

Natco Economicals Limited

Year 2015-16

22nd Annual Report

22nd Annual Report of Natco Economicals Limited

Corporate Profile

CIN No: L65910GJ1994PLC022240

Name of Director	Designation	DIN	Date of Appointment	Date of Resignation
Haresh Patel	Whole Time Director	06999192	29/09/2009	01/09/2016
Ashish Pandya	Whole Time Director		01/09/2016	--
Rupesh Upadhyay	Independent Director	06999217	29/09/2011	--
Dhvani Contractor	Independent Director	07160128	30/03/2015	--
Bhadresh Bhavsar	Independent Director	07152836	18/05/2015	--

Registered Office

304, Abhijit-1, Near Mithakali Six Road, Navarangpura, Ahemdabad- 380006

Corporate Office

B-212, Atlantis K-10, Opp. Honest Restaurant, Near Genda Circle, Vadodara-390020

Annual General Meeting

Date: 29/09/2016 **Time:** 12.30 P.M Onwards

Venue of AGM: 304, Abhijit-1, Near Mithakali Six Road, Navarangpura, Ahemdabad- 380006

Independent Auditors

Jayesh Patel &Co.

91, Mahavir Tower, Nr. Mahalaxmi Cross Road, Paldi Ahmedabad- 380007.

Phone No: 079-40373541 Mobile No. 0-9725800888

Email: -cajbpatel@gmail.com

Bankers

ICICI BANK

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Audit Committee

<i>Rupesh Upadhyay</i>	<i>Chairman</i>
<i>Haresh Patel</i>	<i>Member</i>
<i>Dhvani Contractor</i>	<i>Member</i>

Nomination & Remuneration Committee

<i>Dhvani Contractor</i>	<i>Chairman</i>
<i>Bhadresh Bhavsar</i>	<i>Member</i>
<i>Rupesh Upadhyay</i>	<i>Member</i>

Stakeholder Grievance Committee

<i>Haresh Patel</i>	<i>Chairman</i>
<i>Dhvani Contractor</i>	<i>Member</i>
<i>Bhadresh Bhavsar</i>	<i>Member</i>

Share Transfer Agents

M/s. MCS Share Transfer Agent Ltd (Vadodara)

10, Aaram Apartment, Sampatrao Colony 12, Behind Laxmi Hall, Alkapuri, Vadodara-390007 Phone No: 0265-2341639, 2350490

Email mcsltbaroda@yahoo.com, Website: www.mcsdel.com

Secretarial Auditors

M/s S Bhattbhatt & Co.

103, Krishna Tower, Opp. Bank of Baroda, R.V Desai Road, Vadodara -390001

Listed on Stock Exchanges

*Ahmedabad Stock Exchange
BSE Ltd (Bombay Stock Exchange)*

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Green Initiative in Corporate Governance

The Ministry of Corporate Affairs (MCA) has taken a "Green initiative in Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/documents including annual report can be sent by e-mail to its members. To support this green initiative of the Government, members who have not registered their e-mail addresses, so far, are requested to intimate their e-mail ID to the Company or send it through email at natcoecolimited@gmail.com mentioning their name(s) and folio number or send the details at Company's Registered Office.

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Notice

NOTICE is hereby given that the 22nd Annual General Meeting of the Members of Natco Economicals Limited will be held on Thursday 29th September, 2016 at 12.30 P.M., at registered office of the company at 304, Abhijit-1, Near Mithakali Six Road, Navarangpura Ahemdabad- 380006 to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2016 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Bhadresh Bhavsar (holding DIN no.07152836), who retires by rotation in, terms of Section 152(6) of Companies Act, 2013 and being eligible offers herself for reappointment..
3. To Re-appoint Auditors and fix their Remuneration in this regard to Consider and if thought fit to pass the following Resolution as Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of Section 139 & other applicable provisions of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014, and pursuant to the recommendations of the Audit Committee of the Board of Directors, M/s. Jayesh Patel & Co, Chartered Accountants ,Ahemdabad, (Membership No. 034745), the retiring Auditors of the Company be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the next AGM (subject to ratification by members at every AGM held after this AGM) and that the Board of Directors be and is hereby authorized to fix the remuneration as may be recommended by the Audit Committee in consultation with the Auditors.”

SPECIAL BUSINESS

4. Appointment of Mr Ashish Pandya as Whole Time Director of the Company.

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

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“RESOLVED THAT in accordance with the provisions of Section 196 and 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, the approval of the Company be and is hereby accorded for appointment of Mr. Ashish Pandya (DIN: 07128224) as Whole Time Director of the Company for a period of 3 (three) years with effect from 1st September, 2016 to 31st August, 2019 whose office shall not be liable to retire by rotation as recommended and approved by the Remuneration Committee and Audit Committee in their respective meetings held on 22nd August, 2016, on the terms & conditions as mentioned in the Explanatory Statement annexed to this notice.

RESOLVED FURTHER THAT Ashish Pandya (DIN: 07128224) will be paid the salary and perquisites as minimum remuneration not exceeding the limits specified under Section II of Part II of Schedule V of the Act by making such compliances as provided in the Schedule.

RESOLVED FURTHER THAT any Director or Company Secretary of the company be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments as, in its discretion may be considered necessary with the Registrar of Companies.”

Regd. Office:
304, Abhijit-1,
Near Mithakali Six Road,
Navarangpura,
Ahmedabad-380006

By the Order of Board

Meghna Raval
(Company Secretary)

Date: 22nd August, 2016
Place: Ahmedabad

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint proxy/Proxies to attend and vote on a poll instead of him/her and such a proxy/proxies need not be a member of the Company.

A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than ten percent of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. A proxy form is sent herewith. Proxies submitted on behalf of the

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Companies, Societies, etc., must be supported by an appropriate resolution/authority as applicable.

- 2. The instrument appointing a proxy should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. Moreover, Members /proxies should bring the attendance slips duly filled in and PHOTO ID Proof for attending the meeting.*
- 3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is annexed and forms part of the Notice.*
- 4. As required SEBI LODR (Listing Obligation & Disclosure Requirements) Regulations, 2015, a brief profile of Mr. Bhadresh Bhavsar retiring by rotation and seeking re-appointment under item no. 2 aforesaid in accordance with applicable provisions of the Companies Act, 2013 as well as those Directors who have been appointed since last Annual General Meeting are annexed.*
- 5. The Register of Members and Share Transfer Books of the Company will remain closed from September 27, 2016 to September 29th, 2016 (both days inclusive).*
- 6. Corporate Members are requested to send a duly certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote on their behalf at the Annual General Meeting.*
- 7. Pursuant to Section 72 of the Companies Act, 2013, Members who hold shares in the physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest, to avail of the nomination facility by filing required form.*
- 8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in physical form can submit their PAN details to the Company/Registrar and Share Transfer Agents.*
- 9. All documents, transfers, dematerialization requests and other communications in relation thereto should be addressed directly to the Company's Registrar & Transfer Agents.*
- 10. Members holding shares in multiple folios in physical mode are requested to apply for consolidation to the Company or its Registrar & Share Transfer Agent along with relevant Share Certificates.*

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11. *Members are requested to send all correspondence concerning registration of transfers, transmissions, subdivision, consolidation of shares or any other shares related matter and/or change in address and bank account, to company's Registered Office.*

12. *Members desirous of getting any information on any items of business of this Meeting are requested to address their queries to Compliance Officer of the Company at the registered office of the Company at least ten days prior to the date of the meeting, so that the information required can be made readily available at the meeting.*

13. *Voting Through Electronic Voting (E-Voting Procedure)*

1. *In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 22nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).*

2. *The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.*

3. *The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.*

4. *The remote e-voting period commences on 26th September, 2016 (9:00 am) and ends on 28th September, 2016 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23rd September, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.*

5. *The process and manner for remote e-voting are as under:*

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A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/ Depository Participants(s)]:

(i) Open email and open PDF file viz; “[NatcoEconomicalsLimited remote e-voting.pdf](#)” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

(ii) Launch internet browser by typing the following URL:
<https://www.evoting.nsdl.com>

(iii) Click on Shareholder - Login

(iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

(v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

(vii) Select “EVEN” of [Natco Economicals Limited](#).

(viii) Now you are ready for remote e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.

(x) Upon confirmation, the message “Vote cast successfully” will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to suhasbrd@rediffmail.com or natcoecolimited@gmail.com with a copy marked to evoting@nsdl.co.in

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B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:

(i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

REVEN (Remote e-voting Event Number) USER ID PASSWORD/PIN.

(ii) Please follow all steps from Sl. No. (ii) To Sl. No. (xii) Above, to cast vote.

6. In case of any queries, you may refer the frequently asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

7. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

8. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

9. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 23rd September, 2016.

10. Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. 23rd September, 2016. May obtain the login ID and password by sending a request at evoting@nsdl.co.in or natcoecolimited@gmail.com. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on www.evoting.nsdl.com.

11. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

12. Mr. S.D Bhattbhatt, Company Secretary (Membership No. 11975), Proprietor M/s. S Bhattbhatt & Co., Practising Company Secretary has been appointed as

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the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

13. *The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting*

14. *The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast Through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.*

15. *The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.natecoltd.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.*

16. *All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.*

17. *This Notice has been updated with the instructions for voting through electronic means as per the Amended Rules 2015.*

18. *All documents referred to in the accompanying notice and Statutory Registers are open for inspection at the registered office of the Company on all working days (barring Saturday and Sunday) between 11.00 a.m. to 1.00 p.m. prior to the Annual General Meeting.*

19. *The entire Annual Report is also available on the Company's website www.natecoltd.com*

Regd. Office:
304, Abhijit-1, Mithakali Six Roads,
Navarangpura,Ahemdabad-380006
Date: 22nd August, 2016

By the Order of Board
Meghna Raval
(Company Secretary)

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Item No. 2: Details of Director Seeking Re-Appointment in the Ensuing Annual General Meeting

Name of Director	Bhadresh Bhavsar
Age	28Yrs
Nationality	Indian
Date of Appointment	18.05.2015
Expertise & Qualification	Has experience in the field of public relations management which would be helpful in exploring new avenues of financing.
Shareholding in Natco Economicals Limited	Nil
List of outside directorship	Nil

Item No. 4

Explanatory Statement pursuant to section 102 of the Companies Act, 2013

Subject to the necessary approval by the Members of the Company in the General Meeting, the Board of Directors of the Company at its Meeting held on 22nd August, 2016 appoint Mr Ashish Pandya (DIN: 07128224) as Whole-time Director of the Company w.e.f. 1st September, 2016 for the period of three years i.e. 1st September, 2016 to 31st August, 2019 as per the terms and conditions mentioned in the agreement.

Name of Director	Ashish Pandya
Age	45 Yrs
Nationality	Indian
Date of Appointment	01.09.2016
Expertise & Qualification	Has Experience of Independently handling the TDS, Service Tax & Income Tax Work of different Govt. Depts. & was Authorized to do all types of Transaction in Bank. Reconciliation of General Ledger Account with other Banks.
Shareholding in Natco Economicals Limited	Nil
List of outside directorship	Nil

The Board of Directors in accordance with the provisions of Section 196 and 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, the approval of the Company be and is hereby accorded for appointment of Mr Ashish Pandya (DIN: 07128224) as Whole

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Time Director of the Company for a period of 3 (three) years with effect from 1st September, 2016 to 31st August, 2019 whose office shall not be liable to retire by rotation as recommended and approved by the Remuneration Committee and Audit Committee in their respective meetings held on 22nd August, 2016, on the terms & conditions as mentioned in the Explanatory Statement annexed to this notice.

TERMS AND CONDITIONS OF APPOINTMENT OF MR ASHISH PANDYA AS A WHOLE TIME DIRECTOR (From 1st September, 2016 to 31st August, 2019)

- 1) The total remuneration payable to Mr Ashish Pandya (DIN: 07128224), including any perquisites shall be based on the Income earned and growth of the company during the period of his tenure/ term as whole-time director, subject to the conditions and ceiling provided in the provisions of schedule V of the Companies Act, 2013. The Board will decide about remuneration and perquisites based on the recommendation of remuneration committee from time to time. The remuneration committee every quarter reviews the performance of the company and suggests the remuneration payable to Whole-time Director and Board based on such observation and suggestion decided monthly payment to whole time director.*
- 2) Period of Appointment – Three (3) years beginning from 1st September, 2016 to 31st August, 2019*
- 3) Mr Ashish Pandya (DIN: 07128224) shall perform such duties as shall from time to time be entrusted upon him by the Board of Directors in accordance with the provisions of Companies Act, 2013 and the Listing Agreement with the Stock Exchanges.*
- 4) In terms of the provision of Articles of Association, Mr Ashish Pandya (DIN: 07128224) shall not be subject to retirement by rotation during his tenure as whole time director.*

A copy of the draft agreement referred to in the resolution is available for inspection by the members at the Registered Office of the Company on any working day excluding public holidays and Sundays, between 11.00 A.M. to 1.00 P.M. up to and including the date of Annual General Meeting.

Regd. Office:
304, Abhijit-1, Near Mithakali Six Road,
Navarangpura,
Ahmedabad-380006
Date: 22nd August, 2016
Place: Ahemdabad

By the Order of Board

Meghna Raval
(Company Secretary)

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Directors' Report

To The Members, Your Directors present this 22nd Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2016.

Financial Results

<i>Particulars</i>	<i>(in Rupees)</i>	
	<i>Current Year 2015-16</i>	<i>Previous Year 2014-15</i>
<i>Total Income</i>	29,07,617	23,70,313
<i>Profit before Finance Cost and Depreciation</i>	-1539279	3,56,184
<i>Less : Finance Cost</i>	--	--
<i>Loss before Depreciation</i>	-1539279	3,56,184
<i>Less : Depreciation</i>	40133	52536
<i>Profit/(Loss) before Tax</i>	-1499146	3,03,648
<i>Provision for Tax</i>		
<i>Current Tax</i>	0	91094
<i>Deferred Tax</i>	4248	2485
<i>Tax For earlier Years</i>	0	0
<i>Balance of Profit/(Loss) for the year before Extra Ordinary items</i>	-15,03,394	
<i>Extra-Ordinary items</i>	80,000	--
<i>Balance of Profit/(Loss) for the year after Extra Ordinary items</i>	-15,83,394	2,10,069
<i>Balance Brought forward from the Previous year</i>	3,96,877	1,86,808
<i>Amount available for appropriation</i>	--	--
<i>Proposed Dividend</i>	--	--
<i>Tax on proposed Dividend</i>	--	--
<i>Balance Profit/(Loss) carried to Balance Sheet</i>	-11,86,517	3,96,877

Performance Review

During the year under review your Company sustained with limited growth path due to which though the gross total income increased from Rs23,70,313 to Rs29,07,617 in comparison of last year and the Company incurred loss of (11,86,517) in the year under review as compared to Profit of previous year to Rs. 3,96,877. During the year under review company has paid listing processing fees to BSE in the tune of Rs.20.00 Lakh.

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Dividend

Your directors did not recommend payment of any dividend for the year ended 31st March, 2016.

Directorate

Mr. Bhadresh Bhavsar, Director of the Company, retires by rotation at this Annual General Meeting and being eligible offer himself for re-election. A brief resume of Mr. Bhadresh Bhavsar is given separately in the notice convening AGM. Your directors recommend his appointment for the members' approval.

On the recommendations of nomination and remuneration committee, Mr. Ashish Pandya has been appointed as Whole Time Director and Key Managerial Person of the Company with effect from 1st September, 2016 for Period of three years i.e. from 1st September, 2016 upto 31st August, 2016. A brief resume of Mr. Ashish Pandya is given separately in the notice convening AGM. Your directors recommend his appointment for the members' approval.

Mr. Haresh Patel has resigned as Whole Time Director of the Company with effect from 1st September, 2016.

Transfer to Reserves

Due to Loss for the year under review accumulated loss in the tune of Rs.15.83 was transferred to General Reserve.

Number of Board Meetings held during the year

The number of Board meetings held during the year from 1st April 2015 to 31st March 2016 is the dates of meeting are given below:

- 1. 18th May 2015.*
- 2. 28th May 2015.*
- 3. 13th August 2015.*
- 4. 10th November 2015.*
- 5. 12th February 2016.*

The time gap between any two meetings did not exceed four months. The compliance report in respect of laws applicable to the Company has been periodically reviewed by the Board of Directors of the Company.

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Directors' Responsibility Statement:

Your directors' confirm:

- I.** *That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departure.*
- II.** *That the director's have selected such accounting policies & applied them consistently & made judgment & estimates that are reasonable & prudent so as to give a true & fair view of the state of affairs of the company at the end of the financial year & of the Profit of the company for the year.*
- III.** *That the director's have taken proper & sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company & for preventing & detecting fraud & other irregularities.*
- IV.** *That the director's have prepared the annual accounts on a going concern basis.*

Listed on Stock Exchanges

At Present the Equity shares of the Company are listed and traded with the Bombay Stock Exchange Limited and the Listing Fee for the year 2016-17 has been duly paid. Scrip Code of the Company is 539595

Corporate Governance Report

As per SEBI LODR, Compliance with the provisions of regulation 17 through 27 and clauses (b) to (i) of sub – regulations 46 and Para C,D and E of schedule V is not mandatory for the time being, in respect of the following class of Companies:

- a. Companies having paid –up equity share capital not exceeding Rs. 10 crore and Net Worth not exceeding Rs. 25 Crore, as on the last day of previous financial year;*
- b. The listed entity which has listed its specified securities on the SME Exchange;*

As such our Company falls in the ambit of aforesaid exemption Consequently Corporate Governance does not forms part of the Annual Report for the Financial Year 2015-16. However, the Company is following industry best corporate governance standards.

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Associate & Subsidiary Companies

The company does not have any Associate or Subsidiary Companies

Deposits

The Company has not invited or accepted any fixed deposit from the public during the year under review.

Secretarial Audit

Secretarial Audit Report as per Section 204 of Companies Act 2013 is placed as annexure to this report. No adverse comments have been made in the said report by the Practising Company Secretary.

Extracts of Annual Return and other disclosures under Companies (appointment & Remuneration) Rules, 2014

The Extract of Annual Return in form No MGT-9 as per Section 134 (3) (a) of the Companies Act, 2013 read with Rule 8 of Companies Act (Accounts) Rules 2014 and Rule 12 of Companies(Management & Administration) Rules, 2014 duly certified by the Practising Company Secretary is annexed hereto and forms part of this report. Further the Disclosure in the Board Report under Rule 5 of Companies (Appointment & Remuneration) Rules, 2014 is also annexed hereto and forms part of this report.

Declaration on Independent Directors

The Board of Directors declares that the Independent Directors Miss Dhvani Hareshbhai Contractor & Mr. Bhadresh Kumar Bhavsar & Mr. Rupesh Upadhyay are:

- a) in the opinion of the Board, are persons of integrity and possesses relevant expertise and experience;*
- b) who were or were not a promoter of the company or its holding, subsidiary or associate company who are not related to promoters or directors in the company, its holding, subsidiary or associate Company;*
- c) Who have or had no pecuniary relationship with the company, its holding, subsidiary or associate company or*
- d) Their promoters or directors, during the two immediately preceding financial years or during the current financial year;*
- e) None of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company or their*

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promoters, or directors, amounting to two percent or more of its gross turnover of total income or fifty Lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

Who, either himself or any of his relatives –

- i. Holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial year immediately preceding the financial Year in which he is proposed to be appointed;*
- ii. is or has been an employee or propriety or a partner, in any of the three financial years immediately preceding the Financial year in which he is proposed to be appointed, of –*
 - A firm of auditors or company secretaries in practice or cost auditors or the company or its holding, subsidiary or Associate company; or*
 - Any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or Associate company amounting to ten percent or more of the gross turnover of such firm;*
- iii. Holds together with his relative two per cent, or more of the total voting power of the company; or*
- iv. Is a Chief Executive or director, by whatever name called, of any non-profit organization that receives twenty-five percent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; or*

Particulars of Loans, guarantees or investments

The particulars of Loans, Guarantees or investments as covered under provision of section 186 of the Companies Act, 2013 made by the company during financial year 2015-16 are given under the respective head and the same is furnished in the notes to the financial statement

Related Party Transactions

There were no materially and significant transaction with Related Parties i.e. Promoters, Directors or the Management, their subsidiaries or relatives conflicting with the Companies interest. There were no transactions that took place with related parties which can be considered not to be in the normal course of business.

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Particulars of Employees

None of the Employees of the company was in receipt of the remuneration exceeding the limits prescribed under section 197 of the Companies Act, 2013 as amended, during the year under review.

Particulars of Conservation Of Energy, Technology Absorption and Foreign Exchange Earnings and out-go.

Since your company does not own any manufacturing facility particulars about Conservation of Energy and Technology absorption are not applicable. The Foreign exchange Earnings and out-go for the year under review is nil.

Risk Management Policy implementation

The board takes responsibility for the overall process of risk management in the organization. Risk Management is the process of minimising mitigating the risk. Its start with identification and evaluation of risk. The Company has followed strict approach to deal with possibility of any risk in the finance business. To Control the Operational risk Company has taken several measures and applied strict credit strategies. Through a detailed risk management programme, each functional head addresses opportunities and the attendant risks through a systematic approach aligned to the Company's objectives. The audit committee also reviews reports covering operational, financial and other business risk areas.

Formation and adoption of Different Policies:

- a) Policy Determination of Materiality: In Accordance with Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 the Company has adopt a policy determination of Materiality containing Disclosure of Events or Information relating to specified securities.*
- b) Policy for Preservation of Documents: Regulation 9 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 requires every listed entity should formulate a policy for preservation of documents and accordingly the Company has adopted the same and upload the same on the website.*
- c) Policy on Materiality of Related Party Transactions: The Company has adopted a policy of Related Party Transactions with a view to set out the materiality thresholds for the related party transactions and the manner of dealing with the transactions between the Company and its related parties*

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based on the Companies Act, 2013, SEBI (LODR) Regulations and any other laws and regulations as may be applicable to the Company.

d) Whistle Blower Policy: The Company has adopted the Whistle Blower Policy for their employees and directors to report the concerns about unethical behaviour, actual or suspected fraud or violation of the code of conduct or policy as per Section 177(9) of the Companies Act, 2013 and as per Regulation 22 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Remuneration policy

A Nomination & Remuneration policy has been formulated pursuant to the provisions of section 178 and other applicable provisions of the companies act, 2013 and rules thereto and SEBI LODR stating therein the Company's policy and Directors/Key Managerial Personnel/other Employees appointment and remuneration recommended by the Nomination and Remuneration Committee and approved by the Board of Directors. The said policy may be referred on Company's Website.

Disclosure under the Sexual Harassment of Women at Workplace(Prevention, Prohibition and Redressal) Act, 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed there under. During the financial year 2015-16, the Company has not received any complaint on sexual harassment.

Auditors

M/s. Jayesh Patel & Co., (Membership No. 034745) Chartered Accountants retire at the ensuing Annual General meeting. Financial Auditors of the Company will retire at the forthcoming Annual General Meeting and are eligible for reappointment. In accordance with the Companies Act 2013, it is proposed to re-appoint them as Auditors for the financial year 2016-17 from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting, subject to the approval of shareholders.

Audit Committee

The Audit Committee comprises of Mr. Rupesh Upadhyay (Independent Director) Miss. Dhvani Contractor (Independent Director) and Mr. Haresh Patel all are financially literate and having accounting and related Administrative Expertise.

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The Independent Auditors and the Secretarial Auditors of the Company is also invited to the Audit Committee meetings. The Chairman of the Audit Committee Mr. Rupesh Upadhyay was present at the Annual General Meeting of the Company held on 30th September, 2015.

During the financial year 2015-16 Four (4) meetings of the Audit Committee were held:

1. 28th May 2015
2. 13th August 2015
3. 10th November 2015.
4. 12th February 2016

As on March 31, 2016, all three Directors of the Board are the Members of Audit Committee & the details of the meetings attended by members during the year 2015-16 are as follows:

Name of Member	Designation	No. of Meeting held during tenure	No. of meeting attended
Mr. Rupesh Upadhyay	Chairman & Member	4	4
Mr. Haresh Patel	Member	4	4
Miss Dhvani Contractor*	Member	4	4

Stakeholders Relationship Committee/Investor Grievance Committee

In compliance with the provisions of Listing agreement and Section 178 of Companies Act, 2013, the company re-constituted this committee as "Stakeholders Relationship Committee". This committee of the Board of the Company looks into various issues relating to shareholders/investors including transfer and transmission of shares held by shareholders in physical format as well as non-receipt of dividend, Annual Report, shares after transfer and delays in transfer of shares. The committees also looks into issues including status of dematerialization/rematerialization of shares and issue of duplicate share certificates and tracks investor complaints and suggest measures for improvement from time to time.

During the financial year 2015-16 Four (4) meetings of the Shareholders'/Investors' Grievance Committee were held: (1). 28th May 2015 (2) 13th August, 2015 (3) 10th November 2015 (4). 12th February, 2016

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As on March 31, 2016, the Shareholders'/ Investors' Grievance Committee comprised of the following members & the details of the meetings attended by members during the year 2015-16 are as follows:

<u>Name of Member</u>	<u>Designation</u>	<u>No. of Meeting held during tenure</u>	<u>No. of meeting attended</u>
1.Mr. Haresh Patel	Chairman	4	4
2. Mr. Bhadresh Bhavsar	Member	4	4
3.Miss Dhvani Contractor	Member	4	4

Remuneration Committee

In compliance of Section 178 of Companies Act, 2013 the Board has constituted the Remuneration Committee. Your Board has constituted the Remuneration Committee. The terms of reference of the committee inter alia include Succession planning for Board of Directors and Senior Management Employees, identifying and selection of candidates for appointment of Directors/Independent Directors based on certain laid down criteria's, identifying potential individuals for appointment of Key Managerial personnel and other senior managerial position and review the performance of the Board of Directors and Senior Management personnel including Key managerial personnel based on certain criteria approved by the Board. While reviewing the performance, the committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talents, remuneration commensurate with the performance of individual and group and also maintains a balance between fixed and incentive pay reflecting both short and long term objectives of the company.

As on March 31, 2016, the Remuneration Committee comprised of the following members & the details of the meetings attended by members during the year 2015-16 are as follows:

<u>Name of Member</u>	<u>Designation</u>	<u>No. of Meeting held during tenure</u>	<u>No. of meeting attended</u>
1.Miss. Dhvani Contractor	Chairman	1	1
2. Mr. Bhadresh Bhavsar	Member	1	1
3.Mr.RupeshUpadhyay	Member	1	1

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Acknowledgement

Your Directors wish to place on record their appreciation for the whole hearted and sincere co-operation the Company has received from its banker, State Bank of India and various Government agencies. Your Directors also wish to thank all the employees for their co-operation.

By Order of the Board

Place: Ahemdabad

Date: 22nd August, 2016

for Natco Economicals Limited

SD/-

Haresh Patel

(Whole Time Director)

SD/-

Rupesh Upadhyay

(Director)

ECONOMIC OUTLOOK

India's GDP grew by 7.6% in 2015-16, making it one of the fastest growing major economies in the world. India is today one of the most vibrant global economies on the back of robust finance sectors. Indian economy is on the brink of a major transformation, with several policy initiatives set to be implemented shortly. The International Monetary Fund (IMF) predicts Indian GDP to grow at 7.5% for the years 2016 and 2017. As inflation eased sharply, the Reserve Bank of India (RBI) was able to cut interest rates four times this year. Notwithstanding unexpected delays in enacting some economic reform, the prospects for continued rapid growth are undiminished. It is projected that Economic growth hovering around 7.5% and Investment will pick gradually. The government's continuing efforts to ease doing business in India is attracting foreign direct investments into the country. FDI into the country has increased by 37% after the launch of 'Make in India' programmed in the 17-month period from October 2014 to February 2016.

COMPANY OVERVIEW AND PERFORMANCE

The Union Budget for 2016-17 has allocated a sum of 3,02,885 crore to the MSME sector. The government is making efforts through projects such as the PradhanMantri MUDRA Yojana to make financing more easily available to micro enterprises. Public sector banks have provided the majority of finance to MSMEs, but now private sectors are also eyeing the opportunity in financing small businesses within the MSME segment to drive their business growth.

The Business of finance is always an attractive domain as there is no inventory to maintain, supply-chain to worry about, warehouses to upkeep, delivery to process etc. It is an inherently scalable business that can be run with technology and a relatively lean staff. However such an opportunity also comes with major challenges. In the current scenario one of the major tasks is regulatory changes and compliances and another inherent challenge is to deal with bad loans. We need to look into the facts that how quickly the unrecoverable lending by public sector banks rose in the last few years. Between 2004-2012, bad debts rose by about 4% while they rose by a staggering 60% between 2013-2015. There is no doubt about India's economic growth and growth on the financial sector. Reforms, however SMEs need to be extraordinarily cautious involved in lending business.

Management is envisaging about the possibility of moving towards low risk financial business particularly financial and investment consultancy. In the option of prudent and successful policy adoption your company has approached various NBFCs and Banks to offer expertise we have in the sector. We believe

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that in the coming years the company will certainly show better picture of overall performance.

OPPORTUNITIES & THREATS:

The governments acknowledging the importance of this sector in recent months has taken steps to liberalize, regulate, and enhance the sector. Greater financial inclusion is being encouraged with schemes such as the 'Jan Dhan' and issuing new licenses to Small Finance Banks The Government and Reserve Bank of India (RBI) have taken various measures to facilitate easy access to finance for Micro, Small and Medium Enterprises. These measures include launching Credit Guarantee Fund Scheme for Micro and Small Enterprises, issuing guideline to banks regarding collateral requirements and setting up a Micro Units Development and Refinance Agency. The vibrant reforms like allowing foreign investment in the insurance and pension sectors in the automatic route up to 49 per cent, 'Jan Dhan' initiative for financial inclusion is gaining momentum. Under PradhanMantri Jan DhanYojna, 217 million accounts have been opened and 174.6 million RuPay debit cards have been issued. With a combined push by both government and private sector, India is undoubtedly one of the world's most vibrant capital markets.

Any changes in the regulatory environment could affect the performance of the Company. Bad loans at Indian banks have jumped an unprecedented. For all the past few years of growth and reform, banks in India have continued rolling over troubled loans or restructured them to make terms favorable to borrowers. Uncertainty in global economy and high volatility in financial markets are prominent risk confronting the emerging market economy.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has established its internal control system commensurate with the requirement of its size. The Company has proper and adequate system of internal controls to ensure that all its assets are safeguarded and protected against loss from unauthorized use or disposition of assets and that the transactions are recorded and reported.

The Company's well defined organization structure, documented policy guidelines, predefined authority levels, and an extensive system of internal controls ensure optimal utilization and protection of resources, IT security, accurate reporting of financial transactions and compliance with applicable laws and regulations.

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HUMAN RESOURCE:

The relationship with the employees continues to be cordial. The Company recognizes the importance and contribution of its employees for its growth and development and constantly endeavours to train nurture and groom its people. The company places emphasis on training and development of employees at all levels and has introduced methods and practices for Human Resource Development.

CAUTIONARY STATEMENT:

Statements in the Management Discussion and Analysis describing the Company's objectives, expectations, predictions and assumptions may be "FORWARD LOOKING" within the meaning of applicable Laws and Regulations. Actual results may differ materially from those expressed herein, important factors that could influence the Company's operations include domestic economic Conditions affecting demand, supply, price conditions, and change in Government's regulations, tax regimes, other statutes and other factors such as industrial relations.

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT:

This is to confirm that the Company has adopted a Code of conduct for its employees including the director. I confirm that the Company has in respect of the financial Year ended 31st March, 2016, received from the Senior Management team of the Company and the members of the Board, a declaration of Compliance with the code of Conduct as applicable to them.

By Order of the Board
Place: Ahemdabad

Date: 22nd August, 2016

for Natco Economicals Limited

SD/-

Haresh Patel

(Whole Time Director)

SD/-

Rupesh Upadhyay

(Director)

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Code of Conduct and CEO/CFO Certification

In Compliance with the Listing Agreement, the company has adopted a code of conduct for his directors and senior executives. The details code of conduct is available at company's website at: www.natecoltd.com

I, Haresh Patel, Whole Time Director and CEO of the Company, hereby declare that to the best of my knowledge and belief, all the directors and the senior management personnel of the Company have confirmed compliance with the company's Code of Conduct, as applicable to them, for the year ended on 31 March 2016.

Certificate By Chief Executive Officer (CEO)

I Haresh Patel, Director of Natco Economicals Limited to the best of our knowledge and belief hereby certify that:

- (a) I have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2016 and that to the best of our knowledge and belief;*
- These statements do not contain any materially untrue statement or omit any material fact nor contain statements that might be misleading, and*
 - These statements present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.*
- (b) 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 violate the company's code of conduct;*
- (c) I accept responsibility for establishing and maintaining internal controls, we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and audit committee, deficiencies in the design or operation on internal controls, if any, of which we are aware and the steps that we have taken or propose to take to rectify the identified deficiencies and*
- (d) I have informed the auditors and the audit committee that :*
- a. There has not been any significant changes in internal control over financial reporting during the year under reference;*
 - b. There has not been any significant changes in accounting policies during the year requiring disclosed in the notes to the financial statements; and*
 - c. There has not been any 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 financial reporting.*

Place: Ahemdabad
Date: 22nd August, 2016

SD/-
Haresh Patel
(Whole Time Director)

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Form No. MGT-9 Extract of Annual Return

AS ON THE FINANCIAL YEAR ENDED ON 31.03.2016

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and Other Details

1	CIN	L65910GJ1994PLC022240
2	Registration Date	10/06/1994
3	Name of the Company	NATCO ECONOMICALS LIMITED
4	Category / Sub-category of the Company	Public limited / Limited By shares
5	Address of the Registered office with Contact Details	304, Abhijit-1, Mithakali Six Roads, Navarangpura, Ahmedabad-380006 Email Id: www.natcoecolimited@gmail.com
6	Whether Listed Company	Listed
7	Name, Address & Contact Details of Registrar & Share Transfer Agents.	M/s. MCS Share Transfer Agent Limited 10, Aaram Apartment, Sampatrao Colony 12, Behind Laxmi Hall, Alkapuri, Vadodara- 390007 Email: mcsltdbaroda@yahoo.com Website: www.mcsdel.com

II. Principal Activities of the Company

All the business activities Contributing 10% or more of the total turnover of the Company be stated

Sr. No.	Name and Description of Main Products/ Services	NIC Code of the Product/ Service	% to total turnover of the company
1.	Activities of commercial loan companies.	65923	100

III. Particulars of Holding, Subsidiary and Associate Companies

Natco Economicals Limited does not have any Subsidiary or Associate Company

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IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the Year (01.04.2015)				No. of share held at the end of the year (31.03.2016)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
Individual/HUF	--	--	--	--	--	--	--	--	--
Central Govt.	--	--	--	--	--	--	--	--	--
State Govt(s)	--	--	--	--	--	--	--	--	--
Bodies Corp.	--	330500	330500	11.02	330500	--	330500	11.02	--
Banks/FI	--	--	--	--	--	--	--	--	--
Any Other	--	--	--	--	--	--	--	--	--
Sub-Total (A) (1):-	--	330500	330500	11.02	330500	--	330500	11.02	--
(2) Foreign									
NRIs-Individual	--	--	--	--	--	--	--	--	--
Other-Individual	--	--	--	--	--	--	--	--	--
Bodies Corp.	--	--	--	--	--	--	--	--	--
Banks/FI	--	--	--	--	--	--	--	--	--
Any Other	--	--	--	--	--	--	--	--	--
Sub-Total (A) (2):-	--	--	--	--	--	--	--	--	--
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	--	330500	330500	11.02	330500	--	330500	11.02	--
B. Public Shareholding									
1.									

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Institution s									
Mutual Funds	--	--	--	--	--	--	--	--	--
Banks/FI	--	--	--	--	--	--	--	--	--
Central Govt.	--	--	--	--	--	--	--	--	--
State Govt(s)	--	--	--	--	--	--	--	--	--
Venture Capital Funds	--	--	--	--	--	--	--	--	--
Insurance Companies	--	--	--	--	--	--	--	--	--
FII's	--	--	--	--	--	--	--	--	--
Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
Others (specify)	--	--	--	--	--	--	--	--	--
Sub-Total (B) (1):-	0	0	0	0	0	0	0	0	0
2. Non - Institution s									
(a)Bodies Corp.	--	--	--	--	--	--	--	--	--
Indian	--	--	--	--	--	--	--	--	--
Overseas	--	--	--	--	--	--	--	--	--
b) Individuals	--	--	--	--	--	--	--	--	--
Individual Shareholders holding nominal share capital upto Rs.2 Lakh	--	1371500	1371500	45.71	830395	580400	1410795	47.02	1.31
Individual shareholders holding nominal share capital in excess of Rs.2Lakh	--	1298400	1298400	43.27	1173705	85400	1259105	41.96	-1.31
c) others (specify)	--	--	--	--	--	--	--	--	--

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Clearing House									
HUF	--	--	--	--	--	--	--	--	--
NRIs	--	--	--	--	--	--	--	--	--
Trusts	----	--	--	--	--	--	--	--	--
Sub-Total (B)(2)	--	2669900	2669900	88.98	2004100	665800	2669900	88.98	--
Total Public Shareholding (B)=(B)(1)+(B)(2)	--	2669900	2669900	88.98	2004100	665800	2669900	88.98	--
C. Shares held by Custodian for GDRs * ADRs	--	--	--	--	--	--	--	--	--
Grand Total(A+B+C)	--	3000400	3000400	100	2334600	665800	3000400	100	--

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2014)			Shareholding at the end of the year (31.03.2015)			% change in share holding during the year
		No. of shares	% of total shares of the Company	%of shares pledged/ encumbered to total shares	No. of shares	% of total shares of the Company	%of shares pledged/ encumbered to total shares	
	Natco Synthetics Private Limited	330500	11.02	--	330500	11.02	--	--

(iii) Change in Promoters' Shareholding (please specify, if there is no change) – No Change in Shareholding of Promoters during the Year under Review

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

Sl No.		Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	JAYENDRA RAMDAS THAKUR	30000	0.9999	30000	0.9999
2.	RAJESHBHAI MANIBHAI PATEL	29900	0.9965	29900	0.9965
3.	ZARNA VIPUL SHAH	29800	0.9932	29800	0.9932
4.	KANUBHAIHIRABHAI PATEL	29500	0.9832	29500	0.9832
5.	VIPUL N. SHAH	29400	0.9799	29400	0.9799
6.	ZARNA VIPUL SHAH	29100	0.9699	29100	0.9699
7.	MANOJBHAI NARENDRABHAI PATEL	29100	0.9699	29100	0.9699
8.	BHAVANA ASHOK RAWAL	29000	0.9665	29000	0.9665
9.	RIKEN V PATEL	29000	0.9665	29000	0.9665
10.	SANTOSH G. KEFARE(HUF)	28900	0.9632	28900	0.9632

(v) Shareholding of Directors and Key managerial Personnel:

Sl No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	No. of Shares	No. of Shares	% of total shares of the company
A	Director				
1.	<i>Haresh Patel</i>	--	--	--	--
B	Key managerial Personnel				
1.	<i>Haresh Patel</i>	--	--	--	--
2.	<i>Meghna Raval</i>	--	--	--	--

A. Indebtedness

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the beginning of the financial year	--	--	--	--

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(i) Principal Amount	--	--	--	--
(ii) Interest due but not paid	--	--	--	--
(iii) Interest accrued but not due				
Total (i+ii+iii)	--	--	--	--
Change in Indebtedness during the financial year				
Additions	--	--	--	--
Reduction	--	--	--	--
Net Change	--	--	--	--
Indebtedness at the end of the financial year				
(i) Principal Amount	--	--	--	--
(ii) Interest due but not paid	--	--	--	--
(iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	--	--	--	--

B. Remuneration Of Directors And Key Managerial Personnel

A. Remuneration of Managing Director, Whole-Time Director and/or Manager

Sr. no	Particulars of Remuneration	Name of Managing Director/ Whole-time Director / Manager	Total Amount
		<i>Mr. Haresh Patel</i>	
1.	<i>Gross Salary</i>		
	<i>(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961</i>	--	--
	<i>(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961</i>	--	--
	<i>(c) Profits in lieu of salary under section 17(3) of Income Tax Act, 1961</i>	--	--
2	<i>Stock Option</i>	--	--
3.	<i>Sweat Equity</i>	--	--
4.	<i>Commission</i> <i>- As % of profit</i> <i>- Others, specify...</i>	<i>No commission was Paid during the year</i>	--
5.	<i>Others, please specify</i>	--	--
	<i>Total (A)</i>	--	--
	<i>Ceiling as per Companies Act, 2013</i>	--	--

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B. Remuneration to other Directors

Sr. no	Particulars of Remuneration				Total Amount
		Mr. Bhadresh Bhavsar	Mr. Rupesh Upadhyay	Miss Dhvani Contractor	
1.	Independent Directors - Fees for attending Board/Committee Meetings - Commission - Others, please specify	Rs 20000	Rs 20000	Rs 28000	Rs 68000
	Total (1)	Rs 20000	Rs 20000	Rs 28000	Rs 68000
2..	Other Non-executive Directors - Fees for attending Board and Committee meetings - Commission - Others, please specify				
	Total (2)				--
	Total (B) =(1+2)	Rs 20000	Rs 20000	Rs 28000	Rs 68000
	Total Managerial Remuneration)	Rs 20000	Rs 20000	Rs 28000	Rs 68000
	Overall Ceiling as per the Companies Act, 2013	--	--	--	--

C. Remuneration of Key Managerial Personnel Other Than MD/Manager/Wholetime Director

Sr. no	Particulars of Remuneration	Key Managerial Personnel	
		MeghnaRaval Company Secretary	
1.	Gross Salary (a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961 (b) Value of perquisites u/s 17(2) of Income Tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	Rs 240000	Rs 240000
2	Stock Option	--	--
3.	Sweat Equity	--	--
4.	Commission - As % of profit - Others, specify...	--	--
5.	Others, please specify		
	Total (A)	Rs 240000	Rs 240000
	Ceiling as per Companies Act, 2013	--	--

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Vii. Penalties/Punishment/Compounding of offences

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)
A. Company					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
B. Directors					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
C. Other Officers in Default					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--

Disclosure in the Board's Report under Rule 5 of Companies (Appointment & Remuneration) Rules, 2014

1. The Total Salary /Employee Benefits Expense for the year 2015-16 was Rs4,90,248 out of which, Rs 2,40,000 was paid to the Company Secretary of the Company and balance of Rs2,50,248 was paid to other employees.
2. During the year under review there was no increase in remuneration of any Director /KMP/ Employee of the Company.
3. The total number of employees stood at 4 as on year ended 31st, March 2016.
4. There was no CEO/CFO other than Whole Time Director for the year 2015-16. The Whole Time Director acts as CFO of the Company.
5. The Board of Directors of the Company affirms that the remuneration is as per the remuneration policy of the Company.

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Form No. MR-3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31.03.2016

[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,
NatcoEconomicals Limited
404, Kalyan Chambers,
NawaDarwaja Road,
Khadia Char Rasta,
Ahemdabad-380001**

I, **S D Bhattbhatt.**, Proprietor of S. Bhattbhatt& Co., a Practicing Company Secretary, have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. **Natco Economicals Limited** [CIN: L65910GJ1994PLC022240] (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

*Based on my verification of the **M/s. Natco Economicals Limited'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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2016 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:*

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Natco Economicals Limited ("the Company") for the financial year ended on 31.03.2016 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made there under;*
- (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;*

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(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; - Not applicable to the Company during the period of audit.

(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. The Company has not received any disclosure under Regulation 29 and 30.

(b) In the absence of adequate information/records, I am unable to report whether the Company has complied with The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992. However, the Company has adopted the prescribed code of conduct under the Regulations and the same has been displayed on the website of the Company.

(c) 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;

(d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; - Not applicable to the Company during the period of audit

(e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; - Not applicable to the Company during the period of audit

(f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - Not applicable to the Company during the period of audit

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - Not applicable to the Company during the period of audit and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - Not applicable to the Company during the period of audit

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(vi) As informed to me the following other Laws specifically applicable to the Company as under:

- 1. The Negotiable Instruments Act, 1881*
- 2. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has not constituted an internal complaints Committee. However the Company, being certified under Worldwide Responsible Accredited Production (WRAP), has a committee for prevention of sexual harassment of women at work place.*

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards relating to General and Board Meeting Minutes issued by The Institute of Company Secretaries of India.*
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited.*

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the observations noted against each legislation.

In respect of other laws specifically applicable to the Company, I have relied on information/records produced by the Company during the course of my audit and the reporting is limited to that extent.

I 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.

All decisions of the board were unanimous and the same was captured and recorded as part of the minutes.

I further report that there is scope to improve the systems and processes in the company and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there were no instances of:

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- (i) Public/Right/Preferential issue of shares / debentures/ sweat equity.*
- (ii) Redemption / buy-back of securities*
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013*
- (iv) Merger / amalgamation / reconstruction, etc.*
- (v) Foreign technical collaborations*

Place: Vadodara
Date: 22nd August, 2016

for S Bhattbhatt & Co.
Company Secretaries

SD/-
S D Bhattbhatt
(Practicing Company Secretary)
ACS No: A11975
CP No.: 10427

22nd Annual Report of Natco Economicals Limited

**To,
The Members,
Natco Economicals Limited
304, Abhijit-1, Mithakali Six Roads,
Navarangpura , Ahemdabad-380006**

Ref: Secretarial Audit Report dated 12th August, 2016 pursuant to Section 204 (1) of the Act read with rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

1. Maintenance of Secretarial Records 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 the test basis to ensure that correct facts are reflected in the records. We believe that the processes and practices we followed provided reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of the financial records and books of accounts of the Company and have relied upon the reports of designated professionals including statutory auditors for the purpose.
4. Wherever required, we have obtained the management representations about the compliance of laws, rules, regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of the 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.

**Place: Vadodara
Date: 22nd August, 2016**

**for S Bhattbhatt & Co.
Company Secretaries**

**SD/-
S D Bhattbhatt
(Practicing Company Secretary)
ACS No: A11975
CP No.: 10427**

Independent Auditor's Report

To the Members of
Natco Economicals Limited

Report on the Financial Statements

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

Management's Responsibility for the 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 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 of 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 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

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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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 March 31, 2016 and its Profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order 2015 (" the Order), 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 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 purposes of our audit;*

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- 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;*
- d. In our opinion, the aforesaid 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 the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;*
- f. 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.*

Annexure to Auditor's Report

The Annexure referred to in the Auditor's Report to the Member of Natco Economicals Limited on the accounts for the year ended 31st March, 2016, we report that:

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- 1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.*
 - (b) These Fixed Assets have been physically verified by the management at reasonable intervals, No material discrepancies were noticed on such verification and the same have been properly dealt with in the books of account.*

22nd Annual Report of Natco Económicals Límited

2. The company does not have any inventory during the year. Accordingly, the provision of Clause (ii) (a), (b), and (c) of the Order is not applicable to the company.

3. The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and for sale of goods & services. During the course of our audit, we have not observed any major weaknesses in the internal controls.

5. the Company has not accepted any deposits from the public covered under section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules made there under.

6. We have been informed that the Central Government has not prescribed for the maintenance of cost records under section 148(l) of the Companies Act, 2013.

7. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and any other statutory dues to the extent applicable have been regularly deposited with the appropriate authorities. According to the information and explanations given to us no undisputed amount payable in respect of aforesaid dues were outstanding as at 31st of March, 2016 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Sales Tax, income tax, wealth tax, service tax, Duty of customs and Duty of excise which have not been deposited on account of any disputes.

(c) There were no amounts which were required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.

8. The Company does not have any accumulated loss. The company has not incurred cash loss during the financial year covered by our audit as well as in the immediately preceding financial year.

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9. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not taken any loan from a financial institution, bank and also not issued any debenture.

10. according to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.

11. Based on the information explanation given to us by the management, we report that the company has not raised any term loans during the year.

12. according to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year.

**For Jayesh B. Patel & Co.
Chartered Accountants**

**Place : Ahmedabad
Date : 22nd August, 2016.**

**CA Jayesh Patel
Proprietor
Membership No: 34745**

22nd Annual Report of Natco Economicals Limited

Balance sheet for the Year ended on 31st March, 2016

in Rs.

Particulars	Note No	As at 31st March, 2016	As at 31st March, 2015
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	A	30,004,000	30,004,000
(b) Reserves and Surplus	B	(11,86,517)	3,96,877
(2) Non-Current Liabilities			
(a) Deferred tax liabilities (Net)		16,936	12,688
(b) Other Long term liabilities		--	--
(3) Current Liabilities			
(a) Other current liabilities	C		
(b) Short-term provisions	D	82,500	82,500
Total		28,916,919	30,496,065
II.Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	E	3,54,986	3,95,119
(ii) Intangible assets			
(b) Non-current investments	F	18,10,700	24,58,700
(c) Deferred tax assets (net)			
(d) Long term loans and advances	G	--	--
(2) Current assets			
(a) Cash and Cash Equivalents	H	10,45,077	10,72,586
(b) Short-term loans and advances	I	10,112,000	15,483,570
(c) Other current assets	J	15,594,156	11,086,090
Total		28,916,919	30,496,065

Significant Accounting Policies and other explanatory notes and information

P

For Jayesh B. Patel & Co.
Chartered Accountants

For Natco Economicals Limited

SD/-
CA Jayesh Patel (Proprietor)
Membership No: 34745
Place: Ahmedabad
Date: 22nd August, 2016

SD/-
Haresh Patel
(Whole Time Director)

SD/-
Rupesh Upadhyay
(Director)

22nd Annual Report of Natco Economicals Limited

Statement of Profit and Loss for the year ended 31st March, 2016

in Rs.

Particulars	Note No	31st March, 2016	31st March, 2015
I. Revenue from operations	K	28,22,681	23,08,458
II. Other Income	L	84,936	61,855
III. Total Revenue (I +II)		29,07,617	23,70,313
IV. Expenses:			
Employee benefit exp	M	4,90,248	4,71,337
Other expenses	N	13,34,483	15,42,792
BSE Expense		25,41,900	--
Total Expenses		44,06,763	20,14,129
V. Profit before Interest, Depreciation and tax		(14,59,013)	3,56,184
Depreciation		40,133	52,536
VI. Profit before tax		(14,99,146)	3,03,648
VII. Tax expense:			
Current tax		--	91,094
Deferred tax		4248	2,485
VIII Profit /Loss Before Extra-Ordinary items		(15,03,394)	2,10,069
Extra- Ordinary Items		80000	
IX. Profit/(Loss) for the year		(15,83,394)	2,10,069
IX. Earning per equity share:			
Basic & Diluted (Rs.10/- each)		(0.5277)	0.070

Significant Accounting Policies and other explanatory notes and information

P

For Jayesh B. Patel & Co.
Chartered Accountants

For Natco Economicals Limited

SD/-
CA Jayesh Patel (Proprietor)
Membership No: 34745
Place: Ahemdabad
Date: 22nd August, 2016

SD/-
Haresh Patel
(Whole Time Director)

SD/-
Rupesh Upadhyay
(Director)

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Notes to Balance Sheet As at 31st March

2016

2015

A. Share

Capital :

(a) Shares authorized

32,000,000	(31st March 2016:32,00,000) equity shares of Rs.10/- each	32,000,000	32,000,000
		32,000,000	32,000,000

(b) Shares issued, subscribed and fully paid :

30,00,400	(31st March 2016 :30,00,400) Equity Shares of Rs.10/- each	30,004,000	30,004,000
		30,004,000	30,004,000

(c) Reconciliation of Shares outstanding at the beginning and at the end of the reporting period :

At the Beginning of the period	30,004,000	30,004,000
Issued during the period	--	--
Outstanding at the end of the period	30,004,000	30,004,000

(d) The rights, preferences and restrictions including restrictions on the distribution of dividends and the repayment of capital;

Equity Shares

The company is having only one class of shares i.e. Equity carrying a nominal value of Rs.10/- per share

Every holder of the equity share of the Company is entitled to one vote per share held

In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company after the distribution / repayment of all creditors. The distribution to the equity shareholders will be in proportion of the number of shares held by each shareholder.

The Company has not declared and paid dividend on the equity shares.

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(e) Shares in the company held by each shareholder holding more than 5% shares specifying the number of shares held:

Name	No. of Shares	Percentage	No of Shares	Percentage
Natco Synthetics Private Limited	330500	11.02	330500	11.02

Notes to Balance Sheet As at 31st March	<u>2016</u>	<u>2015</u>
		in Rs.
<u>B. Reserves and Surplus :</u>		
General Reserve		
Balance as per the last financial statements	396877	186808
Add : Transferred from Statement of Profit and Loss	(15,83,394)	210069
	<u>(11,86,517)</u>	<u>396877</u>
<u>C. Other current liabilities:</u>		
(a) Other current liabilities	-	-
	<u>-</u>	<u>-</u>
<u>D. Short-term provisions:</u>		
(a) Provision for employee benefits.	82500	82500
Provision for Taxation	-	-
	<u>82500</u>	<u>82500</u>

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E Tangible Fixed assets

<i>Description of Assets</i>	<i>Gross Block</i>			<i>Depreciation & Amortization</i>			<i>Net Block</i>		
	<i>As on 01.04.2015</i>	<i>Add</i>	<i>Del</i>	<i>As on 31.03.2016</i>	<i>Dep as on 01.04.2014</i>	<i>Add</i>	<i>Dep as on 31.03.2015</i>	<i>WDV as on 31.03.2016</i>	<i>WDV as on 31.03.2015</i>
Building	385000			385000	87094	14895	101989	283011	297906
Computer	371520			371520	338203	13327	351530	19990	33317
Furniture & Fixture	151520			151520	105794	8276	114070	37450	45726
Electric Installation	55450			55450	37280	3634	40914	14536	18170
Grand Total	963490			963490	568371	40133	608504	354986	395119

F Non-current Investment

<i>Quoted Shares (Previous Year)</i>	1363523
<i>Non Quoted Shares (Previous Year)</i>	447177

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Notes to Balance Sheet As at 31st March

2016

2015

G. Long-term loans and advances : (Unsecured, considered good)

(a) Long-term loans and advances

0

0

0

0

H. Cash and Cash Equivalents:

(a) Cash & Bank balance

1045077

1072586

1045077

1072586

I. Short-term loans and advances (Unsecured, considered good)

(a) Short term loans

10112000

15483570

10112000

15483570

J. Other current assets:

(a) Other

15594156

11086090

15594156

11086090

Notes to Financial Statement for the year ended 31st March

2016

2015

K. Revenue from :

A Interest

2822681

2308458

2822681

2308458

L. Other Income :

Other Income

84936

61855

84936

61855

M. Employee's Benefit Expenses:

Salaries and Benefits

490248

471337

490248

471337

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<u>N. Other Expenses</u>	2016	2015
Legal fees	115250	24450
Admin Expenses	1205005	945690
Liasoning Expenses	11241	7986
Bank & Other Charges	2987	2866
BSE Listing App Fees	--	561800
	<hr/> 1334483	<hr/> 1542792
<u>O. BSE Expenses*</u>		
Processing & Annual Listing Fees	2541900	--
	<hr/> 2541900	<hr/> --

NOTE – P SIGNIFICANT ACCOUNTING POLICIES

a) System of Accounting:

- i) The books of accounts are maintained on mercantile basis except where otherwise stated.
- ii) The financial statements are prepared under the historical cost convention in accordance with the applicable Accounting Standards issued by The Institute of Chartered Accountants of India and as per the relevant representational requirements of the Companies Act, 2013.
- iii) Accounting policies not specifically referred to are consistent with generally accepted accounting practices, except where otherwise stated.

b) Revenue Recognition:

- i) Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
- ii) Interest income is recognized on time proportion basis.
- iii) Dividend income is recognized when right to receive is established.
- iv) Profit / Loss on sale of investments is accounted on the trade dates.

c) Investment:

Investments are classified into noncurrent investments and current investments. Noncurrent investments are stated at cost and provisions have been made wherever required to recognize any decline, other than temporary, in the value of such investments. Current investments are carried at lower of cost and fair value and provision wherever required, made to recognize any decline in carrying value.

d) Retirement Benefits:

- i) Leave encashment benefits are charged to Profit & Loss account in each year on the basis of actual payment made to employee. There are no rules for carried forward leave.
- ii) No provision has been made for the retirement benefits payable to the employees since no employee has yet put in the qualifying period of service and the liability for the same will be provided when it becomes due.

e) Inventories

Inventories are valued at cost (using FIFO method) or net realizable value, whichever is lower.

f) Impairment of Assets:

The carrying amounts of assets are reviewed at the balance sheet date to determine whether there are any indications of impairment. If the carrying amount of the fixed assets exceeds the recoverable amount at the reporting, the carrying amount is reduced to the recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use, the value in use determined by the present value estimated future cash flows. Here carrying amounts of fixed assets are equal to recoverable amounts.

g) Earnings per Share

i) Earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

h) Provisions,

Contingent Liabilities and Contingent Assets Provisions are recognized when there is a present obligation as a result of past events and when a reliable estimate of the amount of the obligation can be made.

Contingent liability is disclosed for: i) Possible obligations which will be confirmed by future events not wholly within the control of the company, or ii) Present obligation arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

i) Accounting for Taxes on Income

i) Current tax is determined as the amount of tax payable in respect of taxable income for the year.

ii) Deferred Tax is recognized subject to the consideration of prudence on timing difference, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and measured using relevant enacted tax rates.

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j) Contingent Liability

- a) Claims against the company not acknowledged as debts Nil Previous Year Nil
- b) Guarantees to Banks and Financial institutions against credit facilities extended to third parties Nil Previous Year Nil
- c) Other money for which the company is contingently liable Nil Previous Year Nil

Commitments:

- i) Uncalled liability on partly paid up shares- Nil Previous Year (Nil)
 - ii) Estimated amount of contracts remaining to be executed on capital accounts- NIL. Previous Year (Nil)
 - iii) Other Commitments Nil Previous Year Nil
1. In the opinion of Board of Directors & best of their knowledge & belief the provisions of all known liabilities are adequate.
 2. In the opinion of Board of directors, Current Assets, Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.
 3. During the financial year 2015-16 the company has made an investment of Rs NIL
 4. CIF value of Imports – NIL Previous Year (NIL)
 5. Earning & Expenditure in Foreign Currency: NIL Previous Year (NIL)
 6. Payments to Auditor's : Rs25000/- Previous year Rs. 20090/-
 7. Director's remuneration: NIL Rs. NIL
 8. AS per Accounting Standard (AS-20) on Earning per share (EPS) issued by the ICAI, the particulars of EPS for the equity shareholders are as below:

Sr No.	Particulars	Current year 2015-16	Previous year 2014-15
1	Net Profit (loss) as per P/L A/c	(15,83,394)	210069
2	Average No. of equity shares used as denominator for calculating EPS	3000400	3000400
3	EPS (Basic & Diluted) (Rs.)	(0.528)	0.070
4	Face value of each equity share (Rs.)	10	10

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9. **Related Party Disclosure:** As per Accounting Standard-18 issued by the Institute of Chartered Accountants of India, the Company's related parties and transactions are NIL
10. As per information available with the company, no amount is due to any undertaking/Enterprise covered under the Micro, Small and Medium Enterprise Development Act, 2006.
11. Since the Company is dealing in one segment, No separate Segment reporting is given.
12. The figures of the previous years have been regrouped and rearranged wherever it considered necessary.

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Natco Economicals Limited *Cash Flow Statement for the Year Ended March 31, 2016*

Statement of Cash Flow :	2015-16	2014-15
(A) : CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit after taxation and extraordinary items	(1583394)	210069
Adjustment for :		
Depreciation	40133	52537
Interest Expenses	-	-
Profit on sale of Fixed Assets	-	-
Provision for Taxation Written back	-	-
Interest Income	(2907617)	(2308458)
Operating Profit before Working Capital changes	(4450878)	(2045852)
Movement in Working Capital		
(Increase) / Decrease in Loans & Advances	5371570	(494610)
(Increase) / Decrease in Other Current Assets	(4508066)	(132609)
(Increase) / Decrease in Trade Receivable	-	-
Increase / (Decrease) in Trade Payables	-	-
Increase / (Decrease) in Current Liabilities & Provisions	-	20205
(Increase) / Decrease in Inventories	-	-
(Increase) / Decrease in Deferred tax liability	4248	2485
NET CASH GENERATED FROM OPERATING ACTIVITIES	867752	(2650381)
(B) : CASH FLOW FROM INVESTING ACTIVITIES :		
(Increase) / Decrease in Investments	648000	-
Interest Income	2907617	2308458
Addition / Purchase of Fixed Assets	-	-
Sale proceeds of Fixed Assets	-	-
NET CASH GENERATED FROM INVESTING ACTIVITIES	3555617	2308458
(C) : CASH FLOW FROM FINANCING ACTIVITIES :		
Interest Expenses	-	-
Proposed Dividend	-	-
Issue of Share capital	-	-
Increase / (Decrease) in borrowings	-	-
NET CASH INVESTED IN FINANCING ACTIVITIES	-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	(27509)	(341923)
Opening Cash and cash equivalent	1072586	1414509
Closing Cash and cash equivalent	1045077	1072586

For Jayesh B. Patel & Co.
Chartered Accountants

For Natco Economicals Limited

SD/-
CA Jayesh Patel (Proprietor)
Membership No: 34745
Place: Ahemdabad
Date: 22nd August, 2016

SD/-
Haresh Patel
(Whole Time Director)

SD/-
Rupesh Upadhyay
(Director)

22nd Annual Report of Natco Economicals Limited

Natco Economicals Limited

CIN: L65910GJ1994PLC022240

Registered Office: 304, Abhijit -1, Mithakali 6 Roads, Navarangpura, Ahemdabad-380006

Attendance Slip of 22nd Annual General Meeting

Day & Date

Date: 29th September, 2016

Day: Thursday

Venue of AGM

304, Abhijit-1,
Mithakali 6 Roads,
Navarangpura,
Ahemdabad-380006

Time: 12.30 P.M

Name & Address of Member :

DP ID No.& Client ID No. :

Registered Folio No. :

No. Of shares held :

I certify that I am a member/proxy for the member holding _____ Shares.

Please Tick against the appropriate box:

Member Proxy

Name of Proxy in Block Letters
attending meeting.

Signature of Member/Proxy

Note:

- 1) Member/Proxy attending AGM must bring his/her Admission Slip which would be duly signed and deposited at entrance and also bring their Photo ID Proofs for attending the meeting)
- 2) Duplicate Admission Slip will not be issued at the Venue
- 3) Authorized Representatives of Corporate members shall produce proper authorization issued in their favour

Voting By Electronic Means

In terms of Section 108 of the Companies Act, 2013 read with rule 20 of Companies (Management and Administration) Rules, 2014, the Resolutions proposed at the 22nd AGM will be transacted through remote e-voting (facility to caste vote from a place other than the venue of the AGM) Your remote e-voting User Id and Password are provided below:

Electronic Voting Event number(EVEN) of Natco Economicals Limited	User ID	Password
105290		

22nd Annual Report of Natco Economicals Limited

**Form No. MGT-11
Natco Economicals Limited**

CIN: L65910GJ1994PLC022240

**Registered Office: 304, Abhijit -1, Mithakali 6 Roads, Navarangpura,
Ahemdabad-380006**

PROXY FORM

*(Pursuant to Section 105(6) of the Companies Act, 2013 and rules 19(3) of the
Companies (Management and Administration) Rules, 2014)*

Name of the member (s):
Registered Address:
Email Id:
Folio No. / Client Id:
DP ID:

*I/ We, being the member(s) holding _____ shares of the above
named Company, hereby appoint:*

1. Name: _____,
Address _____ Email _____
ID _____ Signature _____ or failing him

2. Name: _____,
Address _____ Email _____
ID _____ Signature _____ or failing him

3. Name: _____,
Address _____ Email _____
ID _____ Signature _____ or failing him
as my/our proxy to attend and vote on a poll for me/us and on my/our

*Behalf at the 22nd Annual General Meeting of the Company, to be held on the
29th September, 2016 at 12.30.P.M at 304, Abhijit -1, Mithakali 6 Roads,
Navarangpura, Ahemdabad-380006 and at any adjournment thereof in respect
of the following resolutions as are indicated below:*

22nd Annual Report of Natco Economicals Limited

Sr. No	Particulars	Tick appropriately
Ordinary Business		
1.	<i>Adoption of Financial Statement for the year ended 31st March, 2016</i>	<i>For/ Against</i>
2.	<i>Re-appointment of Mr. Bhadresh Bhavsar , who retires by rotation</i>	<i>For/ Against</i>
3.	<i>Re-Appointment of M/s. Jayesh Patel & Co., Chartered Accountants as Independent Auditors and fixing their remuneration</i>	<i>For/ Against</i>
Special Business		
4.	<i>Appointment of Mr. Ashish Pandya as Whole Time Director of the Company (W.e.f 01.09.2016)</i>	<i>For/ Against</i>

Signed this ___ day of ___ 2016

Signature of shareholder

Affix the Revenue Stamp here

Note: This form duly filled up, stamped and signed by the appointer or his attorney duly authorized in writing or if the appointer is a Body Corporate, under the seal or signed by an attorney duly authorized by it shall be deposited at the Registered Office of the Company along with the power of Attorney, if any under which the Proxy Form is signed , not less than 48 hours before the time for holding the meeting. For the Resolutions, explanatory statement and notes please refer to the Notice of the 22nd Annual General Meeting.