

19th

ANNUAL REPORT

2009 - 2010



AJANTA

AJANTA SOYA LIMITED



AJANTA

AJANTA SOYA LIMITED

BOARD OF DIRECTORS

Mr. Sushil Goyal *Chairman & Managing Director*
Mr. Abhey Goyal *Whole Time Director*
Mr. Bishan Goyal *Director*
Mr. S. C. Singhal *Director*
Mr. Harsh Chander Kansal *Director*
Mr. Babu Lal Jain *Director*

REGISTERED OFFICE

SP-916, RIICO Industrial Area Phase - III,
Bhiwadi - 301 019, Distt. Alwar (Rajasthan)

INVESTORS RELATION CENTRE

12th Floor, Bigjos Tower, A-8 Netaji Subhash Place
Wazirpur District Centre, New Delhi - 110 034
Phone : 011-42515151, Fax : 011-42515100
E-mail : info@ajantasoya.com, ajantasoya@gmail.com
Website : www.ajantasoya.com

STATUTORY AUDITORS

M/s. TAS Associates
Chartered Accountants
Flat No. 4, 11/71, Punjabi Bagh West
New Delhi - 100 026

REGISTRAR & SHARE TRANSFER AGENT

Skyline Financial Services Pvt. Ltd.
D-153A, Okhla Industrial Area, Phase-I
New Delhi-110020
Phone No. : 011-26812682, 26812683
Fax No. : 011-26812684
E mail : admin@skylinerta.com

SECRETARIAL ADVISORS

M/s. R&D
Company Secretaries
138-A, Pocket - F, Mayur Vihar, Phase-II
Delhi - 110 091
Phone/Fax : 22725301 / 22725305
E-Mail : rndregular@gmail.com

ALL CORRESPONDENCE RELATING TO TRANSFER OF SHARES, CHANGE IN ADDRESS ETC. SHOULD BE SENT TO THE REGISTRAR & SHARE TRANSFER AGENT OR INVESTORS RELATION CENTRE

SHARES LISTED WITH STOCK EXCHANGE AT

The Stock Exchange, Mumbai
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400 001

BANKERS

State Bank of India
Overseas Branch
Jawahar Vyapar Bhawan
1, Tolstoy Marg,
New Delhi-110 001

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NOTICE

Notice is hereby given that the 19th Annual General Meeting of the Members of the Company will be held on Thursday, 30th September, 2010 at 12.30 P.M. at the Registered Office and Factory Premises of the Company at SP-916, RIICO Industrial Area, Phase III, Bhiwadi 301 019, Distt. Alwar, Rajasthan to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2010 and Profit and Loss Account for the year ended on that date together with the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr Bishan Goyal who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr Harsh Chander Kansal who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting and to authorize the Board to fix their remuneration.

The present Statutory Auditors M/s Tas Associates, Chartered Accountants, New Delhi, are holding the office till the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

For and on Behalf of the Board
For **AJANTA SOYA LTD**

SUSHIL GOYAL
Chairman & Managing Director

Date : 17th August, 2010
Place : New Delhi

Notes:

- A. Appointment of Proxy:** A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. The proxy form in order to be effective must be deposited with the Company not less than 48 hours before the time fixed for commencement of the Meeting.
- B. Corporate Members:** Corporate Members intending to send their authorised representatives are requested to send a duly certified copy of the Board Resolution authorizing the representatives to attend and vote at the Annual General Meeting.
- C.** Members/Proxies attending the meeting are requested to bring their copy of Annual Report to the Meeting.
- D. Queries at the AGM:** Queries proposed to be raised at the Annual General Meeting may be sent to the Company at its registered office at least seven days prior to the date of AGM to enable the management to compile the relevant information to reply the same in the meeting.
- E. Book Closure:** The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 29th September 2010 to Thursday, 30th September 2010 (both days inclusive) for the purpose of the AGM.
- F.** Members are requested to notify any change in their address/ mandate/ bank details immediately to the share transfer Agent of the Company- M/s Skyline Financial Services Pvt Ltd.,D-153/A, Okhla Industrial Area, Phase-I, New Delhi- 110 020; Phone No. 011-26812682.
- G. Inspection of Documents:** Documents referred to in the Notice etc., are open for inspection at the registered office of the Company at all working days except Saturdays between 11 A.M. and 2 P.M. up to the date of Annual General Meeting.
- H.** The information required to be provided under the Listing Agreement regarding the Directors proposed to be reappointed is given in the annexure to the Director's Report.

For and on Behalf of the Board
For **AJANTA SOYA LTD**

SUSHIL GOYAL
Chairman & Managing Director

Date : 17th August, 2010
Place : New Delhi

**DIRECTORS' REPORT**

Dear Members

Your Directors have pleasure in presenting the Annual Report of your Company together with the Audited Annual Accounts for the financial year ended 31st March, 2010.

FINANCIAL HIGHLIGHTS*(Amount in Lacs)*

| PARTICULARS | YEAR ENDED 31/03/2010 | YEAR ENDED 31/03/2009 |
|--|----------------------------------|----------------------------------|
| Net Sales | 23,201.22 | 26,445.95 |
| Profit on Commodities Futures | — | 251.09 |
| Other Income | 37.79 | 41.96 |
| Increase/ (Decrease) in Stocks | 79.09 | (286.12) |
| Total Income | 23,318.10 | 26,452.88 |
| Total Expenditure | 23,267.24 | 26,421.25 |
| Profit before tax | 50.86 | 31.63 |
| Provision for tax | 5.71 | 23.79 |
| Profit after tax | 45.15 | 7.84 |
| Transfer to Reserve | — | — |
| Paid-up Share Capital | 1189.66 | 1189.66 |
| Reserves and Surplus (excluding revaluation reserve) | 817.61 | 772.45 |

YEAR IN RETROSPECT

During the year under review, total income of the Company was Rs. 23318.10 lacs as against Rs. 26452.85 lacs in the previous year. The Company was able to earn a profit after tax of Rs. 45.15 lacs for the year as against a profit of Rs. 7.84 lacs. Your Directors are putting in their best efforts to improve the performance of the Company.

The detailed Management Discussion & Analysis Report is attached hereto with the Director's Report and should be read as part of this Directors Report.

MATERIAL CHANGES ETC.

Save as mentioned else where in this Report, no material changes and commitments affecting the financial position of the Company has occurred between the end of the financial year of the Company-31st March, 2010 except that the Company has re-commenced its trading in Rice Segment since April 2010.

DIVIDEND

The Board of Directors of your Company have decided to retain and plough back the profits into the business of the Company, thus no dividend is being recommended for this year.

CORPORATE GOVERNANCE

A Report on Corporate Governance is attached as a part of this Directors Report along with the Auditors' Certificate on compliance of Clause 49 of the Listing Agreement.

PUBLIC DEPOSITS

During the year under report, your Company did not accept any deposits from the public in terms of the provisions of section 58A of the Companies Act, 1956.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

- Conservation of Energy:** The Company is continuously making sincere efforts towards conservation of energy. Information as required 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 is given in Annexure A, forming part of this report.
- Technology Absorption:** The Company is taking care of latest developments and advancements in technology and all steps are being taken to adopt the same. The Company has spent Rs.122822.00 in the internal laboratory of the company for the quality testing of raw materials purchased and finished vanaspati/ refined oil purchased.



c. **Export Activities:** There was no export activity in the Company during the year under review.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

(Amount in Rs Lacs)

| | 2009-10 | 2008-09 |
|--------------------------------|---------|----------|
| Total Foreign Exchange Inflow | | |
| Total Foreign Exchange Inflow | NIL | NIL |
| Total Foreign Exchange outflow | 4011.21 | 11047.91 |
| i. Traveling expenses | NIL | NIL |
| ii. Purchase of Oil | 4011.21 | 11047.91 |

PARTICULARS OF EMPLOYEES

During the financial year under review, none of the Company's employees was in receipt of remuneration as prescribed under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, and hence no particulars are required to be disclosed in this Report.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Mr Bishan Goyal and Mr Harsh Chander Kansal are liable to retire by rotation and being eligible offer themselves for re-appointment. Directors recommend their re-appointment.

AUDITORS

M/s Tas Associates, Chartered Accountants, Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. A certificate under section 224(1) of the Companies Act, 1956 regarding their eligibility for the proposed re-appointment has been obtained from them. Your Directors recommend their re-appointment.

AUDITORS' REPORT

Comments made by the Statutory Auditors in the Auditors' Report are self-explanatory and do not require any further clarification.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of the provisions of section 217(2AA) of the Companies Act, 1956, and to the best of their knowledge and belief and according to the information and explanations obtained by them and save as mentioned elsewhere in this Report, the attached Annual Accounts and the Auditors' Report thereon, your Directors confirm that:

- in preparation of the annual accounts, the applicable accounting standards have been followed;
- the Directors have selected such accounting policies and 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 31st March, 2010 and of the profit of the Company for the year ended on that date;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- the Directors have prepared the Annual Accounts on a going concern basis.

STOCK EXCHANGE LISTING

The shares of the Company are listed on the Bombay Stock Exchange. The listing fee for the financial year 2010-11 has already been paid to the Bombay Stock Exchange.

The shares of the Company were listed on the Calcutta Stock Exchange also. The Company had filed application for delisting of shares from Calcutta Stock Exchange Association Ltd, which was approved by the Stock exchange vide letter no. CSE/LD/635/2010 dated. 10th June 2010.

ACKNOWLEDGEMENT

Your Directors take this opportunity to place on record their sincere appreciation for the co-operation and assistance the Company has received from Banks and various Government Departments. The Board also places on record its appreciation of the devoted services of the employees, support and co-operation extended by the valued business associates and the continuous patronage of the customers of the Company.

For and on Behalf of the Board
For **AJANTA SOYA LTD**

SUSHIL GOYAL
Chairman & Managing Director

Date : 17th August, 2010
Place : New Delhi

ANNEXURE A

TABLE A
Form for Disclosure of Particulars with respected to Conservation of Energy

A. POWER AND FUEL CONSUMPTION

| | Current Year | Previous Year |
|--|--------------|---------------|
| 1. Electricity | | |
| (a) Purchased | | |
| Unit | 5162832 | 5733468 |
| Total amount | 23611623 | 25776403 |
| Rate/unit | 4.57 | 4.50 |
| (b) Own generation | | |
| (i) Through diesel generator | | |
| Unit | 402163 | 152960 |
| Units per ltr. of HSD oil | 10.67 | 10.28 |
| Cost/unit | 4290925 | 1573000 |
| (ii) Through steam turbine/generator | | |
| Units | — | — |
| Units per ltr. of fuel oil/gas | — | — |
| Cost/units | — | — |
| 2. Coal (specify quality and where used) | | |
| Quantity (tones) (Pet Cock) | 6914 | 8030 |
| Total cost | 44601400 | 51582252 |
| Average rate | 6450.88 | 6423.69 |
| 3. Others/internal generation (please give details) | | |
| Quantity (Hydrogen Gas) | 18315 | 27057 |
| Total cost | 2426362 | 3604372 |
| Rate/unit | 132.48 | 133.21 |
| (a) Quantity {Rice Husk}(IN TONS) | — | — |
| Total cost | — | — |
| Rate/unit | — | — |

B. CONSUMPTION PER UNIT OF PRODUCTION

| | Standards (if any) | Current Year | Previous Year |
|------------------------|--------------------|--------------|---------------|
| Vanaspati/Refined Oil | — | — | — |
| Electricity | — | 94.28 | 102.67 |
| H.S.D | — | 7.34 | 2.74 |
| Coal (specify quality) | — | 0.13 | 0.14 |
| Others (Hydrogen Gas) | — | 0.33 | 0.48 |
| Others (Rice Husk) | — | — | — |

Management Discussion and Analysis Report

Cautionary Statement

The management Discussion and Analysis Report may contain certain statements that might be considered forward looking. These statements are subject to certain risks and uncertainties. Actual results may differ materially from those expressed in the statement as important factors could influence Company's operations such as Government policies, economic development, political factors and such other factors beyond the control of the Company.

Overview

The company has re-commenced the business of Rice and already traded 20000 MTs. Rice to African country as on date of this report as well as concentrating on Vanaspati/ Refined Oil business segment.

Industry Structure, Developments & Outlook

India today is the only country which has retail led growth left in the world, may be, along with China. This retail and mall culture in the country poses a huge opportunity to the whole edible oil sector. A study by NCAER shows a major shift in the consuming class; while in 2003, India had 181 million households of which only 3 million were in the Rich bracket and 46 million as Aspirers, by 2013 India will have 231 million households out of which 11 million would be Rich and 124 million Aspirers! Thus the shape of India is going to change in the next 5 years – from being just a pyramid to a sparkling Diamond.

India is world's third largest edible oil economy, after China and US. India's annual consumption is around 10 million tonnes vis-à-vis China's 14.5 million tonnes. However, India's per capita consumption at 10.2 kgs per annum is considerably lower compared to global standards. With the large population and continued strong economic growth, India is likely to register strong gains in total and per-capita edible oil consumption in the medium term. Vanaspati which has an important role in our edible oil economy is produced about 1.2 million tonnes annually. It has around 10% share of the edible oil market.

Future trends in India's production, consumption, and trade in oilseeds and oilseed products are likely to be shaped by changes in domestic and border policies. Current policies appear not to be achieving stated policy goals of benefiting small farmers and reducing import dependence. They are, however, imposing large costs on consumers and creating an inefficient processing sector. Eventually, pressures to improve the performance of the sector, combined with rising demand for animal products and feed protein, are likely to lead to policy reform in the oilseed sector. Potential changes in domestic and border policies would have differing effects on India's supply, demand, and trade of major oilseeds and products. To help assess how Indian policymakers might view the alternative policy options, we use an economic model of India's oilseed sector that incorporates supply, demand, trade, and processing behavior for major Indian oilseeds and products (see appendix 1 for details). We first generate a 10-year projection, or reference scenario, for India's oilseeds sector beginning in 2001 and ending in 2011. The reference scenario is based on existing policies and assumed changes in key exogenous variables, including income growth, exchange rates, and world prices. Alternative scenarios are then evaluated relative to the reference scenario.

We examine five alternative scenarios:

- Changes in oil tariffs.
- Changes in oilseed price supports.
- Oilseed import liberalization.
- Consolidation in oilseed processing.
- Two composite scenarios, favoring producers and consumers alternately.

With an improvement in the lifestyle of the Indian consumer, healthy living will be a priority which will create an immense opportunity for edible oil sector. The branded edible oils market is expected to grow at a high rate of growth, which will not only spur the demand for edible oils but will drive demand towards branded and organized edible oil players.

Opportunities & Threats

The new age Indian consumer, the organized retail potential which is creating the huge consumption opportunity is by far the biggest Opportunity for companies like us. With the aspirational and rich class in India having a better penetration, our brand led growth will help the company in both the immediate and long run. Also, with the rural India being revisited by marketers through the modern retail (haat) philosophy, the opportunity is huge.

India is also seeing a great increase in life style led diseases like heart ailments and cardio vascular illness which is said to rise much higher than other nations; this creates a potential for healthy edible oil.



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AJANTA SOYA LIMITED

Competition from Indian and global players remain a matter of concern and probable threat; while the company is well prepared to tackle such issues on an ongoing basis.

Risks & Concern

There is stiff competition in the edible oil market with the international entrants. On a macro level business continues to be impacted by changes in Government Policy and International Oil Markets.

Human resource / Industrial relations

The Company recognizes the importance and contribution of its human resources for its growth and development and is committed to the development of its people.

The Company has cordial relations with employees and staff. There are no industrial relations problems during the year and the Company does not anticipate any material problems on this count in the current year.

The management is also committed to help the employees and workers to sharpen their skills and to improve their knowledge base for which continuous efforts are made on training and development.

Internal Control Systems and Adequacy

The Company has established internal control systems for ensuring optimum use of resources and safeguarding the assets. The Internal Control Systems and procedure are adequate and commensurate with the size of the Company. These business control procedures ensure efficient use and protection of the resources and compliance with the policies, procedures and status.

Product wise Performance

Presently the Company has been dealing in two segments, i.e., Vanaspati & Refined Oil and Rice. As the Rice segment has been started in the month of April, 2010 so the details of the Vanaspati & Refined Oil business segment is as follows:

| Product | Sales | | | |
|-------------------------|------------------------|-----------------|-------------------------|-----------------|
| | Current Year (2009-10) | | Previous Year (2008-09) | |
| | Quantity (MT) | Value (Rs Lacs) | Quantity (MT) | Value (Rs Lacs) |
| Vanaspati/ Refined Oils | 54674.95 | 22754.60 | 55828.52 | 26005.84 |

REPORT ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement a Report on Corporate Governance is given below:

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Our Company's philosophy on Corporate Governance envisages attainment of highest levels of accountability, transparency, responsibility and fairness in all aspects of its operations. Our business culture and practices are founded upon a common set of values that govern our relationships with customers, employees, shareholders, suppliers and the communities in which we operate. The Company believes that all its actions must serve the underlying goal of enhancing overall shareholder value on a sustained basis.

The Company is conscious of its responsibility as a good corporate citizen. The Company values transparency, professionalism and accountability.

2. BOARD OF DIRECTORS

The Company maintains an optimum combination of Executive, Non Executive and Independent Directors. The Board consists of total Six (6) directors on 31st March, 2010, out of which three (3) are independent. Mr Sushil Goyal is the Chairman cum Managing Director of the Company and Mr Abhey Goyal is the Whole Time Director. The Constitution of the Board as on 31st March 2010 is as follows:

| Name of the Director & Designation | Category | No. of positions held in other Public Companies | | |
|---|---------------------------|---|------------|--------------|
| | | Board | Committee | |
| | | | Membership | Chairmanship |
| Mr Sushil Goyal Chairman & Managing Director | Promoter & Executive | 1 | Nil | Nil |
| Mr Abhey Goyal Whole Time Director | Promoter & Executive | Nil | Nil | Nil |
| Mr Bishan Goyal Director | Promoter & Executive | Nil | Nil | Nil |
| Mr Satish Chand Singhal Director | Non Executive Independent | 1 | Nil | Nil |
| Mr Harsh Chander Kansal Director | Non Executive Independent | Nil | Nil | Nil |
| Mr Babu Lal Jain Director | Non Executive Independent | Nil | Nil | Nil |

* Only included Indian Companies

Directors' Attendance Record

During the Financial Year 2009-10, (9) nine meetings of the Board of Directors were held on 30.04.2009, 01.06.2009, 15.06.2009, 31.07.2009, 25.08.2009, 31.10.2009, 30.01.2010, 02.03.2010 and 31.03.2010. The Board was duly supplied with the agenda of the meetings incorporating all material information for facilitating meaningful and focused discussions at the meeting. The intervening period between the Board Meetings was well within the maximum time gap of four months as prescribed in clause 49 of the Listing Agreement. Details of attendance of Directors in the Board meeting during the financial year 2009-10 are as under:

| Name of the Director | No. of Board Meeting | Attendance at the Board Meeting | Whether attended Last AGM |
|-------------------------|----------------------|---------------------------------|---------------------------|
| Mr Sushil Goyal | 9 | 9 | YES |
| Mr Bishan Goyal | 9 | 8 | YES |
| Mr Harsh Chander Kansal | 9 | 9 | YES |
| Mr Satish Chand Singhal | 9 | 9 | YES |
| Mr Abhey Goyal | 9 | 9 | YES |
| Mr Babu Lal Jain | 9 | 8 | YES |

Disclosure Regarding Appointment & Re-appointment of Directors in the ensuing AGM

Mr Bishan Goyal and Mr Harsh Chander Kansal, Directors who shall be retiring in this AGM, being eligible have offered themselves for re-appointment. Brief particulars of these gentlemen are as follows:

| Particulars | Mr Harsh Chander Kansal | Mr. Bishan Goyal |
|---|---------------------------------------|--|
| DIN | 00125411 | 00125309 |
| Father's Name | Mr Vijay Kumar Kansal | Mr Sohan Lal Goyal |
| Date of Birth | 18th September, 1972 | 27th May, 1964 |
| Address | 83/A-3 Sector-8, Rohini, Delhi-110085 | PP-1, Maurya Enclave, Pitampura, Delhi 110034 |
| Designation | Director | Director |
| Education | Graduate | Graduate |
| Experience | Marketing & Finance | Steel Business and Finance |
| Companies in which holds Directorship | Nil | G D Ferro Alloys Pvt. Ltd. Phoenix Steels Mills Ltd. (Nigeria) Shivam Steel Pvt. Ltd., Transpecific Finance (P) Ltd., Blackstone Crushing Co. Ltd (Nigeria) and SLG Industries Ltd. (Nigeria) |
| Companies in which holds membership of committees | Nil | Nil |
| Shareholding in the Company (No. & %) | Nil | 524643 (4.41%) |
| Relationship with other Director | Nil | Sushil Goyal is brother of Bishan Goyal |

3. AUDIT COMMITTEE
(a) Terms of Reference

The Audit Committee has been constituted as per Section 292A of the Companies Act, 1956 and the provisions of the Clause 49 of the Listing Agreement. The Audit Committee shall have the authority to investigate into any matter that may be prescribed and the matters listed below and for this purpose the Audit Committee shall have full access to information contained in the records of the Company and external professional advice, if necessary:

- To review the Company's financial reporting process and ensure that the financial statements give a true and fair view of the affairs of the Company.
- To review the Company's audit procedures and techniques.
- To review with the management, external and internal procedures and the adequacy of internal control systems.
- To review the quarterly and annual financial statements and submit the same to the Board.
- Any other matter that may be delegated by the Board from time to time.

(b) Composition

The Audit Committee of the Company comprises of one Executive and two non executive independent directors i.e. Mr Harsh Chander Kansal – as Chairman; Mr Satish Chand Singhal and Mr Bishan Goyal as the Members of the Committee.

(c) Attendance

The Committee met five (5) times during the Financial Year 2009-2010 on the following dates: 30.04.2009, 31.07.2009, 25.08.2009, 31.10.2009 and 30.01.2010. Details of attendance of Directors in the Audit Committee meeting are as under:

| Name of the Director | Category | Attendance at the Audit Committee Meeting |
|----------------------------------|------------------------------------|---|
| Mr Harsh Chander Kansal Chairman | Non Executive Independent Director | 5 |
| Mr Satish Chand Singhal | Non Executive Independent Director | 5 |
| Mr Bishan Goyal | Promoter & Executive Director | 5 |

4. REMUNERATION COMMITTEE

(a) Composition & Terms of Reference

A Remuneration Committee of the Board of Directors was constituted comprising of three non-executive and independent directors namely Mr Harsh Chander Kansal, Chairman and Mr Babu Lal Jain & Mr Satish Chand Singhal as Members.

The Remuneration Committee has been constituted to recommend/ review and approve the remuneration payable to Managing Director, Whole time Director or other directors of the Company based on their performance.

The Committee met one (1) time during the Financial Year 2009-2010 on 25.08.2009. Details of attendance of Directors in the Remuneration Committee meeting are as under:

| Name of the Director | Category | Attendance at the Remuneration Committee Meeting |
|-----------------------------------|------------------------------------|--|
| Mr Harsh Chander Kansal –Chairman | Non Executive Independent Director | 1 |
| Mr Satish Chand Singhal | Non Executive Independent Director | 1 |
| Mr Babu Lal Jain | Non Executive Independent Director | 1 |

(b) Remuneration Policy of the Company

The remuneration policy of the Company is directed towards rewarding performance. The Managing Director and the Whole Time Director of the Company are entitled for payment of Remuneration as decided by the Board and approved by the members as per the provisions of the Companies Act, 1956. Directors are also entitled for the sitting fee for attending Board/ Committee Meeting except the Managing Director and Whole Time Director. However all the Non executive Directors of the Company have waived the sitting fee payable to them for attending Board/ Committee Meeting of the Company.

(c) Details of the Directors' Remuneration for the financial year ended 31st March, 2010

| Name of Director | Sitting Fees | Salaries & Perquisites (In Rs.) | Commision, Bonus Exgratia | Total Amount (In Rs.) | No. of Shares held & % |
|-------------------------|--------------|---------------------------------|---------------------------|-----------------------|------------------------|
| Mr Sushil Goyal | Nil | 18,00,000 | Nil | 18,00,000 | 512714 (4.31%) |
| Mr Abhey Goyal | Nil | 9,50,000 | Nil | 9,50,000 | 539701 (4.54%) |
| Mr Bishan Goyal | Nil | 4,80,645 | Nil | 4,80,645 | 524643 (4.41%) |
| Mr Satish Chand Singhal | Nil | Nil | Nil | Nil | Nil |
| Mr Harsh Chander Kansal | Nil | Nil | Nil | Nil | Nil |
| Mr Babu Lal Jain | Nil | Nil | Nil | Nil | Nil |

5. INVESTORS' GRIEVANCE COMMITTEE

(i) The Company has constituted an "Investors' Grievance Committee" to look into redressal of Shareholder's / investors' complaints, to approve share transfer, share transmission etc and to oversee all matters connected with the Shareholders.

(ii) Composition: Mr. Harsh Chander Kansal, a non-executive independent director is appointed as the Chairman of the Committee.

| Name of the Director | Category | Designation |
|--------------------------|---------------------------|-------------|
| Mr. Harsh Chander Kansal | Non-executive Independent | Chairman |
| Mr. Babu Lal Jain | Non-executive Independent | Member |
| Mr. Satish Chand Singhal | Non-executive Independent | Member |

The committee met Twelve (12) times during the year on 10.04.2009, 11.05.2009, 10.06.2009, 10.07.2009, 10.08.2009, 10.09.2009, 10.10.2009, 10.11.2009, 10.12.2009, 11.01.2010, 11.02.2010 and 10.03.2010.

(iii) Mr Tajinder Singh Bhatia is the Compliance Officer of the Company for the purpose of Clause 47 of the Listing Agreements to look after the compliances under the Listing Agreement and other SEBI Rules & Regulations etc.

(iv) During the year, the Company received 3 (Three) complaints from the shareholders of which all are disposed off. There was no pending complaint from any shareholder as on 31st March 2010.

6. GENERAL BODY MEETINGS
A) Annual General Meetings: Particulars of past three Annual General Meetings of the Company:

| Year | Date | Venue | Time | No. of Special Resolution(s) passed |
|------|------------|--|------------|-------------------------------------|
| 2007 | 27.09.2007 | SP-916, RIICO Industrial Area, Phase – III, Bhiwadi-301 019, Distt. Alwar, Rajasthan | 11:30 A.M. | Four |
| 2008 | 29.09.2008 | SP-916, RIICO Industrial Area, Phase – III, Bhiwadi-301 019, Distt. Alwar, Rajasthan | 11:30 A.M. | One |
| 2009 | 30.09.2009 | SP-916, RIICO Industrial Area, Phase – III, Bhiwadi-301 019, Distt. Alwar, Rajasthan | 11:30 A.M. | Two |

Special Resolution passed during the last three Annual General Meeting.

| Year | Date | Business passed |
|------|------------|---|
| 2007 | 27.09.2007 | <ul style="list-style-type: none"> To increase remuneration of Mr Sushil Goyal from Rs. 50,000 per month to Rs. 2,00,000 per month w.e.f. 1st July 2007 To increase remuneration of Mr Gagan Goyal from Rs. 15,000 per month to Rs. 50,000 per month w.e.f. 1st August 2007 To appoint Mr Bishan Goyal as Whole Time Director w.e.f. 1st January 2007 To provide Corporate Guarantee upto Rs. 32.36 Crores to M/s Dhruv Globals Ltd |
| 2008 | 29.09.2008 | <ul style="list-style-type: none"> Appointment of Mr Sushil Goyal as Managing Director of the Company w.e.f. 26th July 2008 |
| 2009 | 30.09.2009 | <ul style="list-style-type: none"> To appoint Mr Abhey Goyal as Whole Time Director of the Company w.e.f. 1st January, 2009 To modify the remuneration of Mr Sushil Goyal, Managing Director of the Company |

7. DISCLOSURES
(a) Related Party Transactions

There are no materially significant related party transactions with its Promoters, the Directors or the Management, their Subsidiaries or Relatives etc., which may have potential conflict with the interest of the company at large. The other related party transactions are given in point no. 16 of Notes on Accounts annexed to and forming the part of Balance Sheet and Profit and Loss Account of the Company.

(b) Non compliance by the Company, Penalties, Structures

There were no instances of non-compliance by the Company, penalties, structures imposed on the Company by the Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.

(c) Non mandatory requirements

The Company proposes to adopt the non-mandatory requirements including adoption of Whistle Blower Policy given in Annexure-3 of Clause 49 of the listing agreement in due course of time.

8. CODE OF CONDUCT

The Board has formulated a code of conduct for the Board members and senior management of the Company. The same has also been posted on the website of the Company. All Board members and senior management personnel have affirmed their compliance with the code.

Declaration on compliance with code of conduct by the Chairman & Managing Director:

The Board has formulated a code of conduct for the Board members and senior management of the Company, which has been posted on the website of the Company – www.ajantasoya.com.

It is hereby affirmed that all the Directors and senior management personnel have complied with the code of conduct framed by the Company and a confirmation to that effect has been obtained from the directors and senior management.

Sd/-
SUSHIL GOYAL
 Chairman & Managing Director



9. MEANS OF COMMUNICATION

- (a) At present quarterly/ half-yearly reports are not being sent to each household of shareholders.
- (b) The Quarterly / half-yearly / annual accounts results are published in the English and Hindi Newspapers.
 - which newspaper normally published in Financial Express(English) & Jan Satta (Hindi)
 - Any website where displayed Yes – www.ajantasoya.com
- (c) The Management Discussion and Analysis forms a part of the Annual Report.

10. GENERAL SHAREHOLDERS INFORMATION

i) Annual General Meeting

| Day & Date | Time | Venue |
|------------------------------|------------|--|
| Thursday, September 30, 2010 | 12.30 P.M. | SP-916, RIICO Industrial Area, Phase III, Bhiwadi-301 019, Distt. Alwar, Rajasthan |

ii) Financial Calendar

| Events | Tentative time frame |
|--|--------------------------|
| Financial Reporting for the first quarter ended 30th June, 2010 | 31st July, 2010 (actual) |
| Financial Reporting for the second quarter ending 30th September, 2010 | By 14th November 2010 |
| Financial Reporting for the third quarter ending 31st December, 2010 | By 14th February 2011 |
| Financial Reporting for the fourth quarter ending 31st March, 2011 | By 15th May 2011 |

- iii) **Dates of Book Closure** 29th September, 2010 to 30th September, 2010 (Both days inclusive)

- iv) **Dividend Payment Date** Not applicable

- v) **Listing on Stock Exchanges:** The Shares of the Company is listed on the Bombay Stock Exchange. The company had filed application for delisting of shares from Calcutta Stock Exchange Association Ltd, which was approved by the Stock exchange vide letter no. CSE/LD/635/2010 dated. 10th June 2010.

- vi) **Stock Code/ Symbol:** 519216 at the Bombay Stock Exchange.

- vii) **Market Price Data:** High/ low of market price of the Company's equity shares traded on BSE during the last financial year were as follows:

| Year | High | Low | Volume | Year | High | Low | Volume |
|---------|------|------|--------|--------|-------|------|--------|
| Apr-09 | 5.65 | 4.71 | 20421 | Oct-09 | 8.97 | 6.53 | 113176 |
| May-09 | 6.63 | 4.85 | 29563 | Nov-09 | 9.10 | 7.26 | 3609 |
| Jun-09 | 8.23 | 5.68 | 56425 | Dec-09 | 9.49 | 7.30 | 76697 |
| July-09 | 6.80 | 4.95 | 30224 | Jan-10 | 10.40 | 8.06 | 115990 |
| Aug-09 | 7.20 | 5.45 | 54682 | Feb-10 | 14.34 | 8.27 | 287278 |
| Sep-09 | 9.85 | 6.26 | 146228 | Mar-10 | 10.94 | 8.75 | 66282 |

Source : www.bseindia.com

viii) Registrar and Share Transfer Agent & Share Transfer System

The company has appointed M/s. Skyline Financial Services Pvt Ltd, as its Registrar and Share Transfer Agent to carry out the process of share transfer in physical form and also demat work of the Company. The Company has authorised the Registrar and Transfer Agent to approve and execute transfer and transmission of shares subject to a maximum holding of any one person together with the existing holding not exceeding 1% of total paid up equity share capital of the Company at the time of such transfer. Any transfer, transmission in excess of aforesaid limit of 1% is given effect by the Investor Grievance Committee of the Company. All correspondence with regard to share transfers and matters related therewith may directly be addressed to the Registrar and Share Transfer Agents at the address given below:



| Particulars | Skyline Financial Services Pvt Ltd |
|----------------|--|
| Contact Person | Mr V K Rana |
| Address | D-153 A, Okhla Industrial Area, Phase - I, New Delhi - 110 020 |
| Telephone No. | 011-26812682,83 |
| Fax No. | 011-26812684 |
| E mail | admin@skylinerta.com |

The Company's shares are traded in the Stock Exchange, Mumbai compulsorily in Demat mode. Physical shares which are lodged with the Registrar & Transfer Agent or/ Company for transfer are processed and returned to the shareholders duly transferred within the time stipulated under the Listing Agreement subject to the documents being in order.

ix) **Distribution of Shareholding as on 31st March 2010:**

| Shareholding of Nominal Value of | | Shareholders | | Share Amount | |
|----------------------------------|----------|--------------|------------|--------------|------------|
| Rs. | Rs. | Number | % to Total | In Rs. | % to Total |
| (1) | | (2) | (3) | (4) | (5) |
| Up to | 5,000 | 16475 | 95.04 | 2267616.00 | 19.06 |
| 5,001 | 10,000 | 461 | 2.66 | 380471.00 | 3.20 |
| 10,001 | 20,000 | 190 | 1.10 | 303463.00 | 2.55 |
| 20,001 | 30,000 | 62 | 0.35 | 159774.00 | 1.34 |
| 30,001 | 40,000 | 27 | 0.16 | 99007.00 | 0.83 |
| 40,001 | 50,000 | 25 | 0.14 | 117140.00 | 0.99 |
| 50,001 | 1,00,000 | 36 | 0.21 | 260593.00 | 2.19 |
| 1,00,001 and Above | | 59 | 0.34 | 8308534.00 | 69.84 |
| Total | | 17335 | 100.00 | 11896598.00 | 100 |

x) **Dematerialization of shares and liquidity:** As on 31st March 2010 about 85.30% of the Company's equity paid-up capital had been dematerialized. Trading in equity shares of the Company at the Stock Exchange is permitted compulsorily in demat mode.

xi) There are no outstanding GDRs/ ADRs/ Warrants or any Convertible other Instruments as on the date.

xii) **Plant Locations:** The Company has Vanaspati Plant and refinery located at:

SP 916, RIICO Industrial Area
Phase III, Bhiwadi 301 019
Distt. Alwar, Rajasthan.

xiii) **Address for Correspondence:** The shareholders may send their communication grievances/queries to the Registrar and Share Transfer Agents at their Address mentioned above or to the Company at:

Investor Relation Centre

Ajanta Soya Ltd
12th Floor, Bigjo's Tower, A-8, Netaji Subhash Place
Wazirpur Distt.Center, Delhi 110034
Phone : 011- 42515151
Fax : 011- 42515100
e-mail : ajantasoya@gmail.com
ajantashareholder@gmail.com

11. **NON-MANDATORY REQUIREMENTS**

The Company proposes to adopt the non-mandatory requirements given in Annexure-3 of Clause 49 of the listing agreement in due course of time.

CEO/CFO CERTIFICATION

We, Sushil Goyal, Managing Director and Jai Gopal Sharma, Accounts Manager, responsible for the finance function certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March 2010 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Date : 17th August, 2010
Place : New Delhi

Jai Gopal Sharma
Manager (Accounts)

SUSHIL GOYAL
Managing Director



AJANTA SOYA LIMITED

**CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF THE CONDITIONS OF
CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

**TO THE SHAREHOLDERS OF
AJANTA SOYA LIMITED**

We have examined the compliance of the conditions of Corporate Governance by Ajanta Soya Limited for the year ended 31st March 2010, as stipulated under Clause 49 of the Listing Agreement as entered into by the Company with the Stock Exchanges in India.

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 Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

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

For **TAS ASSOCIATES**
Chartered Accountants
Firm Registration No. : 10520 N

Sd/-
(SUBODH GUPTA)
Partner
M. No. : 087099

Place : New Delhi
Dated : 17th August, 2010



AUDITOR'S REPORT

TO THE MEMBERS OF AJANTA SOYA LIMITED

1. We have audited the attached Balance Sheet of Ajanta Soya Limited as at March 31st, 2010 and also the Profit and Loss Account 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 these financial statements based on our audit.
2. We conducted our audit in accordance with the 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 mis-statements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government 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.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - b) 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;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement, dealt with by this report, are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the applicable Accounting Standards referred to in section 211(3C) of the Companies Act, 1956.
 - e) On the basis of written representations received from the directors, as on 31st March, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies' Act, 1956.
 - f) To the best of our knowledge & belief, the provisions of Section 441A of the Companies Act, 1956 regarding the levy & collection of cess on turnover or gross receipts of the Company, have not yet been notified by the Central Government. Accordingly, the question of the compliance of the said section in terms of clause (g) of sub-section 3 of section 227 of the Companies Act, 1956 and clause 9 of the Annexure attached to our this report, does not arise.
 - g) In our opinion and to the best of our information and according the explanations given to us, the said accounts, together with the 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:
 - I. in the case of the Balance Sheet, of the state of affairs of the company, as at March 31st, 2010; and
 - II. in the case of the Profit and Loss Account, of the Profit of the company for the year ended on that date; and
 - III. in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **TAS ASSOCIATES**
Chartered Accountants
Firm Registration No. : 10520 N

Sd/-
(SUBODH GUPTA)
Partner
M. No. : 087099

Place : New Delhi
Dated : 17th August, 2010

**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE AUDITORS REPORT OF EVEN DATE TO THE MEMBERS OF AJANTA SOYA LIMITED FOR THE YEAR ENDED MARCH 31st, 2010.**

1. a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
b) During the year, these fixed assets have been physically verified by the management in a phased manner which, in our opinion, is reasonable having regard to the size of the company and nature of its fixed assets. As mentioned to us no serious discrepancies were noticed by the management on such verification.
c) The company has not disposed off its substantial part of its fixed assets during the year.
2. a) The inventory has been physically verified by the management at reasonable intervals. In our opinion the frequency of verification is reasonable.
b) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies between physical inventory and the book records, as observed on verification, which were not material in relation to the size of the company, have been properly dealt with in the books of accounts
3. (i) a) The company has granted unsecured loan to one Party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.400.42 Lacs (PY.Rs 400.00) and the year-end balance of unsecured loans granted to such parties was Rs. 78.47 Lacs. (PY Rs 400.42).
b) The rate of interest and other terms and conditions on which unsecured loans have been granted are not, prima facie, prejudicial to the interest of the company.
c) The receipt of Principal amount and interest are regular as per stipulations if any. There is no overdue amount of loan granted during the year.
3. (ii) a) During the year, The company has taken unsecured loan from two parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.110.29 Lacs (PY. Rs 1990.20 Lacs) and the year-end balance of unsecured loans taken from such parties was Rs. Nil Lacs (PY Rs 249.95 Lacs).
b) The interest and other terms and conditions on which unsecured loans have been taken from companies listed in the register maintained under section 301 are not, prima facie, prejudicial to the interest of the company.
c) The company is regular in repaying the principal amounts, wherever stipulated.
d) There is no overdue amount of loans taken from companies, firms or other parties listed in the register maintained under section 301.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purpose of purchase of inventory and fixed assets and for sale of goods. During the course of our audit, on random test check basis, no major weakness has been noticed in the internal controls in respect of these areas.
5. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 have been so entered.
b) According to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 and exceeding the value of five lakh rupees, in respect of any party during the year, have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. According to information and explanations given to us, the company has not accepted any deposits to which provisions of sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under are applicable.
7. In our opinion, the company has an adequate Internal Audit system commensurate with its size and nature of its business.
8. Pursuant to the rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956, we are of the opinion that, prima facie, the prescribed accounts and records, relating to materials, labour and other items of cost, have been made and maintained.



9. a) According to the records of the company, the company is regular in depositing with appropriate authorities, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other statutory dues applicable to it.
- b) According to the records of the company and information and explanations given to us, there are no dues of Sales Tax, Income Tax, Service Tax, Custom Duty, Wealth Tax, Excise Duty and Cess on account of any dispute except the following:

| S No. | Statute under which Demand arise | Amount Involved (Rs in Lacs) | Forum at which dispute is pending |
|-------|----------------------------------|------------------------------|-----------------------------------|
| 1. | Income Tax Act A.Y 2001-02 | 1.50 | CIT (A) IV New Delhi. |

10. The company has no accumulated losses as on the balance sheet date. The company has not incurred any cash loss during the financial year covered by our audit or the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to banks. There are no dues payable to financial institutions or debenture holders on due date.
12. According to information and explanations given to us and based on the documents and records produced before us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, there is no special statute applicable to the company, hence provisions related to requirement of NOF, prudential norms for income recognition, appraisal of credit proposal etc. are not required to be complied by the company.
14. Based on our examination of the records and evaluation of the related internal controls, we are of the opinion that the company has maintained proper records of transactions and contracts in respect of trading in shares and other securities and timely entries have been made therein. All shares and securities have been held by the company in its own name.
15. According to information and explanations given to us, the terms and conditions, on which the company has given guarantee for loans taken by others from bank or financial institutions, are not prejudicial to the interest of the company, in view of the counter guarantee provided by such other person for the benefit of company which exceeds the amount of guarantee covered.
16. Based on information and explanations given to us and in our opinion, no term loan has been raised by the company during the year.
17. According to the information and explanation given to us and on an overall examination of the balance sheet of the company, we report that the funds, raised on short-term basis were not used, for long-term investments.
18. During the year, the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The company has not issued any debentures.
20. The company has not raised any money through a public issue during the year.
21. Based upon the audit procedures performed for the purpose of reporting true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For **TAS ASSOCIATES**
Chartered Accountants
Firm Registration No. : 10520 N

Sd/-
(SUBODH GUPTA)
Partner
M. No. : 087099

Place : New Delhi
Dated : 17th August, 2010



BALANCE SHEET AS AT 31st MARCH, 2010

| <i>Schedules</i> | <i>As at 31.03.2010 (Rs.)</i> | <i>As at 31.03.2009 (Rs.)</i> |
|--|---------------------------------------|---------------------------------------|
| I. SOURCES OF FUND | | |
| 1. SHARE HOLDERS FUNDS | | |
| a) Share Capital | A 118,965,980 | 118,965,980 |
| b) Reserves & Surplus | B 81,760,550 | 77,244,938 |
| 2. LOAN FUNDS | | |
| a) Secured Loans | C 117,157,369 | 7,909,572 |
| b) Unsecured Loans | — | 70,902,018 |
| | <u>117,157,369</u> | <u>78,811,590</u> |
| 3. DEFERRED TAX LIABILITY | | |
| (Refer note no. 19 of Part B of Schedule 'M') | 18,967,010 | 21,165,159 |
| TOTAL | <u><u>336,850,909</u></u> | <u><u>296,187,667</u></u> |
| II. APPLICATION OF FUNDS | | |
| 1. FIXED ASSETS | | |
| a) Gross Block | D 243,540,954 | 225,669,536 |
| Less : Accumulated Depreciation | 124,885,019 | 115,145,008 |
| | <u>118,655,935</u> | 110,524,528 |
| b) Capital Work in Progress | 393,397 | 3,526,654 |
| 2. INVESTMENTS | | |
| | E 27,827,750 | 85,934,026 |
| 3. CURRENT ASSETS, LOANS & ADVANCES | | |
| a) Current Assets | | |
| Inventories | 149,762,504 | 151,125,633 |
| Sundry Debtors | 140,442,396 | 70,112,123 |
| Cash & Bank Balances | 24,059,395 | 32,892,733 |
| b) Loans & Advances | 21,672,206 | 58,844,063 |
| | <u>335,936,501</u> | <u>312,974,552</u> |
| Less: CURRENT LIABILITIES & PROVISIONS | G | |
| a) Current liabilities | 139,573,288 | 210,787,070 |
| b) Provisions | 6,389,385 | 5,985,023 |
| | <u>145,962,674</u> | <u>216,772,093</u> |
| NET CURRENT ASSETS | <u><u>189,973,827</u></u> | <u><u>96,202,459</u></u> |
| TOTAL | <u><u>336,850,909</u></u> | <u><u>296,187,667</u></u> |
| SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS | | |
| M | | |

This is the Balance Sheet referred to in our report of even date attached

For **TAS ASSOCIATES**

Chartered Accountants

Firm Registration No.: 10520 N

Sd/-
(SUBODH GUPTA)
(Partner)
M. No. : 087099

Sd/-
(SUSHIL GOYAL)
Managing Director

Sd/-
(ABHEY GOYAL)
Whole Time Director

Place : New Delhi
Dated : 17th August, 2010

Sd/-
(JAI GOPAL SHARMA)
(Accounts Manager)

Sd/-
(SHALINI AGRAWAL)
Company Secretary



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

| Schedules | 2009-2010 (Rs.) | 2008-2009 (Rs.) |
|--|-----------------------------|-----------------------------|
| INCOME | | |
| 1. Sales | | |
| Vanaspati/Refined Oil/Raw Oil | 2,275,460,214 | 2,613,709,940 |
| By Products | 48,126,640 | 34,321,702 |
| | <u>2,323,586,854</u> | <u>2,648,031,642</u> |
| Less: Excise Duty on By Products | 3,464,839 | 3,436,405 |
| | <u>2,320,122,015</u> | <u>2,644,595,237</u> |
| 2. Other Income | 3,779,470 | 4,196,305 |
| 3. Profit on Commodities Futures | - | 25,108,630 |
| 4. Increase/(Decrease) in stocks | 7,908,741 | (28,611,995) |
| T O T A L | <u><u>2,331,810,226</u></u> | <u><u>2,645,288,177</u></u> |
| EXPENDITURE | | |
| 1. Raw Material & Cost of Goods Sold | 2,159,152,407 | 2,485,345,761 |
| 2. Manufacturing, Administrative and other Overheads | 145,251,054 | 139,042,902 |
| 3. Financial Charges | 8,416,576 | 6,289,729 |
| 4. Depreciation | 12,068,877 | 11,408,497 |
| 5. Obsolete stock written off | 664,720 | - |
| 6. Misc. Expenditure written off | - | 28,002 |
| 7. Loss on Commodities Futures | 393,851 | - |
| 8. Loss on sale of Investments (Net of STT) | - | 10,095 |
| 9. Bad Debts | 272,127 | - |
| Less : Provision already made | 20,285 | - |
| | <u>251,842</u> | - |
| 10. Provision for Doubtful Debts | 216,969 | - |
| 11. Impairment loss on Assets | 307,570 | - |
| (Refer Note no. 20 of part B of Schedule 'M' to these accounts) | | |
| T O T A L | <u><u>2,326,723,866</u></u> | <u><u>2,642,124,986</u></u> |
| PROFIT BEFORE TAX | 5,086,360 | 3,163,191 |
| LESS : PROVISION FOR TAXATION | | |
| — Current Tax | 2,631,122 | 2,889,226 |
| — Deferred Tax Charge/(Reversal) | (2,198,149) | (289,831) |
| — Wealth Tax | 67,562 | - |
| — Fringe Benefit Tax | - | 213,573 |
| — (Excess)/short for earlier years (Net) | 70,213 | (434,069) |
| | <u>570,748</u> | <u>2,378,899</u> |
| NET PROFIT FOR THE YEAR | 4,515,612 | 784,292 |
| Surplus Brought Forward from Last Year | 51,456,837 | 50,672,545 |
| SURPLUS, CARRIED TO THE BALANCE SHEET | <u><u>55,972,449</u></u> | <u><u>51,456,837</u></u> |
| BASIC & DILUTED EARNING PER SHARE | | |
| — Before Extra Ordinary Items | 0.37 | 0.10 |
| — After Extra Ordinary Items | 0.38 | 0.07 |
| (Refer note no. 15 of Part B of Schedule 'M') | | |
| SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS | | |

This is the Profit & Loss Account referred to in our report of even date attached

For **TAS ASSOCIATES**

Chartered Accountants

Firm Registration No. : 10520 N

Sd/-
(SUBODH GUPTA)
(Partner)
M. No. : 087099

Sd/-
(SUSHIL GOYAL)
Managing Director

Sd/-
(ABHEY GOYAL)
Whole Time Director

Place : New Delhi
Dated : 17th August, 2010

Sd/-
(JAI GOPAL SHARMA)
(Accounts Manager)

Sd/-
(SHALINI AGRAWAL)
Company Secretary



SCHEDULES FORMING PART OF THE BALANCE SHEET

| | <i>As at 31.03.2010 (Rs.)</i> | <i>As at 31.03.2009 (Rs.)</i> |
|--|---------------------------------------|---------------------------------------|
| <u>SCHEDULE - A : SHARE CAPITAL</u> | | |
| AUTHORISED | | |
| 14,250,000 Equity Shares of Rs. 10/- each | 142,500,000 | 142,500,000 |
| | 142,500,000 | 142,500,000 |
| ISSUED, SUBSCRIBED & PAID UP | | |
| 11,896,598 Equity Shares of Rs 10/- each, fully paid up <i>(Of the above 1,926,598 Equity Shares of Rs. 10/- each, have been issued without payment being received in cash, to the shareholders of erstwhile Kasturi Finlease & Investments Limited, pursuant to the Scheme of Amalgamation during 2003-04)</i> | 118,965,980 | 118,965,980 |
| | 118,965,980 | 118,965,980 |
| <u>SCHEDULE - B : RESERVES & SURPLUS</u> | | |
| <i>Capital Reserves</i> | | |
| — As Per Last Year | 4,720,000 | 4,720,000 |
| <i>Statutory Reserve Fund</i> | | |
| — As per last year | 1,133,228 | 1,133,228 |
| <i>General Reserve</i> | | |
| — As per last year | 19,934,873 | 19,934,873 |
| Surplus, being balance in the Profit & Loss Account | 55,972,449 | 51,456,837 |
| | 81,760,550 | 77,244,938 |



SCHEDULES FORMING PART OF THE BALANCE SHEET

| | <i>As at 31.03.2010 (Rs.)</i> | <i>As at 31.03.2009 (Rs.)</i> |
|--|---------------------------------------|---------------------------------------|
| SCHEDULE - C : LOAN FUNDS | | |
| SECURED LOANS | | |
| 1. Working Capital Loan from Bank | 116,291,062 | 7,229,604 |
| i) Secured by way of first charge/hypothecation of raw material, stores and spares, work in process, finished goods, by-products, packing materials, and chemical lying at works, depots and/or in transit and receivables including entire fixed assets of the company. | | |
| ii) Further secured by personal guarantee of Managing Director, one Director and two relatives of Managing Director of the company and corporate guarantee of another company under the same management. | | |
| iii) Collaterally secured by way of first charge over Company's Land & Building at Bhiwadi. | | |
| 2. Hire Purchase Creditors (Secured against hypothecation of respective assets) | - | 679,968 |
| 3. Car Loan from Bank (Secured against hypothecation of respective assets) | 866,307 | - |
| | <u>117,157,369</u> | <u>7,909,572</u> |
| UNSECURED LOANS | | |
| — Inter Corporate Loans | - | 69,312,018 |
| — From LIC of india (Against Keyman Insurance Policy taken by the company) | - | 1,500,000 |
| — Interest accrued and due on Loan from LIC | - | 90,000 |
| | <u>-</u> | <u>70,902,018</u> |

SCHEDULE - D : FIXED ASSETS

(Amount in Rupees)

| PARTICULARS | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|-------------------------------------|------------------|--------------------------|----------------------------|------------------|-----------------|--------------|-------------------------|-----------------|------------------|------------------|
| | As at 01.04.2009 | Addition during the year | Deductions during the year | As at 31.03.2010 | Upto 01.04.2009 | For the year | Deductions/ Adjustments | Upto 31.03.2010 | As at 31.03.2010 | As at 31.03.2009 |
| Tangible Assets | | | | | | | | | | |
| Lease Hold Land | 4,783,029 | - | - | 4,783,029 | - | - | - | - | 4,783,029 | 4,783,029 |
| Buildings # | 26,938,254 | 3,497,560 | - | 30,435,814 | 12,193,272 | 850,077 | - | 13,043,349 | 17,392,465 | 14,744,982 |
| Plant & Machineries | 169,632,543 | 9,913,824 | 2,941,988 | 176,604,379 | 88,719,960 | 9,547,770 | 1,719,438 | 96,548,292 | 80,056,087 | 80,912,583 |
| Electrical Installations & Fittings | 4,406,812 | - | - | 4,406,812 | 3,321,509 | 209,324 | - | 3,530,833 | 875,979 | 1,085,303 |
| Furniture & Fitting | 852,736 | 44,746 | - | 897,482 | 760,587 | 16,079 | - | 776,666 | 120,816 | 92,149 |
| Vehicles | 9,914,398 | 6,783,745 | 534,325 | 16,163,818 | 3,771,534 | 882,126 | 220,150 | 4,433,510 | 11,730,308 | 6,142,864 |
| Laboratory Equipments | 314,314 | - | - | 314,314 | 250,238 | 14,930 | - | 265,168 | 49,146 | 64,076 |
| Other Equipments & Appliances ## | 8,827,450 | 1,536,704 | 696,848 | 9,667,306 | 6,127,908 | 494,971 | 389,278 | 6,233,601 | 3,433,705 | 2,699,542 |
| Intangible Assets | | | | | | | | | | |
| Computer Software | - | 268,000 | - | 268,000 | - | 53,600 | - | 53,600 | 214,400 | - |
| Total Current Year | 225,669,536 | 22,044,579 | 4,173,161 | 243,540,954 | 115,145,008 | 12,068,877 | 2,328,866 | 124,885,019 | 118,655,935 | 110,524,528 |
| Total Previous Year | 221,703,652 | 4,243,884 | 278,000 | 225,669,536 | 103,747,820 | 11,408,497 | 11,309 | 115,145,008 | 110,524,528 | - |

Add: Capital Work in Progress

393,397

(including Capital Advances)

Buildings include Rs. 28.39 Lacs & 16.29 Lacs for building purchased with physical possession under Flat Buyer's Agreement dated. 28th July, 1999 for 28.29 Lacs & 31st August, 2009 for 16.29 Lacs which is pending Execution & Registration of Conveyance Deed in the name of the Company.

Deduction from Other Equipment & appliances include assets costing Rs 6.96 Lacs (P/Y Rs. Nil) which has been identified as impaired and these are provided for as impairment loss in these accounts.

(Refer Note no. 20 of part B of Schedule'M' to these accounts)



SCHEDULES FORMING PART OF THE BALANCE SHEET

| | <i>As at 31.03.2010 (Rs.)</i> | <i>As at 31.03.2009 (Rs.)</i> |
|--|---------------------------------------|---------------------------------------|
| SCHEDULE - E: INVESTMENTS (AT COST) | | |
| Long Term - Unquoted - Non-trade | | |
| In companies under the same management | | |
| — Phoenix Steels Mills Limited (A company incorporated in Nigeria) 3,250,000 Equity shares (P.Y. 32,50,000) of NgN 1.00 each, fully paid up | 1,090,250 | 1,090,250 |
| — D.G Estate Pvt. Ltd. 434,000 Equity shares (P.Y. 2,94,000) of Rs. 10.00 each fully paid up | 21,700,000 | 14,700,000 |
| Others | | |
| — Dhruv Globals Limited 368,050 Equity shares (P.Y. 3,68,050) of Rs. 10.00 each fully paid up | 3,680,500 | 3,680,500 |
| In Units of Mutual Fund | | |
| — SBI - SHF-Ultra Short Term Fund - Institutional Plan-Daily Dividend Nil (P.Y - 6,507,373.898 units), NAV- Rs. 10.00 each | — | 65,106,276 |
| — LIC of India - Profit Plus Growth Fund 142,810.945 (P.Y 142810.945) (NAV as on 31/03/2010 Rs. 11.19 each and P.Y- Rs. 7.73 each) | 1,357,000 | 1,357,000 |
| | <u>27,827,750</u> | <u>85,934,026</u> |

Notes :

| | | | |
|---|---|-------------------|--------------------|
| 1 | Aggregate Cost of Unquoted Investments | 27,827,750 | 85,934,026 |
| 2 | Investment made and sold during the year | Cost (Rs.) | Qty (units) |
| | SBI-SHF-Ultra Short Term Fund-Institutional Plan-Daily Dividend | 35,000,000 | 3,498,111 |
| | In MCD-Futures-Foreign Currency | 1,100,000 | — |

SCHEDULE - F : CURRENT ASSETS, LOANS & ADVANCES

A) CURRENT ASSETS

1. INVENTORIES (As valued , verified and certified by management)

| | | | | | |
|------|---|--------------------|------------|-------------|--------------------|
| i) | Stock in Trade | | | | |
| | — Raw Material (Oil, including In-Transit) | 83,667,718 | 95,639,064 | | |
| | — Packing | 8,749,041 | 5,815,495 | | |
| | — Shares & Securities | 27,955 | 27,955 | | |
| | — Others | 8,799,757 | 9,033,827 | 110,516,341 | |
| | | <u>23,703,845</u> | | | 22,075,380 |
| ii) | Stock in Process | | | | |
| iii) | Finished Products | | | | |
| | — Vanaspati | 20,057,604 | 14,558,133 | | |
| | — Refined Oil | 4,035,409 | 3,424,791 | | |
| | — By Products | 721,175 | 550,988 | 18,533,912 | |
| | | <u>149,762,504</u> | | | <u>151,125,633</u> |
| 2. | SUNDRY DEBTORS (Unsecured & considered good) | | | | |
| | — Outstanding for a period exceeding six months | 1,249,301 | 3,158,662 | | |
| | — Others | 140,512,128 | 68,075,810 | | |
| | | <u>141,761,429</u> | 71,234,472 | | |
| | Less : Provision for doubtful debts | 1,319,033 | 1,122,349 | 70,112,123 | |
| | | <u>140,442,396</u> | | | <u>70,112,123</u> |

SCHEDULES FORMING PART OF THE BALANCE SHEET

| | <i>As at</i> <i>31.03.2010</i> <i>(Rs.)</i> | <i>As at</i> <i>31.03.2009</i> <i>(Rs.)</i> |
|--|---|---|
| 3. CASH AND BANK BALANCES | | |
| i) Cash in Hand | 646,002 | 658,736 |
| ii) Balance with Scheduled Banks | | |
| — In Current Accounts | 6,334,139 | 5,646,758 |
| — Fixed Deposit including interest accrued (FDR of Rs.170.79 lacs (previous year Rs. 265.87 lacs) inclusive of interest, pledged with Banks as margin money against bank guarantees and foreign letter of credit) | 17,079,254 | 26,587,239 |
| | <u>24,059,395</u> | <u>32,892,733</u> |
| B) LOANS AND ADVANCES (Unsecured & considered good unless otherwise stated) | | |
| i) Advances recoverable in cash or in kind or for value to be received | 3,650,911 | 6,801,636 |
| ii) Security and other deposits | 4,021,435 | 3,696,897 |
| iii) Staff Loans & Imprest | 347,682 | 491,599 |
| iv) Excise Duty & Service tax Recoverable | 77,643 | 33,285 |
| v) Custom Duty Recoverable | - | 505,300 |
| vi) Sales tax /Vat Recoverable | 4,460,681 | 4,494,730 |
| vii) Advance Tax/TDS/FBT | 366,861 | 362,905 |
| viii) Income Tax Deposit (Under protest) | 54,149 | 100,000 |
| ix) Sales Tax Deposit (Under protest) | 395,200 | 155,200 |
| x) Prepaid Expenses | 450,332 | 2,001,896 |
| xi) Deferred Premium (on Forward exchange Contract) | - | 157,977 |
| xii) Loan to Body Corporate | 7,847,312 | 40,042,638 |
| | <u>21,672,206</u> | <u>58,844,063</u> |
| SCHEDULE - G: CURRENT LIABILITIES AND PROVISIONS | | |
| A. CURRENT LIABILITIES | | |
| Sundry Creditors | | |
| — Due to Micro & Small enterprises (including interest) (Refer note no.5 of part 'B' of Schedule 'M') | 270,003 | 203,060 |
| — Due to Other than Micro & Small enterprises | 133,205,975 | 133,475,978 |
| | <u>133,475,978</u> | <u>202,401,693</u> |
| Security Deposits from Dealers | 471,617 | 471,617 |
| Interest accrued but not due on Loans | - | 56,250 |
| Advance from Customers | 880,485 | 2,222,325 |
| Other Liabilities | 4,745,208 | 5,432,125 |
| | <u>139,573,288</u> | <u>210,787,070</u> |
| B. PROVISIONS | | |
| — Provision for Taxation (Net of Advance Tax/TDS) | 2,352,679 | 2,365,150 |
| — Provision for Wealth tax | 67,562 | - |
| — Provision for Fringe Benefit Tax | - | 213,573 |
| — Provision for Employees Benefits | 3,969,144 | 3,406,300 |
| | <u>6,389,385</u> | <u>5,985,023</u> |



SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT 31ST MARCH, 2010

| | 2009-2010 (Rs.) | 2008-2009 (Rs.) |
|--|--------------------|--------------------|
| SCHEDULE - H : OTHER INCOME | | |
| Hire charges {Gross, TDS Rs.NIL, (P.Y. Rs.NIL)} | 848,200 | 1,008,000 |
| Dividend received | 118,889 | 249,542 |
| Interest on Bank deposits {Gross, TDS of Rs. 1,68,598 (P.Y. Rs. 4,08,736)} | 1,153,396 | 2,059,277 |
| Interest on Security deposit (TDS Rs. 16,655/- (PY 34,310/-)) | 166,554 | 166,554 |
| Interest on Loan (TDS Rs. 89,408/- (PY 11,062/-)) | 894,082 | 53,700 |
| Miscellaneous Income | 305,970 | 468,027 |
| Processing Charges earned {Gross; TDS Rs 3,782/-, (P.Y Rs. 3,457)} | 84,104 | 191,205 |
| Profit on sale of fixed asset (Net) | 208,275 | - |
| | <u>3,779,470</u> | <u>4,196,305</u> |

SCHEDULE - I : INCREASE/(DECREASE) IN STOCKS

VANASPATI / REFINED OIL

Opening Stock

| | | | | |
|-------------------------------|----------------|-------------------|----------------|---------------------|
| Finished Products | 17,982,924 | | 26,936,030 | |
| Stock in Process | 22,075,380 | | 41,371,979 | |
| By Products | <u>550,988</u> | <u>40,609,292</u> | <u>913,278</u> | 69,221,287 |
| Less : Closing Stock | | | | |
| Finished Goods | 24,093,013 | | 17,982,924 | |
| Stock in Process | 23,703,845 | | 22,075,380 | |
| By Products | <u>721,175</u> | <u>48,518,033</u> | <u>550,988</u> | 40,609,292 |
| Increase/(Decrease) in stocks | | <u>7,908,741</u> | | <u>(28,611,995)</u> |

SCHEDULE - J : RAW MATERIAL & COST OF GOODS SOLD

a) Raw Oils

| | | | | |
|--|--------------------|----------------------|--------------------|---------------|
| 1. Raw Oils | | | | |
| Opening Stock | 95,639,064 | | 53,551,312 | |
| Purchase | 1,945,627,410 | | 2,321,272,346 | |
| Insurance chages on Oil | 1,349,514 | | 1,662,237 | |
| Freight, Brokerage, Bank charges etc. | <u>111,421,478</u> | | <u>119,830,862</u> | |
| | 2,154,037,466 | | 2,496,316,758 | |
| Less: Closing Stock (including In-Transit) | <u>83,667,718</u> | <u>2,070,369,748</u> | <u>95,639,064</u> | 2,400,677,694 |
| 2. Packing Material | | 77,788,582 | | 70,570,123 |
| 3. Chemicals | | 10,994,077 | | 14,097,944 |

b) Shares/Securities

| | | | | |
|----------------------|---------------|----------------------|---------------|----------------------|
| Opening Stock | 27,955 | | 27,955 | |
| Add : Purchase | - | | - | |
| | <u>27,955</u> | | <u>27,955</u> | |
| Less : Closing Stock | <u>27,955</u> | - | <u>27,955</u> | - |
| | | <u>2,159,152,407</u> | | <u>2,485,345,761</u> |



SCHEDULES FORMING PART OF THE BALANCE SHEET

| | <i>2009-2010</i> <i>(Rs.)</i> | <i>2008-2009</i> <i>(Rs.)</i> |
|---|----------------------------------|----------------------------------|
| SCHEDULE - K : MANUFACTURING, ADMINISTRATIVE | | |
| OTHER OVERHEADS | | |
| Fuel, Power & Electricity | 74,930,310 | 82,536,028 |
| Rates & Taxes | 291,143 | 170,111 |
| Handling Charges | 3,498,275 | 2,831,112 |
| Laboratory Expenses | 165,703 | 235,938 |
| Repair & Maintenance - Plant & Machinery | 7,196,068 | 5,578,649 |
| Repair & Maintenance - Building | 1,477,638 | 253,223 |
| Salaries & Wages | 10,070,826 | 9,421,836 |
| Contribution to Provident & Other Funds | 1,300,842 | 1,225,177 |
| Provision for Retirement Benefits & Bonus | 1,571,138 | 1,639,198 |
| Managerial Remuneration | 3,230,645 | 3,575,000 |
| Staff Welfare | 726,803 | 628,914 |
| Rent | 477,466 | 423,733 |
| Conveyance & Vehicle Maintenance | 814,139 | 688,340 |
| Telephone, postage & Internet Expenses | 856,199 | 891,745 |
| Legal, Professional Expenses | 1,257,119 | 1,385,890 |
| Printing & Stationery | 473,060 | 414,780 |
| Insurance | 2,909,052 | 2,039,306 |
| Tours & Travelling | 851,533 | 671,865 |
| Charity & Donation | - | 62,000 |
| Business Promotion | 763,460 | 222,564 |
| Publicity & Advertisement | 199,060 | 243,338 |
| Freight Outward | 20,105,719 | 13,289,347 |
| Commission, Discounts & Selling Expenses | 10,188,432 | 8,912,353 |
| Membership & Subscription | 66,321 | 99,887 |
| Loss on Sale of Fixed Asset | - | 33,691 |
| Interest to Micro & Small enterprises | 19,276 | 31,085 |
| Loss of Cash by Theft | - | 232,840 |
| Others | 1,810,827 | 1,304,952 |
| | 145,251,054 | 139,042,902 |

SCHEDULE - L : FINANCIAL CHARGES

| | | | | |
|------------------------|-----------|------------------|-----------|------------------|
| Interest on: | | | | |
| — Working Capital Loan | 5,612,012 | | 2,935,078 | |
| — Others | 866,662 | 6,478,674 | 1,898,213 | 4,833,291 |
| Bank Charges | | 1,937,902 | | 1,456,438 |
| | | 8,416,576 | | 6,289,729 |

SCHEDULE - M: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. RECOGNITION OF INCOME AND EXPENDITURE:

- i) The accounts are made on historical cost basis on going concern assumption and Revenues/Incomes and Costs/ Expenditure are generally accounted on accrual, as they are earned or incurred in accordance with the Accounting Standards specified in Companies (Accounting Standards) Rules, 2006.
- ii) In case of sales & purchase, accrual is deemed to have taken place on actual delivery of goods.
- iii) In case of interest, income is recognized in relation to period to which it pertains.
- iv) In case of uncertainties as to the risks & rewards, the conservative accounting policy is adopted by way of making suitable provisions for expenses and deferring the recognition of revenues.

2. EMPLOYEES BENEFITS:

- i) Retirement benefits in the form of Provident fund and Family Pension fund is a defined contribution scheme and the contributions are charged to the profit and loss account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.
- ii) Gratuity is a defined benefit obligation. Gratuity liability is accrued and provided for on the basis of an actuarial valuation on the projected unit credit method made at the end of the financial year.
- iii) Long term compensated balances in the form of leave encashment are provided for based on actuarial valuation at the end of the financial year. The actuarial valuation is done as per projected unit credit method.
- iv) Actuarial gains/losses are debited to profit and loss account and are not deferred.

3. FIXED ASSETS:

- i) Fixed Assets are stated at cost, less accumulated depreciation/ amortisation, other than Leasehold Land', where no amortization is made. The properties/assets, in respect of which beneficial transfer has been affected, even though pending execution/registration, are capitalised.
- ii) In case of Fixed Assets acquired out of capital grants/subsidy, the cost is reduced to the extent of capital grant/ subsidy.
- iii) The Capital work in progress is capitalized as fixed assets on the date of commissioning of the asset.
- iv) Intangible assets are measured at cost and amortized over a period for which the assets' economic benefits are expected to accrue.

4. METHOD OF DEPRECIATION AND AMORTISATION:

- i) Depreciation on Fixed Assets is provided at the relevant rates of depreciation in respect of Straight Line Method as specified in Schedule XIV to the Companies Act, 1956.
- ii) In view of the amendment in Schedule XIV, depreciation on assets costing up to Rs.5000/- are depreciated at the rate of 100% on pro-rata basis except those which constitute more than 10% of the total actual cost of Plant and Machinery on which the applicable rate of depreciation is charged.
- iii) Depreciation on additions to assets or on sale/adjustment of assets is calculated pro-rata from the date of such addition or up to the date of such sale/ adjustment.
- iv) No amounts are written off against Leasehold Land by way of amortization.
- v) Expenditure incurred on intangible asset being software is amortized over a period of five years.

5. VALUATION OF INVENTORIES

| <u>Particulars/Item Type</u> | <u>Method of Valuation</u> |
|--|--|
| • Raw Material, Packing Material & Consumables (including material in transit) | At Cost including direct procurement Overhead / Taxes. |
| • Finished Goods (including goods in transit) | At cost or net realisable value, whichever is lower |
| • Stock in process | At cost |
| • By Products | At net realisable value |
| • Loose Tools | At cost and charged off when discarded |
| • Shares / Securities (Quoted) | At lower of cost or net realizable value |

In the above, cost is arrived at by FIFO cost method. In case of Finished Goods and Stock in Process, it also includes excise duty (if applicable), manufacturing & related establishment overheads, depreciation etc.

All the Spares, which are primarily meant to be used for capitalization (except consumables and maintenance stores), are considered as part of the Capital Work in Progress and shown accordingly.

6. RESEARCH AND DEVELOPMENT:

Revenue expenditure including overheads on Research and Development is charged out as an expense through the natural heads of account in the year in which incurred. Expenditure, which results in the creation of capital assets, is taken to Fixed Assets and depreciation is provided on such assets, as are depreciable.

7. EXPENDITURE DURING CONSTRUCTION PERIOD:

All expenditure, directly related to the fixed asset including interest on borrowings for the project, incurred up to the date of installation, are directly capitalised and added, if required, pro-rata to the cost of factory buildings, wherever applicable, and plant and machinery relating thereto.

8. INVESTMENTS:

Long-term investments are stated at cost price. Any diminution of permanent nature in the value of the long-term investments is suitably provided for by charging off to revenue. Current (Short-term and stock in process) investments are stated at lower of cost or net realisable value.

In case of unquoted shares, the diminution in value of shares is arrived on the basis of break up value as per latest available audited balance sheet of the respective company.

9. FOREIGN CURRENCY TRANSACTIONS:

i) Foreign Currency transactions during the year are recorded at rates of exchange prevailing on the date of transaction. Current Assets and Current Liabilities are translated at using the year-end exchange rate. Exchange gains and losses are duly recognised in the Profit and Loss Account.

ii) In case of forward contracts, the difference between the forward rate and the exchange rate on the date of the transaction is recognised as income or expense over the life of the contract.

10. TAXATION:

i) Provision for current Income Tax is made on the basis of estimated taxable income after taking into consideration, estimates of benefits admissible under the provisions of Income Tax, 1961. The company provides for deferred tax liability (after netting off deferred tax assets), based on the tax effect of timing difference resulting from the recognition of items in the financial statements.

ii) Deferred tax assets (after, netting of deferred tax liabilities), are generally not recognized unless there exist strong circumstances for its adjustment/realization in near future.

iii) Provision for Wealth Tax is made on the basis of estimated taxable wealth after taking into consideration, estimates of benefits admissible under the provisions of Wealth Tax Act, 1957.

11. ACCOUNTING FOR DEPB:

The DEPB entitlements, against exports, are accounted on accrual basis when export materializes. In case of DEPB acquired from third parties, the same is recognised on historical cost basis.

12. IMPAIRMENT OF ASSETS:

Consideration is given by the management of the company at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of assets. If any indication exists, impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the net selling price and value in use. Reversal of impairment losses recognised in prior years is recorded when there is indication that the impairment losses for the assets are no longer exist.

13. FINANCE LEASE:

Assets taken on lease are capitalized at fair value or net present value of the minimum lease payments, whichever is lower.

Depreciation on assets taken on lease is charged at the rate applicable to similar type of fixed assets as per accounting policy of the company for depreciation as above. If the leased assets are returnable to lessor on the expiry of the period, depreciation is charged over its useful life or lease period whichever is shorter.

Lease payments are apportioned between the finance charge and the reduction of the outstanding liability in respect of assets taken on lease. Sub-lease payments received/ recoverable are recognized as other income.

14. PROVISIONS AND CONTINGENT LIABILITIES:

A Provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

The disclosure is made for all possible or present obligations that may but probably will not require outflow of resources, as contingent liability in the financial statements.

B. NOTES TO THE ACCOUNTS

1. Contingent Liabilities, not provided for:

a. Bank Guarantees / Letters of credit issued by the company in favour of (Rs. in Lacs)

| S.No. | Particulars | 2009-2010 | 2008-2009 |
|-------|--|---------------|-----------------|
| i) | Foreign Letters of Credit against import of Raw oil. | 749.42 | 1731.21 |
| ii) | Suit filed by one supplier to the tune of Rs 1.14 Lacs, which is pending adjudication before Court of law. | 1.14 | 1.14 |
| | TOTAL | 750.56 | 1,732.35 |

Bank Guarantees / Foreign Letters of Credit are secured by way of lien marked Fixed Deposits (inclusive of Interest) of Rs. 170.79 Lacs (Previous year Rs. 265.87 Lacs).

- b.** Corporate guarantee given to a bank, in lieu of such bank having extended various secured fund based & non-fund based credit facilities, amounting in aggregate to Rs. 4154 Lacs (Previous year Rs. 4154 Lacs) to a related party.
- c.** Demand of Rs. 1.50 Lacs raised by Income tax department for A.Y. 2002-2003 which is disputed by the company and appeal has been preferred with Commissioner of Income Tax (Appeals). The Company has deposited a sum of Rs. 0.54 Lacs under protest, which has been classified as recoverable under the head loan and advances as per s.no. (viii) of part B of schedule 'F' to the Balance Sheet.
- 2** Estimated amount of contracts remaining to be executed on capital account and not provided for in these accounts (Net of Advances) Rs. NIL (Previous Year 38.95 Lacs)
- 3.** In the opinion of the Board, the current assets, loans & advances are recoverable at par in the ordinary course of business at a price at which they are stated in the Balance Sheet. Balances of debtors and creditors, on the Balance Sheet date are subject to reconciliation and confirmation from some of the parties. However the variation is not expected to substantially vary the results of the company for the year.
- 4.** Exchange rate adopted for conversion at the closing of financial year is taken at USD 1 = INR 45.00 (previous year Rs 50.95).
- 5.** Company had sent communications to all creditors for identification of micro, small and medium enterprises. On the basis of response, to the extent received, to such communication and identification, the disclosures in respect to Micro, Small and Medium Enterprise Development Act, 2006 is as follows:

(In Rupees)

| S.No | Particulars | 2009-10 | 2008-09 |
|------|---|--------------------|--------------------|
| i) | The Principal amount and the interest due thereon remaining unpaid to any supplier | 2,70,003 | 2,03,060 |
| ii) | Principal amount | 1,92,861 | 1,45,196 |
| iii) | Interest there on | 57,866 | 26,986 |
| iv) | The amount of Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amounts of the payments made to the supplier beyond the appointed day. | — | — |
| v) | The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.) | 19,276 | 30,878 |
| vi) | The amount of interest accrued and remaining unpaid. | 77,142 | 57,864 |
| vii) | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to small enterprises for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006 | Not ascertainable* | Not ascertainable* |

* Since the Interest has not yet been paid till the date of signing the Balance Sheet.

6. Disclosure for Gratuity and Leave Benefit Plans:

The company has a defined benefit gratuity plan. The present value of obligation is determined based on actuarial valuation using the projected unit method, which recognizes each period of service as giving rise to additional unit of employee benefit Entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.

i) Changes in the present value of the defined benefit obligation are as follows (Rs):

| Particulars | Gratuity | | Leave Encashment | |
|-------------------------------------|-----------|------------|------------------|-----------|
| | 2009-2010 | 2008-2009 | 2009-2010 | 2008-2009 |
| Opening defined benefit obligation | 27,65,933 | 22,01,064 | 6,40,367 | 5,79,663 |
| Interest cost | 2,21,275 | 1,54,074 | 51,229 | 40,576 |
| Current service cost | 2,78,686 | 2,53,519 | 1,08,595 | 92,098 |
| Actual return on plan assets | N.A. | N.A. | N.A. | N.A. |
| Benefits paid | (46,385) | (1,04,925) | (55,957) | (90,489) |
| Actuarial (gain)/loss on obligation | (39,530) | 2,62,201 | 44,931 | 18,519 |
| Closing defined benefit obligation | 31,79,979 | 27,65,933 | 7,89,165 | 6,40,367 |

(ii) Changes in the fair value of plan assets are as follows (Rs):

| Particulars | Gratuity | | Leave Encashment | |
|-----------------------------------|-----------|-----------|------------------|-----------|
| | 2009-2010 | 2008-2009 | 2009-2010 | 2008-2009 |
| Opening fair value of plan assets | NIL | NIL | NIL | NIL |
| Expected return | N.A | N.A | N.A | N.A |
| Contributions by employer | NIL | NIL | NIL | NIL |
| Benefits paid | NIL | NIL | NIL | NIL |
| Actuarial gain/(losses) | NIL | NIL | NIL | NIL |
| Closing fair value of plan assets | NIL | NIL | NIL | NIL |

(iii) Net employee benefit expense debited to Profit & Loss account (Rs):

| Particulars | Gratuity | | Leave Encashment | |
|--------------------------------|-----------|-----------|------------------|-----------|
| | 2009-2010 | 2008-2009 | 2009-2010 | 2008-2009 |
| Current service cost | 2,78,686 | 2,53,519 | 1,08,595 | 92,098 |
| Interest cost | 2,21,275 | 154,074 | 51,229 | 40,576 |
| Expected return on plan assets | N.A | N.A | N.A. | N.A |
| Actuarial (gain) / loss | (39,530) | 2,62,201 | 44,931 | 18,519 |
| Net benefit expense | 4,60,431 | 6,69,794 | 2,04,755 | 1,51,193 |
| Actual return on plan assets | N.A | N.A | N.A | N.A |

(iv) Details of provision for Employees Benefits (Rs.)

| Particulars | Gratuity | | Leave Encashment | |
|---|-----------|-----------|------------------|-----------|
| | 2009-2010 | 2008-2009 | 2009-2010 | 2008-2009 |
| Defined benefit obligation | 31,79,979 | 27,65,933 | 7,89,165 | 6,40,367 |
| Total value of provident fund contribution on closing liability | NIL | NIL | NIL | NIL |
| Fair value of plan assets | NIL | NIL | NIL | NIL |
| Less: Unrecognized past service cost | NIL | NIL | NIL | NIL |
| Plan (Liability)/ Asset | NIL | NIL | NIL | NIL |

v) Actuarial Assumptions

| Particulars | Gratuity | | Leave Encashment | |
|--|-----------|-----------|------------------|-----------|
| | 2009-2010 | 2008-2009 | 2009-2010 | 2008-2009 |
| Mortality table (LIC) | (1994-96) | (1994-96) | (1994-96) | (1994-96) |
| Discount rate | 8.00% | 7.00% | 8.00% | 7.00% |
| Expected rate of return on plan assets | — | — | — | — |
| Rate of escalation in salary per annum | 5.50% | 5.00% | 5.50% | 5.00% |
| Employee turnover up to 30 years | 3.00% | 3.00% | 3.00% | 3.00% |
| Above 30 years but up to 44 years | 2.00% | 2.00% | 2.00% | 2.00% |
| Above 44 years | 1.00% | 1.00% | 1.00% | 1.00% |

The estimates of future salary increase considered in actuarial valuation take into account the inflation, seniority, promotion and other relevant factors such as demand in the employment market and supply.

Contribution to Defined Contribution Plan (Rs.)

| Particulars | 2009-2010 | 2008-2009 |
|---|-----------|-----------|
| Defined contribution plan and Family & Pension Contribution to Provident Fund | 13,00,842 | 12,25,051 |

7. Remuneration to Managerial Personnel: (In Rupees)

| S.No. | Particulars | 2009-2010 | 2008-2009 |
|------------------|--------------------------------------|------------------|------------------|
| i) | Remuneration to Managing Director | 18,00,000 | 1,800,000 |
| ii) | Remuneration to Whole Time Directors | 14,30,645 | 1,775,000 |
| iii) | Value of perquisites | Nil | Nil |
| T O T A L | | 32,30,645 | 3,575,000 |

8. Payment to Auditors: (In Rupees)

| S.No. | Particulars | 2009-2010 | 2008-2009 |
|------------------|---|-----------------|----------------|
| i) | Statutory Auditors | | |
| | Audit Fees | 2,30,000 | 2,30,000 |
| | Tax Audit Fee | 20,000 | 20,000 |
| | Taxation Matters Fee | 1,75,000 | 2,50,000 |
| | Out of Pocket expenses | 12,500 | 12,500 |
| | Service Tax | 25,750 | 25,750 |
| T O T A L | | 4,63,250 | 538,250 |
| ii) | Cost Auditors (including Service Tax) | 43,964 | 43,449 |
| iii) | Internal Auditors (including Service Tax) | 80,900 | 79,400 |

9. Particulars in respect of Capacities, Production/Purchase, Stocks and Sales:
(A) Manufacturing Operations:
i. For Sale:

| Class of Goods | Installed capacity | Opening Stock | | Actual Production | Sales | | Closing Stock | |
|------------------------|--------------------|---------------|------------------|-------------------|-----------|------------------|---------------|------------------|
| | M.T. (P.A.) | Qty. (MT) | Value (Rs. Lacs) | Qty. (MT) | Qty. (MT) | Value (Rs. Lacs) | Qty. (MT) | Value (Rs. Lacs) |
| Vanaspati /Refined Oil | 86,000 | 470.98 | 179.82 | 54,759.40 | 54,674.95 | 22,754.60 | 555.43 | 240.93 |
| Previous Year's | 86,000 | 456.32 | 269.36 | 55,843.18 | 55,828.52 | 26,005.84 | 470.98 | 179.82 |

- The installed capacity for the finished products and date of installation, are as certified by the management and relied upon by the auditors, being a technical matter.
- Capacities are expressed on the basis of triple shift working of the factory.

(ii) For Captive Consumption:

| Class of Goods | Installed capacity* | Opening Stock | | Actual Production | Consumed* | Closing Stock | |
|---------------------------|---------------------|---------------|------------------|-------------------|-------------|---------------|------------------|
| | Nos. (P.A.) | Qty. (Nos.) | Value (Rs. Lacs) | Qty. (Nos.) | Qty. (Nos.) | Qty. (Nos.) | Value (Rs. Lacs) |
| P.P. Jars (15kg/Ltr.) | — | 7169 | 2.95 | 153725 | 153176 | 7718 | 3.90 |
| Previous Year's | — | 6264 | 2.71 | 196975 | 196070 | 7169 | 2.95 |
| Tin Container (15kg/Ltr.) | — | 151 | 0.08 | 886750 | 874812 | 12089 | 6.74 |
| Previous Year's | — | 2395 | 1.29 | 683790 | 686034 | 151 | 0.08 |

* Installed capacities are not given, as technical estimates are not ascertainable.

(B) Trading Operations:
(i) Oil, Bakery Shortening & Vanaspati / Refined

| Class of Goods | Opening Stock | | Purchases | Sales | | Closing Stock | |
|-----------------|---------------|------------------|-----------|-----------|------------------|---------------|------------------|
| | Qty. (MT) | Value (Rs. Lacs) | Qty. (MT) | Qty. (MT) | Value (Rs. Lacs) | Qty. (MT) | Value (Rs. Lacs) |
| Raw Oil | - | - | - | - | - | - | - |
| Previous Year's | - | - | 250.00 | 250.00 | 131.25 | - | - |

ii) Shares / Securities

| Particulars | Opening Stock | | Purchases | Sales/Written off | | Closing Stock | |
|--|---------------|---------------|-----------|-------------------|-------------|---------------|---------------|
| | Qty. | Value (Rs.) | Qty. | Qty. | Value (Rs.) | Qty. | Value (Rs.) |
| Balaji Galvanising Ltd. | 9,800 | 9,800 | — | — | — | 9,800 | 9,800 |
| Phytochem India Ltd. | 1,000 | 1,000 | — | — | — | 1,000 | 1,000 |
| Via Media (India) Ltd. | 75 | 75 | — | — | — | 75 | 75 |
| Shree Krishna Polyster Ltd. (Warrants) | 800 | 800 | — | — | — | 800 | 800 |
| Gupta Carpets Ltd. | 400 | 280 | — | — | — | 400 | 280 |
| Krishna Synthetics Ltd. | 16,000 | 16,000 | — | — | — | 16,000 | 16,000 |
| Total | | 27,955 | | | — | | 27,955 |

* None of the above companies are under the same management.

10. Analysis of Material Consumed in Manufacturing Operation:

| Class of Goods | Unit | Current Year | | Previous Year | |
|----------------|------|--------------|------------------|---------------|------------------|
| | | Qty. | Value (Rs. Lacs) | Qty. | Value (Rs. Lacs) |
| Oil | M.T | 58,459.63 | 20,703.70 | 59,626.37 | 23,885.51 |
| Packing | - | - | 777.89 | - | 705.70 |
| Chemicals | - | - | 109.94 | - | 140.98 |
| TOTAL | | | 21,591.53 | | 24,732.19 |

11. Value of imported and indigenous raw materials, spare parts and components consumed in manufacturing operation and the percentage of each to the total consumption.

| Particulars | Current Year | | | | Previous Year | | | |
|-------------|------------------|------------------------|---------------------------|------------------------|------------------|------------------------|---------------------------|------------------------|
| | Raw Material | | Spare Parts & Components* | | Raw Material | | Spare Parts & Components* | |
| | Value (Rs. Lacs) | % to total consumption | Value (Rs. Lacs) | % to total consumption | Value (Rs. Lacs) | % to total consumption | Value (Rs. Lacs) | % to total consumption |
| Imported | 18582.54 | 86.06% | — | — | 21436.17 | 86.65% | — | — |
| Indigenous | 3008.99 | 13.94% | — | — | 3302.01 | 13.35% | — | — |

* Manufacturing process does not require any spare parts and components.

12. The value of Imports (Raw Oil) by the company on C.I.F. basis during the financial year is Rs. 4,011.21 Lacs; Previous Year Rs. 11,047.91 Lacs.
13. In these accounts, net gain of Rs. 161.76 Lacs (previous year, net Loss of Rs. 485.24 Lacs), on account of foreign exchange fluctuation arising during the year, has been recognized under the appropriate revenue items to which it relates.

14. **Earnings and Outgo in Foreign Currency:** (Rs. in Lacs)

| | 2009-2010 | 2008-2009 |
|---------------------|-----------|-----------|
| Earnings: | — | — |
| Outgo: | | |
| Travelling Expenses | — | — |
| Purchase of Oil | 4,011.21 | 11047.91 |

15. **The Basic and Diluted Earning per Share has been arrived as follows:** (Amount in Rs.)

| Particulars | 2009-2010 | 2008-2009 |
|---|------------------|------------------|
| Profit after extra-ordinary items | | |
| Profit for the year | 50,86,360 | 31,63,191 |
| Less : Provision for Taxation (net) | 5,70,748 | 23,78,899 |
| | <u>45,15,612</u> | <u>7,84,292</u> |
| Profit before extra-ordinary items | | |
| Profit for the year after tax | 45,15,612 | 7,84,292 |
| Adjustment for : | | |
| - (Excess)/short for earlier years | (70,213) | 4,34,069 |
| | <u>44,45,399</u> | <u>12,18,361</u> |
| No. of weighted average equity shares (Basic & Diluted) | 1,18,96,598 | 1,18,96,598 |
| BASIC & DILUTED EARNING PER SHARE (Rs.) | | |
| Before extra-ordinary items | 0.37 | 0.10 |
| After extra-ordinary items | 0.38 | 0.07 |

16. **Related Party Disclosures**

The information given below is only in respect of the transactions entered into by the company during the year with the related parties.

A) **Names of Related Parties and description of Relationship:**

i) **Enterprises in which Key managerial Personnel and their Relatives have significant influence**

Pawansut Merchants Limited (Ceases w.e.f. 01/04/2009)
 Dhruv Globals Limited
 Phoenix Steel Mills Limited (Company incorporated in Nigeria)
 Chander Prabhu Financial Services Limited
 G.D. Ferro Alloys Private Limited
 D.G. Estates Private Limited

ii) **Key Managerial Personnel:**

Sushil Goyal, Managing Director
 Bishan Goyal, Whole Time Director (Resigned w.e.f. 25/08/2009)
 Abhey Goyal, Whole Time Director

B) Transactions during the year and Balances Outstanding as at the year end in respect of transactions entered into with the Related Parties:

(Amount in Rs.)

| Particulars | Key Managerial Personnel | | Enterprises in which key managerial personnel & their relatives have significant influence | | Associates | |
|--|--------------------------|----------------|--|----------------|----------------|----------------|
| | March 31, 2010 | March 31, 2009 | March 31, 2010 | March 31, 2009 | March 31, 2010 | March 31, 2009 |
| INCOME | | | | | | |
| Interest on loan: | | | | | | |
| Dhruv Global Limited | - | - | 8,94,082 | 53,068 | - | - |
| EXPENDITURE | | | | | | |
| Managerial Remuneration: | | | | | | |
| Mr. Sushil Goyal | 18,00,000 | 18,00,000 | - | - | - | - |
| Mr. Abhey Goyal | 9,50,000 | 1,50,000 | - | - | - | - |
| Mr. Bishan Goyal | 4,80,645 | 12,00,000 | - | - | - | - |
| Mr. Gagan Goyal | - | 4,25,000 | - | - | - | - |
| Rent: | | | | | | |
| Pawansut Merchants Limited | - | - | 60,000 | 1,44,000 | - | - |
| Interest on Unsecured Loan: | | | | | | |
| Chander Prabhu Financial Services Limited | - | - | 84,986 | 3,02,439 | - | - |
| G.D Ferro Alloys Private Limited | - | - | 8,219 | 2,47,562 | - | - |
| D.G Estates Private Limited | - | - | 29,589 | - | - | - |
| Purchase of Stores: | | | | | | |
| Dhruv Global Limited | - | - | 2,04,809 | 2,11,230 | - | - |
| Fixed Assets Purchased: | | | | | | |
| Office Flat Purchased | | | | | | |
| Pawansut Merchants Limited | - | - | 16,28,795 | - | - | - |
| Investments made during the year | | | | | | |
| D.G Estate Private Limited | - | - | 70,00,000 | 1,47,00,000 | - | - |
| LOAN FUNDS | | | | | | |
| Unsecured loan taken during the year: | | | | | | |
| G.D Ferro Alloys Private Limited | - | - | 10,00,000 | 5,10,00,000 | - | - |
| D.G Estates Private Limited | - | - | 1,00,00,000 | - | - | - |
| Dhruv Globals Infratech Private Limited | - | - | - | 37,00,000 | - | - |
| Chander Prabhu Financial Services Limited | - | - | - | 3,65,70,000 | - | - |
| Shree Siddivinayak Tor Pvt Ltd. | - | - | - | - | - | 3,08,00,000 |
| Shree Siddivinayak Forgings Private Limited | - | - | - | - | - | 8,84,00,000 |
| Unsecured loans repaid during the year: | | | | | | |
| D.G Estates Private Limited | - | - | 1,00,00,000 | - | - | - |
| Chander Prabhu Financial services Limited | - | - | 1,20,70,000 | 2,45,00,000 | - | - |

| Particulars | Key Managerial Personnel | | Enterprises in which key managerial personnel & their relatives have significant influence | | Associates | |
|---|--------------------------|----------------|--|----------------|----------------|----------------|
| | March 31, 2010 | March 31, 2009 | March 31, 2010 | March 31, 2009 | March 31, 2010 | March 31, 2009 |
| G.D Ferro Alloys Private Limited | - | - | 1,35,00,000 | 3,85,00,000 | - | - |
| Dhruv Globals Infratech Private Limited | - | - | - | 37,00,000 | - | - |
| Shree Siddivinayak Tor Private Limited | - | - | - | - | - | 3,08,00,000 |
| Shree Siddivinayak Forgings Private Limited | - | - | - | - | - | 8,84,00,000 |
| LOANS AND ADVANCES | | | | | | |
| Unsecured Loans Granted during the year: | | | | | | |
| Dhruv Global Limited | - | - | 2,50,00,000 | 4,00,00,000 | - | - |
| Loans repaid during the year: | | | | | | |
| Dhruv Global Limited | - | - | 5,80,00,000 | - | - | - |
| BALANCES OUTSTANDING AS AT MARCH 31, 2010 | | | | | | |
| Receivables / (Payables): | | | | | | |
| Pawansut Merchants Limited | - | - | - | (18,622) | - | - |
| Loan Funds: | | | | | | |
| Chander Prabhu Financial Services Limited | - | - | - | (1,20,70,000) | - | - |
| G.D Ferro Alloys Private Limited | - | - | - | (1,25,00,000) | - | - |
| Investments: | | | | | | |
| Phoenix Steel Mills Limited | - | - | 10,90,250 | 10,90,250 | - | - |
| D.G Estate Private Limited | - | - | 2,17,00,000 | 1,47,00,000 | - | - |
| Dhruv Global Limited | - | - | 36,80,500 | 36,80,500 | - | - |
| Loans & Advances | | | | | | |
| Loan to Body corporate: | | | | | | |
| Dhruv Global Limited | - | - | 78,47,312 | 4,00,42,638 | - | - |
| CORPORATE GUARANTEE OUTSTANDING | | | | | | |
| Guarantee issued in favour of bank on behalf of Dhruv Global Limited | - | - | 41,54,00,000 | 41,54,00,000 | - | - |
| Guarantee issued by Dhruv Global Limited in favour of bank on behalf of the company | - | - | 46,00,00,000 | 41,00,00,000 | - | - |

17. Segment Reporting:

The only operating segment identified by the company during the year under report is Vanaspati and refined oil segment. This business segregation forms the basis for review of operating performance by the management. In line with the practice and considering the nature of the materiality in operations, the dealing in shares/securities has not been reported as a separate segment. Accordingly the segmental information as required in accordance with the AS 17 as specified in the Companies (Accounting Standards) Rules, 2006 is not given as there is only one business segment of the company.

18. Operating Lease:

The Company has entered into Lease transaction mainly for leasing of Office/Residential Premises including godown and company leased accommodation for its employees. Terms of lease include terms of renewal, increase in rent in future period

and terms of cancellation. The operating lease payment recognized in Profit & Loss A/c Rs. 4.77 Lacs (P.Y. Rs. 4.23 Lacs) for the lease which commenced on or after April 01, 2001.

19. Deferred Tax:

Major components of Deferred Tax Liabilities (net of deferred tax assets) arising on account of timing differences are as under:

(Rs. In Lacs)

| Particulars | 2009-2010 | 2008-2009 |
|---|----------------|-----------|
| Deferred Tax Liabilities | | |
| — Fixed Assets | 193.17 | 217.22 |
| Deferred Tax Assets | | |
| — Carry forward of unabsorbed speculative business loss | 1.22 | — |
| — Provision for Gratuity, Bonus, Leave Encashment and Provision for doubtful debts | 2.28 | 5.57 |
| Accumulated Deferred Tax Liability (net) | 189.67 | 211.65 |
| Deferred tax Charge/(Reversal) required | (31.00) | (2.90) |
| Deferred tax Charge/(Reversal) recognized for the year | (21.98) | (2.90) |
| Deferred tax Asset not recognized as uncertainty of realization in near future- Carry forward of Long term capital losses | 9.02 | — |

20. The indications listed in paragraph 8 to 10 of Accounting Standard 28 on Impairment of Assets, as specified in the Companies (Accounting Standards) Rules, 2006, have been examined and on such examinations, an amount of Rs. 3.08 Lacs has been recognized in profit and loss account during the year.
21. Previous year's figures have been regrouped/reclassified, wherever considered necessary, to conform to current year's classification.
22. Information pursuant to Part - IV of the Schedule VI to the Companies Act, 1956 is given separately.

For and on behalf of the Board of Directors

Sd/-
(SUSHIL GOYAL)
Managing Director

Sd/-
(ABHEY GOYAL)
Whole Time Director

Sd/-
(JAI GOPAL SHARMA)
(Accounts Manager)

Sd/-
(SHALINI AGRAWAL)
Company Secretary

Place : New Delhi
Dated : 17th August, 2010

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****I. Registration Details**

| | | | |
|--------------------|-----------------------|------------|----|
| Registration No. | L15494RJ1992PLCO16617 | State Code | 17 |
| Balance Sheet Date | 31.03.2010 | | |

II. Capital Raised during the Year (Amount in Rs. Thousand)

| | | | |
|--------------|-----|-------------------|-----|
| Public Issue | NIL | Right Issue | NIL |
| Bonus Issue | NIL | Private Placement | NIL |

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousand)

| | | | |
|-------------------|--------|--------------|--------|
| Total Liabilities | 336851 | Total Assets | 336851 |
|-------------------|--------|--------------|--------|

Sources of Funds

| | | | |
|------------------------------|--------|--------------------|-------|
| Paid-up-Capital | 118966 | Reserves & Surplus | 81761 |
| Secured Loans | 117157 | Unsecured Loans | NIL |
| Deferred Tax Liability (Net) | 18967 | | |

Application of Funds

| | | | |
|---|--------|-------------------|-------|
| Net Fixed Assets (including capital works in progress) | 119049 | Investments | 27828 |
| Net Current Assets | 189974 | Misc. Expenditure | NIL |
| Accumulated Losses | NIL | | |

IV. Performance of Company (Amount in Rs. Thousand)

| | | | |
|--|---------|-----------------------|---------|
| Turnover | 2331810 | Total Expenditure | 2326724 |
| Profit/Loss before Tax | 5086 | Profit/Loss after Tax | 4516 |
| Earning per Share in Rs.* (Refer note 15 of Schedule 'M') | 0.38 | Dividend Rate % | NIL |

V. Generic Names of Three Principal Products/Services of the Company

| | |
|---------------------|---------------|
| Item Code No. | : 2100 |
| Product Description | : Vanaspati |
| Item Code No. | : 2100 |
| Product Description | : Refined Oil |
| Item Code No. | : |
| Product Description | : |

for and on behalf of the Board of Directors

Sd/-
(SUSHIL GOYAL)
Managing Director

Sd/-
(ABHEY GOYAL)
Whole Time Director

Place : New Delhi
Dated : 17th August, 2010

Sd/-
(JAI GOPAL SHARMA)
(Accounts Manager)

Sd/-
(SHALINI AGRAWAL)
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

| | <i>2009 - 2010 (In Rupees)</i> | <i>2008 - 2009 (In Rupees)</i> |
|---|------------------------------------|------------------------------------|
| A) CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit before Tax & Extraordinary items | 5,086,360 | 3,163,191 |
| Add : Non cash and Non operating items | | |
| Depreciation | 12,068,877 | 11,408,497 |
| Miscellaneous Expenditure written off | - | 28,002 |
| Interest Paid | 8,416,576 | 6,289,729 |
| Loss on sale of Investments | - | 10,095 |
| Loss on Dollor Futures | 393,851 | - |
| Impairment Loss | 307,570 | - |
| Provision for doubtful debts | 216,969 | - |
| Provision for Leave Encashment and Gratuity | 665,186 | 820,987 |
| Loss on Sale of Fixed Asset | - | 22,069,029 |
| | 33,691 | 18,591,001 |
| Less: Non Operating items | | |
| Dividend income | 118,889 | 249,542 |
| Profit on sale of fixed assets | 208,275 | |
| Provision for Doubtful debts write back | 20,285 | |
| Profit on Commodities Futures | - | 25,108,630 |
| Interest on loan | 894,082 | 53,700 |
| Interest on Security deposit | 166,554 | 166,554 |
| Interest on bank deposits | 1,153,396 | 2,561,481 |
| | 2,059,277 | 27,637,703 |
| Operating Profit before Working Capital changes | 24,593,908 | (5,883,511) |
| Adjustments for: | | |
| Inventories | 1,363,129 | (8,159,937) |
| Trade & Other Receivables | (31,855,101) | 24,802,501 |
| Trade Payable and Other Liabilities | (71,213,782) | (101,705,754) |
| | 72,331,458 | 88,974,022 |
| Cash Generated from operations before extraordinary item and tax | (77,111,845) | 83,090,511 |
| Less : Taxes Paid | 2,927,378 | 2,850,475 |
| Less : Leave Encashment and Gratuity Paid | 102,342 | 3,029,720 |
| | 195,414 | 3,045,889 |
| Cash Flow before Extraordinary items | (80,141,565) | 80,044,622 |
| Extraordinary Items | - | - |
| Net Cash from Operating Activities (A) | (80,141,565) | 80,044,622 |
| B) CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets | (22,044,579) | (4,243,884) |
| Change in Capital Work in Progress | 3,133,257 | (3,526,654) |
| Interest on bank deposits | 1,153,396 | 2,059,277 |
| Interest on Security deposit | 166,554 | 166,554 |
| Interest received on loan | 894,082 | 53,700 |



| | <i>2009 - 2010</i> <i>In Rupees</i> | <i>2008 - 2009</i> <i>In Rupees</i> |
|--|--|--|
| Sale of Fixed Assets | 245,000 | 233,000 |
| Investments in Shares & Mutual funds | 58,106,276 | (53,496,656) |
| Investments made in FDR (Pledged) | 9,507,985 | 3,342,145 |
| Dividend received on investments | 118,889 | 249,542 |
| Profit/(Loss) on sale of Investments | - | (10,095) |
| Profit/(Loss) on Commodities Futures | (393,851) | 25,108,630 |
| Net Cash used in Investing Activities.....(B) | 50,887,009 | (30,064,441) |
| C) CASH FLOW FROM FINANCING ACTIVITIES | | |
| Movement in Working Capital Loan | 109,061,458 | (112,447,545) |
| Movement in Other Loans | (70,715,679) | 68,531,312 |
| Interest Paid | (8,416,576) | (6,289,729) |
| Net Cash received in financing Activities.....(C) | 29,929,203 | (50,205,962) |
| D) NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C) | | |
| Cash & Cash Equivalents as at year opening | 6,305,494 | 6,531,275 |
| Cash & Cash Equivalents as at year end | 6,980,141 | 6,305,494 |

Notes:

- (I) Figures in brackets represent deductions and outflows
- (II) Cash & Cash Equivalents do not include Fixed Deposits pledged with Bank and accrued interest thereon as the same are not highly liquid and readily convertible into cash.
- (III) The previous year's figures have been restated, wherever considered necessary.

Place : New Delhi
Dated : 17th August, 2010

Sd/-
(SUSHIL GOYAL)
Managing Director

Sd/-
(ABHEY GOYAL)
Whole Time Director

Sd/-
(JAI GOPAL SHARMA)
(Accounts Manager)

Sd/-
(SHALINI AGRAWAL)
Company Secretary



AJANTA SOYA LIMITED

Regd. Office : SP-916, RIICO Industrial Area Phase - III,
Bhiwadi - 301 019, Distt. - Alwar (Rajasthan)

PROXY FORM

I/We _____ of _____ being a member/members of the above named Company hereby appoint _____ of _____ of _____ failing as my/our Proxy to vote for me/us on my/our behalf at the 19th Annual General Meeting of the Company to be held on Thursday, 30th September, 2010 at 12.30 P.M. and at any adjournment thereof.

Signed this _____ day of _____ 2010.

Signature _____

Affix
Revenue
Stamp

Regd. Folio No. _____

D.P. Id. No.* _____

Client Id No.* _____

No. of Shares _____

Address _____

Note : This form in order to be effective should be duly stamped, completed and signed must be depositedj with the company's REgistered Office not less than 48 hours before the time for holding the aforesaid Meeting.

* Applicable for investors holding shares in electronic form.



AJANTA SOYA LIMITED

Regd. Office : SP-916, RIICO Industrial Area Phase - III,
Bhiwadi - 301 019, Distt. - Alwar (Rajasthan)

ATTENDANCE SLIP

Regd. Folio No. _____

DP. Id. No. _____

Client Id No.* _____

Mr./Ms. _____

Father's/Husband's Name _____

I certify that I am a registered Shareholder / Proxy for the registered Shareholders of the Company.

I hereby record my presence at the 19th Annual General Meeting of the Company at SP-916, RIICO Industrial Area, Phase III, Bhiwadi, Distt. Alwar, Rajasthan on Thursday, 30th September, 2010 at 12.30 P.M.

Member's / Proxy's Name is BLOCK Letter

Member's / Proxy's Signature

- Notes : 1) Please fill in this attendance slip and hand it over at the entrance of the Meeting Hall.
- 2) Member's Signature should be in accordance with the specimen signature registered with the Company.
- 3) Please bring your copy of the Annual Report for reference at the Meeting.



*Application for investors holding shares in electronic form.

BOOK - POST

If undelivered, please return to :



AJANTA SOYA LIMITED

12th Floor, Bigjos Tower, A-8 Netaji Subhash Place,
Wazirpur District Centre, Delhi - 110 034

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