

**7th
ANNUAL
REPORT
1997-98**

MD	✓		BKG	✓
CS	✓		DPY	NA
RO	✓		DIV	NA
TRA	NA		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		

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AJANTA SOYA LIMITED

**BOARD OF DIRECTORS**

SH. SUSHIL GOYAL CHAIRMAN & MANAGING DIRECTOR
 SH. BABU LAL JAIN
 SH. S C SINGHAL
 SH. PRAHLAD GOYAL
 SH. SRI RAM GOYAL

COMPANY SECRETARY

MS. TARANJEET KAUR

STATUTORY AUDITORS

M/S TAS ASSOCIATES
 CHARTERED ACCOUNTANTS
 FLAT NO. 4,
 11/71, PUNJABI BAGH WEST
 NEW DELHI 110 026

SECRETARIAL ADVISERS

M/S RAJEEV GOEL & ASSOCIATES
 COMPANY SECRETARIES
 S-547, SCHOOL BLOCK
 SHAKARPUR
 DELHI 110 092

BANKERS

PUNJAB NATIONAL BANK
 ECE HOUSE, KASTURBA GANDHI MARG
 NEW DELHI 110 001

REGISTERED OFFICE

210, PADMA TOWER II
 22, RAJENDRA PLACE
 NEW DELHI 110 008

WORKS

SP-916, RIICO INDUSTRIAL AREA
 PHASE III, BHIWADI
 DISTT. ALWAR, RAJASTHAN

SHARES LISTED WITH STOCK EXCHANGES AT

DELHI
 MUMBAI
 CALCUTTA
 AHMEDABAD
 JAIPUR
 LUDHIANA

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NOTICE

Notice is hereby given that the Seventh Annual General Meeting of the Members of the Company will be held on Thursday, the 24th day of September, 1998 at 11.00 A.M. at Maharaja Agrasen Bhawan, 41, Community Centre, Choudhary Balbir Singh Marg, Paschim Vihar, New Delhi 110 063, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended March 31, 1998 together with the reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Sh. Satish Chander Singhal 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 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, the following resolution as an ordinary resolution:

"RESOLVED THAT Sh. Prahlad Goyal who was appointed as an Additional Director to hold office till the date of forthcoming annual general meeting be and is hereby appointed as Director of the Company whose office shall be liable to determination by rotation."

5. To consider and if thought fit to pass, with or without modification, the following resolution as an ordinary resolution:

"RESOLVED THAT Sh. Babu Lal Jain who was appointed as an Additional Director to hold office till the date of forthcoming annual general meeting be and is hereby appointed as Director of the Company whose office shall be liable to determination by rotation."

6. To consider and if thought fit to pass, with or without modification, the following resolution as an ordinary resolution:

"RESOLVED THAT Sh. Sri Ram Goyal who was appointed as an Additional Director to hold office till the date of forthcoming annual general meeting be and is hereby appointed as Director of the Company whose office shall be liable to determination by rotation."

7. To consider and if thought fit to pass, with or without modification, the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to the provisions of sections 198, 269 and 309 read with schedule XIII of the Companies

Act, 1956 and other applicable provisions, if any, consent of members be and is hereby accorded for the appointment of Sh. Sushil Goyal as Managing Director of the Company for a period of 5 years with effect from 28th July, 1998 on the following terms and conditions:

TERMS AND CONDITIONS :-

A) **SALARY** : Rs. 10,000/- per month, in the scale of 10,000-1,000-14,000

B) PERQUISITES :

1. Contribution to the Provident fund shall be in accordance with the Employees Provident Fund and Miscellaneous Provisions Act, 1952.

2. Gratuity :

Shall be entitled to gratuity at the rate not exceeding 15 days salary for every completed year of service.

3. Earned Leave/Encashment of Leave

Shall be entitled to earned leave/encashment of leave as per rules of the Company.

RESOLVED FURTHER THAT in the event of absence or inadequacy of net profit in any financial year, the above mentioned remuneration shall be the minimum remuneration payable to the Managing Director."

For AJANTA SOYA LIMITED

Sd/-

DATE : AUGUST 20, 1998
PLACE : NEW DELHI

SUSHIL GOYAL
MANAGING DIRECTOR

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. Register of Members and share transfer books of the Company will remain closed from Wednesday, September 16, 1998 to Wednesday, September 30, 1998 (both days inclusive).

**AJANTA SOYA LIMITED**

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 Numbers 4 to 7 is annexed.

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

ITEM NUMBERS 4, 5 & 6

Sh. Prahlad Goyal, Sh. Babu Lal Jain and Sh. Sri Ram Goyal were appointed as Additional Directors of the Company pursuant to the provisions of article no. 92 of the Articles of Association of the Company and Section 260 of the Companies Act, 1956. According to the provisions of the Companies Act, 1956, the tenure of their office is up to the date of ensuing Annual General Meeting.

As required under section 257 of the said Act, notices have been received together with necessary deposits from some

members of the Company signifying their intention to propose the candidature of these gentlemen for the office of director of the Company. Members approval is required for the appointment of these persons as directors of the Company.

Sh. Prahlad Goyal, Sh. Babu Lal Jain, Sh. Sri Ram Goyal and Sh. Sushil Goyal are interested in the resolutions.

ITEM NO. 7

Sh. Sohan Lal Goyal resigned from the directorship of the Company, by virtue of which he also ceased to be a managing director of the Company. The Board appointed Sh. Sushil Goyal as the managing director of the Company. The appointment was made for a period of five years with effect from 28/07/98 on remuneration as set out in the resolution. Sh. Sushil Goyal has wide and rich experience and has been associated with the Company in the capacity of executive director.

Members consent is required for the appointment of and remuneration payable to Sh. Sushil Goyal as Managing Director by way of an ordinary resolution.

Except Sh. Sushil Goyal himself and Sh. Sri Ram Goyal, no other director is interested or concerned in the resolution.

For AJANTA SOYA LIMITED

Sd/-

SUSHIL GOYAL

MANAGING DIRECTOR

DATE : AUGUST 20, 1998

PLACE : NEW DELHI



DIRECTORS REPORT

TO THE MEMBERS,

Your Directors present the Seventh Annual Report together with the Audited Accounts for the year ended March 31, 1998. The highlights of the financial results are as follows:

FINANCIAL RESULTS (Rs. in Lacs)

Particulars	Year ended 31/03/98	Previous Year ended 31/03/97
Net Sales/Income from Operations	6277.84	5929.14
Other Income	9.65	15.19
Total Expenditure	5203.99	5829.79
Interest	41.24	56.20
Gross Profit after interest but before Depreciation & Taxation	42.26	58.34
Depreciation	49.16	48.44
Provision for Taxation	0.13	1.27
Net Profit/(Loss)	(7.03)	8.63
Paid up Equity Share Capital	997.00	997.00
Reserves (excluding revaluation reserves)	17.23	24.26

YEAR IN RETROSPECT

During the year under review, despite an increase in the turnover, the Company suffered a loss. Increase in cost of raw-material and other inputs as well as adverse market conditions were the factors mainly responsible for the loss suffered by the Company.

Your directors are seriously concerned and are putting their best efforts to improve the Company's performance and bottom line.

DIVIDEND

In view of the loss suffered by the Company, your directors regret that they are unable to recommend any dividend for the year.

FIXED DEPOSITS

The Company has not accepted any deposits from the public within the meaning of Section 58A of the Companies Act, 1956 during the year under review.

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.

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

As required under section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988. The relevant information is as follows:

- (A) Conservation of Energy: Abundant care and attention has been taken to minimize the consumption of fuel

and power.

- (B) Technology Absorption: The technology used by the Company is purely indigenous taking care of latest developments and improvements in contemporary technology.

- (C) Foreign Exchange: There was no foreign exchange earnings and outgo during the year under review.

DIRECTORS

Sarvashri Gobind Gupta, Purshottam Gupta, Bishan Goyal Pawan Goyal and SK Agarwal resigned from the Board after the last AGM of the Company. Also Sh. Sohan Lal Goyal resigned from the directorship of the Company by virtue of which he also ceased to be its managing director. Sh. Sushil Goyal was appointed as Managing Director of the Company in place of Sh. Sohan Lal Goyal by the Board. Sh. Sri Ram Goyal resigned from the directorship of the Company but he was again appointed as additional director. Sh. Prahlad Goyal and Sh. Babu Lal Jain were also appointed as additional directors of the Company. All these additional directors are proposed to be appointed as directors at the ensuing annual general meeting. At the ensuing AGM, Sh. Satish Chander Singhal retires by rotation and being eligible, offers himself for reappointment. Your directors recommend their appointment in the overall interest of the Company.

AUDITORS' REPORT

Most of the observations of the Auditors are self explanatory and do not require further clarification.

However, as regards point no. 15 of Annexure referred to in the Auditors Report, the internal audit system of the Company is being strengthened further.

As regards point no. 16 the company shall endeavour to monitor prescribed cost records in future.

AUDITORS

M/s Tas Associates, Chartered Accountants, New Delhi, Statutory Auditors of the Company retire at 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 reappointment has been obtained from them. Your Directors recommend their re-appointment.

ACKNOWLEDGEMENT

Your Directors take this opportunity to place on record their sincere appreciation and gratitude for the confidence reposed in the Company by the valued customers and dealers and look forward to their continued support and patronage. The Board is also grateful to the employees of the Company at all levels and its Bankers for the kind co-operation extended by them.

FOR AND ON BEHALF OF THE BOARD

Sd/-

DATE : AUGUST 20, 1998

PLACE : NEW DELHI

SUSHIL GOYAL

Chairman & Managing Director