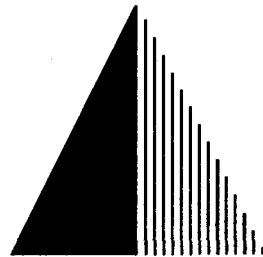


**17<sup>th</sup>**  
**Annual Report**  
**2007 - 2008**

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**AJANTA**

**AJANTA SOYA LIMITED**

**AJANTA SOYA LIMITED****BOARD OF DIRECTORS**

<b>Mr. Sushil Goyal</b>	<i>Chairman &amp; Managing Director</i>
<b>Mr. Bishan Goyal</b>	<i>Whole Time Director</i>
<b>Mr. Gagan Goyal</b>	<i>Whole Time Director</i>
<b>Mr. S. C. Singhal</b>	<i>Director</i>
<b>Mr. Harsh Chander Kansal</b>	<i>Director</i>
<b>Mr. Mahak Kansal</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 : 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 17th Annual General Meeting of the Members of the Company will be held on Monday, 29th September, 2008 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, 2008 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 Bishan Goyal 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.

#### Special Business:

5. 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 and 310 read with Schedule XIII of the Companies Act, 1956 and the Articles of the Association of the Company, and other applicable provisions, if any, the consent of the members be and is hereby given for re-appointment of Mr Sushil Goyal as a Managing Director of the Company for a period of 3 (Three) years with effect from 26th July, 2008 on the Monthly remuneration of Rs.1,50,000/- (Rupees One Lakh Fifty Thousand) only whether paid as Salary, allowance(s), perquisites or a combination thereof w.e.f. 26th July 2008, 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 Managing 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."

For and on Behalf of the Board  
For AJANTA SOYA LTD

**SUSHIL GOYAL**  
Chairman & Managing Director

Date : 25th August, 2008  
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.

**AJANTA SOYA LIMITED**

- 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 Friday, 26th September 2008 to Monday, 29th September 2008 (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. 5 and 8 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. 5:**

Tenure of Managing Director Mr. Sushil Goyal expired on 26th July 2008. For the efficient management of the Company's affairs, the Board reappointed Mr. Sushil Goyal as Managing Director on the remuneration as given in proposed resolution. Mr Sushil Goyal has been working as Managing Director of the company since 15 years.

**I. GENERAL INFORMATION**

- (1) Nature of Industry : Ajanta Soya Limited is engaged in the business of manufacturing of Vanaspati Oil and Refined Oil
- (2) Date or expected date of commencement of commercial production : The Company is already in existence and is in operation since February, 1992
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus : Not Applicable
- (4) Financial Performance of the Company for last 2 years is given below: (Amount in Rs lacs)

Particulars	Financial Year ended	
	31st March, 2008	31st March, 2007
Net Sales:	28437.82	23145.70
Profit on Sale of Investment	4.08	86.50
Other Income	43.97	23.64
Increase/ (Decrease) in Stocks	291.62	(226.29)
Total Income	28777.49	23029.55
Total Expenditure	28699.33	22884.40
Extraordinary Items	—	(1.63)
Profit before tax	78.16	143.50
Provision for tax	(39.51)	(54.58)
Profit after tax	38.65	88.93
Transfer to Reserve	—	—
Paid-up Share Capital	1189.66	1189.66
Reserves and Surplus (excluding revaluation reserve)	764.60	717.90

- (5) Export performance and net foreign exchange collaborations : The Company is not in exports
- (6) Foreign investments or collaborators, if any : The Company has made strategic Investment in Phoenix Steel Mills Ltd., a Nigeria based company, dealing in manufacturing of steel.



## AJANTA SOYA LIMITED

## II. INFORMATION ABOUT THE APPOINTEE

- (1) Background details : Mr Sushil Goyal has been the Managing Director of the Company since last fifteen years.  
He is instrumental in the growth of our Company over the years. He is having more than 20 years of experience in Edible Oil Industry.
- (2) Past remuneration : Monthly remuneration of Rs.1,50,000/- (Rupees One Lakh Fifty Thousand) only whether paid as Salary, allowance(s), perquisites or a combination thereof, 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.  
In the event of loss, absence or inadequacy of profits, the aforesaid remuneration shall be the minimum remuneration.
- (3) Recognition or awards : Mr Sushil Goyal is a man of rich experience in edible oil industry.
- (4) Job profile and his suitability : Mr Sushil Goyal, being the Managing Director of the Company is entrusted with substantial powers in relation to normal business matters. He is having rich experience of over 20 years in edible oil industry.
- (5) Remuneration proposed : Monthly remuneration of Rs.1,50,000/- (Rupees One Lakh Fifty Thousand) only whether paid as Salary, allowance(s), perquisites or a combination thereof w.e.f. 26th July 2008, 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.  
In the event of loss, absence or inadequacy of profits, the aforesaid remuneration shall be the minimum remuneration.
- (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin) : The exact figures are not readily available. However, the proposed remuneration is reasonably justified in comparison with the general market trends and remuneration package of top-level managerial persons having comparative qualifications and experience.
- (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any : The appointee is the main promoter of the Company. Save as the managerial remuneration he does not have any other material pecuniary relationship with the Company.

## III. OTHER INFORMATION

- (1) Reasons for loss or inadequate profits : The Company is in profit. However fixed remuneration is proposed to be paid as minimum remuneration in the event of loss/absence/inadequacy of profits due to unavoidable circumstances.



## AJANTA SOYA LIMITED

- (2) Steps taken or proposed to be taken for improvement : The Company is taking cost cutting measures and exploring new avenues of business to improve profitability
- (3) Expected increase in productivity and profits in measurable terms : The company is expected to have improved sales and profitability figures in the next financial years.

The members' approval is required by way of a Special resolution for reappointment of Mr. Sushil Goyal as Managing Director and fixing his remuneration.

The aforesaid explanatory statement for item no. 5 should also be deemed to be notice of the abstract for terms of appointment and payment of remuneration to Mr Sushil Goyal as Managing Director.

In term of the provision of Schedule XIII, additional disclosure are also given under appropriate head(s) in the Corporate Governance report annexed to the directors report.

None of the directors of the Company except Mr Gagan Goyal, Mr Bishan Goyal and Mr Sushil Goyal himself 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, 2008  
Place : New Delhi

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## 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, 2008.

### FINANCIAL HIGHLIGHTS

(Amount in Lacs)

<b>Particulars</b>	<b>Year ended 31/03/2008</b>	<b>Year ended 31/03/2007</b>
Net Sales	28437.82	23145.70
Profit on Sale of Investment	4.08	86.50
Other Income	43.97	23.64
Increase/ (Decrease) in Stocks	291.62	(226.29)
Total Income	28777.49	23029.55
Total Expenditure	28699.33	22884.40
Extraordinary Items	—	(1.63)
Profit before tax	78.16	143.50
Provision for tax	(39.51)	(54.58)
Profit after tax	38.65	88.93
Transfer to Reserve	—	—
Paid-up Share Capital	1189.66	1189.66
Reserves and Surplus (excluding revaluation reserve)	764.60	717.90

### YEAR IN RETROSPECT

During the year under review, total income of the Company was Rs. 28777.49 lacs as against Rs. 23029.55 lacs in the previous year. The Company was able to earn a profit after tax of Rs. 38.65 lacs for the year as against a profit of Rs. 88.93 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, 2008 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

- 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.251620/- in the internal laboratory of the company for the quality testing of raw material purchased and finished vanaspati/refined oil prepared.
- c. **Export Activities:** The Company has suspended its operations in Rice business segment and there was no export made by the Company during in the previous financial year.

**AJANTA SOYA LIMITED****b. Foreign Exchange Earnings and Outgo:**

(Amount in Rs Lacs)

	2007-08	2006-07
Total Foreign Exchange Inflow	NIL	NIL
Total Foreign Exchange outflow	5159.21	2576.60
i. Traveling expenses	1.63	—
ii. Purchase of Oil	5157.58	2576.60

**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**

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Mr. Bishan Goyal 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 31st March, 2008 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 2008-09 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**

Date : 25th August, 2008  
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

## 1. Electricity

## (a) Purchased

	Current Year	Previous Year
Unit	5458176	4895244
Total amount	24577595	22069168
Rate/unit	4.50	4.51

## (b) Own generation

## (i) Through diesel generator

Unit	74500	258980
Units per ltr. of HSD oil	5.86	3.01
Cost/unit	4.37	10.22

## (ii) Through steam turbine/generator

Units	—	—
Units per ltr. of fuel oil/gas	—	—
Cost/units	—	—

## 2. Coal (specify quality and where used)

Quantity (tones)	6864	5027
Total cost	40056888	27596741
Average rate	5835.79	5489.70

## 3. Furnace oil

Quantity (k.ltrs.)	—	—
Total amount	—	—
Average rate	—	—

## 4. Others/internal generation (please give details)

Quantity (Hydrogen Gas)	36125	123008
Total cost	5170173	17092561
Rate/unit	143.10	138.95
(a) Quantity (Rice Husk) (IN TONS)	—	2712
Total cost	—	6922390
Rate/unit	—	2552.50

## B. CONSUMPTION PER UNIT OF PRODUCTION

	Standards (if any)	Current Year	Previous Year
Vanaspati /Refined Oil	—	—	—
Electricity	—	97.73	97.85
H.S.D	—	1.33	5.18
Coal (specify quality)	—	0.12	0.10
Others (Hydrogen Gas)	—	0.65	2.46
Others (Rice Husk)	—	—	0.05



## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **Cautionary Statement**

The management Discussion and Analysis Report may contain certain statements that address expectations or projections about future and might be considered forward looking. These statements are subject to certain risks and uncertainties. The Company's actual performance or 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 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**

India is world's third largest edible oil economy, after China and US. India's annual consumption is around 10 million tones vis-à-vis China's 14.5 million tonnes. However, India's per capita consumption at 10.2 kgs per annum is considerably lower compared to global standards. With the large population and continued strong economic growth, India is likely to register strong gains in total and per-capita edible oil consumption in the medium term. Vanaspati which has an important role in our edible oil economy is produced about 1.2 million tonnes annually. It has around 10% share of the edible oil market.

### **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**

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.

### **Human resource / Industrial relations**

The Company recognizes the importance and contribution of its human resources for its growth and development and is committed to the development of its people.

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 an adequate internal control system commensurate with the size and nature of its business. The management continuously reviews the internal control system and procedures to ensure orderly and efficient conduct of business, to safeguard properties of the Company and compliance with the policies and statutes.

### **Product wise Performance**

PRODUCT	SALES			
	PREVIOUS YEAR 2006 – 2007		CURRENT YEAR 2007 – 2008	
	QUANTITY (MT)	VALUE (Rs. Lacs)	QUANTITY (MT)	VALUE (Rs. Lacs)
Vanaspati/ Refined Oils	50097.53	22522.00	55675.48	28073.75