

**NATURAL BIOCON (INDIA) LIMITED**

# **Annual Report**

**For**

**2015- 2016**

## **NOTICE FOR ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that the Annual General Meeting of the members of Natural Biocon (India) Limited will be held on Friday, the 30<sup>th</sup> day of September, 2016 at 11:00 A.M. at 17, Dwarakadish Chamber, Kevadabaug, Baroda-390001 to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive and adopt the audited balance sheet as 31<sup>st</sup> March, 2016 and profit & loss account of the company for the year ended on 31<sup>st</sup> March, 2016 and the Report of the Directors' and Auditors.
2. To appoint Director in place of Mr. Rmanbhai Vyas who retires by rotation and being eligible offers himself for reappointment.
3. To ratify appointment of M/s Bharat Parikh & Associates, Chartered Accountants, Vadodara as Statutory Auditors of the Company from the conclusion of forthcoming Annual General Meeting, till the conclusion of Annual General Meeting of the company to be held in the year 2019 (subject to ratification of their reappointment at every Annual General Meeting), and fix their remuneration.

**For & on behalf of the Board of Director of  
Natural Biocon (India) Limited**

**Date: 30/05/2016**

**Place: Vadodara**

**Sd/-  
Ramanlal Vyas  
Director  
DIN: 05347920**

**Sd/-  
Bhavna Vyas  
Director  
DIN: 05348851**

**Sd/-  
Mansi Vyas  
Director  
DIN: 05348093**

**NOTES:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on a poll to vote instead of himself/herself and the proxy need not be a member of the Company. A blank form of proxy is enclosed and if intended to be used, it should be deposited duly completed at the Registered Office of the Company not less than 48 hours before the scheduled time of the meeting.
2. A person can act as a proxy on behalf of member not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. Members holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as a proxy and such person shall not act as a proxy for any other person or shareholder.
3. The Register of Members and Share Transfer Books of the Company will remain closed for Seven days from Wednesday, 21<sup>st</sup> September, 2016 to Friday, 30<sup>th</sup> September 2016 (Both days inclusive).
4. In terms of Section 56 of the Company Act, 2013 and the applicable provisions, the shareholders of the company may nominate a person in whole name the share held by him/them shall vest in the event of his/their death. Shareholders desired of availing this facility may submit the requisite nomination form.
5. Members are requested to bring their copies of Annual Report at the meeting.
6. The documents referred to in the proposed resolution are available for inspection at the Registered Office of the Company during normal business hours on any working day except Saturdays, upto the date of the meeting.
7. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
8. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

9. Members who hold shares in multiple folios in identical names or joint holding in the same order of name are requested to send the share certificates for consolidation into a single folio.

**For & on behalf of the Board of Director of  
Natural Biocon (India) Limited**

**Date: 30/05/2016**

**Place: Vadodara**

<b>Sd/-</b>	<b>Sd/-</b>	<b>Sd/-</b>
<b>Ramanlal Vyas</b>	<b>Bhavna Vyas</b>	<b>Mansi Vyas</b>
<b>Director</b>	<b>Director</b>	<b>Director</b>
<b>DIN: 05347920</b>	<b>DIN: 05348851</b>	<b>DIN: 05348093</b>

**Annexure to Notice**

Notes on directors seeking appointment/re-appointment as required under Regulation 27(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015:

**ITEM NO. 2**

<b>Name</b>	:	Mr. Ramanbhai Vyas
<b>Date of birth</b>	:	07/12/1950
<b>Qualification</b>	:	M.com., L.L.B.
<b>Expertise</b>	:	Extracting natural food colors
<b>Director of the Company since</b>	:	27/08/1992
<b>Directorship in other public limited companies</b>	:	1
<b>Membership of Committees of other public limited companies</b>	:	NIL
<b>No. of Shares held in the Company</b>	:	NIL

For & on behalf of the Board of Director of  
Natural Biocon (India) Limited

Date: 30/05/2016

Place: Vadodara

Sd/-  
Ramanlal Vyas  
Director  
DIN: 05347920

Sd/-  
Bhavna Vyas  
Director  
DIN: 05348851

Sd/-  
Mansi Vyas  
Director  
DIN: 05348093

## **DIRECTORS' REPORT**

To,  
The Members

The Directors' present the Annual report on the business and operations of your Company for the year 2015-16.

### **FINANCIAL RESULTS AND OPERATIONAL REVIEW:**

<b>Particulars</b>	<b>Year Ended 31.03.2016 (Amt in Rs.)</b>	<b>Year Ended 31.03.2015 (Amt in Rs.)</b>
Profit Before depreciation & tax	(6,245)	(8,868)
Less Depreciation	-	-
Profit/(Loss) before Tax	(6,245)	(8,868)
Taxes/Deferred Taxes	-	-
Income Tax for Earlier Years	-	-
Profit/(Loss) After Taxes	(6,245)	(8,868)
P& L Balance b/f	(17,086)	(8,218)
Profit/ (Loss) carried to Balance Sheet	(23,331)	(17,086)

During the year under review the total income was ₹ 5,13,700/- as compared to ₹ 241,196/- of that of the previous Year. After making all necessary provisions for current year and after taking into account the current year net loss, carried to Balance Sheet is negative ₹ 23,331/-

### **Change in the nature of business:**

The company is engaged in the business of chemicals, natural foods agricultural produces. During the year under review, the company has not changed its business activity.

### **Dividend**

Since the Company has made insufficient profit, the directors are unable to recommend any dividend during the year under review.

### **Reserves**

The Board of Directors of the company has not proposed any amount to carry to any reserves.

### **Finance**

Company has not borrowed any Loan from Bank or Financial Institution during the year under review.

### **Change of Name**

The Company has not changes its name during the year under review.

## **Share Capital**

### **ISSUE OF SHARES WITH DIFFERENTIAL RIGHTS**

The company has not issued any shares with differential rights during the year under review.

### **ISSUE OF SWEAT EQUITY SHARE**

The company has not issued any sweat equity shares during the year under review.

## **Directors and Key Managerial Personnel**

Mr. Ramanbhai Vyas, Director retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment.

## **Particulars of Employees**

None of the employees of the Company drew remuneration of ₹ 60,00,000/- or more per annum / ₹ 5,00,000/- or more per month during the year. Hence, no information is required to be furnished as required under Rule, 5(2) and 5(3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## **Meetings**

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year Four (4) Board Meetings and four Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

## **Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

## **Declaration by an Independent Director(s) and re- appointment, if any**

During the year under review, there is no independent Director in Board of Directors of the Company.

## **Remuneration Policy**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

## **Details of Subsidiary/Joint Ventures/Associate Companies**

The Company does not have any Subsidiary/Joint Ventures/Associate Companies during the year under review. Hence, details for the same are not required to mention.

## **Auditors:**

The Auditors, M/s Bharat Parikh & Associates, Chartered Accountants, Vadodara retire at the ensuing Annual General Meeting and, being eligible; offer themselves for reappointment for a period of one year from the conclusion of this Annual General Meeting [AGM] till the conclusion of Annual General Meeting of the company to be held in the year 2019 (subject to ratification of their reappointment at every Annual General Meeting).

## **Auditors' Report**

The Auditors' Report does not contain any qualification. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments.

## **Secretarial Audit Report**

In terms of Section 204 of the Act and Rules made there under, Mr. Ashok Shelat, Practicing Company Secretary have been appointed Secretarial Auditors of the Company. The report of the Secretarial Auditors is enclosed as **ANNEXURE - I** to this report. The report is self-explanatory and do not call for any further comments.

## **Internal Audit & Controls**

Though the Company has not appointed any chartered accountant as internal auditor, the accounting and other system have been designed in such a manner that review of entire process for safeguarding the assets of the company, its operational efficiency, effectiveness of the systems are taken care of properly. Moreover, it is to be noted that the quantum of the day to day transactions as well as turnover are of small size and hence, internal auditor have not been appointed.



**Issue of employee stock options**

The company has not issued any employee stock options during the year under review.

**Vigil Mechanism:**

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Company has a vigil mechanism named Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The details of the Whistle Blower Policy is explained in the Corporate Governance Report and also posted on the website of the Company.

**Risk management policy**

Risk management is embedded in your company's operating framework. Your company believes that managing risk helps in maximizing returns. The company's approach to addressing business risk is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. The risk management framework is reviewed periodically by the Board and the Audit Committee. Some of the risks that the company is exposed to are:

**Commodity Price Risks:**

The Company is exposed to the risk of price fluctuation of raw material as well as finished goods. The company proactively manages these risks through forward booking. Inventory management and proactive vendor development practices. The Company's reputation for quality, product differentiation and service, coupled with existence of powerful brand image with robust marketing network mitigation the impact the impact of price risk on finished goods.

**Regulatory Risks**

The company is exposed to risks attached to various statues and regulations including the company Act. The company is mitigating these risks through regular review of legal compliances carried out through internal as well as external compliance audits.

**Human Resources Risks**

Retaining the existing talent pool and attracting new talent are major risks. The company has initialed various measures including rolling out strategic talent management system, training and integration of learning and development activities.

## **Strategic Risks**

Emerging businesses, capital expenditure for capacity expansion, etc., are normal strategic risk faced by the company. However, the company has well-defined processes and procedures for obtaining approvals for investments in new business and capacity expansion etc.

### **Extract of Annual Return:**

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in **MGT 9** as a part of this Annual Report as **ANNEXURE II**.

**Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report**

There is no any Material changes occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report.

**Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future**

There is no any significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future during the year under review.

**Details in respect of adequacy of internal financial controls with reference to the Financial Statements**

The Company has adequate of internal financial controls with reference to the Financial Statements during the year under review.

## **Deposits**

Your Company has not accepted / renewed any deposits from the public/share holders during the year under review.

## **Particulars of loans, guarantees or investments under section 186**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

**Particulars of contracts or arrangements with related parties:**

The company has not entered into any contracts or arrangements with related parties during the year under review.

**Corporate Governance Certificate**

The Compliance certificate from the auditors regarding compliance of conditions of corporate governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed with the report.

**Management Discussion and Analysis and Report on Corporate Governance:**

The Management Discussion and Analysis and Report on Corporate Governance forms part of this Annual Report for the year ended 31st March, 2016.

**Obligation of Company Under The Sexual Harassment Of Women At Workplace (Prevention, Prohibition and Redressal) Act, 2013**

Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up Committee for implementation of said policy. During the year Company has not received any complaint of harassment.

**Conservation of energy, technology absorption and foreign exchange earnings and outgo**

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are NIL:

**Corporate Social Responsibility (CSR):\_Not Applicable****Human Resources**

Your Company treats its "human resources" as one of its most important assets.

Your Company continuously invest in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

**Directors' Responsibility Statement**

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that –

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and 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 at the end of the financial year and of the profit and loss of the company for that period;
- c) the directors had 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;
- d) the directors had prepared the annual accounts on a going concern basis; and
- e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **Transfer of Amounts to Investor Education and Protection Fund**

The Company does not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

#### **Acknowledgement:**

The management is grateful to the government authorities, Bankers, Vendors for their continued assistance and co-operation. The directors also wish to place on record the confidence of members in the company.

**For & on behalf of the Board of Director of  
Natural Biocon (India) Limited**

**Date: 30/05/2016**

**Place: Vadodara**

Sd/-  
**Ramanlal Vyas**  
Director  
DIN: 05347920

Sd/-  
**Bhavna Vyas**  
Director  
DIN: 05348851

Sd/-  
**Mansi Vyas**  
Director  
DIN: 05348093

## I. REGISTRATION AND OTHER DETAILS:

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

#### IV. SHARE HOLDING PATTERN

[illegible]



c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	-	<b>8079800</b>	<b>8079800</b>	<b>71.04</b>	-	<b>8079800</b>	<b>8079800</b>	<b>71.04</b>	-
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	-	<b>8079800</b>	<b>8079800</b>	<b>71.04</b>	-	<b>8079800</b>	<b>8079800</b>	<b>71.04</b>	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	<b>11372800</b>	<b>11372800</b>	<b>100.00</b>	-	<b>11372800</b>	<b>11372800</b>	<b>100.00</b>	-

**(ii) Shareholding of Promoters**

Sl No	Shareholder's Name	Shareholding at the beginning of the year 01/04/2015			Shareholding at the end of the year 31/03/2016			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbe red to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbe red to total shares	
1	Priyakant Upadhyay	782000	6.88	-	782000	6.88	-	-
2	Pushpa Trivedi	880000	7.74	-	880000	7.74	-	-
3	Tarlika P. Upadhyay	780000	6.86	-	780000	6.86	-	-
4	Gita Shah	850000	7.47	-	850000	7.47	-	-
5	Kanubhai Vyas	1000	0.01	-	1000	0.01	-	-
	<b>Total</b>	<b>3293000</b>	<b>28.96</b>	<b>-</b>	<b>3293000</b>	<b>28.96</b>	<b>-</b>	<b>-</b>

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl No.	Name	Date	Share Holding		Increase/ Decrease in Share holding	Reason	Cumulative Shareholding During the year 2016-2017	
			No of Shares	% of total Shares			No of Shares	% of total Shares
1	Keyur Shah	01/04/15	350000	3.08	-	-	350000	3.08
		-	-	-	-	-	-	-
		31/03/16	350000	3.08			350000	3.08
2	Saurabh Patel	01/04/15	148000	1.30	-	-	148000	1.30
		-	-	-	-	-	-	-
		31/03/16	148000	1.30	-	-	148000	1.30
3	Reshma	01/04/15	419000	3.68	-	-	419000	3.68

	Patel							
		-	-	-	-	-	-	-
		31/03/16	419000	3.68	-	-	419000	3.68
4	Tapsya Sheth	01/04/15	150000	1.32	-	-	150000	1.32
		-	-	-	-	-	-	-
		31/03/16	150000	1.32	-	-	150000	1.32
5	Meena Shah	01/04/15	150000	1.32	-	-	150000	1.32
		-	-	-	-	-	-	-
		31/03/16	150000	1.32	-	-	150000	1.32
6	Deepak Kapre	01/04/15	215000	1.89	-	-	215000	1.89
		-	-	-	-	-	-	-
		31/03/16	215000	1.89	-	-	215000	1.89
7	Kamal Sheth	01/04/15	100000	0.88	-	-	100000	0.88
		-	-	-	-	-	-	-
		31/03/16	100000	0.88	-	-	100000	0.88
8	Ashoksing Bhadoriya	01/04/15	200000	1.76	-	-	200000	1.76
		-	-	-	-	-	-	-
		31/03/16	200000	1.76	-	-	200000	1.76
9	Harsh Shah	01/04/15	91220	0.80	-	-	91220	0.80
		-	-	-	-	-	-	-
		31/03/16	91220	0.80	-	-	91220	0.80
10	Jayesh Shah	01/04/15	111500	0.98	-	-	111500	0.98
		-	-	-	-	-	-	-
		31/03/16	111500	0.98	-	-	111500	0.98

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl No.	Name	Date	Share Holding		Increase/ Decrease in Share holding	Reason	Cumulative Shareholding During the year 2016-2017	
			Beganing/ Closing	No of Shares	% of total Shares		No of Shares	% of total Shares
1	Ramanlal Vyas	01/04/15	0	0	-	-	0	0
		-	-	-	-	-	-	-
		31/03/16	0	0	-	-	0	0
2	Bhavna Vyas	01/04/15	0	0	-	-	0	0
		-	-	-	-	-	-	-
		31/03/16	0	0	-	-	0	0
3	Mansi Vyas	01/04/15	0	0	-	-	0	0
		-	-	-	-	-	-	-
		31/03/16	0	0	-	-	0	0



**(V) INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0	25000	0	25000
ii) Interest due but not paid	0		0	
iii) Interest accrued but not due	0		0	
<b>Total (i+ii+iii)</b>	<b>0</b>	<b>25000</b>	<b>0</b>	<b>25000</b>
Change in Indebtedness during the financial year				
· Addition	0	0	0	0
· Reduction	0	0	0	0
<b>Net Change</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Indebtedness at the end of the financial year				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>0</b>	<b>25000</b>	<b>0</b>	<b>25000</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:

Sl No.	Particulars of Remuneration-	Name of Director	Name of Director	Name of Director	Total Amount
	Gross salary	Ramanlal Vyas	Bhavna Vyas	Mansi Vyas	
1	(a) Salary as per provisions contained in section 17 (1) of the Income-tax Act, 1961	0	0	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission	0	0	0	0
	- as % of profit	0	0	0	0
	- others, specify...	0	0	0	0
5	Others, please specify	0	0	0	0
	<b>Total (i+ii+iii)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Ceiling as per the Act</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

B. Remuneration to Others Directors

Sl No.	Particulars of Remuneration-	Name of Director	Name of Director	Name of Director	Total Amount
1	Independent Directors	0	0	0	0
	Fee for attending board/committee meetings	0	0	0	0
	· Commission	0	0	0	0
	· Others, please specify	0	0	0	0
	<b>Total (1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

	Other Non-Executive Directors	0	0	0	0
	· Commission	0	0	0	0
	· Others, please specify	0	0	0	0
	<b>Total (2)</b>	0	0	0	0
	<b>Total (B)=(1+2)</b>	0	0	0	0
	<b>Total Managerial Remuneration</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Overall Ceiling as per the Act</b>	0	0	0	0

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2016

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]*

To,  
The Members,  
**NATURAL BIOCON (INDIA) LIMITED (CIN: U24299GJ1992PLC018210)**  
17, Dwarakadish Chamber, Kevadabaug, Baroda-390001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **NATURAL BIOCON (INDIA) LIMITED**. (hereinafter called "the company") for the audit period covering the financial year ended on 31<sup>st</sup> March, 2016. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on 31<sup>st</sup> March, 2016, according to the provisions of:
  - (i) The Companies Act, 2013 (the Act) and the rules made there under and the Companies Act, 1956, to the extent it is applicable.
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (effective upto 14th May 2015 and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective from 15th May 2015);
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (effective from 1st December, 2015)

We have also examined compliance of the following to the extent applicable:

- (i). Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (effective from 1st July, 2015); under the provisions of Companies Act, 2013; and
- (ii). The Listing Agreement entered into by the Company with Stock Exchanges(s) (effective upto 30th November 2015) ; and

We have relied upon the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under applicable Acts, Laws and Regulations to the Company.

On the basis of our examination and representation made by the Company we report that during the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above and there are no material non-compliances that have come to our knowledge.

We Further Report that, there were no actions/ events in pursuance of:

- a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

- c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014

requiring compliance thereof by the Company during the period under review

**We further report that** The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of the Board of Directors of the Company were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the period under review.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period there were no specific events / actions having a major bearing on the company's affairs.

**For Ashok Shelat & Associates  
Company Secretary**

**Date: 30<sup>th</sup> May, 2016**

**Place: Vadodara**

**Sd/-  
Ashok Shelat  
(Proprietor)  
C.P. No. 2782  
ACS No. 3402**

**Note: This report is to be read with our letter of even date which is annexed as ANNEXURE-I and forms an integral part of this report.**

**Annexure I**

To,  
The Members,  
**NATURAL BIOCON (INDIA) LIMITED (CIN: U24299GJ1992PLC018210)**  
17, Dwarakadish Chamber, Kevadabaug, Baroda-390001

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Ashok Shelat & Associates**  
**Company Secretary**

**Date: 30<sup>th</sup> May, 2016**  
**Place: Vadodara**

**Sd/-**  
**Ashok Shelat**  
**(Proprietor)**  
**C.P. No. 2782**  
**ACS No. 3402**

**REPORT ON CORPORATE GOVERNANCE**  
**(Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

**1. COMPANY'S PHILOSOPHY:**

Corporate Governance is an integral part of value, ethics and best business practices followed by the Company. The core values of the Company are commitment to excellence and customer satisfaction, maximizing long-term value for stakeholders, socially valued enterprise and caring for people and environment.

**Natural Biocon (India) Limited** is committed to good Corporate Governance in order to all stakeholders – Customers, suppliers, lenders, employees, the shareholders. The detailed report on implementation by the company of the Corporate Governance Code as incorporated in Regulation 27(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is set out below:

**2. BOARD OF DIRECTORS:**

**2.1 COMPOSITION OF THE BOARD:**

The Board of Directors as at 31<sup>st</sup> March, 2016 comprises of Three directors comprises of a, three are Executive directors and no non-executive director. Mr. Ramanlal Vays, Active Director of the Company and he conducts the day to day management of the Company, subject to the supervision and control of the Board of Directors.

The company has one woman director named Ms. Bhavna Vyas pursuant to section 149 of Companies Act, 2013.

**2.2 RESPONSIBILITIES OF THE BOARD:**

The responsibility such as policy formulation, performance review and analysis and control, direction and management of the affairs of the company is vested in the Board of Directors presided over by the Chairman. The Board has delegated some of its powers to the executives of the company. The Board reviews from time to time such delegated powers and their utilization for effective functioning of the Company.

**2.3 MEETING AND ATTENDANCE RECORD OF DIRECTORS:**

The meetings of the Board of Directors are held at periodical intervals and are generally at the registered office of the Company. The meeting dates are decided well in advance and the agenda and notes on agenda are circulated in advance to the directors. All material information is incorporated in the notes on agenda for facilitating meaningful and focused discussion at the meeting. Where it is not perusable to attach supporting or relevant documents to the agendas, the same is tabled before the meeting. In case of business exigencies or urgency of matters, resolutions are passed by circulation. Senior Management persons are often invited to attend the Board Meetings and provide clarifications as and when required.

During the year 2015-2016, the Board met 4 (Four) times on the following dates:

29/05/2015	14/08/2015	30/10/2015	12/02/2016
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The composition, attendance and other memberships of the Board of Directors of the company is as follows:

Attendance of Directors at Meetings of Board of Directors and last AGM:

Name of the Director	Designation	Category	No. of Board meetings attended	Attendance at last AGM	Total No. of Directorships in public Companies	Total No. of Committee membership	Total no. of Board Chairmanship
Mr. Ramanlal Vyas	Director	Executive	4	Yes	1	0	0
Mrs. Mansi Vyas	Director	Executive	4	Yes	1	0	0
Mrs. Bhavna Vyas	Director	Executive	4	Yes	1	0	0

## 2.4 DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING

As per the provisions of the Companies Act, 2013, two third of the directors of a company should be retiring directors, of which one third of such directors are required to retire every year and if eligible, they qualify for re-appointment.

Mr. Rmanbhai Vyas, retire by rotation at the ensuing Annual General Meeting and offer him for re-appointment.

### Profile of Mr. Rmanbhai Vyas, Director being appointed u/s 152 of the Companies Act, 2013

<b>Name</b>	:	Mr. Rmanbhai Vyas
<b>Date of birth</b>	:	07/12/1950
<b>Qualification</b>	:	M.com., L.L.B.
<b>Expertise</b>	:	Extracting natural food colors
<b>Director of the Company since</b>	:	27/08/1992
<b>Directorship in other public limited companies</b>	:	1
<b>Membership of Committees of other public limited companies</b>	:	NIL
<b>No. of Shares held in the Company</b>	:	NIL



## **2.5 DETAILS OF DIRECTORS WHO ARE AS CHAIRMAN AND DIRECTORS IN OTHER PUBLIC COMPANIES**

None of the Directors on the Board is a member or Chairman of any Committees (as specified in Regulation 27(2) of SEBI (LODR) Regulation, 2015) across all the Companies in which he is a director. The necessary disclosure regarding Directorship and Committee position have been made by the Directors who are on the Board of the Company as on 31<sup>st</sup> March, 2016 and the same is reproduced herein below:

Sr. No.	Name of Director	No of Directorship in other Public Companies	No. of Committees positions held as Chairman on other public Companies	No. of Committees positions held as member in other public Company
1.	Ramanlal Vyas	1	--	--
2.	Mansi Vyas	1	--	--
3.	Bhavna Vyas	1	--	--

## **CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL**

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code. The Chairman & Managing Director of the Company has given a declaration to the Company that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code.

## **PREVENTION OF INSIDER TRADING**

The Securities and Exchange Board of India (SEBI) has promulgated the SEBI (Prohibition of Insider Trading) Regulation, 2015 ("The PIT Regulations"). The PIT regulations has come into effect from May 15, 2015 and replaced the earlier Regulations. The object of the PIT Regulation is to curb the practice of insider trading in the securities of a listed company.

The company has adopted an 'Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by insiders' ("the code") in accordance with the requirements of the PIT regulations.

The Code is applicable to promoters and Promoter's Group, all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company.

The company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' in compliance with SEBI (Prohibition of Insider Trading) Regulation, 2015. This Code has been available at the registered office of the Company.

## **3. COMMITTEE OF BOARD:**

The Company had Three Board Committees. These are

1. Audit Committee
2. Remuneration Committee
3. Share Transfer & Shareholders/Investor Grievance Committee

Moving with various committees formed and reported in the previous Annual Report and in line with the requirements of SEBI and Stock Exchanges, the Board has formally constituted the following committees of Directors.

### **3.1 AUDIT COMMITTEE:**

The Audit committee constituted by the Board of directors as per the Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as in Section 177 of the Companies Act, 2013, comprises of two members viz. Mr. Ramanlal Vyas, Director (Executive) who is appointed as Chairman, Ms. Bhavna Vyas, (Executive) and Ms. Mansi Vays (Executive) who are aware with finance, accounts, management and corporate affairs.

The Audit Committee of the Board of Directors of the Company, Inter-aila, provides assurance to the Board on the adequacy of the internal control systems and financial disclosures.

### **BRIEF DESCRIPTION OF TERMS OF REFERENCE:**

A. Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

B. Recommending the appointment and removal of external auditor, fixation of audit fees and also approval for payment of any other Consultancy services provided by the statutory auditor.

C. Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:

- ✱ Review the financial reporting process and disclosure of its financial information
- ✱ Review with the management, Annual financial statements before submission to the Board
- ✱ Review with the management, statutory Auditors and Internal Auditors and adequacy of internal control systems
- ✱ Review the company's accounting and risk management policies
- ✱ Review the company's accounting and management reporting systems and updates the same from time to time recommend the appointment and removal of statutory and Internal Auditors and fixation of fees for the same.
- ✱ Review quarterly financial statement.
- ✱ Review internal investigations made statutory/ Internal Auditors.
- ✱ Scope of Statutory/ Internal Audit
- ✱ Review fixed deposits/repayment systems etc.
- ✱ Any other applicable functions as described in Corporate Governance.
- ✱ Review related party transactions.

Executive summary of the Audit Committee Meetings are placed before the immediate next Board Meetings held after the Audit Committee for deliberations and the full minutes of the same are placed before the following Board Meeting for recode. The Board of Directors, regularly appraised on the recommendations for the Audit Committee, further, at the beginning of the financial year, the Committee discuss the plan for the internal audit and statutory audit.

Dates of the Audit Committee Meetings are fixed in advance and agenda is circulated to the Directors at least seven days before the meeting.

As required under Regulation 27(2) of SEBI (LODR) Regulations, 2015, the Audit Committee had reviewed the following information:

- Management Discussion and analysis of financial condition and results of operations.
- Statement of significant related party transactions submitted by management
- Management letters/letters of internal controls, weaknesses issued by the Statutory Auditors.
- Internal Auditors Reports relating to internal control weaknesses.
- Appointment, removal and terms of remuneration of the internal auditors.

During the year under review, the 4 Audit Committees were held during Financial Year 2015-2016. The dates on which the said meetings were held as follows:

29/05/2015	14/08/2015	30/10/2015	12/02/2016
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### **3.2 REMUNERATION COMMITTEE:**

The Remuneration Committee reviewing the overall compensation policy, service agreements and other employments and other employment conditions of Managing / Whole time Directors and Managing Director:

#### **Details of Remuneration of Executive / Non-Executive Directors for the financial year ended 31<sup>st</sup> March, 2016**

The company has not paid remuneration to directors of the company.

Non- Executive Director

The Company has not paid any sitting fees to any of the Directors of the Company.

#### **Remuneration Policy**

Payment of remuneration to the Managing/Whole Time Director is governed by the respective Agreements executed between them and the company. These agreements were approved by the

Board and the Shareholders. Their Remuneration structure comprises salary, perquisites and allowances.

**Terms of reference of the Committee inter alia, include the following:**

**Nomination of Directors / Key Managerial Personnel / Senior Management\***

1. To evaluate and recommend the composition of the Board of Directors;
2. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down by the Committee;
3. Consider and recommend to the Board appointment and removal of directors, other persons in senior management and key managerial personnel (KMP);
4. Determining processes for evaluating the effectiveness of individual directors and the Board as a whole and evaluating the performance of individual Directors;
5. To administer and supervise Employee Stock Options Schemes (ESOS) including framing of policies related to ESOS and reviewing grant of ESOS;
6. Formulate the criteria for determining qualifications, positive attributes and independence of a Director;
7. To review HR Policies and Initiatives.

**Remuneration of Directors / Key Managerial Personnel / Senior Management\*/ other Employees**

1. Evolve the principles, criteria and basis of Remuneration policy and recommend to the Board a policy relating to the remuneration for all the Directors, KMP, Senior Management and other employees of the Company and to review the same from time to time.
2. The Committee shall, while formulating the policy, ensure the following :
  - (a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
  - (b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - (c) Remuneration to Directors, KMP and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

\* Senior Management for the above purpose shall mean personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

**NOMINATION & REMUNERATION POLICY:**

**1. Purpose of this Policy:**

The company has adopted this Policy on appointment and remuneration of the Directors, Key Managerial Personnel and Senior Management (the "Policy") as required by the provisions of Section 178 of the Companies Act, 2013 (the "Act") and the provisions of Regulations 27(2) of SEBI (LODR) Regulations, 2015.

The purpose of this Policy is to establish and govern the procedure applicable:

- a) To evaluate the performance of the members of the Board.
- b) To ensure that remuneration to Directors, KMP and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- c) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

The Committee should ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully and the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

**Definitions:**

**Independent Director** means a director referred to in Section 149(6) of the Act and the Regulation 27(2) of SEBI (LODR) Regulations, 2015, as amended from time to time.

**Key Managerial Personnel** (the "KMP") shall mean "Key Managerial Personnel" as defined in Section 2(51) of the Act.

**Nomination and Remuneration Committee**, by whatever name called, shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Act and the Regulation 27(2) of SEBI (LODR) Regulations, 2015.

**Remuneration** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

**Senior Management** means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the Executive Directors, including all functional heads.

Words and expressions used and not defined in this Policy, but defined in the Act or any rules framed under the Act or the Securities and Exchange Board of India Act, 1992 and Rules and Regulations framed thereunder or in the Regulation 27(2) of SEBI (LODR) Regulations, 2015 or the Accounting Standards shall have the meanings assigned to them in these regulations.

**Composition of the Committee:**

The composition of the Committee is / shall be in compliance with the Act, Rules made there under and the Clause 49, as amended from time to time.

**4. Role of the Committee:**

The Committee shall:

- a) Formulate the criteria for determining qualifications, positive attributes and independence of a Director;
- b) Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this Policy;
- c) Lay down the evaluation criteria for performance evaluation of Independent Director and the Board;
- d) Recommend to the Board, appointment, remuneration and removal of Director, KMP and Senior Management;
- e) To devise a Policy on Board diversity.

## **5. Criteria for Determining the followings:-**

### **5.1 Qualifications for appointment of Directors (including Independent Directors)**

- a) Persons of eminence, standing and knowledge with significant achievements in business, professions and/or public service;
- b) Their financial or business literacy/ skills;
- c) Their chemical and bio science industry experience;
- d) Other appropriate qualification/ experience to meet the objectives of the Company;
- e) As per the applicable provisions of Companies Act, 2013, Rules made there under and Regulation 27(2) of SEBI (LODR) Regulations, 2015.

The Nomination and Remuneration Committee shall have discretion to consider and fix any other criteria or norms for selection of the most suitable candidate/s.

### **5.2 Positive attributes of Directors (including Independent Directors):**

- Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively and the willingness to address issues proactively;
- Actively update their knowledge and skills with the latest developments in the railway/heavy engineering/infrastructure industry, market conditions and applicable legal provisions;
- Willingness to devote sufficient time and attention to the Company's business and discharge their responsibilities;
- To assist in bringing independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company;
- To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees;

- Independent Directors to meet the requirements of the Companies Act, 2013 read with the Rules made there under and Regulation 27(2) of SEBI (LODR) Regulations, 2015 as amended from time to time.

### **5.3 Independence Standards**

The following would be the independence review procedure and criteria to assist the Committee to evaluate the independence of Directors for recommending to the Board for appointment. A Director is independent if the Board affirmatively determines that the Director does not have a direct or indirect material relationship with the Company, including its affiliates or any member of senior management. "Affiliate" shall mean any company or other entity that controls, is controlled by, or is under common control with the Company.

Also, the candidate shall be evaluated based on the criteria provided under the applicable laws including Companies Act, 2013 read with Rules thereon and the Listing Agreement with the Stock Exchanges. In addition to applying these guidelines, the Board will consider all relevant facts and circumstances in making its determination relating to a director's independence.

### **Independence Review Procedures**

#### **1. Annual Review**

The director's independence for the independent director will be determined by the Board on an annual basis upon the declaration made by such Director as per the provisions of the Companies Act, 2013 read with Rules thereon and the Listing Agreement.

#### **2. Individual Director's Independence Determinations**

If a director nominee is considered for appointment to the Board between Annual General Meetings, a determination of independence, upon the recommendation of the Committee, shall be made by the Board prior to such appointment.

All determinations of independence shall be made on a case-by-case basis for each director after consideration of all the relevant facts and circumstances and the standards set forth herein. The Board reserves the right to determine that any director is not independent even if he or she satisfies the criteria set forth by the provisions of the Companies Act, 2013 read with Rules thereon and the Listing Agreement.

#### **3. Notice of Change of Independent Status**

Each director has an affirmative obligation to inform the Board of any change in circumstances that may put his or her independence at issue.

### **5.4 Criteria for appointment of KMP/Senior Management**

- To possess the required qualifications, experience, skills & expertise to effectively discharge their duties and responsibilities;
- To practice and encourage professionalism and transparent working environment;
- To build teams and carry the team members along for achieving the goals/objectives and corporate mission;

- To adhere strictly to code of conduct

### **5.5 Term**

The Term of the Directors including Managing / Wholetime Director / Independent Director shall be governed as per the provisions of the Act and Rules made thereunder and the Clause 49, as amended from time to time.

Whereas the term of the KMP (other than the Managing/Wholetime Director) and Senior Management shall be governed by the prevailing HR policies of the Company.

### **5.6 Evaluation**

The Committee shall carry out evaluation of performance of every Director.

The Committee shall identify evaluation criteria which will evaluate Directors based on knowledge to perform the role, time and level of participation, performance of duties, level of oversight, professional conduct and independence. The appointment / re-appointment / continuation of Directors on the Board shall be subject to the outcome of the yearly evaluation process.

### **5.7 Removal**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, Rules and Regulations there under and / or for any disciplinary reasons and subject to such applicable Acts, Rules and Regulations and the Company's prevailing HR policies, the

Committee may recommend, to the Board, with reasons recorded in writing, removal of a Director, KMP or Senior Management.

## **6. Remuneration of Managing / Whole-time Director, KMP and Senior Management**

The remuneration / compensation / commission, etc., as the case may be, to the Managing / Whole time Director will be governed by the relevant provisions of the Companies Act, 2013 and applicable Rules and Regulations and will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission, etc., as the case may be, shall be subject to the prior / post approval of the shareholders of the Company and Central Government, wherever required. Further, the Chairman & Managing Director of the Company is authorised to decide the remuneration of KMP (other than Managing / Whole time Director) and Senior Management based on the standard market practice and prevailing HR policies of the Company.

## **7. Remuneration to Non-executive / Independent Director**

The remuneration / commission / sitting fees, as the case may be, to the Non-Executive / Independent Director, shall be in accordance with the provisions of the Act and the Rules made thereunder for the time being in force or as may be decided by the Committee / Board / shareholders.

An Independent Director shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Act and the Regulation 27(2) of SEBI (LODR) Regulations, 2015, as amended from time to time.



### 3.3 Share Transfer & Shareholders'/Investor Grievance Committee:

The Share Transfer & Shareholders' /Investor Grievance committee comprises as under:

- 1 Ms. Mansi Vyas
- 2 Mr. Ramanlal Vyas
- 3 Ms. Bhavna Vyas

The committee is responsible for approving and monitoring transfers, transmission, splitting and consolidation of shares issued by the Company. In addition to that, the committee also monitors redressal of complaints from shareholders relating to transfer of shares, non-receipt of balance sheet etc., No sitting fees is paid to the committee members. The Committee reviewed redressal of investors Grievances pertaining to share transfer, dematerialization of shares, replacement of lost, mutilated and old share certificates, change of address etc. The committee has also taken steps to strengthening investors relations.

The status of shareholders' complaints received so far/number not solved to the satisfaction of shareholders/number of pending share transfer transactions (as on 31<sup>st</sup> March, 2016 is given below:-

Complaints Status: 01.04.2015 to 31.03.2016

- Number of complaints received so far : 0
- Number of complaints solved : 0
- Number of pending complaints : 0

### 4. GENERAL BODY MEETING:

a. Location and time where last three AGMs were held:

Meeting	Year	Venue of AGM	Date	Time	Whether Special resolution passed
Annual General Meeting	2013	17, Dwarakadish Chamber, Kevadabaug, Baroda-390001, Vadodara	30 <sup>th</sup> September, 2013	11.30 A.M.	No
Annual General Meeting	2014	17, Dwarakadish Chamber, Kevadabaug, Baroda-390001, Vadodara	30 <sup>th</sup> September, 2014	11.30 A.M.	No
Annual General Meeting	2015	17, Dwarakadish Chamber, Kevadabaug, Baroda-390001, Vadodara	30 <sup>th</sup> September, 2015	11.30 A.M.	No

(b) Resolutions passed through Postal Ballot procedure during the year under review.

The company has not passed resolution through Postal Ballot procedure during the year under review.

**Details for Special Resolution had passed in last AGM:**

**2013: NIL**

**2014: NIL**

**2015: NIL**

**Extra Ordinary General Meeting held during the year under review.**

No Extra ordinary General Meeting was held during the year under review.

**5. DISCLOSURES:**

**a. Materially significant related party transactions:**

There were no significant or material related party transactions that have taken place during the year which have any potential conflict with the interest of the company at large. The detailed related party information and transactions have been provided in of Notes to Accounts.

**b. During the last three Years, there were no penalties, strictures imposed by either SEBI or stock Exchange or any statutory authority for non- Compliance of any matter related to the capital market.**

**6. CEO/CFO CERTIFICATION:**

(Under Regulation 27(2) of SEBI (LODR) Regulations, 2015)

We Certify that --

**a. We have reviewed the financial statements and the cash flow statement for the year 2015-16 and that to the best of our knowledge and belief:**

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

**a. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2015-16 which are fraudulent, illegal or violative of the Company's code of conduct;**

**b. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal control, if any, of which we are aware of and the steps we have taken or propose to take to rectify these deficiencies.**

**c. We have indicated to the Auditors and the Audit Committee -**

- Significant changes in internal control over the financial reporting during the year 2015-16;
- Significant changes in accounting policies during the year 2015-16 and that the same have been disclosed in the notes to the financial statements; and
- Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over the financial reporting.

## **7. MEANS OF COMMUNICATIONS:**

The Quarterly Unaudited Financial Results and other presentation as to the Company's Performance etc., are made available to the institutional investors/Financial Analysts as and when felt expedient.

The Management discussion and analysis forms part of the Annual Report.

## **WHISTLE BLOWER POLICY:**

Recently, the Security & Exchange Board of India has also prescribed the adoption by all listed companies, of a Whistle Blower Policy as a non-mandatory requirement. The company has adopted a Whistle Blower Policy, which affords protection and confidentiality to Whistle blowers.

The Audit Committee Chairman is authorized to receive Protected Disclosures under this Policy. The Audit Committee is also authorized to supervise the conduct of investigations of any disclosures made by whistle blowers in accordance with policy.

No personnel have been denied access to the Audit Committee. As of March 31, 2016, no Protected Disclosures have been received under this policy.

## **8. GENERAL SHAREHOLDER INFORMATION:**

- Annual General Meeting: Date, Time and venue: 30<sup>th</sup> September, 2016, at 11.30 a.m. at the Registered Office of the Company.
- Financial Year: 1<sup>st</sup> April 2015 to 31<sup>st</sup> March, 2016.
- Financial Calendar:
  - 1<sup>st</sup> quarterly results – Last week of May, 2015.
  - 2<sup>nd</sup> quarterly results – Last week of July, 2015.
  - 3<sup>rd</sup> quarter results – Second week of November, 2015.
  - 4<sup>th</sup> quarter results – Second week of February, 2016.
- Date of Book Closure: 22<sup>nd</sup> September, 2016 to 30<sup>th</sup> September, 2016
- Dividend Payment Date: N.A.
- Listing of Equity Shares on Stock Exchanges:

Equity Shares of the Company are listed on Ahmedabad Stock Exchange Ltd, Vadodara Stock Exchange\*, Calcutta Stock Exchange and Bombay Stock Exchange Limited (Delisted).

\*Vadodara Stock Exchange has been moved to dissemination board vide SEBI Order No. WTM/RKA /MRD/144/2015 dated 09<sup>th</sup> November, 2015.

The Company could not paid listing fee for the year 2015-16.

- g. Stock Code: 439
- h. Demat ISIN number: **Not obtained**
- I. High / Low of Monthly Market Price of the Companies Equity Shares traded on Stock Exchange during the financial year 2015-16.

The Company has no data to report in this segment.

- j. Performance of the Company's shares in comparison with broad-based indices as SE's Sensex:

The Company has no data to report in this segment.

- k. Registrar & Share Transfer Agent: The Company has not appointed registrar and Share Transfer Agent of the Company during the year under review.
- l. Share Transfer System: Valid Share transfer in physical form and complete in all respects were approved and registered within the stipulated period.
- m. Distribution of Shareholding as on Dated 31.03.2016

SHARE HOLDING OF NOMINAL VALUE OF		SHARE HOLDERS		SHARE AMOUNT	
Rs.	Rs	Number	% to Total	In Rs.	% to Total
	(1)	(2)	(3)	(4)	(5)
Upto	5000	539	83.70	5780	0.05
5001	- 10000	1	0.16	1000	0.01
10001	- 20000	0	0	0	0
20001	- 30000	3	0.47	7500	0.07
30001	- 40000	0	0	0	0
40001	- 50000	0	0	0	0
50001	- 100000	0	0	0	0
100001 and above		101	15.68	11358520	99.87
<b>Total</b>		<b>644</b>	<b>100</b>	<b>11372800</b>	<b>100</b>

n. Shareholding pattern as on 31.03.2016

Category	No of Shares held	% of Shareholding
a. Promoters and persons who may be deemed to be acting in concert including promoter/directors group Companies	3293000	28.96%
b. Mutual Fund/Trust	0	0
c. Financial Institution/Banks	0	0
d. Bodies Corporate	0	0
e. Indian public	8079800	71.04%
f. other (HUF)	0	0
TOTAL	0	0
	<b>11372800</b>	<b>100%</b>

o. Dematerialization of shares: As on 31-03-2016 Demat shares accounted for NIL Equity Shares (0.00%) of total equity.

p. Outstanding GDR / ADR / Warrants: Not Applicable

q. Top 10 Shareholders as on 31<sup>st</sup> March, 2016 (Other than Promoters)

Sr. No.	Name	No. of Shares	% of Holding
1	Keyur Sureshbhai Shah	350000	3.08
2	Saurabh Patel	148000	1.30
3	Reshma Patel	419000	3.68
4	Tapsya Sheth	150000	1.32
5	Meena Shah	150000	1.32
6	Deepak Kapre	215000	1.89
7	Kamal Seth	100000	0.88
8	Ashoksing Munnysing Bhadoriya	200000	1.76
9	Harsh Jitendrakumar Shah	91220	0.80
10	Jayesh Shah	111500	0.98

r. Address for communication: **Natural Biocon (India) Limited**  
17, Dwarakadish Chamber, Kevadabaug, Baroda-390001

**Declaration of compliance with the code of conduct**

All the Directors and senior management personal have, respectively, affirmed compliance with the code of conduct as approved and adopted by the Board of Directors.

**For & on behalf of the Board of Director of  
Natural Biocon (India) Limited**

Date: 30/05/2016  
Place: Vadodara

Sd/-	Sd/-	Sd/-
Ramanlal Vyas	Bhavna Vyas	Mansi Vyas
Director	Director	Director
DIN: 05347920	DIN: 05348851	DIN: 05348093

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **1) INDUSTRY STRUCTURE AND DEVELOPMENTS**

During the period, the industry registered a cumulative growth as against the corresponding period of last year. The cumulative growth for the eight core industries remained same as previous year. With the entry of new players in the already fragmented markets, high price volatility and variations in prices is experienced in different regions and different periods of time.

### **2) OPPORTUNITIES AND THREATS**

#### **Opportunities**

- Increase in income levels will aid greater penetration of financial products.
- Positive regulatory reforms.
- Increase in corporate growth & risk appetite.
- Greater efficiency in debt market operations which will also help greater penetration.
- Increased securitization.
- Focus on selling new product/services.

#### **Threats**

- Inflation could trigger increase in consumer price inflation, which would dampen growth.
- Increased competition in both local & overseas markets.
- Unfavorable economic development.
- Market risk arising from changes in the value of financial instruments as a result of changes in market variables like interest rate and exchange rates.

### **3) SEGMENT-WISE PERFORMANCE**

The Company has identified its activities as single segment. Hence, the Company's performance is to be viewed as a single segment company operating in Natural Food Color Industry.

### **4) RECENT TREND AND FUTURE OUTLOOK:**

Notwithstanding global uncertainties, regulatory tightening and cyclical economic downtrend, financial services industry in India on the whole, will continue to march ahead at a healthy pace in the long term. We expect interest rates to remain stable or move southward and liquidity to ease in the coming quarters. This should augur well for demand growth in financing and lending business. However your company is making all possible efforts will improve its position.

### **5) RISK AND CONCERNS**

Like any other industry, this industry is also exposed to risk of competition, government policies, natural factor etc. As the Company is proposed to export raw materials/ finished product, the Company has risk on account of Exchange Rate fluctuations. The Company has taken necessary measures to safeguard its assets/interests etc.

## **6) INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company has proper and adequate system of Internal Controls to ensure that all the assets are safeguarded, protected as against loss from unauthorised use or disposition and that transactions are authorised , recorded and reported correctly. The Company conducted the audit of various departments through an independent internal auditor. The views of the statutory auditors are also considered to ascertain the adequacy of the internal control system.

## **7) FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

The financial performance of the Company for the year 2013-14 is described in the Directors' Report under the head 'Operations of the Company'.

## **8) MATERIAL DEVELOPMENTS IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS FRONT**

Your Company like to inform you that, since the company has very few employees who has been personally taken care by the Board of Directors of the company, there are no such HR policy in the company.

## **9) CAUTIONARY STATEMENT:**

Statement in this Management Discussion and Analysis Report, describing the Company's objectives, estimates and expectations may constitute 'Forward Looking Statements' within the meaning of applicable laws or regulations. Actual results might differ materially from those either expressed or implied.

**For & on behalf of the Board of Director of  
Natural Biocon (India) Limited**

**Date: 30/05/2016**

**Place: Vadodara**

Sd/-	Sd/-	Sd/-
<b>Ramanlal Vyas</b>	<b>Bhavna Vyas</b>	<b>Mansi Vyas</b>
<b>Director</b>	<b>Director</b>	<b>Director</b>
<b>DIN: 05347920</b>	<b>DIN: 05348851</b>	<b>DIN: 05348093</b>

## CERTIFICATE ON FINANCIAL STATEMENTS

To,  
The Members,  
**Natural Biocon (India) Limited**

We, have hereby certify that:

1. We have reviewed the financial statements and the cash flow statements of NATURAL BIOCON (INDIA) LIMITED for the financial year 2015-16 and to the best of our knowledge and belief, we state that:
  - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b. These statements together present a true and fair view of the Company's affairs for the period presented in this report and are in compliance with existing accounting standards, applicable laws and regulations.
2. 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.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee:
  - a. significant changes in internal control over financing reporting during the year;
  - b. significant changes in accounting policies made during the year and that the same have been disclosed suitably in the notes to the financial statements; and
  - c. that there were no Instances of significant fraud that involves management or other employees who have a significant role in the Company's internal control system over financial reporting.

**By Order of the Board  
For Natural Biocon (India) Limited**

**Place: Vadodara  
Date: 30/05/2016**

**Sd/-  
(Ramanlal Vyas)  
Director  
(DIN: 05347920)**



## Compliance Certificate

To,  
The Members,  
**NATURAL BIOCON (INDIA) LIMITED,**  
17, Dwarakadish Chamber,  
Kevadabaug,  
Baroda - 390001

We have examined the compliance of Corporate Governance by **NATURAL BIOCON (INDIA) LIMITED** for the year ended on 31<sup>st</sup> March, 2016, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The Compliance of conditions of 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 to opinion on the financial statement of the Company.

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

We state that no investor grievance(s) is/ are pending for a period exceeding for one month against the Company as per the records maintained by the Shareholders/Investors Grievance Committee.

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 Bharat Parikh & Associates**  
**Chartered Accountants**

**Date: 30/05/2016**  
**Place: Vadodara**

**Sd/-**  
**Bharat Parikh**  
**(Partner)**

## **Independent Auditor's Report**

**To the Members of  
Natural Biocon (India) Limited**

### **Report on the Financial Statements**

We have audited the accompanying (Standalone) financial statements of Natural Biocon (India) Limited. ("the Company") which comprise the Balance Sheet as at **31 March, 2016**, the Statement of Profit and Loss, Cash Flow Statement for the period then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the (Standalone) Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these (Standalone) financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these (Standalone) financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the (Standalone) financial statements

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid (Standalone) financial statements 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, of the state of affairs of the Company as at 31 March 2016, and its Profit/Loss and its Cash Flow for the period ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion 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;
  - c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

- d. in our opinion, the aforesaid (Standalone) financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of written representations received from the directors as on **31 March 2016** taken on record by the Board of Directors, none of the directors is disqualified as on **31 March 2016** from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Date: 30/05/2016  
Place: Vadodara

For Bharat Parikh & Associates  
Chartered Accountants

Sd/-  
Bharat Parikh  
(Partner)

## **“Annexure A” to the Independent Auditors’ Report**

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the period ended **31<sup>st</sup> March, 2016**

- 1) (a) The Company does not have any fixed assets. Hence, maintenance of records for the same is not applicable;  
  
(b) Not Applicable  
  
(c) Not Applicable.
- 2) (a) The management has conducted the physical verification of inventory at reasonable intervals.  
  
b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- 3) The Company has not granted loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security made.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date on when they become payable.

b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.

- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, the company has not entered into any related party transactions during the year under review. Hence, disclosure of details of the same are not applicable.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him.

Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

**Date: 30/05/2016**

**Place: Vadodara**

**For Bharat Parikh & Associates  
Chartered Accountants**

**Sd/-  
Bharat Parikh  
(Partner)**

**“Annexure B” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of Natural Biocon (India) Limited**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of

**Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of Natural Biocon (India) Limited. (“the Company”) as of **31 March 2016** in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our Audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial, assigning a risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**



A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that -

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of managements and directors of the company, and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of the internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, Projections of any evaluation of the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at **31 March 2016**, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Bharat Parikh & Associates  
Chartered Accountants**

**Date: 30/05/2016  
Place: Vadodara**

**Sd/-  
Bharat Parikh  
(Partner)**

# NATURAL BIOCON (INDIA) LIMITED

Balance Sheet as at 31st March, 2016

Particulars	Note No	As at 31st March, 2016 Amount (Rs.)	As at 31st March, 2015 Amount (Rs.)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	1	113,728,000	113,728,000
(b) Reserves and Surplus	2	(23,331)	(17,086)
<b>(2) Non-Current Liabilities</b>			
(a) Deferred tax liabilities (Net)			
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	3	-	25,000
(b) Trade payables			
(c) Other current liabilities			
(d) Short-term provisions	4	279,664	279,664
<b>Total</b>		<b>113,984,333</b>	<b>114,015,578</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets			
(ii) Capital work-in-progress	5	32,899,450	32,899,450
(b) Non-current investments			
(c) Long term loans and advances	6	69,288,446	69,338,446
(d) Deferred tax Assets			
<b>(2) Current assets</b>			
(a) Inventories	7	920,680	1,348,760
(b) Trade receivables			
(e) Cash and cash equivalents	8	954,084	507,249
(f) Short-term loans and advances			
(g) Miscellaneous Expenditure (To the extent not written off)	17	9,921,673	9,921,673
<b>Notes Forming Parts of Accounts</b>	18		
<b>Total</b>		<b>113,984,333</b>	<b>114,015,578</b>
<div style="display: flex; justify-content: space-between;"> <div> <p>As per our report of even date For Bharat Parikh &amp; Associates Chartered Accountants</p> <p>Sd/- Bharat Parikh Partner</p> <p>Dated: 30/05/2016 Place: Vadodara</p> </div> <div> <p>For and on behalf of the Board Natural Biocon (India) Limited</p> <p>Sd/-      Sd/-      Sd/- Ramanlal Vyas   Bhavna Vyas   Mansi Vyas Director      Director      Director DIN: 5347920   DIN: 5348093   DIN: 5348851 Dated : 30/05/2016 Place : Vadodara</p> </div> </div>			

**NATURAL BIOCON (INDIA) LIMITED**  
**Statement of Profit and Loss for the year ended 31st March, 2016**

	Particulars	Note No	As at 31st March, 2016 Amount (Rs.)	As at 31st March, 2015 Amount (Rs.)
I.	Revenue from operations	9	513,700	241,196
II.	Other Income	10	-	-
III.	<b>Total Revenue (I + II)</b>		<b>513,700</b>	<b>241,196</b>
IV.	<b>Expenses:</b>			
	Cost of materials consumed	11	-	-
	Purchase Cost of Stock in Trade	12	-	-
	Changes in inventories of finished goods and Stock-in-Trade	13	428,080	209,730
	Employee benefit expense	14	15,910	7,500
	Financial costs	15	-	-
	Depreciation and amortization expense		-	-
	Other expenses	16	75,955	32,834
	<b>Total Expenses</b>		<b>519,945</b>	<b>250,064</b>
V.	Profit before tax (III - IV)		<b>(6,245)</b>	<b>(8,868)</b>
VI.	Tax expense:			
	(1) Current tax/ Provision for Tax		-	-
	(2) Short Excess Provision of Earlier years		-	-
	(3) Deferred tax		-	-
VII.	Profit/(Loss) for the period (XI + XIV)		<b>(6,245)</b>	<b>(8,868)</b>
VIII.	Earning per equity share:			
	(1) Basic		(0.00)	(0.00)
	(2) Diluted		(0.00)	(0.00)

**As per our report of even date**  
**For Bharat Parikh & Associates**  
**Chartered Accountants**

**For and on behalf of the Board**  
**Natural Biocon (India) Limited**

**Sd/-**  
**Bharat Parikh**  
**(Proprietor)**

**Sd/-**                      **Sd/-**                      **Sd/-**  
**Ramanlal Vyas**   **Bhavna Vyas**   **Mansi Vyas**  
**Director**                      **Director**                      **Director**  
**DIN: 5347920**   **DIN: 5348093**   **DIN: 5348851**

**Dated: 30/05/2016**

**Dated: 30/05/2016**

**Place: Vadodara**

**Place : Vadodara**

**NATURAL BIOCON (INDIA) LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

Particulars	AMOUNT 2015-2016	AMOUNT 2014-2015
<b>A.CASH FLOW FROM OPERATING ACTIVITIES</b>		
NET PROFIT BEFORE INTEREST,TAX AND EXTRAORDINARY ITEMS	-6245.00	-8868.00
Adjustments for		
Depreciation	0.00	0.00
Share/Debenture Issue Expenses written off	0.00	0.00
Preliminary Expenses Written off	0.00	0.00
Banl Loan Written Off	0.00	
Excess provision for Taxation/ Dividend written back		
	-6245.00	-8868.00
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		
Adjustments for increase/ decrease in :		
Trade Receivables	0.00	0.00
Other Receivables	0.00	0.00
Inventories	0.00	209730.00
Trade & Other Payables	0.00	0.00
<b>CASH GENERATED FROM OPERATIONS</b>	-6245.00	200862.00
Interest Paid	0.00	0.00
Direct Taxes Paid (TDS deducted from various income)	0.00	0.00
CASH FLOW BEFORE EXTRAORDINARY ITEMS	-6245.00	200862.00
EXTRAORDINARY ITEMS	0.00	0.00
<b>NET CASH FROM OPERATING ACTIVITES (A)</b>	-6245.00	200862.00
<b>B.CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	0.00	0.00
Sales of Fixed Assets	0.00	0.00
Purchase of Investments/ Increase in Investment	0.00	0.00
Sales of Investments/Decrease in Investment in AOP	0.00	0.00
Interest/Dividend Received	0.00	0.00
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>	0.00	0.00
<b>C.CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Share Capital	0.00	0.00
Proceeds from Long Term Borrowings	0.00	0.00
Proceeds from Short Term Borrowings	0.00	0.00
Repayment Form Long Term Borrowings	0.00	0.00
Share/Debenture Issue Expenses/Preliminary Expenses	0.00	0.00
Increase/(Decrease) in Unsecured Loan	0.00	0.00
Increase/(Decrease) in Current Liabilities		
Dividend Paid	0.00	0.00
<b>NET CASH USED IN FINANCING ACITIVITES ( C)</b>	0.00	0.00
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	-6245.00	200862.00
CASH AND CASH EQUIVALENTS AS AT 1.4.2015	507249.00	306387.00
CASH AND CASH EQUIVALENTS AS AT 1.4.2016	954084.00	507249.00
<b>NET INCREASE/DECREASE IN CASH EQUIVALENTS</b>	446835.00	200862.00
NOTE : FIGURES IN BRACKET SHOWS OUTFLOW		

**AUDITORS CERTIFICATE**

We have examined the above Cash Flow Statemnt of NATURAL BIOCON (INDIA) LIMITED for the year ended 31st March, 2016. The Statement has been prepared by the Company in accordance with the requirements of Listing Agreement Clause 32 with Stock Exchange and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of even date to the members of the company.

As Per our Attached Report of even date

For Bharat Parikh & Associates  
Chartered Accountants

Sd/-  
Bharat Parikh  
Partner

Dated: 30/05/2016  
Place: Vadodara

# NATURAL BIOCON (INDIA) LIMITED

## NOTES FORMING PART OF BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS ACCOUNT

Note No	PARTICULARS	As at 31st March, 2016 Amount (Rs.)	As at 31st March, 2015 Amount (Rs.)
1	<b>Share Capital</b>		
	Equity Share Capital		
	Authorised Share capital (1,20,00,000 Equity Shares of Rs 10/- each)	120,000,000	120,000,000
	<b>Issued Share Capital</b> 1,13,82,500 Equity Shares of Rs.10/- each (PY 1,13,82,500 Equity Shares of Rs.10/- each)	113,825,000	113,825,000
	<b>Subscribed and paid up Share Capital</b> 1,13,72,800 Equity Shares of Rs.10/- each (PY 1,13,72,800 Equity Shares of Rs.10/- each)	113,728,000	113,728,000
	<b>Total</b>	<b>113,728,000</b>	<b>113,728,000</b>
	<b>ii) Reconciliation of the number of shares;</b>		
	No. of Equity shares issued at the beginning of the period	11,372,800	11,372,800
	Add no. of Equity shares issued during the period	-	-
	Less no. of Equity shares bought back during the year	-	-
	No. of Equity shares at the end of the period	11,372,800	11,372,800
	<b>ii) List of Shareholder holding more than 5% of share</b>	<b>No of Shares</b>	<b>% of holding</b>
	Priyakant Upadhyay	782,000	6.88%
	Tarlika P. Upadhyay	880,000	7.74%
	Pushpa Trivedi	780,000	6.86%
	Gita Shah	850,000	7.47%

Note No	PARTICULARS	As at 31st March, 2016 Amount (Rs.)	As at 31st March, 2015 Amount (Rs.)
2	<b>Reserves and Surplus</b>		
	Capital Reserves	-	-
	Securities Premium Reserves	-	-
	<b>Profit &amp; Loss account</b>		
	Opening Balance	(17,086)	(8,218)
	Addition During the year	(6,245)	(8,868)
	<b>Total</b>	<b>(23,331)</b>	<b>(17,086)</b>
	<b>Total</b>	<b>(23,331)</b>	<b>(17,086)</b>

Note No	PARTICULARS	As at 31st March, 2016 Amount (Rs.)	As at 31st March, 2015 Amount (Rs.)
3	<b>Short Term Borrowings</b>		
	Loan From Directors	-	25,000
		-	-
	<b>Total</b>	<b>-</b>	<b>25,000</b>

Note No	PARTICULARS	As at 31st March, 2016 Amount (Rs.)	As at 31st March, 2015 Amount (Rs.)
4	<b>Short Term Provision</b> Provisions	279,664	279,664
		-	-
	<b>Total</b>	<b>279,664</b>	<b>279,664</b>

Note No	PARTICULARS	As at 31st March, 2016 Amount (Rs.)	As at 31st March, 2015 Amount (Rs.)
5	<b>Fixed Assets</b> Capital work-in progress	32,899,450	32,899,450
		-	-
	<b>Total</b>	<b>32,899,450</b>	<b>32,899,450</b>

Note No	PARTICULARS	As at 31st March, 2016 Amount (Rs.)	As at 31st March, 2015 Amount (Rs.)
6	<b>Long Term Loans and Advances</b> <b>Unsecured considered good</b> Advances receivable in cash or in kind or for value to be received Loan to others	69,280,384 -	69,330,384 -
	Tax deducted at source	3,062	3,062
	Other deposit assets	5,000	5,000
	<b>Total</b>	<b>69,288,446</b>	<b>69,338,446</b>

Note No	PARTICULARS	As at 31st March, 2016 Amount (Rs.)	As at 31st March, 2015 Amount (Rs.)
7	<b>Inventories</b> Finished Goods	920,680	1,348,760
	<b>Total</b>	<b>920,680</b>	<b>1,348,760</b>

Note No	PARTICULARS	As at 31st March, 2016 Amount (Rs.)	As at 31st March, 2015 Amount (Rs.)
8	<b>Cash and cash equivalents</b> Cash on Hand (As Certified by Management) Balances with banks	931,820 22,264	484,985 22,264
	<b>Total</b>	<b>954,084</b>	<b>507,249</b>

Note No	PARTICULARS	As at 31st March, 2016 Amount (Rs.)	As at 31st March, 2015 Amount (Rs.)
9	<b>Revenue from Operations</b> Revenue from - Sale of products As per note A Below Other operating revenues	513,700 -	241,196 -
	<b>Total</b>	<b>513,700</b>	<b>241,196</b>

	PARTICULARS	As at 31st March, 2016 Amount (Rs.)	As at 31st March, 2015 Amount (Rs.)
	<b>(A) :</b> Domestic sales	513,700 -	241,196 -
	<b>Total</b>	<b>513,700</b>	<b>241,196</b>

Note No	PARTICULARS	As at 31st March, 2016 Amount (Rs.)	As at 31st March, 2015 Amount (Rs.)
10	<b>Othe Income</b> Dividend income Net gain/ loss on sale of investments/Assets Other non-operating income (net of expenses directly attributable to such income)	- - - -	- - - -
	<b>Total</b>	<b>-</b>	<b>-</b>

Note No	PARTICULARS	As at 31st March, 2016 Amount (Rs.)	As at 31st March, 2015 Amount (Rs.)
11	<b>Raw Material Consumption</b>	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>

Note No	PARTICULARS	As at 31st March, 2016 Amount (Rs.)	As at 31st March, 2015 Amount (Rs.)
12	<b>Purchase cost of Stock In Trade</b> Purchases	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>

Note No	PARTICULARS	As at 31st March, 2016 Amount (Rs.)	As at 31st March, 2015 Amount (Rs.)
13	<b>INCREASE/ DECREASE IN STOCK OF FINISHED GOODS and Stock in Trade</b> Opening Stock		
	Total	1,348,760 <b>1,348,760</b>	1,558,490 <b>1,558,490</b>
	Closing Stock Total	920,680	1,348,760
	<b>Increase or Decrease in Stock</b>	<b>(428,080)</b>	<b>(209,730)</b>

Note No	PARTICULARS	As at 31st March, 2016 Amount (Rs.)	As at 31st March, 2015 Amount (Rs.)
<b>14</b>	<b>Employee Benefits Expense</b>		
	Salaries and wages	15,910	7,500
	Directors Sitting Fees / Remuneration	-	-
	Staff Welfare Exp	-	-
	<b>Total</b>	<b>15,910</b>	<b>7,500</b>

Note No	PARTICULARS	As at 31st March, 2016 Amount (Rs.)	As at 31st March, 2015 Amount (Rs.)
<b>15</b>	<b>Finance Costs</b>		
	Total Interest expenses	-	-
	Other borrowing costs	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>

Note No	PARTICULARS	As at 31st March, 2016 Amount (Rs.)	As at 31st March, 2015 Amount (Rs.)
<b>16</b>	<b>Other Expenses</b>		
	Printing & Stationery	1,965	1,287
	Postage	980	-
	Professional Charges	12,900	10,000
	Audit Fees	2,500	2,500
	Misc. Exps.	14,082	2,633
	Office Expenses	43,528	16,414
	<b>Total</b>	<b>75,955</b>	<b>32,834</b>

Note No	PARTICULARS	As at 31st March, 2016 Amount (Rs.)	As at 31st March, 2015 Amount (Rs.)
<b>17</b>	<b>Miscellaneous Expenditure (To the extent not written off)</b>		
	Preliminary Expenses	9,921,673	9,921,673
	<b>Total</b>	<b>9,921,673</b>	<b>9,921,673</b>



## Notes Forming Part of Financial Statements for the year ended 31st March, 2016

### **NOTE: 16    SIGNIFICANT ACCOUNTING POLICIES:**

#### **a) Basis of Preparation of Financial Statements:**

These financial statements have been prepared to comply with the generally accepted accounting principles in India (Indian GAAP), including the Accounting standards notified under the relevant provisions of the Companies Act, 2013. The company has prepared these financial statements to company in all material respects with the Accounting standards, notified under Section 133 of the Companies Act, 2013 ("the Act") read together with paragraph 7 of the Companies (Accounts) Rules 2014 to reflect the financial position and the results of operations of Natural Biocon (India) Limited.

The financial statements are prepared on accrual basis under the historical cost convention. The financial statements are presented in Indian rupees rounded off to the nearest rupees.

The central government in consultation with National Advisory Committee on Accounting standards has amended Companies (Accounting Standard) Rules, 2016 ('principal rules'), vide notification issued by Ministry of Corporate Affairs dated and effective March 30, 2016. The Company believes that the Rule 3(2) of the principal rules has not been withdrawn or replaced and accordingly, the Companies (Accounting Standard) Rules, 2016 will apply for the accounting periods commencing on or after March 30, 2016. Hence the company has not applied the Companies (Accounting Standards) Rules, 2016 in preparation of financial results for the year ended March 31, 2016.

#### **b) Use of Estimates:**

The preparation of financial statements in conformity with Indian GAAP required judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

#### **c) Fixed assets:**

##### **Tangible Assets:**

The Company does not have any fixed assets during the year under review.

**Intangible Assets:**

There is no assets in the books of company which can be accounted as intangible assets.

**d) Depreciation, Amortization and Depletion:**

Tangible Assets:

The Company does not have any fixed assets during the year under review.

Intangible Assets:

There is no intangible asset in the books of company.

**e) Investments:**

The Company does not have any investment during the year under review.

**f) Foreign Currency transactions:**

The Company does not have any Foreign Currency transactions during the year under review.

**g) Current assets:**

Inventories:

Items of inventories are measured at cost of Purchase. Cost of inventories comprises of cost of purchase and other costs including overheads incurred in bringing them to their respective present location and condition.

Sundry debtors:

Sundry debtors are stated at realisable value. Other loans and advances are stated at realisable value.

**h) Prior period and non-recurring items**

Prior period and non-recurring and extra ordinary items are disclosed separately if material.

**i) Income Taxes:**

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred income tax reflect the current period timing difference between taxable income and accounting income for the period and reversal of timing differences of earlier year / period. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognized if there is virtual certainty that sufficient future taxable income will be available to realise the same.

Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date.

**j) Provisions, Contingent liabilities and contingent assets:**

Provision is recognized in the accounts when there is a present obligation as a result of part event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are neither recognized nor disclosed in the financial statements.

**k) Revenue Recognition:**

Revenue is recognised only when risks and rewards incidental to ownership are transferred to the customer, it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of goods, services, service tax, excise duty and sales during trial run period, adjusted for discounts (net), and gain / loss on corresponding hedge contracts.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

**Excise duty / Service tax:**

Excise duty / service tax is accounted on the basis of both, payments made in respect of goods cleared / services provided and provisions made for goods lying in bonded warehouses.

**l) Employees Benefits:**

Company's contribution to provident fund are charged to profit & loss account. Gratuity provision is made on the basis of actuarial valuation and leave encashment expenses are accounted for on payment basis.

**m) Impairment of Asset :**

At each balance sheet date the carrying amount of the asset is tested for impairment. If there is an indication of impairment, the company estimates the recoverable amount of assets. If such recoverable amount of the asset or the recoverable amount of cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is tested as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that the previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

**n) Borrowing cost:**

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the profit and loss statement in the period in which they are incurred.

**o) Earnings per Share (EPS):**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus elements in right issue to existing shareholders, share split, and reverse share split (consolidation of shares) that

have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**p) Segment reporting:**

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the company.

**q) Cash and cash equivalents:**

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

**As per our report of even date  
For Bharat Parikh & Associates  
Chartered Accountants**

**For and on behalf of the Board  
Natural Biocon (India) Limited**

**Sd/-  
Bharat Parikh  
(Partner)**

**Sd/-  
Ramanlal Vyas  
Director  
DIN: 05347920**

**Sd/-  
Bhavna Vyas  
Director  
DIN: 05348851**

**Sd/-  
Mansi Vyas  
Director  
DIN: 05348093**

**Place: Vadodara  
Dated: 30/05/2016**

**Place : Vadodara  
Dated: 30/05/2016**

# NATURAL BIOCON (INDIA) LIMITED

## PROXY FORM

Registered Folio No:

No of Shares held:

I/We \_\_\_\_\_ of \_\_\_\_\_ being Member / Members of Natural Biocon (India) Limited, hereby appoint Shri / Smt. \_\_\_\_\_ of \_\_\_\_\_ or failing him Shri / Smt. \_\_\_\_\_ of \_\_\_\_\_ as my/ our proxy to vote for me/ us and on my/ us behalf at the Annual General Meeting of the Company to be held on 30<sup>th</sup> Day of September, 2016 at 11.30 a.m.

Signed by the said \_\_\_\_\_ day of \_\_\_\_\_ 2016

Signature: \_\_\_\_\_

**Affix  
Rs. 1  
Revenue  
Stamp**

Applicable to the members holding shares in electronic form.

### NOTE:

The proxy to be effective should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

## ATTENDANCE SLIP

Please complete this Attendance slip and hand it over at the entrance of the Meeting Hall. It helps us to make proper arrangements. Failures to bring this Attendance Slip create unnecessary inconvenience to you. Please write below

Reg. Folio No:

I hereby record my presence at the Annual General Meeting of the Company held at 17, Dwarakadish Chamber, Kevadabaug, Vadodara - 390001 on the 30<sup>th</sup> Day of September, 2016 at 11.30 a.m.

Full Name of the Members/Proxy \_\_\_\_\_

(In Block Letters, to be filled in if the proxy attends instead of the Member)

\_\_\_\_\_  
Members/ Proxy Signature

Application to the members holding shares in electronic form.

### NOTES:

1. Members/ Proxy holders are requested to bring their copy of the Notice with them at the Meeting.
2. Please carry with you this Attendance Slip and hand over the same duly completed, stamped signed at the space provided, at the entrance of the Meeting Hall.
3. Shareholders / Proxy holders should bring their copy of the Annual Report for the meeting.

If Undelivered, please return to:-

**Natural Biocon (India) Limited**

17, Dwarakadish Chamber,

Kevadabaug,

Vadodara -390001