

14th
Annual Report
2003-2004



Certified True Copy
For Ashiana Agro Industries Ltd
[Signature]
Company Secretary

ASHIANA AGRO INDUSTRIES LTD.

ASHIANA AGRO INDUSTRIES LTD.



BOARD OF DIRECTORS

Shri Prem Prakash Gupta
Managing Director

Smt. Veena Gupta

Shri Pawan Kumar

Shri Nand Kishore Agarwal

COMPANY SECRETARY

Shri E.D.M. Menon

REGISTERED OFFICE & WORKS

**A-784, RIICO Industrial Area
Bhiwadi, Distt. Alwar
RAJASTHAN**

ADMN. & HEAD OFFICE

**S-440, G.F. Front Portion
Gr. Kailash-II, New Delhi-110048**

AUDITORS

**M/s Vikram Kumar & Co.
Chartered Accountants
Jagdish Bhawan, 1st Floor
Exhibition Road, Patna-800 001**

REGISTRAR & SHARE TRANSFER AGENTS

**M/s. Intime Spectrum Registry Ltd.
A-31, 3rd Floor, Naraina Industrial Area
Phase-I, New Delhi-110 028**



ASHIANA AGRO INDUSTRIES LTD.

NOTICE

Notice is hereby given that the fourteenth Annual General Meeting of the Members of the Company will be held on Friday, the 24th September 2004 at 11 AM at A-784, RIICO Industrial Area, 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 at 31st March, 2004 and the Profit & Loss Account for the year ended on that date together with Reports of Auditors and Directors thereon.
2. To appoint a Director in place Shri Pawan Kumar, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Nand Kishore Agarwal who retires by rotation and being eligible offers himself for re-appointment
4. To appoint statutory Auditors of the Company and to fix their remuneration, M/s. Vikram Kumar & Co. Chartered Accountants, Patna retires at the ensuing Annual General meeting and being eligible offer themselves for re-appointment.

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 the consent of the Company be and is hereby accorded in terms of Section 293(1) (a) and other applicable provisions, if any, of the companies Act, 1956, to the Board of Directors of the Company (the Board) to sell or otherwise dispose off at such consideration and with effect from such date as the Board may think fit, the whole of Land & Building and other Fixed Assets of the Company situated at A-784, RIICO Industrial Area, Bhiwadi, Distt. Alwar, Rajasthan.

FURTHER RESOLVED that the Board of Directors of the Company be and are hereby jointly and severally authorised to finalise and deal with in all the manner, means, methods or modes for the sale and disposal of the said property of the Company and to finalize and execute all the documents and agreements including modification thereof, as may be required for completion of sale and disposal as aforesaid and to do all such acts, deeds, matters and things as may be deemed or considered necessary or expedient for giving effect to the said resolution."

By order of the Board of Director

Sd/-

(PREM PRAKASH GUPTA)
MANAGING DIRECTOR

Place : New Delhi
Date : 14/8/2004

NOTES:

1. A MEMBER ENTITLED AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF. PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The Register of Members and Share Transfer Register shall remain closed for a day, i.e., on 23rd September, 2004.



ASHIANA AGRO INDUSTRIES LTD.

3. The Shareholders are requested to communicate to the Registrar & Transfer Agent, change in address, if any at the address given in the Annual Report.
4. Members are requested to preferably send their queries to the Registered Office seven days before the date of AGM.
5. Shareholders are requested to bring their copy of Annual Report to the Meeting.
6. Members/Proxies should fill Attendance Slip for attending the meeting.
7. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Members who hold shares in dematerialised form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio number in the attendance slip for attending the meeting.
9. All documents referred to in the accompanying notice and explanatory statement are open for inspection at the Regd. Office of the Company on all working days between 11.00 AM and 2.00 PM upto the date of the Annual General Meeting.

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

Item No. 4 & 5

As the Shareholders are aware, the Company has been operating the Unit consistently under losses since 1992-93. As the operations cannot be carried on at losses, we have closed down the Unit since 1st April 1997. Since then the Building and some machinery has been lying idle. The management feels that the Company should concentrate more on international and domestic trading on commodities, rather than concentrating in manufacturing activities. The Company is already empowered to undertake international and domestic trading activities. The Company has a liability in the form of interest free Sales Tax Loan payable to RIICO Ltd. amounting to Rs. 41.31 Lacs as on 31.3.2004. The Company has additional liabilities of appx. Rs.5.00 Lacs (including interest) to Rajasthan State Electricity Board and other statutory liabilities amounting to appx. Rs.2.50 Lacs. The Board of Directors feels that by selling Land & Building and other Fixed Assets, the Company will be in a position to square up all these liabilities aggregating to appx. Rs.49.00 Lacs. The balance can be utilized to finance the proposed international and domestic trading activities of the Company.

The Board recommends passing the Resolution.

None of the Directors is concerned or interested in the said resolution except to the extent of shares held by them in the Company.

By Order of the Board of Director

Sd/-

(PREM PRAKASH GUPTA)
MANAGING DIRECTOR

Place : New Delhi
Date : 14/08/2004

**ASHIANA AGRO INDUSTRIES LTD.****DIRECTORS REPORT**

To the Members

Your Directors take pleasure in presenting their Fourteenth Annual Report and Audited Accounts of the Company for the year ended 31st March 2004.

FINANCIAL HIGHLIGHTS

The summarised financial results for the year ended 31st March 2004 are as follows:-

	(Rupees in Lacs)	
	2002-2003	2003-2004
Total Income	13.43	13.45
Profit (+)/Loss(-) before Interest & Depreciation	(+)5.16	(+)6.75
Interest :	0.80	0.97
Depreciation:	(-)5.23	(-)5.35
Profit (+)/Loss(-) for the year	(-)0.07	(+)1.40
Add: Tax adjustments in respect of Earlier years	(+)0.04	-
Balance Loss(-) brought Forward from previous year	(-)305.92	(-)305.95
Balance carried to Balance Sheet (Loss)	(-)305.95	(-)304.55

The relevant notes on the Accounts of the Company referred to in the Auditors' Report are self-explanatory.

DIVIDEND

Keeping in view the losses, the directors are unable to recommend payment of any dividend for the year under review.

DIRECTORS

Shri M. B. Pareek ceased to be the Director of the Company w.e.f. 27.1.2004. Shri Pawan Kumar and Shri Nand Kishore Agarwal, Directors of the Company retire by rotation and are eligible for re-election.

FIXED DEPOSITS

Your Company has not accepted or invited any fixed deposits during the period under review.

AUDITORS

M/s. Vikram Kumar & Co., Chartered Accountants, Patna retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

PARTICULARS OF EMPLOYEES

There are no employees whose particulars are to be furnished pursuant to Section 217 (2A) of the Companies' Act (Particulars of Employees) Rules 1975.

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

There are no particulars which are required to be furnished pursuant to 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 as the production activities of the Company remained suspended since April 1997. The Company has neither earned nor utilized any foreign exchange during the year under review.



ASHIANA AGRO INDUSTRIES LTD.

LISTING OF SHARES

At present the Shares of the Company are listed with Magadh Stock Exchange Assn., Patna, the Jaipur Stock Exchange Ltd., Jaipur. The Delhi Stock Exchange Assn., Ltd., New Delhi and the Stock Exchange, Mumbai.

The Company proposes to delist the Shares from all the Stock Exchanges, except the Stock Exchange, Mumbai. The Shareholders have already granted approval for delisting vide Special Resolution passed in the AGM held on 29th Sept. 2003. The Company did not take any immediate action then. However, immediately after the forthcoming Annual General Meeting, the Company intends to initiate proceedings with the Stock Exchanges for delisting of Shares from these Stock Exchanges.

REGISTRAR & SHARE TRANSFER AGENT

The Company has discontinued the services of M/s. Skyline Financial Services Pvt. Ltd. as Registrar & Share Transfer Agent. w.e.f. 1st Oct., 2003, the Company has appointed M/s. Intime Spectrum Registry Ltd., A-31, 3rd Floor, Naraina Industrial Area, Phase I, New Delhi - 110 028 as Registrar and Share Transfer Agent w.e.f. 1/10/2003. All the Members are requested to contact them for any kind of Share related matters.

IMPLEMENTATION OF THE CORPORATE GOVERNANCE:

As per Clause 49 of the Listing Agreement, Company has constituted the following committees:-

Shareholders Grievances Committee:

Shri Nand Kishore Agarwal, Director is the Chairman and Smt. Veena Gupta and Shri Pawan Kumar are members of the committee. Meeting of the shareholders grievance committee will be held at regular intervals to sort out all kinds of grievances of investors.

Remuneration Committee

Shri Pawan Kumar, Director is the Chairman and Shri Prem Prakash Gupta and Shri Nand Kishore Agarwal, Directors are the members of the Committee. The Committee will hold meeting at regular intervals and will review the remuneration of Directors and top executives.

Audit Committee

Shri Nand Kishore Agarwal, Director is the Chairman and Smt. Veena Gupta and Shri Pawan Kumar, Directors are the members of the Committee. The duties, responsibilities and powers of the committee has been defined by the Board at the time of its constitution in accordance with listing Guidelines.

DIRECTORS RESPONSIBILITY STATEMENT:

While preparing the Annual Financial statements the Company has adhered to the following:

1. In the preparation of the said financial statements the Company has followed the applicable accounting standards, referred to in Section 211(3-C) of the Companies' Act, 1956.
2. The Company has followed the said Accounting Standards and has been applying them consistently and has made judgement and estimates that are reasonable, prudent and are in the interest of the company's business, so as to give a true and fair view of the state of affairs of the Company as at March, 2004 and of the Profit/loss of the Company, for the said period.
3. 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..
4. The Directors have prepared the financial statements on a going concern basis.

OBSERVATION OF THE AUDITORS IN THE ANNUAL ACCOUNTS

The Auditors have made no comment in their Report.

By order of the Board of Directors

Sd/-

Sd/-

Place : New Delhi

(PREM PRAKASH GUPTA)

(SMT. VEENA GUPTA)

Date : 14/08/2003

Managing Director

Director