



naga Limited

26th

ANNUAL REPORT



Recently in to Frozen Foods

2016 - 2017



NAGA LIMITED

26th

ANNUAL REPORT

2016 - 2017

CORPORATE INFORMATION

NAGA LIMITED



<p>Board of Directors:</p> <p>Sri. K.S.Kamalakannan, Chairman & Managing Director</p> <p>Smt. Mageswari Kannan, Joint Managing Director</p> <p>Sri. Sounder Kannan, Whole-Time Director</p> <p>Sri. L.A.Irudayaraj, Independent Director</p> <p>Dr. K. Venkatachalam, Independent Director</p> <p>Sri. S. Ramesh, Independent Director</p> <p>Statutory Auditors M/s. D. Sampathkumar & Co., Chartered Accountants, Chennai.</p> <p>Chief Financial Officer Sri. T. Nagarajan</p> <p>Company Secretary Sri. V. Marikannan</p> <p>Internal Auditor Sri.R.Balakrishnan, B.Com., F.C.A.,</p> <p>Secretarial Auditors M/s. GSR & Co., Practising Company Secretaries, Chennai.</p>	<p>Registered Office:</p> <p>No.1, Anna Pillai Street, Chennai - 600001. CIN : L24246TN1991PLC020409 Telephone/fax : 044-25363535 Website : www.nagamills.com email : marikannanv@nagamills.com</p> <p>Factories:</p> <ol style="list-style-type: none"> 1) Naga Limited - Foods (Unit - I), No.1, Trichy Road, Dindigul - 624 005 2) Naga Limited - Foods (Unit - II), No.133, Trichy Road, Dindigul - 624 005 3) Naga Limited - Retail, No.4/213, Padiyur, Dindigul - 624 005 4) Naga Limited - Minerals, No.9, Trichy Road, Dindigul - 624 005 5) Naga Limited - Detergents, No.1, Oddanchatram Road, Vedasandur - 624 710 <p>Registrar and Share Transfer Agent: Ms/. Cameo Corporate Services Ltd “Subramanian Building”, No.1, Club House Road, Chennai - 600 002.</p> <p>Bankers: Axis Bank Ltd, Dindigul HDFC Bank Ltd, Dindigul State Bank of India, Dindigul Standard Chartered Bank, Mumbai ICICI Bank Ltd, Dindigul</p>														
<u>Contents</u>															
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Chairman’s Speech</td> <td style="text-align: right;">01</td> </tr> <tr> <td>26th AGM Notice to Shareholders</td> <td style="text-align: right;">06</td> </tr> <tr> <td>Directors' Report & Annexures A - G</td> <td style="text-align: right;">18</td> </tr> <tr> <td>Report on Corporate Governance</td> <td style="text-align: right;">54</td> </tr> <tr> <td>Standalone Financial Statements with Auditors’ Report</td> <td style="text-align: right;">76</td> </tr> <tr> <td>Consolidated Financial Statements with Auditors’ Report</td> <td style="text-align: right;">109</td> </tr> <tr> <td>Proxy Form / Attendance Sheet</td> <td style="text-align: right;">140</td> </tr> </table>		Chairman’s Speech	01	26 th AGM Notice to Shareholders	06	Directors' Report & Annexures A - G	18	Report on Corporate Governance	54	Standalone Financial Statements with Auditors’ Report	76	Consolidated Financial Statements with Auditors’ Report	109	Proxy Form / Attendance Sheet	140
Chairman’s Speech	01														
26 th AGM Notice to Shareholders	06														
Directors' Report & Annexures A - G	18														
Report on Corporate Governance	54														
Standalone Financial Statements with Auditors’ Report	76														
Consolidated Financial Statements with Auditors’ Report	109														
Proxy Form / Attendance Sheet	140														
<p style="text-align: center;">Request</p> <p>In order to save paper, hard copies of Annual Report may not be distributed at the AGM. Desiring Shareholders may carry their copy while they attend meeting.</p>	<p style="text-align: center;">26th Annual General Meeting</p> <p>Date & Time : 19.08.2017, 01.00 P.M. Venue : The Presidency Club, 51, Ethiraj Salai, Egmore, Chennai - 8.</p>														

CHAIRMAN'S SPEECH

DEAR STAKEHOLDERS OF NAGA,

I have great pleasure in welcoming you all to the 26th Annual General Meeting of the Company and to present the Annual report of your company for the financial year 2016-17.

The Audited Balance sheet, Statement of Profit & Loss and Cash Flow Statement, Directors' Report and the Auditors' Report of your Company for the year ended 31st March, 2017 have already been provided to all the Shareholders of the Company. With your permission, I take them as read.

Your Company's turnover has increased from Rs.435.66 Crores in the previous year to Rs.668.52 Crores in the year under review and the net profit has increased correspondingly from Rs.5.12 Crores to Rs.24.39 Crores i.e. by Rs.19.27 Crores.

The total Production of all divisions has increased to 3,83,586 MT as against Previous Year production of 3,72,973 MT.

The greatest Challenge now lies in maintaining and growing from the Current level.

Presenting below, the business performance of each divisions.

FOODS

There is an increase in productivity by 15% during the year when compared to last year. We are expecting to improve production for the current year.

Past years comparative statement for 5 years production are given below:

Year	2016-17	2015-16	2014-15	2013-14	2012-13
Production MT	179416	156199	162161	146769	135220
Growth (%)	15	(4)	10	9	-

Thanks to import of wheat at concessional rate of duty, resulted in enhanced profitability of this division.

Going forward it looks like the wheat grown in India would be sufficient for West, North & East and South has to be serviced by imports predominantly.

DETERGENTS

Detergents business was established in 1990 and is in operation for 27 years. Naga, is the third largest manufacturer of detergents for M/s. Hindustan Unilever Limited.

The production during the year is lower by 5% when compared to the last year.

Past years comparative statements for 5 years production are given below:

Year	2016-17	2015-16	2014-15	2013-14	2012-13
Production MT	106220	112024	111624	128077	116891
Growth (%)	(5)	-	(13)	10	20

The result of GST can be noticed from next financial year.

MINERALS

Minerals division was established 20 years ago.

The production during the year is lower by 6% when compared to last year.

Comparative production details for the last 5 years are given below:

Year	2016-17	2015-16	2014-15	2013-14	2012-13
Production MT	97950	104750	114106	108991	103950
Growth (%)	(6)	(8)	5	5	63

The aberration for the last two years can be overcome with single digit growth from the current year.

WINDMILLS

The Energy Division of your company now has total 12 windmills with an installed capacity of 10525 KW compared to its humble beginning in 2003 with 2 windmills and installed capacity of 1500 KW. Excess consumption is lower at 37 lakhs units as against 103 lakhs units during the last year.

(Units in Lakhs)

Year	2016-17	2015-16	2014-15	2013-14	2012-13
Units Generated	159	96	111	120	163
Units Consumed	196	199	200	174	131
Excess/(Short) Consumption	37	103	89	54	(32)

With improvement in evacuation the generation should increase.

FINANCIAL INFORMATION

The quantum leap in the business development is reflected in the Company's Book Value of the equity shares of Rs 10/- each for the last five years as below, thus maximising the wealth of the Shareholders.

Year	2016-17	2015-16	2014-15	2013-14	2012-13
Per Share Value	66.50	50.35	47.72	43.41	37.00

DIVIDEND POLICY

Taking into consideration the overall profitability position, the Board of Directors have recommended the dividend of Rs.0.80 per equity share of Rs.10/- each, for the year ended 31st March, 2017 (Previous year Rs.0.80 per equity share) and the same will absorb Rs.113.98 Lakhs excluding Dividend Distribution Tax (Previous year Rs.113.98 Lakhs).

GRATITUDE

We are thankful to all the Stakeholders, Directors, Employees, Banks and Financial Institutions, Auditors, Consultants, Service Providers and Government Departments for continued support and encouragement.

IN GOD WE TRUST

REST DATA ON TABLE

K.S. Kamalakannan
Chairman & Managing Director

LAST 10 YEARS

	PARTICULARS	CAGR	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013
PROFIT & LOSS	Operating Income/Turnover		665.92	432.74	463.53	423.30	366.69
	Other Income		2.59	2.91	2.22	1.37	3.58
	Total Income	12 %	668.51	435.65	465.75	424.67	370.27
	Operating Expenses	11 %	584.13	389.69	418.02	371.81	322.97
	EBDITA	19%	84.38	45.96	47.73	52.86	47.30
	Depreciation		21.41	18.88	17.46	16.44	13.78
	Interest	11%	22.98	18.23	19.95	22.74	15.34
	Profit Before Tax (PBT)		39.98	8.86	10.32	13.68	18.17
	Profit After Tax (PAT)		24.38	5.12	7.62	10.13	14.04
	Cash Profit (Post Tax)	23%	45.80	23.99	25.09	26.58	27.82
BALANCE SHEET	Equity Dividend (%)		8%	8%	8%	6%	6%
	Dividend Payout		1.1	1.1	1.1	0.9	0.9
	Dividend Payout Ratio (%)		5%	22%	15%	8%	6%
	No. of Equity Shares		14248	14248	14248	14248	14248
	Face Value of Equity Shares(Rs)		10	10	10	10	10
	Equity Share Capital		14	14	14	14	14
	Reserves and Surplus		81	57	54	48	38
	Shareholders Funds / Networth	20%	95	72	68	62	53
	Long Term Debt	12 %	78	80	81	87	86
	Gross Fixed Assets	18%	309	262	249	229	211
Net Fixed Assets	18%	166	140	146	143	141	
RATIOS	Earnings Per Shares (Rs)	23%	17.11	3.59	5.35	7.11	9.85
	Cash Earnings Per Shares (Rs)	21%	32.14	16.84	17.61	18.65	19.52
	Book Value Per Share (Rs)	18%	66.50	50.35	47.72	43.41	37.00
	Debt (Long Term) Equity Ratio		0.82	1.11	1.18	1.40	1.64
	Interest Coverage Ratio		3.67	2.52	2.39	2.32	3.08
	TOL/TNW		3.65	2.45	2.53	3.12	3.55
	EBDITA/Turnover (%)		12.67%	10.62%	10.30%	12.49%	12.90%
	Net Profit Margin (%)		3.66%	1.18%	1.64%	2.39%	3.83%
	RONW (%)	4%	25.74%	7.13%	11.21%	16.38%	26.63%

FINANCIAL HIGHLIGHTS

(Rs.in Cr.)

2011-2012	2010-2011	2009-2010	2008-2009	2007-2008	PARTICULARS	
297.81	267.83	205.79	184.58	216.84	Operating Income/Turnover	PROFIT & LOSS
4.37	3.96	2.59	2.02	1.66	Other Income	
302.18	271.79	208.38	186.60	218.49	Total Income	
269.93	246.00	185.49	169.93	204.02	Operating Expenses	
32.25	25.79	22.89	16.67	14.47	EBDITA	
9.26	6.31	4.46	3.30	3.16	Depreciation	
14.44	9.76	9.01	10.35	7.86	Interest	
8.55	9.72	9.42	3.02	3.46	Profit Before Tax (PBT)	
6.05	7.32	7.16	2.10	2.56	Profit After Tax (PAT)	
15.31	13.63	11.62	5.40	5.72	Cash Profit (Post Tax)	
6%	6%	6%	5%	5%	Equity Dividend (%)	BALANCE SHEET
0.9	0.8	0.8	0.7	0.6	Dividend Payout	
14%	11%	11%	31%	24%	Dividend Payout Ratio (%)	
14248	13201	13201	13201	12051	No.of Equity Shares	
10	10	10	10	10	Face Value of Equity Shares(Rs)	
14	13	13	13	12	Equity Share Capital	
24	17	11	5	3	Reserves and Surplus	
38	30	24	18	15	Shareholders Funds / Networth	
61	57	42	29	26	Long Term Debt	
149	123	103	72	60	Gross Fixed Assets	
96	80	65	39	31	Net Fixed Assets	
4.25	5.54	5.43	1.59	2.12	Earnings Per Shares (Rs)	RATIOS
10.74	10.33	8.80	4.08	4.74	Cash Earnings Per Shares (Rs)	
26.62	23.08	18.26	13.53	12.38	Book Value Per Share (Rs)	
1.61	1.88	1.74	1.65	1.72	Debt (Long Term) Equity Ratio	
2.23	2.64	2.54	1.61	1.84	Interest Coverage Ratio	
3.22	3.73	2.70	4.12	5.60	TOL/TNW	
10.83%	9.63%	11.12%	9.03%	6.67%	EBDITA/Turnover (%)	
2.03%	2.73%	3.48%	1.14%	1.18%	Net Profit Margin (%)	
15.95%	24.02%	29.72%	11.75%	17.13%	RONW (%)	

NAGA LIMITED



Registered Office: No.1, Anna Pillai Street, Chennai - 600 001. Ph /Fax : 044-25363535 website: www.nagamils.com,
Corporate Identity Number (CIN):L24246TN1991PLC020409 Investors Relations email Id: marikannanv@nagamills.com.

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of the Members of NAGA LIMITED will be held at the Presidency Club, No.51, Ethiraj Salai, Egmore, Chennai - 600 008 on Saturday, the 19th day of August, 2017 at 01.00 P.M to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt:

- a) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2017, together with the Reports of the Board of Directors' and the Auditors thereon; and
- b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2017, together with the Report of Auditors thereon.

2. To declare a dividend on equity shares for the financial year ended 31st March 2017.

3. To appoint a Director in place of Smt. Mageswari Kannan (DIN 02107556), who retires by rotation and being eligible, offers herself for re-appointment.

“RESOLVED THAT Smt. Mageswari Kannan (DIN 02107556), who retires by rotation in terms of Section 152 of Companies Act, 2013 and being eligible be and is hereby re-appointed as Director of the Company whose office shall be liable to retirement by rotation.”

4. To appoint Auditors and fix their remuneration 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 the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014, (the Rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s. D.Sampathkumar & Co., Chartered Accountants, Chennai having ICAI Firm Registration No.003556S, who have offered themselves for re-appointment and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Act, and Rule 4 of the Rules, be and are hereby re-appointed as Statutory Auditors of the Company for second consecutive term to hold office from the conclusion of 26th Annual General Meeting until the conclusion of the 29th Annual General Meeting of the Company subject to ratification by the Shareholders at every Annual General Meeting on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to service tax and reimbursement of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company.”

SPECIAL BUSINESS:

5. Reappointment of Sri. K.S. Kamalakannan (DIN 01601589), Chairman and Managing Director of the Company, and in this regard, to consider and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution.

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any of the Companies Act, 2013 (“the act”) read with Schedule V Part II Section II thereto and subject to such approvals, if any, as may be necessary, consent of the Company be and is hereby accorded to the reappointment of Sri. K.S. Kamalakannan (DIN 01601589) as the Chairman and Managing Director of the Company for a period of three (3) years with w.e.f. 01.08.2017, not liable to retire by rotation, on the terms and conditions as set out in the explanatory statement attached to this notice and hereby approved, with liberty to the Board of the Directors to revise the terms as to remuneration, from time to time within the limits provided for in the said Schedule V Part II Section II or any amendment thereof for the time being in force.”

6. Reappointment of Smt. Mageswari Kannan (DIN 02107556), Joint Managing Director of the Company, and in this regard, to consider and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution.

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any of the Companies Act, 2013 (“the Act”) read with Schedule V Part II Section II thereto and subject to such approvals, if any, as may be necessary, consent of the Company be and is hereby accorded to the reappointment of Smt. Mageswari Kannan (DIN 02107556) as the Joint Managing Director of the Company for a period of three (3) years with w.e.f. 01.08.2017, liable to retire by rotation, on the terms and conditions as set out in the explanatory statement attached to this notice and hereby approved, with liberty to the Board of the Directors to revise the terms as to remuneration, from time to time within the limits provided for in the said Schedule V Part II Section II or any amendment thereof for the time being in force.”

7. Reappointment of Sri. Sounder Kannan (DIN 01603823), Whole-Time Director of the Company, and in this regard, to consider and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution.

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any of the Companies Act, 2013 (“the Act”) read with Schedule V Part II Section II thereto and subject to such approvals, if any, as may be necessary, consent of the Company be and is hereby accorded to the reappointment of Sri. Sounder Kannan (DIN 01603823) as the Whole-Time Director of the Company for a period of three (3) years with w.e.f. 27.03.2017, liable to retire by rotation, on the terms and conditions as set out in the explanatory statement attached to this notice and hereby approved, with liberty to the Board of the Directors to revise the terms as to remuneration, from time to time within the limits provided for in the said Schedule V Part II Section II or any amendment thereof for the time being in force.”

8. To approve the revision of remuneration of Sri. Sounder Kannan (DIN 01603823), Whole-Time Director, and in this regard, to consider and if thought fit, to pass with or without modification(s), the following Resolutions as a Special Resolution.

“RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board and pursuant to the provisions of the Companies Act, 2013, (including any statutory modification or re-enactment, thereof) approval of the Company be and is hereby accorded for revision in the remuneration of Sri. Sounder Kannan (DIN 01603823), Whole-Time Director from Rs. 3.50 Lakhs to Rs. 4 Lakhs per month for the remaining period of tenure of office, with effect from 01.08.2017, as set out in the explanatory statement annexed to the notice convening this meeting.”

“RESOLVED FURTHER THAT all other terms and conditions of appointment of Sri. Sounder Kannan (DIN 01603823), Whole-Time Director, as approved earlier by the Members, shall remain unchanged.”

“RESOLVED FURTHER THAT any one of the Executive Directors or Company Secretary of the Company be and is hereby authorised to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution.”

Place : Chennai
Date : 08th May, 2017

BY ORDER OF THE BOARD
For NAGA LIMITED

V. Marikannan
Company Secretary

Note:

1. The Dividend of Rs. 0.80 paise per share has been recommended by the Board of Directors for the year ended March 31, 2017, subject to approval of shareholders. Dividend, if approved at the Annual General Meeting (AGM), shall be paid.

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.

3. A person can act as Proxy on behalf of Members not exceeding fifty (50) and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Further, 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. The instrument appointing the proxy must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

4. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to Item Nos. 5 to 8 of the Notice is annexed hereto and forms part of this Notice.

5. The Register of Members and the Share Transfer Books of the Company shall remain closed from 13th August, 2017 to 19th August, 2017 (both days inclusive).

6. Pursuant to Section 124(5) of the Companies Act, 2013, unclaimed dividends for the year ended 31st March 2009 have been transferred to the Investor Education and Protection Fund (IEPF). In terms of the Companies Act, any dividend remaining unclaimed for a period of seven years from the due date of transfer to the Unpaid Dividend account is required to be transferred to the IEPF. Members who have not encashed their dividend warrants towards the Final Dividend for the year ended 31st March 2010 or thereafter are requested to write to the Company Secretary. Members are requested to note that the Final Dividend for the year ended 31st March 2010 declared at the Annual General Meeting held in 30th July, 2010 is due to be transferred to the IEPF in 4th September, 2017. For the financial year ended March 31, 2016, the information on unclaimed dividend as on the date of the last AGM, i.e., September 12, 2016 was filed with the MCA and hosted on the website of the Company.

As per Section 124(6) of the Act read with the IEPF Rules as amended, all the shares in respect of which dividend has remained unpaid/unclaimed for seven consecutive years or more are required to be transferred to an IEPF Demat Account notified by the Authority. The Company has sent individual notices to all the shareholders whose dividends are lying unpaid/unclaimed against their name for seven consecutive years or more and also advertised on the Newspapers seeking action from the shareholders. Shareholders are requested to claim the same as per procedure laid down in the Rules. In case the dividends are not claimed by the due date(s), necessary steps will be initiated by the Company to transfer shares held by the members to IEPF without further notice. Please note that no claim shall lie against the Company in respect of the shares so transferred to IEPF. In the event of transfer of shares and the unclaimed dividends to IEPF, shareholders are entitled to claim the same from IEPF by submitting an online application in the prescribed Form IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in the Form IEPF-5. Shareholders can file only one consolidated claim in a financial year as per the IEPF Rules.

7. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under Note No.22. The Company will also send

communication relating to e-voting which inter alia would contain details about User ID and password along with a copy of this Notice to the Members, separately. Once the vote on the resolutions are cast by the Members, he/she shall not be allowed to change it subsequently. The Members who have cast their vote by e-voting prior to the meeting may also attend the meeting but shall not be entitled to vote again at the meeting.

8. Corporate Members intending to send their authorized representatives to attend the meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the relevant Board resolution together with the specimen signatures of their authorized representatives to attend and vote on their behalf at the meeting.

9. Members holding shares in physical form are requested to notify change of address and change in bank mandate if any, to M/s. Cameo Corporate Services Limited, "Subramanian Building" No.1, Club House Road, Chennai - 600 002, the Registrar and Share Transfer Agent and those who hold shares in dematerialized form are requested to notify their Depository Participants (DP) any change in address and/or bank mandate.

10. Members who are holding shares more than one folio under physical form may approach the Company's Share Transfer Agent for consolidation with respective details.

11. 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 requested to submit the PAN to their Depository Participants with whom they are maintaining their demat account(s). Members holding shares in physical form can submit their PAN details to the Registrar and Share Transfer Agent.

12. Members are requested to bring their Client ID and DP ID or Folio Numbers, as may be applicable, for easy identification of attendance at the meeting.

13. Electronic copy of the Annual Report for the financial period ended 31st March, 2017 is being sent to all the Members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their e-mail address, physical copy of the Annual Report is being sent in the permitted mode.

14. Electronic copy of the Notice of the 26th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the Members whose e-mail IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For Members who have not registered their e-mail address, physical copy of the Notice of the 26th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

15. Members may also note that the Notice of the 26th Annual General Meeting and the Annual Report for the financial period ended on 31st March, 2017 will also be available on the Company's website www.nagamills.com/Investor for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, Members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. The investors may contact the Company Secretary for redressal of their grievances/queries. For this purpose, they may either write to him at the Registered office address or e-mail their grievances/queries to the Company Secretary at the following e-mail address: marikannanv@nagamills.com.

16. Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting.

17. Members seeking any information or clarifications on the Annual Report are requested to send the written queries to the Company at least two weeks before the meeting to enable the Company to compile the information and provide replies at the meeting.

18. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 A.M to 5.00 P.M) on all working days, up to and including the date of the Annual General Meeting of the Company.

19. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

20. Subject to receipt of requisite number of votes, the Resolution shall be deemed to be passed on the date of the Meeting. i.e. Saturday, August 19, 2017.

21. A Route map showing directions to reach the venue of the 26th Annual General Meeting is given on end of this 26th AGM Notice as per the requirement of the Secretarial Standards - 2 on "General Meeting".

22. Informations and other information relating to e-voting.

- In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide Members facility to exercise their right to vote at the 26th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).
- The Company has appointed Mr. G. Sreenivasa Rao (Membership no. 5691), Practicing Company Secretary, representing M/s.G.S.R. & Co., Company Secretaries to act as the Scrutinizer for conducting the electronic voting process in a fair and transparent manner. The procedure and instructions for the voting through electronic means is, as follows:
 - The voting period begins on 16th August, 2017 (10.00 A.M.) and ends on 18th August, 2017 (5.00 P.M.). During this period Shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 12th August, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - The Shareholders should log on to the e-voting website www.evotingindia.com.
 - Click on Shareholders.
 - 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.
 - Next enter the Image Verification as displayed and Click on Login.
 - 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:

	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> <p>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.</p> <p>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.</p> <p>Sequence number has been provided as Sl. No. in the address label.</p>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</p> <p>If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</p>

- After entering these details appropriately, click on “SUBMIT” tab.
- Members holding shares in physical form will then directly reach 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.
- For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- Click on the EVSN for the relevant Naga Limited on which you choose to vote.
- 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.
- Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- 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.
- Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

- If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Shareholders can also cast their vote using CDSL's mobile app m-voting available for android based mobiles. The m-voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- Note for Non - Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- Pursuant to Section 107 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, there will not be voting by show of hands on any of the agenda items at the Meeting and the Company will conduct voting at the Meeting.
- The Scrutinizer shall submit his report, to the Chairman, on the votes cast in favour or against, if any, within a period of three working days from the date of conclusion of the e- voting period.
- The results declared along with the Consolidated Scrutinizer's report shall be placed on the website of the Company www.nagamills.com. The results shall simultaneously be communicated to the Stock Exchange.

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013.

Item No.5,6 & 7

The Board of Directors of Company at its meeting held on 8th May 2017 has appointed Sri. K.S. Kamalakannan (DIN 01601589) as the Chairman and Managing Director and Smt. Mageswari Kannan (DIN 02107556) as the Joint Managing Director of the Company as recommended by the Nomination and Remuneration Committee subject to the approval of Shareholders for a period of 3 years w.e.f. 01.08.2017 at the remuneration, in accordance with norms laid down in Schedule V Part II Section II and other applicable provisions of the Companies Act, 2013.

The Board of Directors of Company at its meeting held on 6th February 2017 has appointed Sri. Sounder Kannan (DIN 01603823) as the Whole -Time Director of the Company as recommended by Nomination and Remuneration Committee subject to the approval of Shareholders for a period of 3 years w.e.f. 27.03.2017 at the remuneration, in accordance with norms laid down in Schedule V Part II Section II and other applicable provisions of the Companies Act, 2013 given below.

Name	Sri. K.S. Kamalakannan Chairman and Managing Director (DIN 01601589)	Smt. Mageswari Kannan Joint Managing Director (DIN 02107556)	Sri. Sounderkannan Whole-Time Director (DIN 01603823)
Salary	Rs. 6 Lakhs per month (Rupees Six Lakhs)	Rs. 4 Lakhs per month (Rupees Four Lakhs)	Rs. 3.5 Lakhs per month (Rupees Three Lakhs and Fifty Thousand)
Commission	At the rate of 2% on the Net Profits of the Company computed in the manner laid down in the Companies Act.	At the rate of 1% on the Net Profits of the Company computed in the manner laid down in the Companies Act for the each of the above person.	
Perquisites	a) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.	a) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961 (Not applicable to JMD) and b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.	

Other Payments (each of the above persons):

(a) Medical benefit for Reimbursement of Medical expenses actually incurred for self and family	Subject to ceiling of one month salary in a year of service.
(b) Leave and Leave Travel Concession	Leave as per Rules of the Company including encashment of leave. Travel concession for self and family once in a year incurred in accordance with the rules of the Company.
(c) Club Fees	Club Fees subject to a maximum of two clubs. This will not include Admission Fees and Life Membership Fees.
(d) Car	To provide a car for use in Company's business. The same shall not be considered as a perquisite.
(e) Telephone and Mobile Phone	To provide a Telephone at residence for Company's use. The same shall not be considered as a perquisite. To provide Mobile phones exclusively for the purpose of business.
(f) Entertainment Expenses	Entitled for reimbursement of Entertainment expenses properly incurred for the business of the Company.

The remuneration and perquisites shall be subject to the overall ceiling under section 196 and 197 of the Act.

In the event of absence or inadequacy of profit in any financial year during the tenure of the above Directors, salary and perquisites would be paid as above and prorata eligible commission if any, subject to the doubled ceiling limit specified under Paragraph of Section II of Part II of Schedule V of the Companies Act, 2013 as modified from time to time.

The Board recommends these resolutions set out in Item No. 5,6 & 7 for approval of the Members.

Sri. K.S. Kamalakannan, Smt. Mageswari Kannan and Sri. Sounder Kannan are interested in the said resolutions. None of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested.

Item No.8

During the current financial year, there is a significant improvement in production. This improvement is due to the hard work and extra efforts put by the managerial personel in his individual capacity. It is proposed to revise the Salary Scale of Sri. Sounder Kannan, WTD, from present remuneration of Rs.3.5 Lakhs p.m. to a revised remuneration of Rs.4 Lakhs p.m. w.e.f. 01.08.2017 However, all other terms and conditions of the limits as provided under section 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V Part II Section II Subject to such approvals as may be necessary, will remain unchanged.

The details of revised remuneration are as follows:

Name	Sri. Sounder Kannan, Whole-Time Director
Salary	Rs. 4 Lakhs per month (Rupees Four Lakhs only)
Commission	At the rate of 1% on the Net Profits of the Company computed in the manner laid down in the Companies.
Perquisites	a) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961 and b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

Other payments:

(a) Medical benefit for Reimbursement of Medical expenses actually incurred for self and family	Subject to ceiling of one month salary in a year of service.
(b) Leave and Leave Travel Concession	Leave as per Rules of the Company including encashment of leave. Travel concession for self and family once in a year incurred in accordance with the rules of the Company.

(c) Club Fees	Club Fees subject to a maximum of two clubs. This will not include Admission Fees and Life Membership Fees.
(d) Car	To provide a car for use in Company's business. The same shall not be considered as a perquisite.
(e) Telephone and Mobile Phone	To provide a Telephone at residence for Company's use. The same shall not be considered as a perquisite. To provide Mobile phones exclusively for the purpose of business.
(f) Entertainment Expenses	Entitled for reimbursement of Entertainment expenses properly incurred for the business of the Company.

The remuneration and perquisites shall be subject to the overall ceiling under section 196 and 197 of the Act.

In the event of absence or inadequacy of profit in any financial year during the tenure of the above Director, salary and perquisites would be paid as above and prorata eligible commission if any, subject to the doubled ceiling limit specified under Paragraph of Section II of Part II of Schedule V of the Companies Act, 2013 as modified from time to time.

Sri. K.S. Kamalakannan, Smt. Mageswari Kannan and Sri. Sounder Kannan are interested in the said resolutions. None of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested.

ANNEXURE

A) GENERAL INFORMATION

- 1) Nature of Industry : Manufacturing of Wheat products, Detergents, Minerals and Generation of Wind Power.
- 2) Date of Incorporation/ Commencement of Commercial Production : 01.03.1991
- 3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions approving in the prospectus : N.A
- 4) Financial performance based on given indicators : Gross Profit : 3998.41 Lakhs
Net Profit : 2438.41 Lakhs
Current Ratio : 1 : 1.04
- 5) Export performance and Net foreign exchange collaborations : Nil
- 6) Foreign Investments or collaborations, if any : Nil

B) Information required to be furnished under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 on General Meetings. As required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2, the particulars of Directors who are proposed to be re-appointed at this meeting are given below:

1	Name of Director	Sri. K.S.KAMALAKANNAN	Smt. MAGESWARI KANNAN	Sri. SOUNDER KANNAN
2	Director Identification Number (DIN)	DIN 01601589	DIN 02107556	DIN 01603823
3	Date of Birth	10th November, 1956	27th January, 1959	11th April, 1981
4	Nationality	Indian	Indian	Indian
5	Date of Reappointment	1st August, 2014	1st August, 2014	27th March, 2014
6	Relationship with other Directors	Husband of Smt. Mageswari Kannan and father of Sri. Sounder Kannan	Wife of Sri. K.S. Kamalakannan and Mother of Sri. Sounder Kannan	Son of Sri. K.S. Kamalakannan and Smt. Mageswari Kannan
7	Qualification	F.M. Tech	B.Sc.,	B.E., (Mechanical)
8	Expertise in specific functional areas	Experience in Flour Milling, Minerals, Detergents & Power Industries for the past 43 years.	Experience in Flour Milling, Minerals, Detergents & Power Industries for the past 37 years.	Experience in Flour Milling, Minerals, Detergents & Power Industries for the past 13 Years.
9	Number of shares held in the Company	60,70,570	18,55,220	8,17,855
10	List of Directorship held in other public Companies	1. Naga Mills Ltd	1. Naga Marine Industries Ltd. 2. Naga Mills Ltd.	1. Naga Mills Ltd.
11	Membership / Chairmanship of Committees of the public companies (includes only Audit, Nomination and Remuneration, Stakeholders Relationship and CSR Committees)	Nil	i. Audit Committee ii. Stakeholders Relationship Committee iii. CSR Committee	i. Stakeholders Relationship Committee ii. CSR Committee
12	No. of Board meetings attended during the financial year 2016-17	Held - 5 Attended - 5	Held - 5 Attended - 5	Held - 5 Attended - 5

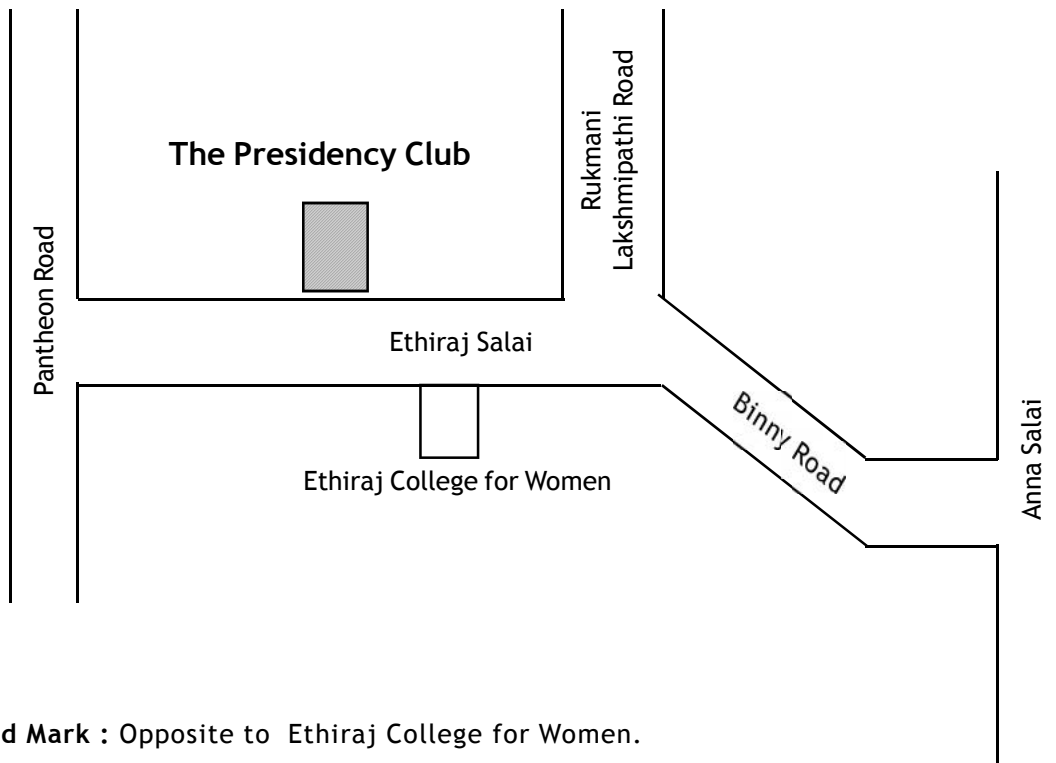
Place : Chennai
 Date : 08th May, 2017

BY ORDER OF THE BOARD
 For NAGA LIMITED

V. Marikannan
 Company Secretary

Route Map to the AGM Venue

Venue: The Presidency Club, 51, Ethiraj Salai, Egmore, Chennai - 600 008.



26TH DIRECTORS' REPORT

TO THE MEMBERS OF NAGA LIMITED

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

FINANCIAL RESULTS

The audited financial results of your Company on consolidated basis for the year under review along with the figures for the previous year are as follows:

(Rupees in Lakhs)

Particulars	Current year 31.03.2017	Previous year 31.03.2016
Sales	66592.07	43274.03
Other Income	259.99	291.84
Total Income	66852.06	43565.87
Total Expenditure	58412.69	38969.09
Financial Cost	2298.46	1822.59
Profit before Depreciation and Tax	6140.91	2774.19
Depreciation & Amortisation	2141.42	1887.84
Taxation	1560.00	374.35
Net Profit	2439.49	512.00
Balance brought forward	5375.90	5022.10
Amount available for appropriation	7815.39	5534.10
Appropriations:		
a) Proposed Dividend	113.98	113.98
b) Tax on Dividend	23.22	23.22
c) Transfer to General Reserve	21.00	21.00
d) Balance carried to Balance Sheet	7657.19	5375.90
Earning Per Share (in Rs.)	17.12	3.59

DIVIDEND

Your Directors are pleased to recommend a dividend of Rs.0.80 per equity share of Rs. 10/- each, for the year ended 31st March, 2017.

The Dividend, subject to approval of Members, will be paid within statutory period, to the Members whose names appear in the Register of Members, as per book closure. The dividend for the financial year, amounts to Rs.0.80 per equity share (8% on paid-up equity share capital) (previous year Rs.0.80 [8%-Interim Dividend 6% & Final Dividend 2%] per equity share) and the same will absorb Rs.113.98 Lakhs (previous year Rs.113.98 Lakhs).

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions Section 124(5) of the Companies Act, 2013, dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to unpaid dividend account is required to be transferred by the Company to Investor Education and Protection Fund (IEPF), established by the Central Government under the provisions of Section 125 of the Companies Act, 2013. The details of any unpaid dividend amounts as per Section 125(2) of the

Companies Act, 2013 have to be identified and uploaded on the website of the Company. Accordingly, unclaimed dividends up to the financial year 2008-09 have been transferred to IEPF by the Company.

Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 notified by the Ministry of Corporate Affairs on September 7, 2016 and subsequently amended vide notification dated February 28, 2017, all the Equity Shares of the Company in respect of which dividend amounts have not been paid or claimed by the Shareholders for seven consecutive years or more are required to be transferred to demat account of Investor Education and Protection Fund Authority (IEPF Account).

Accordingly, 25,575 equity shares of your Company belonging to 180 Shareholders would be due for transfer to IEPF Account on May 31, 2017. Your Company has sent individual notices to all the aforesaid 180 Shareholders of your Company and has also published the notice in the leading English and Tamil newspaper. The details of the aforesaid 180 Shareholders are available on the website of your Company viz., www.nagamills.com/Investors.

TRANSFER TO RESERVE

Your Board propose to transfer Rs.21 Lakhs to the General Reserve. An amount of Rs.250.18 Lakhs is proposed to be retained in the General Reserve Account.

COMPANY PERFORMANCE

Your Company's consolidated turnover & other income during the year under review is Rs. 66,852.06 Lakhs as against Rs. 43,565.87 Lakhs for the corresponding previous year. There has been increase of Rs.23,286.19 Lakhs which works out to an increase of 53.45 % when compared to the previous year.

Your Directors are to report that your Company has earned a consolidated net profit after tax of Rs.2439.49 Lakhs, as against a sum of Rs. 512.00 Lakhs during the previous year. There was a commensurate increase in net profit due to the lower raw material input cost and increase in turnover.

Your Directors visualize that there will be a substantial retail market share with no compromise on quality and will leave no stone unturned to achieve the budgeted production and profitability during the current year. Efforts are afoot to embark upon diversification of the Company's business and products as well.

FOOD AND RETAIL

There is an increase in production volume by 14.86% during the year compared to the last year. Food and Retail Division has shown an increase of about 14.12% in the sale volume during the year under report as compared to the previous year.

DETERGENTS

Detergents Division of Naga is the third largest manufacturer and supplier for M/s. Hindustan Unilever Limited. The production volume of the division has decreased by 5.18% during the year under report as compared to the previous year. The sales volume of the division has decreased by 4.99% during the year under report as compare to the previous year.

MINERALS

Minerals Division has shown a decrease in production volume of about 6.49% during the year under report as compared to the previous year. The sales volume of the division has decreased by 10.79% for the year under report as compared to the previous year.

WIND & SOLAR POWER

The Energy Division of your company now has total 12 windmills with an installed capacity of 10525 KW compared to its humble beginning in 2003 with 2 windmills and installed capacity of 1500 KW. The 600 KW of Solar Power was commissioned or grid connected at the Detergents Division, Vedasandur during the year 2014-2015. The wind and solar power generation during the year under report was 159 Lakhs units as compared to 96 Lakhs units during the previous year.

CHANGE IN NATURE OF BUSINESS

During the year under review, there was no change in nature of Business of your Company.

CASH FLOW AND CONSOLIDATED ACCOUNTS

As required by Regulation 34(2) of the SEBI (LODR), Regulations, 2015, a Cash Flow Statement is appended. The consolidated financial statements of your Company are prepared in accordance with the relevant Accounting Standards under Section 129(3) of the Companies Act, 2013 and forms integral part of the Annual Report.

SUBSIDIARIES, ASSOCIATE COMPANIES AND JOINT VENTURES

As on March 31, 2017, your Company has One Associate Company, viz. M/s. Annai Power Private Limited. There has not been any material change in the nature of the business of the associate. As required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Companies Act, 2013, the Consolidated Financial Statements of your Company and its associate are provided in this Annual Report. The Consolidated Financial Statements have been prepared in accordance with Accounting Standards AS 21, AS 23 and AS 27 issued by the Institute of Chartered Accountants of India and shown the financial resources, assets, liabilities, income, profits and other details of your Company and its share in Associate Company as a single entity.

The performance and financial position of Associate Company included in the Consolidated Financial Statement is provided in accordance with the provisions of Section 129, read with Rule 5 of the Companies (Accounts) Rules, 2014 as a separate statement annexed to the note on Accounts containing the salient features of the financial statements of Company's subsidiaries / joint ventures or associate companies in Form AOC-1.

No Company has become or ceased to be the subsidiaries, joint ventures or associate companies during the financial year 2016-17.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a. in the preparation of the annual accounts for the year ended March 31, 2017, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b. 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 as at March 31, 2017 and of the profit of the Company for the year ended on that date;
- c. the proper and sufficient care has been taken 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 the annual financial statements have been prepared on a going concern basis;
- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively ;
- f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

MANAGEMENT DISCUSSION & ANALYSIS

As required by Regulation 34(2) of the Securities and Exchange of India (LODR) Regulations, 2015 has been attached to this report in “Annexure - A”.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

a) Retirement by Rotation and Re-appointment

In accordance with the provisions of the Companies Act, 2013 and in terms of the Memorandum and Articles of Association of the Company, Smt. Mageswari Kannan, Joint Managing Director, retires by rotation as Director and being eligible, offered herself for reappointment at the ensuing Annual General Meeting.

During the year under review, the Shareholders approved re-appointment of Dr.K.Venkatachalam, Independent Director of your Company for a second consecutive term of five years with effect from 12th January, 2017 to 11th January, 2022 at the Extra-Ordinary General meeting of your Company held on 29th November, 2016 by passing an special resolution.

b) Board independence

Our definition of 'Independence' of Director is derived from Regulation 16(1) of the SEBI (LODR) Regulations, 2015 with Stock Exchange and Section 149(6) of the Companies Act, 2013. Based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, the following Non-Executive Directors are Independent in terms of Regulation 25(3) of the SEBI (LODR) Regulations, 2015 and Section 149(6) of the Companies Act, 2013:-

- a) Sri. L.A. Irudayaraj
- b) Dr. K. Venkatachalam
- c) Sri. S. Ramesh

c) Directors' training, Familiarization & Evaluation and Nomination and Remuneration Policy

Your Board has adopted a Nomination and Remuneration Policy as required by Section 178 of the Companies Act, 2013. The policy provides for the appointment and removal of Directors, Key Managerial Personnel and Senior Management employees and their remuneration. The terms of reference of the Nomination and Remuneration Committee are given in the Report on Corporate Governance.

The Directors are regularly informed during meetings of the Board and Committees of the activities of the Company, its operations and issues facing our industries. Considering the long association of the Directors with the Company and their seniority and expertise in their respective areas of specialization and knowledge of our industries, their training and familiarization were not considered necessary and accordingly no such programmes were conducted.

Pursuant to the provisions of the Companies, Act, 2013 and Regulations 17 & 19 read with Part D of Schedule II to SEBI LODR, the Board has carried out an evaluation of the Directors as well as the evaluation of the Board and Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

d) Key Managerial Personnel

As required under Section 203 of the Companies Act, 2013, the Company has noted that Sri. K.S. Kamalakannan, Chairman and Managing Director, Smt. Mageswari Kannan, Joint Managing Director, Sri. Sounder Kannan, Whole-Time Director, Sri. T. Nagarajan, Chief Financial Officer w.e.f 1st June, 2016 and Sri. V. Marikannan, Company Secretary are the Key Managerial Personnel of the Company.

BOARD MEETINGS

Five meetings of the Board of Directors were held during the year. Dates of the meetings are given in the Report of Corporate Governance.

AUDIT COMMITTEE

Details pertaining to composition of the Audit Committee are included in the Report on Corporate Governance. All the recommendations made by the Audit Committee were accepted by the Board.

PUBLIC DEPOSITS

Your Company has not accepted any deposits from public within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 and no public deposits were outstanding or remained unclaimed as on 31st March, 2017.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

RISK MANAGEMENT POLICY

Your Company has adopted the following measures concerning the development and implementation of a Risk Management Policy after identifying the following elements of risks which in the opinion of the Board may threaten the very existence of the Company itself.

- a) To ensure that all the current and future material risk exposures of the Company are identified, assessed, quantified, appropriately mitigated, minimized and managed i.e to ensure adequate systems for risk management.
- b) To establish a framework for the Company's risk management process and to ensure its implementation.
- c) To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.
- d) To assure business growth with financial stability.

The details of risk identified and mitigation plan are provided as a part of Management Discussion and Analysis Report attached as “Annexure - A” to this report.

CORPORATE GOVERNANCE

As required by Schedule V(C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a detailed report on Corporate Governance is given as a part of the Annual Report. The Company is in full compliance with the requirements and disclosures that have to be made in this regard. The Statutory Auditors' Certificate of compliance with Corporate Governance requirements by the Company is attached with Report on Corporate Governance and forms an integral part of this report.

GENERAL SHAREHOLDER INFORMATION

General Shareholder Information is given in Item No. 11 of the Report on Corporate Governance forming part of the Annual Report.

AUDITORS

a) Statutory Auditors

Your Company's Auditors, M/s. D. Sampathkumar & Co., Chartered Accountants, Chennai Firm Registration No. 003556S who retire at the ensuing Annual General Meeting of the Company are eligible for reappointment. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for reappointment as Auditors of the Company. As required under Regulation 33(1)(d) of the SEBI(LODR) Regulations, 2015, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Auditors Report to the Shareholders on the Standalone Financials for the year ended March 31, 2017 does not contain any qualification, reservation or adverse comment.

The Auditors Report to the Shareholders on the Consolidated Financials for the year ended March 31, 2017 does not contain any qualification, reservation or adverse comment.

b) 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

appointed M/s. G.S.R. & Co., Practising Company Secretaries, Chennai to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report for FY 2016-2017 in Form MR - 3 is annexed herewith as “Annexure - B”. The report does not contain any qualification, reservation or adverse remark.

Your Board has decided to appoint M/s. G.S.R. & Co., Practising Company Secretaries, Chennai as Secretarial Auditors of your Company for the FY 2017-18 based on the recommendations of Audit Committee.

c) Cost Auditor

The Cost Audit for the Financial year 2016-2017 was not applicable to the Company and hence for the Financial year 2016-2017 there was no requirement for appointment of Cost Auditor.

INSTANCES OF FRAUD, IF ANY REPORTED BY THE AUDITORS

There have been no instances of any fraud reported by the Statutory Auditors under Section 143(12) of the Companies Act, 2013.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Your Company takes pride in the commitment, competence and dedication shown by its employees in all areas of business.

Your Company has a structured induction process at all locations and management development programs to upgrade skills of managers. Objective appraisal systems based on Key Results Areas (KRAs) are in place for senior management staff.

Your Company is committed to nurturing, enhancing and retaining top talent through superior Learning & Organizational Development. This is a part of Corporate HR function and is a critical pillar to support the organization's growth and its sustainability in the long run.

During the year under review, the total number of permanent employees on the rolls of Company is 581.

EXTRACT OF ANNUAL RETURN

The extracts of Annual Return in Form MGT-9 as on March 31, 2017 pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 are furnished in “Annexure - C” and is attached to this Report.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There were materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which do not have any potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee, Board and also the Shareholders for their approval. Prior omnibus approval of the Audit Committee is obtained on a yearly basis for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions are placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis. The statement is supported by a Certificate from the CMD/CEO & CFO. The Company has developed a Related Party

Transactions Manual, Standard Operating Procedures for purpose of identification and monitoring of such transactions.

The particulars of contracts or arrangements with related parties referred to in Section 188(1), as prescribed in Form AOC - 2 of the rules prescribed under Chapter IX relating to Accounts of Companies under the Companies Act, 2013, are appended as “Annexure - D”. The policy on Materiality of Related Party Transactions as approved by the Board is uploaded on the Company's website (www.nagamills.com/Investors).

CORPORATE SOCIAL RESPONSIBILITY

The Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee to monitor implementation of CSR activities of your Company.

Based on the recommendation of the CSR Committee, your Board has adopted a CSR Policy. The details of the CSR Committee, CSR policy, CSR initiatives and activities during the year are given in the Annual Report on CSR activities in “Annexure - E” to this Report. Details about the CSR policy adopted and formulated by your Company can be accessed from your Company's website: www.nagamills.com/Investors.

PARTICULARS REGARDING EMPLOYEES REMUNERATION

The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report as “Annexure - F”.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

Your Company has a vigil mechanism named Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. The details of the Whistle Blower Policy is explained in the Corporate Governance Report and also posted on the website of the Company. During the year under review, no protected disclosure from any Whistle Blower was received by the designated officer under the Vigil Mechanism.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by any Regulators/Courts that would impact the going concern status of the Company and its future operations.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a proper and adequate internal control system to ensure that all the assets of the Company safeguarded and protected against any loss and that all transactions are properly authorised and recorded. Information provided to Management is reliable and timely statutory obligations are adhered to. The details of the same are provided in the Management Discussion and Analysis Report attached as “Annexure - A” to this Report. The Company has established internal financial control policy.

The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake 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.

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 - G”.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has formulated and implemented a policy on prevention of sexual harassment at workplace with a mechanism of lodging complaints. Its redressal is placed on the intranet for the benefits of its employees. During the year under review, no complaints were reported to the Internal Committee / Board.

MATERIAL CHANGES AND COMMITMENTS

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

GREEN INITIATIVE

Your Company has taken the initiative of going green and minimizing the impact on the environment. The Company has been circulating the copy of the Annual Report in electronic format to all those Members whose email address is available with the Company. Your Company would encourage other Members also to register themselves for receiving Annual Report in electronic form.

ACKNOWLEDGEMENT

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.

Place : Chennai
Date : 08th May, 2017

FOR AND ON BEHALF OF THE
BOARD OF DIRECTORS

K.S. KAMALAKANNAN
Chairman & Managing Director

ANNEXURE - A TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and developments, Opportunities and Threat, Performance, Outlook, Risks and Concerns:

Strategic Location:

Naga Limited's food unit is located at Dindigul. The total installed capacity is 800 tons per day. The state of the art setup includes an entire Buhler plant with PLC control. The facility also consists of Silos for storage of wheat up to 64,000 tonnes.

Detergent division is located at Vedasandur and has a production capacity of 1,25,000 tonnes per annum. Minerals Division, located at Dindigul has production capacity of 78,000 tons of granular 42,000 tons of powder.

Industry Structure and development:

Indian economy is expected to grow at 7.2% in 2017 and at the rate of 7.7% in 2018.

FY 2016-17 has been a historical year from a proposed GST rollout perspective. Lok Sabha passed four bills required to implement the Goods and Services Tax in FY 2017-18.

India, the world's second biggest wheat producer levied a customs duty of 25% on wheat import in 2015, which was subsequently cut to 10% and totally removed in December, 2016. The duty was cut following fears of a spike in prices as wheat output had dropped due to hail storm. However in March 2017, customs duty was reinstated at 10% when Indian farmers started to harvest their crops. Both large imports and forecasts of a bumper crop prompted the Government to re-impose the tax. The Farm ministry's forecast for wheat output was 96.64 million tonnes in 2017, up from 92.29 million tonnes last year.

Opportunities and Threat:

Food accounts for about 70% of India's \$ 600 billion retail market and Government is looking to tripling this over the next 5 years. Nearly 45% of the average Indian households consumption is on food according to world bank data. India allows 100% investment by foreign wholesalers but if they want to access retail market, 100% holding is only allowed. India may ease foreign food retail in FY 2017-18. Your Company is well poised to take these opportunities in Food and Retail space.

India added 15.3 GW in the burgeoning renewable energy segment in FY 17-18, while country's conventional power capacity rose around 11 GW. 6.8 GW of solar capacity (up by 125%) and 5.5 GW of wind power were added in the last FY, the highest annual addition in these segments ever. Your Company has added one new windmill 1.5 MW during the FY 2017-18.

Standalone Financial Performance

Your Company achieved a new landmark in total revenue in FY 2016-17 of Rs. 668 Cr as against Rs. 435 Cr in the previous year. EBITDA for the year is Rs. 84.38 Cr as against Rs. 45.96 Cr in the previous year.

(Rupees in Lakhs)

Particulars	Current year 31.03.2017	Previous year 31.03.2016
Sales / Income From Operations	66592.07	43274.03
Other Income	258.91	291.43
Total Income	66850.98	43565.46
Finance Cost	2298.46	1822.59
Profit before Interest, Tax, Depreciation & Amortisation	6296.87	2708.53
Depreciation & Amortisation	2141.42	1887.84
Operating EBITDA Margin %	12.67%	10.62 %
Profit / (Loss) After Tax	2438.41	511.59
Return on Average Capital Employed % (Before Interest and Tax)	34.02%	17.01%
Current Asset Ratio (Current Assets / Current Liabilities)	1.04	1.07
Borrowings: Equity Ratio (TL / Equity+Reserves)	0.82	1.11

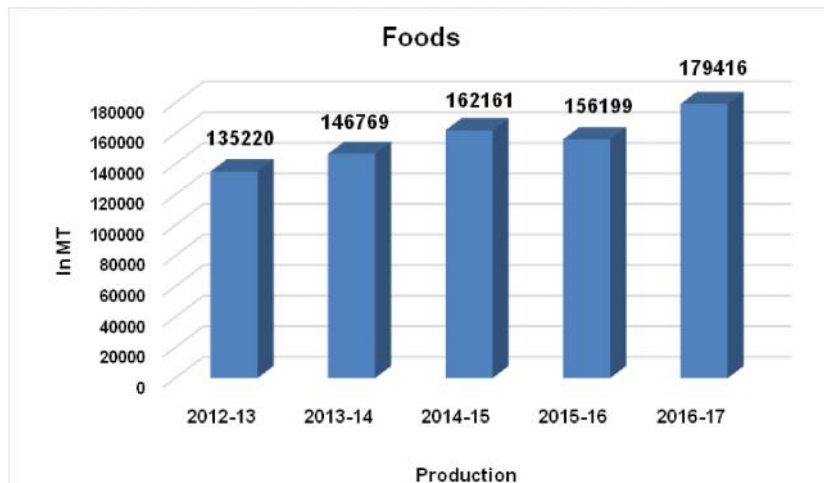
Presently your Company's debt have been rated by India Rating and Research (formerly known as FITCH India Ratings). During December 2016, your Company financial rating has been 'BBB' which is same as previous year. During the year, the Company has serviced all its debt obligation on time. To improve the current ratio, your Company has arranged with IDBI for long term loan. It is expected to substantially increase during the current year.

Segment-wise and Product-wise performance:

The Company reports the operation in three reporting segments: Foods, Minerals & Detergents and Energy. The contributions of each reporting segment to Sales, operating profit and identifiable assets are set forth in Note-45 "Segment Reporting" to the Consolidated Financial Statements.

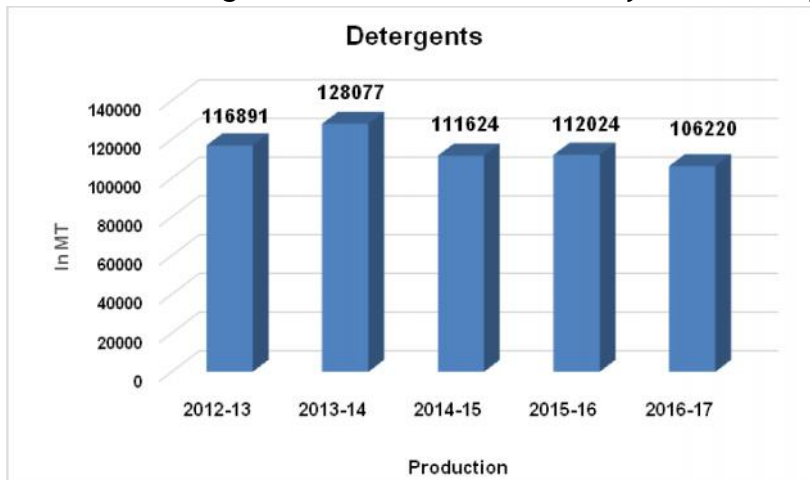
Foods Division:

There is an increase in production volume by 15% during the year compared to the last year.



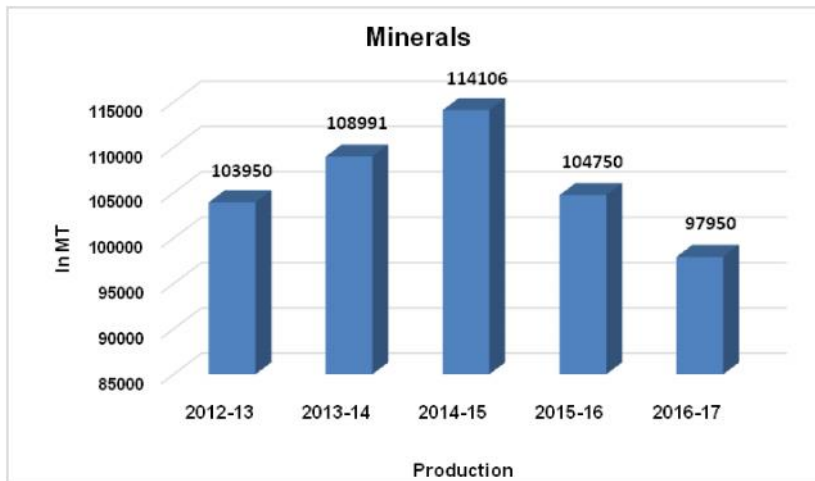
Detergents Division:

The Company is the third largest manufacturer of detergents for M/s Hindustan Unilever Limited. The Production during the FY 2016-17 decreased by 5.18% over previous year.



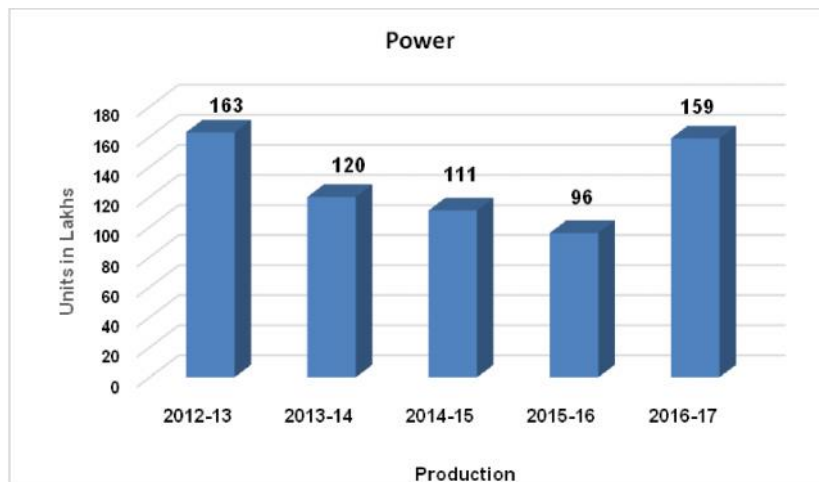
Minerals Division:

Minerals division had a drop of 6.49% in production during the FY 2016-17 when compared to the previous year.



Energy:

The Energy division has 12 windmills. The units generated during the past five years are given below:



Risk Management:

The focus of risk management is to assess risks and deploy mitigation process. The Audit Committee and the Board periodically reviews the risks and suggest steps to be taken to manage/mitigate the same through a properly defined framework. Your Company has identified the following risks.

Key Risk	Impact to Naga Limited	Mitigation Plan
Commodity Price risk	The prices paid for raw materials used in making our food generally reflect factors such as weather, commodity market fluctuations, tariffs and the effects of government agricultural programs.	Although the prices of raw materials can be expected to fluctuate as a result of these factors, we believe such raw materials to be in adequate supply and generally available from numerous sources. From time to time, we have faced increased costs for many of our significant raw materials, packaging and energy inputs. We seek to mitigate higher input costs through productivity and pricing initiatives
Competition Price risk	We experience intense competition for sales of our product in our majormarkets our food items compete with widely advertised, well known,branded food as well as private branded and customized food items.	We compete primarily on the basis of quality, value, customer service, brand recognition and brand loyalty.
Socio economic risk	Consumers may shift purchases to more generic, lower-priced, or other value offerings which could result in reduction in sales of higher margin products or a shift in our product mix to lower margin offerings adversely affecting the results of our Foods division.	We manufacture primarily to meet requirements of all customers andconsumer preferences by adopting market statergies to suit the demand and supply.
Interest Rate risk	Our level of debt pose our vulnerability to adverse economic or industry conditions and place us at a competitive disadvantage.	We ensure that the return on the assets is higher than the cost of borrowings.
Compliance risk - Increasing regulatory requirements	Many of our facilities and products we make are subject to various laws and regulations relating to the food safety and quality, sanitation, safety and health matters and environmental control.	We believed in complying with such laws and regulations in all material aspects, and the continued compliance with such regulations will not have a material effectupon capital expenditures, earnings or our competitive position

Internal Control System:

Your company has adequate internal control system, policy and procedures designed to effectively control the operations at its various divisions. The Internal control systems are designed to ensure that the financial and other records are reliable for the preparation of financial statements and for maintaining assets. Internal Auditors conduct periodic audit at all locations and functions based on the plan approved by the Board of Directors and Audit Committee. The findings of Internal Audit are reviewed by the top management and by the Audit Committee of the Board of Directors. The Audit committee periodically interacts with Internal Auditors and the Statutory Auditors to seek their views to ensure quality and adequacy of the Internal control systems in the Company. All issues raised by them have been suitably acted upon and followed up. The Company continues its efforts to align all its processes and controls with best management practices.

FOR AND ON BEHALF OF THE
BOARD OF DIRECTORS

Place : Chennai
Date : 08th May, 2017

K.S. KAMALAKANNAN
Chairman & Managing Director

ANNEXURE - B TO THE DIRECTORS' REPORT

FORM NO. 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 No.9 of the Companies (Appointment and Remuneration Managerial Personnel) Rules, 2014]

To

The Members
M/s. Naga Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Naga 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 our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 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 M/s. Naga limited 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) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (v) 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 as applicable to the Company;
- (vi) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company viz.:
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

- (vii) Other Laws like labour laws, taxation and other laws applicable to the Company was as per representation given by the Management.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with Metropolitan Stock Exchange of India Ltd (MSEI).
- (iii) The Memorandum and Articles of Association of the Company.

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws specifically applicable to it.

- (a) Food Safety and Standards Act, 2006 and the rules made thereunder
- (b) Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011
- (c) Food Safety and Standards (Packaging and Labelling) Regulations, 2011
- (d) Food Safety and Standards (Food Product Standards and Food Additives) Regulations, 2011.

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. No changes were taken place in the composition of the Board of Directors during the period under review.

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

The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, reappointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board as the case may be.

We further report that there are adequate systems and processes in place in the Company commensurate with the size, nature of business and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. The following are our observations:

(a) The Company was Required to spend a sum of Rs.21.90 Lakhs during the financial year, being 2 % of the average net profits of the Company made during the immediately preceding three financial years towards activities as per Corporate Social Responsibility Policy of the Company under Section 135 of the Companies Act, 2013, However, the Company has spent a sum of Rs.14.02 Lakhs towards CSR activities during the financial year.

We further report that during the audit period:

- (i) The Company has passed special resolution at the Extra Ordinary general Meeting held on 29.11.2016 delegating power to the board under the Section 180 (1) (a) and 180 (1) (c) of the Companies Act, 2013 to borrow money upto as sum not exceeding Rs.800 Crores.
- (ii) The Company has passed ordinary resolution at the Extra Ordinary General Meeting held on 29.11.2016 under Section 188 of the Companies Act, 2013 granting approval for entering into material related transactions with various related parties.
- (iii) The Company has passed ordinary resolution during the financial year at the Extra Ordinary General Meeting held on 29.11.2016 under Section 149 of the Companies Act, 2013 approving the re-appointment of Dr. K. Venkatachalam as Independent Director for second consecutive term of 5 years with effect from 13.01.2017.
- (iv) During the financial year under review, Mr. Sounder Kannan has been re-appointed as Whole-time Director for a period of 3 years with effect from 27th March, 2017.
- (v) The Company has appointed Key Managerial Personnel (CFO) during the financial year with effect from 01.06.2016 as required under Section 203 of the Companies Act, 2013.
- (vi) During the financial year under review, the Company has declared final dividend @ 2% (Rs.0.20 per equity share) on its paid-up Equity Share Capital at the Annual General Meeting held on 12.09.2016.

For GSR & CO.,
Company Secretaries

Place : Chennai
Date : 27th April, 2017

G.SREENIVASA RAO
(M.No.FCS No. 5691 & C.P.No.4966)

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

APPENDIX - 'A'

To
The Members
M/s. Naga Limited
No.1, Anna Pillai Street,
Chennai - 600001.

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that corrected facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.,
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company or of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For GSR & CO.,
Company Secretaries

Place : Chennai
Date : 27th April, 2017

G. SREENIVASA RAO
(FCS No. 5691 & C.P.No.4966)

ANNEXURE - C TO THE DIRECTORS' REPORT

FORM NO. MGT.9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2017

[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

- 1) CIN : L24246TN1991PLC020409
- 2) Registration Date : 01.03.1991
- 3) Name of the Company : NAGA LIMITED
- 4) Category / Sub Category of the Company : Company Limited by Shares / Indian Non-Govt. Company
- 5) Address of the Register Office and Contact details : No.1, Anna Pillai Street, Chennai - 600 001.
Ph/Fax : 044-25363535
- 6) Whether listed Company : Yes
- 7) Name, Address and Contact details of Registrar and Transfer Agent, if any : M/s. Cameo Corporate Services Ltd., "Subramanian Building" No.1, Club House Road, Chennai - 02.
Ph : 044 - 28460390
Fax : 044 - 28460129
E-mail : cameo@cameoindia.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the company
1	Manufacturing of Wheat Products.	99611112	89.02 %
2	Manufacturing of high quality Detergents powder and Bar.	99884260	4.69 %
3	Minerals : Grinding of calcite, dolomite, china clay, feldspar, limestone and other minerals.	99611991	4.19 %
4	Wind & Solar Power.	99833243	1.41 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
1	Annai Power Private Limited Address : Flat - C, Srinivasa Apartments, 1-A, 1st Main Road, Anna Nagar, Velachery, Chennai - 600 042	U40103TN2003PTC051006	Associate	26.00 %	2(6)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category - wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31.03.2016]				No. of Shares held at the end of the year [As on 31.03.2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individual / HUF	8816145	-	8816145	61.88%	8816145	-	8816145	61.88%	-
(b) Central Govt.	-	-	-	-	-	-	-	-	-
(c) State Govt(s).	-	-	-	-	-	-	-	-	-
(d) Body Corp.	1468500	-	1468500	10.31%	1468500	-	1468500	10.31%	-
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any Other	357690	-	357690	2.51%	357690	-	357690	2.51%	-
(g) Total shareholding of promoter (A)	10642335	-	10642335	74.69%	10642335	-	10642335	74.69%	-

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31.03.2016]				No. of Shares held at the end of the year [As on 31.03.2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
(1) Institutions									
(a) Mutual Funds	-	-	-	-	-	-	-	-	-
(b) Banks / FI	-	-	-	-	-	-	-	-	-
(c) Central Govt.	-	-	-	-	-	-	-	-	-
(d) State Govt(s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(g) FIs	-	-	-	-	-	-	-	-	-
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(g) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	-	-	-	-	-	-	-	-	-
(2) Non - Institutions									
(a) Body Corporates									
(i) Indian	2523920	-	2523920	17.71%	2661752	-	2661752	18.68%	0.97%
(ii) Overseas	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31.03.2016]				No. of Shares held at the end of the year [As on 31.03.2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(b) Individuals									
(i) Individual Shareholders holding nominal share capital upto Rs. 1 lakhs.	27260	90715	117975	0.83%	33260	82965	116225	0.82%	(0.01%)
(ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 lakhs.	963750	-	963750	6.76%	827668	-	827668	5.81%	(0.96%)
(c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	10	-	10	0.0001%	10	-	10	0.0001%	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
HUF	-	10	10	0.0001%	-	10	10	0.0001%	-
Sub-Total (B)(2)	3514940	90725	3605665	25.31%	3522690	82975	3605665	25.31%	-
Total Public Shareholding (B=B(1)+B(2))	3514940	90725	3605665	25.31%	3522690	82975	3605665	25.31%	-

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31.03.2016]				No. of Shares held at the end of the year [As on 31.03.2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
C. Shares held by custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	14157275	90725	14248000	100.00%	14165025	82975	14248000	100.00%	-

(ii) Shareholding of Promoters

S. No	Shareholder's Name	Shareholding at the beginning of the year [As on 31.03.2016]			Shareholding at the end of the year [As on 31.03.2017]			% Change in share holding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares pledged / encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares pledged / encumbered to total shares	
1.	K.S. Kamala kannan	6070570	42.61%	-	6070570	42.61%	-	-
2.	K.S. Kamala kannan (HUF)	34700	0.24%	-	34700	0.24%	-	-
3.	Mageswari Kannan	1855220	13.02%	-	1855220	13.02%	-	-
4.	Souder Kannan	817855	5.74%	-	817855	5.74%	-	-
5.	Souder Kannan (HUF)	37800	0.27%	-	37800	0.27%	-	-
6.	M.M. Detergents Company Pvt. Ltd.,	1024000	7.19%	-	1024000	7.19%	-	-
7.	Naga Marine Industries Ltd.,	444500	3.12%	-	444500	3.12%	-	-
8.	Lakshmi Vijay Anand	357680	2.51%	-	357680	2.51%	-	-
9.	M. Jayalalitha	10	0.0001%	-	10	0.0001%	-	-
10.	Total	10642335	74.69%	-	10642335	74.69%	-	-

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Particulars	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
1	At the beginning of the year	10642335	74.69%	10642335	74.69%
2	Date wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) :	No transaction during the year			
3	At the End of the year	10642335	74.69%	10642335	74.69%

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

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year as on 01.04.2016		Change in Shareholding during the year		Shareholding at the end of the year as on 31.03.2017	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Pluris Global Holding (India) Limited	1350725	9.48%	59842	0.42%	1410567	9.90%
2	Lakme Investment and Finance Limited	1172975	8.23%	72990	0.51%	1245965	8.74%
3	Manoharan. A	593860	4.17%	(131082)	(0.92%)	462778	3.25%
4	Sathiyamoorthy. L	289540	2.03%	-	-	289540	2.03%
5	Santosh Gupta	24000	0.17%	(5000)	(0.04%)	19000	0.13%
6	Riaz Ahmed Khatri	23150	0.16%	-	-	23150	0.16%
7	Mariam Riaz Khatri	15200	0.11%	-	-	15200	0.11%
8	Rabia Ahmed Khatri	18000	0.13%	-	-	18000	0.13%
9	Kamala Kumari Daga	7000	0.05%	-	-	7000	0.05%
10	M Kanchan Khatod	6000	0.04%	-	-	6000	0.04%

Note : The above details are given as on 31 March, 2017. The Company is listed and 99.36% shareholding is in dematerialized form. Hence, it is not feasible to track movement of shares on daily basis. The aforesaid holdings by top ten shareholders is due to market operations. Further, Company has not allotted/transferred or issued any bonus or sweat equity shares during the year.

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year as on 01.04.2016		Change in Shareholding during the year		Shareholding at the end of the year as on 31.03.2017	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	L.A. Irudayaraj (INED)	400	0.003%	-	-	400	0.003%
2	V. Marikannan (KMP)	10	0.0001%	-	-	10	0.0001%

Note : Directors do not have any change in shareholding during the period.

V. INDEBTEDNESS (Amount in Lakhs)

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

Particulars	Secured Loans excluding deposits	UnSecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	7036.59	2933.36	-	9969.95
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	7036.59	2933.36	-	9969.95
Change in Indebtedness at the end of the financial year				
. Addition	5171.40	784.59	-	5955.99
. Reduction	4400.50	2295.11	-	6695.61
. Transfer (Secure to Unsecure)	-	-	-	-
Net Change	770.90	(1510.52)	-	(739.62)
Indebtedness at the end of the financial year				
i) Principal Amount	7807.49	1422.84	-	9230.33
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	7807.49	1422.84	-	9230.33

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and / or Manager: (Rs.in Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager			Total Amount
		K.S. Kamalakannan, CMD	Mageswari Kannan, JMD	Souder Kannan, WTD	
1.	Gross Salary				
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.	63.34	40.62	39.12	143.08
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961.	-	-	-	-
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961.	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission -as % of profit	24.38	24.38	24.38	73.14
5.	Others, specify: Gratuity Fund*	63.79	41.87	22.12	127.78
	Total (A)	151.51	106.87	85.62	344.00

*Includes on amount of Rs.127.78 Lakhs towards actual valuation of Gratuity entitlement and not actually drawn by the Managerial Persons.

B. REMUNERATION TO OTHER DIRECTORS

(in Rs.)

S.No.	Particulars of Remuneration	Name of Directors			Total Amount
		S. Ramesh	L.A. Irudaya Raj	K. Venkata chalam	
1.	Independent Directors				
	Fee for attending board committee meetings	50,000	40,000	40,000	1,30,000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	50,000	40,000	40,000	1,30,000
2.	Other Non-Executive Directors				
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B) = (1 + 2)	50,000	40,000	40,000	1,30,000

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTDS

(Rs.in Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		C.E.O	Company Secretary	C.F.O	
1.	Gross Salary				
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.	-	6.74	18.68	25.42
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961.	-	-	-	-
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961.	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	-as % of profit				
5.	Others, please specify:	-	-	-	-
	Total	-	6.74	18.68	25.42

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of penalty / Punishment / Compounding fees imposed	Authority (RD/NCLT/COURT)	Appeal made, if any (give details)
A. COMPANY			NIL		
Penalty			NONE		
Punishment					
Compounding					
B. DIRECTORS			NIL		
Penalty			NONE		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT			NIL		
Penalty			NONE		
Punishment					
Compounding					

ANNEXURE - D TO THE DIRECTORS' REPORT

FORM NO. AOC - 2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts / arrangements entered into by the Company with the related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms-length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis:

There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2017 which were not at arm's length basis.

2. Details of contracts or arrangements or transactions at Arm's length basis:

S.No.	Particulars	Details	
a)	Name(s) of the related party	M.M. Detergents Company Pvt. Ltd.,	Annai Power Private Limited
b)	Nature of relationship	Two of the directors are interested	Three of the Directors are interested
c)	Nature of contracts / arrangements / transactions	By Agreement	By Agreement
d)	Duration of contracts / arrangements / transactions	01.04.2016 to 31.03.2017	01.04.2016 to 31.03.2017
e)	Salient terms of contracts or arrangements or transactions Including the value, if any	1. Purchase of Limestone and Dolomite by Naga Ltd., Rs.88.57 lakhs 2. Processing charges paid by M.M. Detergents Company Pvt. Ltd., to Naga Ltd., Rs.5.07 lakhs 3. Purchase of Wheat by Naga Ltd.,Rs.3313.14lakhs 4. Hiring of CAT by Naga Ltd., Rs.0.70 lakhs	Purchase of Windmill Energy Rs.14.95 lakhs
f)	Justification for entering into such contracts or arrangements or transactions	In the ordinary course of business	In the ordinary course of business
g)	Date of approval by the Board /Shareholders	19.05.2016 & 26.10.2016 / 29.11.2016	19.05.2016 / 29.11.2016
h)	Amount paid as advances, if any, (Rs. in Lakhs)	Nil	Nil

S.No.	Particulars	Details	
a)	Name(s) of the related party	Naga Marine Industries Limited	Naga Mills Limited
b)	Nature of relationship	Two of the directors are interested	Three of the director is interested
c)	Nature of contracts / arrangements / transactions	By Agreement	By Agreement
d)	Duration of contracts / arrangements / transactions	01.04.2016 to 31.03.2017	01.04.2016 to 31.03.2017
e)	Salient terms of contracts or arrangements or transactions Including the value, if any	Lease of Godown to Naga Ltd., Rs. 5.31 lakhs	Lease of office from Naga Ltd., Rs. 0.30 lakhs
f)	Justification for entering into such contracts or arrangements or transactions	In the ordinary course of business	In the ordinary course of business
g)	Date of approval by the Board /Shareholders	19.05.2016 / 29.11.2016	19.05.2016 / 29.11.2016
h)	Amount paid as advances, if any, (Rs. in Lakhs)	Nil	Nil

S.No.	Particulars	Details		
a)	Name(s) of the related party	K.S.Kamalakaran	Mageswari Kannan	Souder Kannan
b)	Nature of relationship	Director	Director	Director
c)	Nature of contracts / arrangements / transaction	By Agreement	By Agreement	By Agreement
d)	Duration of the contracts / arrangements / transaction	1.4.2016 to 31.3.2017	01.04.2016 to 31.03.2017	01.04.2016 to 31.3.2017
e)	Salient terms of the contracts or arrangements or transaction Including the value, if any	1. Interest payment for unsecured loan given to Naga Ltd., Rs. 103.94 lakhs 2. Lease of Godown to Naga Ltd., Rs. 27.60 lakhs 3. Lease of Office to Naga Limited Rs. 0.41 lakhs	Interest payment for unsecured loan given to Naga Ltd., Rs. 19.13 lakhs	1. Interest payment for unsecured loan given to Naga Ltd., Rs. 10.76 lakhs 2. House Rent Rs. 8.62 lakhs
f)	Justification for entering into such contracts or arrangements or transactions	In the ordinary course of business	In the ordinary course of business	In the ordinary course of business
g)	Date of approval by the Board /Shareholders	19.05.2016, 01.08.2016 & 26.10.2016 / 29.11.2016	19.05.2016/29.11.2016	19.05.2016/29.11.2016
h)	Amount paid as advances, if any, (Rs. in Lakhs)	Nil	Nil	Nil

S.No.		Particulars					Details				
a)	Name(s) of the related party	Sri. D. Vijay Anand	Smt.Lakshmi Vijay Anand	Smt.Monaa Kannan	Ms. M. Jayalalitha	Sri. M. Sukumar					
b)	Nature of relationship	Relative of KMP	Relative of KMP	Relative of KMP	Relative of KMP	Relative of KMP					
c)	Nature of contracts / arrangements / transactions	By Agreement for Rendering Service	By Agreement for Rendering Service	By Agreement for Rendering Service	By Agreement for Rendering Service	By Agreement for Rendering Service					
d)	Duration of contracts / arrangements / transactions	From the Date of appointment	From the Date of appointment	From the Date of appointment	From the Date of appointment	From the Date of appointment					
e)	Salient terms of the contracts /arrangements / transactions Including the value, if any	Service Agreement Salary paid by Naga Ltd., Rs. 32.12 lakhs	Service Agreement Salary paid by Naga Ltd., Rs. 20.30 lakhs	Service Agreement Salary paid by Naga Ltd., Rs. 20.30 lakhs	Service Agreement Salary paid by Naga Ltd., Rs. 20.30 lakhs	Service Agreement Salary paid by Naga Ltd., Rs. 11.69 lakhs					
f)	Justification for entering into such contracts /arrangements transactions	In the ordinary course of business	In the ordinary course of business	In the ordinary course of business	In the ordinary course of business	In the ordinary course of business					
g)	Date of approval by the Board / Shareholders	19.05.2016 / 12.09.2016	19.05.2016 / 01.08.2014	19.05.2016 / 01.08.2014	19.05.2016 / 01.08.2014	19.05.2016 / 01.08.2014					
h)	Amount paid as advances, if any, (Rs. in Lakhs)	Nil	Nil	Nil	Nil	Nil					

ANNEXURE - E TO THE DIRECTORS' REPORT
ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

Naga Limited's ('The Company') approach towards Corporate Social Responsibility (CSR) is to focus during the financial year on providing skill development program for under privileged people, providing Scholarship to very weak economic background student and maintenance of tree plantation and tree sampling.

A brief outline of the Company's Corporate Social Responsibility (CSR) programs:

- Ø The CSR Committee has spent amount under imparting life skill education programme to the youth in helping them to empower towards excellence for proactive performance.
- Ø Providing Scholarship to economically weak student on merit basis.
- Ø Contribution towards maintenance of tree plantation and tree sampling through a registered trust.

The policy on Corporate Social Responsibility is available on the Company website www.nagamills.com.

Below is a summary of the programs which are being implemented:

1. Skill Development Programs (Parotta Master School)

Your Company has initiated skill development program (Parotta Master School) for under privileged people to make their life to afford their daily needs.

To implement the above CSR activities, we have started the above training schools in the name of Naga Limited Skill Development Centre at No. 15, Kuppusamy Street, Ullagharam, Chennai - 600091 on 2nd May, 2016. The above training classes was conducted in 24 batches at Chennai which costed the Company a total amount of Rs. 12.47 Lakhs during the financial year 2016-2017.

2. Contribution to provide Scholarship very weak economic background student

A sum of Rs.54,950/- (Rupees Fifty Four Thousand Nine Hundred and fifty only) contributed to provide scholarship for Ms. P. Narmatha, B.Com., and who is pursuing M.B.A now, by way of college fees for the Second year for studying MBA at M/s. Vijay Institute of Management. She hails from a family with very weak economic background.

3. Contribution towards maintaining Tree Plantation and Tree Sampling

A sum of Rs. 1,00,000/- (Rupees One Lakhs only) was contributed towards maintenance of tree plantation and tree sampling to Arimavanam Trust, a registered trust in Dindigul.

Composition of the Corporate Social Responsibility Committee:

Dr. K. Venkatachalam	Chairman of the Committee, Independent Director
Smt. Mageswari Kannan	Member, Joint Managing Director
Sri. Sounder Kannan	Member, Whole-Time Director

Average net profit before tax of the Company for the last three financial years: Rs. 1971.79 Lakhs

Prescribed CSR expenditure (2% of the amount as above): Rs.39.44 Lakhs

Details of CSR spent during the financial year 2016-17

- (a) CSR amount brought forward : Rs. 35.94 Lakhs
- (b) Total amount to be spent for the financial year 2016-17 : Rs. 21.90 Lakhs
- (c) Amount spent for the financial year 2016-17 : Rs. 14.02 Lakhs
- (d) Amount un spent , if any : Rs. 43.82 Lakhs
- (e) Reason for unspent the balance amount :

During the year under review, the Company was engaged in identification of CSR activities and identifying implementing agencies. The objective of our CSR policy was not just mere spending of amount but working towards social welfare. Your Company will ensure achievement of the target spend on CSR activities in a phased manner in the Financial years to follow.

(f) Manner in which the amount spent during the financial year is detailed below : (Rs. in Lakhs)

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local are or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (Budget) project or programs wise	Amount spent on the projects or programs sub heads : (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto reporting period	Amount spent Directly or through implementing agency
1	Skill Development program (Parotta Master School)	Skill Development	Chennai	10.00	(1) 9.85 (2) 2.62	12.47	Direct

2	Providing Scholarship for higher education (M.B.A) to economically weak student Ms.P.Narmatha, Dindigul.	Education	Dindigul	0.55	Nil	0.55	Direct
3	Contribution towards maintaining and Tree Sampling	Environment	Dindigul	1.00	Nil	1.00	Arimavanam Trust
	Total			11.55		14.02	

Responsibility Statement:

We hereby declare that the implementation and monitoring of the CSR policy is in compliance with CSR objectives and policy of the company.

**For and on behalf of the
Board of Directors**

Place : Chennai
Date : 08th May, 2017

Mageswari Kannan
Joint Managing Director

Dr.K.Venkatachalam
Chairman - CSR Committee

ANNEXURE - F TO THE DIRECTORS' REPORT

INFORMATION PURSUANT TO SECTION 197(12) READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(i) Ratio of remuneration of each Director to the median remuneration of the employees of the Company for the year 2016-2017 and

(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Business Heads, Company Secretary, if any, in the Financial Year 2016 - 2017 Compared to 2015-2016. (Rs.in Lakhs)

Sr. No.	Name of Director / KMP and Designation	Remuneration of Director / KMP for Financial Year 2016-17	Percentage increase in Remuneration for the Financial Year 2016-17	Ratio of Remuneration of each Director / KMP to the Median Remuneration of Employees
1.	Sri. K.S. Kamalakannan Chairman and Managing Director	63.34	5.57%	36.19
2.	Smt. Mageswari Kannan Joint Managing Director	40.62	4.15%	23.21
3.	Sri. Sounder Kannan Whole-Time Director	39.12	8.61%	22.35
4.	Sri. L.A. Irudayaraj Non-Executive Independent Director (only sitting fees is paid during the year)	0.40	-	0.23
5.	Dr. K. Venkatachalam Non-Executive Independent Director (only sitting fees is paid during the year)	0.40	-	0.23
6.	Sri. S. Ramesh Non-Executive Independent Director (only sitting fees is paid during the year)	0.50	-	0.29
7.	Sri. T. Nagarajan Chief Financial Officer (Appointed as on 01.06.2016)	18.68	NA	10.67
8.	V. Marikannan Company Secretary	6.74	16.39	3.85

(iii) The Median Remuneration of Employees of the Company is Rs.1,75,000/- for the Financial Year 2016-17. The percentage increase in the median of remuneration of employees in the Financial year 2016-17 is 3%.

(iv) The number of permanent employees on the rolls of the Company is 581 for the year ended March 31, 2017.

(v) Turnover and other income for the year ended March 31, 2017 increased by 53.45% and the Company has earned a net profit after tax Rs.2438.41 lakhs, as against a sum of Rs. 511.59 lakhs during the previous year. Average increase in employee's remuneration was 18%. Overall increase in remuneration is in line with the performance of the Company and the prevailing trends in the industrial sector.

(vi) The remuneration of the Key Managerial Personnel (KMP) of the Company and the percentage increase in the remuneration of KMP during 2016-2017 is as given in (i) and (ii) above. The performance of the Company is as stated in (v) above.

(vii) The Market Capitalization as on March 31, 2017 was Rs.7836.40 Lakhs as compared to Rs. 7836.40 Lakhs as on March 31, 2016. Price Earning Ratio of the Company is Rs. 3.21 as on March 31, 2017 as against Rs. 15.32 as on March 31, 2016. Percentage increase in the market in the market quotations of the shares of the Company as compared to the rate at which the Company came out with the last public offer is 550 %.

(viii) Average percentage increase made in the salaries of employees other than the managerial personnel in the last Financial Year was 24%. The percentage increase in salary of managerial staff was 11%. The increase in remuneration is determined based on the performance by the employees of the Company and the prevailing trends in the industrial sector.

(ix) The remuneration of each of the Key Managerial Personnel is given in (i) and (ii) above. The performance of the Company, in comparison, is stated in (v) above.

(x) Key parameter for any variable component of remuneration availed by the Executive Directors are the Company's performance and performance / track record of the Executive Directors, financial results and profitability of the Company. The key parameters of variable component of remuneration to Non-Executive Directors is not applicable.

(xi) The ratio of the remuneration of the highest paid Director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year Not - Applicable.

(xii) We affirm that the remuneration paid is as per the remuneration policy of the Company.

Place : Chennai
Date : 08th May, 2017

K.S. KAMALAKANNAN
Chairman & Managing Director

ANNEXURE - G TO THE DIRECTORS' REPORT
CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE
EARNINGS AND 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 | : | Energy conservation continues to receive priority attention at all levels. |
| (ii) the steps taken by the company for utilising alternate sources of energy | : | Not Applicable |
| (iii) the capital investment on energy conservation equipments | : | continuous monitoring, improvement in maintenance and distribution systems and through improved operational techniques. |

(B) Technology Absorption:

- | | | |
|--|---|---|
| (i) the efforts made towards technology absorption | : | Updation of Technology is a Continuous process, absorption implemented and adapted by the Company for innovation. Efforts are continuously made to develop new products required in the manufacturing units of the Company. |
| (ii) the benefits derived like product improvement, cost reduction, product development or import substitution | : | The Company has been able to successfully indigenize the toolings to a large extent and successfully developed new products by virtue of technology absorption, adaptation innovation. |
| (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year): | : | NIL |
| (a) the details of technology imported; | | |
| (b) the year of import; | | |
| (c) whether the technology been fully absorbed; | | |
| (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and | | |
| (iv) the expenditure incurred on Research and Development | : | NIL |

(C) Foreign exchange earnings and Outgo:

- | | | |
|---------------------------|---|-------------------|
| Foreign Exchange Earnings | : | NIL |
| Foreign Exchange Outgo | : | Rs.35809.34 Lakhs |

REPORT ON CORPORATE GOVERNANCE

Pursuant to Schedule V(C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a report on Corporate Governance is given below:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on Corporate Governance has been developed with a tradition of fair and transparent governance even before they were mandated by the legislation. Transparency, integrity, professionalism and accountability based values form the basis of the Company's philosophy for Corporate Governance. The Company believes that good Corporate Governance is a continuous process and strives to improve the Corporate Governance practices to meet Shareholder's expectations. Your Company has fulfilled all the existing guidelines prescribed by the Securities and Exchange Board of India (SEBI) in Chapter IV read with Schedule V of SEBI(Listing Obligations and Disclosure requirements) Regulations, 2015.

2. BOARD OF DIRECTORS

i) Composition of the Board of Directors as on 31st March, 2017

The strength of Board as on 31st March, 2017 is Six Directors. The Board comprises of Executive and Non-Executive Directors. The Chairman and Managing Director, Joint Managing Director and a Whole-time Director are the three Promoters and Executive Directors. There are three Independent Directors. The Board also consists of one Woman Executive Director. The number of Independent Directors on the Board is in conformity with the requirement of Regulation 17(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Composition of the present Board of Directors and also the Directorship on other Companies or Board Committees of which he/she is a Member/Chairperson are as under:

Name of Director	Date of appointment	Category	No.of other Directorship	No.of Membership of other Board Committees	No.of Board Committees for which Chairperson
Sri. K.S. Kamalakannan	01.08.1998	PED	4	1	1
Smt. Mageswari Kannan	01.08.1998	PED	5	4	NIL
Sri. Sounder Kannan	08.03.2006	PED	3	3	NIL
Sri. L.A. Irudayaraj	06.07.2007	INED	NIL	2	2
Sri. S. Ramesh	08.03.2006	INED	NIL	3	1
Dr. K. Venkatachalam	13.01.2012	INED	2	2	1

ii) **No. of Board Meetings held**

During the financial year ended 31st March, 2017, Five Board meetings were held on 19.05.2016, 22.06.2016, 01.08.2016, 26.10.2016 and 06.02.2017.

iii) The attendance of each Director at Board meetings and the Twenty Fifth Annual General Meeting (AGM) is as under:

Name of Director	No.of Board Meetings attended	Attendance at last AGM held on 12.09.2016	Remarks
Sri. K.S. Kamalakannan	5	Yes	Nil
Smt. Mageswari Kannan	5	Yes	Nil
Sri. Sounder Kannan	5	Yes	Nil
Sri. L.A. Irudayaraj	4	Yes	Nil
Sri. S. Ramesh	5	Yes	Nil
Dr. K. Venkatachalam	4	Yes	Nil

Every Director currently on the Board of the Company has personally attended at least one Board / Committee of Directors' Meeting in the financial year 2016-17.

The Independent Directors of the Company have submitted a declaration under Section 149(7) of the Act that each of them meet the criteria of Independence as provided in Section 149(6) of the Act and there has been no change in the circumstances which may affect their status as Independent Director during the year.

The number of Directorships and the positions held on Board Committees by the Directors are in conformity with the limits on the number of Directorships and Board Committee positions as laid down in the Companies Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations as on 31st March, 2017.

In terms of Schedule V(C)(2)(e) and Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, the Directors are related to each other, in case of PED category.

Disclosure of Shareholding of Independent Directors

Name of the Director	Shares held as on 31.03.2017
Sri. L.A. Irudayaraj	400
Sri. S. Ramesh	Nil
Dr. K. Venkatachalam	Nil

Familiarization programmes for Board Members

The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved. Detailed presentations on the Company's business segments were made at the separate meeting of the Independent Directors held during the year.

Quarterly updates on relevant statutory changes and landmark judicial pronouncements encompassing important laws are regularly circulated to the Directors. Site visits to various Unit locations are organized for the Directors to enable them to understand the operations of the Company.

The details of such familiarization programmes for Independent Directors are posted on the website of the Company and can be accessed at <http://www.nagamills.com>.

Code of Conduct for Board of Directors and Senior Management

The Company has adopted a Code of Conduct for Board of Directors and Senior Management (the Code). The Code has been communicated to the Directors and the Members of Senior Management. The Code has also been posted on the Company's website at www.nagamills.com. All Board Members and Senior Management have confirmed compliance with the Code for the year ended 31st March, 2017. The Annual Report contains a declaration to this effect signed by the Chairman and Managing Director who is the Chief Executive Officer.

3. AUDIT COMMITTEE

i) Terms of Reference

The Audit Committee acts in accordance with the terms of reference specified by the Board which includes the recommendation for appointment, remuneration and terms of appointment of Auditors of the Company, review and monitor the Auditors independence, performance and effectiveness of the audit process, examination of the financial statements and the auditor's report thereon, approval or any subsequent modification of transactions of the Company with related parties, scrutiny of inter-corporate loans and investments, evaluation of internal financial controls and risk management systems and related matters.

ii) Composition, name of Members and attendance during the year

Name of the Member	Category	Attendance at the Audit Committee Meetings held on			
		19.05.2016	01.08.2016	26.10.2016	06.02.2017
Sri. L.A. Irudayaraj Chairman	Non-executive and Independent Director	✓	✓	✓	✓
Sri. S. Ramesh	Non-executive and Independent Director	✓	✓	✓	✓
Smt. Mageswari Kannan	JMD / Executive Director	✓	✓	✓	✓

The representatives of the Statutory Auditors are permanent invitees to the Audit Committee Meetings. They have attended all the Meetings during the year. The CFO, Business Heads, the Internal Auditor and the Senior Accountants of the Divisions attend all the Audit Committee Meetings. The Company Secretary is the Secretary to the Committee. The Internal Auditor reports directly to the Audit Committee.

Sri. L.A. Irudayaraj, Chairman of the Audit Committee was present at the 25th AGM held on 12.09.2016.

4. NOMINATION AND REMUNERATION COMMITTEE

i) Terms of reference

This Committee shall identify the persons, who are qualified to become Directors of the Company / who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and also shall carry out evaluation of every Director's performance. Committee shall also formulate the criteria for determining qualifications, positive attributes, independence of the Directors and recommend to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

ii) Composition

The Nomination and Remuneration Committee of the Company consists of 3 Non-Executive Independent Directors including Chairman.

In compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI LODR, Sri. L.A. Irudayaraj, Non Executive Independent Director, has been appointed as Chairman of the Committee. Sri.V. Marikannan, Company Secretary is the Secretary of the Committee.

iii) Composition, name of Members and attendance during the year

Name of the Member	Category	Attendance at the Nomination and Remuneration Committee Meetings held on		
		19.05.2016	01.08.2016	06.02.2017
Sri. L.A. Irudayaraj Chairman	Chairman and Independent Director	✓	✓	✓
Dr. K. Venkatachalam	Independent Director	✓	✓	✓
Sri. S. Ramesh	Independent Director	✓	✓	✓

iv) Independent Director

The Company has complied with the definition of Independence as per Regulation 16(b) of the SEBI LODR and according to the Provisions of section 149(6) Companies Act, 2013. The Company has also obtained declarations from all the Independent Directors pursuant to section 149 (7) of the Companies Act, 2013.

Performance Evaluation of Independent Directors

The Board evaluates the performance of Independent Directors every year. All the Independent Directors are eminent personalities having wide experience in the field of business, industry and administration. Their presence on the Board is advantageous and fruitful in taking business decisions.

Separate Meeting of the Independent Directors

During the year, a meeting of Independent Directors was held on 6th February, 2017. All the Independent Directors were present at the meeting. The following issues were discussed in detail.

- Reviewed the performance of non-independent directors and the Board as a whole;
- Reviewed the performance of the Chairperson of the Company, taking into account the views of Executive Directors;
- Assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

5. REMUNERATION TO DIRECTORS

The Nomination and Remuneration (N&R) Committee has adopted a Charter which, inter alia, deals with the manner of selection of Board of Directors and CEO & Managing Director 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, marketing, finance, taxation, law, 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 candidate 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 to Independent Directors

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

i. An Independent Director shall be entitled to receive sitting fees per day for meetings 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/Executive Director(s) - Criteria for selection / appointment

For the purpose of selection of the MD or EDs, 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, SEBI LODR, or other applicable laws.

iv. Remuneration for the Managing Director & Executive Director(s)

i. At the time of appointment or re-appointment, the Managing Director & Executive Director(s) 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 & Executive Director(s) 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 & Executive Director(s) comprises salary, commission, allowances, perquisites, amenities and retiral benefits.

iv. In determining the remuneration the N&R Committee shall ensure / consider the following:

a. the relationship of remuneration and performance benchmarks is clear;

b. balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;

c. responsibility required to be shouldered by the Managing Director & Executive Director(s), the industry benchmarks and the current trends;

d. the Company's performance vis-à-vis the annual budget achievement and individual performance vis-à-vis the KRAs / KPIs.

v. The N&R Committee may recommend a higher commission for the CMD, JMD & WTD taking into consideration their overall responsibility;

vi. In determining the quantum of commission payable to the Directors, the N&R Committee shall make its recommendation after taking into consideration the overall performance of the Company and the onerous responsibilities required to be shouldered by the Directors.

v. Remuneration Policy for the Senior Management Employees

I. In determining the remuneration of the Senior Management Employees (i.e. Business Heads) the N&R Committee shall ensure / consider the following:

- i. the relationship of remuneration and performance benchmark is clear;
- 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, the Company's performance vis-à-vis the annual budget achievement, individuals performance vis-à-vis KRAs / KPIs, industry benchmark and current compensation trends in the market.

II. The Chairman and 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.

vi. Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 (10) of the SEBI LODR, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit Committee, Nomination and Remuneration Committee and other Committees.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority Shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

Details of remuneration paid to the Directors are given in Form MGT - 9 as “Annexure C” of Directors Report.

Notes on Directors seeking appointment/re-appointment as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Reappointment of Sri. K.S. Kamalakannan, F.M.Tech is Chairman and Managing Director of the Company with effect from 1st August, 2014.

Sri.K.S. Kamalakannan holds 6070570 Equity Shares in the Company.

Sri.K.S. Kamalakannan is not director or member of the Committee of the Board of any other listed entity.

Reappointment of Smt. Mageswari kannan, B.Sc., is Joint Managing Director of the Company with effect from 1st August, 2014.

Smt.Mageswari kannan holds 1855220 Equity Shares in the Company.

Smt. Mageswari kannan is not director or member of the Committee of the Board of any other listed entity.

Reappointment of Sri. Sounder Kannan, B.E.,(Mechanical) is Whole-Time Director of the Company with effect from 27th March, 2014.

Sri. Sounder Kannan holds 817855 Equity Shares in the Company.

Sri. Soundar Kannan is not director or member of the Committee of the Board of any other listed entity.

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

In our Company, the Stakeholders' Grievance Committee is known by the name of Stakeholders' Relationship Committee.

(i) The Committee consists of 1 Independent Director and 2 Executive Directors. The Members of the Stakeholders' Relationship Committee are Sri. S. Ramesh, Chairman, Non-executive and Independent Director, Smt. Mageswari Kannan, JMD/Executive Director and Sri. Sounder Kannan, WTD/ Executive Director. Sri. S. Ramesh, Chairman of the Committee was present at the Annual General Meeting.

(ii) Sri. V. Marikannan, Company Secretary also functions as the Compliance Officer and communication address is M/s Naga Limited, No.1, Anna Pillai Street, Chennai- 600 001, Tel: 044-25363535, email: marikannanv@nagamills.com.

(iii) A summary of various complaints received and cleared by the Company during the year is given below:

Nature of Complaint	Received	Cleared
Non-receipt of Dividend Warrant	9	9
Non-receipt of Share Certificates	2	2
Miscellaneous	1	1

(iv) Normally all complaints/queries are disposed off expeditiously. The Company had no complaint pending at the close of the financial year.

(v) The Committee considers and resolves the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends.

Prevention of Inside Trading

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 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. The Company Secretary & Head Compliance is responsible for implementation of the Code. All Board Directors and the designated employees have confirmed compliance with the Code.

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)

i) Terms of reference

The Committee formulate and recommend to the Board, a CSR Policy and recommend the amount of expenditure to be incurred on CSR activities. Committee framed a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Company and also monitor CSR policy from time to time.

ii) Composition

The CSR Committee of the Company consists of 1 Independent Director and 2 Executive Directors.

iii) No. of Meetings held during the year

During the year the Committee had 2 meeting i.e. on 26.10.2016 & 06.02.2017

iv) Composition, name of Members and attendance during the year

Name of the Member	Category	Attendance at the CSR Committee Meetings held on	
		26.10.2016	06.02.2017
Dr. K. Venkatachalam, Chairman	Independent Director	✓	✓
Smt. Mageswari Kannan	Joint Managing Director	✓	✓
Sri. Sounder Kannan	Whole Time Director	✓	✓

8. FINANCE COMMITTEE

i) Terms of reference

This Committee shall exercise all powers to borrow money (otherwise than by issue of debentures) within limits approved by the Board and take necessary actions connected therewith, including refinancing for optimisation of borrowing costs.

ii) Composition

The Finance Committee of the Company consists of 3 Executive Directors.

iii) Composition, name of Members and attendance during the year

Name of the Member & Category	Attendance at the Finance Committee Meetings held on							
	15.06.16	22.06.16	02.07.16	10.08.16	19.08.16	19.09.16	30.09.16	13.10.16
Sri.K.S.Kamalakannan, CMD	✓	✓	✓	✓	✓	✓	✓	✓
Smt. Mageswari Kannan, JMD	✓	✓	✓	✓	✓	✓	✓	✓
Sri. Sounder Kannan, WTD	✓	✓	✓	✓	✓	✓	✓	✓
	24.10.16	28.10.16	19.11.16	10.12.16	04.01.17	20.01.17	06.02.17	22.03.17
	✓	✓	✓	✓	✓	✓	✓	✓
	✓	✓	✓	✓	✓	✓	✓	✓
	✓	✓	✓	✓	✓	✓	✓	✓

9. GENERAL BODY MEETINGS

Year	Date	Time	Venue	Special Resolutions Passed
2013-14	01.08.2014	12.15 P.M	Presidency Club, No.51, Ethiraj Salai, Egmore, Chennai-600 008	Yes
2014-15	27.07.2015	10.00 A.M	Presidency Club, No.51, Ethiraj Salai, Egmore, Chennai-600 008	Yes
2015-16	12.09.2016	05.00 P.M	Presidency Club, No.51, Ethiraj Salai, Egmore, Chennai-600 008	Yes
2015-16	29.11.2016	11.00 A.M	No.1, Trichy Road, Dindigul-624 005	Yes

i) Special resolutions passed in the previous three AGMs

Financial Year 2013-14:

1. Re-appointment of Sri K.S. Kamalakannan, CMD.
2. Re-appointment of Smt. Mageswari Kannan, JMD.
3. Re-appointment of Sri. Sounder Kannan, WTD.
4. Increasing borrowing powers of the Board of Directors.
5. Increase in the remuneration payable to Sri. D. Vijay Anand, Vice-President, Foods Division, Son in law of Sri. K.S. Kamalakannan, Chairman & Managing Director of the Company occupying

the position of office or place of profit.

6. Increase in the remuneration payable to Smt. Monaa Kannan, CEO, Retail Division, Daughter in law of Sri. K.S. Kamalakannan, Chairman & Managing Director of the Company occupying the position of office or place of profit.

7. Increase in the remuneration payable to Ms. M. Jayalalitha, CEO, Detergents Division, Sister of Smt. Mageswari Kannan, Joint Managing Director of the Company occupying the position of office or place of profit.

8. Increase in the remuneration payable to Sri. M. Sukumar, Commercial Manager, Minerals Division, Brother of Smt. Mageswari Kannan, Joint Managing Director of the Company occupying the position of office or place of profit.

9. Increase in the remuneration payable to Smt. Lakshmi Vijay Anand, CEO, Foods Division, Daughter of Sri. K.S. Kamalakannan, Chairman & Managing Director of the Company occupying the position of office or place of profit.

10. Reappointment of Sri. S. Ramesh as an Independent Director.

11. Reappointment of Sri. L.A. Irudayaraj as an Independent Director.

12. Creation of Charges on the Assets of the Company.

Results of E-voting:

Particulars	Total Votes	Total Valid Votes Cast in favour of the Resolution	% of Total valid Votes Cast in favour of the Resolution	Total Valid Votes Cast against the Resolution
Resolution 1	14047865	14047865	100 %	0
Resolution 2	14047865	14047865	100 %	0
Resolution 3	14047865	14047865	100 %	0
Resolution 4	14047865	14047865	100 %	0
Resolution 5	14047865	14047865	100 %	0
Resolution 6	14047865	14047865	100 %	0
Resolution 7	14047865	14047865	100 %	0
Resolution 8	14047865	14047865	100 %	0
Resolution 9	14047865	14047865	100 %	0
Resolution 10	14047865	14047865	100 %	0
Resolution 11	14047865	14047865	100 %	0
Resolution 12	14047865	14047865	100 %	0

Financial Year 2014-15:

1. To approve the remuneration of the Cost Auditor for the Financial year ending 31st March, 2016.
2. To amend the Articles of Association of the Company.

Results of E-Voting :

Particulars	Total Votes	Total Valid Votes Cast in favour of the Resolution	% of Total valid Votes Cast in favour of the Resolution	Total Valid Votes Cast against the Resolution
Resolution 1	14050315	14050315	100 %	0
Resolution 2	14050315	14050315	100 %	0

Financial Year 2015-2016:

1. To approve revision of remuneration of Sri. K.S. Kamalakannan (DIN 01601589), Chairman and Managing Director of the Company.
2. To approve revision of remuneration of Smt. Mageswari Kannan (DIN 02107556), Joint Managing Director of the Company.
3. To approve revision of remuneration of Sri. Sounder Kannan (DIN 01603823), Whole -Time Director of the Company.
4. To approve revision of remuneration of Sri. Vijay Anand, VP-Food Division, the relative of Executive Directors, occupying the position of office or place of profit.
5. To approve and ratify the remuneration paid to Sri. K.S. Kamalakannan (DIN 01601589), Chairman and Managing Director of the Company.
6. To approve and ratify the remuneration paid to Smt. Mageswari Kannan (DIN 02107556), Joint Managing Director of the Company.

Results of E-Voting:

Particulars	Total Votes	Total Valid Votes Cast in favour of the Resolution	% of Total valid Votes Cast in favour of the Resolution	Total Valid Votes Cast against the Resolution
Resolution 1	3395225	3395225	100 %	0
Resolution 2	3395225	3395225	100 %	0
Resolution 3	3395225	3395225	100 %	0
Resolution 4	3395225	3395225	100 %	0
Resolution 5	3394475	3394475	100 %	0
Resolution 6	3394475	3394475	100 %	0

EGM dt. 29.11.2016

1. Increasing borrowing power of the Board of Directors.
2. Approval of contract/arrangement for material related party transactions with various related parties for the financial year 2016-2017.
3. Re-appointment of Independent Director for second consecutive term of five years.

Results of E-Voting:

Particulars	Total Votes	Total Valid Votes Cast in favour of the Resolution	% of Total valid Votes Cast in favour of the Resolution	Total Valid Votes Cast against the Resolution
Resolution 1	14051435	14051435	100 %	0
Resolution 2	3409100	3409100	100 %	0
Resolution 3	14051435	14051435	100 %	0

ii) No postal Ballot was conducted last year.

iii) No special resolution is proposed to be conducted through Postal Ballot.

iv) Postal Ballot whenever conducted will be carried out as per the procedure mentioned in rule 22 of Companies(Management and Administration) Rules, 2014, including any amendment thereof.

10. MEANS OF COMMUNICATION

i) Quarterly Results

The quarterly results are published in accordance with the requirements of SEBI LODR Regulations, 2015.

ii) Newspaper in which results are normally published

The Quarterly Un-audited Results and the Annual Audited Financial Results of the Company are sent to the Stock Exchange immediately after they are approved by the Board and are also published in one vernacular news paper viz. “ Malai Sudar ” and one English news paper viz. “ Business Standard / Business Line”.

iii) Website : www.nagamills.com

iv) Official news releases and presentation made to institutional investors / analysts

Relevant information is displayed on the website.

As the financial results of the Company are published in the Newspapers and press release issued in newspapers and also displayed on the Company's website, a separately half yearly declaration of financial performance is not sent to each household of shareholders.

11. GENERAL SHAREHOLDER INFORMATION

i) AGM Date, Time and Venue

August 19, 2017 01.00 P.M. at the Presidency Club, 51, Ethiraj Salai, Egmore, Chennai - 600 008.

ii) Financial Calendar

Unaudited results for the quarter ending June 30, 2017	-	2nd week of August, 2017
Unaudited results for the quarter / half year ending September 30, 2017	-	2nd week of November, 2017
Unaudited results for the quarter ending December 31, 2017	-	2nd week of February, 2018
Audited results for the year ending March 31, 2018	-	Before end of May, 2018

iii) Book Closure

The register of Members and Share Transfer Books of the Company shall remain closed from August 13, 2017 to August 19, 2017 (both days inclusive) for A.G.M & payment of dividend.

iv) Dividend Payment Date

Dividend will be paid within 30 days from the approval of the same in the 26th Annual General Meeting.

v) Transfer of Shares to Investor Education and Protection Fund

Pursuant to the provisions of Section 124, 125 of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 notified by the Ministry of Corporate Affairs and its amendment made from time to time, Company has issued Newspaper advertisement on 26th November, 2016 and Company has sent individual notices to the shareholders on 20th September, 2016 for transfer of all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more, such shareholders' shares would be transferred to the Investor Education and Protection Fund. Shareholders are requested to note that shares transferred to IEPF, including all benefits accruing on such shares, if any can be claimed back from the IEPF Authority after following the procedure prescribed under the said rules.

vi) Listing in Stock Exchange

The Company's Equity Shares are listed on the Metropolitan Stock Exchange of India Limited (MSEI). The annual listing fees of the MSEI have been paid for the financial year 2016-17.

vii) Stock Code

Name of the stock Exchange	Stock Code No.
Metropolitan Stock Exchange of India Limited, Mumbai (formerly known as MCX Stock Exchange Limited)	Symbol : NAGA Series : EQ

Demat - ISIN Number for NSDL & CDSL: INE327M01014

viii) Market Price Data

High/Low of Market price of Company's equity shares traded on the MSEI. During the financial year ended on March 31, 2017 was as follows:

Month	High	Low
April 2016 to January 2017	-	-
February to March 2017	55	55

ix) The securities of the Company have never been suspended from trading.

x) Share Transfers Agents

M/s. Cameo Corporate Services Ltd.

Subramanian Buildings, No.1, Club House Road, Anna Salai, Chennai - 600 002.

Tel. No.+91 044 2846 0390 (5 lines) Fax: +91 044 2846 0129, email: cameo@cameoindia.com

xi) Share Transfer System

After consideration by the Share Transfer Committee, the Share Transfers in physical form are registered and returned within a period of 15 days from the date of receipt in case the documents are complete in all respects. The particulars of movement of shares in the dematerialized mode are also placed before the Share Transfer Committee.

xii) Distribution of shareholding as on March 31, 2017

Shares	Shares or Debentures holding			
	No. of Shareholders	% of total	No. of Shares holding	% of total
10 - 5000	599	90.07	369500	0.26
5001 - 10000	17	2.56	145000	0.10
10001 - 20000	20	3.01	287750	0.20
20001 - 30000	4	0.60	97500	0.07
30001 - 40000	4	0.60	135000	0.09
40001 - 50000	1	0.15	50000	0.14
50001 - 100000	2	0.30	130000	0.09
100001 - and above	18	2.71	141265250	99.15
Total	665	100.00	142480000	100.00

xiii) Shareholding Pattern

Sl.No.	Category	No. of Shares	% Shares
1	A) Promoters	8816145	61.88
2	Corporate Body - Promoters Group	1468500	10.31
3	Directors/relative	357690	2.51
	B) Public		
4	Corporate Body	2661752	18.68
5	Clearing Member	10	0.0001
6	Resident	943903	6.62
	Total (A+B)	14248000	100.00

xiv) Dematerialization of Shares

Mode of Holding	No. of Holders	Percentage of No. of Holders	No. of Shares	Percentage of No. of Holders
Physical	622	93.54	82975	0.58
NSDL	37	5.56	14159795	99.38
CDSL	6	0.90	5230	0.04
Total	665	100	14248000	100

xv) Secretarial Audit for reconciliation of Capital

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a practicing company secretary carried out the Secretarial Audit for all the quarters of Financial Year 2016-17. The Audit Reports confirms that there is no discrepancy in the issued, listed and admitted capital of the Company.

xvi) Commodity price risk or foreign exchange risk and hedging activities

The Company being a sizable user of commodities, exposes it to the price risk on account of procurement of commodities. The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations.

xvii) Outstanding GDR's/ADR's/Warrant's/ Convertible instruments and their impact on equity : Not issued.

- xviii) Units & Locations :**
- i) No.1, Trichy Road, Dindigul - 624 005.
 - ii) No.133, Trichy Road, Dindigul - 624 005.
 - iii) No.4/213, Padiyur, Dindigul - 624 005.
 - iv) No.9, Trichy Road, Dindigul - 624 005.
 - v) No.1, Oddanchatram Road, Vendasandur-624 710.
 - vi) Windmills: Coimbatore, Dharapuram, Theni & Thirunelveli.

xix) Redressal of Investor Grievances through SEBI complaints Redress System (SCORES)

SCORES is a web based centralized grievance redressal system of SEBI that enables the investors to lodge, follow up and track the status of redressal of complaints online. The investor complaints are processed in a centralized web based complaints redressal system. The Company is registered with SEBI Complaints Redress System (SCORES) and ensures to file Action Taken Report under SCORES well within the prescribed time frame.

xx) Address for Correspondence

M/s. Cameo Corporate Services Ltd,
Subramanian Buildings, No.1, Club House Road, Anna Salai, Chennai - 600 002.

Shareholders can also contact the Secretarial Department at the Registered Office of the Company at:

Naga Limited, No.1, Anna Pillai Street, Chennai - 600 001,
Tele/fax 044-25363535,
email: marikannanv@nagamills.com,
E-mail ID for Investor Grievances: marikannanv@nagamills.com

12. DISCLOSURE

i) Related Party Transactions

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on arm's length basis and do not attract provisions of Section 188 of the Companies Act, 2013. There were materially significant transactions with the related parties during the financial year that didn't have any potential conflict with the interests of the Company at large.

Related party transactions have been disclosed in Note 36 to the financial statements. A statement in summary form of transactions with related parties in the ordinary course of business and arm's length basis is periodically placed before the Audit Committee for its review. Omnibus approval was obtained for transactions which were repetitive in nature. All Related Party Transactions are placed before the Audit Committee, Board and also the Shareholders for their approval. The Company has a Related Party Transaction Policy in place, which has been posted on the website of the Company at www.nagamills.com/Investor.

ii) Non-compliance by the Company, penalties and structures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years: Nil.

iii) Vigil mechanism and Whistle Blower Policy

The Company has a Whistle Blower Policy in place. The internal auditors of the Company have been provided with a separate e-mail address. They are also stationed at the Head Office of the Company as the Company has provided the auditors with a separate office. Any employee of the organization can contact the auditor on the mail or personally. The Company's portal provides a very effective means for the employees to communicate freely with the Managing Director. The Company's employees can also directly meet the Managing Director and express their grievances/concerns. There are safeguards to ensure that all employee concerns receive due consideration. The Whistle Blower Policy of the Company has been posted on the website of the Company, under the web link www.nagamills.com.

The Code of Conduct for the Board of Directors and Senior Management states that Directors and Senior Managers of the Company shall endeavour to promote ethical behaviour and to provide an opportunity to employees to report violation of laws, rules, regulations or codes of conduct and policy directives adopted by the Company to the appropriate personnel without fear of retaliation of any kind for reports made by the employees in good faith. No personnel has been denied access to the Audit Committee.

iv) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause. Details of any non-compliance of any requirement of corporate governance report.

All the mandatory requirements have been complied with as stated in this report on Corporate Governance. There is no non-compliance with any requirement of corporate governance report of sub-para (2) to (10) of the Corporate Governance report as given in Schedule V(C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The disclosures of the compliance with Corporate Governance requirements specified in Regulation 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Regulations), have been made in this Corporate Governance report. Details required under clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the said Regulations are displayed on the website of the Company at www.nagamills.com.

The non-mandatory requirements as stipulated in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations have been adopted to the extent and in the manner as stated under the appropriate headings in the Report on Corporate Governance.

v) Material Subsidiaries: The Company does not have a material subsidiary as defined under Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations. The Policy for determining material subsidiaries is posted on the website of the Company at www.nagamills.com/Investors.

vi) Disclosure of commodity price risks and commodity hedging activities

This has been discussed under point no 9 (xiv) of this Corporate Governance Report.

vii) CEO/CFO Certification

A certification from the CMD/CEO and CFO as specified in Part B of Schedule II in terms of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was placed before the Board Meeting held on 8th May, 2017 to approve the Audited Annual Accounts for the year ended 31st March, 2017.

viii) Risk Management: The Company has a Risk Management Framework in place, the details of which are provided in the Board's report.

ix) Unclaimed Dividend

Pursuant to Section 124(5) of the Companies Act, 2013, all unclaimed dividend for the year ended 31st March, 2009 have been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed the dividend warrants for the said period are requested to claim the amount from the Registrar of Companies, Tamilnadu, Chennai, by submitting in e-Form IEPF-1 to the aforesaid authority.

Shareholders are requested to encash their dividend warrants immediately on receipt as dividends remaining unclaimed for seven years are to be transferred to the Investor Education and Protection Fund.

Disclosure with respect to demat suspense account/unclaimed suspense account as required under Schedule V(F) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

	Particulars	No. of Shareholders	No. of Equity Shares
a)	Aggregate number of Shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on 1st April, 2016.	17	6125 equity shares
b)	Number of Shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year.	2	1250 equity shares
c)	Number of Shareholders to whom the shares were transferred from the Unclaimed Suspense Account during the year.	2	1250 equity shares
d)	Aggregate number of Shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on 31st March, 2017.	15	4875 equity shares

e) It is hereby confirmed that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

x) Non-compliance of any requirement of Corporate Governance Report of sub-paras (2) to (10) of Para C to Schedule V of the Listing Regulations

The Company has complied with all the requirements in this regard, to the extent applicable.

xi) Details of compliance with Mandatory requirements and adoption of non mandatory requirements

During the financial year 2016-17, the Company has complied with all mandatory requirements as specified in the SEBI Listing Regulations. The Company has adopted the below specified non-mandatory requirements in terms of Regulation 27(1) of SEBI Listing Regulations:

1. Modified Opinion in Audit Report

During the year under review, there was no audit qualification in the Auditors' Report on the Company's financial statements. The Company continues to adopt best practices to ensure a regime of financial statements with unmodified audit opinion.

2. Separate posts of Chairman and Chief Executive Officer

The Company has an Executive Chairman acting as the Chairman & Managing Director (CEO) as allowed by the Company's Articles of Association and hence not appointed a separate person as the Chief Executive Officer of the Company.

3. Reporting of Internal Auditor

The Internal Auditor reports directly to the Audit Committee.

xii) Disclosure of complaints with Corporate Governance requirements specified in Regulations 17 to 27 and Regulations 46(2)(b) to (i) of the Listing Regulations.

The Company has complied with all the requirements in this regard, to the extent applicable.

Place : Chennai

Date : 08th May, 2017

FOR AND ON BEHALF OF THE
BOARD OF DIRECTORS

K.S. KAMALAKANNAN
Chairman & Managing Director

DECLARATION

As required under Schedule V(D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the Board of Directors and the Senior Management for the year ended 31st March, 2017.

Place : Chennai

Date : 08th May, 2017

FOR AND ON BEHALF OF THE
BOARD OF DIRECTORS

K.S. KAMALAKANNAN
Chairman & Managing Director

Certificate of Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

TO THE MEMBERS OF NAGA LIMITED

We have examined the compliance of conditions of corporate governance by Naga Limited (“the Company”) for the year ended on 31 March 2017 as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the Company with Stock Exchange.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the Company with Stock Exchange.

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

Place : Chennai
Date : 08th May, 2017

For D Sampathkumar & Co.,
Chartered Accountants
(Firm Registration No : 003556S)

M.K. Ravindran
(Partner)
M.No: 020887

ANNEXURE TO REPORT ON CORPORATE GOVERNANCE

CERTIFICATION BY CMD/CEO & CFO TO THE BOARD

We, K.S. Kamalakannan, Chairman and Managing Director/Chief Executive Officer and T.Nagarajan Chief Financial Officer of Naga Limited certify that:

A. We have reviewed financial statements and the cash flow statements for the year and that to the best of our knowledge and belief.

(i) these statements do not contained any materially untrue statement or omit any material fact or contains statement that might be misleading.

(ii) these statements present a true and fair view of the state of affairs of the Company and of the result of operations and cash flows. The financial statements have been prepared in confirmity, in all material respects, with existing Accounting Standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

C. We accept overall responsibility for establishing and monitoring the Company's internal control system for financial reporting and evaluating its effectiveness. Internal Audit Function monitors the internal control system for financial reporting, which encompasses the examination and evaluation of adequacy and effectiveness. Internal Audit works with all level of management and Statutory Auditors, and report significant issues to the Audit Committee of the Board. The Statutory Auditors and Audit Committee are appraised of any corrective action taken or proposed to be taken with regard to significant deficiencies and material weaknesses.

D. We have indicated to the Auditors and Audit Committee:

(i) that there are no significant changes in internal control over financial reporting during the year.

(ii) there are no significant changes in accounting policies during the year.

(iii) there are no instances of significant fraud of which we have become aware of and which involve management are other employees who have significant role in the Company's internal control system over the financial reporting.

Place : Chennai

Date : 08th May, 2017

K.S. KAMALAKANNAN

CEO/CMD

T.NAGARAJAN

CFO

D.Sampathkumar & Co.,
Chartered Accountants

5, South Boag Road,
T.Nagar, Chennai 600 017.
Ph: 044-24341189

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NAGA LIMITED REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of Naga Limited, (“the Company”), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in sub-section 5 of Section 134 of the Companies Act, 2013 (“the Act”) with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cashflows 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 (“the Rules”). This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

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

We conducted our audit in accordance with the Standards on Auditing specified under sub-section 10 Section 143 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 standalone

financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit and its cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies(Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in exercise of powers conferred by sub-section 11 of Section 143 of the Act, we enclose in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of sub-section 2 of Section 164 of the Act.
- f) With respect to adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial control over financial reporting.
- g) With respect to the other matters to be included in the Independent Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us.

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements as referred to in Note 37 to the standalone financial statements;
- ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
- iii. There has been no delay in transferring amounts which were required to be transferred to the Investor Education and Protection Fund by the Company ; and
- iv. The Company has provided requisite disclosures in its standalone financial statements as to its holding as well as dealings in Specified Bank Notes during the period 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of account maintained by the company.

Place : Chennai
Date : May 08,2017

For D Sampathkumar & Co.,
Chartered Accountants
(Firm Registration No : 003556S)

M.K. Ravindran
(Partner)
M.No: 020887

Annexure A to Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the financial statements of the Company for the year ended March 31, 2017)

Report on Companies (Auditor's Report) Order, 2016 ("the Order") of Naga Limited ("the Company")

- i) In respect of its fixed assets:
 - a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c) According to the information and explanations given to us, the title deeds of immovable properties, as disclosed in Note 11 to the financial statements, are held in the name of the Company.
- ii) In respect of its inventories:
 - a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b) As per the information and explanations given to us, no material discrepancies were noticed on physical verification.
- iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.

- iv) The Company has not granted any loans or provided any guarantees or security to the parties covered under section 185 of the Act. The Company has complied with the provisions of section 186 of the Act in respect of investments made during the year.
- v) The Company has not accepted any deposit from the public. Accordingly paragraph 3(v) of the Order is not applicable to the Company.
- vi) We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of Cost Records under sub-section 1 of Section 148 of the Act and are of opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examinations of the record.
- vii) In respect of statutory dues:
- a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, and other material statutory dues, as applicable, with the appropriate authorities.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, and other material statutory dues were in arrears as at 31st March, 2017 for a period of more than six months from the date they became payable.
- c) Details of dues of Income Tax ,Sales Tax, Wealth Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Cess which have not been deposited as on March 31,2017 on account of disputes are given below:

Sr. No	Name of the Statute	Nature of Dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Forum where dispute is pending
1	The Tamil Nadu Tax on Consumption or Sale of Electricity Act, 2003	Electricity Tax	19.83	2012-13 to 2016-17	Hon'ble Supreme Court of India
2	The Electricity Act, 2003	Windmill banking adjustment	56.28	2009 - 10	Hon'ble High Court of Chennai, Madurai Bench

viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks or financial institutions. The Company does not have any loans or borrowings from the government and has not issued any debentures.

ix) The Company has not raised monies by way of initial public offer or further public offer (including debt instruments). The term loans were used for the purposes for which those were raised.

x) 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) In our opinion and according to the information and explanations given to us the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions the Sections 197 read with Schedule V to the Act.

xii) The Company is not a Nidhi Company and hence reporting under clause 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 related parties are in compliance with section 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard [AS] 18, Related Party Disclosure as specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

xiv) According to the information and explanations given to us and based on our examination of the records, 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, 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. Accordingly, provisions of clause 3(xvi) of the Order is not applicable to the Company.

Place : Chennai
Date : May 08, 2017

For D Sampathkumar & Co.,
Chartered Accountants
(Firm Registration No : 003556S)

M.K. Ravindran
(Partner)
M.No: 020887

**ANNEXURE `B' TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE
STANDALONE FINANCIAL STATEMENTS OF NAGA LIMITED**

(Referred to in paragraph 2(f) under “Report on Other Legal and Regulatory Requirements” section of our report of even date)

Report on the Internal Financial Controls over Financial Reporting 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 Naga Limited, (‘the company’) as of 31st March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended and as 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 (the 'Guidance Note') 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 the Company's policies, the safeguarding of its assets, the prevention and deduction of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibilities

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 Standards on Auditing prescribed under section 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls. Those Standards and Guidance Note required 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 the financial reporting, included obtaining an understanding of internal financial control 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 design 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 transaction 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 the authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due 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 controls over financial reporting may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st 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.

Place : Chennai
Date : May 08, 2017

For D Sampathkumar & Co.,
Chartered Accountants
(Firm Registration No : 003556S)

M.K. Ravindran
(Partner)
M.No: 020887

BALANCE SHEET AS AT 31ST MARCH, 2017

(Rs. in Lakhs)

PARTICULARS	Note No	As at 31st March, 2017	As at 31st March, 2016
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	1,424.80	1,424.80
(b) Reserves and Surplus	3	8,050.21	5,749.00
(2) Share application money pending allotment		--	--
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	4	7,793.04	7,951.93
(b) Deferred Tax Liabilities (net)	5	991.53	691.53
(c) Other Long -Term Liabilities	6	110.38	105.47
(d) Long term provisions	7	138.25	0.00
(4) Current Liabilities			
(a) Short-Term Borrowings	8	17,261.96	5,259.64
(b) Trade Payables	9	2,273.18	1,048.98
(c) Other Current Liabilities	10	5,449.87	2,470.35
(d) Short-Term Provisions	11	583.45	38.30
Total		44,076.67	24,740.00
II. ASSETS			
(1) Non -Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	12	16,566.85	13,975.82
(ii) Intangibles	12	-	-
(iii) Capital Work in Progress	12	173.33	627.46
(b) Non - Current Investments	13	47.64	62.62
(c) Long -Term Loans and Advances	14	668.28	645.29
(d) Other Non - Current Assets	15	-	0.21
(2) Current Assets			
(a) Inventories	16	17,278.86	5,341.96
(b) Trade Receivables	17	3,410.05	2,714.65
(c) Cash and Cash Equivalents	18	2,703.26	954.55
(d) Short-Term Loans and Advances	19	2,919.15	326.31
(e) Other Current Assets	20	309.25	91.13
Total		44,076.67	24,740.00

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For D Sampathkumar & Co.,
Chartered Accountants

(Firm Registration No : 003556S)

For and on behalf of the Board

M.K. RAVINDRAN
Partner

M.No: 020887

Place : Chennai

Date : May 08, 2017

K.S. KAMALAKANNAN
Chairman & Managing Director
DIN : 01601589

MAGESWARI KANNAN
Joint Managing Director
DIN : 02107556

T.NAGARAJAN
Chief Financial Officer
M.No:FCA205483

V. MARIKANNAN
Company Secretary
M.No. A30767

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(Rs. in Lakhs)

PARTICULARS	Note No	As at 31st March, 2017	As at 31st March, 2016
INCOME			
I Revenue from Operations	21	66,592.07	43,274.03
II Other Income	22	258.91	291.43
III Total Revenue (I + II)		66,850.98	43,565.46
IV EXPENSES			
Cost of Materials Consumed	23	35,446.69	27,429.20
Purchases of Stock in-Trade	24	14,682.24	4,561.82
Changes in Inventory of Finished Goods, Work - in - progress and Stock in Trade	25	(220.55)	91.25
Employee Benefits Expense	26	2,538.51	2,159.72
Finance Costs	27	2,298.46	1,822.59
Depreciation and Amortisation Expense	12	2,141.42	1,887.84
Other Expenses	28	5,965.80	4,727.10
Total Expenses		62,852.57	42,679.52
V PROFIT BEFORE TAX		3,998.41	885.94
VI Tax Expenses			
1) Current Tax		1,260.00	324.35
2) Deferred Tax		300.00	50.00
VII PROFIT FOR THE YEAR		2,438.41	511.59
VIII Earnings per Equity Share of Face Value of Rs. 10 each			
Basic and Diluted (in Rs.)	29	17.11	3.59

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For D Sampathkumar & Co.,
Chartered Accountants
(Firm Registration No : 003556S)

For and on behalf of the Board

M.K. RAVINDRAN

Partner

M.No: 020887

Place : Chennai

Date : May 08, 2017

K.S. KAMALAKANNAN

Chairman & Managing Director

DIN : 01601589

MAGESWARI KANNAN

Joint Managing Director

DIN : 02107556

T.NAGARAJAN

Chief Financial Officer

M.No:FCA205483

V. MARIKANNAN
Company Secretary

M.No. A30767

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

(Rs. in Lakhs)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	3,998.41	885.94
Adjustment for :		
Depreciation and amortisation of expenses	2,141.42	1,887.84
Bad debts w/off	31.52	0.19
Interest Income	(64.66)	(60.02)
Dividend Income	-	(0.08)
Interest Expenses	2,298.46	1,822.59
(Profit)/Loss on Sale of Investments	(4.55)	(1.49)
(Profit)/Loss on Sale of Assets (Net)	(9.90)	0.18
	<u>4,392.29</u>	<u>3,649.21</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	8,390.70	4,535.15
Adjustment for :		
Income Tax	(788.72)	(254.04)
Trade and other receivables	(3,566.96)	136.22
Inventories	(11,936.90)	(760.07)
Trade payables and other payables	<u>4,784.45</u>	<u>(351.59)</u>
	<u>(11,508.13)</u>	<u>(1,229.48)</u>
Net Cash from Operating Activities	(3,117.43)	3,305.67
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Payment made for Fixed Assets	(4,286.29)	(1,552.39)
Changes in Non-Current Assets	(22.78)	(269.34)
Changes in other Non-Current Liabilities	143.16	7.49
Proceeds from Sale of Long Term Investments	19.48	3.75
Payments made for Long Term Investments	-	(0.73)
Dividend Income	-	0.08
Proceeds from sale/deletion of fixed assets	17.97	0.38
	<u>(4,128.46)</u>	<u>(1810.76)</u>
	(7,245.90)	1,494.91
Net Cash flow from Investing activities		
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Interest Income	64.66	60.02
Interest Expenses	(2,298.46)	(1,822.59)
Proceeds net of Repayment of Borrowings	11,262.71	761.57
Dividend Paid (including dividend distribution tax)	(34.30)	(240.07)
Net cash from Financing Activities	8,994.61	(1,241.07)
(D) NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,748.71	253.84
Cash and Cash equivalents at the beginning of the period	954.55	700.71
Cash and Cash equivalents at the end of the period	<u>2,703.26</u>	<u>954.55</u>
	1,748.71	253.84

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For D Sampathkumar & Co.,
Chartered Accountants

(Firm Registration No : 003556S)

For and on behalf of the Board

M.K. Ravindran
Partner

M.No: 020887

Place : Chennai

Date : May 08, 2017

K. S. KAMALAKANNAN
Chairman & Managing Director
DIN : 01601589

MAGESWARI KANNAN
Joint Managing Director
DIN : 02107556

T.NAGARAJAN
Chief Financial Officer
M.No:FCA205483

V. MARIKANNAN
Company Secretary
M.No. A30767

Notes on Financial Statements for the year ended 31st March, 2017

NOTE - 1 : SIGNIFICANT ACCOUNTING POLICIES:

Corporate Information

Naga Limited is a Public Limited Company incorporated in 1991 as “Naga Oil Mills Company Limited” under the Companies Act, 1956 with Registration No. 18-20409. In April 1998, the Company changed its name to Naga Limited.

Its Shares are listed on Metropolitan Stock Exchange of India Limited (MSEI), Mumbai. The Registered Office of the Company is situated at Chennai and its Corporate office at Dindigul, Tamil Nadu.

The Company is engaged in the manufacture of Wheat Products, Minerals, Detergents and in Power Generation.

a. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention on the accrual basis of accounting and in accordance with Generally Accepted Accounting Principles accepted in India and comply with the accounting standards notified by Central Government of India, under the relevant provisions of the Companies Act, 2013.

b. Uses of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenue and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/ materialised.

c. Revenue Recognition

i. Income: Revenue is recognised only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from sales is recognised on despatch of goods and net of excise duty, service tax, trade discounts where applicable. Power generated through windmill is valued as per the credits given in the regular power bills by Tamil Nadu Generation and Distribution Corporation Limited. Other Incomes are recognised on accrual basis.

ii. Expenditure: Expenses are accounted on accrual basis and provision is made for all known losses and liabilities.

d. Fixed Assets

Fixed Assets are stated at cost of acquisition or construction, net of cenvat credit and depreciation and impairment loss, if any. Cost include direct costs and financing cost related to borrowing attributable to acquisition that are capitalized until the assets are ready for use. Capital work-in-progress comprise outstanding advances paid to acquire fixed assets and the cost of fixed assets that are not yet ready for their intended use at the reporting date. Intangible assets recorded in the books are shown less of accumulated amortization and impairment.

Notes on Financial Statements for the year ended 31st March, 2017

e. Depreciation and Amortisation

Depreciation on fixed assets is provided to the extent of depreciable amount on Written Down Value (WDV) method in respect of Soaps & Detergents division, Veda sandur and under Straight Line Method in respect of other Divisions. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

f. Impairment of Assets

An asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

g. Foreign Currency Transactions

i. Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of transaction or that approximates the actual rate at the date of the transaction.

ii. Monetary items denominated in foreign currency at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract.

iii. Non monetary foreign currency items are carried at cost.

iv. Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss account except in case of long term liabilities, where they related to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

h. Investments

Current investments are carried at the lower of cost and quoted / fair value, computed category wise. Long term investments are stated at cost. Provisions for diminution in the value of long term investments is made only if such a decline is other than temporary.

i. Inventories

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. Cost of raw materials, process chemicals, stores and spares, packing materials, trading and other products are determined on First In First Out basis.

Notes on Financial Statements for the year ended 31st March, 2017

j. Employee Benefits

- i. Short term Employee Benefits are recognized as an expense at the undiscounted amount in the Profit and Loss Account of the year in which the related service is rendered.
- ii. Post employment and other long term employees benefits are recognised as an expense in the Profit and Loss Account for the year in which employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Profit and Loss Account. In Respect of director - employees, gratuity (unfunded) is provided for based on the estimates made by the management at the rate of 15 days basic salary (last drawn salary) for each completed year of service.

k. Borrowing Cost

Borrowing cost that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying assets is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit and Loss Account.

l. Government Grants

- i. Government grants are recognised when there is reasonable assurance that the company will comply with the conditions attached to them and the grants will be received.
- ii. Government grants whose primary condition is that the company should purchase, construct or other wise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognised as income over the life of the depreciable asset by way of a reduced depreciation charge.

m. Provision for Current and Deferred Tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from “timing difference” between taxable and accounting income is accounted for using tax rates and laws that are enacted or substantially enacted as on the balance sheet date. Deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future. Deferred tax assets and liabilities are measured using the tax rate and tax law that have been enacted or substantively enacted by the Balance Sheet date.

n. Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

Notes on Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
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NOTE - 2 : SHARE CAPITAL

A. AUTHORISED SHARE CAPITAL:

2,75,00,000 (PY 2,75,00,000) Equity Shares of Rs 10/- each	2,750.00	2,750.00
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ISSUED, SUBSCRIBED & FULLY PAID UP:

1,42,48,000 (PY 1,42,48,000) Equity Shares of Rs10/- each	1,424.80	1,424.80
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(Of the above shares 98,01,000 Equity Shares were allotted pursuant to scheme of amalgamation for consideration other than cash)

The Company has issued only one class of equity shares having par value of Rs.10 per share.

B. RECONCILIATION OF THE NUMBER OF SHARES:

Particulars	As at 31.03.2017	As at 31.03.2016
No. of Shares outstanding at the beginning of the year	1,42,48,000	1,42,48,000
No. of Shares outstanding at the end of the year	1,42,48,000	1,42,48,000

Rights attached to Equity Shares :

The Company has issued only one class of equity shares having par value of Rs. 10 per share. Each holder of the equity shares is entitled to one vote per share and ranks pari passu. The Equity Shareholders are entitled to receive dividend as and when declared. In the event of liquidation, the equity shareholders are entitled to receive the realised value of assets of the Company remaining after payment of all preferential dues in proportion to their shareholdings.

C. DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES:

NAME OF SHAREHOLDERS	As at 31 st March, 2017		As at 31 st March, 2016	
	No. of Shares	% of holding	No. of Shares	% of holding
Sri. K.S. Kamalakannan	6070570	42.61	6070570	42.61
Smt. Mageswari Kannan	1855220	13.02	1855220	13.02
M/s. Pluris Global Holding (India) Ltd.,	1410567	9.90	1350725	9.48
M/s. Lakme Investments & Finance Ltd.,	1245965	8.74	1172975	8.22
M/s. M.M.Detergents Company (P) Ltd.,	1024000	7.18	1024000	7.18
Sri. Sounder Kannan	817855	5.74	817855	5.74

Notes on Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

PARTICULARS	As at 31 st March, 2017	As at 31 st March, 2016
NOTE - 3 : RESERVES & SURPLUS		
A. CAPITAL RESERVE		
As per Last Balance Sheet	10.82	10.82
Total - A	10.82	10.82
B. SECURITIES PREMIUM RESERVE		
As per Last Balance Sheet	136.11	136.11
Total - B	136.11	136.11
C. GENERAL RESERVE		
As per Last Balance Sheet	229.18	208.18
Add : Transferred from Profit & Loss Account	21.00	21.00
Total - C	250.18	229.18
D. SURPLUS IN STATEMENT OF PROFIT & LOSS :		
As per Last Balance Sheet	5,372.89	5,019.50
Add : Profit for the Year	2,438.41	511.59
	7,811.30	5,531.09
Less : Appropriations		
Transferred to General Reserve	21.00	21.00
Interim Dividend on Equity Shares [per share Rs. Nil (PY Rs. 0.60 per share)]	-	85.48
Proposed Final Dividend on Equity Shares [Per share Rs. 0.80 (PY Rs.0.20 per share)]	113.98	28.50
Tax on Dividend	23.22	23.22
Total - D	7,653.10	5,372.89
Total - A+B+C+D	8,050.21	5,749.00

Notes on Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

PARTICULARS	As at 31 st March, 2017	As at 31 st March, 2016
NOTE - 4 : LONG TERM BORROWINGS		
SECURED		
Term Loans from Banks	6,366.36	5,104.53
Term Loans from Financial Institutions and Others	3.90	14.90
Total - A	6,370.26	5,119.43
UNSECURED		
Term Loans from Financial Institution	782.00	971.00
Loans and Advances from Related Parties	640.78	1,861.50
Total - B	1,422.78	2,832.50
(Refer Note No.10) Total - A+B	7,793.04	7,951.93

Security & Other terms of loans

(i) Term loan from the Axis Bank Ltd amounting to Rs. Nil outstanding as at 31.03.2017 (Previous year Rs. 3367.07 lakhs) is primarily secured on hypothecation of the assets purchased under the loan and collaterally secured by equitable mortgage on land and buildings located at Foods, Minerals and Detergents Divisions located at Dindigul District.

(ii) Term loan from The Standard Chartered Bank amounting to Rs. 1210.46 lakhs outstanding as at 31.03.2017 (Previous year Rs. 602.94 lakhs) is primarily secured on hypothecation of the assets purchased under the loan and collaterally secured by equitable mortgage on land measuring 4.01 acres at Vedasandur. External commercial borrowings is fully hedged.

(iii) Term loan from The ICICI Bank Limited amounting to Rs. 34.34 lakhs outstanding as at 31.03.2017 (Previous year Rs. 34.26 lakhs) is primarily secured by hypothecation of the assets purchased under vehicle loan.

(iv) Term loan from The HDFC Bank Limited amounting to Rs. 3048.95 lakhs outstanding as at 31.03.2017 (Previous year Rs. 1071.86 lakhs) is primarily secured on the assets purchased under the loan and personal assets of some of the Directors.

(v) Term loan from The Karur Vysya Bank Limited amounting to Rs.675.00 lakhs outstanding as at 31.03.2017 (Previous year Rs.975.00 lakhs) is primarily secured by equitable mortgage on Agri Godown located at Dindigul.

(vi) Term loan from The Canara Bank amounting to Rs. 211.97 Lakhs outstanding as at 31.03.2017 (Previous year Rs. 320.97 lakhs) is primarily secured by hypothecation on the assets purchased under the loan and collaterally secured on the personal assets of some of the Directors.

Notes on Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

PARTICULARS	As at 31 st March, 2017	As at 31 st March, 2016
(vii) Term loan from The State Bank of India amounting to Rs. 1678.29 lakhs outstanding as at 31.03.2017 (Previous year Rs. 1711.53 Lakhs) is primarily secured on equitable mortgage of the assets of the Company located at Trichy.		
(viii) Term loan from IndusInd Bank Ltd amounting to Rs. 933.65 Lakhs outstanding as at 31.03.2017 (Previous year Rs. Nil) is primarily secured by hypothecation on the assets purchased under the loan and land at Seelapadi Village, Dindigul.		
(ix) Term loan from Daimler Benz amounting to Rs. 14.89 lakhs outstanding as at 31.03.2017 (Previous year Rs. 24.82 Lakhs) is primarily secured by hypothecation on the assets purchased under vehicle loan.		
(x) Term loan from Fullerton India Credit Company Limited amounting to Rs. 500.00 Lakhs outstanding as at 31.03.2017 (Previous year Rs. Nil) is secured on the personal assets of some of the Directors of the Company.		
(xi) Term loan from Bajaj Finance Limited amounting to Rs. 282.00 Lakhs outstanding as at 31.03.2017 (Previous year Rs. Nil) is secured on the personal assets of some of the Directors of the Company.		

Note :

- a) The said loans are repayable in monthly / quarterly instalments
- b) The Company does not have any continuing default as on the Balance Sheet date in the repayment of loan or interest.
- c) The loans have been guaranteed by some of the Directors of the Company.

NOTE - 5 : DEFERRED TAX LIABILITIES (NET)

Opening Balance	691.53	641.53
Related to Fixed Assets and other timing difference	300.00	50.00
	991.53	691.53

NOTE - 6 : OTHER LONG TERM LIABILITIES

Payable in respect of fixed assets	7.00	7.00
Rental and lease advances	103.38	98.47
	110.38	105.47

Notes on Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

PARTICULARS	As at 31 st March, 2017	As at 31 st March, 2016
NOTE - 7 : LONG TERM PROVISIONS		
Provision for employee benefits - gratuity	138.25	-
(Refer Note No.39)	138.25	0.00
NOTE - 8 : SHORT TERM BORROWINGS		
Loans repayable on demand		
Secured		
From Banks	16,761.96	4,759.64
(Secured by pari passu charge on inventories & Trade Receivables)		
Un Secured		
From Banks	500.00	500.00
(Secured on personal guarantee of some of the Directors of the Company)		
	17,261.96	5,259.64
NOTE - 9 : TRADE PAYABLES		
Trade Payables	2,273.18	1,048.98
	2,273.18	1,048.98
<p>The company is in the process of compiling relevant information from its suppliers about their coverage under the Micro, Small and Medium Enterprises Development Act, 2006. Since the relevant information is still not available, no disclosure have been made in the accounts.</p>		
NOTE - 10 : OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Debts	1,437.29	2,018.02
(Refer note no.4 for terms of loan)		
Advances Received for Supply of Goods	3,283.33	66.58
Balances in Current Account with Banks	324.83	82.43
Other Payables *	404.42	303.32
	5,449.87	2,470.35
<p>* Includes Unclaimed Dividend Rs. 2.71 lakhs. There are no amounts payable / due to be credited to Investor Education and Protection Fund as on 31st March, 2017.</p>		
NOTE - 11 : SHORT TERM PROVISIONS		
Provision for Gratuity / Leave Encashment	4.00	4.00
Proposed Equity Dividend	113.98	28.50
Tax on Proposed Dividend	23.20	5.80
Provision for taxation	442.27	0.00
(net off advance tax paid Rs 769.27 Lakhs)	583.45	38.30

NOTE - 12 : FIXED ASSETS

(Rs. in Lakhs)

Description	Gross Value			Depreciation / Amortisation			Net Block		
	As at 01.04.2016	Additions	Deductions / Adjust- ments	As at 31.03.2017	As at 01.04.2016	Additions	Deductions / Adjust- ments	As at 31.03.2017	As at 31.03.2016
1 Tangible Assets									
a Land	925.85	31.18	-	957.03	-	-	-	957.03	925.85
b Buildings	3,719.00	216.73	-	3,935.73	1,378.80	140.17	-	2,416.76	2,340.20
c Plant & Equipment	13,589.44	2,556.81	-	16,146.25	7,014.06	1,536.99	-	7,595.20	6,575.38
d Electrical Installa- tion	1,492.80	169.80	-	1,662.60	792.93	142.22	-	727.45	699.87
e Furniture & Fixtures	50.16	1.56	-	51.72	35.65	2.05	-	14.02	14.51
f Vehicles	895.97	695.87	40.38	1,551.46	541.43	99.50	32.48	943.01	354.54
g Computers and other Equipments	751.44	49.97	1.24	800.17	495.58	44.90	1.17	260.86	255.86
h Windmill / Solar	4,647.56	1,018.50	-	5,666.06	1,837.95	175.59	-	3,652.52	2,809.61
Total (A)	26,072.22	4,740.42	41.62	30,771.02	12,096.40	2,141.42	33.65	16,566.85	13,975.82
Intangible Assets									
2 Goodwill	110.33	-	-	110.33	110.33	0.00	-	110.33	-
Total (B)	110.33	-	-	110.33	110.33	0.00	-	110.33	-
Total (A+B)	26,182.55	4,740.42	41.62	30,881.35	12,206.73	2,141.42	33.65	16,566.85	13,975.82
Previous years	24,881.26	1,350.82	49.53	26,182.55	10,329.59	1,887.84	10.70	13,975.82	14,551.67
Capital Work in progress								173.33	627.46

Note : a. The company has applied the estimated useful lives as specified in Schedule II

b. Capital work in progress include the cost of fixed assets that are not yet ready for their intended use at the reporting date.

NAGA LIMITED



Notes on Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

PARTICULARS	As at 31 st March, 2017	As at 31 st March, 2016
NOTE - 13 : NON CURRENT INVESTMENTS		
(Long Term Investments)		
(Valued at Cost less other than temporary diminution in value, if any)		
TRADE INVESTMENTS		
In Equity Shares - Unquoted, fully paid up		
Kerala Solvent Extract Ltd., (500 shares of Rs.10 each)	-	0.05
TCP Limited (470 shares of Rs.100 each)	0.47	0.47
Investments in Associate Companies :-		
Annai Power Pvt. Ltd., (10,400 shares of Rs.100 each)	10.40	10.40
Total A	<u>10.87</u>	<u>10.92</u>
OTHER INVESTMENTS (QUOTED) - fully paid up		
Indian Overseas Bank (480 shares of Rs.10 each)	0.05	0.05
Vijaya Bank (1500 shares of Rs.10 each)	0.15	0.15
Reliance Equity Advantage Fund (365700 units of Rs.10 each)	36.57	51.50
Total B	<u>36.77</u>	<u>51.70</u>
Total A+B	<u>47.64</u>	<u>62.62</u>
Aggregate amount of Quoted investments		
- Cost	36.77	51.70
- Market Value	45.14	52.12
Aggregate amount of Unquoted investments	10.87	13.93
Aggregate provision for diminution other than temporary in value of investments	Nil	Nil
NOTE - 14 : LONG TERM LOANS AND ADVANCES		
(Unsecured and considered good)		
Capital Advances	273.55	289.34
Security Deposits	289.15	276.60
Other Deposits-Rental Advances and statutory deposits	105.58	79.35
	<u>668.28</u>	<u>645.29</u>
(Advances given to the companies in which directors are interested Rs. Nil (P Y Rs. Nil))		
NOTE - 15 : OTHER NON CURRENT ASSETS		
Deferred Trade Receivables	-	0.21
	<u>0.00</u>	<u>0.21</u>
NOTE - 16 : INVENTORIES		
(At lower of cost and net realisable value)		
Raw Materials	15,888.75	4,275.55
Finished Goods & Stock in Process	667.70	447.15
Stores and Spares	433.74	400.35
Packing Materials	288.67	218.91
	<u>17,278.86</u>	<u>5,341.96</u>

Finished goods include stock-in-trade as both are stocked together

Notes on Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

PARTICULARS	As at 31 st March, 2017	As at 31 st March, 2016
NOTE - 17 : TRADE RECEIVABLES		
(Unsecured and considered good)		
Outstanding Over Six Months	106.18	132.95
Others	3,303.87	2,581.70
	3,410.05	2,714.65
(Debts due include an amount of Rs.Nil(Previous year Rs.Nil) due by Directors / Officers of the Company or due by firms / private companies in which any of the directors are interested as partners / directors / members respectively)		
NOTE - 18 : CASH AND CASH EQUIVALENTS		
(a) Balances with Bank in current account	925.81	229.09
(Balance with bank includes Unpaid Dividend of Rs.2.71 Lakhs (Previous Year Rs.3.34 Lakhs))		
(b) Cash on Hand	15.82	26.61
Sub Total	941.63	255.70
(c) Other Bank Balances :		
Fixed Deposit with Banks	1,761.63	698.85
(Include deposit of Rs.223.09 lakhs (PY 132.60 lakhs with maturity of more than 12 months))		
	2,703.26	954.55
NOTE - 19 : SHORT TERM LOANS AND ADVANCES		
(Unsecured and considered good)		
Loans and Advances to Related Parties	1.05	1.36
Loans and Advances to Employees	32.72	45.04
Advances Recoverable in cash or kind or for value to be received	2,869.59	203.52
Income Tax receivable	15.79	76.39
	2,919.15	326.31
(Debts due include an amount of Rs. 1.05 lakhs (Previous Year Rs. 1.36 lakhs) due by directors / officers of the company or due by firms / private companies in which any of the directors are interested as partners / directors / members respectively)		
NOTE - 20 : OTHER CURRENT ASSETS		
(Unsecured and considered good)		
Income Receivable	248.08	57.41
Other Receivable	61.17	33.72
	309.25	91.13

Notes on Financial Statements for the year ended 31st March, 2017
(Rs. in Lakhs)

PARTICULARS	As at 31 st March, 2017	As at 31 st March, 2016
NOTE - 21 : REVENUE FROM OPERATIONS		
A. Sale of products		
Manufactured Products		
Wheat & Wheat Products	42,977.12	30,954.69
Minerals	2,738.95	3,067.64
	45,716.07	34,022.33
Less : Excise duty	-	-
	45,716.07	34,022.33
Traded Goods		
Wheat & Minerals	16,117.79	4,461.16
B. OTHER OPERATING INCOME		
Grinding Charges	64.36	296.85
Conversion Charges	3,085.34	3,132.70
Sale of scrap	253.76	338.05
Warehousing Charges	185.70	176.70
Weighbridge Income	55.66	57.86
Power Income	904.48	544.21
Lorry Income	208.91	244.17
	66,592.07	43,274.03
NOTE - 22 : OTHER INCOME		
Interest Income	64.66	60.02
Dividend Income	-	0.08
Net Gain on Sale of Assets	9.90	0.04
Net Gain on Sale of Investments	4.55	1.49
Rent Receipts	163.95	207.34
Keymen insurance maturity receipts	-	18.67
Others - miscellaneous receipts	15.85	3.79
	258.91	291.43
NOTE - 23 : COST OF MATERIALS CONSUMED		
Wheat	33,638.24	25,492.83
Minerals	1,808.45	1,936.37
	35,446.69	27,429.20
NOTE - 24 : PURCHASES OF STOCK IN TRADE		
Wheat	14,682.24	4,504.23
Minerals	-	57.59
	14,682.24	4,561.82

Notes on Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

PARTICULARS	As at 31 st March, 2017	As at 31 st March, 2016
NOTE - 25 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN PROCESS AND STOCK IN TRADE		
Finished Goods / Stock in Trade (at close)		
Wheat Products	509.44	363.21
Minerals	158.26	83.94
Total A (at close)	667.70	447.15
Finished Goods / Stock in Trade (at commencement)		
Wheat Products	363.21	490.93
Minerals	83.94	47.47
Total B (at commencement)	447.15	538.40
(Increase)/decrease A - B	(220.55)	91.25

NOTE - 26 : EMPLOYEES BENEFIT EXPENSES

Salaries	723.03	680.35
Wages	294.54	388.47
Bonus & Exgratia	163.72	116.60
Gratuity	163.56	28.94
House Rent Allowance	294.73	225.28
Staff Training Fees	12.76	17.00
Contribution to Provident Fund and Other Funds	177.49	193.28
Leave Salary	29.92	25.87
Staff Welfare Expenses	118.30	108.37
Conveyance Allowances	147.71	112.57
Special Allowances	0.03	0.00
Incentives	50.13	-
Washing Allowances	146.26	112.64
Directors' Remuneration	216.33	150.35
	2,538.51	2,159.72

NOTE - 27 : FINANCE COSTS

Interest Expenses - Banks	2,156.25	1,589.30
Interest Expenses - Others	142.21	233.29
	2,298.46	1,822.59

Notes on Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

PARTICULARS	As at 31 st March, 2017	As at 31 st March, 2016
NOTE - 28 : OTHER EXPENSES		
MANUFACTURING EXPENSES		
Production Expenses	750.62	506.61
Power and Fuel	1,495.69	1,596.68
Repairs to Machinery	635.62	550.57
Laboratory Expenses	105.53	22.17
Total A	2,987.46	2,676.03
ESTABLISHMENT EXPENSES		
Annual Maintenance Charges	166.84	184.11
Bank Charges and Commission	268.65	73.10
Bad Debts	31.52	0.19
Repairs to Buildings	73.05	54.24
Printing & Stationery	24.35	22.02
Subscription	1.72	2.51
Telephone	33.16	27.40
Professional Charges	110.15	81.57
Audit Fees	4.62	3.44
Directors' Sitting Fees	1.30	2.20
Security Charges	78.68	71.26
Legal Expenses	4.30	0.70
Donations	10.47	9.58
Travelling & Vehicle Maintenance	651.41	519.51
Insurance	72.43	63.12
Rates, Licence and Taxes	69.14	52.00
Pooja Expenses	7.00	6.07
Postage	3.99	3.28
Computer Maintenance	9.50	9.17
Rent & Electricity	81.41	51.50
CSR Expenses (Refer Note No. 38)	14.02	19.07
Windmill Expenses	33.44	16.34
Loss on Sale of Assets	0.00	0.22
Others	1.11	4.11
Total B	1,752.26	1,276.71
SELLING & DISTRIBUTION EXPENSES		
Advertisement	169.34	133.20
Brokerage and Commission	30.76	24.94
Discount & Claims and Settlement	115.99	59.58
Sales Promotion	654.42	401.42
Freight and Handling	255.57	155.22
Total C	1,226.08	774.36
Grand Total A+B+C	5,965.80	4,727.10

Note :

The Company has spent Rs. 14.02 Lakhs (2015-16 Rs. 19.07 Lakhs) towards various Schemes of Corporate Social Responsibility as prescribed under Section 135 of the Companies Act, 2013.

Notes on Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

PARTICULARS	As at 31 st March, 2017	As at 31 st March, 2016
NOTE - 29 : EARNING PER SHARE:		
i) Net Profit after tax as per statement of Profit and Loss	2438.41	511.59
ii) Weighted Average number of Equity Shares outstanding	1,42,48,000	1,42,48,000
iii) Basic & Diluted Earning Per Share (in Rs.)	17.11	3.59
iv) Face Value Per Share (in Rs.)	10.00	10.00
NOTE - 30 : REMUNERATION TO AUDITORS		
As Auditors	3.92	2.86
Taxation matters	0.70	0.58
NOTE - 31 : VALUE OF IMPORTED AND INDIGENOUS MATERIALS CONSUMED		
Raw Materials		
Imported	21581.45 (60.88%)	1009.39 (3.68%)
Indigenous	13865.24 (39.12%)	26419.81 (96.32%)
Stores and Spares		
Imported	91.50 (14.40%)	107.86 (19.59%)
Indigenous	544.12 (85.60%)	442.71 (80.41%)
NOTE - 32 : EXPENDITURE IN FOREIGN CURRENCY		
Interest	106.30	105.14
NOTE - 33 : CIF VALUE OF IMPORTS		
Raw Materials	34849.65	947.83
Components and Spares	91.20	100.01
Capital Goods	762.19	101.59
NOTE - 34 : EARNINGS IN FOREIGN EXCHANGE		
	--	--

Notes on Financial Statements for the year ended 31st March, 2017

NOTE - 35 : TAXES ON INCOME

Current tax : Current Tax is determined in accordance with the Income Tax Act, 1961.

Deferred tax : Deferred Tax is calculated at the rates and laws that have been enacted or substantively enacted as of the Balance Sheet date and is recognised on timing difference that originate in one period and are of capable of reversal in one or more subsequent periods. Deferred tax assets, subject to consideration of prudence, are recognised and carried forward only to the extent that they can be realised.

NOTE - 36 : RELATED PARTY DISCLOSURES:

a) Names of the related parties and nature of Relationship

- i) Investing parties having substantial interest : Sri. K.S. Kamalakannan, CMD
- ii) Associate Company : M/s. Annai Power Private Limited
- iii) Key Managerial Personnel : Sri. K.S. Kamalakannan, CMD
Smt. Mageswari Kannan, JMD
Sri. Sounder Kannan, WTD
Sri. T.Nagarajan, CFO (w.e.f.01.06.2016)
Sri. V. Marikannan, Company Secretary
- iv) Relatives of Key Managerial Personnel : Sri. D. Vijay Anand
Smt. Lakshmi Vijay Anand
Smt. Monaa Kannan
Ms. M. Jayalalitha
Sri. M. Sukumar
- v) Enterprises over Key Managerial are able to exercise significant influence : M/s. Rohini Enterprises
M/s. Nagalakshmi Charitable Trust
M/s. Naga Marine Industries Limited
M/s. M.M. Detergents Company Private Ltd.,
M/s. Naga Mills Limited
M/s. Nagalakshmi Energy Private Ltd.,

b) The above information recording related parties have been determined to the extent such parties have been identified on the basis of information available with the Company.

Transaction with Related Parties

(Rs. in Lakhs)

Particulars	Associate Company	Key Mgmt Personnel	Relatives of key Mgmt Personnel	Others	Total
Purchases	---	---	---	3,401.71 926.12	3,401.71 926.12
Wind Power Charges paid	14.95 8.35	---	---	---	14.95 8.35
Processing Income	---	---	---	5.07 7.48	5.07 7.48
Vehicle lease Rent	---	12.28	---	0.70 14.57	0.70 26.85
Purchase of Fixed Assets	---	20.24	---	29.77	50.01
Remuneration	---	243.22 172.85	104.70 94.50	---	347.92 267.35
Provision for gratuity *	---	127.78	---	---	127.78
Rental Income	---	---	---	0.30 0.30	0.30 0.30
Rent Paid	---	36.63 8.55	---	5.31 7.16	41.94 15.71
Interest Paid	---	133.83 232.67	---	---	133.83 232.67
Dividend Paid (including Interim Dividend)	---	69.94 69.94	2.86 2.86	11.75 11.75	84.55 84.55
Donation	---	---	---	8.86 9.32	8.86 9.32
Unsecured Loans	2.53 -----	176.75 1861.50	---	---	179.28 1861.50
Debtors & Others Receivables	---	---	---	1.05 1.29	1.05 1.36
Creditors & other payables	---	---	---	977.40 566.66	977.40 566.66

Note : Figures in italics represent previous year's amounts

* Gratuity entitlement is provided but not actually drawn by the Managerial persons.

Disclosure in respect of transactions which are more than 10% of total transactions of the same type with related parties during the year. (Rs. in Lakhs)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Remuneration		
Sri K.S. Kamalakannan	87.72	65.12
Smt. Mageswari Kannan	65.00	44.12
Sri. Sounder Kannan	63.50	41.11
Sri. D. Vijay Anand	32.12	29.50
Provision for gratuity		
Sri K.S. Kamalakannan	63.79	-
Smt. Mageswari Kannan	41.87	-
Sri. Sounder Kannan	22.12	-
Rental Income		
Naga Mills Limited	0.30	0.30
Rent Paid		
Sri K.S. Kamalakannan	28.01	0.34
Sri. Sounder Kannan	8.62	8.21
Naga Marine Industries Ltd.,	5.31	7.16
Dividend Paid		
Sri K.S. Kamalakannan	48.56	48.56
Smt. Mageswari Kannan	14.84	14.84
Donation		
Nagalakshmi Charitable Trust	8.86	9.32
Interest Paid		
Sri K.S. Kamalakannan	103.94	212.96
Smt. Mageswari Kannan	19.13	16.08
Sri. Sounder Kannan	10.76	3.63
Purchase		
M.M. Detergents Company Pvt. Ltd.,	3401.71	926.12
Wind Power Purchase		
Annai Power Pvt. Ltd.,	14.95	8.35
Purchase of Fixed Assets		
Sri K.S. Kamalakannan	--	20.24
M.M. Detergents Company Pvt. Ltd.,	--	29.77
Plant & Machinery Rent & Maintenance Expenses		
M.M. Detergents Company Pvt. Ltd.,	0.70	14.57
Processing Income		
M.M. Detergents Company Pvt. Ltd.,	5.07	7.48
Significant outstanding balances in unsecured loan accounts		
Sri K.S. Kamalakannan	461.50	1,651.00
Smt. Mageswari Kannan	61.25	161.25
Sri. Sounder Kannan	115.50	9.75
Significant outstanding balances in trade receivables		
M.M. Detergents Company Pvt. Ltd.,	1.05	1.29
Significant outstanding balances in trade payables		
M.M. Detergents Company Pvt. Ltd.,	977.40	566.66

Notes on Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

PARTICULARS	As at 31 st March, 2017	As at 31 st March, 2016
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NOTE - 37 : CONTINGENT LIABILITIES AND COMMITMENTS:

i) Contingent Liabilities

a) Claims against the Company /disputed liabilities not acknowledged as debts

b) Guarantees to banks

Bank Guarantee Limit	16300.00	2500.00
Bank Guarantee Utilised	12569.00	1426.60

ii) Commitments

Estimated amount of contract remaining to be executed on Capital Account (net of advances) and not provided for	--	--
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iii) Disputed Electricity Tax 19.83 19.83

Writ petition is filed before the Hon'ble Supreme Court of India against demand of Electricity Tax on in-house generation of power through windmills. The Hon'ble Supreme Court has granted stay and the matter is pending before the Hon'ble Supreme Court.

iv) Disputed Windmill banking adjustment 56.28 12.09

Stay petition is filed before the Madurai Bench of Madras High Court against demand relating to banking adjustment of power generated through windmills. The Court has granted stay and the matter is pending before the Hon'ble High Court of Madras.

The Company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.

Notes on Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

PARTICULARS	As at 31 st March, 2017	As at 31 st March, 2016
<u>Statement of Profit and Loss</u>		
Net employee benefit expense (recognised in employee cost)		
Current service cost	21.80	18.61
Interest cost on benefit obligation	9.68	8.98
Expected return on plan assets	(11.75)	(9.74)
Net actuarial (gain)/loss recognised in the year	24.64	(4.77)
Past service cost	Nil	Nil
Net Benefit expense recognised in Profit & Loss Account	44.37	13.08
<u>Balance Sheet</u>		
Benefit asset/(liability)		
Present value of defined benefit obligation	170.81	126.42
Fair value of plan assets	147.33	116.19
Surplus/(deficit)	23.48	10.23
Less : Unrecognised past service cost	--	--
Plan asset/liability	23.48	10.23
Changes in the present value of the defined benefit obligation are as follows :		
Opening defined benefit obligation	126.42	127.67
Interest cost	9.68	8.98
Current service cost	21.80	18.61
Benefit paid	(10.89)	(25.08)
Actuarial (gains) / losses on obligation	23.80	(3.76)
	170.81	126.42
Changes in the fair value of the plan assets are as follows :		
Opening fair value of plan assets	116.19	104.03
Expected return	11.75	9.74
Contributions by the employer	31.13	26.49
Benefits paid	(10.89)	(25.08)
Actuarial gains/(losses)	(0.85)	1.02
Closing fair value of plan assets	147.33	116.19

Notes on Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

PARTICULARS	As at 31 st March, 2017	As at 31 st March, 2016
The major categories of plan assets as a percentage of the fair value of total plan assets are as follows :		
Investment with insurer	100.00	100.00
	100.00	100.00

The principal assumptions used in determining gratuity obligations for the Company's plan are shown below :

Discount rate	7.20%	8.00%
Expected return on plan assets	9.30%	9.30%
Increase in compensation cost	5.00%	5.00%
Employee turnover	3.00%	3.00%

NOTE - 40 : PRIOR PERIOD ITEM :

The Company has created provision of Rs.127.78 Lakhs for gratuity payable as per the terms of employment to the director-employees of the Company. This amount includes Rs.119.12 Lakhs which relates to prior periods for which provision is made during the year. The provision is made based on the estimates made by the management as per the gratuity rules of the Company.

NOTE - 41 : DISCLOSURE ON SPECIFIED BANK NOTES (SBNs) :

The details of specified bank notes (SBNs) held and transacted during the period from 8th November, 2016 to 30th December, 2016 is provided in the table below: (Rs. in Lakhs)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand on 08.11.2016	118.06	16.46	134.52
Add : Receipt for Permitted transactions	0.00	104.08	104.08
Less : Paid for Permitted transactions	0.00	72.13	72.13
Less : Paid for Non-Permitted transactions *	106.25	0.00	106.25
Less : Amount deposited in Banks	11.81	7.00	18.81
Closing cash in hand as on 30.12.2016	-	41.41	41.41

* SBN's paid for lorry freight among others to avoid stoppage of movement of goods and for mill operations during this period for business purposes only.

Note : The above receipts do not include cash deposits made by the Trade Debtors of the Company directly into the bank accounts of the Company with various banks as part of their settlement of trade dues in the ordinary course of business.

Explanation : For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O.A.3407 (E), dated. 8th November 2016.



Notes on Financial Statements for the year ended 31st March, 2017

NOTE - 42 : DERIVATIVE INSTRUMENTS :

The company uses forward exchange contracts to hedge against its foreign currency exposures relating to underlying transactions and firm commitments. The company does not enter into any derivative instruments for trading or speculative purposes.

The forward exchange contracts outstanding as at March 31, 2017 are as under:

All Import transaction exposures covered by contracts with Axis Bank Ltd

Currency	Short Term (Upto 12 months)			Long term (more than 12 months)		
	Exposure	Hedged	Un-hedged	Exposure	Hedged	Un-hedged
	Amount	Amount	Amount	Amount	Amount	Amount
EURO	222,886	222,886	NIL	NIL	NIL	NIL
CHF	775,239	775,239	NIL	NIL	NIL	NIL
USD	48,794	48,794	NIL	NIL	NIL	NIL

The company does not have any foreign exchange exposure in export transactions

All foreign currency loan transactions are covered by contracts with Standard Chartered Bank

Currency	Short Term (Upto 12 months)			Long term (more than 12 months)		
	Exposure	Hedged	Un-hedged	Exposure	Hedged	Un-hedged
	Amount	Amount	Amount	Amount	Amount	Amount
USD	NIL	NIL	NIL	1,850,824	1,850,824	NIL

NOTE - 43 : SEGMENT REPORTING :

The Company has presented segment information in the consolidated financial statements which are presented in the same financial report. Accordingly, in terms of paragraph IV of the Accounting Standard 17 (AS 17) 'Segment Reporting' no disclosure related to segments are presented in the standalone financial statements.

NOTE - 44 : PREVIOUS YEAR FIGURES :

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date

For D Sampathkumar & Co.,
Chartered Accountants

(Firm Registration No : 003556S)

For and on behalf of the Board

M.K. RAVINDRAN
Partner
M.No: 020887

Place : Chennai

Date : May 08, 2017

K.S. KAMALAKANNAN
Chairman & Managing Director
DIN : 01601589

MAGESWARI KANNAN
Joint Managing Director
DIN : 02107556

T.NAGARAJAN
Chief Financial Officer
M.NO:FCA205483

V. MARIKANNAN
Company Secretary
M.No. A30767

D.Sampathkumar & Co.,
Chartered Accountants

5, South Boag Road,
T.Nagar, Chennai 600 017.
Ph: 044-24341189

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO THE MEMBERS OF NAGA LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Naga Limited (“the Holding Company”) and Annai Power Private Limited (“the Associate Company”) (a deemed subsidiary under Explanation to Section 129(3) read with section 2(6) of the Companies Act, 2013) (the Holding Company and its associate company together referred to as “the Group”) comprising the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss, the consolidated Cash Flow statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as “the Consolidated Financial Statements”).

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of requirements of the Companies Act, 2013 (“the Act”) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group 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 (“the Rules”) and Companies (Accounting Standards) Amendment Rules, 2016. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Group and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purposes of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.

We conducted our audit in accordance with the Standards on Auditing specified under sub-section 10 Section 143 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their report referred to in the *Other Matters* paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by sub-section (3) of Section 143 of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law maintained by the Holding Company and its associate company including relevant records relating to the preparation of the consolidated financial statement have been kept so far as it appears from our examination of those books and records of the Holding Company and the report of the other auditor.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company and its associate company including relevant records relating to the preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 and taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its associate company, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of sub-section 2 of Section 164 of the Act.

f) With respect to adequacy of internal financial controls over financial reporting of the Holding Company and its associate company and the operating effectiveness of such controls, refer to our separate report in “Annexure A”.

g) With respect to the other matters to be included in the Independent Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :

i. The Consolidated financial statements disclose the impact of pending litigations as at March 31, 2017 on the consolidated financial position of the Group.

ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2017.

iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Holding Company and its associate company during the year ended March 31, 2017.

iv. The Holding Company and its associate have provided disclosures in the consolidated financial statements as to the holding as well as dealing in Specified Bank Notes during the period 8th November, 2016 and 30th December, 2016 and these are in accordance with the books of account maintained by the Group as produced to us by the management of the Holding Company.

Other Matter

The accompanying consolidated financial statements include total asset of Rs.29.36 Lakhs as at March 31, 2017 and total revenue of Rs.15.08 Lakhs for the year ended on that date in respect of Annai Power Private Limited, associate which has been audited by CA J Saiprasad, Chartered Accountant, whose financial statements, other financial information and auditor's report have been furnished by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it related to the aforesaid associate is based solely on the report of such other auditor.

Our opinion above on the consolidated financial statements and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with to our reliance on the work done and the reports of the other auditor and the financial statements and other financial information certified by the Management. Investment in the associate company has been accounted under the equity method as per the Accounting Standard (AS) -23 “Accounting for Investments in Associates in Consolidated Financial Statements”.

Place : Chennai
Date : May 08, 2017

For D Sampathkumar & Co.,
Chartered Accountants
(Firm Registration No : 003556S)

M.K. Ravindran
(Partner)
M.No: 020887

**Annexure A to Independent Auditors' Report of even date on the
Consolidated financial statements of Naga Limited**

(Referred to in paragraph 1(f) under “Report on Other Legal and Regulatory Requirements” section of our report of even date)

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (‘the Act’)

In conjunction with our audit of the consolidated financial statements of the company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Naga Limited, (‘the Holding Company’) and its associate company as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its associate company are 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 (‘the ‘Guidance Note’) 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 the respective company's policies, the safeguarding of its assets, the prevention and deduction of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibilities

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the holding company and its associate company, based on our audit. We conducted our audit in accordance with the Standards on Auditing prescribed under section 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls. Those Standards and Guidance Note required 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 the financial reporting, included obtaining an understanding of internal financial control 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 and the audit evidence obtained by the other auditor of the associate company, in terms of their report referred to in the Other Matters paragraph below, 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 design 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 transaction 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 the authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due 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 controls over financial reporting may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company and its associate company have, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st 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.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to the holding company and its associate company is based on the corresponding reports of the auditors of such companies. Our opinion is not qualified in respect of this matter.

Place : Chennai
Date : May 08, 2017

For D Sampathkumar & Co.,
Chartered Accountants
(Firm Registration No : 003556S)

M.K. Ravindran
(Partner)
M.No: 020887

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

(Rs. in Lakhs)

PARTICULARS	Note No	As at 31 st March, 2017	As at 31 st March, 2016
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	1,424.80	1,424.80
(b) Reserves and Surplus	3	8,054.30	5,752.01
(2) Share application money pending allotment		--	--
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	4	7,793.04	7,951.93
(b) Deferred Tax Liabilities (net)	5	991.53	691.53
(c) Other Long -Term Liabilities	6	110.38	105.47
(d) Long term provisions	7	138.25	-
(4) Current Liabilities			
(a) Short-Term Borrowings	8	17,261.96	5,259.64
(b) Trade Payables	9	2,273.18	1,048.98
(c) Other Current Liabilities	10	5,449.87	2,470.35
(d) Short-Term Provisions	11	583.45	38.30
Total		44,080.76	24,743.01
II. ASSETS			
(1) Non -Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	12	16,566.85	13,975.82
(ii) Intangibles	12	-	-
(iii) Capital Work in Progress	12	173.33	627.46
(b) Non - Current Investments	13	51.73	65.63
(c) Long -Term Loans and Advances	14	668.28	645.29
(d) Other Non - Current Assets	15	-	0.21
(2) Current Assets			
(a) Inventories	16	17,278.86	5,341.96
(b) Trade Receivables	17	3,410.05	2,714.65
(c) Cash and Cash Equivalents	18	2,703.26	954.55
(d) Short-Term Loans and Advances	19	2,919.15	326.31
(e) Other Current Assets	20	309.25	91.13
Total		44,080.76	24,743.01

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For D Sampathkumar & Co.,
Chartered Accountants
(Firm Registration No : 003556S)

For and on behalf of the Board

M.K. RAVINDRAN
Partner

K.S. KAMALAKANNAN
Chairman & Managing Director
DIN : 01601589

MAGESWARI KANNAN
Joint Managing Director
DIN : 02107556

T.NAGARAJAN
Chief Financial Officer
M.No:FCA205483

Place : Chennai
Date : May 08, 2017

V. MARIKANNAN
Company Secretary
M.No. A30767

STATEMENT OF CONSOLIDATED PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(Rs. in Lakhs)

PARTICULARS	Note No	As at 31st March, 2017	As at 31st March, 2016
INCOME			
I Revenue from Operations	21	66,592.07	43,274.03
II Other Income	22	259.99	291.84
III Total Revenue (I + II)		<u>66,852.06</u>	<u>43,565.87</u>
IV EXPENSES			
Cost of Materials Consumed	23	35,446.69	27,429.20
Purchases of Stock in-Trade	24	14,682.24	4,561.82
Changes in Inventory of Finished Goods, Work - in - progress and Stock in Trade	25	(220.55)	91.25
Employee Benefits Expense	26	2,538.51	2,159.72
Finance Costs	27	2,298.46	1,822.59
Depreciation and Amortisation Expense	12	2,141.42	1,887.84
Other Expenses	28	5,965.80	4,727.10
Total Expenses		<u>62,852.57</u>	<u>42,679.52</u>
V PROFIT BEFORE TAX		3,999.49	886.35
VI Tax Expenses			
1) Current Tax		1,260.00	324.35
2) Deferred Tax		300.00	50.00
VII PROFIT FOR THE YEAR		<u>2,439.49</u>	<u>512.00</u>
VIII Earnings per Equity Share of Face Value of Rs. 10 each			
Basic and Diluted (in Rs.)	29	17.12	3.59

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For D Sampathkumar & Co.,
Chartered Accountants
(Firm Registration No : 003556S)

For and on behalf of the Board

M.K. RAVINDRAN
Partner
M.No: 020887
Place : Chennai
Date : May 08, 2017

K.S. KAMALAKANNAN
Chairman & Managing Director
DIN : 01601589

MAGESWARI KANNAN
Joint Managing Director
DIN : 02107556

T.NAGARAJAN
Chief Financial Officer
M.No:FCA205483

V. MARIKANNAN
Company Secretary
M.No. A30767

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

(Rs. in Lakhs)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	3,999.49	886.35
Adjustment for :		
Depreciation and amortisation of expenses	2,141.42	1,887.84
Bad debts w/off	31.52	0.19
Interest Income	(64.66)	(60.02)
Dividend Income	-	(0.08)
Interest Expenses	2,298.46	1,822.59
Share in profit of associate company	(1.08)	(0.41)
(Profit)/Loss on Sale of Investments	(4.55)	(1.49)
(Profit)/Loss on Sale of Assets (Net)	(9.90)	0.18
	<u>4,391.21</u>	<u>3,648.80</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	8,390.70	4,535.15
Adjustment for :		
Income Tax	(788.72)	(254.04)
Trade and other receivables	(3,566.96)	136.22
Inventories	(11,936.90)	(760.07)
Trade payables and other payables	4,784.45	(351.59)
	<u>(11,508.13)</u>	<u>(1,229.48)</u>
Net Cash from Operating Activities	<u>(3,117.43)</u>	<u>3,305.67</u>
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Payment made for Fixed Assets	(4,286.29)	(1,552.39)
Changes in Non-Current Assets	(22.78)	(269.34)
Changes in other Non-Current liabilities	143.16	7.49
Proceeds from Sale of Long Term Investments	19.48	3.75
Payments made for Long Term Investments	-	(0.73)
Dividend Income	-	0.08
Proceeds from sale/deletion of fixed assets	17.97	0.38
	<u>(4,128.46)</u>	<u>(1,810.76)</u>
Net Cash flow from Investing activities	<u>(7,245.90)</u>	<u>1,494.91</u>
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Interest Income	64.66	60.02
Interest Expenses	(2,298.46)	(1,822.59)
Proceeds net of Repayment of Borrowings	11,262.71	761.57
Dividend Paid (including dividend distribution tax)	(34.30)	(240.07)
Net cash from Financing Activities	<u>8,994.61</u>	<u>(1,241.07)</u>
(D) NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	<u>1,748.71</u>	<u>253.84</u>
Cash and Cash equivalents at the beginning of the period	954.55	700.71
Cash and Cash equivalents at the end of the period	<u>2,703.26</u>	<u>954.55</u>
	<u>1,748.71</u>	<u>253.84</u>

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For D Sampathkumar & Co.,

Chartered Accountants

(Firm Registration No : 003556S)

M.K. RAVINDRAN

Partner

M.No: 020887

Place : Chennai

Date : May 8, 2017

K.S. KAMALAKANNAN

Chairman & Managing Director

DIN : 01601589

MAGESWARI KANNAN

Joint Managing Director

DIN : 02107556

For and on behalf of the Board

T.NAGARAJAN

Chief Financial Officer

M.No:FCA205483

V. MARIKANNAN

Company Secretary

M.No. A30767

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

NOTE - 1 : SIGNIFICANT ACCOUNTING POLICIES:

a. Basis of Preparation of Financial Statements

These consolidated financial statements have been prepared to comply with Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013

b. Principles of Consolidation

The consolidated financial statements relate to Naga Limited ("the Company") and its associate company Annai Power Private Limited ("the associate company"), a deemed subsidiary under Explanation to Section 129(3) read with section 2(6) of the Companies Act 2013. The consolidated financial statement has been prepared on the following basis:

- a. Investment in associate company has been accounted under the equity method as per Accounting Standard (AS) 23- "Accounting for Investments in Associates in Consolidated Financial Statements"
- b. The company accounts for its share of post acquisition changes in net assets of associate, after eliminating unrealised profits and losses resulting from transaction between the Company and its associate company to the extent of its share, through its Consolidated Profit and Loss Statement, to the extent such change is attributable to the associate's Statement of Profit and Loss and through its reserves for the balance based on available information.
- c. The difference between the cost of investment in the associate company and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statement as Goodwill or Capital Reserve as the case may be.
- d. As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

3. Other significant accounting policies

These are set out under "Significant Accounting Policies" as given in the Company's separate financial statements.

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
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NOTE - 2 : SHARE CAPITAL

A. AUTHORISED SHARE CAPITAL:

2,75,00,000 (PY 2,75,00,000) Equity Shares of Rs 10/- each	2,750.00	2,750.00
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ISSUED, SUBSCRIBED & FULLY PAID UP:

1,42,48,000 (PY 1,42,48,000) Equity Shares of Rs10/- each	1,424.80	1,424.80
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(Of the above shares 98,01,000 Equity Shares were allotted pursuant to scheme of amalgamation for consideration other than cash)

The Company has issued only one class of equity shares having par value of Rs.10 per share.

B. RECONCILIATION OF THE NUMBER OF SHARES:

Particulars	As at 31.03.2017	As at 31.03.2016
No. of Shares outstanding at the beginning of the year	1,42,48,000	1,42,48,000
No. of Shares outstanding at the end of the year	1,42,48,000	1,42,48,000

Rights attached to Equity Shares :

The Company has issued only one class of equity shares having par value of Rs. 10 per share. Each holder of the equity shares is entitled to one vote per share and ranks pari passu. The Equity Shareholders are entitled to receive dividend as and when declared. In the event of liquidation, the equity shareholders are entitled to receive the realised value of assets of the Company remaining after payment of all preferential dues in proportion to their shareholdings.

C. DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES:

NAME OF SHAREHOLDERS	As at 31 st March, 2017		As at 31 st March, 2016	
	No. of Shares	% of holding	No. of Shares	% of holding
Sri. K.S. Kamalakannan	6070570	42.61	6070570	42.61
Smt. Mageswari Kannan	1855220	13.02	1855220	13.02
M/s. Pluris Global Holding (India) Ltd.,	1410567	9.90	1350725	9.48
M/s. Lakme Investments & Finance Ltd.,	1245965	8.74	1172975	8.22
M/s. M.M.Detergents Company (P) Ltd.,	1024000	7.18	1024000	7.18
Sri. Sounder Kannan	817855	5.74	817855	5.74

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

PARTICULARS	As at 31 st March, 2017	As at 31 st March, 2016
NOTE - 3 : RESERVES & SURPLUS		
A. CAPITAL RESERVE		
As per Last Balance Sheet	Total - A	10.82
		<u>10.82</u>
B. SECURITIES PREMIUM RESERVE		
As per Last Balance Sheet		136.11
	Total - B	<u>136.11</u>
C. GENERAL RESERVE		
As per Last Balance Sheet		229.18
Add : Transferred from Profit & Loss Account		21.00
	Total - C	<u>250.18</u>
D. SURPLUS IN STATEMENT OF PROFIT & LOSS :		
As per Last Balance Sheet		5,375.90
Add : Profit for the Year		2,439.49
		<u>7,815.39</u>
Less : Appropriations		
Transferred to General Reserve		21.00
Interim Dividend on Equity Shares [per share Rs. Nil (PY Rs. 0.60 per share)]		85.48
Proposed Final Dividend on Equity Shares [Per share Rs. 0.80 (PY Rs.0.20 per share)]		28.50
Tax on Dividend		23.22
	Total - D	<u>7,657.19</u>
	Total - A+B+C+D	<u><u>8,054.30</u></u>
		<u><u>5,752.01</u></u>

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

PARTICULARS	As at 31 st March, 2017	As at 31 st March, 2016
NOTE - 4 : LONG TERM BORROWINGS		
SECURED		
Term Loans from Banks	6,366.36	5,104.53
Term Loans from Financial Institutions and Others	3.90	14.90
Total - A	6,370.26	5,119.43
UNSECURED		
Term Loans from Financial Institutions	782.00	971.00
Loans and Advances from Related Parties	640.78	1,861.50
Total - B	1,422.78	2,832.50
(Refer Note No. 10) Total - A+B	7,793.04	7,951.93

Security & Other terms of loans

(i) Term loan from the Axis Bank Ltd amounting to Rs. Nil outstanding as at 31.03.2017 (Previous year Rs. 3367.07 lakhs) is primarily secured on hypothecation of the assets purchased under the loan and collaterally secured by equitable mortgage on land and buildings located at Foods, Minerals and Detergents Division located at Dindigul District.

(ii) Term loan from The Standard Chartered Bank amounting to Rs. 1210.46 lakhs outstanding as at 31.03.2017 (Previous year Rs. 602.94 lakhs) is primarily secured on hypothecation of the assets purchased under the loan and collaterally secured by equitable mortgage on land measuring 4.01 acres at Vedasandur. External commercial borrowings is fully hedged.

(iii) Term loan from The ICICI Bank Limited amounting to Rs. 34.34 lakhs outstanding as at 31.03.2017 (Previous year Rs. 34.26 lakhs) is primarily secured by hypothecation of the assets purchased under vehicle loan.

(iv) Term loan from The HDFC Bank Limited amounting to Rs. 3048.95 lakhs outstanding as at 31.03.2017 (Previous year Rs. 1071.86 lakhs) is primarily secured on the assets purchased under the loan and personal assets of some of the Directors.

(v) Term loan from The Karur Vysya Bank Limited amounting to Rs.675.00 lakhs outstanding as at 31.03.2017 (Previous year Rs.970.00 lakhs) is primarily secured by equitable mortgage on Agri Godown located at Dindigul.

(vi) Term loan from The Canara Bank amounting to Rs. 211.97 Lakhs outstanding as at 31.03.2017 (Previous year Rs. 320.97 lakhs) is primarily secured by hypothecation on the assets purchased under the loan and collaterally secured on the personal assets of some of the Directors.

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

PARTICULARS	As at 31 st March, 2017	As at 31 st March, 2016
-------------	---------------------------------------	---------------------------------------

(vii) Term loan from The State Bank of India amounting to Rs. 1678.29 lakhs outstanding as at 31.03.2017 (Previous year Rs. 1711.53 Lakhs) is primarily secured on equitable mortgage of the assets of the Company located at Trichy.

(viii) Term loan from IndusInd Bank Ltd amounting to Rs. 933.65 Lakhs outstanding as at 31.03.2017 (Previous year Rs. Nil) is primarily secured by hypothecation on the assets purchased under the loan and land at Seelapadi Village, Dindigul.

(ix) Term loan from Daimler Benz amounting to Rs. 14.89 lakhs outstanding as at 31.03.2017 (Previous year Rs. 24.82 Lakhs) is primarily secured by hypothecation on the assets purchased under vehicle loan.

(x) Term loan from Fullerton India Credit Company Limited amounting to Rs. 500.00 Lakhs outstanding as at 31.03.2017 (Previous year Rs. Nil) is secured on the personal assets of some of the Directors of the Company.

(xi) Term loan from Bajaj Finance Limited amounting to Rs. 282.00 Lakhs outstanding as at 31.03.2017 (Previous year Rs. Nil) is secured on the personal assets of some of the Directors of the Company.

Note :

- a) The said loans are repayable in monthly / quarterly instalments
- b) The Company does not have any continuing default as on the Balance Sheet date in the repayment of loan or interest.
- c) The loans have been guaranteed by some of the Directors of the Company.

NOTE - 5 : DEFERRED TAX LIABILITIES (NET)

Opening Balance	691.53	641.53
Related to Fixed Assets and other timing difference	300.00	50.00
	991.53	691.53

NOTE - 6 : OTHER LONG TERM LIABILITIES

Payable in respect of fixed assets	7.00	7.00
Rental and lease advances	103.38	98.47
	110.38	105.47

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

PARTICULARS	As at 31 st March, 2017	As at 31 st March, 2016
NOTE - 7 : LONG TERM PROVISIONS		
Provision for employee benefits - gratuity (Refer Note No.39)	138.25	-
	138.25	0.00
NOTE - 8 : SHORT TERM BORROWINGS		
Loans repayable on demand		
Secured		
From Banks	16,761.96	4,759.64
(Secured by pari passu charge on inventories & Trade Receivables)		
Un Secured		
From Banks	500.00	500.00
(Secured on personal guarantee of some of the Directors of the Company)		
	17,261.96	5,259.64
NOTE - 9 : TRADE PAYABLES		
Trade Payables	2,273.18	1,048.98
	2,273.18	1,048.98
<p>The company is in the process of compiling relevant information from its suppliers about their coverage under the Micro, Small and Medium Enterprises Development Act, 2006. Since the relevant information is still not available, no disclosure have been made in the accounts.</p>		
NOTE - 10 : OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Debts (Refer note no.4 for terms of loan)	1,437.29	2,018.02
Advances Received for Supply of Goods	3,283.33	66.58
Balances in Current Account with Banks	324.83	82.43
Other Payables *	404.42	303.32
	5,449.87	2,470.35
<p>* Includes Unclaimed Dividend Rs. 2.71 lakhs. There are no amounts payable / due to be credited to Investor Education and Protection Fund as on 31st March, 2017.</p>		
NOTE - 11 : SHORT TERM PROVISIONS		
Provision for Gratuity / Leave Encashment 4.00	4.00	
Proposed Equity Dividend	113.98	28.50
Tax on Proposed Dividend	23.20	5.80
Provision for taxation	442.27	0.00
(net off advance tax paid Rs 769.27 Lakhs)	583.45	38.30

NOTE - 12 : FIXED ASSETS

(Rs. in Lakhs)

Description	Gross Value			Depreciation / Amortisation			Net Block		
	As at 01.04.2016	Additions	Deductions / Adjust- ments	As at 31.03.2017	As at 01.04.2016	Additions	Deductions / Adjust- ments	As at 31.03.2017	As at 31.03.2016
1 Tangible Assets									
a Land	925.85	31.18	-	957.03	-	-	-	957.03	925.85
b Buildings	3,719.00	216.73	-	3,935.73	1,378.80	140.17	-	2,416.76	2,340.20
c Plant & Equipment	13,589.44	2,556.81	-	16,146.25	7,014.06	1,536.99	-	7,595.20	6,575.38
d Electrical Installa- tion	1,492.80	169.80	-	1,662.60	792.93	142.22	-	727.45	699.87
e Furniture & Fixtures	50.16	1.56	-	51.72	35.65	2.05	-	14.02	14.51
f Vehicles	895.97	695.87	40.38	1,551.46	541.43	99.50	32.48	943.01	354.54
g Computers and others Equipments	751.44	49.97	1.24	800.17	495.58	44.90	1.17	260.86	255.86
h Windmill / Solar	4,647.56	1,018.50	-	5,666.06	1837.95	175.59	-	3,652.52	2,809.61
Total (A)	26,072.22	4,740.42	41.62	30,771.02	12,096.40	2,141.42	33.65	16,566.85	13,975.82
Intangible Assets									
2 Goodwill	110.33	-	-	110.33	110.33	0.00	-	-	-
Total (B)	110.33	-	-	110.33	110.33	0.00	-	-	-
Total (A+B)	26,182.55	4,740.42	41.62	30,881.35	12,206.73	2,141.42	33.65	16,566.85	13,975.82
Previous years	24,881.26	1,350.82	49.53	26,182.55	10,329.59	1,887.84	10.70	13,975.82	14,551.67
Capital Work in progress								173.33	627.46

Note : a. The company has applied the estimated useful lives as specified in Schedule II

b. Capital work in progress include the cost of fixed assets that are not yet ready for their intended use at the reporting date.

NAGA LIMITED



Notes on Consolidated Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

PARTICULARS	As at 31 st March, 2017	As at 31 st March, 2016
NOTE - 13 : NON CURRENT INVESTMENTS		
(Long Term Investments)		
(Valued at Cost less other than temporary diminution in value, if any)		
TRADE INVESTMENTS		
In Equity Shares - Unquoted, fully paid up		
Kerala Solvent Extract Ltd., (500 shares of Rs.10 each)	-	0.05
TCP Limited (470 shares of Rs.100 each)	0.47	0.47
Investments in Associate Companies :-		
Annai Power Pvt. Ltd., (10,400 shares of Rs.100 each)	14.49	13.41
Total A	14.96	13.93
OTHER INVESTMENTS (QUOTED) - fully paid up		
Indian Overseas Bank (480 shares of Rs.10 each)	0.05	0.05
Vijaya Bank (1500 shares of Rs.10 each)	0.15	0.15
Reliance Equity Advantage Fund (365700 units of Rs.10 each)	36.57	51.50
Total B	36.77	51.70
Total A+B	51.73	65.63
<hr/>		
Aggregate amount of Quoted investments		
- Cost	36.77	51.70
- Market Value	45.14	52.12
Aggregate amount of Unquoted investments	14.96	13.93
Aggregate provision for diminution other than temporary in value of investments	Nil	Nil
<hr/>		
NOTE - 14 : LONG TERM LOANS AND ADVANCES		
(Unsecured and considered good)		
Capital Advances	273.55	289.34
Security Deposits	289.15	276.60
Other Deposits-Rental Advances and statutory deposits	105.58	79.35
	668.28	645.29
<hr/>		
(Advances given to the companies in which directors are interested Rs. Nil (P Y Rs. Nil)		
<hr/>		
NOTE - 15 : OTHER NON CURRENT ASSETS		
Deferred Trade Receivables	-	0.21
	0.00	0.21
<hr/>		
NOTE - 16 : INVENTORIES		
(At lower of cost and net realisable value)		
Raw Materials	15,888.75	4,275.55
Finished Goods & Stock in Process	667.70	447.15
Stores and Spares	433.74	400.35
Packing Materials	288.67	218.91
	17,278.86	5,341.96

Finished goods include stock-in-trade as both are stocked together

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

PARTICULARS	As at 31 st March, 2017	As at 31 st March, 2016
NOTE - 17 : TRADE RECEIVABLES		
(Unsecured and considered good)		
Outstanding over Six Months	106.18	132.95
others	3,303.87	2,581.70
	3,410.05	2,714.65

(Debts due include an amount of Rs.Nil(Previous year Rs.Nil) due by Directors / Officers of the Company or due by firms /private companies in which any of the directors are interested as partners / directors / members respectively)

NOTE - 18 : CASH AND CASH EQUIVALENTS		
(a) Balances with Bank in current account	925.81	229.09
(Balance with bank includes Unpaid Dividend of Rs.2.71 Lakhs (Previous Year Rs.3.34 Lakhs))		
(b) Cash on Hand	15.82	26.61
Sub Total	941.63	255.70
(c) Other Bank Balances :		
Fixed Deposit with Banks	1,761.63	698.85
(Include deposit of Rs.223.09 lakhs (PY 132.60 lakhs with maturity of more than 12 months))		
	2,703.26	954.55

NOTE - 19 : SHORT TERM LOANS AND ADVANCES		
(Unsecured and considered good)		
Loans and Advances to Related Parties	1.05	1.36
Loans and Advances to Employees	32.72	45.04
Advances Recoverable in cash or kind or for value to be received	2,869.59	203.52
Income Tax receivable	15.79	76.39
	2,919.15	326.31

(Debts due include an amount of Rs. 1.05 lakhs (Previous Year Rs. 1.36 lakhs) due by directors / officers of the company or due by firms / private companies in which any of the directors are interested as partners / directors / members respectively)

NOTE - 20 : OTHER CURRENT ASSETS		
(Unsecured and considered good)		
Income Receivable	248.08	57.41
Other Receivable	61.17	33.72
	309.25	91.13

Notes on Consolidated Financial Statements for the year ended 31st March, 2017
(Rs. in Lakhs)

PARTICULARS	As at 31 st March, 2017	As at 31 st March, 2016
NOTE - 21 : REVENUE FROM OPERATIONS		
A. Sale of products		
Manufactured Products		
Wheat & Wheat Products	42,977.12	30,954.69
Minerals	2,738.95	3,067.64
	45,716.07	34,022.33
Less : Excise duty	-	-
	45,716.07	34,022.33
Traded Goods		
Wheat & Minerals	16,117.79	4,461.16
B. OTHER OPERATING INCOME		
Grinding Charges	64.36	296.85
Conversion Charges	3,085.34	3,132.70
Sale of scrap	253.76	338.05
Warehousing Charges	185.70	176.70
Weighbridge Income	55.66	57.86
Power Income	904.48	544.21
Lorry Income	208.91	244.17
	66,592.07	43,274.03
NOTE - 22 : OTHER INCOME		
Interest Income	64.66	60.02
Dividend Income	-	0.08
Net Gain on Sale of Assets	9.90	0.04
Net Gain on Sale of Investments	4.55	1.49
Rent Receipts	163.95	207.34
Keymen insurance maturity receipts	-	18.67
Share of profit of associate	1.08	0.41
Others - miscellaneous receipts	15.85	3.79
	259.99	291.84
NOTE - 23 : COST OF MATERIALS CONSUMED		
Wheat	33,638.24	25,492.83
Minerals	1,808.45	1,936.37
	35,446.69	27,429.20
NOTE - 24 : PURCHASES OF STOCK IN TRADE		
Wheat	14,682.24	4,504.23
Minerals	-	57.59
	14,682.24	4,561.82

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

PARTICULARS	As at 31 st March, 2017	As at 31 st March, 2016
NOTE - 25 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN PROCESS AND STOCK IN TRADE		
Finished Goods / Stock in Trade (at close)		
Wheat Products	509.44	363.21
Minerals	158.26	83.94
Total A (at close)	667.70	447.15
Finished Goods / Stock in Trade (at commencement)		
Wheat Products	363.21	490.93
Minerals	83.94	47.47
Total B (at commencement)	447.15	538.40
(Increase)/decrease A -B	(220.55)	91.25

NOTE - 26 : EMPLOYEES BENEFITS EXPENSE

Salaries	723.03	680.35
Wages	294.54	388.47
Bonus & Exgratia	163.72	116.60
Gratuity	163.56	28.94
House Rent Allowance	294.73	225.28
Staff Training Fees	12.76	17.00
Contribution to Provident Fund and Other Funds	177.49	193.28
Leave Salary	29.92	25.87
Staff Welfare Expenses	118.30	108.37
Conveyance Allowances	147.71	112.57
Special Allowances	0.03	0.00
Incentives	50.13	-
Washing Allowances	146.26	112.64
Directors' Remuneration	216.33	150.35
	2,538.51	2,159.72

NOTE - 27 : FINANCE COSTS

Interest Expenses - Banks	2,156.25	1,589.30
Interest Expenses - Others	142.21	233.29
	2,298.46	1,822.59

Notes on Consolidated Financial Statements for the year ended 31st March, 2017
(Rs. in Lakhs)

PARTICULARS	As at 31 st March, 2017	As at 31 st March, 2016
NOTE - 28 : OTHER EXPENSES		
MANUFACTURING EXPENSES		
Production Expenses	750.62	506.61
Power and Fuel	1,495.69	1,596.68
Repairs to Machinery	635.62	550.57
Laboratory Expenses	105.53	22.17
Total A	2,987.46	2,676.03
ESTABLISHMENT EXPENSES		
Annual Maintenance Charges	166.84	184.11
Bank Charges and Commission	268.65	73.10
Bad Debts	31.52	0.19
Repairs to Buildings	73.05	54.24
Printing & Stationery	24.35	22.02
Subscription	1.72	2.51
Telephone	33.16	27.40
Professional Charges	110.15	81.57
Audit Fees	4.62	3.44
Directors' Sitting Fees	1.30	2.20
Security Charges	78.68	71.26
Legal Expenses	4.30	0.70
Donations	10.47	9.58
Travelling & Vehicle Maintenance	651.41	519.51
Insurance	72.43	63.12
Rates, Licence and Taxes	69.14	52.00
Pooja Expenses	7.00	6.07
Postage	3.99	3.28
Computer Maintenance	9.50	9.17
Rent & Electricity	81.41	51.50
CSR Expenses (Refer Note No. 38)	14.02	19.07
Windmill Expenses	33.44	16.34
Loss on Sale of Assets	0.00	0.22
Others	1.11	4.11
Total B	1,752.26	1,276.71
SELLING & DISTRIBUTION EXPENSES		
Advertisement	169.34	133.20
Brokerage and Commission	30.76	24.94
Discount & Claims and Settlement	115.99	59.58
Sales Promotion	654.42	401.42
Freight and Handling	255.57	155.22
Total C	1,226.08	774.36
Grand Total A+B+C	5,965.80	4,727.10

Note :

The Company has spent Rs. 14.02 Lakhs (2015-16 Rs. 19.07 Lakhs) towards various Schemes of Corporate Social Responsibility as prescribed under Section 135 of the Companies Act, 2013.

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

PARTICULARS	As at 31 st March, 2017	As at 31 st March, 2016
NOTE - 29 : EARNING PER SHARE:		
i) Net Profit after tax as per statement of Profit and Loss	2,439.49	512.00
ii) Weighted Average number of Equity Shares outstanding	1,42,48,000	1,42,48,000
iii) Basic & Diluted Earning Per Share (in Rs.)	17.11	3.59
iv) Face Value Per Share (in Rs.)	10.00	10.00
NOTE - 30 : REMUNERATION TO AUDITORS		
As Auditors	3.92	2.86
Taxation matters	0.70	0.58
NOTE - 31 : VALUE OF IMPORTED AND INDIGENOUS MATERIALS CONSUMED		
Raw Materials		
Imported	21581.45 (60.88%)	1009.39 (3.68%)
Indigenous	13865.24 (39.12%)	26419.81 (96.32%)
Stores and Spares		
Imported	91.50 (14.40%)	107.86 (19.59%)
Indigenous	544.12 (85.60%)	442.71 (80.41%)
NOTE - 32 : EXPENDITURE IN FOREIGN CURRENCY		
Interest	106.30	105.14
NOTE - 33 : CIF VALUE OF IMPORTS		
Raw Materials	34849.65	947.83
Components and Spares	91.20	100.01
Capital Goods	762.19	101.59
NOTE - 34 : EARNINGS IN FOREIGN EXCHANGE		
	--	--

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

NOTE - 35 : TAXES ON INCOME

Current tax : Current Tax is determined in accordance with the Income Tax Act, 1961.

Deferred tax : Deferred Tax is calculated at the rates and laws that have been enacted or substantively enacted as of the Balance Sheet date and is recognised on timing difference that originate in one period and are of capable of reversal in one or more subsequent periods. Deferred tax assets, subject to consideration of prudence, are recognised and carried forward only to the extent that they can be realised.

NOTE - 36 : RELATED PARTY DISCLOSURES:

a) Names of the related parties and nature of Relationship

- i) Investing parties having substantial interest : Sri. K.S. Kamalakannan, CMD
- ii) Associate Company : M/s. Annai Power Private Limited
- iii) Key Managerial Personnel : Sri. K.S. Kamalakannan, CMD
Smt. Mageswari Kannan, JMD
Sri. Sounder Kannan, WTD
Sri. T. Nagarajan, CFO (w.e.f. 01.06.2016)
Sri. V. Marikannan, Company Secretary
- iv) Relatives of Key Managerial Personnel : Sri. D. Vijay Anand
Smt. Lakshmi Vijay Anand
Smt. Monaa Kannan
Ms. M. Jayalalitha
Sri. M. Sukumar
- v) Enterprises over Key Managerial are able to exercise significant influence : M/s. Rohini Enterprises
M/s. Nagalakshmi Charitable Trust
M/s. Naga Marine Industries Limited
M/s. M.M. Detergents Company Private Ltd.,
M/s. Naga Mills Limited
M/s. Nagalakshmi Energy Private Ltd.,

b) The above information recording related parties have been determined to the extent such parties have been identified on the basis of information available with the Company.

Transaction with Related Parties

(Rs. in Lakhs)

Particulars	Associate Companies	Key Mgmt Personnel	Relatives of key Mgmt Personnel	Others	Total
Purchases	---	---	---	3,401.71 926.12	3,401.71 926.12
Wind Power Charges paid	14.95 8.35	---	---	---	14.95 8.35
Processing Income	---	---	---	5.07 7.48	5.07 7.48
Vehicle lease Rent	---	12.28	---	0.70 14.57	0.70 26.85
Purchase of Fixed Assets	---	20.24	---	29.77	50.01
Remuneration	---	243.22 172.85	104.70 94.50	---	347.92 267.35
Provision for gratuity *	---	127.78	---	---	127.78
Rental Income	---	---	---	0.30 0.30	0.30 0.30
Rent Paid	---	36.63 8.55	---	5.31 7.16	41.94 15.71
Interest Paid	---	133.83 232.67	---	---	133.83 232.67
Dividend Paid (including Interim Dividend)	---	69.94 69.94	2.86 2.86	11.75 11.75	84.55 84.55
Donation	---	---	---	8.86 9.32	8.86 9.32
Unsecured Loans	2.53	176.75 1861.50	---	---	179.28 1861.50
Debtors & Others Receivables	---	---	---	1.05 1.29	1.05 1.36
Creditors & other payables	---	---	---	977.40 566.66	977.40 566.66

Note : Figures in italics represent previous year's amounts

* Gratuity entitlement is provided but not actually drawn by the Managerial persons.

Disclosure in respect of transactions which are more than 10% of total transactions of the same type with related parties during the year. (Rs. in Lakhs)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Remuneration		
Sri K.S. Kamalakannan	87.72	65.12
Smt. Mageswari Kannan	65.00	44.12
Sri. Sounder Kannan	63.50	41.11
Sri. D. Vijay Anand	32.12	29.50
Provision for gratuity		
Sri K.S. Kamalakannan	63.79	-
Smt. Mageswari Kannan	41.87	-
Sri. Sounder Kannan	22.12	-
Rental Income		
Naga Mills Limited	0.30	0.30
Rent Paid		
Sri K.S. Kamalakannan	28.01	0.34
Sri. Sounder Kannan	8.62	8.21
Naga Marine Industries Ltd.,	5.31	7.16
Dividend Paid		
Sri K.S. Kamalakannan	48.56	48.56
Smt. Mageswari Kannan	14.84	14.84
Donation		
Nagalakshmi Charitable Trust	8.86	9.32
Interest Paid		
Sri K.S. Kamalakannan	103.94	212.96
Smt. Mageswari Kannan	19.13	16.08
Sri. Sounder Kannan	10.76	3.63
Purchase		
M.M. Detergents Company Pvt. Ltd.,	3,401.71	926.12
Wind Power Purchase		
Annai Power Pvt. Ltd.,	14.95	8.35
Purchase of Fixed Assets		
Sri K.S. Kamalakannan	--	20.24
M.M. Detergents Company Pvt. Ltd.,	--	29.77
Plant & Machinery Rent & Maintenance Expenses		
M.M. Detergents Company Pvt. Ltd.,	0.70	14.57
Processing Income		
M.M. Detergents Company Pvt. Ltd.,	5.07	7.48
Significant outstanding balances in unsecured loan accounts		
Sri K.S. Kamalakannan	461.50	1,651.00
Smt. Mageswari Kannan	61.25	161.25
Sri. Sounder Kannan	115.50	9.75
Significant outstanding balances in trade receivables		
M.M. Detergents Company Pvt. Ltd.,	1.05	1.29
Significant outstanding balances in trade payables		
M.M. Detergents Company Pvt. Ltd.,	977.40	566.66

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

PARTICULARS	As at 31 st March, 2017	As at 31 st March, 2016
-------------	---------------------------------------	---------------------------------------

NOTE - 37 : CONTINGENT LIABILITIES AND COMMITMENTS:

i) Contingent Liabilities

a) Claims against the Company /disputed liabilities not acknowledged as debts

b) Guarantees to banks

Bank Guarantee Limit	16300.00	2500.00
Bank Guarantee Utilised	12569.00	1426.60

ii) Commitments

Estimated amount of contract remaining to be executed on Capital Account (net of advances) and not provided for

-- --

iii) Disputed Electricity Tax

19.83 19.83

Writ petition is filed before the Hon'ble Supreme Court of India against demand of Electricity Tax on in-house generation of power through windmills. The Hon'ble Supreme Court has generated stay and the matter is pending before the Hon'ble Supreme Court.

iv) Disputed Windmill banking adjustment

56.28 12.09

Stay petition is filed before the Madurai Bench of Madras High Court against demand relating to banking adjustment of power generated through windmills. The Court has granted stay and the matter is pending before the Hon'ble High Court of Madras.

The Company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

PARTICULARS	As at 31 st March, 2017	As at 31 st March, 2016
<u>Statement of Profit and Loss</u>		
Net employee benefit expense (recognised in employee cost)		
Current service cost	21.80	18.61
Interest cost on benefit obligation	9.68	8.98
Expected return on plan assets	(11.75)	(9.74)
Net actuarial (gain)/loss recognised in the year	24.64	(4.77)
Past service cost	Nil	Nil
Net Benefit expense recognised in Profit & Loss Account	44.37	13.08
<u>Balance Sheet</u>		
Benefit asset/(liability)		
Present value of defined benefit obligation	170.81	126.42
Fair value of plan assets	147.33	116.19
Surplus/(deficit)	23.48	10.23
Less : Unrecognised past service cost	--	--
Plan asset/liability	23.48	10.23
Changes in the present value of the defined benefit obligation are as follows :		
Opening defined benefit obligation	126.42	127.67
Interest cost	9.68	8.98
Current service cost	21.80	18.61
Benefit paid	(10.89)	(25.08)
Actuarial (gains) / losses on obligation	23.80	(3.76)
	170.81	126.42
Changes in the fair value of the plan assets are as follows :		
Opening fair value of plan assets	116.19	104.03
Expected return	11.75	9.74
Contributions by the employer	31.13	26.49
Benefits paid	(10.89)	(25.08)
Actuarial gains/(losses)	(0.85)	1.02
Closing fair value of plan assets	147.33	116.19

Notes on Consolidated Financial Statements for the year ended 31st March, 2017
(Rs. in Lakhs)

PARTICULARS	As at 31 st March, 2017	As at 31 st March, 2016
The major categories of plan assets as a percentage of the fair value of total plan assets are as follows :		
Investment with insurer	100.00	100.00
	100.00	100.00

The principal assumptions used in determining gratuity obligations for the Company's plan are shown below :

Discount rate	7.20%	8.00%
Expected return on plan assets	9.30%	9.30%
Increase in compensation cost	5.00%	5.00%
Employee turnover	3.00%	3.00%

NOTE - 40 : PRIOR PERIOD ITEM :

The Company has created provision of Rs.127.78 Lakhs for gratuity payable as per the terms of employment to the director-employees of the Company. This amount includes Rs.119.12 Lakhs which relates to prior periods for which provision is made during the year. The provision is made based on the estimates made by the management as per the gratuity rules of the Company.

NOTE - 41 : DISCLOSURE ON SPECIFIED BANK NOTES (SBNs) :

The details of specified bank notes (SBNs) held and transacted during the period from 8th November, 2016 to 30th December, 2016 is provided in the table below: (Rs. in Lakhs)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand on 08.11.2016	118.06	16.46	134.52
Add : Receipt for Permitted transactions	0.00	104.08	104.08
Less : Paid for Permitted transactions	0.00	72.13	72.13
Less : Paid for Non-Permitted transactions *	106.25	0.00	106.25
Less : Amount deposited in Banks	11.81	7.00	18.81
Closing cash in hand as on 30.12.2016	-	41.41	41.41

* SBN's paid for lorry freight among others to avoid stoppage of movement of goods and for mill operations during this period for business purposes only.

Note : The above receipts do not include cash deposits made by the Trade Debtors of the Company directly into the bank accounts of the Company with various banks as part of their settlement of trade dues in the ordinary course of business.

Explanation : For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O.A.3407 (E), dated. 8th November 2016.

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

NOTE - 42 : DERIVATIVE INSTRUMENTS :

The company uses forward exchange contracts to hedge against its foreign currency exposures relating to underlying transactions and firm commitments. The company does not enter into any derivative instruments for trading or speculative purposes.

The forward exchange contracts outstanding as at March 31, 2017 are as under:

All Import transaction exposures covered by contracts with Axis Bank Ltd

Currency	Short Term (Upto 12 months)			Long term (more than 12 months)		
	Exposure	Hedged	Un-hedged	Exposure	Hedged	Un-hedged
	Amount	Amount	Amount	Amount	Amount	Amount
EURO	222,886	222,886	NIL	NIL	NIL	NIL
CHF	775,239	775,239	NIL	NIL	NIL	NIL
USD	48,794	48,794	NIL	NIL	NIL	NIL

The company does not have any foreign exchange exposure in export transactions

All foreign currency loan transactions are covered by contracts with Standard Chartered Bank

Currency	Short Term (Upto 12 months)			Long term (more than 12 months)		
	Exposure	Hedged	Un-hedged	Exposure	Hedged	Un-hedged
	Amount	Amount	Amount	Amount	Amount	Amount
USD	NIL	NIL	NIL	1,850,824	1,850,824	NIL

NOTE - 43 : Goodwill/Capital Reserve arising on account of consolidation of associate company

Investment in Equity Shares of Annai Power Private Ltd	14.06	8.89
Goodwill (Identified)	0.43	4.52
Total	14.49	13.41

NOTE - 44 : Additional Information, as required under Schedule III to Companies Act 2013, of enterprises consolidated as Subsidiary/Associates/Joint Ventures

Name of the Entity	Net Assets (Total Assets - Total Liabilities)		Share in Profit/Loss	
	As % of consolidated net assets	Amount in Lakhs	As % of consolidated profit/loss	Amount in Lakhs
Associates (Investments as per the equity method)				
Annai Power Private Limited	0.07% <i>0.08%</i>	6.99 <i>5.91</i>	0.04% <i>0.02%</i>	1.08 <i>0.41</i>

The Company does not have either subsidiaries or Joint ventures, hence information is furnished for associates. The figures in italics represents previous years amounts.

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

NOTE - 45 : SEGMENT REPORTING :

The Business segment has been identified on the basis of products of the Company and accordingly the operating segments of the Company are Foods, Windmill and Minerals & Detergents. Segments have been identified and reported taking into consideration nature of products and services, the different risks and returns and the internal business reporting systems. The accounting policies adopted for segment reporting are in line with the accounting policies of the Company with following additional policies for segment reporting.

(Rs. in Lakhs)

Particulars	Foods Division	Minerals & Detergents	Windmill Division	Total
Segment Sales & Operational Income	59,698.92 <i>36,368.18</i>	6,208.61 <i>6,604.52</i>	944.53 <i>593.17</i>	66,852.06 <i>43,565.87</i>
Segment Result before Interest and Taxes	5,195.66 <i>1,435.94</i>	552.68 <i>1,051.87</i>	549.61 <i>221.13</i>	6,297.95 <i>2,708.94</i>
Less : Interest Expense	1,944.80 <i>1,328.22</i>	323.04 <i>439.85</i>	30.62 <i>54.52</i>	2,298.46 <i>1,822.59</i>
Profit before Tax	3,250.86 <i>107.72</i>	229.64 <i>612.02</i>	518.99 <i>166.61</i>	3,999.49 <i>886.35</i>
Current Tax	-	-	-	1,260.00 <i>324.35</i>
Deferred Tax	-	-	-	300.00 <i>50.00</i>
Profit after Tax	-	-	-	2,439.49 <i>512.00</i>
Less : Dividend and Dividend Tax	-	-	-	137.20 <i>137.20</i>
Retained Profit (after adjustment to fixed assets)	-	-	-	2,302.29 <i>374.80</i>
Segment Capital Employed	4,022.83	4,471.59	984.68	9,479.10
Segment Assets-Segment Liabilities	2,205.51	4,165.72	805.58	7,176.81

Note : Figures in Italics represent previous year's amounts

NOTE - 46 : PREVIOUS YEAR FIGURES :

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date
For D Sampathkumar & Co.,
Chartered Accountants
(Firm Registration No : 003556S)

M.K. RAVINDRAN
Partner

M.No: 020887

Place : Chennai

Date : May 8, 2017

K.S. KAMALAKANNAN
Chairman & Managing
Director

DIN : 01601589

MAGESWARI KANNAN
Joint Managing Director

DIN : 02107556

T.NAGARAJAN
Chief Financial Officer

M.No:FCA205483

V. MARIKANNAN
Company Secretary
M.No. A30767

ANNEXURE TO THE CONSOLIDATED FINANCIAL STATEMENT

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

Part “A”: Subsidiaries - There are no Subsidiaries in the Group

Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies:

Name of associates	Annai Power Private Limited
Latest audited Balance Sheet Date	31st March, 2017
Shares of Associate held by the company on the year end: No.	10400 Equity Shares of Rs.100 each
Amount of Investment in Associate / Joint Venture	Rs. 10,40,000/-
Extent of Holding %	26%
Description of how there is significant influence	Equity holding
Reason why the associate is not consolidated	Not Applicable
Net worth attributable to shareholding as per latest audited Balance Sheet	Rs. 6.99 lakhs
Profit Loss for the year: Considered in Consolidaton	Rs. 1.08 lakhs
Not Considered in Consolidaton	Nil

Part “C” Joint Venture - There are no Joint Ventures in the Group

ENTITIES FORMED / ACQUIRED AND CEASED DURING THE FINANCIAL YEAR 2016 - 17 : Nil

**FORM NO. MGT 11
PROXY FORM**

(Pursuant to section 105 (6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

NAGA LIMITED

(CIN L24246TN1991PLC020409)

Registered Office : No.1, Anna Pillai Street, Chennai - 600 001.
E-mail : marikannanv@nagamills.com, Website : www.nagamills.com
Phone/Fax : 044-25363535

Name of member(s) :	
Registered address :	
E Mail Id :	
Folio No. / DPID - Client ID :	

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

1) Name _____ E Mail : _____
Address : _____
_____ Signature _____ Or failing him / her

2) Name _____ E Mail : _____
Address : _____
_____ Signature _____

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, 19th August 2017 at 01.00 P.M. at Presidency Club, No.51, Ethiraj Salai, Egmore, Chennai-600 008 and at any adjournment thereof in respect of such resolutions, in the manner as indicated below :

Resolution No.	Description	Type of Resolution	* Optional	
			For	Against
Ordinary Business				
1.	Adoption of audited financial statements and Reports of the Board of Directors and Auditors for the financial period ended on 31st March 2017.	Ordinary		
2.	To declare a final dividend on the equity shares for the financial year ended 31st March 2017.	Ordinary		
3.	To appoint a director in place of Smt. Mageswari Kannan (DIN 02107556), who retires by rotation and being eligible, offers herself for re-appointment.	Ordinary		
4.	To appoint M/s. D. Sampathkumar & Co., Chartered Accountants as Statutory auditors of the Company and fix their remuneration.	Ordinary		
Special Business				
5.	Reappointment of Sri.K.S.Kamalakaran (DIN 01601589) as the Chariman & Managing Director of the Company for a period of 3 years w.e.f. 01.08.2017 to 31.07.2020.	Special		
6.	Reappointment of Smt.Mageswari Kannan (DIN 02107556) as the Joint Managing Director of the Company for a period of 3 years w.e.f. 01.08.2017 to 31.07.2020.	Special		
7.	Reappointment of Sri.Sounder Kannan (DIN 01603823) as the Whole-Time Director of the Company for a period of 3 years w.e.f. 27.03.2017 to 27.03.2020.	Special		

8.	To approve revision of remuneration of Sri. Sounder Kannan (DIN 01603823), Whole-Time Director of the Company.	Special		
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Signed this day of 2017

Signature of Shareholder : Signature of Proxy holder(s) :

Affix Re.1 revenue stamp

NOTE:

1. 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;
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 26th AGM;
- *3. It is optional to put a 'tick' in the appropriate column against the Resolution indicated in the Box, if you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he / she think appropriate;
4. Please complete all details including details of member(s) in above box before submission.

Attendance Slip

NAGA LIMITED

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Phone/Fax : 044-25363535

26th Annual General Meeting - August 19, 2017

Registered Folio No. / DP ID No. / Client ID No.

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Number of Shares held

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I certify that I am a member / proxy for the members of the Company.

I hereby record my presence at the 26th Annual General Meeting of the Company at the Presidency Club, No.51, Ethiraj Salai, Egmore, Chennai - 600 008 on Saturday, 19th August 2017 at 01.00 P.M.

.....

Name of the Member / Proxy
(in BLOCK letters)

.....

Signature of the Members / Proxy

Note : Please fill up this attendance slip and hand it over at the entrance of the meeting hall, members are requested to bring their copies of the Annual Report to the AGM.

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