

21<sup>st</sup>

# ANNUAL REPORT

2011 - 2012



AJANTA

**AJANTA SOYA LIMITED**

### **BOARD OF DIRECTORS**

<b>Mr. Sushil Goyal</b>	<i>Chairman &amp; Managing Director</i>
<b>Mr. Abhey Goyal</b>	<i>Whole Time Director</i>
<b>Mr. Bishan Goyal</b>	<i>Director</i>
<b>Mr. S. C. Singhal</b>	<i>Director</i>
<b>Mr. Harsh Chander Kansal</b>	<i>Director</i>
<b>Mr. Babu Lal Jain</b>	<i>Director</i>

### **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 : rndregular@gmail.com

### **SHARES LISTED WITH STOCK EXCHANGE AT**

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

### **BANKERS**

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

### **INTERNAL AUDITOR**

S.Chand Mittal & Co.  
810, GD ITL North Ex. Tower  
A-8, Netaji Subhash Place,  
New Delhi -110034

### **REGISTERED OFFICE**

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

### **INVESTORS RELATION CENTRE**

12th Floor, Bigjos Tower, A-8 Netaji Subhash Place  
Wazirpur District Centre, New Delhi - 110 034  
Phone : 011-42515151, Fax : 011-42515100  
E-mail : info@ajantasoya.com, ajantasoya@gmail.com  
Website : www.ajantasoya.com

### **REGISTRAR & SHARE TRANSFER AGENT**

Skyline Financial Services Pvt. Ltd.  
D-153A, 1st Floor, Okhla Industrial Area, Phase-I,  
New Delhi - 110020  
Phone No. : 011-30857575  
Fax No. : 011-30857562  
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*

<b>CONTENTS .....</b>	<b>Page No.</b>
Notice .....	1
Director's Report .....	2
Management Discussion & Analysis .....	5
Corporate Governance .....	7
Auditor's Report .....	15
Balance Sheet .....	18
Profit & Loss Statement .....	19
Cash Flow Statement .....	20
Notes .....	21

## **NOTICE**

**Notice** is hereby given that the 21<sup>st</sup> Annual General Meeting of the Members of the Company will be held on Friday, 28<sup>th</sup> September, 2012 at 12.30 P.M. at the Registered Office and Factory Premises of the Company at SP-916, Phase III, Industrial Area, 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 31<sup>st</sup> March, 2012 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 Babu Lal Jain who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr Harsh Chander Kansal who retires by rotation and, being eligible, offers himself for re-appointment.
4. 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.

For and on Behalf of the Board  
For **AJANTA SOYA LTD**

Date : 25<sup>th</sup> August, 2012  
Place : New Delhi

**SUSHIL GOYAL**  
*Chairman & Managing Director*

### **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 Thursday, 27<sup>th</sup> September 2012 to Friday, 28<sup>th</sup> September 2012 (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., D-153 A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi- 110 020; Phone No. 011-30857575.
- 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. 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.

## **DIRECTORS' REPORT**

Dear Members

Your Directors have pleasure in presenting the 21<sup>st</sup> Annual Report of your Company together with the Audited Annual Accounts for the financial year ended 31<sup>st</sup> March, 2012.

### **FINANCIAL HIGHLIGHTS**

(Amount in Lacs)

Particulars	Financial Year ended	
	31st March, 2012	31st March, 2011
Total Income	<b>37,045.82</b>	30,228.02
Total Expenditure	<b>36,998.71</b>	30,148.86
Profit before tax	<b>47.11</b>	79.16
Provision for tax	<b>25.84</b>	32.83
Profit after tax	<b>21.27</b>	46.33
Transfer to Reserve	-	-
Paid-up Share Capital	<b>1,189.66</b>	1,189.66
Reserves and Surplus (excluding revaluation reserve)	<b>885.21</b>	863.94

### **Year in Retrospect**

During the year under review, total income of the Company was Rs. 37,045.82 lacs as against Rs. 30,228.02 lacs in the previous year. The Company was able to earn a marginal profit after tax of Rs. 21.27 lacs for the year as against a profit of Rs. 46.33 lacs. During the year the Profit of the Company is lower due to exchange fluctuation. 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 31<sup>st</sup> March, 2012 and the date of this report.

### **Dividend**

The Board of Directors of your Company has 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**

- a. **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.
- b. **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.47,267.00 in the internal laboratory of the company for the quality testing of raw materials purchased and finished vanaspati/ refined oil purchased.
- c. **Export Activities:** There was no export activity in the Company during the year under review.

**D. Foreign Exchange Earnings and Outgo:**

(Amount in Rs Lacs)

	2011-12	2010-11
<b>Total Foreign Exchange Inflow</b>		
Sale of Rice	<b>NIL</b>	4,854.01
Sale of Shares	<b>12.70</b>	NIL
<b>Total Foreign Exchange outflow</b>		
i. Traveling expenses	<b>NIL</b>	2.36
ii. Purchase of Oil	<b>5,659.76</b>	4,297.17
iii. Purchase of Rice	<b>NIL</b>	4,807.32
iv. Interest on rediscounting of LCs	<b>6.07</b>	0.93

**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) Amendment rules, 2011, and hence no particulars are required to be disclosed in this Report.

**Directors**

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Mr Babu Lal Jain and Mr Harsh Chander Kansal are liable to retire by rotation and being eligible offer themselves for re-appointment. Directors recommend their 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 31<sup>st</sup> March, 2012 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. The listing fee for the financial year 2012-13 has already been paid to the Bombay 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**

Date : 25<sup>th</sup> August, 2012  
Place : New Delhi

**SUSHIL GOYAL**  
**Chairman & Managing Director**

## ANNEXURE A

**TABLE A**  
**Form for Disclosure of Particulars with respected to Conservation of Energy**

**A. POWER AND FUEL CONSUMPTION**

	Current Year	Previous Year
<b>1. Electricity</b>		
<b>(a) Purchased</b>		
Unit	5651514	5261616
Total amount	29769159	24756961
Rate/unit	5.27	4.71
<b>(b) Own generation</b>		
<b>(i) Through diesel generator</b>		
Unit	227040	191520
Units per ltr. of HSD oil	13.50	12.62
Cost/unit	3064694	2416938
<b>(ii) Through steam turbine/generator</b>		
Units	—	—
Units per ltr. of fuel oil/gas	—	—
Cost/units	—	—
<b>2. Coal (specify quality and where used)</b>		
Quantity (tones) (Pet Cock)	7198	5998
Total cost	63719124	55546868
Average rate	8852	9260.89
<i>Others/internal generation (please give details)</i>		
Quantity (Hydrogen Gas)	21769	24378
Total cost	4008218	3459085
Rate/unit	184.12	141.89
(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	—	94.70	107.91
H.S.D	—	3.80	3.93
Coal (specify quality)	—	0.12	0.12
Others (Hydrogen Gas)	—	0.36	0.50
Others (Rice Husk)	—	—	—

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **Cautionary Statement**

The management Discussion and Analysis Report may contain certain statements that might be considered forward looking. These statements are subject to certain risks and uncertainties. Actual results may differ materially from those expressed in the statement as important factors could influence Company's operations such as Government policies, economic development, political factors and such other factors beyond the control of the Company.

### **Overview**

The company has installed a new CPO refining and Hydrogenation system with an expenditure of approx Rs. 6.00 Crores so as to enhance the production capabilities as well as quality improvement to meet the ever growing market demand. The new installation consists of a PLC controlled Continuous Refining Plant with most modern technology, a very energy-efficient, fully automatic and eco-friendly system, which produces the quality which is best in market. It also consists of an ultra modern hydrogenation plant with very efficient mixing and sparging system of hydrogen absorption for selective hydrogenation and low catalyst consumption.

### **Industry Structure, Developments & Outlook**

Edible oils constitute an important component of food expenditure in Indian households. India is one of the largest producers of oilseeds in the world and this sector occupies an important position in the agricultural economy. Historically, India has been a major importer of edible oils with almost 30-40% of its requirements being imported till 1980s. In 1986, the Government of India established the Technology Mission on Oilseeds and Pulses (TMOP) in order to enhance the production of oilseeds in the country.

The demand for edible oils in India has shown a steady growth at a CAGR of 4.43% over the period from 2001 to 2012. The growth has been driven by improvement in per capita consumption, which in turn is attributable to rising income levels and living standards.

India's annual per capita consumption has shown a steadily increasing trend from 4 kg in the 1970s to 10.2 kg in the late 1990s to current levels of 13.5 - 14 kg. However, it still ranks well below the world average of around 24 kg (per capita figures including consumption of bio-energy), thereby signifying the high growth potential of the industry.

The demand for edible oils in India has shown a compounded growth of 4.5% over the last 10 years and is estimated at 16.2 million tonnes for Oil Year (OY) 2011-12. India plays an important role in the global edible oil market, accounting for approx. 10.2% share of consumption; 7% share of oilseed production; 5% share of edible oil production and 13.6% share of world edible oil imports for OY 2009-10. As per USDA estimates, India is the third largest consumer of edible oils after China and the EU-27 countries; and will account for 11% of global edible oil demand and 16% of global imports in OY 2010-11.

There has been a significant gap between demand and supply of edible oil because of limited availability of oil seeds and shifting of acreage to other crops in the domestic market. This gap has been met through imports, which account for almost 45-50% of the total oil consumption.

The reference scenario is based on existing policies and assumed changes in key exogenous variables, including income growth, exchange rates, and world prices. Alternative scenarios are then evaluated relative to the reference scenario.

We examine six alternative scenarios:

- Changes in oil tariffs.
- Changes in oilseed price supports.
- Oilseed import liberalization.
- Consolidation in oilseed processing.
- Two composite scenarios, favoring producers and consumers alternately.
- Research & development in respect of Edible oils.

### **Opportunities & Threats**

The new age Indian consumer, the organized retail potential which is creating the huge consumption opportunity is by far the biggest Opportunity for companies like us. With the aspirational and rich class in India having a better penetration, our brand led growth will help the company in both the immediate and long run. Also, with the rural India being revisited by marketers through the modern retail (haat) philosophy, the opportunity is huge.

The Indian edible oil industry is highly fragmented, with the presence of a large number of participants in the organised and unorganised sectors. This has resulted in severe competition and inherently thin profitability margins. Further, the profitability of market participants has also been vulnerable to risks emanating from weak harvests; commodity price volatility and forex movements.

### Risks & Concern

The Company is exposed to price fluctuation in its business. All major raw materials as well as finished goods being agro-based are subject to market price variations. Prices of these commodities continue to be linked to both domestic and international prices, which in turn are dependent on various Macro / Micro factors.

The policies announced by the Government have been progressive and are expected to remain likewise in future, and have generally taken an equitable view towards various stake holders, including domestic farmers, industry, consumers etc.

### Human resource / Industrial relations

Management is keen on following the best practices for attracting, retaining and enhancing human resources of the Company. The company's Industrial relations continued to be harmonious during the year under review. The Company continue to invest in people through various initiatives which enable the work force to meet out the production requirements and challenges related thereto and to infuse positive enthusiasm towards the organization.

### Internal Control Systems and Adequacy

The Internal Control Systems and procedure are adequate and commensurate with the size of the Company. The company has implemented suitable controls on ongoing basis to assure that all resources are utilized optimally, financial transactions are reported with the accuracy and all applicable laws and regulations are strictly complied with.

### Product wise Performance

Presently the Company has been dealing in two segments, i.e., Vanaspati & Refined Oil and Rice. The details of the Vanaspati & Refined Oil business segment is as follows:

Product	Sales			
	Current Year (2011-12)		Previous Year (2010-11)	
	Quantity (MT)	Value (Rs Lacs)	Quantity (MT)	Value (Rs Lacs)
Vanaspati/ Refined Oils	59769.39	36960.63	48740.67	24915.25
Rice	NIL	NIL	20000.00	4854.01



## **REPORT ON CORPORATE GOVERNANCE**

Pursuant to Clause 49 of the Listing Agreement a Report on Corporate Governance is given below:

### **1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Our Company's philosophy on Corporate Governance envisages attainment of highest levels of accountability, transparency, responsibility and fairness in all aspects of its operations. Our business culture and practices are founded upon a common set of values that govern our relationships with customers, employees, shareholders, suppliers and the communities in which we operate. The Company believes that all its actions must serve the underlying goal of enhancing overall shareholder value on a sustained basis.

The Company is conscious of its responsibility as a good corporate citizen. The Company values transparency, professionalism and accountability.

### **2. BOARD OF DIRECTORS**

The Company maintains an optimum combination of Executive, Non Executive and Independent Directors. The Board consists of total Six (6) directors on 31<sup>st</sup> March, 2012, out of which three (3) are independent. Mr Sushil Goyal is the Chairman cum Managing Director of the Company and Mr Abhey Goyal is the Whole Time Director. The Constitution of the Board as on 31<sup>st</sup> March 2012 is as follows:

Name of the Director & Designation	Category	No. of positions held in other Public Companies*		
		Board	Committee	
			Membership	Chairmanship
Mr Sushil Goyal Chairman & Managing Director	Promoter & Executive	1	Nil	Nil
Mr Abhey Goyal Whole Time Director	Promoter & Executive	Nil	Nil	Nil
Mr Bishan Goyal Director	Promoter & Non Executive	Nil	Nil	Nil
Mr Satish Chand Singhal Director	Non Executive Independent	Nil	Nil	Nil
Mr Harsh Chander Kansal Director	Non Executive Independent	Nil	Nil	Nil
Mr Babu Lal Jain Director	Non Executive Independent	Nil	Nil	Nil

\* Only included Indian Companies

#### **Directors' Attendance Record**

During the Financial Year 2011-12, (15) Fifteen meetings of the Board of Directors were held on 01.04.2011, 21.04.2011, 14.05.2011, 02.06.2011, 25.07.2011, 12.08.2011, 20.08.2011, 27.08.2011, 15.09.2011, 22.10.2011, 14.11.2011, 13.12.2011, 11.01.2012, 14.02.2012 and 20.03.2012. The Board was duly supplied with the agenda of the meetings incorporating all material information for facilitating meaningful and focused discussions at the meeting. The intervening period between the Board Meetings was well within the maximum time gap of four months as prescribed in clause 49 of the Listing Agreement. Details of attendance of Directors in the Board meeting during the financial year 2011-12 are as under:

Name of the Director	No. of Board Meeting	Attendance at the Board Meeting	Whether attended Last AGM
Mr Sushil Goyal	15	15	YES
Mr Bishan Goyal	15	12	No
Mr Harsh Chander Kansal	15	15	YES
Mr Satish Chand Singhal	15	9	YES
Mr Abhey Goyal	15	12	No
Mr Babu Lal Jain	15	15	No

**Disclosure Regarding Appointment & Re-appointment of Directors in the ensuing AGM**

Mr Babu Lal Jain, Director who shall be retiring in this AGM, being eligible have offered himself for re-appointment. Brief particulars of these gentlemen are as follows:

Particulars	Mr Babu Lal Jain	Mr Harsh Chander Kansal
DIN	01712332	00125411
Father's Name	Mr Ram Richhpal Jain	Mr Vijay Kumar Kansal
Date of Birth	2 <sup>nd</sup> January 1950	18 <sup>th</sup> September, 1972
Address	QU283 D, Pitampura, Delhi	83/A-3 Sector-8, Rohini, Delhi-110085
Designation	Director	Director
Education	Graduate	Graduate
Experience	International Business and administration	Marketing & Finance
Companies in which holds Directorship	Vishnu Infosys Pvt Ltd Shiv Ganga Exim Pvt Ltd	Space Realty Infratech Pvt Ltd
Companies in which holds membership of committees	Nil	Nil
Shareholding in the Company (No. & %)	Nil	Nil
Relationship with other Director	Nil	Nil

**3. AUDIT COMMITTEE**
**(a) Terms of Reference**

The Audit Committee has been constituted as per Section 292A of the Companies Act, 1956 and the provisions of the Clause 49 of the Listing Agreement. The Audit Committee shall have the authority to investigate into any matter that may be prescribed and the matters listed below and for this purpose the Audit Committee shall have full access to information contained in the records of the Company and external professional advice, if necessary:

- To review the Company's financial reporting process and ensure that the financial statements give a true and fair view of the affairs of the Company.
- To review the Company's audit procedures and techniques.
- To review with the management, external and internal procedures and the adequacy of internal control systems.
- To review the quarterly and annual financial statements and submit the same to the Board.
- Any other matter that may be delegated by the Board from time to time.

**(b) Composition**

The Audit Committee of the Company comprises of one Executive and two non executive independent directors i.e. Mr Harsh Chander Kansal – as Chairman; Mr Satish Chand Singhal and Mr Bishan Goyal as the Members of the Committee.

**(c) Attendance**

The Committee met five (5) times during the Financial Year 2011-2012 on the following dates: 14.05.2011, 12.08.2011, 20.08.2011, 14.11.2011, and 14.02.2012. Details of attendance of Directors in the Audit Committee meeting are as under:

Name of the Director	Category	Attendance at the Audit Committee Meeting
Mr Harsh Chander Kansal Chairman	Non Executive Independent Director	5
Mr Satish Chand Singhal	Non Executive Independent Director	5
Mr Bishan Goyal	Promoter & Non-Executive Director	4