



Natraj Proteins Limited

*12th Annual Report
2002-2003*

BOARD OF DIRECTORS :

J.P. Agrawal
(Managing Director)

Kailash Chand Sharma
(Whole Time Director)

Surendra Singh Arora
(Whole Time Director)

D. B. Sutkar
(Nominee, IDBI)

Dr. Deepak Jain
Umesh Trivedi
Giriraj Gupta

AUDITORS :

Bhutoria Ganesan & Co.
Chartered Accountants
Bhopal

COMPANY LAW ADVISOR :

D. K. Jain & Co.
Company Secretaries
Indore (M.P.)

BANKER :

Central Bank of India
Itarsi (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.
Geeta Bhawan Square,
Alankar Point, 2nd Floor,
A. B. Road, Indore (M.P.)
Ph. : 0731 - 2491295



NATRAJ PROTEINS LIMITED

NOTICE

NOTICE is hereby given that the 12th 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 Monday, the 29th day of September, 2003 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, 2003 and Profit & Loss Account of the company for the year ended 31st March, 2003 together with the report of the Directors' & Auditor's there on on that date.
2. To appoint a director in place of Shri Kailash Chand Sharma, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a director in place of Shri Surendra Singh Arora, 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 Dr. Deepak Jain, who was appointed as an additional director by the Board to hold office up to the date of this Annual General Meeting, and in respect of whom a notice under section 257 of the Companies Act, 1956 have been received from some members signifying their intention to propose Dr. Deepak Jain as a candidate for the office of the director of the Company be and is hereby elected and appointed as a director, liable to retire by rotation.
6. To consider and if thought fit, to pass with or without modification(s) if any, the following Ordinary Resolution:
RESOLVED THAT Shri Umesh Trivedi, who was appointed as an additional director by the Board to hold office up to the date of this Annual General Meeting, and in respect of whom a notice under section 257 of the Companies Act, 1956 have been received from some members signifying their intention to propose Shri Umesh Trivedi as a candidate for the office of the director of the Company be and is hereby elected and appointed as a director, liable to retire by rotation.
7. To consider and if thought fit, to pass with or without modification(s) if any, the following Ordinary Resolution:
RESOLVED THAT Shri Giriraj Gupta, who was appointed as an additional director by the Board to hold office up to the date of this Annual General Meeting, and in respect of whom a notice under section 257 of the Companies Act, 1956 have been received from some members signifying their intention to propose Shri Giriraj Gupta as a candidate for the office of the director of the Company be and is hereby elected and appointed as a director, liable to retire by rotation.
8. To consider and if thought fit, to pass with or without modification(s) if any, the following 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, and subject to the approval of the Central Govt. if required, Shri Surendra Singh Arora be and is hereby re-appointed as the Whole-time Director of the Company for a further period of three years w.e.f. 1st August, 2003 on the following terms, conditions and remuneration:
 - (a) Salary: Rs.22,500/- per month.
 - (b) Perquisites: Subject to the ceiling of Rs.2,40,000/- per annum.

CATEGORY: A

- (i) House rent allowance subject to a maximum of 50% of the salary or house accommodation shall be provided by the Company and 10% of salary shall be recovered by way of rent.
Expenditure incurred by the Company on his electricity, water and furnishing shall be evaluated as per Income Tax Rules, 1962 subject to a ceiling of 10% of salary.
- (ii) Re-imbursement of medical expenses of the Whole-time Director and his family, the total cost of which to the Company shall not exceeding one month salary in the year or three months salary in a block of three years.
- (iii) Leave travel assistance: Expenses incurred for self and family and family in accordance with the Rules of the Company.
- (iv) Club Fees: subject to a maximum of two clubs this will not include admission and life membership.
- (v) Personal accident insurance premium: not exceeding Rs.4,000/- P.A.
- (vi) Contribution to Provident Fund & Family Benefit Funds: As per Rules of the Company.

CATEGORY B:

- (i) Car: The Company shall provide a car for the company's business and, if no car is provided reimbursement of the conveyance shall be made on actual basis as may be claims made by him.
- (ii) Gratuity: As per rules of the company, subject to a maximum ceiling as may prescribed in under the Payment of Gratuity Act from time to time.
- (iii) Earned Privilege Leave: As per the rules of the Company subject to the condition that the leave accumulated but not availed of will be allowed to be encashed for 15 days salary for every year completed services at the end of the tenure.
- (iv) Telephone: Free use of telephone at his residence provided that personal long distance calls on the telephone shall be billed by the Company to the Whole-time Director.

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

FURTHER RESOLVED THAT in the event of there being loss or inadequacy of profit for any financial year, the aforesaid remuneration payable to Shri S.S.Arora, shall be the minimum remuneration payable to him in terms of the provisions of Schedule XIII to the Companies Act, 1956.

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RESOLVED FURTHER THAT S.S.Arora, 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 any from time to time, be available to other Senior Executives of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as in its absolute discretion, it may consider necessary, expedient or desirable, and to settle any question, or doubt that may arise in relation thereto and the Board shall have absolute powers to decide break up of the remuneration within the above said maximum permissible limit and 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.

9. To consider and if thought fit, to pass the following Resolution with or without modification(s) if any, as an 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, and subject to the approval of the Central Govt. if required, Shri J.P.Agrawal be and is hereby re-appointed as the Managing Director of the Company for a further period of three years w.e.f. 1st August, 2003 on the following terms, conditions and remuneration:

- (a) Salary: Rs.25,000/- per month.
- (b) Perquisites: Subject to the ceiling of Rs.2,40,000/- per annum.

CATEGORY:A

- (i) House rent allowance subject to a maximum of 50% of the salary or house accommodation shall be provided by the Company and 10% of salary shall be recovered by way of rent.
Expenditure incurred by the Company on his electricity, water and furnishing shall be evaluated as per Income Tax Rules, 1962 subject to a ceiling of 10% of salary.
- (ii) Re-Imbursement of medical expenses of the Managing Director and his family, the total cost of which to the Company shall not exceeding one month salary in the year or three months salary in a block of three years.
- (iii) Leave travel assistance: Expenses incurred for self and family and family in accordance with the Rules of the Company.
- (iv) Club Fees: subject to a maximum of two clubs this will not include admission and life membership.
- (v) Personal accident insurance premium: not exceeding Rs.4,000/- P.A.
- (vi) Contribution to Provident Fund & Family Benefit Funds: As per Rules of the Company.

CATEGORY B:

- (i) Car: The Company shall provide a car for the company's business and, if no car is provided reimbursement of the conveyance shall be made on actual basis as may be claims made by him.
- (ii) Gratuity: As per rules of the company, subject to a maximum ceiling as may prescribed in under the Payment of Gratuity Act from time to time.
- (iii) Earned Privilege Leave: As per the rules of the Company subject to the condition that the leave accumulated but not availed of will be allowed to be encashed for 15 days salary for every year completed services at the end of the tenure.
- (iv) Telephone: Free use of telephone at his residence provided that personal long distance calls on the telephone shall be billed by the Company to the Managing Director.

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

FURTHER RESOLVED THAT in the event of there being loss or inadequacy of profit for any financial year, the aforesaid remuneration payable to Shri J.P.Agrawal, shall be the minimum remuneration payable to him in terms of the provisions of Schedule XIII to the Companies Act, 1956.

RESOLVED FURTHER THAT J.P.Agrawal, the Managing 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 any from time to time, be available to other Senior Executives of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as in its absolute discretion, it may consider necessary, expedient or desirable, and to settle any question, or doubt that may arise in relation thereto and the Board shall have absolute powers to decide break up of the remuneration within the above said maximum permissible limit and 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.

10. To consider and if thought fit, to pass the following Resolution with or without modification(s) if any, as an 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, and subject to the approval of the Central Govt. if required, Shri Kailash Chand Sharma be and is hereby re-appointed as the Whole-time Director of the Company for a further period of three years w.e.f. 1st August, 2003 on the following terms, conditions and remuneration:

- (a) Salary: Rs.22,500/- per month.
- (b) Perquisites: Subject to the ceiling of Rs.2,40,000/- per annum.

CATEGORY:A

- (i) House rent allowance subject to a maximum of 50% of the salary or house accommodation shall be provided by the Company and 10% of salary shall be recovered by way of rent.
Expenditure incurred by the Company on his electricity, water and furnishing shall be evaluated as per Income Tax Rules, 1962 subject to a ceiling of 10% of salary.



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- (ii) Re-imbursement of medical expenses of the Whole-time Director and his family, the total cost of which to the Company shall not exceeding one month salary in the year or three months salary in a block of three years.
- (iii) Leave travel assistance: Expenses incurred for self and family and family in accordance with the Rules of the Company.
- (iv) Club Fees: subject to a maximum of two clubs this will not include admission and life membership.
- (v) Personal accident insurance premium: not exceeding Rs.4,000/- P.A.
- (vi) Contribution to Provident Fund & Family Benefit Funds: As per Rules of the Company.

CATEGORY B:

- (i) Car: The Company shall provide a car for the company's business and, if no car is provided reimbursement of the conveyance shall be made on actual basis as may be claims made by him.
- (ii) Gratuity: As per rules of the company, subject to a maximum ceiling as may prescribed in under the Payment of Gratuity Act from time to time.
- (iii) Earned Privilege Leave: As per the rules of the Company subject to the condition that the leave accumulated but not availed of will be allowed to be encashed for 15 days salary for every year completed services at the end of the tenure.
- (iv) Telephone: Free use of telephone at his residence provided that personal long distance calls on the telephone shall be billed by the Company to the Whole-time Director.

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

FURTHER RESOLVED THAT in the event of there being loss or inadequacy of profit for any financial year, the aforesaid remuneration payable to Shri K.C.Sharma, shall be the minimum remuneration payable to him in terms of the provisions of Schedule XIII to the Companies Act, 1956.

RESOLVED FURTHER THAT K.C.Sharma, 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 any from time to time, be available to other Senior Executives of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as in its absolute discretion, it may consider necessary, expedient or desirable, and to settle any question, or doubt that may arise in relation thereto and the Board shall have absolute powers to decide break up of the remuneration within the above said maximum permissible limit and 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
FOR, NATRAJ PROTEINS LTD.

Place : Itarsi
Dated : 31st July, 2003

J.P.AGRAWAL
MANAGING DIRECTOR

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 MEETING.
2. Register of Members and Share Transfer Book of the Company will remain closed from 22nd Sept., 2003 to 27th September, 2003 (both days inclusive).
3. 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's 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.
4. Non-resident Indian Shareholders are requested to inform Share Transfer Agents immediately:
 - a) the change in the residential status on return to India for permanent settlement.
 - b) the particulars of NRE Account with a Bank in India, if not furnished earlier.
5. All documents referred to in the accompanying notice are open for inspection at the Registered office of the Company on all working days, except Saturdays between 11.00 A.M. to 1.00 P.M.
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 from 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., Alankar Point, Gita Bhawan Chouraha, A.B.Road, Indore (M.P.).

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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 Department of Company affairs.
10. The Company shall make available transport facilities from Itarsi to factory premises for attending the Annual General Meeting.
11. Pursuant to the recommendation of SEBI Committee on Corporate Governance for re-appointment of the retiring directors, a statement containing details of the concerned directors is attached hereto.

STATEMENT REGARDING THE DIRECTORS PROPOSED FOR APPOINTMENT

	NAME AND DESIGNATION OF APPOINTEE	AGE/YEARS	QUALIFICATIONS	EXPERTISATION/EXPERIENCE	DATE OF APPOINTMENT	OTHER DIRECTORSHIP HELD
1.	Shri S.S.Arora Whole-time Director	53	B.Com	More than 20 years in the Soya & manufacturing industries	21.11.1990	NIL
2.	Shri J.P.Agrawal Managing Director	61	M.Com, LLB	Tax Adviser and having more than 12 years experience in Soya Industries	21.11.1990	NIL
3.	Shri K.C.Sharma Whole-time Director	41	B.Com	More than 12 years experience in Soya and manufacturing Industries	21.11.1990	NIL
4.	Dr. Deepak Jain Independent Director	40	MBBS, MD	Medical Practitioners.	31.01.2003	NIL
5.	Shri Umesh Trivedi Independent Director	43	M.Com	15 years experience in trading activities.	31.01.2003	NIL
6.	Shri Giriraj Gupta Independent Director	51	B.E(Ch.)	25 years experience in Soya Industry as adviser.	31.01.2003	Shiv Agro Oils Pvt. Ltd.

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 to 7:**

Dr. Deepak Jain, Shri Umesh Trivedi and Shri Giriraj Gupta were appointed by the Board as additional directors of the Company w.e.f 31st Jan., 2003 to induct the independent directors as required under the Clause 49 of the Listing Agreement and in order to broad base the Board of directors and to utilise their expert knowledge and advises.

The Company have received notice u/s 257 of the Companies Act, 1956 from members proposing their appointment for the office of the directors of the Company. Looking into their experience and qualification, your Board recommend the appointment of them as the directors of the Company and proposes to pass the respective resolutions as set out in Item No. 5 & 7 of the Notice for approval as a Ordinary Resolution.

Except, Dr. Deepak Jain, Shri Umesh Trivedi and Shri Giriraj Gupta being appointed none other directors are interested or concerned in the resolution.

ITEM NO. 8 to 10:

Shri J.P.Agrawal, the Managing Director, Shri K.C.Sharma and Shri S.S.Arora, the Whole-time Directors were appointed w.e.f. 1st August, 2001 for a period of two years, therefore their terms of the appointment have been expired on 31st July, 2003.

Shri J.P.Agrawal, Shri S.S.Arora and Shri K.C.Sharma, are the core promoters and directors of the Company since its inception and have given their significant contribution and support in the managing the business activities for the growth and success of the Company. Looking into their active involvement and contributions made for the Company, the Remuneration Committee of the Board has considered and approved for their appointment for a further period of three years w.e.f. 1st August, 2003 on the terms and conditions as set out in the respective resolutions.

Your Board recommend to pass the respective resolutions as set out in Item No. 8 to 10 of the Notice as Ordinary Resolution.

This may also be treated as an abstract of the terms and conditions governing the appointment and remuneration of the above said director pursuant to section 302 of the Companies Act, 1956.

Except, the above said appointee being re-appointed individually, none of other directors of the Company is concerned or interested in the respective resolutions.

BY ORDERS OF THE BOARD
FOR, NATRAJ PROTEINS LTD.

Place : Itarsi
Dated : 31st July, 2003

J.P.AGRAWAL
MANAGING DIRECTOR

**NATRAJ PROTEINS LIMITED****DIRECTORS' REPORT**

To,
The Members,
Natraj Proteins Limited

Your Board of directors have pleasure in presenting their 12th 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, 2003.

FINANCIAL RESULTS:

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

	Year ended 31st March	
	2003	2002
	(Rs.in Lacs)	
Total sales/Income from operations	8380.81	9765.92
Profit before interest, depreciation & tax	261.24	233.84
Less: Interest	136.98	141.60
Depreciation	46.42	48.75
Profit Before Tax	77.84	43.49
Less: Provision for Income Tax	6.00	3.33
Net Profit After Tax	71.84	40.16
Add: Balance carried from Profit & Loss A/c	313.42	273.26
Total surplus of profit carried to Balance Sheet	385.26	313.42

DIVIDEND:

Your Board proposes to plough back the profits to strengthen the financial base. Hence, do not recommend any dividend for this year as the funds are to be utilised for Company's business activities.

REVIEW ON OPERATIONS:

Inspite of the fact that the turnover of the Company has been decreased during the year, the net profit of the Company has been increased from Rs.40.16 Lacs to Rs.71.84 Lacs during the year under review.

Your directors look forward for better working results in the years to come. 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. This year it has been predicted a very good monsoon by the Government.

MANAGEMENT DISCUSSION AND ANALYSIS:

2002 and 2003 was a mixed year for the Indian economy. The Industrial and manufacturing sectors staged a modest recovery. But it is sad to inform that in the year 2002-2003 there is a decline of 3.1% in the agricultural output. However, looking into the good monsoon predicted in the current monsoon period, your director are hopeful to procure the soya seeds of good quality in a reasonable competitive market price.

FINANCE:

Looking into the higher borrowing cost your Company has made full and final payment of the existing term loan of Rs.340.00 Lacs in the month of December, 2002, which has been adjusted by the IDBI towards the NCDs and has not provided necessary documents for satisfaction of Charge. Looking into the higher borrowing cost on NCDs at 17.5% p.a. from the IDBI, as compared to the present competitive financial market which is available about 12-13% p.a. your company is making strong efforts for restructuring of the loan liabilities of the IDBI at lower rate of interest, which will help in the improvement in the profitability of the Company.

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 dematerialised form.

Equity shares are listed with the Madhya Pradesh (Regional Stock Exchange), Ahmedabad & Mumbai Stock Exchanges. The Company is regular in payment of annual listing fees to all the Stock Exchanges and there were no suspension of trading in any stock exchange during the year under review.

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 Daya Bhushan Sutkar has been nominated in place of Shri Parag Paigankar by the IDBI w.e.f.10th Sept., 2002.

Shri Umesh Trivedi, Dr. Deepak Jain and Shri Giriraj Gupta has been appointed as an additional directors of the Company w.e.f. 31st Jan., 2003. The Company have received notice under section 257 of the Companies Act, 1956 for proposing their candidature for the appointment as directors of the Company. Your directors recommend to pass the respective resolutions for appoint them as directors of the Company.

Shri Surendra Singh Arora and Shri Kailash Chand Sharma, directors of the Company will retire at the forthcoming Annual General Meeting and being eligible, offers themselves for re-appointment.

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The tenure of Shri J.P.Agrawal as the Managing Director, Shri Surendra Singh Arora and Shri Kailash Chand Sharma as the Whole-time Directors have been expired on 31st July, 2003 after completion of 2 years from their respective appointments. The Remuneration Committee of the Board has considered and approved their respective appointment for a further period of three years w.e.f. 1st August, 2003 on the terms, conditions and remunerations as given in the respective resolutions proposed in the notice of the Annual General Meeting. Your Board recommend to approve the necessary resolutions for their re-appointments.

AUDITORS' AND THEIR REPORT:

M/s. Bhutoria Ganesan & Co., the Company's Auditors will retire at the conclusion of the ensuing Annual General Meeting. The Company has obtained a certificate from them in accordance with the provisions of section 224(1B) of the Companies Act, 1956.

In the matter of comments given by the Auditors in their report the Board submit that it is the general practice adopted in the industry to ascertain the values of inventory on realisation basis as most of the goods being manufactured on the advance export/domestic orders. The Company is having policy to account for gratuity on cash basis and since the Company is not having large number of senior staff on which the liability of gratuity will arise, it will not give significant effect in the profit and loss account of the Company. In the matter of non provisions of the liability deferred tax, it was advised that looking into the status of the Company there is no need to make any provisions for that during the year under review. Rest part of the Auditors Report and notes forming part of the Accounts, are self explanatory and needs no comments.

INSURANCE:

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

DEPOSITS:

Your Company has accepted deposits from the directors and members of the Company, however, it has not accepted from 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.

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, 2003 and the profit 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.

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, customers 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.

Clause 49 of the listing guidelines has been applicable to the company during the year 2002-03 and your company has complied with the mandatory requirements of clause 49 of the listing agreement within the stipulated time. A report on the Corporate Governance have been annexed to the Directors' Report.

PERSONNEL:

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION:

Particulars pursuant to the Companies (Disclosure of Particulars in the Report of Board of Director) Rules, 1988 are as under:

CONSERVATION OF ENERGY:

1. Power and Fuel Conservation:

	Year ended	
	31.03.2003	31.03.2002
i) Electricity:		
a) Units (In KW)	19,59,074	22,68,956
b) Total amount (Rs.in lacs)	102.10	89.17
c) Rate per KW (In Rs.)	5.21	3.94
ii) a) Coal (Qty. in MT)	5412.05	9060.655
b) Total cost (Rs.in lacs)	86.72	133.39
c) Average rate per M.T.(In Rs.)	1602.37	1472.20

2. Consumption per unit of Production:

	Production in M.T.	
	31.03.2003	31.03.2002
a) Crude Oil	9514.285	13681.925
b) Refined Oil	9147.058	14582.645
c) De-oiled Cake	45558.506	65162.973
d) Acid Oil	326.220	414.076
e) Gums	1758.005	2782.730
f) Fatty Acid	24.135	24.535
g) Lecithin	86.200	185.000