

15th Annual Report 2004-2005



**Certified True Copy
For Ashiana Agro Industries Ltd.**



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-148, 2nd Floor
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 Fifteenth Annual General Meeting of the Members of the Company will be held on Saturday, the 24th September 2005 at 11 AM at RIICO Rest House, Hill Top, 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, 2005 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 Smt. Veena Gupta who retires by rotation and being eligible offers herself 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.

By order of the Board of Director

Sd/-

Place : New Delhi

Date : 11/7/2005

(PREM PRAKASH GUPTA)
MANAGING DIRECTOR

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, 2005.
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.



ASHIANA AGRO INDUSTRIES LTD.

DIRECTORS REPORT

To the Members

Your Directors take pleasure in presenting their Fifteenth Annual Report and Audited Accounts of the Company for the year ended 31st March 2005.

FINANCIAL HIGHLIGHTS

The summarised financial results for the year ended 31st March 2005 are as follows:-

	2004-2005		(Rupees in Lacs)	
	2004-2005		2003-2004	
Total Income	<u>50.77</u>		<u>13.45</u>	
Profit (+)/Loss(-) before Interest & Depreciation	34.21		(+)6.75	
Interest :	3.70		0.97	
Depreciation:	<u>0.96</u>	<u>4.66</u>	<u>4.38</u>	<u>(-)5.35</u>
Profit (+)/Loss(-) for the year	<u>(+)29.55</u>		<u>(+)1.40</u>	
Balance Loss(-) brought Forward from previous year	<u>(-)304.55</u>		<u>(-)305.95</u>	
Balance carried to Balance Sheet (Loss)	<u>(-)275.00</u>		<u>(-)304.55</u>	

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

DIVIDEND

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

OPERATIONS

The Company has started international trading operations during the year under review. For the time being, your Company is concentrating on merchant exports. The first export of your Company took place in March 2005 when it sent one consignment to Singapore.

SALE OF FIXED ASSETS

Pursuant to approval of Shareholders by Postal Ballot and in Annual General Meeting, accorded in terms of Section 293 (1) (a) and other applicable provisions of the Companies' Act, the Board of Directors of your Company has disposed off the Land & Bldg. and other Fixed Assets at a consideration of Rs.75.00 Lacs. Out of the proceeds, a sum of Rs.43.57 Lacs utilised towards payment of Interest Free Sales Tax Loan and Rs.2.82 Lacs towards other sundry liabilities to Rajasthan State Industrial Development & Investment Corp. Ltd. The balance will be utilised towards financing of international trade transactions. The Members will be happy to learn that your Company has become a zero liability company after payment of Interest Free Sales Tax Loan to RIICO.

DIRECTORS

Shri. Pawan Kumar and Smt. Veena Gupta, 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, the Company intends to initiate proceedings with the Stock Exchanges for delisting of Shares from these Stock Exchanges at the appropriate time. Stock Exchange Regulations are complied with from time to time.

REGISTRAR & SHARE TRANSFER AGENT

M/s. Intime Spectrum Registry Ltd., A-31, 3rd Floor, Naraina Industrial Area, Phase I, New Delhi-110 028 continue to be Company's Registrar & Share Transfer Agents. 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. A separate report on Corporate governance forms part of this Annual Report.

Management's Discussion and Analysis

Management's discussion and analysis in compliance with Clause 49 of the Listing Agreement is attached and forms part of this report.

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, 2005 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 : 11/07/2005

Managing Director

Director



ASHIANA AGRO INDUSTRIES LTD.

CORPORATE GOVERNANCE

Corporate Governance emphasizes the principle of self-governance. We have been following the spirit of corporate governance since the date of incorporation of the Company, but as per the guidelines of SEBI, we have implemented the same as per Clause 49 of the Listing Agreement.

The theme of Corporate Governance is based on the principle of working in a disciplined manner. At the time of decision, law of natural justice must prevail and to work in the best interest of all the constituents, i.e., shareholders, customers, financial institution/banks, employees and all others.

1. The Board of Directors consists of Four Directors.

Managing Director	Shri Prem Prakash Gupta
Non-Executive Directors	Smt Veena Gupta
	Shri Nand Kishore Agrawal
	Shri Pawan Kumar

Composition, Attendance at the Board Meetings and the last Annual General Meeting, outside directorships and others Board Committees.

Director	No of Board meetings attended	Attendance at previous AGM on 24.09.2004	No. of outside Directorship held	No. of membership/Chairman-ship in Committees	Executive/ Non executive/ Independent
1. Sh. P.P. Gupta	5	Present	3	2	Executive
2. Smt. Veena Gupta	2	Present	2	3	Non-Executive
3. Sh. Pawan Kumar	3	Present	-	3	Non-Executive & independent
4. Sh. N. K. Agarwal	3	Present	-	3	Non-Executive & independent

Board Meetings held during the financial year ended 31st March 2004 : 5

During the year Board Meetings held on : 26.4.04, 27.7.04, 14.8.04, 27.10.04 and 27.1.05

BOARD COMMITTEES

AUDIT COMMITTEE

The Audit Committee comprises of Mr. Nand Kishore Agarwal, Shri Pawan Kumar and Smt. Veena Gupta all being non-executive and independent Directors. Mr. N. K. Agarwal is B.Sc. and LLB with more than 30 years experience in Accounting and Financial matters, who will act as Chairman of the Audit Committee with Shri E.D.M. Menon, Company Secretary as Secretary to the Committee. The role and duties of the audit Committee have been defined by the Board of Directors and generally cover the areas mentioned under clause 49 of the Listing agreement besides other terms as may be referred to the Committee by the Board of Directors from time to time.

SHAREHOLDERS GRIEVANCES COMMITTEE

Shareholders Grievances committee is headed by Shri Nand Kishore Agarwal and other members of the Committee are Smt. Veena Gupta and Shri Pawan Kumar. Shri EDM Menon, CS is the Compliance officer.

All valid requests for transfer received during the year ended 31st March 2005 have been attended to by the Company and no such transfer is pending.

REMUNERATION COMMITTEE

A remuneration Committee has been constituted composing Shri Pawan Kumar (chairman), Shri P. P. Gupta and Shri Nand Kishore Agarwal as Members.