

26th
Annual Report
2016-2017


Natraj
Proteins Limited

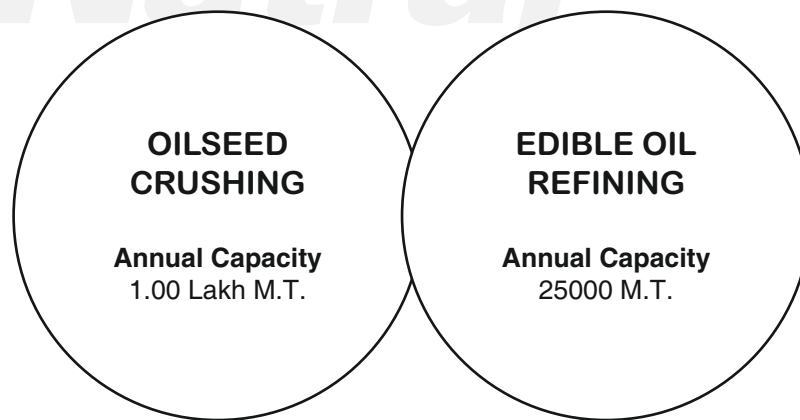
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Natraj Proteins in a Nutshell

Natraj Proteins Ltd. (Natraj) was established in the year 1990. Natraj has been consistently pushing technology frontiers for more than 25 years, to meet the challenging demands of edible soya oil. The Quality is the key driver of success at Natraj, having range of plants and equipments is based on a spectrum of energy and environmental research that will return benefit for generations. A three-stage quality control module is adopted which includes stringent check on incoming raw material, in-process control and final testing. Prior to the shipping of product, Natraj also conducts thorough inspection to ensure that they comply with client's specifications.

Natraj has well established infrastructure, characterized & experienced workforce and amiable working environment. As a part of our corporate social responsibility, we undertake community development activities and focus on promoting education and healthcare. The Capacity break-up of the company is as shown below:



Corporate Information

BOARD OF DIRECTORS

Name	Designation
Shri Kailash Chand Sharma	Chairman & Managing Director
Shri Jagdish Prasad Agrawal	Whole Time Director
Shri Sharad Kumar Jain	Whole Time Director
Shri Giriraj Gupta	Independent Director
Shri Umesh Narayan Trivedi	Independent Director
Shri Pradeep Agrawal	Independent Director
Shri Rajender Singh Tomar	Independent Director
Smt. Namita Sharma	Non-Executive Women Director

Other Key Managerial Personnel

Name	Designation
Shri Ritesh Sharma	CFO & Add. Compliance Officer
CS Shilpi Kasliwal	Company Secretary & Compliance Officer

Committees of the Board

Audit Committee

S. No.	Name	Designation	Position in the Committee
1.	Shri Umesh N. Trivedi	Independent Director	Chairman
2.	Shri Pradeep Agrawal	Independent Director	Member
3.	Shri Rajender Singh Tomar	Independent Director	Member

Stakeholders' Relationship Committee

S. No.	Name	Designation	Position in the Committee
1.	Shri Umesh N. Trivedi	Independent Director	Chairman
2.	Shri Pradeep Agrawal	Independent Director	Member
3.	Shri Rajender Singh Tomar	Independent Director	Member

Nomination & Remuneration Committee

S. No.	Name	Designation	Position in the Committee
1.	Shri Umesh N. Trivedi	Independent Director	Chairman
2.	Shri Pradeep Agrawal	Independent Director	Member
3.	Shri Rajender Singh Tomar	Independent Director	Member

Corporate Social Responsibility Committee

S. No.	Name	Designation	Position in the Committee
1.	Shri Kailash Chand Sharma	Managing Director	Chairman
2.	Shri Pradeep Agrawal	Independent Director	Member
3.	Shri Umesh N. Trivedi	Independent Director	Member

Internal Committee on Sexual Harassment of Women at the Workplace

S. No.	Name	Designation	Position in the Committee
1.	Smt. Namita Sharma	Women Director	Chairperson
2.	CS Shilpi Kasliwal	Company Secretary	Member
3.	Shri Ritesh Sharma	Chief Financial Officer	Member

Risk Management Committee*

S. No.	Name	Designation	Position in the Committee
1.	Shri Kailash Chand Sharma	Managing Director	Chairman
2.	Shri Pradeep Agrawal	Independent Director	Member
3.	Shri Umesh N. Trivedi	Independent Director	Member

*Constituted Voluntarily

Existing Statutory Auditor:**Bhaturia Ganesan & Co.****Chartered Accountant**

S-9, Thadaram Complex, 209-A, Zone-1, M.P. Nagar, Bhopal (M.P.) -462011

Secretarial Auditor**D.K. Jain & Co.****Company Secretaries**

401-402, 4th Floor, Silver Ark Plaza, Janjirwala Chouraha, Near Curewell Hospital, Indore (M.P.)- 452001

Proposed Statutory Auditor:**M/s Anup Shrivastava & Associates****Chartered Accountant**

Rama Complex, 163, Zone-1, S-1, Second Floor, M.P. Nagar, Bhopal (M.P.) -462011

Cost Auditor**Yogesh Chourasia & Associates****Cost & Management Accountants**

R-73, Zone-II, M.P. Nagar, Bhopal (M.P.)- 462011

Internal Auditor**NRA & Associates.****Chartered Accountants****Banker:**

Andhra Bank, Bhopal

Name of the Stock Exchange

BSE Limited, Scrip Code: 530119

Registered Office & PlantNagpur Kalan, Ordinance Factory Road
Itarsi (M.P.) 461111 Phone 07572-262636-38
Email: natrajproteintltd@rediffmail.com
Website: www.natrajproteins.com**Share Transfer Agent:**Ankit Consultancy Pvt. Ltd.
Plot No. 60, Electronic Complex,
Pardeshipura, Indore (M.P.)
Phone: 0731-2551745
Email: ankit_4321@yahoo.com

NOTICE

NOTICE is hereby given that 26th Annual General Meeting of the members of **NATRAJ PROTEINS LIMITED** will be held on Saturday, 9th day of September, 2017 at 2.00 P.M. at the Registered Office of the company situated at Nagpur Kalan, Ordinance Factory Road, Itarsi (M.P.) 461111 to transact the following businesses:

ORDINARY BUSINESSES:

1. To receive, consider, approve and adopt the Financial Statements of the Company including the Audited Balance Sheet as at 31st March, 2017, the Statement of Profit & Loss and Cash Flow for the year ended 31st March, 2017 and the Reports of the Board and Auditors thereon.
2. To appoint a director in place of Shri Kailash Chand Sharma (DIN 00012900) who retires by rotation and being eligible offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT subject to the provisions of section 139, 141 and other applicable provisions, if any, of Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, M/s Anup Shrivastava & Associates, Chartered Accountants (ICAI Firm Registration No. 006455C), be and are hereby appointed as the Statutory Auditors of the Company in place of M/s Bhutoria Ganesan & Co., Chartered Accountants (F.R. No. 004465C) whose term shall be concluded on the conclusion of the ensuing Annual General Meeting, to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 31st AGM of the Company to be held in the year 2022, subject to ratification of their appointment at every Annual General Meeting on such remuneration as may be fixed by the Board.”

SPECIAL BUSINESSES:

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

“RESOLVED THAT pursuant to section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules) 2014, including any statutory modification(s) or re-enactment thereof for the time being in force, M/s Yogesh Chourasia & Associates (Firm Registration No. 000271) appointed as Cost Auditor by the Board of Directors of the Company for conducting Cost Audit for the Financial Year 2017-18 on a remuneration of Rs. 67,500/- plus GST be and is hereby ratified.”

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

“RESOLVED THAT as recommended by Nomination and Remuneration Committee of the Board and pursuant to the provisions of section 190, 196, 197, 203 read with the provisions of Schedule V of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of the Managerial Personnel) Rules, 2014 and other applicable provisions if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being enforce), the approval of the members of the Company be and is hereby granted for re-appointment of Shri Sharad Kumar Jain (DIN: 02757935) as the Whole-time Director and designated as the Executive Director of the Company for a period of 3 years w.e.f. 1st October, 2017 on the consolidated monthly remuneration of Rs. 50,000 p.m.”

“RESOLVED FURTHER THAT in the event of there being loss or inadequacy of profit for any financial year, the remuneration payable to Shri Sharad Kumar Jain shall not be in excess of the limit prescribed in the Schedule V of the Companies Act, 2013 as may be applicable from time to time during his tenure.”

“RESOLVED FURTHER THAT there shall be clear relation of the Company with Shri Sharad Kumar Jain as “the Employer-Employee” and each party may terminate the above said appointment with the six months’ notice in writing or salary in lieu thereof.”

“**RESOLVED FURTHER THAT** Shri Sharad Kumar Jain, Executive Director shall also be entitled for the reimbursement of actual entertainment, traveling, boarding and lodging expenses incurred by him in connection with the Company's business and such other benefits/ amenities and other privileges, as may from time to time, be available to other Senior Executives of the Company.”

“**RESOLVED FURTHER THAT** the Board of directors be and is hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion, may consider necessary, expedient or desirable and to vary, modify the terms and conditions and to settle any question, or doubt that may arise in relation thereto and the Board shall have absolute powers to hold the increments, decide breakup of the remuneration within the above said maximum permissible limit, in order to give effect to the foregoing resolution, or as may be otherwise considered by it to be in the best interest of the Company.”

6. To consider, and, if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to section 94 and other applicable provisions, if any, of the Companies Act, 2013, (“the Act”) approval of the members be and is hereby accorded to keep the Company's register of members, the index of members, the Register and copies of all its annual returns prepared under sections 92 and other applicable provisions, if any, of the act together with the copies of certificates and documents required to be annexed thereto under Section 92 of the Act, at Registered Office of the Company situated at Nagpur Kalan, Ordinance Factory Road, Itarsi (M.P.)- 461111 and maintain by Ankit Consultancy Pvt. Ltd, Registrar and Share Transfer Agent of the Company, situated at Plot No. 60, Electronic Complex Pardeshipura, Indore (M.P.) – 452010.”

7. To approve the expenses for service of documents to members and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to provisions of Section 20 and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules prescribed thereunder, the consent of the Company be and is hereby accorded to the Board of directors or the person authorized by the Board charge from member(s) fee in advance, a sum equivalent to the estimated actual expenses of delivery of the documents through a particular mode, if any request has been made by such member(s) for delivery of such document(s) to him through such mode of service as required and the same be provided upon such request in writing along with the requisite fee if has been duly received by the Company at least one week in advance of the dispatch of the document by the Company.”

“**RESOLVED FURTHER THAT** the Board of directors and/or any person authorized by the Board be and are hereby authorized to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid and further to do all acts, deeds, matters and things as may be necessary, proper or desirable or expedient to give effect to above resolution.”

By Orders of the Board

Date: 5th August, 2017

Place: Itarsi

Natraj Proteins Ltd.

CIN: L00153MP1990PLC006090

Nagpur Kalan, Ordinance Factory Road,
Itarsi - 461111(M.P.)

SHILPI KASLIWAL
COMPANY SECRETARY &
COMPLIANCE OFFICER
ACS 43986

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/IES TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT TO BE A MEMBER OF THE COMPANY.
2. A person can act as a proxy on behalf of members not exceeding 50 and holding in aggregating not more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as a proxy for any other person or Shareholder.

The instrument of proxy in order to be effective should be deposited at the Registered Office of the Company duly completed and signed not less than 48 hours before the time fixed for the Meeting. A Proxy form is sent herewith.
3. The Explanatory Statement pursuant to section 102 of the Companies Act, 2013, which sets out details relating to special business at the meeting is annexed hereto.
4. The company has notified closure of Register of Members and Share Transfer Books from **3rd September, 2017, Sunday to 9th September, 2017, Saturday (both days inclusive)** for the purpose of the Annual General Meeting.
5. The report on the Corporate Governance and Management Discussion and Analysis also form part to the report of the Boards.
6. *(Members seeking any information are requested to write to the Company by email at natrajproteintltd@rediffmail.com at least 7 days before the date of the AGM to enable the management to reply appropriately at the AGM.)*
7. Members are requested to notify immediately correct address for any change in their address and also intimate their active E-Mail ID to their respective Depository Participants (DPs) and in respect of shares held in the company in physical form to the Registrar and Share Transfer Agent i.e. Ankit Consultancy Pvt. Ltd., Plot No. 60, Electronic Complex, Pardeshipura, Indore (M.P.) having email Id ankit_4321@yahoo.com, rtaindore@gmail.com to receive the soft copy of the annual report and all other communication and notice of the meetings etc., of the Company.
8. Electronic copy of the Annual report for the year 2016-17 is being sent to the members whose email IDs are registered with the Share Transfer Agent of the Company/Depository Participants unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual reports being sent in the permitted mode.
9. Members may also note that the Annual Report for the year 2016-17 is also available on Company's website www.natrajproteins.com
10. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting pursuant to section 113 of Companies Act, 2013 are requested to send a duly certified copy of the relevant Board Resolution together with the respective specimen signatures of those representatives authorized under the said resolution to attend and vote on their behalf at the Meeting.
11. Relevant documents referred to in the Notice are open for inspection by the members at the Registered Office of the company on all working days, except Saturday, between 11:00 A.M and 1:00 P.M up to the date of the Annual General Meeting.
12. Members/proxies/authorized representatives are requested to bring the duly signed attendance slip in accordance with their specimen registered with the Company and a copy of Annual Report with them to attend the Meeting.
13. The Register of Directors, Key Managerial Personnel and their shareholding, maintained under section 170 of the Companies Act, 2013 will be available for inspection by the Members at the Annual General Meeting.
14. The Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.
15. SEBI has also mandated that for registration of transfer of securities the transferee(s) as well as the transferor(s) shall furnish a copy of their PAN to the Share Transfer Agent for registration of transfer of securities.

16. Members may also note that the Notice of 26th Annual General Meeting, Attendance Slip, Proxy Form, Route Map, Ballot Paper and the Annual Report for the year 2016-17 will also be available on the company website www.natrajproteins.com for their download.
17. The Brief profile of the director seeking re-appointment at the ensuing annual general meeting is annexed with the Notice.
- 18. Voting through electronic means**
- I. In compliance with provisions of section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (LODR), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 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).
 - II. 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.
 - III. 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 at the AGM.
 - IV. The remote e-voting period commences on 6th September, 2017, Wednesday (I.S.T. 9.00 A.M.) and ends on 8th September, 2017, Friday (I.S.T. 5.00 P.M.). During this period members of the Company, holding shares either in physical or in dematerialized form, as on the cut-off date of 2nd September, 2017, 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 casted by the member, the member shall not be allowed to change it subsequently.

Members are requested to carefully read the below mentioned instructions for remote e-voting before casting their vote.

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

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; “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.

NOTE: Shareholders already registered with NSDL for e-voting will not receive the PDF file “remote e-voting.pdf”.

- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com//>
- (iii) Click on Shareholder - Login
- (iv) Put your user ID and password. 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 “NATRAJ PROTEINS LTD”.
- (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: ishan1619@yahoo.co.in with a copy marked to evoting@nsdl.co.in

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.

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 downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

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.

NOTE: Shareholders who forgot the User Details/Password can use “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com

- V In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ Client ID).
- VI. In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+ Folio No).
- VII. 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).
- VIII. 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 2nd Sept., 2017.
- IX. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 2nd Sept., 2017 for eligible of the Notice and the Annual Report, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.
- X. However, if a member is already registered with NSDL for remote e-voting then, he can use his existing user ID and password for casting his vote. If a member forgot his password, he can reset his password by using “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com or contact NSDL at the toll free no.: 1800-222-990.
- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII 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.

- XIII CS Ishan Jain, Practicing Company Secretary (ACS No. 29444 CP 13032) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting by "Ballot Paper" or "Poling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility. However, no remote e-voting facility shall be made available at the venue of the AGM.
- XV 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 48 hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favor 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.
- XVI The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.natrajproteins.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.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3

The existing Auditors, M/s Bhatnagar Ganesan & Co., Chartered Accountants, (F.R.N. 004465C) were appointed for a term of three years at the Annual General Meeting of the Company held on 20th Sept., 2014 is eligible to hold office till the conclusion of the ensuing Annual General Meeting. Pursuant to section 139 and other applicable provisions, as may be applicable of the Companies Act, 2013 read with Rule 33 of Companies (Audit and Auditors) Rules, your company is required to rotate the statutory auditors on completion of the maximum term permitted under the said section.

The Audit Committee and the Board of Directors has proposed the appointment of M/s Anup Shrivastava & Associates, Chartered Accountants (F.R.N. 006455C) as the Statutory Auditors of the company to hold office for a term of 5 consecutive year from the conclusion of the 26th Annual General Meeting on 9th September, 2017 till the conclusion of the 31st Annual General Meeting to be held in the year 2022 subject to the ratification of their appointment at every AGM.

None of the directors or Key Managerial Personnel (KMP) or their relatives are, concerned or interested financially or otherwise in the proposed Resolution. The Board recommends to pass necessary resolution as set out in the Item No. 3 of the notice as an Ordinary Resolution.

Item No. 4

The Board on the recommendation of Audit Committee has approved the appointment of M/s Yogesh Chourasia & Associates, Cost & Management Accountant (Firm Registration No. 000271) as the Cost Auditor of the Company for conducting Cost Audit for the year 2017-18 at a remuneration of Rs. 67,500/- plus applicable GST. In accordance with the provision of section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditor is required to be ratified by the Members of the company, accordingly consent of the members are sought for passing an Ordinary Resolution as set out in Item No 4 of the notice for ratification of remuneration payable to the cost auditors.

None of the directors or Key Managerial Personnel (KMP) or their relatives are concerned or interested financially or otherwise in the proposed Resolution. The Board recommends to pass necessary resolution as set out in the Item No. 4 of the notice as an Ordinary Resolution.

Item No. 5

Shri Sharad Kumar Jain (DIN:02757935) was re-appointed at the 23rd Annual General Meeting held on 20th Sept., 2014 as the Whole Time Director for a term of 3 (Three) years w.e.f. 1st October, 2014. Therefore, he is required to be re-appointed by the Company for a further term of 3 (Three) years w.e.f. 1st Oct., 2017.

The brief profile of Shri Sharad Kumar Jain is given under the details of the directors seeking re-appointment. Shri Jain is one of the core promoters and associated with the Company since its incorporation. The Nomination and Remuneration Committee and the Board at their meeting held on 5th August, 2017 considered and approved the same on the terms, conditions and remuneration as set out in the Item No. 5 of the notice and recommend to pass ordinary resolution at the Meeting.

Shri Jain is financially interested in the resolution to the extent of the remuneration as may be paid to him. Except that none of the other directors or Key Managerial Personnel (KMP) or their relatives are concerned or interested in the Resolutions. Shri Jain is also holding 239,000 equity shares of Rs. 10/- each consisting of 6.36% of the total paid up capital of the Company.

Item No. 6

As per provisions of section 94 of the Companies Act, 2013 ("the Act"), the Register of members, the index of members, the register and copies of all annual returns prepared under sections 92 of the Act together with the copies of certificates and documents required to be annexed thereto shall be kept at the Registered Office of the Company or with the approval of the members at any place other than the Registered office of the Company. The Special resolution at Item No. 6 is proposed for the purpose of enabling the Company to keep the records of Register of members, index thereof by Ankit Consultancy Private Ltd, Registrar and Share Transfer Agent of the Company, situated at Plot No. 60, Electronic Complex Pardeshipura, Indore (M.P.) – 452010 as stated in the resolution. An advance copy of the proposed special resolution set out in item No.6 will be delivered to the Registrar of Companies. The Board of directors recommends the special resolution set out for member's approval.

None of the other directors or Key Managerial Personnel (KMP) or their relatives are concerned or interested in the Resolutions financially or otherwise.

Item No. 7

As per the provisions of section 20 of the Companies Act, 2013, a document may be served on any member by sending it to him by post or by registered post or by speed post or by courier or by delivery at his office or residence address or by such electronic or other mode as may be prescribed. Further, proviso to subsection (2) of section 20 states that a member may request for delivery of any document through a particular mode, for which member shall pay such fees in advance as may be determined by the company by ordinary resolution. Accordingly, the Board of Directors has proposed that a sum equivalent to the estimated actual expenses of delivery of the documents through a particular mode, if any request has been made by any member for delivery of such documents to him through such mode of service, be taken to cover the cost of such delivery as may be decided by the Board or the authorized person from time to time.

The Board recommends the Ordinary Resolution as set out at Item No. 7 of the Notice for approval of the members.

None of the Directors or Key Managerial Personnel and their relatives, are concerned or interested (financially or otherwise) in the resolution.

By Orders of the Board

Date: 5th August, 2017

Place: Itarsi

Natraj Proteins Ltd.

CIN: L00153MP1990PLC006090

Nagpur Kalan, Ordinance Factory Road,

Itarsi - 461111(M.P.)

SHILPI KASLIWAL
COMPANY SECRETARY &
COMPLIANCE OFFICER
ACS 43986

DETAILS OF THE DIRECTORS SEEKING RE-APPOINTMENT IN THE ENSUING ANNUAL GENERAL MEETING

Name of Directors	Shri Kailash Chand Sharma	Shri Sharad Kumar Jain
Designation	Chairman & Managing Director	Whole-time Director
DIN	00012900	02757935
Date of Birth	20/07/1960	06/02/1964
Expertise/Experience in specific functional areas	25 years' experience in soya business	30 years' experience in Soya Industry and Real Estate business
Qualification	B.Com.	B.Sc.
No. & % of Equity Shares held	1,65,000 (4.40%)	2,39,000 (6.36%)
Details of outside Company's directorship held	NIL	NIL
Chairman / Member of the Committees of the Board of Directors of the Company	1. CSR Committee 2. Risk Management Committee	N.A.
Chairman / Member of the Committees of the Board, Directors of other Companies in which he is director	-	-
Disclosures of relationships between directors inter-se.	Father in Law of Smt. Namita Sharma, Women director	None

Brief Resume: -

Shri Kailash Chand Sharma is a Commerce Graduate and having experience of more than 25 years in Soya Industry. He is one of the core promoter since incorporation of the company. He is also having knowledge of finance and accounting and he is mainly responsible for purchase of soya seeds and day to day business operations of the company.

Shri Sharad Kumar Jain is a graduate in Commerce and have 30 years of experience in the Soya Industry. He is one of the core promoter since the incorporation of the Company. He is also whole-time director and he is mainly responsible for general business activities besides other duties and responsibilities.

BOARD'S REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

To,
The Members of
Natraj Proteins Ltd.

Your Directors take pleasure in presenting 26th Annual Report together with the audited financial statements for the year ended 31st March, 2017.

HIGHLIGHTS OF FINANCIAL PERFORMANCE

- Total revenue for the year was Rs. 25913.74 Lakhs as compared to Rs. 20107.58 Lakhs, increased by 28.87%.
- Net sales for the year was Rs. 25852.35 Lakhs as compared to Rs. 20008.75 Lakhs in the previous year, increased by 29.20%.
- Profit/(Loss) before tax for the year was Rs.26.03 Lakhs as compared to loss of Rs. (532.47) Lakhs in the previous year.
- Profit/(Loss) after tax for the year was Rs. 15.64 Lakhs as compared to Rs. (531.48) Lakhs in previous year in the previous year.

SUMMARISED PROFIT AND LOSS ACCOUNT

(Rs. In Lakhs) (Except EPS)

Particulars	Year ended	
	31.03.2017	31.03.2016
Total Income from Operations and other income	25913.74	20107.59
Profit(Loss) Before Tax (PBT)	26.03	(532.47)
Provision for Tax	10.39	(0.98)
Profit (Loss) After Tax (PAT)	15.64	(531.49)
Earning Per share (of Rs. 10/- each)	0.42	(14.18)
Balance brought forward from previous year	2969.30	3500.79
Surplus carried to the next year's account	2984.94	2969.30

DIVIDEND

In view of inadequate profits during this year, your directors do not recommend any dividend for the Financial Year 2016-17 (Previous Year 2015-16 Rs. Nil) and proposes to retain the profits for future requirements of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of the knowledge and belief and according to the information and explanations obtained by them, your Directors confirms the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a. that in the preparation of the annual accounts for the year ended 31st March, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that such accounting policies as mentioned in Note 25 A & B of the Notes to the Financial Statements have been selected and applied consistently. Judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2017.
- c. that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that they have prepared the Annual Accounts on a going concern basis;
- e. that they have laid down internal financial controls for the company and such internal financial controls were adequate and were operating effectively.
- f. that they have devised proper systems to ensure compliance with the provisions of all applicable laws and such system are adequate and operating effectively.

SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2017 was Rs. 374.70 Lakhs divided into 37.47 Lakhs equity shares of Rs.10/- each. The Company has earlier forfeited 7,93,000 partly paid up equity shares which were not re-issued by the Company till 31st March, 2017. During the year under review, the Company has not issued shares with differential voting rights or granted stock options or sweat equity.

TRANSFERTO RESERVES

The company has not transferred any amount to the general reserves or any other reserves during the year 2016-17. Your company has utilized the amount of Rs.2.19 Lakhs which was credited to CSR Reserves being unutilized amount towards the CSR activities. The Company is having balance amount of Rs. 15.60 Lakhs, which has been created voluntarily.

FINANCE

Cash and cash equivalent as at 31st March, 2017 is Rs. 20.57 Lakhs & Bank balance other than cash & cash equivalents is Rs. 328.39 Lakhs. The Company continues to focus on management of its working capital, receivables, inventories. The other working capital parameters are kept under continuous monitoring.

DEPOSITS

The Company has not accepted deposit from the public falling within the ambit of section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 and there were no deposits remaining unclaimed as on 31st March, 2017. Further, the Company has not accepted any deposit or loans in contravention of the provisions of the Chapter V of the Companies Act, 2013 and the Rules made there under.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not provided any loan and guarantee and also not made any investment pursuant to Section 186 of the Companies Act, 2013.

ECONOMIC SCENARIO AND FUTURE OUTLOOK

We hope that the normal onset of monsoon will help the crop production and lead to better quality of crop in the current year. We are hopeful of improved performance in the current year. The Company is currently focusing on growing core business and improve sustainable margins. The company is also focusing on right sizing of capacities with a view to optimize the return on capital employed. The focus areas in future involves evaluation of:

- (a) investments for potential value creation,
- (b) proposals for strategic action,
- (c) schemes for exploitation of assets and resources to the maximum possible potential
- (d) controlling of costs to stay competitive in business

The industry expects that, due to improved weather conditions, the current year augurs well for better soya crop size than the previous year, entailing better availability of seeds for crushing and capacity utilization of the production capacities. The company expects to see detrimental effects of De-monetization and uncertainties surrounding GST on its business through the first half of next financial year.

INDUSTRY OUTLOOK AND OPPORTUNITIES

There is ever increasing potential in the edible oil business and growing consumption across the population. The company is positive in its outlook for demand for its products viz. refined edible oil and De-oiled cakes (DOC). The company perceives international price pressure as a major threat. Local demand for DOC is on the rise and will result in better realization. The export market though may be impacted due to cheaper supplies from China and South America.

MARKET DEVELOPMENT

VOLUME

The Company will continue to focus on growing its activities with a view to have better reach and realizations. The company is planning to introduce various packaging sizes to cater to a wider range of customers. The company will lay greater stress upon developing its brand and create better visibility in the market.

SELLING PRICE

The company is in the business of Extraction of Soya Solvent and in this industry, price is determined by the market influences.

CSR INITIATIVES

In view of the profits and turnover, the Company is required to undertake CSR activities during the year 2016-17 as per section 135 of the Companies Act, 2013 and the rules made their under. As part of its initiatives under “Corporate Social Responsibility (CSR), the Company has undertaken activities in the areas of promoting health care, education & environment. These activities are largely in accordance with Schedule VII of the Companies Act, 2013.

During the year 2016-17, the Company has made contributions for community development and providing quality education in neighborhood schools of the plant of the Company. The Annual Report on CSR activities is annexed herewith as **“Annexure A”**.

OCCUPATIONAL HEALTH & SAFETY (OH&S)

This initiative involved positive engagement of personnel on the plant at every level. With regard to contractor safety, two key areas of focus were identified, namely Facility Management for the contractors’ employees and Equipment, Tools & Material Management. The Facility Management initiative was implemented to ensure adequate welfare facilities for contract labor such as washrooms with bathing facilities, rest rooms, availability of drinking water etc. The Equipment, Tools & Material Management Program ensured that the tools used by contractors were safe. The process of screening of contractors was made more stringent to ensure that the contractors were aligned with the Company’s objectives to ensure ‘Zero Harm’.

HUMAN RESOURCES

Many initiatives were taken to support business through organizational efficiency, process change support and various employee engagement programs which has helped the organization to achieve higher productivity level. A significant effort has also been undertaken to develop leadership as well as technical/ functional capabilities in order to meet future talent requirement.

The Company’s HR processes such as hiring and on-boarding, fair & transparent performance evaluation, talent management process, workmen development process and market aligned policies are being seen as benchmark practices in the Industry.

During the year under review, the following Human Resources initiatives received greater focus:

- **Employer of Choice:** Employees are encouraged to express their views and are empowered to work independently. They are also given with the opportunities to learn through various small projects which made them look at initiatives from different perspectives and thus provided them a platform to become result oriented. This has helped greatly in overall development of the employee.
- **Leadership Development:** As a part of Leadership Development, talented employees have been seconded to the senior leadership team to mentor them and prepare them for the next higher role.
- **Industrial Relations:** The Company’s Industrial Relations Policy has been benchmarked by the Manufacturing Sector. The Company shares relevant business information with the Unions in order to enlighten them and make them sensitive towards business requirements. This has helped to build a healthy relationship and resolve issues through mutual dialogue.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 (‘Act’) and Rules made thereunder, your company has constituted Internal Committees on sexual harassment of women as workplace. A Statement showing the number of complaints filed during the financial year and the number of complaints pending as on the end of the financial year is shown as under: -

Category	No. of complaints pending at the beginning of F.Y. 2016-17	No. of complaints filed during the F.Y. 2016-17	No. of complaints pending as at the end of F.Y. 2016-17
Sexual Harassment	Nil	Nil	Nil

Since, no complaints were received during the year, it is appreciated by the management of the company that efforts are made to provide safe environment for the female employees of the company.

RISK MANAGEMENT POLICY AND INTERNAL ADEQUACY

The Company is engaged in the business of extraction of edible oil and de-oiled cakes from Soya seeds, which is associated with the normal business risk as of the imbalance of demand-supply of products in the Domestic and International Market.

Other than this, the Government policy, local area authority, Taxation policy, fluctuations in foreign currency rate, monsoon activities, non-availability of proper soya seeds may adversely affect the profitability of the Company. In addition to that the product is also subject to various processes and clearances, like payment of compensations, subsidies etc. as may be decided by the State Government from time to time.

Moreover, weak International Market signals are deterrent to long term strategy, hence your company is trading safely and does not want to engage in the long-term risks. Further, we are focused on reducing trade barriers.

INTERNAL FINANCIAL CONTROL & ITS EFFECTIVENESS

The Company has an Internal Control System, commensurate with the size, scale and complexity in its operations. The scope and authority of the Internal Audit (IA) is being conducted by the independent chartered accountant, functions of the internal audit are defined. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee of the Board.

Based on the report of internal audit, the company undertakes corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has a vigil mechanism named vigil mechanism/whistle blower Policy to deal with instance of the financial fraud and mismanagement, if any. The details of the Vigil Mechanism Policy are explained in the Corporate Governance Report and annexed to the Board Report as "**Annexure B**" and is also hosted on the website of the Company. ([Link - http://www.natrajproteins.com/corporate-governance.html](http://www.natrajproteins.com/corporate-governance.html))

SUBSIDIARY, ASSOCIATE, JOINT VENTURE OF THE COMPANY

The Company does not have any subsidiary, associate or joint venture during the year 2016-17 as well as at the beginning or closing of the financial year therefore the financial statement is prepared on standalone basis and the requirement for disclosure in the Form AOC-1 is not applicable. Further that the Company is also not an associate or holding or subsidiary company of any other company during the year 2016-17.

BOARD OF DIRECTORS, KMPs AND THEIR MEETINGS

Constitution of the Board

The Board of directors are comprising of total of 8 (Eight) Directors, which includes 4 Independent and one Women director. The Chairman of the Board is promoter and executive director. The Board members are highly qualified with the varied experience in the relevant field of the business activities of the Company and includes, engineers, advocate, tax consultants etc. which plays significant roles for the business policy and decision making process and provide guidance to the executive management to discharge their functions effectively.

Board Independence

Our definition of 'Independence' of Directors or Regulation is derived from Regulation 16 of SEBI (LODR) Regulations, 2015 and section 149(6) of the Companies Act, 2013. The Company is having following 4 (Four) independent directors;

1. Shri Giriraj Gupta
2. Shri Umesh Narayan Trivedi
3. Shri Pradeep Agrawal
4. Shri Rajender Singh Tomar

As per provisions of the Companies Act, 2013, Independent Directors were appointed for a term of 5 (five) consecutive years, but shall be eligible for re-appointment on passing of a special resolution by the Company and shall not be liable to retire by rotation.

Declaration of independence by the Independent Directors

All the Independent Directors have given their declaration of Independence stating that they meet the criteria of independence as prescribed under section 149(6) of the Companies Act, 2013. Further that the Board is of the opinion that all the independent directors fulfill the criteria as laid down under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 during the year 2016-17.

Directors seeking re-appointment at the ensuing Annual General Meeting

In accordance with the provisions of the Companies Act, 2013 and in terms of the Memorandum and Articles of Association of the Company, Shri Kailash Chand Sharma (DIN 00012900), Managing Director is liable to retire by rotation and being eligible offers himself for re-appointment.

The tenure of Shri Sharad Kumar Jain, Whole-time director will be lapsed on 30th Sept., 2017, therefore, upon the recommendation of the Nomination and Remuneration Committee of the Board, the Board at their meeting held on 5th August, 2017 has re-appointed him for a further term of 3 (Three) years w.e.f. 1st Oct., 2017 subject to the approval of members at the forthcoming annual general meeting.

The Board recommends to pass necessary Ordinary resolutions as set out in the notice of the annual general meeting.

Key Managerial Personnel

Shri K.C. Sharma, Chairman and Managing Director; Shri Sharad Jain, Whole-time Director Shri J.P. Agrawal, Whole-time Director, Shri Ritesh Sharma, Chief Financial Officer and CS Shilpi Kasliwal; have been categorized as the Key Managerial Personnel within the meaning of section 203 of the Companies Act, 2013.

There is no change in the Key Managerial Personal during the year 2016-17 except that CS Namita Tripathi has resigned from the post of Company Secretary and Compliance Officer w.e.f. 12th August, 2016 and CS Shilpi Kasliwal, was appointed as the Company Secretary and Compliance Officer w.e.f. 13th August, 2016 and designated her as the Key Managerial Personnel.

Meetings of the Board

The Board meets at regular intervals to discuss and decide on Company/Business policy and strategy apart from other Board businesses. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions through circulation, as permitted by law, which are confirmed in the subsequent Board meeting.

The notice of Board meeting is given well in advance to all the Directors. Usually, meetings of the Board are held in Itarsi, at the Registered Office. The Agenda of the Board/Committee meetings is circulated at least a week prior to the date of the meeting. The Agenda for the Board and Committee meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision. The Board met **4 (Four)** times during the Financial Year 2016-17 viz., on 30th May, 2016; 12th August, 2016; 12th Nov., 2016 and 11th Feb., 2017. The maximum interval between any two consecutive meetings did not exceeded 120 days.

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Policy of the Company on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under section 178(3), is annexed with the Report as "**Annexure C**" and is also hosted on company's website. ([Link - http://www.natrajproteins.com/investor.html](http://www.natrajproteins.com/investor.html))

ANNUAL EVALUATION BY THE BOARD

The evaluation framework for assessing the performance of Directors comprises of the following key areas:

- i. Attendance of Board Meetings and Board Committee Meetings
- ii. Quality of contribution to Board deliberations
- iii. Strategic perspectives or inputs regarding future growth of Company and its performance
- iv. Providing perspectives and feedback going beyond information provided by the management
- v. Commitment to shareholder and other stakeholder interests

The evaluation involves self-evaluation by the Board Member and subsequently assessment by the Board of directors. A member of the Board does not participate in the discussion of his/her evaluation.

COMMITTEES OF THE BOARD

During the year, in accordance with the Companies Act, 2013, the Board has the following five Committees:

- (a) Audit Committee
- (b) Nomination and Remuneration Committee
- (c) Stakeholders' Relationship Committee
- (d) Risk Management Committee
- (e) Corporate Social Responsibility Committee

Details of all the Committees along with their charters, composition and meetings held during the year, are provided in the "**Report on Corporate Governance**", a part of this Annual Report.

RELATED PARTY TRANSACTIONS

All Related Party Transactions (RPT) that were entered into during the Financial Year 2016-17 were on Arm's Length Basis and were in the Ordinary Course of business. No materially significant RPT were made by the Company with Promoters, Directors, Key Managerial Personnel or their relatives which may have a potential conflict with the interest of the Company at large.

All RPTs were approved by the Audit Committee and the Board. The RPT entered into by the company are audited. The Company has formulated a RPT policy, Standard Operating Procedures for purpose of identification and monitoring of such transactions.

The policy of RPT as approved by the Board is available on the Company's website ([Link - http://www.natrajproteins.com/investor.html](http://www.natrajproteins.com/investor.html)). The company has done RPT in the ordinary course of business and which are on Arms' Length Basis and which are not material in nature and hence the requirement of Form AOC-2 is not applicable on the company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators/Courts during the year 2016-17 which would impact the going concern status of the Company and its future operations.

AUDITORS, THEIR REPORT AND COMMENTS BY THE MANAGEMENT:

Statutory Auditors

The Board of the company takes pleasure in stating that no such observation has been made by the Auditors in their report which needs any further explanation by the Board.

The Auditors, M/s Bhutoria Ganesan & Co., Chartered Accountants, who were appointed for a term of three years at the Annual General Meeting of the Company held on 20th Sept., 2014 shall hold the office till the ensuing Annual General Meeting. Pursuant to section 139 and other applicable provisions, as may be applicable of the Companies Act, 2013 read with Rule 33 of Companies (Audit and Auditors) Rules, it is mandatory to rotate the existing statutory auditors on completion of the maximum term permitted under the said section.

The Audit Committee of the company at their meeting held on 5th August, 2017 has recommended and the Board of Directors of the company has proposed the appointment of M/s Anup Shrivastava & Associates, Chartered Accountant (FRN 006455C) as the Statutory Auditors of the company. Auditors will hold office for a period of 5 consecutive year from the conclusion of 26th Annual General Meeting of the company scheduled to be held on 9th September, 2017 till the conclusion of the 31st Annual General Meeting to be held in the year 2022 subject to the ratification of their appointment at every AGM.

Cost Auditors

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of its activity were audited.

The Company has already filed the Cost Audit Report for the year 2015-16 to the Central Government, which was self-explanatory and needs no comments. The Company is in process to file the Cost Audit Report for the year 2016-17.

Your Directors had, on the recommendation of the Audit Committee, appointed M/s Yogesh Chourasia & Associates, Cost Auditors to audit the cost accounts of the Company for the financial year 2016-17 on a remuneration of Rs. 67,500/- (plus GST). As required under the Companies Act, 2013, the remuneration payable to the Cost Auditor is required to be placed before the Members in General Meeting for their ratification. Accordingly, a resolution seeking Member's ratification for the remuneration payable to M/s Yogesh Chourasia & Associates, Cost Auditors is included at Item No. 4 of the Notice of the Annual General Meeting.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has re-appointed M/s D.K. Jain & Co., Company Secretaries to undertake the Secretarial Audit of the Company for the year, 2016-17. The Report of the Secretarial Audit in the **Form MR-3** is annexed as "**Annexure D**" of this Report.

Your Board is pleased to inform that there is no such observation made by the Auditors in their report which needs any explanation by the Board, except

1. *The company has not complied with the Circular No. CIR/CFD/CMD/13/2015 issued by SEBI dated 30.11.2015 in respect of keeping 100% shares of Promoters in Demat Form and at-least 50% of shares of Non-Promoter Group in Demat Form.*

Management Comments: The company is in the process of compliance of the requirements and necessary action has already been initiated.

2. *Some forms were filed by the Company after the prescribed time along with the adequate additional filing fee and this has reported as compliance by reference of payment of additional fees;*

Management Comments: There was some delay in filing of the particulars forms and has already complied with the same and has paid additional filing fee as prescribed. Therefore, there is no default as such.

3. *The Company has not expended amount towards the CSR activities as required under section 135 of the Companies Act, 2013.)*

Management Comments: During the financial year, Company has spent Rs.2.19 Lakhs out of Rs.45.14 Lakhs and the Company could not spend the remaining balance amount due to non-identification of the suitable source and place for proper utilization of the CSR amount and needs more time for verification of various proposal received from Implementing Agencies.

Company is fully committed and dedicated towards its Social Responsibility. The balance amount will be spent in

the financial year 2017-18.

DISCLOSURE FOR FRAUDS AGAINST THE COMPANY

In terms of the provisions of section 134(3)(ca) of the Companies Act, 2013, there were no frauds committed against the Company by the persons who are reportable under section 141(12) by the Auditors to the Central Government. Also, there were no non-reportable frauds during the year 2016-17.

CORPORATE GOVERNANCE

Pursuant to SEBI (LODR) Regulations, 2015, a separate report titled 'Corporate Governance' has been attached in this Annual Report.

All Board members and senior management personnel have affirmed compliance with the Code of Conduct for the year 2016-17. A declaration to this effect signed by the Managing Director of the Company is contained in this Annual Report.

The Managing Director and CFO have certified to the Board with regard to the financial statements and other matters as required under regulation 17(8) of the SEBI Listing Regulations, 2015. Certificate from Auditors of the company regarding compliance of conditions of corporate governance is annexed to this Report as "**Annexure- E**".

Shri Kailash Chand Sharma, Managing Director and Shri Ritesh Sharma, Chief Financial Officer have certified that the financial statements and other matters as required under regulation 17(8), read with Part B of Schedule II of the SEBI Listing Regulations, 2015 are duly complied with. A copy of the certificate on the financial statements for the financial year ended 31st March, 2017 is annexed along with this Report as "**Annexure F**".

CODE OF CONDUCT

Regulation 17(5) of the SEBI (LODR) Regulations, 2015 requires listed companies to lay down a Code of Conduct for its directors and senior management, incorporating duties of directors as laid down in the Companies Act, 2013. The Company has adopted Code of Conduct for all the directors and senior management of the Company and the same has been hosted on the website of the company <http://www.natrajproteins.com/corporate-governance.html>

All the directors and senior management personnel have affirmed compliance with the Code for 2016-17. A declaration to this effect by the Managing Director is given in this Annual Report as the "**Annexure G**" with this Report.

CONSOLIDATED FINANCIAL STATEMENTS

Since the company is not having any subsidiary, associates or joint venture, therefore, the requirement for Consolidated Financial Statements in accordance with relevant Accounting Standards (AS) is not applicable to the Company.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3) (m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as "**Annexure H**".

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year and the date of this Report.

APPLICABILITY OF THE IND-AS

Rule 4(1)(iii)(a) of the Companies (Indian Accounting Standards) Rules, 2015 notified vide Notification No.G.S.R.111(E) on 16th Feb., 2015, provides that if the company is a listed company or having a net worth of less than Rs. 500 Crore then Company is required to comply with the Indian Accounting Standards (IND AS) w.e.f. 01st April, 2017. Therefore, IND AS has been applicable on the company w.e.f. 01st April, 2017.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as “Annexure I”.

RATIO OF THE REMUNERATION OF EACH DIRECTOR TO THE MEDIAN EMPLOYEE’S REMUNERATION AND PARTICULARS OF EMPLOYEES.

Pursuant to provision of section 197(12) of Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the details of Top 10 employees given in the “Annexure J”.

During the year, none of the employees received remuneration in excess of Rs. One Crore Two Lakhs or more per annum or Rs. Eighty Lakhs Fifty Thousand per month for the part of the year. Therefore, there is no information to disclose in terms of the provisions of the Companies Act, 2013.

INDUSTRIAL RELATIONS

During the year under review your Company enjoyed cordial relationship with workers and employees at all levels.

PREVENTION OF INSIDER TRADING

In view of the SEBI (Prohibition of Insider Trading) Regulation, 2015 the Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company.

The Code requires Trading Plan, pre-clearance for dealing in the Company’s shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

CAUTIONARY STATEMENT

The statements made in this Report and Management Discussion and Analysis Report relating to the Company’s objectives, projections, outlook, expectations and others may be “forward looking statements” within the meaning of applicable laws and regulations. Actual results may differ from expectations those expressed or implied. Some factors could make difference to the Company’s operations that may be, due to change in government policies, global market conditions, foreign exchange fluctuations, natural disasters etc.

ACKNOWLEDGEMENTS

Your Directors thank the various Central and State Government Departments, Organizations and Agencies for the continued help and co-operation extended by them. The Directors also gratefully acknowledge all stakeholders of the Company viz. customers, members, dealers, vendors, banks and other business partners for the excellent support received from them during the year. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

For and on behalf of the Board

Place: Itarsi

Date: 5th August, 2017

Kailash Chand Sharma
Chairman & Managing Director
DIN : 00012900

Annual Report on Corporate Social Responsibility (CSR) Activities

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

CSR Policy is stated at the Website: <http://www.natrajproteins.com>

2. **Composition of the CSR Committee:**

Shri Kailash Chand Sharma : Managing Director- Chairman
 Shri Pradeep Agrawal : Independent Director- Member
 Shri Umesh Narayan Trivedi : Independent Director- Member

3. **Average net profit of the Company for last three financial years:**

Financial Year	Profit (Rs. in Lakhs)
2015-16	(532.47)
2014-15	169.35
2013-14	1218.85
Total (A)	855.73
Average of above said Profit	285.24

4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above):**

The Company is required to spend Rs.5.70 Lakhs being the 2% of the average of the net profits for the previous three years as stated above towards CSR and your company has already expended Rs.2.19 Lakhs towards the CSR activities for the year 2016-. Further that the Company is carrying the unspent amount of Rs. 39.44 Lakhs for the year 2014-15 & 2015-16. Thus, the Company was required to spent total amount of Rs.45.14 Lakhs

5. **Details of CSR spend for the financial year**

- a. Total amount spent during the financial year 2016-17 : Rs. 2.19 Lakhs
 b. Unspent amount of CSR activities for 2014-15, 2015-16 & 2016-17 : Rs. 42.95 Lakhs
 c. Manner in which the amount spent during the financial year is detailed below : (Rs. In Lakhs)

S. No.	Project/Activities	Sector	Location	Amount Outlay (Budget for Project / Activities)	Amount spent on the Project / Activities)	Cumulative expenditure upto reporting period	Amount spent direct or through implementing agency
1.	Park Development and Plant Distribution	Environment sustainability	Itarsi	10.00	1.21	1.21	Direct
2.	Construction of Toilet in School	Environment sustainability/Swatch Bharat Abhiyaan	Itarsi	5.00	0.06	1.26	Direct
3.	Contribution towards maintenance of school building	Promotion of educate & Cultural Events	Itarsi	5.00	0.42	1.68	Direct
4.	Volleyball Tournament			5.00	0.15	1.83	Direct
5.	Ramsatta Pratiyogita			0.50	0.21	2.04	Direct
6.	School Kits Given to Village Kids	Promotion of education	Itarsi	5.00	0.14	2.18	Direct
7.	Other Activities	As per Schedule VII		14.64	0.00	0.00	-
	TOTAL			45.14		2.19	

6. During the financial year Company has spent Rs.2.19 Lakhs out of Rs.45.14 Lakhs and the Company could not spend the remaining balance amount due to non-identification of the suitable source and place for proper utilization of the CSR amount and need more time for verification of various proposal received from Implementing Agencies.

Company is fully committed and dedicated towards its Social Responsibility. The balance amount will be spent in the financial year 2017-18.

7. The CSR Committee of the Board of Directors hereby confirms that implementation and Monitoring is fully accordance with the CSR Policy of the Company. The amount spent under CSR activities was fully complied with CSR objective and Policy of the Company. The said contribution does not violate any provision of the Companies Act, 2013 and Rules made their under.

For and on behalf of the Board

Place: Itarsi

Date: 5th August, 2017

Kailash Chand Sharma
Chairman & Managing Director
& Chairman of CSR Committee
DIN 00012900

Annexure 'B'

Vigil Mechanism / Whistle Blower Policy

1. PREFACE

- 1.1 Section 177 of the Companies Act, 2013 requires every listed company and such class or classes of companies, as may be prescribed to establish a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed. The Company has adopted a Code of Conduct for Directors and Senior Management Executives ("the Code"), which lays down the principles and standards that should govern the actions of the Company and its employees. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. Such a vigil mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and also make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.
- 1.2 In the Rules under Companies Act, 2013, a company which has borrowed money from banks and public financial institutions in excess of Rs.50.00 crore needs to have a vigil mechanism.
- 1.3 Under these circumstances, NATRAJ PROTEINS LIMITED, being a Limited Company proposes to establish a Whistle Blower Policy/ Vigil Mechanism and to formulate a policy for the same.

2. POLICY OBJECTIVES

- 2.1 The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. A Vigil (Whistle Blower) mechanism provides a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.
- 2.2 This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations against people in authority and / or colleagues in general.

3. SCOPE OF THE POLICY

- 3.1 This Policy covers malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees.

4. DEFINITIONS

- 4.1 "Alleged wrongful conduct" shall mean violation of law, Infringement of Company's rules, misappropriation of

- monies, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority”.
- 4.2 **“Audit Committee”** means a Committee constituted by the Board of Directors of the Company in accordance to the guidelines of Companies Act, 2013.
- 4.3 **“Board”** means the Board of Directors of the Company.
- 4.4 **“Company”** means Natraj Proteins Ltd. and all its offices.
- 4.5 **“Code”** means Code of Conduct for Directors and Senior Management Executives adopted by Natraj Proteins Ltd.
- 4.6 **“Employee”** means all the present employees and whole time Directors of the Company (Whether working in India or abroad).
- 4.7 **“Protected Disclosure”** means a concern raised by an employee or group of employees of the Company, through a written communication and made in good faith which discloses or demonstrates information about an unethical or improper activity under the title **“SCOPE OF THE POLICY”** with respect to the Company. It should be factual and not speculative or in the nature of an interpretation / conclusion and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.
- 4.8 **“Subject”** means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.
- 4.9 **“Vigilance and Ethics Officer”** means an officer appointed to receive protected disclosures from whistle blowers, maintaining records thereof, placing the same before the Audit Committee for its disposal and informing the Whistle Blower the result thereof.
- 4.10 **“Whistle Blower”** is an employee or group of employees who make a Protected Disclosure under this Policy and also referred in this policy as complainant.

5. ELIGIBILITY

All Employees of the Company are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company.

6. RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES.

- 6.1 All Protected Disclosures should be reported in writing by the complainant as soon as possible after the Whistle Blower becomes aware of the same so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English or in Hindi.
- 6.2 The Protected Disclosure should be submitted in a closed and secured envelope and should be super scribed as “Protected disclosure under the Whistle Blower policy”. Alternatively, the same can also be sent through email with the subject “Protected disclosure under the Whistle Blower policy”. If the complaint is not super scribed and closed as mentioned above, it will not be possible for the Audit Committee to protect the complainant and the protected disclosure will be dealt with as if a normal disclosure. In order to protect identity of the complainant, the Vigilance and Ethics Officer will not issue any acknowledgement to the complainants and they are advised neither to write their name / address on the envelope nor enter into any further correspondence with the Vigilance and Ethics Officer. The Vigilance and Ethics Officer shall assure that in case any further clarification is required he will get in touch with the complainant.
- 6.3 Anonymous / Pseudonymous disclosure shall not be entertained by the Vigilance and Ethics Officer.
- 6.4 The Protected Disclosure should be forwarded under a covering letter signed by the complainant. The Vigilance and Ethics Officer / Chairman of the Audit Committee/ Chairman as the case may be, shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure.
- 6.5 All Protected Disclosures should be addressed to the Vigilance and Ethics Officer of the Company or to the Chairman of the Audit Committee/ Chairman in exceptional cases. The contact details of the Vigilance and Ethics Officer Shri Umesh Trivedi the Chairman of Audit Committee)
- 6.6 Protected Disclosure against the Vigilance and Ethics Officer should be addressed to the Chairman of the Company and the Protected Disclosure against the Chairman/ should be addressed to the Chairman of the Audit Committee.

The contact details of the Chairman, CEO and the Chairman of the Audit Committee are as under:

Name of Chairman & Managing Director

Shri K.C.Sharma

Email: natrajproteintd@rediffmail.com

Name of the Chairman of the Audit Committee

Shri Umesh Narayan Trivedi

- 6.7 On receipt of the protected disclosure the Vigilance and Ethics Officer / Chairman/ Chairman of the Audit Committee, as the case may be, shall make a record of the Protected Disclosure and also ascertain from the complainant whether he was the person who made the protected disclosure or not. He shall also carry out initial investigation either himself or by involving any other Officer of the Company or an outside agency before referring the matter to the Audit Committee of the Company for further appropriate investigation and needful action. The record will include:
- Brief facts;
 - Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
 - Whether the same Protected Disclosure was raised previously on the same subject;
 - Details of actions taken by Vigilance and Ethics Officer / Chairman for processing the complaint
 - Findings of the Audit Committee
 - The recommendations of the Audit Committee/ other action(s).
- 6.8 The Audit Committee, if deems fit, may call for further information or particulars from the complainant.

7. INVESTIGATION

- 7.1 All protected disclosures under this policy will be recorded and thoroughly investigated. The Audit Committee may investigate and may at its discretion consider involving any other Officer of the Company and/ or an outside agency for the purpose of investigation.
- 7.2. The decision to conduct an investigation is by itself not an accusation and is to be treated as a neutral fact finding process.
- 7.3 Subject(s) will normally be informed in writing of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- 7.4 Subject(s) shall have a duty to co-operate with the Audit Committee or any of the Officers appointed by it in this regard.
- 7.5 Subject(s) have a right to consult with a person or persons of their choice, other than the Vigilance and Ethics Officer/Investigators and/or members of the Audit Committee and/ or the Whistle Blower.
- 7.6 Subject(s) have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witness shall not be influenced, coached, threatened or intimidated by the subject(s).
- 7.7 Unless there are compelling reasons not to do so, subject(s) will be given the opportunity to respond to material findings contained in the investigation report. No allegation of wrong doing against a subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation.
- 7.8 Subject(s) have a right to be informed of the outcome of the investigations. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.
- 7.9 The investigation shall be completed normally within 90 days of the receipt of the protected disclosure and is extendable by such period as the Audit Committee deems fit.

8. DECISION AND REPORTING

- 8.1 If an investigation leads the Vigilance and Ethics Officer/Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Vigilance and Ethics Officer/Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as he may deem fit. It is clarified that any disciplinary or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.
- 8.2 The Vigilance and Ethics Officer shall submit a report to the Chairman of the Audit Committee on a regular basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.
- 8.3 In case the Subject is the Chairman of the Company, the Chairman of the Audit Committee after examining the Protected Disclosure shall forward the protected disclosure to other members of the Audit Committee if deemed fit. The Audit Committee shall appropriately and expeditiously investigate the Protected Disclosure.
- 8.4 If the report of investigation is not to the satisfaction of the complainant, the complainant has the right to report the event to the appropriate legal or investigating agency.
- 8.5 A complainant who makes false allegations of unethical & improper practices or about alleged wrongful conduct of the subject to the Vigilance and Ethics Officer or the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

9. SECRECY / CONFIDENTIALITY

The complainant, Vigilance and Ethics Officer, Members of Audit Committee, the Subject and everybody involved in the process shall:

- 1 Maintain confidentiality of all matters under this Policy
- 2 Discuss only to the extent or with those persons as required under this policy for completing the process of investigations.
- 3 Not keep the papers unattended anywhere at any time
- 4 Keep the electronic mails / files under password.

10. PROTECTION

- 10.1 No unfair treatment will be met out to a Whistle Blower by virtue of his/ her having reported a Protected Disclosure under this policy. The company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blowers. Complete protection will, therefore, be given to Whistle Blowers against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties / functions including making further Protected Disclosure. The company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. Thus if the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistle Blower to receive advice about the procedure, etc.
- 10.2 A Whistle Blower may report any violation of the above clause to the Chairman of the Audit Committee, who shall investigate into the same and recommend suitable action to the management.
- 10.3 The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. The identity of the complainant will not be revealed unless he himself has made either his details public or disclosed his identity to any other office or authority. In the event of the identity of the complainant being disclosed, the Audit Committee is authorized to initiate appropriate action as per extant regulations against the person or agency making such disclosure. The identity of the Whistle Blower, if known, shall remain confidential to those persons directly involved in applying this policy, unless the issue requires investigation by law enforcement agencies, in which case members of the organization are subject to subpoena.
- 10.4 Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.
- 10.5 Provided however that the complainant before making a complaint has reasonable belief that an issue exists and he has acted in good faith. Any complaint not made in good faith as assessed as such by the Audit Committee shall be viewed seriously and the complainant shall be subject to disciplinary action as per the Rules / certified standing orders of the Company. This policy does not protect an employee from an adverse action taken independent of his disclosure of unethical and improper practice etc. unrelated to a disclosure made pursuant to this policy.

11. ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE

- 11.1 The Whistle Blower shall have right to access Chairman of the Audit Committee directly in exceptional cases and the Chairman of the Audit Committee is authorized to prescribe suitable directions in this regard.

12. COMMUNICATION

- 12.1 A whistle Blower policy cannot be effective unless it is properly communicated to employees. Employees shall be informed through by publishing in notice board and the website of the company.

13. RETENTION OF DOCUMENTS

- 13.1 All Protected disclosures in writing or documented along with the results of Investigation relating thereto, shall be retained by the Company for a period of 7 (seven) years or such other period as specified by any other law in force, whichever is more.

14. AMENDMENT

- 14.1 The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the Employees and Directors unless the same is notified to them in writing

“Annexure C”

Company's Policy on Directors' Appointment and Remuneration

The Policy of the Company on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters is provided under section 178(3).

REMUNERATION CRITERIA FOR NON-EXECUTIVE DIRECTORS

1. The Company is not having policy to pay any commission or remuneration to its non- executive directors.
2. If the nominee directors appointed by the Financial Institutes, the Company pays Rs. 5,000/- for attending each meeting of the Board of directors and committee thereof. Presently there are no nominee directors available with the Company.
3. The Company reimburses the actual travelling and lodging expenses to the Non - Executive Directors for attending the Board and Committee and the members' meetings from time to time.
4. The Company is paying sitting fee of Rs. 5,000/- for attending a meeting on a day. However, it does not give any ESOP, etc to its other non- executive and independent directors.

REMUNERATION CRITERIA FOR THE EXECUTIVE DIRECTORS AND KMP:

1. The Remuneration of the executive directors including the Chairman and Managing Director, is determined and approved by the Remuneration Committee of the Board, consisting of the independent directors.
2. The Executive directors are being appointed for a period of 3 years at a time.
3. The Company is not paying any sitting fee as well as do not give any ESOP, etc to its other executive directors.
4. The Company is paying remuneration to its CS and CFO as per the terms of the appointment approved by the Remuneration Committee and they are also entitled for the annual increments based on their performance, evaluated by the Remuneration Committee and Board on annual basis.

“Annexure D”

Form MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Natraj Proteins Ltd.
Nagpur Kalan, Ordinance Factory Road,
Itarsi (M.P.) -461111.

Dear Sir(s),

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practice followed by **Natraj Proteins Limited** (hereinafter called “**the Company**”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on the verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the **financial year ended 31st March, 2017**, 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not applicable to the Company during the Audit Period);
- (v) (i) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —
 - (a) The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 2011;

- (b) The SEBI (Prohibition of Insider Trading) Regulations, 2015;
- (c) The SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (ii) Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the financial year under report:-
 - (a) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (b) The SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (c) The SEBI (Issue and Listing of Debt Securities) Regulations, 2008;
 - (d) The SEBI (Delisting of Equity Shares) Regulations, 2009; and
 - (e) The SEBI (Buyback of Securities) Regulations, 1998

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

The list of major head/groups of Acts, Laws and Regulations as applicable to the Company is given in **Annexure I**. Further, the Company is having business of crushing of soya seed and refinery and trading of agro commodities.

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India under the provisions of Companies Act, 2013 and
- (ii) The SEBI (LODR) Regulations, 2015.

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 following observations:

- (a) *The company is in process to make compliances with the Circular No. CIR/CFD/CMD/ 13/2015 issued by SEBI dated 30.11.2015 in respect of keeping 100% shares of Promoters in D-mate Form and at-least 50% of shares of Non-Promoter Group in D-mate Form. Presently 54.40% shares of the promoters and 42.27% of the public shareholding in the D-mate Form.*
- (b) *Some forms were filed by the Company after the prescribed time along with the adequate additional filing fee and this has reported as compliance by reference of payment of additional fees;*
- (c) *The Company has not expended amount towards the CSR activities are required under section 135 of the Companies Act, 2013.*

We further report that The Board of directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Further that, no changes in the composition of the Board of directors have taken place during the period under review.

Adequate notice is given to all directors, however in some cases their acknowledgment receipt thereof was not for the Board/Committee Meetings were not made available at the time of audit. Detailed Agenda items along with the draft resolutions were sent at least seven days in advance, along with the respective notices 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 at Board Meetings and Committee Meetings are carried out unanimously and there was no dissent of the director/member as per the minutes of the meetings of the Board of directors or Committee of the Board, as the case may be.

Based on the records and process explained to us for compliances under the provisions of other specific acts applicable to the Company, we further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that the compliance by the Company for the applicable taxation Laws like Direct Taxes, Indirect Taxes and the compliance of the Accounting Standards, disclosure of the financial results under Regulation 33 of the SEBI (LODR) Regulations, 2015 and the annual financial statements along with notes attached therewith, and the Cost Record has not been reviewed by us, since the same have been subject to the statutory financial auditor, cost auditors or by other designated professionals.

This report is to be read with our letter of even date which is annexed as **Annexure II** and forms an integral part of this report.

We further report that during the audit period of the Company, there was no specific events/ action having a major

bearing on the Company's affairs in pursuant of the above referred laws, rules, regulations, guidelines, standards etc. referred to above.

For, D.K. JAIN & CO.
COMPANY SECRETARIES

CS (Dr.) D.K. JAIN
PROPRIETOR
FCS 3565: CP 2382
Place: Indore
Date: 29th April, 2017

Annexure - I to the Secretarial Audit Report
List of specific/other laws generally applicable to the Company

1. The Prevention of Food Adulteration Act, 1954
2. Factories Act, 1948;
3. Industries (Development & Regulation) Act, 1951
4. Standard Weight and Measurement Act, 1976
5. Labour Laws and other incidental laws related to labour and employees appointed by the Company either on it payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc.;
6. Acts prescribed under prevention and control of Pollution;
7. Acts prescribed under Environmental protection;
8. Acts as prescribed under Direct Tax and Indirect Taxation
9. Labour Welfare laws of the Madhya Pradesh.
10. Local laws as applicable to the Registered office and plant at Madhya Pradesh.

Annexure - II to the Secretarial Audit Report

To,
The Members,
Natraj Proteins Ltd.
Nagpur Kalan, Ordinance Factory Road,
Itarsi (M.P.) 461111.

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, which provides a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial and cost records and Books of Accounts and applicability of the various direct and indirect taxation on the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For, D.K. JAIN & CO.
COMPANY SECRETARIES

CS (Dr.) D.K.JAIN
PROPRIETOR
FCS 3565 : CP 2382
Place: Indore
Date: 29th April, 2017

“Annexure E”

Corporate Governance Certificate by the Auditors

To,
The Members,
Natraj Proteins Ltd.

We have examined the compliance of conditions of Corporate Governance by Natraj Proteins Ltd. for the year ended 31st March, 2017 as stipulated in Regulation 27 of SEBI (LODR) Regulations, 2015.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the directors and management, we certify that the company has complied with the conditions of Corporate Governance applicable as aforesaid.

As required by the Guidance Note issued by the ICAI, on the basis of information and explanations given to us, we have to state that no investor grievances were pending for a period of one month.

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

For, BHUTORIA GANESAN & CO.
Chartered Accountants
Firm Reg No: 004465C

S-9, Thadaram Complex,
209A, Zone I, M.P. Nagar, Bhopal
Date: 4th August 2017

R. GOKULAKRISHNAN
PARTNER
M.NO : 402792

“Annexure F”

MD / CFO CERTIFICATION

To,
The Board of Directors
Natraj Proteins Limited.

- (A) We have reviewed the Financial Statements, Cash Flow Statements, Books of Accounts, detailed trial balance and grouping thereof for the Financial Year 2016-17 and that to the best of our knowledge and belief:
- these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
 - no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of conduct.
- (B) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (C) We have indicated to the auditors and the Audit committee:
- significant changes in internal control over financial reporting during the Financial Year 2016-17
 - significant changes in accounting policies during the period and that the same have been disclosed in the notes of the financial statements; and
 - instances of significant fraud of which they 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.

For, Natraj Proteins Limited.

Date: 4th Aug., 2017
Place: Itarsi

K. C. Sharma	Ritesh Sharma
Managing Director	CFO
DIN 00012900	

“Annexure G”

Certificate on Compliance with Code of Conducts

Hereby confirm that the Company has obtained from all the members of the Board and Management Personnel, affirmation that they have complied with the Code of Business Conduct and Ethics. The Company has formulated the code of conduct for the Board members and senior executives under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 2011 and the SEBI (Prohibition of Insider Trading) Regulations, 2015.

For Natraj Proteins Limited

Place: Itarsi
Date: 4th Aug., 2017

Kailash Chand Sharma
Chairman & Managing Director
DIN 00012900

Conservation of Energy, Technology absorption and Foreign exchange earnings & outgo

[Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies Accounts) Rules, 2014]

(A)	CONSERVATION OF ENERGY			
(i)	the steps taken or impact on conservation of energy;	More usage of electricity from MPMKVCL		
(ii)	the steps taken by the company for utilizing alternate sources of energy;	Energy efficient devices and fittings were installed to reduce energy consumption, etc		
(iii)	the capital investment on energy conservation equipment's	New VFD boiler commissioned that is more efficient and consumes less coal. Also, ensures cleaner burning of the fossil fuel.		
(B)	TECHNOLOGY ABSORPTION			
(i)	the efforts made towards technology absorption	The company is making continuous efforts for the technological development of the plant and refinery. The technology selected by your company for solvent plant and refinery is well proven within the country and the company is making all the efforts to update its technology, the company had also established a laboratory for Research & Development facilities for quality control purpose.		
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	It has reduced the cost of production and helped in improvement in quality to sustain in the competitive market.		
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year	N.A.		
	(a) the details of technology imported	N.A.		
	(b) the year of import	N.A.		
	(c) whether the technology been fully absorbed	N.A.		
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	N.A.		
(iv)	the expenditure incurred on Research and Development	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">2016-17 NIL</td> <td style="text-align: center;">2015-16 NIL</td> </tr> </table>	2016-17 NIL	2015-16 NIL
2016-17 NIL	2015-16 NIL			
(C)	FOREIGN EXCHANGE EARNINGS AND OUTGO			
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">2016-17</td> <td style="text-align: center;">2015-16</td> </tr> </table>	2016-17	2015-16
2016-17	2015-16			
(i)	The Foreign Exchange earned in terms of actual inflows during the year;	NIL		
(ii)	and the Foreign Exchange outgo during the year in terms of actual outflows.	NIL		

For Natraj Proteins Limited

Place: Itarsi

Date: 4th August, 2017
Kailash Chand Sharma
Chairman & Managing Director
DIN 00012900

EXTRACT OF ANNUAL RETURN

"Annexure I"

FORM MGT – 9As on the financial year ended on 31st March, 2017

[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

CIN	L00153MP1990PLC006090
Registration Date	21/11/1990
Name of the Company	NATRAJ PROTEINS LIMITED
Category / Sub-Category of the Company	Company having Share Capital
Address of the Registered Office and contact details	Nagpur-Kalan, Ordinance Factory Road, Itarsi, District, Hoshangabad (M.P.)- 461111 Phone: 07572 - 262636-38 Email: natrajproteinltd@rediffmail.com
Whether listed company	Yes, at BSE Ltd.
Name, address and contact details of Registrar and Transfer Agent, if any	Ankit Consultancy Pvt. Ltd. Plot No. 60, Electronic Complex, Pardeshipura, Indore (M.P.) 452001, 0731-2551745, ankit_4321@yahoo.com rtaindore@gmail.com

II. Principal Business Activities of the Company:

All the Business Activities contributing 10% or more of the total turnover of the Company is as stated below:

Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
Manufacture of vegetable oils and fats through solvent extraction process	15143	84.60
Wholesale of cereals & pulses	51211	15.40

III. Name and Address of the Holding, Subsidiary and Associate Companies:

S. No.	Name and Address of the Company	CIN	Holding/Subsidiary Associate	% of shares held	Applicable section
		===== NIL =====			

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as % of the total Equity)**i) Category-wise Shareholding**

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	2075	1897700	1899775	50.70%	1033575	866200	1899775	50.70%	0.00
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-

d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1):	2075	1897700	1899775	50.70%	1033575	866200	1899775	50.70%	0.00
(2) Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other –Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other...	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2):	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters (A) = (A)(1) + (A)(2)	2075	1897700	1899775	50.70%	1033575	866200	1899775	50.70%	0.00
B. Public Shareholding									
(1) Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds/UTI	40	71300	71340	1.90	40	71300	71340	1.90%	0.00
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1):	40	71300	71340	1.90	40	71300	71340	1.90%	0.00
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	24901	-	24901	0.66	20177	-	20177	0.54%	(0.12%)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual Share holders holding nominal share capital upto Rs.2 Lakh	364292	736225	1100517	29.37	375578	734625	1110203	29.63%	0.26%
ii) Individual Share holders holding nominal share capital in excess of Rs.2 Lakh	326688	149500	476188	12.71	320526	149500	470026	12.54%	(0.17%)

c) Others (specify)	-	-	-	-	-	-	-	-	-
Shares held by Pakistani citizens vested with the Custodian of Enemy Property	-	-	-	-	-	-	-	-	-
ii) Other Foreign Nationals	-	-	-	-	-	-	-	-	-
iii) Foreign Bodies	-	-	-	-	-	-	-	-	-
iv) NRI/OCBs	63479	110800	174279	4.65	64179	110800	174979	4.67%	0.02%
v) Clearing Members / Clearing House	-	-	-	-	500	0	500	0.01%	0.01%
vi) Trusts	-	-	-	-	-	-	-	-	-
vii) LLP	-	-	-	-	-	-	-	-	-
viii) Foreign Portfolio Investor (Corporate)	-	-	-	-	-	-	-	-	-
ix) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2):	779360	996525	1775885	47.39	780960	994925	1775885	47.39%	0.00
Total Public Share holding (B)=(B) (1) + (B)(2)	779400	1067825	1847225	49.29	781000	1066225	1847225	49.30%	0.01%
Grand Total (A+B)	781475	2965525	3747000	100.00%	1814575	1932425	3747000	100.00%	0.00

ii) Shareholding of promoters

Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
	No. of Shares	% of total shares of the Company	% of shares Pledged / encumbered of total shares	No. of Shares	% of total shares of the Company	% of shares Pledged / encumbered of total shares	
Mr. S.K.Arora	565000	15.08	-	565000	15.08	-	-
Mr. J.P.Agrawal	223000	5.95	-	223000	5.95	-	-
Mr. Sharad Jain	189500	5.04	-	189500	5.06	-	-
Mr. Kailash Chand Sharma	165000	4.41	-	165000	4.40	-	-
Mr. Rajeev Kumar Sharma	193000	5.15	-	193000	5.15	-	-
Mr. Avinash Sharma	134500	3.59	-	134500	3.59	-	-
Mr. Sanjay Kumar Sharma	120500	3.22	-	120500	3.22	-	-
Mrs. Sumanlata Sharma	105000	2.80	-	105000	2.80	-	-
Mr. Parveen Arora	78000	2.08	-	78000	2.08	-	-
Mr. Beni Shankar Sharma	74000	1.97	-	74000	1.97	-	-
Mrs. Pushpa D. Sharma	50000	1.33	-	50000	1.33	-	-
Mr. Rajesh Kumar Agrawal	225	0.01	-	225	0.01	-	-
Mrs. Archana Agrawal	2050	0.05	-	2050	0.05	-	-
Total	1899775	50.70	-	1899775	50.70	-	-

iii) Change in Promoters' Shareholding

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
At the beginning of the year	1899775	50.70		
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	-	-	-	-
At the end of the year			1899775	50.70

iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year		Change during the year					Reason
	No. of Shares	% of total shares of company	No. of Shares	% of total shares of company	Date	No. Shares before change	No. Shares after change	Increase	Decrease	
Sangeetha S	112770	3.01	57770	1.54	14.10.2016	112770	57770	-	55000	Disposed
S Sathya	92050	2.46	Not in list	-	14.10.2016	92050	0	-	92050	Disposed
Apple Mutual Fund	71300	1.90	71300	1.90	-	-	-	-	-	-
Mr. Pramod Puri	50000	1.33	50000	1.33	-	-	-	-	-	-
Mrs. Shubha Puri	50000	1.33	50000	1.33	-	-	-	-	-	-
Mr. Subramanian P Palani Gounder	20050	-	177173	4.73	14.10.2016	20050	177173	157123	-	Acquired
Mrs. Neelam Mittal	34449	0.92	27214	0.73	19.09.2016	34449	32449	-	2000	Disposed
					26.08.2016	32449	32149	-	300	Disposed
					25.11.2016	32149	31649	-	500	Disposed
					27.01.2017	31649	29214	-	2935	Disposed
					03.02.2017	29214	25772	-	3442	Disposed
					10.02.2017	25772	24957	-	815	Disposed
					17.02.2017	24957	26140	1183	-	Acquired
					10.03.2017	26140	26175	35	-	Acquired
					17.03.2017	26175	26211	36	-	Acquired
					24.03.2017	26211	25987	-	224	Disposed
31.03.2017	25987	27214	1227	-	Acquired					
Jayshree D. Jani	25400	0.68	25400	0.68	-	-	-	-	-	
Mr. Joseph Kuriakose Mattapparampil	33000	0.09	33800	0.90	27.05.2016	33000	33400	400	-	Acquired
					24.06.2016	33400	33800	400	-	Acquired
Thyagarajan Gurumurthy	67369	0.17	58369	1.56	25.11.2016	67369	57369	-	10000	Disposed
					13.01.2017	57369	58369	-	1000	Disposed
Poonam Chand Jain	49500	0.13	49500	0.13	-	-	-	-	-	

Note: Details of the change in shareholding for less than 2% has been merged in the above said statement and increase/decrease is only shown for more than 2%. Further that the dates of changes has been taken as per information made available by the share transfer agent based on the benpos.

For Each of Directors and KMP

	Shareholding at the beginning of the year		Cumulative Shareholding during he year	
	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
Shri Kailash Chand Sharma, Chairman & Managing Director				
At the beginning of the year	165000	4.40		
Date wise Increase/Decrease in share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	-	-
At the end of the year			165000	4.40

Shri Jagdish Prasad Agrawal, Whole-time Director				
At the beginning of the year	223000	5.95		
Date wise Increase/Decrease in share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	-	-
At the end of the year			223000	5.95
Shri Sharad Kumar Jain, Whole-time Director				
At the beginning of the year	189500	5.04		
Date wise Increase/Decrease in share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	-	-
At the end of the year			189500	5.04
Shri Giriraj Gupta, Independent Director				
At the beginning of the year	200	0.0053		
Date wise Increase/Decrease in share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	-	-
At the end of the year			200	0.0053

There is no shareholding in the Company by CS Shilpi Kasliwal, Company Secretary and Shri Ritesh Sharma, Chief Financial Officer

INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Rs. Lakhs)

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1931.39	7.50	0.00	1938.89
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	1931.39	7.50	0.00	1938.89
Change in Indebtedness during the financial year				
Addition	536.80	0.00	0.00	536.80
Reduction	(588.06)	0.00	0.00	(588.06)
Net Change	(51.26)	0.00	0.00	(51.27)
Indebtedness at the end of the financial year				
i) Principal Amount	1880.13	7.50	0.00	1887.63
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	1880.13	7.50	0.00	1887.63

VI. REMUNERATION OF DIRECTOR AND KMP

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

S. No.	Particular of Remuneration	Mr. K.C. Sharma Chairman & Managing Director	Mr. Sharad Kumar Jain Whole-time Director	Mr. J.P.Agrawal Whole time Director	Total
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	930000	6,00,000	6,00,000	21,30,000

	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-	-
2	Stock Options	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify....	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	930000	600000	600000	2130000
	Ceiling as per the Act*	4200000	4200000	4200000	1,26,00,000

As per Schedule V and the section 197 of the Companies Act, 2013

B. Remuneration to other Directors:

1. Independent Directors: No remuneration was paid to other non-executive and independent directors

S. No.	Particular of Remuneration	Mrs. Namita Sharma	Mr. Umesh Narayan Trivedi	Mr. Giriraj Gupta	Mr. Rajender Singh Tomar	Mr. Pradeep Agarwal	Total
1	-Fee for attending Board/ Committee	20,000	20,000	5,000	20,000	20,000	85,000
2	-Commission	-	-	-	-	-	-
3	- Others, please specify	-	-	-	-	-	-
	Total B.1	20,000	20,000	5,000	20,000	20,000	85,000
	Total Managerial Remuneration						21,30,000
	Overall Ceiling as per the Act						1,26,00,000

C. Remuneration to Key Managerial Personnel other than MD/ Manager/WTD

S. No.	Particular of Remuneration	Namita Tripathi CS	Shilpi Kasliwal CS	Ritesh Sharma CFO	Total
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1,35,000	1,87,500	7,50,000	10,72,500
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	0	0	0	0
2	Stock Options	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission				
	- as % of profit	0	0	0	0
	- others, specify....	0	0	0	0
5	Others, please specify	0	0	0	0
	Total C	1,35,000	1,87,500	7,50,000	10,72,500

*Company secretaries were appointed for part of the year.

DIRECTORS & KMP Given only salary No perks

VII. PENALTY/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority IRD / NCLT / COURT	Appeal made, if any (give details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTOR					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICER IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board

Place: Itarsi
Date: 5th August, 2017

Kailash Chand Sharma
Chairman & Managing Director
DIN 00012900

“Annexure J”

Particulars of Employees

[As per section 197(12) read with the Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

1. Ratio and remuneration of Directors & KMPs

S. No.	Name	Designation	Remuneration for the year 2016-17 (Rs.)	Remuneration on for the Year 2015-16 (Rs.)	% of Increase In Remuneration on	Ration Between Director or KMP Median Employee
1	Shri Kailash Chand Sharma	Chairman & M. D.	9,30,000	6,00,000	55%	7.49
2	Shri Jagdish Prasad Agrawal	Whole Time Director	6,00,000	6,00,000	-	4.83
3	Shri Sharad Kumar Jain	Whole Time Director	6,00,000	6,00,000	-	4.83
4	Shri Giriraj Gupta	Independent Director	5,000	5,000	-	N.A.
5	Shri Umesh Narayan Trivedi	Independent Director	20,000	20,000	-	N.A.
6	Shri Pradeep Agrawal	Independent Director	20,000	20,000	-	N.A.

7	Shri Rajendra Singh Tomar	Independent Director	20,000	20,000	-	N.A.
8	Smt. Namita Sharma	Women Director	20,000	0	N.A.	N.A.
9	*Shri Ritesh Sharma	CFO	7,50,000	5,95,000	26%	6.04
10	#CS Namita Tripathi	Company Secretary	1,20,000	2,10,000	N.A.	0.97
11	#CS Shilpi Kasliwal	Company Secretary	1,50,000	0	N.A.	1.21

The Company Secretaries were appointed for the part of the year, hence not comparable

2. Increase in percentage of Median employees:

The remuneration of median employee was Rs. 1,24,200 during the year 2016-17 as compared to Rs. 1,23,150 in the previous year, increased by 0.85% considering financial health of the Company.

3. Number of permanent employees on the Roll.

During the Financial year the total number of employees on the roll were 58

4. Comparison between Share quotation and last public offer

Price quotation on 31st March, 2017	Last public offer in year 1995	Change in % (Increase or Decrease)
Rs 32.05	Rs 10.00	220.5% Increase

5. Particulars of the top 10 employee in respect of the remuneration drawn during the year 2016-17 are as under.

S. No.	Name of Employee	Designation of the employee	Remuneration received	Nature of employment, whether contractual or otherwise	Qualifications and experience of the employee	Date of commencement of employment	The age of such employee	The last employment held by such employee before joining the company	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager	Remarks
1	Kailash Chand Sharma	Chairman & MD	9,30,000	Non-contractual	B.Com.	21.11.90	57	Nil	Relative of Mrs. Namita Sharma, Director	
2	Ritesh Sharma	Chief Financial Officer	7,50,000	Non-contractual	MBA, MS	01-02-08	36	Asst. Mgr. at Tech Mahindra	S/o Shri K C Sharma	
3	Jagdish Prasad Agrawal	Whole Time Director	6,00,000	Non-contractual	M.Com. , LLB	21.11.90	75	N.A.	No	
4	Sharad Kumar Jain	Whole Time Director	6,00,000	Non-contractual	B. Com.	24.08.09	53	N.A.	Self	
5	P N Singh	Plant Manager	5,40,000	Non-contractual	Dip. In Mech Engg.	01-12-10	70	Engineer at Glampotech	N.A.	
6	Dharmendra Kr. Dixit	Refinery Manager	5,22,000	Non-contractual	Ph.D.	03-04-95	52	Lab Chemist at Pratap Industries Ltd.	N.A.	
7	Jinendra Kr. Jain	Lab Manager	2,94,000	Non-contractual	MSc	03-10-06	59	Lab Incharge at Surya Agro Oils	N.A.	
8	S. R. Bawariya	Foreman	2,58,000	Non-contractual	Matriculate	05-12-94	54	Boiler foreman at Itarsi Oils	N.A.	
9	Narendra Dadadiya	Boiler Incharge	2,13,180	Non-contractual	Matriculate	30-10-94	45	Boiler Incharge at Itarsi Oils	N.A.	
10	Abhinandan Prajapati	Accountant	2,06,640	Non-contractual	M. Com.	01-07-95	50	Accountant at Bhavanji Versi Co.	N.A.	

Corporate Governance Report

(Pursuant to Regulation 34 of the SEBI (LODR) Regulation, 2015)

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Natraj Proteins Limited ('Natraj') is committed to the adoption of best governance practices. The company's vision document spells out a direction for the policies and procedures which ensure long term sustainability. Value creation for stakeholders is thus a continuous endeavor at Natraj.

On the same lines the Company has always followed fair business and corporate practices while dealing with the shareholders, employees, customers, creditors, lenders and the society at large.

In harmony with this philosophy, the Company relentlessly strives for excellence by bench marking itself with esteemed companies with good corporate governance. Your company is compliant with all the provisions of the SEBI (LODR) Regulations, 2015 as applicable to the Company.

These main drivers, together with the Company's ongoing contributions to the local communities through meaningful "Corporate Social Responsibility" initiatives will play a pivotal role in fulfilling our renewed vision to be the most sustainable and competitive company in our industry and our mission to create value for all our stakeholders.

The Company places great emphasis on values such as empowerment and integrity of its employees, safety of the employees & communities surrounding plant, transparency in decision making process, fair & ethical dealings with all, pollution free clean environment and last but not the least, accountability to all the stakeholders. These practices on being followed since the inception have contributed to the Company's sustained growth. The Company also believes that its operations should ensure that the precious natural resources are utilized in a manner that contributes to the "Triple Bottom Line".

The details of compliance are as follows:

1. The Governance Structure:

Natraj's governance structure is based on the principles of freedom to the executive management within a given framework to ensure that the powers vested in the executive management are exercised with due care and responsibility so as to meet the expectation of all the stakeholders. In line with these principles, the Company has formed three tiers of Corporate Governance structure, viz.:

- (i) **The Board of Directors** - The primary role of the Board is to protect the interest and enhance value for all the stakeholders. It conducts overall strategic supervision and control by setting the goals & targets, policies, governance standards, reporting mechanism & accountability and decision-making process to be followed.
- (ii) **Committees of Directors** - such as Audit Committee, Nomination & Remuneration Committee, CSR Committee, Risk Management Committee etc. are focused on financial reporting, audit & internal controls, compliance issues, appointment and remuneration of Directors and Senior Management Employees, implementation and monitoring of CSR activities and the risk management framework.
- (iii) **Executive Management** – The entire business including the support services are managed with clearly demarcated responsibilities and authorities at different levels.
 - (a) **Executive Committee** - The Executive Committee is headed by the Managing Director. The CFO and the Heads of Manufacturing, Marketing and HR are its other members. Heads of Technical and Procurement are the permanent invitees. This committee is a brain storming committee where all important business issues are discussed and decisions are taken. This Committee reviews and monitors monthly performances, addresses challenges faced by the business, draws strategies and policies and keep the Board informed about important developments having bearing on the operational and financial performance of the Company. The Committee members report to the Managing Director.
 - (b) **Managing Director** - The Managing Director is responsible for achieving the Company's vision and mission, business strategies, project execution, mergers and acquisition, significant policy decisions and all the critical issues having significant business & financial implications. He is also responsible for the overall performance and growth of the Company and ensures implementation of the decisions of the Board of Directors and its various Committees. He reports to the Board of Directors.

2. BOARD OF DIRECTORS

A. Composition of Board

The Board of directors of the company consists of an optimum combination of executive, non-executive and independent directors, to ensure the independent functioning of the Board. The composition of the Board also complies with the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. As at the end of corporate financial year 2016-17, the total Board consists of Eight (8) directors, out of which for five (5) are non-executive directors and out of the five (5) non-executive directors four (4) are independent Director.

The composition of the Board of directors and the number of Board Committee in which they are chairman/ member as on 31.03.2017 are as under:

S.No.	Name	Category	Number of Directorship in other Companies	No. of Committee Position held in Companies	
				Chairman	Manager
1.	Shri Kailash Chand Sharma	Promoter & Managing Director	0	2	0
2.	Shri Sharad Kumar Jain	Promoter & Whole- Time Director	0	0	0
3.	Shri Jagdish Prasad Agrawal	Whole Time Director	0	0	0
4.	Shri Rajender Singh Tomar	Independent & NED	0	0	3
5.	Shri Pradeep Agrawal	Independent & NED	0	0	5
6.	Shri Umesh Narayan Trivedi	Independent & NED	0	3	2
7.	Shri Giriraj Gupta	Independent & NED	1	0	0
8.	Smt. Namita Sharma	Women Director & NED	1	1	0

B. Selection and Appointment of Director:

The Nomination & Remuneration Committee have approved a Policy for the Selection, Appointment and Remuneration of Directors. In line with the said Policy, the Committee facilitates the Board in identification and selection of the Directors who shall be of high integrity with relevant expertise and experience so as to have well diverse Board. The abstract of the said Policy forms part of the Boards' Report. Directors are appointed or re-appointed with the approval of the shareholders and shall remain in office in accordance with the provisions of the law and the retirement policy laid down by the Board from time-to-time. The Managing Director and all the - Executive Directors (except Independent Directors) are liable to retire by rotation unless otherwise specifically provided under the Articles of Association or under any statute.

As required under Regulation 46(2)(b) of the Listing Regulations, the Company has issued formal letters of appointment to the Independent Directors. The terms & conditions of appointment of their appointment are posted on the Company's website and can be accessed at www.natrajproteins.com

C. Meetings, agenda and proceedings etc. of the Board Meeting:

The names and categories of the Directors on the Board, their record of attendance at Board Meetings held during the year and at the previous Annual General Meeting, as also the number of Directorship and membership of Committees held by them in other public limited companies as on 31st March, 2017 are:

	No. of Board Meetings held during the year	No. of Board Meetings Attended	Attendance at the last AGM held on 24th September, 2016
Shri Kailash Chand Sharma	4	4	YES
Shri Sharad Kumar Jain	4	3	YES
Shri Jagdish Prasad Agrawal	4	1	NO
Shri Rajender Singh Tomar	4	4	YES
Shri Pradeep Agrawal	4	4	YES
Shri Umesh Narayan Trivedi	4	4	NO
Shri Giriraj Gupta	4	1	NO
Smt. Namita Sharma	4	4	NO

D. Separate Meeting of Independent Directors:

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the SEBI (CODR) Regulations 2015 a separate meeting of the Independent Directors of the Company was held on 12th November, 2016 to review the performance of Non-Independent Directors (including the Chairman) and the entire Board. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

E. Agenda:

All the meetings are conducted as per well designed and structured agenda. All the agenda items are backed by necessary supporting information and documents (except for the critical price sensitive information, which is circulated separately or placed at the meeting) to enable the Board to take informed decisions. Agenda also includes minutes of the meetings of the Board & Committees for the information of the Board. Additional agenda items in the form of "Other Business" are included with the permission of the Chairman. Agenda papers are circulated seven days prior to the Board Meeting. In addition, for any business exigencies, the resolutions are passed by circulation and later placed at the subsequent Board/Committee Meeting for ratification / approval.

F. Invitees & Proceedings:

Apart from the Board members, the Company Secretary, the CFO, the Heads of Manufacturing and Marketing are invited to attend all the Board Meetings. Other senior management executives are called as and when necessary, to provide additional inputs for the items being discussed by the Board. The CFO makes presentation on the quarterly and annual operating & financial performance and on annual operating & capex budget. The Managing Director, and other senior executives make presentations on capex proposals & progress, operational health & safety and other business issues. The Chairman of various Board Committees brief the Board on all the important matters discussed & decided at their respective committee meetings, which are generally held prior to the Board meeting.

G. Post Meeting Action:

Post meetings, all important decisions taken at the meeting are communicated to the concerned officials and departments. Action Taken Report is prepared and reviewed periodically by the Managing Director and Company Secretary for the action taken / pending to be taken.

H. Support and Role of Company Secretary:

The Company Secretary is responsible for convening the Board and Committee meetings, preparation and distribution of Agenda and other documents and recording of the Minutes of the meetings. She acts as interface between the Board and the Management and provides required assistance and assurance to the Board and the Management on compliance and governance aspects.

I. Induction and Familiarization Program for Directors:

On appointment, the concerned Director is issued a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Independent Director is taken through an induction and familiarization program including the presentation and interactive session with the Managing Director, Executive Committee Members and other Functional Heads on the Company's manufacturing, marketing, finance and other important aspects. The Company Secretary briefs the Director about their legal and regulatory responsibilities as a Director. On the matters of specialized nature, the Company engages outside experts/consultants for presentation and discussion with the Board members. The details of familiarization program can be accessed from the website: www.natrajproteins.com

J. Board Evaluation:

During the year, the Board adopted a formal mechanism for evaluating its performance and effectiveness as well as that of its Committees and individual Directors, including the Chairman of the Board. For Board and its Committees, the exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc. In case of evaluation of the individual Directors, one to one meeting of each Director with the Chairman of the Board and the Chairman of the Nomination & Remuneration Committee was held.

The Directors were satisfied with the evaluation results, which reflected the overall engagement and effectiveness of the Board and its Committees.

K. Code of Conduct:

The Board of Directors has laid down a Code of Conduct for Business and Ethics (the Code) for all the Board members and all the employees in the management grade of the Company. The Code covers amongst other things the Company's commitment to honest & ethical personal conduct, fair competition, corporate social responsibility, sustainable environment, health & safety, transparency and compliance of laws & regulations etc. The Company believes in "Zero Tolerance" to bribery and corruption in any form and in line with our governance philosophy of doing business in most ethical and transparent manner, the Board has laid down an "Anti Bribery and Corruption Directives", which is embedded to the Code. The Code of Conduct is hosted on the website of the Company.

All the Board members and senior management personnel have confirmed compliance with the code.

L. Prevention of Insider Trading Code:

As per SEBI (Prohibition of Insider Trading) Regulation, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading. All the Directors, employees and third parties such as auditors, consultants etc. who could have access to the unpublished price sensitive information of the Company are governed by this code. The trading window is closed during the time of declaration of results and occurrence of any material events as per the code. During the year under review there has been due compliance with the said code.

M. Disclosure of Relationship between Directors inter-se:

Name	Relationship	Name of other Directors in inter-se relationship
Smt. Namita Sharma	Daughter-in-law	Shri Kailash Chand Sharma

N. No. of Shares held by Non- Executive Director

	No. of Shares Held
Shri Pradeep Agrawal	0
Shri Umesh Narayan Trivedi	0
Shri Giriraj Gupta	200
Smt. Namita Sharma	0

O. Web Link: <http://www.natrajproteins.com/corporate-governance.html>

3. AUDIT COMMITTEE

(A) Terms of reference

The Board has constituted a well-qualified Audit Committee. All the members of the Committee are Non-Executive Directors with majority of them are Independent Directors including Chairman. They possess sound knowledge on accounts, audit, finance, taxation, internal controls etc. The Company Secretary acts as secretary to the committee.

The Audit Committee has adequate powers and detailed terms of reference to play effective role as required under the provisions of section 149 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 entered into with the Stock Exchanges.

The terms of reference of the Audit Committee are as per the guidelines set out in the listing regulations read with section 177 of the Companies Act, 2013. These broadly includes

- (i) Develop an annual plan for Committee
- (ii) review of financial reporting processes,
- (iii) review of risk management, internal control and governance processes,
- (iv) discussions on quarterly, half yearly and annual financial statements and the auditor's report,
- (v) interaction with statutory, internal and cost auditors to ascertain their independence and effectiveness of audit process,
- (vi) recommendation for appointment, remuneration and terms of appointment of auditors and
- (vii) Risk management framework concerning the critical operations of the Company.

In addition to the above, the Audit Committee also reviews the following:

- (i) Matter included in the Director's Responsibility Statement.
- (ii) Changes, if any, in the accounting policies.
- (iii) Major accounting estimates and significant adjustments in financial statement.
- (iv) Compliance with listing and other legal requirements concerning financial statements.
- (v) Subject to review by the Board of Directors, review on quarterly basis, Related Party Transactions entered into by the Company pursuant to each omnibus or specific approval given.
- (vi) Qualification in draft audit report.
- (vii) Scrutiny of inter-corporate loans & investments.
- (viii) Management's Discussions and Analysis of Company's operations.
- (ix) Valuation of undertakings or assets of the company, wherever it is necessary.
- (x) Periodical Internal Audit Reports and the report of Ethical View Reporting Committee (Fraud Risk Management Committee).
- (xi) Findings of any special investigations carried out either by the Internal Auditors or by the external investigating agencies.
- (xii) Letters of Statutory Auditors to management on internal control weakness, if any.
- (xiii) Major non routine transactions recorded in the financial statements involving exercise of judgment by the management.
- (xiv) Recommend to the Board, the appointment, re-appointment and, if required the replacement or removal of the statutory auditors and cost auditors, Secretarial Auditors, considering their independence and effectiveness, and recommend the audit fees
- (xv) Recommend to the Board, the appointment and remuneration of the CFO and Internal Auditors.

(B) Constitution and Composition

The terms of reference of the audit committee are extensive and include all that is mandated in regulations 18 of SEBI (LODR) Regulation, 2015 with the Stock Exchange and Section 149 of the Companies Act, 2013. The Company has complied with the requirements of regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 as regards composition of the Audit Committee.

The Audit Committee of the Company as on 31st March, 2017 comprises of the following Directors of the Company.

Name of the Director	Designation
Shri Umesh Narayan Trivedi	Chairman
Shri Pradeep Agrawal	Member
Shri Rajender Singh Tomar	Member

All the three members of the audit committee are non-executive directors and independent.

(C) Meeting and attendance during the year

Four (4) meetings were held during the financial year 2016-17 on 30th May 2016, 12th August 2016, 12th November 2016 and 11th February 2017. The attendance of each member of the committee is as under:

Name of the Director	No. of Meeting attended
Shri Umesh Narayan Trivedi	4
Shri Pradeep Agrawal	4
Shri Rajendra Singh Tomar	4

The Chairman, Shri Umesh N. Trivedi could not attend the 25th AGM held on 24th September, 2016 due to pre-occupation. However, Shri Pradeep Agrawal, member of the Audit committee was present to answer shareholders' query.

(D) Invitees / Participants:

1. The M.D. & CFO are the permanent invitees to all Audit Committee meetings.
2. Head of Internal Audit department attends all the Audit Committee Meetings as far as possible and briefs the Committee on all the points covered in the Internal Audit Report as well as the other issues that come up during discussions.

3. The representatives of the Statutory Auditors have attended all the Audit Committee meetings held during the year.
4. The representatives of the Cost Auditors and Secretarial Auditors have attended 1(one) Audit Committee Meeting when the Cost Audit Report and Secretarial Audit Report were discussed.

E. Private Meetings:

In order to get the inputs and opinions of the Statutory Auditors and the Internal Auditors, the Committee also held one separate one-to-one meeting during the year with the Statutory Auditor and Head of Internal Audit department but without the presence of the M.D. and the management representatives.

4. NOMINATION & REMUNERATION COMMITTEE

(A) Terms of reference

The Remuneration Committee recommends remuneration, promotions, increments etc. for the whole time directors and relative of the directors to the Board for approval. The Committee is empowered to -

- (i) Formulate criteria for determining qualifications, positive attributes and independence of Directors and oversee the succession management process for the Board and senior management employees.
- (ii) Identification and assessing potential individuals with respect to their expertise, skills, attributes, personal and professional standing for appointment and re-appointment as Directors / Independent Directors on the Board and as Key Managerial Personnel.
- (iii) Formulate a policy relating to remuneration for the Directors, Committee and also the Senior Management Employees.
- (iv) Support Board in evaluation of performance of all the Directors & in annual self-assessment of the Board's overall performance.
- (v) Conduct Annual performance review of MD and CFO and Senior Management Employees;

(B) Composition

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the SEBI (CODR) Regulations 2015 Board has renamed & reconstituted the existing "Remuneration Committee" as the "Nomination & Remuneration Committee". The Remuneration Committee of the Company as on 31st March, 2017 comprises of the following Directors of the Company.

Name of the Director	Designation
Shri Umesh Narayan Trivedi	Chairman
Shri Pradeep Agrawal	Member
Shri Rajender Singh Tomar	Member

All the three members of the Nomination & Remuneration committee are non-executive and independent directors.

(C) Meeting and attendance during the year

Two (2) meeting were held during the financial year 2016-17 on 30th May 2016 & 12th August 2016. The attendance of each member of the committee is as under:

Name of the Director	No. of Meeting attended
Shri Umesh Narayan Trivedi	2
Shri Pradeep Agrawal	2
Shri Rajender Singh Tomar	2

(D) Performance Evaluation for Independent Directors:

Pursuant to the provisions of the Companies Act, 2013 and as stipulated under regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Board of Directors adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors. A structured evaluation process covering various aspects of the Boards functioning such as Composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc.

(E) Remuneration Policy

The Nomination and Remuneration (N&R) Committee has adopted a Charter which, inter alia, deals with the

manner of selection of Board of Directors, Managing Director, Whole-time Directors, senior management and Key Managerial Persons and their remuneration. This Policy is accordingly derived from the said Charter.

I. Criteria of selection of Non-Executive Directors

- a. The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, engineering, medical science finance, governance and general management.
- b. In case of appointment of Independent Directors, the N&R Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- c. The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- d. The N&R Committee shall consider the following attributes/criteria, whilst recommending to the Board the candidature for appointment as Director.
 - i. Qualification, expertise and experience of the Directors in their respective fields;
 - ii. Personal, Professional or business standing;
 - iii. Diversity of the Board.
- e. In case of re-appointment of Non- Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

II. Remuneration

The Non- Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board/Committee meetings as detailed hereunder:

- i. A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;
- ii. The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, introduced by the Company.

III. Managing Director - Criteria for selection /appointment

For the purpose of selection of the MD and WTD the N&R Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

IV. Remuneration for the Managing Director & Whole-time Directors

- i. At the time of appointment or re-appointment, the Managing Director and Whole-time director shall be paid such remuneration as may be mutually agreed between the Company (which includes the N&R Committee and the Board of Directors) and the Managing Director and Whole-time Director within the overall limits prescribed under the Companies Act, 2013.
- ii. The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
- iii. The remuneration of the Managing Director and Whole-time director is broadly divided into fixed and variable components. The fixed component comprises salary, allowances, perquisites, amenities and retiral benefits. The variable component comprises performance bonus.
- iv. In determining the remuneration (including the fixed increment and performance bonus) the N&R Committee shall ensure / consider the following:
 - a. Responsibility required to be shouldered by the Managing Director and Whole-time director, the industry benchmarks and the current trends;
 - b. The Company's performance vis-à-vis the annual budget achievement and individual performance.

V. Remuneration Policy for the Senior Management Employees

- I. In determining the remuneration of the Senior Management Employees and Key Managerial Personals, the N&R Committee shall ensure/consider the following:
 - i. The relationship of remuneration and performance;
 - ii. The balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
 - iii. The remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;
 - iv. The remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, and current compensation trends in the market.
- II. The Managing Director will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors mentioned herein-above, whilst recommending the annual increment and performance incentive to the N&R Committee for its review and approval.

5. REMUNERATION OF DIRECTORS

A) Pecuniary relationship of transaction of Non- Executive director: NIL

B) Non- executive director's payment criteria: The Non- executive directors of the company are only given Sitting fees as decided by Board for attending the Board meeting and audit committee during the financial year 2016-17.

C) Remuneration to Managing Director and Executive Director

The terms of remuneration of Executive Directors has already been fixed by the Board of directors and was approved by the shareholders at Annual General Meeting. During the financial year 2016-17, the particulars of remuneration paid to Executive Director is as under: -

Name of the Director	Salary (Rs.)	Perquisites	Commission	Stock option Details	Period of Contract
Shri Kailash Chand Sharma	9,30,000	-	-	-	01.08.16 to 31.07.2019
Shri Sharad Kumar Jain	6,00,000	-	-	-	01.10.14 to 30.09.2017
Shri Jagdish Prasad Agrawal	6,00,000	-	-	-	01.08.16 to 31.07.2019

D) Remuneration/Sitting fee to Other Non-Executive Directors

The details of sitting fee paid to each of the other non-executive/Independent Directors during the year 2016-17 ended on 31st March, 2017 are given below

Name	Siting Fee	Other Payment	Total
Shri Rajender Singh Tomar	20,000	-	20,000
Shri Pradeep Agrawal	20,000	-	20,000
Shri Umesh Narayan Trivedi	20,000	-	20,000
Shri Giriraj Gupta	5,000	-	5,000
Smt. Namita Sharma	20,000	-	20,000

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

Based on the revised scope, this Committee is responsible for transfer/transmission of shares, satisfactory redressal of investors' complaints and recommends measures for overall improvement in the quality of investor services. The Committee also looks into shares kept in abeyance, if any.

- A) In compliance with the provisions of Section 178 of the Companies Act, 2013 and regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Board has renamed and reconstituted the existing "Investors' Grievance Committee" as the "Stakeholders' Relationship Committee" which consists of the following members:

Name of the Director	Designation	No. of Meetings Attended
Shri Umesh Narayan Trivedi	Chairman	-
Shri Pradeep Agrawal	Member	-
Shri Rajender Singh Tomar	Member	-

During the year ended on 31st March, 2017 the Committee had not met.

B) Compliance Officer of the Company: CS Shilpi Kasliwal, Company Secretary is designated as the Compliance Officer.

C) Shareholder Compliant Status during the financial year 2016-17:

No. of Shareholder Compliant received	No. of Complaint resolved	No. of Compliant Pending.
1	1	-

7. CSR COMMITTEE:

The Company has constituted a CSR Committee as required under Section 135 of the Companies Act, 2013. The Committee is headed by Shri Kailash Chand Sharma .and consists of the members as stated below. During the year ended on 31st March, 2017 the Committee had two (2) meetings on 30th May, 2016 and 28th March, 2017 which were attended by the members as under: -

S.No.	Name of the Director	Designation	No. of Meetings Attended
1	Shri Kailash Chand Sharma	Chairman	2
2	Shri Umesh Narayan Trivedi	Member	2
3	Shri Pradeep Agrawal	Member	2

The Terms of Reference of the Committee are to:-

- Frame the CSR Policy and its review from time-to-time.
- Ensure effective implementation and monitoring of the CSR activities as per the approved policy, plans and budget.
- Ensure compliance with the laws, rules & regulations governing the CSR and to periodically report to the Board of Directors.

8. RISK MANAGEMENT COMMITTEE:

In compliance with the provisions of listing regulations and Companies Act, 2013, the Board has voluntarily constituted a Risk Management Committee under the Chairmanship of Shri Kailash Chand Sharma and consists of the following members:

Name of the Director	Designation
Shri Kailash Chand Sharma	Chairman
Shri Pradeep Agrawal	Member
Shri Umesh Narayan Trivedi	Member

During the year ended on 31st March, 2017 this Committee had no meetings. The Committee is required to lay down the procedures to review the risk assessment and minimization procedures and the Board is responsible for framing, implementing and monitoring the risk management plan of the Company.

The Terms of Reference of the Committee are:-

- To review the framework of BRM process;
- To risk identification and assessment;
- To review and monitoring of risk mitigation plans

During the year, the Committee reviewed the risk trend, exposure and potential impact analysis carried out by the management. It was specifically confirmed to the Committee by the MD & CFO that the mitigation plans are finalized and up to date, owners are identified and the progress of mitigation actions are monitored.

9. DISCLOSURES

1. There are no materially significant transactions with the related party viz. Promoters, Directors or the Management, or their relatives or that had potential conflict with the Company's interest. Suitable disclosure as required by the Accounting Standard (AS 18) has been made in the Annual Report. The Related Party Transactions Policy as approved by the Board is uploaded on the Company's website at <http://www.natrajproteins.com>
2. There were no non compliance by the Company and no penalty imposed by the stock exchange of the SEBI or any statutory authority on any matter related to capital market during the last three years.
3. The Company has formed and hosted the Vigil Mechanism Policy on the website of the Company, and the Company confirms that no personnel were denied to access to the audit committee.
4. The Company has complied with all the mandatory requirements under the SEBI (LODR) Regulations, 2015 as applicable.
5. The Company has hosted all the required policy on the website of the company, however, the Company is not having any subsidiary during the year 2016-17.
6. The Company has given the web link of the related party transaction in the annual report.
7. Since the Company is not dealing in commodity hedging, therefore, it is not having any risk associated thereto.
8. The Company is not having any security to credit in the demat suspense account or unclaimed suspense account u/s 124(5) and (6) of the Companies Act, 2013.

10. MD / CFO CERTIFICATION

The MD and Chief Financial Officer (CFO) have issued certificate pursuant to the provisions of Regulation 17(8) of the Listing Regulations certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report

11. DISCRETIONARY REQUIREMENTS UNDER REGULATION 27 OF SEBI (LODR) REGULATIONS 2015.

The status of compliance with discretionary recommendations of the Regulation 27 of the Listing Regulations with Stock Exchanges is provided below:

1. Non-Executive Chairman's Office: Chairman's office is separate from that of the Managing Director However, the same is now maintained by the Chairman himself.
2. Shareholders' Rights: As the quarterly and half yearly financial performance along with significant events are published in the newspapers and are also posted on the Company's website, the same are not being sent to the shareholders.
3. Modified Opinion in Auditors Report: The Company's financial statement for the year 2016-17 does not contain any modified audit opinion.
4. Separate posts of Chairman and MD : The Chairman of the Board is an Executive Director and has position is separate from that of the Managing Director.
5. Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee.

12. INFORMATION ON GENERAL BODY MEETINGS

The details of the location and time for last three Annual General Meetings are given hereunder: -

Year	Location	Date	Time	Special Resolutions	Special resolution through postal Ballot
2015-2016	Nagpur Kalan, Ordinance Factory Road, Itarsi- 461111	24th Sept., 2016	2.00 P.M.	One Special resolution	N.A.
2014-2015	Nagpur Kalan, Ordinance Factory Road, Itarsi- 461111	28th Sept., 2015	2.00 P.M	Two Special resolutions	N.A.
2013-2014	Nagpur Kalan, Ordinance Factory Road, Itarsi- 461111	20th Sept., 2014	2.00 P.M	One Special resolution	N.A.

During the year under review, no extra ordinary general meeting was held as well as no resolution was passed through the Postal Ballot process.

13. MEANS OF COMMUNICATION

The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after these are approved by the Board. These are widely published in following newspapers. These results are simultaneously posted on the website of the Company at www.natrajproteins.com and also uploaded on the website of the BSE Ltd.

Quarterly Results	Newspaper Publication	Displayed in Website
31.03.2016	Choutha Sansaar& Free Press, Indore	www.natrajproteins.com
30.06.2016	Choutha Sansaar& Free Press, Indore	www.natrajproteins.com
30.09.2016	Choutha Sansaar& Free Press, Indore	www.natrajproteins.com
31.12.2016	Choutha Sansaar& Free Press, Indore	www.natrajproteins.com
31.03.2017	Choutha Sansaar& Free Press, Indore	www.natrajproteins.com

However, the Company has not made any official releases and presentation to any institution.

14. GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting

The 26th Annual General Meeting of the Company will be held on Saturday, 9th September, 2017 at 2.00 P.M. at the registered officer of the company situated at "Nagpur Kalan Ordinance Factory Road. Itarsi – 461111

b) Financial Year: 2017-18 (from 1st April-2017 to 31st March, 2018)

First quarterly results : June, 2017- Before 14th August, 2017
 Second quarterly / Half yearly results : Sept., 2017- Before 14th Nov., 2017
 Third quarterly results : Dec., 2017- Before 14th Feb., 2018
 Annual results for the year ending on : 31st March, 2018 - Before 30th May, 2018
 Annual General Meeting for the year ending on 31st March, 2017: Before 30th Sept., 2018

c) Book Closure/Record date:

The Register of Members and the Share Transfer Books of the Company shall remain closed from 3rd September, 2017 to 9th September, 2017 (both days inclusive) for the Annual General Meeting.

d) Interim Dividend and Record Date:

The Board of directors of the Company has not declared dividend during the financial year 2016-17
 The Company has not declared any dividend during the previous 5 years.

f) Listing on Stock Exchange

The Company's shares are traded on BSE.

The Company's shares are presently listed on the Bombay Stock Exchange Limited. The Company has paid annual listing fee for the year 2017-18.

g) Stock Code/ Details of Scrip

BSE : 530119
 NSDL & CDSL-ISIN : INE444DO1016
 ISIN NO : INE444DO1016

h) Market Price Data (Rs.)

The monthly high and low quotations of shares of the Company traded at the Stock Exchange, Mumbai during the financial year 2016-17 are given below:

Month	High (Rs.)	Low (Rs.)
April, 2016	33.10	26.05
May, 2016	34.90	31.00
June, 2016	30.25	27.00
July, 2016	29.85	24.25
August, 2016	31.90	26.75
September, 2016	29.95	23.70
October, 2016	31.25	25.05
November, 2016	29.30	25.00
December, 2016	30.75	27.85
January, 2017	35.80	25.75
February, 2017	34.10	26.50
March, 2017	33.40	26.00

15. SHARETRANSFER AGENT

Ankit Consultancy Pvt. Ltd.

Plot No. 60, Electronic Complex, Pardeshipura, Indore- 452 010 (M.P), Tel: 0731-2551745, 0731-2251746

Fax: 0731-4065798, E-mail: ankit4321@yahoo.com, rtaindore@gmail.com

a) Share Transfer System

The Share Transfer-cum-Investors Grievance Committee attends to share transfer formalities once in a fortnight. Demat requests are normally confirmed within an average period of 15 days from the date of receipt. The Company has appointed following agency as Share Transfer Agent (Electronic + Physical). The shareholders may address their communication, suggestions, grievances and queries to Ankit Consultancy Pvt. Limited.

b) Distribution of Shareholding as on 31st March, 2017

No. of Shares	No. of Shareholders	% of Shareholders	Share Amount	% of Total
1-1000	205	21.40	81690	0.22
1001-2000	69	7.20	127020	0.34
2001-3000	27	2.82	75250	0.20
3001-4000	152	15.87	600840	1.60
4001-5000	122	12.73	608060	1.62
5001-10000	157	16.39	1272620	3.40
10001-20000	69	7.20	1098120	2.93
20001-30000	42	4.38	1087220	2.90
30001-40000	18	1.88	637480	1.70
40001-50000	14	1.46	605440	1.62
50001-100000	39	4.07	3416330	9.12
100000 Above	44	4.59	27859930	74.35
TOTAL	958	100.00	37470000	100.00

c) Dematerialisation of shares & liquidity

The shares of the Company are under compulsory demat segment and are listed on Bombay Stock Exchange, Mumbai. The Company's shares are available for trading in the depository of both NSDL & CDSL.

d) Details of Demat Shares as on 31st March 2017

	No. of Shareholders/Beneficial Owners	No. of Shares	% of Capital
NSDL	305	848974	22.66
CDSL	198	965601	25.77
Sub-Total	503	1814575	48.43
Shares in physical form	455	1932425	51.57
Grand Total	958	3747000	100.00

i) Reconciliation of Share Capital Audit:

As stipulated by Securities and Exchange Board of India (SEBI), a qualified practicing Company Secretary carries out the Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to stock exchanges, NSDL and CDSL and is also placed before the Board of Directors. No discrepancies were noticed during these audits.

j) Outstanding Convertible Instruments

There are no outstanding warrants or any convertible instruments.

16. PLANT LOCATION OF THE COMPANY

Nagpur Kalan, Ordinance Factory Road, Itarsi- 461111 (M.P.)

a) Address for communication

The shareholders may address their communication, suggestions, grievances and queries to:

Ankit Consultancy Pvt. Limited, Plot No. 60, Electronic Complex, Pardeshipura, Indore- 452 010 (M.P)

Tel: 0731-2551745, 0731-2251746, Fax: 0731-4065798, E-mail: ankit_4321@yahoo.com

17. DISCLOSURES

a) Disclosure regarding materially significant related party transactions:

None of the transaction with any of the related parties were in conflict with the interest of the Company. Attention of members is drawn to the disclosure of transactions with the related parties set out in Note No. 26 of Notes on Accounts, forming part of the Annual report.

Particular	Web links
Material Event Policy	www.natrajproteins.com
Related Party Transaction policy	http://www.natrajproteins.com/investor.html

For and on behalf of the Board

Place : Itarsi

Date: 5th August, 2017

Kailash Chand Sharma
Chairman & Managing Director
DIN 00012900

INDEPENDENT AUDITOR'S REPORT

To the Members of,
Natraj Proteins Ltd.
ITARSI

Report on the audit of the Financial Statements:

We have audited the attached financial statements of Natraj Proteins Ltd., (the Company) which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

Management 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 the design, implementation and maintenance of adequate internal financial control 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 Rules, made there under. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountant of India, as specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 and effectiveness of such controls. An audit also includes evaluating the appropriateness of 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 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:

- i) In the case of Balance Sheet, of the state of affairs of the Company as at 31-03-2017.
- ii) In the case of Statement of Profit and Loss, Profit of the Company for the year ending on 31-03-2017.
- iii) In the case of Cash Flow Statement of the cash flows, of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors Report) Order 2016 ("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, a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.

2. As required by section 143(3) of the Act, we report that :

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (b) In our opinion proper books of accounts as required by law have been kept by the company so far 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 written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2017, from being appointed as a director in terms of section 164(2) of the Act.
- (f) With respect to adequacy of the internal financial controls over financial reporting of the Company and operating effectiveness of such controls, refer our separate report in Annexure B.
- (g) With respect to the other matters to be included in the Auditors 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 has disclosed the impact of pending litigations on its financial position in the financial statements. Refer to Note No 26 B 1 (b), (c), (d) and (e) to the financial statements.
 - ii. The company does not have any long term contract or long term derivative contracts and there is no requirement of making any provision on such contracts/derivatives.
 - iii. There is no incidence of any requirement of transfer any amount to the investor Education and Protection fund by the company during the year.

For BHUTORIA GANESAN & CO.,
Chartered Accountants
ICAI Registration No 004465 C

CA R.GOKULAKRISHNAN

PARTNER

M.NO 402792

Place: Camp Itarsi

Date: 24-05-2017

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor Report of even date to the members of NATRAJ PROTEINS LTD ("The Company") on the financial statements for the year ended March 31, 2017]

- (i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management in accordance with regular program of verification, which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Discrepancies have been appropriately dealt with in the books of account.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

- (ii) The management has conducted physical verification of inventories at all its locations at reasonable intervals during the year. The procedures of physical verification of inventory followed by management are in our opinion, reasonable and adequate in relation to the size of the company and the nature of its business. The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) 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 and there are no overdue amount of any loan granted to companies or firm or other parties mentioned in the register maintained under section 189 of the Companies Act 2013..
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loan or made investment or guarantee or offered security to any party which requires compliance of provisions of section 185 and 186 of the Act.
- (v) The company has not accepted deposits from the public during the year, with reference to Section 73 to 76 of the Companies Act 2013 read with The companies (Acceptance of Deposits) Rules, 2014 and other relevant provisions of the Act.
- (vi) We have broadly reviewed the books of account maintained by the company pursuant to rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however made a detailed examination of the same with a view to determining whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities to the extent applicable.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, and as per the records of the company, there are no material dues which have not been deposited with the appropriate

authorities on account of any dispute. However, according to information and explanations

given to us, the following dues of income tax, value added tax and cess which have not been deposited on account of dispute are given below:

Name of the Statute	Nature of the dues	Amount (Rs. in lacs)	Year to which it pertains	Forum at which case is pending
Income Tax Act 1961	Income Tax	15.90	1994-95 1995-96 1996-97	Before Settlement Commission. Petition filed before MP High Court Jabalpur for stay.
MP VAT Act 2002	VAT	6.32	2006-07	MP Commercial Appellate Board, Bhopal
MP VAT Act 2002	VAT	4.70	2011-12	Commissioner Appeals

(viii) The Company has not defaulted in repayment of loan or borrowings from the financial institution, banks and government or debenture holders. The company has not issued any debentures.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt

instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

- (x) Based on our audit procedures, and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **BHUTORIA GANESAN & CO.**
Chartered Accountants
FRN – 004465C

CA R. GOKULAKRISHNAN
(Partner)
Membership No.402792

Place: Camp Itarsi

Date: 24.05.2017

Annexure - B to Independent Auditors' Report

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the member of **NATRAJ PROTIENS LTD.** on the Financial Statements for the year ended March 31, 2017]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of NATRAJ PROTEINS LIMITED ("the Company") as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, BHUTORIA GANESAN & CO.

Chartered Accountants

FRN – 004465C

CA R. GOKULAKRISHNAN

(Partner)

Membership No.402792

Place: Camp Itarsi

Date: 24.05.2017

BALANCE SHEET AS AT 31-03-2017

LIABILITIES		Note No.	As at 31 st March, 2017	As at 31 st March, 2016
I	EQUITY AND LIABILITIES			
A	Shareholders' funds			
	(a) Share capital	1	37,470,000	37,470,000
	(b) Reserves and surplus	2	289,430,825	288,086,403
	Total (A)		326,900,825	325,556,403
B	Non-current liabilities			
	(a) Long-Term Borrowings	3	750,000	750,000
	(b) Deferred Tax Liabilities (net)	4	10,568,708	10,830,149
	Total (B)		11,318,708	11,580,149
C	Current liabilities			
	(a) Short-Term Borrowings	5	188,012,605	187,485,646
	(b) Trade Payables	6	105,332,925	126,018,152
	(c) Other Current Liabilities	7	20,107,149	56,616,733
	(d) Short-Term Provisions	8	2,144,229	544,376
	Total (C)		315,596,909	370,664,907
	TOTAL (A+B+C)		653,816,442	707,801,459
II	ASSETS			
D	Non-current assets			
	(a) Fixed assets			
	(i) Tangible Assets	9	43,054,936	49,363,212
	(ii) Capital Work-In-Progress	9A	-	-
			43,054,936	49,363,212
	(iii) Intangible Assets		-	-
	(b) Long-term Loans and Advances	10	4,080,335	4,066,796
	(c) Other Non-Current Assets	11	68,209,418	43,587,861
	TOTAL (D)		72,289,753	47,654,657
E	Current assets			
	(a) Inventories	12	357,949,919	447,173,454
	(b) Trade receivables	13	110,827,767	55,889,123
	(c) Cash and Bank Balances	14	34,896,370	61,366,989
	(d) Short-Term Loans and Advances	15	34,797,696	46,354,024
	TOTAL (E)		538,471,753	610,783,590
	TOTAL (D+E)		653,816,442	707,801,459
	Significant Accounting Policies and other Notes to Financial Statements	25 A & B		

As per our Report of even date attached. Notes referred to above form an integral part of Financial Statements

For BHUTORIA GANESAN & CO,
Chartered Accountants
Firm Registration no: 004465C

FOR AND ON BEHALF OF BOARD OF DIRECTORS

KAILASH CHAND SHARMA
(MANAGING DIRECTOR)
DIN : 00012900

RITESH SHARMA
(CHIEF FINANCIAL OFFICER)

R. Gokulakrishnan
Partner
Membership No: 402792

SHARAD KUMAR JAIN
(WHOLE TIME DIRECTOR)
DIN : 02757935

SHILPI KASLIWAL
(COMPANY SECRETARY)
ACS : 43986

PLACE : Camp Itarsi
DATED : 24/05/2017

PLACE : ITARSI
DATED : 24/05/2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31-03-2017

Particulars	Note	For the year	For the year
		Ended 31 st March 2017	Ended 31 st March 2016
		Amount in Rs.	Amount in Rs.
CONTINUING OPERATIONS			
(I) Revenue from Operations (gross)	16	2,585,235,114	2,005,156,484
(II) Other Operating Income	17	564,259	4,053,801
(III) Other income	18	5,575,320	5,829,611
Total Revenue (I+II+III)		2,591,374,693	2,015,039,896
Expenses			
Consumption of Raw Materials & Manufacturing Expenses	19 (a)	1,948,490,897	1,776,000,948
Purchases of stock-in-trade	19 (b)	417,670,238	183,552,086
(Increase)/ Decrease in Inventories of Finished Goods and WIP	20	23,163,121	(34,902,163)
Employee Benefits Expenses	21	13,277,062	12,387,499
Finance Costs	22	35,626,212	33,916,207
Other expenses of Manufacture, Administration, Selling & Distribution	23	144,200,977	89,950,220
Depreciation and Amortization		6,343,585	7,382,593
Prior Period Expenses		-	-
Total Expenses		2,588,772,092	2,068,287,390
Profit / (Loss) Before Exceptional and Extraordinary Items and Tax		2,602,601	(53,247,495)
Exceptional Items		-	-
Profit / (Loss) Before Extraordinary Items and Tax		2,602,601	(53,247,495)
Extraordinary Items		-	-
Profit / (Loss) Before Tax		2,602,600	(53,247,495)
Tax expenses:			
(a) Income Tax provision related to earlier years		-	203,440
(b) Current Tax Expense for Current Year		1,300,000	-
(c) Deferred Tax		(261,441)	(301,983)
		1,038,559	(98,543)
Profit / (Loss) from Continuing Operations		1,564,041	(53,148,952)
Profit / (Loss) for the year		1,564,041	(53,148,952)
Earning Per Equity share	24		
Basic (Rs)		0.42	(14.18)
Diluted (Rs)		0.42	(14.18)
Significant Accounting Policies and other Notes to Financial Statements	25 A&B		

As per our Report of even date attached. Notes referred to above form an integral part of Financial Statements

For BHUTORIA GANESAN & CO,
Chartered Accountants
Firm Registration no: 004465C

FOR AND ON BEHALF OF BOARD OF DIRECTORS

KAILASH CHAND SHARMA
(MANAGING DIRECTOR)
DIN : 00012900

RITESH SHARMA
(CHIEF FINANCIAL OFFICER)

R. Gokulakrishnan
Partner
Membership No: 402792

SHARAD KUMAR JAIN
(WHOLE TIME DIRECTOR)
DIN : 02757935

SHILPI KASLIWAL
(COMPANY SECRETARY)
ACS : 43986

PLACE : Camp Itarsi
DATED : 24/05/2017

PLACE : ITARSI
DATED : 24/05/2017

**CASH FLOW STATEMENT
FOR THE YEAR ENDING 31ST MARCH, 2017**

PARTICULARS	YEAR ENDED 31 st March 2017	YEAR ENDED 31 st March 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	2,602,600	(53,247,495)
Adjustments for:		
ADD		
Depreciation & Amortization	6,343,585	7,382,593
Interest Charges	35,626,212	33,916,207
CSR Reserve	-	-
Loss on Sale of Wind mill Land	-	295,675
LESS		
Interest Income	4,621,564	5,637,786
CSR Expenses	219,620	249,192
Profit on sale of Wind mill	-	271,585
Operating Profit Before Working Capital Changes	39,731,213	(17,811,583)
Adjustments for :		
Trade Receivables	(54,938,644)	79,808,472
Inventories	89,223,535	(8,413,821)
Loans, Advances and other current assets	8,092,139	(3,773,141)
Current Liabilities	(55,594,958)	39,509,385
Income Tax Paid during the year	2,164,190	(2,803,440)
Total Adjustments	(11,053,739)	104,327,455
CASH GENERATED FROM OPERATING ACTIVITIES (A)	28,677,474	86,515,872
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale proceeds of Wind Mill	-	23,790,000
Purchase of Fixed Asset/ Capital WIP	(35,309)	(374,898)
Interest Received	4,621,564	5,637,786
Non Current Assets, Long term loans and advances	(24,635,096)	13,436,778
NET CASH USED IN INVESTING ACTIVITIES (B)	(20,048,841)	42,489,666
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	-	(5,736,143)
Proceeds of Short Term Borrowings Banks	526,959	(226,896,963)
Interest Paid	(35,626,212)	(33,916,207)
NET CASH (USED)/FROM FINANCING ACTIVITIES (C)	(35,099,253)	(266,549,313)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	(26,470,619)	(137,543,775)
Cash and Cash Equivalents as on 1-4-2016 Opening Balance	61,366,989	198,910,763
Cash and Cash Equivalents as on 31-3-2017 Closing Balance	34,896,370	61,366,989
Increase/Decrease in Closing Cash Balance	(26,470,619)	(137,543,775)
Note:		
Cash and Cash Equivalents include:		
(a) Cash on Hand	2,057,824	2,226,732
(b) Balances with Banks in Current Accounts	32,838,546	38,142,579
(c) Balances in FDR with Bank - No lien deposits	-	20,997,678
	34,896,370	61,366,989

For BHUTORIA GANESAN & CO,
Chartered Accountants
Firm Registration no: 004465C

FOR AND ON BEHALF OF BOARD OF DIRECTORS

KAILASH CHAND SHARMA
(MANAGING DIRECTOR)
DIN : 00012900

RITESH SHARMA
(CHIEF FINANCIAL OFFICER)

R. Gokulakrishnan
Partner
Membership No: 402792

SHARAD KUMAR JAIN
(WHOLE TIME DIRECTOR)
DIN : 02757935

SHILPI KASLIWAL
(COMPANY SECRETARY)
ACS : 43986

PLACE : Camp Itarsi
DATED : 24/05/2017

PLACE : ITARSI
DATED : 24/05/2017

Notes Forming part of the financial statements
Note 1 : Share Capital

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
	Amount in Rs.	Amount in Rs.
(a) Authorised 50,00,000 Equity shares of Rs.10/ each	50,000,000	50,000,000
(b) Issued Share Capital, Subscribed & Paid up Equity shares of Rs.10 each (37,47,000 Equity Shares of Rs. 10 each (Previous year : 3747000 Equity shares of Rs. 10 each)	37,470,000	37,470,000
Total	37,470,000	37,470,000

1.1) Terms/ rights attached to equity shares

The company has only one class of equity shares having par value Rs. 10 per share. Each holder of equity shares is entitled to one vote per share

1.2) Reconciliation of No of shares outstanding is given below:-

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Equity Shares at the beginning of the year	3,747,000	3,747,000
Add: Shares issued during the year	0	0
Less: Shares forfeited during the year	0	0
Equity shares at the end of the year	3,747,000	3,747,000

1.3) Details of shareholders holding more than 5% shares of the total number of shares issued by the company

Name of the share holder	As at 31 st March, 2017		As at 31 st March, 2016	
	Number	% of holding in the Class	Number	% of holding in the Class
Equity shares of Rs. 10 each fully paid up				
S.K.Arora	565,000	15.08%	565000	15.08%
J.P.Agrawal	223,000	5.95%	223000	5.95%
Rajeev Kumar Sharma	193,000	5.15%	193000	5.15%
Sharad Kumar Jain	189,500	5.06%	189500	5.06%

- 1.4)** (i) Shares issued for consideration other than cash in last 5 financial years Nil
(ii) Shares issued by way of bonus in last 5 financial years Nil
(iii) Shares bought back in last 5 financial years Nil

1.5) Details of calls unpaid

Particulars	As at 31 st March, 2017		As at 31 st March, 2016	
	Number of Shares	Amount in Rs.	Number of Shares	Amount in Rs.
Equity shares with voting rights				
Aggregate of calls unpaid				
- by Directors	0	0	0	0
- by Officers	0	0	0	0
- by Others	0	0	0	0

1.6) Details of forfeited shares

Class of Shares	As at 31 st March, 2017		As at 31 st March, 2016	
	Number of Shares	Amount Originally Paid up	Number of Shares	Amount Originally Paid up
Equity shares with voting rights	0	0	0	0

Note 2 : Reserves and surplus

Particulars	As at 31 st March, 2017		As at 31 st March, 2016	
		Amount in Rs.		Amount in Rs.
(a) Shares Forfeited Account				
Opening Balance		4,776,700		4,776,700
Additions during the year (Refer Note: 1.6)		-		-
Closing Balance (A)		4,776,700		4,776,700
(b) General Reserve (Opening and Closing balance) (B)		1,500,000		1,500,000
(c) CSR Reserve				
Opening Balance		1,778,972		2,028,164
Add : During the Year		-		-
Less : Utilized during the year		219,620		249,192
Closing Balance (C)		1,559,352		1,778,972
(d) Surplus in the Statement of Profit & Loss				
Opening Balance		280,030,732		333,179,684
Add: Profit During the year		1,564,041		(53,148,952)
Closing Balance (D)		281,594,773		280,030,732
Total (A+B+C+D)		289,430,825		288,086,404

NOTE 3 : LONG TERM BORROWINGS

Particulars	As at 31 st March, 2017		As at 31 st March, 2016	
		Amount in Rs.		Amount in Rs.
(a) Secured Laon				
Term Loan from Banks and Financial Institutions		0		0
(b) Unsecured loan				
from Security Deposits from customers		750,000		750,000
Total		750,000		750,000

**3.1) Secured Long Term Borrowings:-
Term Loan from Banks/Financial Institutions :**

Particulars	Date of Maturity	Applicable Intt. Rate
Term loan -MPFC Quarterly 4 Installments of Rs.250000/-, then 4 Installments of Rs.500000/-, then 4 installments of Rs1000000/-, then 4 installments of Rs.1250000/- and at last 4 installments of Rs.2000000/-	1-Jul-17	15.25%

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
	Amount in Rs.	Amount in Rs.
<u>(3.1.a)Secured Loans from Financial Institutions</u>		
MPFC	-	-
SUB TOTAL	-	-
Term Loan - From MPFC		
Exclusively first charge by way of hypothecation of equipments created out of TL for soya bean extraction plant and refinery namely silo, boiler and other equipments. Also secured collaterally by way of EM of freehold vacant land admeasuring 1922sq. M. khasra No. 363/1, P.H. No. 9, Mouza No. 15, Near Swami Vivekanand School, Tawa Colony, Itarsi, Dist.: Hoshangabad M.P. in name of Smt. Padma Sharma, w/o. Beni Shankar Sharma and also by way of personal guarantee of Shri Kailash Chand Sharma, Managing Director and Smt. Padma Sharma.		
(3.1.b) The installments due within 12 months from the date of Balance Sheet have been grouped under Other Current Liabilities as " Current Maturities of Long Term Borrowings. (Refer note no: 7)	-	5,653,799
(3.1.d) Unsecured loan from Directors and Relatives	-	-
Security Deposits from customers	750,000	750,000
Total	750,000	750,000

Note 4 : Deferred Taxation

The Deferred Tax Assets & Liabilities comprise of tax effect of the following timing differences:-

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Deferred Tax Liability	-	-
On account of difference in depreciation as per books and income tax	10,568,708	10,830,149
Total	10,568,708	10,830,149

Details Of Deferred Tax Liabilities As Under	As at 31 st March, 2017	As at 31 st March, 2016
Difference between books and Tax written down Values of fixed assets	10,830,149	10,338,315
(Deferred Tax Asset)/ Deferred Tax Liability During the year	(261,441)	(301,983)
Defer tax Liabiltiy closing balance	10,568,708	10,830,149

Note 5. Short-term borrowings

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
	Amount in Rs.	Amount in Rs.
SECURED LOANS		
Loan Repayable on Demand from Bank (Ref Note 5.1 to 5.4)	188,012,605	187,485,646
Total	188,012,605	187,485,646

BORROWING FROM ANDHRA BANK

5.1. The working capital facilities from Andhra Bank in following facilities Export Packing Credit, Open Cash Credit, Bank Guarantee and Inland letter of Credit payable on demand. Open cash credit is bifurcated to peak and non peak limits with sublimit for book debts. Rate of Interest on Open cash credit is 11.50% and on Export Packing Credit there is concessional rate of interest@9.95%(MCLR+0.50%). Primary security is hypothecation of stocks meant for export in case of Export Packing Credit, hypothecation of stocks and receivables in case of Open cash credit facilities, counter guarantee in case of bank guarantee and stocks procured under Letter of Credit in case of LC facilities.

Short Term loan against pledge of ware house receipt for procurement of soya seed. Rate of interest is 10.00% (MCLR+0.55%) and primary security is pledge of warehouse receipts/storage receipts with lien noted in favour of Bank.The repayment is bullet payment with interest on due date i.e.. at the end of tenure of each disbursement.

All above working capital borrowings including short term loan against pledge of ware house receipts are collaterally secured by :

- by way of first charge on the company's entire fixed asset excluding assets created out of TL Andhra Bank (and out of TL from MPFC. And against Equitable Mortgage of Factory Land (Free Hold) admeasuring 17.93 Acres)
- by way of Extension of EM of house property in name of Shri Kailash Chand Sharma, Managing Director situated at Nirupam Royal Palm Villa, Bhopal and EM of residential plot at village Jatkhedi, Bhopal.
- Personal Guarantees of 3 Director (a), (b), (c) and (d) also collateal for term loan borrowings Note No. 3.1

Secured Loans from Banks	As at 31 st March, 2017	As at 31 st March, 2016
	Amount in Rs.	Amount in Rs.
(5.1.a) Bank Borrowings for Working Capital	158,578,447	104,898,815
(5.2.a) Short term loan on Warehouse Receipt from Andhra Bank	29,434,158	82,586,831
	188,012,605	187,485,646

Note 6 : Trade Payable

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
	Amount in Rs.	Amount in Rs.
Trade payables	105,332,925	126,018,152
Total	105,332,925	126,018,152

**Disclosure under Section 22 of MSMED Act, 2006
(Chapter V- Delayed Payment to Micro and Small Enterprises)**

Micro, Small and Medium Enterprises

Information in respect of Micro, Small and Medium Enterprises Development Act, 2006; based on the

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
	Amount in Rs.	Amount in Rs.
The Principal amount (Interest - Nil) remaining unpaid to any supplier as at the end of the accounting year	5,339,332	7,730,855
The amount of interest accrued and remaining unpaid at the end of accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues as above are actually paid to the Small enterprises for the purposes of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

Note 7. Other Current liabilities

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
	Amount in Rs.	Amount in Rs.
Current Maturities of long term borrowings (Ref note no: 3(1) (b))	-	5,653,799
Advance from Customers Against sales	7,673,456	38,425,630
Payables		
(i) Statutory Dues	696,104	1,175,363
(ii) Expenses Payable	10,395,744	9,612,619
(iii) Interest to RBL	1,341,845	1,749,322
Total	20,107,149	56,616,733

Note : 8. Short-Term Provisions

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
	Amount in Rs.	Amount in Rs.
(a) Provision for employee benefits:		
Provision for Employees Retirement Benefit - obligation	844,229	544,376
b) Provision for Income tax(Net of advance tax & TDS)	1,300,000	-
Total	2,144,229	544,376

Note 9 : Fixed Assets**Tangible Assets**

S. No.	Particulars	Gross Block			Description			Net Block	
		Opening	Additions	Closing	Opening	During the Year	Closing	As at 31.03.16	Closing As at 31.03.17
1	Land	242,803	-	242,803	-	-	-	242,803	242,803
2	Buildings & Site Development	34,085,314	-	34,085,314	16,547,896	1,013,548	17,561,444	17,537,418	16,523,870
3	Plant & Machinery	93,907,947	-	93,907,947	66,666,041	4,463,520	71,129,561	27,241,906	22,778,386
4	Furniture & Fixtures	524,418	-	524,418	489,752	2,101	491,853	34,666	32,565
5	Office & Other Equipments	1,023,337	-	1,023,337	849,937	30,558	880,495	173,400	142,842
6	Vehicles	1,183,829	-	1,183,829	1,074,145	14,362	1,088,507	109,684	95,322
7	Refinery	33,232,701	-	33,232,701	31,452,608	118,467	31,571,075	1,780,093	1,661,626
8	Computers	934,215	35,309	969,524	878,667	42,374	921,041	55,548	48,483
9	Earth Moving Equipments	2,262,997	-	2,262,997	1,931,777	218,070	2,149,847	331,220	113,150
10	Electrical Insatallations & D.G.	11,606,217	-	11,606,217	9,749,743	440,584	10,190,327	1,856,474	1,415,890
	Total 2016-17	179,003,778	35,309	179,039,087	129,640,566	6,343,585	135,984,151	49,363,212	43,054,936
	Previous Year	195,471,002	(16,467,224)	179,003,778	131,739,580	(2,099,014)	129,640,566	63,731,422	49,363,212

Intangible Assets

S. No.	Particulars	Gross Block			Description			Net Block	
		Opening	Additions	Closing	Opening	During the Year	Closing	As at 31.03.16	Closing As at 31.03.17
1	Software	1,150,286	-	1,150,286	1,150,286	-	1,150,286	-	-
	Total 2016-17	1,150,286	-	1,150,286	1,150,286	-	1,150,286	-	-
	Previous Year	1,150,286	-	1,150,286	729,589	420,697	1,150,286	420,697	-

Note 10: Long-term loans and advances (unsecured, Considered Good except otherwise stated)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
	Amount in Rs.	Amount in Rs.
Security deposits		
Deposits Unsecured considered good	3,105,494	3,444,950
Less: Provision for doubtful deposits	-	-
	3,105,494	3,444,950
Capital Advances	-	-
Advances Unsecured considered good	974,841	621,846
Total	4,080,335	4,066,796

Note: 11. Other Non-Current Assets

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
	Amount in Rs.	Amount in Rs.
A) Balances with government authorities		
Unsecured, considered good		
Advance tax (Block Period)	3,980,000	3,980,000
Advance VAT year 2006-07 / VAT Appeal	244,570	248,030
TDS Certificates in hand	338,574	515,658
Income Tax Appeal (AY 13-14)	1,460,000	-
IT Advance	771,117	-
Total (A)	6,794,261	4,743,688
(B) FDR/ DEPOSITS HAVING MATURITY PERIOD MORE THAN 12 MONTHS		
I) Balances held as margin money or security against borrowings, guarantees and other commitments (Refer Note (11.2) below)	61,415,157	37,420,100
II) Other Bank Balances having maturity period more than 12 months	-	1,424,073
Total (B)	61,415,157	38,844,173
Total (A+B)	68,209,418	43,587,861

11.1) Other Bank Balances includes FDR with Central Bank of India Rs.NIL, previous Year Rs. 14,24,073 having original maturity period more than 12 months.

11.2) Margin Money:

Margin money deposits amounting to Rs. 6,14,15,157/- (previous year Rs. 3,74,20,100/-) are lying with Bank against Bank Guarantee & Security against borrowings of Working Capital

- (i) Lien Marked against FDR with Andhra Bank RS. 4,03,15,980/-, for the Bank Guarantee, Letter of Credit & other collateral security for the working Capital Borrowings.
- (ii) Lien marked against FDR with Axis Bank Rs. 776820. The FDR given as security deposit with Agriculture Produce Market Committee- Krishi Upaj Mandi Samiti.
- (iii) Lien Marked FDR of Rs.20000000/- with RBL Bank for Corporate Guarantee against Crop Loan to Farmers/Aggregators.
- (iv) Lien Marked FDR with ICICI Bank of Rs. 3,22,357/- the FDR given a security deposit with Krishi Upaj Mandi Samiti.

Note 12 : Inventories

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
	Amount in Rs.	Amount in Rs.
(a) Raw materials - (At cost or market value whichever is less)	162,110,171	217,235,957
(b) Finished goods - (Cost of Production or Net Realisable Value whichever is less)	175,018,326	198,181,447
(c) Consumables, Fuel and Packing material - (At average cost)	6,938,877	18,619,395
(d) Stores and machinery spares (Valuation At Cost)	13,882,545	13,136,655
Total	357,949,919	447,173,454

Note 13.: Trade receivables

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
	Amount in Rs.	Amount in Rs.
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	87,620,187	37,273,008
Doubtful	-	-
	87,620,187	37,273,008
Other Trade receivables		
Unsecured, considered good	23,207,580	18,616,115
Total	110,827,767	55,889,123

Note 14. Cash and Bank Balances

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
	Amount in Rs.	Amount in Rs.
Cash and Cash Equivalents		
(a) Cash on hand	2,057,824	2,226,732
(b) Balances with banks -Current Accounts	32,838,546	38,142,579
(c) FDRs less than 12 months maturity period	-	20,997,678
Total	34,896,370	61,366,989.00

Note 15. Short-term loans and advances (unsecured, Considered Good except otherwise stated)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
	Amount in Rs.	Amount in Rs.
(a) Security Deposits		
Unsecured , Considered Good	-	-
	-	-
(b) Loans and advances to employees		
Unsecured, considered good	236,685	-
(c) Income tax advance tax & Refund due	1,600,000	5,064,189
(d) Prepaid expenses - Unsecured, considered good	1,239,521	578,318
(e) Others		
Advance for raw material & stores	31,721,490	40,711,517
(f) Accrued Interest on Bank	-	-
Total	34,797,696	46,354,024

Note 16. Revenue from operations

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
	Amount in Rs.	Amount in Rs.
(a) MANUFACTURED		
Refined Vegetable oil	656,086,518	461,043,808
Soya DOC	1,497,139,063	1,315,720,365
Soya Crude oil	-	-
Acid oil	10,645,865	8,483,844
Fatty Acid	760,455	179,213
Lecithin	22,090,599	31,315,416
Clay (Soya Mitti)	440,720	292,437
Sub Total (a)	2,187,163,219	1,817,035,083
(b) TRADED GOODS		
Soya DOC	-	-
Wheat	276,035,240	111,632,914
Moong	70,818,213	-
Paddy	-	8,749,550
Super Ollin Oil	-	1,640,345
Gram	17,718,355	55,235,020
Maize	16,595,923	7,221,634
Empty gunny bags	6,826,898	4,129,258
Soya Churi sales	-	129,493
Urad Sales	8,353,674	-
Mustard Sales	1,723,592	-
Sub Total (b)	398,071,895	188,738,214
(c) Gain/(Loss) on commodity trading with NCDEX	-	(616,812)
Revenue from operations (a+b+c)	2,585,235,114	2,005,156,485

Note 17: Other Operating Income

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
	Amount in Rs.	Amount in Rs.
Profit on sale of windmill	-	271,585
Wheat Settlement	383,180	3,711,365
Refined Settlement	18904	-
Income from Wind Mill (Energy)	-	70,851
Sale of Scrap	162,175	-
Total	564,259	4,053,801

Note 18. Other income

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
	Amount in Rs.	Amount in Rs.
Interest income from FDR & others	4,621,564	5,637,786
Miscellaneous income	-	191,610
Interest others	813,375	-
Entry Tax Refund AY 2013-14	140,239	-
Diff. in Trial balance	142	215
Total	5,575,320	5,829,611

Note : 19. Cost of Material Consumed including Packing Material Consumed

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
	Amount in Rs.	Amount in Rs.
Cost of Raw Materials Consumed & Process inputs	1,925,872,161	1,758,451,869
Consumption of Packing Material	17,573,122	11,299,096
Entry Tax on Raw Material	5,045,613	6,249,983
Total (a)	1,948,490,897	1,776,000,948
Note : 19 A. : Purchase of Traded Goods		
Super Ollin Oil	-	-
Soya DOC	22,059,921	-
Wheat	241,677,257	129,355,997
Paddy	30,903,042	4,090,658
Gram	18,430,367	26,194,519
Moong	70,583,551	-
Mustard	1,761,562	-
Urad	12,037,261	-
Maize	15,887,603	7,923,619
Tuar	4,329,675	-
Soya Crude Oil	-	15,987,293
Total (b)	417,670,238	183,552,086
Total in (a+b)	2,366,161,135	1,959,553,034

Note 20: Changes in Inventories of Finished Goods and Work in Progress

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
	Amount in Rs.	Amount in Rs.
(a) Accretion /decreation of finished goods		
<u>Closing stock of finished goods</u>		
Soya crude oil	26,943,900	52,477,729
Soya Refined oil	30,440,286	32,972,691
Soya DOC	56,257,050	77,275,176
Soya Gum/sludge	7,500	7,500
Acid oil	375,100	519,750
Fatty acid	204,000	575,296
Lecithin	545,200	3,180,000
Total	114,773,036	167,008,142
<u>Less : Opening stock of finished goods</u>		
Soya crude oil	52,477,729	39,321,260
Soya Refined oil	32,972,691	37,911,853
Soya DOC	77,275,177	43,714,226
Soya Gum/sludge	7,500	22,500
Acid oil	519,750	464,576
Fatty acid	575,296	552,512
Lecithin	3,180,000	3,761,580
Coal Ash	-	235,000
Total	167,008,143	125,983,507
(Increase) / Decrease of stock of finished goods (a)	52,235,107	(41,024,635)
(b) Accretion /decreation of stock of trading goods		
<u>Closing stock of trading goods</u>		
Paddy	33,928,948	3,026,628
Wheat	3,674,682	24,175,396
Gram	12,684,244	3,454,770
Maize	372,846	516,510
Moong	1,140,405	-
Mustard	64,293	-
Urad	4,299,120	-
Tuar	4,080,752	-
Total	60,245,290	31,173,304
<u>Less : Opening stock of trading goods</u>		
Paddy	3,026,628	8,402,767
Wheat	24,175,396	-
Gram	3,454,770	27,082,300
Maize	516,510	-
Moong	-	-
Mustard	-	-
Urad	-	-
Super Palmollin Oil	-	1,810,710
Total	31,173,304	37,295,777
(Increase) / Decrease of stock of trading goods (b)	(29,071,986)	6,122,473
Total (a)+(b)	23,163,121	(34,902,162)

Note 21: Employee Benefits Expenses

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
	Amount in Rs.	Amount in Rs.
Salaries	9,223,050	8,931,379
Staff welfare	188,797	161,700
Workers canteen expenses	109,210	132,929
Labour Welfare fund	7,820	7,585
Contributions to provident fund	310,606	315,879
Bonus	402,740	406,013
Directors Remuneration	2,129,943	1,800,000
House Rent	60,667	87,638
Employees Retirement Benefit (obligation for current year as per actuarial valuation)	844,229	544,376
Total	13,277,062	12,387,499

Note 22 : Finance Costs

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
	Amount in Rs.	Amount in Rs.
Interest Expenses on Bank Loans		
Term Loans	-	1,092,144
Working Capital	30,352,477	27,629,387
Interest other	1,379,617	527,364
Bank Commission	3,894,118	4,667,312
Total	35,626,212	33,916,207

Note : 23 Other expenses of Manufacture, Administration , Selling & Distribution

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
	Amount in Rs.	Amount in Rs.
Consumption of coal	29,402,438	23,617,287
Power charges	22,791,112	19,451,290
Diesel consumption & D.G.Set expenses	838,786	727,570
Repairs and Maintenance-P&M,refinery,ETP	4,721,825	7,540,274
Boiler Maintenance expenses	1,386,173	1,404,581
Lab expenses	210,870	204,167
Repairs and Maintenance-Electricals	330,241	469,318
Transportation	199,391	175,636
Advertisement	27,000	120,948
Office Expenses	202,884	175,408
Insurance Expenses	331,983	255,997
Printing & Stationery	179,322	154,652
Professional & Consultancy Fees	981,738	1,165,577
Sitting Fees to Directors	97,750	65,000
Service Tax	-	13,661
Security Personnel Charges	-	26,975
TDS Expense Previous Year	73,660	-

Audit Fees		
For Statutory Audit	460,000	320,784
For Tax Audit	172,500	172,500
For Certification Work (Quarterly Limited Review)	115,000	115,000
C.E.D Other	135,966	135,966
Excise Duty	1,490,897	428,159
Soya DOC Expenses	75,820,997	25,532,287
Telephone Expenses	129,754	135,597
Travel Expenses	149,742	187,490
Vehicle Maintenance	99,066	92,472
Godown Building/Road Maintenance Expenses	607,539	245,022
Other Miscellaneous Expenses	589,819	629,658
Pollution Fee	94,680	-
Brokerage	2,169,552	1,891,861
VAT/CST	64,209	-
Drum Loading	137,506	174,523
Loss on Sale of Windmill Land	-	295,675
Oil Packing exp.	188,578	171,445
Total	144,200,977	89,950,220

Note : 24 Earnings Per Share

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
	Amount in Rs.	Amount in Rs.
Computation of Profit for Basic and Diluted Earnings per share		
Net Profit as per P&L Account	1,564,041	(53,148,952)
	1,564,041	(53,148,952)
Weighted average number of Equity Share		
For Basic Earnings per share	3,747,000	3,747,000
For Diluted Earnings per share	3,747,000	3,747,000
(EPS is calculated by dividing the profit attributable to the equity share holders by the weighted average number of equity shares outstanding)		
Earnings per Share (Weighted Average)		
Basic Earning Per Share (Rs)	0.42	(14.18)
Diluted Earning Per Share (Rs)	0.42	(14.18)

Note no: 25: Significant Accounting Policies other Notes to Financial Statements for the year 2016-2017
A) SIGNIFICANT ACCOUNTING POLICIES
1. Basis of Preparation of Financial Statements

The financial statements have been prepared in accordance with the generally accepted accounting principles in India. The company has prepared these financial statements to comply with all material aspects with the Accounting Standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of Companies (Accounting) Rules 2014. The financial statements have been prepared on accrual basis under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of the previous year and there are no changes in the accounting policies during the year.

Based on the nature of business and time between acquisition of assets for processing and their realization in cash and cash equivalents, the company has ascertained its operating cycle as months for the purpose of current/non-current classification of assets and liabilities.

2. Valuation of Inventories

(i)	Raw material	At cost or market value whichever is less. Cost is determined on FIFO basis
(ii)	Stores & Spares Consumables, packing material.	At average cost. For this purpose cost of stores, spares, consumables and packing materials purchased in the last month of the accounting year is considered. Cost includes all direct expenses for procuring the material, transportation and storing.
(iii)	Finished Goods	Cost of production or net realizable value whichever is less.
(iv)	Traded goods	At cost or market value which ever is lower. Cost is determined on FIFO basis.

3. Cash Flow Statement

The cash flow statement is prepared under indirect method as per the Institute of Chartered Accountant of India guidelines.

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

4. Recognition of Income and Expenditure

Items of Income and Expenditure are recognized on accrual basis except for the following which are being accounted for on cash basis since it is not possible to ascertain the exact quantum with reasonable accuracy :-

- a. Capital Subsidy
- b. Insurance Claims
- c. Withheld payments on account of rebates, claims, bargain settlement etc.

5. Fixed Assets and Capital Work in Progress

Fixed Assets and Work in Progress are accounted on historical cost basis.

6. Indirect Expenses on Expansion

In respect of independent project, indirect expenses relating to the project are accounted separately and shall be capitalized at the time of commencement of commercial production. In respect of expansion facilities which are carried concurrently with production facilities of existing units, expenses on administration and supervision incurred on expansion (the bifurcation of which between production and construction activities could not be ascertained) are charged to revenue as the total amount of such expenses is not considered material in the context of expansion expenditure.

7. Depreciation

Depreciation on all fixed assets calculated on straight line method at rates arrived at based on useful life estimated by management in case of all assets except for Refinery Machinery. In case of Refinery Machinery the same is calculated on written down value basis. The company has used the following useful life to provide depreciation on its fixed assets. (Useful life in Number of year)

Name of Asset	Useful Life (In Year's)
1. Factory buildings, go down buildings	30
2. Office and Other buildings	60
3. Site Development	10
4. Plant and Machinery (Continuous Process)	8
5. Furniture and Fixture	10
6. Other P&M, Electrical equip, lab and equip	10
7. Office equipments	5
8. Vehicles	8
9. Windmill	22
10. Earth moving equipments	9
11. Computer	3

The useful life of assets is same as per Schedule II of the Companies Act 2013.

Intangible assets: Software is amortized on straight line basis over a period of 3 years.

8. Impairment Loss

Impairment loss is provided to the extent the carrying amount of assets exceeds their recoverable amounts. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. During the year there is no impairment loss of any asset.

9. Borrowing Costs

Borrowing cost directly attributable to the acquisition or construction of fixed assets is capitalized as part of the cost of the asset, up to the date the asset is put to use. Other borrowing costs are charged to the Profit and Loss Account in the year in which they are incurred.

10. Retirement Benefits.

Contribution to Provident Fund is accounted on accrual basis. All Leave encashment dues for the year are settled with in the same year.

Gratuity: Company's liability towards gratuity is considered as a Defined Benefit Plan. The present value of obligation towards gratuity is determined on actuarial valuation as certified by actuarial valuer. Actuarial gains and losses are recognized in full in the period in which they occur in the statement of profit and loss.

Gratuity being administered by a trust is computed as 15 days salary, for every completed year of service or part thereof in excess of 6 months and is payable on retirement / termination/ resignation. The benefit vests on the employee completing 5 years of service. The Gratuity plan for the company is a defined benefit scheme where annual contributions as demanded by the insurer are deposited to a Gratuity Trust Fund established to provide gratuity benefits. The Fund has taken a scheme of insurance, whereby these contributions are transferred to the insurer.

11. Taxes on Income

Tax expenses comprise both current tax and deferred tax at the applicable enacted/ substantively enacted rates. Current tax represents the amount of income tax payable in respect of the taxable income for the reporting period. Deferred tax represents the effects of timing differences between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods. Current taxes are measured at the current rate of tax in accordance with provisions of the Income tax Act, 1961. Deferred Tax assets and Liabilities are measured using the tax rates and tax laws that have been enacted or

substantially enacted by the Balance sheet date.

Provision for current tax is made in the accounts on the basis of estimated tax liability as per applicable provision of the Income Tax Act 1961 and considering assessment orders and decisions of the appellate authorities in Company's cases.

12. NCDEX Transactions

The Company is mainly engaged in buying of Soya bean seeds and manufacturing of Soya bean oils and Soya De – Oiled Cakes and buying and selling of Traded goods like wheat, Tour, Gram etc. The Company deals on National Commodity and Derivatives Exchange Ltd (NCDEX) through brokers. The net gain or loss is accounted for in the books after the transaction is squared up. Gain or loss is recognized in case of completed transaction till the year end. In case of transactions of other goods in NCDEX same method is followed.

13. Contingent Liabilities

A contingent liability is a possible obligation that arise from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable than an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

14. Foreign Exchange Transaction:

There are no foreign exchange transactions during the current financial year or in previous year.

15. Segment Reporting Policies:

Identification of Segments: The Company's operating business are organized and managed separately according to the nature of product with each segment representing a strategic business unit that offer different products and serves different markets.

Assets, liabilities, revenue and expenditure identified to each segment is taken as segment related transaction. Common assets, liabilities and expenses are not allocated to segments.

16. Earning Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period.

For the purpose of calculated 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 dilutive potential equity shares.

17. Additional Information

Consumption

Value of imported and indigenous Raw material, Traded Goods & Process Inputs consumed and percentage there of:

Rs. In Lakhs

S.N.	Particulars	Year 2016-2017		Year 2014-2015	
1	Raw Material, Traded goods & Process				
	Inputs Imported	NIL	NIL	NIL	NIL
	Indigenous	23661.61	100%	19595.52	100%
2	Stores and Spares:				
	(Including consumables I)				
	Imported	NIL	NIL	NIL	NIL
	Indigenous	47.22	100%	75.4	100%
3	CIF Value of Imports	NIL	NIL	NIL	NIL
4	Expenditure in Foreign Currency	NIL	NIL	NIL	NIL
5	Earning in foreign currency (Direct Export)	NIL	NIL	NIL	NIL

B) OTHER NOTES:**CONTINGENT LIABILITIES**

1. (a) (i) Estimated amount of capital commitments on contracts to be executed net of advances is Rs. Nil (Previous year Rs. NIL).
 - (ii) Bank guarantees issued on behalf of the company Rs. 28.38 lacs (Previous year Rs. 22.38 lacs)
 - (iii) Income tax Rs. 15.90 Lacs, (previous year Rs. 15.90), MP VAT 11.02 Lakhs, Previous Year Rs. 11.02 Lakhs)
 - (iv) Corporate guarantee given to RBL Bank against crop loan to Farmers and Aggregators by way of Lien marked FDR of Rs. 200 Lakhs.
- 1.(b) In respect of demand from the Income Tax department, the case is before the Settlement Commission. The company has already remitted tax of Rs. 39.80 lacs under protest and shown under advances. As per the legal opinion obtained by the company, there will not be any demand and the entire amount is likely to be refunded. However tax on income surrendered before the Commission amounts to Rs. 15.90 lacs is shown as contingent liability. The company has filed writ petition in Honorable High court of M.P for granting stay for referring the case back to the Commissioner Income Tax. The Honorable High Court granted the stay in favour of the company. Further details in this case are awaited.
- 1.(c) In respect of demand from the Commercial tax department, the company filed appeal with the Appellate commissioner, Commercial Tax, Bhopal.
- 1.(d) In respect of demand Rs. 6,32,244 from the commercial tax department for the period 01-04-2006 to 31-03-2007, the company filed an appeal with the M.P Commercial Tax Appellate Board, Bhopal. Against the demand the company already deposited Rs. 127000.
- 1.(e) In respect of demand Rs. 4.70 Lakhs from the commercial tax department for the period 01/04/2011 to 31/03/2012, the company filed an appeal with Commissioner Appeals
2. Sundry Debtors and Sundry Creditors, bank balances are subject to confirmation.
3. The figures of previous year have been reclassified and /or regrouped wherever necessary to confirm to current year classification or group.
4. **WIND MILL POWER PROJECT:**
The Wind Mill Generator situated at Navneeta Krishna Puram, Tirunelveli District Tamil Nadu has been sold during the financial year 2015-2016 by the company.

5. Related Party Disclosures (As identified by the Management)**Related party Relationships**

- a) Where control exists:: Kailash Chand Sharma, J.P. Agrawal, Sharad Kumar Jain.
- b) Key Management Personnel:: Shri. Kailash Chand Sharma, Managing Director
- c) Relatives of Key Management Personnel : Mr. Ritesh Sharma related to Managing Director

In respect of above parties, there is no provision for doubtful debts as on 31st March 2017 and no amount has been written off or written back during the year in respect of debts due from/to them.

Transactions with related parties during the year given below:-

- a. J.P. Agarwal Managerial remuneration paid Rs. 6.00 lacs, Previous year Rs. 6.00 Lacs
 - b. K.C. Sharma Managerial remuneration paid Rs. 9.30 lacs, Previous year Rs. 6.00 Lacs
 - c. Ritesh Sharma related to MD remuneration paid Rs. 7.50 lacs, Previous year Rs. 5.95 Lacs
 - d. Sharad Kumar Jain Managerial remuneration paid Rs. 6.00 lacs, Previous year Rs. 6.00 Lacs
7. In accordance with the revised accounting standard –15 are given below which is certified by the actuary and relied upon by the auditors. The following tables summarize the components of net benefit expenses recognized in the profit and loss account and the unfunded liability status and amounts recognized in the balance sheet for the gratuity.

Gratuity Funded

S. No.	Particulars	31-03-17	31-03-16
I	Expenses Recognized in Statement of Profit and Loss		
	Interest cost from 01-04-2016 to 31-03-2017	2,40,430	2,35,587
	Service cost from 01-04-2016 to 31-03-2017	2,73,718	2,47,453
	Actual return on plan assets from 01-04-2016 to 31-03-2017	(2,31,634)	2,20,880
	(Gain)/Loss recognized as 31-03-2017	8,44,229	2,82,217
	Net loss to be shown in P&L a/c as expenses	5,61,715	5,44,376
	As per P&L Account	5,61,715	5,44,376
II	Net assets/liability recognized in Balance Sheet		
	Present value of the obligation at end of the year	42,81,047	35,09,928
	Fair value of the plan assets at 31-03-2017	34,37,690	29,66,627
	Un-funded liability as on 31-03-2017	8,43,357	5,43,301
III	Changes in Benefit Obligation		
	Present value of deemed Benefit obligations at the beginning of the year	30,59,928	30,59,566
	Interest Cost from 01-04-2016 to 31-03-2017	2,40,430	2,35,587
	Service cost from 01-04-2016 to 31-03-2017	2,73,718	2,47,453
	Benefit paid from 01-04-2016 to 31-03-2017	(3,00,522)	(3,11,907)
	Actuarial gain/loss on obligations	5,57,493	2,79,229
	Present value of defined benefit obligations at the end of the year	42,81,047	35,09,928
IV	Change in the fair value of Plan Assets during the year		
	Fair value of the plan at the beginning of the year	29,66,627	27,73,270
	Actual Return on plan assets	2,31,634	2,20,880
	Employer's Contribution	5,44,173	2,87,371
	Actuarial gain/loss	(4,222)	(2,987)
	Benefits Paid	(3,00,522)	(3,11,907)
	Fair value of the plan at the end of the year	34,37,690	29,66,627

V Assumptions		
Retirement Age	58	58
Attrition Rates	5% at younger ages and reducing to 1% at older ages accounting to graduated scale.	5% at younger ages reducing to 1% at to 1% at older ages accounting to graduated scale
Future Salary Rise	6.5%PA	7%PA
Rate of Discounting	6.85%PA	7.7%PA
Expected rate of return on plan assets	7.50%	8%
Mortality Table	(Indian Assured Lives Mortality (2006-08) Ult. (2006-08) Ult.	(Indian Assured Lives Mortality (2006-08) Ult. (2006-08) Ult.

8. Following is the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as provided in the Table below :-

Particulars	SBN's		Other denomination notes		Total	
	Denomination	Amount (In Rs.)	Denomination	Amount (In Rs.)	Denomination	Amount (In Rs.)
Closing Balance as at 8th November 2016		8,000,000		2,376,486		10,376,486
Add: Receipt for permitted transaction			Others (New Currency)	59,324,226	59,324,226	
Total		8,000,000		61,700,712		69,700,712
Less : Paid for permitted Transaction			Others (New Currency)	18,078,014		18,078,014
Less: Deposited in bank accounts		8,000,000		37,822,000		45,822,000
Closing Balance as at 30th December 2016		-		5,800,698		5,800,698

FOR AND BEHALF OF BOARD OF DIRECTORS

As per our report of even date.

For Bhutoria Ganesan & Co.
Chartered Accountants
Firm Registration No. 004465C

Kailash Chand Sharma
(Managing Director)
DIN 00012900

Sharad Kumar Jain
(Whole Time Director)
DIN 02757935

CA R. GOKULAKRISHNAN
Partner
Membership No. 402792
Place: Camp Itarsi
Date: 24-05-2017

Shilpi Kasliwal
Company Secretary

Ritesh Sharma
Chief Financial Officer

Place: Itarsi
Date: 24-05-2017

PROXY FORM

FORM MGT- 11

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2016]

Name : NATRAJ PROTEINS LIMITED

CIN : L00153MP1990PLC006090

Regd office : Nagpur Kalan, Ordinance Factory Road, Itarsi (M.P.) 461111

Name of the member (s) :

Registered address :

E-mail Id :

Folio No/ Client Id/ DP ID :

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name :
Address : E-mail Id :
Sign. : or failing him:
2. Name :
Address : E-mail Id :
Sign. : or failing him:
3. Name :
Address : E-mail Id :
Sign. : or failing him:

as my/our proxy to attend and vote on a poll for me/us and on my/our behalf at the 26th Annual general meeting of the company, to be held on Saturday, the 9th September, 2017 At the Registered Office at Nagpur Kalan, Ordinance Factory Road, Itarsi (M.P.) at 2.00 P.M. and at any adjournment thereof in respect of such resolutions as are indicated below:

S. No.	Type of Resolution	Resolution/ Agenda Items
1.	Ordinary	Consider, approve and adopt Audited Financial Statements, Reports of the Board and Auditor for the year ended 31st March, 2017.
2.	Ordinary	Re-appointment of Shri Kailash Chand Sharma (DIN: 00012900) who is liable to retire by rotation being eligible offer himself for re-appointment.
3.	Ordinary	Appointment of the Statutory Auditors of the Company till the conclusion of the 31st AGM to be held in the year 2022, subject to ratification of their appointment at every AGM.
4.	Ordinary	Ratification for fixing of Remuneration of Cost Auditor for the Financial Year 2017-18.
5.	Ordinary	Re-appointment of Shri Sharad Kumar Jain (DIN: 02757935) as the Whole-time Director for a period of 3 years w.e.f. 1st October, 2017.
6.	Special	Approval of the shareholders under Section 94 of the Companies Act, 2013 to keep the Register of members & the index of members at any place other than the Registered office of the Company.
7.	Ordinary	Approval of the shareholders under Section 20 of the Companies Act, 2013 to charge a sum equivalent to the estimated actual expenses of delivery of the documents through a particular mode if any, request has been made by such member for delivery of such document to him.

Signed this day of2017

Signature of

shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

ATTENDANCE SLIP

26th Annual General Meeting of Natraj Proteins Ltd. held on Saturday, 9th Sept., 2017

at the Registered Office of the Company held at Nagpur Kalan Ordinance Factory Road, Itarsi (M.P.) 461111

R.F. No.

Mr./Mrs./Miss (Shareholders' name in block letters)

I/We certify that I/We am/are registered shareholder / proxy for the registered shareholder of the company.

I/We hereby record my/our presence at the 26th Annual General meeting of the company at the Registered office of the company 9th September, 2017.

(If signed by proxy, his name should be written in block letters)

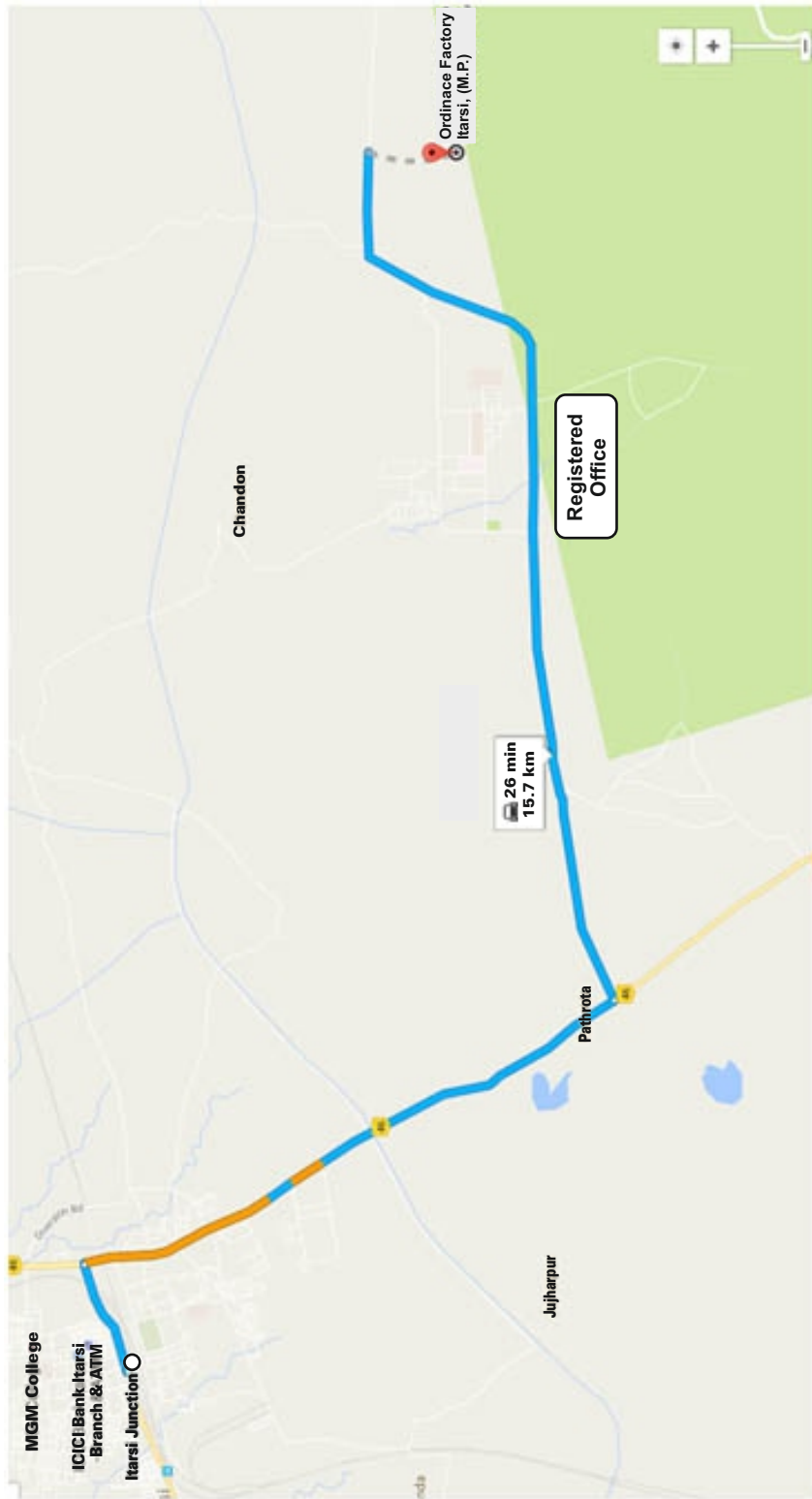
(Shareholders/proxy's Signature)

Note :

1. Shareholders/proxy holders are requested to bring the attendance slips with them when they come to the meeting and hand over them at the entrance after affixing their signatures on them.
2. If it is intended to appoint a proxy, the form of proxy should be completed and deposited at the Registered Office of the Company at least 48 hours before the Meeting.



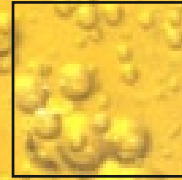
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If undelivered please return to :

Natraj Proteins Limited

CIN : L00153MP1990PLC006090

Nagpur Kalan, Ordinance Factory Road,
Itarsi - 461 111 (M.P.)