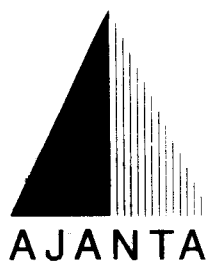


13th
ANNUAL REPORT



AJANTA SOYA LIMITED

**BOARD OF DIRECTORS**

Mr. Sushil Goyal *Chairman & Managing Director*
Mr. Sri Ram Goyal* *Director*
** Resigned from Directorship w.e.f. 19.08.2004*
Mr. Prahlad Goyal *Director*
Mr. Harsh Chander Kansal *Director*
Mr. Mahak Kansal *Director*
Mr. Bishan Goyal# *Director*
Appointed on Addition Director w.e.f. 05.06.2004

STATUTORY AUDITORS

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

SECRETARIAL ADVISORS

M/s. Rajeev Goel & Associates
Company Secretaries
 138-A, Pocket - F, Mayur Vihar, Phase-II
 Delhi - 110 091
 Phone/Fax : 22725301 / 22725305
 e-Mail : rajeevgoelassociate@yahoo.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

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

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 : 27102606, 27194063 Fax : 27105594
 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, 29837136, Fax : 29848352

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

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NOTICE

Notice is hereby given that the 13th Annual General Meeting of the Members of AJANTA SOYA LIMITED will be held on Thursday, 30th September, 2004 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 on 31st March, 2004 and the Profit & Loss Account on that date together with the Reports of the Auditors' and Directors' thereon.
2. To appoint a Director in place of Mr. Harsh Chander Kansal 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 Bishan Goyal, 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 through retirement by rotation."
5. 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 clause 5.2 of the Securities and Exchange Board of India (De-listing of Securities) Guidelines, 2003, Listing Agreements entered into by the Company with various Stock Exchanges, the Companies Act, 1956, the Securities Contract (Regulation) Act, 1956, and other applicable provisions, rules, regulations, guidelines, if any, and subject to such approvals, permissions and sanctions, as may be necessary or required, the consent of the members of the Company be and is hereby accorded to the proposed de-listing of the equity shares of the Company from the Jaipur Stock Exchange Limited at Jaipur (JSE) (Regional Stock Exchange), Delhi Stock Exchange Association Ltd at New Delhi (DSE), The Ahmedabad Stock Exchange Limited at Ahmedabad (ASE), The Ludhiana Stock Exchange Association Limited at Ludhiana (LSE) and The Calcutta Stock Exchange Limited at Kolkata (CSE) (non regional stock exchanges) in the terms of the following:
- I. **NECESSITY AND OBJECTS OF DE-LISTING:**
 - a. There has been insignificant/negligible trading in the equity shares of the Company on JSE, DSE, ASE, LSE and CSE (hereinafter collectively referred to as "these stock exchanges") in the last few years.
 - b. The Company has been incurring precious resources by way of payment of listing fee etc. due to listing on these stock exchanges which is not justified in comparison with the benefits/services available to the share holders of the Company in particular and investors in general. Hence there is no cost benefit to the Company.
 - c. The Company could save monetary and other resources by de-listing from these stock exchanges without sacrificing the investors' interest.
 - d. The proposed de-listing will also result in reduction in administrative and procedural work. Thus, resulting in saving of precious time of senior executives of the Company whose services can be deployed in other productive avenues.
- II. The Equity Shares of the Company shall continue to be listed on the Stock Exchange, Mumbai at Mumbai (BSE).
- III. Since the Company shall remain listed on the BSE which has a nation wide trading mechanism, the interest of the investors will not be affected adversely.
- IV. In terms of the SEBI De-listing Guidelines, no exit offer is required to given to the share holders of the Company in connection with the proposed de-listing from these stock exchanges. Accordingly, the Company has no intention to give an exit option to the share holders of those regions where the stock exchanges are situated, from which de-listing is sought.
RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to take all the necessary steps in this regard and to do all such acts, deeds and things and to execute all such deeds, documents, writings as it may, in its absolute discretion, deem necessary, proper, desirable or expedient and for this purpose to authorise any of its directors or the company secretary of the Company or any other person, whom the Board considers suitable to do the various acts, deeds and things required to be done in this behalf."

By order of the Board
For **AJANTA SOYA LTD**
Sd/-
(SUSHIL GOYAL)
Managing Director

Dated : 19.08.2004
Place : 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, 28th September, 2004 to Friday, 1st October, 2004 (both the 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 no. 4 and 5 is annexed.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**ITEM NO. 4 :**

Mr Bishan Goyal was the Director of the erstwhile Kasturi Finlease & Investments Ltd. The Scheme of Amalgamation of Kasturi Finlease & Investments Ltd with Ajanta Soya Ltd was approved by the Hon'ble High Court of Rajasthan and Hon'ble High Court of Delhi and after the Scheme became finally effective Mr Bishan Goyal was appointed on the Board of the Company on 5th June, 2004 as an additional director to hold office till the date of ensuing annual general meeting. A notice along with the requisite deposit proposing his candidature has been received by the Company. The proposed resolution is moved to appoint Mr Bishan Goyal as an ordinary director of the Company.

Mr Sushil Goyal and Mr Bishan Goyal being brothers are interested or concerned in the proposed resolution.

ITEM NO. 5

Presently your Company is listed at the following stock exchanges:

- a. Jaipur Stock Exchange Limited at Jaipur (JSE) (Regional Stock Exchange)
- b. Delhi Stock Exchange Association Ltd at New Delhi (DSE)
- c. The Ahmedabad Stock Exchange Limited at Ahmedabad (ASE)
- d. The Ludhiana Stock Exchange Association Limited at Ludhiana (LSE)
- e. Calcutta Stock Exchange Ltd at Kolkata (CSE); and
- f. The Stock Exchange, Bombay at Mumbai (BSE)

At the time of the maiden public issue of the Company, there was a trend to go for listing on various stock exchanges to enable the investors spread over the length and breadth of the country to trade in the shares of the Company on the local stock exchange. Accordingly, your Company opted for the listing on the major stock exchanges in each region of the country. However, the scenario has been changed in the last 8-9 years. The BSE and the National Stock Exchange (NSE) have established country wide trading mechanism. In fact, most of the secondary market operations are on these two stock exchanges.

Recently the Securities and Exchange Board of India (SEBI) came out with new guidelines for de-listing of securities namely, the Securities and Exchange of India (De-listing of Securities) Guidelines, 2003. These Guidelines, inter alia, provide the following :

- ii. A company can seek voluntary de-listing of its securities from various stock exchanges of the country including the regional stock exchange.
 - iii. In case, securities of a company are remained to be listed on the BSE and/or the NSE (exchanges with nation wide trading mechanism), no exit offer is required to given to the share holders of the Company.
 - iv. The de-listing proposal must be approved by the share holders by way of special resolution.
- Since, Ajanta Soya Ltd is also listed on the BSE, it is proposed to get it de-listed from all other exchanges-JSE, DSE, ASE, LSE and CSE.

NECESSITY AND OBJECTS OF DE-LISTING:

The de-listing is proposed in view of the aforesaid general back ground and the following specific factors:

- a. There has been insignificant/negligible trading in the equity shares of the Company on JSE, DSE, ASE, LSE and CSE in the last few years.
- b. The Company has been incurring precious resources by way of payment of listing fee etc. due to listing on these stock exchanges which is not justified in comparison with the services available to the share holders of the Company in particular and investors in general. Hence there is no cost benefit to the Company.
- c. The Company could save monetary and other resources by de-listing from these stock exchanges without sacrificing the investors' interest.
- d. The proposed de-listing will also result in reduction in administrative and procedural work. Thus, resulting in saving of precious time of senior executives of the Company whose services can be deployed in other productive avenues.

**AJANTA SOYA LIMITED**

Since the Company shall continue to be listed on the BSE which has a nation wide trading mechanism, the interest of the investors will not be affected adversely.

In terms of the SEBI De-listing Guidelines, no exit offer is required to be given to the share holder of the Company in connection with the proposed de-listing. Accordingly, the Company has no intention to give an exit option to the share holders of those regions where the stock exchanges are situated, from which de-listing is sought.

OTHER RELEVANT DETAILS ABOUT THE COMPANY**CAPITAL STRUCTURE**

Present authorised Share Capital of the Company is Rs. 11,89,65,980 divided into 1,18,96,598 Equity Shares of Rs. 10 each. The Issued, Subscribed and Paid up Share Capital of the Company is Rs. 11,89,65,980 divided into 1,18,96,598 Equity Shares of Rs. 10 each.

SHARE HOLDING PATTERN

Share holding pattern as on June 30, 2004 is as follows:

Sl.No.	Category	No. of Shares	Percent age %
1.	Promoters' holding	38,54,356	32.40
2.	Non Promoters' holding :		
	a. Private Corporate Bodies	21,93,351	18.44
	b. Others	58,48,891	49.16
	TOTAL	1,18,96,598	100.00

The proposed De-listing would not result in any change in the present capital structure or the share holding pattern of the Company.

STOCK MARKET DATA

Stock Market Data for the last six months

Period	Share Price at BSE		Volume
	High(Rs)	Low(Rs)	
February 2004	3.30	2.20	21851
March 2004	3.24	2.00	15190
April 2004	2.72	1.90	25732
May 2004	2.42	1.78	15948
June 2004	2.14	1.26	13168
July 2004	3.92	1.36	25978

Yearly Stock Market Data for the last three years:

Period	Share Price at BSE		Volume
	High(Rs)	Low(Rs)	
Year, 2002	4.40	0.50	65238
Year, 2003	5.69	0.65	357155
Year, 2004	4.80	1.26	191522

NAME OF THE COMPLIANCE OFFICER

Mr Tejinder Singh Bhatia

As the share holders are aware, the Company's equity shares are compulsorily traded and settled only in dematerialised form. Skyline Financial Services Pvt Ltd, New Delhi has been appointed as the Common Agency for Transfer of Shares and D-mat purposes.

Consent of the members of the Company is required for the proposed de-listing. Your Directors recommend the resolution.

None of the Directors are 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 : 19.08.2004
Place : Delhi

**DIRECTOR'S REPORT****DEAR MEMBERS**

Your Directors take pleasure in presenting the 13th Annual Report of your Company together with the Audited Annual Accounts for the year ended March 31, 2004. The financial highlights are as below:

FINANCIAL RESULTS*(Amount in Lacs)*

Particulars	Year ended 31/03/2004	Year ended 31/03/2003
Net Sales		
a. Vanaspati & Oil	1,69,98,88,882	1,80,15,80,707
b. Rice	5,51,16,574	22,74,75,878
Sale of Shares/Securities	3,87,877	-
Other Income	17,07,988	73,79,334
Increase/(Decrease) in stock in trade	(3,55,55,726)	4,71,96,535
Total Income	1,72,15,45,595	2,08,36,32,453
Total Expenditure		
a) Raw Material & related direct Expenses		
- Vanaspati & Oil	1,60,16,68,002	1,68,23,44,452
- Rice	24,00,000	23,32,29,742
b) Manufacturing, Administrative and Other Overheads	9,80,15,128	13,66,68,639
d) Financial Charges	27,47,792	96,15,439
e) Misc. Expenditure Written off	2,90,756	8,22,068
f) Depreciation	87,40,650	80,09,035
g) Cost of Shares / Securities sold	6,79,010	-
Profit/Loss before tax	84,07,664	1,29,43,079
Provision for Taxation	(1079165)	(5957186)
Net Profit after Tax	53,28,499	69,85,893
Paid up Equity Capital	9,97,00,000	9,97,00,000
Reserves excluding Revaluation Reserves	5,10,11,180	1,89,16,579

YEAR IN RETROSPECT & FUTURE PLANS

The total profits and the total income of your Company have declined during the financial year under review.

In addition to its core activities of manufacturing of edible oil. The company has been continuously working on diversifying into new activities. After successfully venturing into rice export, the company has focus on import of various ferrous and non ferrous metals. The company has imported couple of consignment of copper. Your director are making relentless efforts of improving the bottom line of the Company.

DIVIDEND

Your Company is expanding and diversifying into various activities. After achieving success in the rice exports business your Company is now intending to import various ferrous and non-ferrous metals like copper, steel scrap etc. Thus, the Board of Directors of your Company have decided to retain and plough back the profits into the business, no dividend is being recommended for this year and no transfer has been made to the reserves.

CORPORATE GOVERNANCE

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

AMALGAMATION

Your Directors take pleasure to inform that the Amalgamation of Kasturi Finlease & Investments Ltd with your Company was approved by the Hon'ble High Court of Rajasthan, Jaipur Bench. As you are aware that the Hon'ble High Court of Delhi had already approved the Scheme of Amalgamation in the month of May last year. The Orders for the same were received in the month of March, 2004 and the Scheme became finally effective. Pursuant to the said Scheme of Amalgamation the Accounts of erstwhile Kasturi Finlease & Investments Ltd were consolidated with the accounts of your Company for the financial year ending on 31st March, 2004. The strengthened position of reserves of the Company is result of the same.

The Company made allotment of 19,26,598 equity shares of Rs 10 each on 5th June, 2004 to the shareholders of erstwhile Kasturi Finlease & Investments Ltd pursuant to the Scheme of Amalgamation.

IMPORTS & EXPORTS

Your Company is exporting rice to the African Countries. The Company has ventured into imports of various ferrous and non-ferrous metals like copper etc. from Sri Lanka. Further, the Company is also exploring the possibilities of import of steel scrap.

**DIRECTORS' RESPONSIBILITY STATEMENT**

In terms of the sub-section (2AA) of Section 217 of the Companies Act, 1956, your Board of directors hereby furnish the required Directors Responsibility Statement as under:

- That in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- 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.
- 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.
- That the Directors have prepared the annual accounts on a going concern basis.

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. The information required under section 217(1)(e) read with Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988 is given hereunder:

Table A

Form for Disclosure of Particulars with respected to Conservation of Energy

A. Power and fuel consumption**1. Electricity****(a) Purchased**

	Current Year	Previous Year
Unit	4604544	4440000
Total amount	20047098	19621783
Rate/unit	4.35	4.42

(b) Own generation

(i) Through diesel generator	184808	226034
Unit	0.308	0.305
Units per ltr. of diesel oil	5.75	5.75
Cost/unit		
(ii) Through steam turbine/generator		
Units		
Units per ltr. of fuel oil/gas		
Cost/units		

2. Coal (specify quality and where used)

Quantity (tones)	3473.72	—
Total cost	11628076	—
Average rate	3347.47	—

3. Furnace oil

Quantity (k.ltrs.)	16400	—
Total amount	244524	—
Average rate	14.91	—

4. Others/internal generation (please give details)

Quantity (Tones)	17925	28325
Total cost	2150950	3011460
Rate/unit	120.00	106.31
(a) Quantity (Rice Husk)	3941	12882.63
Total cost	8624215	25702664
Rate /unit	2188.33	1995.14

**AJANTA SOYA LIMITED****B. Consumption per unit of production**

	<i>Standards (if any)</i>	<i>Current Year</i>	<i>Previous Year</i>
Vanapati / Refined Oil			
Electricity	—	121.33	97.52
Furnace oil	—	0.43	—
Coal (specify quality)	—	0.09	—
Others (Hydrogen Gas)	—	0.47	0.62
Others (Rice Husk)	—	0.10	0.28

- (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.

Rs.157230/- is spent in the Internal Laboratory of the Company for quality testing of the Raw Material purchased & Finished Vanaspati & Refined Oil Prepared.

- (c) **Foreign Exchange Earnings and Outgo**

The Company is already exporting rice in the African markets. Further initiatives are taken increase the quantum of exports there and planning to further enhance the export markets.

<i>Foreign Exchange Earnings and Outgo</i>	<i>Amount (In Lacs)</i>
Total Foreign Exchange inflow	526.49
Total Foreign Exchange outflow	3840.08

DIRECTORS

Mr Bishan Goyal joined the Board of the Company as an Additional Director on 5th June, 2004 after the Scheme of Amalgamation of Kasturi Finlease & Investment Ltd with the Company became effective. Now his appointment as an ordinary director is proposed for your approval in the ensuing Annual General Meeting.

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

The Board extends its sincere gratitude for the services rendered by Mr Sri Ram Goyal who has resigned from the directorship 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 (1B) of the Companies Act, 1956 regarding their eligibility for the proposed re-appointment has been obtained from them. Your Directors recommend their re-appointment at the ensuing Annual General Meeting.

STOCK EXCHANGE LISTING

Presently, your Company's shares are listed at the Delhi, Mumbai, Ahmedabad, Jaipur, Ludhiana and Calcutta Stock Exchanges.

DELISTING

As you are aware that the shares of the Company are mostly traded on Stock Exchange Mumbai (BSE). The trading at other Stock Exchanges is almost negligible. Thus, the Directors of your Company propose to de list its shares from Jaipur Stock Exchange Limited, Delhi Stock Exchange Association Ltd, The Ahmedabad Stock Exchange Limited, The Ludhiana Stock Exchange Association Limited and Calcutta Stock Exchange Ltd with a view to save monetary and other resources. Your approval is sought on the matter.

LISTING OF ADDITIONAL SHARES

The Company to facilitate the share holders of erstwhile Kasturi Finlease & Investments Ltd is applying for listing of the additional shares of the Company allotted to them pursuant to the Amalgamation.

EXPANSION

The Company has installed a plant for expanding capacity for the Refined oil, which as led the overall increase the installed capacity.

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.

Date : 19.08.2004
Place : Delhi

By order of the Board
For **AJANTA SOYA LIMITED**
Sd/-
(**SUSHIL GOYAL**)
Chairman



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

EDIBLE OIL DIVISION

Industry Structure & Developments

Vanaspati and Refined Oils are essential cooking mediums used in every household and by all food establishments like hotels, restaurants, sweets/confectionary shops etc. The demand for Vanaspati and various refined oils is a determinant of taste preferences, health concerns and price. In urban markets in general, the preference is shifting towards refined oils whereas in smaller towns and rural areas Vanaspati continues to be consumed by large sections of society.

The industry comprises of large players with huge processing capacities (1000 MTPD) and well known brands on one side and a large number of small regional players on the other. The regional players generally do not have strong brands and cater to a large but price sensitive segment.

With increased availability in indigenous oils coupled with availability of imported oils during the last year, the total consumption went up from 9.5 Million MT to 10.5 Million MT.

With respect to the Vanaspati industry with installed capacity of 4.7 Million MT of the effecting utilisation remained only at 25%

With imports contributing to over 46% of total oil availability the Indian Vanaspati & Edible Oil Industry is aligned to global markets.

Opportunities & Threats

Vanaspati & Refined Oils are items of essential consumption. Hence, the demand for these products is expected to grow with increase in population & income levels.

Considering the long term prospects of this industry in India, some very well known international edible oil companies have entered the Indian Market. The growing edible oil market though is becoming competitive, provides growth opportunities.

Risks & Concern

Indian Vanaspati & Edible Oil Industry being largely dependent on Imported Oils, is subject to global influence & Government Policies related to customs duties.

Entry of Multinationals has added another dimension to the business. In the changing context, industry has to redefine its priorities. There is need to recognise the challenges that are awaiting the players in the market place.

Human Resource Development

The Company regards 'The People' as the most valuable assets. A great deal of efforts is being put into create a workplace where employees can think creatively work in teams, reach to higher potential levels and this can achieve the objectives/ goals of the organization and also personal fulfillment.

OUTLOOKS

In the times to come emphasis would be on marketing refined/liquid oils as 'health oils' due to increased awareness and health consciousness of consumers. In the refined oil segment soyabean oil stands to be the largest consumed edible oil in the country followed by Sunflower which together command market share of 75% Price along with positioning of the oils on health plank has helped it capture significant market share.

Till now the Vanaspati Industry was dominated by regional players but with the installation of high capacity plants at ports many smaller regional plants may face a pull down impact.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company has adequate internal control procedures commensurate with its size and mature 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.

HUMAN RESOURCES DEVELOPMENT

The Company regards 'The People' as the most valuable assets. A great deal of effort is being but in to create a workplace where employees can think creatively work in teams, reach to higher potential levels and this can achieve the objectives/goals of the organization and also personal fulfillment.

RICE

The Company is mainly dealing in non-basmati parboiled rice. The Company has the the African countries as its main export market. This variety being cheaper variety though the spreads are thin, however, there is immense scope of export to poor countries of the world. However, these exports largely depend on the Government Policy

PRODUCTWISE PERFORMANCE

PRODUCT	SALES			
	LAST YEAR 2002 - 2003		THIS YEAR 2003 - 2004	
	QUANTITY (MT)	VALUE (Rs. Lacs)	QUANTITY (MT)	VALUE (Rs. Lacs)
Vanaspati/Refined Oils	45745.724	17503.14	37817.439	16773.09
Rice	29483.150*	2274.76	6900*	551.17

* Includes shortage /processing loss of nil (Previous Year 164.114 MT)



CORPORATE GOVERNANCE REPORT

The Directors of your Company present the Company's Report on Corporate Governance.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

AJANTA SOYA LIMITED believes that effective Corporate Governance is a systematic process by which companies are directed to enhance their wealth generating capacity and the governance process should ensure that the companies are managed in the manner that meets the interests and the aspirations of the share holders and other stake holders. The Company believes in good Corporate Governance and has made Corporate Governance a practice and a continuous process of development. The Company's philosophy on Corporate Governance envisage the attainment of high level of transparency and accountability in the functioning of the Company and conduct of business and places due emphasis on regulatory compliance. 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:

BOARD OF DIRECTORS

Composition of the Board of the Company

The Board has an optimum combination of Executive, Non Executive and Independent Directors. The Company had total 5 directors on the Board on 31st March, 2004. Mr Sushil Goyal being the Managing Director cum Chairman is the only Executive Director in the Company. All other Directors are Ordinary Directors.

Composition of the Board of Directors as on 31st March, 2004

Directors	Category & Designation	No. of the Board Meetings Attended	Whether last AGM Attended	No. of Outside Directorship	No. of Committee Membership held
Mr Sushil Goyal	Promoter & Executive Director	14	Yes	5	Nil
Sri Ram Goyal*	Promoter & Non Executive Director	15	Yes	4	1
Prahlad Goyal	Non Executive Independent Director	15	No	Nil	2
Harsh Chander Kansal	Non Executive Independent Director	14	No	Nil	2
Mahak Kansal#	Non Executive Independent Director	11	No	Nil	1

* Mr Sri Ram Goyal resigned from directorship of the Company with effect from 19th August, 2004.

Mr Mahak Kansal was appointed on the Board as an additional director on 25th June, 2003.

Disclosure Regarding Appointment & Re appointment of Directors

Mr Bishan Goyal was appointed as additional director by the Board of Directors in their meeting held on 5th June, 2004. Mr Harsh Chander Kansal, Director who shall be retiring in this AGM, being eligible has offered himself for re-appointment. Brief particulars of these gentlemen are as follows:

Particulars	Harsh Chander Kansal	Bishan Goyal
Father's Name	Mr. Vijay Kumar Kansal	Mr. Sohan Lal Goyal
Date of Birth	18.09.1972	28.05.1964
Address	83/A- 3, Sector- 8, Rohini, Delhi-110 085	PP-1, Maurya Enclave, Pitam Pura, Delhi-110 034
Designation	Director	Director
Education:	Graduate	Graduate
Experience	Marketing & Finance	Steel Business & Finance
Salary etc.	No	No
Companies in which holds Directorship	-	1. Shivam Steel (P) Ltd 2. G. D. Ferro Alloys (P) Ltd 3. Reliance Forms (P) Ltd 4. H. S. Portfolio (P) Ltd

Companies in which holds membership of Committees -

The Board Meetings held during the year and the Attendance thereat:

During the year under review the Board of Directors of the Company duly met for 15 (fifteen) times on 19.04.2003, 30.04.2003, 24.05.2003, 25.06.2003, 31.07.2003, 22.08.2003, 01.09.2003, 31.10.2003, 12.11.2003, 04.12.2003, 03.01.2004, 31.01.2004, 03.02.2004, 01.03.2004, 26.03.2004

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.

AUDIT COMMITTEE

Composition & Terms of Reference

The Audit Committee of the Company comprises of three non executive directors i.e. Mr Prahlad Goyal - as Chairman; Mr Sri Ram Goyal and Mr Harsh Chander Kansal as the Members of the Committee.

As Mr Sri Ram Goyal resigned from the Board of the Company, Mr Bishan Goyal was appointed as a member of the Committee in his place. Terms of references of the Audit Committee are as per the guidelines set out in the listing agreements with the stock exchanges that