



ASCENT EXIM (INDIA) LTD.



12th ANNUAL REPORT

2004-2005

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ASCENT EXIM (INDIA) LIMITED

BOARD OF DIRECTOR	:	Ishwar Chand Jain Purshottam Banspal B. P. Sharma
AUDIT COMMITTEE	:	Ishwar Chand Jain Purshottam Banspal B. P. Sharma
AUDITORS	:	NGS & CO. Chartered Accountants, Mumbai
BANKERS	:	The Ratnakar Bank Ltd. Central Bank of India Corporation Bank HDFC Bank
REGISTERED OFFICE	:	Capco Exports Jeevan Sahakar Building, 3 rd Floor, 5, Homji Street, Fort, Mumbai – 400 001.
SHARE TRNASFER AGENT	:	Sharex Dynamic (India) Pvt. Ltd. 17/B, Dena Bank Building, 2 nd Floor, Horniman Circle, Fort, Mumbai – 400 001.

ASCENT EXIM (INDIA) LIMITED

NOTICE TO THE MEMBERS

NOTICE is hereby given that the 12th Annual General Meeting of the members of ASCENT EXIM [INDIA] LIMITED will be held on Tuesday, April 25, 2006 at 10 A. M. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai 400 001 to transact with or without modification[s], the following businesses :

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended October 31, 2005 and the Balance Sheet as at that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. B. P. Sharma, who retires from office by rotation, and being eligible offers himself for re-appointment.
3. To appoint auditors of the Company.

Registered Office:

Capco Exports,
Jeevan Sahakar Building, 3rd Floor,
5, Homji Street, Fort,
Mumbai - 400 001.
January 31, 2006.

For & on behalf of the Board

For Ascent Exim [India] Limited

Director

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NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself and the proxy need not be a member of the Company.

The instrument appointing a proxy should however be deposited at the Registered Office of the Company duly completed not less than forty eight hours before the commencement of the meeting.

2. The Register of Members and the Share Transfer Books of the Company will remain closed from 20/04/2006 to 25/04/2006 (both days inclusive).
3. Members desirous of seeking any information concerning the Accounts of the Company are requested to address their queries in writing to the Company at least seven days before the date of the meeting so that the requested information can be made available at the time of the meeting.
4. Members / Proxies are requested to bring their copies of the Annual Report to the meeting since copies of the Annual Report will not be distributed at the meeting.
5. The Company has listed its shares on Bombay Stock Exchange, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 023 under Security Code No. 511750. The Company is regular in payment of the Listing Fee to the Exchange.
6.
 - a. In view of Circular issued by the SEBI for appointing common agency for both mode of transfer of shares i.e. Physical as well as Dematerialised, the Company has appointed M/s. SHAREX DYNAMIC [INDIA] PRIVATE LIMITED as Registrar & Transfer Agent of the Company. Members are therefore requested to send their grievances to them for early disposal at the address given below
 - b. Members holding Shares in physical form are requested to notify immediately any change in their address with PIN CODE to the Registrar and Transfer Agent of the Company at the address given below AND in case their shares are held in dematerialised form, this information should be passed on directly to their respective Depository Participants and not to the Company.

M/s. SHAREX DYNAMIC [INDIA] PRIVATE LIMITED,
 [Unit : Ascent Exim [India] Limited]
 Dena Bank Building, 2nd Floor, Horniman Circle, Mumbai - 400 023.
 Phones : (022) 2270 2485 Fax : (022) 2264 1349 Email : sharexindia@vsnl.com

7. All documents referred to in the Notice are open for inspection at the registered office of the Company during office hours on all working days except public holidays between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.
8. Members/Proxies holding their Shares in Physical mode are requested to fill the enclosed attendance slip and handover the same at the entrance with signature. In the absence thereof, they may not be admitted to the meeting venue.
9. Members who are holding shares in dematerialised form are requested to bring their Client ID and DP Id numbers for easy identification at the meeting.
10. In all correspondence with the Company, members are requested to quote their Folio No. and in case their shares are held in dematerialised form, they must quote their DP ID and client ID Numbers.

ASCENT EXIM (INDIA) LIMITED

LISTING REQUIREMENTS:

As required under Clause 49 [vi] of the Listing Agreement, given below are the details of the Director(s) who retire by rotation and are eligible for re-appointment (Resolution at Item Nos. 3):

A. Name : MR. B. P. SHARMA.
 Age : 42 [12/12/1963].
 Qualification : M.com.

Mr. B. P. Sharma is associated with the Company since April 7, 2003.
 Other Directorships: NIL.

Committee Memberships:

Audit Committee : Ascent Exim [India] Limited.
 Share Holders Committee : Ascent Exim [India] Limited.

Registered Office:

Capco Exports,
 Jeevan Sahakar Building, 3rd Floor,
 5, Homji Street, Fort,
 Mumbai - 400 001.
 January 31, 2006.

For & on behalf of the Board

For Ascent Exim [India] Limited

Director

Director

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12TH ANNUAL REPORT

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors have great pleasure in presenting their 12th Annual Report together with the Audited accounts for the year ended October 31, 2005.

FINANCIAL RESULTS:

	Year ended 31.10.2005 Rs. In lacs	Year ended 31.10.2004 Rs. In lacs
Gross Total Income	988.53	857.96
Profit before tax	22.87	129.04
Provision for current tax	5.17	-
Provision for deferred tax	[+] 2.69	[-] 36.81
Net Profit	20.39	92.23
Add : Balance brought forward from previous year	17.89	[-] 17.13
Other Adjustments	[-] 0.50	[-] 1.28
Profit available for disposal	37.78	73.82
Transfer to General Reserves	—	5.00
Proposed Dividend	—	45.04
Tax on Dividend	—	5.89
Balance carried over	37.78	17.89

DIVIDEND:

Due to non availability of sufficient surplus, your Directors express their inability to recommend any dividend for the year ended October 31, 2005.

OPERATIONS:

Your Company has achieved a Total Income of Rs. 988.53 lacs as compared to Rs.857.63 lacs for the previous year recording almost increase 15%.

Your Company's confectionary fats exports have been consistent over the last two years and are expected to be in the same line in the coming year. The company has already received orders from its customers for the export and same shall be executed in the coming year. The profitability of the company has got adversely affected in the current year due to various reasons including major writing off of bad debts and balances.

The company has made efforts to explore the new market for its products. The company is expected to get orders from other than its usual customers in the coming years once its samples are approved and the demand for the products grows.

FIXED DEPOSITS:

The Company did not accept any fixed deposits during the year ended October 31, 2005.

BOARD OF DIRECTORS:

As per the provisions of the Companies Act, 1956, and in terms of the Articles of Association of the Company Mr. B. P. Sharma, Director of the Company retire by rotation and being eligible, offer himself for re-appointment.

During the year Mr. Obaykumar Poojary resigned from the board due to his preoccupations. The Board places its appreciation for the services rendered by him during the tenure of directorship.

CORPORATE GOVERNANCE:

The Company has taken proactive steps to ensure that the conditions of Corporate Governance stipulated in Clause 49 of the Agreement for Listing with the Stock Exchange are complied with. A separate report on Corporate Governance together with Auditors' Certificate on its compliance are included in this Annual Report as per Annexure 'B'.

ASCENT EXIM (INDIA) LIMITED

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956 the Directors confirm that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed.
2. Appropriate policies have been selected and applied consistently and judgments and estimates wherever made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the year.
3. Proper and sufficient care has been taken 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 annual accounts have been prepared on a going concern basis.

AUDITORS:

M/s. N G S & CO., Chartered Accountants, Auditors of the Company retires and are eligible for re-appointment.

The Company has received a certificate from them that they are qualified under section 224 (1) of the Companies Act, 1956, for appointment as Auditors of the Company. Members are requested to consider their appointment at a remuneration to be decided by the Board of Directors for the financial year ending October 31, 2006 as set out in the Notice convening the Meeting.

AUDITORS' OBSERVATIONS:

The observations of the auditors contained in their Report have been adequately dealt with in the Notes to the Accounts given in Schedule "M", which are self explanatory and, therefore, do not call for any further comments.

AUDIT COMMITTEE:

In accordance with the provisions of the Listing Agreement and Corporate Governance the Company had constituted an Audit Committee. The Audit Committee acts in accordance with the terms of reference specified from time to time by the Board.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:

The information pursuant to section 217 (I) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988 are not applicable to the Company as the Company is not engaged in manufacturing activities.

Foreign Exchange Earnings: Rs. 272.75 [Pre. Year Rs.182.55 Lacs] - FOB value of Exports of Goods.

Foreign Exchange Outgo: Rs. 22.08 Lacs [Pre. Year Rs.30.71 Lacs] – on account of Commission and Bank Charges.

PARTICULARS OF EMPLOYEES:

None of the employees of the Company came within the purview of the information required u/s 217 (2A) of the Companies Act, 1956 read with the Companies (particulars of Employees) Rules, 1975 as amended.

LISTING:

The Equity Shares of the Company are at present listed with the Mumbai Stock Exchange, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.

The Company is regular in payment of listing fee.

SAFETY, ENVIRONMENTAL CONTROL AND PROTECTION:

The Company has taken all the necessary steps for safety and environmental control and protection at all its plants.

ACKNOWLEDGMENT:

The Directors wish to convey their appreciation to the Company's shareholders, customers, suppliers, bankers, distributors and all the technology partners for the support they have given to the Company and the confidence, which they have reposed in its management and the employees for the commitment and dedication shown by them.

Registered Office:
Capco Exports,
Jeevan Sahakar Building, 3rd Floor,
5, Homji Street, Fort,
Mumbai - 400 001.
January 31, 2006.

For & on behalf of the Board
For Ascent Exim [India] Limited

Director

ANNEXURE – 'A' TO DIRECTOR'S REPORT**MANAGEMENT DISCUSSION AND ANALYSIS****OPPORTUNITIES, THREATS, RISKS, CONCERNS AND OUTLOOK:**

The consumption of chocolate is rising in developing countries like China, Korea, Argentina, Brazil etc. As a result of this the demand for confectionery fats and Cocoa Butter Equivalent is also increasing. The company is discussing marketing of its product in these countries and is hopeful of materializing the new order there. The Indian Government's decision to allow usage of vegetables fats in India is also in the advance stage and it will open up a good domestic market for the company. The supply of confectionery fats depend upon the crop of tree-borne oilseeds i.e. Sal, Mango and Kokum and in case of a poor crop of these oilseeds in India, the company may face problem in supplies of its products from the suppliers.

EXPORTS:

Considered as main thrust area of growth as the Company's brands are gaining acceptability in major markets.

PERFORMANCE OF THE COMPANY:

Even after facing challenges described above the Company managed to achieve a growth in sales to a modest rate, however, could not maintain growth in profitability.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Internal Control Systems are designed to ensure the reliability of financial and other record and accountability of executive action to the management's authorisation. The Statutory Auditors have evaluated the system of internal controls of the Company and have reported that the same are adequate and commensurate with the size of the Company and nature of its business. The internal control systems are reviewed by the top Management and by the Audit Committee of the Board and proper follow up action is ensured wherever required.

CAUTIONARY STATEMENT:

Statement in the Management Discussion and Analysis describing the Company's objectives, expectations, estimates or predictions may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic supply and demand conditions affecting selling prices of finished goods, input availability and prices, changes in Government regulations, tax laws, economic developments within the country and other incidental factors. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis, of any subsequent developments, events or information.

ASCENT EXIM (INDIA) LIMITED

ANNEXURE 'B' TO DIRECTORS REPORT**Report on Corporate Governance****INTRODUCTION**

The Securities and Exchanges Board of India (SEBI) stipulates Corporate Governance Standards for listed companies through Clause 49 of the Listing Agreement of the stock exchanges. SEBI, through circulars dated 29th October 2004 and 29th March 2005, has revised the existing Clause 49 and has mandated listed companies to which the said Clause applies to comply with the revised Clause 49 by 31st December 2005.

As a Company, Ascent is committed to ensuring good Corporate Governance practices in all its dealings and has moved beyond merely meeting mandated regulations and made concerted efforts to meet global standards of corporate governance. In this pursuit, Ascent has already put in place systems and procedures and is fully compliant with the revised Clause 49 well before it becomes mandatory.

This chapter, along with the chapters on Management Discussion and Analysis and Additional Shareholders information, reports Ascent's compliance with existing as well as revised Clause 49 and highlight the additional initiatives taken in line with international best practices.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Ascent's practice of Corporate Governance is based on preserving core values and ethical business conduct. Commitment to maximizing shareholder value on a sustained basis, while looking after the welfare of multiple stakeholders is a fundamental shared value of Ascent's Board of Directors, managements and employees and critical to the company's success. This value system translates into institutionalizing structures and inculcates a culture of transparency, accountability and integrity across the Company.

2. BOARD OF DIRECTORS**Composition of the Board**

As on October 31, 2005 the Ascent's Board consists of 3 members all being Non Executive and independent. The composition of the Board is in conformity with Clause 49 of the listing agreement, which stipulates that 50 per cent of the Board should comprise of non-executive Directors, and if the Chairman is non-executive, one-third of the Board should be independent.

Number of Board Meetings

The Board of Directors met 11 times during the year on 27/11/2004, 03/12/2004, 08/01/2005, 31/01/2005, 28/02/2005, 04/04/2005, 26/04/2005, 30/05/2005, 20/06/2005, 30/08/2005 AND 15/10/2005. The maximum gap between any two meetings was less than 3 months.

Director's attendance record and Directorship held

As mandated by the Clause 49, none of the Directors are members of more than ten Board level committees nor are they Chairman of more than five committees in which they are members. Table 1 gives the details of the Board as on 31st March 2005.

Table 1: Composition of the Board of Directors of Ascent Exim [India] Limited:

Name of Director	Category	No.Of Board Meeting attended	Attendance at last AGM	No. Of Other Directorships Held		Outside Committee Position Held	
				Public	Private	Mem.	Chmn.
*Mr. Obay Kumar Poojary	ED	6	YES	—	—	—	—
Mr. Ishwar Chand Jain	NED	11	NO	—	—	—	—
Mr. Purshottam Banspal	NED	11	NO	—	—	—	—
Mr. B. P. Sharma	NED	11	NO	—	—	—	—
ED stands for Executive Director.							
NED stands for Non Executive Director							
* for part of the year.							