



**BOARD OF DIRECTORS**

Mr. Rajesh Agarwal - Managing Director  
Mr. Vijoy Prakash  
Mr. Amar Kumar Agarwal  
Mr. Arup Roy  
Mr. J. S. Mishra  
Mr. Amit Kumar Agarwal  
Mr. Anis Khan

**AUDITORS**

Lihala & Company, Chartered Accountants,  
11, Crooked Lane, Kolkata -700 069 (West Bengal)  
E-mail: lihalaco@hotmail.com

**BANKER**

Punjab National Bank  
Katrass Road, Shastri Nagar  
Dhanbad - 826 001 (Jharkhand)

**REGISTERED OFFICE cum WORKS**

Village Kangoi, P.O. Mihijam – 815 354,  
District- Jamtara (Jharkhand)  
Phone: (0341) - 646 0938, 646 0939  
(0341) - 655 3644

**ADMINISTRATIVE OFFICE**

B-2/2, Gillander House,  
8, Netaji Subhas Road,  
Kolkata-700 001 (West Bengal)  
Phone: 033 3008 3880 (14 Lines),  
Fax : 033 3008 3894  
E-mail: mvlckd@yahoo.co.in  
Website: www.mihijamvanaspati.com

**REGISTRARS AND TRANSFER AGENTS**

M C S Limited,  
77/2A, Hazra Road,  
Kolkata – 700 029 (West Bengal)  
Phone: (033) 2476 7350 to 54  
E-mail: mcskol@rediffmail.com



## NOTICE

Notice is hereby given that the 22nd Annual General Meeting of the Members of Mihijam Vanaspati Limited will be held at the Registered Office of the Company at Village Kangoi, P.O. Mihijam-815 354, District Jamtara (Jharkhand) on Monday, 26th September, 2011 at 10.30 a.m. to transact the following business:

### ORDINARY BUSINESS

- 1) To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March, 2011 and the Balance Sheet as at that date of the Company together with the Auditors' Report thereon and the Directors' Report.
- 2) To appoint a Director in place of Mr. Amar Kumar Agarwal who retires by rotation and being eligible, offers himself for re-appointment.
- 3) To appoint a Director in place of Mr. Amit Kumar Agarwal who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To consider and if thought fit, to pass, with or without modification, the following resolution as an ORDINARY RESOLUTION.

RESOLVED THAT pursuant to Section 224 of the Companies Act, 1956, Messrs. Lihala & Company, Chartered Accountants, 11, Crooked Lane, Kolkata 700 069 the retiring Auditors with ICAI Registration No. 315052E be and are hereby re-appointed as the Statutory Auditors of the Company, to hold the office from the conclusion of this Annual General Meeting of the Company until the conclusion of the next Annual General Meeting of the Company on a remuneration to be fixed by the Board of Directors of the Company in connection with the Company's Audit.

### SPECIAL BUSINESS

- 1) To consider and if thought fit, to pass with or without modification(s) the following resolution as Ordinary Resolution:

“RESOLVED THAT Mr. Anis Khan, in respect of whom Company has received notice u/s 257 of the Companies Act, 1956 from a shareholder, proposes his candidature for the office of the Director, be and is hereby appointed as Director of the Company, liable to retire by rotation.

Place: Mihijam - 815 354 (Jharkhand)  
Date : 18th August, 2011

By Order of the Board  
Rajesh Agarwal  
Managing Director



**NOTES:**

- 1) A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company. The instrument appointing the proxies, in order to be effective, must be received by the Company at its Registered Office not less than 48 hours before the meeting.
- 2) The Register of Members and Share Transfer Books will remain closed from 23rd September, 2011 to 26th September, 2011 (both days inclusive).
- 3) Members holding more than one share certificate in the same name under different ledger folios are requested to apply for consolidation of such folios and send the relevant share certificate to the Registrars & Share Transfer Agents/ Company.
- 4) Members are requested to notify immediately any change in their address to the Registrars & Share Transfer Agents/Company.
- 5) As per the provisions of the amended Companies Act, 1956, the facility for making nomination is available to the share holders in respect of the equity shares held by them. Members holding shares in physical form may send their request for nomination in the prescribed form duly filled in and signed to the Registrars and Share Transfer Agents (RTA) of the Company. The facility would be made available folio wise to individual share holders including joint holders and for the entire shares registered under the folio. The members holding shares in dematerialized form may contact and consult their respective Depository Participants (DP) for availing of the nomination facility.
- 6) The shareholders desiring any information as regard to accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready.
- 7) Additional information pursuant to Clause 49 of the Listing Agreement (s) with the Stock Exchanges, on Directors recommended for appointment or re-appointment is set out at the forthcoming Annual Report.
- 8) The relative Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of the Special Business under item no. 5 of the accompanying notice is attached herewith.

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

**Item No. 5**

Mr. Anis Khan has been earlier appointed as the Additional Director of the Company by the Board of Directors. Notice u/s 257 of the Companies Act, 1956 has been received from a shareholder intending to propose the candidature of Mr. Anis Khan for the office of the Director of the Company. A brief profile of the proposed Director as required under Clause 49 (IV) (G) of the Listing Agreement, is given in the Report on Corporate Governance enclosed to the Directors' Report.

The Resolution for Item 5 therefore is recommended for your approval. None of the other Directors are concerned or interested in the proposed resolution.



## DIRECTORS' REPORT

Your Directors have pleasure in presenting 22nd Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2011.

We discuss with you the highlights of this financial year as below:

<b>FINANCIAL RESULTS</b>	<b><u>2010-11</u></b>	<b><u>2009-10</u></b>
		(Rs. in Lakhs)
Sales and Other Income	10739.19	7398.08
Profit before Depreciation, Interest & Tax	349.68	246.03
Less: Interest	216.91	153.55
Profit before Depreciation & Tax	132.77	92.48
Less: Depreciation	56.76	37.97
Profit before Tax	76.01	54.51
Less: Provision for current Tax	14.14	10.47
Deferred Tax	7.98	7.48
Add: Excess provision written back	(8.18)	—
Net Profit transferred to Balance Sheet	62.07	36.56
Balance brought forward from previous year	151.94	115.38
Total Balance carried to Reserve & Surplus	214.01	151.94

### CORPORATE OVERVIEW

The turnover of the Company during the year under review has risen to Rs.10739.19 lakh as compared to Rs.7398.08 lakh in the immediately preceding year registering a growth of 45.16%. The profit before tax of your Company also has improved from Rs. 54.51 lakh in the FY 2009-10 to Rs.76.01 lakh in the FY 2010-11 registering an increase of 39.44%. The current profitability could be achieved due to continued intense monitoring over costs. Your Company is further taking every possible effort to preserve the financial health of the Company and all round containment of costs including focusing on the products on which the margins are better.

### DIVIDEND

The Company desires to conserve its resources for further restructurings. The Directors regret their inability to recommend any dividend for the year under review.

### RESEARCH & DEVELOPMENT

Your Company continued to adopt innovative measures in consultation with industry experts and other allies on a regular basis to provide superior quality products at competitive cost to its customers and bring in better efficiencies at its Plants.

### RURAL AND SOCIAL DEVELOPMENT SERVICE

In continuity of its belief in the qualitative improvement of the community in the surrounding tribal areas, your Company continues to support various social /developmental work and cultural programmes conducted by the local population including the tribals.



## **CORPORATE GOVERNANCE**

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a Management Discussion and Analysis, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance are attached to this report and made a part of the Annual Report.

## **DIRECTORS**

During the year, Mr. Subrata Biswas, Additional Director resigned from his post. Your Company expresses its sincere appreciation and gratitude for his valuable contributions and services during his association with the Company. Mr. Anis Khan who was earlier appointed as Additional Director of the Company has consented for his appointment as a Director under Section 257 of the Companies Act, 1956.

Mr. Amar Kumar Agarwal and Mr. Amit Kumar Agarwal will retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

As required under Section 217 (2AA) of the Companies Act, 1956, your Directors, to the best of their knowledge and belief, confirm that:

- i) In the preparation of the Annual Accounts, the applicable accounting standards have been followed and that no material departures have been made from the same.
- ii) The Company has selected such accounting policies, applied them consistently, made judgements 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 the end of the financial year and of the profit of the Company for that period.
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
- iv) The Company has prepared the attached annual Statement of Ac-counts for the year ended 31st March, 2011 on a going concern basis.

## **AUDITORS**

Lihala & Company, Chartered Accountants, Statutory Auditors, will retire as Auditors of the Company at the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment.

The notes to the accounts referred to in the Auditors' Report are self-explanatory and therefore, do not call for any further comments.

## **PARTICULARS OF EMPLOYEES, CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Particulars of employees in accordance with the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, are not given, as none of the employees qualifies for such disclosure.



Particulars in regard to Conservation of Energy, Technology Absorption, etc., required under the Companies (Disclosure of Particulars of the Report of Board of Directors) Rules, 1988 are set out in a separate Annexure attached to this report and forms part of it. During the year under review, we have procured the raw materials (crude palm oil/palm kernels etc.) on "High Sea Sale Basis" besides direct imports. The details of foreign exchange earnings and outgo are furnished in the Annexure to Directors' Report.

### **APPRECIATION**

Your Directors gratefully acknowledge the unwavering support given by the customers, suppliers, shareholders, employees, the Central Government and the State Government, banks and all other stakeholders and look forward to their continued support and encouragement in future. The Directors will endeavour to make the investment in the Company rewarding in near future.

On behalf of the Board of Directors

Place: Mihijam-815 354 (Jharkhand)

Date : 30th June, 2011

Rajesh Agarwal  
Managing Director

Arup Roy  
Director



## ANNEXURE TO DIRECTOR'S REPORT

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

#### Conservation of Energy :

- a) Energy Conservation measures taken:
- 1) Avoided energy leakages by regular preventive checks.
  - 2) Regular repairs and renewals/replacements of parts have been done to preserve steam for \ effective and better hydrogenation.
  - 3) Installed stabilizers and other energy saving devices.
- b) Additional Investment proposal if any for the reduction of consumption of energy:  
This is being done on an on going basis including installation of new energy efficient equipments/ appliances.
- c) Impact of the measures at (a) and (b) for reduction of energy consumption and consequent impact on the cost of production:  
Efforts are being made on regular basis to reduce energy consumption and consequently achieve reduction in consumption per unit of production.

#### FORM 'A'

#### A. Power and Fuel Consumption:

	2010-11	2009-10
1) Electricity		
(a) Purchased		
Unit (KWH)	26, 40,800.00	22, 67,300.00
Total Amount (Rs.)	79, 41,816.00	73, 03,320.00
Rate per Unit (Rs.)	3.01	3.22
(b) Own Generation		
(i) Through Diesel Generator		
Unit (KWH)	--	--
Units per Litre of Diesel	--	--
Cost per Unit (Rs.)	--	--
(ii) Through Steam Turbine/Generator		
Units	--	--
Units per Litre of Fuel Oil/ Gas	--	--
Cost per Unit	--	--



2) Coal		
Quantity (Tonnes)	2,300.42	2,273.97
Total Cost (Rs.)	61,51,459.00	58,04,369.00
Average Rate (Rs.)	2674.06	2552.53
3) Furnace Oil		
Quantity (K. Ltrs.)	--	--
Total Amount (Rs.)	--	--
Average Rates (Rs. per Ltrs.)	--	--
4) Other (Briquettes) / Internal Generation (LPG & Other Gases)		
Quantity (Tonnes)	--	--
Total Cost (Rs.)	--	--
Rate per Unit (Rs. per Kg)	--	--
<b>B. Consumption per Unit of Production ( )</b>		
Production (MT)	18909.3852	15703.7762
(i) Electricity (KWH/ MT)	139.66	144.38
(ii) Coal (Kg/ MT)	121.65	144.80
(iii) Furnace Oil (K.Ltrs./MT)	--	--
(iv) Others	--	--

### FORM 'B'

#### Research & Development (R. & D.)

- The Company has not undertaken any expenditure (capital and regular) on research and development during the year under review.

#### Foreign Exchange Earnings and Outgo :

- Activities relating to export, initiative taken to increase export, development of new export market for products and services and export plans:

The Company has not entered into the business of export of edible oil as the internal demand exceeds supply.

	(Rs. in Lakhs)	
	2010-11	2009-10
(b) Total foreign exchange used and earned:-		
(i) Foreign exchange earned	0.00	0.00
(ii) Foreign exchange used (Value of Imports calculated on CIF basis)	5547.31	3213.82





## **MANAGEMENT DISCUSSION & ANALYSIS**

### **INDUSTRY STRUCTURE AND DEVELOPMENTS**

In India edible oils are produced from groundnut, mustard, rice bran, sesame (til), coconut and soybean etc. The country has not attained self sufficiency in edible oils. Since the internal production falls short of demand, we have to substantially depend upon imports. So, we import crude palm oils/palm kernels etc. to meet our annual consumption requirements. Such imports are being made from countries like Malaysia, Indonesia, Cambodia and Sri Lanka. The industry has witnessed fluctuations in its fortunes over the past several years. These are due to wide fluctuations in commodity rates in the international markets, global economic scenario, exchange rate fluctuations, inflation and the consequent increase in the cost of production and reduced margins.

The edible oil industry in India is valued at Rs.75, 000 crore including packaged and unbranded oils. India is the world's largest buyer of crude palm oil which represents 80% of its edible oil imports. During 2010-2011 the country has imported over 9.37 million tonnes of vegetable oils including 7.6 million tonnes crude palm oil. The Indian Edible Oil Industry will continue witness an increasing gap between demand and supply for years to come.

### **FINANCIAL AND OPERATIONAL REVIEW**

Despite the overall difficult conditions, your Company has recorded satisfactory volume of turnover. The gross sales including other incomes and profit before tax during the year were Rs.10739.19 lakh and Rs.76.01 lakh respectively. The Company has undertaken vigorous efforts to streamline its operations and to broad-base its product profile for achieving better net sales realization. This has resulted in reduction in the cost of production/operations, besides improvement in profitability and long term sustainability.

### **OPPORTUNITIES AND THREATS**

The products of the Company are for essential and daily human- consumption. The per capita consumption of edible oil/fats in India is though on rise but still at a very low level in comparison to average consumption world-wide. With growing awareness towards health and rise in per capita income of the Indian consumers in recent years, the Company perceives a significant growth in the demand for its products in the years to come. Further, with broad basing of the products, the Company expects fresh in- roads in different market segments to have stability in its operations throughout the year. Thus, the outlook for the sector continues to remain positive.

The threats are perceived mainly from reduced demand in domestic markets owing to erratic supply on account of unpredictable monsoon conditions in the palm-kernel growing countries and erosion in purchasing power of the domestic consumers. The products of the company being price sensitive, any change in global scenario or change in import duty on raw edible oil may have significant bearing on cost of production and consequent erosion in margins.

### **OUTLOOK**

The challenge lies in exploring and developing new markets and introducing demand oriented products to match the customer needs. The Company plans to broad base its product range to meet the requirements of the clients. It has plans to cater to all the sections of the society. The focus is on increased sales and reduced cost simultaneously with improvement in quality, better productivity and increased profitability.



### **RISKS AND CONCERNS**

The Company's brands may not have a pan India visibility. So the major brands with all India customer base may easily take a march over the Company's products. But the Company feels that with consistent efforts to maintain and improve the quality, its brands are well positioned in the State of Jharkhand which is showing commendable economic activities in the current scenario. Thus we can surely have a niche in the targeted markets. Further, the Company has plans to launch new brands in the premium segments keeping the burgeoning health conscious high end middle class and high net worth families.

Location risk may place the Company away from its raw material sources making its presence unviable. But with the revolution in containerization of the international trade and the improvements in communication facilities in recent years the entire world has become a global village. So, sourcing the raw materials does not pose any problem. Moreover being in a backward area, the Company gets cheap labour on regular basis. It will also serve the Government's policy of decentralization of industries to provide employment to the local population.

### **INTERNAL CONTROL SYSTEMS**

The Company has adequate internal controls, systems & procedures with regard to purchase of stores, raw materials including components, plant & machinery, equipment and other assets and for sale of goods etc. The Company has clearly defined roles and responsibilities for all managerial positions and all operating parameters are monitored and controlled. The Company has internal audit system commensurate with size and nature of its business. Compliance with laws and regulation etc. are ensured and it is reported to the Board of Directors in every Board meeting. There is sufficient Management Information System in place to ensure that the books of accounts are properly maintained, checked and kept up to date, various consents/licences/permission etc. stand renewed or followed up with the concerned authorities and various statutory statements/returns etc. are regularly submitted to different authorities.

The finance and commercial functions have been structured to provide adequate support and controls for the business of the Company. Standard operating procedures and guidelines are issued from time to time to support best practices for internal controls. All financial, operating and information technology systems are being evaluated from time to time.

### **ENVIRONMENT & SAFETY**

The Company recognizes the importance of achieving and demonstrating sound environmental safety norms by controlling the impact of its manufacturing activities on the environment. The Company's environmental policy requires compliance with environmental legislations and prevention of pollution and to make efforts for constant improvements in the environmental safety. The Company regularly renews Consents under Section 25 of the Water (Prevention and Control of Pollution) Act, 1974 and under Section 21 of the Air (Prevention and Control of Pollution) Act, 1981 and Authorization under the Hazardous Waste (Management & Handling) Rules 1989 as amended from time to time under Environment Protection Act, 1986. The Company is making constant efforts to keep the ambience in a pollution free manner by laying gardens, planting trees and beautifying the precincts of the factory. Fire- Extinguishers and sand bags are placed at the required places. Medical facilities/first aid kit etc. is in readiness for the safety of the employees.



### **INDUSTRIAL RELATIONS & HUMAN RESOURCE DEVELOPMENT**

The Company firmly believes that the human resources are the most important resources at its disposal. Constant efforts are being made to interact with the employees/workers with a view to improving their knowledge, skill and problem solving capacities. The Company is committed to provide training opportunities to employees in order to equip them with better skills which enable them to adapt to contemporary technological advancements. Industrial relations continue to be harmonious throughout the year.

### **CAUTIONARY STATEMENT**

Statement made in the Management Discussion & Analysis describing the Company's objectives, projections, estimates, expectations may be 'Forward-Looking Statements' within the meaning of applicable securities law & regulations. Actual result could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand-supply conditions, price fluctuations in the raw materials, technological changes, changes in government regulations, tax laws & other statutes, conditions impacting conduct of business and other incidental factors.



## CORPORATE GOVERNANCE

### Corporate governance: Our philosophy

Your Company has always focused on good corporate governance to ensure accountability, transparency and integrity in all its business transactions and practices. During the year the Company has continued fine-tuning of its corporate practices so as to bring them in line with the requirements of Clause 49 of the Listing Agreement by creating an environment based on professionalism, entrepreneurship and pursuit of excellence.

### Board of Directors

The Board of Directors of the Company comprises seven members, out of whom one Director is the Executive Director and others are Non-Executive Directors. Out of six Non-Executive Directors, four are independent Directors. Thus, more than half of the total number of Directors consists of independent Non-Executive Directors. All the Directors with their diverse knowledge, experience and expertise provide valuable contributions in the deliberations and decisions of the Board. During the financial year 2010-11, the Board of Directors met 8 times on the following dates: 2nd April, 2010, 26th April, 2010, 9th July 2010, 12th July, 2010, 30th July 2010, 7th October 2010, 9th October, 2010 and 3rd January 2011 . The gap between any two meetings never exceeded the mandated requirement of four months as per Clause 49 of the Listing Agreement.

The details relating to the composition of the Board and the attendance record of all the Directors at Board Meetings convened during the financial year 2010-11 as also the number of Directorship and Committee Memberships held by them in other Companies are given under:

Name of Directors	Category	Attendance Particulars		Directorship in other Public Limited Companies		Membership/Chairman-ship in Committees of other Public Limited Companies	
		Board Meetings	Last AGM held on 30.09.2010	Listed	Unlisted	Chairman	Member
Mr. Vijay Prakash	I & NE	-	No	3	1	-	-
Mr. Rajesh Agarwal (Managing Director)	NI & E	8	Yes	-	1	-	-
Mr. Arup Roy	I & NE	7	Yes	-	1	-	-
Mr. J. S. Mishra	I & NE	-	No	-	2	-	-
Mr. Amar Kumar Agarwal	NI & E	8	Yes	-	1	-	-
Mr. Amit Kumar Agarwal	NI & E	8	Yes	-	1	-	-
Mr. Anis Khan	I & NE	5	Yes	-	-	-	-

**Note: E – Executive, I - Independent, NE - Non-Executive and NI – Non Independent.**

None of the Directors of the company is a member of more than 10 (ten) Committees or Chairman of more than 5 (five) Committees across all the companies in which he is a Director.



## **DISCLOSURE REGARDING RETIREMENT, APPOINTMENT AND RE-APPOINTMENT OF DIRECTORS**

Mr. Subroto Biswas, Additional Director resigned from his post during the year with effect from 26th April 2010.

Mr. Anis Khan was appointed as the Additional Director by the Board of Directors of the Company. The Company has received notice u/s 257 of the Companies Act 1956 from a Shareholder, proposing his candidature for the office of the Director of the Company. Mr. Khan aged 51, has good experience in the field of commerce and law. He has been associated with the edible oil business for long.

Mr. Amar Kumar Agarwal, Director and Mr. Amit Kumar Agarwal, Director both will retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

Mr. Amar Kumar Agarwal, aged 42 years, is a B. Sc. Graduate. He has vast experience in the field of auto parts industry, textiles, exports, imports, leather and leather goods, edible oils, trading activities, tea and rubber plantation.

Mr. Amit Kumar Agarwal, aged 41 years, is a B. Com Graduate. He has good experience in the field of exports, imports, auto parts and real estate business. He has been associated with edible oil for a long period of time. He has adequate experience and exposure in customs & excise formalities and other tax related matters.

## **AUDIT COMMITTEE**

The Audit Committee is constituted in accordance with the provisions of Clause 49 (ii) (A) of the Listing Agreement with the Bombay Stock Exchange Limited and the Companies Act, 1956. The Audit Committee comprises three Non-Executive Directors. They are:

- 1) Mr. Arup Roy, Director (Chairman)
- 2) Mr. Anis Khan, Director (Member)
- 3) Mr. Amit Kumar Agarwal, Director (Member)

The terms of reference to the Audit Committee are as per the guidelines set out in the Listing Agreement with the Stock Exchanges read with Section 292A of the Companies Act, 1956. These terms broadly include review of financial reporting systems, internal controls, ensuring compliances with regulatory guidelines, discussions on quarterly, half yearly and annual financial results, interaction with auditors, recommendation for appointment of auditors and their remuneration etc.

The Audit Committee during the year ended on 31st March, 2011 held 5 meetings. These were held on 2nd April, 2010, 9th July 2010, 30th July 2010, 7th October 2010 and 3rd January 2011.



### **REMUNERATION COMMITTEE**

The Remuneration Committee of the Company consists of the following 3 Directors:

- 1) Mr. J. S. Mishra, Chairman
- 2) Mr. Arup Roy, Director
- 3) Mr. Amit Kumar Agarwal, Director

The Remuneration Committee has been constituted to recommend/review the remuneration package of the Managing Director/Whole-time Directors based on financial position of the Company, trend in the Industry, qualifications, experience, performance and other criteria. The terms of reference of this committee are as per the guidelines of the Central Government/Listing Agreement with Stock Exchanges. The Committee did not hold any meeting during the year as there was no agenda to discuss on any matter relating to appointment/re-appointment and remuneration package of the Managing Director of the Company.

During the year, Mr. Rajesh Agarwal, Managing Director was paid Rs 3.60 lakh as the total annual remuneration. His tenure as the Managing Director is for a term of 5 years starting from 1st November, 2009.

No commission or fixed components or performance linked incentive has been paid to any Director including Non Executive Directors. The Company has not introduced any stock option scheme to its Directors/Employees.

### **SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE**

Shareholders'/Investors' Grievance Committee comprises three Directors viz. Mr. J. S. Mishra (Chairman), Mr. Arup Roy (Member) and Mr. Rajesh Agarwal (Member). The Committee looks into the redressals of investors' grievances pertaining to share transfers, dematerialization of shares, issue of duplicate shares and other related matters concerning the shareholders/investors. Mr. Arup Roy, Director is the Compliance Officer for the purpose of the provisions of the Listing Agreement.

Share transfers/transmissions etc. as approved by the Committee are notified to the Board at regular intervals and are taken on record by the Board at their meetings.

The Status of complaints received from the investors is as follows :

Number of complaints pending at the beginning of the year	NIL
Number of complaints received during the year	NIL
Number of complaints disposed of during the year	NIL
Number of complaints pending at the end of the year	NIL

### **CEO/CFO CERTIFICATION**

As required under Clause 49 (V) of the Listing Agreement, the Executive Director and Manager (Finance & Accounts) have certified to the Board of Directors, inter alia, the accuracy of the financial statements and adequacy of internal controls for the financial reporting purpose, for the year under review.

**GENERAL BODY MEETINGS**

The details of location and time of Annual General Meetings held during last three years are given below :

Financial Year	Location of the meeting	Date	Time
2007-2008	Regd. Office: P.O. Chirkunda Dist.- Dhanbad (Jharkhand) PIN – 828 202	29th September 2008	12.30 P.M.
2008-2009	Regd. Office at: Vill. Kangoi, P.O. Mihijam, Dist. Jamtara (Jharkhand)	30th September 2009	12.30 P.M.
2009-2010	Regd. Office at: Vill. Kangoi, P.O. Mihijam, Dist. Jamtara (Jharkhand)	30th September 2010	11.30 A.M.

All the resolutions set out in the respective notices were passed by the members. There were no resolutions put through postal ballots.

**DISCLOSURES**

The related party transactions made by the Company with its Promoters, Directors or Management, their subsidiaries or relatives etc. which may have potential conflict with the interest of the Company at large have been suitably disclosed as required by the Accounting Standard (AS 18) in the Notes to Accounts of the Audited Annual Report. The Register of Contracts containing the transactions in which Directors are interested is maintained for reference.

During the last three years, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any Statutory Authority for non-compliance of any matter related to the Capital.

**MEANS OF COMMUNICATION**

Your Company recognizes communication as a key element of the overall Corporate Governance framework. The corporate communications and investor relation functions are accorded significant importance within the Company with active ongoing monitoring by the top management. Your Company's quarterly financial results are taken on record by the Board of Directors and submitted to the Stock Exchanges as per requirements of the Listing Agreement. All financial and other vital official releases are properly communicated to the concerned Stock Exchanges.



**GENERAL SHAREHOLDERS' INFORMATION**

1. Annual General Meeting  
(For FY 2010-2011)

Date & Time: 26th September, 2011 at 10.30 A.M.

Venue: Registered Office of the Company at  
Village : Kangoi, P.O. Mihijam 815 354,  
District : Jamtara (Jharkhand)

2. Financial Calendar : The Company follows 1st April to 31st March as its Financial Year. The unaudited results for every quarter beginning from 1st April is prepared within 45 days of the end of the following quarter.

3. Book Closure Date : 23rd September, 2011 to 26th September, 2011  
(Both days inclusive)

4. Dividend Payment Date : Not Applicable since dividend not declared

5. Listing on Stock Exchanges : The Magadh Stock Exchange Association  
9th Floor, Ashiana Plaza, Budha Marg, Patna-1

The Calcutta Stock Exchange Association Ltd.,  
7, Lyons Range, Kolkata-700 001

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

Note : Annual Listing fees for the Financial Year 2010-11 have been duly paid/provided for. The Company is in touch with the Bombay Stock Exchange Limited for the purpose of revoking the suspension on trading of its shares. The Company is also contemplating of increasing the paid up capital as per the revised requirement of BSE so as to conform to the new norms for allowing trading in shares.

6. Stock Codes: Physical Segment - MSE - NA  
- CSE - NA  
- BSE - 19481  
Demat ISIN Number  
In NSDL/CDSL - INE 521C01013

7. Stock Market Data: Requisite data in relation to quotations and volume of shares of the Company traded on different stock exchanges and their comparison with broad based indices are not readily available.





8. Registrars and Share Transfer Agents : M C S Limited, 77/2A, Hazra Road,  
Kolkata-700 029  
Phones: (033) 2476 7350 to 54  
E-mail: mcskol@rediffmail.com

9. Share Transfer System: Trading in equity shares of the companies is permitted only in dematerialized form w.e.f. 28.08.2000 for all classes of investors as per notification issued by the Securities and Exchange Board of India (SEBI). Share Transfer in physical form can be lodged with the Company at its Registered Office at Mihijam or the Share Transfer Agents- M C S Limited at their Kolkata Office.

All matters pertaining to share transfers and related activities are handled by the Registrars and Share Transfer Agents, M C S Limited, 77/2A Hazra Road, Kolkata-700 029. The share transfer requests received are processed by them and a transfer register is sent to the Company for approval at regular intervals. The transfer requests are normally processed within one month from the date of receipt if the documents are valid and complete in all respects.

10. Distribution of Shareholding and Share-holding Pattern as on 31st March 2011

Share Holding of Nominal Value of Rs. 10/- each	Shares	Folios	Per-cent Shares	Per-cent Folios
1 – 500	6,45,325	2259	12.91	74.85
501 – 1000	3,91,775	499	7.83	16.53
1001 – 2000	2,39,300	168	4.79	5.57
2001 – 3000	98,400	38	1.97	1.26
3001 – 4000	38,100	11	0.76	0.36
4001 – 5000	57,100	12	1.14	0.40
5001 – 10000	1,08,700	15	2.17	0.50
10001 – 50000	2,66,000	10	5.32	0.33
50001 – 100000	50,400	1	1.01	0.03
And above	31,04,900	5	62.10	0.17
Total	50,00,000	3018	100.00	100.00



Sl. No.	Category	No. of Shares	Percentage
1.	Promoters	14,88,600	29.77
2.	Government Companies	8,39,700	16.80
3.	Corporate Bodies	8,93,100	17.86
4.	Indian Public	17,78,600	35.57
	Total	50,00,000	100.00

**Dematerialization of shares as on 31st March, 2011 and liquidity -**

The Company's shares are optionally traded in dematerialized form and are available for trading on both the Depositories in India- National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Equity Shares of the Company numbering 27, 44,000 representing 54.88% of the Share Capital are dematerialized as on 31st March 2011.

11. Outstanding GDR/ADR/ Warrants or any Convertible Instruments, Conversion date And likely Impact on equity : The Company has not issued any of these instruments so far
12. Plant Location : Village : Kangoi, P.O.Mihijam – 815 354  
District : Jamtara (Jharkhand)
13. Address for Investor Correspondence : MCS Limited,  
77/2A, Hazra Road, Kolkata -700 029  
Phone : (033) 2476 7350 to 7354  
Fax : (033) 2454 1961, 2474 7674  
E-mail : msckol@rediffmail.com

OR

Mihijam Vanaspati Limited,  
Village: Kangoi, P.O. Mihijam-815 354  
District Jamtara (Jharkhand)  
Phone: (0341) 655 3644,  
(0341) 646 0938 / 0939  
E-mail: mvlckd@yahoo.co.in



**Auditors' Certificate on Corporate Governance**

To

The Members of **MIHIJAM VANASPATI LIMITED**

We have examined the compliance of conditions of Corporate Governance procedures implemented by Mihijam Vanaspati Limited during the year ended 31st March, 2011, as stipulated in Clause 49 of the Listing Agreement of the said 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 a review of 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.

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

On the basis of our review and according to the information and explanations given to us, the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement(s) with Stock Exchanges have been complied with in all material respect by the Company and that no investor grievance(s) is/are pending for a period exceeding one month against the Company as per records maintained by the Share Transfer and Shareholders'/Investors' Grievance Committee of the Board.

Place : 11, Crooked Lane,  
Kolkata – 700 069

For Lihala & Co.  
Chartered Accountants  
Firm Registration No -315052E

Date : 30th June, 2011

R. Lihala  
Partner  
M. No. 52138



**AUDITORS' REPORT**

TO THE MEMBERS OF  
MIHIJAM VANASPATI LIMITED

1. We have audited the attached Balance Sheet of **MIHIJAM VANASPATI LIMITED** as at 31st March, 2011 and also the Profit & Loss Account and the Cash Flow Statement of the Company 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 and give opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examination 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 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 (Auditors' Report) Order, 2003 [as amended by Companies (Auditors' Report) (Amendment) Order, 2004 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956 (as amended), we enclose in the Annexure a statement on the matters specified in Paragraph 4 & 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 accounts as required by law have been kept by the company so far as appears from our examination of those books;
  - c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by the report comply with the 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, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2011 from being appointed as a director in terms of section 274 (1) (g) of the Companies Act, 1956;
  - f) In our opinion and to the best of our information and according to the explanation given to us, the said accounts read together with the Notes on the Accounts, give in the prescribed manner, the information required by the Companies Act, 1956 and also 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 31st March 2011.
    - ii) In the case of Profit & Loss Account, of the PROFIT for the year ended on that date and
    - iii) In the case of the Cash Flow Statement of the cash flows for the year ended on that date.

Place : 11, Crooked Lane,  
Kolkata – 700 069

Date : 30th June, 2011

For Lihala & Co.  
Chartered Accountants  
Firm Registration No -315052E

R. Lihala  
Partner  
M. No. 52138



## **ANNEXURE TO AUDITORS' REPORT**

### **REFERRED TO PARAGRAPH 3 OF OUR REPORT OF EVEN DATE**

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) As explained to us, the fixed assets of the Company have been physically verified by the Management during the year in a phased periodical manner, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its Assets. To the best of our knowledge, no discrepancies were noticed on such verification.
- (c) The Company has not disposed of substantial part of fixed assets during the year under audit and the going concern status of the company is not affected.
- (ii) (a) As explained to us, the inventories have been physically verified by the management at regular intervals during the year.
- (ii) (b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventories as compared to the book records.
- (iii) (a) As informed, the Company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 and as such Clauses 4 (iii)(a)to(d) of the Companies(Auditor's Report)Order, 2003 (as amended) are not applicable.
- (b) As informed, the Company has taken unsecured loans from three companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding during the year was Rs. 1407 lakh and the year-end balance was Rs.1318.40 lakh.
- (c) As informed, the said loan has been taken free of interest. Other terms and conditions of the abovementioned unsecured loan, prima facie, do not appear to be prejudicial to the interests of the company.
- (d) As informed, there are no stipulations regarding repayment and as such we are unable to comment in this regard.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit we have not observed any major weakness in internal controls.
- (v) (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) In our opinion and according to information and explanations given to us, the transaction made in pursuance of contracts or arrangement entered in the register under Section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5, 00,000/- in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices wherever comparable prices are available at the relevant time.



- (vi) In our opinion and according to information and explanations given to us, the Company has not accepted any deposits from the public during the year.
- (vii) We are informed that the Company has no formal internal audit system but internal control is exercised departmentally which in our opinion is commensurate with the size of the Company and the nature of its business.
- (viii) We are informed that the Central Government has not prescribed the maintenance of cost records under section 209(I) (d) of the Act.
- (ix) (a) According to the information and explanations given to us and the records of the Company to the extent produced before us & examined by us, in our opinion the Company is generally regular in depositing the statutory dues including Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess, Service and other statutory dues, as applicable to the Company, with the appropriate authorities. According to the information and explanations given to us and records to the extent produced before us, no undisputed amounts payable in respect of the statutory dues mentioned above, were in arrears as at the year end for a period of more than 6 months from the date they became payable, except an amount of Rs. 10.91 lakh (Income Tax).
- (b) In our opinion and according to the information and explanations given to us and books and records, to the extent produced before us, there are no dues of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute, other than following:

Name of the statute	Nature of the dues	Gross Amount (Rs. In lakhs)	Paid under Protest (Rs. In lakhs)	Period to which related (FY)	Forum where dispute is pending
Central and State Sales Tax Acts	Taxes including interest	27.58	7.67	1996-97, 1997-98, 1998-99, 2000-01, 2001-02	Sales Tax Appellate Tribunal
		2.30	2.30	2003-04	ACCT, Durgapur
Central Excise Act, 1944	Duty Demand	6.87	0.55	1999-2000, 2000-2001	Assistant Commissioner, Central Excise
Customs Act, 1962	Demand custom duty against DEP B	159.40	55.00	2003-04, 2004-05	Commissioner of Customs
		2.49		2004-05	Commissioner of Customs
Income Tax Act, 1961	Income Tax	209.13	20.00	2002-03 to 2006-07	CIT (A) Ranchi



- (x) The Company does not have accumulated losses. It has not incurred cash losses in the financial year under report or in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us by the Management and records to the extent produced before us, the Company has not defaulted in repayment of dues to financial institutions and banks during the year.
- (xii) The Company has not granted any loans & advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a Chit Fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies' (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) During the year under review, there were no dealings in shares, securities, debentures & other investments and as such provisions of clause 4 (xiv) are not applicable.
- (xv) In our opinion, the terms and conditions on which the Company has given guarantee for loans taken by others from banks or financial institutions are not, prima facie, prejudicial to the interest of the Company.
- (xvi) No term loans were raised by the Company during the year and such provisions of Clause 4(xvi) are not applicable.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short term basis have not been used for long term assets.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) No debentures have been issued by the Company. As such provisions of Clause 4(xix) are not applicable.
- (xx) The Company has not raised money by way of public issue during the year. As such provisions of Clause 4(xvi) are not applicable.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

Place : 11, Crooked Lane,  
Kolkata – 700 069

For Lihala & Co.  
Chartered Accountants  
Firm Registration No -315052E

Date : 30th June, 2011

R. Lihala  
Partner  
M. No. 52138



## BALANCE SHEET AS AT 31st MARCH, 2011

	Schedules	31st March, 2011		31st March, 2010	
		Details Rs.	Amount Rs.	Details Rs.	Amount Rs.
<b>I. SOURCES OF FUNDS</b>					
<b>Shareholders' Funds</b>					
Share Capital	A		50,000,000		50,000,000
Reserve & Surplus	B		25,177,187		18,970,532
<b>Loan Funds</b>					
Secured Loans	C	94,799,655		85,822,678	
Unsecured Loans	D	137,983,757	232,783,412	58,392,318	143,657,996
<b>Deferred Tax Liabilities</b>			4,337,713		3,539,602
<b>TOTAL</b>			<b>312,298,312</b>		<b>216,168,130</b>
<b>II. APPLICATION OF FUNDS</b>					
<b>Fixed Assets</b>	E				
Gross Block		208,079,800		144,057,314	
Less : Depreciation		106,668,539		100,992,111	
Net Block		101,411,261		43,065,203	
Capital Work In Progress		44,760,556	146,171,817	16,084,689	59,149,892
<b>Current Assets, Loans &amp; Advances</b>					
Inventories	F	187,670,870		179,888,939	
Sundry Debtors	G	225,200,599		266,547,495	
Cash & Bank Balances	H	20,931,721		28,792,873	
Loans & Advances	I	32,426,905		67,438,256	
		466,230,095		542,667,563	
<b>Less : Current Liabilities &amp; Provisions</b>					
Current Liabilities	J	296,651,732		381,747,217	
Provisions		3,451,867		3,902,108	
		300,103,599		385,649,325	
Net Current Assets			166,126,496		157,018,238
<b>TOTAL</b>			<b>312,298,312</b>		<b>216,168,130</b>
<b>Accounting Policies &amp; Notes on Accounts</b>	S				

The Schedules Referred To Above form An Integral Part of The Accounts.  
As Per our Report Annexed Herewith.

For **LIHALA & CO.**  
Chartered Accountants

**R. Lihala**  
Partner  
Membership No. 052138

Place : Kolkata  
Date : 30.06.2011

**Rajesh Agarwal**  
Managing Director

**Arup Roy**  
Director





**PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED ON 31ST MARCH, 2011**

	Schedules	31st March, 2011		31st March, 2010	
		Details Rs.	Amount Rs.	Details Rs.	Amount Rs.
<b>A. INCOME</b>					
Sales	K		<b>1,070,232,437</b>		728,762,852
Other Income	L		<b>3,686,126</b>		11,044,530
Increase / (Decrease) In Stock	M		<b>(3,044,325)</b>		2,828,186
			<b><u>1,070,874,238</u></b>		<b><u>742,635,568</u></b>
<b>B. EXPENDITURE</b>					
Raw Materials Consumed	N		<b>947,835,865</b>		652,376,115
Manufacturing Expenses	O		<b>44,728,388</b>		39,021,874
Payments To & Provisions For Employees	P		<b>13,482,820</b>		10,353,011
Selling, Distribution, Admin. & Other Exps.	Q		<b>29,824,415</b>		15,640,799
Interest & Other Financial Charges	R		<b>21,690,802</b>		15,354,735
Prior Period Items			<b>34,354</b>		640,512
Depreciation			<b>5,676,428</b>		3,797,402
			<b><u>1,063,273,072</u></b>		<b><u>737,184,448</u></b>
<b>Profit For The Year</b>			<b>7,601,166</b>		5,451,120
Income Tax Paid/Provision			<b>1,414,306</b>		1,046,641
Income Tax Provision Written Back			<b>(817,906)</b>		747,986
Deferred Tax Provision			<b>798,111</b>		—
			<b><u>6,206,655</u></b>		<b><u>3,656,493</u></b>
Balance Brought Forward From Previous Year			<b>15,194,382</b>		11,537,889
<b>Balance Carried To Balance Sheet</b>			<b><u>21,401,037</u></b>		<b><u>15,194,382</u></b>
<b>Basic and Diluted Earnings per share of Rs. 10 each</b>			<b>1.24</b>		0.73
<b>Accounting Policies &amp; Notes on Accounts</b>			<b>S</b>		

The Schedules Referred To Above form An Integral Part of The Accounts.  
As Per our Report Annexed Herewith.

For **LIHALA & CO.**  
Chartered Accountants

**R. Lihala**  
Partner  
Membership No. 052138

Place : Kolkata  
Date : 30.06.2011

**Rajesh Agarwal**  
Managing Director

**Arup Roy**  
Director



**SCHEDULES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET**

	<u>31st March, 2011</u>		<u>31st March, 2010</u>	
	Details Rs.	Amount Rs.	Details Rs.	Amount Rs.
<b>SCHEDULE 'A' : SHARE CAPITAL</b>				
<b>Authorised</b>				
5000000 Equity Shares of Rs. 10/- each (P.Y. 5000000 Equity Shares of Rs. 10/- each)		<u>50,000,000</u>		<u>50,000,000</u>
<b>Issued &amp; Subscribed</b>				
5000000 Equity Shares of Rs. 10/- each (P.Y. 5000000 Equity Shares of Rs. 10/- each)		<u>50,000,000</u>		<u>50,000,000</u>
<b>Paid-Up</b>				
5000000 Equity Shares of Rs. 10/- each (P.Y. 5000000 Equity Shares of Rs. 10/- each)		<u>50,000,000</u>		<u>50,000,000</u>
TOTAL		<u>50,000,000</u>		<u>50,000,000</u>
<b>SCHEDULE 'B' : RESERVES &amp; SURPLUS</b>				
Share Premium		3,776,150		3,776,150
Profit & Loss Account		21,401,037		15,194,382
TOTAL		<u>25,177,187</u>		<u>18,970,532</u>
<b>SCHEDULE 'C' : SECURED LOANS</b>				
Cash Credit From Punjab National Bank, Dhanbad.  (Secured by way of hypothecation of entire stocks of raw materials, stock in progress, finished goods, book debts, receivables and equitable mortgage on factory land measuring 831 decimals land and other block of assets of the company)		93,607,048		85,265,678
Reliance Capital Limited (Secured by way of hypothecation of Mahendra Bolero)		453,864		-
Tata Finance Limited (Secured by way of hypothecation of Cruze Car)		738,743		-
TOTAL		<u>94,799,655</u>		<u>85,265,678</u>
<b>SCHEDULE - 'D' : UNSECURED LOANS</b>				
From Corporate bodies		137,983,757		58,392,318
TOTAL		<u>137,983,757</u>		<u>58,392,318</u>



**SCHEDULES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET**

**SCHEDULE - 'E' FIXED ASSETS**

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost on 1st April 2010	Addition During the Period	Adjustments/Sale During the Period	Total	Up-to 31st March, 2010	For the Period	Adjustments During the Period	Total Up-to 31st March, 2011	As on 31st March, 2011	As on 31st March, 2010
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land (Lease hold) & Development	268,594	-	-	268,594	43,257	2,042	-	45,299	<b>223,295</b>	225,337
Factory Building	13,494,248	15766911	-	29,261,159	6,610,202	450,708	-	7,060,910	<b>22,200,249</b>	6,884,046
Plant & Machinery (Cont. Process)	17,885,373	-	-	17,885,373	12,210,991	812,206	-	13,023,197	<b>4,862,176</b>	5,674,382
Plant & Machinery	106,928,876	47,469,478	-	154,398,354	79,182,649	3,994,415	-	83,177,064	<b>71,221,290</b>	27,746,227
Vehicles	3,589,975	617,958	-	4,207,933	1,600,014	304,233	-	1,904,247	<b>2,303,686</b>	1,989,961
Office Equipments	15,377,552	158,209	-	1,695,761	118,872	91,328	-	1,210,200	<b>485,561</b>	418,680
Furniture & Fixtures	352,695	9,930	-	362,625	226,126	21,496	-	247,622	<b>115,003</b>	126,569
	144,057,314	64,022,486	-	208,079,800	100,992,111	5,676,428	-	106,668,539	101,411,261	43,065,203
Capital (WIP)	16,084,689	91,445,190	-	44,760,556	-	-	-	-	<b>44,760,556</b>	16,084,689
	160,142,003	155,467,676	62,769,323	252,840,356	100,992,111	5,676,428	-	106,668,539	146,171,817	59,149,892
Year 2009-10	122,641,328	37,500,675	62,769,323	160,142,003	97,194,709	3,797,402	-	100,992,111	59,149,892	


**SCHEDULES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET**

	<u>31st March, 2011</u>		<u>31st March, 2010</u>	
	Details Rs.	Amount Rs.	Details Rs.	Amount Rs.
<b>SCHEDULE - 'F' : INVENTORIES</b>				
Raw Materials		<b>154,700,476</b>		147,488,075
Stores & Spares		<b>10,846,059</b>		7,232,203
Finished Goods		<b>8,730,322</b>		8,005,647
Work-In-Process		<b>13,394,014</b>		17,163,014
		<b><u>187,670,870</u></b>		<u>179,888,939</u>
<b>SCHEDULE 'G' - SUNDRY DEBTORS</b>				
(Unsecured, Considered Good)				
Over Six Months		<b>10,124,174</b>		51,535,721
Other Debts		<b>215,076,425</b>		215,011,774
		<b><u>225,200,599</u></b>		<u>266,547,495</u>
<b>SCHEDULE 'H' CASH &amp; BANK BALANCES</b>				
Cash in Hand		<b>2,583,574</b>		1,266,517
Balance with Schedule Banks				
In Current Account :				
Fixed Deposit with PNB, Dhanbad.		<b>18,267,932</b>		26,707,073
Fixed Deposit with PNB, Kolkata.		<b>30,000</b>		30,000
HDFC Bank Ltd, Asansol.		–		2,047
S.B.I., Chirkunda (Current Account)		–		745,379
Punjab National Bank, Brabourne Road, Kolkata		<b>50,215</b>		–
Punjab National Bank, B.R.B.B. Road, Kolkata		–		41,857
		<b><u>20,931,721</u></b>		<u>28,792,873</u>
<b>SCHEDULE 'I' LOANS &amp; ADVANCES</b>				
(Unsecured Considered Good)				
Advance Recoverable in Cash or in kind or for value to be received		<b>8,349,467</b>		17,147,077
Advances to Suppliers		<b>23,711,138</b>		49,659,814
Security Deposits		<b>366,300</b>		371,300
Prepaid Expenses		–		260,065
		<b><u>32,426,905</u></b>		<u>67,438,256</u>
<b>SCHEDULE 'J' - CURRENT LIABILITIES</b>				
Sundry Creditors (Raw Material)		<b>264,794,302</b>		329,434,957
Sundry Creditors (C/Goods & Stores)		<b>7,502,856</b>		10,588,076
Sundry Creditors (Others)		<b>70,075</b>		192,980
Sundry Creditors (Expenses)		<b>9,931,969</b>		7,699,054
Advance From Customers		<b>13,991,574</b>		33,832,150
S.B.I., Chirkunda (Current Account)		<b>62,957</b>		–
Punjab National Bank, B.R.B.B. Road, Kolkata		<b>297,999</b>		–
		<b><u>296,651,732</u></b>		<u>381,747,217</u>


**SCHEDULES ATTACHED TO AND FORMING PART OF THE PROFIT & LOSS ACCOUNT**

	<b>31st March, 2011</b>		<b>31st March, 2010</b>	
	Details Rs.	Amount Rs.	Details Rs.	Amount Rs.
<b>SCHEDULE 'K' - SALES</b>				
Sales (Fatty Acid)		<b>5,221,950</b>		5,052,250
Sales (Spent Nickle Catalyst)		-		15,103
Sales (Palm Kernel Cake)		<b>2,844,055</b>		-
Sales (Mustard Oil)		<b>91,039,665</b>		-
Sales (Refined Palm Oil)		<b>464,007,030</b>		410,265,857
Sales (High Sea Sale)		<b>111,689,914</b>		10,993,402
Sales (Vanaspati )		<b>395,429,823</b>		302,436,240
		<b><u>1,070,232,437</u></b>		<b><u>728,762,852</u></b>
<b>SCHEDULE 'L' - OTHER INCOME</b>				
Liabilities Written back		<b>187,583</b>		8,703,490
Interest Received (TDS Deducted Rs. 363192/-)		<b>2,594,423</b>		1,907,060
Insurance Claim Received		<b>904,120</b>		-
Sundry Balance Written off		-		3,711
Exchange Fluctuations		-		430,269
		<b><u>3,686,126</u></b>		<b><u>11,044,530</u></b>
<b>SCHEDULE 'M' - INCREASE / DECREASE IN STOCK</b>				
(A) OPENING STOCK				
Finished Goods		<b>8,005,647</b>		6,578,919
Work-In-Process		<b>17,163,014</b>		15,761,556
Total (A)		<b><u>25,168,661</u></b>		<b><u>22,340,475</u></b>
(B) CLOSING STOCK				
Finished Goods		<b>8,730,322</b>		8,005,647
Work-In-Process		<b>13,394,014</b>		17,163,014
Total (A)		<b><u>22,124,336</u></b>		<b><u>25,168,661</u></b>
<b>Increase / (Decrease) In Stock ( B - A )</b>		<b><u>(3,044,325)</u></b>		<b><u>2,828,186</u></b>


**SCHEDULES ATTACHED TO AND FORMING PART OF THE PROFIT & LOSS ACCOUNT**

	<u>31st March, 2011</u>		<u>31st March, 2010</u>	
	Details Rs.	Amount Rs.	Details Rs.	Amount Rs.
<b>SCHEDULE 'N' - RAW MATERIAL CONSUMED</b>				
Opening Stock (Incl. goods in transit)		<b>147,488,075</b>		148,329,634
<b>Add :</b> Cost of Raw Material Purchased				
Cost of Material	<b>607,287,255</b>			607,287,255
Customs Duty (Net)	<b>2,968,328</b>			2,857,832
Freight Inward	<b>17,388,876</b>			11,338,965
Port Clearance Charges	<b>22,117,022</b>			17,995,985
Brokerage on Purchase	<b>167,402</b>			219,724
Storage Tank Charges	<b>1,917,738</b>			1,599,350
		<b>851,854,464</b>		
		<b>999,342,539</b>		789,628,745
<b>Less :</b> Closing Stock ( Incl. Goods In Transit)		<b>154,700,476</b>		147,488,075
Value of Raw Material Consumed		<b>844,642,064</b>		642,140,670
Purchase of Goods For High Seas Sale		<b>103,193,801</b>		10,235,445
		<b>947,835,865</b>		652,376,115
<b>SCHEDULE 'O' - MANUFACTURING EXPENSES</b>				
Packing Expenses		<b>22,472</b>		20,930,594
Consumable Stores		<b>6,398,900</b>		4,630,671
Power & Fuel		<b>15,841,938</b>		13,431,861
Laboratory Expenses		<b>15,467</b>		28,748
		<b>44,728,388</b>		39,021,874
<b>SCHEDULE 'P' - PAYMENTS TO &amp; PROVISION FOR EMPLOYEES</b>				
Salary & Wages		<b>10,475,308</b>		9,068,347
EL / ML		<b>352,645</b>		—
Gratuity		<b>312,465</b>		—
House Rent		<b>85,190</b>		131,982
Directors' Remuneration		<b>360,000</b>		150,000
P.F.Contribution & Adm. Charges		<b>312,093</b>		267,277
Ex-Gratia		<b>378,702</b>		6,270
Staff & Labour Welfare		<b>730,867</b>		347,796
Bonus		<b>475,550</b>		381,339
		<b>13,482,820</b>		10,353,011



**SCHEDULES ATTACHED TO AND FORMING PART OF THE PROFIT & LOSS ACCOUNT**

	<u>31st March, 2011</u>		<u>31st March, 2010</u>	
	Details Rs.	Amount Rs.	Details Rs.	Amount Rs.
<b>SCHEDULE 'Q' - SELLING, DISTRIBUTION ADMINISTRATION &amp; OTHER EXPENSES</b>				
<u>Selling &amp; Distribution Expenses</u>				
Freight Outward		<b>1,502,800</b>		
Commission on Sale		<b>95,000</b>		
Other Selling Expenses		<b>345,529</b>	<u>175,453</u>	175,453
Auditors' Remunerations				
a) Audit Fees		<b>66,180</b>	48,265	
b) For Tax Audit		<b>16,545</b>	5,515	
c) For other Expenses		<b>8,821</b>	-	53,780
<u>Repairs &amp; Maintenance</u>				
Plant & Machinery		<b>1,445,781</b>	1,080,165	
Building		<b>254,945</b>	121,061	
Others		<b>336,670</b>	<u>233,444</u>	1,434,670
Advertisement		<b>18,570</b>		15,156
Bank Commission & Charges		<b>5,030,197</b>		4,289,857
General & Administration Expenses		<b>3,481,132</b>		2,253,701
Insurance		<b>2,234,475</b>		362,948
Legal & Professional Charges		<b>851,533</b>		463,357
Membership Subscription & Donation		<b>140,265</b>		282,539
Office Maintenance Expenses		<b>12,822</b>		80,298
Rates, Taxes & Fees		<b>12,715,906</b>		4,966,984
Rent		<b>212,949</b>		133,945
Security Expenses		<b>412,454</b>		567,764
Sundry Balance Written off		<b>69,122</b>		-
Vehicle Maintenance Expenses		<b>572,719</b>		560,347
		<b><u>29,824,415</u></b>		<u>15,640,799</u>
<b>SCHEDULE 'R' - INTEREST &amp; OTHER FINANCIAL CHARGES</b>				
Financial Charges on LC Opening		<b>9,221,290</b>		4,337,819
Interest on Loan Against L.C.		<b>13,445</b>		723,980
Interest on Buyers' Credit		<b>99,305</b>		-
Interest on Working Capital Loan		<b>11,486,418</b>		10,281,404
Interest Paid on Others		<b>870,344</b>		11,532
		<b><u>21,690,802</u></b>		<u>15,354,735</u>



**SCHEDULE 'S' OF NOTES ON ACCOUNTS ATTACHED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011**

**A. SIGNIFICANT ACCOUNTING POLICIES:**

(a) **Basis of Accounting**

The financial statements have been prepared in conformity with Generally Accepted Accounting Principles (GAAP). Accounts have been prepared on historical cost convention and on the accounting principle of going concern.

(b) **Use of Estimates**

The preparation of financial statements in conformity with GAAP requires estimates & assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates and differences between actual results and estimates are recognized in the periods in which the results are known/materialize

(c) **Fixed Assets**

Fixed assets are capitalised at cost inclusive of duties, taxes, freight, installation and other incidental expenses related to acquisition thereof. Assets costing Rs.5,000 (Rupees five thousand) or less are being charged to Profit & Loss account under appropriate heads.

(d) **Depreciation**

- i) Depreciation on Fixed Assets has been provided on straight line method at the rates prescribed in Schedule XIV to the Companies Act, 1956 as amended.
- ii) Depreciation on fixed assets added/disposed of during the year has been provided on pro-rata basis with reference to the date of addition/put to use/disposal.
- iii) Extra shift depreciation, wherever applicable has been calculated on actual shift basis.
- iv) Depreciation includes amount amortised in respect of original cost of Leasehold Land over its residual lease period.

(e) **Retirement Benefits**

The estimated accrued liability in respect of payment of Gratuity and Leave Entitlements has not been ascertained and the same will be accounted for as and when paid.

(f) **Revenue Recognition**

- i) The Company adopts the accrual basis of accounting in the preparation of the accounts except for Insurance claims accounted for on cash basis and excise duty & custom duty accounted for on clearance basis.
- ii) Selling expenses and the differential sale in respect of consignment sale is accounted for on the basis of relevant sale statement received from Consignment Agents until the finalisation of accounts.

(g) **Contingent Liability**

Contingent liabilities are not provided for in the accounts and are shown separately in the notes on account.

(h) **Inventories**

Basis of valuation

Finished Goods	:	At average cost or realizable value whichever is lower
By-Products	:	At realizable value
Stock with Agents	:	At average cost or realizable value whichever is lower
Work-in-process	:	At estimated value
Raw Materials	:	At cost
Stock in transit	:	At cost incurred
Stores & Spares	:	At cost





(i) **Borrowing Costs**

Borrowing costs are charged to Profit & Loss Account except in cases where the borrowings are directly attributable to the acquisition, construction or production of qualifying asset.

(j) **Current Tax**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

(k) **Deferred Tax**

Deferred tax resulting from timing differences between book and taxable profits is recognized using the tax rates & laws that have been enacted or substantially enacted as on the Balance Sheet date. As a matter of prudence, deferred tax asset is recognized only to the extent that there is deferred tax liability on account of such timing difference.

(l) **Foreign Currency Transactions**

Transactions in foreign currency are recorded at the exchange rate prevailing at the time of transaction. Current assets and liabilities are restated at the rate prevailing at the year end or at the forward rate, where forward cover has been taken and the difference between the year end rate and the exchange rate at the date of transaction is recognized as Income or Expense in the profit and loss account.

(m) **Earnings Per Share**

Earnings per share is calculated by dividing the net profit or loss for the year after prior period adjustments attributable to shareholders by the weighted average number of equity shares outstanding during the year.

(n) **Provisions, Contingent Liabilities and Contingent Assets**

As per AS-29 – “Provisions, Contingent Liabilities and Contingent Assets” the Company recognizes provisions only where reliable estimates can be made for probable outflow of resources to settle the present obligation as a result of past events and the same is reviewed at each Balance Sheet date. Contingent Liabilities are generally not provided for in the accounts and are shown separately in the Notes on Accounts. Contingent Assets are neither recognized nor disclosed in the financial statements since this may result in the recognition of income that may never be realized.

(o) **Impairment**

Impairment loss is recognized wherever the carrying amount of an asset is in excess of its recoverable amount and the same is recognized as an expense in the statement of profit & loss and carrying amount is reduced to its recoverable amount.

(p) **Research and Development Expenditure**

Revenue expenses are charged to the Profit & Loss Account in the year in which they are incurred.

**B. NOTES ON ACCOUNTS:**

1) Contingent liabilities not provided for in respect of the claims against the Company, which have not been acknowledged as debts:

- i) Central Excise Duty - Rs. 6.32 lakh (Net of Rs. 0.55 lakh deposited) (Previous Year Rs.6.32 lakh, net of Rs. 0.55 lakh deposited).
- ii) Customs Duty – Rs. 106.89 lakh (Net of Rs. 55.00 lakh deposited) (Previous year Rs. 106.89 lakh, net of Rs. 55.00 lakh deposited)
- iii) Different Appeals pending before Commercial Taxes Authorities - Rs. 19.91 lakh (Net of Rs 9.97 lakh deposited) (Previous Year Rs. 578.23 lakh, net of Rs. 13.93 lakh deposited).
- iv) Excise Duty & Sales Tax liability on by-products – Amount not ascertainable.
- v) Different Appeals pending before CIT (A) Ranchi - Rs. 189.13 lakh (Net of Rs 20.00 lakh deposited) (Previous Year Rs. 206.62 lakh, net of Rs.10.00 lakh deposited)
- vi) Guarantees issued by the Company on behalf of Associates Rs.1629.50 lakh (Previous Year Rs. NIL).



- 2) Purchases are net of claims received against shortages and quality.
- 3) As the Company's business activity falls within a single primary business segment. viz; 'Edible oil' the disclosure requirement of Accounting Standard – 17 "Segment Reporting" as notified by Companies (Accounting Standards) Rule, 2006 (as amended) are not applicable.
- 4) Income Tax Provision Written Back represents excess provision of Income Tax for the A.Y. 2008-09.
- 5) Payment to Auditors: (Rs.)
- |                    | (2010-11)        | (2009-10)        |
|--------------------|------------------|------------------|
| i) Audit Fees      | 66,180.00        | 48,265.00        |
| ii) Tax Audit Fees | 16,545.00        | 5,515.00         |
| iii) For Expenses  | 8,821.00         | –                |
|                    | <u>91,546.00</u> | <u>53,780.00</u> |

- 6) Related Party Disclosure as prescribed by Accounting Standard – 18 issued by The Institute of Chartered Accountants of India is as below:

**List of Related parties**

i) Associates of the Company

- Gaurang Alloys & Iron Limited, Mihijam 815 354  
 Rajesh Auto Merchandise Private Limited, Kolkata 700 001  
 S.R. Enterprises, Kolkata 700 001  
 Bhasa Construction and Industrial Projects Pvt. Limited, Kolkata 700 001  
 Urmindra Vincom Private Limited, Kolkata 700 001  
 Anoop Tea Company Private Limited, Siliguri 734 001  
 Max-cot Vyapaar Private Limited, Kolkata 700 001

ii) Managerial Personnel

**Directors**

- Mr.Amar Kumar Agarwal  
 Mr.Amit Kumar Agarwal  
 Mr.Rajesh Agarwal  
 Mr.Arup Roy  
 Mr.Anis Khan

(Rs. in lacs)

Nature of transaction	2010-11	2009-10
<b>Associates</b>		
Purchase of goods	<b>3439.90</b>	<b>2949.05</b>
Sale of goods	<b>496.19</b>	<b>112.94</b>
Loans & Advances Taken	<b>800.00</b>	<b>617.15</b>
<b>Key Managerial personnel</b>		
Remuneration paid to Rajesh Agarwal	<b>3.60</b>	<b>1.60</b>
<b>Credit Balances outstanding</b>		
Associates (Unsecured Loan)	<b>1318.40</b>	<b>536.90</b>
Associates (Creditors)	<b>1182.50</b>	<b>1941.99</b>
Key Managerial personnel	<b>-</b>	<b>1.50</b>
<b>Debit Balances</b>		
Associates	<b>102.73</b>	<b>232.72</b>
Key Managerial personnel	<b>1.18</b>	<b>2.00</b>



- Related party relationship have been identified by the management and relied upon by the Auditors. There has been no amount written off during the year.

7) There are no dues to micro, small & medium enterprises as at the Balance Sheet date and no interest has been paid to any such parties. This is based on the information on such parties having been identified on the basis of information available with the Company and relied upon by the Auditors.

8) EARNING PER SHARE (EPS)		(Rs. in lacs)	
		<u>2010-11</u>	<u>2009-10</u>
a)	Numerator		
	- Net profit after tax as disclosed in profit & loss a/c	62.07	36.56
b)	Denominator		
	- Weighted average number of equity shares outstanding	5000000	5000000
c)	Basic and Diluted Earnings per share of Rs. 10 each	1.24	0.73

9) In compliance with the Accounting Standard 22 relating to 'Accounting for Taxes on Income', the Company has recognized cumulative deferred tax liabilities (net) amounting Rs. 43.38 lakh as detailed under :

Particulars	31.03.2011 (Current Year)	31.03.2010 (Current Year)
a) Deferred Tax Liability :	43.38 (Lakh)	35.40 (Lakh)
b) Deferred Tax Assets :	-	-
c) Deferred Tax Liability (Net)	43.38 (Lakh)	35.40 (Lakh)

10) Additional information pursuant to provisions of paragraph 3, 4C, 4D of part II of Schedule VI to The Companies Act, 1956.

A	<u>Capacity</u>	<u>31.3.2011</u>	<u>31.3.2010</u>
	Licensed Capacity	Not Applicable	Not Applicable
	Installed Capacity	19800 M.T.P.A. of Vanaspati/ Refined oil	19800 M.T.P.A. of Vanaspati/ Refined oil

B. Particulars in Respect of Production/Purchases, Turnover, Opening and Closing Stock of Goods

Item	Unit	Op. Stock Qty.	Prod/Purch Qty.	Turnover Qty.	Cl. Stock Qty.
Vanaspati	MT	137.6370	7,762.7732	7,767.0702	133.3400
Refined Oil	MT	18.9600	9,585.1950	9,596.6730	7.4820
Mustard Oil	MT	20.6039	1,561.4170	1,555.8127	26.2082
Crude Palm Oil	MT	--	2,699.7540	2,699.7540	--
Palm Kernels Cake	MT	--	807.2620	797.0450	10.2170
Spent Nickle Catalyst	MT	0.9660	4.4810	--	5.4470
Fatty Acid	MT	8.8050	526.5850	525.9450	9.4450
		186.9719	22,947.4672	22,942.2999	192.1392



C. Particulars in Respect of Raw materials Consumed

Item	Unit	Opening Stock Qty.	Purchases Qty.	Consumption Qty.	Closing Stock Qty.
Rice Bran Oil	MT	25.7250	3,336.635	2,158.205	1,204.1550
Palm Kernels Seeds	MT	--	1,638.915	1,388.973	249.9420
Palm Kernels Oil	MT	--	445.316	432.816	12.5000
Refine RBO	MT	628.9450	--	628.9450	--
Crude Palm Oil	MT	1,603.1140	13,565.5190	13,855.1930	1,313.4400
Til Oil	MT	--	115.1850	115.1850	--
RBD Palm Oil	MT	25.9900	2,704.9700	2,504.2600	226.7000
Mustard Oil	MT	251.4840	1,485.8078	1,570.5668	166.7250
		3,402.2780	23,292.3478	23,521.1638	3,173.4620

D. Value of Imports calculated on C.I.F. basis :

	<u>2010-11</u> Amount (Rs. In lacs)	<u>2009-10</u> Amount (Rs. In lacs)
Raw Materials	5547.31	3213.82
Stores and Spare Parts	Nil	Nil
Capital Goods	Nil	Nil

E. Value of Imported and Indigenous Raw Materials, Spare Parts & Components Consumed and percentage thereof to the total consumption :

		<u>2010-11</u> (Rs. In lacs)	<u>2009-10</u> (Rs. In lacs)
<b>(i) Raw Materials</b>	<b>Percentage</b>	<b>Amount</b>	<b>Amount</b>
Imported	66.39%	6063.60	3537.34
Indigenous	33.61%	3070.04	2543.94
		9133.64	6081.28
<b>(ii) Stores, Spare Parts &amp; Components</b>			
Imported		Nil	Nil
Indigenous	100%	288.71	255.61
		288.71	255.61

F. Earning and Expenditure in foreign currency Rs. Nil (Previous year Rs. Nil)

11) Corresponding figures of the previous year have been regrouped and/or re-arranged wherever considered necessary.

12) Figures are rounded off to the nearest rupee.

For **LIHALA & CO.**

Chartered Accountants

**R. Lihala**

Partner

Place : Kolkata  
Date : 30.06.2011

**Rajesh Agarwal**  
Managing Director

**Arup Roy**  
Director



**BALANCE SHEET ABSTRACT AND COMPANY'S BUSINESS PROFILE**

**I. Registration Details**

Registration No.	03-03379	State Code 03
Balance Sheet Date	31 3 2011	
	Date Month Year	

**II. Capital Raised during the year (Amount in Rs. Thousands)**

Public Issue	Right Issue
Nil	Nil
Bonus Issue	Private Placement
Nil	Nil

**III. Position of Mobilisation and Deployment of Fund (Amount in Rs. Thousands)**

	Total Liabilities	Total Assets
	612402	612402
Sources of Funds	Paid-Up Capital	Reserves & Surplus
	50000	25177
	Secured Loans	Unsecured Loans
	94800	137984
	Net Deferred Tax Liability	
	4388	
Application of Funds	Net Fixed Assets	Investments
	101411	-
	Net Current Assets	Capital work in progress
	166126	44761
	Accumulated Losses	-

**IV. Performance of Company (Amount in Rs. Thousands)**

Net Turnover	Total Expenditure
1070232	1063273
Profit Before Tax	Profit After Tax
7601	6207
Earning per share in Rs.	Dividend rate %
1.24	-

**V. Generic Names of Three Principal Products/ Services of Company (As per monetary terms)**

<u>Item Code No. (ITC Code)</u>	<u>Product Description</u>
151620.91	1 Vanaspati
151590.40	2. Refined Rice Bran Oil
1511190.10	3. RBD Palm Oil
151190.20	4. RBD Palmolein Oil

For **LIHALA & CO.**  
Chartered Accountants

**R. Lihala**  
Partner  
Membership No. 052138

Place : Kolkata  
Date : 30.06.2011

**Rajesh Agarwal**  
Managing Director

**Arup Roy**  
Director


**CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 31st March, 2011**

	(Rs. in '000) 2010-11	(Rs. in '000) 2009-10
<b>A. Cash flow from Operating Activities :</b>		
Net Profit before tax & extra-ordinary items	7,601.17	5,451.12
<u>Adjustments for :</u>		
Depreciation	5,676.43	3,797.40
Interest	21,690.80	15,354.74
Interest Income	(2,594.42)	(11,044.53)
<b>Operating Profit before Working Capital Changes</b>	<b>32,373.97</b>	<b>13,558.73</b>
<u>Adjustments for :</u>		
Trade and other receivables	76,358.25	(82,821.91)
Inventories	(7,781.93)	(1,390.31)
Trade and other Payables	85,545.73	71,516.28
<b>Cash generated from operations</b>	<b>15,404.56</b>	<b>22,951.84</b>
Direct Taxes paid	(596.40)	(1,046.64)
Interest Paid	(21,690.80)	(15,354.74)
Interest Income	(2,594.42)	(11,044.53)
<b>Cash flow before extra ordinary items</b>	<b>(4,288.22)</b>	<b>(4,494.06)</b>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(4,288.22)</b>	<b>(4,494.06)</b>
<b>B. Cash flow from Investment Activities</b>		
Purchase of Fixed Assets	(92,698.35)	(37,500.68)
Sale of Fixed Assets	-	-
<b>Net Cash used in Investment Activities</b>	<b>(92,698.35)</b>	<b>(37,500.68)</b>
<b>C. Cash Flow from Finance Activities:</b>		
Proceeds from Long Term Borrowings (Net)	89,125.42	36,835.36
Equity Capital & Reserves	-	-
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>89,125.42</b>	<b>36,835.36</b>
Net increase/ (decrease) in cash and cash equivalents	(7,861.15)	(5,159.38)
Cash and cash equivalents (Opening)	28,792.87	33,952.25
Cash and cash equivalents (Closing)	20,931.72	28,793.87

As Per Our Report of even date

For **LIHALA & CO.**  
Chartered Accountants

**R. Lihala**  
Partner  
Membership No. 052138

Place : Kolkata  
Date : 30.06.2011

**Rajesh Agarwal**  
Managing Director

**Arup Roy**  
Director

**22nd ANNUAL REPORT  
AND  
ACCOUNTS**

**2010 - 2011**



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