

16th
Annual Report
2005-2006



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

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 Sixteenth Annual General Meeting of the Members of the Company will be held on Wednesday, the 27th September 2006 at 11:30 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, 2006 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 N K Agarwal who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place Shri Pawan Kumar 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 retire at the ensuing Annual General meeting and being eligible offer themselves for re-appointment.

SPECIAL BUSINESS

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

5. AS ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Sections 269, 198, 309 and other applicable provisions, if any, of the Companies' Act, 1956, read with Schedule XIII thereto and subject to such approvals, if any, as may be necessary, Shri Prem Prakash Gupta, Managing Director of the Company be and is hereby re-appointed as Managing Director for a period of five years w.e.f. 1.9.2006 on the terms and conditions as set out in the Explanatory Statement attached to this notice and hereby approved, with liberty to the Board of Directors to revise the terms as to remuneration, from time to time within the limits provided for in the said schedule XIII or any amendments thereof for the time being in force.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary to give effect to this Resolution".

By order of the Board of Directors

Sd/-

(PREM PRAKASH GUPTA)
MANAGING DIRECTOR

Place: New Delhi

Date: 20.7.2006

NOTES

1. A MEMBER ENTITLED TO ATTEND 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 TIME FIXED FOR THE MEETING.
2. The Register of Members and Share Transfer Register shall remain closed for a day, i.e., on 26th September, 2006
3. The Shareholders are requested to communicate to the Registrar & Share 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.



ASHIANA AGRO INDUSTRIES LTD.

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 accompanying Notice and Explanatory Statement are open for inspection at the Regd. Office Company on all working days between 11.00 AM and 2.00 PM upto the date of the Annual General Meeting.

ANNEXURE TO THE NOTICE

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

ITEM NO. 4

Shri Prem Prakash Gupta has been the Managing Director of the Company since inception. His term expires on 31st August, 2006. The Board wishes to re-appoint Shri Prem Prakash Gupta as managing Director for a further period of five years w.e.f 1.9.2006. Accordingly, the Board has re-appointed Shri Prem Prakash Gupta as Managing Director for a further period of five years w.e.f 1.9.2006 in their meeting held on 20th July, 2006, subject to the approval of shareholders in the forth coming Annual General Meeting on the following terms and conditions:-

1. Salary : Rs. 30,000 per month
2. Perquisites:
 - a) **Telephone** : Provision of a telephone at residence will not be considered as perquisite. Personal Long distance calls on telephone shall be billed by the Company.
 - b) **Car with driver** : Provision of a Car for use on company's business will not be considered as perquisite. Use of Car for private purposes shall be billed by the Company.
 - c) **Medical reimbursement** : Expenses actually incurred for self and family subject to ceiling of one month's salary in a year or three months' salary over a period of 3 years.
 - d) **Leave** : One month's leave on full pay and allowance for every 11 months' service with liberty to accumulate such leave for a period of three months and leave encashment for a maximum period of 3 months at the end of the tenure.
 - e) **Club Membership** : Fees of clubs subject to a maximum of two clubs. Payment of admission fee and life membership fees will not be permissible.
 - f) **Reimbursement of entertainment expenses** : Reimbursement of entertainment expenses actually and properly incurred in the course of legitimate business of the company. This will not be considered as perquisite.

Explanation :

'Family' shall mean spouse, dependent children and dependent parents.

The remuneration and perquisites shall be subject to the overall ceiling under Section 198 and 309 of the Act.

In the event of absence or inadequacy of profit in any financial year during the tenure of the Managing Director, salary and perquisites would be paid as above, subject to ceiling limit specified in Schedule XIII of the Companies' Act 1956 as modified from time to time.

Termination : The appointment may be terminated by either party giving to the other party a notice of not less than three months of such termination or by payment of an amount equivalent to 3 months salary in lieu of notice of such termination.



ASHIANA AGRO INDUSTRIES LTD.

The Board recommends passing the resolution. Shri Prem Prakash Gupta, being the appointee, is interested in the Resolution. Smt. Veena Gupta being wife of Shri Prem Prakash Gupta may be deemed to be concerned or interested in the Resolution. No other director is interested or concerned in the Resolution.

This may also be treated as an abstract of the terms of the contract and memorandum of interest in relation to appointment of Shri Prem Prakash Gupta as Managing Director pursuant to section 302 of the Companies' Act, 1956.

By order of the Board

Place : New Delhi
Date : 20.7.2006

Sd/-
(PREM PRAKASH GUPTA)
MANAGING DIRECTOR

BRIEF PROFILE OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE 16TH ANNUAL GENERAL MEETING AS REQUIRED IN TERMS OF CLAUSE 49 OF THE LISTING AGREEMENT.

At the ensuing AGM Shri N.K. Agarwal and Shri Pawan Kumar, Directors retire by rotation and are eligible for re-election. The term of Shri Prem Prakash Gupta, Managing Director expires on 31st August, 2006 and the Board of Directors has re-appointed Shri Prem Prakash Gupta, as Managing Director, subject to approval of Shareholders in the AGM, for a further period of five years w.e.f. 1.9.2006. Brief profiles of above directors under Corporate Governance code are as under :

1. Shri N.K. Agarwal

Shri N.K. Agarwal is a non-executive and Independent Director. He is 62 years old. He is a Science Graduate and Law Graduate with vast experience in Commercial and General Management matters. He is not holding any Share in the Company. He is not holding any other directorship.

2. Shri Pawan Kumar

Shri Pawan Kumar is a non-executive and Independent Director. He is 36 years old. He is a Commerce Graduate. He is not holding any Share in the Company. He is not holding any other directorship.

3. Shri Prem Prakash Gupta

Shri Prem Prakash Gupta is the Managing Director. He has been associated with the Company as Managing Director since inception. He is a Science Graduate. He is 55 years old. He is the Director of Comtech Exports Ltd., Danapur Flour Mills Ltd. and Gupta Nutritions Pvt. Ltd. He is holding 64520 Equity

Shares of the Company constituting 1.40% of the total share capital of the Company.



ASHIANA AGRO INDUSTRIES LTD.

DIRECTORS' REPORT

To the Members

Your Directors take pleasure in presenting their Sixteenth Annual Report and Audited Accounts of the Company for the year ended 31st March 2006

FINANCIAL HIGHLIGHTS

The summarized financial results for the year ended 31st March 2006 are as follows:-

	2004-2005	(Rupees in Lacs) 2005-2006
Total Income	50.77	19.50
Profit(+)Loss(-)before Interest & Depreciation	34.21	(+)10.57
Interest:	3.70	0.89
Depreciation:	0.96	1.72
	(-)4.66	(-) 2.61
Profit (+)Loss(-) for the year	(+)29.55	7.96
Less: Fringe Benefit Tax:	-	0.12
Profit (Loss) after Tax	29.55	7.84
Balance Loss(-) brought Forward from previous year	(-)304.55	(-)275.00
Balance carried to Balance Sheet (Loss)	(-)275.00	(267.16)

The relevant notes on the Account of the Company referred to in the Auditor's 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

Commercial operations of the Company remained suspended during the year under review.

DIRECTORS

Shri. Pawan Kumar and Shri N.K. Agarwal, Directors of the Company retire by rotation and are eligible for re-election. The term of the Managing Director, Shri Prem Prakash Gupta, expires on 31st August, 2006. The Board of Directors, in their meeting held on 20th July, 2006, have appointed Shri Prem Prakash Gupta as Managing Director for a further period of five years w.e.f. 1st Sept. 06 subject to the approval of shareholders on the terms and conditions as set out in the Notice.

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.



ASHIANA AGRO INDUSTRIES LTD.

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.

LISTING OF SHARES

The Equity Shares of your Company continue to be listed at the Bombay Stock Exchange Ltd., Mumbai, Jaipur Stock Exchange., Jaipur, The Delhi Stock Exchange, New Delhi and Magadh Stock Exchange, Patna. Stock Exchange Regulations are complied with from time to time.

REGISTRAR & SHARE TRANSFER AGENTS

M/s. Intime Spectrum Registry Ltd., A-31, 3rd Floor, Naraina Industrial Area Phase 1, New Delhi-110028 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. The Committee continue to hold meetings at regular intervals to sort out all kinds of grievances of investors.

Remuneration Committee

Shri Prem Prakash Gupta, Managing, Director is the Chairman and Shri Pawan Kumar and Shri Nand Kishore Agarwal, Directors are the Members of the Committee. The Committee will hold meetings as and when needed to 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. The Audit Committee met four times during the year on 25.4.05, 25.7.05, 25.10.05 and 27.1.06 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:

Pursuant to Section 217 (2AA) of the Companies' Act 1956, the Directors confirms that 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 31st March, 2006 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.