



DIVYA JYOTI INDUSTRIES LIMITED

22nd Annual Report

2013-2014

CORPORATE INFORMATION



<p>Board of Directors: 1. Mr. Rangnath Nyati - Chairman 2. Mr. Girdhari R. Nyati - Whole Time Director 3. Mr. Gopal Nyati - Executive Director 4. Mr. Sudarshan Shastri - Independent Director 5. Mr. Shrinivas Soni - Independent Director</p>	<p>Committees of Directors Audit Committee: 1. Mr. Shrinivas Soni - Chairman 2. Mr. Gopal Nyati - Member 3. Mr. Sudarshan Shastri - Member</p>
<p>Chief Executive Officer: Mr. Sanjay Baweja</p> <p>Chief Operating Officer: Mr. Aniruddha Nyati</p> <p>Chief Financial Officer: Miss Mala Rohara</p> <p>Company Secretary & Compliance Officer: Miss Sweety Rai</p>	<p>Shareholders' / Investors' grievance Committee: 1. Mr. Rangnath Nyati - Chairman 2. Mr. Shrinivas Soni - Member 3. Mr. Sudarshan Shastri - Member</p> <p>Remuneration Committee: 1. Mr. Sudarshan Shastri - Chairman 2. Mr. Rangnath Nyati - Member 3. Mr. Shrinivas Soni - Member</p>
<p>Statutory Auditors: Dafria & Co. Chartered Accountants A1, Megh Building, 13/2 M.G. Road, Indore - 452001 (M.P.)</p>	<p>Cost Auditors: G.K. Gupta & Co. Cost Accountants EA 125, Sector A, Scheme No. 94 Ring Road, Indore - 452001 (M.P.)</p>
<p>Bankers: 1 Dena Bank 2 Oriental Bank of Commerce 3 Saraswat Co-operative Bank Ltd.</p>	<p>Registrar & Shares Transfer Agent: Link Intime India Pvt. Limited C-13, Pannalal Silk Mills Compound LBS Marg Bhandup (W), Mumbai - 400078</p>
<p>Registered Office: Plot No. M-19 39, Sector III Industrial Area, Pithampur - 454775, Dist. Dhar (M.P.) Phone: 07292-421900-1 Fax : 07292-421947</p>	<p>Corporate Office: 92/3, Sapna Sangeeta Main Road Near Tanishq Showroom, Indore - 452001 (M.P.) Phone: 0731-4010900-1 Fax : 0731-4010902</p>
<p>Corporate Identification Number: L15143MP1992PTC007090</p>	<p>Website: www.divyajyoti.net</p>

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DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the **22nd Annual Report** and the Company's audited accounts for the financial year ended 31st March, 2014.

FINANCIAL HIGHLIGHTS

The Company's financial performance for the year ended on 31st March, 2014 is summarized below:

Particular	2013-14	2012-13
	(₹ in Lacs)	
Revenue from Operations	38,161.96	39,228.39
Add: Other Income	18.98	44.14
Total Revenue	38,180.93	39,272.53
Earnings Before Interest & Depreciation & Tax (EBIDTA)	791.36	864.23
Less: Financial Costs	409.45	496.89
Profit Before Depreciation	381.91	367.34
Less: Depreciation And Amortisation Expenses	156.24	161.77
Profit Before Tax (PBT)	225.67	205.57
Less:		
(a) Current Tax	67.24	47.48
(b) Deferred Tax	8.67	15.81
Profit After Tax (PAT)	149.76	142.28
Add: Profit Brought Forward	746.07	600.31
Add: Transferred during the year	-	3.49
Profit Available for Appropriation	895.83	746.07

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 2014.

PUBLIC DEPOSITS

The Company had not accepted any deposit from public during the year ended on 31st March, 2014, pursuant to the provisions of Section 73 of the Companies Act, 2013.

BUSINESS PERFORMANCE

During the year under review, your Company has recorded total revenue of ₹ 381.81 crores.

DIRECTORS

In accordance with provisions of the Companies Act, 2013 and Article of Association of the Company, Mr. Sudarshan Shastri Director of the Company, retires by rotation and being eligible offer himself for re-appointment & the Declaration has been received from him certifying that he meets with criteria of Independent Director as prescribed.

AUDITORS AND AUDITORS' REPORT

M/s Dafria & Co., Chartered Accountants, Statutory Auditors of the Company, holds office till the conclusion of the ensuing Annual General Meeting and is eligible for re-appointment.

The Company has received letter from them to the effect that their re-appointment, if made, would be within the prescribed limits under section 141(3)(g) of the Companies Act, 2013 and they are not disqualified for re-appointment.

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

COST AUDITORS

The Company has appointed M/s G K Gupta & Co. as a cost auditor for conducting the audit of cost records of the Company for the financial year 2013-14.

REPORT ON CORPORATE GOVERNANCE

The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India forms part of this 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 the Report on corporate governance.

LISTING OF SECURITIES

The Equity Shares of the Company are listed at Bombay Stock Exchange & Madhya Pradesh Stock Exchange Limited, Indore. The Company had duly paid the listing fees to the aforesaid Stock Exchanges for the financial year 2014-15.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India is presented in a separate section and forming part of the Annual 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 the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

1. In the preparation of the annual accounts for the year ended 31st March, 2014, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same.
2. The Directors have selected such accounting policies 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 March 31, 2014 and of the profit of the Company for the year ended on that date;
3. The Directors have taken proper and sufficient care 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; and
4. The Directors have prepared the annual accounts of the Company on a 'going concern' basis.

CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to energy conservation, Technology absorption, foreign exchange earnings and outgo, as required to be disclosed 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 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	2013-14	2012-13
Electricity:		
Unit (KWH)	49,98,960	47,79,912
Total Cost (In ₹)	3,25,18,394	3,08,71,063
Rate/Unit (In ₹)	6.51	6.46

Power and Fuel Consumption	2013-14	2012-13
Coal :		
Quantity (Metric ton)	10,863.435	11,242.190
Total Cost (In ₹)	5,59,88,904	5,75,62,272
Rate /MT (In ₹)	5,153.89	5,120.20
Diesel:		
Quantity (Litre)	12,996	32,048
Total Cost (In ₹)	6,87,986	15,23,189
Rate/Litre (In ₹)	52.94	47.53

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 EARNING & OUTGO

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

1. Earnings

The Company has directly exported Lecithin for \$ 10,38,793.00 amounting ₹ 6,22,47,289.00 and Soya Fatty Acid for \$ 2,24,690.70 amounting to ₹1,37,25,058.00 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 and move forward to climb greater heights.

On behalf of the Board of Directors

Place : Indore
Date : May 29, 2014

Rangnath Nyati
Chairman

CORPORATE GOVERNANCE REPORT



In accordance with Clause 49 of the Listing Agreement with BSE Limited (BSE), 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.

BEST CORPORATE GOVERNANCE PRACTICES

DJIL maintains the highest standards of Corporate governance. It is the company constant endeavor to adopt the best corporate governance practice keeping in view the international codes of Corporate Governance and practice of well-known global companies. Some of the best implemented global governance norms include the following:

- a) The Company has a designated Lead Independent Director with a defined role.
- b) All Securities related filing with Stock Exchanges and SEBI are reviewed every quarter by the Company's Stakeholders relationship Committee (previously Shareholders'/Investors' Grievance Committee of Directors).
- c) The Company also undergoes secretarial audit conducted by independent company secretary who is in whole time practice. Quarterly secretarial audit report are placed before the board and the annual secretarial audit report placed before the Board, is included in the Annual Report.

ROLE OF THE COMPANY SECRETARY ON OVERALL GOVERNANCE PROCESS

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. The company Secretary ensures that all relevant information, details and documents are available to the directors, and senior management for effective decision making at the meetings. The Company Secretary is primarily responsible to assist and advise the Board in conduct of affairs of the Company to ensure compliance with applicable statutory requirements and Secretarial Standards, to provide guidance to directors and to facilitate convening of meetings. He interfaces between the management and regulatory authorities for governance matters.

MEETING OF INDEPENDENT DIRECTORS

The Company's Independent Directors meet at least once in every financial year without the presence of Executive Directors or Management personnel. Such meetings are conducted informally to enable Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views to the Lead Independent Director takes appropriate steps to present Independent Directors' view to the Chairman.

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. Shrinivas Soni	Director	Non Executive & Independent
5.	Mr. Sudarshan Shastri	Director	Non Executive & Independent

b) NO. OF BOARD MEETINGS HELD DURING THE FINANCIAL YEAR 2013-14

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

May 30 , 2013	July 30,2013	October 29,2013	January 30, 2014	February 19,2014
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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 Committees	No. of Chairmanship/ Membership of other Board	Attendance a at the last AGM
1.	Mr. Rangnath Nyati	5	Nil	Nil	Yes
2.	Mr. Girdhari Nyati	5	2	Nil	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

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/-

AUDIT COMMITTEE

The Audit Committee is constituted in accordance with the provision section 177 of the Companies Act, 2013 of clause 49 of Listing Agreement. Members of the Audit Committee are financially literate in whom Mr. Gopal Nyati is Chartered Accountant and the finance professional and Mr. Sudarshan Shastri senior corporate and financial consultants.

MEETINGS HELD

During the Financial Year 2012-13, 4 (Four) Audit Committee Meetings were held on the following dates:

May 30, 2013	July 30,2013	October 29,2013	January 30, 2014
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COMPOSITION AND ATTENDANCE

Name Of the Member	Composition as on March 31,2014	No. of Meetings Attended
Mr. Shriniwas Soni	Chairman	4
Mr. Gopal Nyati	Member	4
Mr. Sudarshan Shastri	Member	4

REMUNERATION COMMITTEE

Name Of the Member	Composition as on March 31,2014
Mr. Sudarshan Shastri	Chairman
Mr. Girdhari R. Nyati	Member
Mr. Rangnath Nyati	Member

SHAREHOLDERS AND INVESTOR GRIEVANCE COMMITTEE

Name Of the Member	Composition as on March 31,2014
Mr. Rangnath Nyati	Chairman
Mr. Girdhari R. Nyati	Member
Mr. Sudarshan Shastri	Member

During the F.Y. 2013-14, 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
2010-2011	September 16, 2011	11.00am	Registered Office	0
2011-2012	September 14, 2012	11.00am	Registered Office	1
2012-2013	September 7, 2013	11.00am	Registered Office	1

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. 2013-14.

DISCLOSURES

a) LEGAL COMPLIANCES

The Company has complied with all the requirement of regulatory authorities on the matters related to capital market hence no penalties or strictures have been imposed on the company by stock exchanges, SEBI or any other statutory authority during the last three years.

b) CEO/CFO CERTIFICATION

In terms of Clause 49 of the Listing Agreement, the certification by Chief Executive Officer and Chief Financial Officer on the financial statement and internal controls relating to financial reporting has been obtained.

c) 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.

d) MEANS OF COMMUNICATIONS

The Quarterly Results, Half Yearly and Annual results are published in English and Hindi news papers. The same were send to the both Stock Exchanges i.e. Bombay Stock Exchange (BSE) & Madhya Pradesh Stock exchange (MPSE). This result is also available on the company website i.e. www.divyajyoti.net.

e) CODE OF CONDUCT

The Board of Directors has adopted the Code of Ethics and Business Principles for the directors and also for the Members of Senior Management. The said code has been communicated to all the directors and members of the senior management and they have affirmed their complianc with the code of conduct/ ethics as approved and adopted by the Board of Directors.

GENERAL SHAREHOLDER INFORMATION

AGM DETAILS

- Date : Monday, 29th September, 2014
- Venue : Plot No.M-19-39, Sector-III, Industrial Area, Pithampur Dist- Dhar (M.P.)
- Time : 11:30 AM
- Financial Year : April 1, 2013 to March 31, 2014
- Book Closure Date : September 25, 2014 to September 29, 2014
- Listing on Stock Exchanges : Bombay Stock Exchange Limited and Madhya Pradesh Stock Exchange Limited
- Stock Code : 526285
- Demat ISIN : INE666B01018

STOCK MARKET PRICE DATA

Month	Month's High Price(₹)	Month's Low Price(₹)	No. Of Shares
Apr 13	7.19	6.73	5,309
May 13	7.71	6.50	87,192
Jun 13	7.20	6.85	3,000
Jul 13	6.98	6.35	1,600
Aug 13	7.25	6.57	8,913
Sep 13	7.45	7.09	2,890
Oct 13	7.40	7.40	100
Nov 13	7.68	7.68	500
Dec 13	8.00	8.00	300
Jan 14	7.75	7.61	97
Feb 14	8.10	8.10	2
Mar 14	8.00	7.27	1,010

* Source: www.bseindia.com

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Pvt. Limited
 C-13, Pannalal Silk Mills Compound
 LBS Marg Bhandup (W), Mumbai - 400078
 Phone No: 022-25963838 Fax: 022-25946969

SHARE TRANSFER SYSTEM

Transfer and dematerialization of shares are processed by Link Intime India Pvt. Limited, Mumbai and are approved by Shareholders/ Investors Grievance Committee. Average times taken for transfer of shares as well as dematerialization are three weeks.

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2014

Category(Shares)	No. Of Shareholders	No. Of Shares held	% Of Total Shares
01-500	10,461	16,29,177	90.91
501-1000	506	4,22,134	4.40
1001-2000	258	3,92,604	2.24
2001-3000	70	1,82,306	0.61
3001-4000	31	1,10,596	0.26
4001-5000	43	2,03,635	0.37
5001-10000	56	4,16,872	0.49
10001 & Above	82	69,42,676	0.71
Total	11,507	1,03,00,000	100.00

CATEGORIES OF SHAREHOLDING AS ON 31ST MARCH, 2014

S. No.	Category	No. Of Shares	% of Shareholding
1.	Promoters, Directors & Relatives	24,95,350	24.23
2.	Public/Individuals	73,31,732	71.18
3.	Body Corporate	4,49,606	4.36
4.	Mutual Funds & Nationalized Banks	0	0.00
5.	NRI's & OCB's	10,916	0.11
6.	Clearing Members	12,396	0.12
	Total	1,03,00,000	100.00

DEMATERIALISATION

The shares of the Company are listed on Bombay Stock Exchange, Mumbai and Madhya Pradesh Stock Exchange, Indore. The Company's shares are available for trading in the depository of both NSDL & CDSL.

S. No.	Mode of Holding	Percentage
1.	NSDL	59.37
2.	CDSL	16.50
3.	Physical	24.13
	Total	100.00

PLANT LOCATION

M-19-39, Sector-III, Industrial Area
Pithampur - 454 775, Dist. Dhar (M.P.)

ADDRESS FOR INVESTORS GRIEVANCES

Company Secretary:
Ms. Sweety Rai
Divya Jyoti Industries Limited
92/3, Sapna Sangeeta Main Road
Near Tanishq Showroom
Indore - 452 001 (M.P.)
Phone No.: 4010900-1

On behalf of the Board of Directors

Place : Indore
Date : May 29, 2014

Rangnath Nyati
Chairman