



Natraj Proteins Limited

22nd Annual Report
2012–2013

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

NOTICE

NOTICE is hereby given that the **22nd Annual General Meeting** of the Members of **NATRAJ PROTEINS LTD.** will be held at the Registered Office of the Company at Nagpur-Kanan Ordinance Factory Road, Itarsi 461111 (M.P.) on Monday the **30th day of September, 2013** at 2.00 PM to transact the following business:

I. ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at **31st March 2013** and Statement of Profit & Loss and cash flow statement of the company for the year ended **31st March 2013** together with the report of the Directors & Auditor's thereon on that date.
2. To appoint a director in place of Shri J.P. Agrawal, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a director in place of Shri K.C. Sharma, 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 SPECIAL RESOLUTION:

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

RESOLVED THAT pursuant to the provisions of section 198, 269, 302, 309, 310 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 if any, Shri Kailash Chand Sharma 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 2013 on the following terms, conditions and remuneration:

(a) Salary of Rs.50,000/- per month.

(b) Allowances/perquisites: subject to a maximum of Rs. 3,00,000 p.a. as under:

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

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

CATEGORY A:

1. Employers Contribution: to Provident Fund As per the Rules of the Companies Act, 1956.
 2. Gratuity: As per rules of the company, subject to a maximum ceiling as may be prescribed under the Payment of Gratuity Act from time to time.
 3. Leave encashment: up to 15 days salary for every one year completed service as per the rules of the Company.
- Provided that the above said perquisites shall not be counted for the purpose of calculation of the remuneration payable to the Managing Director.

CATEGORY B:

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

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

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

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

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

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

RESOLVED THAT pursuant to the provisions of section 198, 269, 302, 309, 310 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 if any, Shri J. P. Agrawal be and is hereby re-appointed as the Whole-time Director of the Company for a period of three years w.e.f. 1st August 2013 on the following terms, conditions and remuneration:

- a. Salary of Rs.50,000/- per month.
- b. Allowances/perquisites: subject to a maximum of Rs. 3,00,000 p.a. as under:
- c. Re-imbursement of medical expenses of the Whole-time Director and his family, the total cost of which to the Company shall not exceed one month's salary in the year or three months salary in a block of three years.

1. Leave travel assistance: Expenses incurred for self and family in accordance with the Rules of the Company.
2. Club Fees: subject to a maximum of two clubs, this will not include admission and life membership.
3. Personal accident insurance premium not exceeding Rs. 8,000/- p.a.

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

CATEGORY A:

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

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

CATEGORY B:

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

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

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

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

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

BY ORDERS OF THE BOARD

KAILASH CHAND SHARMA
MANAGING DIRECTOR

Place: Itarsi

Dated: 13th August, 2013

NOTE: 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.

- 1 The Company has already notified closure of Register of Members and Share Transfer Books from 28th September, 2013 to 30th September, 2013 (both days inclusive) for the purpose of the AGM.
- 2 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.
- 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 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.
- 4 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.
- 5 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.
- 6 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.
- 7 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.)
- 8 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 Corporate Affairs
- 9 The SEBI has mandated the submission of PAN by every participant in securities market, members holding shares in electronic form are therefore, requested to submit the PAN to their depository participant with whom they are maintaining their Demat Accounts. Members holding shares in physical form can submit their PAN details to the Company's Share Transfer Agent, M/s Ankit Consultancy Pvt. Ltd.
- 10 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.

- 11 The Company shall make available transport facilities from Itarsi to factory premises for attending the Annual General Meeting.
- 12 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	QUALIFICATION	EXPERTISE/ EXPERIENCE	DATE OF APPOINTMENT	OTHER DIRECT-OR SHIPS IF ANY	No% of Shares hold
Shri K.C. Sharma Managing Director	54	B.Com.	More than 16 years experience in Soya and manufacturing Industries	21.11.1990	None	165000 (4.41%)
Shri J. P. Agrawal Whole-time Director	72	M. Com., LL.B.	Tax Advisor and having more than 16 years experience in Soya Industries	21.11.1990	None	223000 (5.95%)

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 & 6:

The tenure of Shri K.C. Sharma, Managing Director and Shri J.P.Agrawal, Whole-time Director of the Company have been expired on 31st July, 2013.

The above said managerial personals 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 re-appointment for a further period of three year w. e. f. 1st August, 2013 on the terms and conditions as set out in the respective resolutions.

Your Board recommends passing the respective resolutions as set out in Item No. 5 to 6 of the Notice as Special Resolutions.

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

Place: Itarsi

Dated: 13th August, 2013

KAILASH CHAND SHARMA
MANAGING DIRECTOR

DIRECTORS' REPORT

To,
The Members,
Natraj Proteins Limited

Your Board of directors has pleasure in presenting their **22nd Annual report** on the business and operations of the Company along with the Audited Balance Sheet and the statement of Profit & Loss for the year ended **31st March 2013**.

1. FINANCIAL RESULTS:

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

Particulars	(Amount in Lakhs)	
	Year ended	
	31 st March 2013	31 st March 2012
Total sales	31748.55	22070.17
Profit before interest, depreciation & tax	2053.94	1008.79
Less: Interest	324.87	386.50
Depreciation	80.55	75.66
Profit Before Tax	1648.52	546.63
Less: Provision for Income Tax	573.03	193.00
Less: Provision for Deferred Tax	(10.32)	(0.42)
Net Profit After Tax	1085.81	354.05
Add: Balance carried from Profit & Loss A/c	1467.20	1113.15
Total surplus of profit carried to Balance Sheet	2553.01	1467.20

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:

During the year under review the company has achieved turnover of Rs. 31749.55 Lacs as compared to Rs. 22070.17 Lacs in the previous year. The net profits after of the Company was also recorded at Rs 1,085.81 Lacs as compared to Rs. 354.04 Lacs in the previous year.

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.

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

3.2 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 1488720 Units during the year (previous year 1192476 Unit).

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 K.C Sharma and Shri J.P. Agrawal will retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

Further that tenure of Shri K.C.Sharma as Managing Director and Shri J.P.Agrawal as Whole-time Director was expired on 31st July 2013. The Board has re-appointed them for a further period of 3 years w.e.f.1st August, 2013 on the terms, conditions and remuneration as set out in the notice of the forthcoming annual general meeting.

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, 2013 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 Company's 37,47,000 equity shares of Rs. 10 each fully paid up 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.

The above said 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, (F.R.No. 004465C) 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. COST AUDITOR:

M/s Yogesh Chourasia & Associates (M.No. 00271) Cost Accountants has been appointed as the cost auditor of the Company for conducting the cost audit of Company's product i.e. Soya edible oil for the financial year 2013-14.

Pursuant to the provisions of section 209(1)(d) of the Companies Act, 1956, Company is subjected to maintenance of Cost Accounting Record and is required to file Cost Audit Report to the MCA for the financial year 2012-13. The Cost Auditors has submitted their Report for the year ended 31st March, 2013 and the company is in process to file the same to the Central Government for the year 2013-14.

12. INSURANCE:

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

13. 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.

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.

15. COMPLIANCE CERTIFICATE:

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

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 N. 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 directly/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.

16. 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: 13th August, 2013

K.C.SHARMA

CHAIRMAN & MANAGING DIRECTOR