

# CORPORATE GOVERNANCE REPORT

The detailed report on Corporate Governance as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the listing regulations').

## MANDATORY REQUIREMENTS

### 1. Company's Corporate Governance Philosophy

Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the widest sense. Your Company is committed to adopt the best Corporate Governance practices and endeavors continuously to implement the code of Corporate Governance in its true spirit.

Over the years, we have strengthened governance practices. These practices define the way business is conducted and value is generated. The Company is committed to good Corporate Governance practices that serve and protect the short and long-term interests of the stakeholders. The following report on the implementation of the Corporate Governance requirements under Clause 49 of the Listing Agreement illustrates the efforts of the Company in having followed the Corporate Governance Principles.

### 2. Board Leadership

A majority of the Board are Independent Directors. At Nath Bio-Genes, it is our belief that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. The Board's actions and decisions are aligned with the Company's best interests.

### 3. The Board of Directors

#### Composition and Status of Directors

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

| Name of the Director    | Category                                   | No of Public Directorships | Committee Membership | Committee Chairmanship |
|-------------------------|--|----------------------------|----------------------|------------------------|
| Mr. Nandkishor Kagliwal | Chairman<br>Promoter<br>Non-Executive      | 5                          | 1                    | -                      |
| Mr. Satish Kagliwal     | Managing Director<br>Promoter<br>Executive | 6                          | 4                    | -                      |
| Mrs. Sweta Kagliwal     | Promoter<br>Non-Executive                  | 3                          | -                    | -                      |

|                      |                              |   |   |   |
|----------------------|------------------------------|---|---|---|
| Mr. Kashinath Iyer   | Independent<br>Non-Executive | 5 | 2 | 5 |
| Mr. Shrirang Agrawal | Independent<br>Non-Executive | 6 | 6 | 3 |
| Mr. Omprakash Sharma | Independent<br>Non-Executive | 3 | 2 | 4 |

The present strength of the board of directors is 6. None of the directors on the board is a member in more than ten committees and they do not act as chairman of more than five committees across all companies in which they are directors.

#### **Attendance of each Director at the Board Meeting #**

During the year ended 31<sup>st</sup> March 2018, Five Board of Directors Meetings were held on 30<sup>th</sup> May 2017, 31<sup>st</sup> July 2017, 28<sup>th</sup> October 2017, 08<sup>th</sup> December 2017, & 14<sup>th</sup> February 2018. The interval between two meetings did not exceed 120 days. The attendance of each Director at Board of Directors Meetings is as under.

| <b>Name of Director</b> | <b>No. of Board Meetings attended</b> | <b>Attendance at last AGM</b> |
|-------------------------|---------------------------------------|-------------------------------|
| Mr. Nandkishor Kagliwal | 5                                     | Present                       |
| Mr. Satish Kagliwal     | 5                                     | Present                       |
| Ms. Sweta Kagliwal      | 5                                     | Present                       |
| Mr. Kashinath Iyer      | 5                                     | Present                       |
| Mr. Shrirang Agrawal    | 5                                     | Present                       |

All significant information had been placed before the Board.

### **3. Code of Conduct**

The Company has formulated and adopted a code of business conduct and ethics to guide our transactions with our colleagues, communities, customers, governments, investors, regulators and society. Requisite annual affirmations of compliance with the respective code have been made by the directors and the management of the company; including a declaration signed by the Managing Director of the company regarding Compliance of the Code of Business Conduct.

### **4. Committees of the Board**

#### **A. AUDIT COMMITTEE**

##### **(i) Broad Terms of Reference**

The terms of reference of the Audit Committee include:

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

The terms of reference of this Committee are wide enough covering the matters specified under the Section 177 of the Companies act 2013 and Regulation 18 of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015.

**(ii) Composition**

The Audit Committee comprises of 3 Directors to include three directors namely Mr. Kashinath Iyer, Chairman, Mr. Omprakash Sharma, Committee Member & Mr. Satish Kagliwal, Committee Member. Ms. Laveena Chanchlani, company secretary of the Company is appointed as Secretary of the Committee. During the year ended 31<sup>st</sup> March 2018, five audit committee meetings were held on 30<sup>th</sup> May 2017, 31<sup>st</sup> July 2017, 28<sup>th</sup> October 2017, 08<sup>th</sup> December 2017 and 14<sup>th</sup> February 2018. The constitution of the Audit Committee and attendance of the members of the meetings was as under:

| Name of Director     | Status                               | No. of Meetings attended |
|----------------------|--------------------------------------|--------------------------|
| Mr. Kashinath Iyer   | Chairman, Independent, Non-Executive | 5                        |
| Mr. Satish Kagliwal  | Member, Promoter, Executive          | 5                        |
| Mr. Omprakash Sharma | Member, Independent, Non-Executive   | 5                        |

**Disclosure of material transactions to the Board**

No transactions of material nature has been entered into by the company with the promoters, directors or the management, their subsidiaries or relatives etc. that may have a potential conflict with interest of the company. Attention of members is drawn to the disclosure of transactions with related parties set out in Note No. 43 of Financial Statements, forming part of the Annual Report.

**B. STAKEHOLDERS' RELATIONSHIP COMMITTEE**

**(i) Broad Terms of Reference**

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

**(ii) Composition**

The Shareholders Investor Grievances comprises of 3 Directors to include Mr. Kashinath Iyer, Chairman, Mr. Omprakash Sharma, Committee Member & Mr. Satish Kagliwal, Committee Member. Ms. Laveena Chanchlani, company secretary of the Company is appointed as Secretary of the Committee. During the year ended 31<sup>st</sup> March 2018, five shareholders investor grievances meetings were held on 30<sup>th</sup> May 2017, 31<sup>st</sup> July 2017, 28<sup>th</sup> October 2017, & 08<sup>th</sup> December 2018 and 14<sup>th</sup> February 2018.

| Name of Director     | Status                               | No. of Meetings attended |
|----------------------|--------------------------------------|--------------------------|
| Mr. Kashinath Iyer   | Chairman, Independent, Non-Executive | 5                        |
| Mr. Satish Kagliwal  | Member, Promoter, Executive          | 5                        |
| Mr. Omprakash Sharma | Member, Independent, Non Executive   | 4                        |

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

The Company during the year received 1 complaint. There were NIL complaints pending disposal as on 31<sup>st</sup> March 2018.

**(iv) Compliance Officer**

Ms. Laveena Chanchlani has been appointed as the Company Secretary of the company & is the Compliance officer for complying with the requirements of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.

**C. NOMINATION & REMUNERATION COMMITTEE**

**(i) Broad Terms of Reference**

- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal.
- To carry out evaluation of every Director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- To formulate the criteria for evaluation of Independent Directors and the Board.
- To devise a policy on Board diversity.
- To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria.
- The terms of reference of this Committee are wide enough covering the matters specified under Regulation 19 of SEBI (Listing Obligation and Disclosure Requirements) 2015.

**(ii) Composition**

The Nomination & Remuneration Committee includes the following persons.

|                         |                  |
|-------------------------|------------------|
| Mr. Kashinath Iyer      | Chairman         |
| Mr. Omprakash Sharma    | Committee Member |
| Mr. Nandkishor Kagliwal | Committee Member |

(iii) **Managerial Remuneration**

(Rs in Lacs)

| Name of the Director | Designation       | Salary & Perquisite | Total |
|----------------------|-------------------|---------------------|-------|
| Mr. Satish Kagliwal  | Managing Director | 30.00               | 30.00 |

**Sitting Fees for Board Meetings**

(Amount in Rs)

| Name of Director        | Designation       | Sitting Fee | Total Rs. |
|-------------------------|-------------------|-------------|-----------|
| Mr. Satish Kagliwal     | Managing Director | NIL         | NIL       |
| Mr. Nandkishor Kagliwal | Chairman          | 20000       | 20000     |
| Mr. Shrirang Agrawal    | Director          | 20000       | 20000     |
| Mr. Kashinath Iyer      | Director          | 20000       | 20000     |
| Mr. Omprakash Sharma    | Director          | 20000       | 20000     |
| Mrs. Sweta Kagliwal     | Director          | 20000       | 20000     |

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

**D. CORPORATE SOCIAL RESPONSIBILITY AND GOVERNANCE COMMITTEE**

(i) **Broad Terms of Reference**

- To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy indicating activities to be undertaken by the Company in compliance with provisions of the Companies Act, 2013 and rules made thereunder.
- To recommend the amount of expenditure to be incurred on the CSR activities.
- To monitor the implementation of the CSR Policy of the Company from time to time.
- To approve the Corporate Sustainability Reports and oversee the implementation of sustainability activities.
- To oversee the implementation of policies contained in the Business Responsibility Policy Manual and to make any changes / modifications, as may be required, from time to time and to review and recommend the Business Responsibility Reports (BRR) to the Board for its approval.

(ii) **Composition**

The CSR committee was constituted to include the following members;

|                         |                  |
|-------------------------|------------------|
| Mr. Nandkishor Kagliwal | Chairman         |
| Mr. Omprakash Sharma    | Committee Member |

Mr. Kashinth Iyer

Committee Member

The CSR policy & the amount of expenditure incurred by the company on CSR activities as approved by the CSR committee forms part of the Boards' Report.

#### **E. RISK MANAGEMENT COMMITTEE**

The risk management committee (RM committee) was constituted by the board adhering to the requirements of the companies act, 2013 and clause 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The committee's prime responsibility is to implement and monitor the risk management plan and policy of the company. The committee's constitution meets with the requirements of clause 21 of the listing agreement. The committee members met once on 14<sup>th</sup> February 2018.

#### **Company Secretary**

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

All related party transactions are negotiated on an arms length basis, and are intended to further the Company's interests.

#### **5. Details of General Body Meetings**

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

| Financial Year | Place   | Date                         | Time     |
|----------------|---|------------------------------|----------|
| 2016-2017      | Nath House, Nath Road,<br>Aurangabad (MAH) 431005 | 24 <sup>th</sup> August 2017 | 11.00 AM |
| 2015-2016      | Nath House, Nath Road,<br>Aurangabad (MAH) 431005 | 28 <sup>th</sup> July 2016   | 11.00 AM |
| 2014-2015      | Nath House, Nath Road,<br>Aurangabad (MAH) 431005 | 8 <sup>th</sup> August 2015  | 11.00 AM |

No Special Business was transacted at the Annual General Meeting held on 24<sup>th</sup> August 2017.

Following resolutions were passed by means of Postal Ballot in the previous year.

- 1. Increase in Authorized Share Capital**
- 2. Raising of Funds through Qualified Institutional Placement**

One Extra-Ordinary General Meeting was held during the period under review on 05<sup>th</sup> January 2018.

## 6. Means of communication

(a) Quarterly Results: The Board of Directors of the Company approved and took on record the unaudited financial results.

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

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

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

Investor@nathbiogenes.com

## 7. Disclosures

a. Except the details of transactions given in Note No. 43 of the Notes to Accounts, the Company had no material transaction with its promoters, directors or the management, their relatives or its subsidiaries etc. that may have had a potential conflict of interest with the Company.

b. Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any other statutory authority on any matter related to capital markets, during the last three years- Nil

c. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause-Whistle Blower Policy & Committee formulated.

## 8. Shareholders information

### a. Registered Office

Nath Bio-Genes (India) Limited  
Nath House  
Nath Road, Aurangabad  
Maharashtra, 431005

### b. Annual General Meeting

|             |  |
|-------------|--|
| Venue       | Nath Bio-Genes (India) Limited<br>Nath House, Nath Road,<br>Aurangabad |
| Date & Time | August 04 <sup>th</sup> August 2018 11.00 AM                           |

### c. Book Closure

The register of shareholders of the Company will remain closed on 30<sup>th</sup> July 2018 to 04<sup>th</sup> August 2018 both days inclusive.

**d. Financial Calendar**

- Financial Reporting for the Quarter Ending 30<sup>th</sup> June 2018 by July 2018.
- Financial Reporting for the Quarter Ending 30<sup>th</sup> September 2018 by October 2018.
- Financial Reporting for the Quarter Ending 31<sup>st</sup> December 2018 by January 2019.
- Financial Reporting for the Quarter Ending 31<sup>st</sup> March 2019 by April 2019.
- Annual General Meeting for the Year ending 31<sup>st</sup> March 2019 by September 2019.

**e. Listing on Stock Exchanges and ISIN No.**

The Company's shares are listed at the Stock Exchange, Mumbai, National Stock Exchange of India Limited, Mumbai and the Stock Exchange Ahmadabad, under ISIN INE448G01010, by National Securities Depository Limited and Central Depository Services (India) Limited. The shares of the company fall under the category of compulsory delivery in de materialized mode by all category of investors.

**f. Listing Fee Status**

|                         |                             |
|-------------------------|-----------------------------|
| Bombay Stock Exchange   | Paid for the year 2018-2019 |
| National Stock Exchange | Paid for the year 2018-2019 |

**g. Stock Code**

| Stock Exchange          | Trade Symbol |
|-------------------------|--------------|
| Bombay Stock Exchange   | NATHBIOGEN   |
| National Stock Exchange | NATHBIOGEN   |

**h. Registry and Transfer activity**

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

**i. Distribution of Share Holding as on 31<sup>st</sup> March 2018**

| Shareholding Range |       | Number of Shareholders | Percentage of total number of shareholders | Number of shares | Percentage of Total holding |
|--------------------|-------|------------------------|--|------------------|-----------------------------|
| 1                  | 5000  | 26400                  | 99.1587                                    | 3364423          | 17.7038                     |
| 5001               | 10000 | 108                    | 0.4056                                     | 769369           | 4.0485                      |
| 10001              | 20000 | 47                     | 0.1765                                     | 669244           | 3.5216                      |
| 20001              | 30000 | 23                     | 0.0864                                     | 549932           | 2.8938                      |
| 30001              | 40000 | 9                      | 0.0338                                     | 324633           | 1.7082                      |



|        |         |    |        |          |         |
|--------|---------|----|--------|----------|---------|
| 40001  | 50000   | 2  | 0.0075 | 100000   | 0.5262  |
| 50001  | 100000  | 13 | 0.0488 | 1073824  | 5.6505  |
| 100001 | 9999999 | 22 | 0.0826 | 12152575 | 63.9475 |

j. Share Holding Pattern as on 31<sup>st</sup> March 2018

| Category                        | No. of Shares   | % of Capital  |
|---------------------------------|-----------------|---------------|
| <b>PROMOTER HOLDING</b>         |                 |               |
| Indian Promoters                | 7732987         | 40.69         |
| Persons acting in concert       | 0               | 0             |
| <b>Sub Total</b>                | <b>7732987</b>  | <b>40.69</b>  |
| <b>NON PROMOTER HOLDING</b>     |                 |               |
| Alternate Investment Fund       | 439560          | 2.37          |
| Mutual Funds                    | 1002200         | 5.27          |
| Banks/Financial Institutions    | 43176           | 0.23          |
| Foreign Portfolio Investor      | 155050          | 0.82          |
| Foreign Institutional Investors | 550             | 0.01          |
| Bodies Corporate                | 945             | 0.01          |
| Indian Public                   | 6098317         | 32.03         |
| NRI/OCB/Clearing member         | 3531215         | 18.58         |
| <b>Sub Total</b>                | <b>11271013</b> | <b>59.31</b>  |
| <b>Total</b>                    | <b>19004000</b> | <b>100.00</b> |

k. Stock Market Data

| MONTH  | BSE    |        | NSE    |        |
|--------|--------|--------|--------|--------|
|        | High   | Low    | High   | Low    |
| Apr-16 | 228.4  | 150.9  | 228.05 | 130    |
| May-16 | 234.5  | 198.15 | 233.35 | 198.3  |
| Jun-16 | 353.6  | 220    | 353.6  | 222    |
| Jul-16 | 437    | 320    | 435.7  | 319.7  |
| Aug-16 | 422    | 306    | 422.7  | 305.15 |
| Sep-16 | 458.9  | 361.5  | 459    | 362.5  |
| Oct-16 | 443.95 | 387.5  | 443.05 | 387.5  |
| Nov-16 | 491.95 | 390.05 | 492    | 391    |
| Dec-16 | 487.7  | 371.5  | 487.4  | 400    |
| Jan-17 | 565.5  | 454.1  | 566    | 455    |
| Feb-17 | 538.45 | 470    | 542    | 469.4  |
| Mar-17 | 482.9  | 391    | 482.05 | 395.55 |

l. Plant Location

Nath Bio-Genes (India) Limited,

Seed Processing Plant,  
Munipally-503224  
Tal-Armoor, Dist- Nizamabad

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

**m. Investor Correspondence**

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

BIG SHARE SERVICES PVT. LTD,  
1st Flr, Bharat Tin Works Building,  
Opp. Vasant Oasis Apartments,  
(next to Keys hotel),  
Marol Maroshi Road,  
Andheri East, Mumbai 400059  
For any query on Annual Report please write to;

Ms. Laveena Chanchlani  
Compliance Officer  
Nath Bio-Genes (India) Limited,  
Nath House, Nath Road,  
Aurangabad-431005  
Email: investor@nathbiogenes.com



For an on behalf of the Board of Directors

Place: Aurangabad  
Dated: 30.05.2018

Chairman  
Nandkishor Kagliwal  
DIN: 01691691

Managing Director  
Satish Kagliwal  
DIN: 00119601