



# **ASCENT EXIM (INDIA) LTD.**



**13th ANNUAL REPORT**

**2005 - 2006**

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## **ASCENT EXIM (INDIA) LIMITED**

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

ASCENT EXIM (INDIA) LIMITED

### NOTICE TO THE MEMBERS

**NOTICE** is hereby given that the 13th Annual General Meeting of the members of ASCENT EXIM [ INDIA ] LIMITED will be held on Tuesday, April 10, 2007 at 11 A. M. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 2<sup>nd</sup> 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, 2006 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. Ishwar Chand Jain, 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, 3<sup>rd</sup> Floor,  
5, Homji Street, Fort,  
Mumbai - 400 001.

For & on behalf of the Board

For Ascent Exim [ India ] Limited

January 31, 2007.

Sd/-  
Director

**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/herself 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 06/04/2007 to 10/04/2007 (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, 2<sup>nd</sup> 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. ISHWAR CHAND JAIN.
Age	:	64 [01/08/1944].
Qualifications	:	B.com.

MR. ISHWAR CHAND JAIN 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:

For & on behalf of the Board

Capco Exports,  
Jeevan Sahakar Building, 3<sup>rd</sup> Floor,  
5, Homji Street, Fort,  
Mumbai - 400 001.  
January 31, 2007.

For Ascent Exim [ India ] Limited

Sd/-  
Director

Report  junction.com

**DIRECTORS' REPORT TO THE SHAREHOLDERS**

Your Directors have great pleasure in presenting their 13th Annual Report together with the Audited accounts for the year ended October 31, 2006.

**FINANCIAL RESULTS:**

<b>Year ended</b> <b>31.10.2006</b> <b>Rs. In lacs</b>	<b>Year ended</b> <b>31.10.2005</b> <b>Rs. In lacs</b>
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Gross Total Income	<b>2371.32</b>	988.53
Profit before tax	<b>[-] 82.70</b>	22.87
Provision for Taxation	<b>6.00</b>	5.17
Provision for Deferred Tax	<b>4.89</b>	[+] 2.69
Provision for Fringe Benefit Tax	<b>0.54</b>	—
Net Profit	<b>[-] 94.13</b>	20.39
Add : Balance brought forward from previous year	<b>37.78</b>	17.89
Other Adjustments	<b>0.23</b>	[-] 0.50
Profit available for disposal	<b>[-] 56.12</b>	37.78
Balance Carried Forward	<b>[-] 56.12</b>	37.78

**BOARD OF DIRECTORS:**

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

**CORPORATE GOVERNANCE:**

The Company has complied with the provisions as stipulated in the amended Clause 49 of the Listing Agreement with the Stock Exchanges. A separate report on compliance of Corporate Governance together with auditors' certificate on its compliance are included in this Annual Report.

**DEPOSITORY SERVICES:**

The Company's Equity Shares are admitted to the depository mechanism of the National Securities Depository Limited (NSDL) and also the Central Depository Services Limited (CDSL). As a result the investors have an option to hold the shares of the Company in a dematerialised form in either of the two Depositories. The Company has been allotted ISIN No. INE138E01012.

Shareholders' therefore are requested to take full benefit of the same and lodge their holdings with Depository Participants [DPs] with whom they have their Demat Accounts for getting their holdings in electronic form.

**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.

## ASCENT EXIM (INDIA) LIMITED

**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, 2007 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 "L", 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 (1) (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- FOB value of Exports of Goods. : Rs. 49.03 [ Pre. Year Rs.272.75 Lacs ]

Foreign Exchange Outgo: Rs. 0.02 Lacs [ Pre. Year Rs. 22.08 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, 3<sup>rd</sup> Floor, Capco Exports,  
5, Homji Street, Fort,  
Mumbai - 400 001.  
January 31, 2007.

For & on behalf of the Board

For Ascent Exim [ India ] Limited

Sd/-  
Director

Sd/-  
Director



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

The Company’s core business is export of confectionery fats in the international market which are produced in India by using vegetable fats like Sal Fat, Mango Fat and Kokum Fat. In the current year, the crop of these Oilseeds was very low and therefore the production of confectionary fat got reduced to very low level. Due to this, the company could not procure confectionery fats from the manufactures in India. As a result of this, the company lost a substantial part of its export income in the year. The company is discussing long term supply arrangements with the manufacturers. The company shall be able to procure a goods amount of confectionery fats in the forthcoming year subject to a normal crop of above-mentioned Oilseeds.

**EXPORTS :** Considered as main thrust area as demand for its products are established in the international market.

**PERFORMANCE OF THE COMPANY:** Due to reasons explained hereinabove, the company could not export its products in the current year. In the other area of activity of the company namely trading in securities, the company could not perform well due to high volatility in the stock market.

**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.

**ANNEXURE ‘B’ TO DIRECTORS REPORT****REPORT ON CORPORATE GOVERNANCE****INTRODUCTION:**

Corporate Governance is based on the principal of integrity, fairness, equity, transparency, accountability and commitment to values. Good governance Practices stems from culture and mindset of the organization.

ASCENT is committed to the adoption of best governance practices and its adherence in the true spirit, at all times. Our governance practices are a product of self-desire and reflected in our strategic thought process.

A detailed report on implementation of the Corporate Governance Code by the Company as incorporated in Clause 49 of the Listing Agreement with the Stock Exchange, is set out below:

The disclosures required by clause 49 of the listing Agreements are as under:

**A) MANDATORY REQUIREMENTS****1. COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE:**

The main object of Corporate Governance is to create transparency and full disclosure regarding the working of the Company. Corporate Governance’s aim is to create long-term value for all stakeholders viz. investors, employees, creditors, customers, Government and society at large. It is crucial to the progress of every business enterprise as it builds confidence and trust, which eventually leads to a more stable and sustained resource flow and long-term partnership with its investors and other stakeholders.

## ASCENT EXIM (INDIA) LIMITED

The Company firmly believes in and continues to practice good Corporate Governance. The Company's essential character is shaped by the very values of transparency, Professionalism and accountability. The Company continuously endeavors to improve on these aspects on an ongoing basis.

## 2. BOARD OF DIRECTORS:

The SEBI has amended the provisions of Clause 49 of the Listing Agreement w.e.f. January 1, 2006 amending the definition of the Independent Directors and also amending various other provisions of the said clause.

With new amended provisions, the composition of the Board of Directors is in compliance with the provisions of Listing Agreement of the Stock Exchange.

As on October 31, 2006 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.

The details of composition of the board, category, attendance of directors at board meetings and last Annual General Meeting, number of other directorships and other committee memberships are given below:

### Number of Board Meetings

The Board of Directors met 5 times during the year on 27/11/2005, 31/01/2006, 27/02/2006, 30/05/2006 AND 30/08/2006.

### 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 31<sup>st</sup> March 2006.

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. Ishwer Chand Jain	NED	5	NO	—	—	—	—
Mr. Purshottam Banspal	NED	5	NO	—	—	—	—
Mr. B. P. Sharma	NED	5	Yes	—	—	—	—

NED stands for Non Executive Director

### Shareholding of Non Executive Directors

The Directors do not have any shareholding in the Company.

As mandated by the revised Clause 49, the independent Directors on Ascent's Board:

- Apart from receiving Director's remuneration, do not have any material pecuniary relationships or transactions with the company, its promoters, its Directors, its senior management or its holding company, its subsidiaries and associates that may affect independence of the director.
- Are not related to promoters or persons occupying management positions at the board level or at one level below the board.
- Have not been an executive of the company in the immediately preceding three financial years.
- Are not partners or executives or were not partners or an executives during the preceding three years of the:
  - Statutory audit firm or the internal audit firm that is associated with the Company.
  - Legal firm(s) and consulting firm(s) that have a material association with the Company.