

**FIFTH ANNUAL REPORT  
1998-99**

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**ANS AGRO INDUSTRIES LIMITED**



## **ANS AGRO INDUSTRIES LTD.**

### **BOARD OF DIRECTORS**

Sh. Amar Nath Sharma  
Sh. Mehinder Sharma  
Sh. S. R. Sahore  
Sh. Bodh Raj Arora  
Sh. Chander Mohan Marwah  
Sh. K. L. Garg  
Sh. A. P. Chamoli  
Sh. Samir Mathur

Chairman  
Managing Director  
Whole Time Director  
Director  
Director  
Director (IDBI Nominee)  
Director (HSIDC Nominee)  
Director (HAIC Nominee)  
w.e.f. 18th August, 1999)

### **COMPANY SECRETARY**

Sh. Rahul Agarwal

### **REGD. OFFICE & WORKS**

Village & P.O. Rathdhana,  
Jatheri-Sonepat Road,  
Distt. Sonepat, Haryana

### **HEAD OFFICE**

144/2, Ashram, Mathura Road,  
New Delhi-110 014

### **BANKERS**

Canara Bank  
Malviya Nagar,  
New Delhi-110 017

### **AUDITORS**

Gaur V. K. & Company  
Chartered Accountants  
2140/5, Bhagat Singh Street No. 2,  
Paharganj, New Delhi-110 055



## **ANS AGRO INDUSTRIES LTD.**

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### **NOTICE**

Notice is hereby given that the Fifth Annual General Meeting of the Company will be held at the Registered Office of the Company at Village & P.O. Rathdhana, Jatheri-Sonepat Road, Distt. Sonapat, Haryana on Monday, the 27th day of September, 1999 at 11:30 A.M. to transact the following business:

### **ORDINARY BUSINESS :**

1. To consider and adopt the Audited Annual Accounts of the Company for the year ended 31st March, 1999 together with the Auditors' Report thereon and the Report of the Directors.
2. To appoint a director in place of Shri Bodh Raj Arora who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a director in place of Shri Amar Nath Sharma who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors of the Company and to fix their remuneration.

### **SPECIAL BUSINESS :**

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

**"RESOLVED THAT** pursuant to provisions of Sections 198, 269 & 309 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, approval of the Company be and is hereby accorded to the appointment of Sh. Mehinder Sharma as Managing Director of the Company for a period of 5 years w.e.f. 10th August, 1999 on the following terms and conditions :

**Salary : Rs.16000/- Per Month**

**Perquisites (to be restricted to an amount equal to annual salary) :**

- a) Reimbursement of medical expenditure incurred on self and family to the extent of one month's salary in one year or three month's salary in a period of three years.
- b) Leave travel concession for self and family once in a year limited to one month's salary.
- c) Personal accident insurance of an amount, the annual premium whereof shall not exceed Rs. 4,000/-.



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- d) **Club Fees :** For a maximum of two clubs excluding admission and life membership fees.
- e) **Credit Card :** He shall be allowed to hold credit card for making payments on behalf of the Company.
- f) **Contribution to PF & Gratuity :** As per Company's regulations.
- g) **Reimbursement at actuals.**
  - (i) **Gas, Water & Electricity.**
  - (ii) **Motor Car & Telephone :** Expenditure on motor car shall be borne by the Company except for personal expenditure which shall be billed by the Company.
  - (iii) **Expenditure on telephone shall be borne by the Company except for personal long distance calls which shall be billed by the Company.**
  - (iv) **Expenditure incurred on behalf of the Company.**

### **NOTES:**

- a. Contribution to Provident Fund or 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, 1961.
  - b. Gratuity payable shall not exceed half a month's salary for each completed year of service.
  - c. Earned leave shall be on full pay and allowances not exceeding one month's leave for every eleven months of service. Encashment of leave at the end of tenure will not be included in computation of ceiling on perquisite."
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution :

"RESOLVED THAT pursuant to provisions of Sections 198, 269 & 309 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, approval of the Company be and is hereby accorded to the appointment of Sh. S.R. Sahore as Whole Time Director of the Company for a period of 5 years w.e.f. 10th August, 1999 on the following terms and conditions :

Salary : Rs. 16000/- Per Month  
House Rent : 50% of Salary Per Month



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- Medical Reimbursement** : Reimbursement of medical expenditure incurred on self and family to the extent of one month's salary in one year or three month's salary in a period of three years.
- Leave Travel Concession** : Leave travel concession for self and family once in a year limited upto one month's salary.
- Club Fees** : For a maximum of two clubs, excluding admission and life membership fees.
- Credit Card** : He shall be allowed to hold credit card for making payments on behalf of the Company.
- Contribution to PF & Gratuity** : As per Company's regulations.
- Gas, Water & Electricity** : Reimbursement at actuals.
- Motor Car & Telephone** : Expenditure on motor car shall be borne by the company except for personal expenditure which shall be billed by the Company.
- Expenditure on telephone shall be borne by the company except for personal long distance calls which shall be billed by the Company."

Place : New Delhi  
Dated : 18.08.1999

By order of the Board  
For ANS Agro Industries Ltd.

(MEHINDER SHARMA)  
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 AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY FORM, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.

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2. Register of Members and Share Transfer Books of the Company will remain closed from 24th September, 1999 to 27th September, 1999 (Both days inclusive).
3. The Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956 is annexed.
4. Members are requested to notify to the Company immediately, of any change in their address.
5. Members are requested to bring their copy of Annual Report to the meeting.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.****ITEM NO. 5 & 6 :**

The term of office of Sh. S.R. Sahore, as Managing Director of the Company has expired on 9th August, 1999. Your Board has decided to appoint Sh. Mehinder Sharma, Chief Promoter Director, of the Company as Managing Director with effect from 10th August, 1999, subject to approval of shareholders of the Company which is now being sought. Sh. Mehinder Sharma was previously appointed as Whole Time Director.

The Board has also decided to appoint Sh. S.R. Sahore as Whole Time Director with effect from 10th August, 1999, in the vacancy caused due to the appointment of Sh. Mehinder Sharma as Managing Director of the Company, subject to approval of shareholders of the Company. The Company can use the vast experience of Sh. S.R. Sahore during the difficult time being presently faced by the Company.

The Board has recommended the passing of the said resolutions.

Sh. S.R. Sahore and Sh. Mehinder Sharma may be deemed to be interested in the respective resolutions regarding their appointment and Sh. Amar Nath Sharma being relative of Sh. Mehinder Sharma be deemed to be interested in the resolution pertaining to the appointment of Sh. Mehinder Sharma.

Place : New Delhi  
Dated : 18.08.1999

By order of the Board  
For ANS Agro Industries Ltd.

(MEHINDER SHARMA)  
MANAGING DIRECTOR



## **ANS AGRO INDUSTRIES LTD.**

### **DIRECTORS' REPORT**

#### **TO THE MEMBERS**

Your Directors hereby present the 5th Annual Report of the Company along with the Audited Accounts for the year ended 31st March, 1999.

#### **FINANCIAL RESULTS :**

	<b>CURRENT YEAR (1998-99) (RS. IN LAKHS)</b>	<b>PREVIOUS YEAR (1997-98) (RS. IN LAKHS)</b>
Sales and Other Income	117.85	75.02
Loss before Interest, Depreciation & Tax	109.83	100.64
Interest	101.32	81.83
Depreciation	158.68	64.41
Provision for taxation	Nil	Nil
Net Loss for the year	369.83	246.88
Prior year adjustments	214.46	Nil
Debit balance in Profit & Loss Account brought forward from previous year	390.23	143.35
Debit balance carried forward to Balance Sheet	974.52	390.23

Your Company has changed its method of charging depreciation from the Straight Line Method to Written Down Value Method to amortise the value of assets of the Company in a period equivalent to the life of the assets. It is considered that the change would result in a more appropriate preparation and presentation of the financial statements of the Company. The deficiency of Rs. 293,93,898/- (Nil) arising from recomputation of depreciation in accordance with the Written Down Value method is adjusted in the accounts of the current year.



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Your Company considers that fluctuation in rate of exchange of foreign currency in respect of the rate prevailing on the date of drawl of the term loan and as at the close of the financial year under review as compared to the Indian Rupee is permanent in nature. The consequential impact of the devaluation of Rs. 155,28,111/- (Nil) has been accounted in the accounts for the year under review by restating both, the term loan liability and the value of plant and machinery acquired therefrom. The depreciation has accordingly been charged on plant and machinery as per the changed method of depreciation now followed by the Company.

The accumulated losses of the Company as on 31st March, 1999 stand at Rs. 974.52 lacs as compared to Paid-up share capital of Rs. 925.56 lacs. In view of the full erosion of share capital, the Company has become a sick industrial Company within the meaning of clause (o) of sub-section 1 of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

### **OPERATIONS**

Your Company sold 290.65 MT of Frozen Vegetables in domestic market having value of Rs. 101.77 lacs after obtaining permission from Ministry of Industry.

After the failure of the marketing agreement with Kuhlzentrum Mariental, Germany, under which Kuhlzentrum Mariental agreed to purchase finished goods to be manufactured by the Company to the extent of 50% of the installed capacity of the plant, the Company, of its own, could not establish itself in the export market. The Company is facing stiff competition from Latin American and East European countries. However, your Company is in discussions with few buyers in the export market both directly and through Commission Agents and is hopeful of getting export orders shortly.

### **DIRECTORS**

Shri Bodh Raj Arora and Shri Amar Nath Sharma, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Risk Capital and Technology Finance Corporation Ltd. (RCTC) have withdrawn their nominee Director with effect from 22-07-1998 due to resignation of Sh. Arun Kumar Gupta (Nominee of RCTC) from his services with RCTC. Haryana Agro Industries Corporation Ltd. (HAIC) nominated Smt. Jyoti Arora, as their nominee on the Board of the Company with effect from 21-04-1999 in place of their earlier nominee Shri M. Ramsekhar. Your Directors express appreciation towards the valuable guidance given by Sh. Arun Kumar Gupta and Sh. M. Ramsekhar during their tenure as Directors of the Company.