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*(Formerly Agro Dutch Foods Limited)*

Report  Junction.com

**11TH ANNUAL REPORT**  
**2002-03**

# BOARD OF DIRECTORS

Shri Malvinder Singh  
Dr. H. S. Garcha  
Shri Maninder Singh  
Shri Arvind Kalra  
Shri Sunil Malhotra  
Shri G. S. Bhinder  
Shri Harsh Jajoo\*

Chairman & Managing Director  
Director  
Director  
Director  
Nominee Director  
Executive Director  
Executive Director

\* Appointed on 4th September 2003.

# COMPANY SECRETARY

Shri Jasbir Singh

# BANKERS

Union Bank of India  
UTI Bank Ltd.  
ICICI Bank Ltd.

# AUDITORS

M/s R. Paul & Associates,  
Chartered Accountants  
C-2038, Ranjit Avenue, Amritsar.

# REGISTERED OFFICE

S.C.O. 30, 2nd Floor, Sector 33-D, Chandigarh.

# WORKS

- Village Tofapur, Near Lalru, Distt. Patiala (Punjab)
- Village Bhagwanpura, Barwala Road, Dera Bassi Distt. Patiala (Punjab)

# REGISTRAR & SHARE TRANSFER AGENTS

M/s Karvy consultants Ltd.  
Karvy House, 46, Avenue 4,  
Street No. 1, Banjara Hills,  
Hyderabad - 0500034

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### NOTICE

NOTICE is hereby given that the Eleventh Annual General Meeting of the Agro Dutch Industries Limited will be held on Tuesday, 30<sup>th</sup> September 2003 at 11.30 A.M at the Food Craft Institute Sector 42-B Chandigarh to transact the following business :

#### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Statements of Accounts for the year ended 31<sup>st</sup> March 2003 together with the report of Directors and Auditors thereon
2. To appoint Director in place of Sh Maninder Singh, who retires by rotation and being eligible, offers himself for reappointment.
3. To consider and if thought fit to pass with or without modification the following resolution, as an ordinary resolution  
"Resolved that M/s R. Paul & Associates, Chartered Accountants, Amritsar, be are hereby reappointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until conclusion of next Annual General Meeting at a remuneration to be fixed by the Board of Directors and /or any committee thereof."

#### SPECIAL BUSINESS

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 257 and Article 146 of the Articles of Association of the Company and other applicable provisions if any, of the Companies Act 1956, Sh Arvind Kalra be and is hereby appointed as a Director of the Company, liable to retire by rotation."
5. To consider and, if thought fit, to pass with or without modification(s), the following resolution, as an Ordinary Resolution:  
"RESOLVED THAT subject to the provision of Section 198, 269, 309 and Schedule XIII and other applicable provision, if any, of the Companies Act 1956 the approval of the members of the Company be and is hereby accorded to the appointment of Sh. Harsh Jajoo as Executive Director w.e.f. 4th September 2003 for a period of five years on the terms and conditions of payment of remuneration as set out in the Explanatory Statement attached to the Notice convening this annual General Meeting."

By order of the Board

Place : Vill Tofapur , Punjab

Date : 4.09.2003

Jasbir Singh  
Company Secretary

#### 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. THE PROXY NEED NOT BE MEMBER OF THE COMPANY. A PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE TIME OF COMMENCEMENT OF MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed for 5 days from 26<sup>th</sup> September 2003 to 30<sup>th</sup> September 2003 (both days inclusive).
3. Members desirous of seeking any further information or clarification in respect of accounts and operations of the Company are requested to send their queries in writing to the Company at the Registered Office so as to reach at least 7 days before the date of the meeting so that the required information can be made available at the meeting.
4. Members are requested to bring with them the attendance slips sent with this Annual Report duly completed and signed to hand it over at the entrance.
5. The Explanatory statement pursuant to Section 173 (2) of the Companies Act 1956 in respect of item no 4 & 5 set out above is annexed hereto.

# Agro Dutch Industries Limited



## EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT 1956.

### ITEM NO 4.

Shri Arvind Kalra (46 years ) is a non Executive & independent director . He is a Practicing Chartered Accountant. Currently he is providing consultancy to many Companies on Corporate matters including Amalgamation, take over, Income Tax and Company law matters.

Sh Arvind Kalra was co-opted as additional Director on 11.12.2002 and holds office upto the ensuing Annual General Meeting.

In terms of Section 257 of the Companies Act 1956 the Company has received notice in writing from a member along with a deposit Rs 500/- proposing the Candidature of Sh Arvind Kalra for the office of Director.

### ITEM NO. 5

Sh. Harsh Jajoo (aged 36) is a fellow member of the Institute of Chartered Accountants of India having experience of more than 10 years. He is presently working with the Company as President Keeping in view the involvement and hardwork put up in the affairs of the Company by Sh. Harsh Jajoo, the Board of Directors at its meeting held on 4<sup>th</sup> September 2003, subject to the provisions of the Companies Act, 1956 and the approval of the members, at General Meeting has decided to appoint Sh. Harsh Jajoo as Executive Director for a period of Five years w.e.f. 4<sup>th</sup> September , 2003 on the following terms and conditions of payment of remuneration as follows:-

- I. Salary : Rs.50,000/- per month (Rupees Fifty Thousand only)
- II. Perquisites : In addition to Salary the Executive Director will be allowed perquisites as specified in Category A, B & C below:-

#### Category 'A'

i) Housing I : The expenditure by the Company on hiring furnished accommodation for the Executive Director will be subject to a ceiling of sixty percent of the salary over and above ten percent payable by him.

Housing II : In case the accommodation is owned by the Company, ten percent of the salary of the Executive Director shall be deducted by the Company.

Housing III : In case no accommodation is provided by the Company, the Executive Director shall be entitled to House Rent Allowance @ fifty percent of salary.

The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per Income Tax Rules, 1962. This shall, however, be subject to a ceiling of ten percent of the salary of the Executive Director.

ii) Medical Reimbursement : Expenses incurred for self and family subject to ceiling of one month's salary in a year or three months salary over a period of three years.

#### Category 'B'

i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act. Gratuity payable will not exceed half a month's salary for each completed year of service.

ii) Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on the perquisites.

#### Category 'C'

Provision of car(s) for use on Company's business and telephone(s) at residence or mobile phone(s) will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company .

III. He shall also be eligible to the following perquisite which shall, however, not to be included in the computation of the ceiling on remuneration specified in Part II of Schedule XIII:

1. Contribution to Provident Fund , Superannuation Fund or Annuity Fund as per the rules of the Company .
2. Gratuity Payable as per the rules of the Company .
3. Earned Leave : Encashment of unavailed Earned Leave as per the rules of the Company at the end of each year on his request or at the end of the tenure.

Sh. Harsh Jajoo, himself, may be deemed to be interested or concerned in the resolution. None of the other Directors is interested in the resolution for approval.



## REPORT ON CORPORATE GOVERNANCE

### INTRODUCTION

The present chapter, plus information given under Management Discussion and Analysis and Shareholders Information constitute ADIL's compliance on corporate governance during 2002-03.

### COMPANY'S PHILOSOPHY OF CORPORATE GOVERNANCE

ADIL strongly believes that good corporate governance has an important role in enhancing shareholders value and management accountability. The Company is of the view that transparency in management, best board practices and empowerment of shareholders are essential for maximizing shareholder value. ADIL's guiding principles are focused on achieving the best standards of corporate governance and it is committed to attain the highest levels of transparency, accountability and equity in its dealings with investors, lenders, employees and all other stakeholders.

### COMPOSITION OF THE BOARD

The Board of Directors of AGRO DUTCH INDUSTRIES LIMITED comprises of the Chairman and Managing Director, who is a promoter Director, one executive Director and four non-executive and independent Directors including one nominee Director as on 31.3.2003. Details are given in Table 1.

**Table 1: Details About the Board of Directors**

Name of Director	Promoter/Executive/ Non-Executive/ Independent	Number of Meetings held	Number of Meetings Attended	Whether Attended last AGM on 28th September 2002	Number of Outside Directorships of Public Ltd. Companies	Materials Significant Pecuniary or Business Relationship with the Company
Sh. Malvinder Singh	Promoter-Executive	6	6	Yes	4	NIL
Sh. G.S. Bhinder	Promoter-Executive	6	4	Yes	3	-
Sh. Harsh Jajoo *	Independent-Non-Executive	1	1	No	-	-
Sh. B.B Huria**	Independent -Non-Executive	1	1	Yes	-	-
DR. H.S. Garcha	Independent -Non-Executive	6	4	Yes	-	-
Sh. Dilsher Bhinder***	Promoter-Non-Executive	5	Nil	No	-	-
Sh. C Parathasarthi#	Independent -Non-Executive	5	Nil	No	-	-
Sh. Maninder Singh	Independent -Non-Executive	6	6	Yes	-	-
Sh. Arvind Kalra \$	Independent -Non-Executive	1	1	No	2	-

\*Ceases to be a Director w.e.f 3.05.2002

\*\*Ceases to be a Director w.e.f 3.05.2002

\*\*\*Ceases to be a Director w.e.f 11.12.02

#Ceases to be a Director w.e.f 11.12.2002

\$Joined the Board on 11.12.02

### NUMBER OF BOARD MEETINGS

During the year 2002-03, 6 Board Meetings were held. These were on, 3rd May 02, 20th July 02, 31st July 02, 26th August 02, 28th October 02 and 31st January 03. All the meetings were held such that the gap between any two consecutive meetings was not more than four months.

### DIRECTORS' ATTENDANCE RECORD & DIRECTORSHIPS

Table I gives the composition of the Board of Directors, the category of Directors, their attendance record and the number of Directorships.

### INFORMATION SUPPLIED TO THE BOARD

It is the policy of ADIL to put up for consideration of the Board all major decisions & matters statutorily requiring Board approval. The following information is regularly placed before the Board ;

Quarterly and half yearly results of the Company.

Minutes of Audit Committee and other committee meetings.

Any material defaults in financial obligations to and by the Company.

# Agro Dutch Industries Limited



Quarterly statutory compliance report.

Disclosures by management on material transactions, if any, including potential conflict of interest.

The Board of ADIL is presented with detailed notes along with the agenda papers of the meeting.

## DIRECTORS WITH MATERIALLY SIGNIFICANT PECUNIARY RELATIONSHIP OR BUSINESS TRANSACTIONS WITH THE COMPANY

There have been no materially relevant pecuniary relationships or transactions between the Company and its Directors for the year 2002-2003.

## REMUNERATION OF DIRECTORS

Table 2 gives full details of remuneration paid/payable to each Director. During 2002-2003, the Company did not advance any loans to any of its Directors.

**TABLE 2: REMUNERATION PAID/PAYABLE TO DIRECTORS DURING 2002-2003 AND RELATIONSHIP, IF ANY**

Name of Director	Remuneration Paid/Payable in 2002-2003(Rs.)			
	Sitting Fees	Salaries, Allowances and Perquisites	Commission	Total (Rs.)
Sh. Malvinder Singh	—	11,88,000	NIL	11,88,000
Sh. G.S. Bhinder	—	7,20,000	NIL	7,20,000
Sh. Harsh Jajoo	—	NIL	NIL	Nil
Sh. B.B. Huria	3000	NIL	NIL	3000
DR. H.S. Garcha	21000	NIL	NIL	21000
Sh. Mehul Shah	—	NIL	NIL	—
Sh. C. Parathasarthy	—	NIL	NIL	—
Sh. Dilsher Bhinder	—	NIL	NIL	—
Sh. Maninder Singh	27000	NIL	NIL	27000
Sh. Arvinder Kalra	6000	NIL	NIL	6000

The Company has not constituted a remuneration committee as it is not mandatory. Further the remuneration of Managing Director & Executive Director have been approved by the shareholders in their meeting.

## COMMITTEE OF DIRECTORS

### AUDIT COMMITTEE

The Audit Committee of the Board was reconstituted during the year. It reviews the Company's financial reporting process, disclosure norms, internal control systems, accounting policies and practices, reports of the Company's Internal Auditors, quarterly/half yearly financial statements. It also recommends appointment of statutory auditors, recommends fixation of audit fees and reviews internal control systems, scope for observations of the auditors.

The Audit Committee comprises of three non-executive Directors. Sh. Maninder Singh Chartered Accountant is the Chairman of the audit Committee. It met three times during the year and the composition of the committee as well as the attendance record of its members are as follows :-

**TABLE 3: DETAILS OF THE AUDIT COMMITTEE**

Name of the Member	No. of Meeting Held	No. of Meeting Attended	Sitting Fees (Rs.)
Sh. Maninder Singh	3	3	9000
Sh. Arvind Kalra	1	1	3000
Sh. H.S. Garcha	3	3	9000

## SHAREHOLDERS/INVESTORS GRIEVANCES AND SHARE/DEBENTURE TRANSFER COMMITTEE

This Committee deals with the transfer of shares and debentures, issue of duplicate share certificates, dematerialization of shares, investor grievances and complaints. The Board has appointed Sh. Jasbir Singh, Company Secretary, as Compliance Officer.

## MANAGEMENT DISCUSSION AND ANALYSIS

This annual report contains a detailed chapter on management discussion and analysis.

## DISCLOSURES REGARDING APPOINTMENT OR RE-APPOINTMENT OF DIRECTORS

Sh. Maninder Singh (aged 36) is a fellow member of the Institute of Chartered Accountant of India having vast and varied experience in Audit/Taxation and Company Law related matters.

Shri Arvind Kalra (46 years) is a non Executive & independent director. He is a Practicing Chartered Accountant.



Currently he is providing consultancy to many Companies on Corporate matters including Amalgamation, take over, Income Tax and Company law matters.

#### INFORMATION ON GENERAL BODY MEETINGS

The date, time and venue of the last three Annual General Meetings are as follows :-

YEAR	LOCATION	DATE AND TIME
1999-2000	TAGORE THEATRE, SECTOR 18-B, CHANDIGARH	4TH September, 2000 AT 11.00 A.M
2000-2001	FOOD CRAFT INSTITUTE, SECTOR 42, CHANDIGARH	27TH August, 2001 AT 11:30 A.M.
2001-2002	FOOD CRAFT INSTITUTE, SECTOR 42, CHANDIGARH	28TH September, 2002 AT 11:30 A.M

#### DISCLOSURES

During the year, there were no transactions of material nature with the Director or the management or their subsidiaries or relatives that had potential conflicts with the interest of the Company. There have been no instances of non-compliance on any matter related to the capital markets during the last three years.

#### MEANS OF COMMUNICATION

Quarterly, half yearly and annual results are published in prominent daily newspapers, i.e. The Financial Express , New Delhi, The Financial Express, Mumbai and The Tribune, Chandigarh. The Dainik Tribune (Hindi), Daily Tribune (Punjabi) The Hindustan Times Etc.

#### ANNUAL GENERAL MEETING

Date	Time	Venue
30-09-2003	11.30 A.M.	Food Craft Institute, Sector 42-D, Chandigarh

#### FINANCIAL CALENDAR

April 01 to March 31

#### DATES OF BOOK CLOSURE

26th September 2003, to 30th September 2003. (Both Day inclusive)

#### REGISTERED OFFICE

S.C.O.30, 2nd FLOOR, SECTOR 33-D, CHANDIGARH – 160 022

TEL.NO. 0172-606575, FAX NO. 0172-604045, E.MAIL : agrodutch@sify.com

#### SHARE TRANSFER SYSTEM

Share transfers are registered and returned within a period of thirty days from the date of receipt, if the documents are in order in all respects.

#### LISTING AND STOCK CODE

Shares of ADIL are listed on the Mumbai, Delhi, Ahmedabad, Chennai, Ludhiana, Jaipur and National Stock Exchange Limited, Mumbai. The code for Mumbai Stock Exchange is 519281.

#### STOCK MOVEMENT DATA

Month	Bombay Stock Exchange			National Stock Exchange		
	High (Rs.)	Low (Rs.)	Monthly Volume	High (Rs.) volume	Low (Rs.)	Monthly volume
April 2002	34.00	23.10	100949	32.85	23.50	185509
May2002	31.10	22.20	68650	32.10	22.10	162940
June 2002	43.50	21.00	2583787	43.40	22.00	3217847
July2002	42.40	23.10	980527	41.50	23.40	1793360
August2002	28.90	19.65	276504	28.00	19.50	590643
Sept2002	21.85	16.55	173197	22.00	16.50	292077
October2002	17.05	13.00	132538	17.45	13.00	367838
Nov2002	15.45	12.00	202651	15.45	11.60	492415
Decem2002	16.75	12.50	155308	17.00	13.00	325250
Jan2003	15.85	11.25	89283	14.65	11.20	181747
Feb2003	13.90	11.25	68690	14.65	10.95	146924
March2003	11.65	6.85	92547	12.30	7.00	222710

# Agro Dutch Industries Limited



## SHAREHOLDING PATTERN AS ON 31.03.2003

CATEGORY		NO. OF SHARES HELD	% OF HOLDING
<b>A</b>	<b>Promoters Holding</b>		
1.	Indian Promoters	5339965	36.13
	Foreign promoters	—	—
2.	Persons acting in concert	—	—
	Sub Total	5339965	36.13
<b>B</b>	<b>Non Promoters Holding</b>		
3.	Institutional Investors		
a)	Mutual Funds and UTI	461665	3.12
b)	Banks/Financial Institutions, Insurance Companies (Central/State Govt. Institutions/Non-Govt. Institutions)	—	—
c)	Foreign Institutional Investors	—	—
	Sub Total	461665	3.12
4.	Others		
a)	Private Corporate Bodies	767027	5.19
b)	Indian Public	5223782	35.35
c)	Non Resident Indians/Overseas Corporate Bodies	1450559	9.81
d)	Any Other		
a)	President of India	1500000	10.15
b)	Employees	700	0.01
c)	NSDL Transit Position	36302	0.25
	Sub Total	8978370	60.75
<b>Grand Total</b>		<b>14780000</b>	<b>100.00</b>

## DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2003

Sr. No.	From	Category To	Number of Cases	% of Cases	Amount	% of Amount
1	UPTO	- 5000	13468	88.88	22517940.00	15.24
2	5001	- 10000	905	5.97	7593050.00	5.14
3	10001	- 20000	379	2.50	5823760.00	3.94
4	20001	- 30000	143	0.94	3695710.00	2.50
5	30001	- 40000	67	0.44	2423300.00	1.64
6	40001	- 50000	46	0.30	2136240.00	1.45
7	50001	- 100000	72	0.48	5238500.00	3.54
8	100001	> ABOVE	73	0.48	98371500.00	66.55
			<b>15153</b>	<b>100.00</b>	<b>147800000.00</b>	<b>100.00</b>

## DEMATERIALIZATION OF SHARES

As on 31st March 2003 1,17,27,617 (79.35 % of the total number of shares) is in dematerialised form. The Company's shares are compulsorily traded in dematerialised form.




**DETAILS OF PUBLIC FUNDING OBTAINED IN THE LAST 3 YEARS**

No capital has been raised from the public in the last three years.

**OUTSTANDING WARRANTS AND THEIR IMPLICATIONS ON EQUITY**

There are no outstanding warrants or other instruments.

**REGISTRAR & SHARE TRANSFER AGENT/INVESTOR CORRESPONDENCE**

Shareholders can contact the Company's Registrar & Share Transfer Agent :-

M/S. KARVY CONSULTANTS LIMITED

KARVY HOUSE, 46, AVENUE 4, STREET NO.1,

BANJARA HILLS, HYDERABAD - 500 034

**AUDITORS' CERTIFICATE OF CORPORATE GOVERNANCE**

The Company has obtained a certificate from ADIL's statutory auditors regarding compliance of the requirements of corporate governance as stipulated in clause 49 of the listing agreement with the Stock Exchanges and the same is annexed. The certificate will also be sent to the Stock Exchanges along with the Annual Report to be filed by the Company.

**CERTIFICATE**

To the Members of  
Agro Dutch Industries Limited

We have examined the compliance of conditions of Corporate Governance by Agro Dutch Industries Limited, for the year ended on March 31, 2003 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock exchange(s).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

We state that no investor grievance(s) are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders Grievance Committee.

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.

**R. PAUL & ASSOCIATES**  
Chartered Accountant

**RAJESH PAUL JAIN**

Dated : 30.06.2003

Prop.