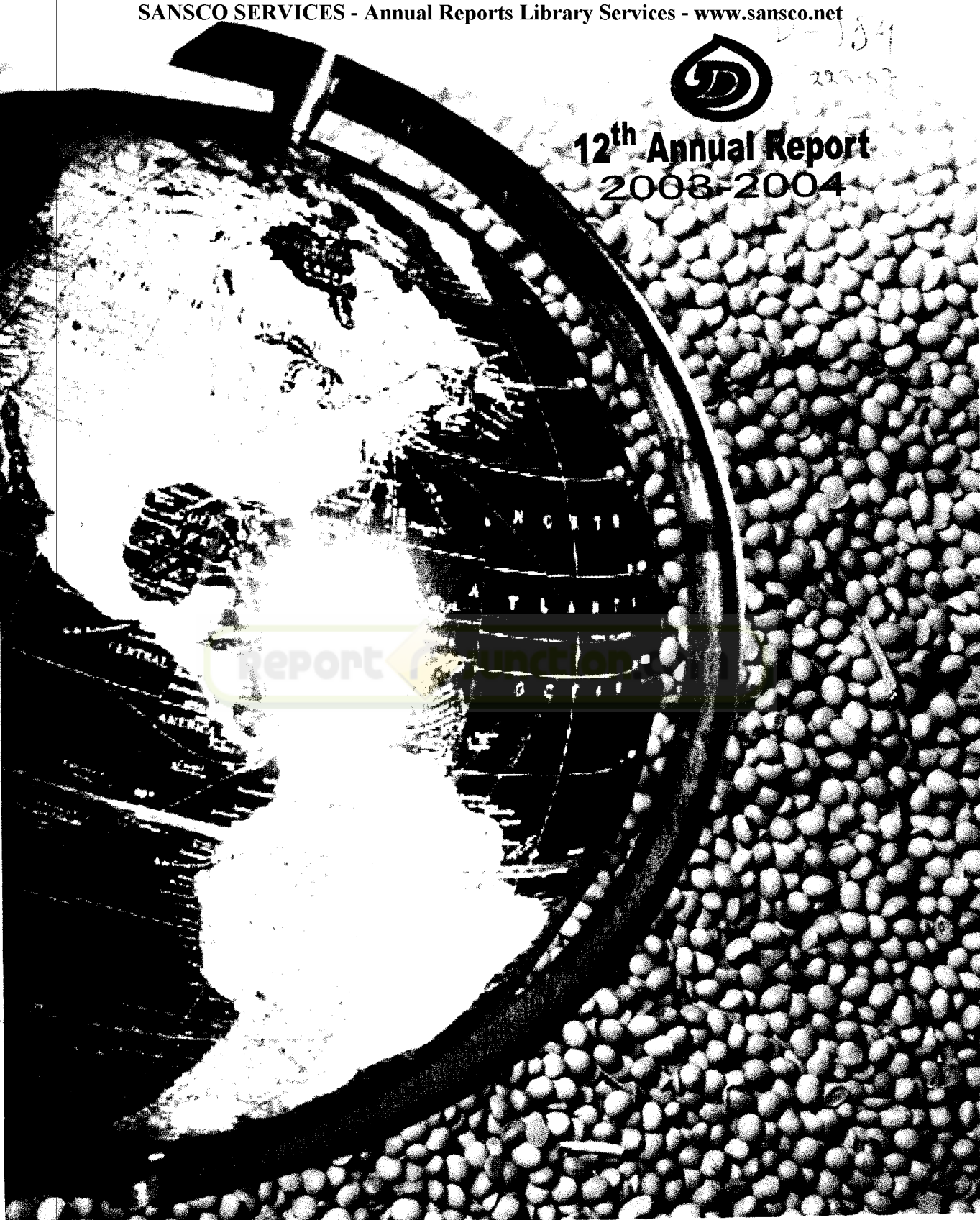




12th Annual Report
2003-2004



DIVYA JYOTI INDUSTRIES LTD.

**BOARD OF DIRECTORS :**

- RANGNATH NYATI, Chairman
- SATYANARAYAN RATHI, Executive Director
- GIRDHARI R. NYATI, Whole Time Director
- SANJAY BAWEJA, Director
- S.L. JAIN, Director

CHIEF EXECUTIVE

GOPAL NYATI

AUDITORS :

V.R. Dafria & Company
Chartered Accountants
A-1, Megh Building,
13/2, M.G. Road, INDORE-452 001

BANKERS:

- Dena Bank
- The Saraswat Co-op. Bank Ltd.
- Oriental Bank of Commerce

REGISTERED OFFICE / WORKS :

Plot No. 19-39, Sector-III,
Pithampur, Dist. - Dhar (M.P.)

ADMINISTRATIVE OFFICE:

409, Apollo Tower, 2 M.G. Road,
INDORE-452 001 (M.P.)

REGISTRAR AND SHARE TRANSFER AGENT

Intime Spectrum Registry Limited
307, City Centre, 570 M.G. Road, Indore
Phone No:- 3105347

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NOTICE

Notice is hereby given that the 12TH Annual General Meeting of the members of **DIVYA JYOTI INDUSTRIES LIMITED**, will be held at its registered office of the company at 19 - 39, Sector - III , Industrial Area, Pithampur- 454775 Dist Dhar (M.P) at 11.00 AM on Thursday, the 30Th September, 2004.

ORDINARY BUSINESS:

- 1 To receive, consider and adopt the Audited Balance Sheet and Profit & Loss Account of the company for the year ended 31st March 2004 and the reports of Directors and Auditors, thereon.
- 2 To appoint a Director in place of Shri Sanjay Baweja who retires by rotation and being eligible offer himself for re-appointment.
- 3 To appoint Auditors and 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 pursuant to the provisions of section 269,309,310 and other applicable provisions of the companies Act, 1956 the company hereby approve re-appointment of Shri Girdhari Nyati as Whole Time Director of the company for a period of 5(Five) years with effect from 01.07.2004 on the terms and conditions including remuneration by way of salary and perquisites, as contained in the draft agreement to be entered into between the company and Shri Girdhari Nyati.

- 5 To consider, and if thought fit , to pass with or without modification(s), the following resolution as Special Resolution

RESOLVED THAT pursuant to the applicable provisions of the Securities & Exchange Board of India(Delisting of Securities) Guidelines, 2003 (hereinafter referred to as the Delisting Guidelines) and subject to the provisions of the companies Act, 1956 (including any statutory modification(s) or reenactment thereof for the time being in force) Securities Contracts (Regulation) Act, 1956 and the Rules framed thereunder , Listing Agreement and all other applicable rules, regulations, and guidelines and subject to the approvals, constants, permission or sanction of the Securities and Exchange Board of India, Stock Exchanges where the shares of the company are listed and any other appropriate authorities, institutions or regulators as maybe necessary and subject to such conditions and modifications, if any, as may be prescribed or imposed by any such authorities while granting such approvals, permissions, sanctions, which may be agreed to by the Board of Directors of the company (hereinafter referred to us 'The Board', which term shall be deemed to include any committee thereof for the time being exercising powers conferred on the Board by this resolution), the consent of the company be and is hereby accorded to delist the equity shares of the company from The Madhya Pradesh Stock Exchange Association Limited, at Indore (Madhya Pradesh).

RESOLVED FURTHER that for the purpose of giving effect to this resolution the Board and its Committee comprising of Wholetime Director Shri Girdhari Nyati and Executive Director Shri Satyanarayan Rathi and are hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary for said purpose and with powers on behalf of the company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary for said purpose and with powers on behalf of the Company to settle any question, difficulties or doubts that may be arise in this regard without requiring the Board/ Committee to secure any further consent or approval of the Members of the Company.

Place : INDORE
Date : 31st July, 2004

By Order of the Board
RANGNATH NYATI
Chairman

NOTES

A MEMBER ENTITLED TO ATTEND AND A VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING

An explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item No. 4 & 5 in the above notice is annexed hereto.

Register of Member of the Company shall remain closed from 27.09.2004 to 30.09.2004 (both days inclusive).

Member/Proxies attending the meeting should bring their copy of the Annual Report for reference at the meeting.

Members are requested to notify the company immediately the change of address, if any, and also write to the company immediately about corrections, if any, in name, address and pincode.

Place : INDORE

Date : 31st July, 2004

By Order of the Board

RANGNATH NYATI

Chairman

ANNEXURE TO THE NOTICEEXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

As required by Section 173(2) of Companies Act, 1956 the following Explanatory Statement sets out the material facts relating to the Special business of the accompanying Notice dated 31.07.2004.

Item No. 4

Shri Girdhari Nyati was appointed as Whole Time Director of the company upto 30th June 2004. The Board of Directors at its meeting held on 31.07.2004 recommended re-appointment of Shri Girdhari Nyati as Whole Time Director of the company with effect from 01.07.2004 for a period of Five years on the remuneration and terms & conditions contained in the draft agreement proposed to be entered into between the company and Shri Girdhari Nyati, subject to the approval of shareholders.

Salary : 25000-2500-35000/-

Perquisites : Shall be in accordance within the limits prescribed in schedule XIII of the companies Act, 1956.

Perquisites shall however be restricted to an amount of equal to the annual salary.

Other terms and conditions will remain unchanged.

None of the directors except Shri Girdhari Nyati, Shri Rangnath Nyati is concerned or interested in the above resolution.

Item No. 5

The shares of the Company are listed on the Mumbai Stock Exchange, Mumbai (BSE), and The Madhya Pradesh Stock Exchange, Indore (MPSE). With the extensive networking of BSE and availability of nationwide trading terminals, the investors have access to online dealings in the equity shares of the Company's equity shares across the country. The volume of shares on MPSE is not significant. The listing fees paid to the above exchanges do not offer commensurate benefits to the company or its investors. SEBI (Delisting of Securities) Guidelines, 2003 provide that a Company can voluntarily delist its securities from the Stock Exchanges where its securities are listed without providing an exit opportunity to its shareholders provided its securities continue to be listed on the Stock Exchange having nationwide terminals.

It is therefore proposed that the shares of the company be delisted from MPSE and whereas the shares be continued to be listed on BSE.

The Board of Directors of the company recommend passing of the resolution set out in item No. 5 of the accompanying notice.

None of the directors is concerned or interested in the resolution.

DIRECTOR'S REPORT

Dear Members,

Your Directors have pleasure in presenting the 12th Annual Report alongwith Audited Accounts of the company for the year ended 31st March, 2004

FINANCIAL RESULTS:**Particulars****Amount in Rupees**

| | 31.03.2004 | 31.03.2003 |
|---|----------------------|-------------------|
| Gross Income | 223,52,06,064 | 164,79,23,852 |
| Gross Profit before Interest & Depreciation | 2,62,89,645 | 1,15,75,369 |
| Less: Interest | 77,99,020 | 41,86,056 |
| & Depreciation | 52,93,656 | 50,75,898 |
| Profit before Tax | 1,31,96,969 | 23,13,415 |
| Less: Income Tax for the Current Year | 10,19,020 | 1,83,269 |
| Profit after Tax | 1,21,77,949 | 21,30,146 |
| Less: Deferred Tax for the current year | 45,47,000 | 11,14,163 |
| Net Profit after deferred Tax | 76,30,949 | 10,15,983 |
| Balance brought forward | 2,38,27,137 | 2,28,11,154 |
| Balance carried to Balance Sheet | 3,14,58,086 | 2,38,27,137 |

DIVIDEND:

The Board of Directors to conserve the resources of the Company and to maintain the liquidity have decided not to declare dividend for the year ended 31.03.2004

OPERATIONS:

The total turnover for the year under review is Rs. 22352 lacs as against Rs. 16479 lacs in the previous year, recording a growth of 36%. The net profit of the company also substantially improved.

FUTURE OUTLOOK:

Looking to the favourable monsoon and other climatic conditions, good soyabean crops are expected in the ensuing seasons & Directors are hopeful to give better results in the current year.

The Company has also made necessary provisions for processing other oil seeds.

DEPOSITS:

The Company has not invited/ accepted public deposit within the meaning of Section 58A of the Companies Act, 1956 and rules made there under, during the year under review.

DIRECTORS:

Shri Sanjay Baweja Director of the Company retires by rotation and being eligible offers himself for re-appointment.

DIRECTOR'S RESPONSIBILITY:

Pursuant to Section 217 (2AA) of the companies Act, 1956 the Directors confirm that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure.
2. They have, in the selection of the accounting policies, consulted the statutory auditors and have 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 at end of the financial year of the profit of the company for that period.
3. Proper and sufficient care has been taken to the best of their knowledge and ability for the maintenance of adequate accounting records in the 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.
4. The annual accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE:

Pursuant to clause 49 of the listing agreement a report on Corporate Governance is given in annexure, forming part of the Directors Report.

**DEMAT STATUS**

Presently shares of the company are held both in Electronics and Physical mode.

AUDIT COMMITTEE

The company has instituted an Audit Committee according to the provision of Section 292A the Companies Act 1956. Board of Directors appointed Mr. Rangnath Nyati, Mr. Satyanarayan Rathi & Mr. Sanjay Baweja as members of the audit committee under the Chairmanship of Mr. Rangnath Nyati. The audit committee met 3 times during the year under review.

PARTICULARS OF EMPLOYEES:

There was no employee in the Company who was employed through out the financial year or for part of the financial year was in receipt of remunerations whose particulars if so employed, are required to be included in the report of Directors in accordance with the provisions of Sections 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO:

Informations as per sections 217 (1) (e) read with Companies (Disclosure of particulars in the report of Directors) Rules, 1988 are given under:

1. CONSERVATION OF ENERGY:

| | | |
|-----|-----------------------------|-------------------|
| (A) | Power and fuel consumption: | |
| (B) | Electricity: | |
| | (a) Purchased units | 3225600 KWH |
| | (b) Total amount in Rs. | 16425069 |
| | (c) Rate/ unit Rs. | 5.09 |
| (C) | Own generations | 36490 KWH |
| (D) | Coal | 7122.435 MT |
| (E) | Furnace Oil | N.A. |
| (F) | Other/internal generation | 1000 KVA D.G. Set |
| (G) | Diesel | 18241 LTR |

FOREIGN EXCHANGE EARNINGS AND OUTGO:**1. Earnings :-**

The Company has not directly exported its products during the period under review, hence there is no foreign exchange earnings.

2. Out Go :-

| | |
|---------------------------------|-----|
| Value of CIF Imports | Nil |
| Expenditure in Foreign Currency | Nil |

ENVIRONMENT PROTECTION:

The Company has implemented for disposal of effluents an E. T. P. system at its Solvent Extraction Plant.

AUDITORS:

M/s. V.R. Dafria & Company, Chartered Accountants, Indore, Auditors of the Company's, retires at the ensuing Annual General Meeting & being eligible offers themselves for re-appointment. The observation in the auditors report are self explanatory and do not required further clarification.

ACKNOWLEDGEMENT:

The Directors wish to convey their appreciation to all of the company's employees for their enormous personal efforts as well as their collective contributions, which enabled the company to meet challenges set before it and improve its performance during this year. The directors would also like to thank it Shareholders, Customers, Suppliers, Bankers and all the other business associates for the continuous support given by them to the company and their confidence in its management.

Place : INDORE

Date : 31st July, 2004

By Order of the Board
RANGNATH NYATI
Chairman



ANNEXURE TO DIRECTORS REPORT

CORPORATE GOVERNANCE REPORT

The philosophy of Corporate Governance is to enhance the long term economic value of the company, its stakeholders and the society at large by adopting better corporate practices in fair and transparent manner by aligning interests of the company with its shareholders and other key stakeholders.

BOARD OF DIRECTORS

Composition of the Board

Company's Board comprises of 2 independent and Non - executive Directors 1 promoter Directors (Including Non Executive Chairman) and 2 Executive Directors.

| Director | Executive / Non executive / Independent | No. of outside Directorship(s) held | | |
|-------------------------|---|-------------------------------------|----------------|----------------------|
| | | Public Companies | Pvt. Companies | Section-25 Companies |
| Shri Rangnath Nyati | Non Executive | NIL | NIL | NIL |
| Shri Satyanarayan Rathi | Executive | NIL | 1 | NIL |
| Shri Girdhari R. Nyati | Executive | NIL | 1 | NIL |
| Shri Sanjay Baweja | Independent | NIL | NIL | NIL |
| Shri S.L. Jain | Independent | NIL | NIL | NIL |

Director's Interests in the Company and Attendance Record

Particulars of sitting fees paid to Directors and details of meeting attended by them are as under :

| Director | Sitting Fees paid during 2003-2004 | No. of Board Meeting during 2003-2004 | | Attended Last AGM held on 30th September, 2003 |
|-------------------------|------------------------------------|---------------------------------------|----------|--|
| | | Held | Attended | |
| Shri Rangnath Nyati | -- | 4 | 4 | Yes |
| Shri Satyanarayan Rathi | -- | 4 | 4 | Yes |
| Shri Girdhari R. Nyati | -- | 4 | 4 | Yes |
| Shri Sanjay Baweja | -- | 4 | 4 | Yes |
| Shri S.L. Jain | -- | 4 | 1 | No |

Remuneration of Directors for the financial year 2003 - 2004

| S. No. | Name of Director | Description of Transaction | Amount |
|--------|------------------------|----------------------------|----------|
| 01 | Shri Girdhari R. Nyati | Remuneration | 300000/- |



Audit Committee

Company has set up an "Audit Committee". The composition of the Committee is as follows:

| | |
|---------------------------|-------------------|
| Shri Sanjay Baweja | - Chairman |
| Shri Rangnath Nyati | - Member |
| Shri Satyanarayan Rath | - Member |
| Shri Gopal Nyati (F C A) | - Special Invitee |

The audit committee comprises of 2 independent Non - executive Directors and one Executive Director. The audit committee met 3 times during the year.

Remuneration Committee

The composition of Board and quantum of remuneration being paid to whole time Directors do not warrant formation of separate remuneration committee. This function will be carried out by the Board of Directors.

Shareholders Committee

The Company has set up a "Shareholders Committee" to look into various issues relating to investors Grievances. The composition of committee is as follows:

| | |
|------------------------|------------|
| Shri Rangnath Nyati | - Chairman |
| Shri Sanjay Baweja | - Member |
| Shri Satyanarayan Rath | - Member |

Disclosures

There are no transactions entered into by the Company with the promoters, Directors or the management, their subsidiaries or relatives etc.

GENERAL SHAREHOLDERS INFORMATION

(1) Address for Investor's Correspondence:

Compliance Officer :
Shri Ashutosh Namjoshi
409, Apollo Tower, 2, M.G. Road,
Indore - 452 001 (M.P.)
Phone No.: 2527335 -336

(2) Listing on Stock Exchanges

The equity shares of the company are presently listed with Mumbai Stock Exchange, Mumbai & M.P. Stock Exchange, Indore. Initially the equity shares were also listed with Jaipur and Ahmedabad stock exchanges. In the year 1997-98 the company had passed special resolution for voluntary delisting of shares with these stock exchanges and applied for delisting as per prevailing guide lines. The matter is still pending with these stock exchanges.

(3) Registrar and Share Transfer Agent

Intime Spectrum Registry Limited
307, City Centre, 570 M.G. Road, Indore
Phone No:- 3105347