

22nd

ANNUAL REPORT

2012 - 2013


AJANTA

AJANTA SOYA LIMITED

**BOARD OF DIRECTORS**

Mr. Sushil Goyal	<i>Chairman & Managing Director</i>
Mr. Abhey Goyal	<i>Whole Time Director</i>
Mr. Bishan Goyal	<i>Director</i>
Mr. Hement Kumar Bansal	<i>Director</i>
Mr. Harsh Chander Kansal	<i>Director</i>
Mr. Babu Lal Jain	<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 : mdregular@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*

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NOTICE

Notice is hereby given that the 22nd Annual General Meeting of the Members of the Company will be held on Saturday, 28th September, 2013 at 12.30 P.M. at the Registered Office and Factory Premises of the Company at SP-916, Phase III, Industrial Area, Bhiwadi, 301019, 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, 2013 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 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 Hemant Kumar Bansal, 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 whose office shall be liable for determination through retirement by rotation."

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

Date : 14th August, 2013
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 Wednesday, 25th September 2013 to Saturday, 28th September 2013 (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.
- I. Explanatory Statement as required under section 173(2) of the Companies Act, 1956, in respect of Special Business under item no. 4 is enclosed herewith.

Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956

Item No. 4:

Mr. Hemant Kumar Bansal 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. Hemant Kumar Bansal is interested and concerned in the proposed resolution.

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

Date : 14th August, 2013
Place : New Delhi

SUSHIL GOYAL
Chairman & Managing Director

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 22nd Annual Report of your Company together with the Audited Annual Accounts for the financial year ended 31st March, 2013.

FINANCIAL HIGHLIGHTS

(Amount in Lacs)

Particulars	Financial Year ended	
	31st March, 2013	31st March, 2012
Total Income	41,960.78	37,045.82
Total Expenditure	41,907.77	36,998.71
Profit before tax	53.00	47.11
Provision for tax	0.68	25.84
Profit after tax	52.33	21.27
Transfer to Reserve	-	-
Paid-up Share Capital	1,549.66	1,189.66
Reserves and Surplus (excluding revaluation reserve)	1,081.54	885.21
Earning per share	0.44	0.18

Year in Retrospect

During the year under review, total income of the Company was Rs. 41,960.78 lacs as against Rs. 37,045.82 lacs in the previous year. The Company was able to earn a marginal profit after tax of Rs. 52.33 lacs for the year as against a profit of Rs. 21.27 lac. 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.

The Company had issued 36,00,000 equity shares of Rs. 10 each issued at a premium of Rs.4 per share by way of preferential issue on 21st March, 2013. The shares were listed on BSE Ltd on 14th May, 2013 and trading approval was permitted on this shares w.e.f. 6th June, 2013.

Except the aforesaid and save as mentioned elsewhere 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, 2013 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

The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report.

The requisite Certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49 is attached to this report.

Management's Discussion and Analysis Report

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the BSE Ltd, is presented in a separate section forming part of the Annual Report.

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 138106/- 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)

	2012-13	2011-12
Total Foreign Exchange Inflow		
Sale of Shares	NIL	12.70
Total Foreign Exchange outflow		
i. Traveling expenses	NIL	NIL
ii. Purchase of Oil	9,913.64	5,659.76
iii. Purchase of Rice	NIL	NIL
iv. Interest on rediscounting of LCs	NIL	6.07

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

After the last Annual General Meeting, Mr Satish Chand Singhal ceased to be director due to his sudden demise on 7th August, 2013. Mr Hemant Kumar Bansal was appointed as additional director on 14th August, 2013. In terms of the provisions of the Companies Act, 1956, he holds office until the date of the ensuing Annual General Meeting. His appointment as ordinary Director of the Company is placed before the Members for consideration. The Board recommends the resolution for adoption by the members.

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Mr Bishan Goyal 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:

- a. in preparation of the annual accounts, the applicable accounting standards have been followed;
- b. 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, 2013 and of the profit of the Company for the year ended on that date;
- c. 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
- d. the Directors have prepared the Annual Accounts on a going concern basis.

Stock Exchange Listing

The shares of the Company are listed on the BSE Ltd. The listing fee for the financial year 2013-14 has already been paid to the BSE Ltd.

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 : 14th August, 2013
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
1. Electricity		
(a) Purchased		
Unit	60,38,388	56,51,514
Total amount	3,68,80,313	2,97,69,159
Rate/unit	6.11	5.27
(b) Own generation		
(i) Through diesel generator		
Unit	2,36,920	2,27,040
Units per ltr. of HSD oil	14.88	13.50
Cost/unit	35,24,613	30,64,694
(ii) Through steam turbine/generator		
Units	—	—
Units per ltr. of fuel oil/gas	—	—
Cost/units	—	—
2. Coal (specify quality and where used)		
Quantity (tones) (Pet Cock)	6,982	7,198
Total cost	6,20,65,092	6,37,19,124
Average rate	8,889	8,852
Others/internal generation (please give details)		
Quantity (Hydrogen Gas)	19,137	21,769
Total cost	44,02,274	40,08,218
Rate/unit	230.00	184.12
(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	—	89.74	94.70
H.S.D	—	3.52	3.80
Coal (specify quality)	—	0.10	0.12
Others (Hydrogen Gas)	—	0.28	0.36
Others (Rice Husk)	—	—	—

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Cautionary Statement

This Management Discussion and Analysis statements of Annual Report has been included in adherence to the spirit enunciated in the code of corporate Governance approved by the Securities and Exchange Board of India, Statement in the Management Discussion and Analysis describing the Company's objectives, projections estimates expectation may be "Forward-Looking Statement" within the meaning of applicable securities laws and regulation. These statements are subject to certain risks and uncertainties. Actual result could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/ supply and price conditions in the Government policies, economic development, political factors and such other factors beyond the control of the Company.

Overview

Advanced technology has been the forte of AJANTA. Its state-of-the-art manufacturing plant has been following the highest standards of quality with an emphasis on sustainability. The Company after successful expansion in its refining capacity is now focusing on increasing the capacity utilization by market expansion for its different products and their variants for growing market demands.

Superior procurement and trading skills, continuous innovation, an endeavor to meet consumer needs and stringent quality control standards have enabled AJANTA to emerge as a highly-respected and admired Edible Oil company.

Company is also investing continuously towards energy saving by adopting appropriate technologies as a measure to contribute to reduction in industrial pollution.

Industrial Outlook

The Indian vegetable oil economy is the world's fourth largest after the US, China and Brazil, harvesting about 25 million tons of oilseeds against the world. Since 1995, Indian share in world production of oilseeds has been around 10 percent. Although, India is a major producer of oilseeds, per capita oil consumption in India is only 10.6 kg/annum which is low compared to 12.5 kg/annum in China, 20.8 kg/annum in Japan, 21.3 kg/annum in Brazil and 48.0 kg/annum in USA.

The top four edible oils consumed in India are palm oil, groundnut oil, rapeseed/mustard oil and soyabean oil. In volume terms, while groundnut oil accounts for around 6-7 per cent of total edible oil demand in India, rapeseed/mustard oil and soyabean oil account for 13-14 per cent each. Palm oil accounts for the highest consumption, to the tune of 40 per cent.

Vegetable oil consumption has increased following a rise in household incomes and consumer demand. India imports half of its edible oil requirement, making it the world's third-largest importer of edible oil. The country buys soya oil from Argentina & Brazil and palm oil from Malaysia & Indonesia. Currently, India accounts for 11.2 per cent of vegetable oil import and 9.3 per cent of edible oil consumption.

Opportunities & Threats

By 2014-15, overall edible oil demand in India is expected to grow to 23.6 million tonnes. In OY 2013-14, breaking from historical trends, production is estimated to improve significantly, aided by good monsoons. Imports are expected to remain stable. However, over the long term, production is unlikely to keep pace with consumption, in turn driving up imports of edible oil.

In OY 2013-14, the industry's operating margins are expected to remain under pressure as companies are expected to make inventory losses. This is because prices will decline and the proportion of the low-margin trading business in total revenues will increase. However, net margins are expected to remain stable due to lower interest costs and lower hedging losses.

The edible oil industry is highly competitive and fragmented. Intense price competition and overcapacity, especially in primary crushing units, has kept operating margins thin at 3-4 per cent. The risks are more pronounced for unbranded players who face the threat of new entrants, price-sensitive consumers and substitutes. On the other hand, branded players are price makers and face a lower threat from new players and substitutes.

Risks & Concern

Key risks for the edible oils sector include risks from change in import-export regulations; change in the minimum support price (MSP) on oilseeds offered by the government; high dependence on monsoons and finally, the risk arising out of exchange rate fluctuations. Procurement of oilseeds at the right price and quantity, optimum utilization of processing units, their strategic location, a strong brand name and diversification of product offerings are likely to be the key success determinants for players.

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 Vanaspati & Refined Oil. The details of the Vanaspati & Refined Oil business segment is as follows:

Product	Sales			
	Current Year (2012-13)		Previous Year (2011-12)	
	Quantity (MT)	Value (Rs Lacs)	Quantity (MT)	Value (Rs Lacs)
Vanaspati/ Refined Oils	67285.58	41820.50	59769.39	36,960.63