





RAJ AGRO MILLS LIMITED

CHAIRMAN

SH. RAJ PAUL BANSAL

BOARD OF DIRECTORS

MANAGING DIRECTOR
DIRECTOR (FINANCE)
DIRECTOR (TECHNICAL)
INDEPENDENT DIRECTOR
INDEPENDENT DIRECTOR
INDEPENDENT DIRECTOR

SH. SANJEEV BANSAL
SH. SAHIL BANSAL
SH. VARINDER KUMAR
SH. R.C. SINGAL
SH. S.P. SHARMA
DR. S.K. SURI

COMPANY SECRETARY

SH. SANJAY KUMAR AGGARWAL

EXECUTIVES

GM (TECHNICAL)
GM (FIN. & TAXATION)
GM (COMMERCIAL)

SH. MANMOHAN SINGH
SH. AJAY KUMAR TAGRA
SH. KAMAL SRIVASTAV

STATUTORY AUDITORS

M/s P.C. Goyal & Co.
Chartered Accountants
62, New Lajpat Nagar
Pakhawal Road, Ludhiana (Pb)

State Bank of India
Sales Hub Mid Corporate
SCB Miller Ganj
Ludhiana

State Bank of India
Mandi Kesar Ganj
Ludhiana

COST AUDITORS

M/s Verma, Verma & Associates
EE-255, Panj Peer
Bagh Karam Baksh
Jalandhar City (Pb)

REGISTRAR & SHARE TRANSFER AGENT

M/s Intime Spectrum Registry Limited
A-31, 3rd Floor, Naraina Industrial Area
Phase-I, Near PVR Naraina,
New Delhi - 110 028

REGISTERED OFFICE

C-2/34, West Enclave
Pitampura, Delhi - 110 034

CORPORATE OFFICE & WORKS

Village Pawa, G.T. Road
Near Civil Airport, Ludhiana - 141 120

ADMN. OFFICE

Plot No. 190, Sector 1-A
Gandhidham

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**NOTICE:**

NOTICE IS HEREBY GIVEN THAT FIFTEENTH ANNUAL GENERAL MEETING of the Members of RAJ AGRO MILLS LIMITED will be held on Tuesday, the 27th day of September, 2005 at 10.30 a.m at Hotel Amrapali Grand, 2/16, East Patel Nagar, New Delhi - 110 008; for transacting the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2005 and the Profit & Loss Account for the year ended on that date together with the Report of Directors and Auditors thereon.
2. To appoint a Director in place of Sh. R. C. Singal, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint M/s P. C. Goyal & Co., Chartered Accountants, Ludhiana as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

4. **TO CONSIDER AND IF THOUGHT FIT TO PASS WITH OR WITHOUT MODIFICATIONS THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION.**

"RESOLVED THAT subject to the provisions of Section 149(2A) and other applicable provisions, if any, of the Companies Act, 1956 and subject to such consents as may be necessary or any other statutory modification(s) or re-enactment (s) thereof, the consent of the members of the company be and is hereby accorded by way of Special Resolution, to the commencement of business by the Company as contained in the Other Objects Clause No. III C (1) of the Memorandum of Association of the Company, namely:

III C (I). "To carry on the business of commission agents, general merchants, manufactures and dealers in every description of goods, wares and merchandise, exporters and importers, carriers, store-keepers, forwarding agents, representative or agents of person, firms or company".

RESOLVED FURTHER THAT the Board of Directors or Committee of Directors or any Director or any other person as authorised by the Board of Directors of the Company be and is hereby authorised to take all such effective steps to implement the decision of the members of the company as they may consider appropriate in the best interests of the company and to do all such acts, deeds, things, matters and to execute such documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters concerned or incidental thereto.

FURTHER RESOLVED THAT contracts already entered into by Board for and on behalf of the Company, be and are hereby specifically approved & ratified.

BY ORDER OF THE BOARD OF DIRECTORS

**PLACE : LUDHIANA
DATED : 03.08.2005**

**Sd/-
(SANJAY KUMAR AGGARWAL)
COMPANY SECRETARY**



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/ herself and such proxy need not be a member of the Company.**

Proxies duly executed in order to be made effective must be deposited with the company at its Registered Office/Works not less than 48 hours before the commencement of the Annual General Meeting.

2. Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956 in respect of item of Special Business to be transacted at the forthcoming meeting is annexed hereto and forms part of this notice.
3. The Share Transfer Books and Register of Members shall remain closed from Wednesday, the 21st September 2005 to Tuesday, the 27th September 2005 (both days inclusive).
4. Members desirous of obtaining any information with regard to audited annual accounts of the Company for the financial year 2004-05 or on any other related matters, are requested to write to the Company at least fifteen days before the date fixed for the annual general meeting so that the information required could be kept ready.
5. Members who hold shares in physical form/ dematerialised form are requested to write their Ledger Folio No., / DP / Beneficiary Account Number in all their correspondence with the company.
6. Members holding shares in physical form are requested to dematerialise the shares in electronic form to facilitate faster transfers and avoid rejections for bad deliveries. The company has appointed the following agency as its Registrar and Share Transfer Agent for electronic mode and physical form.

M/s Intime Spectrum Registry Limited,
A-31, 3rd Floor, Naraina Industrial Area,
Phase-1, Near PVR Naraiana, New Delhi- 110 028
Ph No. 011-51410592-94, Fax: 011-51410591
E-mail: delhi@intimes-spectrum.com

7. Members are advised to hold shares jointly to simplify the procedure of transmission in the event of death of any holder.
8. In terms of the Section 205A and Section 205C of the Companies Act, 1956, dividends for the financial year 1996-97, which have remained un-claimed have been transferred to the Investor Education and Protection Fund. Dividend pertaining to the financial year 1997-98, which remains un-claimed for a period of seven years will be transferred to the Investor Education and Protection Fund (IEPF). Reminders with details of un-claimed dividends have already been sent to the Members.

Members who have, till date, not encashed their dividend warrants for the year 1997-98 are once again requested to lodge their claims, if any, with the Company in order to enable us to send the necessary payment. No claim will lie for the amounts so transferred to IEPF.



1. Members attending the Annual General Meeting are requested to bring the following with them (as applicable)
 - a. Members holding shares in physical form, their folio no.
 - b. Members holding shares in dematerialised form their DP & Client ID Number(s).
 - c. The Attendance Slip duly completed and signed in terms of specimen signatures available with the company.
2. **The meeting is for Members or their proxies only. Please avoid being accompanied by non-members, relatives, spouse and children. They will not be allowed to attend the Meeting Hall.**

RE-APPOINTMENT /APPOINTMENT OF DIRECTOR(S)

At the ensuing Annual General Meeting, Sh.R.C.Singal, Director of the Company will retire and being eligible, offer himself for re-appointment of. As per Clause 49 of the Listing Agreement on Corporate Governance, the Company is required to provide a brief resume and expertise of the Director(s), who are being appointed/re-appointed. Accordingly, the detail is given below:

Name of the Director	: Sh.R.C.Singal
Date of Birth	: 27.01.1954
Date of Appointment	: 01.06.1996
Qualifications	: B.Com, MA (Eco.), CAIIB, PGDBM, FCS, FCWA
Experience	: He has vast experience in the field of Corporate Laws and Capital Market. He was also the President of The Ludhiana Stock Exchange Association Limited and is presently Director thereat. Apart from this he is also on Board of various Joint Sector and Private Sector Company(ies).
Chairmanship/Membership of other committees of the Board as on 31st March, 2005	: Chairman - Audit Committee Membership - Remuneration Committee

**RAJ AGRO MILLS LIMITED****EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956
IN RESPECT OF ITEM NO.4 OF THE NOTICE**

The Company intends to commence trading activities in various commodities/goods directly or through Commodity Exchange(s) operating in the country with a view to avail of the opportunities coming its way. As such, in order to validate the commencement of new business as inserted in Other Objects Clause No. III (c) I of the Memorandum of Association of the Company and for taking up such activities as well as for such activities already undertaken by the Board in the best interests of company due to urgency of business, members approval/ratification by way of Special Resolution is required as per Section 149 (2A) of the Companies Act, 1956. Hence, the resolution is proposed for your consideration & approval.

Yours directors recommend to pass necessary resolution as set out in Item No.4 of the Notice as Special Resolution.

None of the directors of the company is concerned or interested in the resolution except as members of the company.

BY ORDER OF THE BOARD OF DIRECTORS

PLACE : LUDHIANA
DATED : 03.08.2005

Sd/-
(SANJAY KUMAR AGGARWAL)
COMPANY SECRETARY



DIRECTORS' REPORT

TO THE MEMBERS OF RAJ AGRO MILLS LIMITED

Dear Members,

The Directors present their 15th Annual Report together with Audited Statement of Accounts for the financial year ended 31st March 2005.

Financial Results

	(Rs.in lacs)	
Particulars	Year 2004-05	Year 2003-04
Sale and Other Income	8988.93	11433.28
Profit/(Loss) before Interest, Depreciation & Tax	199.01	273.33
Interest & Financial Expenses	87.37	64.88
Cash Profit/(Loss)	111.64	208.45
Depreciation	72.28	62.03
Profit/(Loss) before Tax	39.36	146.42
Provision for Current Tax	3.05	7.75
Profit after current tax	36.31	138.67
Provision for Deferred Tax	55.77	9.32
Provision for Deferred Tax (Earlier year)	----	27.76
Provision for Income Tax (Earlier year)	0.03	----
Profit after tax	-19.49	101.59

Performance Review

The results for the year 2004-05 represent that due to 21.38% decline in sales and other income from Rs.11433.28 lacs to Rs.8988.93 lacs, profits before tax fell by 73% from Rs.146.42 lacs to Rs.39.36 lacs. However, your Directors feel confident that the measures adopted alongwith other strategies which are being worked out/followed, will enable the Company to show substantially improved results during the financial year 2005-06.

Dividend

Keeping in view the present constraints and to conserve the resources for future requirements, the Board do not recommend any dividend for the period under review.

Fixed Deposits

During the year under review, the Company has accepted the deposits in accordance with the provisions of Section 58A of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rules, 1975 as amended and no deposits has become due for repayment.



Directors

During the year under review, Sh.Raj Paul Bansal ceased to be a Director of the Company consequent to resignation by him from the directorship of the company. The Board places on record its appreciation for invaluable contribution made by him during his tenure as Director of the Company.

Further, Sh.R.C.Singal, Director of your Company, retires by rotation and being eligible offers himself for re-appointment in terms of Article 115 and 116 of the Articles of Association of the Company.

Listing of Securities

The Equity Shares of the Company are en-listed at the following Stock Exchanges, which provide wider access to the investors nationwide.

- a. **The Delhi Stock Exchange Association Limited, New Delhi**
- b. **The Stock Exchange, Mumbai**
- c. **The Ludhiana Stock Exchange Association Limited, Ludhiana**

The Company has made all the compliances of the Listing Agreements including payment of Annual Listing Fees for the Financial Year 2005-06 to the Stock Exchanges, where the securities of the company are enlisted.

Depository System

Trading in Equity shares of the Company is permitted only in dematerialised form with effect from 26.03.2001. M/s Intime Spectrum Registry Limited, A-31, 3rd Floor, Naraina Industrial Area, Phase-1, Near PVR Naraina, New Delhi - 110 028 has been appointed as Registrar and Share Transfer Agent of the Company.

In view of the numerous advantages offered under the Depository System, members are requested to avail of the facility of dematerialization of Company's shares on National Securities Depository Limited (NSDL) and/or Central Depository Services Limited (CDSL), with which the Company has established connectivity.

Corporate Governance

Your company believes that the great companies are built on the foundation on good governance practices. Corporate Governance is all about effective management of relationship amongst constituents of the system i.e management, shareholders, employees, customers, vendors, regulatory and the community at large. Your company strongly believes that this relationship can be built & strengthen through corporate fairness, transparency and accountability. At your company, prime importance is given to reliable financial information, integrity, transparency, empowerment and compliance with law in letter and spirit.

Securities & Exchange Board of India (SEBI) in its recent efforts to strengthen the Corporate Governance norms has revised the existing Clause 49 of the Listing Agreement. Your company, following the spirit of market regulator and its endeavor to excel through Corporate Governance, is complying with Clause 49. Accordingly, a separate section on Corporate Governance forming part of the Annual Report of the Company is annexed and the Auditors Certificate on compliance with Corporate Governance norms is attached thereto.



Auditors & Auditors Report

M/S P.C Goyal & Co., Chartered Accountants, the Statutory Auditors of the company, retire at the ensuing Annual General Meeting of the company and are eligible for re- appointment as Statutory Auditors to hold office until the conclusion of the next Annual General Meeting of the Company. The company has already obtained certificate from them under Section 224(1B) of the Companies Act, 1956.

The Statutory Auditors of the Company have submitted Auditors Report on the accounts of the Company for the accounting period ended 31st March, 2005, which is self explanatory and needs no comments.

Audit Committee

Presently, the constituent members of the Audit Committee are Sh.R.C.Singal, Sh.S.P.Sharma, Dr.S.K.Suri and Sh.Sahil Bansal, Director (Finance) of the Company. Sh. R.C.Singal has been the Chairman of the said Committee. The Committee met five times during the year under review.

Adequacy of Internal Control

The Company has a proper and adequate system of internal controls to ensure that all assets of the company are properly safeguarded, properly utilized and protected against loss from un-authorized use or disposition and that transactions are authorised, recorded and reported correctly.

Cost Audit

Complying with the provisions of Section 233b of the Companies Act, 1956, the Board of Directors of your company have re-appointed M/s Verma, Verma & Associates, Cost Accountants, Jalandhar City (Pb) as Cost Auditors of the Company to carry out an audit of cost accounts of the Company for accounting year ending March 31,2006, for which the approval of the Central Government has already been obtained.

Conservation of Energy, Technology, Absorption, Foreign Exchange Earning and Outgo

A statement giving details of conservation of energy, technology absorption, foreign exchange earning and outgo under Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is given or appended hereto and form part of this Report.

Human Resource Development

Your company considers human resources as the primary drivers for the growth and development of the Company, therefore, the company is always following the policy of creating a healthy environment and work culture resulting into harmonious inter-personnel relations. The Company maintained healthy, cordial and harmonious industrial relations at all levels throughout the year. There are no employees falling under the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975.



Responsibility Statement of Directors'

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, the statement of the Directors' responsibility on the annual accounts of the company for the period ended March 31, 2005 is provided below:

- a. That in the preparation of accounts for the financial year ended 31st March, 2005, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b. That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss account for that period.
- c. That the Directors had 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.
- d. That the Directors have prepared the annual accounts for the financial year ended 31st March 2005 on a going concern basis.

ACKNOWLEDGEMENTS

Yours Directors wish to convey their grateful appreciation for the cooperation and support extended by customers, dealers, bankers, shareholders and employees across all levels from time to time and for the confidence reposed in management.

The Directors also wish to express their sincere thanks and appreciation to the Central Government, Punjab Government and other Government Regulators for their assistance and support provided to the Company and look forward to their continued support in future too.

**FOR AND ON BEHALF OF THE BOARD
FOR RAJ AGRO MILLS LIMITED**

**PLACE: LUDHIANA
DATE : 03.08.2005**

**Sd/-
(SAHIL BANSAL)
DIRECTOR (FINANCE)**

**Sd/-
(SANJEEV BANSAL)
(MANAGING DIRECTOR)**