



DIVYA JYOTI
INDUSTRIES
LIMITED

20th

A N N U A L
R E P O R T

2011 - 2012

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Rangnath Nyati	Chairman
Mr. Girdhari R. Nyati	Whole Time Director
Mr. Gopal Nyati	Executive Director
Mr. Shriniwas Soni	Director
Mr. Sudarshan Shastri	Director

CHIEF EXECUTIVE OFFICER

Mr. Sanjay Baweja

CHIEF OPERATING OFFICER

Mr. Anirudh Nyati

CHIEF FINANCIAL OFFICER

CA. Mala Rohara

COMPANY SECRETARY

CS Neha Sharma

AUDITORS

Dafria & Co.
Chartered Accountants
A-1, Megh Building,
13/2, M.G. Road, Indore-452 001 (M.P.)

BANKERS

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

REGISTERED OFFICE/ WORKS

Plot No. M-19-39, Sector-III, Industrial Area
Pithampur-454 775, Dist. - Dhar (M.P.)
Phones : 07292-421900-01, Fax : 07292-421947

ADMINISTRATIVE OFFICE

92/3, Sapna Sangeeta Main Road,
Near Tanishq Showroom, Indore-452 001 (M.P.)
Phones : 0731-4010900-01, Fax : 0731-4010902

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Pvt. Limited
C-13, Pannalal Silk Mills Compound,
LBS Marg Bhandup (W), Mumbai - 400078
Phone : 022-25963838, Fax : 022-25946969

WEBSITE: www.divyajyoti.net

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NOTICE

Notice is hereby given that the 20th Annual General Meeting of the Members of DIVYA JYOTI INDUSTRIES LIMITED will be held on Friday the 14th September 2012 at 11:00 A.M. at Registered Office of the company at M-19-39, Sector III, Industrial Area, Pithampur-454775 District Dhar (MP) to transact the following business.

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, 2012 and the reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Rangnath Nyati, who retires by rotation and being eligible offer himself for re-appointment.
3. To appoint M/s Dafria & Co., Chartered Accountants as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as a special resolution:

“RESOLVED THAT pursuant to the provisions of section 314 and other applicable provisions, if any of the Companies Act, 1956 (including any amendments there to or re-enactment thereof for the time being in force), the Company in general meeting hereby accords its consent to the holding of office or place of profit as a Chief Operating Officer (C.O.O.) by Mr. ANIRUDH NYATI, Son of Mr. Girdhari R. Nyati, Whole Time Director of the Company, with effect from 1st October, 2011 on a monthly salary of ₹ 50,000 with the annual increment of ₹ 5,000 per year.

RESOLVED FURTHER THAT the Board be and is hereby further authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be and in the manner required and to delegate all or any of its powers herein conferred to any Committee of Directors or to any Director to give effect to the resolution hereof.”

Place: Indore
Date : 27th July, 2012

By Order of the Board,
RANGNATH NYATI
Chairman

NOTES

1. A member entitled to attend and 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.
2. An explanatory statement pursuant to section 173 (2) of the Companies Act, 1956 in respect of item No. 4 in the above notice is annexed hereto.
3. Register of Member of the Company shall remain closed from 12.09.2012 to 14.09.2012 (Both days inclusive) for the purpose of Annual General Meeting.
4. Member/Proxies attending the meeting should bring their copy of the Annual Report for reference at the meeting.

5. Members are requested to notify the change in their address to the company and always quote their Folio Numbers or DP ID and Client ID Numbers in all correspondence with the company. In respect of holding in electronic form, Members are requested to notify any change of address to their respective Depository Participant.
6. The Ministry of Corporate Affairs(vide circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively), has undertaken a Green Initiative in Corporate Governance and allowed companies to share documents with its shareholders through an electronic mode. A recent amendment to the Listing Agreement with the Stock Exchanges permits companies to send soft copies of the Annual Report to all those Shareholders who have registered their email address for the said purpose. Members are requested to support this Green Initiative by registering/updating their e-mail addresses for receiving electronic communications.

Place: Indore
Date : 27th July, 2012

By Order of the Board
RANGNATH NYATI
Chairman

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

ITEM NO. 4

Mr. Anirudh Nyati is a Son of Mr. Girdhari R. Nyati, Whole Time Director. He holds M. S. Degree from U.S.A.

Subject to approval of the shareholders by way of special resolution at the ensuing Annual General Meeting, he has been appointed by the Board of Directors of the Company to hold an office or place of profit as a Chief Operating Officer (C.O.O.) with effect from 1st October 2011 on a monthly salary of ₹ 50,000 with the annual increment of ₹ 5,000 per year.

As per the provisions of section 314 of the Companies Act, 1956 read with those under Director's Relative (Office or Place of Profit) Rules, 2011, holding of office or place of profit for the payment of remuneration as aforesaid requires consent of the shareholders by way of special resolution as envisaged in section 314 of the Companies Act, 1956 and the Rules thereunder.

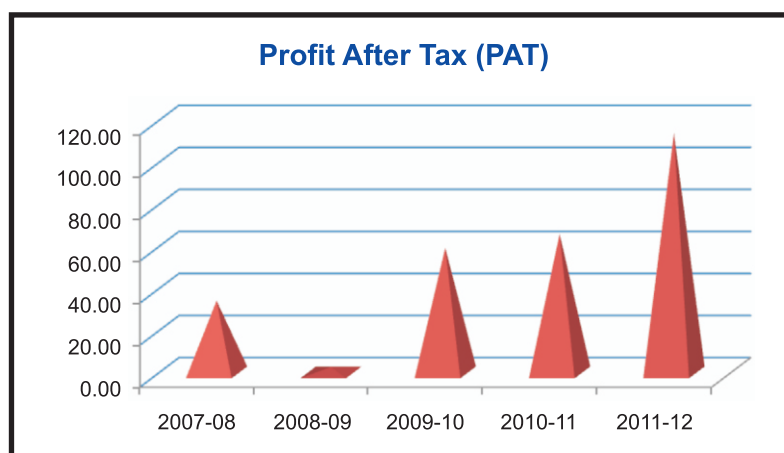
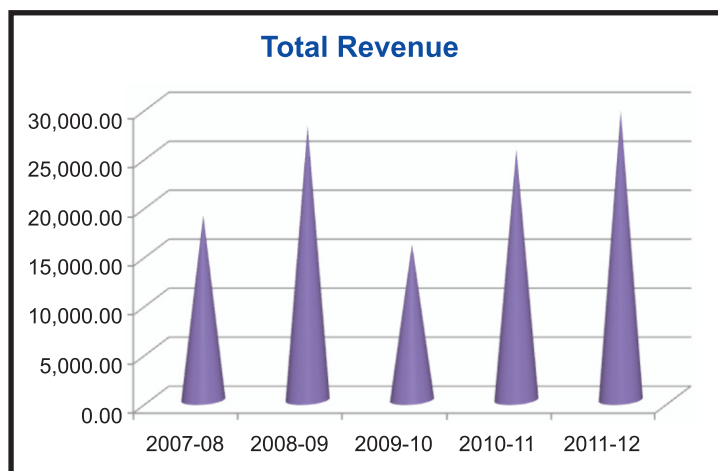
Except for Mr. Rangnath Nyati, Mr. Girdhari R. Nyati and Mr. Gopal Nyati, none of the other Directors of the Company are concerned or interested in the resolution.

Place: Indore
Date : 27th July, 2012

By Order of the Board
RANGNATH NYATI
Chairman

Five Year Financial Performance

Particulars	(` In Lacs)				
	2007-08	2008-09	2009-10	2010-11	2011-12
Operating Results					
Revenue from Operation	18,810.48	27,895.38	15,770.16	25,493.55	29,438.90
Other Income	9.08	19.32	74.88	22.68	23.68
Total Revenue	18,819.56	27,914.70	15,845.04	25,516.23	29,462.66
Earnings Before Interest, Depreciation & Tax (EBIDTA)	294.14	240.61	383.87	618.99	979.89
Less : Financial Costs	174.52	148.03	216.64	373.48	655.91
Profit Before Depreciation	119.62	92.58	167.23	245.51	323.98
Less : Depreciation And Amortisation Expenses	64.48	82.84	86.07	121.47	158.73
Profit Before Tax (PBT)	55.14	9.74	81.16	124.04	165.25
Less : Tax	21.2	7.13	21.84	58.15	51.45
Profit After Tax (PAT)	34.12	2.61	59.23	65.90	113.80



DIRECTORS REPORT

Dear Members,

The Directors of your Company have pleasure in presenting the **20th Annual Report** together with Audited Accounts of the Company for the year ended 31st March, 2012.

FINANCIAL HIGHLIGHTS

The financial performance of the company for the year ended on 31st March, 2012 is summarized below:

(₹ In lacs)		
Particulars	2011-2012	2010-2011
Revenue from Operations	29,438.98	25,493.55
Other Income	23.68	22.68
Total Revenue	29,462.66	25,516.23
Earnings Before Interest, Depreciation & Tax (EBIDTA)	979.89	618.99
Less: Financial Costs	655.91	373.48
Profit Before Depreciation	323.98	245.51
Less: Depreciation And Amortisation Expenses	158.73	121.47
Profit Before Tax (PBT)	165.25	124.04
Less:		
(a) Current Tax	33.40	26.85
(b) Deferred Tax	28.20	55.55
(c) MAT Credit Entitlement	(10.15)	(24.25)
Profit After Tax (PAT)	113.80	65.90
Add: Profit Brought Forward	498.47	432.57
Less: Utilised during the year	(11.96)	(0.00)
Profit Available for Appropriation	600.31	498.47

DIVIDEND

The Company intends to retain internal accruals for funding growth to generate a good return for shareholders for today and tomorrow. Thus the Board of Directors do not propose dividend for the year ended 2011-12.

PUBLIC DEPOSITS

The Company had not accepted any deposit from public during the year ended on 31st March, 2012, pursuant to the provisions of Section 58A of the Companies Act, 1956.

BUSINESS PERFORMANCE

During the year under review, total revenue of your Company has increased to ₹ 294.63 crores from ₹ 255.16 crores in the previous year, recording the growth of over 15%.

DIRECTORS

In accordance with provisions of the Companies Act, 1956 and Article of Association of the Company, Shri Rangnath Nyati Director of the Company, retires by rotation and being eligible offer himself for re-appointment.

AUDITORS AND THEIR REPORT

The Notes on Financial Statements referred to in the Auditors Report are self-explanatory and, therefore do not call for any further comments.

M/s Dafria & Co., Chartered Accountants, Statutory Auditors of the company, retires at the conclusion of ensuing Annual General Meeting and has expressed their willingness to continue in the office, if re-appointed. Members are requested to re-appoint them and authorize the Board to fix their remuneration and out of the pocket expenses.

COST AUDITORS

The Central Government has approved the appointment of M/s Goyal & Co. as a cost auditor of the Company for conducting the Cost Audit for the financial year 2012-13.

REPORT ON CORPORATE GOVERNANCE

A detailed report on the procedures adopted by the company on the Corporate Governance along with the certificate of Auditors of your Company regarding compliance of the conditions of Corporate Governance as stipulated in clause 49 of the listing agreement with Stock Exchanges is enclosed and form part of this Annual Report.

LISTING OF SECURITIES

The Equity Shares of the Company are listed at Bombay Stock Exchange, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai & Madhya Pradesh Stock Exchange Limited, Indore. The Company had duly paid the listing fees to the aforesaid Stock Exchange for the financial year 2012-13.

MANAGEMENT DISCUSSION AND ANALYSIS

A Management Discussion and Analysis Report as required under Clause 49 of the Listing Agreement is annexed and forming part of the Directors Report.

PARTICULARS OF EMPLOYEES

There was no employee in the Company who was employed throughout the financial year or for part of the financial year was in receipt of remuneration 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 as amended.

DIRECTORS' RESPONSIBILITY STATEMENT

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 and 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.

CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

Information as per sections 217 (1) (e) read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, and forming part of the Director's Report.

I. CONSERVATION OF ENERGY:

The Company has been laying emphasis on the conservation of energy and taking several measures like effective control on utilization of energy and regular monitoring of its consumption etc. The adoption of these measures to conserve energy has resulted in saving of the same.

Power and Fuel Consumption	2011-2012	2010-2011
1 Electricity:		
(a) Purchase		
Unit (KWH)	5,131,392	4,895,568
Total Amount (In ₹)	28,745,126	23,988,014
Rate/Unit (In ₹)	5.60	4.90
(b) Own generation		
Through Diesel Generator		
Unit (KWH)	68,200	54,530
Units per litre of Diesel Oil	1.58	2.49
Cost/Unit (In ₹)	26.66	16.02
2 Coal :		
Quantity (Metric ton)	12,622	10,027
Total Cost (In ₹)	59,591,873	36,646,199
Average Rate (In ₹)	4,721.09	3,654.82
3 Diesel:		
Quantity (Litre)	43,174	21,906
Total Cost (In ₹)	1,818,438	873,783
Average Rate (In ₹)	42.12	39.89

II. TECHNOLOGY ABSORPTION:

(A) Research & Development:

1. The Company is not carrying any R&D in special area but is continuously engaged in improvement of Plant and Machinery to conserve energy for better working results.
2. Benefits derived as a result of the above R&D: N.A.
3. Future Plan of Action : At the moment , the company has no special areas to carry R&D
4. Expenditure on R&D.: N.A.

(B) Technology Absorption, Adaption and Innovation:

1. The technology is innovated on the basis of experience gained in the working of the plant.
2. However, it is not possible to evaluate the exact cost reduction and production improvement.
3. We do not have any improved technology and hence, the details required to be given for imported technology is not applicable.

III. FOREIGN EXCHANGE EARNINGS AND OUTGO:

1. Earnings: -

The Company has directly exported Lecithin for \$ 746625.50 amounting ₹ 3,74,44,230.00 and Soya Fatty Acid for \$ 75816.00 amounting ₹ 36,84,658.00 during the year.

2. Out Go: -

Value of CIF Imports	Nil
Expenditure in Foreign Currency	Nil

IV. ENVIRONMENT PROTECTION:

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

ACKNOWLEDGEMENT

Your Directors wish to place on record their thanks and gratitude to various Government Authorities for their co-operation and providing different approvals, Bankers of the Company for the financial facilities and support extended, Overseas traders, customers, retailers and other associated with the company as its trading partners for their continued support & trust and the shareholders of the company for their confidence in the company.

The Directors also sincerely appreciate and thank the employees of the Company at all levels for their valuable contribution and dedicated efforts in steering the Company successfully to break the previous records of excellent performance and move forward to climb greater heights.

Place: Indore
Date : 27th July, 2012

By Order of the Board,
RANGNATH NYATI
Chairman

CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance.

THE COMPANY'S GOVERNANCE PHILOSOPHY

"The primary purpose of corporate leadership is to create wealth legally and ethically. This translates to bringing a high level of satisfaction to five constituencies - customers, employees, investors, vendors and the society-at-large. The raison d'être of every corporate body is to ensure predictability, sustainability and profitability of revenues year after year."

In consonance of above mentioned quote, the practice of good corporate governance has therefore become a necessary pre-requisite for any Company to manage effectively in the globalized market. Objectives of good Corporate Governance are integral to the very existence of a Company. It inspires and strengthens investors' confidence by ensuring company's commitment to higher growth and profits.

BOARD OF DIRECTORS

a) COMPOSITION OF THE BOARD

The Board of Directors of the Company consists of an optimum combination of Executive, Non Executive and Independent directors, to ensure the independent functioning of the Board expect to appoint one more independent director. The composition of the Board of Directors is as follows.

S. No.	Name	Designation	Category of Directorship
1.	Mr. Rangnath Nyati	Chairman	Non Executive
2.	Mr. Girdhari Nyati	Whole Time Director	Executive
3.	Mr. Gopal Nyati	Executive Director	Executive
4.	Mr. Shriniwas Soni	Director	Non Executive & Independent
5.	Mr. Sudarshan Shastri	Director	Non Executive & Independent

b) NO. OF BOARD MEETINGS HELD DURING THE FINANCIAL YEAR 2011-12

During the year under review, the Board of Directors met (6) times on the dates given herein below:

April 30, 2011	July 30, 2011	August 12, 2011
October 31, 2011	December 30, 2011	January 30, 2012

c) DETAILS OF DIRECTOR'S ATTENDANCE IN THE BOARD MEETINGS AND THE LAST AGM ALONGWITH THEIR DIRECTORSHIP :

S. No.	Name of Directors	Attendance at the Company's Meeting	Directorship of other Indian Companies	No. of Chairmanship/ Membership of other Board Committees	Attendance at the last AGM
1.	Mr. Rangnath Nyati	6	Nil	Nil	Yes
2.	Mr. Girdhari Nyati	6	1	Nil	Yes
3.	Mr. Gopal Nyati	6	1	Nil	Yes
4.	Mr. Shriniwas Soni	4	Nil	Nil	Yes
5.	Mr. Sudarshan Shastri	6	5	1	Yes

d) REMUNERATION

S. No.	Name of Director	Description of Transaction	Amount (in ₹)
1.	Mr. Girdhari Nyati	Remuneration	6,00,000
2.	Mr. Gopal Nyati	Remuneration	6,00,000

AUDIT COMMITTEE

The Audit Committee is constituted in accordance with the provision of clause 49(II) (A) of Listing Agreement and the Companies Act, 1956. All the members of the Audit Committee are financially literate in which Mr. Gopal Nyati is the finance professional and Mr. Sudarshan Shastri possess knowledge and expertise in Company Law.

Meetings Held:

During the Financial Year 2011-12 5 (Five) Audit Committee Meetings were held on the following dates:

April 30, 2011	July 30, 2011	August 12, 2011
October 31, 2011	January 30, 2012	

Composition and Attendance:

Name of the Member	Composition as on March 31,2012	No. of Meetings Attended
Mr. Shriniwas Soni	Chairman	4
Mr. Gopal Nyati	Member	5
Mr. Sudarshan Shastri	Member	5

REMUNERATION COMMITTEE

The composition of Board and quantum of remuneration being paid to whole time Directors do not warrant formation of separate remuneration committee. The Board of Directors will carry out this function.

SHAREHOLDERS AND INVESTOR GRIEVANCE COMMITTEE

Name of the Member	Composition as on March 31,2012
Mr. Rangnath Nyati	Chairman
Mr. Girdhari Nyati	Member
Mr. Sudarshan Shastri	Member

During the F.Y. 2011-12, the company has not received any complaints from Investors/ Shareholders. And all the pending complaints were attended as per applicable guidelines and regulations.

GENERAL MEETINGS

The last three Annual General Meetings were held as per details given below:

Year	Date	Time	Venue	No. of Special Resolutions
2008-2009	August 29,2009	11.00am	Registered Office	2
2009-2010	September 20,2010	11.00am	Registered Office	0
2010-2011	September 16,2011	11.00am	Registered Office	0

All the resolution, including special resolutions, was passed by the shareholders as set out in the respective notices. No resolution was put through postal ballot during the F.Y. 2011-12.

DISCLOSURES

A. Disclosure regarding materially significant related party transactions:

The Company has not entered into any transactions of material nature with the promoters or directors or their relatives or any Companies or firms in which they are directly or indirectly interested, that may have any potential conflict with the interests of the Company.

B. Disclosure of non-compliance by the Company:

There was no instance of non- compliance on any matter related to the capital markets, during the last three years.