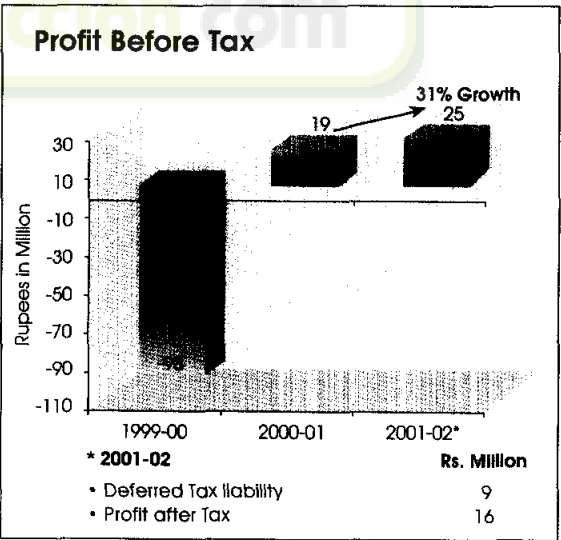
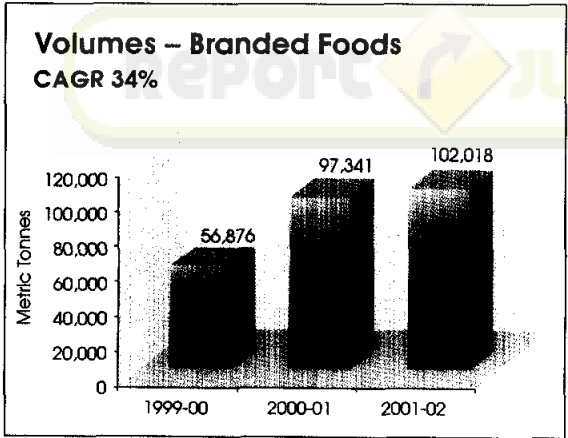
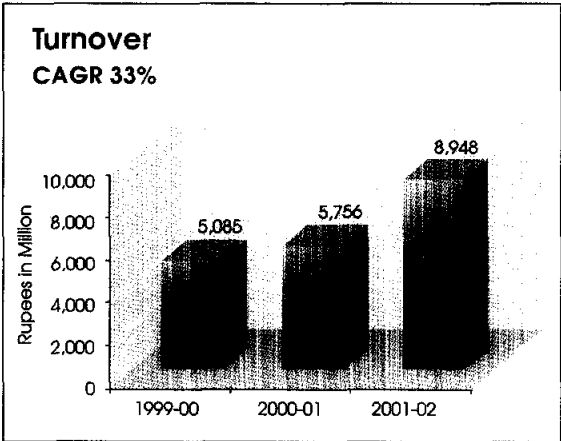
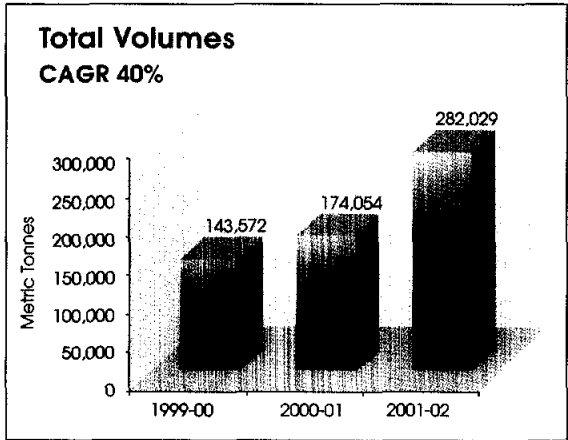


Performance Highlights





Board of Directors

Directors

L Carter	Chairman
H G Buffett	
Lt Gen D B Singh	
R V Smither	
N Srinivasan	
M Sullivan	
R Tandon	
(Alternate: K S Suresh)	
K Vaidyanath	
(Alternate: S Sivakumar)	
T I Chudgar	Wholetime Director

Management Committee

U Sen Gupta	President
G Ambady	Vice President — Commodity Sourcing & Exports
R Krishnamoorthy	Vice President — Basic Foods
S Madan	Vice President — Edible Oils
K S Shyam	Asst. Vice President — Human Resources
B C Sison	Chief Financial Officer & Vice President

Company Secretary

T I Chudgar

Auditors

Lovelock & Lewes
Chartered Accountants
Hyderabad

Registered Office

31, Sarojini Devi Road
Secunderabad-500 003
Andhra Pradesh
India

Registrars & Share Transfer Agents

Sathguru Management Consultants Private Limited
Plot No. 15, Hindinagar
Behind Sirdi Sai Temple
Punjagutta
Hyderabad-500 034



NOTICE TO MEMBERS

Notice is hereby given that the Fifteenth Annual General Meeting of the Members of Agro Tech Foods Limited will be held on Tuesday the 30th July, 2002 at 10.00 AM at Hari Hara Kala Bhavan, MCH Complex & Auditorium, Sarojini Devi Road/Sardar Patel Road, Secunderabad-500 003, Andhra Pradesh to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account for the financial year ended 31st March, 2002, the Audited Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Larry Carter, who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri R.V. Smither, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration. M/s Lovelock & Lewes, the retiring Auditors are eligible for reappointment.

SPECIAL BUSINESS

5. To appoint Shri Mike Sullivan, a Director of the Company, who has been appointed in the casual vacancy arising out of the resignation of Shri Viji Sampath, who vacates office at this Meeting and to consider and, if thought fit, to pass, with or without modification, the following Ordinary Resolution of which the prescribed notice under Section 257 of the Companies Act, 1956 alongwith a deposit of Rs. 500/- has been received by the Company, Shri Mike Sullivan has filed his consent pursuant to the provisions of Section 264(1) of the Companies Act, 1956 to act as Director, if appointed:
 "RESOLVED that Shri Mike Sullivan be and is hereby appointed a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."
6. To appoint Shri K. Vaidyanath, a Director of the Company, who has been appointed in the casual vacancy arising out of the resignation

of Shri B. Mitter, who vacates office at this Meeting and to consider and, if thought fit, to pass, with or without modification, the following Ordinary Resolution of which the prescribed notice under Section 257 of the Companies Act, 1956 alongwith a deposit of Rs. 500/- has been received by the Company, Shri K. Vaidyanath has filed his consent pursuant to the provisions of Section 264(1) of the Companies Act, 1956 to act as Director, if appointed:

"RESOLVED that Shri K. Vaidyanath be and is hereby appointed a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."

7. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a SPECIAL RESOLUTION:

RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered as under:

Insert Article 162A after Article 162 of the Articles of Association as under:

'162A' The Company shall have the power to hold Board or Committee meetings through the means of video or tele-conferencing, and also allow Directors to participate in the Board or Committee meetings through the means of video or tele-conferencing, subject to the applicable provisions, if any, of the Companies Act, 1956 or any amendment or modification or re-enactment thereof and other regulatory provisions, if any, and all relevant articles dealing with Board or Committee meetings shall be read mutates mutandis".

8. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an ORDINARY RESOLUTION:
 - 1) "RESOLVED pursuant to the provisions of Section 309(4) and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the



Central Government and subject to such other approvals in law as may be necessary, the Company hereby accords its approval to the payment of remuneration by way of a monthly, quarterly or annual payment to the Non-Executive as well as Independent Directors with effect from April 1, 2002 for each of the five financial years of the Company, in excess of one percent of the net profits of the Company, as provided under Section 309(4) of the Companies Act, 1956 or any amendment or modification thereof and computed in the manner referred to in Section 198(1) of the Companies Act, 1956 or amendment or modification thereof, subject however to an aggregate ceiling of Rupees Fifteen Lakhs per annum or such amount as may be determined by the Board of Directors, to be divided amongst the Directors aforesaid in such manner as the Board of Directors of the Company may from time to time determine and in default of such determination equally, provided that the payment of the sum in the manner aforesaid shall be in addition to the sitting fee per meeting of the Board of Directors

and its Committee which the Directors aforesaid are entitled to receive under the Articles of Association of the Company."

- II) "RESOLVED FURTHER that for the purpose of giving effect to this Resolution the Directors be authorized to take necessary steps and give such directions as they may in their absolute discretion deem necessary to settle any question, difficulty or doubt that may arise in regard to the determination and payment of the said amount as they may think fit and that the Directors be hereby further empowered to accept on behalf of the Company modifications, if any, relating to the determination and payment of the said amount as may be proposed by any Authority from whom approval will have to be obtained and which the Directors in their discretion think fit and proper."

BOOK CLOSURE

The Register of Members and Share Transfer Books of the Company shall remain closed from Friday the 26th July, 2002 till Tuesday the 30th July, 2002 (both days inclusive).

Dated: 4th July, 2002

Registered Office:
31, Sarojini Devi Road,
Secunderabad-500 003
Andhra Pradesh
India.

By Order of the Board
for **Agro Tech Foods Limited**

TUSHAR CHUDGAR
Secretary & Director

**NOTES:**

1. In accordance with the Provisions of Section 173 of the Companies Act, 1956 and the Listing Agreements an Explanatory Statement in respect of Item Nos. 5,6,7 and 8 being items of Special Business is annexed.
2. A member entitled to attend and vote on a poll is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a member. Proxies in order to be effective must be received by the Company not less than forty eight hours before the Annual General Meeting.
3. Members are requested to bring their copies of the Reports and Accounts to the Meeting.
4. Members are requested to notify any change in their address immediately to the Company's Registrars and Transfer Agents, Sathguru Management Consultants Private Limited, Plot No. 15, Hindinagar, Behind Sirdi Sai Temple, Punjagutta, Hyderabad-500 034.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 AND THE LISTING AGREEMENTS.

Item No. 5

Shri Mike Sullivan was appointed as a Director of the Company in terms of Section 262 of the Companies Act, 1956 with effect from 1st September, 2000 in the casual vacancy arising out of the resignation of Shri Viji Sampath pursuant to Article 129 of the Articles of Association of the Company and he holds office upto the date of this Annual General Meeting till which Shri Viji Sampath, in whose vacancy he is appointed would have held office. Notice under Section 257 of the Companies Act, 1956 along with the requisite deposit of Rs. 500/- has been received from a member proposing the appointment of Shri Mike Sullivan as a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation. Shri Mike Sullivan has filed his consent pursuant to the provisions of Section 264(1) of the Companies Act, 1956 to act as Director, if appointed.

Interest of Directors:

Shri Mike Sullivan may be deemed to be interested in the above Resolution in so far as the same relates to him. No other Director of your Company is interested in this Resolution.

Your Directors recommend the Resolution for your approval.

Item No. 6

Shri K. Vaidyanath was appointed as a Director of the Company in terms of Section 262 of the Companies Act, 1956 with effect from 7th March, 2001 in the casual vacancy arising out of the resignation of Shri B. Mitter pursuant to Article 129 of the Articles of Association of the Company and he holds office upto the date of this Annual General Meeting till which Shri B. Mitter, in whose vacancy he is appointed would have held office. Notice under Section 257 of the Companies Act, 1956 along with the requisite deposit of Rs. 500/- has been received from a member proposing the appointment of Shri K. Vaidyanath as a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation. Shri K. Vaidyanath has filed his consent pursuant to the provisions of Section 264(1) of the Companies Act, 1956 to act as Director, if appointed.

Interest of Directors:

Shri K. Vaidyanath may be deemed to be interested in the above Resolution in so far as the same relates to him. No other Director of your Company is interested in this Resolution.

Your Directors recommend the Resolution for your approval.

**Item No. 7**

With the advancement in Information technology, Video-conferencing has become possible which enables people sitting at a distance of thousands of miles, to effectively interact with each other as all of them can not only see each other on screen but are also audible. In view of this it is high time to think whether Board Meetings can also be held through means of video or tele-conferencing, which will save a lot of time of directors that can be utilized in increasing the frequency of Board Meetings, which will be in the overall interest of Companies.

The Companies Act, 1956 does not contain any provision enabling companies to hold electronic/ video-conferencing meetings; but it does not prohibit that either. However, the Information Technology (IT) Act, 2000 recognizes Communications in digital or electronic form and holding of Board or Committee meetings through electronic means are permissible under the IT Act. It is contemplated that necessary amendments to the Companies Act, 1956 and regulatory provisions may be introduced to facilitate conduct of Board or Committee Meetings through electronic means i.e. video or tele-conferencing. Your Directors felt that conduct of Board or Committee meetings through video or tele-conferencing will facilitate increase in frequency of meetings and participation of Directors from anywhere. This amendment to Articles of Association shall come into force upon notification of necessary amendments to the Companies Act, 1956 and/or necessary clarifications from the Department of Company Affairs/ Government of India in this regard including effective conduct of Board Meetings through video or tele-conferencing.

Interest of Directors :

None of the Director of your Company is interested or concerned in the said Resolution.

Your Directors recommend the Resolution for your approval.

Item No. 8

On account of increase in the Company's operations and the expanding activities and adoption of Corporate Governance code made

mandatory by Stock Exchanges and SEBI, the responsibilities of the Directors more so of the Non-executive as well as Independent Directors and the time required to be devoted by them towards the Company's affairs have increased considerably and will continue to do so. It is anticipated that because of this, the issues before the Board will be sufficiently deliberated upon, decisions taken will not be generally on the information provided by the management and also will therefore not be virtually reduced to an endorsement of the will of the management. Any increase in intellectual inputs by the professional directors will only go to benefit the Company. Further, significant contribution can be had only if these Non-executive as well as Independent Directors are compensated adequately. Independent Directors has the same meaning as given in Explanation to Clause 49 of the Listing Agreement with the Stock Exchanges.

Since such Directors will devote considerable time to the business of the Company and the Company will substantially benefit by their expertise and mature advice, it is only fair that they are paid suitable remuneration. It is therefore proposed that the Non-executive as well as Independent Directors be paid remuneration by way of a monthly, quarterly or annual payment as indicated in the Ordinary Resolution in recognition of the advice, guidance and services given/ rendered by them from time to time which contribute to the efficient management of the Company. The proposed payment of remuneration by way of a monthly, quarterly or annual payment to these Directors, in excess of one percent of net profits of the Company, will require the approval of the Company in General Meeting through an Ordinary Resolution and that of the Central Government.

This is further subject to the Company having adequate net profits as laid down in Section 198(1) of the Companies Act, 1956 and subject to the limits laid down in 309(3) of the Companies Act, 1956 and the overall limit laid down in Section 198(1) of the Companies Act, 1956 and computed in the manner laid down in Section 349 of the Companies Act, 1956 and subject further to the conditions, limitations or restrictions that may be imposed by the Central Government.



Article 132(3) of the Articles of Association of the Company allow for such payment of remuneration.

Accordingly, Ordinary Resolutions set out under Item No. 8 of the Notice is submitted to the meeting.

Interest of Directors:

The Non-executive as well as Independent Directors may be deemed to be considered or interested in the Resolutions as the payment of remuneration relates to them.

Your Directors recommend the Resolutions for your approval.

Dated: 4th July, 2002

Registered Office:
31, Sarojini Devi Road,
Secunderabad-500 003
Andhra Pradesh
India.

By Order of the Board
for **Agro Tech Foods Limited**

TUSHAR CHUDGAR
Secretary & Director

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ADDITIONAL INFORMATION ON DIRECTORS RECOMMENDED FOR APPOINTMENT OR SEEKING ELECTION AT THE ANNUAL GENERAL MEETING

Following is the bio-graphical data about the Directors seeking re-election or recommended for appointment as a Director:

Larry Carter is President and Chief Operating Officer of ConAgra Food Ingredients Company. Included within this group are the Company's grain processing operations and its spices, seasonings and flavor business as well as several niche businesses with operations in India, Argentina, Chile, Spain, Portugal, UK and Australia. These businesses were formerly part of the Trading and Processing companies. Previous to that he was Executive Vice President for ConAgra Trading and Processing Companies. He had responsibilities for most of the group's international businesses as well as finance, MIS, strategic planning and business development functions. He joined ConAgra in July 1994 as Vice President and Chief Financial Officer of the Trading and Processing Companies.

Prior to joining ConAgra Carter was with Borden, Inc., from 1989-1994. His last position with Borden was General Manager of its North American Salty Snacks Group. Previous to that he was Vice President Business Development of the Snacks Group and before that Chief Financial Officer of the Snacks and International Consumer Products Division of Borden.

Carter also spent 11 years with Price Waterhouse as Senior Manager, Audit. In addition to his audit responsibilities Carter worked in the Price Waterhouse National Office on Human Resource development programs.

Carter has a B.S. degree in business administration from the Ohio State University and is a CPA.

R.V. Smither is an Executive Director of Tiger Brands Ltd. The company is the leading Food and Healthcare business in South Africa. It is listed on the Johannesburg Stock Exchange and currently has a market capitalization of approx. 1.2 billion US\$.

Smither's responsibilities include - Spar, which is the group's franchised food retailing business (turnover \pm 750 million US\$), its offshore interests which include an investment in ConAgra Malt jointly with ConAgra Foods and a 24% interest in Empresas Carozzi Ltd which is a leading food business in Chile, South America.

Smither also has responsibility for the group's investor relation function. His formal qualifications include a Bachelor of Commerce degree and he is registered as a Chartered Accountant.

Mike Sullivan is Vice President and Senior Financial Officer of ConAgra Food Ingredients. Included within CFI are the Company's grain processing operations, its spices, seasonings and flavour business as well as several niche businesses with operations in India, Argentina, Chile, Spain, Portugal, UK and Australia. Previous to this he was Vice President and Controller for most of the international businesses of ConAgra Trading and Processing. He has spent his entire professional career with ConAgra Foods holding various financial positions.

Sullivan has a BSBA degree in accounting from the University of Nebraska at Omaha.

K. Vaidyanath is an Executive Director on the Board of ITC. He holds responsibility for ITC's Finance function, its investment subsidiary, Agri Business and Corporate Communications. Before his elevation to the Board in January 2001, he was ITC's Chief Financial Officer.

An MBA from XLRI, Jamshedpur, Vaidyanath has been with ITC for the past 26 years. He has held various positions in ITC's Finance function including that of Head of Finance of ITC's Packaging, Hotels and International businesses. He has also been Head of Corporate Planning & Treasury, as well as Internal Audit.

He is a Committee Member of the Bengal Chamber of Commerce and Industry.



DIRECTORS' REPORT TO THE MEMBERS

Your Directors hereby present their Annual Report, together with the audited accounts of the Company for the financial year ended 31st March, 2002.

FINANCIAL RESULTS

The summarized financial results are:

	(Rs. Millions)	
	2001-2002	2000-2001
Turnover	8,948	5,756
Total Expenditure	8,895	5,651
Operating Profit	53	105
Other Income	83	60
Gross Profit/before Interest/Finance Charges & Depreciation	136	165
Interest/Finance Charges	38	14
Less: Depreciation/License Fee	73	132
Profit/before Deferred Taxation	25	19
Profit/after Deferred Taxation	16	19

Your Company has achieved a profit of Rs. 25 Mn before deferred taxation and Rs.16 Mn after deferred taxation. This is the Company's 2nd consecutive profitable year with a 55% increase in turnover and 31% increase in profits (before deferred taxation) over the previous year.

The significant events during the year were as follows:

- Due to the custom duty differential between Soya (45%) and Sunflower (75%) oils, Sunflower became 50% more expensive than Soya. As a result, the Sunflower market declined by 13% and Soya grew by 164%.
- Consequently, Sundrop volumes and margins came under severe pressure this year due to the significant price differential between soya and sunflower oils and the stiff competition from new market entrants. While Sundrop has continued to be the market leader in the Sunflower Oil Segment, its market share has dropped to 10.1% for March 2002.
- As a strategic response, Sundrop was restaged as Sundrop 'Superlite' and a new variant,

Sundrop 'Nutrilite', which is a blend of sunflower and soyabean oils, was rolled out in select markets. Sundrop 'Nutrilite' has made in-roads in the North and the East markets. It is competitively priced and seeks to offer the Sundrop values at a different price point for the more price sensitive consumers. Besides this, a major cost reduction exercise has also been initiated to make Sundrop more price competitive.

- Healthy~World Atta has been extended to the rest of the country and recorded impressive volume growth compared to the previous year. Its market share in the South is 15.4% making it the No.3 brand in the region.
- Protein Power Atta – a Healthy~World Atta variant, and Healthy~World Salt were launched in test market in the South region. Chilli Surprise, a new flavour of ACT II popcorn, was launched all across India. Rath Bakery is in test market in the West.
- Against the backdrop of a declining market for vanaspati, Rath volumes grew by more than 12% over same period last year. The brand was extended all over India during the year and its market share increased from 8.8% to 12.3%.
- The Bulk and Processed Commodities business of the company has significantly expanded its activities during the year. It has also initiated export operations. The business model developed and put in place early in the year continues to be successfully adapted to changing business requirements.
- A number of legal and tax cases were resolved in Company's favour during this year. The most significant of these was the favorable judgment by the Supreme Court on the sales tax case which eliminated an exposure of about Rs. 400 million for the company. In addition, several other indirect tax matters were settled in favour of the Company.
- The implementation of Phase 1 (Oracle Financials, Purchase and Sales) of the IT Strategy progressed according to schedule and within budget. It is expected that the configured and