



## NATH SEEDS LIMITED

For Production, Processing and Marketing of

### HYBRID SEEDS

#### **Directors**

Satish Kagliwal  
Akash Kagliwal  
Shrirang Agrawal  
Kumar Anvikar  
Radhesham Attal

#### **Company Secretary**

Krutika Apte

#### **Auditors**

Gautam N Associates  
Chartered Accountants  
Shangrilla Complex, 2<sup>nd</sup> Floor  
C.B.S. Road, Aurangabad – 431 005

#### **Bankers**

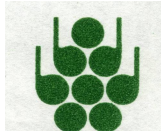
Janakalyan Sahakari Bank Ltd.,  
22-23, Mahendra Chambers  
First Floor, D.N. Road  
Fort Mumbai

#### **Registered Office**

Nath House  
Nath Road  
Aurangabad 431005

#### **Administrative Office**

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



NATH SEEDS

NATH SEEDS LIMITED  
ANNUAL REPORT  
2010

## 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 Thursday the 30<sup>th</sup> September, 2010 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 31<sup>st</sup> March, 2010 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. Shirang 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: 3<sup>rd</sup>, September 2010  
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 23<sup>rd</sup> September 2010.

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## 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	07.03.2008
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"> <li>1. Agri-Tech (India) Limited</li> <li>2. Nath Bio-Technologies Limited</li> <li>3. Global Transgenes Limited</li> <li>4. Barkha Farms Private Limited</li> <li>5. Nath Pulp &amp; Paper Mills Limited</li> <li>6. Mayo (India) Limited</li> <li>7. Wexford Trading Company Private Limited</li> </ol>
Chairman/ Member of Committees of other Companies	<p>Nath Pulp &amp; Paper Mills Limited</p> <ul style="list-style-type: none"> <li>- Audit Committee</li> <li>- Investor Grievance Committee</li> </ul> <p>Agri-Tech (India) Limited</p> <ul style="list-style-type: none"> <li>- Audit Committee</li> <li>- Investor Grievance Committee</li> </ul> <p>Mayo (India) Limited</p> <ul style="list-style-type: none"> <li>- Audit Committee</li> </ul>
No of shares held in the Company	NIL

By order of the Board of Directors

Date: 3<sup>rd</sup>, September 2010  
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 31<sup>st</sup> March 2010.

### FINANCIAL RESULTS

(Rs In Lacs)

Sr. No	PARTICULARS	YEAR ENDED	
		31.03.2010	31.03.2009
1.	Sales	2822.06	2831.4
2.	Profit before Interest & Depreciation	29.97	2.63
3.	Interest	96.89	75.55
4.	Depreciation	3.78	3.98
5.	Profit Before Tax	-70.70	-76.9
6.	Tax Provision	0	0.39
7.	Profit After Tax	-70.70	-77.29
8.	Extra-Ordinary Items	1.3	0
9.	Profit carried to Balance Sheet	-72	-77.29

### OVERALL PERFORMANCE AND OUTLOOK

The turnover of the Company during the financial year was Rs 2822 Lacs as against last year's 2831 Lacs. During this year the Company has sold land worth 427 Lacs and the same has been included in the sales. 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. Seed is one of the most crucial input 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 and 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 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 2009-10.

## **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. 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 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 31<sup>st</sup> March, 2010 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

3<sup>rd</sup> September 2010  
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	5	4	-
Mr. Akash Kagliwal	Promoter Executive	9	8	2
Mr. Radhasham Attal	Independent Non-Executive	0	2	-
Mr. Kumarrao Anvikar	Independent Non-Executive	0	2	2
Mr. Shirang Agrawal	Independent Non Executive	5	4	4

The present strength of the Board of Directors is 5.

#### Attendance of Directors at the Board Meeting

During the year ended 31<sup>st</sup> March 2010, Seven Board of Directors Meetings were held on 27<sup>th</sup> April 2009, 27<sup>th</sup> July 2009, 5<sup>th</sup> September 2009, 10<sup>th</sup> October 2009, 30<sup>th</sup> October 2009, 30<sup>th</sup> January 2010 & 27<sup>th</sup> March 2010. The interval between two meetings did not exceed four months. The attendance of each Director at Board of Directors Meetings is as under;

<b>Name of Director</b>	<b>No. of Board Meetings</b>
Mr. Satish Kagliwal	7
Mr. Akash Kagliwal	7
Mr. Radhasham Attal	7
Mr. Kumarrao Anvikar	7
Mr. Shrirang Agrawal	7

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 is an Independent, Non-executive Director. During the year ended 31<sup>st</sup> March 2010, four audit committee meetings were held on 27<sup>th</sup> April 2009, 27<sup>th</sup> July 2009, 30<sup>th</sup> October 2009, & 30<sup>th</sup> January 2010. The constitution of the Audit Committee and attendance of the members of the meetings was as under;

<b>Name of Director</b>	<b>Status</b>	<b>No. of Meetings attended</b>
Mr. Kumarrao Anvikar	Chairman, Independent Non Executive	4
Mr. Radhesham Attal	Member, Independent, Non-Executive	4
Mr. Akash Kagliwal	Member, Promoter, Executive	4

## **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 met four times during the year and attendance of the members at the meetings was as under:

<b>Name of Director</b>	<b>Status</b>	<b>No. of Meetings attended</b>
Mr. Kumarrao Anwikar	Chairman, Independent Non Executive	4
Mr. Radhesham Attal	Member, Independent, Non-Executive	4
Mr. Akash Kagliwal	Member, Promoter, Executive	4

### **(iii) Details of Shareholders' complaints**

The company during the year received 19 complaints. There were NIL complaints pending disposal as on 31<sup>st</sup> March 2010.

### **(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. The Company has appointed Ms. Krutika Apte, an Associate Member of the Institute of Company Secretaries of India as the Company Secretary of the Company with effect from 1<sup>st</sup> May 2010.

## C. Remuneration Committee

### (i) Broad Terms of Reference

The Company has constituted a Remuneration Committee to review the remuneration package of the Directors, recommend suitable revisions to the Board in accordance with the Companies Act, 1956. The Committee comprises of three Directors. The remuneration of the Directors is subject to approval of the Board and Shareholders at the General Meetings as well as to the ceilings under Schedule XIII of the Companies Act, 1956.

Details of remuneration paid / payable to the Directors for the year ended 31<sup>st</sup> March 2010.

Name of Director	Sitting Fee	Total Rs.
Mr. Satish Kagliwal	1000	7000
Mr. Kumarrao Anvikar	1000	7000
Mr. Radhesham Attal	1000	7000
Mr. Akash Kagliwal	1000	7000
Mr. Shrirang Agrawal	1000	7000

The Company does not have a Stock Option or Performance Linked incentives for its Directors.

### Disclosure of material transactions to the Board

No transactions of material nature has been entered into by the company with the promoters, directors or the management, their subsidiaries or relatives etc. that may have a potential conflict with interest of the company

## 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
2008-09	Nath House, Nath Road, Aurangabad (MAH) 431005	30 <sup>th</sup> Sep 2009	4.00 PM
2007-08	Nath House, Nath Road, Aurangabad (MAH) 431005	30 <sup>th</sup> Sep 2008	4.00 PM
2006-07	Nath House, Nath Road, Aurangabad (MAH) 431005	30 <sup>th</sup> Sep 2007	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](http://www.nathseeds.com).

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

- a) Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature with its Promoters, Directors or Management, their Subsidiaries or Relatives etc. that may have potential conflict with the interest of the Company at large.

None of the transactions with any related party were in conflict with the interest of the Company.

- b) 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

## 8. Shareholders information

### a. Registered Office

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

### b. Annual General Meeting

<b>Location</b>	<b>Nath Seeds Limited Nath House, Nath Road Aurangabad, 431005</b>
<b>Date &amp; Time</b>	30 <sup>th</sup> Sep 2010 1600h

### c. Date of Book Closure

The register of share holders of the Company will remain closed on Thursday 23<sup>rd</sup> September, 2010.

### d. Financial Calendar

- Financial Reporting for the Quarter Ending 30<sup>th</sup> June 2010 by July 2010.
- Financial Reporting for the Quarter Ending 30<sup>th</sup> September 2010 by October 2010.
- Financial Reporting for the Quarter Ending 31<sup>st</sup> December 2010 by January 2011.
- Financial Reporting for the Quarter Ending 31<sup>st</sup> March 2010 by April 2011.
- Annual General Meeting for the Year ending 31<sup>st</sup> March 2011 by September 2011.

**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 Ahmedabad, under ISIN No. 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. However, as explained in paragraph (c) above, the shares of the company are still not traded in the exchanges.

**f. Listing Fee Status**

Bombay Stock Exchange	Paid for the year 2008-2009
National Stock Exchange	Paid for the year 2010-2011
Ahmedabad Stock Exchange	Paid for the year 2008-2009

**g. Stock Code**

Stock Exchange	Stock Code	Trade Symbol
Bombay Stock Exchange	526576	NATHSE
National Stock Exchange	NATHSEEDS	NATHSEEDS
Ahmedabad Stock Exchange	NATHSEEDS	NATHSEEDS

**h. Stock Market Data**

The Shares of the company are not traded since March 2004 pending listing, pursuant to the Scheme of Reconstruction and Rearrangement approved by the Judicature of High Court of Mumbai. .

**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 31<sup>st</sup> March 2010**

Shareholding of Nominal Value (Rs.)	No. of Holders	% of Total Holders	Total Shares	% of Total
0-5000	27246	84.79	3331171	23.30
5001-10000	2906	9.04	1898162	13.24
10001-20000	1148	3.57	1550392	10.82
20001-30000	392	1.22	991057	6.91
30001-40000	119	0.37	410725	2.86
40001-50000	75	0.23	330654	2.30
50001-100000	155	0.48	1018082	7.10
Above-100001	97	0.30	4795757	33.47
<b>Total</b>	<b>32138</b>	<b>100.00</b>	<b>14326000</b>	<b>100.00</b>

**k. Share Holding Pattern as on 31<sup>st</sup> March 2010**

<b>Category</b>	<b>No. of Shares</b>	<b>% of Capital</b>
Indian Promoters	4963591	34.65
Persons acting in Concert	0	0
<b>Sub Total</b>	<b>4963591</b>	<b>34.65</b>
Non Promoter Holding		
Mutual Funds	5162	0.04
Banks/Financial Institutions	105734	0.74
Foreign Institutional Investors	1450	0.01
<b>Sub Total</b>	<b>112346</b>	<b>0.79</b>
Others		
Private Corporate Bodies	1531565	10.69
Indian Public	7616186	53.16
NRI/OCB	102312	0.71
<b>Sub Total</b>	<b>9250063</b>	<b>64.57</b>
<b>Total</b>	<b>14326000</b>	<b>100.00</b>

**l. 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](mailto:investor@nathseeds.com)

**For an on behalf of the Board of Directors**

**Aurangabad**  
**Dated: 3<sup>rd</sup> September 2010**

**Whole Time Director**  
**Satish Kagiwal**

**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 31<sup>st</sup> March 2010, 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 31<sup>st</sup> March 2010.

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

Sd/-

Gautam Nandawat  
Proprietor

Place: Aurangabad  
Dated: 3<sup>rd</sup> September 2010



**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, 2010 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: 3<sup>rd</sup> September 2010

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 31<sup>st</sup> March, 2010.

For an on behalf of the Board of Directors

Aurangabad  
Dated: 3<sup>rd</sup> September 2010

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 31<sup>st</sup> March 2010 and also the Profit and Loss Account 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.4 (b) in Schedule - 20);*
  - b) *We are unable to express an opinion with regard to the extent of recoverability of certain interest free loans & advances of Rs 2,15,99,792 due from various associate companies. It is, however, explained by the management that the amount would be recovered in due course of time and that no provisioning is required at this stage. (Refer Note No. 3 (c) in Schedule -20)*
  - c) *No provision has been made for interest amounting to Rs. 5,16,67,882 (including Rs. 1,32,27,607 for the current year) in respect of loan taken from a financial institution in anticipation of waiver of interest. (Refer Note No 8 in schedule 20)*

*Had this observation made by us been considered the loss for the year would have been Rs 2,04,36,962 (as against reported loss figure of Rs. 72,09,355), accumulated losses would have been Rs. 54,52,19,810 (as against reported figure of Rs.49,33,82,956) and unsecured loans would have been Rs. 12,44,52,254 (as against reported figure of Rs.7,26,15,399)*

- d) On the basis of written representations received from the directors of the Company as on 31<sup>st</sup> March, 2010 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 in terms of section 274(1)(g) of the Act.
- e) *Subject to what is stated at paragraphs (a) above, and note no 10 in schedule 20; 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;*
- f) *Subject to what is stated at paragraphs (b) to (c) above, 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;*
- g) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- h) In our opinion, the Balance Sheet, Profit and Loss Account 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;
- i) 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 loss for the year, Reserves and Surplus, assets and liabilities of the Company and also subject to Note No. 7 in Schedule 20 regarding granting of loans after making default in repayment of public deposits in non-compliance with the provisions of Section 372A (4) of the Act and read together with Significant Accounting Policies, Contingent liabilities and other Notes appearing in said Schedule and elsewhere in 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 31<sup>st</sup> March 2010; and

II. in the case of the Profit and Loss Account, of the Loss 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  
Chartered Accountants

(Gautam Nandawat)  
Proprietor

Place: Aurangabad:  
Dated: 03<sup>rd</sup> September 2010

## ANNEXURE TO THE AUDITORS' REPORT

Annexure referred to in Para 3 of our report of even date to the Members of Nath Seeds Limited.

- 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 inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- c) The company is maintaining proper records of inventory and no material discrepancy was noticed on physical verification.
- iii) a) The Company has taken unsecured loans from 6 companies covered in the register maintained under section 301 of the Act. The maximum balance of the above parties was Rs 2,16,50,028 and the year-end balance was Rs 1,88,30,028. The Company has given advances to 5 companies covered in the register maintained under section 301 of the Act. The maximum balance of the above parties was Rs 2,32,99,792 and the year-end balance was Rs 2,15,99,792.
- b) In our opinion, the rate of interest, wherever applicable, and other terms and conditions on which the loan has 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. 3(c) of Schedule – 20.
- c) *In absence of specific terms as to when principal would be repaid both in respect of the loans taken/given, we are unable to comment as to whether those have been repaid in time.*
- iv) *In our opinion and according to the information and explanations given to us, internal control procedures needs to be strengthened to make them commensurate with the size of the Company and nature of its business with regard to purchase 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 of purchases and sale of goods and materials 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 in

respect of each party have been made at prices prevailing for such goods and materials or prices at which transactions for similar goods and materials have been made with other parties. There were no transactions for sale of services with these parties 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. *However, the company has not complied with the relevant provisions of the said section and the Regulations framed there under in as much as that the liquid assets as prescribed in the Rules were not maintained and certain other procedural formalities have not been complied with.*
- vii) *The company does not have internal audit system during the year.*
- viii) The Central Government has not prescribed for maintenance of cost records under Section 2(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 sales tax, wealth-tax, cess and other statutory dues applicable to it *except the followings which are outstanding as at balance sheet date.*

Sr No	Name of the Statute	Nature of the dues	Amount (Rs)
1.	Income Tax Act,	TDS	7,992
2.	Income Tax Act,	Fringe Benefit Tax	54,404

- 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, and cess except Income Tax as mentioned in note 2 (a) in Schedule– 20. The Company has deposited Rs. 53,98,686 on account income tax which is contested.
- x) *The accumulated losses of the company are more than fifty percent of its net worth. The company has incurred cash losses during the financial year covered by our audit as well as immediate proceeding 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 Maharashtra State Financial Corporation, a financial institution, for an amount of Rs 4,12,60,082 since last 7 years.
- 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 institutions except that the Company's revalued assets of Rs 27,47,33,800 (subject to verification and confirmation) are charged against the loan taken by the transferee companies viz Nath Bio-genes (India) Ltd and Agri-tech India Ltd respectively.

- xvi) The company has obtained term loan during the year, which in our opinion has been applied for the purpose for which it has been raised.
- 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 period.
- 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  
Chartered Accountants

(Gautam Nandawat)  
Proprietor

Place: Aurangabad:  
Dated: 03<sup>rd</sup> September 2010

## NATH SEEDS LIMITED

BALANCE SHEET AS AT 31st MARCH, 2010

	Schedule	As at 31st March 2010 (Rs.)	As at 31st March 2009 (Rs.)
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	1	150,782,360	150,782,360
Reserves and Surplus	2	511,615,392	511,615,392
<b>LOAN FUNDS</b>			
Secured Loans	3	71,108,101	43,418,783
Unsecured Loans	4	72,615,399	81,816,147
		<b>806,121,252</b>	<b>787,632,682</b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
a) Gross Block	5	274,733,800	274,733,800
b) Less: Depreciation		9,238,642	8,860,518
c) Net Block		<b>265,495,158</b>	<b>265,873,282</b>
<b>INVESTMENTS</b>			
	6	4,433,929	10,481,929
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
Inventories	7	14,985,862	9,931,399
Sundry Debtors	8	46,852,398	82,531,191
Cash and Bank Balances	9	6,065,717	5,931,680
Loans and Advances	10	27,472,405	40,520,790
		95,376,382	138,915,059
<b>LESS: CURRENT LIABILITIES AND PROVISIONS</b>			
Current Liabilities	11	52,567,172	113,811,189
<b>NET CURRENT ASSETS</b>			
		42,809,210	25,103,870
<b>PROFIT &amp; LOSS ACCOUNT</b>			
	12	493,382,956	486,173,601
		<b>806,121,253</b>	<b>787,632,682</b>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS			
	20	0	0
SCHEDULES REFERRED TO ABOVE FORM AN INTEGRAL PART OF THE FINANCIAL STATEMENTS			
AS PER OUR ATTACHED REPORT OF EVEN DATE For Gautam N Associates Chartered Accountants		For and on behalf of Board of Directors	
(Gautam Nandawat) Proprietor		Whole Time Director Satish Kagliwal	Director Akash Kagliwal
Place: Aurangabad Dated: 3rd September 2010		Company Secretary Krutika Apte	



NATH SEEDS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule	For the year ended on 31st March 2010 (Rs.)	For the year ended on 31st March 2009 (Rs.)
<b>INCOME</b>			
Sales	13	282,206,321	283,146,865
Other income	14	1,197,510	1,549,029
Increase(+)/Decrease (-) in Stock	15	5,054,463	(33,406,830)
		<b>288,458,294</b>	<b>251,289,064</b>
<b>EXPENDITURE</b>			
Purchase (Trading)	16	274,657,567	241,990,806
Payment to and provision for Employee	17	5,475,582	3,146,334
Administrative and Selling Expenses	18	5,328,087	5,888,823
Interest and Finance Charges	19	9,689,096	7,555,321
		295,150,331	258,581,283
Profit before Depreciation		(6,692,038)	(7,292,219)
Depreciation / Amortization		378,124	398,025
Profit before prior period expenses		(7,070,162)	(7,690,245)
Prior period expenses		139,193	-
Profit after tax		(7,209,355)	(7,690,245)
Fringe Benefit Tax		-	39,394
Profit (+) / Loss (-) carried to Balance Sheet		<b>(7,209,355)</b>	<b>(7,729,639)</b>
Basic and Diluted Earnings per Share		(1.90)	(1.83)
SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS	20		
SCHEDULES REFERRED TO ABOVE FORM AN INTEGRAL PART OF THE FINANCIAL STATEMENTS			
AS PER OUR ATTACHED REPORT OF EVEN DATE For Gautam N Associates Chartered Accountants		For and on behalf of Board of Directors	
(Gautam Nandawat) Proprietor		Whole Time Director Satish Kagliwal	Director Akash Kagliwal
Place : Aurangabad Dated: 3rd September 2010		Company Secretary Krutika Apte	

<b>SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2010</b>	<b>As at 31st March, 2010 (Rs.)</b>	<b>As at 31st March, 2009 (Rs.)</b>
<b>SCHEDULE-1</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORIZED :</b>		
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
	<b>260,000,000</b>	<b>260,000,000</b>
<b>ISSUED, SUBSCRIBED AND PAID UP :</b>		
1,43,26,336 Equity Shares of Rs. 10 each fully paid up*	143,263,360	143,263,360
75190 16% Cumulative Redeemable Preference Shares of Rs.100 each Shares of Rs.100 each **	7,519,000	7,519,000
	<b>150,782,360</b>	<b>150,782,360</b>
* Out of above 3,48,000 (Previous year 3,48,000) equity shares were issued as fully paid bonus shares by way of capitalization of General Reserve.		
**Preference shares of Rs. 58,00,000 (previous year 58,00,000) and Rs. 17,19,000 (previous year Rs. 17,19,000) were redeemable at par in three equal installments at the end of 3rd, 4th and 5th year from the date of allotment viz 16.01.1996 and 22.05.1996 respectively		
The redemption of preference shares could not be made and no dividend was declared resulting in entitlement of voting power to the preference share holders.		

<b>SCHEDULE-2</b>		
<b>RESERVES AND SURPLUS</b>		
Securities Premium	251,982,269	251,982,269
Capital Reserve	3,495,348	3,495,348
Revaluation Reserve	256,137,775	256,137,775
	<b>511,615,392</b>	<b>511,615,392</b>

<b>SCHEDULE-3</b>		
<b>SECURED LOANS</b>		
<b>Term Loans:</b>		
From Banks:		
From Jankalyan Sahakari Bank Ltd (Secured by equitable mortgage of the company's immovable properties situated at gut No 64(2) (Part) Village Ithkeda, Aurangabad and secured by hypothecation of stock, book debts and Jointly & severally guaranteed by two directors of the Company)	20,423,622	29,166,400
Interest accrued and due	247,762	374,130
<b>Working Capital Loan</b>		
From Jankalyan Sahakari Bank Ltd (Secured by equitable mortgage of the company's immovable properties situated at gut No 64(2) (Part) Village Ithkeda, Aurangabad and secured by hypothecation of stock, book debts and Jointly & severally guaranteed by two directors of the Company)	46,436,717	9,878,253
From Jankalyan Sahakari Bank Ltd (Secured by pledge of fixed deposit receipt)	4,000,000	4,000,000
	<b>71,108,101</b>	<b>43,418,783</b>

**SCHEDULE-4**

<b>UNSECURED LOANS</b>	<b>As at 31st March, 2010 (Rs.)</b>	<b>As at 31st March, 2009 (Rs.)</b>
b) From Bodies Corporate (Short Term)	18,830,028	27,144,137
c) Fixed Deposits (Short term)	12,525,289	13,411,928
d) From Maharashtra State Finance Corporation (Short Term) under bills discounting scheme *	41,260,082	41,260,082
	<b>72,615,399</b>	<b>81,816,147</b>
* Secured by pledge of certain shares held by other associate companies.		

**SCHEDULE-6**

<b>INVESTMENTS: (LONG TERM, NON TRADE)</b>	<b>As at 31st March, 2010 (Rs.)</b>	<b>As at 31st March, 2009 (Rs.)</b>
<b>UNQUOTED</b>		
a) In Government Securities National Savings Certificates (Face Value Rs.54,000 deposited with Govt Dept)	49,275	49,275
b) In Equity Shares: Fully Paid)		
1000 Equity shares of The Saraswat Co-op.Bank Ltd. of Rs. 10 each, fully paid #	10,000	10,000
998 Equity Shares of The Janta Sahakari Bank Ltd of Rs. 100 each, fully paid **	100,204	100,204
250 Equity Shares of Deogiri Nagari Sahakari Bank Ltd. of Rs. 25 each, fully paid #	6,250	6,250
3440 Equity Shares of The Peoples Co-op. Bank Ltd. of Rs. 25 each, fully paid #	86,000	86,000
41,822 (previous year 12,302) Equity Shares of Jankalyan Sahkari Bank Ltd of Rs. 100 each #	4,182,200	1,230,200
In associate companies NIL (Previous Year - 450000) Equity Shares of Nath Biotechnologies Ltd of Rs. 10 each, fully paid	-	4,500,000
NIL (Previous Year - 450000) Equity Shares of Nath Royal Ltd. of Rs. 10 each, fully paid	-	4,500,000
	<b>4,433,929</b>	<b>10,481,929</b>
# Certificates are yet to be received ** Numbers and value are subject to confirmation		

**SCHEDULE-7**

<b>INVENTORIES</b>		
(As taken, valued and certified by the management)		
Land	307,865	3,459,799
Seeds	14,677,997	6,471,600
	<b>14,985,862</b>	<b>9,931,399</b>

**SCHEDULE - 8**

<b>SUNDRY DEBTORS</b> (Unsecured considered good)	<b>As at 31st March, 2010 (Rs.)</b>	<b>As at 31st March, 2009 (Rs.)</b>
Exceeding six months	-	17,295,618
Others	46,852,398	65,235,573
	<b>46,852,398</b>	<b>82,531,191</b>

**SCHEDULE - 9**

<b>CASH AND BANK BALANCES</b>		
Cash in hand	13,333	100,000
Balances with Scheduled Banks:		
In Current Accounts	158,455	438,392
In Fixed Deposit (Pledged with Jankalyan Sahakari Bank Ltd )	5,893,929	5,393,288
	<b>6,065,717</b>	<b>5,931,680</b>

**SCHEDULE - 10**

<b>LOANS AND ADVANCES</b> (Unsecured, Considered good)		
Advances recoverable in cash or in kind or for value to be received	473,927	31,995,256
Advances to Associates Companies	21,599,792	3,126,848
Deposit with Income Tax Dept	5,398,686	5,398,686
	<b>27,472,405</b>	<b>40,520,790</b>

**SCHEDULE- 11**

<b>CURRENT LIABILITIES AND PROVISIONS</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors	50,452,374	113,736,403
Excess cheques issued	2,051,403	-
Advance against sales	-	-
Statutory Liabilities	63,396	74,787
	<b>52,567,172</b>	<b>113,811,189</b>

**SCHEDULE- 12**

<b>PROFIT &amp; LOSS ACCOUNT</b>		
Opening Balance (Loss)	(486,173,601)	(478,443,962)
Profit (+) / Loss (-) for the year	(7,209,355)	(7,729,639)
	<b>(493,382,956)</b>	<b>(486,173,601)</b>

**SCHEDULE-13**

<b>SALES</b>		
Sale of Foundation Seeds	3,003,021	2,764,244
Sale of Seed (Net of Return)	236,503,300	254,768,621
Sale of Land	42,700,000	25,614,000
	<b>282,206,321</b>	<b>283,146,865</b>

**SCHEDULE-14**

<b>OTHER INCOME</b>		
Dividend on long term Investments	2,000	12,320
G. O. T charges	266,175	927,000
Germination charges	82,900	170,275
Sundry Balance w/back	0	12,446
Sale of Gunny Bags	336,362	-
Interest earned	500,641	393,288
Processing & Ginning Charges	8,822	32,128
Misc. Income	609	1,572
	<b>1,197,510</b>	<b>1,549,029</b>

**SCHEDULE-15**

	For the year ended on 31st March 2010 (Rs.)	For the year ended on 31st March 2009 (Rs.)
<b>INCREASE / DECREASE IN STOCK</b>		
<b>Op Stock</b>		
Seeds	6,471,600	38,005,985
Land	3,459,799	5,332,244
	9,931,399	43,338,229
<b>Cl. Stock</b>		
Seed	14,677,997	6,471,600
Land	307,865	3,459,799
	14,985,862	9,931,399
	<b>5,054,463</b>	<b>(33,406,830)</b>

**SCHEDULE-16**

<b>PURCHASE (TRADING)</b>		
Purchase of foundation Seeds	1,694,896	1,122,147
Purchase of Seeds	272,962,671	240,420,221
Purchase of Gunny Bags	-	255,518
Purchase of Fertilizer	-	192,920
	<b>274,657,567</b>	<b>241,990,806</b>

**SCHEDULE-17**

<b>PAYMENTS TO AND PROVISIONS FOR EMPLOYEES</b>		
Salaries, Wages and Bonus	5,449,957	3,129,686
Staff Welfare Expenses	25,625	16,648
	5,475,582	3,146,334

**SCHEDULE-18**

<b>ADMINISTRATIVE AND SELLING EXPENSES</b>		
Rates and Taxes	572,154	297,816
Insurance	93,439	17,383
Legal & Professional charges	643,943	329,880
Electricity Charges	-	50,000
Communication	245,102	156,899
Traveling and Conveyance	1,276,739	2,120,232
Auditors' Remuneration		
Statutory Audit	55,150	38,605
Tax Audit	16,545	16,545
Office Expenses	303,700	329,828
Vehicle Expenses	1,143,905	-
Sundry Debit balance w/off	137,938	-
Compensation to grower	473,741	2,403,374
Corporate Share Expenses	245,914	-
Sales Promotion Expenses	13,920	-
Brokerage and Commission	105,897	128,262
	<b>5,328,087</b>	<b>5,888,823</b>

**SCHEDULE-19**

<b>INTEREST AND FINANCE CHARGES</b>		
<b>INTEREST:</b>		
Fixed Term Loans	4,076,490	4,148,302
Others	5,275,244	3,233,107
Finance Charges	337,362	173,912
	<b>9,689,096</b>	<b>7,555,321</b>

**NATH SEEDS LIMITED**

**SCHEDULE : 5 - FIXED ASSETS**

Particulars	GROSS BLOCK					DEPRECIATION			NET BLOCK	
	As at 01.04.09	Additions During the Year	Deletions During the Year	Revaluation	As at 31.03.10	Upto 31.03.09	For the Year	Upto 31.03.10	As at 31.03.10	As at 31.03.09
Land	258310800	0	0	0	258310800	0	0	0	258310800	258310800
Corporate Building	16423000	0	0	0	16423000	8860518	378124	9238642	7184358	7562482
	274733800	0	0	0	274733800	8860518	378124	9238642	265495158	265873282
<b>Previous Year</b>	<b>274733800</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>274733800</b>	<b>8462493</b>	<b>398025</b>	<b>8860518</b>	<b>265873282</b>	

**NOTE:**

The company has revalued the land admeasuring 8.65 acres situated at Gut No 64/2, 63, 62/3, Itkheda, Paithan Road, Aurangabad. The corresponding value of Rs 25,61,37,775 representing such upward revision has been shown as Revaluation Reserve under the head Reserves and Surplus.

SCHEDULE – 20

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2010.**

**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 Profit and Loss Account.

**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.

	Particulars	Current Year (Rs)	Prev Year (Rs.)
2	a) Contingent liabilities not provided for in respect of disputed demand in the matters of Income Tax including interest	28,158,193	28,158,193
	b) Arrears of Dividend on Cumulative Redeemable preference shares (including Corporate Dividend Tax)	19,964,684	18,557,187
	c) 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
	d) Liabilities and other obligations related to seed business and Corporate farming division which has been transferred to the transferee companies viz. Nath Biogenes (India) Ltd and Agritech (India) Ltd.	Amount Unascertainable	Amount Unascertainable
3	<b>Loans and advances include:</b>		
	a) Interest free loans given to associate companies	21,599,792	3,126,848
	b) Interest (calculated on month end balance) has not been charged for the year on loans and business advances given to associates companies as considered appropriate by the management, interalia, considering week financial position of these companies and the long term business exigencies/ purposes.	512,863	8,990,116
	c) No provision has been considered necessary in respect of the above advances, as the management is hopeful of their recovery in due of time.		
4	a) 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.		
	b) 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.		
5	a) No provision for the Income Tax for the said period has been considered necessary in view of the unabsorbed depreciation and carried forward losses.		
	b) In view of the carried forward business losses, the management has, as the matter of prudence, not recognized deferred tax assets during the year.		

6	As per provisions of section 149(2A) of the Act, the company is required to obtain share holders' approval for undertaking land development activity for which necessary approval is pending.		
7	The company has given loans to various corporate bodies including granted in the earlier years and outstanding as on date, in spite of continuing default in the repayment of public deposit (within the meaning of section 58A of the Act), in non-compliance of provisions of sections 372A (4) of the Act.	21,599,792	3,126,848
8	The company has not provided for interest (including Rs. 1,32,27,607 for the current year) in respect of loan taken from financial institution and fixed deposits from public in anticipation of reaching a settlement for waiver of interest.	51,836,854	38,609,247
9	The company has accounted for the various expenses amounting to Rs. 5471136 and Rs. 2617996 relating to the payment to / provisions for employee and Administrative and selling expenses on the basis of debit notes received from an associate concern.		
10	The details of certain expenses and deposits accepted & repayment at the Mumbai office have been certified by an independent Chartered Accountant as at 31 March 2010. The same have been incorporated and relied upon by the auditors.		
11	There are no overdues to vendors under the Micro, Small and Medium Enterprises Development Act,		
12	<b>Segmental Reporting :-</b>		

Criteria	Segment
Product base	1. Seed 2. Land
Customer base	Domestic market / overseas market
Geographical Area of Operation	Domestic market / overseas market

**A. Primary Segment: Business segment**

The operations of the company falls within two business segment i.e. Seeds and Land segment. The financial data for segment reporting as follow

Sr No	Particulars	Seed	Land Division	Total
1	Sales	#####	42,700,000	282,206,321
2	Profit/(Loss) Before Dep. and Int	(36,105,002)	39,102,060	2,997,058
3	Interest Expenses	9,689,096	0	9,689,096
4	Depreciation	378,124	0	378,124
5	Prior period item	139,193	0	139,193
6	<b>Net Profit/Loss</b>	<b>(46,311,415)</b>	<b>39,102,060</b>	<b>(7,209,355)</b>

Other Information				
7	Segmental Assets	#####	0	374,544,111
8	Less Depreciation & Impairment	9,238,642	0	9,238,642
9	<b>Net Assets</b>	<b>#####</b>	<b>0</b>	<b>365,305,469</b>
10	Segmental Liabilities	#####	0	196,290,672

**B. Secondary Segment: Geographic Segment**

The geographic segment identified, as secondary segment are "Domestic Market".

Particulars	Seed	Land Division	Total
Domestic	239,506,321	42,700,000	282,206,321
Exports	0	0	0

13 Related parties disclosure as per Accounting Standard - 18:

**a) List of related parties**

**i) Associates:-**

Nath Pulp & Paper Mills Ltd.  
Nath Industrial Chemicals Ltd.  
Nath Capital & Financial Services Ltd.  
Global Transgenetics Ltd  
Nath Bio-gene Ltd.  
Mayo (India) Ltd  
Nath Securities Ltd  
Agri Tech (India) Ltd.  
Rama Pulp & Papers Ltd  
Nath Biotech Ltd  
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:

Nature of Transactions	Current Year		Previous Year (Rs.)	
	Associate Concerns	Key Management Personnel	Associate Concerns	Key Management Personnel
i) Purchase of finished goods/stores materials	0	0	0	0
ii) Sale of goods	200,351,560	0	254,768,620	0
iii) Sale of investment	9,000,000	0	0	0
iv) Rendering of Services	0	0	0	0
v) Receiving of Services	0	0	0	0
vi) Management Remuneration	0	0	0	0
vii) Reimbursement of Exp.	8,089,132	0	5,253,375	0
viii) Advances given	20,672,944	0	300,907,819	0
ix) Advances Received/ Recovered	2,200,000	0	344,576,875	0
x) Unsecured Loan taken	6,804,348	0	79,738,625	0
xi) Unsecured Loan repayment / converted into share application	14,920,129	0	143,844,391	0
xii) Equity shares issued	0	0	5,500,000	0
xiii) Balance written back	0	0	7,084	0
xiv) Outstanding Balances:-	0	0	0	0
Investment	0	0	9,000,000	0
Loans/Advances/ Deposits Given	21,599,792	0	3,126,848	0
Loans/Advances/ Deposits taken	18,830,028	0	26,945,809	0

Notes:

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

14 Particulars of Licensed and Installed Capacities and Production (As certified by the Management)

The company does not have any manufacturing plant/ processing center, therefore, the information regarding licensed, installed capacity and production data have not been given.

b) Opening stock, Purchases, Turnover and Closing Stock: Land

	Current Year		Previous Year	
	Quantity (Sq Feet)	Value (Rs.)	Quantity (Sq Feet)	Value (Rs.)
Opening Stock	162,127	3,459,799	247,768	5,332,244
Purchases	0	0	0	0
Turnover	147,700	42,700,000	85,641	25,614,000
Closing Stock	14,427	307,865	162,127	3,459,799

c) Quantitative details in respect of Trading Activity: Seed

	Current Year		Previous Year	
	Quantity (in Qtls)	Value (Rs.)	Quantity (in Qtls)	Value (Rs.)
Opening Stock	863	6,471,600	863	38,005,985
Purchases	4,440	274,657,567	39,150	241,542,368
Turnover	4,329	239,506,321	39,150	257,532,865
Damaged and discarded	393	0	0	0
Closing Stock	581	14,677,997	863	6,471,600

Current year	Previous year
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- 15 CIF value of Imports: – 0 0
- 16 Expenditure in Foreign Currency: - 0 0
- 17 Earning in Foreign Currency:- 0 0
- 18 The net profit (loss) for the purpose of measurement of basic and diluted earnings per share in terms of Accounting Standard - 20 on Earnings Per Share issued by the Institute of Chartered Accountants of India has been calculated as under:

	Current Year	Previous Year
Net Profit (loss) as per Profit & Loss Account	(7,209,355)	(7,729,639)
Less :- Dividend on Preference Shares including dividend distribution tax	19,964,684	18,557,187
Numerator: Profit Available for equity share holders	(27,174,038)	(26,286,826)
Denominator: Number of Equity shares outstanding (nos)	14,326,336	14,326,336
Denominator for Diluted equity share holder	14,326,336	14,326,336
Basic Earnings per share is arrived at by dividing Numerator by Denominator	(1.90)	(1.83)
Diluted Earnings per share is arrived at by dividing Numerator for diluted equity share holder by	(1.90)	(1.83)
The nominal value per equity shares is Rupees	10	10

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

Krutika Apte Satish Kagiwal Akash Kagiwal  
Company Secretary Managing Director Director

Place : Aurangabad  
Dated: 3rd September 2010