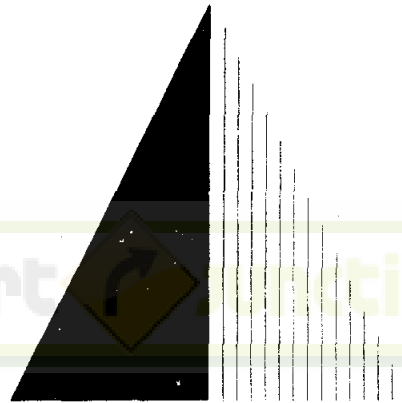


**11<sup>th</sup>**  
**Annual Report**  
**2001 - 2002**



**AJANTA**

**AJANTA SOYA LIMITED**



**BOARD OF DIRECTORS**

<b>Sh. Sushil Goyal</b>	<i>Chairman &amp; Managing Director</i>
<b>Sh. Sri Ram Goyal</b>	<i>Director</i>
<b>Sh. Prahlad Goyal</b>	<i>Director</i>
<b>Sh. Harsh Chander Kansal</b>	<i>Director</i>

**STATUTORY AUDITORS**

**M/s. TAS Associates**  
Chartered Accountants  
Flat No. 4, 11/71, Punjabi Bagh West  
New Delhi - 10 026

**SECRETARIAL ADVISORS**

**M/s. Rajeev Goel & Associates**  
*Company Secretaries*  
S-547, School Block, Shakarpur  
Delhi - 110 092  
Phone/Fax : 2059669, 2424045/9397  
e-Mail : rajeevgoel@mantraonline.com

**SHARES LISTED WITH STOCK EXCHANGE AT**

**The Delhi Stock Exchange Association Ltd.**  
DSE House, 3/1, Asaf Ali Road  
New Delhi - 110 002

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

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

**The Stock Exchange, Ahmedabad**  
Kamdhenu Complex, Opp. Sahajanand College  
Panjara Pole, Ahmedabad - 380 015

**Jaipur Stock Exchange Ltd.**  
Stock Exchange Building, Jawahar Lal Nehru Marg  
Malviya Nagar, Jaipur - 302017

**Ludhiana Stock Exchange Association Ltd.**  
Feroze Gandhi Market, Ludhiana - 141 01

**BANKERS**

**Punjab National Bank**  
ECE House, Kasturba Gandhi Marg  
New Delhi - 1100 001

**REGISTERED OFFICE**

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

**INVESTORS RELATION CENTRE**

4C, Bigjos Tower, A-8 Netaji Subhash Place  
Wazirpur District, Centre, New Delhi - 110 034  
Phone : 7102606, 7194063 Fax : 7105594

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

CONTENTS .....	Page No.
Notice .....	1
Director's Report .....	2
Corporate Governance .....	4
Auditor's Report .....	9
Balance Sheet .....	11
Profit & Loss Accounts .....	12
Schedules .....	13
Balance Sheet Abstract .....	23
Cash Flow Statement' .....	24



AJANTA SOYA LIMITED

### NOTICE

Notice is hereby given that the 11th Annual General Meeting of the Members of AJANTA SOYA LIMITED will be held on Saturday, 28th September, 2002 at 11:30 A.M. at the registered office and works of the Company at SP-916, RIICO Industrial Area, Phase - III, Bhiwadi, Distt. Alwar, Rajasthan, to transact the following business :

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31st March, 2002 together with the Reports of the Auditors' and Directors' thereon.
2. To appoint a Director in place of Mr Prahlad Goyal who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

#### **SPECIAL BUSINESS :-**

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT Mr. Harsh Chander Kansal, who was appointed as an Additional Director to hold office till the date of the Annual General Meeting be and is hereby appointed as Director of the Company, whose office shall be liable to determination by rotation."

By order of the Board  
For **AJANTA SOYA LTD**

Sd/-  
(**SUSHIL GOYAL**)  
Managing Director

Dated : 26th August, 2002  
Place : New Delhi

#### **NOTES :**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED WITH THE COMPANY, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The register of members and share transfer books of the Company will remain closed from Tuesday, 24th September to Monday, 30th September, 2002 (both days inclusive)
3. Members are requested :
  - (a) To notify the change of address, if any, to the Company immediately.
  - (b) To carry along their copy of the Annual Report at the Annual General Meeting for ready reference.
  - (c) To produce at the entrance the enclosed attendance slip duly completed and signed for admission to the meeting place.
4. For any specific query on the accounts of the Company, please write to the Company at least 7 days before the date of the Annual General Meeting.
5. Explanatory statement as required under section 173(2) of the Companies Act, 1956 in respect of Special Business under item number 4 is annexed.

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

Mr. Harsh Chander Kansal was co-opted on the Board of Directors of the Company as an additional director to hold office till the date of this annual general meeting. Notice along with the requisite deposits proposing his candidature has been received by the Company.

None of the Directors except Mr. Harsh Chander Kansal is interested or concerned in the proposed resolution.

By order of the Board  
For **AJANTA SOYA LTD**

Sd/-  
(**SUSHIL GOYAL**)  
Managing Director

Dated : 26th August, 2002  
Place : New Delhi



## DIRECTORS' REPORT

Dear Member

Your Directors take pleasure in presenting the 11th Annual Report of your Company together with the Audited Accounts for the year ended March 31, 2002. The highlights of the financial results are as follows :

### FINANCIAL RESULTS

(Amount in Lacs)

Particulars	Year ended 31/03/2002	Year ended 31/03/2001
Net Sales		
a. Vanaspati & Oil	11577.29	9874.21
b. Rice	391.42	—
Other Income	21.72	7.10
Increase/(Decrease) in stock in trade	8.38	(13.57)
Total Income	11998.81	9867.74
Total Expenditure		
a) Raw Material Consumption	10451.20	8800.55
b) Rice Purchase & other Expenses	303.52	—
c) Manufacturing, Administrative and Other Overheads	973.25	865.74
d) Financial Charges	51.87	36.64
e) Misc. Expenditure Written off	8.22	8.22
Depreciation	76.42	74.45
Profit/Loss before tax	134.33	82.14
Prior year adjustments	(1.94)	(3.89)
Provision for Taxation	66.33	7.25
Net Profit after Tax	66.05	71.00
Paid up Equity Capital	997.00	997.00
Reserves excluding Revaluation reserves	119.30	171.09

### YEAR IN RETROSPECT & FUTURE PLANS

Despite the adverse market conditions, the performance of the Company was quite satisfactory during the year under review. The Company was able to increase the level of its turnover and profits as compared to the previous year. Your Directors are putting in their best efforts to further improve the performance of the Company.

### DIVIDEND

In order to further strengthen the position of its reserves it is decided to retain and plough back the profits into the business, no dividend is being recommended for this year.

### CORPORATE GOVERNANCE

Your Company has been proactive in following the principles and practices of good Corporate Governance. The Company has taken adequate steps to ensure that the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement of the Stock Exchanges are complied with.

A separate section on Corporate Governance is produced as part of the Annual Report along with the Auditor's Certificate on its compliance.

### DIRECTORS' RESPONSIBILITY STATEMENT

In terms of the provisions of Section 217 (2AA) of the Companies Act, 1956 introduced vide Companies (Amendment) Act, 2000, your Board of directors hereby furnish the required Directors Responsibility Statement as under:

- i. That in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii. That the Directors have selected and applied consistently such accounting policies, made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- iii. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. That the Directors have prepared the annual accounts on a going concern basis.

### AUDIT COMMITTEE

In view of the resignation of Mr. S C Singhal from the Board of the Company, the Audit Committee of the Company was reconstituted by the Board. Mr. Harsh Chander Kansal was appointed as the new member of the Audit Committee and it now comprises of Mr. Sri Ram Goyal, Mr. Prahlad Goyal and Mr. Harsh Chander Kansal, Directors as its members:

**AJANTA SOYA LIMITED****FIXED DEPOSITS**

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

**PARTICULARS OF EMPLOYEES**

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

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

(a) Conservation of Energy	:	Abundant care and attention has been taken to maximize the conservation of energy.
(b) Technology Absorption	:	The Company is taking care of latest developments and advancements in technology and all steps are being taken to adopt the same.
(c) Foreign Exchange Earnings and Outgo	:	<b>Amount (In Lacs)</b>
Total Foreign Exchange inflow		104.80
Total Foreign Exchange outflow		1903.87

**DIRECTORS**

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Prahlad Goyal retires by rotation and being eligible, offers himself for re-appointment.

Mr. S C Singhal, Director resigned from the Board of the Company due to his pre-occupation. The Board accepted his resignation and expressed its sincere gratitude towards the valuable services rendered by him.

Mr. Harsh Chander Kansal was co-opted on the Board of Directors of the Company as additional director to hold office till the date of ensuing annual general meeting. A notice along with the requisite deposit proposing the candidature of Mr. Kansal have been received by the Company. The Board recommend his appointment in the larger interest of the Company.

**AUDITORS**

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

**STOCK EXCHANGE LISTING**

The Company's shares are listed on Delhi, Mumbai, Ahmedabad, Jaipur, Ludhiana and Kolkata Stock Exchanges. The Company has paid the annual listing fees to these Stock Exchanges except Ahmedabad & Kolkata Stock Exchanges for the year 2002-2003.

**ACKNOWLEDGEMENT**

The Board wishes to thank the Bankers and its valued business associates for the continuous support and co-operation extended by them and also record its appreciation of the valuable contribution made by the employees at all levels towards the growth of the Company.

By order of the Board  
For **AJANTA SOYA LTD**

Sd/-  
**(SUSHIL GOYAL)**  
Managing Director

Dated : 26th August, 2002  
Place : New Delhi





## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### 1. VANASPATI

#### INDUSTRY STRUCTURE AND DEVELOPMENTS

Vanaspati forms a basic dietary requirement of masses in India. It provides nutritious and wholesome cooking medium at an affordable price round the year. India has a well developed vanaspati industry mostly located in northern and central India. Industry has a installed capacity of 37 Lac tons per annum spread over a total of 233 units with only 175 units in operation & capacity utilisation limited to about 40%. Present level of production is 13 Lac tons per annum, which is almost stagnant for the last 3-4 years. According to an estimate, total oil economy is around Rs. 50,000 crore and approximately 50 million, people are directly or indirectly dependent on the Industry for their livelihood.

Presently the industry is aligned to global markets, as its main raw material i.e. crude edible oil is freely importable under OGL. In view of price parity, the vanaspati industry is pre-dominantly dependent on imported oils and domestic oils have gradually lost importance for vanaspati production. Import of oil has reached to a level of 50 Lac tons to meet the gap between the total oil demand and supply for edible purposes.

#### PRODUCTWISE PERFORMANCE

PRODUCT	SALES			
	LAST YEAR 2000 - 2001		THIS YEAR 2001 - 2002	
	Quantity (MT)	Value (Rs. Lacs)	Quantity (MT)	Value (Rs. Lacs)
Vanaspati / Refined Oils	37158	9911	36558	11154

#### OPPORTUNITIES AND THREATS

The established brands shall witness threats from local players who derive cost advantage by avoiding the requirements of the law & offer material and much cheaper prices.

Premium on established brands have all the possible danger of gradual erosion due to very low discernability factor.

Cheaper imports of vanaspati from Nepal are endangering the viability of the Indian Vanaspati Industry. In India the import duty is payable @65% on palm oil whereas it does not attract duty in Nepal thereby giving them a cost advantage of about Rs. 8,000/MT. Currently, around 1 Lac MT per annum are being imported from Nepal.

Entry of MNC's having deep pockets & better infrastructure facilities are posing stiff competition affecting the dominance of the old & even the regional and local players.

Overall production of vanaspati at national level is not likely to decelerate and shall maintain its existing level. Refined oils/liquid oils will maintain a steady growth of 10-12% because of the growing consciousness for health perceptions.

Growing liquid oils markets offer good scope for exploiting its potential.

#### OUTLOOK

Over a period, growth in the vanaspati industry has been static but it has managed to retain the annual production level to the tune of 13 Lac MT. However, in real terms industry is experiencing negative growth but is able to maintain its production level due to population growth. Moreover, it will remain as a preferred cooking medium for the lower end of Socio-Economic-Class (SEC). The middle & the upper end of SEC have a clear preference of refined oils, which is growing at a rate of about 10-12%.

The vanaspati Industry shall continue to be dominated by regional and local players, who have least regard to the statutory provision and quality standards, posing grave problems to more established and popular brands.

#### RISKS AND CONCERNS

Increasing availability of cheaper imported oil may render the Indian Oil seed cultivation uneconomical. It may gradually result in increased dependence on imported oils and thus indigenous oils will lose its balancing position in terms of price stability.

More fierce competition envisaged from MNC's who may overrun the indigenous players.

Vanaspati Industry has a very low value addition. However, volatile nature of oil prices, more so when our oil economy is aligned with global market and trade exchanges, have made it vulnerable and exposed to financial risks.

State is increasingly reducing its market intervention for price supports to farmers and gradually pushing the indigenous oil economy to face the international competition.

#### INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company has adequate internal control procedures commensurate with its size and nature of the business. These business control procedures ensure efficient use and protection of the resources and compliance with the policies, procedures and statutes. The company has experts to conduct internal audits extensively throughout the year.

#### FINANCIAL PERFORMANCE

The Company has achieved a turnover of Rs. 11577.29 lacs (Vanaspati Oil) and the Gross Profit of the company is Rs. 134.33 lacs. However, the accumulated profit till the year ended 31.03.2002 amounted to Rs. 85.56 lacs as against Rs. 143.60 lacs of the previous year.

#### HUMAN RESOURCES DEVELOPMENT

The Company regards its human resources amongst its most valuable assets. There is a continuous effort on the part of the Company to provide an excellent work environment that encourages initiative, provides challenges and opportunities and recognises the performances and potential of its people through a judicious mix of incentives, performances bonuses, etc.

### 2. RICE

The Company has started a new business activity of rice exports in the last year. It is procuring non-basmati perborate rice from Food Corporation of India Limited and exporting the same to south African Countries. The management hopes that the new activity will enhance the profitability of the Company.



## CORPORATE GOVERNANCE

Effective Corporate Governance ensures that the Management acts transparently and to enhance share holders value, keeping in view the interests of other stakeholders. AJANTA SOYA LIMITED practices responsible Corporate Governance. This would help the Company to meet its obligation to its customers, employees and shareholders.

The Company's compliance of Corporate Governance guidelines as per clause 49 of the listing agreement is as follows:

### 1. NUMBER OF BOARD MEETINGS

During the year, the Board of Directors of the Company met 7 (seven) times on 30.04.2001, 31.07.2001, 29.08.2001, 30.10.2001, 27.12.2001, 31.01.2002 and 20.02.2002. The maximum time gap between any two meetings was not more than four months.

### 2. COMPOSITION OF THE BOARD, RECORD OF DIRECTORS' ATTENDANCE AT BOARD MEETINGS AND AGM AND OTHER DIRECTORSHIPS HELD BY THEM

<i>Name of the Director and Designation</i>	<i>Category of Directorship</i>	<i>Board Meetings Attended</i>	<i>Attendance at last AGM</i>	<i>No. of other Directorship</i>	<i>No. of Committees in which membership held</i>
<b>Mr Sushil Goyal</b> <i>Managing Director</i>	Promoter	7	Yes	6	Nil
<b>Mr Prahlad Goyal</b> <i>Director</i>	Independent non-executive	7	No	Nil	Nil
<b>Mr Sri Ram Goyal</b> <i>Director</i>	Promoter	7	Yes	5	Nil
<b>*Mr S C Singhal</b> <i>Director</i>	Independent non-executive	5	Yes	4	Nil
<b>**Mr Harsh Chander Kansal</b> <i>Director</i>	Independent non-executive	Nil	No	Nil	Nil

**Note :** None of the Directors have any materially significant pecuniary or business relationship with the Company.

\* Resigned from the Board on 7.2.2002

\*\* Joined the Board on 27.4.2002

### 3. INFORMATION SUPPLIED TO THE BOARD

The Board was supplied with all relevant information and supporting papers which were required to transact the business specified in the agenda of Board Meetings held.

### 4. AUDIT COMMITTEE

The Audit Committee was constituted on 23.2.2001. As on date the Committee consists of Mr. Sri Ram Goyal, Mr. Prahlad Goel and Mr Harsh Chander Kansal, Directors. Every member of the Committee possess financial and accounting knowledge. The Audit Committee met 3 (three) times during the year on 20.4.2001, 29.8.2001 and 30.10.2001 inter-alia to deliberate upon various matters.

Terms of references of the Audit Committee are as per the guidelines set out in the listing agreements with the stock exchanges that inter-alia includes the overview of the Company's financial reporting processes, review of the half yearly and annual financial statements, the adequacy of internal control systems, the financial and risk management policies etc.

#### CONSTITUTION

<i>Name of the Director</i>	<i>No. of Meetings attended</i>
Mr Sri Ram Goyal	3
Mr Prahlad Goyal	3
*Mr S C Singhal	3
**Mr Harsh Chander Kansal	Nil

\*Resigned from the Audit Committee on 7.2.2002

\*\*Joined the Audit Committee on 27.4.2002



**5. REMERUNERATION COMMITTEE**

Remuneration Committee is optional as per listing agreement and the same shall be constituted by the Board as and when required.

**6. REMUNERATION OF DIRECTORS**

<i>Name of the Director</i>	<i>Sitting fees</i>	<i>Salaries &amp; Perquisite</i>	<i>Commission Bonue Exgratia</i>	<i>Total Rupees</i>
Mr Sushil Goyal, MD	Nil	1,52,000 p.a.	Nil	1,52,000 p.a.
Mr Prahlad Goyal	Nil	Nil	Nil	Nil
Mr Sri Ram Goyal	Nil	Nil	Nil	Nil
*Mr S C Singhal	Nil	Nil	Nil	Nil
Mr Harsh Chander Kansal	Nil	Nil	Nil	Nil

\* Resigned from the Board on 7.02.2002

**7. INVESTOR GRIEVANCE COMMITTEE**

The Company constituted a Investors Grievance Committee on 31.01.2002 comprising of Mr Harsh C. Kansal and Mr Prahlad Goyal, Directors. Terms of reference of the Investor Grievance Committee are as per the guidelines set out in listing agreements with the Stock Exchanges that interalia include looking into the investors' complaints on transfer of shares, non receipt of declared dividends etc. and redressal thereof. The Committee also monitor Share Transfer work of the Company.

The Company has appointed Mr. Tajinder Singh as its Compliance Officer.

The Company generally clears the investors request within a period of 10 days from the date of receipt. During the year 9 requests for change of address were received and attended to and no request/complaint including share transfer request is pending as on 31.3.2002.

**8. GENERAL BODY MEETINGS**

The last 3 Annual General Meetings of the Company were held as under:

<i>Sr. No.</i>	<i>Day &amp; Date of Meeting</i>	<i>Time of Meeting</i>	<i>Place of Meeting</i>
1.	Monday 27.09.1999	11.00 A.M.	Multi Purpose Community Centre, Khera Khurd, Alipur Block, Delhi 110 082
2.	Saturday 30.09.2000	4.30 P.M.	SP-916, RIICO Industrial Area Phase III, Bhiwadi, Distt., Alwar, Rajasthan
3.	Saturday 29.09.2001	2.30 P.M.	SP-916, RIICO Industrial Area, Phase III, Bhiwadi, Distt. Alwar, Rajasthan

**9. DISCLOSURES**

- The Company has not entered into any transaction of material nature with any of its promoters, directors or their relatives that may have potential conflict with the interest of the Company at large.
- During the last three years, there were no instance of imposition of penalties, strictures by Stock Exchange or SEBI or any statutory authority on the Company on any matter related to capital markets, hence no details thereof could be provided.

**10. DISCLOSURE REGARDING APPOINTMENT OR RE-APPOINTMENT OF DIRECTORS**

Mr Harsh Chander Kansal was appointed as additional director by the Board of Directors in their meeting held on 27.4.2002. Mr Prahlad Goyal, Director who shall be retiring in this AGM, being eligible has offered himself for re-appointment. Brief particulars of these gentlemen are as follows:

<b>Name</b>	<b>Harsh Chander Kansal</b>	<b>Prahlad Goyal</b>
<b>Father's name</b>	<b>Sh. Vijay K. Kansal</b>	<b>S. R. Goyal</b>
<b>Date of birth</b>	<b>18.09.1972</b>	<b>24.07.1958</b>
<b>Address</b>	<b>83/A-3, Sector-8 Rohini Delhi.</b>	<b>Vill. &amp; P.O. Bhavru, Jaipur, Rajasthan</b>
<b>Designation</b>	<b>Director</b>	<b>Director</b>
<b>Education</b>	<b>Graduation</b>	<b>Graduation</b>
<b>Experiance</b>	<b>Having 5 years experience in Stainless Steel Manufacturing Units.</b>	<b>Having experience of Oil Mills and Stainless Steel Manufacturing Units.</b>
<b>Salary etc.</b>	<b>No</b>	<b>No</b>