



# **ANNUAL REPORT**

## **2012-13**

**DIVYA JYOTI INDUSTRIES LIMITED**

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

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

### CHIEF EXECUTIVE OFFICER

Mr. Sanjay Baweja

### CHIEF FINANCIAL OFFICER

CA. Mala Rohara

### STATUTORY AUDITORS

Dafria & Co.  
Chartered Accountants  
A 1, Megh Building, 13/2,  
M.G. Road, Indore - 452001 (M.P.)

### BANKERS

1. Dena Bank  
Navlakha Branch, Indore
2. Oriental Bank of Commerce  
R.N.T. Marg, Indore
3. The Saraswat Co op. Bank Ltd.  
R.N.T. Marg, Indore

### REGISTERED OFFICE/ WORKS

Plot No. M-19-39, Sector III,  
Industrial Area Pithampur - 454775  
Dist. Dhar (M.P.)  
Phones: 07292-421900-01  
Fax: 07292-421947

### AUDIT COMMITTEE

Mr. Shriniwas Soni - Chairman  
Mr. Gopal Nyati - Member  
Mr. Sudarshan Shastri - Member

### CHIEF OPERATING OFFICER

Mr. Aniruddha Nyati

### COMPANY SECRETARY

Ms. Sweety Rai

### COST AUDITORS

M. Goyal & Co.  
Cost Accountants  
8, Chitragupta Nagar -I, Jyoti Nagar  
Railway Crossing, Jaipur - 302005 (Raj.)

### 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

### ADMINISTRATIVE OFFICE

92/3, Sapna Sangeeta Main Road  
Near Tanishq Showroom  
Indore - 452001 (M.P.)  
Phones: 0731-4010900-01  
Fax: 0731-4010902

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## NOTICE

Notice is hereby given that the 21<sup>st</sup> Annual General Meeting of the Members of **DIVYA JYOTI INDUSTRIES LIMITED** will be held on **Saturday the 7<sup>th</sup> September, 2013 at 11:00 A.M.** at Registered Office of the company at M-19-39, Sector III, Industrial Area, Pithampur-454775 District Dhar (M.P.) 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 31<sup>st</sup> March, 2013 and the reports of Directors and Auditors thereon.
2. To appoint a Director in place of **Shri Shriniwas Soni**, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditor & fix their remuneration and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** M/s. Dafria & Co., Chartered Accountants be and is hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors.

### **RE-APPOINTMENT OF EXECUTIVE DIRECTOR:**

4. To consider and if thought fit to pass with or without modifications(s), the following resolution as an ordinary resolution:

**“RESOLVED THAT** in accordance with the provisions of section 198, 269, 309, 310 and other applicable provisions, if any of the Companies Act, 1956 for the re-appointment of Shri Gopal Nyati, as Executive Director of the Company be and is hereby approved for a period of 5 (Five) years w.e.f. 01.04.2013 on the terms and conditions as set out in the explanatory statement and with liberty to the Board of Directors to sanction and/or vary the terms as they in their discretion deem fit in conformity with any amendments to relevant provision of the Companies Act, and/or the Rules and Regulations made in there under and/or such guidelines as may be announced by the Central Government from time to time.

## NOTES

1. A member entitled to attend and vote 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 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 Members of the Company shall remain closed from **05.09.2013 to 07.09.2013** (Both days inclusive) for the purpose of Annual General Meeting.
4. Members/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.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrars and Transfer Agents,

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

**FOR ITEM NO.4:**

Shri Gopal Nyati was appointed Executive Director for a period of 5 years upto 31<sup>st</sup> March, 2013. The Board of Directors of the Company has considered it desirable to re-appoint him as Executive Director of the Company for a period of 5 (Five) years w. e. f. 1<sup>st</sup> April, 2013 on the terms and conditions mentioned hereunder:

1. Period of Agreement : 5(Five) years w.e.f. 01.04.2013
2. Salary : ₹ 75,000/- to ₹1,00,000/-

**Perquisites and Allowances:**

In addition to the salary payable to the Executive Director, he shall also be entitled to perquisites like commission, accommodation (furnished or otherwise) or house rent allowance in lieu thereof, House maintenance allowance together with reimbursement of expenses or allowances for utilities such as Gas, Electricity, Water, Furnishing and repairs, medical reimbursement, leave concession for himself and his family, Club fees, Medical Insurance, and such other perquisites and allowances in accordance with the rules of the company or as may be agreed to by the Board and such perquisites and allowances to be restricted to 50% of the annual salary of the Executive Director.

Company's contribution to Provident Fund and superannuation fund to the extent these either singly or together are not taxable under the Income Tax Act, Gratuity payable as per the rules of the Company and encashment of leave at the end of the tenure shall not be included in the computation of limit for the remuneration or perquisites aforesaid.

**Minimum Remuneration:**

Where in any financial year during the tenure of the Managing Director, the Company has not made any profit or its profits are inadequate, the remuneration proposed to be paid to the Executive Director by way of salary and perquisites as above shall be paid as minimum remuneration.

The proposed Resolution is recommended for passing.

This may be treated as an abstract of the draft agreement between the company and Shri Gopal Nyati pursuant to Section 302 of the Companies Act.

Except Shri Rangnath Nyati, Shri Girdhari R. Nyati, none of the Directors are interested in the above Resolution.

Place: Indore  
Date : 30th May, 2013

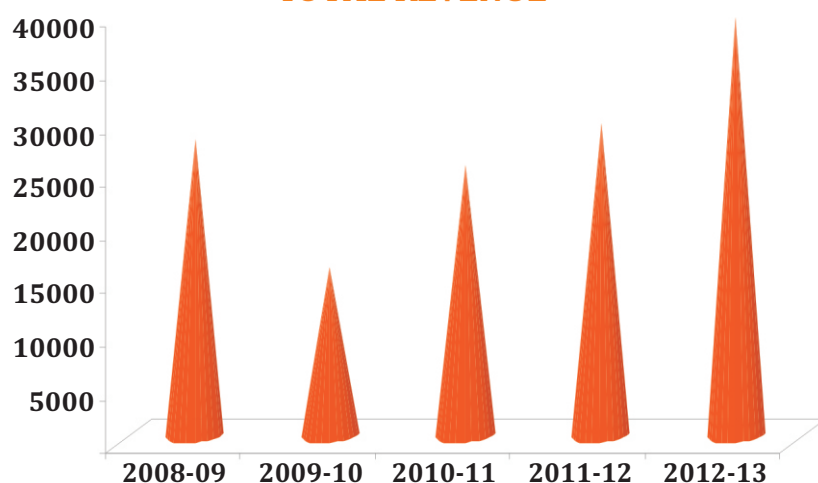
By Order of the Board,  
  
Sweety Rai  
Company Secretary

## FIVE YEAR FINANCIAL PERFORMANCE

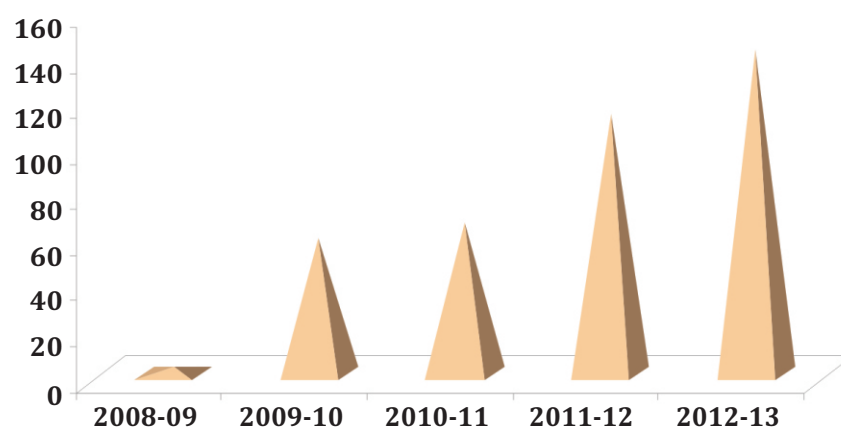
(₹ In Lacs)

Particulars	2012-13	2011-12	2010-11	2009-10	2008-09
Revenue from Operations	39,228.39	29,438.98	25,493.55	15,770.16	27,895.38
Other Income	44.05	23.68	22.68	74.88	19.32
<b>Total Revenue</b>	<b>39,272.44</b>	<b>29,462.66</b>	<b>25,516.23</b>	<b>15,845.04</b>	<b>27,914.70</b>
Earnings Before Interest & Depreciation & Tax (EBIDTA)	862.91	979.89	618.99	383.87	240.61
Financial Costs	495.49	655.91	373.48	216.64	148.03
Profit Before Depreciation	367.42	323.98	245.51	167.23	92.58
Depreciation And Amortisation Expenses	161.77	158.73	121.47	86.07	82.84
<b>Profit Before Tax (PBT)</b>	<b>205.65</b>	<b>165.25</b>	<b>124.04</b>	<b>81.16</b>	<b>9.74</b>
Tax	63.32	51.45	58.15	21.84	7.13
<b>Profit After Tax (PAT)</b>	<b>142.33</b>	<b>113.80</b>	<b>65.90</b>	<b>59.32</b>	<b>2.61</b>

### TOTAL REVENUE



### PROFIT AFTER TAX (PAT)



## DIRECTORS' REPORT

Dear Shareholders,

The Directors of your Company have pleasure in presenting the **21<sup>st</sup> Annual Report** and **Audited Accounts** of the Company for the financial year ended 31<sup>st</sup> March, 2013.

## FINANCIAL HIGHLIGHTS

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

(₹ In Lacs)

Particulars	2012-13	2011-12
<b>Revenue from Operations</b>	39,228.39	29,438.98
Add: Other Income	44.14	23.68
<b>Total Revenue</b>	39,272.53	29,462.66
Earnings Before Interest, Depreciation & Tax (EBIDTA)	862.83	979.89
Less: Financial Costs	495.49	655.91
<b>Profit Before Depreciation</b>	367.34	323.98
Less: Depreciation And Amortisation Expenses	161.77	158.73
<b>Profit Before Tax (PBT)</b>	205.57	165.25
Less:		
(a) Current Tax	51.86	33.40
(b) Deferred Tax	15.81	28.20
(c) MAT Credit Entitlement	(4.98)	(10.15)
<b>Profit After Tax (PAT)</b>	142.88	113.80
Add:		
(a) Profit Brought Forward	600.31	498.47
(b) Transferred / ( Utilized ) during the year	3.49	(11.96)
<b>Profit Available for Appropriation</b>	<b>739.70</b>	<b>600.31</b>

## DIVIDEND

The Company intends to retain internal accruals to maintain the liquidity and for funding growth to generate a good return for shareholders. The Board of Directors has decided not to declare dividend for the year ended 2013.

## PUBLIC DEPOSITS

The Company had not accepted any deposit from public during the year ended on 31<sup>st</sup> March, 2013, 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 ₹**392.73** crores from ₹294.63 crores in the previous year, recording the growth of over 33.30%.

## DIRECTORS

In accordance with provisions of the Companies Act, 1956 and Article of Association of the Company, **Shri Shriniwas Soni** Director of the Company, retire by rotation and being eligible offer himself for re-appointment.

## AUDITORS AND THEIR REPORT

The Notes on the 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 G K Gupta & Co. as a cost auditor of the Company for conducting the Cost Audit for the financial year 2013-14.

## 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 in term of 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 Exchanges for the financial year 2013-14.

### 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		2012-13	2011-12
<b>1 Electricity:</b>			
(a) Purchase			
Unit (KWH)		47,79,912	51,31,392
Total Amount (In ₹)		3,08,71,063	2,87,45,126
Rate/Unit (In ₹ )		6.46	5.60
(b) Own generation			
Through Diesel Generator			
Unit (KWH)		44,853	68,200
Units per litre of Diesel Oil		1.40	1.58
Cost/Unit (In ₹)		33.96	26.66
<b>2 Coal :</b>			
Quantity (Metric ton)		11,242.19	12,622.00
Total Cost (In ₹)		5,75,62,272	5,95,91,873
Average Rate (In ₹)		5,120.20	4,721.09
<b>3 Diesel:</b>			
Quantity (Litre)		32,048	43,174
Total Cost (In ₹)		15,23,189	18,18,438
Average Rate (In ₹)		47.53	42.12

## 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

The Company has already established an export market for its products and has been taking keen interest for developing n e w export market for its products and to increase exports.

### 1. Earnings

The Company has directly exported Lecithin for \$ 1,833,598.00 amounting ₹ 9,86,35,105.00 and Soya Fatty Acid for \$ 272,445.00 amounting to ₹ 1,46,72,779.00 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 : 30th May, 2013

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 R. 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 2012-13

During the year under review, the Board of Directors met (5) times on the dates given herein below:

April 27, 2012	July 27, 2012	October 29, 2012	January 28, 2013	February 8, 2013
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#### c) DETAILS OF DIRECTOR'S ATTENDANCE IN THE BOARD MEETINGS AND THE LAST AGM ALONG WITH THEIR DIRECTORSHIP

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

\* This does not include Directorship in Private Companies.

#### d) REMUNERATION

S. No.	Name of Director	Description of Transaction	Amount (in ₹)
1.	Mr. Girdhari R. Nyati	Remuneration	7,20,000
2.	Mr. Gopal Nyati	Remuneration	8,40,000