



NATH SEEDS LIMITED

For Production, Processing & Marketing of
HYBRID SEEDS

DIRECTORS

Satish Kagliwal
Akash Kagliwal
Shrirang Agrawal
Radhesham Attal

COMPANY SECRETARY

Krutika Apte

AUDITORS

Gautam N Associates
Chartered Accountants
Shangrilla Complex, 2nd Floor
C.B.S. Road, Aurangabad – 431005

BANKERS

Janakalyan Sahakari Bank Ltd.,
22-23, Mahendra Chambers
First Floor, D.N. Road
Fort Mumbai

REGISTERED OFFICE

Nath House
Nath Road
Aurangabad 431005

ADMINISTRATIVE OFFICE

1, Chateau Windsor
86, Veer Nariman Road
Churchgate
Mumbai – 400 020

NOTICE

Notice is hereby given that the ANNUAL GENERAL MEETING of NATH SEEDS LIMITED will be held at the Registered Office of the company at Nath House, Nath Road, Aurangabad-431005 on Saturday the 1st September, 2012 at 4 p.m., to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report and Audited Profit and Loss Account for the year ended 31st March, 2012 and the Balance Sheet as at that date.
2. To appoint Auditors of the company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their Remuneration and for the purpose, to consider and if thought fit, to pass with or without modification the following resolution as ordinary resolution;

"Resolved That pursuant to the provisions of Section 224 and other applicable provisions, if any of the Companies Act, 1956, M/s Gautam Nandavat & Associates, Chartered Accountants, Aurangabad, the retiring Auditors be and are hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and that the Board of Directors of the Company be and is hereby authorized to fix their remuneration for the said period."

3. To appoint Mr. Akash Kagliwal as Director of the Company, who retires by rotation and being eligible, offers himself for re-appointment.

By order of the Board of Directors

Date: 4th August, 2012
Registered Office: Nath House
Nath Road,
Aurangabad-431005

Krutika Apte
Company Secretary

=====

NOTES: 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

2. The Proxy Forms duly completed must reach the Registered Office of the company not less than forty Eight Hours before the commencement of the meeting.

3. Pursuant to Section 154 of the Companies Act 1956, The Register of Members and Share Transfer Books of the Company will be closed on 29th September 2011.

NOTES

ITEM NO 3

DETAILS OF DIRECTORS RETIRING BY ROTATION AND SEEKING RE-APPOINTMENT

NAME OF DIRECTOR	Mr. Akash Kagliwal
Date of Birth	10.06.1979
Date of Appointment	06.09.2003
Qualification	B. A. (Hons) in International Business, Regent Business School, London
Experience in special functional area	Industrialist with rich business experience
Chairman/ Director of other companies	<ol style="list-style-type: none"> 1. Nath Seeds Limited 2. Agri-Tech (India) Limited 3. Nath Pulp & Paper Mills Limited 4. Nath Bio-Technologies Limited 5. Nath Royal Limited 6. Ferry Fax Farms Private Limited 7. Global Transgenes Limited 8. Barkha Farms Private Limited 9. Paresh Farms Private Limited 10. Prabha Farms Private Limited 11. Ashu Farms Private Limited 12. Akash Farms Private Limited 13. Nath Industrial Chemical Limited 14. Tapovan Paper & Board Mills Limited 15. Nath Bio-Genes (India) Limited 16. Mayo (India) Limited 17. Nath Royal Seeds Limited 18. Nath Nirman Infra Private Limited
Chairman/ Member of Committees of other Companies	<p>Nath Seeds Limited</p> <ul style="list-style-type: none"> - Audit Committee - Investor Grievance Committee <p>Agri-Tech (India) Limited</p> <ul style="list-style-type: none"> - Audit Committee - Investor Grievance Committee <p>Nath Pulp & Paper Mills Limited</p> <ul style="list-style-type: none"> - Audit Committee - Investor Grievance Committee <p>Nath Bio-Genes (India) Limited</p> <ul style="list-style-type: none"> - Audit Committee - Investor Grievance Committee
No of shares held in the Company	NIL

By order of the Board of Directors

Date: 4th August, 2012
Registered Office: Nath House
Nath Road,
Aurangabad-431005

Krutika Apte
Company Secretary

DIRECTORS' REPORT

Your Directors are pleased to present the Annual Report together with the Audited Accounts of your Company for the financial year ended 31st March 2012.

FINANCIAL RESULTS

(Rs In Lacs)

Sr. No	PARTICULARS	YEAR ENDED	
		31.03.2012	31.03.2011
1.	Sales	2360.78	1591.44
2.	Profit before Interest & Depreciation	115.45	215.46
3.	Interest	100.64	108.68
4.	Depreciation	3.41	3.59
5.	Profit Before Tax	11.40	103.19
6.	Tax Provision	0	0
7.	Profit After Tax	11.40	103.19
8.	Extra-Ordinary Items	0	5.26
9.	Profit carried to Balance Sheet	11.40	108.45

OVERALL PERFORMANCE AND OUTLOOK

The turnover of the Company during the financial year was Rs 2360.78 Lacs as against last year's 1591 Lacs. The Company is positive about its future growth.

MANAGEMENT REVIEW ANALYSIS

i. INDUSTRY STRUCTURE AND DEVELOPMENT

Agriculture remains a pivotal part of the Indian Economy despite the emergence of other sectors and decreasing GDP Share. The Agri-inputs industry produces products that provide essential support to modern agriculture. The Seed is one of the most crucial inputs in agricultural production.

We continued to play a dominant role in the seed industry & the Company is now dealing in all types of Hybrid seeds. We have been in this business since inception and have made tremendous inroads in the seeds markets.

The main stay of the company is cotton seed, for which we have already developed a Bt Seed, suitable for Indian Markets.

ii. OPPORTUNITIES AND THREATS

The company had been majoring on cotton seed over the last few years. However, we have now begun to concentrate on other crops, especially Paddy and then subsequently wheat thereby changing the product mix of the company. We have also been concentrating on Research & Development, with a focus to release new hybrid seeds every 2-3 years. With the growing seed industry, the company is all poised to reap rich dividends.

The monsoon factor plays a very important role in the seed industry, basically because majority of the agrarian society of the nation is dependent on rains. This factor has played a significant role in the past and would continue to be a factor for future too.

iii. **SEGMENTATION OR PRODUCT-WISE PERFORMANCE**

Although the Company deals in research of various types of hybrid seeds, the seed as such is a single product, and hence is reported as one segment. However, we keep a track on the product performances and apart from Cotton; Paddy & Wheat have also been performing well.

iv. **OUTLOOK, RISK AND CONCERNS**

The main risk in the seed industry is erratic monsoon, which is beyond control. The Company feels that with the modernization in Irrigation systems, the seed industry would be able to face the situation better in future. There is an opportunity to accelerate growth in the farming sector which has remained stagnant for over past two decades.

However, several other factors like floods, drought and macro economic factors like demand and supply of end products will have an impact on this industry.

v. **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

There is adequate internal control system in the company through internal audit and regular operational reviews.

vi. **DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT**

During the year a number of key HR initiatives were taken up to link business objectives with employee performance. The human resources of the Company are adequately motivated to work towards optimal performance. The industrial relations are also cordial.

CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The Company has also implemented several best corporate governance practices as prevalent globally.

The Report on Corporate Governance as stipulated under Clause 49 of Listing Agreement forms part of the Annual Report. The Requisite Certificate from the Auditors of the Company, Gautam N Associates, Chartered Accountants, Aurangabad confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49 is attached to this report.

DIVIDEND

Given the growth requirements of the business and the inadequacy of profits in the Company, the Directors have not recommended any dividend for the financial year 2011-12.

DEPOSITS

The Company has accepted Fixed Deposits as per section 58A of the Companies Act, 1956, and has strictly adhered to all the applicable laws and regulations including the Companies Act, 1956 read with Rules issued thereunder. The Company has complied with all the necessary requirements while accepting deposits. .

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION FOREIGN EXCHANGE EARNING & OUTGO:

In terms of rule 2 of The Companies (Disclosure of particulars in the report of Board of Directors Rules, 1988) the relevant particulars are given as under.

Conservation of Energy:

The Company has taken necessary measure to achieve economy in consumption of energy.

Technology Absorption & Research and Development:

The company has employed state-of-the-art technology, wherever applicable.

Expenditure on R & D	NIL
Foreign Exchange Earning and Outgo: Earnings	NIL
Outgo	NIL

DIRECTORS

Mr. Akash Kagliwal, Director retires by rotation and being eligible offers himself for re-appointment. Pursuant to Clause 49 of the Listing Agreement, Details of Directors retiring by rotation is provided as part of the Notice of the ensuing Annual General Meeting.

COMPANY SECRETARY

Pursuant to the provisions of the Companies Act, 1956, your company has appointed Ms. Krutika Apte as a full time Company Secretary of the Company for ensuring the compliance of all necessary statutory requirements and procedures.

AUDITORS

M/s Gautam Nandavat Associates, Chartered Accountants, Aurangabad retire at the ensuing Annual General Meeting and being eligible, have expressed their willingness to continue, if so appointed. As required under the provisions of Section 224 of the Companies Act, 1956 your Company has obtained a written certificate from the Auditors proposed to be re-appointed to the effect that their re-appointment , if made would be in conformity with the limits specified in the said section.

The Board hereby requests the members to reappoint M/s Gautam Nandavat Associates, Chartered Accountants, Aurangabad as the Auditors for the current year.

AUDITORS REPORT

The Auditors in their Report have made certain comments which are self-explanatory, and therefore, in the opinion of the Directors, do not call for any further explanation.

PARTICULARS OF EMPLOYEES

As required by Section 217 (2 A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the information be treated as NIL, as no employee is drawing salary equals to or above the limits mentioned in the said Section and Rules.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217 (2AA) of Companies Act, 1956, the Board of Directors hereby confirms that,

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures.
- ii. It has in the selection of the accounting policies, consulted the Statutory Auditors and has applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the company as at 31st March, 2012 and of the profits of the company for that period.
- iii. It has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities, to the best of its knowledge and ability. There are however, inherent limitations, which should be recognized while relying on any system of internal control and records.
- iv. It has prepared the annual accounts on a going concern basis.

INSURANCE

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

ACKNOWLEDGEMENT

The employees of NATH SEEDS LIMITED continue to work with great dedication and commitment. The Board desires to place on record its appreciation to all the employees of the company during the year under review.

The Board also acknowledges the support given by Banks, Financial Institutions and Government Authorities.

For and on behalf of the Board of Directors

4th August 2012
Registered Office:
Nath House,
Nath Road,
Aurangabad-431005

Whole Time Director
Satish Kagliwal

Director
Akash Kagliwal

CORPORATE GOVERNANCE REPORT

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

MANDATORY REQUIREMENTS

1. Company's Philosophy

The Company's philosophy on Corporate Governance envisages the attainment of high level transparency and accountability in the functioning of the Company and the conduct of its business internally and externally, including its interaction with employees, shareholders, creditors, consumers and institutional and other lenders and places due emphasis on regulatory compliance.

Traditional views of governance as a regulatory and compliance requirement have given a way for adoption of governance as an integral part of the Company. Several initiatives have been taken for maintaining the highest standards which include efficient shareholders' communications, observance of Secretarial Standards issued by the Institute of Company Secretaries of India, Best Governance Practices.

The Company will continue its journey in raising the standards in Corporate Governance and will also review its systems and procedures constantly to keep pace with the changing economic environment.

2. The Board of Directors

Composition and Status of Directors

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

Name of the Director	Category	No of Public Directorships	Committee Membership	Committee Chairmanship
Mr. Satish Kagliwal	Promoter Executive	6	4	-
Mr. Akash Kagliwal	Promoter Executive	10	8	2
Mr. Radhasham Attal	Independent Non-Executive	3	2	2
Mr. Shrirang Agrawal	Independent Non Executive	7	6	4
Mr. Kumarrao Anvikar*	Independent Non-Executive	0	2	2

* Mr. Kumarrao Anvikar ceased to be director wef 1st September 2011 due to his sudden demise.

The present strength of the Board of Directors is 4.

Attendance of Directors at the Board Meeting

During the year ended 31st March 2012, Five Board of Directors Meetings were held on 30th April 2011, 30th July 2011, 5th September 2011, 28th October 2011, & 31st January 2012. The interval between two meetings did not exceed four months. The attendance of each Director at Board of Directors Meetings is as under;

Name of Director	No. of Board Meetings
Mr. Satish Kagliwal	5
Mr. Akash Kagliwal	5
Mr. Radhasham Attal	5
Mr. Kumarrao Anvikar	2
Mr. Shrirang Agrawal	5

All significant information had been place before the Board.

3. Code of Conduct

The company has formulated and adopted a code of business conduct and ethics to guide our transactions with our colleagues, communities, customers, governments, investors, regulators and society. Requisite Annual Affirmations of compliance with the respective code have been made by the directors and the management of the company.

4. Committees of the Board**A. Audit Committee****(i) Broad Terms of Reference**

The terms of reference of the Audit Committee include:

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

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

(ii) Composition

The Audit Committee comprises of 3 Directors. The Chairman of the Committee Mr. Kumarrao Anvikar, Independent, Non-executive Director ceased to be the director of the Company with effect from 1st September 2011. The Audit Committee was reconstituted to include three Directors namely Mr. Radhyesham Attal, Chairman Mr. Akash Kagliwal, Committee Member & Mr. Shrirang Agrawal, Committee Member. During the year ended 31st March 2012, four audit committee meetings were held on 30th April 2011, 30th July 2011, 28th October 2011, and 31st January 2012. The constitution of the Audit Committee and attendance of the members of the meetings was as under;

Name of Director	Status	No. of Meetings attended
Mr. Kumarrao Anvikar*	Chairman, Independent Non Executive	2
Mr. Radhesham Attal	Chairman, Independent, Non-Executive	2
Mr. Akash Kagliwal	Member, Promoter, Executive	4
Mr. Shrirang Agrawal	Member, Independent, Non-Executive	2

*Ceased to be Director of the Company with effect from 1st September 2011.

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

(i) Broad Terms of Reference

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

(ii) Composition

The Committee comprises of 3 Directors. The Committee was reconstituted after the cessation of Mr. Kumarrao Anvikar as the director of the Company to include, Mr. Radhyesham Attal, Chairman Mr. Shrirang Agrawal, Committee Member and Mr. Akash Kagliwal, Committee Member. The Committee met four times during the year and attendance of the members at the meetings was as under:

Name of Director	Status	No. of Meetings attended
Mr. Kumarrao Anvikar*	Chairman, Independent Non Executive	2
Mr. Radhesham Attal	Chairman, Independent, Non-Executive	2
Mr. Akash Kagliwal	Member, Promoter, Executive	4
Mr. Shrirang Agrawal	Member, Independent, Non-Executive	2

*Ceased to be Director of the Company with effect from 1st September 2011.

(iii) Details of Shareholders' complaints

The company during the year received 9 complaints. There were NIL complaints pending disposal as on 31st March 2012.