the following critical accounting policies involve the most complex, difficult and subjective estimates and judgments.

### **Revenue recognition**

The Company derives its revenue from the production and sale of farm goods, raw materials and the sale of bioavailable extracts in both raw material and finished product form. The Company follows paragraph 605-10-S99-1 of the FASB Accounting Standards Codification for revenue recognition. The Company will recognize revenue when it is realized or realizable and earned. The Company considers revenue realized or realizable and earned when all of the following criteria are met: (i) persuasive evidence of an arrangement exists, (ii) the product has been shipped or the services have been rendered to the customer, (iii) the sales price is fixed or determinable, and (iv) collectability is reasonably assured. The Company mainly sells to retailers. There are no price incentives and the product can only be returned if defective. As the Company does not believe defective merchandise is likely an allowance has not been recognized. Revenue is recognized on a gross basis with corresponding costs of goods as a reduction to revenue in cost of sales.

### **Intangible and Long-Lived Assets**

We follow Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 360, *Property Plant and Equipment*, which establishes a primary asset approach to determine the cash flow estimation period for a group of assets and liabilities that represents the unit of accounting for a long lived asset to be held and used. Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The carrying amount of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less cost to sell.

Goodwill is accounted for in accordance with ASC Topic 350, *Intangibles – Goodwill and Other*. We assess the impairment of long-lived assets, including goodwill and intangibles on an annual basis or whenever events or changes in circumstances indicate that the fair value is less than its carrying value. Factors that we consider important which could trigger an impairment review include poor economic performance relative to historical or projected future operating results, significant negative industry, economic or company specific trends, changes in the manner of our use of the assets or the plans for our business, market price of our common stock, and loss of key personnel. We have determined that there was no impairment of goodwill during 2011 or 2010. The share exchange did not result in the recording of goodwill and there is not currently any goodwill recorded.

**Potential Derivative Instruments**

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We periodically assess our financial and equity instruments to determine if they require derivative accounting. Instruments which may potentially require derivative accounting are conversion features of debt and common stock equivalents in excess of available authorized common shares.

### **Off-Balance Sheet Arrangements**

We have no off-balance sheet arrangements.

### **Minority Interest**

Plandai owns 82% of Dunn Roman Holdings—Africa, which in turn owns 74% each of Breakwood Trading 22 (Pty, Ltd. and Green Gold Biotechnologies (Pty), Ltd., in order to be compliant with the Black Economic Empowerment rules imposed by the South African Land Bank. While the Company, under the Equity Method of Accounting, is required to consolidate 100% of the operations of its majority-owned subsidiaries, that portion of subsidiary net equity attributable to the minority ownership, together with an allocated portion of net income or net loss incurred by the subsidiaries, must be reflected on the consolidated financial statements. On the balance sheet, minority interest has been shown in the Equity Section, separated from the equity of Plandai, while on the income statement, the minority shareholder allocation of net loss has been shown in the Consolidated Statement of Operations.

### **Currency Translation Adjustment**

The Company maintains significant operations in South Africa, where the currency is the Rand. The subsidiary financial statements are therefore converted into US dollars prior to consolidation with the parent entity, Plandai Biotechnology, Inc. US GAAP requires that the weighted average exchange rate be applied to the foreign income statements and that the closing exchange rate as of the period end date be applied to the balance sheet. The cumulative foreign currency adjustment is included in the equity section of the balance sheet.

## **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK RISKS RELATED TO OUR BUSINESS**

### **We Have Historically Lost Money and Losses May Continue in the Future**

We have historically lost money. The loss for the fiscal year ended June 30, 2012 was \$3,774,307 and future losses are likely to occur. Accordingly, we may experience significant liquidity and cash flow problems if we are not able to raise additional capital as needed and on acceptable terms. No assurances can be given we will be successful in reaching or maintaining profitable operations.

### **We Will Need to Raise Additional Capital to Finance Operations**

Our operations have relied almost entirely on external financing to fund our operations. Such financing has historically come from a combination of borrowings and from the sale of common stock and assets to third parties. We will need to raise additional capital to fund our anticipated operating expenses and future expansion. Among other things, external financing will be required to cover our operating costs. We cannot assure you that financing whether from external sources or related parties will be available if needed or on favorable terms. The sale of our common stock to raise capital may cause dilution to our existing shareholders. Our inability to obtain adequate financing will result in the need to curtail business operations. Any of these events would be materially harmful to our business and may result in a lower stock price.

**There is Substantial Doubt About Our Ability to Continue as a Going Concern Due to Recurring Losses and Working Capital Shortages, Which Means that We May Not Be Able to Continue Operations Unless We Obtain Additional Funding**

The report of our independent accountants on our June 30, 2012 financial statements include an explanatory paragraph indicating that there is substantial doubt about our ability to continue as a going concern due to recurring losses and working capital shortages. Our ability to continue as a going concern will be determined by our ability to

obtain additional funding. Our financial statements do not include any adjustments that might result from the outcome of this uncertainty.

### **Our Common Stock May Be Affected By Limited Trading Volume and May Fluctuate Significantly**

There has been a limited public market for our common stock and there can be no assurance that an active trading market for our common stock will develop. As a result, this could adversely affect our shareholders' ability to sell our common stock in short time periods, or possibly at all. Our common stock has experienced, and is likely to experience in the future, significant price and volume fluctuations that could adversely affect the market price of our common stock without regard to our operating performance. In addition, we believe that factors such as quarterly fluctuations in our financial results and changes in the overall economy or the condition of the financial markets could cause the price of our common stock to fluctuate substantially. Substantial fluctuations in our stock price could significantly reduce the price of our stock.

### **There is no Assurance of Continued Public Trading Market and Being a Low Priced Security may Affect the Market Value of Our Stock**

To date, there has been only a limited public market for our common stock. Our common stock is currently quoted on the OTCBB. As a result, an investor may find it difficult to dispose of, or to obtain accurate quotations as to the market value of our stock. Our stock is subject to the low-priced security or so called "penny stock" rules that impose additional sales practice requirements on broker-dealers who sell such securities. The Securities Enforcement and Penny Stock Reform Act of 1990 requires additional disclosure in connection with any trades involving a stock defined as a penny stock (generally, according to recent regulations adopted by the SEC, any equity security that has a market price of less than \$5.00 per share, subject to certain exceptions that we no longer meet). For example, brokers/dealers selling such securities must, prior to effecting the transaction, provide their customers with a document that discloses the risks of investing in such securities. Included in this document are the following:

- the bid and offer price quotes in and for the "penny stock," and the number of shares to which the quoted prices apply,
- the brokerage firm's compensation for the trade, and
- the compensation received by the brokerage firm's sales person for the trade.

In addition, the brokerage firm must send the investor:

- a monthly account statement that gives an estimate of the value of each "penny stock" in the investor's account, and
- a written statement of the investor's financial situation and investment goals.

If the person purchasing the securities is someone other than an accredited investor or an established customer of the broker/dealer, the broker/dealer must also approve the potential customer's account by obtaining information concerning the customer's financial situation, investment experience and investment objectives. The broker/dealer must also make a determination whether the transaction is suitable for the customer and whether the customer has

sufficient knowledge and experience in financial matters to be reasonably expected to be capable of evaluating the risk of transactions in such securities. Accordingly, the Commission's rules may limit the number of potential purchasers of the shares of our common stock.

Resale restrictions on transferring "penny stocks" are sometimes imposed by some states, which may make transaction in our stock more difficult and may reduce the value of the investment. Various state securities laws pose restrictions on transferring "penny stocks" and as a result, investors in our common stock may have the ability to sell their shares of our common stock impaired.

There can be no assurance we will have market makers in our stock. If the number of market makers in our stock should decline, the liquidity of our common stock could be impaired, not only in the number of shares of common stock which could be bought and sold, but also through possible delays in the timing of transactions, and lower

prices for the common stock than might otherwise prevail. Furthermore, the lack of market makers could result in persons being unable to buy or sell shares of the common stock on any secondary market.

### **We Could Fail to Retain or Attract Key Personnel**

Our future success depends in significant part on the continued services of Roger Duffield, our President. We cannot assure you we would be able to find an appropriate replacement for key personnel. Any loss or interruption of our key personnel's services could adversely affect our ability to develop our business plan. We have no employment agreements or life insurance on Mr. Duffield.

### **Nevada Law and Our Charter May Inhibit a Takeover of Our Company That Stockholders May Consider Favorable**

Provisions of Nevada law, such as its business combination statute, may have the effect of delaying, deferring or preventing a change in control of our company. As a result, these provisions could limit the price some investors might be willing to pay in the future for shares of our common stock.

## **ITEM 4. CONTROLS AND PROCEDURES**

### **Evaluation of Disclosure Controls and Procedures**

We maintain disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") that are designed to be effective in providing reasonable assurance that information required to be disclosed in our reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission (the "SEC"), and that such information is accumulated and communicated to our management to allow timely decisions regarding required disclosure.

In designing and evaluating disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable, not absolute assurance of achieving the desired objectives. Also, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision-making

can be faulty and that breakdowns can occur because of simple error or mistake. The design of any system of controls is based, in part, upon certain assumptions about the likelihood of future events and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of management, including our chief executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based upon that evaluation, management concluded that our disclosure controls and procedures are effective as of June 30, 2012 to cause the information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods prescribed by SEC, and that such information is accumulated and communicated to management, including our chief executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

#### **Changes in Internal Control over Financial Reporting**

There was no change in our internal controls over financial reporting identified in connection with the requisite evaluation that occurred during our last fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.



**PART II**

**ITEM 1. LEGAL PROCEEDINGS**

None.

**ITEM 1A. RISK FACTORS**

This item is not applicable as we are currently considered a smaller reporting company.

**ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

None during the three months ended December 31, 2012.

**ITEM 3. DEFAULTS UPON SENIOR SECURITIES**

None.

**ITEM 4. MINING SAFETY DISCLOSURES**

Not applicable.

**ITEM 5. OTHER INFORMATION**

None.

**ITEM 6. EXHIBITS**

Plandai Biotechnology, Inc. includes herewith the following exhibits:

Exhibit	Exhibit Description	Filed herewith	Incorporated by reference		
			Form	Period ending	Exhibit Filing date
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	X			
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	X			
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	X			
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	X			
101.INS*	XBRL Instance Document	X			
101.SCH*	XBRL Taxonomy Extension Schema Document	X			
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document	X			
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document	X			
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document	X			
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Definition	X			

**SIGNATURES**

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**Plandai Biotechnology, Inc.**  
(Registrant)

By: /s/ Roger Duffield

Roger Duffield, President

Date: June 6, 2013

(On behalf of the Registrant  
and as  
Principal Executive Officer)

