
**25th
Annual
Report
2015–16**



SARDA PROTEINS LIMITED

BOARD OF DIRECTORS

| | | |
|---------------------------|---|------------------------|
| Shri Damodar Prasad Sarda | - | Whole-time Director |
| Shri Siddharth Sarda | - | Whole-time Director |
| Shri Kailash Kumar Dhoot | - | Director (Independent) |
| Shri Badri Bishal Sarda | - | Director (Independent) |
| Smt Krishna Devi Sarda | - | Director |
| Shri Sanwar Mal Pareek | - | Director (Independent) |

COMPLIANCE OFFICER

Shri Damodar Prasad Sarda

PRINCIPAL BANKERS

SBBJ, SBI, HDFC

AUDITORS

M/s. Khetawat Agarwal & Company,
Chartered Accountants,
Alwar

REGISTERED OFFICE & WORKS

G 1 - 177 (A), Matsya Industrial Area,
Alwar 301030, Rajasthan India
Tel: 91- 0144-2881392
E-mail : sardaproteins@yahoo.com
Website : www.sardaproteins.com
CIN : L15142RJ1991PLC006353

CORRESPONDENCE OFFICE

G 1 - 177 (A), Matsya Industrial Area,
Alwar 301030, Rajasthan India
Tel: 91- 0144-2881392
e-mail : sardaproteins@yahoo.com

REGISTRAR & TRANSFER AGENT

Link Intime India Pvt. Ltd,
44 Community Center, 2nd Floor,
Naraina Industrial Area, Phase I,
Near PVR, Naraina, New Delhi - 110028
Tel : 011 - 4141 0592/93/94
Email : delhi@linkintime.co.in

CORPORATE ADVISOR

V. M. & Associates,
Company Secretaries,
Jaipur

VENUE

G 1 - 177 (A), Matsya Industrial Area,
Alwar 301 030 (Raj.)
Dated: Tuesday, 20th September 2016
at 3:00 P.M.

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 25th Annual General Meeting of the members of Sarda Proteins Limited will be held on **Tuesday, 20th day of September, 2016 at 03.00 P.M.** at its Registered Office situated at **G 1-177 (A), Matsya Industrial Area, Alwar 301030 (Raj.)** to transact the following businesses:

ORDINARY BUSINESS:

ITEM NO. 1 - ADOPTION OF FINANCIAL STATEMENTS

To consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2016, together with the Reports of the Board of Directors and Auditors thereon.

ITEM NO. 2 - APPOINTMENT OF DIRECTOR

To appoint a Director in place of Mr. Damodar Prasad Sarda (having DIN: 00763377), who retires by rotation and, being eligible, seeks re-appointment.

ITEM NO. 3 - RATIFICATION OF APPOINTMENT OF THE STATUTORY AUDITORS OF THE COMPANY

To ratify the appointment of the **M/s Khetawat Agarwal & Company, Chartered Accountants, Alwar (FRN 003960C)** as statutory auditors of the Company, to fix their remuneration and to consider, and if thought fit, pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 139(2) and 142(1) and other applicable provisions, if any, of the Companies Act, 2013 read with The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and pursuant to the resolution passed by the shareholders in the 23rd AGM held on 30th September, 2014, the appointment of M/s Khetawat Agarwal & Company, Chartered Accountants, Alwar (FRN 003960C) as Statutory Auditors of the Company to hold office till the conclusion of the 28th Annual General Meeting of Company to be held in calendar year 2019 be and is hereby ratified (for the financial year 2016-17) and that the Board of Directors be and are hereby authorized to fix the remuneration payable to them for the financial year 2016-17 as recommended by the Audit committee in consultation with the Auditors."

SPECIAL BUSINESS:

ITEM NO: 4.-TO APPOINT MR. SANWAR MAL PAREEK (HAVING DIN: 07434553) AS AN INDEPENDENT DIRECTOR OF THE COMPANY.

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions (if any) of the Companies Act, 2013 and The Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Sanwar Mal Pareek (having DIN: 07434553) who was appointed by the Board of Directors as an Additional Independent Director of the Company on 28th May, 2016 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of Companies Act, 2013 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an

Independent Director of the Company to hold office for a period up to 27th May, 2021, not liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to settle any question, difficulty or doubt that may arise in giving effect to this resolution and to do all such acts, deeds, things as may be necessary, expedient and desirable in this regard."

**BY ORDER OF THE BOARD OF DIRECTORS
FOR SARDA PROTEINS LIMITED**

**Sd/-
(DAMODAR PRASAD SARDA)
CHAIRMAN
DIN NO: 00763377**

**PLACE: ALWAR
DATE: 10th August, 2016**

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "AGM") MAY APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF SUCH MEMBER. A PROXY NEED NOT BE A MEMBER.

The proxy form in order to be effective should be duly stamped, filled, signed and must be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. The Statement setting out material facts pursuant to section 102(1) of the Companies Act, 2013, which sets out details relating to Special Business at the Meeting, it appended hereto.
3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a duly certified true copy of the Board Resolution or Power of Attorney authorizing their representatives to attend and vote on their behalf at the AGM.
4. In terms of Articles of Association of the Company, read with Section 152 (6) of the Companies Act, 2013, Mr. Damodar Prasad Sarda, Whole Time Director of the Company, retires by rotation at the ensuing Meeting and being eligible, offers himself for reappointment. Brief profile and other required information about the Directors proposed to be appointed/re-appointed, as required under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI (LODR)"] is attached to this Notice.
5. Members and Proxies attending the meeting are requested to bring their copy of Annual Report and the attendance slip duly filled to the Meeting.

6. Members are informed that in case of joint holders attending the Meeting, only such joint holder who is higher in the order of the names will be entitled to vote.
7. Members are requested to send their demat/remat applications, request for share transfers, intimation of change of address and other correspondence to the Company's Registrar and Transfer Agent (RTA):-

Link Intime India Pvt. Ltd., (Registrars & Share Transfer Agents),
 44, Community Centre, 2nd Floor, Naraina Industrial Area,
 Phase-I, Near PVR Naraina, New Delhi - 110 028
 Phone : 011-41410592/93/94 Fax : 01141410591
 E-mail: delhi@linkintime.co.in
 website: www.linkintime.co.in

8. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 12 September, 2016 to Tuesday, 20th September, 2016 (both days inclusive) for the purpose of Annual General Meeting..
9. The annual report and the notice of AGM are available at the website of the Company at www.sardaproteins.com and at the website of Central Depository Services (India) Limited.
10. The Notice of AGM along with the Annual Report 2015-16 is being sent by electronic mode to those members whose email address is registered with the Company / Depositories, unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies are being sent by the permitted mode.
11. Members desirous of getting any information about the accounts and/or operation of the Company are requested to write to the Company at least seven days before the date of meeting to enable us to keep the information ready at the meeting.
12. The Company has engaged the services of Central Depository Services (India) Limited ("CDSL") as Agency to provide remote e-voting facility.
13. Non-Resident Indian Members are requested to inform Registrar and Share Transfer Agent of the Company in any case change in their residential status on return to India for permanent settlement, particulars of their bank account maintained in India with complete name, branch account type, account number and address of the bank with pin code number, if not furnished earlier.
14. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Companies Act, 2013 and 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. All the documents referred in the notice will be available for inspection by the shareholders at the registered office of the Company between 11.00 a.m. to 5.00 p.m. on all the working days hereof up to the date of the meeting.
16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrars and Transfer Agents.

17. Members who hold shares in the physical form in the multiple folios in identical names or joint holdings in the same order of names are requested to send the Share Certificate to Link Intime India Pvt. Ltd., RTA, for consolidation into single folio.
18. In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by Companies (Management and Administration) Amendment, Rules 2015, and the applicable provisions of SEBI (LODR), the Company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by CDSL. The facility for voting, through ballot paper, will also be made available at the Meeting and the members attending the Meeting who have not already cast their votes by remote e-voting shall be able to exercise their right at the Meeting through ballot paper. Members who have cast their votes by remote e-voting prior to the Meeting may attend the Meeting but shall not be entitled to cast their votes again. The instructions for e-voting are annexed to the Notice.

The voting period starts at 9.00 A.M. on Friday, 16th September, 2016 and ends at 05.00 P.M. on Monday, 19th September, 2016. The remote e-voting module will be disabled by CDSL for voting thereafter.

During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Tuesday, 13th September, 2016, may cast their vote electronically.

19. A person who has acquired shares & become a member of the company after the dispatch of notice of AGM & holding shares as of cut-off date, may obtain the login ID & password by sending a request at evoting@cdsl.co.in. However, if the person is already registered with the CDSL for remote e-voting then the existing user ID & password can be used for casting vote.
20. The voting rights of shareholders shall be in proportion to their equity shares held by them in the paid up equity share capital of the Company as on Tuesday, 13th September, 2016, (cut off date).
21. CS Manoj Maheshwari, FCS 3355, Practising Company Secretary has been appointed as the Scrutinizer to scrutinize the remote e-voting and poll process to be carried out at the AGM in a fair and transparent manner.
22. The final results including the poll and remote e-voting results of the AGM of the Company shall be declared on Thursday, 22nd September, 2016. The final results along with the scrutinizer's report shall be placed on the Company's website www.sardaproteins.com immediately after the result is declared by the Chairman & also on the website of CDSL at <https://www.evotingindia.com> / and shall be communicated to the concerned stock exchange.

E-VOTING FACILITY

In case of members receiving e-mail:

- (i) Log on to the remote e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab to cast your votes.
- (iii) Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.

(iv) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.

(v) Now, fill up the following details in the appropriate boxes:

| | For Members holding shares in Demat Form and Physical Form |
|----------|---|
| PAN* | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. |
| DOB# | <p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p> |
| Dividend | <p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field. |

*Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their first name followed by the last eight digits of their folio number / member ID. In case the folio number / member ID is less than 8 digits enter the applicable number of 0's before the number and after the first two characters of the name. Eg. If your name is Ramesh Kumar with folio number / member ID 1 then enter RA000000001 in the PAN field.

Please enter any one of the details in order to login. In case both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

(vi) After entering these details appropriately, click on "SUBMIT" tab.

(vii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(viii) For Members holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN for the relevant < Sarda Proteins Limited > Company on which you choose to vote.

(x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xv) If Demat account holder has forgotten the changed password then enter the User ID and Captcha Code and click on Forgot Password & enter the details as prompted by the system.

(xvi) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy: Please follow all steps from sl. no. (i) to sl. no. (xvi) above to cast vote.

23. In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions ("FAQs") and remote e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 4

The Board of Directors of the Company appointed Mr. Sanwar Mal Pareek (having DIN: 07434553) as an Additional Independent Director of the Company with effect from 28th May 2016, pursuant to Section 161 of the Companies Act, 2013, read with the rules framed there under and the Articles of Association of the Company. As per the provisions of Section 161 (1) of the Act, he holds the office of Additional Independent Director only up to the date of the forthcoming Annual General Meeting of the Company. The Company received notice under section 160 of the Act from a member proposing his candidature for the office of Director of the Company along with requisite deposit.

Mr. Sanwar Mal Pareek is not disqualified from being appointed as Director in the terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director. Section 149 of the Act inter alia stipulates the criteria of independence should a Company propose to appoint an independent director on its Board. As per the said section 149, an independent director can hold office for a term up to 5 consecutive years on the Board of a company and he shall not be included in the total number of directors for retirement by rotation. The Company has received a declaration from Mr. Sanwar Mal Pareek that he meets with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act. Brief resume of Mr. Sanwar Mal

Pareek, and his expertise in specific functional areas and name of listed companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Regulation 36 (3) of SEBI (LODR) are provided in the annexure of the Notice.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr. Sanwar Mal Pareek be appointed as an Independent director of the Company, for a term of 5 years commencing from 28th May, 2016. Copy of the draft letter for appointment of Mr. Sanwar Mal Pareek as an Independent Director setting out the terms and conditions is available for inspection by members at the registered office of the Company and will be displayed on the website of the Company.

Save and Except, Mr. Sanwar Mal Pareek being appointee, none of the Directors/ Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

ANNEXURE TO THE NOTICE OF 25TH AGM:

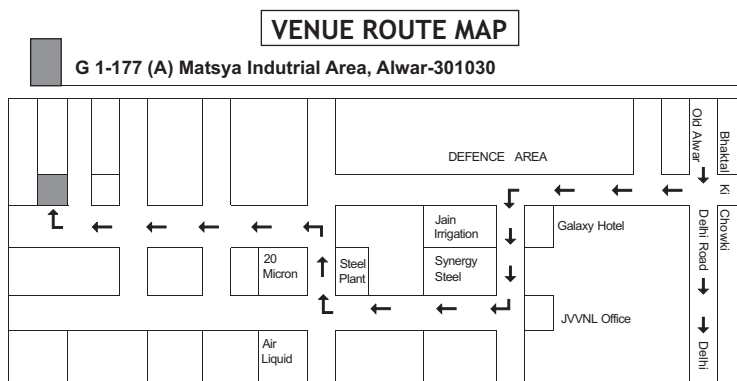
Information pursuant to Regulation 36(3) of SEBI (LODR), in respect of the Directors who are proposed to be appointed/re-appointed at the ensuing Annual General Meeting to be held on Tuesday, 20th September, 2016.

| Name of Director | Mr. Damodar Prasad Sarda | Mr. Sanwar Mal Pareek |
|---|--|--|
| Age | 60 | 59 |
| Designation | Chairman & CFO | Independent and Non-Executive Director |
| Expertise in specific functional area | He possesses appropriate skills, experience and knowledge; inter alia, in the field of operations in the General Business Management | He possesses appropriate skills, experience and knowledge; inter alia, in the field of operations in the Accounts. |
| Qualification | B.Com (Hons.) | B.Com |
| Directorship in other Listed Companies on 31/03/2016 | NIL | NIL |
| Member/Chairman of the Committees of the Board of other Listed Companies as on 31 st March, 2016 | NIL | NIL |
| No. of shares held in the Company as on 31 st March, 2016 | 161000 | 500 |
| Relationship between Directors inter-se | Mr. Siddharth Sarda- Son Mrs. Krishna Devi Sarda-Wife | Independent |

BY ORDER OF THE BOARD OF DIRECTORS
FOR SARDA PROTEINS LIMITED

PLACE: ALWAR
DATE: 10th August, 2016

Sd/-
(DAMODAR PRASAD SARDA)
CHAIRMAN
DIN NO: 00763377



BOARD'S REPORT

Dear Member,
Sarda Proteins Limited

Your directors are pleased to present the 25th Annual Report of your Company together with the audited annual financial statements along with Auditor's Report thereon for the financial year ended March 31, 2016.

COMPANY'S PERFORMANCE

| Particulars | F.Y. 2015-16 | F.Y. 2014-15 |
|---|--------------|--------------|
| SALES | 195.42 | 497.05 |
| Other Income | 10.94 | 6.45 |
| Expenses | 221.37 | 516.28 |
| Profit/(Loss) before Depreciation and Extra Ordinary Income | (15.01) | (12.79) |
| Depreciation | 1.77 | 4.23 |
| Extra Ordinary Income | - | 78.63 |
| Profit/(Loss) before Taxes | (16.78) | 61.62 |
| Provision for Taxes | (1.42) | 2.47 |
| Net Profit/(Loss) | (15.36) | 59.15 |

PERFORMANCE REVIEW

The company is mainly engaged in the business of Agro Products.

During the year under review your Company had a downfall in its performance due to some uncertain market conditions. The net receipts from operations during the year under review were Rs. 206.36 Lakhs as against Rs. 503.49 Lakhs in the previous year. The Loss after tax is Rs. 15.36 Lakhs as against a profit of Rs. 59.15 Lakhs in the previous year.

DIVIDEND

There is not adequate surplus to declare any dividend during the year; therefore your Directors did not recommend payment of any dividend for the Financial Year 2015-16.

CAPITAL STRUCTURE

During the Financial Year 2015-16 there were following change in capital structure of the Company:

The company had an opening paid up capital as on 1-4-2015 Rs. 2,43,48,500.00 (Rs. Two Crores Forty Three Lakhs Forty Eight Thousand Five Hundred Only). The company issued a final notice during the year to holders of 16,96,500 partly paid shares of Rs. 5.00 each, out of which company received calls for 1,39,300 shares only. Therefore as per the provisions of Articles of Association the 15,57,200 partly paid equity shares were forfeited and paid up capital stood at Rs. 1,72,59,000.00 comprising of 17,25,900 Equity Shares of Rs. 10.00 each and a balance of Rs. 77,86,000.00 in Share Forfeiture Account.

TRANSFER TO RESERVES:

During the period under review, no amount is proposed to be transferred to the reserves of the Company.

NUMBER OF MEETINGS OF BOARD OF DIRECTORS

During the year under review, 5 (Five) meetings of Board of Directors of the company were held on 27.05.2015, 04.08.2015, 16.08.2015, 04.11.2015 and 04.02.2016.

All the Board members and the senior management personnel have affirmed compliance with the Code of Conduct during the year ended on 31st March, 2016.

The frequency of board meetings and quorum at such meetings were in accordance with the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the listing agreements entered into by the company with the Stock Exchanges.

The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013 and the Listing Regulations

DECLARATION OF INDEPENDENCE BY DIRECTORS

The Independent Directors of the Company, viz. Mr. Kailash Kumar Dhoot, and Mr. Pawan Kumar Maheshwari and Mr. Badri Bishal Sarda have affirmed that they continue to meet all the requirements specified under sub-section (6) of section 149 of Companies Act, 2013 in respect of their position as an "Independent Director" of the Company.

DIRECTORS AND KEYMANAGERIALPERSONNEL**(A) DIRECTORS**

- Retirement of Director by rotation.**

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 and the Company's Articles of Association, Mr. Damodar Prasad Sarda (DIN:00763377), Director of the Company shall retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, has offered himself for reappointment.

- Cessation of Directors**

During the year, Mr. Madhu Sudan Somani, Director and Mr. Pawan Kumar Maheshwari, Independent Director of the company have resigned on 4.08.2015 and 4.02.2016 respectively from the Directorship of the Company.

(B) KEY MANAGERIAL PERSONNEL:

During the financial year 2015-16, there was no change in the Key Managerial Personnel of the company. However in the financial year 2016-17, due to resignation tendered by Ms. Jyoti Soni, Company Secretary on 20.05.2016, Ms. Priya Gupta was appointed as Company Secretary of the company (KMP) on 28.05.2016 for fulfilling the requirement of section 203 of the Companies Act, 2013 and rules made thereunder and Listing Regulations.

AUDITORS

- Statutory Auditors**

M/s. Khetawat Agarwal & Company, Chartered Accountants (Firm Registration No. 003960C), Alwar were appointed at Annual General Meeting which held on 30.09.2014 for a period of five years as Statutory Auditors to hold office till the conclusion of the 28th Annual General Meeting of Company subject to ratification from the members of the Company every year. Ratification of their appointment for the financial year 2016-17 is sought in the ensuing AGM.

The company has received consent from M/s. Khetawat Agarwal & Company, Chartered Accountants to the effect that their appointment, if made, would be within the prescribed limits under Section 139 of the Companies Act, 2013 and that they are not disqualified for appointment within the meaning of Section 141 of the said Act. Accordingly, the Board of Directors has recommended the ratification of appointment as Statutory Auditors.

The Independent Auditor's Report does not contain any qualification/reservation & adverse remark.

The Financial Statements and the Auditor's Report for the financial year ended 31st March, 2016 are self-explanatory and do not call for any further comments.

- Secretarial Auditor**

As per Section 204 of Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every Listed Company is required to appoint Secretarial Auditor to carry out Secretarial Audit of the Company.

In consonance with the requirements of Section 204 of the Companies Act, 2013 and rules made there under, M/s V. M. & Associates, Company Secretaries in Practice, Jaipur, was appointed to conduct the secretarial audit of the Company for the financial year 2015-16.

A Secretarial Audit Report issued by M/s V. M. & Associates, Company Secretaries in Practice, in respect of the secretarial audit of the Company for the financial year ended 31st March, 2016, is given in Annexure "I" to this Report and it carries the following qualifications:

- Newspaper Advertisement for Board Meetings and Result declarations were not published by the Company for the first three quarters of financial year;
- Intimation and outcome of the Board Meeting held on 27th May, 2015 has not been communicated to the Stock exchange;
- Company has not adhered to the Regulation 31 of Securities and Exchange Board of India (Listing Obligation and Disclosures Requirement) Regulations, 2015 requiring hundred percent Shareholding of promoter(s) and promoter group in dematerialized form.

In respect of above stated qualifications, your Directors would like to clarify that:

- Considering the size and working of the business, and keeping in view the financial position, the Company was unable to publish the advertisements in newspaper; however now the company has started the publication of the notice of Board meeting and Financial results in conformity with the Regulation 47 of Securities and Exchange Board of India (Listing obligations and disclosures requirements) Regulations, 2015.
- The compliance remained pending, as a result of inadvertence the same could not be complied with. However, the company has duly filed the Intimation and Outcome of all the Board Meetings held during this financial year except the Board Meeting held on 27th May, 2015. The Company strives to ensure the due compliances in future.
- Company has applied for Central Depository Services (India) Ltd ("CDSL") connectivity, and received the ISIN connectivity from CDSL on 23rd May 2016. However the shareholding of the promoters is under process of dematerialisation.

The Board has re-appointed M/s V. M. & Associates, Company Secretaries in Practice, Jaipur as Secretarial Auditor of the Company to carry out secretarial audit of the Company for the financial year 2016-17.

➤ Internal Auditor

Pursuant to Section 138 of Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, every Listed Company is required to appoint an Internal Auditor or a firm of Internal Auditors to carry out Internal Audit of the Company.

In consonance with the aforementioned, M/s Amit M Agarwal & Co., Chartered Accountants, Alwar was appointed to conduct the Internal Audit of the Company for the financial year 2015-16.

The Board has re-appointed M/s Amit M Agarwal & Co., Chartered Accountants, Alwar as the Internal Auditor of the Company for the financial year 2016-17.

LOANS, GUARANTEES AND INVESTMENTS IN SECURITIES BY THE COMPANY

During the year, under review, the Company has not granted any loans, guarantees or provided securities in excess of limits prescribed under Section 186 (2) of the Companies Act, 2013 and has not made any investment through more than two layers of Investment Companies. The Loan and advances given and investments made by the company are disclosed in the Financial Statements. (Please refer note 9 and 10 in the financial statement)

RELATED PARTY TRANSACTIONS

There were no contracts or arrangements entered into by the company in accordance with provisions of Section 188 of the Companies Act, 2013.

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

RISK MANAGEMENT

The Company has developed and implemented a risk management policy which encompasses practices relating to identification, assessment monitoring and mitigation of various risks to key business objectives. The Risk management framework of the Company seeks to minimize adverse impact of risks on our key business objectives and enables the Company to leverage market opportunities effectively.

The various key risks to key business objectives are as follows:

The Company has contracts of materials and sometimes hedges the same in the NCDEX and has some risk in their as sometime market goes in different Directions. The Directors keep strict watch on it.

NOMINATION AND REMUNERATION POLICY

This Nomination and Remuneration Policy (the "Policy") applies to the Board of Directors (the "Board"), Key Managerial Personnel (the "KMP") and the Senior Management Personnel of Sarda Proteins Limited (the "Company").

"Key Managerial Personnel" (KMP) means—

- the Chief Executive Officer or the Managing Director or the Manager
- the Company Secretary;
- the Whole-time Director;
- the Chief Financial Officer; and
- such other officer as may be prescribed;

The term "Senior Management Personnel" means to include all members other than the Directors and KMPs of the Company, who are members of management one level below the Executive Directors.

This Policy is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and applicable Listing Regulations and includes formal evaluation framework of the Board. The Nomination and Remuneration Policy is also on the website of the company i.e. www.sardaproteins.com and annexed as Annexure "II" to this Report.

FORMAL ANNUAL EVALUATION OF BOARD/ COMMITTEES/ KMP/ INDIVIDUAL DIRECTORS

The evaluation/assessment of the Directors, KMPs and the senior officials of the Company is to be conducted on an annual basis and to satisfy the requirements of the Companies Act, 2013.

The following criteria assist in determining how effective the performances of the Directors/KMPs/Senior officials have been:

- Leadership & stewardship abilities;
- Contributing to clearly define corporate objectives & plans;
- Communication of expectations & concerns clearly with subordinates;
- obtain adequate, relevant & timely information from external sources;
- review & approval achievement of strategic and operational plans, objectives, budgets;
- regular monitoring of corporate results against projections;
- identify, monitor & mitigate significant corporate risks;
- assess policies, structures & procedures;
- direct, monitor & evaluate KMPs, senior officials;
- review management's succession plan;
- effective meetings;
- assuring appropriate board size, composition, independence, structure;
- clearly defining roles & monitoring activities of committees;
- review of corporation's ethical conduct.

Evaluation on the aforesaid parameters was conducted by the Independent Directors for each of the Executive/Non-Independent Directors/Chairperson in a separate meeting of the Independent Directors.

The Board evaluated/assessed performance of each of the Independent Director along with its own performance and that of the committees on the aforesaid parameters.

ASSOCIATE AND SUBSIDIARY COMPANIES

During the year under review, there were no associate and subsidiary Company.

FIXED DEPOSITS

The Company has not invited, accepted or renewed any fixed deposit from the public within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 during the year under review.

COMPOSITION OF AUDIT COMMITTEE

The Audit Committee comprises of 2 (two) Non-executive & Independent Directors and 1 (one) Chairman Cum Whole Time Director as on March 31, 2016 was chaired by Mr. Kailash Kumar Dhoot.

The details of the composition of the Committee are set out in the following table:

| Name Of Member | Category | Capacity |
|---|--------------------------------------|----------|
| Mr. Kailash Kumar Dhoot DIN: 00168546 | Non-Executive & Independent Director | Chairman |
| Mr. Badri Bishal Sarda DIN: 01264693 | Non-Executive & Independent Director | Member |
| Mr. Damodar Prasad Sarda DIN: 00763377 | Chairman & Whole Time Director | Member |

TERMS OF REFERENCE OF AUDIT COMMITTEE:

The terms of reference of the Audit Committee inter alia include the following:

- the recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- review and monitor the auditor's independence and performance, and effectiveness of audit process;
- examination of the financial statement and the auditor's report
- approval or any subsequent modification of transactions of the Company with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the Company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- monitoring the end use of funds raised through public offers and related matters.

VIGIL MECHANISM

The Board adopted and implemented the vigil mechanism/ whistleblower policy that adopts global best practices. We have established a vigil mechanism for Directors and employees to report concerns and unethical behaviour, actual or suspected fraud or violation of our code of conduct and ethics. It also provides for adequate safeguards against the victimization of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in exceptional cases.

The functioning of the vigil mechanism is reviewed by the Audit Committee from time to time. Further no personnel have been denied access to the audit committee as per the Listing Regulations.

The vigil mechanism policy has been uploaded on the website of the Company i.e. www.sardaproteins.com and also Confirm that no whistle blower event was reported during the year and mechanism is functioning well.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Your Company continuously strives to conserve energy, adopt

environment friendly practices and employ technology for more efficient operations.

The particulars relating to the energy conservation and technology absorption and foreign exchange earnings and outgo, as required under Section 134(3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are given in the Annexure "III" to this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to sub section 3 (c) of Section 134 of the Companies Act, 2013, the Board of Directors of the Company hereby state and confirm that:

- in the preparation of the annual accounts for the year ended March 31, 2016, the applicable accounting standards have been followed and there are no material departures from the same;
- the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the directors have prepared the annual accounts on a going concern basis;
- the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and;
- the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INTERNAL FINANCIAL CONTROL SYSTEMS

The Company has put in place an adequate system of internal control commensurate with its size and nature of business. These systems provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company and ensuring compliance with corporate policies. The Audit Committee reviews adherence to internal control systems and internal audit reports.

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

Your Company has always believed in providing a safe and harassment free workplace for every individual working in its premises through various interventions and practices. The Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2015-16

- Number of complaints received: NIL
- Number of complaints disposed off: NIL

EXTRACT OF THE ANNUAL RETURN

Relevant extract of annual return in form no. MGT-9 as on the financial year ended on March 31, 2016 as required under Section 92(3) of the Companies Act, 2013 read with The Companies (Management and Administration) Rules 2014, is given in Annexure "IV" to this Report.

EMPLOYEE REMUNERATION

- Disclosures pertaining to remuneration and other details as required under section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration

- of Managerial Personnel) Rules, 2014 and Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016, are annexed to this report as Annexure "V".
- (B) Disclosure of the names of top ten employees in terms of remuneration drawn is provided in Annexure "VI" as per the requirement of The Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016.
- (C) Further, None of the employees of the company was in receipt of the remuneration exceeding the limits prescribed u/s 197 (12) read with rule 5, sub-rule 2 of The Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 of the Companies Act, 2013 during the year under review.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Management Discussion & Analysis report pursuant to Listing Regulations forms part of the Annual Report for the Financial Year 2015-16 is as under :-

i) INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian economy is striving on a relatively strong path. However there is a strong competition in edible oil market due to imports and lower taxation to new MSME units.

ii) OUTLOOK ON OPPORTUNITIES

The company is dealing in Edible oils and other agro products viz. Oil seed, cereals etc. The current year seems to be bright in terms of the market capitalization due to better rainfall all over India. The Board of Directors are hopeful to deliver better results in the current financial year.

iii). OUTLOOK ON THREATS, RISKS AND CONCERNS

Government policies, political situation and global speculative trends in the commodities company is dealing pose some risk to the operations of the company.

iv) INTERNAL CONTROL SYSTEM

The Company has established its internal control system commensurate with the requirement of its size. In the company is well staffed with experienced and qualified personnel who will play an important role in implementing and monitoring the internal control environment and compliance with statutory requirements.

v) FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Total revenue for the financial year ended March 31, 2016 stood at Rs. 206.36 Lakhs as against Rs. 503.49 Lakhs for the financial year ended March 31, 2015, further the Loss after tax for the financial year ended March 31, 2016 stood at Rs. 15.36 Lakhs as against a profit of Rs. 59.15 Lakhs for the financial year ended March 31, 2015. The EPS for the financial year ended March 31, 2016 is Rs. (0.89) as compared to Rs. 2.43 for the previous year.

vi) HUMAN RESOURCE MANAGEMENT

Human resources are a valuable asset for any organization. The company is giving emphasis to upgrade the skills of its human resources. This is in keeping with its policy of enhancing the individual's growth potential within the framework of corporate goals. Total number of employees as on 31st March 2016 stood at 6.

CORPORATE GOVERNANCE REPORT

As per the Listing Regulations, compliance with the provisions of regulation 17 through 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and Para C, D and E of Schedule V is not mandatory for the time being, in respect of the following class of companies:

- a. Companies having paid up equity share capital not exceeding Rs.10 Crore and Net Worth not exceeding Rs.25 Crore, as on the last day of the previous financial year;

- b. the listed entity which has listed its specified securities on the SME Exchange;

As such our Company falls in the ambit of aforesaid exemption (a); consequently Corporate Governance Report does not form part of the Annual Report for the Financial Year 2015-16.

LISTING OF SECURITIES

At present the Equity shares of the company are listed and traded with the BSE Limited and the listing fee for the year 2015-16 has been duly paid. Scrip Code: 519242. The company has applied for delisting to Calcutta Stock Exchange Association Limited on 2nd September, 2003 and has not paid any listing fees since then and neither received any communication from the said exchange in this matter. The Company has applied and received connectivity from CDSL for dematerialization of company's share vide ISIN: INE995U01011 on 23rd May, 2016 and those shareholders may dematerialize their shares through the depository participant. The connectivity application with NSDL is under consideration.

CODE OF CONDUCT

The Board has laid down a Code of Conduct for all Board members and senior management personnel of the Company, which is available on website of the company i.e. www.sardaproteins.com

The Company has obtained confirmations for the compliance with the said code from all its Board members and senior management personnel for the year ended March, 31, 2016.

MATERIAL CHANGES DURING THE FINANCIAL YEAR UNDER REVIEW

The information required under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 relating to Material Changes And Commitments: There were no such material changes and commitments occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report which affecting the financial position of the company.

ACKNOWLEDGEMENTS

Your Board acknowledges with appreciation, the invaluable support provided by the Company's stakeholders, auditors, advisors and business partners, all its customers for their patronage. Your Board records with sincere appreciation the valuable contribution made by employees at all levels and looks forward to their continued commitment to achieve further growth and take up more challenges that the Company has set for the future.

**BY ORDER OF THE BOARD OF DIRECTORS
FOR SARDA PROTEINS LIMITED**

**Sd/-
(DAMODAR PRASAD SARDA)
CHAIRMAN
DIN NO: 00763377**

**PLACE: ALWAR
DATE: 10th August, 2016**