

19<sup>th</sup>

# ANNUAL REPORT

2009 - 2010



**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

**REGISTERED OFFICE**

SP-916, RIIICO 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, Okhla Industrial Area, Phase-I  
New Delhi-110020  
Phone No. : 011-26812682, 26812683  
Fax No. : 011-26812684  
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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### **NOTICE**

Notice is hereby given that the 19th Annual General Meeting of the Members of the Company will be held on Thursday, 30th September, 2010 at 12.30 P.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, 2010 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.

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

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

Date : 17th August, 2010  
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 Wednesday, 29th September 2010 to Thursday, 30th September 2010 (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, Okhla Industrial Area, Phase-I, New Delhi- 110 020; Phone No. 011-26812682.
- 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.

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

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

Date : 17th August, 2010  
Place : New Delhi

**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, 2010.

**FINANCIAL HIGHLIGHTS***(Amount in Lacs)*

<b>PARTICULARS</b>	<b>YEAR ENDED 31/03/2010</b>	<b>YEAR ENDED 31/03/2009</b>
Net Sales	23,201.22	26,445.95
Profit on Commodities Futures	—	251.09
Other Income	37.79	41.96
Increase/ (Decrease) in Stocks	79.09	(286.12)
Total Income	23,318.10	26,452.88
Total Expenditure	23,267.24	26,421.25
Profit before tax	50.86	31.63
Provision for tax	5.71	23.79
Profit after tax	45.15	7.84
Transfer to Reserve	—	—
Paid-up Share Capital	1189.66	1189.66
Reserves and Surplus (excluding revaluation reserve)	817.61	772.45

**YEAR IN RETROSPECT**

During the year under review, total income of the Company was Rs. 23318.10 lacs as against Rs. 26452.85 lacs in the previous year. The Company was able to earn a profit after tax of Rs. 45.15 lacs for the year as against a profit of Rs. 7.84 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, 2010 except that the Company has re-commenced its trading in Rice Segment since April 2010.

**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.122822.00 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.

**FOREIGN EXCHANGE EARNINGS AND OUTGO:**

(Amount in Rs Lacs)

	2009-10	2008-09
Total Foreign Exchange Inflow		
Total Foreign Exchange Inflow	NIL	NIL
Total Foreign Exchange outflow	4011.21	11047.91
i. Traveling expenses	NIL	NIL
ii. Purchase of Oil	4011.21	11047.91

**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, 2010 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 2010-11 has already been paid to the Bombay Stock Exchange.

The shares of the Company were listed on the Calcutta Stock Exchange also. The Company had filed application for delisting of shares from Calcutta Stock Exchange Association Ltd, which was approved by the Stock exchange vide letter no. CSE/LD/635/2010 dated. 10th June 2010.

**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 : 17th August, 2010  
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	5162832	5733468
Total amount	23611623	25776403
Rate/unit	4.57	4.50
<b>(b) Own generation</b>		
<b>(i) Through diesel generator</b>		
Unit	402163	152960
Units per ltr. of HSD oil	10.67	10.28
Cost/unit	4290925	1573000
<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)	6914	8030
Total cost	44601400	51582252
Average rate	6450.88	6423.69
<b>3. Others/internal generation (please give details)</b>		
Quantity (Hydrogen Gas)	18315	27057
Total cost	2426362	3604372
Rate/unit	132.48	133.21
<b>(a) Quantity {Rice Husk}(IN TONS)</b>	—	—
Total cost	—	—
Rate/unit	—	—

**B. CONSUMPTION PER UNIT OF PRODUCTION**

	Standards (if any)	Current Year	Previous Year
Vanaspati/Refined Oil	—	—	—
Electricity	—	94.28	102.67
H.S.D	—	7.34	2.74
Coal (specify quality)	—	0.13	0.14
Others (Hydrogen Gas)	—	0.33	0.48
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 re-commenced the business of Rice and already traded 20000 MTs. Rice to African country as on date of this report as well as concentrating on Vanaspati/ Refined Oil business segment.

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

India today is the only country which has retail led growth left in the world, may be, along with China. This retail and mall culture in the country poses a huge opportunity to the whole edible oil sector. A study by NCAER shows a major shift in the consuming class; while in 2003, India had 181 million households of which only 3 million were in the Rich bracket and 46 million as Aspirers, by 2013 India will have 231 million households out of which 11 million would be Rich and 124 million Aspirers! Thus the shape of India is going to change in the next 5 years – from being just a pyramid to a sparkling Diamond.

India is world's third largest edible oil economy, after China and US. India's annual consumption is around 10 million tonnes 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.

Future trends in India's production, consumption, and trade in oilseeds and oilseed products are likely to be shaped by changes in domestic and border policies. Current policies appear not to be achieving stated policy goals of benefiting small farmers and reducing import dependence. They are, however, imposing large costs on consumers and creating an inefficient processing sector. Eventually, pressures to improve the performance of the sector, combined with rising demand for animal products and feed protein, are likely to lead to policy reform in the oilseed sector. Potential changes in domestic and border policies would have differing effects on India's supply, demand, and trade of major oilseeds and products. To help assess how Indian policymakers might view the alternative policy options, we use an economic model of India's oilseed sector that incorporates supply, demand, trade, and processing behavior for major Indian oilseeds and products (see appendix 1 for details). We first generate a 10-year projection, or reference scenario, for India's oilseeds sector beginning in 2001 and ending in 2011. 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 five 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.

With an improvement in the lifestyle of the Indian consumer, healthy living will be a priority which will create an immense opportunity for edible oil sector. The branded edible oils market is expected to grow at a high rate of growth, which will not only spur the demand for edible oils but will drive demand towards branded and organized edible oil players.

### **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.

India is also seeing a great increase in life style led diseases like heart ailments and cardio vascular illness which is said to rise much higher than other nations; this creates a potential for healthy edible oil.



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 established internal control systems for ensuring optimum use of resources and safeguarding the assets. The Internal Control Systems and procedure are adequate and commensurate with the size of the Company. These business control procedures ensure efficient use and protection of the resources and compliance with the policies, procedures and status.

#### **Product wise Performance**

Presently the Company has been dealing in two segments, i.e., Vanaspati & Refined Oil and Rice. As the Rice segment has been started in the month of April, 2010 so the details of the Vanaspati & Refined Oil business segment is as follows:

Product	Sales			
	Current Year (2009-10)		Previous Year (2008-09)	
	Quantity (MT)	Value (Rs Lacs)	Quantity (MT)	Value (Rs Lacs)
Vanaspati/ Refined Oils	54674.95	22754.60	55828.52	26005.84



## 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 31st March, 2010, 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 31st March 2010 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 & Executive	Nil	Nil	Nil
Mr Satish Chand Singhal Director	Non Executive Independent	1	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 2009-10, (9) nine meetings of the Board of Directors were held on 30.04.2009, 01.06.2009, 15.06.2009, 31.07.2009, 25.08.2009, 31.10.2009, 30.01.2010, 02.03.2010 and 31.03.2010. 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 2009-10 are as under:

Name of the Director	No. of Board Meeting	Attendance at the Board Meeting	Whether attended Last AGM
Mr Sushil Goyal	9	9	YES
Mr Bishan Goyal	9	8	YES
Mr Harsh Chander Kansal	9	9	YES
Mr Satish Chand Singhal	9	9	YES
Mr Abhey Goyal	9	9	YES
Mr Babu Lal Jain	9	8	YES

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

Mr Bishan Goyal and Mr Harsh Chander Kansal, Directors who shall be retiring in this AGM, being eligible have offered themselves for re-appointment. Brief particulars of these gentlemen are as follows:

Particulars	Mr Harsh Chander Kansal	Mr. Bishan Goyal
DIN	00125411	00125309
Father's Name	Mr Vijay Kumar Kansal	Mr Sohan Lal Goyal
Date of Birth	18th September, 1972	27th May, 1964
Address	83/A-3 Sector-8, Rohini, Delhi-110085	PP-1, Maurya Enclave, Pitampura, Delhi 110034
Designation	Director	Director
Education	Graduate	Graduate
Experience	Marketing & Finance	Steel Business and Finance
Companies in which holds Directorship	Nil	G D Ferro Alloys Pvt. Ltd. Phoenix Steels Mills Ltd. (Nigeria) Shivam Steel Pvt. Ltd., Transpecific Finance (P) Ltd., Blackstone Crushing Co. Ltd (Nigeria) and SLG Industries Ltd. (Nigeria)
Companies in which holds membership of committees	Nil	Nil
Shareholding in the Company (No. & %)	Nil	524643 (4.41%)
Relationship with other Director	Nil	Sushil Goyal is brother of Bishan Goyal

### 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 2009-2010 on the following dates: 30.04.2009, 31.07.2009, 25.08.2009, 31.10.2009 and 30.01.2010. 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 & Executive Director	5