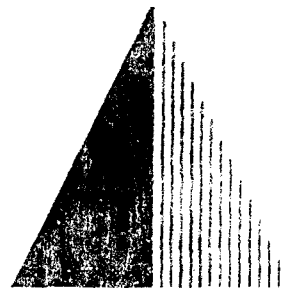


18th
ANNUAL REPORT
2008 - 2009

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AJANTA

AJANTA SOYA LIMITED



AJANTA SOYA LIMITED

BOARD OF DIRECTORS

Mr. Sushil Goyal	Chairman & Managing Director
Mr. Abhey Goyal	Whole Time Director
Mr. Bishan Goyal	Whole Time Director
Mr. S. C. Singhal	Director
Mr. Harsh Chander Kansal	Director
Mr. Babu Lal Jain	Director

STATUTORY AUDITORS

M/s. TAS Associates
Chartered Accountants
Flat No. 4, 11/71, Punjabi Bagh West
New Delhi - 100 026

SECRETARIAL ADVISORS

M/s. R&D
Company Secretaries
138-A, Pocket - F, Mayur Vihar, Phase-II
Delhi - 110 091
Phone/Fax : 22725301 / 22725305
e-Mail : rndcompanysecretaries@gmail.com

SHARES LISTED WITH STOCK EXCHANGE AT

The Stock Exchange, Mumbai
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400 001

The Calcutta Stock Exchange Association Ltd.
7, Lyons Range, Calcutta - 700 001

BANKERS

State Bank of India
Overseas Branch
Jawahar Vyapar Bhawan
1, Tolstoy Marg,
New Delhi-110 001

REGISTERED OFFICE

SP-916, RIICO Industrial Area Phase - III,
Bhiwadi - 301 019. Distt. Alwar (Rajasthan)

INVESTORS RELATION CENTRE

4C. Bigjos Tower, A-8 Netaji Subhash Place
Wazirpur District Centre, New Delhi - 110 034
Phone : 27352606, 27354063. Fax : 27355594
E-mail : ajanta_soya@yahoo.com
Website : www.ajantasoya.com

REGISTRAR & SHARE TRANSFER AGENT

Skyline Financial Services Pvt. Ltd.
246, 1st Floor, Sant Nagar, East of Kailash,
New Delhi-110065
Phone No. : 011-26292682, 26292683
Fax No. : 011-26292681
E mail : admin@skylinerta.com

ALL CORRESPONDENCE RELATING TO TRANSFER
OF SHARES, CHANGE IN ADDRESS ETC. SHOULD BE
SENT TO THE REGISTRAR & SHARE TRANSFER
AGENT OR INVESTORS RELATION CENTRE

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AJANTA SOYA LIMITED

NOTICE

Notice is hereby given that the 18th Annual General Meeting of the Members of the Company will be held on **Wednesday, 30th September, 2009** at 11.30 A.M. at the Registered Office and Factory Premises of the Company at SP-916, RIICO Industrial Area, Phase III, Bhiwadi 301 019, Distt. Alwar, Rajasthan to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2009 and Profit and Loss Account for the year ended on that date together with the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr Satish Chand Singhal who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting and to authorize the Board to fix their remuneration.

The present Statutory Auditors M/s Tas Associates, Chartered Accountants, New Delhi, are holding the office till the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Special Business:

4. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
"Resolved that Mr Babu Lal Jain, who was appointed as an Additional Director of the Company to hold office till the date of the Annual General Meeting, be and is hereby appointed as an ordinary Director of the Company."
5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
"Resolved that Mr Abhey Goyal, who was appointed as an Additional Director of the Company to hold office till the date of the Annual General Meeting, be and is hereby appointed as an ordinary Director of the Company."
6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Special Resolution**:
"Resolved that pursuant to the provisions of sections 198, 269, 309 & 310 read with schedule XIII of the Companies Act, 1956 and other applicable provisions, if any, Mr Abhey Goyal, Director be and is hereby appointed as Whole Time Director of the Company for a period of 3 years with effect from 1st January 2009 on the following terms and conditions:

TERMS AND CONDITIONS:

- I. Gross monthly remuneration not exceeding Rs 50,000 (Rupees Fifty Thousand Only) whether paid as salary, allowance(s), perquisites or a combination thereof, from 1st January 2009 to 31st August 2009;
- II. Gross monthly remuneration not exceeding Rs. 1,00,000 (Rupees One Lac only) whether paid as salary, allowance(s), perquisites or a combination thereof, from 1st September 2009 for the remaining period of his current term as Whole Time Director till 31st December 2011.

Provided that any payment towards perquisites as mentioned under Para 2 of the Schedule XIII shall not be included in the aforesaid remuneration.

Provided further that payment/ re-imbursement of telephone and/ or mobile phone(s) bills, conveyance, fuel expenses or other out of pocket expenses incurred in course of the official duties will not be included in the aforesaid remuneration.

Resolved further that in the event of loss, absence or inadequacy of profits, the aforesaid remuneration shall be the minimum remuneration.

Resolved further that the Board of Directors of the Company (including any committee/sub-committee of the Board) be and is hereby authorised to assign and delegate, from time to time, such work, duties, power and authorities to the Whole Time Director as it may deem fit and proper.

Resolved further that the Board of Directors and the Remuneration Committee of the Company be and are hereby severally authorised to fix such remuneration and to work out various components of the remuneration package as it may deem fit and proper within the overall limits of the remuneration as approved above.

Resolved further that the Board of Directors of the Company (including any committee/sub-committee of the Board) be and is hereby authorised to take all necessary steps to give effect to the aforesaid resolution."

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:
"Resolved that in partial modification to the Special Resolution passed in Annual General Meeting held on 29th September



AJANTA SOYA LIMITED

2008, consent of the members be and is hereby given for modification in the remuneration term of Mr Sushil Goyal as Managing Director of the Company in the following manner:

- (a) In addition to the monthly remuneration of Rs. 1,50,000 (Rupees One Lac Fifty Thousand only), the company will provide a car to the Managing Director with driver at the cost of the company. However, Managing Director will reimburse the company for any personal use of the car.
- (b) As already approved the Managing Director shall also be entitled for the following Statutory Perquisites which will not be included in the remuneration:
 - (i) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961;
 - (ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
 - (iii) Encashment of leave at the end of tenure.

Resolved further that the Board of Directors of the Company (including any committee/sub-committee of the Board) be and is hereby authorised to take all necessary steps to give effect to the aforesaid resolution."

For and on Behalf of the Board
For AJANTA SOYA LTD

SUSHIL GOYAL
Chairman & Managing Director

Date : 25th August, 2009

Place : New Delhi

Notes:

- A. **Appointment of Proxy:** A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. The proxy form in order to be effective must be deposited with the Company not less than 48 hours before the time fixed for commencement of the Meeting.
- B. **Corporate Members:** Corporate Members intending to send their authorised representatives are requested to send a duly certified copy of the Board Resolution authorizing the representatives to attend and vote at the Annual General Meeting.
- C. **Members/Proxies** attending the meeting are requested to bring their copy of Annual Report to the Meeting.
- D. **Queries at the AGM:** Queries proposed to be raised at the Annual General Meeting may be sent to the Company at its registered office at least seven days prior to the date of AGM to enable the management to compile the relevant information to reply the same in the meeting.
- E. **Book Closure:** The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 29th September 2009 to Wednesday, 30th September 2009 (both days inclusive) for the purpose of the AGM.
- F. **Members** are requested to notify any change in their address/ mandate/ bank details immediately to the share transfer Agent of the Company- M/s Skyline Financial Services Pvt Ltd.
- G. **Inspection of Documents:** Documents referred to in the Notice etc., are open for inspection at the registered office of the Company at all working days except Saturdays between 11 A.M. and 2 P.M. up to the date of Annual General Meeting.
- H. **Explanatory Statement:** Explanatory Statement as required under section 173(2) of the Companies Act, 1956, in respect of Special Business under item no. 4 and 7 is enclosed herewith.
- I. The information required to be provided under the Listing Agreement regarding the Directors proposed to be reappointed is given in the annexure to the Director's Report.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 4:

Mr Babu Lal Jain was co-opted on the Board of Directors of the Company as an Additional Director to hold office until the date of ensuing annual general meeting. The Board is proposing to appoint him as an ordinary director in the ensuing AGM. Accordingly, the resolution is placed before the members for their consideration and approval. The Board recommends the proposed resolution for adoption in the larger interest of the Company.

Mr Babu Lal Jain is interested and concerned in the proposed resolution.



AJANTA SOYA LIMITED

Item No. 5 & 6:

Mr Abhey Goyal was co-opted on the Board of Directors of the Company as an Additional Director to hold office until the date of ensuing annual general meeting. The Board is proposing to appoint him as an ordinary director in the ensuing AGM.

Mr Abhey Goyal has been appointed as Whole Time Director of the company w.e.f. 1st January 2009 for a period of three years at a monthly remuneration of Rs. 50,000. Considering his valuable contributions to the company his remuneration has been increased upto Rs. 1,00,000 per month w.e.f. 1st September 2009.

The Remuneration Committee has already approved the proposed remuneration to Mr Abhey Goyal as Whole Time Director. Accordingly, the resolution is placed before the members for their consideration and approval. The Board recommends the proposed resolution for adoption in the larger interest of the Company.

None of the directors of the Company except Mr Abhey Goyal, Mr Bishan Goyal and Mr Sushil Goyal is concerned or interested in the proposed resolution.

Item No. 7:

The members of the Company in the last Annual General Meeting held on 29th September 2008 has approved the remuneration of Mr Sushil Goyal, Managing Director for Rs. 1,50,000 per month.

It is proposed that Mr Sushil Goyal be allowed the exclusive use of car, accordingly approval of member be sought for the same. The Managing Director is also entitled for the Statutory Allowances as provided under Schedule XIII of the Companies Act, 1956 which were approved by the members in the last Annual General Meeting. These Statutory perquisites are being specifically elaborated in the Resolution. The Board recommends the proposed resolution for adoption in the larger interest of the Company.

The aforesaid explanatory statement for item no. 7 should also be deemed to be notice of the abstract for terms of appointment and payment of remuneration to Mr Sushil Goyal as a Managing Director.

The Remuneration Committee has already approved the proposed remuneration to Mr Sushil Goyal as Managing Director.

None of the directors of the Company except Mr Abhey Goyal, Mr Bishan Goyal and Mr Sushil Goyal is concerned or interested in the proposed resolution.

For and on Behalf of the Board
For AJANTA SOYA LTD

SUSHIL GOYAL
Chairman & Managing Director

Date : 25th August, 2009
Place : New Delhi



AJANTA SOYA LIMITED

DIRECTORS' REPORT

Dear Members

Your Directors have pleasure in presenting the Annual Report of your Company together with the Audited Annual Accounts for the financial year ended 31st March, 2009.

FINANCIAL HIGHLIGHTS

(Amount in Lacs)

PARTICULARS	YEAR ENDED 31/03/2009	YEAR ENDED 31/03/2008
Net Sales	26445.95	28437.82
Profit on Sale of Investment	—	4.08
Profit on Commodities Futures	251.09	—
Other Income	41.96	43.97
Increase/(Decrease) in Stocks	(286.12)	291.62
Total Income	26452.88	28777.49
Total Expenditure	26421.25	28699.33
Profit before tax	31.63	78.16
Provision for tax	23.79	39.51
Profit after tax	7.84	38.65
Transfer to Reserve	—	—
Paid-up Share Capital	1189.66	1189.66
Reserves and Surplus (excluding revaluation reserve)	772.45	764.60

YEAR IN RETROSPECT

During the year under review, total income of the Company was Rs. 26452.88 lacs as against Rs. 28777.49 lacs in the previous year. The Company was able to earn a profit after tax of Rs. 7.84 lacs for the year as against a profit of Rs. 38.65 lacs. Your Directors are putting in their best efforts to improve the performance of the Company.

The detailed Management Discussion & Analysis Report is attached hereto with the Director's Report and should be read as part of this Directors Report.

MATERIAL CHANGES ETC.

Save as mentioned else where in this Report, no material changes and commitments affecting the financial position of the Company has occurred between the end of the financial year of the Company 31st March, 2009 and the date of this Report.

DIVIDEND

The Board of Directors of your Company have decided to retain and plough back the profits into the business of the Company, thus no dividend is being recommended for this year.

CORPORATE GOVERNANCE

A Report on Corporate Governance is attached as a part of this Directors Report along with the Auditors' Certificate on compliance of Clause 49 of the Listing Agreement.

PUBLIC DEPOSITS

During the year under report, your Company did not accept any deposits from the public in terms of the provisions of section 58A of the Companies Act, 1956.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

- Conservation of Energy:** The Company is continuously making sincere efforts towards conservation of energy. Information as required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in Annexure A, forming part of this report.
- Technology Absorption:** The Company is taking care of latest developments and advancements in technology and all steps are being taken to adopt the same. The Company has spent Rs. 2,12,849 in the internal laboratory of the company for the quality testing of raw materials purchased and finished vanaspati/ refined oil purchased.
- Export Activities:** There was no export activity in the Company during the year under review.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

(Amount in Rs Lacs)

	2008-09	2007-08
Total Foreign Exchange Inflow	NIL	NIL
Total Foreign Exchange outflow	11047.91	5159.21
i. Traveling expenses	NIL	1.63
ii. Purchase of Oil	11047.91	5157.58



AJANTA SOYA LIMITED

Particulars of Employees

During the financial year under review, none of the Company's employees was in receipt of remuneration as prescribed under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, and hence no particulars are required to be disclosed in this Report.

Directors

After the last Annual General Meeting, Mr Abhey Goyal and Mr Babu Lal Jain were appointed as additional directors w.e.f 15th December, 2008. In terms of the provisions of the Companies Act, 1956, they hold office until the date of the ensuing Annual General Meeting. Their appointment as ordinary directors of the Company is placed before the members for consideration. The Board recommends the resolution for adoption by the members. Mr Gagan Goyal and Mr Mahak Kansal resigned from the directorship of the Company w.e.f 15th December, 2008.

Mr Abhey Goyal, Director was appointed as a Whole Time Director of the Company with effect from 1st January, 2009 for a period of 3 years. His appointment is subject to the approval of the members of the Company. Appropriate resolution seeking your approval to the aforesaid appointments is appearing in the Notice convening the 18th Annual General Meeting.

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Mr Satish Kumar Singhal is liable to retire by rotation and being eligible offer himself for re-appointment. Directors recommend his re-appointment.

Auditors

M/s Tas Associates, Chartered Accountants, Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. A certificate under section 224(1) of the Companies Act, 1956 regarding their eligibility for the proposed re-appointment has been obtained from them. Your Directors recommend their re-appointment.

Auditors' Report

Comments made by the Statutory Auditors in the Auditors' Report are self-explanatory and do not require any further clarification.

Directors' Responsibility Statement

In terms of the provisions of section 217(2AA) of the Companies Act, 1956, and to the best of their knowledge and belief and according to the information and explanations obtained by them and save as mentioned elsewhere in this Report, the attached Annual Accounts and the Auditors' Report thereon, your Directors confirm that:

- in preparation of the annual accounts, the applicable accounting standards have been followed;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2009 and of the profit of the Company for the year ended on that date;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- the Directors have prepared the Annual Accounts on a going concern basis.

Stock Exchange Listing

The shares of the Company are listed on the Bombay Stock Exchange and Calcutta Stock Exchange. Company's application for de-listing of its shares is pending with the Calcutta Stock Exchange.

The listing fee for the financial year 2009-10 has already been paid to the Bombay Stock Exchange. However, the same has not been paid to the Calcutta Stock Exchange in view of pending de-listing application with the Calcutta Stock Exchange.

Acknowledgement

Your Directors take this opportunity to place on record their sincere appreciation for the co-operation and assistance the Company has received from Banks and various Government Departments. The Board also places on record its appreciation of the devoted services of the employees, support and co-operation extended by the valued business associates and the continuous patronage of the customers of the Company.

For and on Behalf of the Board
For AJANTA SOYA LTD

SUSHIL GOYAL
Chairman & Managing Director

Date : 25th August, 2009
Place : New Delhi



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AJANTA SOYA LIMITED

ANNEXURE A

TABLE A**Form for Disclosure of Particulars with respected to Conservation of Energy****A. POWER AND FUEL CONSUMPTION**

	Current Year	Previous Year
1. Electricity		
(a) Purchased		
Unit	5733468	5458716
Total amount	25776403	24577595
Rate/unit	4.50	4.50
(b) Own generation		
(i) Through diesel generator		
Unit	152960	74500
Units per ltr. of HSD oil	10.28	5.86
Cost/unit	15.73	4.37
(ii) Through steam turbine/generator		
Units	—	—
Units per ltr. of fuel oil/gas	—	—
Cost/units	—	—
2. Coal (specify quality and where used)		
Quantity (tones)	8030	6864
Total cost	51582252	40056888
Average rate	6423.69	5835.79
3. Others/Internal generation (please give details)		
Quantity (Hydrogen Gas)	27057	36125
Total cost	3604372	5170173
Rate/unit	133.21	143.10
(a) Quantity (Rice Husk) (IN TONS)	—	—
Total cost	—	—
Rate/unit	—	—

B. CONSUMPTION PER UNIT OF PRODUCTION

	Standards (if any)	Current Year	Previous Year
Vanaspati/Refined Oil	—	—	—
Electricity	—	102.67	97.73
H.S.D	—	27.39	1.33
Coal (specify quality)	—	0.14	0.12
Others (Hydrogen Gas)	—	0.48	0.65
Others (Rice Husk)	—	—	—



AJANTA SOYA LIMITED

Management Discussion and Analysis Report

Cautionary Statement

Statements in this 'Management's Discussions and Analysis' describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied depending upon economic conditions, government policies, regulations, environmental laws, tax regimes and other incidental factors.

Overview

The company had suspended its operations of exporting of Rice to various African countries and importing of copper. Company is concentrating on Vanaspati/ Refined Oil business segment.

Industry Structure, Developments & Outlook

The year saw volatile price movements in the edible oils market in the third quarter after a phase of stability during the first half. Spiraling commodity prices internationally cast its shadow on the domestic market. Diversion of edible oils internationally for bio-diesel in response to rising energy prices had impact on all edible oil species. In response to rising inflation, the Government reduced customs duties on vanaspati oils. Consequently, import of vanaspati oil became attractive in the second half of the year. While overall Indian monsoon was 'normal', the distribution was uneven and the rains were delayed. While the volatility continued through best part of the fourth quarter, prices seemed to be stabilizing towards the end of the financial year, albeit at higher levels. Edible oil imports are seen surging in view of lower oilseed production projections and favourable exchange rate leading to firm / rising price trend. Increase in use and creation of capacities for use of edible oils for bio-fuel has become a major price driver. As stated in the previous year, it is expected that in the coming years, crude petroleum prices will determine use of edible oils for bio-fuel and will be a significant determinant of edible oil prices. Towards the end of the year the Government corrected an imbalance amongst different species of edible oils by reducing the customs duties on palm and sunflower oils. This reduced the gap with soyabean oil, which hitherto enjoyed an artificial advantage over the other species. This regulatory measure will provide much needed stability to the Indian edible oils market to a greater extent. The general economic scene in the country remains buoyant notwithstanding inflation. Shortfall on the supply side has caused pressure on global commodity prices, which have impacted domestic prices. This has led to tightening of monetary policies by the RBI, resulting in sharp increase in interest rate. This will impact cost of investment, which in turn can impact the growth story. Further reforms and investments will be needed to ease supply constraints and promote growth. This buoyancy in the economy is fueling demand and has very positive implications for the growth in business. This offers opportunity to partake in the growth by providing value added products to more demanding and discerning customers/ consumers. The rapid growth in modern retail trade also offers opportunity to showcase new offerings and generate demand for innovative products. Your Company intends to utilize these opportunities to grow in value added food products to create a platform for profitable business.

Opportunities & Threats

Due to increased consumer preference for non traditional oils such as soyabean and sunflower oil, the organised Edible Oil sector has emerged as one of the fastest growing sectors in recent times clocking double digit growth. Branded products, though small portion of the total edible oils market, have been one of the main drivers of rapid growth, thus, poses a big opportunity for the companies like us. Though the industry has to contend with increasing competition from imports, the rising cost of oil seeds and the expanding demand-supply gap, by 2010, India's total requirement of edible oils for the projected population of 1.25 billion at the projected per capita consumption of about 15 kg per annum is expected to be around 19 mt, also counting as an opportunity for rise of the Company.

Competition from Indian and global players remain a matter of concern and probable threat; while the company is well prepared to tackle such issues on an ongoing basis.

Risks & Concern

The Vanaspati and edible oil markets are volatile by nature and hence the trading operations are prone to be affected by the price fluctuations. There is stiff competition in the edible oil market with the international entrants. On a macro level business continues to be impacted by changes in Government Policy and International Oil Markets.



AJANTA SOYA LIMITED

Human resource / Industrial relations

The Company values and nurtures its human resources and Company would continue to adopt and implement the best HRD practices in future.

The Company has cordial relations with employees and staff. There are no industrial relations problems during the year and the Company does not anticipate any material problems on this count in the current year.

The management is also committed to help the employees and workers to sharpen their skills and to improve their knowledge base for which continuous efforts are made on training and development.

Internal Control Systems and Adequacy

The Company has fully computerised its accounting system since many years which has proved versatile. The system of internal control of the company is commensurate with the size and complexity of the Company business. In addition, the operations are subject to periodic internal audit by independent Auditors.

Product wise Performance

Presently the Company has been dealing in only one segment only, i.e., Vanaspati & Refined Oil.

Product	Sales			
	Current Year (2008-09)		Previous Year (2007-08)	
	Quantity (MT)	Value (Rs Lacs)	Quantity (MT)	Value (Rs Lacs)
Vanaspati/ Refined Oils	55828.52	26005.84	55675.48	28073.75