



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 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. 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

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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.

(iv) Compliance Officer

Ms. Krutika Apte is the Compliance officer of the Company for complying with requirements of SEBI Regulations and the Listing Agreements of the Stock Exchanges in India.

(v) Company Secretary

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the directors and senior management for effective decision making at the meetings. The Company Secretary is primarily responsible to ensure compliance with the applicable statutory requirements and is the interface between the management and regulatory authorities for governance matters. Ms. Krutika Apte has been employed as the Company Secretary of the Company.

C. Remuneration Committee: The remuneration Committee has been dissolved during the year with due consent of Board of directors.

5. Details of General Body Meetings

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

| Financial Year | Place | Date | Time |
|----------------|--|---------------------------------|---------|
| 2010-2011 | Nath House, Nath Road, Aurangabad (MAH) 431005 | 30 th September 2011 | 4.00 PM |
| 2009-10 | Nath House, Nath Road, Aurangabad (MAH) 431005 | 30 th September 2010 | 4.00 PM |
| 2008-09 | Nath House, Nath Road, Aurangabad (MAH) 431005 | 30 th September 2009 | 4.00 PM |

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

6. Means of communication

(a) Quarterly Results: The Board of Directors of the Company approved and took on record communicated the Unaudited Results of the Company to the Stock Exchanges and displayed the same on the Company's website www.nathseeds.com.

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

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

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

investor@nathseeds.com

7. Disclosures

- No transaction of material nature has been entered into by the Company with directors or management and their relatives, etc. that may have a potential conflict with the interest of the Company.
- There are some financial & operating transactions with its Promoters & Directors & associate concerns which are not conflicting Company's interest. The details of such transactions have been shown in Note No.32 forming part of the financial statement for the year ended 31st March, 2012.
- Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any other statutory authority on any matter related to capital markets, during the last three years : Nil
- The Company has not established any mechanism as referred under Whistle Blower policy.
- Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause: The Company has complied with all mandatory requirements. No non-mandatory requirements were adopted.

8. Shareholders information

a. Registered Office

Nath Seeds Limited
Nath House
Nath Road, Aurangabad
Maharashtra, 431 005

b. Annual General Meeting

| | |
|------------------------|--|
| Location | Nath Seeds Limited Nath House, Nath Road Aurangabad, 431005 |
| Date & Time | Saturday, 1st September 2012, 4.00 PM |

c. Date of Book Closure

The register of share holders of the Company will remain closed on 30th August 2012 & 31st August 2012.

d. Financial Calendar

- Financial Reporting for the Quarter Ending 30th June 2012 by July 2012.
- Financial Reporting for the Quarter Ending 30th September 2012 by October 2012.
- Financial Reporting for the Quarter Ending 31st December 2012 by January 2013.
- Financial Reporting for the Quarter Ending 31st March 2013 by April 2013.
- Annual General Meeting for the Year ending 31st March 2013 by September 2013.

e. Listing on Stock Exchanges and ISIN No.

The Company's shares are listed at the Stock Exchange, Mumbai, National Stock Exchange of India Limited, Mumbai and the Stock Exchange Ahmadabad, under ISIN No. ISIN-INE778A01021, by National Securities Depository Limited and Central Depository Services (India) Limited. The shares of the company fall under the category of compulsory delivery in de materialized mode by all category of investors.

f. Listing Fee Status

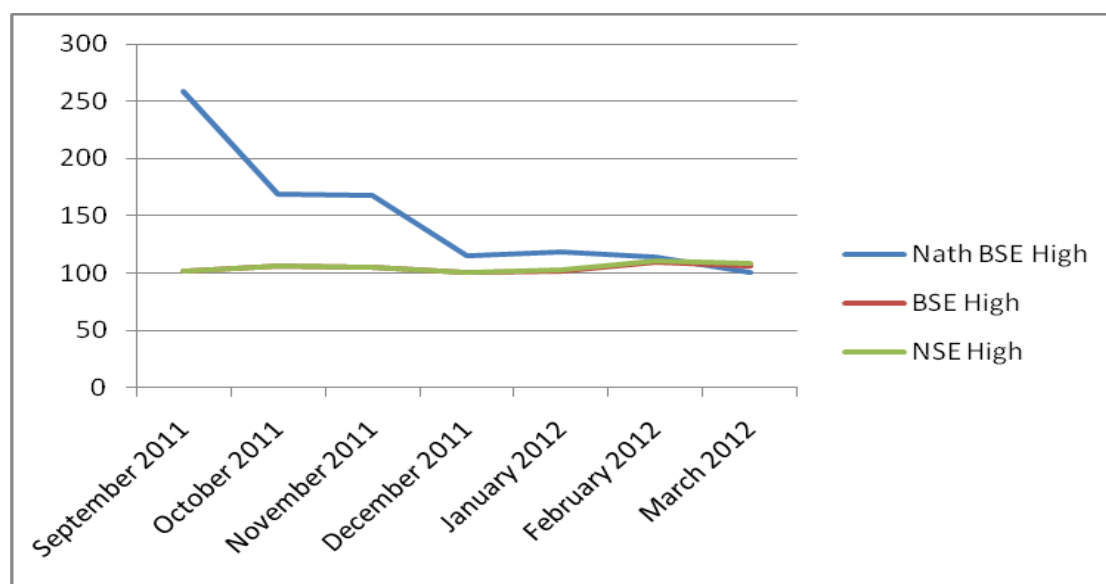
| | |
|--------------------------|-----------------------------|
| Bombay Stock Exchange | Paid for the year 2012-2013 |
| National Stock Exchange | Paid for the year 2012-2013 |
| Ahmadabad Stock Exchange | Paid for the year 2012-2013 |

g. Stock Code

| Stock Exchange | Trade Symbol |
|--------------------------|--------------|
| Bombay Stock Exchange | NATHSE |
| National Stock Exchange | NATHSEED |
| Ahmedabad Stock Exchange | NATHSEEDS |

h. Stock Market Data

| Period (year2011-12) | BOMBAY STOCK EXCHANGE | | | NATIONAL STOCK EXCHANGE | | |
|-------------------------|-----------------------|----------|---------------|-------------------------|----------|--------------|
| | High (Rs) | Low (Rs) | Sensex (High) | High (Rs) | Low (Rs) | Nifty (High) |
| September 2011 | 21.95 | 12.39 | 17,211.80 | 20.80 | 12.20 | 5169.25 |
| October 2011 | 14.28 | 9.85 | 17,908.13 | 14.45 | 9.75 | 5399.70 |
| November 2011 | 14.25 | 7.85 | 17,702.26 | 13.8 | 7.65 | 5326.45 |
| December 2011 | 9.70 | 6.37 | 17,003.71 | 9.00 | 6.85 | 5099.25 |
| January 2012 | 9.98 | 7.40 | 17,258.97 | 10.00 | 7.10 | 5215.40 |
| February 2012 | 9.69 | 7.90 | 18,523.78 | 9.80 | 7.30 | 5629.95 |
| March 2012 | 8.50 | 6.07 | 18,040.69 | 8.12 | 6.23 | 5499.40 |



i. Registry and Transfer activity

As per the SEBI guidelines, the Registry and Share transfer activity is being handled by M/s Big Share Services Private Limited, INR 00001385. The Share Transfer requests received in physical form are normally registered within 30 days from the date of receipt.

j. Distribution of Share Holding as on 31st March 2012

| Shareholding of Nominal Value (Rs.) | No. of Holders | % of Total Holders | Total Shares | % of Total |
|-------------------------------------|----------------|--------------------|-----------------|---------------|
| 0-5000 | 26451 | 84.82 | 3241518 | 22.63 |
| 5001-10000 | 2753 | 8.83 | 1825829 | 12.74 |
| 10001-20000 | 1112 | 3.57 | 1520941 | 10.62 |
| 20001-30000 | 395 | 1.26 | 999079 | 6.97 |
| 30001-40000 | 118 | 0.37 | 409093 | 2.85 |
| 40001-50000 | 87 | 0.28 | 390348 | 2.72 |
| 50001-100000 | 167 | 0.53 | 1117707 | 7.81 |
| Above-100001 | 104 | 0.33 | 4821485 | 33.66 |
| Total | 31187 | 100.00 | 14326000 | 100.00 |

k. Share Holding Pattern as on 31st March 2012

| Category | No. of Shares | % of Capital |
|---------------------------------|-----------------|---------------|
| Indian Promoters | 4963591 | 34.65 |
| Persons acting in Concert | 0 | 0 |
| Sub Total | 4963591 | 34.65 |
| Non Promoter Holding | | |
| Mutual Funds | 4408 | 0.03 |
| Banks/Financial Institutions | 106448 | 0.74 |
| Foreign Institutional Investors | 1450 | 0.01 |
| Clearing Agents | 43768 | 0.31 |
| Sub Total | 156074 | 1.09 |
| Others | | |
| Private Corporate Bodies | 1470178 | 10.26 |
| Indian Public | 7648904 | 53.4 |
| NRI/OCB | 87253 | 0.61 |
| Sub Total | 9206335 | 64.26 |
| Total | 14326000 | 100.00 |

I. Plant Location

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

m. Investor Correspondence

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

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

For any query on Annual Report please write to;

Ms. Krutika Apte
Company Secretary
Nath Seeds Limited,
Nath House, Nath Road,
Aurangabad-431005
Email: investor@nathseeds.com

For an on behalf of the Board of Directors

Aurangabad
Dated: 4th August 2012

Whole Time Director
Satish Kagliwal

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

To,
The Members of
Nath Seeds Limited
Aurangabad

We have examined the compliance of conditions of corporate governance by Nath Seeds Limited for the year ended on 31st March 2012, as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchanges in India.

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

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

On the basis of the representation received from Registrar and Share Transfer agent and as per the records maintained by the Company which are presented to the Share Transfer Approval Committee, we state that no Investor grievances are pending for a period exceeding one month as on 31st March 2012.

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

For Gautam N. Associates
Chartered Accountants

Gautam Nandawat
Partner

Place: Aurangabad
Dated: 04.08.2012

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

To the Board of Directors of Nath Seeds Limited

Dear Sirs,

SUB: CEO/CFO Certificate

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

We Satish Kagliwal, Whole Time Director and Devinder Khurana, Vice President Finance of Nath Seeds Limited, to the best of our knowledge and belief, certify that:

We have reviewed the financial statements, read with cash flow statement of Nath Seeds Limited for the year ended March 31, 2012 and that to the best of our knowledge and belief, we state that:

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

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

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

We have indicated to the auditors and the Audit committee;

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

For an on behalf of the Board of Directors

Aurangabad
Dated: 4th August, 2012

Whole Time Director
Satish Kagliwal

Vice President (Finance)
Devinder Khurana

DECLARATION UNDER CLAUSE 49 OF THE LISTING AGREEMENT

In accordance with Sub Clause I (D) of Clause 49 of the Listing Agreement with the Stock Exchanges, I Satish Kagliwal, Whole Time Director of the Company hereby confirm that the Board members and the senior management personnel of the Company have affirmed compliance with the Company's Code of Conduct for the financial Year ended 31st March, 2012.

For an on behalf of the Board of Directors

Aurangabad
Dated: 4th August 2012

Whole Time Director
Satish Kagliwal

AUDITORS' REPORT

To,
THE MEMBERS
NATH SEEDS LIMITED

1. We have audited the attached Balance Sheet of **NATH SEEDS LIMITED** as at 31st March 2012, the Statement of Profit and Loss and also the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 (hereinafter referred to as the "Act") and on the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of audit, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the Company.
4. Further to our comments in the Annexure referred to in paragraph (3) above, we report that:
 - a) *The accounts of certain Creditors, Unsecured Loans, Certain current account balances with banks, Deposits, Loans and Advances (including inter transfer party balances) are subject to confirmations and reconciliation.(Refer Note No.26.);*
 - b) On the basis of written representations received from the directors of the Company as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified from being appointed as a director of the Company as on 31st March 2012 in terms of section 274(1)(g) of the Act.
 - c) *Subject to what is stated at paragraphs (a) above; we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;*
 - d) Proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - e) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - f) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report have been prepared in compliance with the

Accounting Standards referred to in Section 211(3C) of the Act, to the extent applicable;

g) In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject *to what is stated in paragraphs (a) above, having consequential impact, (presently not ascertainable) on the profit for the year, Reserves and Surplus, Assets and Liabilities of the Company* and read together with Significant Accounting Policies, and Notes on the Financial Statements, *and our comments in Annexure referred to in paragraph (3) above*, give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- I. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2012; and
- II. in the case of the Statement of Profit and Loss, of the Profit of the Company for the year ended on that date.
- III. in the case of Cash Flow Statement, of the cash flow for the year ended on that date.

For Gautam N Associates
Firm Registration No 103117W
Chartered Accountants

(Gautam Nandawat)
Partner
M No 32742

Place: Aurangabad
Dated: 4th August 2012

ANNEXURE TO THE AUDITORS' REPORT

Annexure referred to in Para 3 of our report to the Members of Nath Seeds Limited for the year ended 31st March, 2012.

- i) a) The Company has maintained proper records, showing full particulars including quantitative details and situation of its fixed assets.
 - b) As explained to us, some of the fixed assets have been physically verified by the management during the year according to the phased program of verification, which in our opinion is reasonable having regard to the size of the Company and nature of its fixed assets. As explained, no material discrepancy was noticed on such verification.
 - c) The Company has not disposed off any substantial part of its fixed assets during the year.
- ii) a) The physical verification of the inventory has been carried out at reasonable intervals by the management.
 - b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) The company is maintaining proper records of inventory. The discrepancies found on physical verification have been properly dealt with in the accounts.
- iii) a) The Company has taken unsecured loans from seven companies covered in the register maintained under section 301 of the Act. The maximum balance of the above parties was Rs 2,73,60,878 and the year-end balance was Rs 2,42,45,878. The Company has given advances to five companies covered in the register maintained under section 301 of the Act. The maximum balance of the above parties was Rs. 6,02,47,587 and the year-end balance was Rs 5,49,85,708.
 - b) In our opinion, the rate of interest, wherever applicable, and other terms and conditions on which the loan have been taken from / granted to companies, listed in the register maintained under section 301 of the Act, are, prima facie not prejudicial to the interest of the company for the reasons stated in Note No. 13(a).
 - c) The company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest, wherever applicable.
 - d) There are no overdue amounts of loans taken from or granted to companies, firms or other parties listed in the register maintained under section 301 of the Act.
- iv) In our opinion and according to the information and explanations given to us, internal control procedures are commensurate with the size of the Company and nature of its business with regard to production and sale of inventory.
- v) a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Act, have been so entered.

- b) In our opinion, the transactions for sale of services made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Act and aggregating during the year to Rs. 5,00,000 or more could not be compared as the similar services have not been provided to other parties and as explained by the management these services are being specialized in nature could not be compared with similar services provided by other parties. There were no transactions for purchase of goods and sale of material with the party during the year.
- vi) Deposits accepted from the public are within the limits prescribed under section 58A and 58AA of the Act and Rules framed there under *subject to certain procedural formalities*.
- vii) In our opinion, the Company's internal audit system is commensurate with the size of the company.
- viii) The Central Government has not prescribed for maintenance of cost records under Section 209(1)(d) of the Act, for the products of the Company.
- ix) a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including, professional tax, provident fund, sales tax, wealth-tax, cess and other statutory dues applicable to it. The followings are the outstandings as at balance sheet date.

| Sr No | Name of the Statute | Nature of the dues | Amount (Rs) | Remarks |
|-------|---------------------|--------------------|-------------|------------|
| 1. | Income Tax Act, | TDS | 7,304 | Since Paid |
| 2. | Income Tax Act, | Fringe Benefit Tax | 41,904 | Since Paid |

- b) According to the information and explanations given to us, no disputed amounts are payable in respect of dues of sales tax, customs duty, wealth tax, Income Tax and cess.
- x) The accumulated losses of the company are more than fifty percent of its net worth. The company has not incurred cash losses during the financial year covered by our audit as well as immediate preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the company has defaulted in repayment of dues to a Financial Institution. However, the management is in the process of getting the issue resolved with the institution.
- xii) In our opinion, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund/society.
- xiv) In our opinion, the company is not dealing or trading in shares, securities, debenture and other investments.
- xv) As per the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institution during the financial year.

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

For Gautam N Associates
Firm Registration No 103117W
Chartered Accountants

(Gautam Nandawat)
Partner
M No 32742

Place: Aurangabad
Dated: 4th August 2012

NATH SEEDS LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2012

Amount in Rs

| | NOTE NO | As at 31st March 2012 | As at 31st March 2011 |
|--|---------|--------------------------|--------------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholders Funds | | | |
| a) Share Capital | 2 | 150782360 | 150782360 |
| b) Reserves & Surplus | 3 | 30217380 | 29077788 |
| c) Money Received against share warrant | | 0 | 0 |
| | | 180999740 | 179860148 |
| (2) Share Application money pending allotment | | 0 | 0 |
| (3) Non current Liabilities | | | |
| a) Long Term Borrowings | 4 | 6989405 | 15194499 |
| b) Deferred Tax Liabilities | | 0 | 0 |
| c) Other Long Term Liabilities | | 0 | 0 |
| d) Long Term Provisions | | 0 | 0 |
| | | 6989405 | 15194499 |
| (4) Current Liabilities | | | |
| a) Short Term Borrowings | 5 | 107070093 | 126091888 |
| b) Trade Payables | 6 | 33348315 | 26843331 |
| c) Other Current Liabilities | 7 | 55300010 | 31004142 |
| d) Short Term Provisions | | 0 | 0 |
| | | 195718417 | 183939361 |
| | | | |
| TOTAL | | 383707563 | 378994008 |

NATH SEEDS LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2012

Amount in Rs

| PARTICULARS | NOTE NO. | For the period ended on 31st March 2012 | For the period ended on 31st March 2011 |
|--|-----------------------------|---|---|
| REVENUE | | | |
| Revenue from operations | 14 | 236078058 | 159143535 |
| Other Income | 15 | 1900039 | 1194838 |
| | | 237978097 | 160338373 |
| EXPENDITURE | | | |
| Purchase of Stock in Trade | 16 | 0 | 131944359 |
| Production Expenses | 17 | 223088308 | 0 |
| Change in Inventories | 18 | 472129 | -5665073 |
| Employees Benefits Expenses | 19 | 0 | 6075542 |
| Finance Costs | 20 | 10064291 | 10868365 |
| Depreciation and Amortisation | | 341257 | 359218 |
| Other Expenses | 21 | 2872519 | 6437092 |
| | | 236838504 | 150019502 |
| Profit before exceptional, extraordinary items and tax | | 1139592 | 10318871 |
| Extra-Ordinary Items and Prior period expenses | 22 | 0 | 526481 |
| Profit before Tax | | 1139592 | 10845352 |
| Tax Expenses | | | |
| Income Tax | | | |
| Profit/(Loss) for the period for the continuing operations | | 1139592 | 10845352 |
| Basic and Diluted Earnings per Share | | (1.51) | (0.64) |
| NOTES FORMING PART OF THE FINANCIAL STATEMENTS | | | |
| As per our report attached For Gautam N Associates Firm Registration No 103117W Chartered Accountants | | For and on behalf of Board of Directors | |
| (Gautam Nandawat) Partner M No 32742 | Satish Kagliwal Director | Akash Kagliwal Director | Krutika Apte Company Secretary |
| Place: Aurangabad Dated: 04.08.2012 | | | |

NATH SEEDS LIMITED

NOTE NO -1

SIGNIFICANT ACCOUNTING POLICIES:

A) GENERAL

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

B) FIXED ASSETS:

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

C) CAPITAL WORK-IN-PROGRESS

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

D) DEPRECIATION / AMORTIZATION

Depreciation on Fixed Assets is provided for on written down value method at the rates specified in Schedule XIV to the Companies Act 1956 (hereinafter referred to as the "Act").

E) INVENTORIES:

The inventories are valued at lower of cost and net realizable value. Cost is assigned on weighted average basis. Obsolete, defective and unserviceable stocks are provided for.

F) BORROWING COST

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

G) TAXATION

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

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

NOTE -- 2

SHARE CAPITAL

Amount in Rs

| PARTICULARS | As at 31st March 2012 | As at 31st March 2011 |
|--|--------------------------|--------------------------|
| AUTHORIZED : | | |
| 2,47,00,000 Equity Shares of Rs.10 each | 247,000,000 | 247,000,000 |
| 1,30,000 16% Cumulative Redeemable Preference Shares of Rs.100 each | 13,000,000 | 13,000,000 |
| | 260,000,000 | 260,000,000 |
| ISSUED, SUBSCRIBED AND PAID UP : | | |
| Equity Shares | | |
| Opening Balance of 1,43,26,336 of Rs. 10 each fully paid up | 143,263,360 | 143,263,360 |
| Add: Issued, allotted during the year | - | - |
| Closing Balance of 1,43,26,336 of Rs. 10 each fully paid up | 143,263,360 | 143,263,360 |
| Preference Shares | | |
| Opening Balance of 75190 16% Cumulative Redeemable Preference Shares of Rs.100 each Shares of Rs.100 each | 7,519,000 | 7,519,000 |
| Add: Issued, allotted during the yea | | |
| Closing Balance of 75190 16% Cumulative Redeemable Preference Shares of Rs.100 each Shares of Rs.100 each | 7,519,000 | 7,519,000 |
| | | |
| | 150,782,360 | 150,782,360 |
| List of shareholders having 5% or more shares in the Company | | |
| | No of shares | No of shares |
| Equity Shares | | |
| 1) Nath Royal Ltd | 2851340 | 2851340 |
| | 2851340 | 2851340 |
| Preference Shares | | |
| 1) The New India Assurance Company Ltd | 23135 | 23135 |
| 2) The United Insurance Company Ltd | 17352 | 17352 |
| 3) The Oriental Insurance Company Ltd | 17352 | 17352 |
| 4) The General Insurance Company Ltd | 17351 | 17351 |
| | 75190 | 75190 |

NOTE -- 3

RESERVES & SURPLUS

Amount in Rs

| PARTICULARS | As at 31st March 2012 | As at 31st March 2011 |
|---------------------------------------|--------------------------|--------------------------|
| Capital Reserve | | |
| Securities Premium | 251982269 | 251982269 |
| Capital Reserve | 3495348 | 3495348 |
| Revaluation Reserve | 256137775 | 256137775 |
| | 511615392 | 511615392 |
| Statement of Profit & Loss | | |
| Opening Balance | -482537604 | -493382956 |
| Profit (+) / Loss (-) for the year | 1139592 | 10845352 |
| Closing Balance | -481398012 | -482537604 |
| | | |
| | 30217380 | 29077788 |

NOTE -- 4**LONG TERM BORROWINGS**

Amount in Rs

| PARTICULARS | As at 31st March 2012 | As at 31st March 2011 |
|---|--------------------------|--------------------------|
| SECURED | | |
| From Jankalyan Sahakari Bank Ltd (Secured by equitable mortgage of the company's immovable properties situated at Village Ithkeda, Aurangabad and secured by hypothecation of stock, book debt and Jointly & severally guaranteed by two directors of the Company) | 2,955,432 | 11,160,526 |
| From Jankalyan Sahakari Bank Ltd (Secured by lien of FDRs) | 4,033,973 | 4,033,973 |
| | 6989405 | 15194499 |

NOTE -- 5**SHORT TERM BORROWINGS**

Amount in Rs

| PARTICULARS | As at 31st March 2012 | As at 31st March 2011 |
|---|--------------------------|--------------------------|
| SECURED | | |
| From Jankalyan Sahakari Bank Ltd (Repayable on demand) (Secured by equitable mortgage of the company's immovable properties situated at Village Ithkeda, Aurangabad and secured by hypothecation of stock, book debt and Jointly & severally guaranteed by two directors of the Company) | 52,437,266 | 57,988,227 |
| | 52,437,266 | 57,988,227 |
| UNSECURED LOANS | | |
| b) From Bodies Corporate (Repayable on demand) | 10,307,937 | 19,948,771 |
| c) Fixed Deposits (Repayable upon term of deposit) | 3,064,808 | 6,894,808 |
| d) From a Financial Institution | 41,260,082 | 41,260,082 |
| | 54,632,827 | 68,103,661 |
| | 107,070,093 | 126,091,888 |

NOTE NO - 6**TRADE PAYABLES**

Amount in Rs

| PARTICULARS | As at 31st March 2012 | As at 31st March 2011 |
|--|--------------------------|--------------------------|
| Sundry Creditors | 33239880 | 26843330 |
| Sundry Creditors for others service providers | 108435 | 0 |
| | 33348315 | 26843330 |
| There are no over dues to vendors under the Micro, Small and Medium Enterprises Development Act, 2006. | | |

NOTE -- 7**OTHER CURRENT LIABILITIES**

Amount in Rs

| PARTICULARS | As at 31st March 2012 | As at 31st March 2011 |
|--|--------------------------|--------------------------|
| Interest accrued and due | - | 638,577 |
| Bank Overdraft | 4219908 | 3949809 |
| Credit balance in Debtors a/c (an Associate Company) | 51029416 | 26360281 |
| FBT Payable | 41094 | 41094 |
| TDS Payable | 9592 | 14381 |
| | 55300010 | 31004142 |

NOTE -- 9**NON CURRENT INVESTMENTS**

Amount in Rs

| PARTICULARS | As at 31st March 2012 | As at 31st March 2011 |
|--|--------------------------|--------------------------|
| Unquoted; non-trade, at cost | | |
| a) In Government Securities | | |
| National Savings Certificates (Face Value Rs.54,000 deposited with Govt Dept) | 49275 | 49275 |
| b) In Equity Shares: Fully Paid) | | |
| 1000 Equity shares of The Saraswat Co-op. Bank Ltd. of Rs. 10 each, fully paid | 10000 | 10000 |
| 1000 Equity Shares of The Janta Sahakari Bank Ltd of Rs. 100 each, fully paid | 100000 | 100204 |
| 250 Equity Shares of Deogiri Nagari Sahakari Bank Ltd. of Rs. 25 each, fully paid | 6250 | 6250 |
| 3440 Equity Shares of The Peoples Co-op. Bank Ltd. of Rs. 25 each, fully paid | 86000 | 86000 |
| 45,320 (previous year 41,822) Equity Shares of Jankalyan Sahkari Bank Ltd of Rs. 100 each | 4532000 | 4532200 |
| | 4783525 | 4783929 |

NATH SEEDS LIMITED

NOTE -- 8 FIXED ASSETS

Amount in `

| Particulars | GROSS BLOCK | | | | DEPRECIATION | | | NET BLOCK | |
|--------------------|-------------------|---------------------------------|---------------------------------|-------------------|------------------|-----------------|------------------|-------------------|-------------------|
| | As at 01.04.11 | Additions During the Year | Deletions During the Year | As at 31.03.12 | Upto 01.04.11 | For the Year | Upto 31.03.12 | As at 31.03.12 | As at 31.03.11 |
| TANGIBLE ASSETS | | | | | | | | | |
| Land | 258310800 | | 0 | 258310800 | 0 | | 0 | 258310800 | 258310800 |
| Corporate Building | 16423000 | | 0 | 16423000 | 9597860 | 341257 | 9939117 | 6483883 | 6825140 |
| | 274733800 | 0 | 0 | 274733800 | 9597860 | 341257 | 9939117 | 264794683 | 265135940 |
| | 274733800 | 0 | 0 | 274733800 | 9238642 | 359218 | 9597860 | 265135940 | |

NOTE -- 10**INVENTORIES**

Amount in Rs

| PARTICULARS | As at 31st March 2012 | As at 31st March 2011 |
|--|--------------------------|--------------------------|
| (As taken, valued and certified by the management) | | |
| Seeds | 20178806 | 20650935 |
| Land | 0 | 0 |
| | 20178806 | 20650935 |
| The inventories are valued at lower of cost and net realizable value. Cost is assigned on weighted average basis | | |

NOTE -- 11**CASH AND CASH EQUIVALENTS**

Amount in Rs

| PARTICULARS | As at 31st March 2012 | As at 31st March 2011 |
|---|--------------------------|--------------------------|
| Cash in hand | 2097 | 16278 |
| Balances with Banks | 133087 | 2049234 |
| In Fixed Deposit (Pledged with Jankalyan Sahakari Bank Ltd) | 7044172 | 6442717 |
| | 7179356 | 8508229 |

NOTE -- 12**SHORT TERM LOANS AND ADVANCES**

Amount in Rs

| PARTICULARS | As at 31st March 2012 | As at 31st March 2011 |
|--|--------------------------|--------------------------|
| (Unsecured, Considered good) | | |
| Growers (Advance for Seed Purchase | 45231911 | 37485606 |
| Prepaid Expenses | 20423 | 20475 |
| Advances to an Associates Company | 39794888 | 36419402 |
| Advances to Staff | 300000 | 300000 |
| Advances paid to Creditors | 353721 | 0 |
| Advance against 16% Redeemable Pref Shares | 142500 | 142500 |
| | 85843443 | 74367983 |

(a) Interest (calculated on month end balance) amounting to Rs. 45,14,057 (Previous Year Rs. 10,63,000) has not been charged for the year on loans and business advances given to an associates company as considered appropriate by the management, interalia, considering the long term business exigencies/ purposes.

NOTE -- 13**OTHER CURRENT ASSETS**

Amount in Rs

| PARTICULARS | As at 31st March 2012 | As at 31st March 2011 |
|------------------------------|--------------------------|--------------------------|
| TDS Receivable | 530613 | 0 |
| Deposit with Income Tax Dept | 0 | 5546992 |
| Security Deposit with others | 375737 | 0 |
| | 906350 | 5546992 |

NOTE -- 14**REVENUE FROM OPERATIONS**

Amount in Rs

| PARTICULARS | For the period ended on 31st March 2012 | For the period ended on 31st March 2011 |
|---|---|---|
| Sale of Foundation Seeds | 0 | 2422886 |
| Sale of Seed (Net of Return) | 0 | 148820648 |
| Sale of Land | 0 | 7900000 |
| Production incentive | 16630027 | 0 |
| | 16630027 | 159143535 |
| Reimbursement of Expenses Received | | |
| Land preparation charges | 21149906 | 0 |
| Fertiliser | 48741325 | 0 |
| Labour Charges | 74948293 | 0 |
| Lease Rental | 43003800 | 0 |
| Other farming expenses | 31604707 | 0 |
| | 219448031 | 0 |
| | 236078058 | 159143535 |

NOTE -- 15**OTHER INCOME**

Amount in Rs

| PARTICULARS | For the period ended on 31st March 2012 | For the period ended on 31st March 2011 |
|-----------------------------------|---|---|
| Dividend on long term Investments | 21900 | 14900 |
| G. O. T charges | 178725 | 121750 |
| Germination charges | 51175 | 41550 |
| Sundry Balance w/back | 0 | 349981 |
| Sale of Gunny Bags | 84154 | 70370 |
| Interest earned | 1553955 | 564148 |
| Processing & Ginning Charges | 9761 | 0 |
| Misc. Income | 368 | 32140 |
| | 1900039 | 1194838 |

NOTE - 16**PURCHASE OF STOCK IN TRADE**

Amount in Rs

| PARTICULARS | For the period ended on 31st March 2012 | For the period ended on 31st March 2011 |
|------------------------------|---|---|
| Purchase of foundation Seeds | - | 1,558,431 |
| Purchase of Seeds | - | 127,207,148 |
| Purchase of Gunny Bags | - | 19,204 |
| Purchase of Fertilizer | - | 3,159,576 |
| | - | 131,944,359 |

NOTE - 17**PRODUCTION EXPENSES**

Amount in Rs

| PARTICULARS | For the period ended on 31st March 2012 | For the period ended on 31st March 2011 |
|--------------------------------|---|---|
| Production of foundation Seeds | 4,278,889 | - |
| Production of Field Crop Seeds | 218,809,419 | - |
| | 223,088,308 | - |

NOTE -- 18**CHANGE IN INVENTORIES**

Amount in Rs

| PARTICULARS | For the period | For the period |
|---|-----------------------------|-----------------------------|
| | ended on 31st March 2012 | ended on 31st March 2011 |
| Op Stock | | |
| Seeds | 20650935 | 14,677,997 |
| Land | 0 | 307,865 |
| | 20650935 | 14985862 |
| Cl. Stock | | |
| Seed | 20178806 | 20650935 |
| Land | 0 | 0 |
| | 20178806 | 20650935 |
| Increase / (Decrease) in inventory | (472,129) | 5,665,073 |

NOTE -- 19**EMPLOYEES BENEFIT EXPENSES**

Amount in Rs

| PARTICULARS | For the period | For the period |
|----------------------------------|-----------------------------|-----------------------------|
| | ended on 31st March 2012 | ended on 31st March 2011 |
| Salary, Bonus and Labour charges | 0 | 6037030 |
| Staff Welfare Expenses | 0 | 38512 |
| | 0 | 6075542 |

NOTE -- 20**FINANCE COSTS**

Amount in Rs

| PARTICULARS | For the period | For the period |
|-------------------|-----------------------------|-----------------------------|
| | ended on 31st March 2012 | ended on 31st March 2011 |
| Interest Expenses | 9719881 | 10689389 |
| Bank Charges | 344410 | 178976 |
| | 10064291 | 10868365 |

NOTE -- 21**OTHER EXPENSES**

Amount in Rs

| PARTICULARS | For the period | For the period |
|------------------------------|-----------------------------|-----------------------------|
| | ended on 31st March 2012 | ended on 31st March 2011 |
| Rates and Taxes | 44921 | 49763 |
| Purchase of Packing Material | 120147 | 0 |
| Hammali & Cartage | 800 | 0 |
| Insurance | 103501 | 114404 |
| Legal & Professional charges | 480504 | 995339 |
| Communication | 0 | 115470 |
| Traveling and Conveyance | 134 | 827636 |
| Auditors' Remuneration | | |
| Statutory Audit | 56180 | 55150 |
| Tax Audit | 16854 | 16545 |
| Repairs & Maintenance | 1530 | 1306764 |
| Sundry Debit balance w/off | 1999989 | 613329 |
| Compensation to grower | 0 | 2107737 |
| Corporate Share Expenses | 0 | 54687 |
| Brokerage and Commission | 5670 | 42685 |
| Misc Expenses | 42289 | 123211 |
| Freight Outwards | 0 | 14371 |
| | 2872519 | 6437092 |

NOTE - 22

EXTRA-ORDINARY ITEMS & PRIOR PERIOD EXPENSES

Amount in Rs

| PARTICULARS | For the period ended on 31st March 2012 | For the period ended on 31st March 2011 |
|------------------------|---|---|
| Income | | |
| Liability written back | 0 | 1,126,481 |
| | - | 1,126,481 |
| Expenditure | | |
| Liability restated | 0 | 600,000 |
| | - | 600,000 |
| | | |
| | - | 526,481 |

NATH SEEDS LIMITED

NOTES- 23

Contingent Liabilities not provided for in respect of

| Particulars | | Current Year (Rs) | Previous Year (Rs.) |
|-------------|--|---------------------------|---------------------------|
| a) | Arrears of Dividend on Cumulative Redeemable preference shares (including Corporate Dividend Tax) | 22,761,150 | 19,964,684 |
| b) | Amount of interest liability / penalty / liquidated damages, if any on delayed / non-payment of certain creditors / loans (secured or unsecured) / statutory dues. | Amount Unascertainable | Amount Unascertainable |

NOTES- 24

In the opinion of the Board, Current Assets, Loans and Advances are approximately of the value stated, if realised in the ordinary course of the business.

NOTES- 25

The accounts of certain Creditors, Unsecured Loans, certain current account balances with banks, Deposits, Loans and Advances are subject to confirmations and reconciliations, if any. The difference as may be noticed on reconciliation will be accounted for on completion thereof. In the opinion of the management, the ultimate difference will not be material.

NOTES- 26

No provision for the Income Tax for the year has been considered necessary in view of the unabsorbed depreciation and carried forward losses.

NOTES- 27

In view of the carried forward business losses, the management has, as the matter of prudence, not recognized deferred tax assets during the year.

NOTES- 28

Related parties disclosure as per Accounting Standard - 18:

a) List of related parties

i) Associates:-

- 1 Agri Tech (India) Ltd.
- 2 Global Transgenetics Ltd
- 3 Nath Industrial Chemicals Ltd.
- 4 Nath Bio-Genes Ltd.
- 5 Rama Pulp & Papers Ltd
- 6 Nath Securities Ltd
- 7 Nath Biotech Ltd
- 8 Nath Royal Ltd

ii) Key Management Personnel:-

Mr. Satish Kagiwal (Whole time Director)

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

| Sr No | List of related parties | Transaction | Current year Rs. | Previous year Rs. |
|-------|--------------------------|------------------------------------|---------------------|----------------------|
| 1 | Agri Tech (India) Ltd. | Transfer (Credit to Party Account) | 0 | 0 |
| | | Transfer (Debit to Party Account) | 1323446 | 5550000 |
| | | Unsecured Loan taken | 0 | 6600000 |
| | | Unsecured Loan Re-paid | 0 | 4672087 |
| 2 | Global Transgenetics Ltd | Transfer (Credit to Party Account) | 0 | 0 |
| | | Transfer (Debit to Party Account) | 5300000 | 0 |
| | | Unsecured Loan taken | 0 | 0 |
| | | Unsecured Loan Re-paid | 0 | 0 |
| 3 | Nath Bio-Genes Ltd. | Transfer (Credit to account) | 0 | 51225680 |
| | | Transfer (debit to account) | 0 | 494943682 |
| | | Sales | 0 | 149107336 |
| | | Amount Received | 257748021 | 188285523 |
| | | Reimbursement of expenses | 219448031 | 0 |
| | | Production Incentive received | 16630027 | 0 |
| | | Amount Paid | 0 | 32494283 |
| 4 | Nath Biotech Ltd | Transfer (Debit to Party Account) | 14017731 | 11879 |
| | | Transfer (Credit to Party Account) | 316514 | 0 |
| | | Unsecured Loan Granted | 0 | 5250000 |
| | | Unsecured Loan recovered | 3850000 | 0 |
| | | Unsecured Loan taken | 0 | 0 |
| 5 | Nath Royal Ltd | Transfer (Credit to Party Account) | 14017731 | 0 |
| | | Transfer (Debit to Party Account) | 0.00 | 9517731 |

c) Outstanding balance of related parties as on 31st March, 2012

| Sr No | List of related parties | Current year Rs. | Dr / Cr | Previous year Rs. | Dr / Cr |
|-------|--------------------------|------------------|---------|-------------------|---------|
| 1 | Agri Tech (India) Ltd. | 0 | NA | 1323446 | Cr |
| 2 | Global Transgenetics Ltd | 0 | NA | 5300000 | Cr |
| 3 | Nath Bio-Genes Ltd. | 38448979 | Cr | 16779016 | Cr |
| 4 | Rama Pulp & Papers Ltd | 1308848 | Dr | 1308848 | Dr |
| 5 | Nath Biotech Ltd | 38486040 | Dr | 20934823 | Dr |
| 6 | Nath Royal Ltd | 0 | NA | 14017731 | Dr |

Notes:

- 1 Related party relationship is identified by the Company and relied upon by the Auditors.
- 2 No amounts in respect of related parties have been written off during the year. Also, no accounts have been provided for as doubtful debts.

NOTES- 29

| | Current year Rs | Previous year Rs |
|------------------------------------|-----------------|------------------|
| CIF value of Imports: - | NIL | NIL |
| FOB value of export | NIL | NIL |
| Expenditure in Foreign Currency: . | NIL | NIL |
| Earning in Foreign Currency:- | NIL | NIL |

NOTES- 30

The following calculation of earning per share basic and diluted in terms of Accounting Standard - 20 on Earning Per Share issued by the Institute of Chartered Accountants of India.

| | Current Year Rs. | Previous Year Rs. |
|---|------------------|-------------------|
| Net Profit (loss) as per Profit & Loss Account | 1,139,592 | 10,845,352 |
| Less :- Dividend on Preference Shares including dividend distribution ta: | 22,761,150 | 19,964,684 |
| Numerator: Profit Available for equity share holders | (21,621,558) | (9,119,332) |
| Denominator: Number of Equity shares outstanding (nos) | 14,326,336 | 14,326,336 |
| Denominator for Diluted equity share holde | 14,326,336 | 14,326,336 |
| Basic Earnings per share is arrived at by dividing Numerator by Denominato | (1.51) | (0.64) |
| Diluted Earnings per share is arrived at by dividing Numerator for diluted equity share holder by | (1.51) | (0.64) |
| The nominal value per equity share is Rupees | 10 | 10 |

NOTES- 31

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

Satish Kagliwal
Managing Director

Akash Kagliwal
Director

Krutika Apte
Company Secretary

Place : Aurangabad
Date : 04.08.2012

| NATH SEEDS LIMITED | |
|---|---------------------|
| NOTE NO 32 | |
| CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March 2012 | |
| | 2011-2012 |
| | Rs |
| A) CASH FLOW FROM OPERATING ACTIVITIES | |
| Net Profit before Tax & Extra Ordinary items | 11,39,592 |
| Adjustment for : | |
| Depreciation | 3,41,257 |
| Interest Paid / Financial Charges | 1,00,64,291 |
| Expenses Written Off | 0 |
| Less : Interest Received | -15,53,955 |
| Operating Profit before working capital changes | 99,91,185 |
| Adjustment for : | |
| (Increase) / Decrease in Trade Receivables | 0 |
| (Increase) / Decrease in Inventories | 4,72,129 |
| (Increase) / Decrease in Other Current Assets | 46,40,642 |
| (Increase) / Decrease in Short Term Loans & Advances | -1,14,75,461 |
| Increase / (Decrease) in Trade Payable | 65,04,984 |
| Increase / (Decrease) in Other Current Liability | 2,42,95,868 |
| Increase / (Decrease) in Short Term Provisions | 0 |
| Cash Generated from operation before Tax & Extra Ordinary item | 3,44,29,348 |
| Income Tax | 0 |
| Extra Ordinary Items | 0 |
| Net Cash Flow from Operating Activities - (A) | 3,44,29,348 |
| B) CASH FLOW FROM INVESTING ACTIVITIES | |
| Sale of fixed assets | 0 |
| Purchase of Fixed Assets | -21,400 |
| Interest Received | 15,53,955 |
| (Increase) / Decrease in Non Current Investments | 404 |
| Profit on sale of Fixed Assets (Net) | 0 |
| Net Cash Flow from Investing Activities - (B) | 15,32,959 |
| C) CASH FLOW FROM FINANCING ACTIVITIES | |
| Interest Paid / Financial Charges | -1,00,64,291 |
| Increase / (Decrease) in Long Term Borrowings | -82,05,094 |
| Increase / (Decrease) in Short Term Borrowings | -1,90,21,796 |
| Proceeds from share capital/share application | 0 |
| Inflow from Reserves | 0 |
| Net Cash Flow From Financing Activities - (C) | -3,72,91,180 |
| Net increase/Decrease in cash & cash equivalent (A+B+C) | -13,28,873 |
| Opening Cash and Cash Equivalent | 85,08,229 |
| CLOSING CASH & CASH EQUIVALENT | 71,79,356 |