

NOTICE

NOTICE is hereby given that the 20th 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 Friday **the 23rd Sept., 2011** 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 2011 and Profit & Loss Account of the company for the year ended 31st March 2011 together with the report of the Directors & Auditor's thereon on that date.
2. To appoint a director in place of Shri Umesh Trivadi, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a director in place of Shri Hitesh Yadav, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

BY ORDERS OF THE BOARD

KAILASH CHAND SHARMA
MANAGING DIRECTOR

Place: Itarsi

Dated: 12th August, 2011

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 19th Sept., 2011 to 23rd Sept., 2011 (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 desires 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 Dmat 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 Umesh Trivedi Director	51	B. Com.	More than 19 years experience in Soya and manufacturing Industries	31.01.2003	None	0%
Shri Hitesh Yadav Director	46	B.Sc.	More than 13 years experience in field of construction of Railway Bridge and other civil works	31.10.2005	None	0%

BY ORDERS OF THE BOARD

Date: 12th August, 2011
Place: Itarsi

**KAILASH CHAND SHARMA
MANAGING DIRECTOR**

DIRECTORS' REPORT

To,
The Members,
Natraj Proteins Limited

Your Board of directors has pleasure in presenting their 20th 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 2011.

1. FINANCIAL RESULTS:

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

(Amount in Rs.)

Particulars	Year ended 31 st March	
	2011	2010
Total sales/Income from operations	1,88,93,93,050	1,32,49,97,921
Profit before interest, depreciation & tax	5,53,10,357	4,01,49,630
Less: Interest	2,28,07,598	1,10,26,460
Depreciation	75,56,284	75,91,548
Profit Before Tax	2,49,46,475	2,15,31,621
Less: Provision for Income Tax	90,61,400	65,40,000
Less: Provision for Deferred Tax	(7,66,099)	7,92,055
Net Profit After Tax	1,66,51,174	1,41,99,617
Add: Balance carried from Profit & Loss A/c	9,46,64,180	8,04,64,563
Total surplus of profit carried to Balance Sheet	11,13,15,354	9,46,64,180

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 Rs18893.93 Lacs as compared to Rs. 13249.98 Lacs in the previous year. The profit of the Company was also recorded at Rs.166.51 Lacs as compared to Rs. 142.00 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 1398312 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 Umesh Rajnarayan Trivedi and Shri Hitesh Yadav 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, 2011 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.

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 Ankita Jain & 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: 12th August, 2011

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	
		31.03.2011	31.03.2010
	i) Electricity:		
	a) Units in (K.W.)	3479915	2265390
	b) Total Amount (Rs. In lacs)	171.21	112.75
	c) Rate per KW (in Rs.)	4.92	4.98
	ii) a) Coal (Qty.in M.T.)	8857.88	5589.435
	b) Total cost (Rs. In lacs)	221.15	116.39
	c) Average rate per M.T. (in Rs.)	2496.64	2082.38
2	Consumption per unit of Production:	Production in M.T.	

a) Crude Oil	12680.224	9390.75
b) Refined Oil	10557.001	8306.086
c) De-oiled Cake	68262.258	44800.456
d) Acid Oil	322.93	150.316
e) Gums	1186.900	750.000
f) Fatty Acid	13.365	10.500
g) Lecithin	454.755	342.685

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 since, 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: 12th August, 2011

K.C.SHARMA
CHAIRMAN & MANAGING DIRECTOR

Annexure B to the Directors Report
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 2011 are as under:

Directors	Executive/ Executive	Non /	No. of outside directorship held	No. of outside Committee positions held

	Independent	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	-	-	-	-

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

During the financial year 2010-11, 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
30/04/2010	Itarsi, M.P.	6	5
15/05/2010	Itarsi, M.P.	6	6
29/06/2010	Itarsi, M.P.	6	5
31/07/2010	Itarsi, M.P.	6	6
18/08/2010	Itarsi, M.P.	6	5
07/10/2010	Itarsi, M.P.	6	4
29/10/2010	Itarsi, M.P.	6	5
01/11/2010	Itarsi, M.P.	6	5
15/11/2010	Itarsi, M.P.	6	5
05/02/2011	Itarsi, M.P.	6	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, 2011.

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.

(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

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 2010-11 the Audit Committee met 5 (Five) times on the 15th May, 2010, 31st July, 2010, 18th August, 2010; 01st Nov., 2010 and 05th February, 2011 under the Chairmanship of Shri Umesh R. Trivedi, in which proper quorum was present.

The Committee considered the draft Annual Accounts for the year 2010-11. 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

- (i) Name and designation of Compliance Officer : Shri K.C.Sharma,
Managing Director
- (ii) Number of shareholders complaints received during the year : 6
- (iii) Number of complaints solved during the year : 6
- (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

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/NED	0	0

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 2010-2011, 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	2007-08	2008-09	2009-10
Date	29.09.2008	29.09.2009	25.09.2010
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	Nil	1	2

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** : 23rd Sept., 2011
at 2.00 P.M. at Nagpur Kalan,
Ordinance Factory Road,
Itarsi (M.P.)
- (ii) **Financial Calendar:** : April 2011 to March 2012
First Quarter Results : On 12th August, 2011
Second Quarter Results : On or before 14th Nov., 2011
Third Quarter Results : On or before 14th Feb., 2012
Results for the year ended : On or before 14th May, 2012
- (iii) **Dates of Book Closure** : From 19th Sept. 2011 to 23rd Sept. 2011
- (iv) **Board meeting for consideration of Annual Accounts** : 12th August, 2011
- (v) **Posting of Annual Report** : On or before 30th August, 2011
- (vi) **Last date for receipt of Proxy** : 21st Sept., 2011
- (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.
 - The Company has also applied for providing trading facility of the shares at the plant form of the NSE, through the MPSE which is under consideration.

(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 2010-11

Month	Highest (Rs.)	Lowest (Rs.)	Total Volume in No. of Shares
April, 2010	17.45	14.35	138
May, 2010	15.55	13.00	168
June, 2010	14.49	13.05	100
July, 2010	15.63	13.00	77
August, 2010	17.39	12.97	226
September, 2010	19.00	13.00	260
October, 2010	18.90	13.52	277
November, 2010	20.00	14.65	205
December, 2010	17.20	13.35	57
January, 2011	17.00	14.45	90
February 2011	16.20	12.85	184
March, 2011	15.95	13.30	30

(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 2011, the Company's shares are held by shareowners in dematerialized form, aggregating 15.99% of the Equity Share Capital.

NSDL : 5,53,889 forming 12.20% of the total equity capital

CDSL : 1,71,886 forming 3.79% of the total equity capital

(xiii) **Distribution of Share owning as on 31st March, 2011:**

Share Holding of Nominal Value of Rs.	No. Of Owners	% Of Share Holders	Share Amount Rs.	% to Total
Upto 1000	160	11.50	75880	0.17
1001 -2000	60	4.31	113250	0.25
2001 -3000	23	1.65	61830	0.14
3001 -4000	312	22.43	1244790	2.74
4001 -5000	179	12.87	893370	1.97
5001 -10000	298	21.42	2360240	5.20
10001-20000	147	10.57	2325240	5.12
20001-30000	48	3.45	1211640	2.67
30001-40000	38	2.73	1316520	2.90
40001-50000	34	2.44	1470120	3.24
50001-100000	44	3.16	3910560	8.61
100001- Above	48	3.45	30416560	67.00
TOTAL	1391	100.00	45400000	100.00

(Xiv) **Categories of Shareholders as on 31st March, 2011:**

Sr.	Category	No. of	holding
-----	----------	--------	---------

		Shares held	% of share
A	Promoter Holding		
1	Promoters		
	Indian Promoters	2032500	44.77
	Foreign Promoters	0	0
2	Persons Acting in Concert	0	0
	Sub Total	2032500	44.77
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	1.57
(c)	FILs	0	0
	Sub Total	71300	1.57
4	Others	0	0
(a)	Private corporate Bodies	46630	1.03
(b)	Indian Public	2238895	49.31
(c)	NRI/OCBs	150,514	3.32
(d)	Clearing Members	161	
(e)	Any other		
	Sub Total	2436200	53.66
	GRAND TOTAL	4540000	100.000

(xv) Details of the promoter's shares : 12,59,500 equity shares consisting 61.97% of the Under pledge. Promoters holding.

(xvi) Details of shares credited in the : There were no instance for returning the undelivered suspense account 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: 12th August, 2011

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, 12th August, 2011

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, 2011.

For, NATRAJ PROTEINS LTD.

K.C.SHARMA
MANAGING DIRECTOR
Itarsi, 12th August, 2011

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 2010 and ending on 31st March 2011.

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 2010-11 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

Bhopal
12th August, 2011

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

Annexure C to the Directors Report

ANKITA JAIN & CO.
COMPANY SECRETARIES

C/o. Mr. Niren Mehta
6/3 R.S. Bhandari Marg
Opp. New Agrawal Stores,
New Palasia INDORE (M.P)

COMPLIANCE CERTIFICATE

CIN: L00153MP1990PLC006090
Nominal Capital: Rs.50, 000,000

To,
The Members
NATRAJ PROTEINS LIMITED
Nagpur Kanan, 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 2011** (from 01.04.2010 to 31.03.2011). 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, except Form 8 which was filed after some delay with the adequate late filing fees.
3. the Company being Public Limited company has the comments not required.
4. the Board of directors duly meet **10 (Ten) times on 30th April, 2010; 15th May, 2010; 29th June, 2010; 31st July 2010; 18th August, 2010; 7th October, 2010; 29th October, 2010; 1st November, 2010; 15th November, 2010; 5th February, 2011**; in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes book maintained for the purpose.
5. the company closed its register of members from 23th September 2010 to 25th September 2010 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, 2010** was held on **25th September, 2010** after given due 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 2010-11.
 - III. was not required to post warrants to any member of the company as no dividend was declared during the financial year 2010-11.
 - 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 Managing Director and Whole-time Director has been made in compliance with the provisions of section 269 read with Schedule XIII to the Act.
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 2011 are with in 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, ANKITA JAIN & CO.
COMPANY SECRETARIES**

**Date: 12th August 2011
Place: Indore**

**Sd/-
ANKITA JAIN
PROPRIETOR
CP NO. 8410**

**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, ANKITA JAIN & CO.
COMPANY SECRETARIES**

**Date: 12th August 2011
Place: Indore**

**Sd/-
ANKITA JAIN
PROPRIETOR
CP NO. 8410**

Annexure-B

Forms and Returns as filed by the Company with Registrar of Companies, during the financial year ending 31st March 2011

S.No.	Form No.	Section/ Rules	For dated	Filed on dated	Whether Within Time	Whether late filing fee paid	Remarks/ RoC Receipt No.
1.	Form 23	192	25/09/2010	25/09/2010	Yes	No	A94794369
2.	Form 23	192	31/07/2010	20/08/2010	Yes	No	A91901751
3.	Form 25C	269	31/07/2010	20/08/2010	Yes	No	A91899831
4.	Form 25C	269	31/07/2010	20/08/2010	Yes	No	A91898882
5.	Form 8	125	29/10/2010	21/12/2010	No	Yes	B01150374
6.	Form 23AC & 23ACA	220	31/03/2010	29/09/2010	Yes	No	P53203402
7.	Form20B	159,161	25/09/2010	01/11/2010	Yes	No	P58781360
8.	Form 66	383(1A)	31/03/2010	25/09/2010	Yes	No	P52905890

**For, ANKITA JAIN & CO.
COMPANY SECRETARIES**

**Sd/-
ANKITA JAIN
PROPRIETOR
CP NO. 8410**

**Date: 12th August 2011
Place: Indore**

AUDITOR'S REPORT

The Members,
M/s NATRAJ PROTEINS LTD.

ITARSI

1. We have audited the attached Balance Sheet of **Natraj Proteins Ltd** as at 31.03.2011 and the relative Profit and Loss account for the year ended on 31-3-2011 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 Profit and Loss Account 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, 2011, and taken on record by the Board of Directors, we report that none of the director is disqualified as on 31st March 2011 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 principals generally accepted in India:
 - i) In the case of Balance Sheet of the state of affairs of the Company as at 31.03.2011.
 - ii) In the case of Profit and Loss Account, of the Profit of the company for the year ending 31.03.2011.
 - 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

PLACE: BHOPAL
Date: 12-08-2011

CA. R.GOKULAKRISHNAN
(PARTNER) M.No. 402792

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 2011]

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 eighteen parties and amount involved is Rs.127.12 Lacks.

(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. 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, where applicable, have been complied with. 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.
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. The Central Govt. has not prescribed compulsory maintenance of cost records for the company.

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 2011, 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 to which it relates	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.

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

PLACE: BHOPAL
Date: 12-08-2011

CA. R.GOKULAKRISHNAN
(PARTNER) M.No. 402792

NATRAJ PROTEINS LTD.

BALANCE SHEET AS AT 31st MARCH, 2011

PARTICULARS	SCH NO	AS ON 31.03.2011	AS ON 31.03.2010
<u>SOURCES OF FUNDS</u>			
SHAREHOLDERS FUNDS			
Share Capital	A	41933500	41933500
Reserves and Surplus	B	111315354	94664180
LOAN FUNDS			
Secured Loans	C	329676230	59853826
Unsecured Loans	D	13962334	12842918
Deferred Tax Liability		21599650	22365749
TOTAL SOURCES OF FUNDS		518487068	231660172
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	E	176031671	174333827
Less Depreciation		85032617	77826864
Net Block		90999054	96506963
Capital Work in Progress	F	2038011	231551
TOTAL		93037065	96738514
NET CURRENT ASSETS			
CURRENT ASSETS, LOANS AND ADVANCES	G	523626401	239648583
LESS CURRENT LIABILITIES	H	98176399	104726925
NET CURRENT ASSETS		425450002	134921658
TOTAL APPLICATION OF FUNDS		518487067	231660172
NOTES FORMING PART OF ACCOUNTS	R		

AS PER OUR REPORT OF EVEN DATE
For BHUTORIA GANESAN & CO,
CHARTERED ACCOUNTANTS
Firm Reg No: 004465C

FOR AND BEHALF OF BOARD

KAILASH CHAND SHARMA
(MANAGING DIRECTOR)

R.GOKULAKRISHNAN
(PARTNER) M.No. 402792

J.P. AGRAWAL
(DIRECTOR)

PLACE: BHOPAL
DATE :12.08.2011

PLACE: ITARSI
DATE :12.08.2011

NATRAJ PROTEINS LTD.
MANUFACTURING, TRADING, PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDING 31.03.2011

PARTICULARS	SCH NO	FOR THE YEAR ENDING 31.03.2011	FOR THE YEAR ENDING 31.03.2010
INCOME			
SALES	I	1889393050	1324997921
OTHER INCOME	J	9842411	12512440
ACCRETION/DECRETION OF FINISHED GOODS	K	14870121	30171395
TOTAL INCOME		1914105582	1367681756
EXPENDITURE			
CONSUMPTION OF RAW MATERIAL & MANUFACTURING EXPENSES	L	1765521391	1267128452
EMPLOYEES REMUNERATION AND BENEFITS	M	7244956	7696334
ADMINISTRATION EXPENSES	N	6002693	4208419
SELLING AND DISTRIBUTION EXPENSES	O	80026185	48498872
INTEREST	P	22807598	11026460
TOTAL EXPENDITURE		1881602823	1338558537
PROFIT BEFORE DEPRECIATION		32502759	29123219
DEPRECIATION	E	7556284	7591548
INCOME TAX RELATED TO PREVIOUS YEAR		0	0
PROVISION FOR CURRENT TAX		9061400	6540000
DEFERRED TAX		(766099)	792055
NET PROFIT C/F TO BALANCE SHEET		16651174	14199617
BASIC EARNINGS PER SHARE	Q	3.67	3.13
DILUTED EARNINGS PER SHARE		3.97	3.39
NOTES FORMING PART OF ACCOUNTS	R		
AS PER OUR REPORT OF EVEN DATE For BHUTORIA GANESAN & CO, CHARTERED ACCOUNTANTS Firm Reg No: 004465C			FOR AND BEHALF OF BOARD KAILASH CHAND SHARMA (MANAGING DIRECTOR)
R.GOKULAKRISHNAN (PARTNER) M.No. 402792			J.P. AGRAWAL (DIRECTOR)
PLACE: BHOPAL			PLACE: ITARSI
DATE :: 12/08/2011			DATE :: 12/08/2011

**NATRAJ PROTEINS LTD.,
CASH FLOW STATEMENT
FOR THE YEAR ENDING 31ST MARCH, 2011**

PARTICULARS	YEAR ENDED 31.03.2011	YEAR ENDED 31.03.2010
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	24946475	21531671
<u>Adjustments for:</u>		
<u>ADD</u>		
Depreciation	7556284	7591549
Interest charges	22807598	11026460
<u>LESS</u>		
Interest Income	1516701	1979842
Income Tax for the year , Income Tax related to previous year & FBT	9061400	6540000
Deferred tax - current tax	(766099)	792055
Profit on sale of vehicle	78531	0
Deferred Tax Liability	(766099)	0
Operating Profit Before Working Capital Changes	44653726	30837783
<u>Adjustments for :</u>		
Trade and other Receivables	(21634369)	119049454
Inventories	(233742810)	(54943820)
Loans, Advances and other current assets	(31112757)	(4931581)
Current Liabilities	(6550526)	59040713
Deferred tax Liability	0	792055
Total Adjustments	(293040462)	119006821
CASH GENERATED FROM OPERATING ACTIVITIES (A)	(248386737)	149844604
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed asset Asset/Capital WIP	(4236304)	(1885890)
Sale proceeds of fixed assets	460000	0
Interest Received	1516701	1979842
NET CASH USED IN INVESTING ACTIVITIES (B)	(2259603)	93952
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from unsecured loans raised	1119416	(22989693)
Proceeds from Long Term Borrowings from Banks	19785725	26163083
Repayment of Term Loans	(5270571)	(3292553)
Proceeds of short term borrowings Banks	255307249	(140231517)
Interest Paid	(22807598)	(11026460)
NET CASH (USED)/FROM FINANCING ACTIVITIES ©	248134221	(151377140)
NET INCREASE/(DECREASE) IN CASH&CASH EQUIVALENTS (A+B+C)	(2512118)	(1438585)
Cash and Cash Equivalents as on 1-4-2010	32863921	34302506
Opening Balance		
Cash and Cash Equivalents as on 31-3-2011	30351803	32863921
Closing Balance		
Increase/decrease in closing cash balance	(2512118)	(1438585)

AS PER OUR REPORT OF EVEN DATE

FOR AND BEHALF OF BOARD

For BHUTORIA GANESAN & CO,

CHARTERED ACCOUNTANTS

Firm Reg No: 004465C

**KAILASH CHAND SHARMA
(MANAGING DIRECTOR)**

R.GOKULAKRISHNAN

(PARTNER) M.No. 402792

J.P. AGRAWAL

(DIRECTOR)

PLACE: BHOPAL

PLACE: ITARSI

DATE :: 12/08/2011

DATE :: 12/08/2011

NATRAJ PROTEINS LTD.
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31.03.2011

PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010
<u>SCHEDULE A SHARE CAPITAL</u>		
<u>AUTHORISED</u>		
50,00,000 Equity Shares of Rs.10/ each	50000000	50000000
<u>ISSUED , SUBSCRIBED AND PAID UP</u>		
45,40,000 Equity shares of Rs.10/ each	45400000	45400000
Less: Calls in Arrears	3466500	3466500
(Calls due from Directors NIL)		
TOTAL	41933500	41933500
<u>SCHEDULE B RESERVES AND SURPLUS</u>		
General Reserve	1500000	1500000
<u>Surplus in Profit & Loss Account</u>		
Opening Balance	93164180	78964563
Add: Profit during the year	16651174	14199617
TOTAL	111315354	94664180
<u>SCHEDULE C SECURED LOANS</u>		
Bank Borrowings for Working capital (Including Export Packing Credit)	159312007	27660678
Term Loan	759494	6030065
Term Loan II	19785725	0
Short term loan on WHR Receipt from Indusind Bank	99819200	26163083
Short term loan on WHR Receipt from Axis Bank	49999804	0
TOTAL	329676230	59853826

The bank borrowings are secured by way of first and exclusive charge on hypothecation of all raw materials, finished goods, stock in process, packing materials other claims and receivables and also by personal guarantees of directors. Further it is secured by way of first charge on the entire fixed assets of the company. The borrowings also further secured by FDR of Rs. 1.54 Crores, replaced by the earlier security of by way of pledge of 1259500 equity shares.

The borrowings from Indus Ind bank (Line of credit for short term loan against agriculture) is secured by pledge of Ware House Receipts and also Personal Guarantee of one director.

The borrowings from Axis Bank (Line of credit - commodity power) is secured by pledge of Ware House Receipts and also personal Guarantee of 3 directors

<u>SCHEDULE D UNSECURED LOANS</u>		
Fixed Deposits from Public	12712334	11592918
Intrest free deposit from Public	500000	500000
Intrest free deposit from members	750,000	750000
TOTAL	13962334	12842918

SCHEDULE E FIXED ASSETS

DESCRIPTION OF ASSETS	G R O S S B L O C K			D E P E R E C I A T I O N				N		
	AS AT	ADDITIONS	SOLD	AS AT	UP TO	FOR THE	Adjustment		UP TO	AS AT
	01.04.2010			31-03.2011	31.03.2010	YEAR			31.03.2011	31.03.2011
Land (Freehold)	242803			242803	0			0	2	
LAND (WIND MILL)	600000			600000	0			0	6	
Site Development	1495914			1495914	351665	24383		376048	1	
Factory Building	6973784			6973784	3507109	232924		3740034	32	
Godown Building	19512567			19512567	2889177	318055		3207232	163	
Office Building	3060510			3060510	465593	49886		515480	23	
Plant & Machinery	47009688	1637749		48647437	28706549	2510724		31217274	174	
Boiler	7155494			7155494	5459381	377810		5837191	13	
Electrical Installation	6705226			6705226	3096720	354036		3450756	32	
Weigh Bridge	917295			917295	563332	43572		606903	3	
Lab Equipments	410518			410518	244207	19500		263706	1	
Fire Fighting Equipments	241119			241119	174964	11453		186417		
Furniture and fixtures	517418			517418	388090	32753		420843		
Office Equipment	210861			210861	66418	10016		76434	1	
Vehicles	1830467		732000	1098467	1298157	150841	350531	1098467		
Refinery Machinery	31957701			31957701	24709217	1111193		25820409	6	
Computer	699693	53200		752893	439354	119078		558432	1	
D.G.Set	3646311			3646311	2095901	173200		2269101	13	
Lacethine Plant	2466286			2466286	512662	130220		642882	18	
Packing Machinery	62520			62520	18724	2970		21693		
R.O.Plant	1733877			1733877	252622	91549		344170	13	
Road Roller	411173			411173	46979	21710		68689	3	
J.C.B. Machine	1851824			1851824	201964	97776		299741	13	
Wind Mill	32275000			32275000	2297494	1533063		3830556	284	
Silo Capital A/c	2345778	738895		3084673	40587	139574		180160	29	
TOTAL	174333827	2429844	732000	176031671	77826864	7556284	350531	85032617	905	
PREVIOUS YEAR	171947937	2385890		174333827	70235316	7591548		77826864	965	

SCHEDULE F CAPITAL WORK IN PROGRESS

Opening Balance		231551	731551
Add.:			
Capital Advances		888000	231551
Construction Stores		1150011	0
		2269562	963102
Less : Capitalized		231551	731551
TOTAL (Silo & staff quarters)		2038011	231551

SCHEDULE G CURRENT ASSETS, LOANS AND ADVANCES
CURRENT ASSETS
INVENTORIES

Raw Materials (At Cost or market price whichever is lower)	278766826	59541679
Finished Goods	94333148	79463027

Cost of Production or Net Realisation value whichever is less		
Consumables, Fuel and Packing materials (At cost)	7855872	9635213
Stores and machinery spares	5099229	3672346
TOTAL	386055075	152312265
<u>Sundry Debtors (Unsecured)</u>		
Considered good (less than six months)	53429269	34035639
Considered good (more than six months)	2,888,165	647426
TOTAL	56317434	34683065
<u>Cash and Bank Balances</u>		
Cash balance on hand	2073509	5409596
Balance in Current accounts with scheduled Banks	28278294	27454325
TOTAL	30351803	32863921
LOANS AND ADVANCES		
(UNSECURED, CONSIDERED GOOD)		
Advance recoverable in cash or kind or value to be received	2,513,977	1263051
Advance for Raw material and Stores (less than six months)	22650277	2182265
Staff Advance	850170	514010
IMPREST A/C	121926	22000
Prepaid Expenses	312,094	317,335
Advance Tax	8,408,897	8408897
Advance VAT Year 2006-07	127,000	0
Advance tax 2009-10	1,650,680	0
Advance Tax 2010-11	9,809,005	4500000
T.D.S. certificate in hand	288494	212205
Security Deposits	4169569	2369569
TOTAL	50902089	19789332
TOTAL CURRENT ASSETS	523626401	239648583
SCHEDULE: H: CURRENT LIABILITIES		
Sundry Creditors for raw materials and Stores	61840093	39137370
Short term Borrowings- IDBI LTD	0	40000000
Advance against Sales	1,032,351	1050017
Expenses payable and provisions	14436612	12379525
Statutory liabilities payable	1,254,463	1607248
Provision for Income Tax	19612880	10551480
Interest on TDS payable	0	1285
TOTAL	98176399	104726925

SCHEDULE : I : SALES

Soya Refined Oil	523317692	346707025
Soy DOC Sales	1250037902	946696059
Sugar Sales	0	3999300
Acid Oil	9890325	3877529
Fatty Acid	618957	458914
Lacethine	20358098	13693329
Wheat	35528563	7965745
Paddy Sales	11109775	0
Soyabean Sales	7478023	0

Soya Mitti	223651	48653
Tour Sales	2893360	0
Sale of empty gunny bags	3993567	2268330
Gram Sales	25721285	0
TOTAL	1891171198	1325714884
Less: Excise duty on Acid oil, Lacethine, Fatty Acid, Soya gum, Acid oil Sludge	1778148	716963
TOTAL	1889393050	1324997921

SCHEDULE : J: OTHER INCOME

Sale of coal dust	939899	791871
Profit on sale of vehicle	78531	0
Income from Wind Mill	3833352	4543341
Cenvat Refund	1075286	1294966
Interest income from FDR & others	1516701	1979842
Freight income from Vehicles	0	42750
Miscellaneous Income	696174	231253
Excess Provision on VAT written Back	1514097	3395279
Rly. Claim	188367	233138
Diff. due to Round Off	4	0
TOTAL	9842411	12512440

SCHEDULE : K ACCRETION/DECRETION TO FINISHED GOODS

<u>Closing Stock of finished goods</u>		
Soya Crude Oil	83298386	27752522.34
Soya Refined Oil	8139164	11916632
Soya DOC	91612	15676452
Soya Gum/Sludge	49500	52500
Acid Oil	544000	445900
Fatty Acid	45000	29640
Lacethine	885550	207480
Coal Ash	200000	200000
Cattle feed	0	5200110
Tour	1079936	0
Paddy	0	11993641
Gram	0	5988150
TOTAL	94333148	79463027
<u>Less Opening Stock of finished goods</u>		
Soya Crude Oil	27752522	1672391
Soya Refined Oil	11916632	1730090
Soya DOC	15676452	37708164
Soya Gum	52500	30000
Acid Oil	445900	270000
Fatty Acid	29640	111600
Lacethine	207480	608000
Coal Ash	200000	75000
Cattle feed	5200110	0
wheat	0	7086387
PADDY	11993641	0
Gram	5988150	0
TOTAL	79463027	49291632
NET ACCRETION/DECRETION	14870121	30171395

SCHEDULE: L - RAW MATERIAL CONSUMPTION AND MANUFACTURING EXPENSES		
Consumption of Raw Material		
Opening Stock Of Soya Seed	58307666	36694230
Purchase of Soya Seed including expenses	1827526852	1180442843
Less Closing Stock	278552714	58307666
	1607281804	1158829407
DOC purchase /Cattle Feed	12705980	26886341
Soya Crude Oil	2781349	9146573
Wheat	33145925	107214
Paddy	249507	11993317
Gram	18184195	5988150
Tuar	3928962	0
Sugar Purchase	0	3863700
<u>Manufacturing Expenses</u>		
Consumption of coal	22,114,974	11639339
Consumption of Hexane	18379201	8626612
Consumption of Refinery and other Chemicals	5535357	3109745
Consumption of Packing Materials	13241386	8059613
Power Charges	17,120,527	11274818
Diesel Consumption & D.G.Set Expenses	763494	540910
Repairs and Maintenance - P&M, Refinery, ETP etc	7551172	4908553
Boiler Maintenance Expenses	1588124	1446165
Lab Expenses	155717	133298
Repairs and Maintenance - Electricals	483075	415395
Transportation	310642	159302
TOTAL	1765521391	1267128452
SCHEDULE : M - EMPLOYEES REMUNERATION AND BENEFITS		
Salary	5145897	5034224
Staff Welfare	165989	155446
Employees Retirement Benefit - (Obligation for current year as per actuarial valuation)	0	300000
Workers canteen expenses	122179	139085
Contribution to Provident Fund	286191	271790
Bonus	324700	295789
Directors Renumeration	1200000	1500000
Gratuty & Incentives	.	.
TOTAL	7244956	7696334
SCHEDULE : N - ADMINISTRATION EXPENSES		
Advertisement	69986	82569
Bank Commission, Processing fees	1868581	1389348
Computer Expenses	23330	23750
Donation	30100	0
Licence and Listing fees	33090	33125
<u>AUDIT FEES</u>		
For Statutory Audit	150000	125000
For Tax Audit	50000	30000

In other Capacity	32000	46742
Guest House Rent	48000	48922
Insurance Expenses	378780	261341
Internal Audit Fees	30000	30000
Professional tax	2500	2500
Land Diversion charges	19601	19602
Legal Expenses	754959	62554
Membership and subscription	24236	24236
Office Expenses	119730	83436
Pollution Board/Clearance fees	36321	51161
Environment Expenses	23170	18609
Postage	46833	15400
Printing & Stationery	89297	71284
Professional and Consultancy fees	419596	345185
Security Personnel charges	470382	473909
Share Transfer/Registration Expenses	41916	22060
Festival Expenses	5310	17670
Telephone Expenses	126830	189489
Travel ticket / Travelling exp	288697	378155
Vehicle Maintenance	179975	170143
Godown Bldg. Maintenance Exps	27228	192229
Road Maintenance	612245	0
TOTAL	6002693	4208419

SCHEDULE : O - SELLING AND DISTRIBUTION EXPENSES

Brokerage	1,583,868	1218305
Entry tax/Com. Tax & CST/vat	158,958	4916305
Drum Loading	196330	0
Tin Container Expenses/Oil Packing Exps.,	101620	174777
Soya DOC Expenses	77985409	42189485
TOTAL	80026185	48498872

SCHEDULE : P - INTEREST

Interest on Term Loan	401234	863130
Interest on Term Loan II (Wind Mill)	1307975	0
Interest on Working Capital	19854592	9040767
Interest on Public Deposits	1243797	1122563
TOTAL	22807598	11026460

SCHEDULE :: Q - EARNINGS PER SHARE

Computation of Profit for Basic and Diluted Earnings per share		
Net Profit as per P&L Account	16651174	14199617
	16651174	14199617
<u>Weighted average number of Equity Share</u>		
For Basic Earnings per share	4540000	4540000
For Diluted Earnings per share	4193350	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)	3.67	3.13
Diluted Earning Per Share (Rs)	3.97	3.39

SEGMENTAL REPORTING FOR THE YEAR 2010-2011

PARTICULARS	Solvent Extraction Unit		Wind Mill		Adj not related to Segments		Total
	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011
SALES	1889393050	1324997921	3833352	4543341		0	189322
INTER UNIT SALES	0	0		0			
NET SALES	1889393050	1324997921	3833352	4543341		0	189322
OTHER INCOME	6009059	7969099	0	0			6009
MAINTAINENCE EXPENSES- WIND MILL	0	0	687470	544966			687
PROFIT BEFORE DEP	29356877	25124844	3145882	3998375			32502
DEPRECIATION	6023222	6058484	1533063	1533063			7558
NET PROFIT BEFORE TAX	23333655	19066359	1612820	2465312			24948
PROVISION FOR TAX, DEFERRED TAX, FBT		0		0	8295301	7332055	8295
NET PROFIT AFTER TAX							16653

SEGMENT ASSETS

PARTICULARS	Solvent Extraction Unit		Wind Mill		Adj not related to Segments		Total
	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011
FIXED ASSETS (NET BLOCK) INCLUDING	64592621	66761007	28444444	29977507		0	9303
CAPITAL WORK IN PROGRESS							
CURRENT ASSETS				0	523626401	239648583	52362
TOTAL ASSETS		66761007		29977507	523626401.2	239648583	6166634

SEGMENT LIABILITIES

PARTICULARS	Solvent Extraction		Wind Mill		Adj not related to Segments		Total
	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011
SECURED LOAN	309890505	59853826	19785725	0	0	0	32967
UNSECURED LOAN	13962334	12842918	0	0	0	0	13962
SHARE CAPITAL	0	0	0	0	41933500	41933500	41933
RESERVES & SURPLUS	0	0	0	0	111315354	94664180	111315
CURRENT LIABILITIES AND PROVISIONS	97840716	104726925	335,683	0	0	0	98176
DEFERRED TAX					21599650	22365749	21599
TOTAL LIABILITIES	421693555	177423669	20121408	0	174848504	158963428	616663

SCHEDULE: NOTES FORMING PART OF ACCOUNTS FOR 2010-2011

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.

4. Recognition of Income and Expenditure

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

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

5. Fixed Assets and Capital Work in Progress

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

6. Indirect Expenses on Expansion

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

7. Depreciation

Depreciation on all fixed assets 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. 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. 18.00 lacs (Previous year Rs. 21.00 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 previous year figures have been regrouped wherever necessary.

4. The share capital as shown in the accounts and as per share transfer agents is under reconciliation.

5. Dues to SSI Units as on 31.03.10 Rs. 2,61,988/- (Previous year Rs.85,199) and no interest is applicable.

6. Details of Deferred Tax asset/ (Liabilities) as under:-	31-03-11	31-03-10
Difference between books and Tax written down values of Fixed assets	(63541063)	(65794959)
(Deferred tax liability/DEFERRED TAX ASSETS During the year)	766099	(792055)
Deferred tax liability for Earlier years	22365749	21573693

7. During the year 2010-11 the company written back Rs. 15,14,097 as excess provision on VAT account. The amount written back due to change in assumption used for estimating VAT payable as on 31-03-2010.

8. Information on status, amount due as well as period of outstanding as 31.03.2011 in case of Micro , Small and Medium Enterprises as required to be disclose under The Micro , Small and Medium Enterprises Development Act, 2006 is Rs.261988.

9. WIND MILL POWER PROJECT:

(a) In respect of Wind Mill Generator at NavneetaKrishnaPuram, Tirunelveli District Tamil Nadu

10. Sale of Generated power during the year 2010-11 is 1398312 units. (Previous Year: 16,70,196 Units).

11. 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.

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

Related party Relationships

- (a) Where control exists :: Kailash Chand Sharma, J.P.Agrawal,
- (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 2011 and no amount has been written off or written back during the year in respect of debts due from/to them.

13. 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.

		31-03-11	31-03-10
I	The company has funded the liability		
II	Change in Plan Assets		
	Fair value of the plan at 31-03-2011/31-03-2010	13,46,831	9,93,758
	Actual Return on plan assets	NIL	Nil
	Employer's Contribution	3,00,000	3,00,000
	Benefits Paid	NIL	Nil
	Plan assets at 31-03-2011/31-03-2010	13,46,831	9,93,758
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% at older ages according to graduating scale	2% Per annum
	Future Salary Rise	5.75% per annum	5.00% per annum
	Rate of Discounting	8.00% per annum	8.25% per annum
	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	31-03-11	31-03-10
	PBO(Amount in Rs)	13,18,865	9,79,577
V	Assumptions and definitions:-		
	Date of Valuation	31-03-2011	31-03-2010
	Discounting Rate	8.00%P.A.	8.25% P.A
	Rate of Increase in Compensation Level	5.75% P.A	5.00% P.A
	Rate of Return on Plan Assets	9.00 % P.A	9.00%P.A
VI	Changes in Benefit Obligation:		
	Period	01-04-10 to 31-03-11	01-04-09 to 31-03-10
	Actuarial Value of Accumulated Benefit Obligation (ABO) Closing Balance	13,18,865	9,79,577
	Actuarial Value of Projected Benefit Obligations (PBO) Opening Balance	9,79,577	9,14,890
	Interest Cost from 01-04-2010 to 31-03-2011	78,366	75,478
	Service Cost from 01-04-2010 to 31-03-2011	1,01,538	81,854
	Benefits paid from 01-04-2010 to 31-03-2011	NIL	Nil
	Actuarial (Gain) / Loss on obligations	1,59,384	(92,645)
	PBO at the end – Closing Balance	13,18,865	9,79,577
VII	Balance Sheet Statement	31-03-11	31-03-10
		Amount in Rs	Amount in Rs
	Present value of the Obligation at 31-03-2011	13,18,865	9,79,577
	Fair Value of plan assets at 31-03-2011	13,46,831	9,93,758
	Un-funded liability at 31-03-11	(27,966)	(14,181)
	Unrecognized actuarial gain/losses	NIL	NIL
	Unfunded liability recognized in Balance Sheet	NIL	NIL
VIII	Profit and Loss Account:	31-03-11	31-03-10
		Amount in Rs	Amount in Rs
	Interest cost from 01-04-10 to 31-03-11	78,366	75,478
	Service Cost from 01-04-10 to 31-03-11	1,01,538	81,854
	Actual return on plan assets from 01.04.10 to 31.03.11	N.A.	N.A.
	(Gain)/ Loss recognized as on 31.03.11	2,09,249	(92,645)
	Net Loss to be shown in P&L a/c as expenses	N.A.	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 as on 31.03.2011	100%	-

NOTE: The defined benefit obligation as on 31-03-2011 is Rs. 13,18,865 as per the independent actuarial valuation which is lesser than the closing balance of the fund Rs.13,46,831,hence no additional liability has been provided in the books during the year 2010-2011.

14. Pursuant to the accounting Standard (AS-29) – provisions, Contingent Liabilities and Contingent Assets, the disclosure relating to provision made in the accounts for the year ended 31st March 2011 is as follows

Particulars	Provision for Income Tax	
	2010-11	2009-10
Opening Balance	10551480	9508780
Additions	9061400	6540000
Utilisations/Adjustment	0	5497300
Closing Balance	19612880	10551480

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.

M/s. Saurabh Traders, Itarsi - Purchase of soya bean from Saurabh Traders Rs.3611.61 Lacs.

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

A: Capacity

Product	Unit	Registered	Capacity	Installed	Capacity
		31.03.11	31.03.10	31.03.11	31.03.10
1. Solvent Extraction of Oil/ Oil Cake	M.T	90000 TPA	90000TPA	90000 TPA	90000 TPA
2. Redefined vegetable Oil	M.T	15000 TPA	15000 TPA	15000 TPA	15000 TPA

Note: Installed Capacity as certified by the Management

**B. PRODUCTION & SALE :
PRODUCITON**

SL No		YEAR ENDED 31-03-2011(IN MT)	YEAR ENDED 31-03-2010 (IN MT)
1	De-oiled cake	68262.258	44800.45
2	Crude Oil	12680.224	9390.75
3	Transferred to Refinery	11692.426	8939.55
4	Refined oil	10557.001	8306.08
5	Soya Acid Oil	322.930	150.31
6	Fatty Oil	13.365	10.50
7	Gums / Sludge	1186.900	750.00
8	Lecithin	454.755	342.68
	PURCHASES		
1	Refined oil	0.00	0.00
2	Crude Oil	48.860	208.00
3	DOC	1214.540	1526.24
4	Wheat (Trading)	2400.735	0.000
5	Gram	863.775	292.275
6	Tuar	119.800	0.000
7	Paddy	0.000	508.755

C.SALES

SL No		MT	YEAR ENDED 31-03-2011 Amount Rs in Lakhs	MT	YEAR ENDED 31-03-2010 Amount Rs. In Lakhs
1	De-Oiled Cake	70482.485	12500.38	47550.68	9466.96
2	Crude Oil	0.00	0.00	0.00	0.00
3	Soya Refined Oil	10681.092	5233.18	8051.65	3467.07
4	Acid Oil	325.130	98.90	147.11	38.77
5	Fatty Acid	13.665	6.19	15.40	4.58
6	Gums	0.00	0.00	0.00	0.00
7	Soya Mitti	386.475	2.23	123.63	0.48
8	Lecthine	439.795	203.58	369.74	136.93
9	Wheat (Trading)	2391.484	355.28	654.54	79.65
10	Soya Seed (Trading)	347.815	74.78	0.00	0.00
11	Grams	1160.977	257.21	0.00	0.00
12	Tuar	85.500	28.93	0.00	0.00

D. CONSUMPTION

Raw Material	CURRENT YEAR	PREVIOUS YEAR
Soya Seed	79271.915	53974.58
Value (Rs in Lacs)	16072.82	11588.29

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

S.N.	Particulars	Current year		Previous Year	
1	Raw Material: Imported Indigenous	NIL 16072.82 LACS	NIL 100%	NIL 11588.29 LACS	NIL 100%
2	Stores and spares: (Including consumables & packing Material) Imported Indigenous	NIL 162.74 lacs	NIL 100%	NIL 175.55 lacs	NIL 100%

F	CIF Value of Imports		NIL		NIL
G	Expenditure in Foreign Currency	Rs.	NIL	Rs.	NIL
H	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 M.NO: 402792**

**J.P AGRAWAL
DIRECTOR
PLACE: ITARSI
DATED:12.08.2011**

**PLACE: BHOPAL
DATED: 12.08.2011**

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Registration details

Reg. No. 6090

State Code: 10

Balance Sheet date: 31.03.2011

Capital raised during the year (Amounts Rs. in Thousands)

Public Issue	Right issue
0	0
Bonus Issue	Private Placement
0	0

POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (RS. IN THOUSANDS)

Total liabilities
518487

Total Assets
518487

Sources of funds

Paid up Capital
41933 (Net of calls in arrears)
Secured loans
329676
Deferred tax liability
21600

Reserve and surplus
111315
Unsecured Loans
13962

Application of funds

Net fixed assets
93037 (including CWIP)
Net Current Assets
425450

Misc. expenditure
0
Investments
0

Accumulated losses
0

Performance of Company (Rs. in thousands)

Turnover
1914105 (Including other income)
Profit before tax
24946
Earnings per share in Rupees
3.67

Total expenditure
1881603
Profit after tax
16651
Dividend rate %
0

Generic names of three principal products/
Service of Company (as per monetary terms)
Item code no. : (ITC) 157071000

Product description: Solvent extracted crude Oil
Item code No.: (ITC) 23040003
Product description: Solvent extracted meal of Oil Seed
tem Code No. : (ITC) 1507900
Product description: Solvent extracted refined of Oil

AS PER OUR REPORT OF EVEN DATE

**For BHUTORIA GANESAN & CO,
CHARTERED ACCOUNTANTS
Firm Reg No: 004465C**

FOR AND BEHALF OF BOARD

**KAILASH CHAND SHARMA
(MANAGING DIRECTOR)**

**R.GOKULAKRISHNAN
(PARTNER) M.No. 402792**

**J.P. AGRAWAL
(DIRECTOR)**

PLACE: BHOPAL

PLACE: ITARSI

DATE :: 12/08/2011

**DATE ::
12/08/2011**