



**DIVYA JYOTI**

**INDUSTRIES  
LIMITED**

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20<sup>th</sup>

A N N U A L

R E P O R T

2011 - 2012

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## COMPANY INFORMATION

### BOARD OF DIRECTORS

Mr. Rangnath Nyati	Chairman
Mr. Girdhari R. Nyati	Whole Time Director
Mr. Gopal Nyati	Executive Director
Mr. Shrinivas 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](http://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

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## 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

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**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.

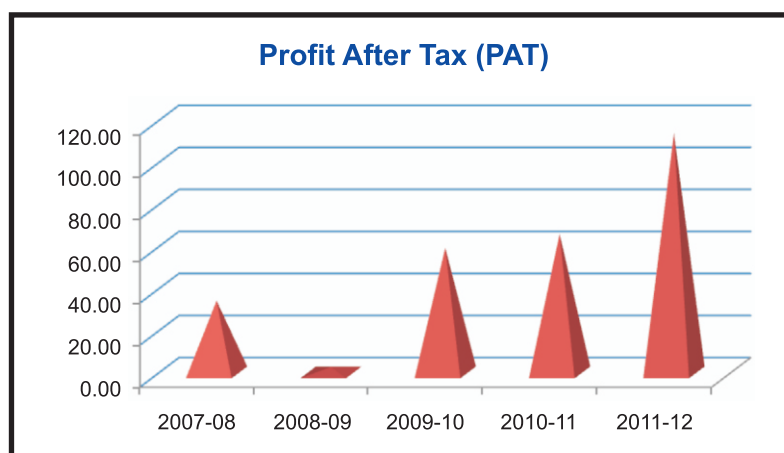
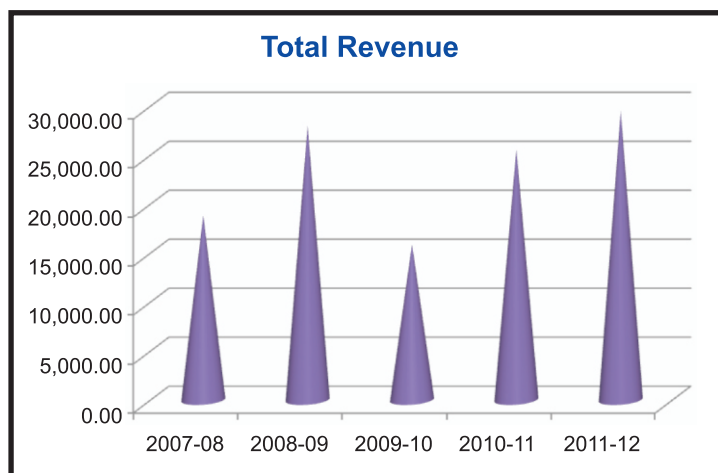
Place: Indore  
Date : 27th July, 2012

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
<b>Operating Results</b>					
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
<b>Total Revenue</b>	<b>18,819.56</b>	<b>27,914.70</b>	<b>15,845.04</b>	<b>25,516.23</b>	<b>29,462.66</b>
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
<b>Profit Before Tax (PBT)</b>	<b>55.14</b>	<b>9.74</b>	<b>81.16</b>	<b>124.04</b>	<b>165.25</b>
Less : Tax	21.2	7.13	21.84	58.15	51.45
<b>Profit After Tax (PAT)</b>	<b>34.12</b>	<b>2.61</b>	<b>59.23</b>	<b>65.90</b>	<b>113.80</b>



## 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 31<sup>st</sup> March, 2012 is summarized below:

Particulars	(₹ In lacs)	
	2011-2012	2010-2011
Revenue from Operations	29,438.98	25,493.55
Other Income	23.68	22.68
<b>Total Revenue</b>	<b>29,462.66</b>	<b>25,516.23</b>
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
<b>Profit Before Tax (PBT)</b>	<b>165.25</b>	<b>124.04</b>
<b>Less:</b>		
(a) Current Tax	33.40	26.85
(b) Deferred Tax	28.20	55.55
(c) MAT Credit Entitlement	(10.15)	(24.25)
<b>Profit After Tax (PAT)</b>	<b>113.80</b>	<b>65.90</b>
Add: Profit Brought Forward	498.47	432.57
Less: Utilised during the year	(11.96)	(0.00)
<b>Profit Available for Appropriation</b>	<b>600.31</b>	<b>498.47</b>

### 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 31<sup>st</sup> 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
<b>1 Electricity:</b>		
(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
<b>2 Coal :</b>		
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
<b>3 Diesel:</b>		
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. Shrinivas 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. Shrinivas 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. Shrinivas 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.



## COMMUNICATIONS

The Quarterly Results of the Company are announced in month of the end of the respective quarter and submitted to the BSE and MPSE where the Company's Equity Shares are listed and are normally published in Chautha Sansaar & Free Press News papers. These also can be accessed on the Company's website i.e. [www.divyajyoti.net](http://www.divyajyoti.net).

## 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 compliance with the code of conduct/ethics as approved and adopted by the Board of Directors.

## GENERAL SHAREHOLDER INFORMATION

### 1 AGM DETAILS

<b>Date</b>	:	Friday, September 14, 2012
<b>Venue</b>	:	Plot No. M-19-39, Sector-III, Industrial Area, Pithampur
<b>Time</b>	:	11:00 am
<b>2 Financial Year</b>	:	April 1, 2011 to March 31, 2012
<b>3 Book Closure Date</b>	:	September 12, 2012 to September 14, 2012
<b>4 Listing on Stock Exchanges</b>	:	BSE and MPSE
<b>Stock Code</b>	:	526285
<b>5 Demat ISIN</b>	:	INE666B01018

## STOCK MARKET PRICE DATA

Month	Month's High Price (₹)	Month's Low Price (₹)	No. of Shares
April 11	12.32	10.91	4225
May 11	12.00	10.60	75106
June 11	11.80	10.47	21156
July 11	11.34	10.35	14139
August 11	11.00	8.84	16483
September 11	10.15	8.56	32230
October 11	10.50	8.70	5804
November 11	10.40	8.40	3271
December 11	8.40	7.77	2150
January 12	8.08	7.32	1501
February 12	10.10	7.85	18108
March 12	9.25	7.60	9552

\* Source: [www.bseindia.com](http://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: 25946969

## SHARE TRANSFER SYSTEM

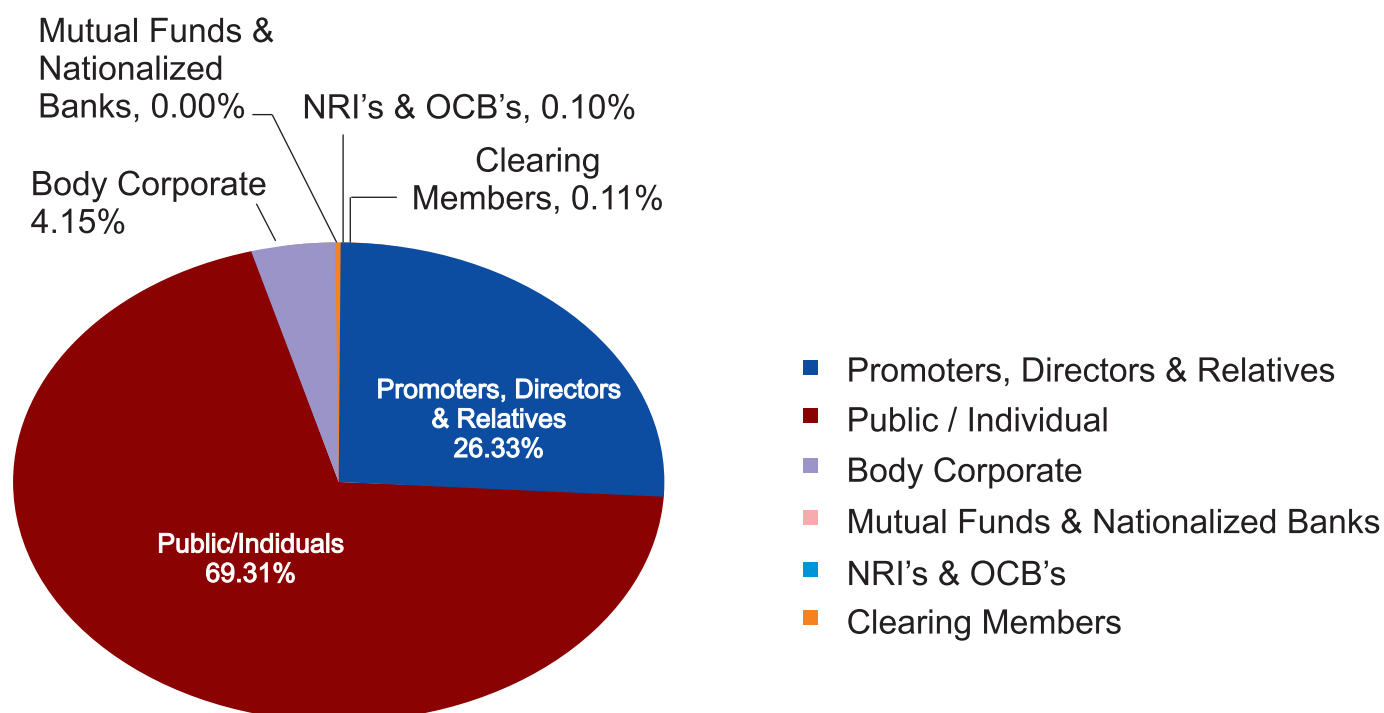
Transfer and dematerialization of shares are processed by Link Intime India Pvt. Limited, Mumbai and are approved by Shareholders/ Investors Grievance Committee. Average times taken for transfer of shares as well as dematerialization are three weeks.

### DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH, 2012

No. of Equity Shares held	No. of Shareholders	No. of Shares held	% of Total Shares
Up to 500	10667	1663677	16.1520
501-1000	510	426756	4.1430
1001-2000	264	403183	3.9140
2001-3000	74	193472	1.8780
3001-4000	30	107337	1.0420
4001-5000	41	196104	1.9040
5001-10000	60	443039	4.3010
10001 & Above	83	6866432	66.6640
<b>Total</b>	<b>11729</b>	<b>10300000</b>	<b>100.00</b>

### CATEGORIES OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH, 2012

S.No.	Category	No. of Shares	% of Share Holding
1.	Promoters, Directors & Relatives	2711850	26.33
2.	Public/Individuals	7139265	69.31
3.	Body Corporate	427238	4.15
4.	Mutual Funds & Nationalized Banks	0	0.00
5.	NRI's & OCB's	9957	0.10
6.	Clearing Members	11690	0.11
	<b>Total</b>	<b>10300000</b>	<b>100.00</b>





## 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	55.26
2.	CDSL	19.15
3.	Physical	25.59
	<b>Total</b>	<b>100.00</b>

## PLANT LOCATION

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

## ADDRESS FOR INVESTORS GRIEVANCES

Company Secretary:  
Ms. Neha Sharma  
Divya Jyoti Industries Limited,  
92/3, Sapna Sangeeta Main Road  
Near Tanishq Showroom,  
Indore – 452 001 (M.P.)  
Phone No.: 4010900, 901

Place: Indore  
Date : 27th July, 2012

On behalf of the Board of Directors  
**RANGNATH NYATI**  
Chairman

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### OVERVIEW

Recovering from the global meltdown, commodities again had a difficult year. With inflation in India remaining at high levels, the Government continued to exercise tight control on almost all agricultural commodities. The strong and vibrant economic performance put up by Asian economies is aiding the positive trend. This year can be summed up as a year of consolidation. Looking forward, the company expects to make further progress during the current year.

### INDUSTRY STRUCTURE AND DEVELOPMENTS

Your Company is mainly engaged in business of Soya Solvent Oil, Soya Refined Oil, Soya Meal and Lecithin. India is the largest importer of edible oils in the world. The domestic oil consumption is continuously increasing in India. Mostly all manufactured food products contain derivative or ingredients made from Soya. The soya meal is essentially consumed as poultry, fish and cattle feed, a substantial part of soya meal is exported to the Asian region even though the domestic demand is growing. Business related factors such as delayed arrival of crop, High prices, consequent lower supply of beans in the market place due to reluctance of farmers to sell the beans at low price levels and disparity in prices for the processors have adversely affected the operations of the solvent crushing industry during the peak season from October to March, resulting in lower domestic supply of soyabean oil and export of soyameal, as compared to the corresponding period previous year, The operations of the solvent crushing industry have, therefore, been challenging in the year under review.

### SEGMENT WISE PERFORMANCE

As the company's business activity falls within single primary business segment viz. Solvent Extraction & Refinery, hence reporting of segment wise performance is not applicable.

## RISK MANAGEMENT

The Monsoon, weather conditions, domestic and international crops of soybean, demand supply gap and government policy may have affects the business of the Company. Your Company is exposed to risks arising out of volatility in foreign currencies; the exposure on this account extends to products exported to other territories. Company is securing forward exchange contracts to minimize/ avoid the risk of variation in foreign currency rates. Risk Management techniques have been added at every level to ensure that company is prepared to take the competition head on without making itself vulnerable to the occasional bumps in the market.

In event of unforeseen Risks, the company would rely on the experience and dedication of its Board to tackle any issues that may affect its performance. The Management structure as well as Staffing has also been shaken up to enhance the performance and make the board more accountable in the decision-making processes.

## INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Your company maintains adequate internal control system designed to provide reasonable assurance that assets are safeguarded. Transactions are executed in accordance with the management's authorization and are properly recorded and accounting records are adequate for preparation of financial statements and financial information. Your Company has well defined procedure to execute the financial transaction. Furthermore, the Audit Committee and the Board of Directors screen each financial transaction.

## HUMAN RESOURCES

Management is keen on following the best practices for retaining and enhancing human resources of the Company. Internal transfer, job rotation and training have been inculcated at different level of organization.

## REVENUE AND PROFIT

Total revenue of the Company recorded a growth of 15.47% to ₹ 294.63 crores as compared to ₹ 255.16 crores in 2010-2011. Your Company recorded Profit After Tax of ₹113.8 lacs against ₹ 65.90 lacs during preceding financial year. Shedding the adverse impact of price fluctuation the Company recorded a growth of 72.70% in the Profit After Tax (PAT).

The financial statements of the Company for the year under review have been prepared in Compliance with the requirements of the Companies Act, 1956 and Generally Accepted Accounting Principles in India. The management of the company accepts the responsibility for the integrity and objectivity of these financial statements.

## FINANCIAL REVIEW AND ANALYSIS

(₹ In lacs)

Highlights	2011-2012	2010-2011	Growth (%)
Total Revenue	29,462.66	25,516.23	15.47
Earnings Before Interest, Depreciation & Tax (EBIDTA)	979.89	618.99	58.30
Less: Financial Costs	655.91	373.48	75.62
Depreciation And Amortisation Expenses	158.73	121.47	30.68
Profit Before Tax (PBT)	165.25	124.04	33.21
Profit After Tax (PAT)	113.80	65.90	72.70

## CAUTIONARY STATEMENT

Estimates and expectations stated in this Management Discussion Analysis describing the Company's objectives, projections may be forward looking statements within the meaning of applicable securities laws and regulations. Actual result could differ from those express or implied. Important factor that could make a difference to the Company's operations include economic conditions affecting demand-supply and price condition in the domestic and overseas markets in the Company operates, changes in Government Regulations, tax laws and other statues and other incidental factors.

## Auditor's Certificate On Corporate Governance

To, The members of **Divya Jyoti Industries Limited**

We have examined the compliance of Corporate Governance by Divya Jyoti Industries Limited, for the year ended 31<sup>st</sup> March, 2012 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the mandatory requirements of Corporate Governance as stipulated in the Listing Agreement.

We state that no investor's grievances are pending for a period exceeding one month against the company, as per the records maintained by the company.

We further state that such compliances are neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

**For Dafria & Co.**  
**Chartered Accountants**  
Firm Registration No. 001448C

**Rakesh Dafria**  
Partner  
Membership No.: 081390

Place : Indore  
Date : 27th July, 2012

## AUDITOR'S REPORT

To, The Member of **Divya Jyoti Industries Limited**

We have audited the attached Balance Sheet of **DIVYA JYOTI INDUSTRIES LIMITED INDORE** as at 31<sup>st</sup> March, 2012, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes, assessing the accounting principle used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the annexure referred to above, we report that:

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of the audit;
- ii. In our opinion, proper books of account as required by law, have been kept by the company so far as appears from our examination of those books;
- iii. The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with this report are in agreement with the books of accounts;
- iv. In our opinion Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- v. On the basis of written representation received from the directors of the company as on 31<sup>st</sup> March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2012 from being appointed as a director of the company in terms of clause (g) of sub-section (1) of section 274 of the companies Act, 1956.
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a. In the case of the Balance sheet of the state of affairs of the Company as at 31<sup>st</sup> March, 2012;
  - b. In the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
  - c. In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

**For Dafria & Co.**  
**Chartered Accountants**  
Firm Registration No. 001448C

**Rakesh Dafria**  
Partner  
Membership No.: 081390

Place : Indore  
Date : 27th July, 2012

**ANNEXURE TO THE AUDITOR'S REPORT**  
**(Referred to in Paragraph 3 of our report of even date)**

1. (a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.  
 (b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such physical verification.  
 (c) In our opinion, the company has not disposed off any substantial part of its fixed assets during the year, and the going concern status of the company is not affected.
2. (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.  
 (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.  
 (c) The company is maintaining proper records of inventory. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.
3. As informed to us, the company has neither granted nor taken loans, secured or unsecured to/from parties listed in the register maintained under section 301 of the Companies Act, 1956. Therefore, the requirement of class iii (b),(c),(d) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business, with regard to the purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct any major weaknesses in internal control system.
5. In our opinion and according to information and explanations given to us, we are of the opinion that there were no such transactions that need to be entered into the register maintained U/S 301 of the Companies Act, 1956. Accordingly Clause (v) (b) of paragraph 4 of the order is not applicable.
6. In our opinion and according to information and explanations given to us, the company has not accepted any deposits from the public. Therefore, the provisions of Clause (vi) of paragraph 4 of the order are not applicable to the Company.
7. In our opinion, the company has an Internal Audit System commensurate with the size and nature of its business.
8. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
9. (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including income tax, sales tax, service tax, excise duty, cess and other material statutory dues applicable to it.  
 (b) According to the records of the company the disputed dues in respect of sales tax and income tax are as under:

S.No	Name of Dues	(₹ in Lacs)	Related Period	Forum where disputes are pending
1	Commercial Tax	6.51 (Net)	2004-05	Reference application filed to Commissioner of Commercial Tax Tribunal, Bhopal.
2	Commercial Tax	2.99 (Net)	2005-06	Reference application filed to Commissioner of Commercial Tax Tribunal, Bhopal.
3	Entry Tax	0.26 (Net)	2005-06	Reference application filed in Jabalpur High Court.
4	Entry Tax	0.79 (Net)	2006-07	Writ Petition filed at Indore High Court
5	Entry Tax	150.41 (Net)	2007-08	Writ Petition filed at Indore High Court
6	Central Sales Tax	57.88 (Net)	2003-04	Writ Petition filed at Jabalpur High Court
7	Central Sales Tax	181.46 (Net)	2004-05	Writ Petition filed at Jabalpur High Court
8	Income Tax	0.76 (Net)	2008-09	Appellate Commissioner of Income Tax, Indore
9	Entry Tax	223.66 (Net)	2008-09	Writ Petition filed at Indore High Court

(\* net of pre-deposit paid)

10. In our opinion, the Company has no accumulated losses as at 31<sup>st</sup> March 2012 and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
11. In our opinion and according to information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution, bank or debenture holders.
12. According to information and explanations given to us, the company has not granted any loans and advances on the basis of the security by the way of pledge of shares, debentures and other securities.
13. The company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
14. Since the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
15. According to information and explanations given to us, the company has not given any guarantees for loan taken by others from banks or financial institutions.
16. According to information and explanations given to us, the term loans have been applied for the purposes for which they were raised.
17. According to the information and explanations given to us and on an overall examination of Balance Sheet of the company, we report that the no funds raised on short-term basis have been used for long term investments.
18. The Company has not made any Preferential Allotment of Shares to Parties or Companies covered in the register maintained under section 301 of the Act.
19. According to the information and explanations given to us, during the period covered by our audit report, the company has not issued any debentures.
20. The company has not raised any money through public issue during the year.
21. According to the information and explanations given to us, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

**For Dafria & Co.**  
**Chartered Accountants**  
 Firm Registration No. 001448C

**Rakesh Dafria**  
 Partner  
 Membership No.: 081390

Place : Indore  
 Date : 27th July, 2012



## Balance Sheet as at 31st March 2012

(₹ in thousand)

Particular	Note	As at 31st March, 2012	As at 31st March, 2011
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
(a) Share Capital	3	103,000.00	103,000.00
(b) Reserves and Surplus	4	64,181.66	53,997.95
		167,181.66	156,997.95
<b>2 Non-Current Liabilities</b>			
(a) Long-Term Borrowings	5	118,182.69	142,997.95
(b) Deferred Tax Liability (Net)	6	24,692.06	21,871.99
(c) Other Long-Term Liabilities	7	3,473.67	2,261.54
		146,348.42	167,131.48
<b>3 Current Liabilities</b>			
(a) Short-Term Borrowings	8	296,414.68	353,231.70
(b) Trade Payables	9	87,808.64	58,234.55
(c) Other Current Liabilities	10	52,084.28	53,741.08
(d) Short-Term Provisions	11	1,488.57	1,671.21
		437,796.17	466,878.54
	<b>TOTAL</b>	<b>751,326.25</b>	<b>791,007.97</b>
<b>B ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	12	229,412.13	235,580.66
(ii) Capital Work-in-Progress	12	0.00	1,687.03
		229,412.13	237,267.69
(b) Non-Current Investments	13	29.00	29.00
(c) Long-Term Loans and Advances	14	3,487.78	3,463.32
(d) Trade Receivables	15	11,682.28	5,547.52
(e) Other Non-Current Assets	16	345.51	69.00
		244,956.70	246,376.53
<b>2 Current Assets</b>			
(a) Inventories	17	179,702.39	283,895.30
(b) Trade Receivables	15	275,467.75	202,025.36
(c) Cash and Cash Equivalents	18	15,998.61	6,176.36
(d) Short-Term Loans and Advances	19	33,471.33	51,295.28
(e) Other Current Assets	20	1,729.47	1,239.14
		506,369.55	544,631.44
	<b>TOTAL</b>	<b>751,326.25</b>	<b>791,007.97</b>
Notes on Financial Statements	1-36		

In terms of our report even date attached.

**For Dafria & Co.**

**Chartered Accountants**

Firm Registration No. 001448C

**Rakesh Dafria**

Partner

Membership No.: 081390

Place : Indore

Date : 27th July, 2012

For and on behalf of the Board of Directors

**Gopal Nyati**

Executive Director

**Girdhari Nyati**

Whole Time Director

## Statement of Profit and Loss for the year ended 31st March 2012

(₹ in thousand)

Particular	Note	For the year ended 31st March, 2012	For the year ended 31st March, 2011
<b>A INCOME</b>			
Revenue from Operations (Gross)	21	2,947,968.84	2,550,407.72
Less: Excise duty	21	4,070.62	1,052.68
Revenue from Operations (Net)		2,943,898.22	2,549,355.04
Other Income	22	2,367.68	2,267.88
<b>Total Revenue</b>		<b>2,946,265.90</b>	<b>2,551,622.92</b>
<b>B EXPENDITURE</b>			
Cost of Materials Consumed	23 a	2,325,550.20	2,031,079.00
Purchases of Stock-in-Trade	23 b	308,898.70	269,123.45
Changes in Inventories of Finished Goods, Stock-in-Progress and Stock-in-Trade	23 c	(27,428.95)	(24,122.01)
Employee Benefits Expense	24	19,789.57	14,208.01
Finance Costs	25	65,591.18	37,348.27
Depreciation and Amortisation Expense	26	15,873.28	12,146.51
Other Expenses	27	221,467.38	199,435.25
<b>Total Expenses</b>		<b>2,929,741.36</b>	<b>2,539,218.47</b>
<b>Profit Before Tax</b>		<b>16,524.55</b>	<b>12,404.45</b>
<b>Tax Expense:</b>			
Current Tax		3,339.90	2,684.67
Deferred Tax		2,820.07	5,554.85
(Less): MAT Credit Entitlement		(1,015.36)	(2,424.63)
Net Current Tax Expense		2,324.54	260.04
		<b>5,144.60</b>	<b>5,814.89</b>
<b>Profit for the year</b>		<b>11,379.94</b>	<b>6,589.56</b>
Earnings per equity share of face value of ₹10 each:			
Basic and Diluted (in ₹)	28	1.10	0.64
Notes on Financial Statements	1-36		

In terms of our report even date attached.

**For Dafria & Co.**

**Chartered Accountants**

Firm Registration No. 001448C

**Rakesh Dafria**

Partner

Membership No.: 081390

Place : Indore

Date : 27th July, 2012

For and on behalf of the Board of Directors

**Gopal Nyati**

Executive Director

**Girdhari Nyati**

Whole Time Director

## Cash Flow Statement for the year ended 31st March 2012

(₹ in thousand)

Particular	For the year ended 31st March, 2012	For the year ended 31st March, 2011
<b>A. Cash Flow from Operating Activities:</b>		
<b>Profit Before Tax</b>	16,524.55	12,404.45
<b><u>Adjustments for :</u></b>		
Utilised from Reserve	(1,196.23)	0.00
Depreciation and Amortisation Expense	15,873.28	12,146.51
Finance Costs	65,591.18	37,348.27
Interest Income	(440.07)	(251.40)
Dividend Income	(5.00)	(5.00)
Loss on sale of Fixed Assets	55.45	1,835.01
	<b>79,878.62</b>	<b>51,073.38</b>
<b>Operating Profit before Working Capital Changes</b>	<b>96,403.16</b>	<b>63,477.83</b>
<b><u>Changes in Working Capital:</u></b>		
Adjustments for (increase) / decrease in operating assets:		
Inventories	104,192.90	(189,320.87)
Trade Receivables	(79,577.13)	(67,696.47)
Short-term Loans and Advances	17,823.95	(30,308.45)
Long-term Loans and Advances	(24.46)	712.34
Other Current Assets	(490.33)	0.00
Other Non-Current Assets	(276.51)	(69.00)
Adjustments for increase / (decrease) in operating liabilities:		
Trade Payables	29,574.09	40,919.79
Other Current Liabilities	(1,656.79)	4,854.74
Short-Term Provisions	(182.65)	1,939.88
	<b>69,383.06</b>	<b>(238,968.05)</b>
<b>Cash Generated from Operations</b>	<b>165,786.22</b>	<b>(175,490.22)</b>
Net Tax paid	(2,324.54)	(260.04)
<b>Net Cash Flow from / (used in) Operating Activities (A)</b>	<b>163,461.69</b>	<b>(175,750.26)</b>
<b>B. Cash Flow From Investing Activities:</b>		
Purchase of Fixed Assets	(9,907.83)	(138,795.94)
Proceeds from Sale of Fixed Assets	147.64	84.23
Decrease to Capital Work In Progress	1,687.03	650.89
Decrease to Pre Operative Expenses Incurred	0.00	980.10
Purchase of Investments	0.00	(1.00)
Interest Income	440.07	251.40
Dividend Income	5.00	5.00
<b>Net Cash Flow from / (used in) Investing Activities (B)</b>	<b>(7,628.10)</b>	<b>(136,825.32)</b>

Contd. ...

## Cash Flow Statement Contd. ... for the year ended 31st March 2012

(₹ in thousand)

Particular	For the year ended 31st March, 2012	For the year ended 31st March, 2011
<b>C. Cash Flow From Financing Activities:</b>		
Proceeds from Long-Term Borrowings	1,212.13	151,402.03
Repayment of Long-Term Borrowings	(24,815.27)	(3,765.31)
Net increase / (decrease) in Working Capital Borrowings	(56,817.01)	205,480.95
Finance Costs	(65,591.18)	(37,348.27)
<b>Net Cash Flow from / (used in) Financing Activities (C)</b>	<b>(146,011.34)</b>	<b>315,769.41</b>
Net Increase in Cash and Cash Equivalents	9,822.25	3,193.82
Cash and Cash Equivalents at beginning of the year	6,176.36	2,982.54
Cash and Cash Equivalents at the end of the year	15,998.61	6,176.36

Note : The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard- 3 Cash Flow Statement

In terms of our report even date attached.

**For Dafria & Co.**

**Chartered Accountants**

Firm Registration No. 001448C

**Rakesh Dafria**

Partner

Membership No.: 081390

Place : Indore

Date : 27th July, 2012

For and on behalf of the Board of Directors

**Gopal Nyati**

Executive Director

**Girdhari Nyati**

Whole Time Director



## Notes Forming Part of the financial statements

### 1. Corporate Information

Divya Jyoti Industries Limited (the Company) is a Public Limited Company domiciled in India and incorporated under the provisions of Company Act, 1956. Its shares are listed on two stock exchanges in India. The Company is engaged in Solvent Extraction & Refinery of Soya Oil.

### 2. Basis of Preparation of Financial Statements

The financial statements have been prepared to comply in all material respects with the notified accounting standards by the Company (Accounting Standard) Rule, 2006 and relevant provisions of the Companies Act, 1956. The financial statements are prepared on historical cost convention on an accrual basis. The Accounting Policies have been consistently applied by the Company.

#### 2.1 Significant Accounting Policies

##### a Change in Accounting Policy

During the year ended 31st March, 2012, the revised schedule VI notified under the Companies Act, 1956, has become applicable to the Company, for preparation and presentation of its financial statement. The adoption of revised schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has a significant impact on presentation and disclosures made in financial statement. The Company has also reclassified the previous year figures in accordance with the requirement of applicable in current year.

##### b Use of Estimates

The preparation of financial statement is in conformity with the generally accepted accounting principle (GAAP) requires estimates and assumptions to be made that affect the reportable amount of assets and liabilities on the date of financial statements and the reportable amount of revenue and expenses during the reporting period. Difference between the actual results and estimate are recognized in the year in which the results are known / materialised.

##### c Revenue Recognition

Sales are recognised at the time of dispatch of goods from factory and are recorded including excise duty but exclusive of sales tax and trade discount wherever applicable. Dividend recognized when right to receive is established. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

##### d Excise Duty

Excise duty is accounted on the basis of both, payments made respect of goods cleared as also provision made for goods lying at factory. Sales tax / Value added tax paid is charged to Profit and Loss Account.

##### e Investment

Long Terms Investment are stated at cost.

##### f Inventories

Cost of inventories comprise of cost of purchase and labour cost. Raw Material, Stores & Spares and Packing Materials are valued at cost using FIFO method. Finished Goods and Stock in Process are valued at Net Realisable Value.

##### g Borrowing Cost

Borrowing costs that are attributable to the acquisition or constructions of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue in the period in which they are incurred.

##### h Tangible Fixed Assets

- Leasehold Land is stated at Cost.
- All Fixed Assets are stated at cost less depreciation, wherever applicable. Cost comprises acquisition costs and any other attributing cost of bringing the assets to its working condition for its intended use but excluding taxes and duties there on, wherever applicable.

c. Depreciation has been calculated on straight line method at the rates and manner specified under the Schedule XIV of the Companies Act, 1956.

**i Taxation**

**Income Tax**

Provision for current tax is made after taking into consideration benefits admissible under the provision of the Income - tax Act, 1961. Advance tax and provision for current income tax are presented in the balance sheet after off-setting advance tax paid and income tax provision.

**MAT**

Minimum alternative tax (MAT) is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

**Deferred Tax**

In accordance with Accounting Standard - 22 on "Accounting for Taxes on Income". The deferred tax for timing differences is accounted for using the tax rate and laws that have been enacted or substantially enacted by the Balance Sheet date.

**j Earning per share**

The Company reports basic and diluted earnings per equity share in accordance with Accounting Standard 20 - "Earning per share". Basic earning per equity share is computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year. The Company does not have any diluted equity share, hence Basic and Dilutive earning per share is same.

**k Foreign Currency Transactions**

Transaction denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transactions or that approximate the actual rate at the date of transaction. Any income or expenses on account of exchange difference on settlement is recognised in the Profit & Loss Account.

**l Provisions for Contingent Liabilities and Contingent Assets**

Provisions involving degree of estimation in measurement are recognised when there is a present obligation as a result of past result and it is problem that there will be an outflow of resources.

Contingent liabilities are disclosed, unless the possibility of an outflow of resource embodying the economic benefit is remote.

Contingent assets are neither recognized nor disclosed in the financial statements.

Provisions, contingent liabilities, contingent assets are reviewed at each balance sheet date.

**m Cash and Cash Equivalents**

Cash and Cash Equivalents for the purpose of cash flow statements comprise cash at bank and in hand and short term investments which have an original maturities of 3 months or less.

**n Employee Benefits**

**Defined Contribution Plan** : Company's contributions paid/payable during the year to provident fund, employee state insurance scheme are recognised during the period in which the employee renders the related services.

**Defined Benefit Plan** : Liability in respect of Employee's Group Gratuity Fund Scheme are funded by Life Insurance Corporation of India.

**o Measurement of Earnings without stating Interest, Tax, Depreciation and Amortization (EBITDA)**

As permitted by the guidance note on the revised schedule VI to the Companies Act, 1956, the Company has elected to present earnings without stating Interest, Tax, Depreciation and Amortization (EBITDA) as a separate line items on the face of the statement of profit and loss.

## Notes Forming Part of the financial statements

(₹ in thousand)

Particular	As at 31st March, 2012	As at 31st March, 2011
<b>Note 3 Share Capital</b>		
Authorised Share Capital: 1,05,00,000 Equity shares of ₹ 10 each	105,000.00	105,000.00
Issued, subscribed and fully paid up: 1,03,00,000 Equity shares of ₹ 10 each	103,000.00	103,000.00
<b>Total</b>	<b>103,000.00</b>	<b>103,000.00</b>

**Note 3a** The Company has only one class of shares referred to as equity Share having a face value of ₹ 10. Each Holder of Equity Share is entitled to one vote per share.

### Note 3b Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Equity Shares at the beginning of the year	10,300,000	10,300,000
Add: Shares issued during the year	0	0
Less: Shares cancelled on buy back of Equity Shares	0	0
Equity Shares at the end of the year	10,300,000	10,300,000

### Note 4 Reserves and Surplus

Capital Reserve	2,965.00	2,965.00
Securities Premium Reserve	1,186.00	1,186.00
Surplus in Statement of Profit and Loss		
Opening Balance	49,846.95	43,257.39
Add: Profit for the year	11,379.94	6,589.56
Less: Utilised / transferred during the year	1,196.23	0.00
Closing Balance	60,030.66	49,846.95
<b>Total</b>	<b>64,181.66</b>	<b>53,997.95</b>

### Note 5 Long-Term Borrowings

<b>Secured:</b>		
Term Loans from Bank	45,986.90	68,561.34
Vehicle Loans	2,195.79	875.94
	48,182.69	69,437.28
<b>Unsecured:</b>		
Inter Corporate Deposits	70,000.00	73,560.67
	70,000.00	73,560.67
<b>Total</b>	<b>118,182.69</b>	<b>142,997.95</b>

### Note 5a Details of Long Term Borrowings

<b>Term Loans from Banks: (Secured)</b>		
Oriental Bank of Commerce	40,168.00	59,256.36
Saraswat Co-operative Bank Ltd.	5,818.90	9,304.98
Total	<b>45,986.90</b>	<b>68,561.34</b>
<b>Vehicle Loans: (Secured)</b>		
HDFC Bank Limited	891.37	0.00
Saraswat Co-operative Bank Ltd.	1,304.42	875.94
Total	<b>2,195.79</b>	<b>875.94</b>
<b>Deposits: (Unsecured)</b>		
Inter-Corporate Deposits	70,000.00	73,560.67
Total	<b>70,000.00</b>	<b>73,560.67</b>

## Notes Forming Part of the financial statements

**Note 5b** Term Loan from Oriental Bank of Commerce was taken during the financial year 2009-2010 and carries interest @ PLR+1% i.e. 16.00% p.a. The loan is repayable in 17 quarterly installments from 30th June, 2011. First 3 installments of ₹ 71.88 lacs and next 14 installments of ₹ 50.21 lacs each. The loan is secured by first charge created by mortgage of the immovable property and hypothecation charge on plant & machinery including electrical installation & other movable fixed assets related to the 100 TPD Edible Oil Refinery Unit. Further, loan has been guaranteed by the personal guarantee of Mr. Rangnath Nyati- Chairman, Mr. Girdhari Nyati - Whole Time Director and Mr. Gopal Nyati - Executive Director.

**Note 5c** Term Loan from Saraswat Co-operative Bank Ltd. was taken during the financial year 2007-2008 and carries interest @ PLR+0.75 i. e. 15.25% p.a. The loan is repayable in 26 quarterly installments from Jan. 2008. First 25 Installment of ₹ 9.32 lacs each and Last Installment of ₹ 6.44 lacs. The loan is secured by hypothecation charge on plant & machinery including electrical installation & other movable fixed assets related to the expansion of plant. Further, loan has been guaranteed by the personal guarantee of Mr. Rangnath Nyati - Chairman, Mr. Girdhari Nyati - Whole Time Director and Mr. Gopal Nyati - Executive Director.

**Note 5d** Inter Corporate Deposits was taken during the financial year 2010-2011 and carry interest in the range of @ 9.00 % to 16.00 % p.a.

**Note 5e** Vehicle Loan from HDFC Bank Limited is taken during the financial year 2011-2012 and carries interest @11.25% p.a. The Loan is repayable in 36 monthly installments of ₹ 0.35 lacs each starting from Nov. 2011. The loan is secured by hypothecation charge on Vehicle (Staff Bus) Further, loan has been guaranteed by the personal guarantee of Mr. Rangnath Nyati - Chairman, Mr. Girdhari Nyati - Whole Time Director and Mr. Gopal Nyati - Executive Director.

**Note 5f** Vehicle Loans from Saraswat Co-Op Bank Ltd is taken during the financial year 2010-2011 & 2011-2012 and carry interest in the range of @ 9.50% to 11.00% p.a. The Loans are repayable in 36 monthly installments. The loan is secured by hypothecation charge on Vehicles. Further, loan has been guaranteed by the personal guarantee of Mr. Rangnath Nyati - Chairman, Mr. Girdhari Nyati - Whole Time Director and Mr. Gopal Nyati - Executive Director.

(₹ in thousand)

Particular	As at 31st March, 2012	As at 31st March, 2011
<b>Note 6 Deferred Tax Liabilities (Net)</b>		
Opening Deferred Tax Liability	21,871.99	16,317.14
Add: Deferred Tax Liability provided during the year	2,820.07	5,554.85
<b>Total</b>	<b>24,692.06</b>	<b>21,871.99</b>
Related to Depreciation and Amortisation	24,692.06	21,871.99
<b>Note 7 Other Long-Term Liabilities</b>		
Trade Payables	93.54	63.16
Gratuity Payables	1,609.95	465.52
Other Payables	1,770.18	1,732.86
<b>Total</b>	<b>3,473.67</b>	<b>2,261.54</b>
<b>Note 8 Short-Term Borrowings (Secured)</b>		
Working Capital Loans From Banks	296,414.68	353,231.70
<b>Total</b>	<b>296,414.68</b>	<b>353,231.70</b>

## Notes Forming Part of the financial statements

(₹ in thousand)

Particular	As at 31st March, 2012	As at 31st March, 2011
<b>Note 8a Details of Working Capital Loans from Banks</b>		
<b>Cash Credit:</b>		
Dena Bank	72,141.74	71,226.00
Oriental Bank of Commerce	40,098.62	78,696.30
Saraswat Co-operative Bank Ltd.	89,335.83	62,665.84
<b>Export Packing Credit:</b>		
Dena Bank	16,100.42	22,393.42
Oriental Bank of Commerce	41,067.96	12,627.00
<b>Warehouse Pledge Limit:</b>		
Saraswat Co-operative Bank Ltd.	37,670.11	100,904.66
<b>Letter of Credit Limit:</b>		
Dena Bank	0.00	4,718.48
<b>Total</b>	<b>296,414.68</b>	<b>353,231.70</b>

**Note 8b** Cash Credit & Export Packing Credit loans are secured by hypothecation of present and future stock of raw material, stock in process, finished goods, stores and spares, book debts and materials in transit on pari passu basis. Cash Credit & Export Packing Credit loans are repayable on demand and carry interest @13.50% to 16.00% p.a. on Cash Credit and @10.50% to 12.00% p.a. on Export Packing Credit. Further, loan has been guaranteed by the personal guarantee of Mr. Rangnath Nyati - Chairman, Mr. Girdhari Nyati - Whole Time Director and Mr. Gopal Nyati - Executive Director.

**Note 8c** Warehouse Pledge Finance loan is secured by pledge of warehouse receipts and carries interest @ PLR- 2.75% i. e. 11.75% p.a. Further, loan has been guaranteed by the personal guarantee of Mr. Rangnath Nyati - Chairman, Mr. Girdhari Nyati - Whole Time Director and Mr. Gopal Nyati - Executive Director.

### Note 9 Trade Payables

Others	87,808.64	58,234.55
<b>Total</b>	<b>87,808.64</b>	<b>58,234.55</b>

### Note 10 Other Current Liabilities

Current maturities of long-term debt	23,812.60	30,313.60
Creditors for Capital Expenditure	834.95	5,475.74
Advances from customers	811.29	1,207.81
Other Payables		
(i) Statutory Dues	2,894.47	1,430.79
(ii) Other Payable	23,730.97	15,313.14
<b>Total</b>	<b>52,084.28</b>	<b>53,741.08</b>

### Note 11 Short-Term Provisions

Provision for Bonus	396.77	293.86
Others		
(i) Provision for Tax (Net of advance tax ₹ 25,00,000 As at 31st March, 2011 ₹ 16,50,000)	839.90	1,034.67
(ii) Other Provision	251.90	342.68
<b>Total</b>	<b>1,488.57</b>	<b>1,671.21</b>



## Notes Forming Part of the financial statements

### Note 12 Fixed Assets

(₹ in thousand)

Tangible assets	Gross Block						Accumulated Depreciation				Net Block	
	Balance as at 1st April, 2011	Additions	Disposals	Balance as at 31st March, 2012	Balance as at 1st April, 2011	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31st March, 2012	Balance as at 31st March, 2012	Balance as at 31st March, 2011		
<b>OWN ASSETS:</b>												
Plant and Equipment	203,537.91	3,643.19	0.00	207,181.11	49,796.23	10,822.60	0.00	60,618.83	146,562.28	153,741.69		
Furniture and Fixtures	4,175.77	75.27	0.00	4,251.04	1,186.33	269.96	0.00	1,456.30	2,794.75	2,989.44		
Vehicles	11,313.26	1,197.47	1,222.99	11,287.74	4,512.62	978.48	1,267.40	4,223.70	7,064.04	6,800.63		
Office Equipment	1,890.42	1,001.88	218.94	2,673.37	752.98	121.77	0.00	874.75	1,798.62	1,137.45		
Generator Set	10,068.75	0.00	0.00	10,068.75	589.81	531.47	0.00	1,121.28	8,947.46	9,478.93		
Electrical Installation	8,817.22	0.00	0.00	8,817.22	4,048.46	623.27	0.00	4,671.73	4,145.50	4,768.76		
Leased Machinery	4,800.00	0.00	0.00	4,800.00	1,170.76	0.00	0.00	1,170.76	3,629.24	3,629.24		
Laboratory Equipment	609.71	129.60	0.00	739.31	99.76	33.46	0.00	133.21	606.10	509.96		
Transformer	1,651.59	0.00	0.00	1,651.59	45.19	87.20	0.00	132.39	1,519.20	1,606.40		
Computer & Printers	1,876.87	318.87	35.50	2,160.24	427.71	344.63	6.95	765.40	1,394.85	1,449.16		
Motor Vehicle	0.00	1,283.87	0.00	1,283.87	0.00	67.35	0.00	67.35	1,216.52	0.00		
Site Development	2,832.46	0.00	0.00	2,832.46	0.00	0.00	0.00	0.00	2,832.46	2,832.46		
Buildings	59,019.90	2,257.67	0.00	61,277.58	15,476.18	1,993.09	0.00	17,469.26	43,808.31	43,543.72		
<b>LEASED ASSETS:</b>												
Land	3,092.82	0.00	0.00	3,092.82	0.00	0.00	0.00	0.00	3,092.82	3,092.82		
<b>Total</b>	<b>313,686.68</b>	<b>9,907.83</b>	<b>1,477.43</b>	<b>322,117.09</b>	<b>78,106.02</b>	<b>15,873.28</b>	<b>1,274.34</b>	<b>92,704.95</b>	<b>229,412.13</b>	<b>235,580.66</b>		
<b>Previous year</b>	<b>179,052.25</b>	<b>138,795.94</b>	<b>4,161.50</b>	<b>313,686.68</b>	<b>68,201.77</b>	<b>12,146.51</b>	<b>2,242.26</b>	<b>78,106.02</b>	<b>235,580.66</b>	<b>110,850.47</b>		
Capital Work in Progress	1,687.03	0.00	1,687.03	0.00	0.00	0.00	0.00	0.00	0.00	1,687.03		

## Notes Forming Part of the financial statements

(₹ in thousand)

Particular	As at 31st March, 2012	As at 31st March, 2011
<b>Note 13 Non-Current Investments</b>		
<b>Investments in Shares - Unquoted</b>		
2,500 (As at 31 March, 2011: 2,500) shares of ₹10 each fully paid up in Saraswat Co-op Bank Ltd.	25.00	25.00
300 (As at 31 March, 2011: 300) shares of ₹10 each fully paid up in Shree Co-Op Bank Ltd.	3.00	3.00
100 (As at 31 March, 2011: 100) shares of ₹ 10 each fully paid up in National Board of Trade	1.00	1.00
<b>Total</b>	<b>29.00</b>	<b>29.00</b>
Aggregate value of listed but not quoted investments	0.00	0.00
Aggregate amount of unquoted investments	29.00	29.00
<b>Note 14 Long-Term Loans and Advances (Unsecured and Considered Good)</b>		
Security Deposits	3,487.78	3,463.32
<b>Total</b>	<b>3,487.78</b>	<b>3,463.32</b>
<b>Note 15 Trade Receivables (Unsecured and Considered Good)</b>		
Over six months	11,682.28	5,547.52
Others	275,467.75	202,025.36
<b>Total</b>	<b>287,150.03</b>	<b>207,572.88</b>
<b>Note 16 Other Non-Current Assets (Unsecured and Considered Good)</b>		
Non-current bank balances	345.51	69.00
<b>Total</b>	<b>345.51</b>	<b>69.00</b>
<b>Note 17 Inventories (At lower of cost and net realisable value)</b>		
<b>Raw Materials</b>		
Soya Seed	84,162.76	215,024.67
Hexane	4,865.16	6,316.70
Coal	3,923.40	3,888.03
Diesel	831.27	1,196.59
Gunny Bags	1,506.16	2,589.39
PP Bags	200.14	264.84
<b>Total</b>	<b>95,488.89</b>	<b>229,280.22</b>
<b>Stock-in-Progress</b>		
Soya Solvent Oil	3,597.15	6,209.32
<b>Total</b>	<b>3,597.15</b>	<b>6,209.32</b>
<b>Finished Goods (other than those acquired for trading)</b>		
Soya Solvent Oil	5,966.73	6,422.84
Soya DOC	3,760.00	6,920.19
Soya Refined Oil	44,644.28	27,842.85
Acid Oil	815.03	893.57
Lecithin	8,563.74	1,873.32
Fatty Acid	4,729.54	74.75
<b>Total</b>	<b>68,479.32</b>	<b>44,027.52</b>
<b>Stock-in-Trade (acquired for trading)</b>		
Soya DOC	6,300.67	711.35
<b>Total</b>	<b>6,300.67</b>	<b>711.35</b>
<b>Stores and Spares</b>		
<b>Total</b>	<b>5,836.36</b>	<b>3,666.89</b>
<b>Total</b>	<b>179,702.39</b>	<b>283,895.30</b>

## Notes Forming Part of the financial statements

(₹ in thousand)

Particular	As at 31st March, 2012	As at 31st March, 2011
<b>Note 18 Cash and Cash Equivalents</b>		
Cash on hand	2,335.63	2,130.26
Balances with Banks		
(i) In current accounts	8,648.17	1,918.97
(ii) In deposit accounts		
Deposits with original maturity for more than 12 months	345.51	69.00
Deposits with original maturity for more than 3 months but less than 12 months	4,593.53	1,146.43
Margin Money Deposit	421.28	980.70
<b>Total</b>	<b>16,344.12</b>	<b>6,245.36</b>
Less : Amount Disclosed under Non Current Assets	(345.51)	(69.00)
<b>Total</b>	<b>15,998.61</b>	<b>6,176.36</b>

### Note 18a Margin Money Deposits given as under:

- (i) Margin Money Deposits with a carrying amount of ₹ Nil (31st March 2011 : ₹ 476.00 ) are subject to first charge to secure the company's letter of credit limit.
- (ii) Margin Money Deposits with a carrying amount of ₹ 421.28 (31st March 2011 : ₹ 504.70 ) are subject to first charge to secure the company's bank guarantee limit.

### Note 19 Short-Term Loans and Advances (Unsecured and Considered Good)

Loans and Advances to Employees	618.92	483.97
Prepaid Expenses	4,998.82	4,087.59
Balances with Government Authorities	15,884.33	8,138.69
Advances to Suppliers	5,186.93	26,627.78
Others	6,782.33	11,957.25
<b>Total</b>	<b>33,471.33</b>	<b>51,295.28</b>

Balances with Government Authorities includes MAT Credit Entitlement, TED ED Benefit, Duty Credit, Duty Drawback Receivable, VAT Credit, Service Tax Credit and Income Tax Receivable.

### Note 20 Other Current Assets

Interest accrued on deposits	194.32	50.06
Insurance Claims Receivables	1,535.15	779.48
Lease Rent Receivable	0.00	409.60
<b>Total</b>	<b>1,729.47</b>	<b>1,239.14</b>



## Notes Forming Part of the financial statements

(₹ in thousand)

Particular	For the year ended 31st March, 2012	For the year ended 31st March, 2011
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### Note 21 Revenue from Operations

Sale of Products	2,945,869.93	2,549,619.88
Other Operating Revenues	2,098.91	787.84
	2,947,968.84	2,550,407.72
Less: Excise duty	4070.62	1052.68
<b>Total</b>	<b>2,943,898.22</b>	<b>2,549,355.04</b>

### Note 21a Particulars of Sale of Products

<b>Manufactured Goods</b>		
Soya Solvent Oil	0.00	567,949.53
Soya DOC	1,001,999.58	1,380,190.66
Soya Refined Oil	1,538,367.11	303,809.23
Acid Oil	19,527.92	1,763.84
Lecithin	22,201.55	8,817.73
Fatty Acid	5,625.42	681.55
Soya Acidic Sludge	79.55	14.90
Soya Oil Sludge	424.54	0.00
<b>Direct Export</b>		
Lecithin	40,222.09	0.00
Fatty Acid	3,684.66	0.00
Soya DOC	0.00	17,980.34
<b>Total - Sale of Manufactured Goods</b>	<b>2,632,132.42</b>	<b>2,281,207.78</b>
<b>Traded Goods</b>		
Soya DOC	313,737.51	268,412.10
<b>Total - Sale of Traded Goods</b>	<b>313,737.51</b>	<b>268,412.10</b>
<b>Total</b>	<b>2,945,869.93</b>	<b>2,549,619.88</b>

### Note 21b Particulars of Other Operating Revenues

Sale of Scraps	683.08	659.78
Duty drawback and other Export Incentives	1,269.62	0.00
Service Tax Receivable on Direct Export	90.61	23.83
Cash Discount	55.60	104.23
<b>Total</b>	<b>2,098.91</b>	<b>787.84</b>

### Note 22 Other Income

Interest Income	440.07	251.40
Dividend Income	5.00	5.00
Net gain on foreign currency transactions and translation	113.18	97.95
Other Non-Operating Income	1,809.43	1,913.54
<b>Total</b>	<b>2,367.68</b>	<b>2,267.88</b>

## Notes Forming Part of the financial statements

(₹ in thousand)

Particular	For the year ended 31st March, 2012	For the year ended 31st March, 2011
<b>Note 22a Particulars of Interest Income</b>		
Interest from Bank Deposits	294.90	152.77
Interest from Others	145.17	98.63
<b>Total</b>	<b>440.07</b>	<b>251.40</b>
<b>Note 22b Particulars of Other Non Operating Income</b>		
Profit on sale of Fixed Assets	160.00	157.24
Provisions no longer required written back	490.06	0.00
Sundry Balance written off	139.67	532.35
Insurance Claims Receivables	1,002.42	221.46
Miscellaneous Income	17.29	1,002.49
<b>Total</b>	<b>1,809.43</b>	<b>1,913.54</b>
<b>Note 23a Cost of Materials Consumed</b>		
Opening Stock	215,024.67	54,350.28
Add: Purchases	2,194,688.29	2,191,753.39
	2,409,712.96	2,246,103.67
Less: Closing Stock	84,162.76	215,024.67
<b>Cost of Material Consumed</b>	<b>2,325,550.20</b>	<b>2,031,079.00</b>
Material Consumed comprises:		
Soya Been Seed	1,426,437.31	1,907,832.25
Soya Solvent Oil	899,112.89	123,246.75
<b>Total</b>	<b>2,325,550.20</b>	<b>2,031,079.00</b>
<b>Note 23b Purchase of Traded Goods</b>		
Purchases	308,898.70	269,123.45
<b>Total</b>	<b>308,898.70</b>	<b>269,123.45</b>
<b>Note 23c Changes in Inventories of Finished Goods, Stock-in-Progress and Stock-in-Trade</b>		
<b>Inventories at the end of the year:</b>		
Finished Goods	68,479.31	44,027.52
Stock-in-Progress	3,597.15	6,209.32
Stock-in-Trade	6,300.67	711.35
	<b>78,377.13</b>	<b>50,948.18</b>
<b>Inventories at the beginning of the year:</b>		
Finished Goods	44,027.52	26,826.17
Stock-in-Progress	6,209.32	0.00
Stock-in-Trade	711.35	0.00
	<b>50,948.18</b>	<b>26,826.17</b>
<b>Net (Increase) / Decrease</b>	<b>(27,428.95)</b>	<b>(24,122.01)</b>

## Notes Forming Part of the financial statements

(₹ in thousand)

Particular	For the year ended 31st March, 2012	For the year ended 31st March, 2011
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### Note 24 Employee Benefits Expense

Salaries and Wages	16,973.24	12,347.33
Contributions to Provident and ESIC Funds	1,327.40	1,067.49
Gratuity Expenses	313.80	353.18
Staff Welfare Expenses	531.64	440.02
Retrenchment & Compensation	643.50	0.00
<b>Total</b>	<b>19,789.57</b>	<b>14,208.01</b>

**Note 24a** As per Accounting Standard 15 “Employee Benefits”, the disclosures as defined in the accounting standard are given below:

#### Defined Contributions Plans

Contribution to Defined Plans, recognised as expense for the year is as under:

Employer’s Contribution to Provident Fund	887.90	612.70
Employer’s Contribution to Employees State Insurance Corporation	439.50	454.79
<b>Total</b>	<b>1,327.40</b>	<b>1,067.49</b>

#### Defined Benefit Plan

The employees gratuity fund scheme managed by a Trust (Life Insurance Corporation of India) is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method.

#### Actuarial Assumptions

Discount Rate (per annum)	8%	-
Expected rate of return on plan assets	9%	-
Rate of escalation in salary (per annum)	7%	-

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

### Note 25 Finance Costs

Interest Expense on		
(i) Borrowings	61,497.13	33,119.18
(ii) Others	155.93	633.56
Other borrowing costs	3,938.12	3,595.53
<b>Total</b>	<b>65,591.18</b>	<b>37,348.27</b>

### Note 26 Depreciation

Depreciation and Amortisation for the year	15,873.28	12,146.51
<b>Total</b>	<b>15,873.28</b>	<b>12,146.51</b>

## Notes Forming Part of the financial statements

(₹ in thousand)

Particular	For the year ended 31st March, 2012	For the year ended 31st March, 2011
<b>Note 27 Other Expenses</b>		
<b>Manufacturing Expenses:</b>		
Consumption of Packing Materials	7,005.41	10,410.97
Consumption of Haxene	20,795.31	22,205.00
Refinery Operating Expenses	14,398.82	3,507.84
Laboratory Expenses	125.69	112.36
Increase / (Decrease) of excise duty on inventory	1,286.61	265.36
Power, Fuel and Electrical Expenses	90,836.42	62,075.29
Water Charges	1,320.20	678.05
Freight Inward	443.37	369.98
Rent including Lease Rent	1,857.54	969.96
Repairs and Maintenance - Buildings	653.80	228.91
Repairs and Maintenance - Plant & Machinery	9,049.75	5,555.59
Brokerage Inward	458.37	579.81
Insurance	1,747.40	1,224.05
Security Expenses	1,818.27	604.66
Licenses Fees Expenses	189.95	248.66
Rates and Taxes	748.24	2,305.54
<b>Office &amp; Administration Expenses:</b>		
Communication Expenses	1,031.99	881.55
Travelling and Conveyance	1,345.92	1,480.53
Repairs and Maintenance - Others	393.32	369.77
Printing and Stationery	514.56	358.71
Donations and contributions	63.45	258.70
Rent	739.20	744.00
Legal and Professional Charges	1,373.73	887.66
Payments to Auditors	61.80	53.61
Receivables Written Off	409.60	0.00
Electrical Expenses	259.24	178.87
Loss on Fixed Assets Sold	55.45	1,835.01
Prior Period Items (net)	12.54	280.16
Other Expenses	523.69	530.43
News Paper & Periodical	11.89	7.70
Listing Fees	44.12	73.09
Membership Fees	202.17	177.38
Discount on Export License	42.20	136.35
<b>Selling and Distribution Expenses:</b>		
Business Promotion	985.31	429.62
Advertisement and Publicity	299.37	118.27
Clearing & Forwarding	358.98	216.83
Freight Outward	54,857.11	73,735.81
Brokerage Outward	2,928.20	1,878.18
Testing & Analysis fees	595.03	1,141.86
VAT and Service Tax	1,623.39	2,319.14
<b>Total</b>	<b>221,467.38</b>	<b>199,435.25</b>

## Notes Forming Part of the financial statements

(₹ in thousand)

Particular	For the year ended 31st March, 2012	For the year ended 31st March, 2011
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### Note 27a Payment to Auditors

As Auditor		
Statutory Audit Fees	30.00	30.00
Tax Audit Fees	5.00	5.00
Limited Review	20.00	15.00
Reimbursement of expenses	6.80	3.61
<b>Total</b>	<b>61.80</b>	<b>53.61</b>

### Note 27b Prior Period Item

Interest on TDS related to Last Year	5.80	0.00
Other Interest related to Last Year	1.62	5.32
Other Expenses related to Last Year	5.11	274.84
<b>Total</b>	<b>12.54</b>	<b>280.16</b>

### Note 28 Earning Per Share (EPS)

Net Profit After Tax ( ₹ in Thousand)	11,379.94	6,589.56
Weighted Average Number of Equity Share used as denomination	10,300,000	10,300,000
Basic and Diluted Earning Per Share ( ₹ )	1.10	0.64
Face Value Per Equity Share ( ₹ )	10.00	10.00

### Note 29 Commitments & Contingent Liabilities

(₹ in thousand)

Particular	As at 31st March, 2012	As at 31st March, 2011
<b>(A) Bank Guarantee issued by Banks on behalf of the Company</b>	1666.00	1966.00
<b>(B) Disputed tax demand pending on appeal (Net of pre-deposit)</b>		
(a) Central Sales Tax(2003-04)	5784.54	5784.54
(b) Central Sales Tax(2004-05)	18146.42	18146.42
(c) Commercial Tax(2004-05)	651.14	1268.17
(d) Commercial Tax (2005-06)	298.71	298.71
(e) Entry Tax (2005-06)	26.33	26.33
(f) Entry Tax (2006-07)	78.97	78.97
(g) Entry Tax (2007-08)	15040.53	15040.53
(h) Entry Tax (2008-09)	22366.27	0.00
(i) Income Tax Appeal (2008-09)	76.29	76.29
<b>(C) Export Obligation Against EPGC License</b>	30021.08	30021.08

## Notes Forming Part of the financial statements

(₹ in thousand)

Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
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### Note 30 Earning in Foreign Currency:

FOB Value of Exports	41128.89	17971.94
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### Note 31 C I F Value of Imports:

Capital Goods	Nil	7107.00
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### Note 32 Expenditure in Foreign Currency:

Travelling	Nil	140.03
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### Note 33 Related Party Diclosures:

a. List of Related Party

I. Mr. Girdhari Nyati	:	Whole Time Director
II. Mr. Gopal Nyati	:	Executive Director
III. Mr. Anirudh Nyati	:	Chief Operating Officer

b. Related Party Transactions

Remuneration	1692.00	1330.00
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### Note 34 Segment Information:

The Company is operating only in one segment, hence no segment wise disclosure as per accounting standard-17 is provided.

**Note 35** Suppliers who are covered under MSMED Act, 2006 have been identified to the extent of information available with the company. The principal Balance due to Micro and Small Enterprises as at 31<sup>st</sup> March 2012 is ₹ Nil. Further no interest has been paid or is payable under the Act.

**Note 36** During the year, the revised Schedule VI to the Companies Act, 1956 was notified by the Ministry of Corporate Affairs. The Company has reclassified the figures of the previous year to confirm to the current year's classification, and the adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements.



# DIVYA JYOTI INDUSTRIES LIMITED

An ISO 9001 : 2008 Company

Plot No. M-19-39, Sector III, Industrial Area, Pithampur-454 775, Dist-Dhar (M.P)

## ATTENDANCE SLIP

20<sup>TH</sup> ANNUAL GENERAL MEETING ON FRIDAY 14<sup>TH</sup> SEPTEMBER, 2012

Folio No.....DP ID No.....Client ID No.....

Name of the Member.....Signature.....

Name of the Proxyholder.....Signature.....

1.Only Member/Proxy holder can attend the meeting.

2.Member/Proxy holder should bring his/her copy of the Annual Report for the reference at the meeting.

**NOTE SLIP: Please fill this attendance slip and hand it over at the ENTRANCE OF THE MEETING HALL**



# DIVYA JYOTI INDUSTRIES LIMITED

An ISO 9001 : 2008 Company

Plot No. M-19-39, Sector III, Industrial Area, Pithampur-454 775, Dist-Dhar (M.P)

## PROXY FORM

I /We.....of.....in the district of.....  
being a member(s) of the above named Company, hereby appoint.....  
of .....in the district of.....or failing  
him/her.....of.....in the district  
of.....as my/our proxy to attend and vote for me/us and on my/our  
behalf at the 20<sup>th</sup> Annual General Meeting of the Company to be held on Friday 14<sup>th</sup> September 2012 and  
at any adjournment thereof.

Folio No.....DP ID No..... Client ID No.....

No. of Shares held.....

Signed this.....day of.....2012.



Affix  
₹ 1  
Revenue  
Stamp

Signature

Note: This Proxy Form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered office of the Company, not less than 48 hours before the time fixed for holding the aforesaid meeting.

To,



*if undelivered please return to :*

**DIVYA JYOTI INDUSTRIES LIMITED**

**Corporate Office**

92/3 Sapna Sangeeta Main Road, Near Tanishq Showroom, Indore 452 001 MP

Phones: 0731-4010900-01, Fax: 0731-4010902 Email: corp@divyajyoti.net www.divyajyoti.net