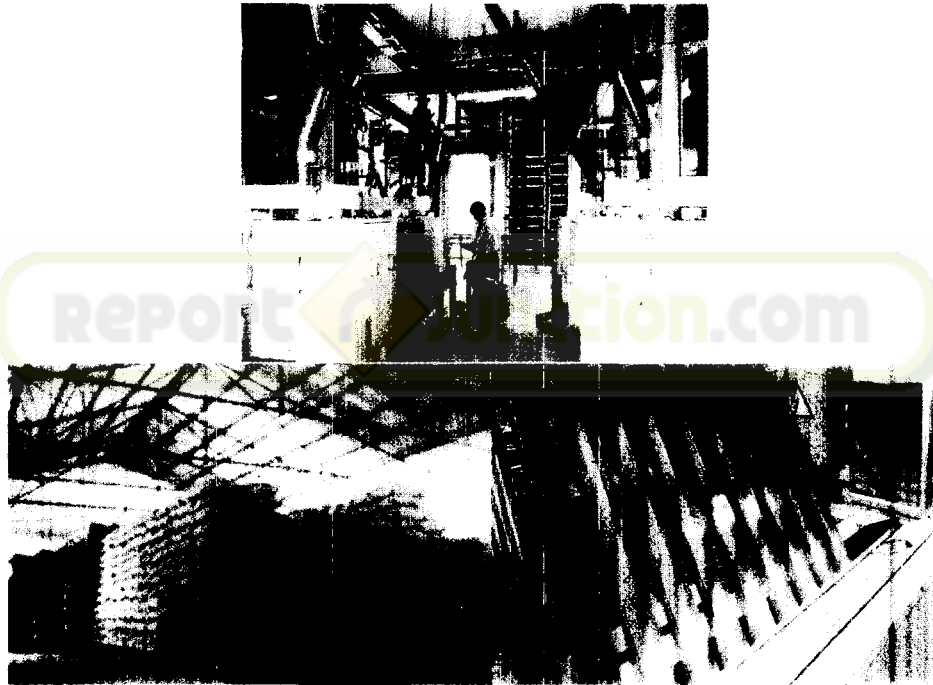


Annual Report

2005-2006



AMIRA FOODS (INDIA) LIMITED

An ISO 9001:2000 Company

A Government Recognised Three Star Export House

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NOTICE

Notice is hereby given that the 13th Annual General Meeting of the members of Amira Foods (India) Limited will be held on Friday, September 30, 2006 at 11.00 AM at 54, Prakriti Marg, Sultanpur Farms, Mehrauli, New Delhi-110030 to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Balance Sheet of the Company as at March 31, 2006 and the Profit and Loss Account for the year ended on that date together with the Report of the Auditors and the Directors thereon.
2. To declare a dividend on Preference Shares for the year ended March 31, 2006.
3. To appoint Ms. Anita Daing who retires by rotation by rotation and, being eligible, offers herself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

The retiring Auditors M/s. R. N. Marwah & Co., Chartered Accountants, New Delhi, being eligible and willing to act as the Auditors offer themselves for re-appointment.

"RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. R. N. Marwah & Co., Chartered Accountants, New Delhi, be and are hereby re-appointed as the Auditors of the Company for the financial year 2006-07, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, at a remuneration as may be determined by the Board of Directors."

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By order of the Board

Sd/-

Place : New Delhi
Date : September 01, 2006

Karan A Chanana
(Managing Director)

NOTES

1. A MEMBER, ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT ONE OR MORE PROXY (IES) TO ATTEND AND ON POLL TO VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY TO BE VALID SHOULD REACH THE REGISTERED OFFICE OF THE COMPANY ATLEAST 48 HOURS BEFORE THE SCHEDULED TIME FOR COMMENCEMENT OF THE MEETING.
2. Members/proxies should bring duly filled Attendance Slip to attend the meeting.
4. In case of a Body Corporate member, please furnish certified copy of the Board Resolution in terms of Section 187 of the Companies Act, 1956 authorising the person attending the meeting in person as its representative or appointing a proxy; and that such authority must be conferred in advance, and not by ratifying its act subsequently by a Board Resolution.
5. The Register of Directors' Shareholding maintained u/s 307 of the Companies Act, 1956 will be available for inspection by the members at the Annual General Meeting.
6. The Register of Contracts etc. maintained u/s 301 of the Companies Act, 1956 will be available for inspection by the members at the Annual General Meeting.

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their Thirteenth Report on the working of the Company and the Audited Statement of Accounts for the year ended March 31, 2006.

Financial Highlights

| | March 31, 2006 (Rs. in Lacs) | March 31, 2005 (Rs. in Lacs) |
|------------------------------------|---------------------------------|---------------------------------|
| Turnover and Other Income | 35,122.43* | 24,942.61* |
| Profit before Depreciation | 1,087.95 | 841.61 |
| Depreciation | 216.50 | 241.75 |
| Profit before taxation | 871.45 | 599.86 |
| Provision for taxation | 311.00 | 148.92 |
| Profit/(Loss) after tax | 560.45 | 450.94 |
| Add : Balance brought forward | 1,632.50 | 1238.20 |
| Less / (Add) : Tax Adjustments | 10.19 | 23.88 |
| Less : Preference Dividend | 27.00 | 27.00 |
| Less : Dividend Tax | 3.79 | 3.52 |
| Less : Transfer to General Reserve | 100.00 | 50.00 |
| Balance carried to Balance Sheet | 2,072.35 | 1632.50 |

* Includes increase in stocks of Rs. 3,837.15 Lacs (Previous year decrease in stocks of Rs. 457.37 Lacs)

Operations

During the year under review, your Company has achieved the Turnover of Rs. 309.28 Crores (previous year Rs. 252.29 Crores) a growth of Rs. 56.99 Crores (percentage growth of approx. 23%), mainly due to good monsoon and the increased demand from the suppliers of the Company.

Future Prospects

The Company is agro-based and thus monsoon and general climatic conditions does have a great impact on the business of the Company. This year, the Company is trying to expand its business operations and making constant endeavor to explore new markets.

The Company is also putting more emphasis on its domestic operations and as a result its products are finding acceptance in the domestic market and this has been identified as a major area of growth in future. Your Directors envisage substantial enhancement in the demand of the products of the Company in near future which will in turn increase the market share of the Company in the domestic market.

Your Directors expect that despite stiff competition from Pakistan, the Export of Basmati Rice from India will continue to grow. Your Directors are confident that the export performance of the Company in Basmati and non-Basmati Rice will continue to show upward trend. Further as the Company has taken the requisite measures to meet the requirements of the revised norms of the European Community (EC) for the supply of Basmati and Non-basmati rice, therefore great demand is expected from EC.

Your Directors are planning to further enhance the activities of the Company involving brand-building exercise. In this regard, the Company had applied for getting the various trademarks registered in India and abroad and is further planning to issue advertisements in various media viz; newspapers, television, magazines, issue brochures, pamphlets, etc.

**Deposits**

During the year, your Company did not invite or accept deposits from any person.

Dividend

Your Directors are pleased to recommend dividend on 4,50,000 6% Cumulative Redeemable Preference Shares of Rs. 100/- each.

Directors

The Directors in the office as on the date of this Report are Mr. V. K. Chanana, Mr. Karan A Chanana, Ms. Anita Doing and Mr. Anil Gupta.

Ms. Anita Daing is retiring by rotation from the Board and being eligible has offered herself for re-appointment. The Board commends her re-appointment.

During the year, Mr. Anil Chanana resigned as Managing Director of the Company and thereafter from the Board of the Company due to personal reasons. Mr. Kunal Chanana resigned as Joint Managing Director and from the directorship of the Company. The Board places on record its sincere and deep appreciation for the valuable contributions made by them during their tenure.

Mr. V. K. Chanana was appointed as Chairman of the Board of Directors.

Mr. Karan A Chanana has been elevated to the position of Managing Director of the Company.

Directors' Responsibility Statement pursuant to Section 217 (2AA)

Your Directors confirm that :

- (i) in the preparation of the Annual Accounts for the year ended March 31, 2006, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (iii) the Directors had 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; and
- (iv) the Directors had prepared the Annual Accounts for the year ended March 31, 2006 on a going concern basis.

Auditors' Report

Auditors' Report on the financial statements for the year ended March 31, 2006 is annexed hereto and is self-explanatory.

Auditors

M/s. R. N. Marwah & Co., Chartered Accountants, New Delhi, the Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Necessary resolution for their re-appointment is incorporated in the Notice calling the ensuing Annual General Meeting.

Particulars of Employees

Provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are not applicable to the Company as there is no employee in receipt of remuneration exceeding Rs. 2,00,000 p.m. or Rs. 24,00,000 per annum.

Discloser of Particulars u/s 217 (1) (e) of the Companies Act, 1956

A statement disclosing the particulars as prescribed 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 enclosed as Annexure-I and forms integral part of this Report.

IPO

The Company has passed the necessary Resolution under Section 81 (1A) of the Companies Act, 1956 for Initial Public Offer of Equity Shares of the Company. The Company has appointed M/s. IDBI Capital Market Services Limited and M/s. Bajaj Capital Limited as Book Running Lead Mangers.

The Company is in the process of filing the Draft Red Herring Prospectus with SEBI and Stock Exchanges.

Conversion

During the year, the Company has been converted into a Public Company vide Fresh Certificate of Incorporation dated December 9, 2005.

Appreciation

Your Directors wish to acknowledge and thank the Government Authorities for their support and guidance. Your Directors also thank the shareholders, customers, suppliers, business associates, financial institutions and Banks for their sustained support and co-operation. We also place on record our sincere appreciation for the dedication and commitment of the employees at all levels of the Company.

For and on Behalf of the Board of Directors

Sd/-

Sd/-

Place : New Delhi
Date : September 01, 2006

Karan A Chanana
Managing Director

Anita Daing
Director (Finance)

AUDITORS' REPORT

The Members,
Amira Foods (India) Limited
New Delhi.

We have audited the attached Balance Sheet of Amira Foods (India) Limited, as at 31st March, 2006 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of sub-section (4A) of section 227 of the Companies Act, 1956, is not applicable to the Company in view of the above mentioned conditions of the Order not being satisfied.

Further we report that :

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii. In our opinion, the company has kept proper books of account as required by law so far, as appears from our examination of those books.
- iii. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
- iv. In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- v. On the basis of written representations received from the directors, as on 31st March, 2006, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2006 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes to the accounts, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2006;
 - b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date and.

For **R.N.MARWAH & CO.**,
Chartered Accountants

Sd/-

U.N. Marwah
Partner

Membership No. : 13595

Place : New Delhi
Date : August 14, 2006