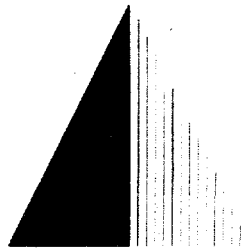


**14<sup>th</sup>**  
**ANNUAL REPORT**  
**2004 - 2005**

Report  Junction.com



**AJANTA**

**AJANTA SOYA LIMITED**

**AJANTA SOYA LIMITED****BOARD OF DIRECTORS**

<b>Mr. Sushil Goyal</b>	<i>Chairman &amp; Managing Director</i>
<b>Mr. Bishan Goyal</b>	<i>Director</i>
<b>Mr. Prahlad Goyal</b>	<i>Director</i>
<b>Mr. Gagan Goyal#</b>	<i>Director</i>
<b>Mr. Harsh Chander Kansal</b>	<i>Director</i>
<b>Mr. Mahak Kansal</b>	<i>Director</i>

# Appointed as Additional Director w.e.f. 29.07.2005

**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 : 27352606, 27354063, Fax : 27355594  
E-mail : ajantasoya@eth.net

**REGISTRAR & SHARE TRANSFER AGENT**

Skyline Financial Services Pvt. Ltd.  
123, Vinobha Puri, Lajpat Nagar - II  
New Delhi - 110 024  
Ph. : 29833777, 29847136, Fax : 29848352

**STATUTORY AUDITORS**

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

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

**SECRETARIAL ADVISORS**

**M/s. Rajeew Goel & Associates**  
Company Secretaries  
138-A, Pocket - F, Mayur Vihar, Phase-II  
Delhi - 110 091  
Phone/Fax : 22725301 / 22725305  
e-Mail : rndconsulting@sify.com

**SHARES LISTED WITH STOCK EXCHANGE AT**

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

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

**BANKERS**

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

<b>CONTENTS .....</b>	<b>Page No.</b>
Notice .....	1
Director's Report .....	7
Management Discussion & Analysis .....	11
Corporate Governance .....	12
Auditor's Report .....	17
Balance Sheet .....	20
Profit & Loss Accounts .....	21
Schedules .....	22
Balance Sheet Abstract .....	35
Cash Flow Statement .....	36



## NOTICE

Notice is hereby given that the 14th Annual General Meeting of the Members of the Company will be held on Thursday, 29th September, 2005 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 Balance Sheet of the Company as at 31st March, 2005 and Profit and Loss Account for the year ended on that date together with the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr Prahlad Goyal who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr Mahak Kansal who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting and to authorize the Board to fix their remuneration.

### **SPECIAL BUSINESS:**

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

"Resolved that pursuant to the provisions of Article no. 3 of the Articles of Association of the Company and Section 94 of the Companies Act, 1956 and other applicable provisions, if any, the existing Authorised Share Capital of the Company be and is hereby altered by canceling 1,25,000 15% Non Cumulative Non-convertible Redeemable Preference Shares of Rs 100/- each aggregating to Rs 1,25,00,000 which, at the date of this resolution, have not been taken or agreed to be taken by any person and creating 12,50,000 Equity Shares of Rs 10/- each aggregating to Rs 1,25,00,000 in place of 15% Non Cumulative Non-convertible Redeemable Preference Shares so cancelled.

Resolved further that pursuant to the provisions of Article no. 3 of the Articles of Association of the Company, Section 94 of the Companies Act, 1956 and other applicable provisions, if any, the existing Authorised Share Capital of the Company be and is hereby increased from Rs 13,25,00,000 (Rupees thirteen crore twenty five lac) to Rs 14,25,00,000 (Rupees fourteen crore twenty five lac) by creation of another 10,00,000 equity shares of Rs 10 each.

Resolved further that the existing clause V of the Memorandum of Association of the Company be and is hereby deleted and substituted with the following new clause:

- V. The Authorised Share Capital of the Company is Rs 14,25,00,000 (Rupees fourteen crore twenty five lac) divided into 1,42,50,000 (one crore forty two lac fifty thousand) Equity Shares of Rs 10/- (Rupees ten) each aggregating to Rs 14,25,00,000 (Rupees fourteen crore twenty five lac).

Resolved further that the Board of Directors of the Company be and is hereby authorised to take all necessary steps that may be required to give effect to the aforesaid resolution."

6. 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 81(1A) of the Companies Act, 1956, the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000, the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, Listing Agreement(s) with the Stock Exchange(s), the Memorandum & Articles of Association of the Company and other applicable provisions, if any, and subject to the necessary approvals of financial institutions, banks and other concerned persons and authorities, if any, the consent of the Members of the Company be and is hereby given and the Board of Directors of the Company be and is hereby authorised to offer, issue and allot, in one or more tranches, up to 23,00,000 warrants of the Company with an entitlement to convert into/exchange with the Equity Shares of the Company, at the option of the warrant holder(s) (hereinafter referred to as the convertible warrants), by way of private placement on preferential allotment basis as per the terms and conditions given in the Explanatory Statement annexed to this notice, which, inter alia, includes the following:

- a. Issue of up to 23,00,000 warrants with an entitlement to convert into/exchange with equal number of Equity Shares of the Company, in one or more tranches, within a period of 18 months from the date of issue of such convertible warrants.



## b. Proposed Allottees:

Sl.No.	Name of Proposed Allottee	Maximum No. of Warrants proposed to be issued
1.	Anumati Consultancy and Services Pvt Ltd	8,00,000
2.	Monarch Shelter Pvt Ltd	8,00,000
3.	Smita Global Pvt Ltd	7,00,000
	Total	23,00,000

c. The relevant date for the purpose of determination of issue price of the resultant equity shares on conversion of warrants is 30th August, 2005. The issue price of the resultant equity shares is fixed as Rs. 14 (Rupees fourteen), which is higher than the price calculated in terms of the SEBI Guidelines.

d. Entitlement to the extent not exercised shall be lapsed and up-front amount paid on such warrants shall be forfeited.

Resolved further that the Board of Directors of the Company be and is hereby authorised to reduce, change or modify the number of warrants to be issued, to finalise and modify the terms and conditions, quantum, pricing, timings and all other matters relating to the issue and allotment of the aforesaid preferential issue of warrants and the resultant equity shares, to agree to such conditions or modifications that may be imposed, required or suggested by the Securities & Exchange Board of India (the SEBI), Stock Exchange(s) or other authorities, or that may otherwise be deemed fit or proper by the Board and to settle all questions or difficulties that may arise with regard to the aforesaid in such manner as it may determine in its absolute discretion and to take such steps and to do all such acts, deeds, matters and things as may be required, necessary, proper or expedient, to give effect to this Resolution.

Resolved further that the Board of Directors of the Company be and is hereby authorised to delegate all or any of the previously mentioned powers/authorities to any committee of Directors and/or officers or to any one or more directors and officers of the Company."

## 7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"Resolved that pursuant to the provisions of section 293(1)(d) of the Companies Act, 1956, and other applicable provisions, if any, the Board of Directors of the Company be and is hereby authorised and empowered to borrow, from time to time, any sum or sums of money from one or more bank, financial institution, Central or State Government, body corporate, firms, persons whether by way of term loan, working capital facility, cash credit facility, inter corporate loan, bill discounting, issue of debenture or bonds or any other fund based or non-fund based facility, whether secured or unsecured, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid up share capital and free reserves (the reserves not set apart for any specific purpose) of the Company but so however that the total amount up to which the money may be borrowed by the Board of Directors and outstanding at anytime shall not exceed the sum of Rs. 100.00 crore (Rupees one hundred crore) exclusive of interest and other charges.

Resolved further that that the Board of Directors of the Company be and is hereby authorised to execute such agreements, papers, deeds, and other instruments or writings containing such conditions and covenants as it may think fit to give effect to this resolution.

Resolved further that the Board be and is hereby authorised to delegate all or any of the aforesaid powers to any committee of Directors/officers, one or more director/managing director or any other principal officer of the Company on such conditions as the Board may deem fit and to take all such steps that may be required to give effect to this resolution."

## 8. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"Resolved that pursuant to the provisions of Section 293(1)(a) of the Companies Act, 1956 and other applicable provisions, if any, the Board of Directors of the Company be and is hereby authorised and empowered to mortgage, hypothecate, pledge, charge or otherwise encumber, from time to time, all present and future, movable or immovable properties of the Company and whole of the undertakings of Company, wherever situated, in favour of financial institutions, Banks, body corporate or any other lender to secure fund based and non fund based facilities including term loan and working capital assistance together with interest, cost and other charges obtained/to be obtained by the Company.

Resolved further that that the Board of Directors of the Company be and is hereby authorised to execute such agreements, papers, deeds, and other instruments or writings containing such conditions and covenants as it may think fit to give effect to this resolution.

Resolved further that the Board be and is hereby authorised to delegate all or any of the aforesaid powers to any committee of Directors/officers, one or more director/managing director or any other principal officer of the Company on such conditions as the Board may deem fit and to take all such steps that may be required to give effect to this resolution."

## 9. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"Resolved that Mr Gagan Goyal who was appointed as an Additional Director of the Company to hold office till the date of



## AJANTA SOYA LIMITED

the ensuing Annual General Meeting, be and is hereby appointed as an ordinary Director of the Company whose office shall be liable for determination through retirement by rotation."

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

"Resolved that pursuant to Sections 309 and 310 of the Companies Act, 1956, clause 49 of the Listing Agreement, Articles of Association of the Company and other applicable provisions, if any, consent of the members be and is hereby given for payment of sitting fee to the non-executive Directors of the Company for attending meetings of the Company's Board of Directors and the committees thereof @ not exceeding Rs 1,000 (Rupees one thousand) per meeting and for the reimbursement of traveling and other expenses which a Director may incur for attending such meetings.

Resolved further that the Board of Directors of the Company be and is hereby authorised to fix, from time-to-time, amount of the sitting fee within the aforesaid limits and to re-imburse traveling and other out of pocket expenses or to frame appropriate policies in this regard.

Resolved further that the Board of directors of the Company be and is hereby authorised to take such steps as may be required to give effect to the aforesaid resolution(s)."

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

"Resolved that consent of the members be and is hereby granted to list the equity shares of the Company on the National Stock Exchange of India Ltd (NSE).

Resolved further that the Board of Directors of the Company be and is hereby authorised to sign and submit such application(s)/ document(s) as may be required and to take such steps as may be required to give effect to the aforesaid resolution."

12. 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 149(2A) of the Companies Act, 1956, and other applicable provisions, if any, the consent of the Members of the Company be and is hereby given to adopt sub-clause No 1 of Clause III-C (Other Objects Clause) of the Memorandum of Association of the Company and to commence and carry on all or any one or more of the businesses and activities as mentioned in this sub-clause.

Resolved further that the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary to give effect to the aforesaid resolution."

By order of the Board  
For AJANTA SOYA LTD

Sd/-  
(SUSHIL GOYAL)  
Managing Director

Dated : 3rd September, 2005

Place : New Delhi

## NOTES:

- A. **Appointment of Proxy** : A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. The proxy form in order to be effective must be deposited with the Company not less than 48 hours before the time fixed for commencement of the Meeting.
- B. **Corporate Members** : Corporate Members intending to send their authorised representatives are requested to send a duly certified copy of the Board Resolution authorizing the representatives to attend and vote at the Annual General Meeting.
- C. **Members/Proxies attending the meeting** are requested to bring their copy of Annual Report to the Meeting.
- D. **Queries at the AGM** : Queries proposed to be raised at the Annual General Meeting may be sent to the Company at its registered office at least seven days prior to the date of AGM to enable the management to compile the relevant information to reply the same in the meeting.
- E. **Book Closure** : The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 27th September to Thursday, 29th September, 2005 (both days inclusive) for the purpose of the AGM.
- F. **Members are requested to notify any change in their address/ mandate/ bank details immediately to the share transfer Agent of the Company- M/s Skyline Financial Services Pvt Ltd.**
- G. **Inspection of Documents** : Documents referred to in the Notice etc., are open for inspection at the registered office of the Company at all working days except Saturdays between 11 A.M. and 2 P.M. up to the date of Annual General Meeting.
- H. **Explanatory Statement** : Explanatory Statement as required under section 173(2) of the Companies Act, 1956, in respect of Special Business under item no. 5 to 12 is enclosed herewith. Further, disclosures required to be made in terms of the SEBI Guidelines and Regulations with respect to the proposed resolution for preferential allotment under item no. 6, are also given in the said Explanatory Statement and is a part of the notice of the AGM.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****ITEM NO. 5:**

Your Company is growing with a good pace. There is an increase in requirement of funds with the increased level of operations. The Company has proposed to make a preferential issue as detailed in explanatory Statement under Item No. 6. Therefore, to meet the additional requirement of funds and to augment the capital base of the Company, the Authorised Share Capital of the Company is required to be increased. Members approval is required by way of an ordinary resolution in this regard.

Hence, the matter is proposed for the consideration of the members. Your directors recommend the resolution.

None of the Directors is deemed to be interested or concerned in the proposed resolution.

**ITEM NO. 6:**

Your Company proposes to make a preferential issue of warrants with an option/entitlement of conversion into/exchange with the equity shares of the Company within a period of 18 months from the date of issue of warrants. Since your Company is a listed company, the proposed issue is in terms of the provisions of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000, the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, and other applicable provisions, if any. In terms of the provisions of the Companies Act, 1956, and the aforesaid SEBI Guidelines and Regulations, the relevant disclosures/details are given below:

**Instrument :** The Company is proposing to issue up to 23,00,000 warrants on preferential allotment basis.

The Holders of these warrants shall be entitled to convert the warrants into/exchange with equal number of Equity Shares of the Company, in one or more tranches, within a period of 18 months from the date of issue of such convertible warrants.

The warrant holder(s) shall make the written request to the Company to exercise the entitlement and sent the same along with complete balance payment payable on the resultant shares at least 30 days before the exercise of the entitlement.

Entitlement to the extent not exercised shall be lapsed and up-front amount paid on such warrants shall be forfeited.

**Lock-in Period:** Warrants issued on preferential basis shall be subject to a lock-in from the date of issue of such warrants, in accordance with the SEBI guidelines. The resultant equity shares on conversion of warrants shall also be subject to a lock-in from the respective dates of allotment of such equity shares, in accordance with the SEBI guidelines; reduced to the extent such warrants have already been locked-in.

**Relevant Date & Issue Price:** The relevant date for the purpose of determination of issue price of resultant equity shares is 30th August, 2005.

Issue price of the resultant equity shares on conversion of warrants will be Rs. 14 (Rupees fourteen) per share, which is higher than the price calculated in terms of the the pricing formula prescribed in the SEBI Guidelines which is given below:

- a) The average of weekly high and low of the closing prices of the related shares quoted on the stock exchange during the six months preceding the relevant date; or
- b) The average of weekly high and low of the closing prices of the related shares quoted on a stock exchange during the two weeks preceding the relevant date; whichever is higher.

**Payment :** In terms of the provisions of the SEBI Guidelines, 10% of the issue price of the resultant equity shares shall be payable at the time of issue of warrants. The up-front amount paid will be adjusted against the final payment required to be made for acquiring shares in exchange with the warrants. The up-front amount paid shall be forfeited if and to the extent, option(s) to acquire shares is not exercised.

**Particulars of the Allottee :** Present preferential issue of equity shares and warrants is proposed to be made to the following companies :

- a. Anumati Consultancy and Services Pvt Ltd, an Indian company formed and incorporated under the provisions of the Companies Act, 1956, and has its registered office at 229, AJC Bose Road, Crescent Tower, Kolkata 700 020.
- b. Monarch Shelter Pvt Ltd, an Indian company formed and incorporated under the provisions of the Companies Act, 1956, and has its registered office at 229, AJC Bose Road, Crescent Tower, Kolkata 700 020.
- c. Smita Global Pvt Ltd, an Indian company formed and incorporated under the provisions of the Companies Act, 1956, and has its registered office at A-78 (Part), Jhilmil Industrial Area, G T Road, Shahdara, Delhi 110 095.

None of the aforesaid companies is related with the Promoters of the Company. Accordingly, all the proposed allottees will be treated as non-promoter public shareholders.

**Pre-issue & Post-issue holding of the proposed Allottees:** As on the date of this notice, the proposed Allottees do not hold any shares in the Issuer Company. Similarly, they did not sell any shares of the Company during the six months period prior to the relevant date. Presuming 100% conversion/exchange, post conversion shareholding of the proposed Allottees will be as below:



Particulars	POST - ISSUE	
	No. of Shares held	% of Share holding
Anumati Consultancy and Services Pvt Ltd	8,00,000	5.64%
Monarch Shelter Pvt Ltd	8,00,000	5.64%
Smita Global Pvt Ltd	7,00,000	4.93%
<b>TOTAL</b>	<b>23,00,000</b>	<b>16.21%</b>

**Intention of promoters/directors/key management persons to subscribe:** As mentioned above, none of the aforesaid companies is related with the Promoters of the Company. None of the promoters, directors or any key management persons has any intention to subscribe to the warrants.

**Pre-issue & Post-issue Shareholding Pattern of the Issuer Company :** Presuming 100% conversion/exchange, post warrant conversion shareholding pattern of the Issuer Company, after the last conversion, will be as below:

Category	Pre-issue		Post-issue	
	No. of Shares held	% of Share holding	No. of Shares held	% of Share holding
<b>A. Promoters' holding</b>				
1. Promoters				
- Indian Promoters	38,54,356	32.40%	38,54,356	27.15%
- Foreign Promoters	—	—	—	—
2. Persons acting in concert	—	—	—	—
<b>Sub-total</b>	<b>38,54,356</b>	<b>32.40%</b>	<b>38,54,356</b>	<b>27.15%</b>
<b>B. Non-Promoters' holding</b>				
3. Institutional Investors				
a. Mutual Funds & UTI	—	—	—	—
b. Banks, Financial Institutions, Insurance Companies	—	—	—	—
c. FIIs	—	—	—	—
<b>Sub-total</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
4. Others				
a. Private Corporate Bodies	2575658	21.65%	4875658	34.34%
b. Indian Public	5463494	45.92%	5463494	38.49%
c. NRIs/OCBs	3090	0.03%	3090	0.02%
d. Any Other (please specify) De-mat Transit	—	—	—	—
<b>Sub-total</b>	<b>80,42,242</b>	<b>67.60%</b>	<b>1,03,42,242</b>	<b>72.85%</b>
<b>Grand Total</b>	<b>1,18,96,598</b>	<b>100.00%</b>	<b>1,41,96,598</b>	<b>100.00%</b>

#### Objects and purpose of the Preferential Issue

Your Company has registered an impressive growth in total income for the year ended 31st March, 2005. The Company has also made strategic investment in real estate and steel Sector. The Company has proposed to make a preferential issue to meet the additional requirement of funds and to augment the capital base of the Company for further leveraging.

The Funds raised through the preferential allotment shall be deployed in working capital and other business needs of the Company.

#### Proposed time of Allotment

The issue/allotment of warrants in the present preferential issue will be made within a period of 15 days from the date of passing of the aforesaid Special Resolution in the present AGM excluding the time taken in obtaining the necessary approvals, if any, or within such further period as may be prescribed or allowed by the SEBI, stock exchange(s) or other concerned authorities.

The Statutory Auditors of the Company has certified that the present preferential issue of warrants, on the above terms and conditions, is in accordance with the requirements contained in the Securities and Exchange Board of India (Disclosure and



## AJANTA SOYA LIMITED

Investor Protection) Guidelines, 2000, and the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended up to date. The Auditors' Certificate shall be laid before the AGM.

In terms of the provisions of the Companies Act, 1956, the consent of members by way of a special resolution is required. The Board recommends the resolution for adoption by the members.

None of the Directors are concerned or interested in the proposed resolution.

### Item No. 7 & 8:

With increase in the turnover and overall activities of the Company, the requirement of funds has also increased. It is therefore proposed to borrow more funds from the banks, financial institutions and others. In terms of the provisions of Section 293(1)(d) of the Companies Act, 1956, consent of the members is required to enable the Board to do the same. Hence, the proposed resolution is placed before the members for their approval.

Since the Company would be required to create security in favour of the lenders by creating charge on its present and future assets, consent of the members is also required in terms of the provisions of section 293(1)(a) of the Companies Act, 1956.

Your directors recommend the resolutions.

None of the Directors is deemed to be interested or concerned in the proposed resolutions.

### Item No. 9:

Mr Gagan Goyal was co-opted on the Board of Directors of the Company as an Additional Director to hold office until the date of ensuing annual general meeting. The Board proposes his appointment as an ordinary director in the ensuing AGM. Accordingly, the resolution for his appointment as an ordinary director is placed before the members for their consideration. Brief details of Mr Gagan Goyal are given in the report on Corporate Governance, which is enclosed with the Directors' Report. The Board recommends the proposed resolution for adoption in the larger interest of the Company.

Mr Sushil Goyal, Mr Bishan Goyal and Mr Gagan Goyal himself are interested and concerned in the proposed resolution.

### Item No. 10:

Clause 49 of the Listing Agreement has been amended recently. In terms of the provisions of the amended clause 49(1)(B), all fees/compensation paid to the non-executive Directors requires previous approval of the shareholders in the general meeting. Accordingly, the proposed resolution is moved to seek the approval of the members for payment of sitting fee to the non-executive Directors as may be made by the Company from time to time.

All the non-executive Directors of the Company may be deemed to be interested or concerned in the proposed resolution.

### Item No. 11:

Presently, your Company is listed at Stock Exchange Mumbai and Calcutta Stock Exchange. Although the de-listing application of the Company is pending with Calcutta Stock Exchange. Though, the Stock Exchange Mumbai has a nation wide trading terminal, the Company is proposing to list its shares at the National Stock Exchange also, to facilitate smooth trading at nation wide trading terminal of NSE as well. Hence, the matter is proposed for the consideration of the members. Your directors recommend the resolution.

None of the Directors is deemed to be interested or concerned in the proposed resolution.

### Item No. 12:

Your Company is expanding and diversifying into various activities. Since, the Capital Market is quite good, the Company is intending to have trading in securities. As, this activity is not specifically covered under the Main Objects clauses of the Memorandum and is mentioned under the Other Objects of the Memorandum, approval of the Members by way of special resolution is required to commence this activity.

Hence, the matter is proposed for the consideration of the members. Your directors recommend the resolution.

None of the Directors is deemed to be interested or concerned in the proposed resolution.

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

Sd/-

(**SUSHIL GOYAL**)  
Managing Director

Dated : 3rd September, 2005

Place : New Delhi



## DIRECTOR'S REPORT

Dear Members

Your Directors have pleasure in presenting the Annual Report of your Company together with the Audited Annual Accounts for the financial year ended 31st March, 2005.

### FINANCIAL HIGHLIGHTS

(Amount in Lacs)

Particulars	Year ended 31/03/2005	Year ended 31/03/2004
Net Sales		
a) Vanaspati/Refined/Raw Oil	19888.26	16998.89
b) Rice	814.50	551.17
c) Copper	1495.22	-
Sale of Shares/Securities	-	3.88
Other Income	15.81	17.07
Increase/ (Decrease) in Stocks	(48.03)	152.33
Total Income	22165.76	17723.34
Total Expenditure	22109.54	17653.30
Extraordinary Items	(0.35)	(5.97)
Profit before tax	55.87	64.07
Provision for tax	(23.93)	(10.79)
Profit after tax	31.94	53.28
Transfer from Preference Share Redemption Reserve	-	25.00
Transfer to Reserve	Nil	Nil
Paid-up Share Capital	1189.66	997.00
Reserves and Surplus (excluding revaluation reserve)	542.05	510.11

### YEAR IN RETROSPECT

During the year under review, total income of the Company was Rs. 22165.76 Lac as against Rs. 17723.34 Lac in the previous year. The Company was able to earn a profit of Rs. 31.94 for the year as against a profit of Rs. 53.28. The Company has diversified into importing of copper in addition to its core activity of manufacturing of edible oil. Your Directors are putting in their best efforts to improve the performance of the Company.

### MATERIAL CHANGES ETC.

#### (i) Strategic Investments in M/s Mera Baba Reality Associates Pvt Ltd

The Company has made strategic investments in M/s Mera Baba Reality Associates Pvt Ltd, a Company engaged in the business of Real Estate Development.

#### (ii) Investment in M/s Phoenix Steel Mills Ltd, a Nigerian Company

The Company has made an investment in a Nigerian Company- M/s Phoenix Steel Mills Ltd. The said Nigerian Company is engaged in setting up of modern steel complexes. The Company has started the production of Aluminium and Copper and is expected to start the production of Steel by December'05/January'06.

Save as mentioned above and elsewhere in this Report, no material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company-31st March, 2005 and the date of this Report.

### DIVIDEND

Your Company has diversified into new activities and has made strategic investments in new ventures. Thus, the Board of Directors of your Company have decided to retain and plough back the profits into the business, thus no dividend is being recommended for this year.

### CORPORATE GOVERNANCE

A report on Corporate Governance is produced as a part of the Annual Report along with the Auditors' Certificate on its compliance.



## PUBLIC DEPOSITS

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

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

- a. **Conservation of Energy:** The Company is aware about energy consumption and environmental issues related with it. The Company is continuously making sincere efforts towards conservation of energy. Information as required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in Annexure A, forming part of this report.
- 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. In this direction, the Company has installed an Indcon Heater, a new Pet Coke based Boiler and a screw type Air Compressor in its factory premises at Bhiwadi, during the year under review. The Company is using indigenous technology which is well established in the Country and no foreign technology/ know how was purchased. The Company is conscious for adopting the improved means of production and latest technology and trend in the Industry. The Company has spent Rs. 1,46,872/- in the internal Laboratory of the Company for quality testing of the Raw Material purchased & finished Vanaspati & Refined Oil prepared.
- c. **Export Activities:** The Company is already exporting rice in the African markets and has total exports of Rs. 814.50 Lacs during the current year as compared to Rs. 526.49 Lacs in the previous year. Since, variety of the rice is coarse rice, therefore this has a limited export market. Depending upon the economic viability, the Company is taking steps to explore new export markets.
- d. **Foreign Exchange Earnings and Outgo:**

	(Amount in Rs Lacs)
Total Foreign Exchange Inflow(Rice Exports)	814.50
Total Foreign Exchange outflow	3191.84
i. Traveling expenses	0.66
ii. Purchase of Oil	1605.34
iii. Purchase of Copper	1414.85
iv. Freight on Rice Export	170.99

## PARTICULARS OF EMPLOYEES

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

## DIRECTORS

After the last Annual General Meeting, Mr Gagan Goyal was appointed as an additional director. In terms of the provisions of the Companies Act, 1956, he holds office until the date of the ensuing Annual General Meeting. His appointment as an ordinary Director of the Company is placed before the Members for consideration. The Board recommends the resolution for adoption by the members.

Mr Prahlad Goyal and Mr Mahak Kansal retire by rotation and being eligible offer themselves for re-appointment. Directors recommend their re-appointment.

## AUDITORS

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

## AUDITORS' REPORT

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

## DIRECTORS' RESPONSIBILITY STATEMENT

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