

ANNUAL REPORT

2012 – 2013

NATH SEEDS LIMITED

CONTENTS

- COMPANY INFORMATION
- NOTICE
- DIRECTOR'S REPORT
- CORPORATE GOVERNANCE REPORT
- AUDITOR'S REPORT
- BALANCE SHEET
- PROFIT & LOSS ACCOUNT
- CASH FLOW STATEMENT
- NOTES TO ACCOUNT

COMPANY INFORMATION

BOARD OF DIRECTORS

Satish Kagliwal
Akash Kagliwal
Shrirang Agrawal
Radhesham Attal

CHIEF FINANCIAL OFFICER

Devinder Khurana

STATUTORY AUDITORS

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

REGISTERED OFFICE

Nath House,
Nath Road,
Aurangabad-431005

PLANT LOCATION

Nath Seeds Limited,
Nath House, Nath Road,
Aurangabad-431005
Tel +91-240-2376314 Fax +91-240-2376188

ADMINISTRATIVE OFFICE

1, Chateau Windsor,
86, Veer Nariman Road,
Churchgate,
Mumbai-400020

REGISTRAR & TRANSFER AGENTS

Big Share Services Private Limited,
E2/3, Ansa Industrial Estate,
Sak Vihar Road, Saki Naka,
Andheri (East), Mumbai-72
Tel +91-22-2847 0652, +91-22-4043 0200

NOTICE

Notice is hereby given that the 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 31st August, 2013 at 2 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, 2013 and the Balance Sheet as at that date.
2. To appoint Auditors of the company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their Remuneration and for the purpose, to consider and if thought it, to pass with or without modification the following resolution as ordinary resolution;

“Resolved That pursuant to the provisions of Section 224 and other applicable provisions, if any of the Companies Act, 1956, M/s Gautam 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. Shrirang Agrawal 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: 29th July, 2013
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 August 2013 and 30th August 2013.

=====

\

NOTES: **ITEM NO 3**

DETAILS OF DIRECTORS RETIRING BY ROTATION AND SEEKING RE-APPOINTMENT

NAME OF DIRECTOR	Mr. Shrirang Agrawal
Date of Birth	16.02.1947
Date of Appointment	30.01.2008
Qualification	Bachelor of Commerce
Experience in special functional area	Industrialist with rich business experience
Chairman/ Director of other companies	<ol style="list-style-type: none"> 1. Agri-Tech (India) Limited 2. Nath Bio-Technologies Limited 3. Global Transgenes Limited 4. Barkha Farms Private Limited 5. Nath Pulp & Paper Mills Limited 6. Mayo (India) Limited 7. Wexford Trading Company Private Limited
Chairman/ Member of Committees of other Companies	<p>Nath Pulp & Paper Mills 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>Mayo (India) Limited</p> <ul style="list-style-type: none"> - Audit Committee
No of shares held in the Company	NIL

By order of the Board of Directors

Date: 29th July, 2013
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 2013.

FINANCIAL RESULTS

(Rs in Lacs)

Sr. No	PARTICULARS	YEAR ENDED	
		31.03.2013	31.03.2012
1.	Sales	1240.25	2360.78
2.	Profit before Interest & Depreciation	31.19	115.45
3.	Interest	16.59	100.64
4.	Depreciation	6.48	3.41
5.	Profit Before Tax	8.12	11.40
6.	Tax Provision	0	0
7.	Profit After Tax	8.12	11.40
8.	Extra-Ordinary Items	0	0
9.	Profit carried to Balance Sheet	8.12	11.40

OVERALL PERFORMANCE AND OUTLOOK

The turnover of the Company during the financial year was Rs 1240.25 Lacs as against last year's 2360.78 Lacs. Your Company is in a transitional phase and is changing its business operations. This was the last year for hybrid Seeds Operations. Your Company is now planning to commence Infrastructure Development. The main objects of the Company have already been changed to incorporate the new business strategy through a postal ballot. We are now setting up new plans for Infrastructure Development and plan to commence new operations over the next few months.

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 2012-13.

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 there under. 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. Shrirang Agrawal, 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, regarding non charging of interest. The Management feels that since the investment is of strategic nature, no interest is to be charged.

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, 2013 and of the profits of the company for that period.
- iii. It has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities, to the best of its knowledge and ability. There are however, inherent limitations, which should be recognized while relying on any system of internal control and records.
- iv. It has prepared the annual accounts on a going concern basis.

INSURANCE

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

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

29th July 2013

Registered Office:

Nath House,

Nath Road,

Aurangabad-431005

Whole Time Director

Satish Kagliwal

Director

Aakash 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	2	-
Mr. Akash Kagliwal	Promoter Executive	10	6	-
Mr. Radhesham Attal	Independent Non-Executive	3	2	2
Mr. Shrirang Agrawal	Independent Non Executive	6	6	2

The present strength of the Board of Directors is 4.