

**ARUNJYOTI  
ENTERPRISES LIMITED**

**13<sup>th</sup> ANNUAL REPORT  
2012-2013**

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## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

|                     |                     |
|---------------------|---------------------|
| Mr. P. Ravinder Rao | - Managing Director |
| Mr. N. Venugopal    | - Director          |
| Mr. G.V. Kamath     | - Director          |
| Mr. A. Srinivas     | - Director          |

### **COMPANY SECRETARY**

Mr. Abhisekh Shukla

### **REGISTERED OFFICE**

Plot No. 29, Kharkhana Road,  
HACP Colony,  
Secunderabad – 500009  
Andhra Pradesh  
Tel: 040-30228228  
Fax:040-30229229

### **AUDITORS**

M.M. Reddy & Co.,  
Chartered Accountants, Hyderabad.

### **BANKERS**

Bank of Maharastra - Secundererabad  
HDFC, Pet Basheerabad

### **REGISTRAR AND SHARE TRANSFER AGENT**

M/s. Niche Technologies Pvt. Ltd.  
D-511,5<sup>th</sup> Floor, Bagree Market,  
71, Biplabi Rash Behari Basu Road  
(Formerly Canning Street)  
Kolkata-700001

### **LISTING :**

Calcutta Stock Exchange Limited  
BSE Limited (Indonext Model)

## **NOTICE**

NOTICE is hereby given that the 13<sup>th</sup> Annual General Meeting of the Members of the Company will be held on Monday, the 30<sup>th</sup> September, 2013 at 10.00 A.M., at the Registered Office of the Company situated at Plot No. 29, Kharkhana Road, HACP Colony, Secunderabad-500009, Andhra Pradesh, to transact the following business:

### **ORDINARY BUSINESS:**

- 1) To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March 2013, the Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
- 2) To appoint a Director in the place of Mr. N. Venugopal, who retires by rotation and being eligible has expressed his willingness for reappointment.
- 3) To appoint M/s. M.M. Reddy & Co, Chartered Accountants, Hyderabad as Statutory Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and authorise the Board to fix their remuneration.

### **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. A. Srinivas, who was appointed as an additional director of the company pursuant to the provisions of section 260 of the Companies Act, 1956 by the board of directors w.e.f. 14.11.2012 and who holds the office up-to date of the ensuing annual general meeting and in respect of whom the company has received a notice in writing under section 257 read with section 190 of the said Act, along with requisite deposit proposing him as candidate for the office of director of the company, be and is hereby appointed as a director of the company whose period of office is liable to be determined by retirement of directors by rotation.”

For and on behalf of the Board  
**Arunjyoti Enterprises Limited**

Sd/-

**P. Ravinder Rao**  
Managing Director

Place: Secunderabad  
Date: 13.08.2013

**NOTES FOR MEMBERS:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIM / HER AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The Register of Members and Share Transfer Books of the Company will be closed from 25.09.2013 to 30.09.2013 (Both days inclusive).
3. Members are requested to notify immediately any change in their address to the Share Transfer Agents and in case their shares are held in dematerialized form, this information should be passed on to their respective Depository Participants.
4. Members, who hold shares in de-materialized form, are requested to bring their Client ID and DP IDs for easier identification of attendance at the meeting.
5. Members are requested to kindly bring their copies of the Annual Report to the meeting. As a measure of economy, copies of Annual Report will not be distributed at the AGM.
6. As part of Green Initiative in Corporate Governance the Ministry of Corporate Affairs (MCA), Government of India vide its Circular has allowed paperless compliances by Companies inter-alia stating that if the Company sends official documents to their shareholders electronically, it will be in compliance with the provisions of Section 53 of the Companies Act, 1956. Keeping in view shareholders are requested to update their E-Mail ID with their DP.

For and on behalf of the Board  
**Arunjyoti Enterprises Limited**

Sd/-  
**P. Ravinder Rao**  
Managing Director

Place: Secunderabad  
Date: 13.08.2013

**EXPLANATORY STATEMENT**

(Pursuant To Section 173(2) of the Companies Act, 1956)

**Item No. 4:**

The members may note that Mr. A. Srinivas was inducted into Board as an Additional Director of the company, with effect from 14.11.2012 pursuant to the provisions of section 260 of the Companies Act, 1956 and holds the office as such up to the date of ensuing Annual General Meeting. The company has received notice in writing from a member of the Company along with the requisite deposit under Section 257 read with section 190 of the Companies Act, 1956 proposing the candidature of the above said person for the Office of Director whose period of office is determinable by retirement of Directors by rotation.

As per the provisions of section 257 of the Act, any such proposal ought to be approved by the members in their General Meeting.

The Board recommends the resolution for your approval.

None of the Directors except Mr. A. Srinivas may be deemed to be concerned or interested in the resolution.

| <b>Particulars</b>  | <b>Details</b> | <b>Details</b> |
|---|----------------|----------------|
| Name  | A. Srinivas    | N. Venugopal   |
| Date of Birth   | 08.12.1968     | 20.10.1986     |
| Date of Appointment   | 14.11.2012     | 14.08.2012     |
| No of shares held in the Company  | Nil            | 3,60,420       |
| Directorships held in other companies (excluding Private Limited and Foreign companies) | Nil            | Nil            |
| Positions held in mandatory committees of other companies                               | Nil            | Nil            |

For and on behalf of the Board  
**Arunjyoti Enterprises Limited**

Sd/-  
**P. Ravinder Rao**  
Managing Director

Place: Secunderabad  
Date: 13.08.2013

## DIRECTORS' REPORT

Dear Shareholders,

We have pleasure in presenting the 13<sup>th</sup> Annual Report with Audited Statements of Accounts for the year ended 31st March 2013.

### FINANCIAL RESULTS :

The performance of the Company for the financial year ended 31<sup>st</sup> March, 2013 is summarized below:

(Rs in Lakhs)

| Particulars            | 2012-2013  | 2011-12    |
|------------------------|------------|------------|
| Income                 | 1,64,08.54 | 1,37,23.32 |
| Expenditure            | 1,63,10.12 | 1,36,83.04 |
| Profit before tax      | 98.42      | 40.28      |
| Provision for Taxation | 33.44      | 36.54      |
| Net Profit after Tax   | 64.98      | 3.74       |

### PERFORMANCE REVIEW:

The Company has recorded a turnover of Rs. 16,408.54 lakhs and the profit of Rs. 64.98 lakhs in the current year. The Company has been continuously working on quality up gradation and austerity measures for achieving efficient running of the organization.

### DIVIDEND:

Keeping the Company's expansion and growth plans in mind, your Directors have decided not to recommend dividend for the year.

### PUBLIC DEPOSITS:

Your Company has not accepted any deposits falling within the meaning of Sec.58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, during the financial year under review.

### LISTING:

The equity shares of your company are listed on The Calcutta Stock Exchange Limited and the scrip is traded on BSE Limited (Indonext Model).

### SUBSIDIARY COMPANY :

The Company has a subsidiary by name M/s. Taaza Stores Private Limited which was incorporated on 24.06.2013.

### DIRECTORS:

Mr. A Srinivas was appointed as additional director on the board w.e.f. 14.11.2012 and Mr. P. Vikram Chakravarthy resigned from the Board w.e.f 14.08.2012. The Board placed

on record its sincere appreciation for the valuable services rendered by him during his tenure as Director of the Company.

In accordance with the Companies Act, 1956 and read with Articles of Association of the company the Director, Mr. N Venugopal retires by rotation and is eligible for reappointment and your Board recommends the re-appointment of the Director above.

### **DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to the provisions of Sec.217 (2AA) of the Companies Act, 1956 the Board of Directors of your Company hereby certifies and confirms that:

- i. In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. The Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year;
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The Directors have prepared the Annual accounts on a going concern basis.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUT GO:**

The required information as per Sec.217 (1) (e) of the Companies Act 1956 is provided hereunder:

#### **A. Conservation of Energy**

Adequate measures have been taken to reduce energy consumption, wherever possible. Total energy consumption and energy consumption per unit of production is not applicable as company is not included in the industries specified in the schedule.

#### **B. Technology Absorption**

- |   |       |
|---|-------|
| 1. Research and Development (R&D)                 | : Nil |
| 2. Technology absorption, adoption and innovation | : Nil |

#### **C. Foreign Exchange Earnings and Out Go**

- |                           |                |
|---------------------------|----------------|
| Foreign Exchange Earnings | : Nil          |
| Foreign Exchange Outgo    | : Rs. 457847/- |

### **PARTICULARS OF EMPLOYEES:**

There is no employee who is falling under section 217 (2A). Therefore, the disclosures required to be made under section 217 (2A) of the Companies Act, 1956 and the rules made there under are not applicable.

**CODE OF CONDUCT:**

The Code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them. A declaration signed by the Managing Director is given in Annexure.

**AUDITORS:**

M/s M M Reddy & Co., Chartered Accountants retire at the ensuing Annual General Meeting and being eligible, have expressed their willingness for re-appointment. Your directors propose the appointment of M/s M M Reddy & Co., Chartered Accountants, as statutory auditors to hold office until the conclusion of the next Annual General Meeting of the company.

**CORPORATE GOVERNANCE:**

As a listed company, necessary measures have been taken to comply with the listing agreements of Stock Exchanges. A report on Corporate Governance, along with a certificate of compliance from the Auditors, forms part of this Report as Annexure.

**ACKNOWLEDGEMENTS:**

Your directors would like to express their grateful appreciation for assistance and co-operation received from clients, banks, investors, Government, other statutory authorities and all others associated with the company. Your directors also wish to place on record their deep sense of appreciation for the excellent contribution made by the employees at all levels, which enabled the company to achieve sustained growth in the operational performance during the year under review.

**DECLARATION BY MANAGING DIRECTOR OF AFFIRMATION BY DIRECTORS AND SENIOR MANAGEMENT PERSONNEL OF COMPLIANCE WITH THE CODE OF CONDUCT:**

**The shareholders,**

I, P. Ravinder Rao, Managing Director of the Company do hereby declare that the directors and senior management of the Company have exercised their authority and powers and discharged their duties and functions in accordance with the requirements of the code of conduct as prescribed by the company and have adhered to the provisions of the same.

For and on behalf of the Board  
**Arunjyoti Enterprises Limited**

Sd/-  
**P. Ravinder Rao**  
Managing Director

Place: Secunderabad  
Date: 13.08.2013

## MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

### Overview

The company's major sources of revenues are from Agri input distribution and Retail operations. These generate revenues and cash primarily by the sale of fruits, vegetables, grocery and FMCG through retail outlets and Bio-pesticides & Bio fertilizers through distribution division. The company has geographic area of Andhra Pradesh and adjacent states.

### Industry Structure and Developments

The current macroeconomic environment continues to remain challenging in the backdrop of weak global economic environment. India's GDP forecasts have been lowered, with the reserve Bank of India now forecasting a GDP growth rate of 6.5% for fiscal 2012-13. The government has taken up the reform agenda and has initiated steps to increase FDI (Foreign Direct Investment) in sectors such as multi-brand retail etc.

During the monsoon season there were fears of drought like conditions due to deficient rains, which eased towards the end of the season with overall deficiency reducing to 8% of long term average.

The FMCG sector continued to report good volume led growth in revenues during the first half of fiscal 2012-13. Rural India, which contributes to a third of the overall FMCG sector continued to grow well driven by factors such higher MSPs (Minimum Support Prices) for agricultural produce, employment guarantee schemes and growth in services. Furthermore, aspiration levels continue to trend upwards with rural consumers demanding branded products. Recent reports indicate incremental consumption expenditure in Rural India has been significantly ahead of Urban India during the past few years.

### Opportunities and Threats

Though the overall scenario for the smaller companies is extremely competitive, there are some niche areas where there are some opportunities for growth. The management is exploring these areas to consider entering these areas and develop expertise in such areas.

### Outlook

The management is doing its best to forge relations with other companies and take the company forward in the new business lines. However, the outlook of the management is cautious in view of the competitive nature of the market.

### Risks and Concerns

Risk evolution and management is an ongoing process in the company. All key functions and divisions are independently responsible to monitor risk associated with their respective areas of operations.

While venturing into new business lines, the company would need access to funds. The risk of not being able to raise funds at the timer needed is the biggest risk that the management foresees.

### Internal Control Systems

The Company maintains a system of well established policies and procedures for internal