



Natraj Proteins Limited

*21st Annual Report
2011-2012*

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|--|---|---|
| BOARD OF DIRECTORS | : | Kailash Chand Sharma, (Managing Director) J. P. Agrawal, (Whole Time Director) Sharad Kumar Jain, (Whole Time Director) Umesh Trivedi Giriraj Gupta Hitesh Yadav (upto 23.09.2011) Pradeep Agrawal (w.e.f. 15.05.2012) |
| AUDITORS | : | Bhutoria Ganesan & Co., Chartered Accountants, Bhopal (M.P.) |
| COMPANY LAW ADVISOR | : | D. K. Jain & Company, Company Secretaries, Indore. (M.P.) |
| BANKER | : | Andhra Bank, Bhopal (M.P.) |
| REGISTERED OFFICE & FACTORY | : | Nagpur Kalan, Ordinance Factory Road, Itarsi (M.P.) Ph. 07572 262636 Fax 07572 262639 |
| SHARE TRANSFER AGENT | : | Ankit Consultancy Pvt. Ltd., (SEBI REG. No. INR 0000007670) 60, Electronic Complex, Pardeshipura, Indore M.P. Ph. 0731-2551745. |

NOTICE

NOTICE is hereby given that the 21st Annual General Meeting of the Members of **NATRAJ PROTEINS LTD.** will be held at the Registered Office of the Company at Nagpur-Kalan Ordinance Factory Road, Itarsi 461111 (M.P.) on 29th September, 2012 at 2:00 P.M to transact the following business:

I. ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2012 and Profit & Loss Account of the company for the year ended 31st March 2012 together with the report of the Directors & Auditor's thereon on that date.
2. To appoint a director in place of Shri Giriraj Gupta, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a director in place of Shri Sharad Kumar Jain, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

II. SPECIAL BUSINESS BY ORDINARY RESOLUTION:

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

RESOLVED THAT Shri Pradeep Agrawal, who was appointed as an additional director by the Board w.e.f. 14th May, 2012 and in respect of whom a notice under section 257 of the Companies Act, 1956 has been received from members signifying their intention to propose Shri Pradeep Agrawal as a candidate for the office of the director of the Company at the forth coming annual general meeting be and is hereby elected and appointed as a director and he is liable to retire by rotation.

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

RESOLVED THAT pursuant to the provisions of section 198, 269, 302, 309, 310 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 if any, Shri Sharad Kumar Jain be and is hereby appointed as the Whole-time Director of the Company for a period of three years w.e.f. 1st October 2011 on the following terms, conditions and remuneration:

- a. Salary of Rs.50,000/- per month.
- b. Allowances/perquisites: subject to a maximum of Rs. 3,00,000 p.a. as under:
 1. Re-imbursment of medical expenses of the Whole-time Director and his family, the total cost of which to the Company shall not exceed one month's salary in the year or three months salary in a block of three years.
 2. Leave travel assistance: Expenses incurred for self and family in accordance with the Rules of the Company.
 3. Club Fees: subject to a maximum of two clubs, this will not include admission and life membership.
 4. Personal accident insurance premium not exceeding Rs. 8,000/- p.a.

NOTE: For the purpose of perquisites stated in Category "A" above, "Family" means the spouse, the dependent children and dependent parents of the appointee.

CATEGORY A:

- i. Employers Contribution: to Provident Fund As per the Rules of the Companies Act, 1956.
- ii. Gratuity: As per rules of the company, subject to a maximum ceiling as may be prescribed under the Payment of Gratuity Act from time to time.
- iii. Leave encashment: up to 15 days salary for every one year completed service as per the rules of the Company.

Provided that the above said perquisites shall not be counted for the purpose of calculation of the remuneration payable to the Whole-time Director.

CATEGORY B:

1. Car: The Company shall provide car with driver for the Company's business and if no car is provided reimbursement of the conveyance shall be made as per actual on the basis of claims submitted by him.
2. Telephone & Cell: Free use of telephone at his residence and Cell phone, provided that the personal long distance calls on the telephone shall be billed by the Company to the Whole-time Director.

FURTHER RESOLVED THAT in the event of there being loss or inadequacy of profit for any financial year, the aforesaid remuneration payable to the Whole-time Director shall be the minimum remuneration payable by the Company.

FURTHER RESOLVED THAT there shall be clear relation of the Company with the Whole-time Director as "the Employer-Employee".

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

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

BY ORDERS OF THE BOARD

**KAILASH CHAND SHARMA
MANAGING DIRECTOR**

Place: Itarsi

Dated: 25th August, 2012

NOTE:

- 1 A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- 2 The Company has already notified closure of Register of Members and Share Transfer Books from 24th September, 2012 to 29th September, 2012 (both days inclusive) for the purpose of the AGM.
- 3 Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend, the Company or its Registrar and Transfer Agent cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates, such changes are to be advised only to the depository participant of the members.
- 4 (a) Members are requested to notify immediately any change of address;
 - i) To their Depository Participants (DPs) in respect of their electronic share accounts; and
 - ii) To the Company to its Share Transfer Agents in respect of their physical share folios, if any.
 (b) In case the mailing address on this Annual Report is without the PINCODE, members are requested to kindly inform their PINCODE immediately.
- (c) Non-resident Indian Shareholders are requested to inform Share Transfer Agents immediately:
 - i) Change in the residential status on return to India for permanent settlement.
 - ii) The particulars of NRE Account with Bank in India, if not furnished earlier.
- 5 Relevant documents referred into the accompanying notice are open for inspection by the members at the Registered office of the Company on all working days, except Saturdays between 11.00 A.M. to 1.00 P.M. upto the date of meeting.

- 6 Members who are holding shares in identical order of names in more than one folio are requested to send to the Company the details of such folios together with the share certificates for consolidating their holdings in one folio. The share certificates will be returned to the members after making requisite changes thereon.
- 7 Members desiring of obtaining any information concerning Accounts and Operations of the Company are requested to address their questions in writing to the Company at least 7 days before the date of the Meeting so that the information required may be made available at the Meeting.
- 8 The Company has connectivity with the CDSL & NSDL and equity shares of the Company may also be held in the Electronic form with any Depository Participant (DP) with whom the members/ investors having their depository account. The ISIN No. For the Equity Shares of the Company is INE444D01016. In case of any query/difficulty in any matter relating thereto may be addressed to the Share Transfer Agents Ankit Consultancy Pvt. Ltd., Plot No. 60, Electronic Complex Pardeshipura, Indore (M.P.)
- 9 As per the provisions of the Companies Act, 1956, facility for making nominations is now available to INDIVIDUALS holding shares in the Company. The Nomination Form-2B prescribed by the Government can be obtained from the Share Transfer Agent or may be down load from the website of the Ministry of Company affairs.
- 10 The SEBI has mandated the submission of PAN by every participant in securities market, members holding shares in electronic form are therefore requested to submit the PAN to their depository participant with whom they are maintaining their Demat Accounts. Members holding shares in physical form can submit their PAN details to the Company's Share Transfer Agent, M/s Ankit Consultancy Pvt. Ltd.
- 11 The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliance by the Companies and has issued circulars stating that service of notice/documents including annual report can be sent by email to its members. To support these green initiative of the government in full measures, members who have not registered their email address, so far are requested to register their email address, in respect of electronic holdings with the CDSL/NSDL. Members who hold shares in physical form are requested fill the appropriate column in the members feedback form and register the same with Ankit Consultancy Pvt. Ltd.
- 12 The Company shall make available transport facilities from Itarsi to factory premises for attending the Annual General Meeting.
- 13 Brief resume of directors those proposed to be appointed, nature of their expertise in specific functional areas, names of companies, in which they hold directorship, shareholding and relationship between directors inter-se stipulated under Clause No.49 of the Listing Agreement with the stock exchanges, or provided here under:

STATEMENT REGARDING THE DIRECTORS PROPOSED FOR APPOINTMENT

| NAME OF APPOINTEE | AGE/ YEARS | QUALIFI- CATIONS | EXPERTISE/ EXPERIENCE | DATE OF APPOINTM ENT | OTHER DIRECT OR- SHIPS, IF ANY | No/% of shares hold |
|---|------------|------------------|--|----------------------|--------------------------------|-----------------------|
| Shri Giriraj Gupta Independent Director | 52 | B.E.(ch.) | More than 30 years experience in Soya and manufacturing Industries | 31.01.2003 | 2 | Nil |
| Shri Sharad Kumar Jain Whole time Director | 48 | B.Sc. | 26 years experience in Soya Industry and Real Estate business. | 24.08.2009 | None | 189500 shares (5.06%) |
| Shri Pradeep Agrawal Independent Director | 52 | M.Com. | More than 20 years Experience in Technical Field Industrial and Civil Construction | 14/05/2012 | None | Nil |

BY ORDERS OF THE BOARD

Date: 25th August, 2012
Place: Itarsi

KAILASH CHAND SHARMA
MANAGING DIRECTOR

**ANNEXURE TO THE NOTICE
EXPLANATORY STATEMENT IN PURSUANT TO THE PROVISIONS OF SECTION 173 (2) OF
THE COMPANIES ACT, 1956 IN RESPECT TO THE SPECIAL BUSINESS:**

ITEM NO. 5:

Shri Pradeep Agrawal was appointed by the Board as an additional director of the Company w.e.f 14th May, 2012 in order to Broad base the Board of directors and to comply with the requirement for the independent directors as per Clause 49 of the Listing Agreement as well as to utilize his expert knowledge and advises.

The Company has received a notice u/s 257 of the Companies Act, 1956 from members proposing his appointment for the office of the director of the Company. Looking into his experience and qualifications, your Board recommends the appointment of him as the director of the Company and proposes to pass the respective resolution as set out in item No. 5 of the Notice for approval as an Ordinary Resolution.

Except, Shri Pradeep Agrawal, none other directors are interested or concerned in the resolution.

ITEM NO. 6:

Shri Sharad Kumar Jain was appointed by the Board as the Whole-time Director of the Company w.e.f. 01.10.2011 for a period of three years, therefore it is required to seek approval of the members for his appointment.

Shri Sharad Kumar Jain is Bachelor in Science and having 26 years of experience in Soya unit and having wide experience in the field of Real Estate and also attending commercial operations of the Company in the best interest of the Company's progress, upon the recommendation of the Remuneration Committee, your Board of Directors has considered for appointment for a period of three years w.e.f. 1st Oct, 2011 on the terms and conditions including remuneration as are set out in the draft agreement to be entered into by the Company with Shri Sharad Kumar Jain, submitted to the meeting, which provides liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or agreement so as not to exceed the limit specified in Schedule XIII of the Companies Act, 1956 or any amendment thereto as may be agreed to between the Board of Directors and Whole-time Director, Shri Sharad Kumar Jain.

The Board considered that the terms and conditions of the agreement, the salary & perquisites as given in the notice of the meeting, which is commensurate with his sincere efforts and high responsibilities, status and image of the Company. The Board recommend to pass necessary resolution as set out in item no.6 of the notice.

This should be considered also as an abstract of the terms of the appointment of Shri Sharad Kumar Jain as the Whole-time Director of the Company and a memorandum as to the nature of the concern or interest of the Directors in the said re-appointment as required u/s 302 of the Companies Act, 1956.

Except, Shri Sharad Kumar Jain none of the other directors are concerned or interested in this Resolution.

BY ORDERS OF THE BOARD

Date: 25th August, 2012
Place: Itarsi

**KAILASH CHAND SHARMA
MANAGING DIRECTOR**

DIRECTORS' REPORT

To,
The Members,
Natraj Proteins Limited

Your Board of directors has pleasure in presenting their 21st Annual report on the business and operations of the Company along with the Audited Balance Sheet and Profit & Loss Accounts for the year ended 31st March 2012.

1. FINANCIAL RESULTS:

Financial Results of the company for the year under review along with the comparative figures for previous year are as follows:

| Particulars | Year ended 31 st March | |
|---|-----------------------------------|-----------------|
| | 2012 | 2011 |
| Total sales/Income from operations | 22070.17 | 18992.35 |
| Profit before interest, depreciation & tax | 1008.79 | 571.79 |
| Less: Interest | 386.50 | 246.76 |
| Depreciation | 75.66 | 75.56 |
| Profit Before Tax | 546.63 | 249.46 |
| Less: Provision for Income Tax | 193.00 | 90.61 |
| Less: Provision for Deferred Tax | (0.42) | (7.66) |
| Net Profit After Tax | 354.04 | 166.51 |
| Add: Balance carried from Profit & Loss A/c | 1113.15 | 946.64 |
| Total surplus of profit carried to Balance Sheet | 1467.20 | 1113.15 |

2. DIVIDEND:

In order to strengthen the capital base and looking to the future prospects of the company, your directors do not recommend any dividend during the year and the funds are proposed to be utilized for Company's business activities of the company.

3. REVIEWS ON OPERATIONS:

3.1. SOYA DIVISION

During the year under review, the monsoon was quite favorable for the company's raw material viz, soya seeds and it was able to procure adequate seed for its crushing and manufacturing requirements. During the year under review the company has achieved turnover of Rs 22070.17 as compared to Rs.18992.35 Lacs in the previous year. The profit of the Company was also recorded at Rs 354.04 as compared to Rs.166.51 Lacs in the previous year.

Your directors also look forward for better working results in the years to come and good parity on export of DOC. However, the business activities mainly depends upon monsoon according to the required norms for soya crops and as the members are aware that the company is based on the SOYA seeds, an agricultural product, which is purely dependent on the monsoon and the climatic conditions of the Country.

WIND POWER DIVISION

The company is having Wind Power Mill in the state of Tamil Nadu for 750 KW capacity. The wind mill has generated 1192476. Units during the year.

4. DIRECTORS:

The Board consists of executive and non-executive directors including independent directors who have wide and varied experience in different disciplines of corporate functioning.

Shri Pradeep Agrawal, was appointed as the Additional Director of the Company w.e.f. 14th May, 2012. The Company has received a notice from a member under section 257 of the Companies Act, 1956, signifying his intention for appointment as a director of the Company at the forthcoming annual general meeting.

Shri Sharad Jain had been appointed as the Whole-time Director. The Board had appoint him w.e.f. 1st Oct, 2011 for a period of 3 years on the terms, conditions and remuneration as set out in the notice of the forthcoming annual general meeting.

The office of Shri Hitesh Yadav as a director was ceased w.e.f. 23rd Sept., 2011.

Shri Giriraj Gupta and Shri Sharad Kumar Jain will retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

Your directors submit necessary resolutions for respective appointments before the members of the Company.

5. DEPOSITS:

Your Company has not accepted deposits from the general public within the meaning of the provisions of section 58A of the Companies Act, 1956. There was no overdue/unclaimed deposit as at the date of the Balance Sheet. The Company Law Board or National Company Law Tribunal or Reserve Bank of India or any other Court or Tribunal against the Company has passed no order.

6. DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with the provisions of section of 217(2AA) of the Companies Act, 1956, your directors state that:

- In the preparation of accounts, the applicable accounting standards have been followed.
- Accounting policies selected were applied consistently. Reasonable and prudent judgments and estimates were made so as to give a true and fair view of the state of affairs of the company as at the end of March 31, 2012 and the profits of the company for the year ended on that date.
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities.
- The annual accounts of the company have been prepared on the going concern basis.

7. SHARE CAPITAL & LISTING:

The Equity Shares of the Company may also be kept in the electronic form as your company has connectivity from the Central Depository Services Ltd. (CDSL) and National Depository Services Ltd. (NSDL) to provide facilities to all members and investors to hold the Company's shares in dematerialized form.

Equity shares are listed with the Mumbai, Madhya Pradesh and Ahmedabad Stock Exchanges. The Company is regular in payment of annual listing fees to all the Stock Exchange and there were no suspension of trading in any stock exchange during the year under review. The Company has also applied for granting permission for trading of the Equity Shares at the platform of NSE under the permitted category through the MPSE.

The company had forfeited 793000 partly paid up equity shares of Rs. 10 each on 31st March 2012 on which Rs. 31,53,300 was remained unpaid. Now the company is having is 37,47,000 equity shares of Rs. 10 each as fully paid up.

8. PERSONNEL:

The Company continues to have cordial relations with its employees during the year under review.

9. AUDITORS:

M/s. Bhutoria Ganesan & Co., Chartered Accountants, (R.No004465C) the statutory Auditors of the company retires at the close of this Annual General Meeting and is eligible for re-appointment. The Company has received confirmation from the Auditors that their re-appointment will be within the limits prescribed under section 224(1B) of the Companies Act, 1956. The Audit Committee of the Board has recommended their re-appointment. The necessary resolution is being placed before the shareholders for approval.

10. AUDITORS' REPORT:

The report of the auditors of the company and notes to the accounts are self explanatory and therefore do not call for any further comments and may be treated as adequate compliance of section 217(3) of the Companies Act, 1956.

11. INSURANCE:

The assets of company are adequately insured against the loss of fire and other risks, which has been considered necessary by the management.

12. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, PARTICULAR OF EMPLOYEES AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information as required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules 1988 have been annexed herewith as Annexure A.

13. COMPLIANCE CERTIFICATE:

In terms of the provisions of section 383(1A) of the Companies Act, 1956, the Company has obtained Compliance Certificate from Jain Gupta & Co., Company Secretaries and enclosed with the Directors Report, as Annexure C.

14. CORPORATE GOVERNANCE:

Corporate governance assumes a great deal of importance in the business life of the company. The driving forces of the corporate governance at company are its core values, belief in people, entrepreneurship, customer's orientations and the Pursuit of Excellence. The company's goal is to find creative and productive ways of delighting its stakeholders, i.e., investors, customers and associates, while fulfilling the role of a responsible corporate representative committed to the best practices.

Your company has complied with the mandatory requirements of Clause 49 of the listing agreement within the stipulated time. Report on the Corporate Governance has been annexed to the Directors' Report as Annexure B.

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT:**A. INDUSTRY STRUCTURE AND DEVELOPMENTS:**

As so many new projects for SOYA industries have commissioned in past in the state of Maharashtra and surrounding areas of the state of Madhya Pradesh, to get advantage of the Soya production in the crushing activities.

B. BUSINESS OVERVIEW AND FUTURE OUTLOOK:

While we cannot predict a further performance will believe considerable opportunities will exist for sustained, profitable growth, not only in the developing countries but also in the developed western countries. The Company plans to launch oil in consumable packing to take the retail market, for good profitability.

C. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has reasonable system of internal control comparing authority levels and the powers, supervision, checks, policies and the procedures. The Company is having the Audit Committee under the Chairmanship of Shri Umesh R. Trivedi. The said Committee reviews the adequacy of internal controls systems and the Compliance thereof.

Further the annual financial statement of the company are reviewed and approved by the committee and placed before the Board for the consideration. The Committee also reviewed the internal controls system during the year.

D. ENVIRONMENTS, SAFETY AND ENERGY CONSERVATION:

The company is taking the steps for the environment safety and the energy conservatism. Your company has recorded further reduction in specific energy consumption over the previous year, through productivity improvements, induction of innovative energy-efficient process technologies and recycling/reuse of energy stream where feasible.

To conserve ground water, your company has embarked on rainwater harvesting projects at the manufacturing site and greening of barren land around factory. Further a comprehensive health check of all its employees.

E. CAUTIONARY STATEMENT:

Statement made in the management discussion and analysis report as regards the expectations or predictions are forward looking statements within the meaning of applicable Laws and Regulations. Actual performance may deviate from the explicit or implicit expectations.

F. SWOT ANALYSIS FOR THE COMPANY**Strengths:**

- Strong R & D capability well linked with business
- Integrated supply chain.
- Ability to deliver cost saving.
- High quality of manpower resources.
- Centralized manufacturing activities.

Weaknesses:

- Manufacturing activities are mainly dependent on the availability of seed, which is directly related to the monsoon.
- Since, the bulky products, the Company's transportation activities of the Oil and DOC are based on the availability of racks from the Indian Railway, some times it is not available as and when required and disturb the dispatch schedule.
- The Company's product being indirectly exported, which has exchange control risk and the parity of the profitability is based on the exchange rates. This year as the rupee was appreciated, the profitability of the Company was also affected to some extent.

Threats:

- Monsoon activities.
- Competition from the manufacturers.

Opportunities:

- Good monsoon will provide good opportunities to the company.
- Price competitiveness.

G. MARKETING AND EXPORT:

Though the Company does not export directly, but it plans for direct export in coming season for better realization. The Company's export/gross revenue largely effects the exchange ratio of Indian Rupee viz a viz US \$ and Euro \$.

15. ACKNOWLEDGEMENTS:

Your directors wish to place on record their sincere appreciation and acknowledge with gratitude for the assistance, cooperation and encouragement by valued customers, suppliers, bankers, shareholders and employees of the company and look forward for their continued support.

For and on behalf of the Board

Place: Itarsi
Dated: 25th August, 2012

K.C.SHARMA
CHAIRMAN & MANAGING DIRECTOR

Annexure A to the Directors' Report:
[Information as per the Companies (Disclosure of particular in Report of Board of Directors) Rules, 1988]

A. CONSERVATION OF ENERGY:

| 1 | Power and Fuel Conservation: | Year Ended | |
|---|-------------------------------------|--------------------|------------|
| | | 31.03.2012 | 31.03.2011 |
| | i) Electricity: | | |
| | a) Units in (K.W.) | 3732360 | 3479915 |
| | b) Total Amount (Rs. In lacs) | 209.06 | 171.21 |
| | c) Rate per KW (in Rs.) | 5.60 | 4.92 |
| | ii) a) Coal (Qty.in M.T.) | 8695.008 | 8857.88 |
| | b) Total cost (Rs. In lacs) | 303.59 | 221.15 |
| | c) Average rate per M.T. (in Rs.) | 3491.53 | 2496.64 |
| 2 | Consumption per unit of Production: | Production in M.T. | |
| | a) Crude Oil | 12672.624 | 12680.224 |
| | b) Refined Oil | 12797.678 | 10557.001 |
| | c) De-oiled Cake | 67848.079 | 68262.258 |
| | d) Acid Oil | 263.500 | 322.93 |
| | e) Gums | 1261.700 | 1186.900 |
| | f) Fatty Acid | 11.155 | 13.365 |
| | g) Lecithin | 501.715 | 454.755 |

B. TECHNOLOGY ABSORPTION:

The company is making continuous efforts for the technological development of the plant and refinery. The technology selected by your company for solvent plant and refinery is well proven within the country and the company is making all the efforts to update its technology, the company had also established a laboratory for Research & Development facilities for quality control purpose.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the year under review, your company has made exports through the export houses. There are no direct export earnings and there is no inflow or outflow of foreign exchange during the year under review (previous year Nil).

D. PARTICULARS OF EMPLOYEES:

Particulars of the employees as required under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of the Employees) Rules 1975, are not applicable as none of the employee of the company is drawing more than Rs. 60,00,000/- P.A. or Rs.5, 00,000/- P.M. for the part of the year, during the year under review.

For and on behalf of the Board

Place: Itarsi
Dated: 25th August, 2012

K.C.SHARMA
CHAIRMAN & MANAGING DIRECTOR

Annexure B
CORPORATE GOVERNANCE REPORT
REPORT OF COMPLIANCE WITH CLAUSE 49
OF THE LISTING AGREEMENT OF THE STOCK EXCHANGES

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's philosophy on code of Governance as adopted by the Board is as under:

- (i) Ensure that the quantity, quality and frequency of financial and managerial information, which management shares with the Board, fully places the Board members in control of the company's affairs.
- (ii) Ensure that the Board exercises its fiduciary responsibilities towards shareowners and creditors, thereby ensuring high accountability.
- (iii) Ensure that the extent to which the information is disclosed to present and potential investors is maximized.
- (iv) Ensure that the decision-making is transparent and documentary evidence is traceable through the minutes of the meetings of the Board/Committee thereof.
- (v) Ensure that the Board, Employees and all concerned are fully committed to maximizing long-term value to the shareowners and the company.
- (vi) Ensure that the core values of the company are protected.

2. BOARD OF DIRECTORS:**(i) Details of Directors:**

The Company is having six directors in the Board and having optimum composition of four independent directors in the Board of directors of the Company. Details of directors of the Company as at 31st March 2012 are as under:

| Directors | Executive/ Executive Independent | Non / | No. of outside directorship held | | No. of outside Committee positions held | |
|-------------------------|--|----------|-------------------------------------|---------|--|----------|
| | | | Public | Private | Member | Chairman |
| Shri Jagdish P. Agrawal | Executive/Promoter | - | - | - | - | - |
| Shri Kailash C. Sharma | Executive/Promoter | - | - | - | - | - |
| Shri Umesh Trivedi | NED/IND | - | - | - | - | - |
| Shri Giriraj Gupta | NED/IND | 1 | - | - | - | - |
| Shri Hitesh Yadav* | NED/IND | - | 1 | - | - | - |
| Shri Sharad Kumar Jain | NED/IND | - | - | - | - | - |
| Shri Pradeep Agrawal | NES/IND | - | - | - | - | - |

* Ceased w.e.f 23.09.2011 # Appointed w.e.f. 14th May, 2012

(ii) Details of Board Meetings held during the year:

During the financial year 2011-12, there was total 10(Ten) meetings of the Board of directors of the Company. Details regarding the date, venue, strength of the Board and directors present at the respective meetings are as under:

| Date of Board Meetings | Place of meetings | Total Strength of the Board | No. of Directors present |
|------------------------|-------------------|-----------------------------|--------------------------|
| 13/05/2011 | Itarsi, M.P. | 6 | 5 |
| 12/08/2011 | Itarsi, M.P. | 6 | 5 |
| 24/10/2011 | Itarsi, M.P. | 5 | 4 |
| 14/11/2011 | Itarsi, M.P. | 5 | 4 |
| 01/12/2011 | Itarsi, M.P. | 5 | 4 |
| 06/01/2012 | Itarsi, M.P. | 5 | 4 |
| 14/01/2012 | Itarsi, M.P. | 5 | 4 |
| 14/02/2012 | Itarsi, M.P. | 5 | 4 |
| 12/03/2012 | Itarsi, M.P. | 5 | 4 |
| 31/03/2012 | Itarsi, M.P. | 5 | 4 |

3. CODE OF CONDUCT

The Board of directors of the Company has laid down a Code of Conduct for all Board members and members of senior management of the company. The Board Members and Senior Management have affirmed compliance with the "Code of Conduct" for the year ended March 31, 2012.

4. AUDIT COMMITTEE:**(A) Brief description of terms of reference:**

- (i) Review with the management the quarterly/half-yearly financial statements.

- (ii) Hold separate discussion with Head-Internal Audit, Statutory Auditors and among members of the Audit Committee to find out whether the company's financial statements are fairly presented in conformity with the Accounting Standards issued by the Central Government.
- (iii) Review the company's financial and risk management policies and the adequacy of internal control systems.
- (iv) Review the adequacy of accounting records maintained in accordance with the provisions of the Companies Act 1956.
- (v) Review the performance of Statutory Auditors and recommend their appointment and remuneration to the Board, considering their independence & effectiveness.
- (vi) Perform other activities consistent with the Company's Memorandum and Articles, the Companies Act, 1956 and other Governing Laws.
- (vii) Review and recommendation for the appointment of the Cost Auditors and the Cost Audit Record and Reports.

(B) Composition of Committee:

| S.No | Name | Designation | Position in Committee |
|------|----------------------|------------------|-----------------------|
| 1. | Mr. Umesh R. Trivedi | Director NED/IND | Chairman |
| 2. | Mr. Giriraj Gupta | Director NED/IND | Member |
| 3. | Mr. Hitesh Yadav* | Director NED/IND | Member |
| 4. | Mr. Pradeep Agrawal# | Director NED/IND | Member |

*Ceased w.e.f. 23.09.2011 # Appointed w.e.f. 14th May, 2012

The Statutory Auditors and Managing Director of the Company were also invited by the Committee to express their views in the Meeting. The Chairman of the Audit Committee has also attended the Annual General Meeting of the members of the company.

(C) Meetings of the Audit Committee:

During the financial year 2011-12 the Audit Committee met 4 times on the 13th May, 2011; 12th August, 2011; 14th November, 2011; 14th February, 2012 under the Chairmanship of Shri Umesh R. Trivedi, in which proper quorum was present.

The Committee considered the draft Annual Accounts for the year 2011-12. The Committee also reviewed financial and risk management policy of the Company and defaults, if any in payment to the creditors, financial institutions and reasons thereof.

5. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE:**(A) Brief description of terms of reference:**

The Company has a 'Shareholders Grievance & Transfer Committee' at the Board level to look into the Redressing of shareholders and investor's complaints like:

- (i) Transfer of Shares, transmissions and delay in confirmation in D-mat of shares.
- (ii) Non-receipt of Annual Report, etc.

(B) Composition of Committee and number of meetings held:

| S.No | Name | Designation | Position in Committee |
|------|----------------------|------------------|-----------------------|
| 1. | Mr. Umesh R. Trivedi | Director NED/IND | Chairman |
| 2. | Mr. Giriraj Gupta | Director NED/IND | Member |
| 3. | Mr. Hitesh Yadav* | Director NED/IND | Member |
| 4. | Mr. Pradeep Agrawal# | Director NED/IND | Member |

*Ceased w.e.f. 23.09.2011 # Appointed w.e.f. 14th May, 2012

- (i) Name and designation of Compliance Officer : Shri K.C.Sharma,
Managing Director
- (ii) Number of shareholders complaints received during the year : 2
- (iii) Number of complaints solved during the year : 2
- (iv) Number of complaints pending at the end of the year : 0

The Company has given powers to implement transfer, transmission and D-mat of Shares to the Share Transfer Agent and to resolve the relating problems as professional agency. The Committee meets only on specific nature of complaints not resolved within a period of 14 days from the date of its receipts.

6. REMUNERATION COMMITTEE:**(a) Brief description of terms of reference:**

The terms of reference of the Committee are to review and recommend compensation payable to the executive directors. The Committee also ensures that the compensation policy of the Company provides for performance-oriented incentives to management.

(b) Composition of Committee and number of meetings held:

| S.No | Name | Designation | Position in Committee |
|------|----------------------|------------------|-----------------------|
| 1. | Mr. Umesh R. Trivedi | Director NED/IND | Chairman |
| 2. | Mr. Giriraj Gupta | Director NED/IND | Member |
| 3. | Mr. Hitesh Yadav* | Director NED/IND | Member |
| 4. | Mr. Pradeep Agrawal# | Director NED/IND | Member |

*Ceased w.e.f. 23.09.2011 # Appointed w.e.f. 14th May, 2012

During the year under review, one meetings of the Remuneration Committee was held.

(c) Payment of non-executive directors and composition of the Committee:

The Company is not paying any remuneration to the non-executive/independent Directors except, sitting fees for the attending of the Board or the committee meetings.

(d) Remuneration paid to directors during the year:

| S.No. | Name of Directors | Status | Sitting fee (Rs.) | Salary/ remuneration (Rs.) |
|-------|-----------------------------|---------------|----------------------|----------------------------------|
| 1 | Shri Kailash Chand Sharma | Director/ MD | 0 | 6,00,000 |
| 2 | Shri Jagdish Prasad Agrawal | Director/ WTD | 0 | 6,00,000 |
| 3 | Shri Giriraj Gupta | Director/NED | 0 | 0 |
| 4 | Shri Umesh Trivedi | Director/NED | 0 | 0 |
| 5 | Shri Hitesh Yadav | Director/NED | 0 | 0 |
| 6 | Shri Sharad Kumar Jain | Director/WTD | 0 | 3,00,000 |

7. WHISTLE-BLOWER POLICY

We have established a mechanism for employee to report concerns about unethical behavior, actual or suspected fraud, or violation of our code of conduct or ethics policy. The mechanism also provides for adequate safeguard against victimization of employee who avails of the mechanism and also provides for direct access to the chairperson of the audit committee in exceptional cases. We further affirm that during the financial year 2011-2012, no employee has denied access to the audit committee.

8. VENUE AND TIME OF THE LAST THREE ANNUAL GENERAL MEETINGS:

Location and time, where last three AGMs were held:

| Financial Year | 2008-09 | 2009-10 | 2010-11 |
|--|-------------------|-------------------|-------------------|
| Date | 29.09.2009 | 25.09.2010 | 23.09.2011 |
| Time | 2.00 P.M. | 2.00 P.M. | 2.00 P.M. |
| Venue | Registered Office | Registered Office | Registered Office |
| No of special item/ businesses transacted | 1 | 2 | Nil |

9. DISCLOSURES ON MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS:

There are no material significant related party transactions made by the Company with its promoters, directors or the management, their subsidiaries or relative that may have potential conflict with the interests of company at large. Register of contracts containing transactions in which directors are interested is placed before the Board regularly for its approval.

During the last three years there was no penalty, strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority, on any matter related to capital markets.

10. MEANS OF COMMUNICATION:

Quarterly results of the Company are published in leading newspapers such as Freepress Journal in English and Chotha Sansar in Hindi. The results were promptly submitted to the Stock Exchanges where the shares of the Company are listed. The Management Discussion and Analysis have been given in the Directors' Report.

11. GENERAL INFORMATION TO SHAREHOLDERS

- (i) Date, Time and Venue of Annual General Meeting : 29th September, 2012
at 2.00 P.M. at Nagpur Kalan,
Ordinance Factory Road,
Itarsi (M.P.)

- (ii) **Financial Calendar:** : April 2012 to March 2013
 First Quarter Results : On 12th August, 2012
 Second Quarter Results : On or before 14th Nov., 2012
 Third Quarter Results : On or before 14th Feb., 2013
 Results for the year ended : On or before 14th May, 2013
- (iii) **Dates of Book Closure** : From 24th Sept, 2012 to 29th Sept, 2012.
- (iv) **Board meeting for consideration of Annual Accounts** : 25th August, 2012
- (v) **Posting of Annual Report** : On or before 4th Sept., 2012
- (vi) **Last date for receipt of Proxy** : 27th Sept., 2012
- (vii) **Listing on Stock Exchanges** : *The Stock Exchange, Madhya Pradesh
 Mumbai Stock Exchange Ltd., Mumbai
 *The Stock Exchange, Ahmedabad
- The Company has passed special resolution for the voluntary delisting of shares from the Stock exchange Madhya Pradesh and Ahmedabad at the Annual General Meeting held on 29.09.2004.

- (viii) **Scrp Code** :
 The Stock Exchange, Madhya Pradesh : N.A.
 The Stock Exchange, Ahmedabad : N.A.
 Mumbai Stock Exchange Ltd., Mumbai : 530119

- (ix) **Demat ISIN No. for CDSL and NSDL** : INE444D01016

- (x) **Stock Market Data:**

Mumbai Stock Exchange Ltd., Mumbai:

Highest and lowest price of Equity Shares during each month in the last financial year 2011-12

| Month | Highest (Rs.) | Lowest (Rs.) | Total Volume in No. of Shares |
|--------|---------------|--------------|-------------------------------|
| Apr 11 | 15.75 | 14.12 | 24 |
| May 11 | 15.15 | 15.00 | 4 |
| Jun 11 | 15.00 | 12.90 | 5 |
| Jul 11 | 14.09 | 11.41 | 69 |
| Aug 11 | 14.00 | 12.85 | 4 |
| Oct 11 | 14.30 | 11.50 | 24 |
| Nov 11 | 15.01 | 9.59 | 40 |
| Dec 11 | 12.40 | 10.05 | 25 |
| Jan 12 | 15.57 | 12.40 | 15 |
| Feb 12 | 14.90 | 13.46 | 6 |
| Mar 12 | 16.32 | 14.74 | 21 |

- (xi) **Share Transfer System:**

Shareholders/Investors' Grievance Committee also approves share transfers and meets at frequent intervals. The Company's Share Transfers Agent Ankit Consultancy Pvt. Ltd. Process these transfers. Share transfers are registered and returned within a period of 15 days from the date of receipt, if the documents are clear in all respects. In cases where shares are transferred after sending notice to the transferors, in compliance of applicable provisions, the period of transfer is reckoned from the date of expiry of the notice.

- (xii) **Dematerialisation/Rematerialisation:**

Based on a SEBI directive, Company's shares are traded in electronic (demat) form. As on 31st March 2012, the Company's shares are held by shareowners in dematerialized form, aggregating 19.51% of the Equity Share Capital.

NSDL : 5,16,004 forming 13.77%% of the total equity capital
 CDSL : 2,15,271 forming 5.74%% of the total equity capital

(xiii) Distribution of Share owning as on 31st March, 2012:

| Share Holding of Nominal Value of Rs. | No. Of Owners | % Of Share Holders | Share Amount Rs. | % to Total |
|---------------------------------------|---------------|--------------------|------------------|---------------|
| Upto 1000 | 151 | 15.84 | 73350 | 0.20 |
| 1001 -2000 | 55 | 5.77 | 103490 | 0.28 |
| 2001 -3000 | 23 | 2.41 | 62860 | 0.17 |
| 3001 -4000 | 165 | 17.31 | 655210 | 1.75 |
| 4001 -5000 | 126 | 13.22 | 627620 | 1.67 |
| 5001 -10000 | 184 | 19.31 | 1497660 | 4.00 |
| 10001-20000 | 80 | 8.39 | 1252160 | 3.34 |
| 20001-30000 | 41 | 4.30 | 1054890 | 2.82 |
| 30001-40000 | 21 | 2.20 | 739530 | 1.97 |
| 40001-50000 | 23 | 2.41 | 1014070 | 2.71 |
| 50001-100000 | 41 | 4.30 | 3728880 | 9.95 |
| 100001- Above | 43 | 4.51 | 26660280 | 71.15 |
| TOTAL | 953 | 100.00 | 37470000 | 100.00 |

(Xiv) Categories of Shareholders as on 31st March, 2012:

| Sr. | Category | No. of Shares held | holding % of share |
|----------|--|--------------------|--------------------|
| A | Promoter Holding | | |
| 1 | Promoters | | |
| | Indian Promoters | 1991000 | 53.14 |
| | Foreign Promoters | 0 | 0 |
| 2 | Persons Acting in Concert | 0 | 0 |
| | Sub Total | 1991000 | 53.14 |
| B | Non Promoters Holding | | |
| 3. | Intitutional investors | 0 | 0 |
| (a) | Mutual Funds and UTI | 0 | 0 |
| (b) | Bank, financial Institutions, companies (Central/ State Govt./Non- Govt. Institutions) | 71300 | 1.90 |
| (c) | Flls | 0 | 0 |
| | Sub Total | 71300 | 1.90 |
| 4 | Others | 0 | 0 |
| (a) | Private corporate Bodies | 10293 | 0.27 |
| (b) | Indian Public | 1526763 | 40.75 |
| (c) | NRI/OCBs | 147250 | 3.93 |
| (d) | Clearing Members | 394 | 0.01 |
| (e) | Any other | | |
| | Sub Total | 1684700 | 46.86 |
| | GRAND TOTAL | 3747000 | 100.000 |

(xv) Details of the promoter's shares : 12,59,500 equity shares consisting 63.26% of the Under pledge. Promoters holding.

(xvi) Details of shares credited in the suspense account : There were no instance for returning the undelivered shares therefore, no shares were credited in the escrow account as per Clause 5(a) of the Listing Agreement.

(xvii) Address for Communication : Shareholders should address their correspondence to the Company's Share Transfer Agent, Ankit Consultancy Pvt. Ltd., 60, Electronic complex, Pardeshipura, Indore (M.P.) and may also contact at the registered office of the Company.

(xviii) Plant Location, Head Office & Address for correspondence : Nagpur-Kalan Ordinance Factory Road, Itarsi (M.P.)

By order of the Board

Place: Itarsi
Dated: 25th August, 2012

K.C.SHARMA
CHAIRMAN & MANAGING DIRECTOR

MANAGEMENT RESPONSIBILITY STATEMENT

The Institute of Chartered Accountants of India in full conformity with the requirements of the Companies Act, 1956 and the Accounting Standards issues the financial statements. The Management of Company accepts responsibility for the integrity and objectivity of these financial statements, as well as, for estimates and judgments relating to matters not concluded by the year-end. The management believes that the financial statements reflect fairly the form and substance of transactions and reasonably presents the company's financial condition, and results of operations. To ensure this, the company has installed a system of internal controls, which is reviewed, evaluated and updated on an ongoing basis. Our internal auditors have conducted periodic audits to provide reasonable assurance those the company's established policies and procedures have been followed. However, there re inherent limitations that should be recognized in weighing the assurances provided by any system of internal controls. M/s. BHUTORIA GANESAN & CO, Chartered Accountants, the Statutory Auditors of the Company have audited these financial statements.

A.K.SONI
MANAGER (F & A)
 Itarsi, 25th August, 2012

K.C.SHARMA
MANAGING DIRECTOR

DECLARATION

This is to confirm that all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of clause 49(1)(D)(ii) of the Listing Agreement entered into with the Stock Exchanges, for the year ended March 31, 2012.

For, **NATRAJ PROTEINS LTD.**

K.C.SHARMA
MANAGING DIRECTOR
 Itarsi, 25th August, 2012

**CERTIFICATE OF STATUTORY AUDITORS
 ON CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES**

To
The Board of directors
Natraj Proteins Limited

We have examined the compliance of conditions of Corporate Governance procedures as stipulated in Clause 49 of Listing Agreement entered into by the company with the Stock Exchanges, for the financial year beginning 1st April 2011 and ending on 31st March 2012.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of 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.

We have conducted our review on the basis of the relevant records and documents maintained by the company and furnished to us for review and the information and explanations given to us by the company. Based on such review, in our opinion, the Corporate Governance Report of the company, referred to above, reflects on a fair basis the status of compliance by the company with the Clause 49 of the Listing Agreement of the Stock Exchanges, relating to Corporate Governance, for the FY 2011-12 and that no investors grievances is pending for a period exceeding one month against the Company as per the records mentioned by the Share Department/Share Transfer Agent of the Company.

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

For **BHUTORIAGANESAN & CO.**
CHARTERED ACCOUNTANTS

Place: Bhopal
 Date: 25th August, 2012

R.GOKULAKRISHNAN
PARTNER
M.N. 402792
 Firm Reg.No. 004465C

COMPLIANCE CERTIFICATE

CIN: L00153MP1990PLC006090

Nominal Capital: Rs.50,000,000

To,
The Members
NATRAJ PROTEINS LIMITED
Nagpur Kalan, Ordnance Factory Road
Itarsi (M.P.)

We have examined the registers, records, books and papers of **NATRAJ PROTEINS LIMITED** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended **31st March 2012** (from 01.04.2011 to 31.03.2012). In our opinion and to the best of our information and according to the examinations carried and explanations furnished to us by the Company and its management, we certify that in respect of the aforesaid financial year:

1. the company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been recorded.
2. the company has filed the forms and returns as stated in **Annexure 'B'** to this certificate, with the Registrar of Companies within the time prescribed under the Act and the Rules made there under.
3. the Company being Public Limited company has the comments not required.
4. the Board of directors duly met **10 (Ten) times on 13th May, 2011; 12th August, 2011; 24th October, 2011; 14th November, 2011; 01st December, 2011; 06th January, 2012; 14th January, 2012; 14th February, 2012; 12th March, 2012; 31st March, 2012;** in respect of which meetings notices were given and the proceedings were recorded and signed in the Minutes book maintained for the purpose.
5. the company has closed its register of members from 19th Sept., 2011 to 23rd Sept., 2011 and necessary compliance of section 154 of the Act has been made.
6. the Annual General Meeting for the financial year ended on **31st March, 2011** was held on **23rd September, 2011** after given notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes book maintained for the purpose.
7. No Extra-ordinary General Meeting was held during the financial year.
8. the company not advanced any loans to its directors or persons or firms or companies, referred under section 295 of the act.
9. the company has complied with provisions of section 297 of the act in respect of contracts specified in that section.
10. the company has made necessary entries in the register maintained under section 301 of the Act.
11. the company has obtained necessary approval from the members pursuant to the provisions of section 314 of the Act, where ever applicable.
12. the Board of directors or duly constituted committee of directors has approved the issue of duplicate share certificates.
13. the company:
 - I. has delivered all the certificates on transfer/transmission of shares during the year under scrutiny in accordance with the provisions of the Act. However, there was no allotment of securities during the financial year.
 - II. was not required to deposit any amount in a separate Bank Account as no dividend was declared during the financial year 2011-12.
 - III. was not required to post warrants to any member of the company as no dividend was declared during the financial year 2011-12.
 - IV. was not required to transfer any amount to the Investors Education & Protection Fund as there was no amount due for transfer to the above said account relating to unpaid dividend, application money due for refund, matured deposits, matured debentures and the interest accrued thereon as remain unpaid or unclaimed for a period of 7 years.
 - V. has complied with the requirements of section 217 of the Act.

14. the Board of Directors of the company is duly constituted and appointment of directors, were duly made. However, there were no appointment of additional directors, alternate directors and directors to fill casual vacancies during the year under scrutiny.
15. The appointment of Whole-time Director has been made in compliance with the provisions of section 269 read with Schedule XIII to the Act, except that the Form 23, 32 and 25C were filed after the prescribed time with late filing fee.
16. the company has not appointed any sole selling agents during the financial year.
17. the company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the financial year.
18. the directors have disclosed their interest in other firms/companies to the Board of directors pursuant to the provisions of the Act and the rules made there under.
19. the company has not issued any shares & other securities during the year under the review.
20. the company has not bought back any shares during the financial year.
21. there was no redemption of preference shares or debentures during the financial year.
22. there were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. the company has not invited/accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.
24. the amount borrowed by the company from the financial institutions, banks and others during the financial year ending 31st March 2012 are within borrowing limit of the company.
25. the company has not made any loans and advances or given guarantee or provided securities to other body corporate and consequently no entries have been made in the register kept for the purpose.
26. the company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one State to another during the year under scrutiny.
27. the company has not altered the provisions of the Memorandum with respect to the objects of the company during the year under scrutiny.
28. the company has not altered the provisions of the Memorandum with respect to name of the company during the year under scrutiny.
29. the company has not altered the provisions of the Memorandum with respect to share capital of the company during the year under scrutiny.
30. the company has not altered its Articles of Association during the financial year.
31. there was/were no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the company during the financial year for offenses under the Act.
32. the Company has not received any money as security from its employees during the financial year.
33. the Company has not established any separate trust for its employees u/s 418 of the Act.

For, JAIN GUPTA & CO.
COMPANY SECRETARIES

Date: 25th August, 2012
Place: Indore

PRATMA BADJATIYA
PARTNER
CP NO. 6202

ANNEXURE-A
Registers as maintained by the Company

| S.NO. | PARTICULARS | SECTIONS/RULES |
|-------|---|----------------|
| 1 | Register of Deposits | Section 58A |
| 2 | Register of Charges | Section 143 |
| 3 | Copies of instruments creating charge | Section 136 |
| 4 | Register of Members | Section 150 |
| 5 | Registers and returns kept at the Registered Office, viz Annual Returns together with copies of certificate, etc. | Section 163 |
| 6 | Minute Book containing minutes of - Board Meeting - General Meeting - Audit Committee - Remuneration Committee | Section 193 |
| 7 | Register of particulars of contracts in which Directors are interested and Register for disclosure of interest by the directors | Section 301 |
| 8 | Register of Directors, MD/M/Secretary | Section 303 |
| 9 | Register of Director's shareholdings | Section 307 |
| 10 | Register of Investments | Section 372A |
| 11 | Register for Transfer/Transmission of Shares | |
| 12 | Register for issuance of duplicate share certificates | |
| 13 | Register for Demat/remat of Shares | |

For, JAIN GUPTA & CO.
COMPANY SECRETARIES

Date: 25th August, 2012
Place: Indore

PRATMA BADJATIYA
PARTNER
CP NO. 6202

Annexure-B
Forms and Returns as filed by the Company with Registrar of Companies, during the financial year ending 31st March 2012

| S.No. | Form No. | Section/ Rules | For dated | Filed on dated | Whether Within Time | Whether late filing fee paid | Remarks/ Receipt No. | RoC |
|-------|----------------------|-------------------|------------|-------------------|---------------------------|---------------------------------------|-------------------------|-----|
| 1. | Form 32 | 303 (1) | 23/09/2011 | 04/10/2011 | Yes | N.A. | B22146369 | |
| 2. | Form 8 | 125 | 23/01/2012 | 31/01/2012 | Yes | N.A. | B30795215 | |
| 3. | Form 8 | 125 | 14/02/2012 | 21/03/2012 | Yes | N.A. | B34980938 | |
| 4. | Form 23AC & 23ACA | 220 | 31/03/2011 | 22/12/2011 | Yes | N.A. | P83527713. | |
| 5. | Form 20B | 159,161 | 23/09/2011 | 11/11/2011 | Yes | N.A. | P78885167 | |
| 6. | Form 66 | 383 (1A) | 31/03/2011 | 04/10/2011 | Yes | N.A. | P71627566 | |

For, JAIN GUPTA & CO.
COMPANY SECRETARIES

Date: 25th August, 2012
Place: Indore

PRATMA BADJATIYA
PARTNER
CP NO. 6202

AUDITOR'S REPORT

The Members,
NATRAJ PROTEINS LTD.

ITARSI

1. We have audited the attached Balance Sheet of **Natraj Proteins Ltd.** as at 31.03.2012 and the relative Statement of Profit and Loss for the year ended on 31-03-2012 and also cash flow statement for the year ended on that date. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order 2003 as amended by Companies (Auditor's Report) (Amendment) order, 2004, issued by the Central Government of India in terms of sub section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement of the matters specified in the paragraph 4 and 5 of the said order.

4. Further to our comments in the Annexure referred to above, we report as that:

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii) In our opinion, the Company has kept proper books of accounts as required by law so far as appears from our examination of those books.
- iii) The Balance Sheet and Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
- iv) In our opinion, the Balance Sheet, Profit & loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in section 211(3C) of the Companies Act 1956.
- v) On the basis of written representations received from the Directors of the company as on 31st March, 2012, and taken on record by the Board of Directors, we report that none of the director is disqualified as on 31st March 2012 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said statement of Accounts, read together with the "NOTES" thereon, gives information as required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the Accounting principles generally accepted in India:
 - i) In the case of Balance Sheet of the state of affairs of the Company as at 31.03.2012.
 - ii) In the case of Statement of Profit and Loss, of the Profit of the company for the year ending 31.03.2012.
 - iii) In the case of Cash Flow Statement of the cash flows, of the Company for the year ended on that date.

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

CA R.GOKULAKRISHNAN
PARTNER
M.NO 402792

PLACE: BHOPAL
Date:25/08/2012

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

[Referred to in our Report of even date on the Accounts of NATRAJ PROTEINS LTD. as at and for the year ended 31st March 2012]

1. (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 (b) The fixed assets have been physically verified by the management in accordance with regular programme of verification, which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Discrepancies have been appropriately dealt with in the books of account.
 (c) The Company has not disposed off any substantial part of fixed assets during the year.
2. (a) The management has conducted Physical verification of inventories at all its locations at reasonable intervals during the year.
 (b) The procedures of physical verification of inventory followed by management are in our opinion, reasonable and adequate in relation to the size of the company and the nature of its business.
 (c) The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
3. (a) The company has taken loans, unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. There are twenty two parties and amount involved is Rs.152.03 Lacs.
 (b) The rate of interest and other terms and conditions of unsecured loans taken by the company, are prima facie not prejudicial to the interest of the company;
 (c) The payment of the principal amount and interest are also regular;
 (d) There is no overdue of more than one lacs.
4. In our opinion, and according to the information and explanation given to us, there are adequate internal systems commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and Services. During the course of audit, we have not come across any continuing failure to correct major weaknesses has been noticed in the internal control in respect of these areas.
5. (a) As per the information and explanations given to us the transactions needed to be entered into a register in pursuance of section 301 of the Companies Act, 1956 have been entered.
 (b). As per the information and explanations given to us the transactions have been carried out at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The company has not accepted deposits from the public during the year, within the meaning of sec 58A of the companies Act 1956 and the directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA of the Act and the rules framed there under. No order has been passed by the company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal in this respect.
7. In our opinion, the company has an internal audit System However the same has to be strengthened in commensurate with its size and nature of its business.
8. We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Act, in respect of the company's products to which said rules are made applicable and are of the opinion that prima facie, the prescribed accounts and records have been maintained. Further that the Company's product are subject to the Cost Audit.
9. (a) The company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor education and Protection Fund, Employees State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other Statutory Dues with the appropriate authorities to the extent applicable.
 (b) According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were in arrears, as at 31st March 2012, for a period of more than six months from the date they become payable.

(c) According to the information and explanations given to us, and as per the records of the company, income tax, sales tax, service tax, custom duty, excise duty, Mandi tax and Cess which have not been deposited on account of dispute are given below :

| Name of the Statute | Nature of the dues | Disputed Amount (Rs. in lacs) | Period which relates to it | Forum where the dispute is pending |
|---------------------|--------------------|-------------------------------|----------------------------|--|
| Income Tax | Income Tax | 15.90 | 1994-95, 1995-96, 1996-97 | Before Settlement Commission, Petition has been filed with M.P.High Court for stay |
| Entry tax | Entry Tax | 0.53 | 2006-2007 | M.P.Commercial Tax Appellate Board, Bhopal |
| M.P VAT Act 2002 | VAT ACT | 6.32 | 2006-2007 | M.P Commercial Tax, Appellate Board, Bhopal |

10. The company does not have any accumulated losses at the end of the financial year and it has not incurred cash losses in the year under report and in the immediately preceding financial year.
11. Based on our audit procedures, and as per the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. According to the information and explanations given to us and based on the documents and records produced to us the Company has not granted any loan and advances on the basis of security of by way of pledge of shares, debentures and other securities.
13. The provisions of special statute applicable to chit fund, nidhi or mutual benefit fund/societies are not applicable to the company.
14. In our opinion the company is not dealing or trading in shares, securities, debentures and other investments and hence, the requirements of Para 4(xiv) of the above order are not applicable to the company.
15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
16. As per the records produced, the term loans have been applied for the purpose for which such loans were obtained.
17. According to the information and explanations given to us and on an overall examination of the balance sheet and cash flow statement of the company, we report that funds raised on short-term basis have not been used for long term investment.
18. During the year the company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. There are no debentures issued by the company during the year that require creation of security or charge and therefore the requirement is not applicable.
20. During the year under audit, there was no public issue of shares.
21. Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us by the management we report that no frauds on or by the company have been noticed or reported during the course of our audit.

PLACE : BHOPAL
DATE : 25/08/2012

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

CA. R.GOKULAKRISHNAN
(PARTNER)
MEMBERSHIP NO: 402792

NATRAJ PROTEINS LIMITED
BALANCE SHEET AS AT 31-03-2012

| LIABILITIES | | Note No. | As at 31 March, 2012 | As at 31 March, 2011 |
|-------------|--|----------|----------------------|----------------------|
| | | | Amount in Rs | Amount in Rs |
| I | EQUITY AND LIABILITIES | | | |
| A | Shareholders' funds | | | |
| | (a) Share capital | 1 | 37,470,000 | 41,933,500 |
| | (b) Reserves and surplus | 2 | 151,496,521 | 111,315,354 |
| | Total (A) | | 188,966,521 | 153,248,854 |
| B | Non-current liabilities | | | |
| | (a) Long-Term Borrowings | 3 | 25,302,924 | 29,605,434 |
| | (b) Deferred Tax Liabilities (net) | 4 | 21557882 | 21599650 |
| | Total (B) | | 46,860,806 | 51,205,084 |
| C | Current liabilities | | | |
| | (a) Short-Term Borrowings | 5 | 472,916,980 | 309,131,011.00 |
| | (b) Trade Payables | 6 | 12,375,165 | 61,840,093 |
| | (c) Other Current Liabilities | 7 | 29,980,534 | 22,362,976 |
| | (d) Short-Term Provisions | 8 | 24,958,627 | 9,515,381 |
| | Total (C) | | 539,831,306 | 402,849,461 |
| | TOTAL (A+B+C) | | 775,458,633 | 607,303,399 |
| II | ASSETS | | | |
| D | Non-current assets | | | |
| | (a) Fixed assets | | | |
| | (i) Tangible Assets | 9 | 90,791,283 | 90,999,055 |
| | (ii) Capital Work-In-Progress | 9 | 3,933,577 | 2,038,011 |
| | | | 94,724,860 | 93,037,066 |
| | (b) Long-term Loans and Advances | 10 | 3,589,780 | 3,261,802 |
| | (c) Other Non-Current Assets | 11 | 38,750,968 | 28,782,200 |
| | TOTAL (D) | | 137,085,608 | 125,081,068 |
| E | Current assets | | | |
| | (a) Inventories | 12 | 576610059 | 386055075 |
| | (b) Trade receivables | 13 | 45249611 | 56317434 |
| | (c) Cash and Bank Balances | 14 | 7654867 | 12493611 |
| | (d) Short-Term Loans and Advances | 15 | 8878488 | 27356211 |
| | TOTAL (E) | | 638393025 | 48222331 |
| | TOTAL (D+E) | | 775458633 | 607303399 |
| | Significant Accounting Policies and other Notes to Financial Statements | 25 A & B | | |

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

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

R.Gokulakrishnan
Partner
Membership no: 402782

FOR AND ON BEHALF OF BOARD OF DIRECTORS

KAILASH CHAND SHARMA
(MANAGING DIRECTOR)

J.P.AGRAWAL
DIRECTOR

PLACE: ITARSI
DATED : 25/08/2012

NATRAJ PROTEINS LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2012.

| Particulars | Note No. | For the year ended | For the year ended |
|--|----------|----------------------|----------------------|
| | | 31 March, 2012 | 31 March, 2011 |
| | | Amount in Rs | Amount in Rs |
| CONTINUING OPERATIONS | | | |
| (I) Revenue from Operations (gross) | 16 | 2199453884 | 1891171198 |
| Less: Excise duty | | 1725694 | 1778148 |
| Revenue from operations (net) | | 2197728190 | 1889393050 |
| (II) Other Operating Income | 17 | 6535603 | 7551001 |
| (III) Other income | 18 | 2753653 | 2,291,410 |
| Total Revenue (I+II+III) | | 2,207,017,446 | 1,899,235,461 |
| Expenses | | | |
| Consumption of Raw Materials & Manufacturing Expenses | 19 | 1900572596 | 1715433666 |
| (Increase)/ Decrease in Inventories of Finished Goods and WIP | 20 | 20945022 | (14,870,121) |
| Employee Benefits Expenses | 21 | 9669285 | 7244956 |
| Finance Costs | 22 | 38650314 | 24,676,179 |
| Other expenses of Manufacture, Administration Expenses, Selling & Distribution | 23 | 174951265 | 134,248,022 |
| Depreciation and Amortisation on | | 7566265 | 7,556,284 |
| Total Expenses | | 2152354747 | 1874288986 |
| Profit / (Loss) Before Exceptional and Extraordinary Items and Tax | | 54,662,699 | 24,946,475 |
| Exceptional Items | | - | - |
| Profit / (Loss) Before Extraordinary Items and Tax | | 54,662,699 | 24,946,475 |
| Extraordinary Items | | - | - |
| Profit / (Loss) Before Tax | | 54,662,699 | 24,946,475 |
| Tax expenses: | | | |
| (a) Current Tax Expense for Current Year | | 19,300,000 | 9,061,400 |
| (b) Deferred Tax | | (41,768) | (766,099) |
| | | 19,258,232 | 8,295,301 |
| Profit / (Loss) from Continuing Operations | | 35,404,467 | 16,651,175 |
| Profit / (Loss) for the year | | 35,404,467 | 16,651,175 |
| Earning Per Equity share | 24 | | |
| Basic (Rs) | | 9.45 | 3.67 |
| Diluted (Rs) | | 9.45 | 3.97 |
| Significant Accounting Policies and other Notes to Financial Statements | 25 A&B | | |

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

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

R.Gokulakrishnan
Partner
Membership no: 402792

FOR AND ON BEHALF OF BOARD OF DIRECTORS

KAILASH CHAND SHARMA
(MANAGING DIRECTOR)

J.P.AGRAWAL
DIRECTOR

PLACE: ITARSI
DATED : 25/08/2012

NATRAJ PROTEINS LTD., ITARSI
CASH FLOW STATEMENT
FOR THE YEAR ENDING 31ST MARCH, 2012

| PARTICULARS | YEAR ENDED 31.03.2012 | YEAR ENDED 31.03.2011 |
|---|--------------------------|--------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit Before Tax | 54662699 | 24946475 |
| Adjustments for: | | |
| ADD | | |
| Depreciation | 7566265 | 7556284 |
| Interest Charges | 38650314 | 24676179 |
| LESS | | |
| Interest Income | 1707434 | 1516701 |
| Income Tax for the Year, Income Tax Related to Previous Year | 19300000 | 9061400 |
| Deferred Tax - Current tax | (41768) | (766099) |
| Insurance Claim | 0 | 78531 |
| Operating Profit Before Working Capital Changes | 79913612 | 47288406 |
| Adjustments for: | | |
| Trade Receivables | 11067823 | (21634369) |
| Inventories | (190554984) | (233742810) |
| Loans, Advances and other current assets | 18149745 | (31112757) |
| Current Liabilities | (27151380) | (5813095) |
| Deferred Tax Liability | (41768) | (766099) |
| Total Adjustments | (188530564) | (293069131) |
| CASH GENERATED FROM OPERATING ACTIVITIES (A) | (108616952) | (245780725) |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Asset/ Capital WIP | (9254060) | (4236304) |
| Sale Proceeds of Fixed Assets | 0 | 460000 |
| Interest Received | 1707434 | 1516701 |
| Non Current Assets | (9968768) | (136900) |
| NET CASH USED IN INVESTING ACTIVITIES (B) | (17515394) | (2396503) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from Unsecured Loans Raised | 1240317 | 1119416 |
| Proceeds from Long Term Borrowings from Banks | 0 | 19785725 |
| Repayment of Term Loans | (5395571) | (5270571) |
| Proceeds of Short Term Borrowings Banks | 163785969 | 255307249 |
| Interest Paid | (38650314) | (24676179) |
| Call in Arrears received from Share Holders | 313200 | 0 |
| NET CASH (USED)/FROM FINANCING ACTIVITIES (C) | 121293601 | 246265640 |
| NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C) | (4838744) | (1911587) |
| Cash and Cash Equivalents as on 1-4-2011 Opening Balance | 12493611 | 14405198 |
| Cash and Cash Equivalents as on 31-3-2012 Closing Balance | 7654867 | 12493611 |
| Increase/Decrease in Closing Cash Balance | (4838744) | (1911587) |
| Note: | | |
| Cash and Cash Equivalents include: | | |
| (a) Cash on Hand | 3724656 | 2073509 |
| (b) Balances with Banks in Current Accounts | 3930211 | 10420102 |
| | 7654867 | 12493611 |

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

R.Gokulakrishnan
Partner
Membership no: 402792

PLACE: ITARSI
DATED : 25/08/2012

FOR AND ON BEHALF OF BOARD OF DIRECTORS

KAILASH CHAND SHARMA
(MANAGING DIRECTOR)

J.P.AGRWAL
DIRECTOR

NATRAJ PROTEINS LTD, ITARSI
SEGMENTAL REPORTING FOR THE YEAR 2011-2012

| PARTICULARS | Solvent Extraction Unit | | Wind Mill | | Adj not related to Segments | | Total | |
|----------------------------------|-------------------------|------------|-----------|-----------|-----------------------------|-----------|------------|-------------|
| | 2011-2012 | 2010-2011 | 2011-2012 | 2010-2011 | 2011-2012 | 2010-2011 | 2011-2012 | 2010-2011 |
| SALES | 2201043758 | 1893110699 | 3220035 | 3833352 | | | 2204263793 | 1896944051 |
| INTER UNIT SALES | 0 | 0 | | | | | 0 | 0 |
| NET SALES | 2201043758 | 1893110699 | 3220035 | 3833352 | | | 2204263793 | 1896944051 |
| OTHER INCOME | 2753653 | 2291410 | 0 | 0 | | | 2753653 | 2291410 |
| MAINTAINENCE EXPENSES- WIND MILL | 0 | 0 | 846868 | 687470 | | | 846868 | 687470 |
| PROFIT BEFORE DEP | 59855797 | 29356877 | 2373167 | 3145882 | | | 62228964 | 32502759.45 |
| DEPRECIATION | 5857476 | 6023221 | 1708789 | 1533063 | | | 7566265 | 7556284 |
| NET PROFIT BEFORE TAX | 53998321 | 23333656 | 664378 | 1612819 | | | 54662699 | 24946475 |
| PROVISION FOR TAX, DEFERRED TAX | | | | | 19258232 | 8295301 | 19258232 | 8295301 |
| NET PROFIT AFTER TAX | | | | | | | 35404467 | 16651175 |

SEGMENT ASSETS

| PARTICULARS | Solvent Extraction Unit | | Wind Mill | | Adj not related to Segments | | Total | |
|--|-------------------------|-----------|-----------|-----------|-----------------------------|-----------|-----------|-----------|
| | 2011-2012 | 2010-2011 | 2011-2012 | 2010-2011 | 2011-2012 | 2010-2011 | 2011-2012 | 2010-2011 |
| FIXED ASSETS (NET BLOCK) INCLUDING CAPITAL WORK IN PROGRESS | 67989205 | 64592623 | 26735655 | 28444443 | | | 94724860 | 93037066 |
| LONG TERM LOANS AND ADVANCES | | | | | 3589780 | 3261802 | 3589780 | 3261802 |
| OTHER NON CURRENT ASSETS | | | | | 38750968 | 28782200 | 38750968 | 28782200 |
| CURRENT ASSETS | | | | | 638393025 | 482222331 | 638393025 | 482222331 |
| TOTAL ASSETS | 67989205 | 64592623 | 26735655 | 28444443 | 680733773 | 514266333 | 775458633 | 607303399 |

SEGMENT LIABILITIES

| PARTICULARS | Solvent Extraction | | Wind Mill | | Adj not related to Segments | | Total | |
|------------------------------------|--------------------|-----------|-----------|-----------|-----------------------------|-----------|-----------|-----------|
| | 2011-2012 | 2010-2011 | 2011-2012 | 2010-2011 | 2011-2012 | 2010-2011 | 2011-2012 | 2010-2011 |
| LONG TERM BORROWINGS | 10606652 | 9819709 | 14696272 | 19785725 | 0 | 0 | 25302924 | 29605434 |
| SHARE CAPITAL | | | | | 37470000 | 41933500 | 37470000 | 41933500 |
| RESERVES & SURPLUS | | | 0 | 0 | 151496521 | 111315354 | 151496521 | 111315354 |
| CURRENT LIABILITIES AND PROVISIONS | 539631306 | 402513778 | 0 | 335683 | 0 | 0 | 539631306 | 402849461 |
| DEFERRED TAX | | | | | 21557882 | 21599650 | 21557882 | 21599650 |
| TOTAL LIABILITIES | 550237958 | 412333487 | 14696272 | 20121408 | 210524403 | 174848504 | 775458633 | 607303399 |

Natraj Proteins Ltd.

Notes forming part of the financial statements

Note 1. Share Capital

| Particulars | As at 31/03/2012 | As at 31-03-2011 |
|---|----------------------|----------------------|
| | Amount | Amount |
| (a) Authorised | | |
| 50,00,000 Equity shares of Rs.10/ each | 50,000,000.00 | 50,000,000.00 |
| (b) Issued Share Capital, Subscribed & Paid up | | |
| Equity shares of Rs.10 each | 37,470,000.00 | 45400000 |
| (3747,000 Equity Shares of Rs. 10 each) (Previous year . 4540000 Equity shares of Rs. 10 each | | |
| Less: Call in arrears | | 3466500 |
| Total | 37,470,000.00 | 41,933,500.00 |

1.1) Terms/ rights attached to equity shares

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

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

| Particulars | As at 31-03-2012 | As at 31-03-2011 |
|--|------------------|------------------|
| Equity Shares at the beginning of the year | 4540000 | 4540000 |
| Add: Shares issued during the year | 0 | 0 |
| Less: Shares forfeited during the year | 793000 | 0 |
| Equity shares at the end of the year | 3747000 | 4540000 |

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

| Name of the share holder | As at 31-03-2012 | | As at 31-03-2011 | |
|--|------------------|---------------------------|------------------|---------------------------|
| | Number | % of holding in the class | Number | % of holding in the class |
| Equity shares of Rs. 10 each fully paid up | | | | |
| S.K.Arora | 565000 | 15.08% | 565000 | 12.44% |
| J.P. Agrawal | 223000 | 5.95% | | Less than 5% |
| Nandkishore Mehra | 0 | 0 | 248900 | 5.48% |

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

(1.5) Details of calls unpaid

| Particulars | As at 31 March, 2012 | | As at 31 March, 2011 | |
|----------------------------------|----------------------|--------------|----------------------|--------------|
| | Number of shares | Amount in Rs | Number of shares | Amount in Rs |
| Equity shares with voting rights | | | | |
| Aggregate of calls unpaid | | | | |
| - by Directors | | | | |
| - by Officers | | | | |
| - by Others | 0 | 0 | 871800 | 3466500 |

(1.6) Details of forfeited shares

| Class of shares | As at 31 March, 2012 | | As at 31 March, 2011 | |
|----------------------------------|----------------------|---------------------------|----------------------|---------------------------|
| | Number of shares | Amount originally paid up | Number of shares | Amount originally paid up |
| Equity shares with voting rights | 793000 | 4776700 | 0 | 0 |

During the year the company forfeited 793000 equity shares, against which call in arrears was due. Amount originally received against the forfeited shares have been grouped to reserves & surplus account as other than General Reserve.

Note 2 : Reserves and surplus

| Particulars | Amount in Rs | Amount in Rs |
|---|----------------|----------------|
| (a) Reserve | | |
| Shares Forfeited Account | | |
| Opening Balance | - | - |
| Additions during the year (Refer Note: 1.6) | 4,776,700.00 | - |
| Closing Balance (A) | 4,776,700.00 | - |
| (b) General Reserve (Opening and Closing balance) (B) | 1,500,000.00 | 1,500,000.00 |
| (C) Surplus in the Statement of Profit & Loss | | |
| Opening Balance | 109,815,354.00 | 93,164,180.00 |
| Add: Profit During the year | 35,404,467.00 | 16,651,174.00 |
| Closing Balance (c) | 145,219,821.00 | 109,815,354.00 |
| Total (A+B+C) | 151,496,521.00 | 111,315,354.00 |

NOTE: 3: LONG TERM BORROWINGS

| Particulars | Amount in Rs | Amount in Rs |
|---------------------------|--------------|--------------|
| (a) Secured Loans | | |
| Term Loan Bank from Banks | 10100273 | 15643100 |
| (b) Unsecured loan from | | |
| Directors and Relatives | 15202651 | 13962334 |
| Total | 25302924 | 29605434 |

3.1) Secured Long Term Borrowings:-

Term Loan from Banks

| Particulars | Date of Maturity | Applicable Interest rate |
|---|------------------|--------------------------|
| Term loan - I (Quarterly Installments of Rs. 771000 each) | 10/01/2013 | 15.25% |
| Term loan -II (Quarterly Installments of Rs. 1149000 each) | 14/03/2016 | 14.00% |
| (3.1.a) Secured Loans from | | |
| BANK | | |
| Term loan - I from Andhra Bank | 0 | 453375 |
| Term loan - II from Andhra Bank | 10100273 | 15189725 |
| SUB TOTAL | 10100273 | 15643100 |
| Security: Term loan - I from Andhra Bank secured against hypothecation of specific assets acquired out of Term Loan (Office Building, Godown Building & Upgraded Machineries) | | |
| Term loan - II from Andhra Bank is secured by hypothecation of assets acquired out of Term loan (WindMill) and Equitable Mortgage of land on which Wind Mill is erected at Navneetakrishnapuram, Tirunelveli District, Tamil Nadu. | | |
| (3.1.b) The installments due within 12 months from the date of Balance Sheet have been grouped under Other Current Liabilities as " Current Maturities of Long Term Borrowings. (Refer note no: 7) | 5049375 | 4902119 |
| (3.1.c) Unsecured loan from | | |
| Directors and Relatives | 15202651 | 13962334 |
| Total | 15202651 | 13962334 |

NOTE -4. DEFERRED TAXATION

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

| Particulars | As at 31-03-2012 | As at 31-03-2011 |
|--|-------------------|-------------------|
| Deferred Tax Liability | | |
| On account of difference in depreciation as per books and income tax | 21,557,882 | 21599650 |
| Total | 21,557,882 | 21,599,650 |

| DETAILS OF DEFERRED TAX LIABILITIES AS UNDER | 31/03/2012 | 31/03/2011 |
|--|------------|-------------|
| Difference between books and Tax written down Values of fixed assets | 60161309 | 63541063.00 |
| (Deferred Tax Asset)/ Deferred Tax Liability During the year | (41768.00) | (766099.00) |
| Defer tax Liability for earlier years | 21557882 | 22365749 |

Note 5. Short-term borrowings

| Particulars | Amount in Rs | Amount in Rs |
|--|--------------------|--------------------|
| SECURED LOANS | | |
| Loan Repayable on Demand from Bank (Ref Note 5.1 to 5.4) | 472,916,980 | 309,131,011 |
| Total (I+II) | 472,916,980 | 309,131,011 |

5.1. The working capital borrowings are secured by way of first charge on hypothecation of all stocks and receivable and claims are collaterally secured by way of first charge on its entire fixed assets of the company excluding assets created out of Term Loan -II. Working Capital and Term loan from Bank are collaterally secured by way of personal guarantee of 3 directors of the company and lien on FDR Rs. 154 lacs with interest Rs. 163.34 lacs as on 31-03-2012.

5.2. The short term borrowings against ware house receipts from Andhra Bank is secured by way of pledge of Ware house receipts and collaterally secured by extension of collateral securities available for Working Capital and personal Guarantee of 3 Directors.

5.3. The Short Term Borrowings against Ware House Receipts from Axis Bank is primarily secured by way of pledge of Ware House Receipts and collaterally secured by way of Personal Guarantee of 2 Directors of the Company.

5.4. The Short Term Borrowings against Ware House Receipts from Indusind Bank is primarily secured by way of pledge of Ware House Receipts and collaterally secured by way of Personal Guarantee of one of Director of the Company.

| Secured Loans from Banks | | |
|---|------------------|------------------|
| (5.1.a) Bank Borrowings for Working Capital (Secured) | 220972097 | 159312007 |
| (5.2.a) Short term loan on Warehouse Receipt from Andhra Bank | 41996176 | 0 |
| (5.3.a) Short term loan on Warehouse Receipt from Axis Bank | 149254627 | 49999804 |
| (5.4.a) Short term loan on Warehouse Receipt from Indusind Bank | 60694080 | 99819200 |
| | 472916980 | 309131011 |

Note 6 : Trade payables

| Particulars | Amount in Rs | Amount in Rs |
|----------------|----------------------|----------------------|
| Trade payables | 12,375,165.00 | 61,840,093 |
| Total | 12,375,165.00 | 61,840,093.00 |

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

Micro, Small and Medium Enterprises

Information in respect of Micro, Small and Medium Enterprises Development Act, 2006; based on the information available to the company. The required disclosures are given below

| Particulars | FY 2011-2012 | F.Y 2010-2011 |
|---|--------------|---------------|
| The Principal amount (Interest - Nil) remaining unpaid to any supplier as at the end of the accounting year | 1265649 | 261988 |
| The amount of interest accrued and remaining unpaid at the end of accounting year | NIL | NIL |
| The amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues as above are actually paid to the Small enterprises for the purposes of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006 | NIL | NIL |

NATRAJ PROTEINS LIMITED**Notes forming part of the financial statements****Note 7. Other Current liabilities**

| Particulars | Amount in Rs | Amount in Rs |
|---|-------------------|-------------------|
| Current Maturities of long term borrowings (Ref note no: 3(1)(b)) | 5,049,375 | 4,902,119 |
| Advance from Customers Against sales | 4946179 | 1032351 |
| Credit balances in Current A/c (Ref Note: 7.1) | 605,771 | 737,431 |
| Payables | | |
| (i) Statutory Dues | 1065329 | 1254463 |
| (ii) Expenses Payable | 17713880 | 14436612 |
| | 29,380,534 | 22,362,976 |

Note : 8. Short-term provisions

| Particulars | Amount in Rs | Amount in Rs |
|--|-------------------|------------------|
| (a) Provision for employee benefits: Provision for Employees Retirement Benefit - obligation for the year 2011-2012 | 367,618 | |
| b) Provision for Income tax(Net of advance tax & TDS) | 24,591,009 | 9,515,381 |
| Total | 24,958,627 | 9,515,381 |

Natraj Proteins Ltd.
Schedules Forming Integral Part of the Balance Sheet as at 31st March, 2012

| Sr. No. | Particulars | AMOUNT IN ₹S | | | | | | | | | | | | | | | | | | | | | | | | | |
|------------------------|-----------------------------|--------------|---------|-----------|---------|-----------|-----------|-----------|---------|-----------|-----------|-----------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | |
| TANGIBLE ASSETS | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Land/Freehold and Leasehold | 24,383 | 600,000 | 1,485,914 | 673,794 | 1,951,267 | 3,065,510 | 4,700,958 | 715,644 | 6,702,236 | 8,127,923 | 9,405,118 | 11,411,518 | 13,141,118 | 15,141,118 | 17,141,118 | 19,141,118 | 21,141,118 | 23,141,118 | 25,141,118 | 27,141,118 | 29,141,118 | 31,141,118 | 33,141,118 | 35,141,118 | 37,141,118 | 39,141,118 |
| | Buildings | 24,383 | 600,000 | 1,485,914 | 673,794 | 1,951,267 | 3,065,510 | 4,700,958 | 715,644 | 6,702,236 | 8,127,923 | 9,405,118 | 11,411,518 | 13,141,118 | 15,141,118 | 17,141,118 | 19,141,118 | 21,141,118 | 23,141,118 | 25,141,118 | 27,141,118 | 29,141,118 | 31,141,118 | 33,141,118 | 35,141,118 | 37,141,118 | 39,141,118 |
| | Plant & Machinery | 24,383 | 600,000 | 1,485,914 | 673,794 | 1,951,267 | 3,065,510 | 4,700,958 | 715,644 | 6,702,236 | 8,127,923 | 9,405,118 | 11,411,518 | 13,141,118 | 15,141,118 | 17,141,118 | 19,141,118 | 21,141,118 | 23,141,118 | 25,141,118 | 27,141,118 | 29,141,118 | 31,141,118 | 33,141,118 | 35,141,118 | 37,141,118 | 39,141,118 |
| | Motor Vehicles | 24,383 | 600,000 | 1,485,914 | 673,794 | 1,951,267 | 3,065,510 | 4,700,958 | 715,644 | 6,702,236 | 8,127,923 | 9,405,118 | 11,411,518 | 13,141,118 | 15,141,118 | 17,141,118 | 19,141,118 | 21,141,118 | 23,141,118 | 25,141,118 | 27,141,118 | 29,141,118 | 31,141,118 | 33,141,118 | 35,141,118 | 37,141,118 | 39,141,118 |
| | Office Furniture | 24,383 | 600,000 | 1,485,914 | 673,794 | 1,951,267 | 3,065,510 | 4,700,958 | 715,644 | 6,702,236 | 8,127,923 | 9,405,118 | 11,411,518 | 13,141,118 | 15,141,118 | 17,141,118 | 19,141,118 | 21,141,118 | 23,141,118 | 25,141,118 | 27,141,118 | 29,141,118 | 31,141,118 | 33,141,118 | 35,141,118 | 37,141,118 | 39,141,118 |
| | Computer | 24,383 | 600,000 | 1,485,914 | 673,794 | 1,951,267 | 3,065,510 | 4,700,958 | 715,644 | 6,702,236 | 8,127,923 | 9,405,118 | 11,411,518 | 13,141,118 | 15,141,118 | 17,141,118 | 19,141,118 | 21,141,118 | 23,141,118 | 25,141,118 | 27,141,118 | 29,141,118 | 31,141,118 | 33,141,118 | 35,141,118 | 37,141,118 | 39,141,118 |
| | Software | 24,383 | 600,000 | 1,485,914 | 673,794 | 1,951,267 | 3,065,510 | 4,700,958 | 715,644 | 6,702,236 | 8,127,923 | 9,405,118 | 11,411,518 | 13,141,118 | 15,141,118 | 17,141,118 | 19,141,118 | 21,141,118 | 23,141,118 | 25,141,118 | 27,141,118 | 29,141,118 | 31,141,118 | 33,141,118 | 35,141,118 | 37,141,118 | 39,141,118 |
| | Tools | 24,383 | 600,000 | 1,485,914 | 673,794 | 1,951,267 | 3,065,510 | 4,700,958 | 715,644 | 6,702,236 | 8,127,923 | 9,405,118 | 11,411,518 | 13,141,118 | 15,141,118 | 17,141,118 | 19,141,118 | 21,141,118 | 23,141,118 | 25,141,118 | 27,141,118 | 29,141,118 | 31,141,118 | 33,141,118 | 35,141,118 | 37,141,118 | 39,141,118 |
| | Books | 24,383 | 600,000 | 1,485,914 | 673,794 | 1,951,267 | 3,065,510 | 4,700,958 | 715,644 | 6,702,236 | 8,127,923 | 9,405,118 | 11,411,518 | 13,141,118 | 15,141,118 | 17,141,118 | 19,141,118 | 21,141,118 | 23,141,118 | 25,141,118 | 27,141,118 | 29,141,118 | 31,141,118 | 33,141,118 | 35,141,118 | 37,141,118 | 39,141,118 |
| | Other | 24,383 | 600,000 | 1,485,914 | 673,794 | 1,951,267 | 3,065,510 | 4,700,958 | 715,644 | 6,702,236 | 8,127,923 | 9,405,118 | 11,411,518 | 13,141,118 | 15,141,118 | 17,141,118 | 19,141,118 | 21,141,118 | 23,141,118 | 25,141,118 | 27,141,118 | 29,141,118 | 31,141,118 | 33,141,118 | 35,141,118 | 37,141,118 | 39,141,118 |
| | Net Block | 24,383 | 600,000 | 1,485,914 | 673,794 | 1,951,267 | 3,065,510 | 4,700,958 | 715,644 | 6,702,236 | 8,127,923 | 9,405,118 | 11,411,518 | 13,141,118 | 15,141,118 | 17,141,118 | 19,141,118 | 21,141,118 | 23,141,118 | 25,141,118 | 27,141,118 | 29,141,118 | 31,141,118 | 33,141,118 | 35,141,118 | 37,141,118 | 39,141,118 |

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

| Particulars | Amount in Rs | Amount in Rs |
|---------------------------------------|------------------|------------------|
| Security deposits | | |
| Deposits Unsecured considered good | 2,556,246 | 2,309,569 |
| Less: Provision for doubtful deposits | 0 | 0 |
| | 2,556,246 | 2,309,569 |
| Other Advances | | |
| Advances Unsecured considered good | 1,033,534 | 952,233 |
| | 3,589,780 | 3,261,802 |

Note: 11. OTHER NON CURRENT ASSETS

| Particulars | Amount in Rs | Amount in Rs |
|--|-------------------|-------------------|
| A) Balances with government authorities | | |
| Unsecured, considered good | | |
| Advance tax | 14,707,191 | 8,408,897 |
| Advance VAT year 2006-07 | 127,000 | 127,000 |
| Advance tax 2009-10 | 1,650,680 | 1,650,680 |
| TOTAL (A) | 16,484,871 | 10,186,577 |
| (B) FDR/DEPOSITS HAVING MATURITY PERIOD MORE THAN 12 MONTHS | | |
| (I) Balances held as margin money or security against borrowings, guarantees and other commitments (Refer Note (11.2) below) | 21,162,779 | 17,572,262 |
| (II) Other Bank Balances having maturity period more than 12 months | 1,103,318 | 1,023,361 |
| TOTAL (B) | 22,266,097 | 18,595,623 |
| TOTAL (A+B) | 38,750,968 | 28,782,200 |

11.1) Other Bank Balances includes FDR with Central Bank of India Rs. 11,03,318 having original maturity period more than 12 months.

11.2) Margin Money:

Margin money deposits amounting to Rs.21,162,779 (previous year Rs. 175,72,262) are lying with Bank against Bank Guarantee & Security against borrowings of Working Capital

- (i) Lien Marked against FDR with Andhra Bank Rs. 20844526, for the Bank Guarantee, Letter of Credit & other collateral security for the working Capital Borrowings.
(ii) Lien marked against FDR with Axis Bank Rs. 318253. The FDR given as security deposit with Agriculture Produce Market Committee- Krish Upaj Mandi Samiti.

Note (12): Inventories

| Particulars | Amount in Rs | Amount in Rs |
|--|------------------|------------------|
| (a) Raw materials (At cost or market value whichever is less) | 486993668 | 278766826 |
| (b) Finished goods (other than those acquired for trading) (Cost of Production or Net Realisable Value whichever is less) | 72791882 | 93253212 |
| (c) Trading Goods (At Cost or Net Realisable Value whichever is less) | 596244 | 1079936 |
| (d) Consumables, Fuel and Packing material (At average cost) | 10087867 | 7855872 |
| (e) Stores and machinery spares (Valuation At Cost) | 6140398 | 5099229 |
| Total | 576610059 | 386055075 |

Note 13.: Trade receivables

| Particulars | Amount in Rs | Amount in Rs |
|---|-----------------|-----------------|
| Trade receivables outstanding for a period exceeding six months from the date they were due for payment # | | |
| Unsecured, considered good | 4116953 | 2888165 |
| Doubtful | 0 | 0 |
| | 4116953 | 2888165 |
| Other Trade receivables | | |
| Unsecured, considered good | 41132658 | 53429269 |
| | 41132658 | 53429269 |
| Total | 45249611 | 56317434 |

Note 14. Cash and Bank Balances

| Particulars | Amount in Rs | Amount in Rs |
|---|----------------|-----------------|
| Cash and Cash Equivalents | | |
| (a) Cash on hand | 3724656 | 2073509 |
| (b) Balances with banks -Current Accounts | 3930211 | 10420102 |
| Total | 7654867 | 12493611 |

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

| Particulars | Amount in Rs | Amount in Rs |
|---|---------------------|----------------------|
| (a) Security Deposits Unsecured , Considered Good | 615,000 | 1,860,000 |
| | 615,000 | 1,860,000 |
| (b) Loans and advances to employees Unsecured, considered good | 1,153,629 | 972,096 |
| | 1,153,629 | 972,096 |
| (c) Prepaid expenses - Unsecured, considered good | 461,381 | 312,094 |
| (d) Others Advance for raw material & stores | 6,648,478 | 24,212,021 |
| | 6,648,478 | 24,212,021 |
| Total | 8,878,488.00 | 27,356,211.00 |

Note 16. Revenue from operations

| Particulars | Amount in Rs | Amount in Rs |
|---|-------------------|-------------------|
| (a) Sale of Products | | |
| MANUFACTURED | | |
| Refined Vegetable oil | 783723567 | 523317692 |
| Soya DOC | 1314950291 | 1250037902 |
| Soya Crude oil | 23213706 | 0 |
| Acid oil | 10102123 | 9890325 |
| Fatty Acid | 689044 | 618957 |
| Lecithin | 21330097 | 20358098 |
| Clay (Soya Mitti) Sales | 553219 | 223651 |
| Sub Total (a) | 2154562047 | 1804446625 |
| (b) TRADED GOODS | | |
| Wheat | 8008657 | 35528563 |
| Paddy | 0 | 11109775 |
| Soyabean | 17213040 | 7478023 |
| Tour | 8765707 | 2893360 |
| Gram | 8382855 | 25721285 |
| Empty gunny bags | 2586928 | 3993567 |
| Loss due to trading with NCDEX (65350) | | |
| Sub Total (b) | 44891837 | 86724573 |
| Revenue from operations (a+b) | 2199453884 | 1891171198 |
| Less: Excise Duty | 1725694 | 1778148 |
| Revenue from Operations (Net) | 2197728190 | 1889393050 |

NOTE NO: 17: OTHER OPERATING INCOME

| Particulars | Amount in Rs | Amount in Rs |
|---|----------------|----------------|
| Income from Wind Mill (Energy) | 3220035 | 3833352 |
| Coal Dust | 1122817 | 939899 |
| Cenvat Refund | 314509 | 1075286 |
| Excess Provision on VAT written back/VAT refund | 1657408 | 1514097 |
| Railway Claim | 220834 | 188367 |
| Total | 6535603 | 7551001 |

Note 18. Other income

| Particulars | Amount in Rs | Amount in Rs |
|---|------------------|------------------|
| Interest income from FDR & others | 1707434 | 151670 |
| Award Received from commercial tax Deptt. | 50000 | |
| Miscellaneous income | 690319 | 69617 |
| Interest on Share application money | 305900 | |
| Profit on sale of vehicle | 0 | 7853 |
| Total | 2,753,653 | 2,291,410 |

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

| Particulars | Amount in Rs | Amount in Rs |
|---|-------------------|-------------------|
| Cost of Raw Materials Consumed & Process Inputs | 1855872248 | 1646683691 |
| Consumption of Packing Material | 13490448 | 13241386 |
| Total | 1869362696 | 1659925077 |
| Purchase of Traded Goods | | |
| Wheat | 16603856 | 33145925 |
| Paddy | 4410 | 249507 |
| Gram | 7017090 | 18184195 |
| Tour | 7584544 | 3928962 |
| Total | 31209900 | 55508589 |
| Total in (a+b) | 1900572596 | 1715433666 |

Note no: 19.1**Details of Material Consumed under broad head as follows**

| | | |
|--|----------------------|----------------------|
| Consumption of Raw Matreial & Process Inputs | 1,733,731,577 | 1,607,281,804 |
| Consumption of Hexane | 19,182,368 | 18,379,201 |
| Consumption of Refinery and other chemicals | 6,045,487 | 5,535,357 |
| Soya Crude Oil | 14,167,478 | 2,781,349 |
| Soya DOC | 82,745,338 | 12,705,980 |
| Total | 1,855,872,248 | 1,646,683,691 |

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

| Particulars | Amount in Rs | Amount in Rs |
|--|----------------------|------------------------|
| (a) Accretion /decretion of finished goods | | |
| <u>Closing stock of finished goods</u> | | |
| Soya crude oil | 35,841,764 | 83,298,386 |
| Soya Refined oil | 7611260 | 8139164 |
| Soya DOC | 28190358 | 91612 |
| Soya Gum/sludge | 47500 | 49500 |
| Acid oil | 284200 | 544000 |
| Fatty acid | 180000 | 45000 |
| Lacethin | 436,800 | 885,550 |
| Coal Ash | 200,000 | 200,000 |
| | 72,791,882 | 93,253,212 |
| <u>Less : Opening stock of finished goods</u> | | |
| Soya crude oil | 83298386 | 27752522 |
| Soya Refined oil | 8139164 | 11916632 |
| Soya DOC | 91612 | 15676452 |
| Soya Gum/sludge | 49500 | 52500 |
| Acid oil | 544000 | 445900 |
| Fatty acid | 45000 | 29640 |
| Lacethin | 885550 | 207480 |
| Coal Ash | 200000 | 200000 |
| | 93253212 | 56281126 |
| | | |
| (Increase) / Decrease of stock of finished goods Total(a) | 20,461,330.00 | (36,972,086.00) |
| (b) Accretion /decretion of stock of trading goods | | |
| <u>Closing stock of trading goods</u> | | |
| Tour | | 1,079,936.0 |
| Cattle feed | | - |
| Gram | 596,244 | - |
| | 596,244 | 1,079,936 |
| <u>Less : Opening stock of trading goods</u> | | |
| Tour | 1079936 | 0 |
| Cattle feed | 0 | 5200110 |
| Paddy | 0 | 11993641 |
| Gram | 0 | 5988150 |
| | 1079936 | 23181901 |
| Increase of stock of trading goods Total(b) | 483,692.00 | 22,101,965.00 |
| Total (a)+(b) | 20,945,022.00 | (14,870,121.00) |

Note 21 Employee benefits expense

| Particulars | Amount in Rs | Amount in Rs |
|--|----------------|--------------|
| Salaries | 6830444 | 5143 |
| Staff welfare | 315643 | 165 |
| Workers canteen expenses | 127804 | 127 |
| Labour Welfare fund | 2550 | |
| Contributions to provident fund | 339088 | 286 |
| Bonus | 186138 | 324 |
| Directors Remuneration | 1500000 | 1200 |
| Employees Retirement Benefit (obligation for current year as per actuarial valuation) | 367618 | |
| Total | 9669285 | 7244 |

Note 22 : Finance costs

| Particulars | Amount in Rs | Amount in Rs |
|-------------------------------------|-------------------|-----------------|
| Interest expenses on | | |
| Banks | | |
| Term Loan | 3,234,655 | 1,709,3 |
| Working Capital | 31,673,090 | 19,854,3 |
| Bank Commission/ Processing Charges | 2,364,440 | 1,868,3 |
| Others | | |
| Unsecured loans | 1,378,129 | 1,243,3 |
| Total | 38,650,314 | 24,676,3 |

Note no: 23 Other expenses of Manufacture, Administration, Selling & Distribution

| Particulars | Amount in Rs | Amount in Rs |
|--|--------------------|--------------------|
| Consumption of coal | 30,358,841 | 22,114,974 |
| Power charges | 20,905,903 | 17,120,527 |
| Diesel consumption & D.G.Set expenses | 577,224 | 763,494 |
| Repairs and Maintenance-P&M,refinery,ETP | 8,402,808 | 7,551,172 |
| Boiler Maintenance expenses | 1,383,284 | 1,588,124 |
| Lab expenses | 200,904 | 155,711 |
| Repairs and Maintenance-Electricals | 549,017 | 483,075 |
| Transportation | 312,774 | 310,642 |
| Advertisement | 101,900 | 69,986 |
| Legal Expenses | 1,152,044 | 754,955 |
| Office Expenses | 141,554 | 119,730 |
| Insurance Expenses | 467,240 | 378,780 |
| Printing & Stationery | 106,392 | 89,297 |
| Professional & Consultancy Fees | 525,838 | 419,590 |
| Security Personnel Charges | 343,803 | 470,380 |
| Audit Fees | | |
| For Statutory Audit | 200,000 | 150,000 |
| For Tax Audit | 75,000 | 50,000 |
| For Certification Work (Quarterly Limited Review) | 36,000 | 32,000 |
| Soya DOC Expenses | 104,894,026 | 77,985,400 |
| Telephone Expenses | 123,423 | 126,830 |
| Travel Expenses | 478,875 | 288,697 |
| Vehicle Maintenance | 227,130 | 179,970 |
| Godown Building Maintenance Expenses | 424,737 | 27,220 |
| Road maintenance | 203,690 | 612,240 |
| Bad Debts Written off | 68,482 | - |
| Other Miscellaneous Expenses | 388,202 | 364,407 |
| Brokerage | 1,927,165 | 1,583,860 |
| VAT/CST | 18,221 | 158,950 |
| Drum Loading | 249,851 | 196,330 |
| Tin container Expenses | 107,837 | 101,620 |
| Total | 174,951,265 | 134,248,027 |

Note no: 24 Earnings Per Share

| Particulars | As at 31.03.2012 | As at 31.03.2011 |
|--|---------------------|---------------------|
| Computation of Profit for Basic and Diluted Earnings per share | | |
| Net Profit as per P&L Account | 35404467 | 16651175 |
| <u>Weighted average number of Equity Share</u> | <u>35404467</u> | <u>16651175</u> |
| For Basic Earnings per share | 3747000 | 4540000 |
| For Diluted Earnings per share | 3747000 | 4193350 |
| (EPS is calculated by dividing the profit attributable to the equity share holders by the weighted average number of equity shares outstanding) | | |
| <u>Earnings per Share (Weighted Average)</u> | | |
| Basic Earning Per Share (Rs) | 9.45 | 3.67 |
| Diluted Earning Per Share (Rs) | 9.45 | 3.97 |

Note no: 25 : Significant Accounting Policies other Notes to Financial Statements for the year:- 2011-2012**A) SIGNIFICANT ACCOUNTING POLICIES****1. Basis of Preparation of Financial Statements**

The financial statements are prepared on the historical cost convention basis in accordance with the generally accepted accounting principles and the Accounting Standards referred to in Section 211(3C) of the Companies Act .

2. VALUTATION OF INVENTORIES

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

3. Cash Flow Statement

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

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

4. Recognition of Income and Expenditure

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

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

5. Fixed Assets and Capital Work in Progress

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

6. Indirect Expenses on Expansion

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

7. Depreciation

Depreciation on all fixed assets put to use is provided on straight line method at rates specified in Schedule XIV to the Companies Act, 1956 on pro rata date basis, **except** for Refinery on which depreciation on written down value method at the rate specified in Schedule XIV to the Companies Act is adopted on pro rata date basis.

8. Impairment Loss

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

9. Borrowing Costs

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

10. Retirement Benefits.

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

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

11. Preliminary and Share Issue Expenses

Preliminary and share issue expenses are amortized over a period of ten years. Debenture issue (on private placement basis) expenditure have been accounted in the year of issue.

12. Taxation:

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

13. Taxes on Income

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

14. NCDEX Transactions

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

14. Contingent Liabilities

Contingent liabilities are disclosed after a careful evaluation of facts and their legal aspects.

B) OTHER NOTES:**CONTINGENT LIABILITIES**

1.(a) Estimated amount of capital commitments on contracts to be executed net of advances is Rs. Nil lacs (Previous year Rs. NIL. Bank guarantees issued on behalf of the company Rs. 19.26 lacs (Previous year Rs. 18.00 lacs)

1.(b) In respect of demand from the Income Tax department, the case is before the Settlement Commission. The company has already remitted tax of Rs.39.80 lacs under protest and shown under advances. As per the legal opinion obtained by the company, there will not be any demand and the entire

amount is likely to be refunded. However tax on income surrendered before the Commission amounts to Rs.15.90 lacs is shown as contingent liability. The company has filed petition in Honorable High court of M.P for granting stay for referring the case back to the Commissioner Income Tax. The Honorable High Court granted the stay in favour of the company. Further details in this case is awaited.

1. (C) In respect of demand from the Commercial tax department, the company filed appeal with the Appellate commissioner, Commercial Tax, Bhopal.

The amount of Entry Tax demanded in the notice is Rs.0.53 lacs related to the year 2006-07.

1. (d) In respect of demand Rs. 6,32,244 from the commercial tax department for the period 01-04-2006 to 31-03-2007, the company filed an appeal with the M.P Commercial Tax Appellate Board, Bhopal. Against the demand the company already deposited Rs.127000.

2. Sundry Debtors and Sundry Creditors balances are subject to confirmation.

3. The figures of previous year have been reclassified and /or regrouped wherever necessary to confirm to current year classification or group.

4. During the year 2011-12 the company received of Rs. 1657408 as VAT refund. An excess provision on VAT account Rs. 15,14,097 was written back due to change in assumption used for estimating VAT payable as on 31-03-2011.

5. WIND MILL POWER PROJECT:

In respect of Wind Mill Generator at Navneeta Krishna Puram, Tirunelveli District Tamil Nadu.

6. Sale of Generated power during the year 2011-12 is 11,77,116 units. (Previous Year: 1398312 Units).

7. Income tax provision account has not been reconciled /adjusted with the tax paid and accounted for under Advance Tax a/c for the years assessment is complete.

8. Related Party Disclosure (As identified by the Management)

Related party Relationships

a) Where control exists : Kailash Chand Sharma, J.P. Agrawal, Sharad Kumar Jain.

b) Key Management Personnel: Shri. Kailash Chand Sharma, Managing Director

c) Relatives of Key Management Personnel : Mr. Ritesh Sharma related to Managing Director

(d) Other Related Parties : M/S Saurabh Traders, Itarsi

The parties listed under (d) above are not related parties as per requirement of Accounting Standard 18. However, as an abundant caution, they are being included for making financial statement more transparent.

In respect of above parties, there is no provision for doubtful debts as on 31st March 2012 and no amount has been written off or written back during the year in respect of debts due from/to them.

9. In accordance with the revised accounting standard -15 are given below which is certified by the actuary and relied upon by the auditors. The following tables summarize the components of net benefit expenses recognized in the profit and loss account and the unfunded liability status and amounts recognized in the balance sheet for the gratuity.

| | | 31-03-12 | 31-03-11 |
|------------|---|-----------|----------|
| I | The company has funded the liability | | |
| II | Change in Plan Assets | | |
| | Fair value of the plan at 31-03-2012/31-03-2011 | 14,36,416 | 1346831 |
| | Actual Return on plan assets | 97765 | Nil |
| | Employer's Contribution | 367618 | 300000 |
| | Benefits Paid | Nil | Nil |
| | Plan assets at 31-03-2012/31-03-2011 | 14,36,416 | 1346831 |
| III | For the purpose of arriving at the liability on going concern basis, the Actuary used Projected Unit Credit Method | | |
| | Retirement Age | 60 Years | 60 Years |

| | | | |
|-----------|---|--|--|
| | Withdrawal Rates | 5% at younger ages and reducing to 1% to older ages according to graduating scale. | 5% at younger ages and reducing to 1% to older ages according to graduating scale. |
| | Future Salary Rise | 6% per annum | 5.75% PA |
| | Rate of Discounting | 8.00% per annum | 8.00% PA |
| | Mortality Table | LIC (1994-96) ULTIMATE | LIC (1994-96) ULTIMATE |
| IV | The actuarial value of Gratuity Liability calculated on the above assumptions works out as under | | |
| | Date of ending | 31-03-12 | 31-03-11 |
| | PBO(Amount in Rs) | 17,76,068 | 13,18,865 |

| | | | |
|----------|--|------------|------------|
| V | Assumptions and definitions:- | | |
| | Date of Valuation | 31-03-2012 | 31-03-2011 |
| | Discounting Rate | 8.00% P.A. | 8.00% P.A |
| | Rate of Increase in Compensation Level | 6.00% P.A | 5.75% P.A |
| | Rate of Return on Plan Assets | 9.00% PA | 9.00% P.A |

| | | | |
|-----------|---|-------------------------|-------------------------|
| VI | Changes in Benefit Obligation: | | |
| | Period | 01-04-11 to 31-03-12 | 01-04-10 to 31-03-11 |
| | Actuarial Value of Accumulated Benefit Obligation (ABO) Closing Balance | 17,76,068 | 13,18,865 |
| | Actuarial Value of Projected Benefit Obligations (PBO) Opening Balance | 13,18,865 | 9,79,577 |
| | Interest Cost from 01-04-2011 to 31-03-2012 | 105,509 | 78,366 |
| | Service Cost from 01-04-2011 to 31-03-2012 | 1,47,845 | 1,01,538 |
| | Benefits paid from 01-04-2011 to 31-03-2012 | NIL | Nil |
| | Actuarial (Gain) / Loss on obligations | 31,630 | 1,59,384 |
| | PBO at the end – Closing Balance | 17,76,068 | 13,18,865 |

| | | | |
|------------|---|---------------------|---------------------|
| VII | Balance Sheet Statement | 31-03-12 | 31-03-11 |
| | | Amount in Rs | Amount in Rs |
| | Present value of the Obligation at 31-03-2012 | 17,76,068 | 13,18,865 |
| | Fair Value of plan assets at 31-03-2012 | 14,36,416 | 13,46,831 |
| | Un-funded liability at 31-03-12 | 3,39,652 | (27,966) |
| | Unrecognized actuarial gain/losses | NIL | NIL |
| | Unfunded liability recognized in Balance Sheet | NIL | NIL |

| VIII | Profit and Loss Account: | 31-03-12 | 31-03-11 |
|------|--|--------------|--------------|
| | | Amount in Rs | Amount in Rs |
| | Interest cost from 01-04-11 to 31-03-12 | 1,05,509 | 78,366 |
| | Service Cost from 01-04-11 to 31-03-12 | 1,47,845 | 1,01,538 |
| | Actual return on plan assets from 01.04.11 to 31.03.12 | N.A. | N.A. |
| | (Gain)/ Loss recognized as on 31.03.12 | 2,35,479 | (2,09,249) |
| | Net Loss to be shown in P&L a/c as expenses | 3,67,618 | N.A. |
| | For Earlier Years | NIL | NIL |
| | Total to be shown in P. & L. Account | N.A. | N.A. |

| IX | Tables showing category of plan assets | | |
|----|--|------|------|
| | Government of India Securities | - | - |
| | High quality corporate bonds | - | - |
| | Equity shares of listed companies | - | - |
| | Property | - | - |
| | Funds managed by Insurer | 100% | - |
| | Bank Balance | - | 100% |

10. Pursuant to the accounting Standard (AS-29) on provisions, Contingent Liabilities and Contingent Assets, the disclosure relating to provision made in the accounts for the year ended 31st March 2012 as follows

| Particulars | Provision for Income Tax | |
|-----------------------------|--------------------------|----------|
| | 2011-12 | 2010-11 |
| Opening Balance | 19612880 | 10551480 |
| Additions | 19300000 | 9061400 |
| Utilisations/ Adjustment | 0 | 0 |
| Closing Balance | 39112880 | 19612880 |

Transactions with related parties during the year:

- J.P.Agrawal Managerial remuneration paid Rs.6.00 lacs
K.C. Sharma Managerial remuneration paid Rs.6.00 lacs
Ritesh Sharma, Related to Managing Director - Remuneration paid during the year Rs. 5.95 lacs.
Sharad Kumar Jain- Managerial remuneration paid Rs. 3,00,000
M/s. Saurabh Traders, Itarsi - Purchase of soya bean from Saurabh Traders
Rs. 2712.47 (Previous year: 3611.61 Lacs.)

13. Additional information required under Schedule VI of the Companies Act 1956.

CONSUMPTION

Value of imported and indigenous Raw material & Stock consumed and percentage thereof including trial run period:

| S.N. | Particulars | Year 2011-2012 | | Year 2010-2011 | |
|------|---|------------------|------|------------------|------|
| | | | | | |
| 1 | Raw Material: Imported | NIL | NIL | NIL | NIL |
| | Indigenous | 18693.63 Lacs | 100% | 16599.25 Lacs | 100% |
| 2 | Stores and spares: (Including consumables & packing Material) Imported | NIL | NIL | NIL | NIL |
| | Indigenous | 213.76 lacs | 100% | 162.74 lacs | 100% |
| 3 | CIF Value of Imports | | NIL | | NIL |
| 4 | Expenditure in Foreign Currency | Rs. | NIL | Rs. | NIL |
| 5 | Earning in foreign currency (Direct Export) | Rs. | NIL | Rs. | NIL |

FOR AND BEHALF OF THE BOARD

AS PER OUR REPORT EVEN DATE
FOR BHUTORIA GANESAN & CO
CHARTERED ACCOUNTANTS
FIRM REG NO. 004465C

KAILASH CHAND SHARMA
(MANAGING DIRECTOR)

CA. R. GOKULAKRISHNAN
PARTNER

J.P AGRAWAL
DIRECTOR
PLACE: ITARSI
DATED: 25/08/2012

PLACE: BHOPAL
DATED: 25/08/2012

NATRAJ PROTEINS LIMITED

Registered Office : Nagpur-Kalan,
Ordinance Factory Road, ITARSI (M.P.)

PROXY FORM

I/We.....of being a member/ member of
NATRAJ PROTEINS LIMITED, hereby appoint.....of..... or failing
him/her.....of.....as

my/our proxy to attend and vote on my/our behalf at the adjourned Meeting of the 21st Annual General Meeting of the Company to be held on Saturday the 29th September, 2012 at the Registered Office at Nagpur-Kalan, Ordinance Factory Road, Itarsi (M.P.) at 2.00 p.m.

As witness my/our hand(s) this.....day of Sept. 2012

Folio No./Client ID No.

No. of Share Held

Signed.....day of Sept. 2012 the said.....

Affix
Rs. 1/-
Revenue
Stamp

-----x-----x-----x-----

ATTENDANCE SLIP

NATRAJ PROTEINS LIMITED

Registered Office : Nagpur-Kalan,
Ordinance Factory Road, ITARSI (M.P.)
PLEASE COMPLETE ATTENDANCE SLIP AND HAND OVER
AT THE ENTRANCE OF THE MEETING HALL

Folio No. / Client ID No.

NO. OF SHARE HELD

NAME AND ADDRESS OF THE SHAREHOLDER(S) :

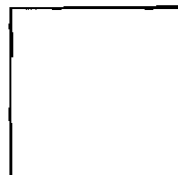
I hereby record my presence at the 21st Annual General Meeting of the Company held on Friday, 29th September 2012 at 2.00 P.M.

SIGNATURE OF THE SHARE HOLDER/PROXY

Note :

1. Shareholder of Proxy holders are requested to bring the attendance slip with them, when they come to the Meeting and hand it over at the entrance duly signed.
2. Joint Shareholders may obtain additional Attendance Slip on request.

BOOK POST



If undelivered please return to :
NATRAJ PROTEINS LIMITED
Nagpur-Kalan, Ordinance Factory Road,
ITARSI (M.P.) 461 111