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ANNUAL REPORT
2001-2002



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Aekta Limited

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BOARD OF DIRECTORS

S. S. Kanoria *Chairman*
A. C. Mukherji
A. K. Basu
J. K. Bhagat
H. Khaitan
I. P. Poddar
D. K. Bubna *Managing Director*

Auditors
Singhi & Co.
Chartered Accountants

Bankers
Central Bank of India
Canara Bank
Allahabad Bank

Registered Office
"KCI Plaza", 1st Floor
23C, Ashutosh Chowdhury Avenue
Kolkata - 700 019

Works
Ludlow Jute Mills
Chengail, Howrah

President (Works)
B. M. Thakkar

Vice President (Corporate) and Secretary
S. L. Agrawal

Vice President (Finance & Accounts)
K. Saraogi

Registrar and Share Transfer Agents
MCS Ltd.
77/2A, Hazra Road
Kolkata - 700 029

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NOTIC

TO THE SHAREHOLDER

NOTICE is hereby given that the Twenty Third Annual General Meeting of the Shareholders of AEKTA LIMITED will be held at Sitaram Seksaria Auditorium at Bharatiya Bhasa Parisad, 36A, Shakespeare Sarani,Kolkata - 700 017 on Tuesday, the 31st day of December,2002 at 4.00 P.M., to transact the following business :-

ORDINARY BUSINESS :

1. To consider and adopt the Profit & Loss Account of the Company for the year ended 31st March,2002, the Balance Sheet as at that date and the Reports of Directors and Auditors thereon.

2. To appoint a Director in place of Shri J.K. Bhagat who retires by rotation and being eligible offers himself for re-appointment.

3. To appoint a Director in place of Shri I. P. Poddar who retires by rotation and being eligible offers himself for re-appointment.

4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS :-

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as :-

Special Resolution :-

5. RESOLVED THAT pursuant to section 163 of the Companies Act, 1956 the Company hereby approves that the Register of Members, Indices, Returns and copies of certificates and documents, instead of being kept at the Registered Office of the Company at "KCI PLAZA", 23C, Ashutosh Chowdhury Avenue, Kolkata - 700 019 be kept at the office of Company's Registrars and Transfer Agents, MCS Ltd. at 77/2A Hazra Road, Kolkata - 700 029, where the necessary Registers, Indices, Returns as mentioned above shall remain open for inspection during normal business hours except on Saturdays and other holidays.

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Regd. Office :
"KCI PLAZA", 1st Floor
23C, Ashutosh Chowdhury Avenue
Kolkata - 700 019.
the 31st day of October, 2002

By Order of the Board.

(S. L. AGRAWAL)
Vice President(Corporate)
and Secretary

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NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPAY.

   Proxies, in order to be effective, must be received by the Company not less than 48 hours before the meeting.

2. The Explanatory Statement, as required under Section 173(2) of the Companies Act, 1956, is annexed hereto.

3. The Register of Members and Share Transfer Books in respect of Equity Shares of the Company will remain closed from 24th December, 2002 to 31st December, 2002 (both days inclusive).

4. Members are requested to notify immediately change in their registered address if any mentioning full address in block letters with pin code of the post office.

5. Members are requested to bring their copy of Annual Report to the meeting.

6. Members who hold shares in dematerialised form are requested to bring their clien ID and DPID Nos. for easier identification of attendance at the meeting.

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(S. L. AGRAWAL)
Vice President(Corporate)
and Secretary

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ANNEXURE TO NOTICE

Explanatory Statement as required under Section 173(2) of the Companies Act, 1956

ITEM NO. 5

The Company has appointed M/s MCS Limited as its Registrar and Transfer Agents both for physical and Demat segment of its shares. It would therefore be imperative to keep the Register of Members and other related documents at the office of the Registrar and Transfer Agents.

In terms of Section 163(1) of the Companies Act, 1956 a special resolution is required for keeping the Register of Members and other related documents at a place other than its Registered Office. Your Directors commend the resolution for your approval.

None of the Directors is interested or concerned in the resolution.

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the 31st day of October,2002

By Order of the Board,

(S. L. AGRAWAL)
Vice President(Corporate)
and Secretary

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DIRECTORS' REPORT TO THE SHAREHOLDERS,

Your Directors have pleasure in presenting the 23rd Annual Report alongwith the Audited Accounts of the Company for the year ended 31st March, 2002.

FINANCIAL HIGHLIGHTS

	(Rs. in crores)	
	2001-02	**2000-01**
Profit before Depreciation	4.21	4.12
Less: Depreciation	2.19	2.18
Profit for the year	2.02	1.94
Less: Income Tax for earlier year	–	0.35
Less: Provision for Deferred Taxation	0.34	–
	1.68	1.59
Add : Balance brought forward from last year	(2.98)	(4.57)
Balance carried forward	(1.30)	(2.98)

In view of carry forward losses, the directors regret that they are unable to recommend dividend for the year under review.

OPERATIONS

During the year under review, the Company was able to achieve sales and exports of Rs. 11419 lakhs and Rs. 4086 lakhs respectively as against Rs. 11039 lakhs and Rs. 4068 lakhs during the previous year. The net profit worked out at Rs.202 lakhs as compared to a profit of Rs.194 lakhs during the previous year.

During the year under review the raw jute prices fluctuated widely. The prices of jute goods in domestic market were somewhat stable due to steady procurement of B.Twill bags by various foodgrain procuring agencies through DGS&D.

International market in general was subdued due to slump in economic activities on account of terrorist attack on World Trade Centre on 11th September, 2001 in USA.

Performance of the Company during the year was adversely affected by substantial increase in wages due to unprecedented increase of dearness allowance. The working of the Company also suffered due to wild cat strike called by a section of the workmen resulting into complete stoppage of work during the period from 30th October to 8th November, 2001.

However, the Company could maintain its profitability due to more efficient operations, better marketing and increased exports.

FUTURE PROSPECTS

The Company's performance in the current year is likely to be affected adversely due to the abnormal increase in power rates and wage cost. The substantial dilution of the Jute Packaging Materials (Compulsory use for packing commodities), Act 1987 (JPMA) is a serious threat to the very existance of jute industry. The unfortunate drought situation in some parts of the country in the current year would adversely affect the demand for jute goods.

ISO 9002

Due to continuous quality control measures adopted by the Company, the ISO 9002 Certification for all products of the Company which was renewed for 3 years is valid till December, 2003.

DIRECTORS

Sharvashri J.K. Bhagat and I.P.Poddar retire by rotation, and being eligible, offer themselves for re-appointment.

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DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed :

i) That in the preparation of the accounts for the financial year ended 31st March, 2002, the applicable accounting standards had been followed alongwith proper explanation relating to material departures subject to Note No. 5 (a) of the Auditors' Report together with Note No.B4 in Schedule 'N' of Notes on Accounts;

ii) That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were responsible 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 the year under review;

iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) That the Directors have prepared the accounts for the financial year ended 31st March, 2002 on 'going concern' basis.

CORPORATE GOVERNANCE REPORT

The Code of Corporate Governance introduced by clause 49 of the listing agreement with the Stock Exchanges where the shares of the Company are listed, has been implemented by the Company during the year under review. The Company has complied with all the mandatory requirements as prescribed under the said clause of the listing agreement.

A report on the matters specified in the said Code of Corporate Governance alongwith a certificate from the Company's Auditors confirming compliance is annexed and forms part of the report.

AUDITORS AND AUDITORS' REPORT

Messers Singhi & Co., Chartered Accountants, Auditors of the Company, retire and are eligible for re-appointment. The Company has received letters from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1-B) of the Companies Act, 1956.

The Company has provided a sum of Rs. 100.02 lakhs during the year on account of Gratuity Liability upto 31.03.2000. The balance liability could not be provided due to inadequate profits.

PERSONNEL

The provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules 1975 as amended is not applicable as none of the employees is in receipt of the remuneration in excess of the limits laid down therein.

ENERGY CONSERVATION

Information in accordance with the provisions of Section 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the Annexure forming part of this Report.

SUBSIDIARIES

The statement required under section 212 of the Companies Act, 1956 in respect of Subsidiary Companies is appended to this report.

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SCHEME OF ARRANGEMENT

The Company had entered into a scheme of arrangement for transfer of Siberia Division to its 100% subsidiary company Ludlow securities Limited with effect from 01.04.2001. The scheme was approved by the respective shareholders of both the companies and was pending with the Hon'ble High Court at Kolkata for its approval. The Board has decided to withdraw the said scheme of arrangement.

The Board has also decided, to file a fresh scheme of arrangement for transfer of the said Sijberia Division to its 100% subsidiary, Ludlow Securities Ltd. with effect from 01.04.2002.

ACKNOWLEDGEMENT

Your Directors would like to express their grateful appreciation for the assistance received from the Financial Institutions, Banks, Government Authorities and Shareholders during the year under review.

Regd. Office :
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23-C, Ashutosh Chowdhury Avenue
Kolkata - 700 019.

the 31st day of October, 2002.

For and on behalf of the Board,

S.S.Kanoria
Chairman

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INFORMATION AS PER SECTION 217(1)(e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES,1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2002.

I. CONSERVATION OF ENERGY :

As reported earlier, the Company accord high priority to Energy Conservation.

(a) During the year, the Company has undertaken the installation of fuel efficient & lower H.P.Motors and improving the existing D.G. sets.

(b) The Company is constantly consulting various experts for energy conservation and their suggestions are under implementation. The required investment for the purpose is being made on continuous basis.

(c) Impact of measures undertaken are reflected in lower consumption of electricity per M.T. of finished goods produced.

(d) The Company had appointed the ENERGY CONSERVATION CELL of Confederation of Indian Industry, Southern Regional Headquarters, Chennai to conduct detailed Energy Audit of the Company's Mill and expects to achieve substantial savings in Energy Cost in the coming years by implementing their suggestions.

Total energy consumption and energy consumption per unit of production as per form 'A' :

A. Power and Fuel Consumption :

	2001-2002	2000-2001
1. Electricity :		
(a) Purchased :		
Units (in lakhs)	177.01	193.75
Total amount (Rs.in lakhs)	734.67	838.58
Rate/unit (Rs.)	4.15	4.33
(b) Own Generation :		
Through Diesel Generator		
Units (in lakhs)	14.57	15.14
Unit per ltr. of Diesel Oil	2.82	2.83
Cost/unit(Rs.)	6.20	5.65

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	2002	2001-2002
2. Coal (Steam Coal for generation of steam in boiler)		
Quantity (in tonnes)	677	1512
Total Cost (Rs. in lakhs)	16.67	32.78
Average Rate (Rs.)	2462	2168

B. Cosumption per unit of production:

Production (Unit : M.T.) :	36661	38685
Electricity (KWH)	523	540
Coal (Steam Kgs)	97	206

II. TECHNOLOGY ABSORPTION

Research & Development (R & D)

(a) Specification of technology :

The Company has been carrying on R & D activities both manufacturing & marketing to develop new products and jute & blended products with co-operation of Indian Jute Industries Research Association (IJIRA) and Jute Manufacturers Development Council (JMDC).

(b&c) Benefit and future plan of action :

The Company expects to derive benefits in future by higher value addition & per unit realisation of its products.

(d) Expenditure on R & D :

Details not kept and merged with general expenditure.

III. FOREIGN EXCHANGE EARNINGS AND OUTGO :

(a) Export activities :

During the year under review, the FOB value of the exports of the Company was Rs. 3733 lakhs as against Rs. 3581 lakhs in the last year.

(b) Total foreign exchange used and earned :

Used	Rs. 1755 lakhs
Earned	Rs. 3733 lakhs

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the 31st day of October, 2002

For and on behalf of the Board.

S.S.Kanoria
Chairman

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